



# VCU

## Board of Visitors

### VIRGINIA COMMONWEALTH UNIVERSITY BOARD OF VISITORS

September 5, 2024

1:00 p.m.<sup>1</sup>

Scott House

909 West Franklin St.

Richmond, VA

### AGENDA

- |   |  |
|---|--|
| 1. <b>CALL TO ORDER &amp; WELCOME REMARKS</b><br>15 minutes (1:00 – 1:15 p.m.)        | <b>Hon. Todd Haymore</b> , <i>Rector</i>   |
| 2. <b>BOARD EXPERIENCE</b><br>5 minutes (1:15 – 1:20 p.m.)                            | <b>Mr. Anthony Bedell</b> , <i>VCU Board of Visitors Member</i>  |
| 3. <b>PRESIDENT’S REPORT</b><br>20 minutes (1:20 – 1:40 p.m.)                         | <b>Dr. Michael Rao</b> , <i>President</i>  |
| 4. <b>BOARD MEMBER DUTIES &amp; RESPONSIBILITIES</b><br>30 minutes (1:40 – 2:10 p.m.) | <b>Ms. Stephanie Hamlett</b> , <i>University Counsel</i><br><b>Ms. Suzanne Milton</b> , <i>Chief Ethics and Compliance Officer</i> |
| 5. <b>ACADEMIC AFFAIRS</b><br>30 minutes (2:10 – 2:40 p.m.)                           | <b>Dr. Fotis Sotiropoulos</b> , <i>Provost and Senior Vice President for Academic Affairs</i>                                      |
| 6. <b>HEALTH SCIENCES</b><br>10 minutes (2:40 – 2:50 p.m.)                            | <b>Dr. Marlon Levy</b> , <i>Interim Senior Vice President for Health Sciences and CEO of the VCU Health System</i>                 |

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<sup>1</sup> The start time for the Board of Visitors meeting is approximate only. The meeting may begin either before or after the listed approximate start time as Board members are ready to proceed.

7. **UNIVERSITY BUDGET**  
30 minutes (2:50 – 3:20 p.m.)

**Dr. Meredith Weiss**, *Senior Vice  
President for Finance and  
Administration and CFO*

8. **DISCUSSION AND Q&A**  
40 minutes (3:20 – 4:00 p.m.)

**Board of Visitors Members**

9. **ADJOURNMENT**

**Hon. Todd Haymore**, *Rector*



# Legal Duties & Responsibilities

September 5, 2024

Stephanie Hamlett, University Counsel – Office of University Counsel



# Office of University Counsel

**Jake Belue**  
**Kristen Calleja**  
**Thomas Cantone**  
**Stephanie Hamlett**  
**Sarah Johns**  
**Bill Norris**



# University Counsel Services

## ► Represent Virginia Commonwealth University on:

- Contracts and Business Transactions
- Development/Foundations
- Labor and Employment
- FOIA
- Research Compliance
- Intellectual Property Issues
- Student and Faculty Issues
- Civil Rights (all the “Titles”)
- Litigation

## ► We can only handle legal matters related to University business

## ► While there are matters of common interest with the VCU Health System where we might work with their counsel, University Counsel does not represent the VCU Health System



# Legal and Compliance Challenges for Higher Education

- Accounting
- Accreditation
- Affirmative Action
- Athletics
- Campus Safety
- Conflicts of Interest
- Copyright and Fair Use
- Disabilities and Accommodation
- Donor and Gifts
- Environmental Health and Controls
- Export Controls
- Financial Aide
- Foundations
- Governance
- Grant Management
- Health Care and Insurance
- HEOA Obligations
- Human Resources
- Immigration
- Information Technology
- Intellectual Property and Technology Transfer
- International Programs
- Lobbying and Political Activities
- Privacy/Records
- Program Integrity Rules
- Research
- Sexual Misconduct
- Tax Compliance
- Telecommunication



# What does the law say?

## Board Powers and Duties

- **§ 23.1-2305**
- Appoint all teachers, staff members, and agents, fix their salaries, and prescribe their duties
- Generally direct the affairs and business of the University
- Confer degrees, including honorary degrees
- Receive gifts

# What does the law say?

## Executive Committee Responsibilities

- **§ 23.1-1306**
- Organize working processes and recommend best practices for governance
- Review the board's bylaws and recommend amendments
- Advise board on committee structure, appointments, and meetings
- Develop orientation and continuing education process
- Develop and monitor compliance with a code of ethics for board members
- Develop a set of qualifications and competencies for membership

# Code of Virginia – Educational Requirements

- **§ 23.1-1304**
- SCHEV delivers annual educational programs for governing boards
- New members must attend at least once within first two years
- Nineteen elements of educational program

# Code of Virginia – Educational Requirements

- **Term and Conduct**

- Two full terms, then waiting period of four years
- Board Policy on Ethical Leadership
- Process for removal without sufficient cause for absence

- **Removal for:**

- Failure to attend meetings for one full year
- Failure to attend SCHEV orientation in first two years
- Malfeasance, misfeasance, incompetence, or gross neglect of duty





# VA Freedom of Information Act (FOIA)

- What Every BOV Member *Absolutely Must* Know about FOIA:
- All **meetings** must be open
- All **records** must be available to the public – the format or medium does not matter

# Importance of Compliance

- BOV records have become a target of interest to:
  - Faculty & Students
  - Press
  - Alumni
  - General Assembly and other Elected Officials
- Meetings not handled appropriately = Board actions could be challenged
- Negative publicity for the university
- Perceived violation of public trust
- Possible fines for deliberate actions



# Meetings

- All meetings of public bodies must be open with public access permitted *unless there is a specific statutory exemption*
- What is a meeting?
  - When three or more members are gathered, and
  - Public business is discussed
- It doesn't have to be a "Meeting" to be a meeting (social events, unplanned conversation at coffee shop)

# Requirement for a Legal Meeting

- Meetings Must Be “Noticed”
- Three *working days*’ notice
- Posted in 4 specific public places
- Public has the right to attend
- Agenda materials must be available at the same time they become available to the board members
- Minutes must be recorded and posted on VCU website



# Meetings: *What does this mean to me?*

- Cocktail parties and golf games?
- Avoid discussion of Board or Board Committee business between *three or more* members
  - - in person
  - - telephone
  - - internet chat **or email**

# Electronic and Telephone Meetings

- Generally, meetings in person are preferred and more productive
- BOV may have limited number of electronic meeting and a policy reviewed annually to do so is required (VCU policy adopted March 23, 2023 and will be considered at the September 2024 meeting)
- Also, there are circumstances that allow BOV members may call in when a quorum of the BOV is physically present
- The notice required for electronic meetings is 3 working days –same as for all forms of meetings
- Very specific requirements exist for electronic meetings and meetings in which individual BOV members participate electronically

# Electronic and Telephone Meetings In A State of Emergency Exception

- If the Governor has declared a State of Emergency in accordance with Va. Code § 44-146.17, a board may meet without a quorum in one location if:
  1. The catastrophic nature of the declared emergency makes it impracticable or unsafe to assemble a quorum in a single location; and
  2. The purpose of the meeting is to provide for the continuity of operations of the public body or the discharge of its lawful purposes, duties and responsibilities
- Additional notice, comment, and access requirements apply to these meetings

# Closed Meetings

- Common exemptions for closed meetings
  - Legal advice on specific legal matters/probable litigation
  - Discussion of contract negotiations
  - Discussion of certain items related to VCU Health System Authority 2.2-3711(A)(23)
  - Discussion of ***identifiable*** employees or applicants
  - Discussion of ***identifiable*** students or student discipline matters





# Requirements for Closed Meeting

- **Motion for closed session must include three elements:**  
(i) citation to the statutory exception; (ii) general topic (e.g. personnel); (iii) specific matter to be discussed (e.g. evaluation of the President)
- Board/Committee may discuss **only matters identified in the motion** to go into closed meeting – even if subject would otherwise qualify for a closed meeting discussion
- **Certification** required after closed meeting
- Any action the BOV wishes to take as a result of discussion in closed session must be **voted on in open session**

# Closed Meetings: *What does this mean for me?*

- Remember the stated purpose of closed meetings, and do not stray from that discussion
- Gently remind others if discussion strays
- Cast a truthful certification vote
- Legal counsel cannot play “FOIA cop” but should be relied upon for guidance
- There are no *legal* prohibitions to BOV members discussing *most* closed session items outside of the meeting. BOV members should consider their obligations to the Commonwealth and VCU in doing so
- Closed items not to be discussed would typically involve those that are privacy related such as student records (FERPA) or personnel matters



# Public Records

- All public records not subject to a specific exclusion/exception must be made available to the public upon request
- Public records - *anything* that records *any* public business
  - - letters or other documents
  - - handwritten notes
  - - video/audio recordings
  - - emails
  - - text messages
- Location doesn't matter (at the University, home, office, personal devices, etc.)



# What is a “FOIA Request”?

- Any request from any eligible person (Virginia citizen or certain media)
- Does not have to be a written request – oral is fine
- Need not reference “FOIA”
- Five workdays to initially respond
- Can charge reasonable fees, but this rarely covers actual costs
- Report any records request *immediately* to the Rector and Board staff, even if you are not certain if it is a FOIA request

# Records: What does this mean for me?

- Be thoughtful about what you write in email, notes, memos
- Favor telephone over email
- Use your official VCU email for VCU business; or keep all VCU business communications in a separate folder if you use a personal or business account
- Do not trash or delete official messages/documents - state law requires preservation of records for certain time periods



# Records: What does this mean for me?

- Expect that some communications will come to you from legal counsel to maintain confidentiality/privilege
- If you share a privileged communication with someone else, privilege may be lost – ask counsel before sharing
- If you need to communicate regarding a difficult issue via email, work with the Rector and copy legal counsel for review/advice

# Email and social media can be a record and a meeting!

- Simultaneous e-mail or texting can easily result in discussion between “more than two members” = *Illegal* meeting
- Social media interactions may result in a meeting (e.g. “liking” posts)
- Recommendation
  - - Use the telephone when possible!
  - - Avoid e-mail to more than one member when possible
  - - ***Never*** use REPLY ALL

# Questions?



# Audit and Compliance Services

Orientation for Board of Visitors  
September 2024



# Audit and Compliance Services

- University and Health System Responsibilities
- Reports to both Boards (BOV and BOD)
  - Provides audit, integrity and compliance operations on behalf of the Boards
  - Executive Director is accountable to the Boards through their respective audit and compliance committees
- University Functions
  - University Audit and Management Services (Internal Audit)
  - Integrity and Compliance Office

# University Audit and Management Services (Internal Audit)

- Institute of Internal Auditor's *International Standards for the Professional Practice of Internal Auditing*
- Risk-based audits of information systems, financial and compliance controls
- Investigative reviews, special requests, advisory services
- Audit reports provided in Audit, Integrity and Compliance Committee materials

# Integrity and Compliance Office

- Oversees VCU's Compliance and Ethics Program
- Utilizes/coordinates compliance partners throughout the University
- Case management system tracks and provides visibility into reports of concern
- Provides leadership guidance on creating an ethical, “speak up” culture
- Compliance Program based on Chapter 8 of the US Department of Justice *Federal Sentencing Guidelines* – Eight Elements of an Effective Compliance Program

# 8 Elements of an Effective Ethics/Compliance Program

- Standards & Procedures – Code of Conduct, written policies and procedures
- Oversight – designated compliance officer and Board compliance committee
- Education & Training – education program on policies and expectations
- Reporting – methods to communicate, investigate concerns without fear of retaliation
- Monitoring & Auditing – track policy updates, analyze trends, survey employees, test controls
- Enforcement and Discipline – enforce standards by taking appropriate action
- Response and Prevention – analyze violations, refine or adopt policies and controls, provide additional training
- Risk Assessment-analyze and mitigate risks, ensure program is focused on organization's risks, continuous updating

# Code of Conduct

The Code of Conduct articulates the ethical standards expected of all employees. Failing to meet these standards, whether intentional or inadvertent, can result in misconduct that requires disciplinary action

The Code of Conduct derives from VCU's Expectations of Ethical Conduct Policy, which is approved by the Board of Visitors

- Respect – respect individuals, diversity and the rights of others
- Honesty – act and communicate honestly and candidly; do not mislead others
- Excellence – strive for excellence in all that we do
- Responsibility and Accountability – responsible and accountable for our decisions and actions
- Stewardship – good stewards of the resources entrusted to VCU
- Compliance – understand and comply with codes, laws, regulations, policies and procedures



# Typical Oversight Questions

- How does VCU's compliance program compare to its peers?
- What are our most significant risks and how are we mitigating them?
- How are we monitoring and responding to misconduct?
- Are we effectively communicating our ethics and compliance commitment?
- How do senior leaders determine which risks to report to the Board?
- How is the Board assured that controls for key risks are working?
- How does VCU measure or assess organizational culture, and how do we drive improvement?

# Sources of Board Oversight Best Practices

**Caremark** - applies to corporate boards, but good standard for public boards

Oversight duty:

- i. confirm information and reporting is adequately designed to ensure the Board is timely informed of appropriate information
- ii. sufficiently monitor and oversee operations to be informed of risks and problems requiring attention – also referred to as “red flags”



# Sources of Board Oversight Best Practices

## Department of Justice – Federal Sentencing Guidelines Chapter 8 – Effective Compliance and Ethics Program

Board must be knowledgeable about the organizations compliance and ethics program and exercise reasonable oversight regarding its effectiveness

# Sources of Board Oversight Best Practices

## **Association of Governing Boards of Universities and Colleges (AGB)**

Knowledge Center provides information about Board member roles and responsibilities, including questions Board members should ask in fulfilling their fiduciary duty

# Conflicts of Interest

## VCU Board of Visitors Bylaws

### ARTICLE IV CONFLICT OF INTEREST COMPLIANCE

Each member of the Board shall comply with state statutes regulating conflict of interest which may include filing an annual financial disclosure statement and completion of required conflict of interest training.

# Conflicts of Interest

A Conflict of Interest (COI) occurs when outside interests or relationships (financial, personal, or other) create a risk that professional judgment or actions regarding university interests will be, or may appear to be, unduly influenced by a secondary or personal interest. Conflicts can occur in fact or appearance.

Some relevant state statutes:

- You shall not have a personal interest in a contract with VCU (2.2-3106 A.)
- You shall not have a personal interest in any contract with any other state agency unless the contract is competitively awarded (2.2-3106 B.)

# Prohibited Conduct (Code of Va § 2.2-3103)

- Solicit or accept money or other thing of value for your Board services, except the expenses paid by VCU
- Offer or accept any money or other thing of value for or in consideration of:
  1. obtaining employment, appointment, or promotion of any person
  2. using your Board position to obtain a contract for any person or business
- Use for your own economic benefit or that of another party confidential information that you have acquired from your Board position and which is not available to the public
- Accept any money, loan, gift, favor, service, or business or professional opportunity that reasonably tends to influence you in the performance of your Board duties;
- Accept any business or professional opportunity when you know there is a reasonable likelihood that the opportunity is being afforded you to influence you in the performance of your official duties;
- Accept any honoraria for any appearance, speech, or article in which you provide expertise or opinions related to the performance of your Board duties
- Accept a gift from a person who has interests that may be substantially affected by your Board duties under circumstances where the timing and nature of the gift would cause a reasonable person to question your impartiality in the matter affecting the donor.
- Accept gifts on a basis so frequent as to raise an appearance of using your Board position for private gain.
- Use your Board position to retaliate or threaten to retaliate against any person for expressing views on matters of public concern or for exercising any right that is otherwise protected by law



# Conflicts of Interest

- You are expected to disclose conflicts to protect you, to be compliant with Board bylaws and state statutes, and to protect VCU
- Conflicts are not inherently bad
- Disclosing potential conflicts, both in fact or appearance, early allows you to work with Chelsea, legal and others to assess and manage it and reduce risk
- VCU will be proactive with reminders when a Board topic may present conflicts
- You should complete the annual Ethics Council disclosure and report additional potential conflicts to Chelsea as they occur throughout the year.

# Virginia Conflict of Interest and Ethics Advisory Council

- Annually file a financial disclosure between 1/1 and 2/1
- All disclosures are maintained on a public facing website
- Disclosure includes:
  - Businesses that compensate you (employment, officer payments)
  - Business interests with value in excess of \$5,000
  - Real estate except your principal residence (\$5,000)
  - Businesses you represent before any state agency where you were compensated (\$5,000)
  - Businesses where someone with whom you have a close financial association represented before any state agency where they were compensated (\$5,000)
  - Virginia businesses in which you provided services and received compensation (\$5,000)
  - Sources from which you received lodging, transportation, money or anything of value in excess of \$100 in connection to a meeting or event in your official capacity with VCU



# VCU Conflict of Interest Policy

- VCU employees shall not engage in prohibited conduct (Code of VA)
- VCU employees in a position of trust must disclose conflicts as they arise, and also annually. Items requiring disclosure:
  - Outside professional activities, such as consulting
  - Situations (relationships, financial or employment activity) that conflicts with their work at VCU
- Position of trust includes senior academic/administrative position, teaching and research faculty, institutional review board members, police professionals, audit and compliance staff, buyers, contract administrators, individuals with signatory authority



# Questions?

## Principles of Trusteeship: How to Become a Highly Effective Board Member for Colleges, Universities, and Foundations



## Principles of Trusteeship: How to Become a Highly Effective Board Member for Colleges, Universities, and Foundations

	Fiduciary	Team Member	Individual
<b>UNDERSTAND GOVERNANCE</b>			
<b>1. Embrace the full scope of your responsibilities as a board member.</b>	Fulfill your fiduciary responsibilities.	Recognize that governance is a collective endeavor.	Prepare in advance, show up fully present, and participate productively.
<b>2. Respect the difference between the board's role and the administration's role.</b>	Honor the academic norm of <i>shared governance</i> , which includes the president, administration, and faculty.	Be humble and respect your partners in governance and leadership.	Provide advice and counsel but leave operational decisions to the administration.
<b>3. Be an ambassador for your institution and higher education.</b>	Advocate on behalf of your institution and higher education.	Represent the institution proudly and recognize who speaks for the board and for the institution.	Engage actively and appropriately.
<b>LEAD BY EXAMPLE</b>			
<b>4. Conduct yourself with impeccable integrity.</b>	Act in the institution's best interests, putting them ahead of your personal preferences and political allegiances.	Preemptively disclose conflicts—actual and perceived—and dualities of interest.	Uphold the highest ethical standards.
<b>5. Think independently and act collectively.</b>	Constructively challenge <i>and</i> support the president, administration, and committees.	Speak up on important issues, even if they are uncomfortable or unpopular.	Express your concerns diplomatically to the appropriate person(s) at an appropriate time.
<b>6. Champion justice, equity, and inclusion.</b>	Protect and promote justice and equity throughout the enterprise.	Seek diversity and model inclusion on the board.	Be mindful of how your experience shapes your assumptions.
<b>THINK STRATEGICALLY</b>			
<b>7. Learn about your institution's mission, constituents, culture, and context.</b>	Shape your institution's vision and strategy based on its unique purpose and constituents.	Understand the present state of the enterprise and focus on its future needs.	Become a student of higher education.
<b>8. Focus on what matters most to long-term sustainability.</b>	Make decisions based on the strategy and vitality of the entire enterprise.	Help define what constitutes success for your institution.	Focus your personal and professional talents on significant strategic issues.
<b>9. Ask insightful questions and listen with an open mind.</b>	Pose the right questions, rather than prescribe answers.	Listen actively and seek to understand.	Bring genuine curiosity and an open mind to board service.

