

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
COMMITTEE ON FACILITIES & FINANCE
10:15 A.M.; THURSDAY, FEBRUARY 8, 2024
Gateway Dining & Events Center
(On the campus of Virginia State University)**

AGENDA

CALL TO ORDERMr. William Murray, Chair

ROLL CALL

INVOCATION (*Pastor Seth Ahmad-McQueen, Director of Campus Ministries*)

APPROVAL OF AGENDA

APPROVAL OF PREVIOUS MEETING MINUTES (if any)
November 16, 2023, Committee Meeting

PRESIDENT'S REMARKSDr. Makola M. Abdullah

DIVISION OF FINANCE.....Mr. Kevin Davenport, Senior Vice President/CFO
Ms. Adrian Petway, Associate VP for Budget & Finance

- Presentation re: Proposed Tuition & Fees for 2024-2025
- Public Comment Period on the Proposed Tuition & Fees for 2024-2025
Speakers' remarks must be relevant to the proposed increase and adhere to the 3-minute time limit.

Information Items:

- o Finance and Facilities Overview
- o Statement of Sources and Uses for Year Ending September 31, 2023
- o Comparative Cash and Reserves for Year Ending December 31, 2023
- o Capital Project Update for Year Ending December 31, 2023

Approval Items:

- o Resolution... Declaring the Intention to Reimburse the Cost of Certain Expenditures

CLOSED SESSION (if any)

OTHER BUSINESS

ADJOURNMENT

2.15.24

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
FACILITIES AND FINANCE COMMITTEE
7 MINUTES
THURSDAY, FEBRUARY 8, 2024**

Call to Order

Mr. William Murray, Committee Chair, called the Finance and Facilities Committee meeting to order at 10:30 a.m. in the Gateway Dining and Events Center on the Virginia State University campus.

Roll Call

A quorum was present.

Committee Members Present:

Mr. William Murray, Chair
Ms. Pamela Currey, Vice Chair
Dr. Valerie Brown (Rector, ex-officio)
Ms. Daphne Meeks
Mr. Thomas Cosgrove

Board Appointees:

Dr. Leonard Githinji, Faculty Representative
Ms. Kailyn Haye, Student Representative

Other Members Present:

Mr. Joseph A. F. Chase, Jr.
Mr. Victor Branch
Dr. Robert Denton, Jr.
Ms. Shavonne Gordon
Dr. Leonard Haynes, III (*electronic communication*)
Mr. Edward Owens (*electronic communication*)
General Dennis L. Via

Dr. Leonard Haynes, III, participated by electronic communication, from Silver Springs, MD, for personal reasons. Mr. Edward Owens participated by electronic communication from South Boston, VA, for medical reasons.

Administration Present:

Dr. Makola M. Abdullah, President
Dr. Tia Minnis, Interim Provost/Vice President for Academic and Student Affairs
Tonya S. Hall, Vice President for Advancement and External Engagement
Kevin Davenport, Senior Vice President for Finance & Administration/Chief Financial Officer
Shawri King-Casey, Vice President for Institutional Integrity & Compliance
Dr. Alexis Brooks-Walter, Vice President for Student Affairs/Enrollment Management
Dr. Annie C. Redd, Chief of Staff/Director, Board Operations & Relations

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INVOCATION

The Chair called Pastor Seth-Ahmad McQueen to deliver the invocation.

APPROVAL OF AGENDA

The Committee approved the agenda by voice vote. The Chair states that there will be a Public Comment Period on the proposed increase in tuition, fees, and room and board rates. Mr. Davenport will present the proposed increase along with supporting information, and then we will allocate time for the Public Comment Period. This is where members of the University Community and the public can share their thoughts with board members about the proposed increase. The board members are here to listen to the comments but will not respond. All Comments must be relevant to the proposed increase in tuition and fees. Any member of the general public who wants to address the board must register.

APPROVAL OF PREVIOUS MEETING MINUTES

The Committee approved the minutes from the November 16, 2023, meeting by voice vote.

PRESIDENT'S REMARKS

Dr. Abdullah thanked everyone for being here and serving Virginia State University.

