



# VCU

## Board of Visitors

### FINANCE AND UNIVERSITY RESOURCES COMMITTEE

April 23, 2026

1:15 p.m.<sup>1</sup>

The Honorable Benjamin Lambert, III Board Room  
1213 East Clay Street  
Richmond, VA

### AGENDA

1. **CALL TO ORDER** **Mr. Anthony Bedell, Chair**
  
2. **ACTION ITEMS** **Mr. Anthony Bedell, Chair**  
**10 min. (1:15-1:25 p.m.)**
  - a. February 27, 2026 meeting minutes
  - b. Approval to execute amendments to existing term contracts for professional architectural/engineering services
  - c. Approval to execute a contract renewal, student health insurance, UnitedHealthcare
  
3. **GOVERNMENT RELATIONS UPDATE** **Dr. Alexis Ehrhardt, Vice President for Government Relations**  
**20 min. (1:25-1:45 p.m.)**  
  
**Ms. Karah Gunther, Vice President for External Affairs and Health Policy**
  
4. **FINANCE AND BUDGET UPDATE** **Dr. Meredith Weiss, Senior Vice President for Finance and Administration and Chief Financial Officer**  
**10 min. (1:45-1:55 p.m.)**
  - a. Six-Year Plan Preview
  
5. **DEVELOPMENT AND ALUMNI RELATIONS UPDATE** **Mr. Magnus Johnsson, Interim Vice President for Development and Alumni Relations**  
**15 min. (1:55-2:10 p.m.)**

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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.

6. **CLOSED SESSION** – *Freedom of Information Act Sections 2.2-3711 (A) (9)*  
**10 min. (2:10-2:20 p.m.)**  
a. Comprehensive campaign update  
b. Named fund and spaces report  
c. Approved named funds under \$50,000  
**Mr. Anthony Bedell, Chair**
7. **RETURN TO OPEN SESSION AND CERTIFICATION**  
**3 min. (2:20-2:23 p.m.)**  
a. **Action item:**  
Approval of items discussed in closed session  
**Mr. Anthony Bedell, Chair**
8. **MISCELLANEOUS REPORTS**  
**1 min. (2:23-2:24 p.m.)**  
For informational purposes only  
a. Third quarter performance analysis  
b. Finance and University Resources Committee dashboard  
c. VCU Health financial report  
**Mr. Anthony Bedell, Chair**
9. **OTHER BUSINESS**  
**1 min. (2:24-2:25 p.m.)**  
**Mr. Anthony Bedell, Chair**
10. **ADJOURNMENT**  
**Mr. Anthony Bedell, Chair**

*In accordance with the Board's operating procedures and in compliance with the Virginia Freedom of Information Act, there will be no opportunity for public comment at this meeting.*

# Action items

# Approval of February 27, 2026 meeting minutes

# Approval to execute multiple term contracts

## Professional architectural/engineering services

### Background

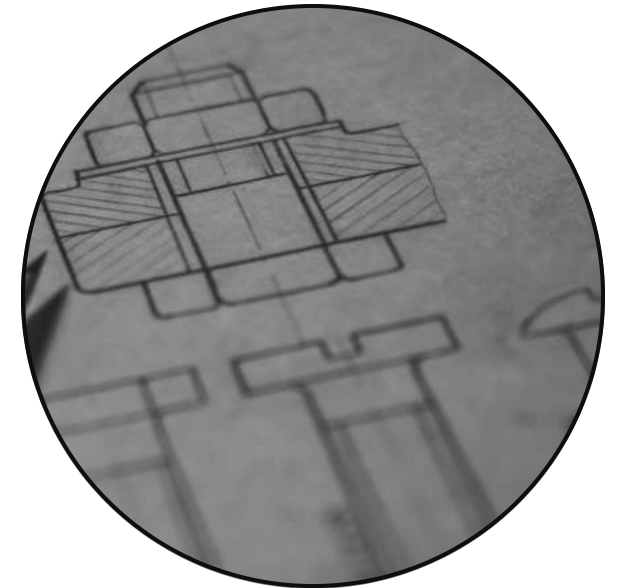
VCU seeks BOV approval to execute amendments of existing architect/engineer (A/E) term contracts to reflect an amendment to the VCU Higher Education Capital Outlay Manual (HECO Manual). Pending BOV approval in April 2026, an amendment to VCU's HECO Manual would align with changes in state law (Chapter 505 of the Acts of the General Assembly 2022) pertaining to increases in fee limits for A/E term contracts. This HECO Manual amendment allows up to \$10M per contract term with no one project exceeding \$2.5M; VCU's current HECO Manual limits A/E term contracts to \$1M per contract term. Optional-use A/E term contracts allow the university to retain a network of prequalified vendors. This approval will amend existing, optional-use A/E term contracts as well as contract renewals that extend through June 30, 2030. The selection of 22 firms followed a competitive request for proposal process.