AN ANATOMY OF  
GOOD BOARD GOVERNANCE  
IN HIGHER EDUCATION



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## FOREWORD

**OVER THE YEARS**, many have advocated on behalf of essential attributes of board governance in higher education. As a leading proponent of appropriate board engagement in the challenges confronting the academy, the Association of Governing Boards of Universities and Colleges (AGB) has always emphasized the responsibilities that pertain to governing boards as fiduciary bodies. Today, as public skepticism about the value of higher education is growing and the internal stresses facing our colleges and universities are becoming more complex—and when both developments are often the subject of high-profile media coverage—boards need clear guidance on the expectations of board governance. This new AGB publication provides just such clarity.

*An Anatomy of Good Board Governance in Higher Education* focuses on three key essentials for all governing board structures: ensuring that boards have the best people serving on them, that boards address the right issues, and that board members engage in the right manner to add value. The implicit message of this short volume is that to neglect these essentials is to run the risk of a governance failure that can have serious implications for institutional priorities, success, and, perhaps most importantly, reputation. In today's higher education environment, governance failure is not an option.

Despite differences in the appointment processes of public governing and system boards and those of their private counterparts, the same high expectations should apply to all boards. Just as private institutions must recruit individuals of exceptional merit and commitment, state leaders who hold the authority to appoint members to the governing bodies of their state's public institutions must identify outstanding men and women to serve on public governing boards. AGB calls upon state governors and legislators to focus on merit over political credentials in making these critical appointments. Our nation's public colleges and universities educate nearly 80 percent of today's students, and politics must not be allowed to interfere with the fiduciary responsibilities of their governing boards.

Moreover, AGB urges institutional chief executives to examine their own expectations of the governing boards with which they work and to ensure that they are aligned with the expectations of good board governance described in this publication. Collaboration, trust, and transparency must define the relationship between a governing board and institutional leadership, especially when it comes to difficult issues. A breakdown in any of these areas creates uncertainty and heightens the risk that opportunities to address critical issues with clarity and effectiveness will be missed.

It is time to raise expectations for all higher education fiduciary bodies. To that end, I hope the counsel provided in *An Anatomy of Good Board Governance in Higher Education* will help the governing boards of colleges, universities, and systems raise the bar for their own performance.

—RICHARD D. LEGON

*President, Association of Governing Boards of Universities and Colleges*

## PREFACE

**THE AMERICAN SYSTEM OF HIGHER EDUCATION** is made up of a remarkable variety of institutions—public and independent; large and small; two-year and four-year; residential and online; research universities, comprehensive universities, liberal arts colleges, and community colleges; religiously affiliated institutions, women’s colleges, tribal colleges, and historically black colleges and universities; graduate and specialized colleges; freestanding institutions and multicampus systems. It is, therefore, unsurprising that higher education governance is also varied. The structure of governance differs between independent institutions and public institutions, for example, and there are also differences among institutional types and even from state to state.

Notwithstanding this variety, the members of all institutional governing boards are fiduciaries. As such, they are duty-bound to make careful, good-faith decisions in the best interest of the institution,\* consistent with its public or charitable mission, and independent of undue influence from any party or from financial interests. Good governance flows from the collective action of a board whose individual members act in fidelity to these fiduciary duties. Good governance does not just happen, however. It is an achievement that must be nurtured and sustained. A board that provides good governance in a given moment may then be at risk of equating good governance with the preservation of the status quo—a potentially consequential mistake.

Whether or not it leads to a headline-grabbing crisis or scandal, poor board governance in higher education typically results from the unchecked development of subtle dysfunction. For example, a tendency toward social conformity may take root among the members of a governing board, promoting self-censorship and suppressing debate. A pervading hubris may lead to closed-mindedness or overconfidence. The board may be in the grips of cognitive bias, fostering groupthink or false consensus. Or the board may suffer from negative group dynamics, resulting in distrust among members or a noxious board culture. Along with being potentially disastrous for the individual institutions where they play out, the worst-case

scenarios that do garner headlines can serve unhelpfully to relativize board performance, allowing even dysfunctional boards to take comfort in comparison. However, good governance involves more than merely avoiding institutional calamity.

The most reliable way for a board to ensure it is governing well is by measuring its performance against an objective standard, reflecting on its own practice, and making adjustments in response to new circumstances and new challenges. When done regularly and well, this process of reflection and self-assessment serves as a process of continuous improvement. It is chief among the ways a board holds itself accountable. It is worth emphasizing the importance of adaptation and change in response to regular and ongoing reflection and self-assessment. If a board is to live up to the public trust invested in it, then it cannot simply stand still as institutional circumstances and the broad higher education environment continue to change. The status quo can carry unacceptable risks.

The quality and effectiveness of board governance in higher education depend on three fundamentals: who serves on the board, what they focus on, and how they relate to one another and to others. Determining the composition, focus, and relationships that will yield good governance depends, in turn, on the institution and the times. Accordingly, the standard against which boards measure themselves must be at once prescriptive and flexible. That is, it must insist upon the essential elements of good governance without violating the freedom of each individual board to judge the requirements of its own context and circumstances. Ultimately, good governance emerges through an ongoing dialectic between an objective standard that applies to all and the individual practice, judgment, context, and circumstances of each board.

The standard of good board governance in higher education offered in this publication represents a distillation of the work of the Association of Governing Board of Universities and Colleges (AGB) and the constellation of board members, scholars, and experts who have joined with the association over the past century to strengthen and improve higher education governance in the United States. In particular, AGB gratefully acknowledges the contributions of those who met over two days in January 2018 for the wide-ranging set of discussions that served as the basis of this publication: Michael Cannon, Carol Cartwright, Richard Chait, Melissa

DeCosmo, Artis Hampshire-Cowan, Thomas Hyatt, Susan Whealler Johnston, Mark Kelly, Richard Legon, David Maxwell, Terrence MacTaggart, Martin Michaelson, Merrill Schwartz, and David Tritelli.

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*\* As it is used throughout this publication, the term “institution” refers to the college, university, or system the board governs.*

# INTRODUCTION

**UNIQUELY IN THE UNITED STATES**, higher education governance is entrusted to independent boards of citizen trustees. Collectively, these volunteers accept fiduciary responsibility for the vast and varied system of higher education on which the hopes and dreams of current and future generations of students are centered and the continued cultural, civic, and economic prosperity of the nation partly depends.

The governing board of a college or university is responsible for appointing and evaluating the president, participating in strategic planning, providing fiscal oversight, ensuring educational quality, preserving institutional autonomy, and safeguarding academic freedom. At one college or university, the exercise of these responsibilities may be made easier by the outstanding leadership of the administration and the faculty, say, or by an extended period of growth in an already robust endowment; at another, it may be greatly complicated by an institutional crisis or scandal.

Moreover, boards govern under the prevailing political, socioeconomic, and cultural conditions of their times, which often present novel challenges. In the 1940s, for example, boards had to cope with profound capacity issues and other implications of the sudden and dramatic increase in students that resulted from the passage of the GI Bill. In the 1960s, as student activism exploded in response to the Vietnam War and the civil rights movement, boards had to deal with consequences of widespread and sometimes violent campus unrest. The early decades of the twenty-first century have brought their own challenges, and boards today are grappling with effects of the ongoing digital revolution, problems of access and affordability, declining public support for higher education, political polarization and a new student activism, significant demographic changes, and other emergent developments affecting colleges and universities as well as the broader society they serve.

The general responsibilities of higher education governance are carried out at particular times and in particular places.

In other words, the general responsibilities of higher education governance are carried out at particular times and in particular places. What the attendant challenges have in common is that they can be very difficult, at best, to anticipate. In the end, the quality and effectiveness of higher education governance is determined by the quality and effectiveness of the individual boards that rise to those challenges—or do not.

If there existed in the past a golden age when colleges and universities did not face challenges perceived as unprecedented or even potentially existential, or if such an age were still to come, perhaps the failure of a governing board to meet a high standard of quality and effectiveness would then be relatively inconsequential. Yet it is equally possible that such a failure would itself precipitate grave challenges for an institution—or, if it were reflective of the state of higher education governance more broadly, a sectoral crisis.

Why is it that some boards, but not others, lead effectively through institutional crises—or navigate to avoid them in the first place—and deal successfully with even the most vexing challenges? When boards succeed, whether in ways widely celebrated or left unsung, what is it, exactly, that enables their success? When boards fail, whether spectacularly and notoriously or in ways that go largely unnoticed, what lies at the root of their failure?

Drawing on a century of experience in strengthening and protecting the distinctively American model of higher education governance and in supporting those who practice it at institutions of all types and sizes, the Association of Governing Boards of Universities and Colleges has developed a recommended standard of good governance. A board that meets or exceeds this standard would have met the challenges of the past successfully, is almost certainly providing strong and effective leadership today, and will be likely to ensure that its institution flourishes in the future, come what may.



# AN ANATOMY OF GOOD BOARD GOVERNANCE

**GOOD BOARD GOVERNANCE IS SIMPLE.** All that is needed is for the right people to be on the governing board, for the board to address the right issues, and for board members to engage in the right way, among themselves and with others. Taken together, these are the enabling conditions of good governance. Yet each can be difficult to achieve and sustain. Simple, but not easy.

This irreducible formula (good board governance = right composition + right focus + right relationships) is embodied in the standard defined below, where each of the three components is elaborated through discussion of its essential properties. The formula also implies a fourth component: discernment. Each board must determine for itself what composition, focus, and relationships are *right* through a regular and ongoing process of discernment.

## THE COMPOSITION OF THE BOARD

Method of selection accounts for a key difference between independent boards, which generally select their own members, and public boards, which generally cannot do so. Nonetheless, all good boards seek to ensure that the process for identifying and selecting new members, whatever it may be, is to the greatest extent possible informed by their own determination of what constitutes optimal composition.

A governing board is composed of individuals, and the unique culture of each board is shaped by the complex interplay of personalities and by the wider culture and circumstances of the institution it serves. Nonetheless, patterns and commonalities do emerge across boards and over time, making it possible to identify a set of characteristics that can be used to build a composite profile of a good board.

***A good board is diverse.*** Its members bring to their work a variety of skills and a range of professional expertise that allow the board as a whole to address the matters before it with competence and confidence. Further, because its membership is appropriately diverse in terms of race, ethnicity, gender, age, sexual identity, religion, socioeconomic status, and other such categories, board discussions are enriched by a variety of perspectives, the board can serve as a model of civility and inclusion, and the board reflects the articulated commitments of the institution and the constituencies it serves.

Diversity is the fruit of an effective governance committee, which maintains a matrix that is used to identify prospective members who possess the talents, skills, expertise, and backgrounds needed to fulfill the roles and responsibilities of the board, to understand and address the issues facing the institution, and to ensure that the board remains representative of the institution it governs and leads. While the influence of a good *public* governing board on the selection of new members may be relatively limited, the board is nonetheless prepared to recommend to appointing authorities specific types of members and even specific individuals.

Notwithstanding the benefits of diversity, there are several attributes that all members of a good board share. They hold themselves, one another, and the institution to the highest ethical standards—rigorously applying sound institutional policy on trustee conflicts of interest, for example, promoting merit-based institutional decisions, and strongly supporting efforts to deter and remediate misbehavior at the institution. Accordingly, the board's reputation for integrity is among the institution's most valuable assets. Further, all members are open-minded, amenable to persuasion, and tolerant of dissent. They are reflective and self-critical. They are team players who respect academic culture and norms. Beyond these, three common attributes stand out.

First, ***all members of a good board are well informed about the roles and responsibilities of trusteeship.*** As a result of the information shared with them as prospective trustees and the thorough orientation they receive prior to or upon joining the board, all members understand the full scope of the responsibilities that rightly belong to governing boards. They understand their duties as fiduciaries and conduct themselves accordingly. And they have a strong working knowledge of the institution they serve—

its mission and vision, its history and values, its people and programs, its current market and future aspirations. Moreover, this knowledge and understanding is reinforced and deepened over time by a robust and ongoing board development program. Simply stated, all members of a good board have a firm grasp of the institution they govern and what is expected of them as trustees.

All members of a good board have a firm grasp of the institution they govern and what is expected of them as trustees.

Second, ***all members of a good board actively participate in the work of the board.*** Not only do they show up for meetings, but they come well prepared. They have read the background materials provided and given preliminary consideration to the topics on the agenda. They ask searching questions, advance conversations, and help lead the board to thoughtful decisions. Further, mindful of organizational culture and academic norms, they negotiate the transition to the boardroom with ease, applying their skills and expertise and drawing on their personal and professional experience in ways that add value to the work of the board. They are, in short, genuinely interested in the work of the board and motivated to contribute to it—as team players, not lone rangers. If appointed to serve on a committee, elected as an officer, or asked to undertake any other special task, they follow through with the same high level of engagement.

Third, ***all members of a good board are committed to the institution they serve.*** There can be no question about where their loyalty lies. No member regards himself or herself as the representative of an appointing authority, group of electors, or state taxpayers; a political party or demographic group; or an interest group on the board, within the institution, or outside it. Instead, all members act as independent fiduciary agents, freely placing their skills and abilities at the service of the institution. Regardless of whether they were appointed, elected, or selected, all members give primacy to the interests and welfare of the institution.

A board composed of well-informed, actively engaged, and deeply committed members develops a healthy culture over time, and certain norms of collective behavior become established. This facilitates the successful socialization of new board members, and it increases the chances

that board turnover will function as a process of self-renewal—either through term limits or, where possible, by removing from the board those who do not fit the profile sketched above and adding those deemed to be *right* according to an always-evolving matrix of requirements. Because the boards of independent institutions are generally self-perpetuating, they can more easily build and sustain such a culture, using this profile as a touchstone for board recruitment and self-assessment. The boards of public institutions ought to regard it as a duty to inform and influence their appointing authorities, insofar as that is possible, and the profile should serve as the basis for doing so. And precisely because they are not self-perpetuating, the burden to socialize new members and enforce group norms is even greater for public boards.

## THE FOCUS OF THE BOARD

Most of the time, a governing board stands in adjournment, while the administration attends to the day-to-day operation of the college, university, or system. Accordingly, it is important that the board not squander its regular opportunities to add value to the institution by passively reviewing routine operations or, worse still, micromanaging or second-guessing the administration. Instead, a good board focuses with intentionality on those areas that are within its unique purview. Here, too, three attributes stand out.

First, *a good board focuses on the big picture and takes the long view*. It brings to the tasks of institutional governance the uniquely valuable perspective that results from careful balancing of the sometimes competing obligations derived from its fiduciary role. These include obligations to the institution and its employees that must, at times, be balanced with obligations to the public and to students; the obligation to deploy the assets of the institution in the near term, which must be balanced with the obligation to preserve and increase their economic and educational value in the long term; and the obligation to demonstrate the value of higher education, which must be balanced with the obligation to hold fast to the values of the academy. As compared with the administration or the faculty, the board views matters from a higher altitude—not because the board is detached, but rather because a higher altitude produces a longer horizon.

The board sees the institution as a whole, not from the perspective of defenders of one program or department, and it takes the long view, looking beyond the current chief executive and cabinet. Oriented to the future, the board instinctively integrates into the big picture all matters that come before it. So, for instance, a routine review of the finances is performed with an eye toward the long-term viability of the business model.

The board views matters from a higher altitude—not because the board is detached, but rather because a higher altitude produces a longer horizon.

Second, *a good board uses its time productively*. It expects that board meetings will be focused on the issues of greatest consequence to the institution. Accordingly, led by the chair, the board takes an active role in determining what is included on its meeting agendas, collaborating with the administration rather than being led by it. The board, with the president, decides what to decide, mapping a year-long work plan rather than setting agendas meeting by meeting. Without discounting the importance of operational issues, any of which may appropriately find their way onto a board agenda, the board recognizes the difference between governing and managing. Because meeting agendas tend to carve out significant time for discussions focused on areas of strategic importance, the amount of time spent on perfunctory review of operations and on listening to committee reports is minimized. In fact, the intentionality of focus has structural implications: board committees do not simply replicate administrative reporting areas, but are organized around cross-cutting issues instead. As a result, the committee structure supports both strategic decision making and essential operational oversight, while greatly reducing opportunities to waste time on micromanagement or matters outside the purview of the board.

Third, *a good board seeks and obtains the information it needs*. It knows what *it* needs to know—not everything management knows—in order to apply its unique perspective to issues of strategic and fiduciary importance. Recognizing that competent oversight, sound decision making, and accountability are grounded in reliable information, the board regularly assesses its informational needs and requests and reviews critical

institutional data. Further, the board as a whole keeps abreast of the challenges facing higher education in general as well as the more particular challenges affecting its institutional sector. This contextual grounding enables the board to seek the information needed to fulfill its role and to ask for the metrics needed to follow developments at the institution closely over time. The board makes use of benchmarking, maintains a dashboard of key performance indicators, and relies on other tools to identify trends, to gauge progress in achieving strategic goals, and to monitor the positioning of its own institution within the broad higher education landscape as well as in comparison to its principal competitors. The board also benchmarks and monitors its own performance.

A future-oriented board that is focused on the big picture, uses its time wisely, and makes decisions that are well informed, data driven, and strategic is very likely to be carrying out its fiduciary responsibilities well. And because the board, in consultation with the president, decides what to decide and knows what it needs to know, it is very likely to be in command of complete, accurate, and relevant information about the institution it governs. Such a board is not likely to be shielded from difficult issues or caught off guard by scandal or crisis.

## **THE RELATIONSHIPS OF THE BOARD**

While full authority and ultimate responsibility for the governance of a college, university, or system rests with its governing board, much of that authority and responsibility is delegated to, and shared with, other institutional leaders. Moreover, boards do not operate in isolation from the constituencies and communities they and their institutions serve. For these reasons, good governance depends on the quality of the board's relationships with others involved in the life of the institution. One relationship, in particular, stands out.

***A good board recognizes the paramount importance of its relationship with the president.\**** Because selection of the president is usually its most consequential decision, the board understands and undertakes the major effort required to identify and recruit an excellent president. Transparency is the watchword for both parties, and this shared commitment engenders the reciprocal trust and esteem that define their relationship. Moreover, the

board and the president understand and agree upon their respective roles; they respect one another's exclusive province, while also recognizing shared responsibility for territory both rightly occupy. The board is neither intrusive nor passive. The priorities of the board and the president are aligned on critical mission-related matters, and there is agreement on the strategic priorities for the institution. And even as the board recognizes the value of continuity and consistency, it encourages, enables, and supports innovation and institutional change. It expects bold leadership from the president and is receptive to the creative and innovative ideas he or she brings to the board for consideration. At the heart of this relationship is a strong and effective partnership between the board chair and the president, which is forged and enacted through regular communication and close collaboration. The board chair and the president stand shoulder to shoulder, setting the tone for the full board and inspiring confidence throughout the institution and beyond.

The board chair and the president stand shoulder to shoulder, setting the tone for the full board and inspiring confidence throughout the institution and beyond.

