**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS**

**Committee on FACILITIES & FINANCE**

**1:15 P.m.; Thursday, NOVEMBER 14, 2024**

**100 E. Main Street; Norfolk, VA 23510**

 ***(No Public Comment Scheduled)***

**DRAFT AGENDA**

CALL TO ORDER …………………………………………..............Ms. Daphne Meeks, Chair

Roll Call

INVOCATION

APPROVAL OF AGENDA

APPROVAL OF PREVIOUS MEETING MINUTES (if any)

* September 12, 2024, Committee Meeting

PRESIDENT’S REMARKS ……………………………………............Dr. Makola M. Abdullah

CLOSED SESSION……………………………………………………...Real Estate Acquisitions

DIVISION OF FINANCE……………………Mr. Kevin Davenport, Senior Vice President/CFO

REPORTS AND RECOMMENDATIONS

* Approval Items:
* Resolution to Authorize the Acquisition of Properties
* Information Items
* Finance & Facilities Overview
* Statement of Sources and Uses for Quarter Ending June 30, 2024
* Comparative Cash Reserves for the Year Ending June 30, 2024
* Proposed Tuition & Fees for 2025-26
* Capital Project Update for Year Ending June 30, 2024
* Discussion of Bi-Annual Management Reports

OTHER BUSINESS

ADJOURNMENT

11.4.2024

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS**

**Committee on FACILITIES & FINANCE**

**THURSDAY, NOVEMBER 14, 2024**

**CALL TO ORDER**

Ms. Daphne Meeks, Chair, called the Facilities & Finance Committee meeting to order at approximately 1:15 p.m.

**ROLL CALL**

A quorum was present.

**COMMITTEE MEMBERS PRESENT:**

Ms. Daphne Meeks (Chair)

Dr. Valerie K. Brown ( Ex-Officio)

Mr. Victor Branch

Mr. Thomas Cosgrove (Vice Chair)

Mr. Peter McPherson

Mr. Robert Thompson

Mr. Kishore S. Thota ( arrived approximately 2 pm)

**BOARD APPOINTEES:**

Professor Tracy Jackson, Faculty Representative

Mr. Yousif Omer, Student Representative (absent)

**OTHER MEMBERS PRESENT:**

Mr. Victor Branch

Mr. Joseph A. F. Chase, Jr.

Dr. Robert Denton, Jr. (Virtual)

Mr. Jon Moore

Ms. Verndell Robinson

Dr. Denton participated by virtual means from Blacksburg, VA, due to medical reasons.

**ADMINISTRATION PRESENT:**

Dr. Makola M. Abdullah, President

Dr. Tia Minnis, Provost/Vice President for Academic and Student Affairs

Ms. Tonya S. Hall, Vice for Advancement and External Engagement

Mr. Kevin Davenport, Senior Vice President for Finance & Administration/CFO

Ms. 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 Dr. Joseph A. F. Chase 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 meeting on September 12, 2024, by voice vote.

**PRESIDENT’S REMARKS**

Dr Abdullah had no comments.

**REPORTS & RECOMMENDATIONS**

The chair called on Mr. Davenport, who gave a presentation on the changes in the cash and reserve balances between the June 30th and September 30th, 2024 periods. Considering the season, he saw a healthy cash situation. He outlined several key areas, including grant funds, tuition and fees, and state funds.

A Visitor asked for an update regarding the expenditure of the COVID relief funds. Mr. Davenport noted that most funds have expired. However, there is one category remaining that can be utilized.

Mr. Davenport presented the changes in investment balances for the periods ending June 30th, 2024 versus September 30th, 2024. He highlighted the various categories of funds such as University endowment, Foundation endowment, Title III endowment, and the MacKenzie Scott gift.

A Visitor inquired as to why money is split between the Foundation and the University. Background information on the split was given by Mr. Davenport, who also mentioned that the Foundation manages its investments and has its own investing policy. The majority of Foundation funding is donor-endowed and goes toward scholarships, Dr. Abdullah continued.

