

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
COMMITTEE ON FACILITIES & FINANCE
10:15 P.M.; FRIDAY, APRIL 21, 2023
Gateway Dining & Events Center
(On the campus of Virginia State University)
(No Public Comment Period Scheduled)**

DRAFT AGENDA

CALL TO ORDERMr. William Murray, Chair

ROLL CALL

INVOCATION (*Pastor Graham, Director of Campus Ministries*)

APPROVAL OF AGENDA

APPROVAL OF PREVIOUS MEETING MINUTES (if any)

- February 10, 2023 Committee Meeting

PRESIDENT'S REMARKSDr. Makola M. Abdullah

CLOSED SESSION (if any)

REPORTS AND RECOMMENDATIONS

- Technology Services.....Mr. Maurion Edwards
Chief Information Officer
 - Information Items
 - Technology Services Update
- Division of FinanceMr. Kevin Davenport
Senior Vice President, Finance & Administration/CFO
 - Approval Items:
 - Proposed Operating Budget for 2023-2024
 - Unfunded Scholarships for 2023-2024

OTHER BUSINESS

ADJOURNMENT

4.11.23

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
FACILITIES AND FINANCE COMMITTEE
MINUTES
FRIDAY, APRIL 21, 2023**

Call to Order

Mr. William Murray, Committee Chair, called the meeting of Finance and Facilities Committee to order at 10:00 a.m. in the Gateway Dining and Events Center on the campus of Virginia State University.

Roll Call

A quorum was present.

Committee Members Present:

Mr. William Murray, Chair
Mr. Michael Flemming
Dr. Valerie Brown (Rector, ex-officio)
Mr. Thomas Cosgrove
Mr. Wayne Turnage
Mr. Victor Branch

Dr. Leonard Githinji, Faculty Representative
Ms. Yania Campbell, Student Representative

Other Members Present:

Ms. Pam Currey
Mr. Glenn Sessoms
Dr. Robert Denton, Jr.
Ms. Shavonne Gordon
Dr. Christine Darden (*absent*)
Dr. Leonard Haynes, III
Dr. Harold Green, Jr.
Mr. Jon Moore
Mr. Edward Owens

Administration Present:

Dr. Makola M. Abdullah, President
Dr. Donald Palm, Provost/Executive Vice President for Academic and Student Affairs
Tonya Hall, Vice President for External Relations
Kevin Davenport, Senior Vice President for Finance & Administration/Chief Financial Officer
Shawri King-Casey, Vice President for Institutional Integrity & Compliance
Dr. Annie C. Redd, Chief of Staff/Director, Board Operations & Relations
Dr. Tia Minnis, Vice Provost for Academic Success, Planning & Institutional Effectiveness

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Dr. Robert Corley, Vice Provost for Academic and Student Affairs
Dr. Gwendolyn Dandridge, Asst. Vice President/Director of Communications
Maurion Edwards, CIO/Technology Services
Dr. Alexis Brooks-Walter, Vice President for Enrollment Management
Dr. Tracy Barley, Provost Office
Chief David Bragg, Asst. Vice President/Chief, VSU Police and Public Safety

Legal Council:

Mike Melis, Attorney General

Other Attendees:

Yourdonus James, Office of Conference Services
Rodney Hall, President's Office
Danette Johnson, President's Office
Debbie Jefferson, President's Office
Tina Cabrera, President's Office
Kendra White, Office of Compliance/Policy Analyst
Eldon Burton, IA
Franklin Antonio, Technology Services
Derrick Jennings
Tiffany Gullins, Institutional Advancement
Kendrick Mason, Institutional Advancement
Joyce Wilkins, Provost Office
Joyce Henderson, VSUREF
Adrian Petway, Finance

INVOCATION

The Chair called Pastor Seth Gooden to deliver the invocation.

APPROVAL OF AGENDA

The Committee approved the agenda by voice vote.

APPROVAL OF PREVIOUS MEETING MINUTES

The Committee approved the minutes from the February 9th, meeting by voice vote.

PRESIDENT'S REMARKS

President Abdullah welcomed the board members back to the campus and thanked them for their service.

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REPORTS & RECOMMENDATIONS

The Chair opened by summarizing the plan for the Finance Committee meeting, noting that the major item will be the operating budget.

CLOSED SESSION

The Chair asked for a motion to enter into closed session. The Chair read a statement moving the meeting back into open session, asking for a motion to certify that only the matters outlined in the statement reading the meeting into closed session were discussed. The motion was received and properly seconded. The Committee voted by roll call.

The Chair stated that two motions came out of the closed session discussion. First that the Committee would authorize the CFO to enter into negotiations consistent with the parameters discussed in the closed session. Second, that the Committee would authorize the CFO to set a rate that appropriately reflects the costs of the services being delivered. The Committee voted by roll call to recommend both motions for approval to the Full Board.