A strong and effective relationship between the president and the board—especially the board chair—is essential to good governance. Nonetheless, it would be difficult to overstate the importance of the relationships between and among individual board members as well as those between the board and its partners in shared governance and other internal and external constituencies. These relationships have significant bearing on board culture, the functionality of shared governance, and the effectiveness of presidential leadership. Further, they can influence—positively or negatively—fundraising, “town and gown” relations, institutional reputation, and even the public standing of higher education. The quality of the relationships in each of three broad areas merits close attention.

First, *the relationships between and among the members of a good board are founded on mutual respect and trust*. Board members truly listen to one another, and all respect the confidentiality of board deliberations. Where “sunshine laws” require open meetings and records, the commitment to follow both the letter and the spirit of these laws does



not unduly constrain either the candor of board deliberations or the board's willingness to make tough decisions. Diverse points of view and constructive dissent are not merely tolerated, they are encouraged because they tend to deepen deliberation and lead to better decisions. Various opinions are compared profitably, and the exchange of ideas and insights builds progressively toward resolution. As a result of the way board members relate to one another, discussions are not dominated by a few, individuals do not presume the authority to act independently, and no cliques or factions develop. The level of participation is consistently high. And because its members function as a strong team, a good board exercises its corporate authority effectively and responsibly. Even when sharply divided, the board speaks with one voice once a decision is made.

Second, *the relationships between a good board and its partners in shared governance are functional and appropriate*. Just as the successful leadership of a large company expects problems to be solved within the particular business units where the relevant expertise resides, a good board relies on the administration to operate the institution. Similarly, it relies on the faculty to design and deliver the curriculum and, as appropriate to institutional mission, to conduct research. While retaining final institutional authority, and ever mindful of its ultimate fiduciary responsibilities, the board involves the administration and the faculty as partners in a decision-making process marked by a spirit of collaboration, transparency, and inclusiveness. The board has a clear understanding of this model of shared governance as codified in the bylaws, faculty handbook, and other foundational documents and as embodied in the culture of the institution. And because the board recognizes the value of shared governance, it takes proactive steps to improve and strengthen it—attending to leadership development for the president and the faculty, for example, and periodically reviewing policies and practices to ensure appropriateness and functionality.

Third, *the relationships of a good board with internal and external constituencies support consultation and advocacy*. While scrupulously preserving its own authority and the president's leadership role, and following the lead of the board chair, the board solicits and takes into account the views of students, faculty, alumni, staff, and the community on key issues affecting the institution. In its engagement with campus and community stakeholders, the board helps develop and reinforce a shared vision for the future of the institution and builds consensus on what it will



take to get there. Moreover, board members serve as ambassadors, advancing the interests of the institution by cultivating relationships between it and various external groups—community, business, professional, and governmental. Finally, as advocates for their institution and for the sector at large, and in coordination with the appropriate administrative offices, board members eagerly bring their knowledge and experience into the public square, engaging and influencing public debates about the value of higher education.

The linchpin of all these relationships is the board chair, who is selected through a process that is both inclusive and transparent. There is no mystery about the how or why of the selection. All board members carefully consider the traits and skills required of a successful chair, and all have the opportunity to express their views on the matter. At the head of a good board is a trusted leader who listens to, and learns from, fellow board members. The chair devotes considerable time and energy to building a supportive relationship with the president, and he or she is both an articulate external voice on behalf of the institution and a pragmatic internal negotiator.

The three components of good board governance—right composition, right focus, and right relationships—are mutually reinforcing and must be synthesized.

When board members relate to one another on the basis of mutual respect and trust, they are likely to develop a strong sense of collegiality and to find board service personally rewarding. A board that maintains appropriate and functional relationships with both the administration and the faculty and that is intentional in its relations with internal and external constituencies is very likely generating the good will not just to govern the institution successfully but also to lead it effectively.

## SYNTHESIS

The three components of good board governance—right composition, right focus, and right relationships—are mutually reinforcing and must be synthesized. If they are not, or if there is an imbalance, then a board will

likely fall short of the standard. A board that achieves right composition, for example, might find itself unable to bring its wide-ranging expertise and diverse viewpoints to bear on deliberations because a simultaneous failure to achieve right focus means that the overwhelming majority of meeting time is devoted to the passive consumption of PowerPoint presentations and committee reports or to polite camaraderie. A board that achieves right focus might be frustrated in its efforts to position the institution for long-term sustainability because a simultaneous failure to achieve right relationships means that roadblocks are thrown up, either by a faculty that feels excluded from discussion of proposed changes in academic programming or by a president who has been systematically undermined by board members who publicly question his or her decisions. A board that achieves right relationships might find that its culture of full participation and productive deliberation is steadily eroded because a simultaneous failure to achieve right composition has led to the addition of too many members, making board discussions unwieldy, or to the prioritization of donors, creating a critical mass of disengaged or homogeneous members.

## **DISCERNMENT**

The preceding sections identify and describe the essential properties of good board governance. When they are in play, a governing board can be sure it is on a sound footing. But good board governance also has accidental properties. It is for each board to examine and reconcile these properties through its own practice and through an ongoing process of careful discernment. Simply stated, the right composition, focus, and relationships today might well be wrong tomorrow; the right composition, focus, and relationships for one board might well be wrong for another. This is why discernment—or what some term “reflective practice”—is so important. When boards are self-aware, insights emerge; when insights emerge, boards adapt and improve.

As a board seeks to determine rightness in each category in light of the standard articulated above, the singular mix of institutional circumstances that obtain in a given moment will inevitably influence the calculus. Each institution is, after all, subject to its own resource constraints, political imperatives, and other exigencies over which the board often has little or no

control. Moreover, the effects of contemporary challenges facing higher education writ large manifest in distinctive ways at each institution. Good governance results from a board's successful translation and application of the standard to the shifting circumstances of its own institution. Good governance is not a static goal to be accomplished once and for all, but rather a standard of practice to which a board must continuously aspire. It is a dynamic process. To aid boards in this process of discerning the composition, focus, and relationships that are right for them, a set of discussion questions corresponding to each component is provided below (see [pp. 15–17](#)).

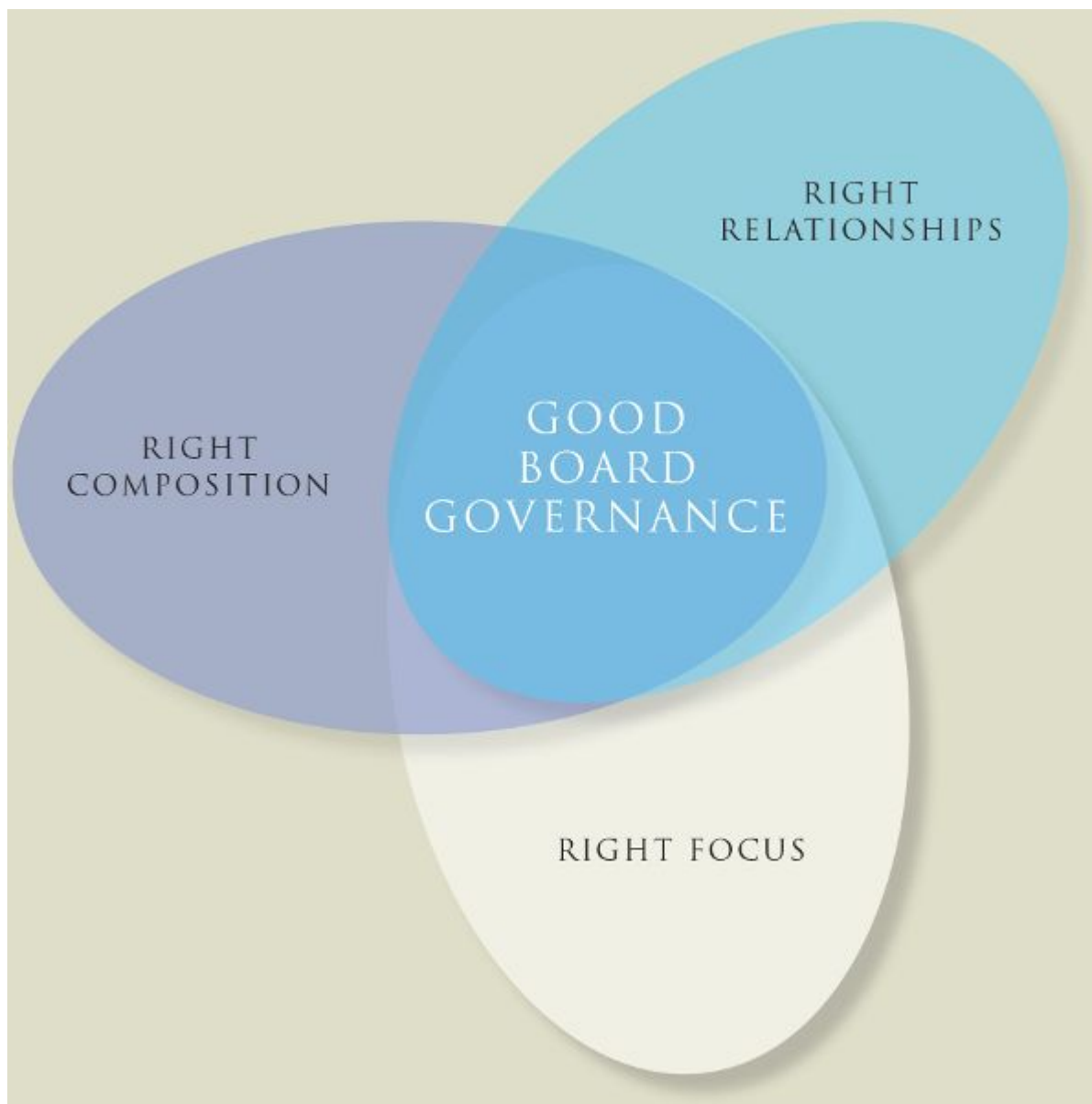
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*\* Although actual designations vary across institutions, the term “president” is used throughout this publication to refer to the chief executive officer of a college, university, or system.*

## CONCLUSION

**THE QUALITY AND EFFECTIVENESS OF BOARD GOVERNANCE IN HIGHER EDUCATION** depend on the composition, focus, and relationships of each governing board. A board whose composition meets the standard described above is one whose variously diverse members are well informed about the roles and responsibilities of trusteeship, actively participate in the work of the board, and are committed to the institution they serve. A board whose focus meets the standard is one whose attention remains centered on the big picture and that takes the long view, uses its time productively, and always has the information it needs. And a board whose relationships meet the standard is one that prioritizes a strong working relationship with the president and whose members respect and trust one another, participate in a well-functioning system of shared governance, consult widely, and advocate effectively. Finally, a board whose performance meets the standard is one that regularly assesses rightness in each component area and considers each in relation to the others, recognizing that good board governance in higher education emerges from the ongoing integration of all three essential components (see [the figure on the next page](#)).

All boards aspire to provide good governance. The standard set here is high, but so too are the stakes. It cannot be only the exceptional boards that meet this high standard. Good governance ought to be a basic expectation of every college, university, or system governing board. The faculty, administrators, and staff who devote their professional lives to advancing the missions of these institutions, as well as the students and society they serve, deserve no less.



# QUESTIONS FOR BOARDS

## QUESTIONS FOR DISCERNING RIGHT COMPOSITION

Do we have a membership matrix that is designed to identify needed areas of professional expertise and experience as well as to ensure appropriate demographic diversity? Is the matrix updated regularly to anticipate and address institutional needs?

Do we use the matrix effectively, either to guide the recruitment and selection of new board members or to influence our appointing authority?

Do all our members fully understand the role and responsibilities of the board? Do we provide clear and complete information to prospective trustees regarding their roles and responsibilities as well as our expectations for their performance?

Do we provide a thorough orientation for new members as well as ongoing opportunities for board development?

Does each board member effectively apply his or her unique skills, expertise, background, and experience to the work of the board?

Do all our members come to meetings well prepared? Do all participate in board discussions?

Are our members on the board for the right reasons? Is our board service rooted in a primary commitment to the institution?

Do all our members have strong and accurate knowledge of the mission and history of the institution, its people and programs, its market position and future goals?

Does our board reflect the publicly articulated commitments and values of the institution?

9. Does our board act as one board, or are there factions or committees that often act independently from the rest of the board?

1. Is our board the right size? Do we have enough members to provide the full range of professional expertise and experience needed to address the issues facing our institution now and in the foreseeable future? To populate the board's committees?
2. Is our board too large and, thus, difficult for the staff to support and manage? Is it too large to ensure that there are meaningful and rewarding roles for every member?

### **QUESTIONS FOR DISCERNING RIGHT FOCUS**

Are we as a board focusing on the right things in our deliberations and decisions?

Are we spending our time in board and committee meetings productively?  
Are our meetings structured effectively to enable us to fulfill our roles as trustees?

Do we take an active role in deciding how to use our time during meetings, or do we passively allow the administration to set our agendas?

Do we focus consistently on the big picture and bring a strategic vision to bear on the matters that come before us?

Do we have a clear understanding of our role as fiduciaries and the corresponding obligations?

Do we know what we need to know in order to fulfill our fiduciary responsibilities, make the right decisions, and hold ourselves accountable?  
Are we getting complete, accurate, and relevant information?

Are we proactive in making sure that all our members have a thorough and nuanced understanding of the higher education environment and of the challenges facing higher education in general and our institution in particular?

Is the board structured in a way that enables us most effectively to fulfill all our functions as trustees?

Do we have strategic plans for the work of the board and for the work of the board's committees?

3. Do all our members know the difference between governance and management, and do we respect that difference in our behavior?
1. Are we a source of ideas that are of value to the institution? Does our work matter to the health, vitality, and future of the institution?
2. Will our work as a board be different in five years? In ten years? If so, how and why?

## **QUESTIONS FOR DISCERNING RIGHT RELATIONSHIPS**

Do we have a healthy, transparent, and collaborative relationship with the president? Does our board chair communicate regularly with the president?

Do we encourage diverse points of view and respectful debate? Are the perspectives and opinions of all members welcomed and respected?

Do all our members respect the confidentiality of board deliberations? Or, where “sunshine laws” require open meetings and records, do we all strive to ensure that our commitment to follow both the letter and the spirit of the laws does not impose undue constraints on either the candor of our deliberations or our willingness to make tough decisions?

Are all our members fully engaged? Do we encourage participation by all members in our deliberations, or are our discussions dominated by a few?

Do we have cliques or political factions on our board?

Do we have robust and transparent communication among members and between committees and the full board?

Do we have an atmosphere of mutual respect and trust among members and among the board, the administration, and the faculty?

Are the relationships strong (but not too close) between board members and senior administrators?

Do we fully understand the principles of shared governance as they are practiced in higher education generally and at our institution? Do we fully understand the roles and responsibilities of the other parties to shared governance—especially the president and the faculty?



3. Have we found ways to make important decisions with the urgency required by the current environment without undermining the principles of shared governance to which we are committed?
1. Are we connecting in appropriate and useful ways to the institution's other stakeholders? Are we listening?
2. Are we helping connect the institution to external entities?



Since 1921, the Association of Governing Boards of Universities and Colleges (AGB) has had one mission: to strengthen and protect this country's unique form of institutional governance through its research, services, and advocacy. Serving more than 1,300 member boards, nearly 2,000 institutions, and 40,000 individuals, AGB is the only national organization providing university and college presidents, board chairs, trustees, and board professionals of both public and private institutions and institutionally related foundations with resources that enhance their effectiveness.

In accordance with its mission, AGB has developed programs and services that strengthen the partnership between the president and governing board; provide guidance to regents and trustees; identify issues that affect tomorrow's decision making; and foster cooperation among all constituencies in higher education. For more information, visit [www.agb.org](http://www.agb.org).



AGB CONSULTING

# Virginia Commonwealth University Board of Visitors Retreat

October 30, 2020

Dr. Alvin Schexnider, AGB Senior Fellow, Facilitator

**BUILD** A BETTER BOARD | [AGB.ORG/CONSULTING](https://AGB.ORG/CONSULTING)

# Welcome and Introductions

Mr. Keith T. Parker, Rector

Dr. Michael S. Rao, President

Dr. Alvin Schexnider, AGB Senior Fellow, Facilitator

# Agenda

9:05 am	Welcome and Introductions
9:10 am	Board Governance
	A Thought Starter
	An Anatomy of Good Board Governance =
	The Right Composition
	The Right Focus
	The Right Relationships
	The Way Forward
	Better communication/Avoiding Surprises
	Shared Governance/laborious, time-consuming and requires patience
	Diversity, Equity and Inclusion
	The Ten Habits of Highly Effective Boards
10:35 am	Wrap-up and Adjourn

# Board Governance

Thought Starter

Anatomy of Good Board Governance

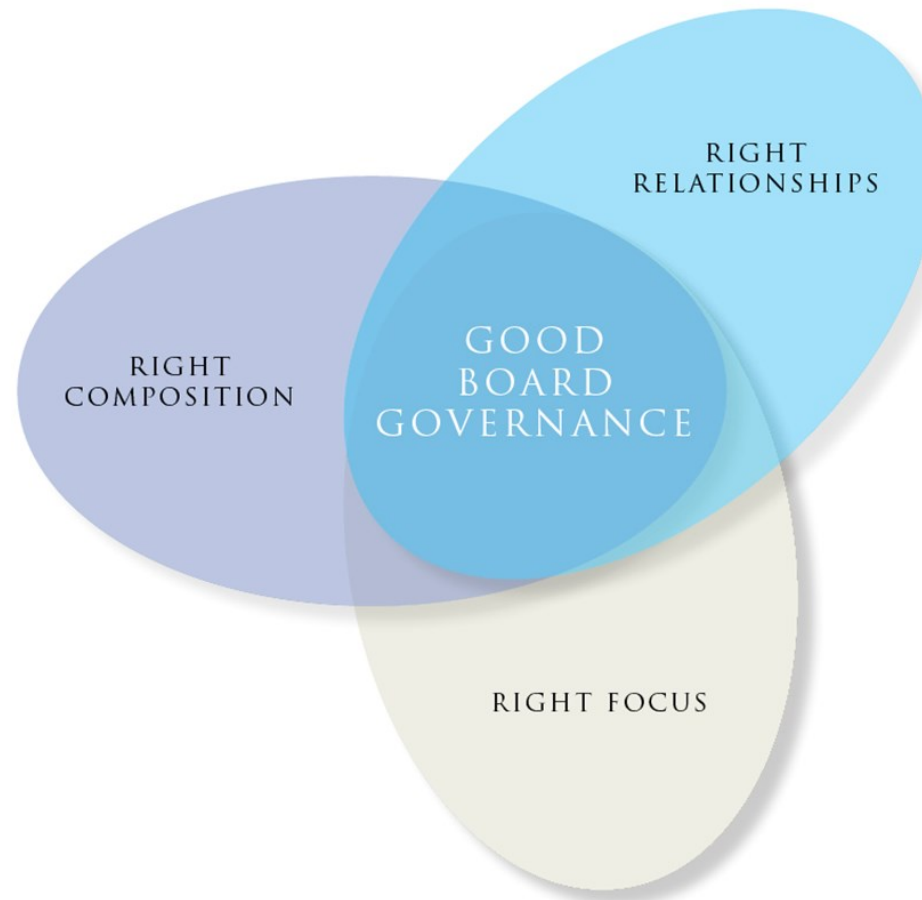
The Way Forward

Habits of Highly Effective Boards

# A Thought Starter

- A college or university can never be better than its board
- The Board Chair and the President have primary influence on board effectiveness
- Boards can be reluctant to change
- Effective boards take their work seriously

# Good Board Governance



*An Anatomy of Good Board Governance in Higher Education, AGB Press (2018)*



**GOOD BOARD GOVERNANCE =**  
right composition + right focus + right relationships

*An Anatomy of Good Board Governance in Higher Education, AGB Press (2018)* 7

# Good Board Governance is Simple

What's needed:

- The right people are on the board,
- The board addresses the right issues, and
- Board members engage in the right way, among themselves and with others.

