

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
ELECTRONIC FACILITIES, FINANCE AND AUDIT COMMITTEE
CRRTQXGF MEETING MINUTES
Monday, June 29, 2020
Approved 8/6/2020**

CALL TO ORDER

Dr. Valerie Brown, Chair, called the Electronic Facilities, Finance and Audit Committee meeting to order at approximately 10:10 a.m.

ROLL CALL

A quorum was present.

Committee Members Present:

Dr. Valerie Brown
Mr. Michael Flemming
Mr. Raul Herrera
Mr. Jay Stegmaier (*absent*)
Mr. Gregory Whirley
Mr. Charlie Hill
Mr. Wayne Turnage
Mr. Huron Winstead, Rector (ex-officio)

Administration Present:

Makola M. Abdullah, Ph.D., President
Dr. Donald Palm, Senior Vice President/Provost
Hubert D. Harris, Chief of Staff
Kevin Davenport, Vice President, Finance/Administration/CFO
Regina Barnett-Tyler, Interim Associate VP, Student Success & Engagement
Charmica Epps Harris, Interim Associate VP, Institutional Advancement
Sheila Alves, Chief Audit Executive
Tanya Simmons, Office of Human Resources
Jane Harris, Asst. VP, Finance/Capital Outlay
Dr. Tia Minnis, Vice Provost/Executive Director, OPIE
Eldon Burton, Director, Government Relations
Dr. Annie C. Redd, Special Asst. to President/Board Liaison

Legal Counsel Present:

Ramona Taylor, Asst. Attorney General/University Legal Counsel

Others Present:

Dr. Zoe Spencer, President, Faculty Senate
Yourdonus James, Director, Conference Center
Christy Johnson-Oliver, Student Health Center
Benjamin Houck, Finance
Adrian Petway, Budget Office
Travis Edmonds, Technology Services

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OPENING REMARKS

Dr. Brown indicated that this meeting is being held as part of the 2020-2021 budget approval process as recommended at the May 21, 2020 meeting. She gave opening remarks touching on key issues facing the university including declining enrollment, a possible NIFA liability, the need to hire faculty and staff positions that have been vacant too long, various internal audit findings, the need to cultivate new donors, and the fall 2020 reopening plan. Dr. Brown emphasized the gravity of these matters and their priority for the Committee and stated that she requested today's agenda meeting to be abbreviated to focus on the university's budget and the impact of COVID-19. She asked for a motion to approve the abbreviated agenda.

APPROVAL OF AGENDA

The Committee approved the meeting agenda by roll call vote.

APPROVAL OF MINUTES

The Committee approved minutes from the January 30, 2020 meeting by roll call vote.

PRESIDENT'S REMARKS

President Abdullah thanked the Board members for attending the meeting today. He addressed the fluidity of the current situation with respect to COVID-19, including the recent rise in cases around the country, stating that this trend was not present during the prior discussion. He stated that all measures are being taken to ensure the safety of students. President Abdullah acknowledged Mr. Davenport and his staff for their efforts in preparing for today's meeting.

REPORTS AND RECOMMENDATIONS

Division of Finance

Mr. Davenport reviewed the status of the \$26 million shortfall for VSU as a result of the limited fall opening, expectations regarding enrollment, and new financial information relating to the adjusted housing plan. He stated that the adjusted housing plan, which utilizes additional dormitory spaces versus the prior housing plan, is projected to realize an additional \$4.8 million in housing revenue, bringing the new projected shortfall to \$21 million.

Mr. Davenport then discussed the impact of one-time funding sources, including the portion of the CARES Act funding that is designated for minority serving institutions. He stated that there will be an additional \$9.8 million that can be used for COVID-19 related costs or to offset lost revenue. Mr. Davenport showed the prior year carry forward, showing that the university finished the year with \$3 million in excess cash. He discussed several areas of savings, disbursements of the CARES Act funding designated for students, and expectations regarding reserve balances.

