**REVISED 2022 SIX-YEAR PLAN NARRATIVE (Part II)**

**INSTITUTION:**  Virginia Cooperative Extension & Agricultural Experiment Station (VCE/VAES)

**Section B. Institutional Mission, Vision, Goals, Strategies, and Alignment to State Goals:** Provide a statement of institutional mission and indicate if there are plans to change the mission over the six-year period.

Provide a brief description of your institutional vision and goals over the next six years, including numeric targets where appropriate. Include specific strategies (from Part 3 – Academic-Financial Plan and Part 4 – General Fund Request) related to the following state themes and goals:

* **Equitable:** Close access and completion gaps. Remove barriers to access and attainment especially for Black, Hispanic, Native American and rural students; students learning English as a second language; students from economically disadvantaged backgrounds; and students with disabilities.
* **Affordable:** Lower costs to students. Invest in and support the development of initiatives that provide cost savings to students while maintaining the effectiveness of instruction.
* **Transformative:** Expand prosperity. Increase the social, cultural and economic well-being of individuals and communities within the Commonwealth and its regions. This goal includes efforts to diversify staff and faculty pools.

Strategies also can cross several state goals, notably those related to improved two-year and four-year transfer, and should be included here. If applicable, include a short summary of strategies related to research. The description of any strategy should be one-half page or less in length. Be sure to use the same short title as used in the Part 3 and Part 4 worksheets. If federal stimulus funds will fund activities and are included in Part 3 as reallocations, please note how they will be used.

**RESPONSE:**

The Virginia Cooperative Extension and the Virginia Agricultural Experiment Station — the two organizations that make up Virginia Agency 229 — play integral roles in Virginia’s land-grant system.

The mission of the Virginia Agricultural Experiment Station is to perform basic and applied research on agricultural, environmental, natural, and community resource issues related to the future needs of Virginia, the region, the nation, and the world.

The Virginia Cooperative Extension helps lead the engagement mission of Virginia Tech and Virginia State University, the commonwealth’s land-grant universities. Building local relationships and collaborative partnerships, the VCE helps people put scientific knowledge to work through learning experiences that improve economic, environmental, and social well-being.

These missions are not expected to change over the six-year period, though continued assessment of the agency’s effectiveness will inform the underlying strategies to ensure that VCE/VAES continues to make a positive impact on the Commonwealth’s citizens and economy.

Strategies: Part 3 – Academic-Financial Plan

The VCE/VAES is a General Fund agency which generates limited nongeneral Fund revenue. The agency’s nongeneral fund share of ongoing costs such as salaries, fringes, and current operations are displayed in Part 3. Strategic initiatives to advance the agency’s impact are detailed in Part 4 as General Fund requests.

Strategies: Part 4 – General Fund Requests

Building resilience in our communities across the Commonwealth is fundamental to the mission of the Virginia Cooperative Extension and Agricultural Experiment Station (VCE/VAES). Supporting the economic prosperity, furthering research and discovery, and educating our citizens leads to greater prosperity in communities that have struggled to keep pace in an innovation-based economy. Virginia’s ability to transform ideas into new enterprises relies upon public investment in targeted initiatives that catalyze research, development, and commercialization. Incremental support provided by the 2022 General Assembly will allow the agency to recruit and expand its Extension Specialist Workforce and make progress towards competitively compensating its Extension Agents. One-time support for critical research equipment provided by the 2022 General Assembly will enable the agency to deploy emerging technologies and test with stakeholders throughout the Commonwealth, ultimately expanding agricultural production.

Reduce the Need for Internal Reallocations - Operation & Maintenance and Inflation

Inflationary cost increases such as utilities and operations have accelerated and will drive substantial costs during the planning period. As a General Fund agency with limited opportunity to generate nongeneral fund resources, the provision of the traditional state share of these costs (95 percent) will mitigate significant internal reallocations (reductions) and maximize the agency’s ability to positively contribute to the Commonwealth’s agriculture and natural resources economy.

**Section C. In-state Undergraduate Tuition and Fee Increase Plans:** Provide information about the assumptions used to develop tuition and fee information the institution provided in the Excel workbook Part 1. **The tuition and fee charges for in-state undergraduate students should reflect the institution’s estimate of reasonable and necessary charges to students based on the institution’s mission, market capacity and other factors.**

**RESPONSE:**

Not applicable to this agency. The VCE/VAES is a General Fund agency which does not generate tuition revenue.