### Cost and funding

Cost of services depends on need, type, scale and scope. Sources of funding vary by project and may include state-appropriated funding, debt, university or auxiliary funds. Pending BOV approval of the HECO Manual amendment, VCU would limit spending with each firm to \$10M per contract term, with no one project exceeding \$2.5M.

### Recommendation

Approve the execution of amendments to existing architect/engineer (A/E) term contracts effective July 1, 2026.



# VCU student health insurance operates on a thin margin

1,572

Members  
(students & dependents)

\$3,973

Current premium

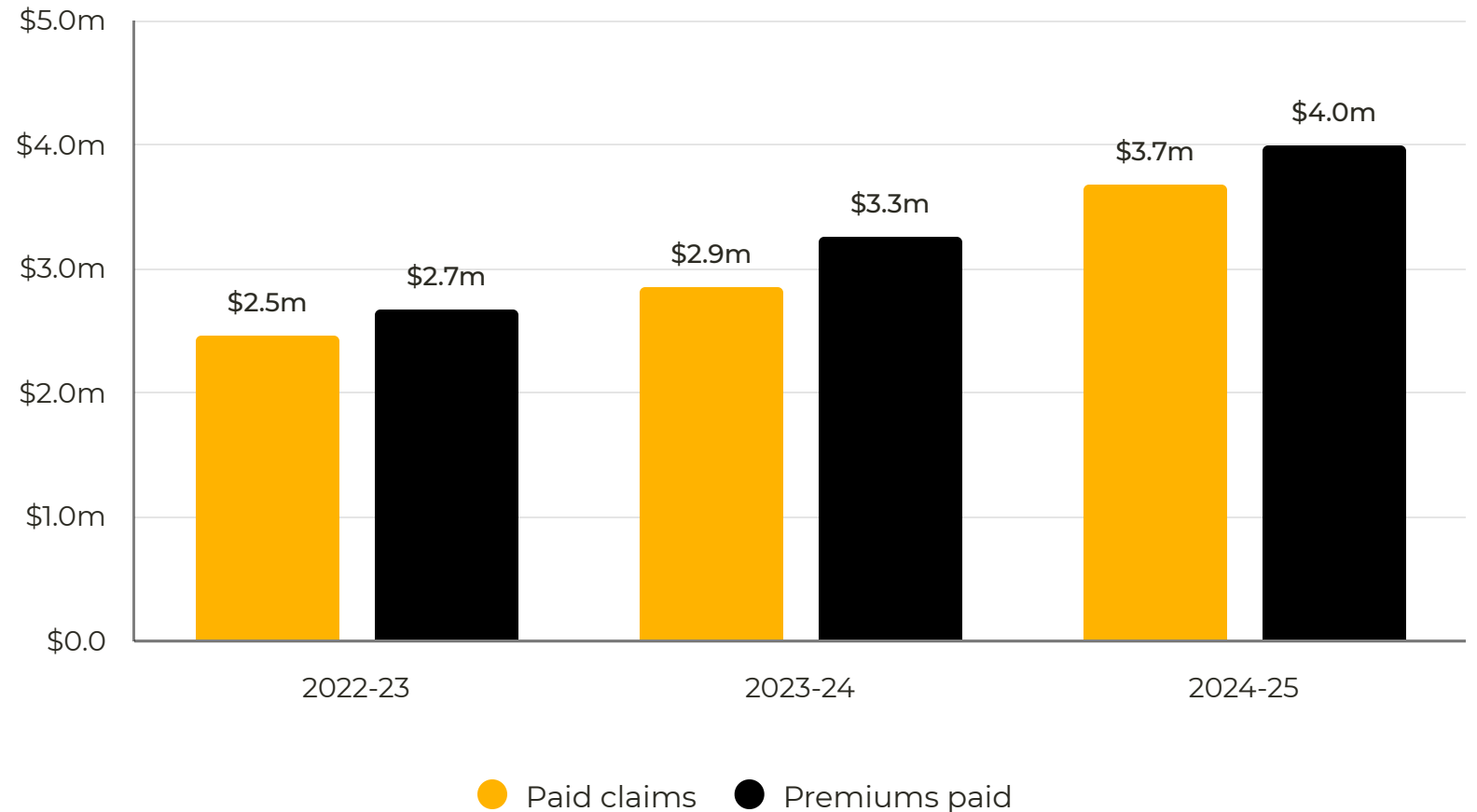
91.9%

Claims-to-premium

0

Complaints for UnitedHealthcare  
in VA in 2025 based on NAIC and  
in VCU's plan

UnitedHealthcare paid-claims to premiums

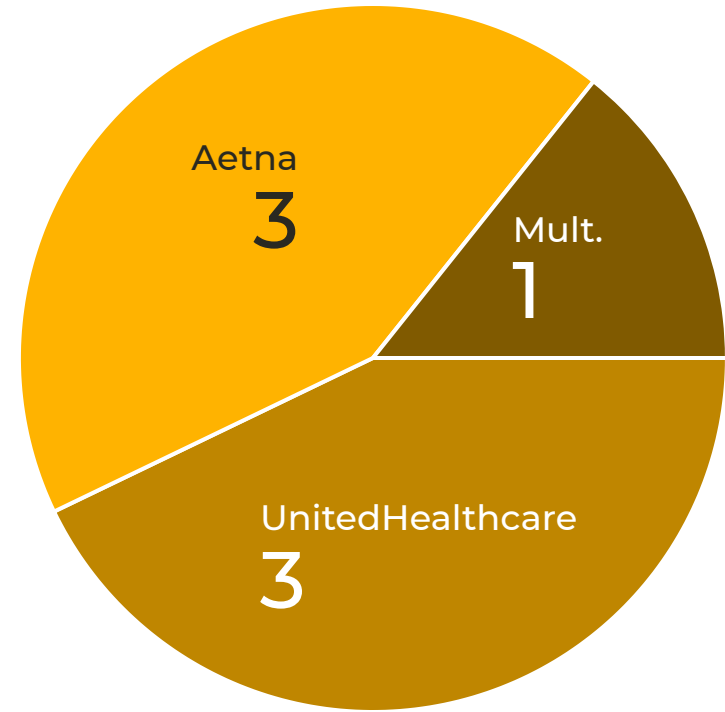


# Self insurance estimates are costly

Estimates based on generally applied insurance parameters for 1,500 members

	UnitedHealthcare	Est. self insurance cost
Stop-loss insurance	Included	\$500k
Third-party administration	Included	\$235k
Pharmacy benefit management	Included	\$470k
Network access fees	Included	\$80k
Actuarial and risk support	Included	\$75k
UnitedHealthcare current administrative costs	\$322k	-
Total overhead and non-direct care costs	\$322k	\$1,360k