Taken together, these are the enabling conditions of good governance. Yet each can be difficult to achieve and sustain. Simple, but not easy.

*An Anatomy of Good Board Governance in Higher Education, AGB Press (2018)*

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# The Composition of the Board

- A good board is diverse
- All members of the board are well-informed about the roles and responsibilities of trusteeship
- All members of the board actively participate in the work of the board
- All members of the board are committed to the institution they serve

# The Focus of the Board

- A good board focuses on the big picture and takes the long view
- A good board uses its time productively
- A good board seeks and obtains the information it needs

# The Relationships of the Board

- A good board recognizes the paramount importance of its relationship with the president
- The relationships between and among the members of a good board are founded on mutual respect and trust
- The relationships between a good board and its partners in shared governance are functional and appropriate
- The relationships of a good board with internal and external constituencies support consultation and advocacy

# Habits of Highly Effective Boards

1. Create a culture of inclusion.
2. Uphold basic fiduciary principles.
3. Cultivate a healthy relationship with the president.
4. Select an effective board chair.
5. Establish an effective governance committee.
6. Delegate appropriate decision-making authority to committees.
7. Consider strategic risk factors.
8. Provide appropriate oversight of academic quality.
9. Develop a renewed commitment to shared governance.
10. Focus on accountability.

“The 10 Habits of Highly Effective Boards”, *Trusteeship* (March/April 2014)

12



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The background of the slide is a photograph of a university campus. A wide, red brick-paved walkway leads from the foreground into the distance. On either side of the path are green lawns and mature trees with white blossoms, likely cherry trees. In the background, there are brick buildings and a traffic light. A yellow sign on a pole to the left of the path reads "WELCOME TO VCU \$265,000 IN SCHOLARSHIPS".

# VCU Board of Visitors

Orientation | September 5, 2024

Fotis Sotiropoulos, Provost and Senior Vice President for Academic Affairs



# Mission

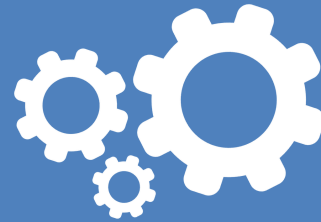
The Office of the Provost is dedicated to ensuring:



A high-quality  
and engaged  
learning experience  
for all students.



The recruitment  
and retention of  
excellent and  
diverse faculty.



The availability of  
resources to ensure  
world-class teaching,  
scholarship, research and  
creative expression.



A strong commitment  
the global engagement  
to of students, faculty  
and staff that transforms  
lives and communities.

# Provost's Leadership Team

**Fotis Sotiropoulos**

Provost and Senior Vice President for Academic Affairs

**Hernan  
Bucheli**

Vice President for  
Strategic Enrollment  
Management and  
Student Success

**Aaron Hart**

Vice President for  
Student Affairs

**Andrew  
Arroyo**

Senior Vice Provost  
for Academic Affairs

**William  
Nelson**

Senior Vice Provost  
for Academic  
Administration and  
Operations

**Mangala  
Subramaniam**

Senior Vice Provost  
for Faculty Affairs

# Academic Leadership

## Fotis Sotiropoulos

Provost and Senior Vice President for Academic Affairs

**Carmenita Higginbotham**

*Dean, School of the Arts*

**Amir Berbic**

*Dean, VCU Arts Qatar*

**Manu Gupta**

*Dean, Graduate School*

**Andrew Arroyo**

*Interim Dean, University College*

**Brian Brown**

*Interim Dean, School of Business*

**Catherine Ingrassia**

*Dean, College of Humanities and Sciences*

**Irene Herold**

*Dean, VCU Libraries*

**Kathleen Rudasill**

*Interim Dean, School of Education*

**Scott Breuninger**

*Dean, Honors College*

**Rima Franklin**

*Interim Vice Provost for the Life Sciences and Research*

**Azim Eskandarian**

*Dean, College of Engineering*

**Susan Gooden**

*Dean, Wilder School of Gov't & Public Affairs*

**Gary Cuddeback**

*Interim Dean, School of Social Work*

## Marion Levy

Interim Senior Vice President for Health Sciences, CEO VCU Health

**Lyndon Cooper**

*Dean, School of Dentistry*

**Patricia Kinser**

*Interim Dean, School of Nursing*

**Amy Darragh**

*Dean, College of Health Professions*

**KC Ogbonna**

*Dean, School of Pharmacy*

**Art Saavedra**

*Dean, School of Medicine*

**Vanessa Sheppard**

*Founding Dean, School of Public Health*

# Academic Affairs Priorities



## Students

Enrollment  
Student success  
Retention  
Graduation  
Beyond

## Academics

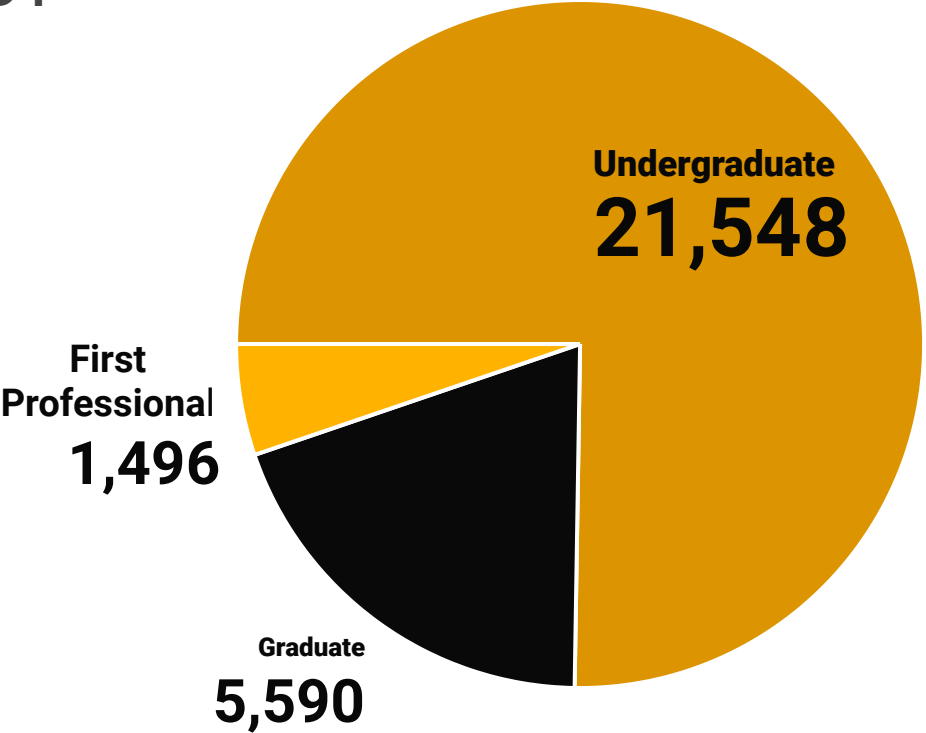
Transformative Learning  
Experiences  
Relevant and dynamic degree  
programs  
Microcredentials  
Curricular innovation  
Online opportunities  
Curricular/course transformation

## Faculty

Faculty Recruitment and  
Retention  
Professional/Career  
development  
Teaching innovation  
Compensation  
Collaborations across  
disciplines  
Shared governance

# VCU Students by the Numbers

Total Enrollment 28,594

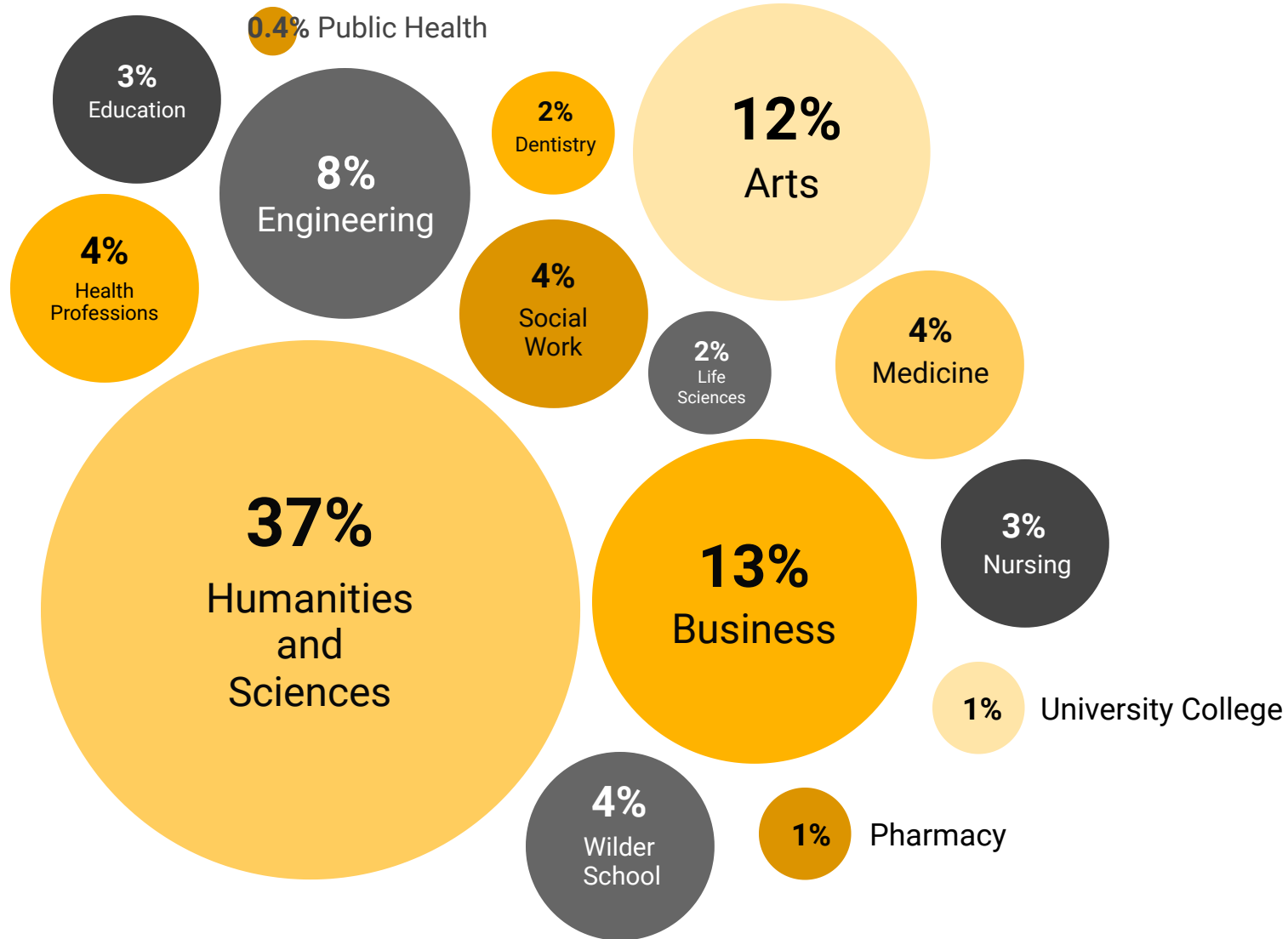


## VCU Undergraduates, Fall 2023

36.5%	32.5%	91.4%	55.6%	8.2%
First Generation Freshmen	Pell-Eligible	Virginia Residents	Minority	25 yrs. or older



# Enrollment by College/School Fall 2023



# Enrollment as of 8-26-2024 (pre-Census)

Source: SEMSS/ERE Point-in-time enrollment

**91%**

undergraduate

**Virginia  
residents**

International  
students from

**34**

countries

**Out-of-state  
students from**

**31**

states + D.C.

Overall Enrollment

**0.9% ↑**

**4,315**

**First-year freshmen**



# Degrees offered

**249**

Programs

**73**

Baccalaureate  
degrees

**70**

MS degrees

**44**

PhD degrees

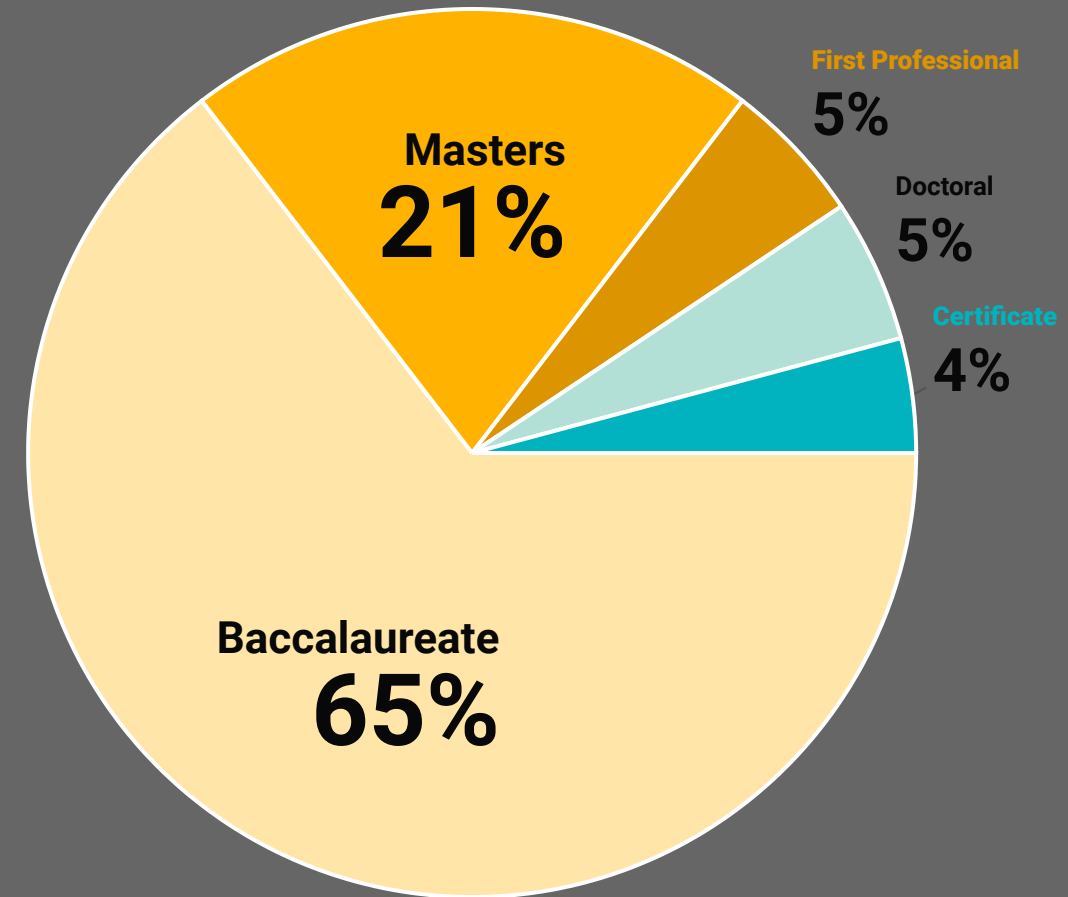
**249**

Certificates

**3**

First professional

**7,276** Degrees Awarded  
2022-2023





# VCU Online

As of 8-26-24 (non-census)

**1,551** Students enrolled

---

**08** Bachelor's degree programs

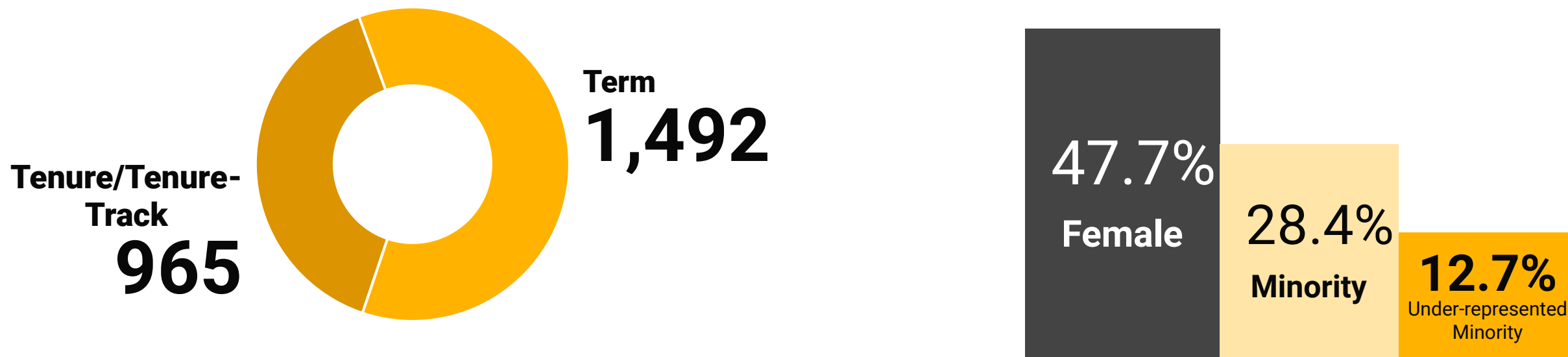
**17** Graduate degree programs

**14** Certificates



# VCU Faculty by the Numbers

Total Full-Time Faculty - 2,457



# Educating Virginia's workforce: driving prosperity and economic development

Living VCU Alumni

**226,868**

VCU Alumni living in Virginia

**66%**

VCU Alumni living in RVA

**35%**

Ranked

**#2**

social mobility

Among Virginia R1 universities



Median Earnings

**\$58,128**

midpoint for 4-yr schools: \$53,617

[collegescorecard.ed.gov](https://collegescorecard.ed.gov) (8-16-24)