**Section D. Tuition and Other Nongeneral Fund (NGF) Revenue:** Provide information about factors that went into the calculations of projected revenue, including how stimulus funds may mitigate tuition increases.

**RESPONSE:**

Not applicable to this agency. The VCE/VAES is a General Fund agency which does not generate tuition revenue.

**Section E. Other Budget Items:** This section includes any other budget items for which the institution wishes to provide detail. Descriptions of each of these items should be one-half page or less.

**RESPONSE:**

Advance Faculty Salary Competitiveness

Although compensation is only one factor that contributes to the university’s ability to attract and retain the best faculty, it remains the predominant consideration, particularly as Virginia Tech seeks to be a destination for talent. A sustained annual merit program is required for Virginia Tech to achieve the state’s shared goal of reaching competitive compensation of peer institutions. The latest data shows that the university’s actual faculty salary currently ranks at the 30th percentile. The substantial, multi-year compensation increase approved by the 2022 General Assembly will help the university to attract and retain talented faculty.

Increase Staff Salaries

As the post-pandemic economic recovery continues, the pace of hiring in the local labor market continues to increase. Competitively compensating the hard-working support staff at the university is a key factor in ensuring a highly productive and innovative organization. Sustained annual merit processes will support a multi-year strategy to position the university at the median of the competitive market, enabling the university to compete for talented staff that support continued university excellence. The substantial, multi-year compensation increase approved by the 2022 General Assembly will help the university to attract and retain talented staff.

Nongeneral Fund for Current Operations

In addition to known cost drivers in the agency’s plan, the agency assumes that unknown and unavoidable costs will rise over time. These include unfunded mandates, software contract escalation, health and safety cost increases, maintenance expenses, and other unforeseen cost drivers.

Operation & Maintenance of New Facilities

Operations and maintenance support is a primary cost driver in the future budget. Facilities must be open year-round in order for the university to deliver its mission of providing programming for the citizens of the Commonwealth. The agency has two previously approved capital projects that are scheduled to open during the planning period: the Livestock and Poultry Research Facilities 1, and the VA Seafood AREC. Addressing operation and maintenance of facilities will ensure maximum facility service life and the prevention of building deficiencies. In addition, rising costs of contracts, utility service, internet connectivity for off-campus locations, and other mandated or required operating costs must be addressed to maintain the delivery of agency services to the citizens of the commonwealth.

Utility Cost Increases

Rising costs of contracts, utility service, internet connectivity for off-campus locations, and other mandated or required operating costs must be addressed to maintain the delivery of agency services to the citizens of the commonwealth.

**Section F. Enrollment Projections:** Include in this section information about how your institution developed its enrollment projections, whether your institution is concerned about future enrollment trends, and, if so, what planning is underway to address this concern. How have enrollment plans been impacted by the pandemic? For example, does your institution plan on enrolling more online students?

**RESPONSE:** N/A

**Section G. Programs and Instructional Sites:** Provide information on any new academic programs, including credentials and certificates, new instructional sites, new schools, or mergers supported by all types of funding, that the institutions will be undertaking during the six-year period. Note that as part of the revised SCHEV program approval process, institutions will be asked to indicate if a proposed new program was included in its six-year plan. Also, provide information on plans to discontinue any programs.

**RESPONSE:** N/A

**Section H. Financial Aid:** Discuss plans for providing financial aid, not including stimulus funds, to help mitigate the impact of tuition and fee increases on low-income and middle-income students and their families, including the projected mix of grants and loans. Virginia’s definitions of low-income and middle-income are based on HHS Poverty Guidelines. A table that outlines the HHS guidelines and the definitions is attached.

**RESPONSE:** N/A

**Section I. Capital Outlay:** Discuss the impact, if any, that the pandemic has had on capital planning, such as decreasing the need for space or other aspects. Provide information on your institution’s main Education and General Programs capital outlay projects, including new construction as well as renovations that might be proposed over the Six-Year Plan period that could have a significant impact on strategies, funding, student charges, or current square footage. Do not include projects for which construction (not planning) funding has been appropriated. *Special Note: The requested information is for discussion purposes only and inclusion of this information in the plans does not signify approval of the projects.*

**RESPONSE:**

The Virginia Cooperative Extension and Agriculture Experiment Station (VCE/AES) (Agency 229) continues to work with the Commonwealth on solutions to improve research facilities across the agency, ensuring agriculture research and extension continues to meet the needs of the 21st century economy. Agency 229 programs touch every sector of Virginia’s economy. Innovative and applied research, education and training, and direct assistance to Virginians have led to nationwide recognition of Virginia as a producer of superior agricultural products, better business management practices, and environmental stewardship that improves quality of life and attracts millions of tourists annually.