## Va colleges choose providers



# Approval to execute a contract renewal

## Student health insurance, UnitedHealthcare

### Background

VCU seeks BOV approval to execute a one-year contract renewal for student health insurance with UnitedHealthcare. The VCU student health insurance program began in December 2021 and provides health insurance coverage to full-time Ph.D., first professional and international students. Insurance is required for this student group unless proof of comparable insurance is provided.

### Considerations

All agreements in which the value exceeds or can be reasonably expected to exceed \$7M, or previously approved agreements with proposed contract renewals or amendment amounts that are projected to increase by more than 10%, require BOV approval as outlined in VCU's Delegation of Signatory Authority policy. The proposed one-year renewal for the 2026-2027 academic year is estimated at approximately \$5.6M, which exceeds the previously approved annual amount of \$3.6M by more than 10%; and therefore requires BOV approval. The increase in costs is due to a combination of rising rates and higher student participation.

### Cost and funding

The proposed contract cost for the 2026-2027 academic year is estimated at approximately \$5.6M. This estimate is based on the 2025-2026 premium of \$3,973 per student, and the current program coverage of approximately 1,416 enrolled members, including students and dependents. International, first professional students and dependents pay the full premium cost through assessed student fees. Ph.D. students cover 30% of the premium, with the remaining 70% paid by university funds. Overall contract value is subject to change based on participation and enrollment.

