



## FINANCE, BUDGET AND INVESTMENT COMMITTEE

**9:20 A.M.\*\***

**SEPTEMBER 13, 2019  
JAMES BRANCH CABELL LIBRARY  
901 PARK AVENUE – ROOM 311  
RICHMOND, VIRGINIA**

**DRAFT**

### AGENDA

- 1. CALL TO ORDER** *Mr. Benson Dendy, Chair*
- 2. APPROVAL OF AGENDA** *Mr. Benson Dendy, Chair*
- 3. APPROVAL OF MINUTES** *Mr. Benson Dendy, Chair*  
[\(May 10, 2019\)](#)
- 4. ACTION ITEMS:**
  - a. COMMITTEE CHARTER AND PLANNER *Ms. Karol Kain Gray, Senior Vice President and CFO*
  - b. FINANCIAL ASSUMPTIONS IN THE SIX YEAR PLAN
  - c. REQUEST TO DEMOLISH FRANKLIN STREET GYM *Dr. Meredith Weiss, Vice President for Administration*
- 5. REPORT FROM VICE PRESIDENT FOR ADMINISTRATION** *Dr. Meredith Weiss, Vice President for Administration*
  - a. Front Doors
  - b. Arts and Innovation Building
  - c. Interdisciplinary Academic and Laboratory Building
  - d. Smoke and Tobacco Free Policy
  - e. Energy Conservation
- 6. REPORT FROM SENIOR VICE PRESIDENT FOR FINANCE AND BUDGET** *Ms. Karol Kain Gray, Senior Vice President and CFO*
  - a. VCU Investment Management Company Report
  - b. SWAM Update
  - c. Treasurer's Report

**\*\* 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. MISCELLANEOUS REPORTS:** **Mr. Benson Dendy, Chair**  
**For Informational Purposes Only**
- a. Sources and Uses Funding FY19
  - b. Revenue and Expense Summary as of June 30, 2019
  - c. VCU Health System and Financial Operations as of June 30,2019
  - d. Agency Risk Management and Internal Controls Standards (ARMICS)
  - e. Board of Visitors Fund Annual Report as of June 30, 2019
  - f. Capital Projects Update
  - g. Dashboards

- 8. CLOSED SESSION** **Mr. Benson Dendy, Chair**
- Freedom of Information Act Section 2.2-3711 (A) (3),  
Relating to the Acquisition or Disposition of Real Property  
Adjacent to the Monroe Park Campus or the MCV Campus,  
and Section 2.2—3711 (A) (29), Relating to the negotiation and  
award of a contract, prior to a contract being awarded.

- 9. RETURN TO OPEN SESSION AND CERTIFICATION** **Mr. Benson Dendy, Chair**

- 10. OTHER BUSINESS** **Mr. Benson Dendy, Chair**

- 11. ADJOURNMENT** **Mr. Benson Dendy, Chair**

**\*\* 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.**



**BOARD OF VISITORS  
FINANCE, BUDGET AND INVESTMENT COMMITTEE  
11:00 A.M.  
MAY 10, 2019  
JAMES CABELL LIBRARY  
901 PARK AVENUE, ROOM 303, RICHMOND, VIRGINIA**

**MINUTES**

**DRAFT**

**COMMITTEE MEMBERS PRESENT**

Mr. Benson Dendy, chair  
Dr. Gopinath Jadhav  
Mr. Keith Parker  
Mr. Stuart Siegel  
Ms. Jacquelyn Stone  
Dr. Shantaram Talegaonkar

**COMMITTEE MEMBERS ABSENT**

Mr. John Luke, Jr.

**OTHERS PRESENT**

Dr. Michael Rao, President  
Ms. Karol Kain Gray, Vice President for Finance and Budget  
Dr. Meredith Weiss, Vice President of Administration  
Staff and students from VCU and VCUHS

**CALL TO ORDER**

Mr. Ben Dendy, Chair of the Finance, Budget and Investment Committee, called the meeting to order at 11:03 a.m.

**APPROVAL OF AGENDA**

Mr. Dendy asked for a motion to approve the agenda for the May 10, 2019 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and seconded, the agenda for the Finance, Budget and Investment Committee meeting was approved.

**APPROVAL OF MINUTES**

Mr. Dendy asked for a motion to approve the minutes of the March 22, 2019 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and

seconded, the Minutes of the March 22, 2019 were approved. A copy of the minutes can be found on the VCU website at the following webpage <https://president.vcu.edu/board/minutes/>

**ACTION ITEMS:**

**VCU 2019-20 TUITION AND FEES AND BUDGET PLAN**

Ms. Gray presented the plan which was originally discussed at the March 21, 2019 Board budget workshop. Ms. Gray presented the plan in detail including the recommended tuition and fees for the upcoming year. The document includes the following:

- Undergraduate resident and non-resident tuition will not be increased for academic year 2019-20.
- Fee increase of 4.4% or \$106 for non-educational and general mandatory fees
- Tuition and fee recommendations for FY2020
- Overview of undergraduate resident costs including room and board
- FY2019-2020 University Budget plan by funding source
- For the first time since 2003, we are proposing an increase in the student dining fee in an effort to address the low compensation hourly wage for ARAMARK employees. An increase of 5% will cover the annual inflation (CPI of 2.6%) portion of the contract with the remaining balance available to raise the hourly wage for workers effective in the fall of 2019.

A copy of the Ms. Gray's presentation is attached hereto as *Attachment A* and made a part hereof.

Mr. Dendy asked for a motion to recommend the full board approve the VCU 2019-20 Tuition and Fees and Budget Plan. After motion duly made and seconded, the motion to recommend that the Board approve the VCU 2019-20 Tuition and Fees and Budget Plan was approved.

**RESOLUTION: COMMERCIAL PAPER PROGRAM**

Ms. Gray presented a plan for issuance of short-term notes as part of a commercial paper program not to exceed \$75,000,000 for the acquisition of any interest in land, including improvements on the acquired land, new construction, improvements or renovations and to borrow money for such purposes, including the refinancing of any such facilities.

Mr. Dendy asked for a motion to recommend approval of the resolution for the full board to approve the plan. After motion duly made and seconded, the motion to recommend that the Board approve the resolution for the Commercial Paper Program was approved. A copy of the resolution is attached hereto as *Attachment B* and is made a part hereof.

**APPROVAL OF THE 2020-2026 SIX YEAR CAPITAL PLAN** – Dr. Weiss presented the VCU 2020-2026 Six Year Capital Plan. As part of the Commonwealth’s biennial budget process, VCU prepares this six year projection of capital outlay needs. The 2020-2026 Six Year Plan is a prioritization of projects outlined in the recently approved ONE VCU Master Plan. Dr. Weiss reviewed each biennium listing prioritized projects with proposed funding sources.

Mr. Dendy asked for a motion to recommend that the full Board approve the resolution for the 2020-2026 Six Year Capital Plan. After motion duly made and seconded, the motion to recommend that the Board approve the resolution for the 2020-2026 Six year Capital Plan was approved. A copy of the resolution is attached hereto as **Attachment C** and is made a part hereof.

#### **EASEMENT**

Dr. Weiss presented the request for approval of an easement to Dominion Energy and VCU Health System to install and maintain new electrical lines and associated facilities, including an underground transformer vault, for the health system’s new Adult Outpatient Facility.

Mr. Dendy asked for a motion to recommend that the Board approve the resolution for the proposed easement. After motion duly made and seconded the motion to recommend that the Board approve the resolution for the easement as listed was approved. A copy of the resolution is attached hereto as **Attachment D** and is made a part hereof.

#### **REPORT FROM SENIOR VICE PRESIDENT AND CFO**

Ms. Gray updated the committee on the procurement activities featuring Small, Women-owned and Minorities (SWAM) vendors. Several board members had asked about the statistics related to the University’s overall procurement expenditures and the percentages related to these SWAM vendors. VCU Procurement is working to increase SWAM participation.

Ms. Gray reviewed the quarterly treasurer’s report for the period ending March 31, 2019. Both short and long term tier performance and asset allocation were reviewed.

#### **REPORTS FOR INFORMATIONAL PURPOSES**

Mr. Dendy noted that there were several reports provided to the committee for informational purposes, specifically, the Sources and Uses funding for FY19, the Revenue and Expense Quarterly Summary, the VCU Health System and Financial Operations; Capital Projects Update, and the Finance, Budget & Investment Committee Dashboards.