The VCE/AES top priorities for capital outlay improvements call for improved facilities at the Center Woods Research Complex and a system-wide modernization to the Agriculture Research and Extension Center facilities across the Commonwealth.  A brief description of each project is listed below.

* The Center Woods Research Complex project provides critical space for the Department of Fisheries and Wildlife Conservation to advance practices in animals and fish management expected by commercial and government employers. The project includes 25,900 gross square feet of new construction with a budget, in 2022 dollars, of $13.4 million, composed entirely of General Fund support.
* The project to improve facilities for Agriculture Research and Extension Centers includes refurbishing and modernizing the facilities at 10 of the 11 stations across the Commonwealth. These improvements are essential to provide appropriate of laboratory, field support, and field support spaces. The project includes 38,500 gross square feet of new construction and 12,160 gross square feet of renovations, for a total of 50,660 gross square feet. The budget in 2022 dollars is $16.85 million, composed entirely of General Fund support.

**Section J. Restructuring:** Provide information about any plans your institution has to seek an increased level of authority, relief from administrative or operational requirements, or renegotiation of existing management agreements.

**RESPONSE:**

Restructuring opportunities are discussed in detail in the Agency 208 (University Division) submission.

**Section K. Evaluation of Previous Six-Year Plan:** Briefly summarize progress made in strategies identified in your institution’s previous six-year plan. Note how additional general fund support and reallocations were used to further the strategies.

**RESPONSE:**

The VCE/VAES was able to make measured progress towards the goals in the 2019 Six-Year plan submission. While unavoidable cost drivers and fixed cost increases continue to stress the agency, continued investment by the Commonwealth to enhance internet connectivity across its facilities, modernize equipment, and support Agency personnel will enable Agency 229 to increase the efficiency, resiliency, and sustainability of the Commonwealth’s agricultural and natural resources industry.

The VCE/VAES was able to make measured progress towards the goals in the 2019 Six-Year plan submission. While unavoidable cost drivers and fixed cost increases continue to stress the agency, continued investment by the Commonwealth to enhance internet connectivity across its facilities, modernize equipment, and support Agency personnel will enable Agency 229 to increase the efficiency, resiliency, and sustainability of the Commonwealth’s agricultural and natural resources industry. Major efforts were made to establish the Center for Advanced Innovation in Agriculture (CAIA). CAIA’s visionis to foster informed decisions using agricultural technologies and analytics for growth of the agriculture and natural resources industries. Through this vision, we anticipate that CAIA will contribute to increased overall efficiencies, resilience, sustainability, and security of agricultural and food systems. In support of this vision, CAIA’s missionis to leverage science and technology to create transformative solutions to support agriculture and food systems, the environment, and communities throughout the Commonwealth and beyond. The idea behind formation of this Center has grown out of the 2018 Agriculture and Natural Resources. The agency continues to attract industry to the Commonwealth, increase agri-business productivity, produce award-winning research, enhance food safety, and spin off new discoveries. Research and outreach programs conducted by the Virginia Cooperative Extension and Agricultural Experiment Station positively impact citizens on a daily basis Cooperative Extension and Agricultural Experiment Station activities is critical to maintaining the critical competitive and cultural advantages provided by the agency.

Collectively, Agency 229 provides a significant return on investment to the Commonwealth as every $1 of General Fund support generates an additional $1.29 in economic impact. Enhancing state support of the Virginia Cooperative Extension and Agricultural Experiment Station activities is critical to maintaining the critical competitive and cultural advantages provided by the agency. A recent study by the department of Agricultural and Applied Economics at Virginia Tech indicates that 20% of the Commonwealth’s agricultural productivity is due to investment in research and Extension programs through Agency 229.

**Section M. Economic Development Annual Report:** Provide a copy of any report your institution has produced about its economic development contributions.

**RESPONSE:**

Contributions of Agency 229 to economic development are described in the Agency 208 (University Division) submission.

In addition, Agency 229 maintains a website documenting its economic impact in counties throughout the Commonwealth. More information can be found: <https://www.agency229.cals.vt.edu/impact.html>

Additional information on how the Commonwealth benefits from investment in agricultural research is attached.