A Visitor inquired about the MacKenzie Scott donation in relationship to buying more real estate. Mr. Davenport stated that he does not anticipate using this donation to purchase real estate in the future.

In addition to providing updates on progress for all main categories following the first quarter, Mr. Davenport gave a summary of the sources and uses, emphasizing the discrepancies between budgeted and actual amounts. He pointed out that so far, revenue and spending are on pace to reach the budget.

A Visitor inquired as to whether a surplus was anticipated. Mr. Davenport pointed out that we are not anticipating a surplus and that we are facing some difficulties with tuition and fees. A draft tuition and fee statement for 2025–2026 was presented by Mr. Davenport. According to the

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statement, a 3-5% rise is anticipated to address inflationary pressures, as well as advancements in technology and public safety.

Dr. Abdullah gave a thorough explanation of the steps involved in creating the tuition and fee statement in advance of the February meeting. A slide that Mr. Davenport showed Dr. Abdullah illustrated the specifics of this procedure. A chart that illustrates inflationary pressures was provided by Mr. Davenport. He pointed out that clauses allowing them to raise their fees in tandem with CPI are found in many of the larger contracts with outside vendors. He gave a list of all state universities' undergraduate and graduate tuition and fees, pointing out that VSU has the lowest overall costs and some of the lowest tuition. Additionally, Mr. Davenport showed a slide that illustrated the additional revenue that would result from hikes of three, four, and five percent.

According to a Visitor, the university has one of the greatest percentages of Pell-eligible students and the highest general fund appropriation per student, despite having some of the lowest tuition. The Visitor provided more information, pointing out that the school has the oldest buildings of any state university and that 80% of students graduate with debt. "We need a programmatic approach as we push for more state funding," the Visitor said.

The Visitor went on to say that the presentation from the previous year made a strong case for a three percent raise. To support such an increase, more program and academic reviews are required this year. The Visitor underlined that the institution must carry out more due diligence regarding efficiency in light of the JLARC assessment, which revealed that instructional costs had increased by more than 60%.

In addition to thanking the Visitor for his remarks, Dr. Abdullah stated that he specifically wants an administrative and program evaluation to be carried out this year so that the board may better understand VSU's size in comparison to its peers. He said hiring a consultant who can provide this review would be his top priority.

Discussion followed in reference to the HEPI measure, a need for a progressive tuition and fee strategy that looks out four to five years rather than simply one year at a time, the state’s reaction to a proposed increase, and the need to understand the differences between in-state and out-of-

state marketplaces. Additional discussion included whether tuition price rises would affect the amount of money each student received from Pell Grants, consideration of the entire amount of debt that VSU graduates bear, students' debt levels and their impact on public opinion of higher education.

A Visitor thanked Mr. Davenport and said that for the board to assess cost drivers and unfunded mandates, it would be helpful to offer a comparable level of detail about tuition at the February meeting as it was last year. A Visitor wanted background information on how much tuition

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increases hurt the university's ability to accept applications. There is a detrimental impact on the applications that are received, according to Dr. Abdullah.

**CLOSED SESSION**

Chair Meeks asked for a motion to enter closed session for the discussion or consideration of information pursuant to 2.2-3711 (A) (3), relating to the acquisition of real property for a public purpose where discussion in an open meeting would affect the bargaining position or negotiating strategy of the public body. This is pertaining to the leasing and/or purchase of private properties adjacent to the University’s campus. The motion was made, properly seconded and approved by voice vote for the Committee to enter closed session.

Upon returning to open session, the Committee certified that during its closed meeting, the committee discussed only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and only those public business

matters identified in the motion convening the board in closed session. The motion was made, properly seconded, and approved by roll call vote.

**OTHER BUSINESS:**

Ms. Meeks announced the Committee had selected Mr. Thomas Cosgrove as the Vice Chair.

**ADJOURNMENT:**

With no further business, Chair Meeks 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 1:15 p.m.

**APPROVED:**

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**Chair Date**