#### **CLOSED SESSION**

On motion made and seconded, the meeting of the Finance, Budget and Investment Committee convened into closed session pursuant to Sections 2.2-3711 (A) (29) of the Virginia Freedom of Information Act for the award of public contracts involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

### **RECONVENED SESSION**

Following the closed session, the public was invited to return to the meeting. Mr. Dendy, Chair, called the meeting to order. On motion duly made and seconded the following resolution of certification was approved by a roll call vote:

#### **Resolution of Certification**

**BE IT RESOLVED**, that the joint meeting of the Finance, Budget and Audit Committee and the Board of Visitors of Virginia Commonwealth University certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered by the Committee of the Board.

<b><u>Vote</u></b>	<b><u>Ayes</u></b>	<b><u>Nays</u></b>
Mr. Ben Dendy, Chair	X	
Mr. Stuart Siegel	X	
Dr. Gopinath Jadhav	X	
Mr. Keith Parker	X	
Ms. Jacquelyn E. Stone	X	
Dr. Shantaram Talegaonkar	X	

All members responding affirmatively, the resolution of certification was unanimously adopted.

Mr. Dendy asked for a motion to recommend to the full Board approval of the contracts discussed in closed session. After motion duly made and seconded, the Committee approved the motion.

### **ADJOURNMENT**

There being no further business Mr. Dendy, Chair, adjourned the meeting at 12:05 p.m.

# **VIRGINIA COMMONWEALTH UNIVERSITY BOARD OF VISITORS**

## **FINANCE, BUDGET, AND INVESTMENT COMMITTEE CHARTER**

### **I. PURPOSE**

The primary purpose of the Finance, Budget, and Investment Committee (“Committee”) is to assist the Board of Visitors in fulfilling its objectives and fiduciary responsibilities related to applicable policy/ies and oversight of:

- University finances and investments
- University policies on debt management
- University facilities planning, design, construction and renovation.
- University purchase and divestiture of land, including any easements.

The Committee is responsible for reviewing financial statements, budgets, debt, investments, cash management, six-year financial operating and capital plans, and make corresponding recommendations to the Board of Visitors all for the purpose of maintaining a sound fiscal standing. In addition and contributing to fiscal standing, the Committee is responsible for reviewing the University’s tuition and fee charges for each year. The Committee directly oversees the investment of the cash management pool and reviews the financial activities of any foundation or organization established to benefit the University, including foundations, partnerships, or other affiliated entities.

The Committee also approves selection of engineers and architects for University construction capital projects exceeding \$2 million, approves the renovation or replacement of outdated facilities and equipment, and approves project plans for construction projects exceeding \$2 million, approves the acquisition of all property, and the sale and demolition of property.

University management is responsible for day to day operation of the University within the established authorities, under the governance of the Committee.

### **II. COMPOSITION AND INDEPENDENCE**

The Committee will be comprised of three or more Visitors. In addition to complying with the Commonwealth of Virginia’s Conflict of Interest laws and any University policies, each member must be free from any financial, family or other material personal relationship that, in the opinion of the Board or the Committee members, would impair their independence from management and the University. Committee members should also refrain from activities that a reasonable person would view as unethical or contrary to the institutional mission.

### III. RESPONSIBILITIES

In performing its oversight responsibilities, the Committee shall:

#### A. General:

1. Adopt a formal written charter that specifies the Committee's scope of responsibility. The charter should be reviewed annually and updated as necessary.
2. Maintain minutes of open session meetings.
3. Report Committee actions to the Board of Visitors with such recommendations as the Committee may deem appropriate.
4. Consistent with state law, the Committee may meet in closed session (with or without members of senior management present) with the external auditors and/or the Vice President for Finance and Administration to discuss matters that the Committee or any of these groups believe should be discussed privately.
5. Become well acquainted with all of the information and pertinent facts under the purview of the Committee.
6. Implement best practices across the institution for financial management.
7. Ensure that the institution is operating efficiently, effectively and appropriately with regard to the use of public and other funds to support its stated mission.

#### B. Financial Policy and Investments:

1. Review recommendations of the Administration concerning new or revised financial policy and make appropriate recommendations to the Board of Visitors.
2. Review financial assumptions upon which budgets are based.
3. Review and recommend approval of the six-year financial plan and operating budget.
4. Review and recommend approval of the six-year capital outlay plan and capital outlay budget, and all amendments to the plan.
5. Review periodically and compare financial operating results with appropriate budgets and benchmarks.
6. Approve major design changes to the VCU Optional Retirement Plan.
7. Review annual financial statements and supporting schedules and report to the Board the results of that review.
8. Serve, with the advice of the Investment Advisory Subcommittee, as an investment committee and oversee University investment policies and activities including direct management of the University's cash investment pool and monitoring of the policies and activities of the University-related private foundations.
9. Review annually the BOV Fund.
10. Review quarterly the University Efficiencies.
11. Review quarterly the F&A Dashboard.



C. **Facilities Planning and Debt Management:**

1. Review and recommend approval of the master site plan.
2. Review and recommend approval of plans for new construction and major renovation projects in accordance with Board-approved procedures.
3. Review and recommend approval of the six year capital outlay program and amendments thereto.
4. Review and recommend to the Board all debt issuance and review debt management policies.
5. Review and recommend approval of property acquisition or disposition of real estate and other interests therein.
6. Consider such other matters relating to the maintenance and security of the University's buildings and grounds and the care and preservation of the University's furnishings and equipment as may warrant its consideration.

D. **Emergency Preparedness:**

1. Review and recommend approval of plans pertaining to emergency preparedness and campus security.

E. **Administration:**

1. Review and approve the Committee charter annually and any significant updates to the charter.
2. Review and approve the annual Committee work plan and any significant changes to the plan.
3. Review the qualifications of the Committee members, staff and the level of staffing by the institution as needed.
4. Review annually the Deficit Disclosure.
5. Annual Investment Conflict of Interest Disclosure Statement.
6. Review annually all Investment Policy Statements – specifically asset allocations.
7. Review reports of the Financial Integrity and Stewardship Committee as needed.
8. Review annually Agency Risk Management and Internal Control Standards (ARMICS)

F. **Tuition and Fees:**

1. Review and recommend tuition and fee charges if needed to provide guidance to the Board.

IV. **MEETINGS**

The Committee will meet at least four times annually. Additional meetings may occur more frequently as circumstances warrant. The Committee Chair should communicate with the Vice President of Finance and Administration prior to each Committee meeting to finalize the meeting agenda and review the matters to be discussed.

**Virginia Commonwealth University  
Board of Visitors**

**Finance, Budget, and Investment Committee Meeting Planner**

A=Annually; Q=Quarterly; AN=As Necessary Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)	Frequency			Planned Timing			
	A	Q	AN	Q1	Q2	Q3	Q4
				Sept	Dec	Feb	May
<b>A. General</b>							
1. Adopt a formal written charter that specifies the Committee’s scope of responsibility. The charter should be reviewed and updated as necessary.	X			X			
2. Maintain minutes of open session meetings.		X		X	X	X	X
3. Report Committee actions to the Board of Visitors with such recommendations as the Committee may deem appropriate.		X		X	X	X	X
4. Consistent with state law, the Committee may meet in closed session (with or without members of senior management present) with the external auditors and/or the Vice President for Finance and Administration to discuss matters that the Committee or any of these groups believe should be discussed privately.	X		X				X
5. Become well acquainted with all of the information and pertinent facts under the purview of the Committee.			X				
6. Implement best practices across the institution for financial management.			X				
7. Ensure that the institution is operating efficiently, effectively and appropriately with regard to the use of public and other funds to support its stated mission.			X				
<b>B. Financial Policy and Investments</b>							
1. Review recommendations of the Administration concerning new or revised financial policy and make appropriate recommendations to the Board of Visitors.			X				
2. Review financial assumptions upon which budgets are based.	X						X
3. Review and recommend approval of the six-year financial plan and operating budget.	X			X			
4. Review and recommend approval of the six-year capital outlay plan and capital outlay budget, and all amendments to the plan.	X		X				X
5. Review periodically and compare financial operating results with appropriate budgets and benchmarks.		X		X	X	X	X
6. Approve major design changes to the VCU Optional Retirement Plan			X				
7. Review annual financial statements and supporting schedules and report to the Board the results of that review.	X					X	
8. Serve, with the advice of the Investment Advisory Subcommittee, as an investment committee and oversee University investment policies and activities including			X				