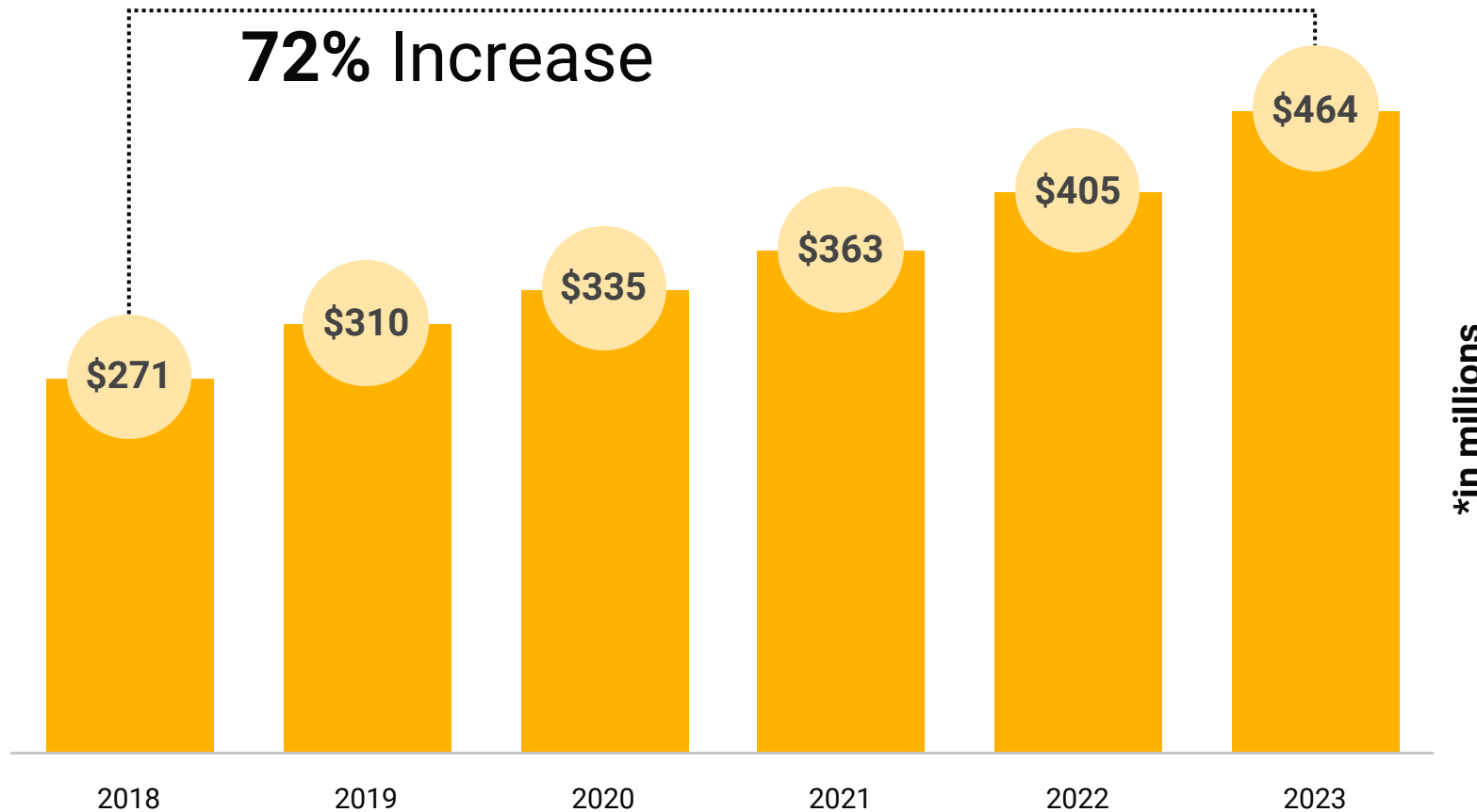


# VCU Strategic Research Initiatives



# VCU Research External Sponsored Funding

VCU is classified as “R1: Doctoral universities – Very high research activity” – Carnegie Classification of Higher Education



**VCU Ranked**

**#47**

among US public  
research universities

by the NSF's HERD  
FY2022 Survey

# Diverse Research Focus



## Tackling the nation's defense challenges

Bringing together scientists and engineers to solve pressing defense challenges for the United States.



## Rice Rivers Center

Restoring Virginia's aquatic ecosystems and sustaining the environment



## Massey Comprehensive Cancer Center

Funded by NIH, Public and private (NCI Cancer Center)



## VCU Medicines for All

Funded by Bill and Melinda Gates Foundation, federal grants and industry



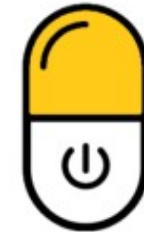
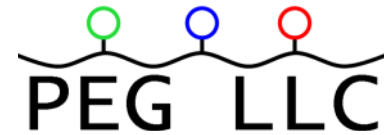
## AI Futures Lab

Examining AI technologies and their impacts on the world.

# VCU Research drives innovation to the marketplace

**VCU Start-ups over the past 10 years**  
**~60+ Startups | ~\$80M Funding | 8 Products from startups**

---



LightSwitchBio





# VCU's Economic Impact



Impact on Virginia

**\$9.5 billion**

Total economic impact  
58,000 jobs

Impact on Richmond Region

**\$6.3 billion**

Total economic impact  
44,000 jobs

Impact on the city of  
Richmond

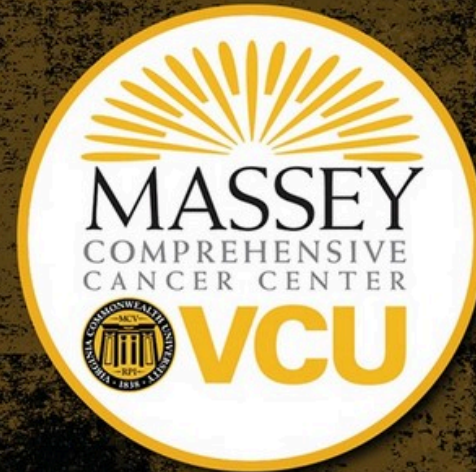
**\$3.9 billion**

Total economic impact  
33,000 jobs

Source: Transformative Innovation: 2022 VCU Economic and Social Impact Study



# Investing in the **UNSTOPPABLE**



*Aligning resources to drive VCU's success and value*

# How do we prepare our students for the future of work in a world where new knowledge and technology grow exponentially?

**1900 Knowledge doubling every century**

**1945 Knowledge doubling every 25 years**

**1982 Knowledge doubling every 12 months**

**2020 IBM predicts knowledge doubling every 12 hours**



# Top 10 Business Skill Priorities for 2027

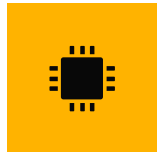
Source: World Economic Forum, Future of Jobs Report 2023



1. Analytical Thinking



2. Creative Thinking



3. AI and Big Data



4. Leadership and Social Influence



5. Resilience, Flexibility, and Agility



6. Curiosity and Lifelong Learning



7. Technological Literacy



8. Design and User Experience

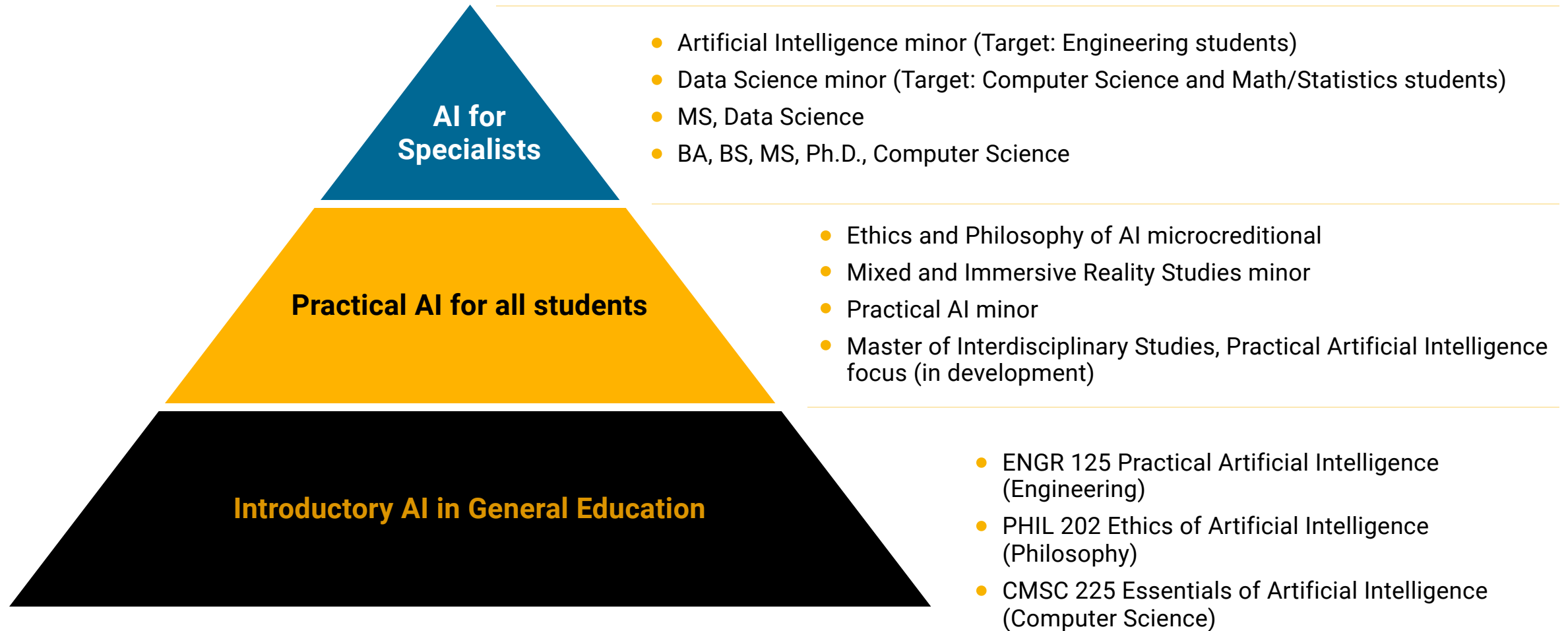


9. Motivation and Self-awareness



10. Empathy and Active Listening

# Integrating AI into the curriculum





# Meeting our students' needs in a rapidly changing world

**Transformative learning experiences (TLE) for ALL VCU students** bridging the gap between the classroom and the REAL world

By 2026 ALL Undergraduate Programs and Concentrations will **require** at least one TLE for graduation



**Work-based Experiential Skills**



**Research Skills: Every Ram's a Researcher**

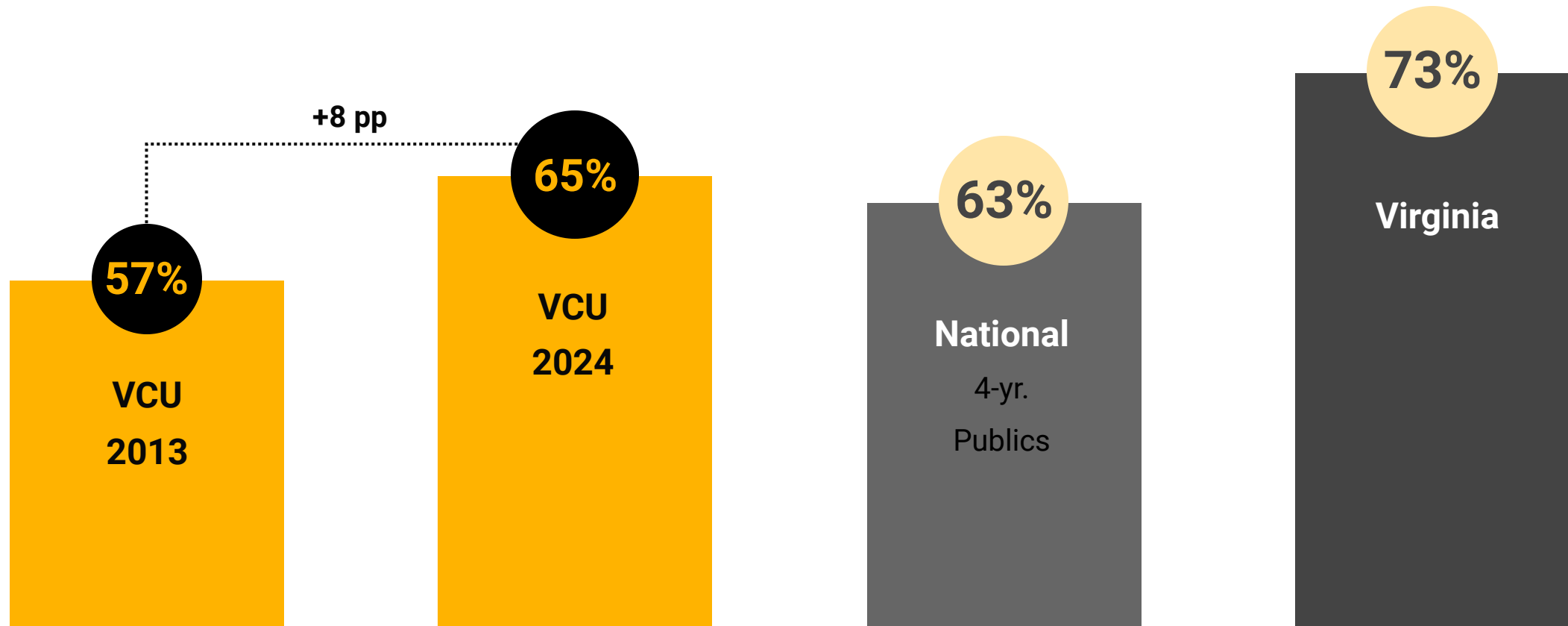


**Educating entrepreneurs & innovators**



**Lifelong Learning Skills**

# Six-year Graduation Rate



Source: IPEDS, VCU Data Portal.

# Six-Year Graduation Rates

University Academic Alliance Partner Universities

University of Colorado Denver	47%
University of New Mexico	50%
Georgia State University	54%
North Carolina A&T State University	55%
University of Illinois Chicago	60%
<b>VCU</b>	<b>65%</b>
University of Utah	66%
Arizona State University	69%
UMBC - University of Maryland Baltimore County	70%
Oregon State University	70%
University at Buffalo	73%
Iowa State University	75%
University of Central Florida	75%
University of California Riverside	77%
Michigan State University	83%
Purdue University	84%
The Ohio State University	88%



The University Innovation Alliance is the leading national coalition of public research universities committed to increasing the number and diversity of college graduates in the United States.



**Thank you!**





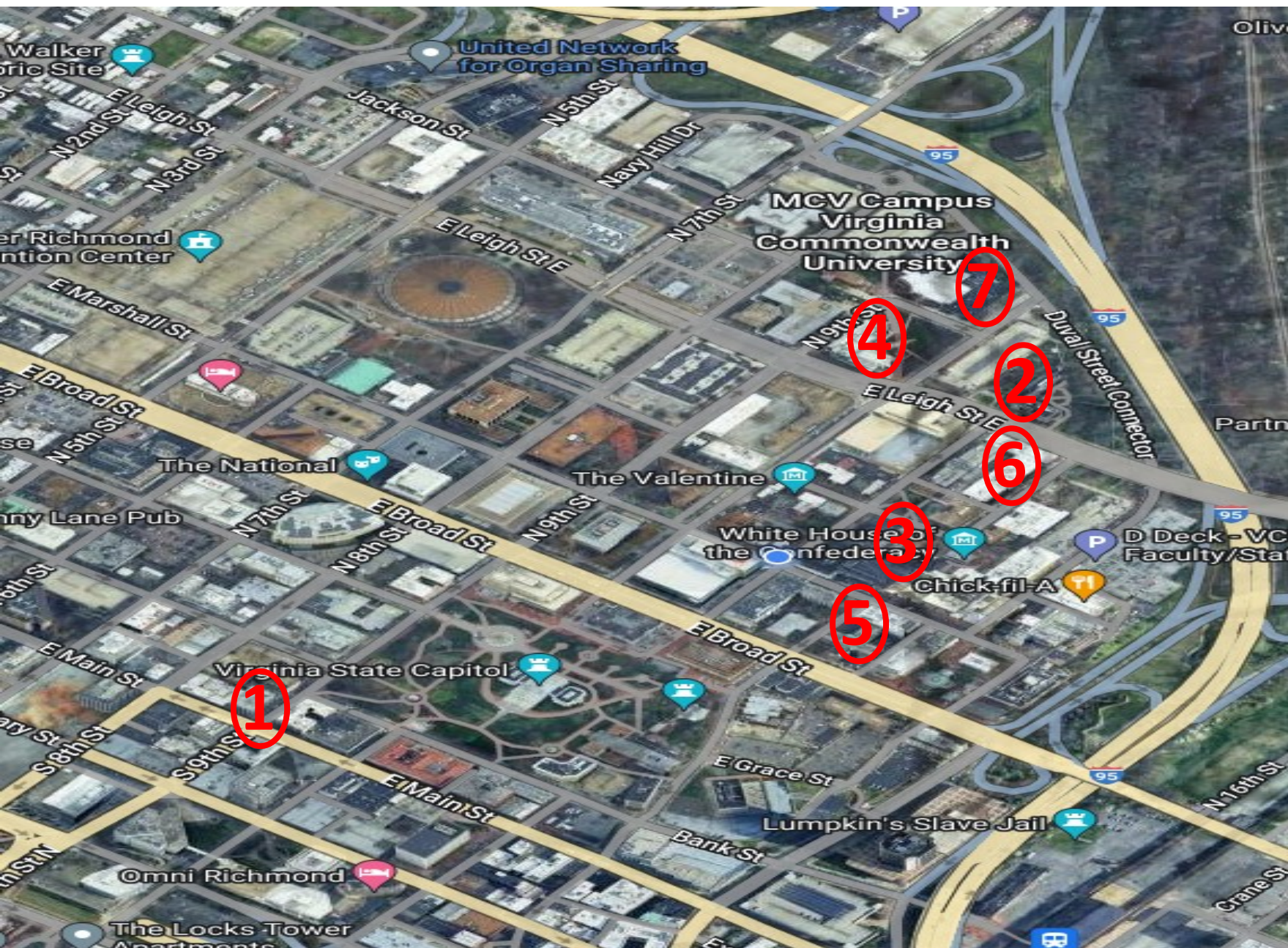
# Health Sciences

## Overview

*September 2024*







- ① School of Public Health
- ② School of Nursing
- ③ School of Pharmacy
- ④ College of Health Professions
- ⑤ School of Medicine
- ⑥ School of Dentistry-existing
- ⑦ School of Dentistry-future

UN





# College of Health Professions

**Faculty:** 79 Full-time, 49 Part-time

**Enrollment** (Fall 2023): 1,271

**Total extramural funding** (FY24): \$6,541,656

**Total degrees conferred** (AY23-24): 400

- Bachelor's: 106
- Master's: 108
- Doctoral: 167
- Certificate: 19

## Important needs

- Enhanced marketing/visibility
- Faculty in hard-to-recruit areas (e.g. Nurse Anesthesia)
- Several expansion opportunities

## Key takeaways

- Five top-ranked programs (Health Administration #3, Nurse Anesthesia #6, Rehabilitation Science #6, Occupational Therapy #14, Physical Therapy #26)
- Strong enrollment due to the BS in Health Services growth
- Extramural funding and annual fundraising continue to grow year over year. FY24 was the highest year-to-date for both.
- Planned growth (Radiation Sciences, Ultrasonography, Medical Lab Sciences)
- Planned New Programs (Perfusion Sciences, Optometry, Respiratory Therapy)

<b>Certificate</b>	Aging Studies	5
	Health Care Financial Management	8
	Health Equity	1
	Patient Counseling	5

<b>Bachelor's</b>	Clinical Radiation Sciences	38
	Health Services	42
	Medical Laboratory Sciences	26

<b>Master's</b>	Gerontology	9
	Health Administration	52
	Medical Laboratory Sciences	9
	Patient Counseling	3
	Rehabilitation & Mental Health Counseling	35