### Recommendation

Approve the request to execute a one-year contract renewal for student health insurance with UnitedHealthcare at an estimated annual cost of approximately \$5.6M for the 2026-2027 academic year.



## **Approval to execute amendments of existing term contracts**

### Professional architectural/engineering services

#### **Background**

VCU seeks Board of Visitors (BOV) approval to execute amendments of existing architect/engineer (A/E) term contracts to reflect an amendment to the VCU Higher Education Capital Outlay Manual (HECO Manual). Pending BOV approval in April 2026, an amendment to VCU's HECO Manual would align with changes in state law (Chapter 505 of the Acts of the General Assembly 2022) pertaining to increases in fee limits for architect/engineer (A/E) term contracts. This HECO Manual amendment allows up to \$10M per contract term with no one project exceeding \$2.5M; VCU's current HECO Manual limits A/E term contracts to \$1M per contract term.

A/E term contracts allow the university to retain a network of prequalified vendors. These pre-negotiated, optional-use term contracts are critical to VCU Facilities Management operations and allow for prompt engagement of an A/E firm to provide feasibility studies, cost studies and designs of small capital, non-capital and maintenance reserve projects when timeliness is necessary. This approval will amend existing, optional-use A/E term contracts as well as contract renewals that extend through June 30, 2030.

The selection of 22 firms followed a competitive request for proposal (RFP) process.

#### **Considerations**

VCU's Delegation of Signatory Authority Policy requires that previously approved agreements with proposed contract renewals or amendment amounts that are projected to increase by more than 10% receive additional BOV approval. The amount to be paid under these contract amendments may exceed 10% above the original BOV approval.

Following a comprehensive evaluation of capabilities, the RFP committee determined that the following 22 firms are the most qualified to perform the services in the disciplines noted and, if approved, will be amended to reflect the increased A/E term limits.

- **Building envelope:** Raymond Engineering, WDP
- **Civil services:** Timmons
- **Fire protection:** GHD
- **Full service A/E services:** Baskervill, Page
- **General architectural services:** Ayers St. Gross, Glavé & Holmes Architecture, Hanbury, KEI, PSH+, RRMM
- **Geotechnical engineering services:** Froehling & Robertson

- **Landscape architecture services:** Fall Line
- **Mechanical, electrical and plumbing engineering services:** 2RW, Affiliated Engineers, CMTA, Engineers Plus, Wiley Wilson
- **Structural engineering services:** Dunbar
- **Surveying:** H&B Surveying
- **Traffic and parking consulting services:** Kimley Horn

### **Cost and funding**

Cost of the services depends on need, type, scale and scope. Sources of funding vary by project and may include state-appropriated funding, debt, university or auxiliary funds. Pending BOV approval of the HECO Manual amendment, VCU would limit spending with each firm to \$10M per contract term, with no one project exceeding \$2.5M.

### **Recommendation**

Approve the execution of amendments to existing architect/engineer (A/E) term contracts beginning on July 1, 2026.

## **Approval to execute a contract renewal**

### **Student health insurance, UnitedHealthcare**

#### **Background**

VCU seeks Board of Visitors (BOV) approval to execute a one-year contract renewal for student health insurance with UnitedHealthcare. The VCU student health insurance program began in December 2021 and provides health insurance coverage to full-time Ph.D., first professional and international students. Insurance is required for this student group unless proof of comparable insurance is provided.

#### **Considerations**

All agreements in which the value exceeds or can be reasonably expected to exceed \$7M, or previously approved agreements with proposed contract renewals or amendment amounts that are projected to increase by more than 10%, require BOV approval as outlined in VCU's Delegation of Signatory Authority policy. The proposed one-year renewal for the 2026-2027 academic year is estimated at approximately \$5.6M, which exceeds the previously approved annual amount of \$3.6M by more than 10%; and therefore requires BOV approval. The increase in costs is due to a combination of rising rates and higher student participation.

As part of VCU's annual review of student health insurance options at the direction of the BOV, UnitedHealthcare and Aetna emerged as the only carriers, with UnitedHealthcare demonstrating strong performance, including zero complaints in Virginia, based on data from the National Association of Insurance Commissioners for 2025. The current fully-insured model is highly efficient, with a medical loss ratio of 91.9%, meaning the vast majority of premiums are directed to student care, while only 8.1% (\$322K in FY2025) supports administrative services such as stop-loss coverage, benefits administration, pharmacy management, and actuarial support being provided by UnitedHealthcare.