A=Annually; Q=Quarterly; AN=As Necessary	Frequency			Planned Timing			
Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)	A	Q	AN	Q1	Q2	Q3	Q4
				Sept	Dec	Feb	May
direct management of the University's cash investment pool and monitoring of the policies and activities of the University-related private foundations.							
9. Review the BOV Fund	X			X			
10. Review the University Efficiencies		X		X	X	X	X
11. Review the F&A Dashboard		X		X	X	X	X
<b>C. Facilities Planning and Debt Management</b>							
1. Review and recommend approval of the master site plan.			X				
2. Review and recommend approval of plans for new construction and major renovation projects in accordance with Board-approved procedures.		X		X	X	X	X
3. Review and recommend approval of the six year capital outlay program and amendments thereto.	X		X				X
4. Review and recommend to the Board all debt issuance and review debt management policies.	X		X		X		
5. Review and recommend approval of property acquisition or disposition of real estate and other interests therein.			X				
6. Consider such other matters relating to the maintenance and security of the University's buildings and grounds and the care and preservation of the University's furnishings and equipment as may warrant its consideration.			X				
<b>D. Emergency Preparedness</b>							
1. Review and recommend approval of plans pertaining to emergency preparedness and campus security			X				
<b>E. Administration</b>							
1. Review and approve the Committee charter and any significant updates to the charter.	X			X			
2. Review and approve the Committee work plan and any significant changes to the plan.	X			X			
3. Review the qualifications of the Committee members, staff and the level of staffing by the institution.			X				
4. Review the Deficit Disclosure.	X						X
5. Investment Conflict of Interest Disclosure Statement.	X						X
6. Review the Investment Policy Statements – Asset Allocation	X			X			
7. Review reports of the Financial Integrity and Stewardship Committee			X				
8. Review the Agency Risk Management and Internal Control Standards (ARMICS)	X			X			

A=Annually; Q=Quarterly; AN=As Necessary	Frequency			Planned Timing			
Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)	A	Q	AN	Q1	Q2	Q3	Q4
				Sept	Dec	Feb	May
<b>F. Tuition and Fees</b>							
1. Review and recommend tuition and fee charges.	<sup>1</sup>						X

<sup>1</sup> Annually in April a Special Meeting of the BOV may be held to discuss the Budget Plan and Proposed Tuition and Fees.

# SCHEV Six Year Operating Plan, FY2021-22 Biennium

The Virginia Higher Education Opportunity Act of 2011 requires institutions to submit plans to SCHEV (State Council of Higher Education for Virginia) highlighting enrollment projections, academic strategies, and financial revenue projections.

- Plans are submitted at the beginning of the fiscal year (July). New plans are submitted every odd year for the next biennium; updates on alternate years.
- Figures are for planning purposes only and are not considered as binding on the Board of Visitors.

# Six Year Operating Plan

Given Virginia's decentralized structure for higher education, the Six Year Plan assists SCHEV in:

- **Identifying strategic priorities across institutions**
- **Data gathering on metrics such as financial aid, economic impact**

The plan for this year asked that institutions identify:

- Key strategic initiatives
- Planned financial aid spending for need-based aid
- Economic impact (due 10/1)
- Requests for additional State funding
- Anticipated growth in tuition rates assuming
  - a) flat State funding; b) with additional tuition moderation funding from the State

# Six-year Plan strategies address Quest and Virginia Plan goals

## Affordable access

- Financial aid
- Financial services
- Affordable course content

## Optimize student success

- Completion and advising initiatives
- Curricular innovation
- Reduce class size
- Build and sustain diversity

## Commonwealth impact

- REAL
- daVinci Center
- Internships STEM, Arts, Humanities

## Research, innovation & investment

- Faculty & Staff Salaries
- Online
- Massey Cancer Center



**VCU**



**VCU**

# SCHEV Six Year Operating Plan, FY2021-22 Biennium

## July 2019 Plan assumptions

- Moderate enrollment growth
- Growth in expenses limited to highest strategic priorities:
  - Faculty & staff salary increase – 3% faculty, 2% staff (deferred six months)
  - Financial aid -
  - Student Success initiatives
  - Operational mandates
- Requested growth in state support:
  - Mitigate Tuition rate growth - estimated rates of 4% with \$10M of new state support; 7% if funding remains flat
  - Increase financial aid (matching VCU growth)
  - Provide funding for expansion of REAL/Student Success initiatives
  - Support Massey Cancer Center



# VCU FY20-FY22 Financial Plan

- No increase General Fund Support
- UG Tuition  
0%, 7%, 4%

## Virginia Commonwealth University Preliminary 3 Year Financial Plan Scenario

	2020	2021	2022
<b>University Revenue</b>			
Tuition		463,287	491,713
Fees		13,862	13,862
Other NGF Funding		27,161	30,993
State Funding (FY20 growth included)		195,407	195,407
<b>Total University Revenue</b>	<b>680,857</b>	<b>699,716</b>	<b>731,974</b>
<b>Projected Expenses</b>			
University Budget		(689,701)	(709,832)
Projected Salary & Fringe Growth		(10,808)	(15,927)
Projected Financial Aid Growth		(4,100)	(5,100)
Academic and Operational Needs		(5,222)	(5,641)
<b>Projected Additional University Expenses</b>		<b>(20,130)</b>	<b>(26,668)</b>
Auxiliary Overhead		500	1,000
<b>Net Total University Expenses</b>	<b>(689,701)</b>	<b>(709,332)</b>	<b>(735,500)</b>
<b>University Net Position</b>	<b>(8,844)</b>	<b>(9,615)</b>	<b>(3,525)</b>
Health Ins Premium Holiday Funds (1X)	2,300	-	-
Growth in State Support	-	-	-
<b>Revised University Net Position</b>	<b>(\$6,544)</b>	<b>(\$9,615)</b>	<b>(\$3,525)</b>

# VCU FY20-FY22 Financial Plan

- Increased General Fund Support
- UG Tuition  
0%, 4%, 3%

## Virginia Commonwealth University Preliminary 3 Year Financial Plan Scenario

	2020	2021	2022
<b><u>University Revenue</u></b>			
Tuition		454,732	479,606
Fees		13,862	13,862
Other NGF Funding		27,161	30,993
State Funding (FY20 growth included)		195,407	195,407
<b>Total University Revenue</b>	<b>680,857</b>	<b>691,161</b>	<b>719,867</b>
<b><u>Projected Expenses</u></b>			
University Budget		(689,701)	(709,832)
Projected Salary & Fringe Growth		(10,808)	(15,927)
Projected Financial Aid Growth		(4,100)	(5,100)
Academic and Operational Needs		(5,222)	(5,641)
<b>Projected Additional University Expenses</b>		<b>(20,130)</b>	<b>(26,668)</b>
Auxiliary Overhead		500	1,000
<b>Net Total University Expenses</b>	<b>(689,701)</b>	<b>(709,332)</b>	<b>(735,500)</b>
<b>University Net Position</b>	<b>(8,844)</b>	<b>(18,171)</b>	<b>(15,632)</b>
Health Ins Premium Holiday Funds (1X)	2,300	-	-
Growth in State Support	-	10,000	13,000
<b>University Net Position</b>	<b>(6,544)</b>	<b>(\$8,171)</b>	<b>(\$2,632)</b>

**VIRGINIA COMMONWEALTH UNIVERSITY**  
**BOARD OF VISITORS**  
**FINANCE, BUEGET & INVESTMENT**  
**COMMITTEE**  
**September 13, 2019**

**Action Item**  
**Approval of Virginia Commonwealth University's**  
**2019 Six-Year Plan**

**Item:**

Board of Visitors approval of Virginia Commonwealth University's 2019 Six-Year Plan as required by § 23-38.87:17 of the "*Preparing for the Top Jobs of the 21<sup>st</sup> Century: The Virginia Higher Education Opportunity Act of 2011*" (TJ21).