REPORTS & RECOMMENDATIONS

The Chair called Mr. Davenport to deliver a presentation on tuition and fees. Mr. Davenport presented a proposed increase of 3% to in-state and out-of-state undergraduate and graduate tuition and fees. He noted the purpose of the increase is to offset inflationary pressures and anticipated costs for public safety, health services, and technology. Mr. Davenport presented a slide on the timeline for the proposed increase, including an informational session, a town hall meeting, faculty and staff sessions, a Board of Visitors review, a meeting with VSU Foundation posted a public comment period, and a full Board of Visitors notice.

The Chair asked when the last time was the university increased tuition. Mr. Davenport presented a historical schedule of tuition and fees, noting that tuition was last increased five years ago. Mr. Davenport presented a slide comparing the Consumer Price Index to the Higher Education Price Index to highlight the inflationary pressures over the last 6 years. The Chair confirmed that these numbers compound so that each percentage increase adds to the prior year's base.

Mr. Davenport presented efficiencies in the areas of endowment earnings and local funds utilization, the print contract, energy efficiency, and dormitory efficiency. He noted accomplishments such as increased spending rates for endowment distributions and freeing up idle grant and local funds resulting in efficiencies of approximately \$3.8 million. These savings were in turn used to fund the \$2 million endowment match campaign as well as 805 additional scholars. He thanked VP Hall for her contributions in this area.

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Mr. Davenport explained that consolidating printers and copiers to central locations, including greatly reducing the number of smaller printers, has resulted in savings of about \$305k per year. Mr. Davenport highlighted energy efficiencies of 13% versus 2% realized by peers, noting the rate monitoring, pre-purchasing natural gas, and modernization of facilities as major drivers of these savings.

He thanked Ms. Harris for her efforts in this area. Mr. Davenport commended Dr. Brooks-Walter on her efforts to create 330 additional dormitory spaces across a variety of facilities resulting in efficiencies of approximately \$2.3 million. Mr. Davenport highlighted planned efficiencies in the areas of procurement, further energy efficiencies, umbrella contracts, and academic reviews. A visitor emphasized the value of academic reviews. The visitor stated that, although these processes are often feared, they can be productive exercises in reallocation resulting in major staffing efficiencies.

Mr. Davenport presented several slides comparing the proposed VSU tuition and fee increase to other state institutions. He highlighted the wide range of prices and noted that VSU is the most affordable undergraduate institution in the state. The Chair offered clarification regarding graduate tuition, noting that prices are heavily contingent on the type of programs being offered.

Mr. Davenport presented a series of tables that break down the proposed increase into major categories for tuition, residence life, and comprehensive fees. The line-item justifications presented included unfunded mandates, promotion and tenure, inflationary pressures, public safety, and compliance. He also presented what the in-state, out-of-state, and dormitory rate schedules would look like with the proposed rate increase.

The Chair called for questions from board members and stated he would then call for questions from the public. A visitor thanked Mr. Davenport for this comprehensive report, noting that this is the kind of detail that needs to be offered to support Board members' abilities to make informed decisions. A visitor echoed that the level of detail in this presentation was appreciated. The visitor asked for more explanation of items that have been left off or are not able to be funded by this increase.

Dr. Abdullah re-emphasized the priority to keep tuition low, adding that we have not seriously entertained these sorts of "dream items." However, he noted that there are several academic and athletic programs that we would love to have but for which there does not currently exist funding. He noted plans for the construction of a new residence hall. Dr. Abdullah referenced student comments expressing a desire to see something more tangible because of the proposed tuition increase. He emphasized that the current proposed increase is appropriate given the current objectives and priorities.

PUBLIC COMMENT PERIOD

The Chair opened the floor for questions from the public. Brandon Riley, a VSU alumnus, class of 2008 asked if the university has considered utilizing solar power as a potential cost-saving measure.

Mr. Davenport replied stating that the primary place that the university seeks to realize energy efficiencies is with new projects. He also referenced the goal outlined on the prior slide highlighting facilities modernization as a future priority to attain further energy efficiencies.

There were no other questions from the public. The Chair welcomed Kailyn Haye, President of the Student Government Association, to deliver the perspectives of the students regarding the proposed tuition increase.