Over the last year, VCU administration also evaluated the possibility of transitioning to a self-insured model. It was estimated that self insurance would significantly increase annual administrative and risk-related costs to an estimated \$1M–\$2.5M, while exposing the university to greater financial volatility given the student population's transient nature and high utilization of primary care and pharmacy services. Accordingly, the current structure provides a more cost-effective, stable, and lower-risk solution without a clear advantage to moving to self-insurance.

The university continues to evaluate student health insurance and is preparing for a competitive renewal in the next year. To assist in this process, the university has engaged Segal consultants to provide expertise and assess the current student health insurance program and further explore self-insurance. A one-year contract renewal is recommended to provide continuity of coverage while we engage in the procurement process.

**Cost**

The proposed contract cost for the 2026-2027 academic year is estimated at approximately \$5.6M, which aligns with prevailing pricing among comparable institutions in the commonwealth. This estimate is based on the 2025-2026 premium of \$3,973 per student, and the current program coverage of approximately 1,416 enrolled members, including students and dependents. International, first professional students, and dependents pay the full premium cost through assessed student fees. Ph.D. students cover 30% of the premium, with the remaining 70% paid by university funds. Overall contract value is subject to change based on participation and enrollment.

**Recommendation**

Approve the request to execute a one-year contract renewal for student health insurance with UnitedHealthcare at an estimated annual cost of approximately \$5.6M for the 2026-2027 academic year.

# Government Relations update

Dr. Alexis Ehrhardt, vice president for government relations

Ms. Karah Gunther, vice president for external affairs & health policy

# Six-Year Plan preview

Dr. Meredith Weiss, senior vice president for finance & administration & chief financial officer

# About the Six-Year Plan

- Requirement under the Virginia Higher Education Opportunity Act of 2011
- Submitted every odd year and updated every even year (this is an update year)
- Communicates strategies for the upcoming biennium, focusing on E&G
- Strategies in the plan have been presented and discussed with the BOV
- Serves as a tool for state and institutional planning
- Separate from the Six-Year Capital Plan (also a required state document)
- Approve at the June BOV meeting



# Six-Year Plan focus areas



Academic programs



Student success initiatives and metrics



Strategic enrollment management



Operational efficiencies



Capital priorities



Legislative priorities

**April 2026**

# **VCU Board of Visitors**

**Finance and University Resources Committee**

Magnus H. Johnsson, CFRE (M.P.A.'10, Cert.'10)  
Interim Vice President, Development and Alumni Relations



# **Regional campaign launch events**

# Regional events and dean panels

**New York, NY**  
October 2025



Business, Humanities and Sciences, Medicine

**Los Angeles, CA**  
February 2026



Arts, Health Professions, Libraries

**Raleigh, NC**  
March 2026



Pharmacy, Nursing, Engineering

**Norfolk/VA Beach**  
April 2026



Dentistry, Massey, Education

**Washington DC/NOVA**  
May 2026



Social Work, Wilder, Public Health

# Regional event strategy driving early success

- Progress to goal
  - 356 of 366 total registrations secured (97.27%)
  - 2 events remaining, positioning us to meet or exceed goal
- Regional events to target key markets
  - 5 regional receptions (Goal: 70 registrations each)
  - 1 salon dinner (Goal: 16 registrations)
  - Balanced approach driving both broad reach and high-touch engagement
- Leadership engagement
  - Goal: Engage all 15 CSU leaders across events (3 per event)
  - Status: 100% achieved, all 15 leaders confirmed and scheduled