**Background:**

In response to the requirements outlined in § 23-38.87:17 of the "*Preparing for the Top Jobs of the 21<sup>st</sup> Century: The Virginia Higher Education Opportunity Act of 2011*" (TJ21) legislation, attached is a copy of Virginia Commonwealth University's 2019 amended Six-Year Plan submitted to the State Council of Higher Education for Virginia (SCHEV) by the stated deadline of July 1, 2019.

TJ21 established a mandate that the governing board of each public institution of higher education develop and adopt biennially and amend or affirm annually a six-year plan for their institution. The act requires the plans to be submitted to the State Council for Higher Education of Virginia (SCHEV) by July 1 of each odd-numbered year and also requires any amendments or affirmations to existing plans to be submitted by July 1 of each even-numbered year.

The instructions and template to complete the six-year plan, or the plan update, are usually provided by SCHEV in May, typically at the time of the May Board meeting. Due to this timeline and in accordance with SCHEV instructions, the University has historically submitted the plan, or update, to SCHEV by the July 1<sup>st</sup> deadline and then has presented it to the Board for approval at the next scheduled meeting which is usually held in September. Over the July and August months, State representatives review the plans submitted by each institution and then provide comments in early September for each institution to respond. The responses as well as the final board approved six-year plan is then due to SCHEV by October 1<sup>st</sup>. This process was once again followed for the 2019 Six Year Plan submission.

The strategies identified in the University's 2019 Six-Year Plan were developed collaboratively with each division through the annual budget development cycle. Building upon the strategic multi-year budget developed in the previous cycle, divisions reviewed their respective submissions and updated strategies to align with current priorities and objectives. The academic strategies related to programmatic growth were developed by the Provost through the respective academic unit.

The presented tuition and fee scenarios are for modeling purposes only and are based on a range of assumed incremental general fund support. These scenarios and the funding of the proposed strategies are subject to change based on the actual general fund support received. Additionally, approval of tuition and fees is the responsibility of the Board of Visitors and may be adjusted based upon factors such as incremental general fund support, legislative requirements, projected enrollment growth, and prioritization of strategies to implement.

Virginia Commonwealth University's 2019 Six-Year Plan was updated to reflect the status of existing strategies based on institutional priorities and legislative action during the 2019 General Assembly Session. Comments regarding the University's 2019 Six-Year Plan update have been provided by SCHEV and will be addressed in the institution's final plan submittal to SCHEV by October 1, 2019.

**Action:**

Virginia Commonwealth University Board of Visitors approval of the Virginia Commonwealth University 2019 Six-Year Plan.

## Resolution

### *Approval of Virginia Commonwealth University's 2019 Six-Year Plan September 13, 2019*

**WHEREAS**, the Higher Education Opportunity Act of 2011 became effective July 1, 2011, and requires each public institution of higher education in Virginia to develop and submit an institutional six-year plan; and

**WHEREAS**, § 23-38.87:17 of the Act requires, “*The governing board of each public institution of higher education shall develop and adopt biennially and amend or affirm annually a six-year plan for the institution and shall submit that plan to the Council (State Council of Higher Education for Virginia), the Governor, and the Chairs of the House Committee on Appropriations and the Senate Committee on Finance no later than July 1 of each odd-numbered year, and shall submit amendments to or an affirmation of that plan no later than July 1 of each even-numbered year or at any other time permitted by the Governor or General Assembly*”; and

**WHEREAS**, Virginia Commonwealth University prepared a six-year plan in accordance with the requirements of the Higher Education Opportunity Act of 2011 and guidelines provided by the State Council of Higher Education for Virginia; and

**WHEREAS**, the University submitted the six-year plan to the State Council of Higher Education for Virginia by the stated deadline of July 1, 2019 for the 2019 submission; and

**WHEREAS**, the 2019 Six-Year Plan must be approved by the Board of Visitors prior to the October 1 final submission;

**THEREFORE, BE IT RESOLVED** the Virginia Commonwealth University Board of Visitors approves the Virginia Commonwealth University 2019 Six-Year Plan as presented in the format provided by the State Council of Higher Education for Virginia; and

**BE IT FURTHER RESOLVED**, that the University is authorized to revise the 2019 Six-Year Plan as required by State officials for final submission by the stated deadline.



VCU

## 2019 SIX-YEAR PLAN: NARRATIVE (DRAFT) INSTITUTION: Virginia Commonwealth University

### OVERVIEW:

*The totality of the six-year plan should describe the institution's goals as they relate to goals of The Virginia Plan for Higher Education, the Higher Education Opportunity Act of 2011 (TJ21) and the Restructured Higher Education Financial and Administrative Operations Act of 2005. The instructions under institutional mission and alignment to state goals, below, ask for specific strategies around four priority areas. Other sections will offer institutions the opportunity to describe additional strategies to advance institutional goals and state needs. Please be as concise as possible with responses and save this narrative document with your institution's name added to the file name.*

**Section A. Institutional Mission, Vision, Goals, Strategies, and Alignment to State Goals:** *Provide a statement of institutional mission and indicate if there are plans to change the mission over the six-year period.*

*Provide a brief description of your institutional vision and goals over the next six years, including numeric targets where appropriate. Include specific strategies (from Part 3 – Academic-Financial Plan and Part 4 – General Fund Request) related to the following areas: (1) access and enrollment, particularly for underrepresented students; (2) retention, completion and time to degree; (3) affordability and funding; and (4) workforce alignment and retention of graduates. Strategies also can cross several state goals, notably those related to improved two-year and four-year transfer, and should be included here. If applicable, include a short summary of strategies related to research. The description of any strategy should be one-half page or less in length. Be sure to use the same short title as used in the Part 3 and Part 4 worksheets.*

### A. Institutional Mission

Virginia Commonwealth University and its academic health center serve as one national urban public research institution dedicated to the success and well-being of our students, patients, faculty, staff and community through:

- Real-world learning that furthers civic engagement, inquiry, discovery and innovation
- Research that expands the boundaries of new knowledge and creative expression and promotes translational applications to improve the quality of human life
- Interdisciplinary collaborations and community partnerships that advance innovation, enhance culture and economic vitality, and solve society's most complex problems
- Health sciences that preserve and restore health for all people, seek the cause and cure of diseases through groundbreaking research, and educate those who serve humanity
- Deeply engrained core values of diversity, inclusion and equity that provide a safe, trusting and supportive environment to explore, create, learn and serve

VCU revised its mission and vision statements as part of its most recent strategic planning process. The new plan, VCU Quest 2025: Together We Transform provides guidance toward current and future priorities for the period 2019-2025. The university submitted its rationale and justification for the

proposed mission statement to SCHEV for review and approval in accordance with the January 10, 2018 policy on mission statement changes. SCHEV approved the modification to the mission statement and sent a letter to President Rao on May 15, 2019. However, as required by Code of Virginia § 23.1-203, SCHEV will report this approval to the Governor and General Assembly. The new mission statement will take effect 30 days following the adjournment of the next General Assembly Session. For purposes of this narrative we will proceed with the proposed mission statement.

## **Vision statement**

As a preeminent national, urban, public university and academic health center, Virginia Commonwealth University will be distinguished by its commitments to inclusion, access and excellence; innovative and transformative learning; impactful research; exceptional patient care and beneficial community impact.

## **Goals**

Our goal is to create a university culture that transforms the lives of our distinctive and diverse student population. The Virginia Plan for Higher Education report calls for postsecondary institutions to improve lives of individuals through education to meet current job demands. VCU, in close alignment with the Virginia Plan for Higher Education, takes pride in serving a highly diverse student body, both in race and ethnicity composition and in the socio-economic profile of our students. VCU educates more low-income students than any of its Tier 3 peers.

VCU's strategic plan, Quest 2025, outlines a comprehensive set of goals associated with our students' path as they progress from matriculation to graduation. The Quest 2025 Plan defines student success as the intersection between a student's own goals, those established by the institution, and expectations of employers as graduates enter and advance in the workplace. The VCU2019 Six Year Plan detailed below takes a similar approach and has grouped the strategies for the upcoming biennium by student access and affordability, institutional support, and commonwealth impact.