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Ms. Haye presented student perspectives on the proposed increase which fell into two general schools of thought. First, some students prefer that the costs stay the same because they do not see a three percent increase, which is primarily aimed at offsetting inflation, as being able to increase quality in a way that will be perceived, such as better transportation options, more parking, improvements to the fitness center, or better WIFI. On the other hand, some students thought that the increase should be higher than what is being proposed. Those with this view generally felt they would prefer an increase at a level where they would be able to see new amenities. Ms. Haye's full statement is attached to these minutes.

There were no additional pre-registered or walk-in speakers to address the proposed increase; therefore, the Chair ended the public comment period.

The Chair noted that the full board is expected to vote on this matter on March 22nd, 2024 @ 9:00 a.m. He noted the deadline for receiving public comments and outlined the acceptable methods of submission for comments. A visitor asked a procedural question on whether the March 22nd, 2024, meeting would be the appropriate time to discuss the proposed increase. The Chair confirmed that, having weighed all the information provided by staff as well as the public comments received, this will be the time that the Board engages in discussion on this item.

FINANCE AND FACILITIES OVERVIEW

The chair called Ms. Petway to deliver a financial update. Ms. Petway stated that her update will cover cash and reserves, investments, and sources and uses. Ms. Petway started with a cash and reserves slide, noting that the balance decreases due to expenditures taking place at a favorable rate in comparison to the budget at this point in the reporting cycle. She highlighted the positive trend in Agency 234 expenditures. Ms. Petway presented a slide summarizing investment for the university and VSU Foundation, noting that balances are up by \$5 million compared to last year. Finally, she presented several slides showing how actual revenues and expenses compare to forecasts, highlighting major components such as instruction, auxiliaries, financial aid, sponsored research, institutional support, agricultural research and extension, operations, and maintenance. She also outlined the plan for spending the remainder of the CARES funds before the federal deadline.

The Chair provided clarification regarding the endowment balances, noting that these funds are mostly restricted for very specific purposes and would not have an impact on the necessity for a tuition increase to fund budgetary priorities. A visitor asked what the indirect cost rate for the university is and how much the university has recovered in indirect costs. The Chair asked that we add this as an agenda item for the next meeting. The Chair summarized the only action item which was the reimbursement resolution for the planned dormitory construction project. The Chair highlighted the parts of the resolution that outline Board action and asked Mr. Davenport to provide some context about the planned financing. A visitor offered some additional context regarding the planned debt structure for the dormitory issue, noting that VSU will receive a favorable interest rate through participation in the state's 9C program. A vote was taken to move this resolution to vote at the full Board.

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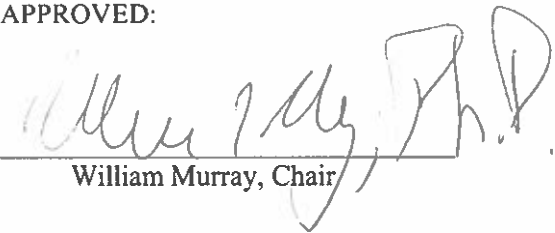
Rector Brown circled back to the proposed tuition increase to offer some closing thoughts. She emphasized that it would be good to see some report or analysis that shows some options for how the students might realize some of their priorities with the proposed tuition raise. She thought it might be useful to look on a case-by-case basis to see what the appropriate raise would need to be for each category (whether this objective can be met within the 3% or not). The Chair asked staff to reflect on these comments and bring forth a list of options. A visitor offered clarification that we should discuss tuition, fees, and auxiliaries, but that several of the requests listed fell in the auxiliary category.

Dr. Abdullah added that, given that many of the students' priorities reside under the comprehensive fee, we would like to sit down with the SGA president and try to meet their needs, which may result in a differential on some fees (for example, an increase of 3% on some fees, and more on others). A visitor raised the question of internships – asking if the university can provide funding to assist students with internships. The Chair thought this would be a good item to discuss more fully at a future meeting.

ADJOURNMENT

With no further business, Chair Murray called for a motion to adjourn the meeting. The motion was received, and properly seconded, and the Committee voted by voice vote. The Chair adjourned the meeting at approximately 2:08 p.m.

APPROVED:



William Murray, Chair

4-25-24

Date