Visitors asked for clarification on the number of students expected to be housed on campus in the adjusted housing plan and how this number compares to the prior year, including an explanation of what

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changed in the thinking to arrive at this higher number of residents. Mr. Davenport stated that the 2,350 expected in the updated plan is about 125 less than what was budgeted last year and about 200 students less than the actual on campus population of last year. Dr. Palm stated that the Residence Life and Nursing areas respectively examined best practices from the American College of Health Association, the Association of College and University Housing Officers International, and other institutions that will allow students to adhere to social distancing in double occupancy rooms. He also indicated that students would be trained in protocols in disinfecting bathrooms.

Visitors asked if the university has approval from the Department of Planning and Budgets that it can use the carry forward in FY20. Mr. Davenport stated that he has received verbal approval and discussed strategies for use of excess funds such as prepayment of certain bills.

Mr. Davenport discussed targeted reductions for academic and non-academic areas including facilities, print management, non-personal services, collections, and vacancies in the Controller's Office, Human Resources, Internal Audit, Development, the President's Office, Technology, Student Affairs, Enrollment Management, and Financial Aid for a total of 3.6 million for non-academic units. He discussed savings and vacancies on the academic side – including Agriculture, Business, Engineering and accompanying non-personal services reductions for each. He clarified that these savings do not include classified employees. The targeted reductions on the academic side include vacancies, reduction in non-personal services, and contracts totaling \$4.4 million. The targeted reductions for academic and non-academic areas would total \$8.03 million.

Visitors asked if for vacancies the university is looking at simply not filling positions or redundant positions. Mr. Davenport stated that it is a combination of both – and that the university leadership is seeking to rebalance and reassign responsibilities, clarifying that classified staff has not been reduced.

Dr. Spencer stated that the Faculty Senate is very concerned about academic cuts, emphasizing the high number of vacancies and term contracts that are not being renewed. She explained that in a 2018 Board of Visitors meeting, a report was presented that showed concern that faculty positions were not being replaced and that term positions were being used to replace tenure track positions that are not being filled. She emphasized that the Faculty Senate is concerned that these reductions will have impact on the quality of instruction.

Visitors followed up with questions and concerns about the level of cuts and where additional money would be allocated. Dr. Palm replied that the cuts have been very difficult but that care has been utilized to ensure continued quality of instruction. He explained that each department chair and the college deans were involved in the exercise with respect to providing continued quality instruction in their respective area. He stated the objectives to reactivate vacancies in the future and also use adjunct faculty to cover certain classes.

Visitors expressed concern that they were under an impression from prior discussions that more budget was being added to academics. Dr. Abdullah provided an explanation of new expenditures versus areas facing cuts. He outlined the strategic differences in a normal operating budget versus a strategic budget

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in response to COVID-19. Visitors expressed a desire to discuss concerns over reducing the baseline budget, either offline or being presented with a more definitive answer in the July meeting.

Dr. Spencer discussed the amounts of funding being cut from various departments, requesting more detailed itemization for how these cuts will be implemented. She also emphasized the heavy teaching load currently carried by the faculty.

Dr. Palm stated that some reductions are due to a shortened semester and a reduction in the scope of activities provided versus a normal semester, emphasizing that deans and chairs will work through adjusted budgetary plans.

The Rector thanked staff for their efforts. He also recognized Ms. Ramona Taylor for five years of service to the university as legal counsel and wished her good luck and Godspeed as she moved into a new season of her career in the Attorney General's Office.

Dr. Abdullah echoed the Rector's remarks thanking Ms. Taylor. He also made several clarifying remarks regarding heightened freshman interest for the upcoming year and the double occupancy room utilization.

The Chair offered comments and perspective on prudent financial management and being better stewards of resources. She also charged those concerned with cuts to assist in providing alternative solutions, reemphasizing the need to prioritize spending given the reality of the additional budget required for student safety and the transition to heavy use of online learning.

ADJOURNMENT

There being no further business, the Chair adjourned the meeting at approximately 1:14 p.m.

Valerie Brown (acr)

Dr. Valerie Brown, Chair

8/6/2020

Date