## **Student Access and Affordability**

As stated in the Virginia Plan, access and affordability, particularly for underrepresented students, is critical to reduce the gaps in educational attainment. Approximately 17 percent of VCU students move up two or more income quartiles after they graduate, among the highest of any university in the mid-Atlantic. Yet, VCU students also graduate with higher levels of debt than those from peer institutions. Increasing undergraduate need based aid is paramount to VCU's goal of lowering student debt. Additional need based aid funds combined with enhanced financial services in Strategic Enrollment Management (SEM) will launch VCU closer to closing the gap on affordability. Decreasing the cost associated with course materials is another strategy VCU is committed to for the ultimate goal of affordability and access.

## **Institutional Support**

The strategies focused on student success closely align with the Virginia Plan goal to optimize student success for work and life. VCU strives to put students at the center of all we do for the goal of improved retention and completion rates. These strategies include:

- Enhance services in Student Success areas: advising, career services, academic support services, i.e. tutoring
- Work to transform the General Education curriculum as well as continuing to advance work on innovating specific high-impact classes
- Reduce the class size in critical introductory classes for freshman and transfer students
- Expand online programs
- Increase research productivity through faculty success programs

## **Commonwealth Impact**

Strategies outlined under this goal will better prepare our graduates to make an impact on the economic development of the Commonwealth. These strategies approach student success through the lens of the employer and align with two Virginia Plan goals; (#2) drive change and improvement through innovation and investment, and (#4) advance the economic and cultural prosperity of the Commonwealth and its regions. VCU's vision and mission translates specifically to support the value postsecondary education offers its citizens, its region and current and future businesses. VCU's mission embodies our commitment as a positive force for progress to improve lives, save lives and to give life meaning. As such, VCU serves as the consummate catalyst for the Commonwealth, with a \$6B economic impact.

VCU produces talent in our graduates whose skills meet the needs of area business and other organizations. This success is a result of the network opportunities provided by innovative university programs highlighted in strategies related to expansion of the Relevant, Experiential, and Applied Learning (REAL) initiative, the da Vinci Center, and Undergraduate Research Opportunity Program (UROP).

In summary, VCU is a rare place of both access and excellence. According to *Diverse: Issues in Higher Education's* 2017 "top 100 Degree Producers" rankings, approximately sixty percent of our academic programs rank in the top 10 nationally for graduating underrepresented students. Very few universities can tell the story of increasing graduation rates, diversity and academic standards – all at the same time. In all its work, VCU will encompass diversity and inclusion principles while striving to achieve the three-pronged approach to student success.



## Additional Description of Proposed Strategies

### Student Access and Affordability

#### Undergraduate Need Based Aid (Priority Ranking #1)

VCU's commitment to ensuring higher education access and success for all Virginians is paramount in our strategic goals and is one of our highest institutional priorities. This commitment to college affordability is evidenced by Board approved support, in the past four years, to increase the tuition revenue institutional need-based aid, even authorizing funding reallocations when necessary. In FY 2020, \$6.2M of funding reductions were implemented to ensure VCU's commitment to all institutional priorities including a 0% tuition increase and providing additional need-based aid.

VCU serves a significant population of students with financial need, and as reported recently to SCHEV:

- More than 31% of VCU's undergraduate, in-state student body is Pell-eligible
- Over half of degree seeking students at VCU are financial aid recipients. Among undergraduate's financial aid recipients approximately 53% are low income and 36% are middle income
- Approximately 50% of institutional (tuition) sourced funding goes to undergraduate students based on need or need/merit

Increased funding and strategic awarding of institutional aid in combination with key student success strategies have led to improved retention and graduation rates and decreased time to degree.

- VCU students who receive institutional financial aid graduate at higher graduation rates than their peers. Institutional aid recipients in the fall 2013 cohort had a 4-year graduation rate of 51.3%, in contrast to the 38.4% for non-institutional aid recipients.
- VCU has nearly eliminated the equity gap in the 6-year graduation rate of the fall 2012 cohort for Pell recipient students (63.1%) compared to the institution's overall 6-year graduate rate (67.4%).
- VCU has seen a decrease in the average time to graduate from 4.71 years to 4.53 years.

Given both the need of our students and the positive return on investment, continued growth in institutional funding for financial aid remains VCU's highest priority. It is important to note that while need is the primary filter for any institutional aid, nearly one third of VCU's aid strategy includes a merit component to provide funding to students with financial need who have a stellar academic record. National data suggests a correlation between family income and high school GPA and test scores. Thus this strategy seeks to provide need-based money to families that have unmet need but may not fall among the neediest student populations.

### Enhance Strategic Enrollment Management (Priority Ranking #1)

VCU's diverse population, including significant numbers of high-need and first generation students, create a set of unique challenges for those offices engaged in front-line student contact, particularly around the complex and highly individualized issues of financial planning. These challenges have been compounded in recent years with students' increasingly digital practices and expectations. Starting with one-time funding in FY20, VCU will reorganize the Office of Strategic Enrollment Management to a more proactive and technology rich student-facing model. The outcome of the restructuring will:

- Create a new Student Financial Services Unit staffed at levels based on national averages (1:1000). Rather than the former reactive focus on immediate billing and payment issues, the new unit will provide financial literacy counseling and proactive coaching with the student to "get to a zero balance".
- Reengineer the processes, communication, quality assurance and responsiveness of the Financial Aid Operations Unit to ensure better compliance and data management. This will also assist in optimizing VCU's financial aid resources.
- Engage students by creating new Peer Counselor and Peer Ambassador positions.
- Fund technology needs for auto Chatbot to serve as an artificial intelligence tool for financial aid and finance related questions, a virtual attendance tracking system and the Blackboard Call center.

### Open & Affordable Course Content (Priority Ranking #1)

The high cost of course materials is a concern for both students and parents. As noted in the 2018-19 [College Board report](#), undergraduates at four-year public universities are expected to budget \$1,250 on average for textbooks and supplies. The inability to bear these costs can place students at academic risk as student may avoid purchasing the necessary course materials.

VCU launched an innovative initiative to address this pervasive problem: the VCU Libraries program for Affordable Course Content. Through the program, faculty are encouraged to identify a range of cost reduction solutions using open or free educational resources. To date over 60 faculty have either participated in workshops or received funding to develop free textbooks including several key entry-level courses. Estimated impact to date is over 20,000 students with a savings of over \$2.1M. The plan mapped out for the upcoming biennium would permanently fund the librarian dedicated to support open course content, enhance the faculty awards and expand the collection.

## **Institutional Support**

### Student Success (Priority #3)

VCU's student success unit will need to add capacity to support enrollment and retention initiatives. As such, additional personnel lines for FY21 will be added to support communications and senior advising. A communications specialist will help us deliver positive and motivating messaging to engage students in the existing student success services.

Advising professionals will focus on student groups who are the most impacted by high fail and drop rate courses, especially in first year courses in STEM and pre-health majors. Programs that have the lowest first to second year retention rates will also have a high level focus. These types of targeted interventions will help VCU retain and eventually graduate students on time.

#### Curricular innovation of General Education (Priority #5)

VCU is taking a dual track approach to improve learning outcomes: the transformation of the general education curriculum and the redesign of high enrollment courses. The transformed general education program will provide a diverse student body with a broad base of knowledge and the intellectual skills to participate actively in a changing world. To those ends, the VCU general education program challenge students to seek creative answers to complex problems, see connections between disciplines and between ideas, and develop an informed perspective on the varieties of human experience. This coherent rationale defines areas of inquiry that are the organizational structure for the GenEd30 model. Funding will support incentivizing the development of interdisciplinary and collaborative new courses and comprehensive assessment efforts.

#### Course Re-design (Priority #5)

Learning in the 21<sup>st</sup> century entails meeting certain core competencies such as collaboration or teamwork, critical thinking and problem-solving. The learning style of current students is also an evolving process. Ensuring that VCU students have the proper skills to be successful in the workplace requires a campus-wide initiative focused on the redesign of large-enrollment, multi-section undergraduate courses using technology-supported active-learning strategies. The objectives of the program are to:

- Adopt new ways to improve student-learning outcomes
- Demonstrate the improvements by way of rigorous assessment
- Reduce institutional costs
- Increase consistency across multiple-section courses
- Develop the internal capacity of VCU's faculty and staff to continue the redesign process on an ongoing basis

Using best practices in academic transformation, undergraduate courses were selected from a competitive proposal process for course redesign. Funding will cover the cost of summer faculty salaries, software development, equipment, video production and training, faculty training on how to use of open educational resources, utilization of peer instruction, and new pedagogical strategies for student engagement in the learning process.