# Los Angeles, CA

Feb. 4, 2026



# Raleigh, NC

March 5, 2026





**Questions?**

## FY2026 Q3 Financial Performance Analysis

*Dollars in Millions*

SOURCES/USES <i>(in millions)</i>	FY2025-26 Full Budget	FY2025-26 YTD @ Q3	Projected Year- End Actuals	Projected YE \$ Budget Variance	Projected YE % Budget Variance
<b>SOURCES</b>					
Net Tuition and Fees (E&G)	\$464	\$440	\$477	\$13	3%
State Appropriations	\$321	\$248	\$329	\$8	3%
Other E&G Income	\$76	\$86	\$90	\$14	18%
Auxiliary Student Fees	\$71	\$69	\$72	\$1	2%
Other Auxiliary Income	\$109	\$103	\$116	\$7	6%
Sponsored Programs and Research	\$385	\$273	\$379	-\$6	-1%
University Funds	\$104	\$81	\$136	\$32	30%
Student Financial Assistance	\$112	\$118	\$117	\$5	5%
Hospital Services	\$68	\$53	\$69	\$1	2%
<b>Total Operating Sources</b>	<b>\$1,711</b>	<b>\$1,470</b>	<b>\$1,786</b>	<b>\$75</b>	<b>4%</b>
<b>USES</b>					
Academic Programs (E&G)	\$441	\$368	\$460	\$19	4%
Academic Support (E&G)	\$419	\$337	\$439	\$20	5%
Auxiliary Enterprises	\$180	\$149	\$186	\$6	3%
Sponsored Programs and Research	\$385	\$302	\$389	\$4	1%
University Funds	\$104	\$110	\$139	\$35	33%
Student Financial Assistance	\$112	\$114	\$117	\$5	5%
Hospital Services	\$68	\$52	\$68	\$0	-1%
<b>Total Operating Uses</b>	<b>\$1,711</b>	<b>\$1,431</b>	<b>\$1,797</b>	<b>\$86</b>	<b>5%</b>
<b>Net Operating Sources &amp; Uses</b>	<b>-</b>	<b>\$39</b>	<b>-\$11</b>	<b>-\$11</b>	

# Finance and University Resources Committee

## Dashboard Metrics for Quarterly Review - April 2026

### Finance

Area/metric	Target/goal/benchmark	Actual/outcome	Information/notes
<b>Bond ratings (AA- credit rating is minimum to achieve Tier III designation)</b>			
Moody's	Aa Category	Aa3	Rating reaffirmed March 2026, met goal
S&P	AA Category	AA-	Rating reaffirmed February 2025, met goal
<b>Debt ratio (debt policy requires 6% limit based on debt service of operating expense)</b>			
Calculated debt ratio	Threshold is S&P (6%) or Moody's rating group median (3.7% for FY 2024) Annual debt service/operating expense (as defined by each S&P and Moody's)	FY2024 debt ratio was 3.2%, FY2025 debt ratio was 3.0%; S&P calculation not available	Currently, debt ratio is within debt policy expectations. S&P and Moody's use different methods to calculate debt ratios.
<b>Investment performance (calculated over previous 12 months as of December 31, 2025)</b>			
Short-term tier	4.85%	5.15%	Short-term tier investments are in fixed income assets and are managed by external managers. Performance exceeded benchmark.
Long-term tier	17.73%	16.73% (estimated)	Long-term tier investments include the Quasi endowment and Glasgow endowment under the management of VCIMCO. Underperformed benchmark.
<b>Quarterly review of budget to actual performance</b>			
Revenues	<u>For FY 2025:</u> Q1 - 36%, Q2 - 66%, Q3 - 86%, <b>Q4 - 106%</b>	<u>For FY 2026:</u> Q3 - As of the end of the second quarter, VCU has collected 86% of our budget.	As of the end of the third quarter, revenues are projected to end above FY 2026 budget, a 1.6% increase over FY 2025 year-end revenues. Increased revenues include mid-year additions to state appropriations, increased enrollment driving higher tuition and fees, auxiliary revenue, and positive university funds income.
Expenses	<u>For FY 2025:</u> Q1 - 29%, Q2 - 50%, Q3 - 82%, <b>Q4 - 105%</b>	<u>For FY 2026:</u> Q3 - As of the end of the second quarter, VCU has accounted for 84% of its budget.	Expenses expected to end above budget, a 2.7% increase over FY 2025 expenses following increased revenues and planned capital spending in FY 2026 resulting in a projected deficit of \$11M. See quarterly performance analysis for further information and other categories.

## Development & Alumni Relations<sup>1</sup>

Campaign progress

Primary giving by household/entity (< \$50,000)

Major giving by household/entity (\$50,000 - \$999.9K)

Principal giving by household/entity (\$1M+)

Donors

New donors

## Government Relations Priorities

**Increased state support for tuition affordability, career readiness and academic programs:** Additional support from the state for student financial aid, rising inflationary costs, the launch of innovative academic programming, and unfunded costs of Virginia Military Survivors and Dependents Education Program (VMSDEP) tuition waivers. With full funding for VMSDEP, VCU would reallocate resources to improve student retention and graduation rates for all students by investing in student success resources and increasing career readiness funding for student internships and/or real-world work experience.