The Chair called Mr. Davenport to discuss other items for approval. Mr. Davenport proposed that he present the quarterly items first and introduced Ms. Adrian Petway who presented the quarterly report. Ms. Petway shared the cash status, the investment status, and the sources and uses. She noted that the cash position is away ahead of where it was at this point in the prior fiscal year. She noted that she is projecting there will be approximately \$3 million on the table for Agency 234 at the end of the fiscal year, but stated that she received confirmation from Dr. Corley that Agency 234 has a plan to spend these funds. She noted the plan to apply for a no cost extension for \$5 million in CARES funds, which will likely be used to support residence halls.

Ms. Petway stated that investment balances are recovering, but that there is still considerable volatility in the markets. She presented sources and uses and noted the effect of various Commonwealth allocations on the totals. Ms. Petway acknowledged Ms. Yourdonus James, noting that Conference Services, which had lost money over the last few years during COVID, earned \$750k this year.

The Chair asked a follow up question on Education and General (E&G) funding. The Chair called Mr. Burton for an update on the current state of the budget for the Commonwealth. Mr. Burton referenced several items such as the BOLT Building and tuition moderation on which the university is still waiting for approval. He mentioned that the budget might be completed by June. Dr. Abdullah noted that he is optimistic that the capital projects will be in the budget, but it's not known for sure whether they will be included. Mr. Davenport stated that this budget moves forward under the assumption of the Commonwealth budget that was approved last year as a placeholder. Mr. Davenport presented the key highlights of the proposed operating budget, which included no increases for in-state undergraduate tuition and fees and a 3% increase for out of state tuition and fees. He presented the slide on budgeted head count, noting that the budgeted headcount is increasing to 4,400, adding that we do expect enrollment to grow but want to be conservative with estimates.

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Mr. Davenport presented the projected auxiliary reserves, noting that the year started with about \$50 million in reserves (versus the long-term target of \$20 million). Mr. Davenport showed a forecasted year ending auxiliary balance of \$45 million for FY2023 and \$28 million for FY2024. He summarized various auxiliary drivers such as residence, dining, and comprehensive fee. The Chair asked for an explanation of unfunded scholarships. Mr. Davenport noted that its akin to lowering the sticker price, where the university takes existing revenue and applies to towards scholarships. He added that Ms. Petway has taken a deep look at unfunded scholarships and found that the university is among the lowest in use of this source compared to other Virginia public universities. He also stated that we are most concerned with price sensitivity for out of state students, who have fewer financial aid sources.

A Visitor asked about the comprehensive fee – expressing surprise that 42% of the comp fee goes to Athletics and 14% to Student Health. Mr. Davenport drew attention to legislation called the Cox Bill which regulates the portion of the comprehensive fee that can be used towards Athletics. He noted that there is an ongoing process for ensuring that levels remain below the threshold outline in this legislation. Mr. Davenport noted that Student Health's standing budget was increased by \$350 thousand this year, where COVID funds were used previously. The Chair asked if we require health insurance to students or offer a health insurance product, adding that there can be other available sources of coverage. A visitor asked if there are procedures in place to check if students qualify for Medicaid, adding that this can be useful in determining which hospital would provide care for them. The visitor also noted that a lot of students are coming in with very good health insurance.

There was additional discussion about the University's ability to find mental health providers. Mr. Davenport highlighted further investment in residence halls and improvements to surface parking. The Chair summarized that we are not trying to use auxiliaries as a shadow endowment, but the goal is rather to spend these balances down to a reserve target of about \$20 million.

Mr. Davenport noted the use of local funds to fund about \$4 million in property acquisition. A visitor asked if the university is close to acquiring the residences near the Multipurpose Center. Mr. Davenport confirmed that the university is close to completing these purchases. He presented a breakdown of the proposed budget revenues for FY2024 and the major categories such as E&G, auxiliaries, sponsored programs, state financial assistance, Agency 234, CARES Funds, and local funds. A Visitor asked about E&G levels. He explained how the increases in E&G levels flow into the budget, including the institution's portion of the state salary increases.

The Chair called for a motion to recommend the operating budget for approval by the full Board. The motion was received and properly seconded. The Committee voted by roll call to recommend approval to the Full Board.

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The Chair called for a motion to recommend approval of unfunded scholarships to the Full Board. The motion was received and properly seconded. The Committee voted by roll call to recommend approval.


ADJOURNMENT

There being no further business, Chair Murray called for a motion to adjourn the meeting. The motion was received, properly seconded, and the committee voted by voice vote. The Chair adjourned the meeting at approximately 11:37 a.m.

APPROVED:



Chair



Date