



TO: State Council of Higher Education for Virginia

FROM: The University of Virginia's College at Wise

DATE: July 15, 2024

RE: 2024 Updates to UVA Wise's 2023 Six-Year Plan

For 70 years, the University of Virginia's College at Wise (UVA Wise) has remained dedicated to building a community of learners with the drive to serve and lead in their communities. In the College's most recent strategic plan, "Your College for a Lifetime," UVA Wise Chancellor Donna P. Henry specifies that UVA Wise provides an education to empower graduates for the world they live in today and for the world they will inherit and shape in 25, 50, or, perhaps, 75 years.

Since the adoption of that Strategic Plan, and with more than \$12 million invested by the Commonwealth over FY 23 and FY 24, UVA Wise has enhanced its ability to reimagine the college experience for the 21st century. We've delivered on our commitments to historically underserved students for whom a college education may seem like an unattainable goal. A few of the College's recent successes facilitated by the Commonwealth's investment are highlighted below:

- **UVA Wise has increased enrollment year over year and above the College's five-year average.** UVA Wise's Fall 2023 enrollment increased 185 students or 11 percent from the fall of the previous year. Now, the College is seeing not only record application numbers for Fall 2024 but also another anticipated sharp increase in the number of students enrolled.
- **UVA Wise has increased its fall-to-fall retention, working toward an ultimate goal of an increased six-year graduation rate.** The trend in first-time freshman cohort retention rates shows a positive trajectory, with the Fall 2022 cohort achieving a retention rate of 73.5%, marking a steady increase compared to previous years: 70.8% in Fall 2021, 58.9% in Fall 2020, 68.8% in Fall 2019, and 67.4% in Fall 2018. This upward trend underscores the effectiveness of ongoing efforts to enhance student support and engagement. Additional strategies have been employed, including opening an Academic Success Center to support all students, enhancing a campus-wide early alert system for students at risk of withdrawal for academic reasons, adopting a new core curriculum that increases flexibility and streamlines the path to graduation while maintaining the critical elements of a liberal arts education, and enhancing vibrant campus life through growing student organizations. The addition of a co-curricular experiential

learning experience, which includes undergraduate research, internships, community engagement, and/or study abroad, will contribute to a holistic education by integrating academic learning with real-life experiences. Focusing on the first-year experience through our Quality Enhancement Plan (QEP) aims to create a transformative experience that fosters stronger connections during the first year, leading to increased student engagement, improved retention, and higher graduation rates. Harnessing technology for coursework and e-portfolios has also contributed to the College being named an Apple Distinguished School.

- **UVA Wise will not increase tuition and will continue to support students' pursuit of higher education, despite the federal FAFSA delay.** Resources from the Commonwealth, combined with shared resources from UVA, efficient internal budgetary management, and increased tuition revenue, have permitted the College to increase enrollment without increasing tuition to offset inflationary and other cost pressures. The College's financial aid staff have packaged students in advance of delayed data from the FAFSA to facilitate enrollment, especially for students and families who are dependent on federal aid. The College has been able to maintain services without increasing tuition because of the continued successful fundraising efforts of the College's advancement and alumni engagement team.
- **UVA Wise has debuted new academic programs related to employer demand and student interests.** The College recently enrolled its first graduate students in its Master of Education program, which launched in fall 2023. The program enrolled 24 students in its first semester. By spring, 14 students were hooded as the first-ever recipients of graduate degrees at the College's Commencement, while others continued their coursework. Enrollment for the program continues to draw interest, with Fall 2024 enrollment at 33 students.

This spring, UVA Wise also rededicated the newly renovated Don R. Pippin & John C. Wyllie Hall, a state-of-the-art facility which doubles the capacity for the College to train nurses, a critical need for healthcare in our region.

In the answers that follow, College leaders detail how UVA Wise's remarkable momentum has been achieved. However, before moving onto those detailed explanations, it is essential to note two critical, external unknowns that UVA Wise is monitoring to keep our education impactful and affordable for students:

- **Challenges with the Free Application for Federal Student Aid (FAFSA)** may be ongoing and could deter students – particularly the students UVA Wise has historically served – from pursuing higher education, which would have disastrous impacts on the students' lives, the trajectories of their families, and employers in the region.
- **An increase in the Fair Labor Standards Act's minimum annual salary threshold** for overtime pay would increase the salaries of many UVA Wise

employees who do not meet the newly proposed exempt threshold and cause salary compression for numerous other employees. The estimated cost of complying with the proposed federal law exceeds \$750,000, even without considering the significant cost of addressing the resulting salary compression.

Answers to the questions posed and updated requests necessary to maintain cost control and keep tuition flat follow:

1) How have you used the Fact Pack data provided last year with the public, your governing board, students, faculty, etc.?

Fact Pack data was provided to the UVA Wise College Advisory Board, the University Board of Visitors, and UVA Wise Academic Department Chairs and Faculty Coordinators. The Fact Pack has also been used as we revised our liberal arts core, developed strategies to increase our retention and graduation rates, and when setting tuition and fees for the 2024-2025 and 2025-2026 academic years.

2) Have you experienced changes in admissions, enrollment, and retention due to disruptions of the new FAFSA form, and what is your plan to mitigate the impact?