<b>Doctoral</b>	Health Related Sciences	5
	Health Services Organization & Research	1
	Nurse Anesthesia Practice	56
	Occupational Therapy	49
	Physical Therapy	55
	Rehabilitation & Movement Sciences	1



# School of Dentistry

**Faculty:** 90 Full-time, 63 Part-time

**Enrollment** (Fall 2023): 508

**Total extramural funding** (FY24): \$6,574,936

**Total degrees conferred** (AY23-24): 140

- Bachelor's: 16
- Master's: 16
- Doctoral: 3
- DDS: 105

## Important needs

- New building (planning underway) to enable growth in enrollment, research, and patient care
- Additional scholarships to enhance recruitment of top students
- Increased opportunities for faculty development

## Key takeaways

- Expanding access to care by adapting to become the Commonwealth's largest provider of Dental Medicaid Services, creating an adult special needs clinic, expanding emergency care, and adding an Advanced Education in Prosthodontics Residency Program in 2025
- Good financial position due to the development of a strong clinical revenue model without marked tuition/fee increases over the past 5 years

<b>Bachelor's</b>	Dental Hygiene	16
<b>Master's</b>	Advanced Ed	16
<b>Doctoral</b>	Oral Health Research	3
<b>DDS</b>	Dental Surgery	105



# School of Medicine

**Faculty:** 900 Full-time, 77 Part-time

**Enrollment** (Fall 2023): 1,012

**Total extramural funding** (FY24): \$127,729,539

**Total degrees conferred** (AY23-24): 258

- Master's: 38
- Doctoral: 11
- Certificate: 34
- MD: 175

## Important needs

- Recruitment package dollars for Depart. Chairs, esp. in basic health sciences
- Laboratory and office space for current and future faculty
- Teaching dollars for the LCME-required team-based sessions

## Key takeaways

- Full accreditation by LCME
- Strong philanthropic and research funding
- Faculty productivity (now greater than 50%) and dollars saved above budget (\$50 million in practice plan) compare very favorably to previous years

Master's	Addiction Studies	7
	Anatomy & Neurobiology	4
	Biochemistry	2
	Genetic Counseling	11
	Human Genetics	5
	Medical Physics	2
	Microbiology & Immunology	2
	Pharmacology & Toxicology	4
	Physiology & Biophysics	1

Doctoral	Biochemistry	2
	Human Genetics	1
	Medical Physics	1
	Microbiology & Immunology	2
	Neuroscience	2
	Pharmacology & Toxicology	1
	Physiology & Biophysics	2

MD	Medicine	175
----	----------	-----

Certificate	Addiction Studies	4
	Clinical Genetics	5
	Medical Physics	2
	Pre-Med Grad Health Sciences	23

# Research Strengths - SOM

- **Neurosciences**
  - Powerhouse in addiction science
    - #8 of all U.S. medical schools in funding from the National Institute on Alcoholism and Alcohol Abuse
    - #16 in National Institute of Drug Abuse funding
  - Pioneer in unraveling complex genetics of depression and other mental health disorders
- **Cancer**
  - Massey Cancer Center achieved Comprehensive Cancer Center status from the National Cancer Institute, a distinction achieved by only the top cancer research and clinical care centers in the U.S.
- **Cardiovascular and metabolic**
  - Led by Pauley Heart Center and Stravitz-Sanyal Liver Institute
- **Physical Medicine & Rehabilitation**
  - Ranked #19 in the U.S. (we are the only hospital in Virginia ranked in the top 50)
- **Family Medicine & Population Health**
  - Ranks 14<sup>th</sup> in its category among the top 25 departments in the country



# School of Nursing

**Faculty:** 54 Full-time, 37 Part-time

**Enrollment** (Fall 2023): 932

**Total extramural funding** (FY24): \$6,755,155

**Total degrees conferred** (AY23-24): 299

- Bachelor's: 204
- Master's: 67
- Doctoral: 25
- Certificate: 3

## Important needs

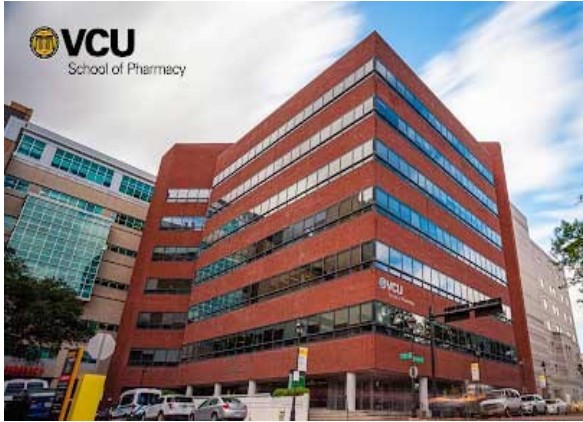
- New (additional) faculty and staff to grow enrollment, addressing existing faculty compensation disparities
- Commitment from VCU Health to guarantee and prioritize clinical placements for students
- Adequate instructional space to accommodate projected enrollment growth

## Key takeaways

- Addressing workforce needs by partnering with VCU Health to offer guaranteed admission to all associate-degree prepared nurses
- Adding a new cohort of BS students (n=60) beginning AY 24-25
- VCU is ahead of national trends by engaging in innovative updates to all academic programs

<b>Bachelor's</b>	Nursing	204
<b>Master's</b>	Nursing	67
<b>Doctoral</b>	Nursing Practice	25
<b>Certificate</b>	Health Care Innovation	3





# School of Pharmacy

**Faculty:** 60 Full-time, 3 Part-time

**Enrollment** (Fall 2023): 416

**Total extramural funding** (FY24): \$10,318,354

**Total degrees conferred** (AY23-24): 118

- Master's: 4
- Doctoral: 12
- PharmD: 102

<b>Master's</b>	Pharmaceutical Sciences	4
<b>Doctoral</b>	Pharmaceutical Sciences	12
<b>PharmD</b>	Pharmacy	102

## Important needs

- New building to meet the current and future needs for research and enrollment growth
- Funding to meet the expanding demand for, and accelerated growth in, the new BS in Pharmaceutical Sciences
- Expanded support for student success in the areas of housing, dining, transportation, and recreation

## Key takeaways

- The School is on track to contribute significantly to the pharmaceutical corridor in terms of workforce and manufacturing capabilities
- Recent declines in PharmD enrollment have plateaued and future growth is expected at all degree levels
- The BS in Pharmaceutical Sciences begins this fall and is experiencing higher than expected interest





# School of Public Health

**Faculty:** 50 Full-time, 5 Part-time

**Enrollment** (Fall 2023): 106

**Total extramural funding** (FY24): \$9,456,525

**Total degrees conferred** (AY23-24): 35

- Master's: 26
- Doctoral: 9

## Important needs

- Dedicated space/building to address future capacity for undergraduate students
- Funding for program development and growth; human resources for development of new programs and new teaching responsibilities (strategic hires in epidemiology and other areas)
- Philanthropic plan that includes targets, dedicated support, and effort with short-term and long-term goals

## Key takeaways

- Growth in all programs since the creation of the School, including doubled enrollment in the MPH program
- Outstanding success in developing infrastructure and other notable accomplishments within a short time frame and with limited resources (e.g., progress in the accreditation submission process, launch of new online programs)
- High-impact research across Health Sciences and a large focus on community engagement

<b>Master's</b>	Biostatistics	5
	Public Health	21

<b>Doctoral</b>	Biostatistics	3
	Epidemiology	1
	Healthcare Policy & Research	3
	Social & Behavioral Sciences	2

# VCU Board of Visitors

**Orientation | September 5, 2024**

Meredith Weiss, Senior Vice President for  
Finance & Administration, CFO





# Investing in the **UNSTOPPABLE**



*Aligning resources to drive VCU's success and value*



# Board oversight: Finance



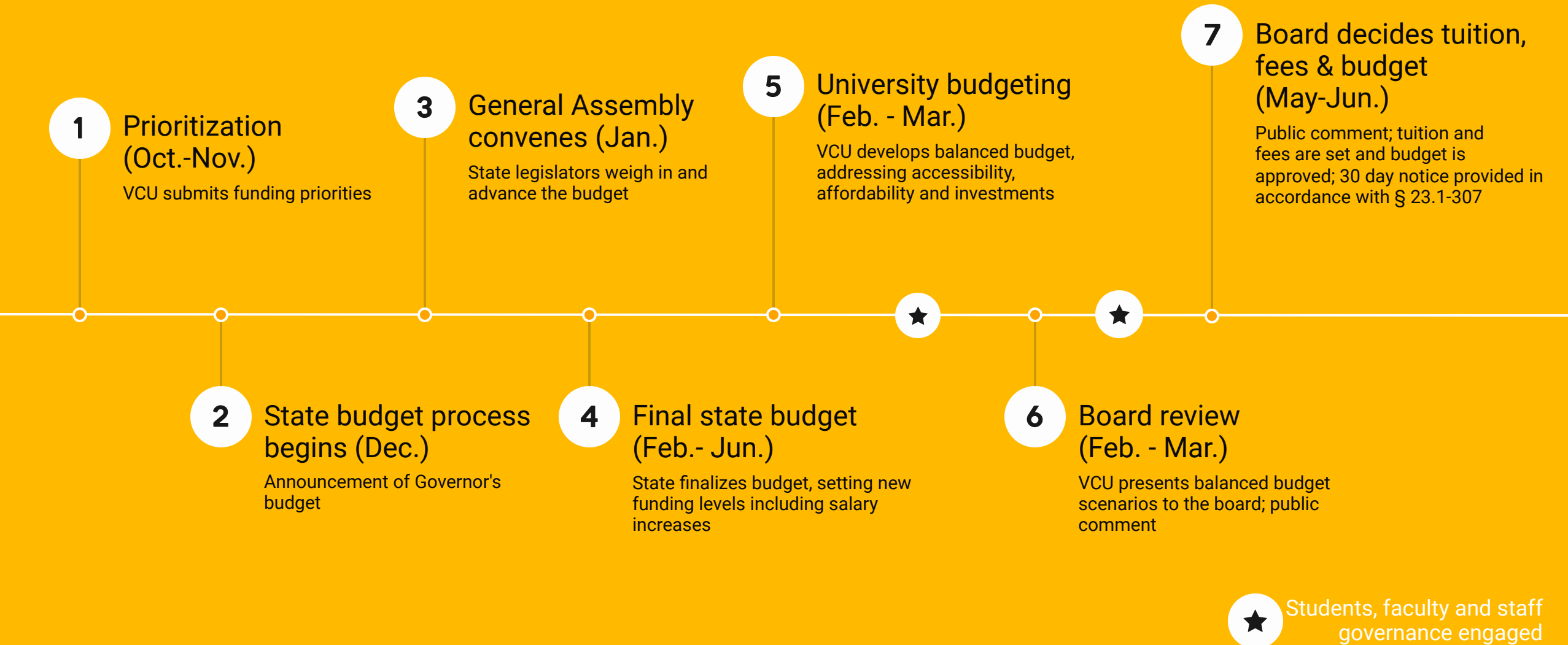
## Reviews

- Debt
- Investments
- Performance metrics
- Financial statements
- University efficiencies

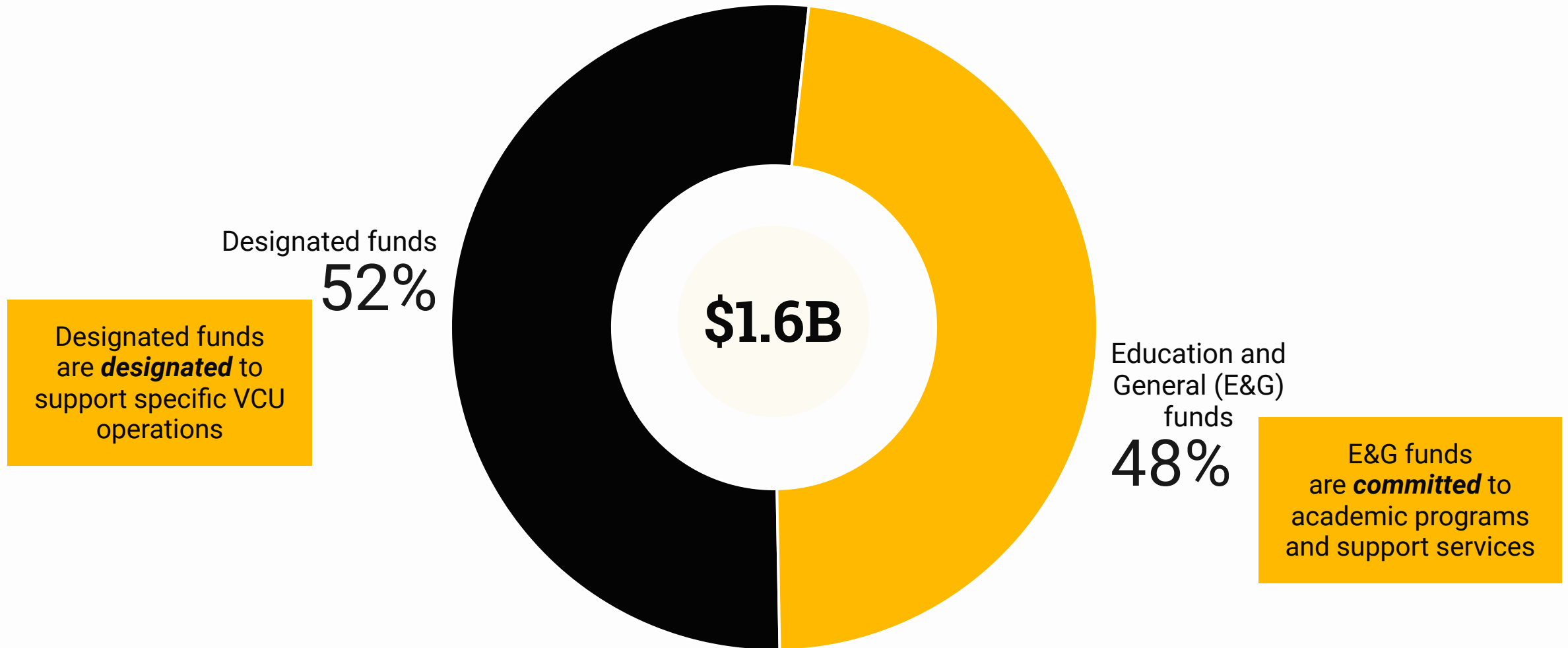
## Approves

- Budget
- Tuition & fees
- Contracts over \$5M
- New debt and refinancing
- Six year plan
- Financial policies including the university investment policy

# Budget timeline

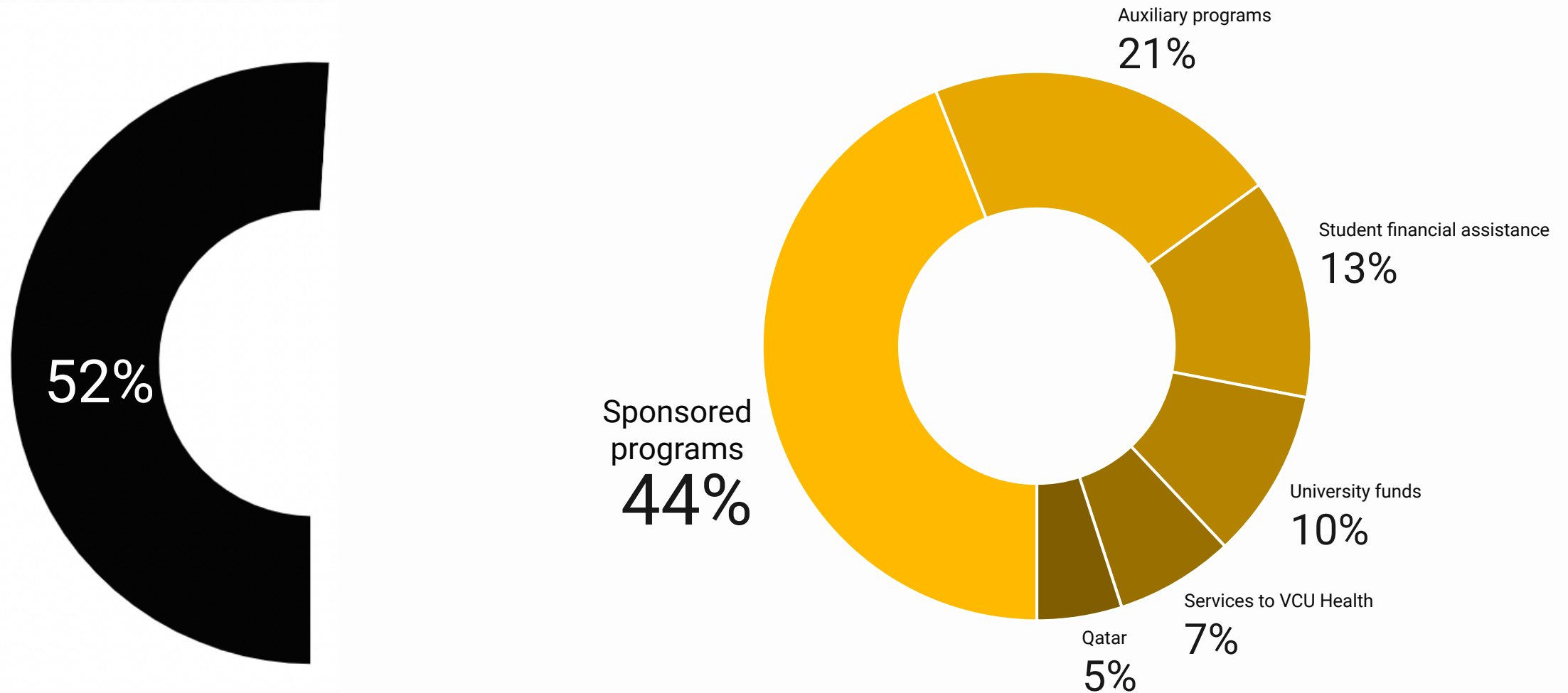


# VCU FY2025 all funds operating budget



# FY2025 designated funds - 52%

Designated funds are *designated* to support specific VCU operations



# 2015

**VCU INVESTMENT MANAGEMENT  
COMPANY (VCIMCO) FOUNDED**

Serves and supports VCU by investing  
endowment and other assets with the long-  
term goal of enhancing financial strength.