**Increased state support to expand the commonwealth's healthcare workforce:** As the only university in the commonwealth and only one of 12 in the entire country that graduates students across all health science disciplines (medicine, nursing, dentistry, public health, pharmacy and health professions), VCU seeks support from the state to begin a new model for directly funding higher-cost health science degrees. Enabling funding will also expand enrollment in many health science programs at VCU.

**Increased state support to revolutionize healthcare:** This includes support for Massey Comprehensive Cancer Center to meet the growing need for advanced cancer research, the College of Engineering to develop and deliver AI-based technology solutions, and Pauley Heart Center.

**Acquisition of the Altria Center for Research and Technology:** VCU seeks the Commonwealth's assistance with the purchase and renovation of the Altria Center for Research and Technology building, which will meet multiple urgent needs including required space for VCU's Massey Comprehensive Cancer Center to maintain its National Cancer Institute "comprehensive" status, health sciences research, and academic and classroom space for VCU Schools of Pharmacy and Public Health.

**VCU School of Dentistry facility construction:** VCU is the home to the commonwealth's only Dental School and is the only facility in the state offering complete multidisciplinary care (oral surgeon, periodontist, oral pain, oral cancer, etc.). VCU seeks funding from the state to construct the new School of Dentistry facility, a 313,880 gross square foot building to provide state-of-the art equipment and technology to serve more than 500 students.

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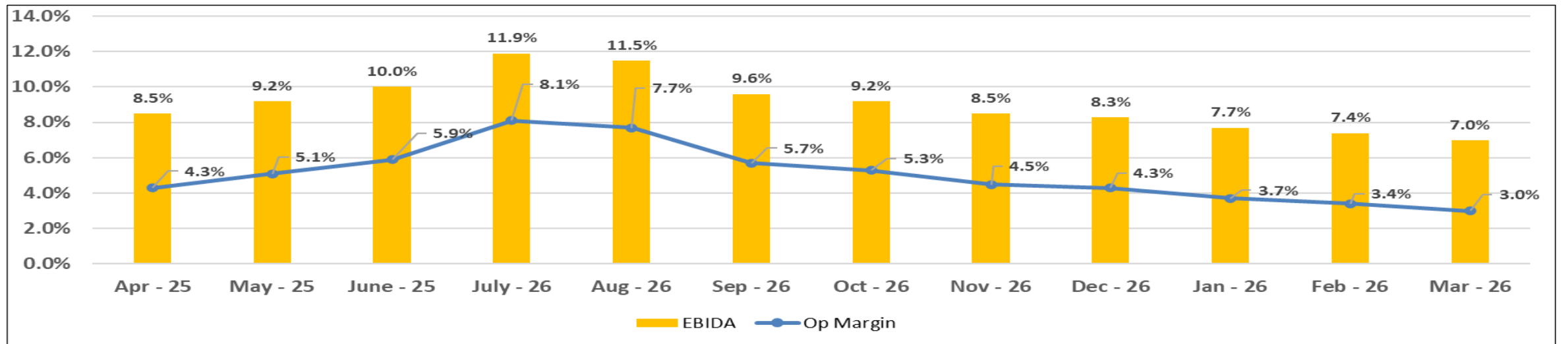
<sup>1</sup> Information is discussed during closed session under Section 2.2-3711(A)(9) of the Virginia Freedom of Information Act for the discussion of gifts, bequests and fundraising activities of the university.