The delay in the release of the 2024 FAFSA and the associated simplification process are significant factors in budget planning. The FAFSA simplification aims to make the application process more accessible, potentially increasing the number of students eligible for federal financial aid. However, the delay in its release could impact the timing of financial aid awards, creating uncertainty in revenue projections from tuition and fees. UVA Wise must account for this variability in its financial planning to ensure that students receive timely support and that the institution can manage its cash flow effectively.

To support UVA Wise students, the college has:

- Extended Admissions and Financial Aid office hours.
- Added virtual ZOOM meetings for student appointments in the Financial Aid Office.
- Packaged students early who received a SAI from the DOE, with the option to re-award if necessary.
- Worked with Third Coast Higher Education and DS Advisors, LLC to address the FAFSA Simplification and new FAFSA application release.

3) Explain any changes in the “Key Metrics at a Glance” and other changes to your Fact Pack you feel are important to highlight.

First-time freshman six-year graduation rates at UVA Wise have increased five percentage points over the last five cohorts, affirming that the initiatives put into place are working. We will continue to develop these strategies to ensure the momentum continues and graduation rates continue to rise.

UVA Wise continues to grow its enrollment over last year, and will exceed its 8% goal in growth over the previous year.

The College will not raise tuition and fees in the next two academic years to aid in keeping higher education affordable to our students, which was largely due to the support of new general fund dollars from the Commonwealth. The cost per student saw an increase due to the addition of new general fund dollars to support growth of new programs, escalation to graduate degrees, as well as programming and support services to promote student success.

4) Please include detailed updates on your cost control measures as noted in the Six-Year Plan follow up including new/ongoing initiatives and where your per student overall expenditure and institutional/administrative expenditures are trending as a result of your efforts.

Ongoing/Updates

- Enrollment: The new strategies being implemented at UVA Wise continue to increase enrollment. As reported, last year the College enrolled more first-time students than any time in the last decade. Retention is growing as well. Increasing the number of students will aid in lowering the cost per student.
- Restructured Auxiliary Debt: In 2020, as an effort to combat the impact of COVID, UVA Wise officials worked with the University of Virginia to restructure the College’s auxiliary debt. With the understanding that auxiliaries would be impacted, and that it would take time after the pandemic to recover, this strategy has aided in keeping auxiliary cost increases low.
- Indirect Cost Recovery Relief: The General Assembly approved the continued relief of indirect cost recovery from Auxiliary services, which allows the College to continue to keep fee increases low for students.
- New Operations: As the College continues to grow, it has also successfully implemented new undergraduate and graduate programs, with new offerings on the horizon as well. UVA Wise reviews its operations at least annually, strategically reallocating existing resources to operate more efficiently. With the

growth in programs and enrollments, the College will generate additional tuition dollars and offset costs to avoid unnecessary increases in tuition.

- Organizational Structure: As the College has continued to grow new programs, vacant positions have been filled and new positions added in strategic areas. While this will increase costs, and it will take more funding to recruit, hire and retain employees in today's environment, this work was necessary to ensure that the student mental health counselors and academic and student support structures are in place to ensure student success. UVA Wise continues to work regularly on cost containment exercises to ensure efficient operations and ensuring positive outcomes.

New Initiatives

- Leveraging University IT Infrastructure: The College is working with the University of Virginia to combine systems and leverage the licensing and buying power to help in containing costs. Currently, email and Microsoft 365 migration projects are underway. The College is also migrating to the University's emergency notification platform by Spring 2025, giving the College a state-of-the-art solution at no cost. These initiatives allow the College to gain efficiencies and lower overall costs as we continue to grow.
- Graduate Program: The College introduced its first master's degree program (M.Ed.), and is working to expand our graduate offerings by developing additional programs such as an interdisciplinary Master of Technology Management and Data Analytics program, a Master's in Nursing (FNP), and new specialized tracks within the M.Ed. program. These efforts aim to meet workforce needs and generate additional revenue, keeping tuition and fee increases to a minimum.

5) Describe the anticipated impact of any new federal or state legislative or regulatory requirements on the institution's finances (e.g., Financial Value Transparency and Title IX regulations).

The Financial Value Transparency and Gainful Employment (FVT/GE) Reporting Requirements are scheduled to begin on October 1, 2024. However, any impacts from this new reporting will not take effect until July 1, 2026. Our understanding at this point in time is that *if* an institution had a failing rate, it's possible that prospective students would see this information and decide not to apply or matriculate. We believe the probability of this occurring is very low. There will be an administrative burden in complying with this new reporting requirement, which the Department of Education has estimated will be about 400 hours to comply with the

October 1 deadline. Our professional organizations (such as NASFAA) have urged the Department of Education to postpone the reporting deadline to July 1, 2025.

- Virginia Military Survivors & Dependents Education Program: With the review of recent legislation enacted by the General Assembly, the funding the College would receive to support the VMSDEP remains uncertain. The program continues to grow in the Commonwealth and at the College, and requires tuition revenue from other students to support the waivers for program participants. General Fund support is critical as the program grows and we work to keep tuition and fees affordable.
- Fair Labor Standards Act: Federal mandates, such as changes in the FLSA exemption status effective July 2024, will also impact the College's budget and planning. The FLSA changes will likely increase labor costs as more employees become eligible for overtime pay. This adjustment necessitates a careful review of staffing budgets and may require reallocating resources to cover the additional expenses. The institution must balance these increased costs with its commitment to maintaining competitive salaries and benefits to attract and retain talent.