#### Reducing Class Size for Foundational Courses (Priority #3)

The university has identified its Focused Inquiry classes as a key introductory experience for both freshman and transfer students. The courses themselves are designed to cultivate curiosity and

support academic success through a rigorous, process-oriented shared curriculum. The faculty who teach these courses are specialists in a wide range of disciplines and are dedicated to engaging students in big interdisciplinary questions before those students become advanced thinkers in their own fields. Given the critical nature of these courses, VCU will reduce class size to 19 students over the upcoming biennium, requiring funding for additional faculty to teach additional sections. Reducing the class size in these foundational courses of inquiry allows students to have a more enriching classroom experience.

### Expand Online (Priority #3)

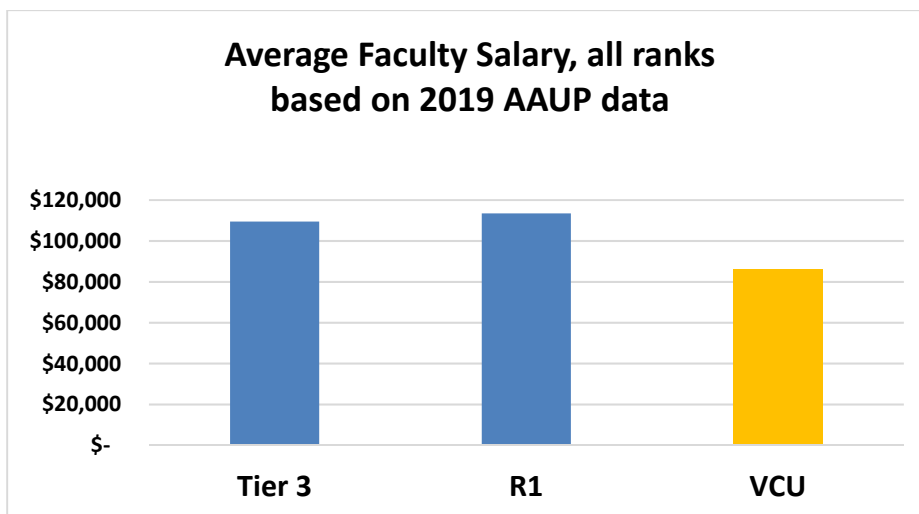
New online programs are planned strategies for the current and coming years. Considerable progress has been made in expanding Online@VCU and ensuring sustainability by partnering with a third party program manager, Noodle Partners. The new programs will improve student experience from recruitment to graduation with a holistic and integrated approach to online technology and added field placement flexibility allowing VCU to expand program reach. The university is deliberately taking a measured approach to ensure that program and student quality, and faculty engagement remain high.

To further enhance the university's ability to scale up quality online offerings, Online@VCU will further enhance programs to facilitate professional development courses for faculty on best practices for developing, instructing, and evaluating courses online. The courses, offered at least once per semester, and participants earning 80% or greater overall and completing the essential elements of the course receive a professional development certificate. The program can support up to 50 participants in each course. Over the next biennium, the program goal will scale-up and continue to improve the quality of online course development and instruction across the institution.

### Faculty Recruitment and Retention (Priority Ranking #2)

Faculty and instructors are at the heart of student success. VCU is an institutional member of The National Center for Faculty Development & Diversity (NCFDD). VCU is dedicated to enrich both the professional and personal lives of faculty by helping them increase their research productivity.

VCU's goal remains an increase to the 60<sup>th</sup> percentile of our national peers and/or faculty salaries comparable to the Commonwealth's research universities. AAUP (FY2019) data indicates that VCU average salaries remain well below our fellow Tier 3 and R1 VA institutions. The cost of closing the equity gap ranges from \$20-\$26M.



To continue progress toward competitive salaries, the planning for FY21 and FY22 includes annual merit increases of 3% along with incremental funding to support normal promotion in rank for its full-time faculty. These merit amounts will be delayed until mid-year in order to realize cost savings. It is important to note that as long as similar increases are implemented by our peer institutions (as occurred in FY2019), the university will find it difficult to make progress towards closing this important equity gap.

#### Build and Sustain Initiatives to Enhance Diversity, Inclusion and Equity (Priority #2)

Funding request to support diversity initiatives pertaining to faculty recruitment, hiring programs, Pathways to the Professoriate program, and the Visiting Scholars program are needed for the development of the transdisciplinary cores. A new core involving faculty from Engineering and Life Sciences will be enabled through additional funding. In addition, programs for faculty-mentored research opportunities for students can be scaled-up to serve more students.

#### University Staff Competitive Salaries (Priority #2)

The university has already made stellar progress in the implementation of the Human Resource Redesign Initiative including the roll-out of a new performance management process and a new process to integrate performance, career and leadership development. At this point, 75% of all staff are in the new employee group, University and Academic Professionals (UAP) - many of those converted to the new plan in recognition of the benefits of a more modern HR program focused on career development and performance/market based pay. As a part of this process, the university evaluated position salary ranges and job families creating clear paths to advancement. However,

surveys of typical administrative and executive salaries indicates that VCU lags behind our Tier 3 peers in staff salary levels. An annual increase of 2% for UAP positions has been included as part of the strategies for the upcoming biennium. This increase will also be delayed by six months to realize cost savings.

Note: per instructions to exclude general funds, no increase has been assumed for Classified Staff.

## **Commonwealth Impact**

### Relevant, Experiential, and Applied Learning (REAL) (Priority #4)

VCU's Relevant, Experiential, and Applied Learning (REAL) initiative is a promise to provide all VCU students the opportunity to engage in socially conscious "hands-on" research, scholarship or creative work directly relevant to their personal and professional goals and to addressing today's most vexing social and economic challenges. REAL formalizes the connection between Undergraduate Research Opportunity Program (UROP) and many other groups on campus conducting experiential opportunities. The synergy that REAL brings promotes efficient use of resources for a common goal. Immediate plans for additional funds are highlighted below and VCU's long term commitment to REAL activities are outlined in Section H as the university's performance pilot.

- Engage and prepare students of low income, first generation and transfer students through projects such as curriculum innovation grants, REAL Scholarships,, REAL events and student outreach, and infrastructure support
- Development of new technology platforms for tracking, monitoring, and assessing student engagement in experiential activities
- Development of a university level distinction pathway (Ram Scholars) with embedded research/discovery and ePortfolio components
- Invest in first-year programming, training, mentoring, faculty development and fellowships in undergraduate research learning outcomes through the UROP

### da Vinci Center (Priority #4)

The da Vinci Center is a model hybrid unit at VCU and an emerging leader in higher education. The Center is cross-disciplinary, offers undergraduate and graduate certificates and degrees, and facilitates university-wide experiential learning opportunities for undergraduate, graduate, and professional students. The cross-disciplinary approach is receiving regional and national recognition. Academic Impressions, a leading professional development firm in higher education, has used the da Vinci Center as a national example for exemplary innovation and entrepreneurship centers since 2017, which has resulted in increased campus visits by peer institutions, enrollment increases, and significant gains in national prominence.

VCU has quickly ascended to prominence in this area in less than three years. To support these efforts tuition from da Vinci Center academic programs alone cannot sustain increasing demands from all students for experiential learning in innovation and entrepreneurship. Therefore, as is appropriate for a hybrid unit, this budget request outlines the specific costs, revenue streams, and in-kind resources

that support the da Vinci Center's academic offerings as well as the resources required to support experiential learning initiatives. Increasing enrollment in academic programs will contribute to financial sustainability of academic offerings and the hiring of additional faculty over time. This budget is intended to provide a baseline for VCU to continue to offer quality innovation and entrepreneurship programming for students while engaging in an aggressive fundraising campaign with corporations, foundations, and individuals to sustain future experiential program growth on par with peer institutions.

## **General Fund Request**

### Undergraduate Need Based Aid

Consistent with VCU's priorities for the upcoming biennium, the university is requesting a matching General Fund commitment for financial aid of \$4M and \$5M in FY21 and FY22 respectively.