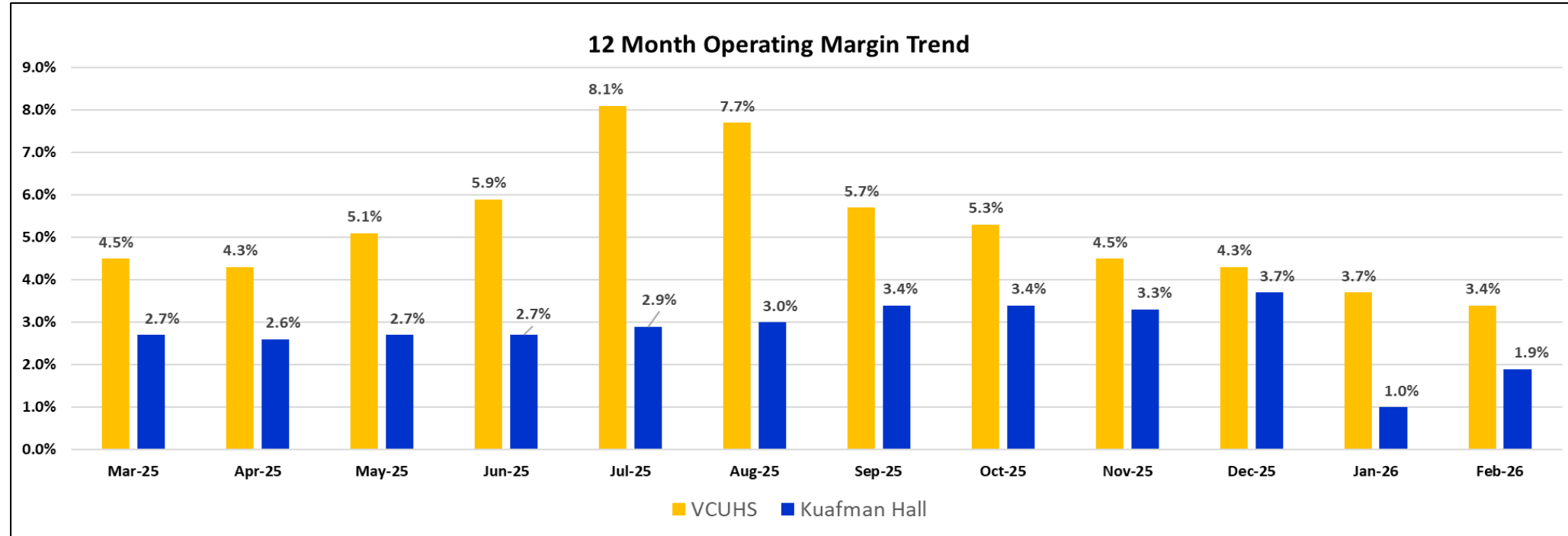
VCU Health System Authority  
FY 2026 Strategic Finance Update:  
- Nine months ending March 31, 2026

# VCUHS – Consolidated Operating Margin & Liquidity

For the Nine Months Ending March 31, 2026 & 12-month Trending Performance

(\$s in 000s)	Actual FY23	Actual FY24	Actual FY25	Budget March YTD FY26	Actual March YTD FY26	2024 Moodys Aa3	2024 S&P AA-
<b>Total Operating Revenue</b>	\$ 3,063,278	\$ 3,545,911	\$ 3,788,910	\$ 2,918,693	\$ 3,027,698	N/A	N/A
<b>Income for Operations</b>	\$ (19,549)	\$ 267,078	\$ 231,385	\$ 117,126	\$ 90,710	N/A	N/A
<b>Operating Margin %</b>	-0.6%	7.5%	6.0%	4.0%	3.0%	2.0%	2.3%
<b>Operating EBIDA</b>	\$ 133,857	\$ 426,972	\$ 388,851	\$ 237,969	\$ 212,916	N/A	N/A
<b>EBIDA %</b>	4.4%	12.0%	10.2%	8.2%	7.0%	6.9%	7.5%
<b>Debt to Capitalization</b>	20.6%	18.5%	16.9%	16.5%	15.7%	21.4%	23.3%
<b>Days Cash on Hand</b>	225	236	246	245	241	258	247
<b>Unrestricted Cash to Debt</b>	238%	266%	304%	311%	336%	269%	243%
<b>Maximum Annual Debt Service Coverage</b>	3.4	8.1	8.3	6.5	5.9	6.5	5.6





### Kaufman Hall Key Takeaways:

- **Cost pressures are driving a tenuous financial outlook.** Hospital expenses are elevated in early 2026 compared to 2025, while revenues are pressured by an eroding payer mix.
- **Hospital performance is bifurcating.** There is significant variation in hospital performance by size, geography, and market position.
- **Softer, uneven volumes reflect shifting care patterns.** Patient days have softened in early 2026 while the average length of stay remains relatively steady, reflecting both demographic shifts and changes in where care is delivered.
- **Outpatient revenue is rising in early 2026.** Outpatient care offers significant benefits to both patients and health systems, though hospitals must manage both revenue dilution and a greater concentration of high-acuity patients as a result.