# \$2.036B

**TOTAL VCIMCO ASSETS UNDER  
MANAGEMENT (as of June 30, 2024)**

\$1.196B of which is  
VCU Health System

# 9.2%

**DELIVERING STRONG RESULTS**

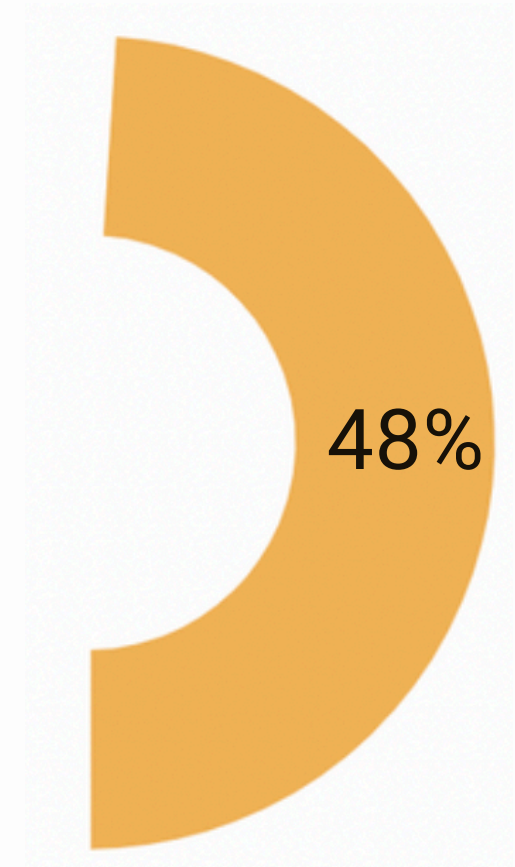
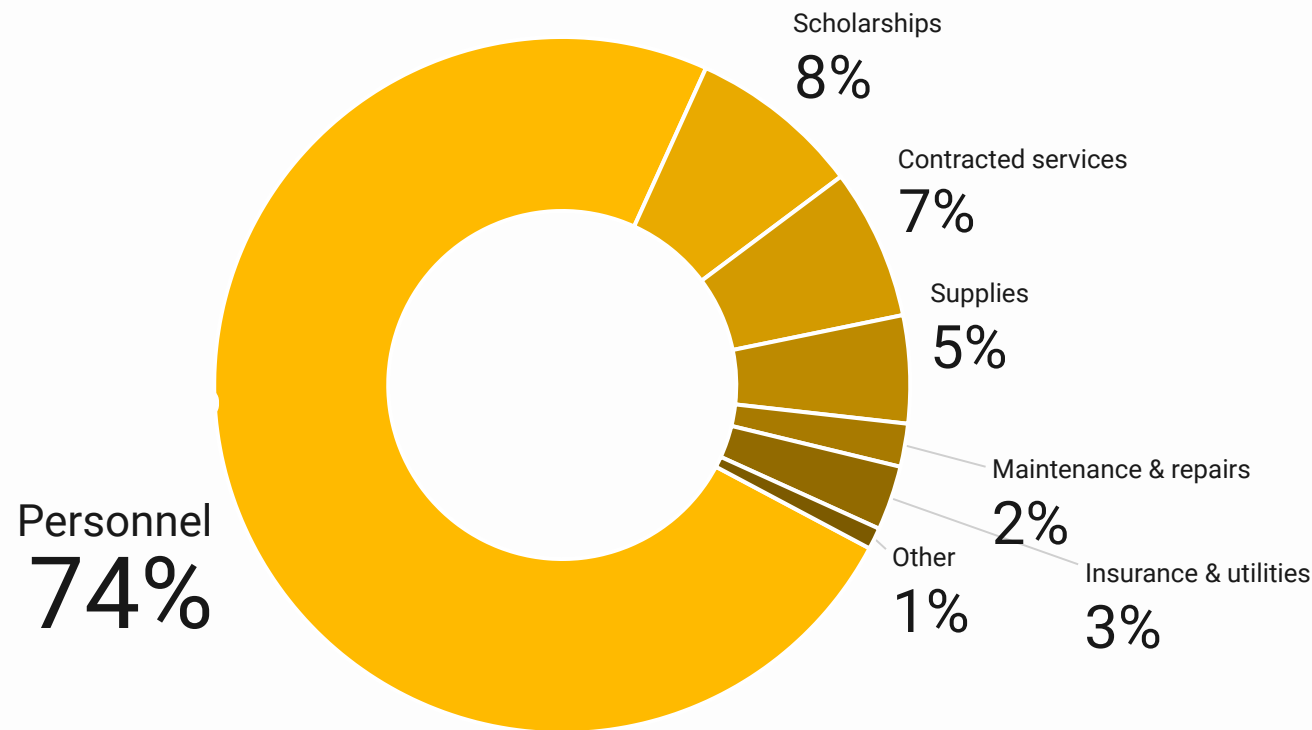
Annualized return over the last five years  
Top quartile performance FY23 and FY24



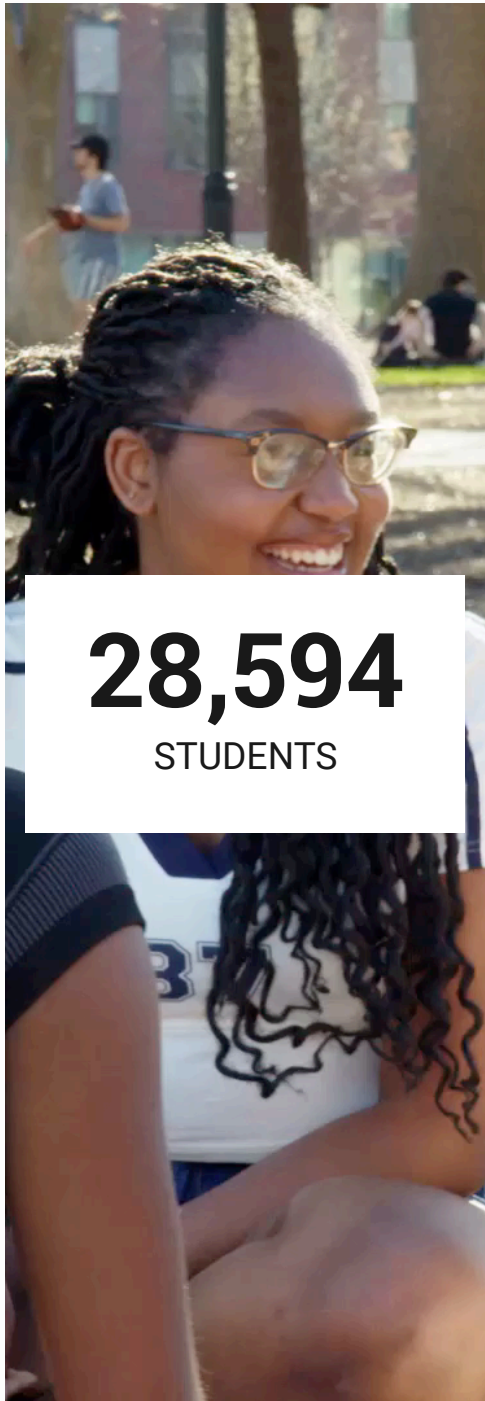
# Education & General (E&G) funds - 48%

E&G funds are ***committed*** to **academic programs and support services**

Tuition and fees (58%), state funding (39%), other (3%)



# Our students



**28,594**  
STUDENTS

**37%**

Fall freshman who  
are 1st generation  
college students

**33%**

Undergraduates  
who are Pell grant  
eligible

**91%**

of students are  
Virginia residents

**59%**

VCU graduates  
with a bachelor's  
degree earn  
59% more than VA  
high school  
graduates

**103%**

VCU graduates  
with a master's  
degree earn  
103% more than  
VA high school  
graduates

**66%**

of VCU's 226,800  
alumni live in  
Virginia

# Accessibility and affordability is a priority

Borrowing per student has remained flat

Family Income	FY18 Net Price	FY22 Net Price	\$ Change	% Change
\$0-\$29.9k	\$14,264	\$14,188	-\$76	-.5%
\$30k-\$47.9k	\$18,411	\$15,435	-\$2,976	-16%
\$48k-\$74.9k	\$21,559	\$18,675	-\$2,884	-13%
\$75k-\$109.9k	\$24,597	\$23,433	-\$1,164	-5%
\$110k and above	\$27,310	\$28,236	\$926	3%
Tuition & mandatory fees	\$13,624	\$15,028	\$1,404	10%
Financial aid (Federal, state & institution per UG student)	\$9,846	\$12,965	\$3,119	32%
Mean reported debt at graduation	\$30,272	\$30,435	\$163	0.5%

# Accessibility, affordability & innovation

VCU's financial strategy



Keeping tuition and fee increases below higher education & consumer price indexes



Cuts & realignment to address priorities, inflation & state mandates (e.g., salary increases and military waivers)



Investments in financial aid



Launch innovative programming

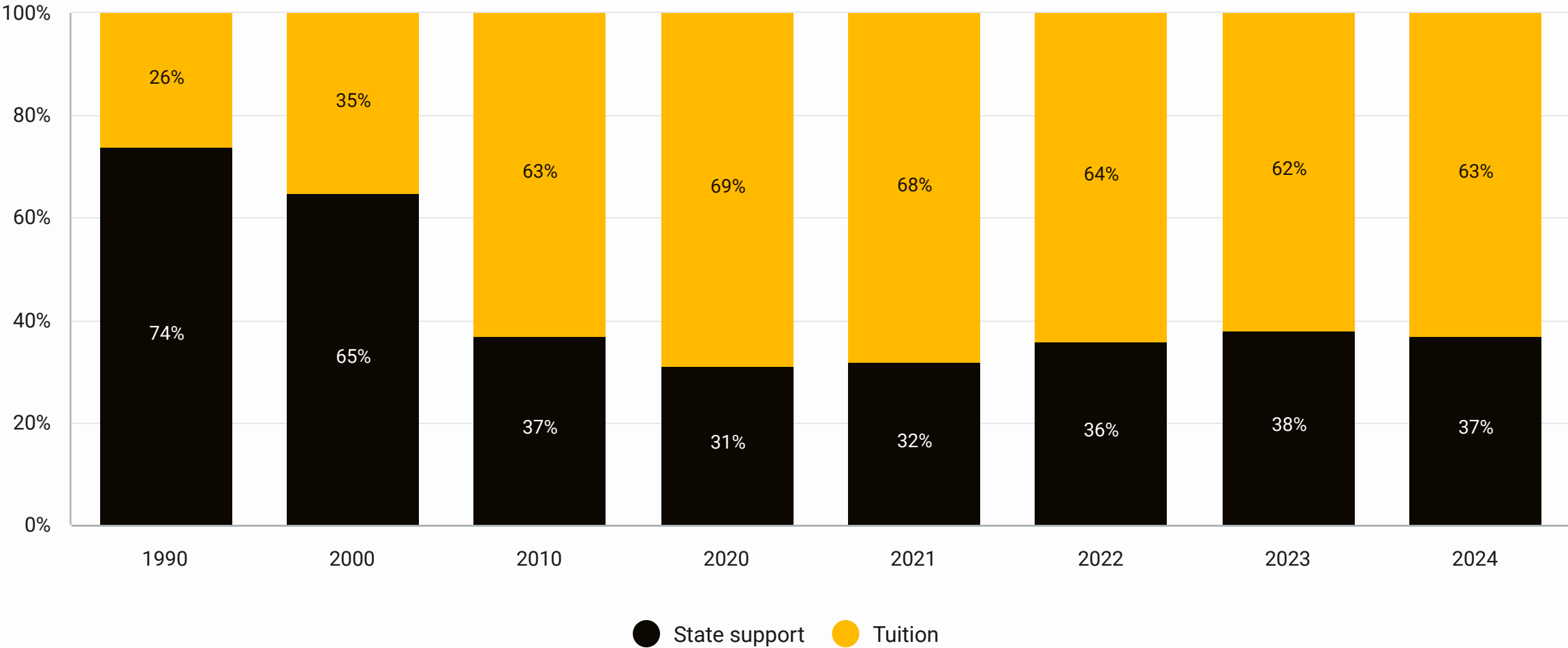
# Tuition and fees lag inflation

Consumer Price Index (CPI) & Higher Education Price Index (HEPI)

Fiscal year	Consumer Price Index (CPI)	Higher Education Price Index (HEPI)	VCU % Tuition & fee increase	VCU \$ Tuition & fees
2019-20	1.6%	1.9%	0.7%	14,596
2020-21	2.3%	2.7%	0.8%	14,710
2021-22	7.2%	5.2%	2.2%	15,028
2022-23	6.3%	4.0%	4.1%	15,642
2023-24	3.0%	3.4%	3.8%	16,233
<b>Avg. increase</b>	<b>4.1%</b>	<b>3.4%</b>	<b>2.3%</b>	

HEPI & CPI as of June 2024

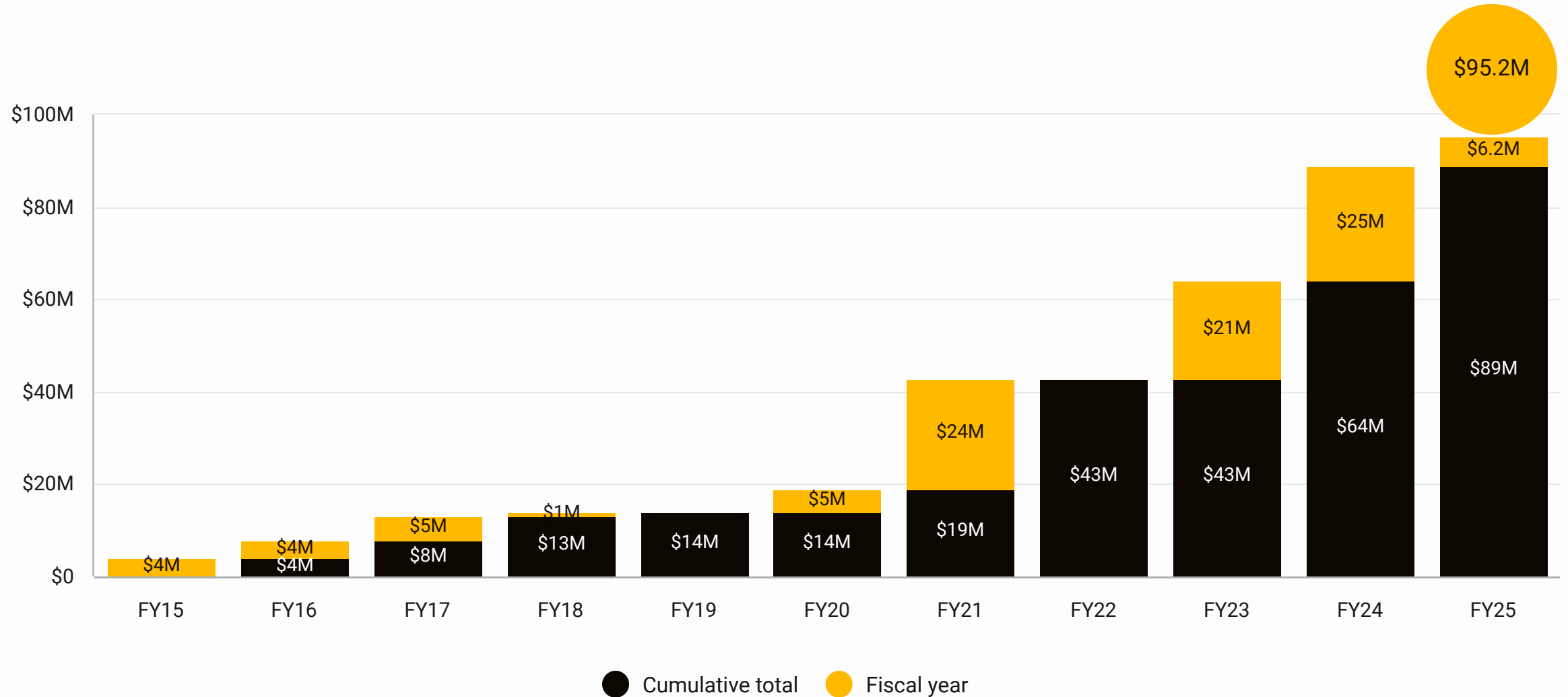
# State support & tuition revenue trend



Source: Virginia Department of Planning and Budget and VCU financial information



# Cuts & realignments



# Lean management

## Administrative efficiencies

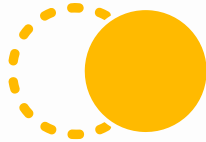
Peer universities	% Management employees (FTE)/all employees
University of Alabama at Birmingham	5%
<b>Virginia Commonwealth University</b>	<b>6%</b>
George Mason University	6%
University of Louisville	12%
University of Cincinnati (Main Campus)	13%
University of Virginia	13%
University of South Carolina (Columbia)	16%
<b>Mean</b>	<b>11%</b>
<b>Median</b>	<b>12%</b>

# Align and grow Educational & General funds to further advance the value of a VCU degree



**Enrollment growth &  
retention**

1% = \$4.5M



**Realignment &  
efficiency**

1% E&G cut = \$6.2M



**State support**

1% State = \$3.1M



**Tuition**

1% = \$4.5M

# **Build on momentum**

## **Invest in the value of a VCU degree**

**\$11.6M**  
FY25 value investment



### **Drive academic & research excellence**

Innovative academic programs

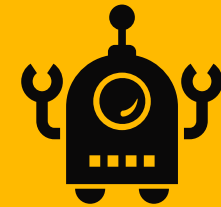
World-class faculty



### **Transform applied learning**

Every Ram's a researcher!

Every Ram is career ready!



### **Champion AI in teaching & learning**

Convergence Labs @ VCU

# Board oversight: Facilities & real estate



## Reviews

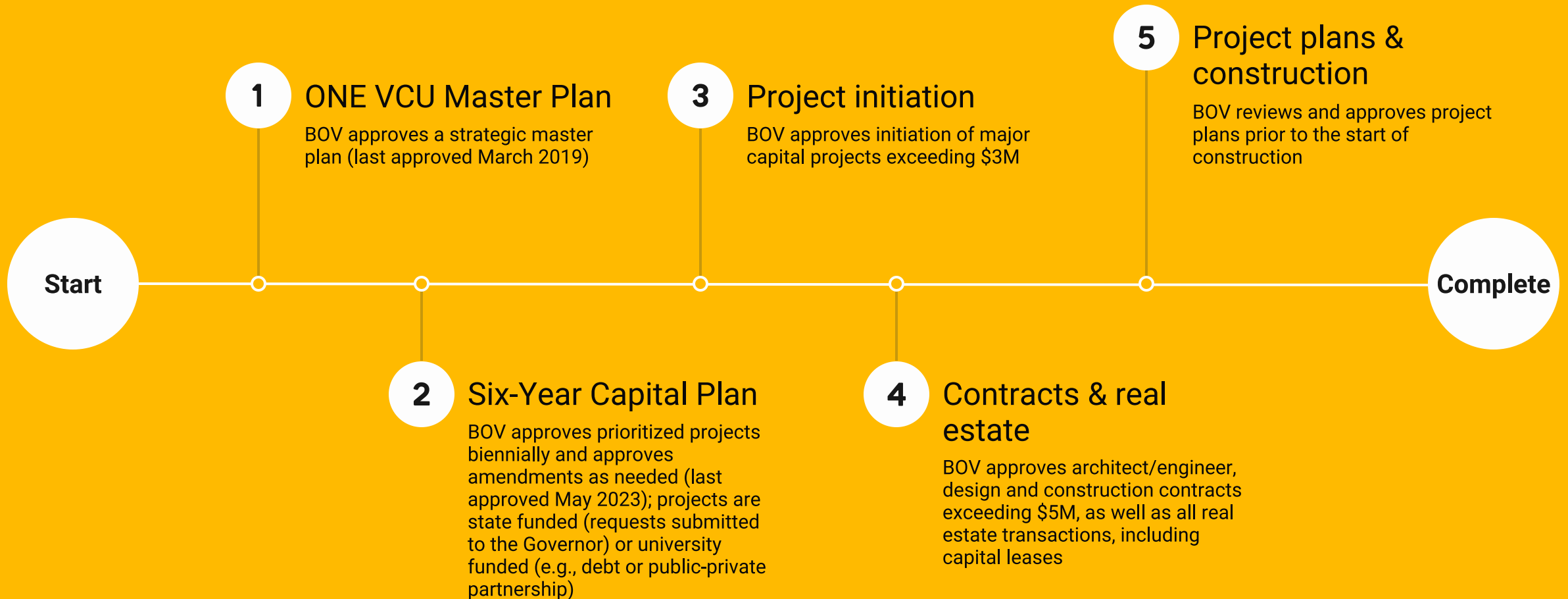
- Strategic real estate plan
- Building & grounds reports
- Capital projects progress

## Approves

- Master plan
- Six-year capital plan (projects exceeding \$3M)
- Contracts over \$5M
- Capital project initiation
- Real estate transactions
- Project plans

# Capital projects timeline

Board of Visitors Approvals



# Total debt

All current outstanding long-term debt has been used to fund major capital and real estate projects.