VCU serves a significant population of students with financial need. Over half of degree seeking students at VCU are financial aid recipients. Among undergraduate's financial aid recipients approximately 53% of are low income and 36% are middle income. Students in these income brackets receive 100% of the available tuition-revenue sourced need-based aid, which while making college more affordable still leaves students with significant levels of unmet need.

According to FY 2018 data (source: VCU Institutional Research and Decision Support)

- 83% of the institutional need-based grants went to low income students (Pell Eligible), and 17% went to middle income students (Non-Pell Eligible).
- The total number of low to middle income students who were awarded institutional need-based grants in 2017-18 was 5,491, and the average grant amount was \$2,565.
- Most importantly, the median expected family contribution (EFC) for the grant recipients was \$445 toward a \$31,172 cost of attendance.
- Unmet need for Pell-eligible and students submitting the FAFSA was \$142 million

VCU's diverse student body looks like America: 43 percent of students are from minority populations, one-third of freshmen are first-generation college students, and 30 percent are low-income Pell-eligible. Our commitment to helping our students stay and succeed at VCU is evident in the fact that our Latinx, African-American, and Pell-eligible students graduate at nearly the same rate as their classmates from more privilege. This success puts us in rare company. By creating approaches to improve equity by meeting the students where they are, we believe we will completely eliminate this gap by the time our current first-year class graduates—something very few universities have done.

Increased funding has been essential to the university's significant strides in improving student success rates and in closing educational equity gaps. VCU remains committed to maintaining its exceptional record of serving a unique niche in the Commonwealth and providing access and success to a high

quality, research education for lower and middle income students. Meeting this commitment is key to Virginia realizing its goal of leading the nation in educational attainment by 2030.

#### Virginia Military Survivors & Dependents Education Program Waivers

VCU is requesting General Funds in support of Senate Bill 1173 which expanded eligibility for the Virginia Military Survivors & Dependents Education Program (VMSDEP). The VMSDEP program waives all tuition and mandatory fees for eight semesters at a Virginia public college or university to a spouse or dependent of a service member who is at least 90% disabled which occurred while on active duty. Prior to the expansion, eligible disability criteria was limited injuries received in a *combat situation*.

In order to calculate the cost of the increased waivers, VCU reviewed student files to determine those students currently receiving Federal Chapter 35 funds whose eligibility mirrors that of SB1173. It is estimated that 135 additional students will now be eligible for a 100% waiver at a cost of \$1,970,460. (Note this is higher than the DPB's proposed fiscal impact statement by 53 students.)

Military service members — and their families — are a valued and vital component of the VCU population. We recognize and honor their sacrifices and their life experiences that broaden and diversify our community. VCU's Military Student Services office has proven successful at working with veterans, active service members, spouses and dependents to ensure a positive transition from military life to academics. This transition includes assisting eligible students in identifying all sources of funds available to advance their education. We welcome this opportunity to provide additional resources to respected members of our student community, but are concerned that without additional state funding support this happens at a cost to other students' financial aid.

#### Humanities, Arts Internship Opportunities

VCU is requesting \$2.3M of General Fund support to further expand the REAL initiative and provide high quality, paid experiential internship opportunities to students outside of those identified in VCU's performance pilot. These students will be paired with pre-internship career skills workshops and zero credit courses that will encourage development of career ready competencies that is designed to meet the needs of students and potential employers. The additional general funds will support the development of employability skills in creative thinking, critical thinking and problem solving for learners in the Humanities, Arts and other programs.

#### Massey Cancer Center

VCU is requesting \$2.5M of General Fund support to enhance the work of the Massey Cancer Center. In the upcoming biennium, the Cancer Center will be recruiting a new Director and will seek to become an NCI-designated Comprehensive Cancer Center, submitting materials for consideration in late FY21 and expecting final determination of status in FY22. The success of each of these efforts -- recruitment and Comprehensive designation -- depends on the other, and the promise of additional Commonwealth funding will be critical in demonstrating to potential candidates that there is a strong,



statewide commitment to Massey Cancer Center. As an existing member of the NCI Cancer Center community, Massey will build upon its prestigious position and its longstanding commitment to the community it serves in order:

- Impact the course of cancer research through contributions to the field, locally and nationally.
- Offer cancer treatment options based on the latest research findings.
- Help control risk, incidence, complications, and deaths related to cancer in Virginia and beyond.

One of VCU's most promising sponsored research areas is cancer research across many different disciplines. The cornerstone of these efforts is the Massey Cancer Center (Massey), one of only sixty-nine National Cancer Institute-designated cancer centers (NCI) in the United States. Massey is a vital resource for cancer research, prevention, treatment, education, and clinical trials. It has successfully maintained its NCI designation for forty-two years, despite an increasingly competitive grant renewal process. In January 2017, Massey received notice of its core grant renewal, maintaining its NCI designation for another six years.

Massey's particular focus is on translating promising research from the laboratory directly to the patient's bedside. These new discoveries are necessary for better treatments, and prevention and control of cancer that will be available first to Virginians. A lack of funding would restrict the ability of researchers to move the concepts from the laboratory to the clinic. Massey must continue to demonstrate its ability to continue to expand and enhance its basic, clinical and prevention and control research, and show trans-disciplinary collaboration. It will only be successful in reaching the goals set by NCI through funding that allows for growth of the center's research base through recruitments, expanding infrastructure and acquiring the latest technology to advance work in the laboratory, as well as providing state-of-the art clinical and research facilities. Within VCU Health Sciences and Health System, Massey will continue to serve as the pre-eminent model of interdisciplinary and transdisciplinary research, clinical excellence, and advanced training.

**Section B. Tuition and Fees Predictability Plans:** *Provide information about the assumptions used to develop tuition and fee charges shown in PART 1. The tuition and fee charges for in-state undergraduate students should reflect the institution's estimate of reasonable and necessary charges to students based on the institution's mission, market capacity and other factors. Include information, if applicable, on tuition increase plans for program- and level-specific charges or on any other alternative tuition and fee arrangement.*

VCU was pleased to partner with the State in FY2020 in realizing a zero percent tuition rate change for FY2020. However, the implementation of this program resulted in a net budget shortfall of \$8.8M. This was addressed with one-time funds (State Health Plan holiday monies and \$6.5M from VCU reserves) creating additional pressures for more permanent funding in FY2021 forward. As part of VCU's annual budget process, university leadership and the Board of Visitors reviews a multi-year, multi-fund financial plan which evaluates expense and revenue growth as measured against progress towards strategic goals. The plan for FY2020 through FY2023 included several key assumptions:

- Advancing only the most essential and strategically important needs – including critically needed financial aid and equitable compensation
- Diversifying revenue through growth in non-resident, international and online students
- Modest enrollment expectations with measured growth targeting 2025 to meet Quest goals
- Conservative estimates for growth related to mandated operational costs such as utilities and contractual services
- Continued pressures to generate other revenues other than E&G to reduce tuition growth needs
- Mandated budget reductions and reallocations where necessary to minimize tuition rate growth. Such reductions would be implemented strategically but due to risk slowing progress to strategic goals given VCU's over \$40M in reductions (one time and permanent) implemented since 2015.
- Strategic use of one-time reserves to balance the budget while limiting undergraduate tuition rate growth. There is a clear mandate that such use of reserves must be extremely limited: first, as a prudent fiscal practice to safeguard adequate funds for unexpected outcomes, and second, to ensure adequate balances to maintain the university's current bond rating

Two scenarios have been developed for the current plan:

In Scenario 1:

- No additional general fund support is assumed to offset tuition needs
- Undergraduate tuition rates will be 7%, 4%, 3% in FY21-23, respectively. These rates are proposed after extensive review by leadership and still require substantial use of reserves and/or cuts
- With this increase VCU will still face \$8.8M in reallocations and reductions in 2021 and \$2.6M in reallocations and reductions in 2022 (4.8% budget cut in FY21)
- School of Engineering's differential is expected to increase by \$1,000 for only FY2021 and the School of the Arts is expected to increase by \$288 in FY2021 followed by \$173 and \$180 in FY2022 and FY2023
- There is a planned 3% increase in Technology and Library Fee from FY2021 through FY2023 to meet both typical infrastructure and operational needs
- University Fee is expected to increase by 3% from 2021 through 2023 to meet changing needs for students (excluding any increases due to debt service or salaries)

In Scenario 2:

- \$10M in additional general fund support is assumed to offset tuition needs in FY2021 followed by an additional \$3M in FY2022 and again in FY2023 for a total increase in permanent support of \$16M by FY2023
- Undergraduate tuition rates will be 4%, 3%, 2% in FY21-23, respectively.