# \$400.7M

Current outstanding long-term debt (as of June 30, 2024)

FY25 fiscal debt payment: \$39.7M



# Credit ratings

Credit ratings reflect financial health. Maintaining a strong credit rating is essential for keeping borrowing costs low and accessing capital.

A rating from a national rating agency of AA- or better is required to obtain Tier III status\* (per the Restructuring Act of 2005).



**Current rating: Aa3**

Rating scale: Aaa to C



**Current rating: AA-**

Rating scale: AAA to D

*\*Provides financial and administrative operational authority and financial benefits*

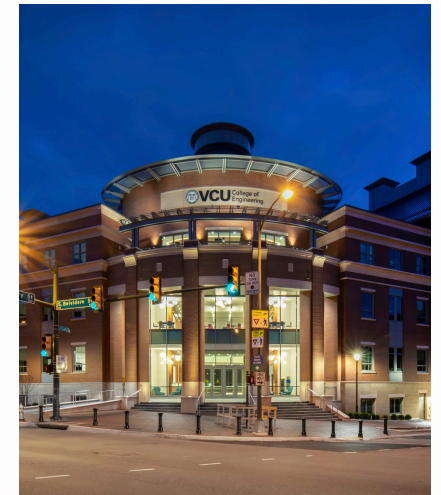
# Capital projects

Status of Board of Visitors approvals for active projects

	Start	1	2	3	4	5	Complete
		ONE VCU Master Plan	Six-Year Capital Plan	Project initiation	Contracts & real estate transactions	Project plans	
CoStar Center for Arts & Innovation		✓	✓	✓ 05/2019	✓	✓	Under construction
Founders Hall rehabilitation			✓	✓ 09/2021			On time/budget
Technology Operations Center			✓	✓ 10/2021	✓	✓	Construction complete
VCU Dentistry Center		✓	✓	✓ 03/2023			
Athletic Village Phase I		✓	✓	✓ 05/2023			
Scherer Hall renovations			✓	✓ 03/2024	N/A	✓	
Athletic Village Phase II		✓	✓				
Johnson Hall renovation		✓	✓				
Research Building		✓	✓				
Student Housing - Honors Undergraduate		✓	✓				
Transformative Learning Space & Laboratory Building		✓	✓				
West Grace Street Housing		✓	✓				

# Savings on capital projects

- STEM Building  
\$4.5M returned to the state
- College of Health Professions  
\$1.65M returned to the state
- College of Engineering Research Building  
\$4.46M returned to the state
- Raleigh Building renovation  
\$166K returned to the state



# Board oversight: VCU Administration



## Reviews

- Human resources updates
- Safety & security updates
- Technology updates
- Enterprise risk management updates

## Approves

- Emergency management plans
- Changes to insurance plans

# Appendix



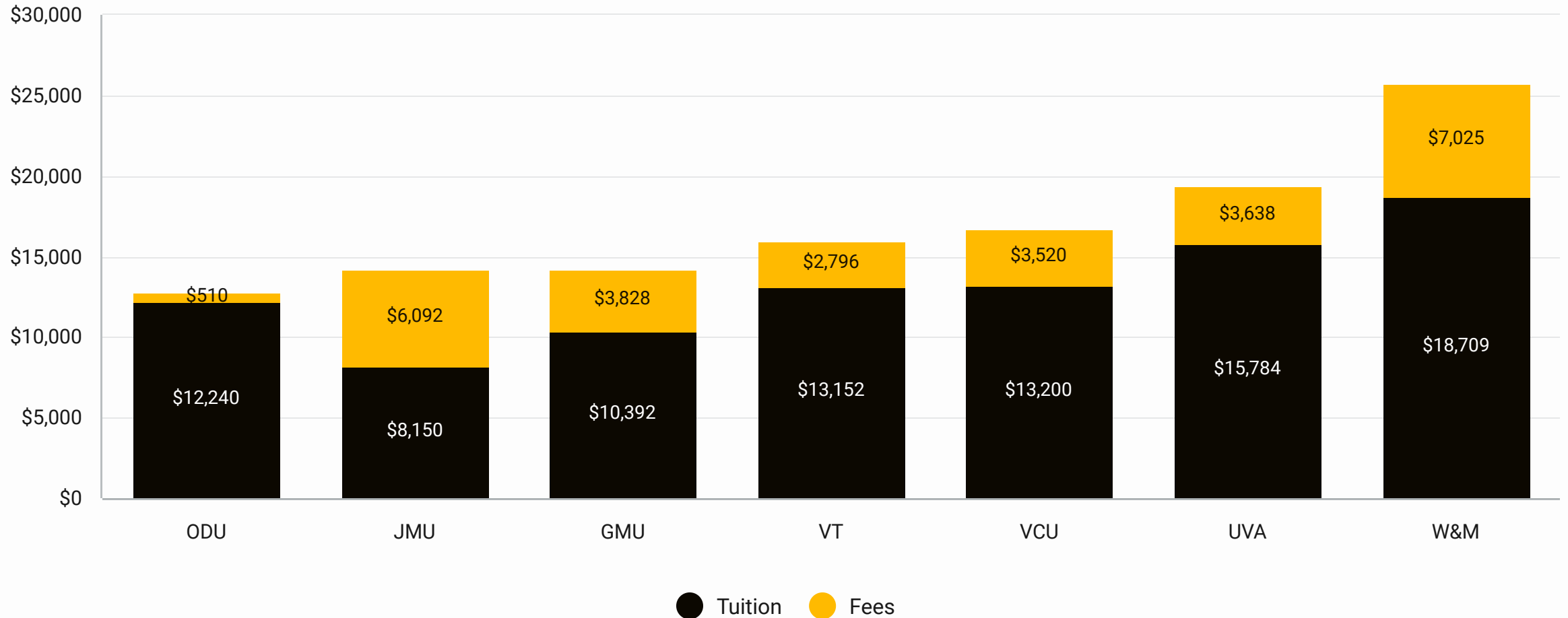
# 2024-25 Budget sources & summary

(in thousands)

	Tuition, Fee, & State Funds E&G Programs	Grants and Contracts (Sponsored Programs )	Auxiliary Enterprises (Housing & Dining)	Qatar Hospital Univ. Funds	Student Financial Assistance	Total University
<b>FY24-25 SOURCES</b>						
<b>State General Funds</b>						
Direct Appropriations	\$ 305,224	\$ 26,763	\$ -		\$ 61,664	\$ 393,651
<b>Nongeneral Funds</b>						
Student Tuition and Fees	460,799	-	68,240	\$ -	-	529,039
Grants and Contracts		368,988	-	-	52,078	421,066
Gifts and Investment Earnings	100	-	5,551	72,000	-	77,651
Sales and Services	6,410	-	102,551	115,829	-	224,790
Other Sources	2,448	-	150	13,590	-	16,188
<b>Total Nongeneral Funds</b>	<b>469,757</b>	<b>368,988</b>	<b>176,492</b>	<b>\$ 201,419</b>	<b>52,078</b>	<b>1,268,734</b>
Transfers in (out)	14,034	(14,034)	-	-	-	-
<b>Total University Sources</b>	<b>\$ 789,015</b>	<b>\$ 381,717</b>	<b>\$ 176,492</b>	<b>\$ 201,419</b>	<b>\$ 113,742</b>	<b>\$ 1,662,385</b>
<b>FY24-25 USES</b>						
Instruction	\$ 283,076	\$ 40,650	\$ -	\$ 49,710	\$ -	\$ 373,436
Research	34,771	330,569	-	36,171	-	401,511
Public Service	6,923	-	-	3,095	-	10,018
Academic Support	199,044	489	-	16,358	-	215,891
Student Services	17,968	107	-	1,038	-	19,113
Institutional Support	103,268	2,745	-	6,905	-	112,918
Operation and Maintenance of Plant	80,136	3,201	-	1,712	-	85,049
Scholarships and Fellowships	51,822	1,716	-	15,189	113,742	182,469
Auxiliary Enterprises	-	-	176,492	-	-	176,492
Hospital Services	-	-	-	71,241	-	71,241
Reallocations 5%	-	-	-	-	-	-
Subtotal Uses	777,008	379,477	176,492	201,419	113,742	1,648,138
Contingencies and Reserves	12,007	2,240	-	-	-	14,247
<b>Total University Uses FY 2025</b>	<b>\$ 789,015</b>	<b>\$ 381,717</b>	<b>\$ 176,492</b>	<b>\$ 201,419</b>	<b>\$ 113,742</b>	<b>\$ 1,662,385</b>

# Virginia resident tuition & mandatory fees 2024-25

Virginia R1 and Tier III institutions

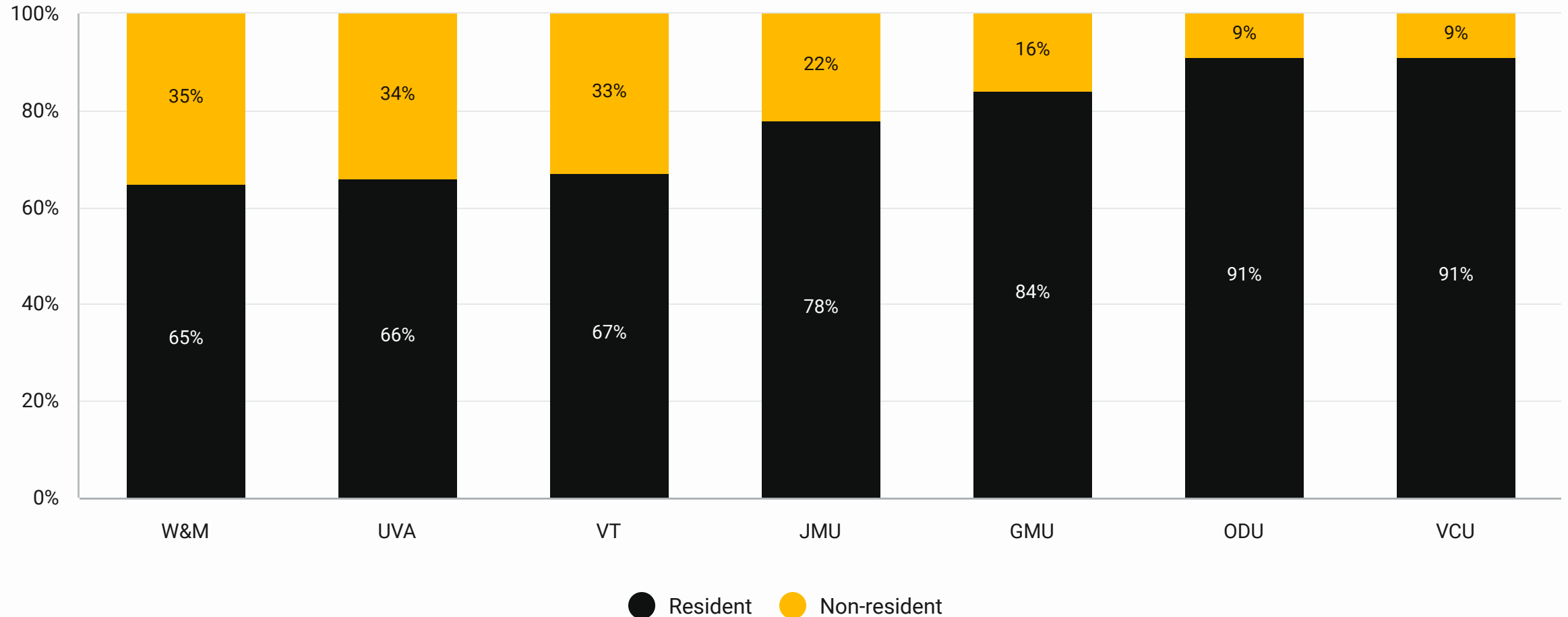


Source: Respective university published tuition and fees



# VCU serves a high percentage of resident students

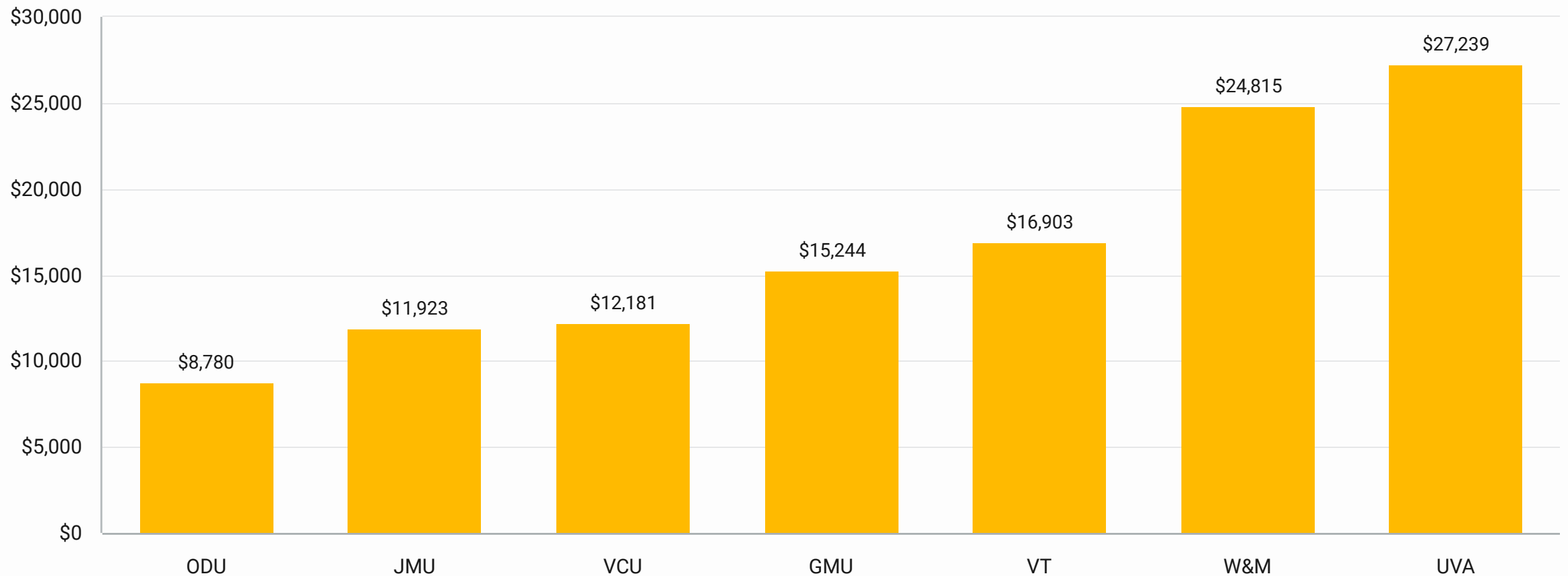
Total student undergrad FTE by residency



Source: State Council for Higher Education of Virginia. *Higher Ed Data Center*. Annualized Student FTE 2022-2023

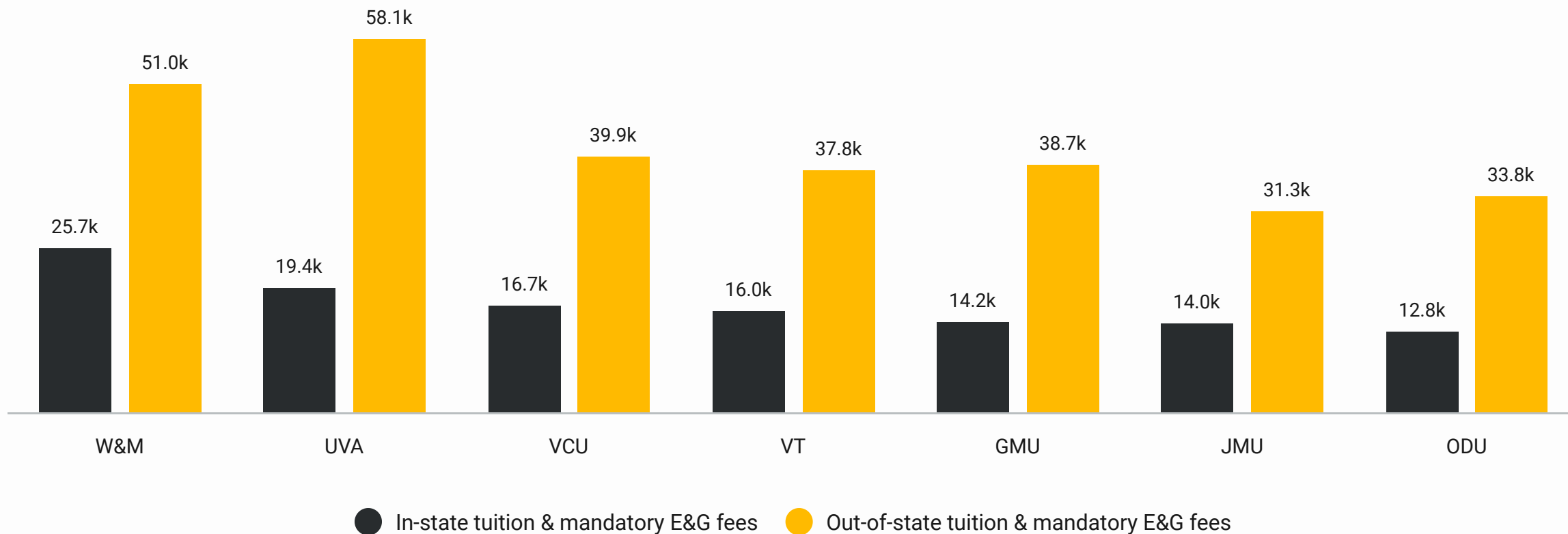
# Total undergraduate tuition revenue net of waivers per student FY23

Virginia R1 and Tier III institutions



Source: Respective institution six-year plans submitted to SCHEV in 2024

# FY25 resident & non-resident undergrad tuition & mandatory fees



# General fund support lags for higher cost academic programs

FY23 General fund support (raw vs. adjusted amounts)

- Amounts are adjusted for 1st professional programs and dedicated allocations, research and public service.
- The table presents an adjusted state budget for schools of Veterinary Medicine, Medicine, Pharmacy and Dentistry. Law Schools are excluded as they are often expected to be self-supported.
- Other first professional programs as defined by SCHEV are not included: chiropractic, osteopathic medicine (VT's program is a 501 c(3)), rabbinical and Talmudic studies, podiatry, divinity and ministry programs. Currently no other R-1s have these programs.