- With this increase VCU will still face \$7.4M in reallocations and reductions in 2021 and \$1.7M in reallocations and reductions in 2022
- School of Engineering's differential is expected to increase by \$1,000 for only FY2021 and the School of the Arts is expected to increase by \$288 in FY2021 followed by \$173 and \$180 in FY2022 and FY2023
- There is a planned 3% increase in Technology and Library Fee from FY2021 through FY2023 to meet both typical infrastructure and operational needs
- University Fee is expected to increase by 3% from 2021 through 2023 to meet changing needs for students (excluding any increases due to debt service payments and salary increases)

**Section C. Other Budget Items:** *This section includes any other budget items for which the institution wishes to provide detail. Descriptions of each of these items should be one-half page or less.*

#### Library enhancement

VCU Libraries is committed to providing access to materials critical for research and teaching while ensuring that spending commitments align with needs of the academic community. The Library conducts frequent assessments of journal usage and cost as responsible fiscal stewards in a rapidly evolving information landscape. The costs in the plan represent annual estimated costs increases related to journal publications.

#### Facilities, Utilities and Contractual Increase

The Division of Administration is dedicated to supporting the high-quality education and research that transform the lives of our students and improves our communities. The Division seeks improvements in operations and efficiencies across multiple campus-wide programs to reduce costs in facilities and administrative services. However, improving and maintaining VCU's considerable infrastructure requires a sustained resource investment simply to keep pace with inflation and mandated contractual increases:

- Operations and maintenance costs associated with the new Engineering Research Building which will open in 2020. Approximately 133,000 square feet, the O&M for this critical research and academic structure has been submitted as part of the SCHEV new space survey. The new four-story building will contain 24 flexible research laboratories and associated support space, plus a vivarium on the basement level. (Note that as per the instructions, only VCU costs are included.)
- Utility cost associated with anticipated contractual increases in utility costs. These costs are being mitigated in each year as VCU implements an energy performance contract identify relevant Energy Conservation Measures (ECMs) to reduce the consumption of energy in campus buildings
- Contract cost increases related to VCU's central rent, maintenance services, software, contracted post security, and safety and risk management contracts for hazards encountered

by employees in their work place; i.e., respirators used so as not to breath in hazardous fumes / particulates (example: painting studios, mold, ceramics). A conservative 3% inflator has been assumed for planning purposes.

#### Fringe/health benefits cost increase

VCU has assumed a fringe/health benefits increase of approximately 1% annually. This is based on a detailed review of prior year increases.

**Section D. Programs and Instructional Sites:** *Provide information on any new academic programs, including credentials and certificates, or new instructional sites, supported by all types of funding, that the institutions will be undertaking during the six-year period. Note that as part of the revised SCHEV program approval process, institutions will be asked to indicate if a proposed new program was included in its six-year plan. Also, provide information on plans to discontinue any programs.*

VCU strategically determines any new degree programs or certificate programs that align with Quest 2025: Together We Transform and the strategic priorities therein, such as the pending doctoral degree in pharmaceutical engineering, which if approved will be the first in the nation.

VCU strives to continuously improve in the areas of excellence, academic rigor and quality programs. Through both academic program review and program audit (productivity), programs are identified for further development/modification or potential discontinuance. Academic program review is a process that evaluates the effectiveness and progress of academic programs with the strategic direction of the institution and student needs. As such, programs are closed connected to strategic planning, resource allocation, and other decision-making at the program, department, school/college and university levels. VCU will re-institute a new program review process during the time period of the six-year plan and use the data derived from the process to make decision on any program that may appear to be less productive or in need of further enhancements.

**Section E. Financial Aid:** *TJ21 requires “plans for providing financial aid to help mitigate the impact of tuition and fee increases on low-income and middle-income students and their families, including the projected mix of grants and loans.” Virginia’s definitions of low-income and middle-income under TJ21 are based on HHS Poverty Guidelines. A table that outlines the HHS guidelines and the definitions is attached.*

VCU’s Financial Aid packaging philosophy is to award institutional aid and state aid prior to awarding federal loans to undergraduate students. The offices of Admissions and Financial Aid partner each year to award an allocation of merit-based institutional grants. VCU budgeted \$7,400,000 for FY 2019 and \$7,500,000 for FY 2020 for these grant programs. Each of the need-based grants described below are in addition to any federal and state aid a student is qualified to receive unless otherwise indicated.

The VCU Poverty Access Grant is an award designed for students who meet the Federal Poverty Level guidelines established by the U.S. Department of Health and Human Services (as shown in the table below). VCU budgeted \$1,938,000 for FY 2019 and \$2,185,000 for FY 2020 for this grant and plans to continue that level of support in the next six-year period.

The VCU Academic Achievement Grant targets first-year students who demonstrate financial need but also had a high level of academic success during high school. This award would be in addition to other institutional, federal and state aid they would qualify to receive. VCU allocated \$750,000 for FY 2019 and \$965,000 for FY 2020 for this grant.

The VCU Achievement Grant is an award designed for continuing students who demonstrate financial need but also had a high level of academic success at VCU. This award would be in addition to other institutional and state aid they would qualify to receive. VCU allocated \$3,382,500 for FY 2019 and \$4,190,000 for FY 2020 for this grant.

The VCU Transfer Student Grant is available to students who demonstrate financial need and who transferred from one of the twenty-three Virginia Community Colleges (VCCS). VCU allocated \$1,000,000 for FY 2019 and \$255,000 for FY 2020 for this grant. This is additional funding support for those students' who receive the SCHEV Two-Year Transfer Grant.

The VCU Tuition Assistance Grant provides an award to students who demonstrate Pell Grant eligibility but also have remaining unmet financial need. VCU allocated \$3,709,000 for FY 2019 and \$4,310,000 for FY 2020 for this grant.

The VCU Residence Hall Grant is an award designed for students who demonstrate financial need but also have incurred campus-housing charges. This award would be in addition to other institutional, federal and state aid they would qualify to receive. VCU allocated \$1,429,000 for FY 2019 and \$1,800,000 for FY 2020 for this grant.

The VCU Junior/Senior Grant is awarded to students who demonstrate financial need but also are in their last two years of completing a bachelor degree with VCU. This award would be in addition to other institutional, federal and state aid they would qualify to receive. VCU allocated \$1,509,750 for FY 2019 and \$1,800,000 for FY 2020 for this grant.

The VCU Gateway Grant assists continuing middle-income students who fall into the income range of \$44,701 to \$125,000 for FY 2019 and FY 2020 who are in good academic standing. This award would be in addition to other institutional, federal and state aid they would qualify to receive. VCU allocated \$2,409,000 for FY 2019 and \$2,900,000 for FY 2020 for this grant.

To maintain these grants and continue to make progress on increasing the amount of institutional aid available to VCU students, the proposed six-year plan would provide for additional funding allocations each year for financial aid from tuition revenue. VCU lags behind other research institutions in terms of total institutional aid available for students, yet has greater unmet financial need.

2019 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA	
PERSONS IN FAMILY/HOUSEHOLD	POVERTY GUIDELINE
For families/households with more than 8 persons, add \$4,420 for each additional person.	
1	\$12,490
2	\$16,910
3	\$21,330
4	\$25,750
5	\$30,170
6	\$34,590
7	\$39,010
8	\$43,430

**Section F. Capital Outlay:** Provide information on your institution's top two Education and General Programs capital outlay projects, including new construction as well as renovations, that might be proposed over the Six-Year Plan period that could have a significant impact on strategies, funding, student charges, or current square footage. Do not include projects for which construction (not planning) funding has been appropriated.

Arts Innovation and Academic Building

Situated at the corner of Broad and Belvidere Streets, this building will anchor the east side of the Monroe Park Campus and act as a "front door" highlighting the university's status as a premier arts institution. This project will provide interdisciplinary instructional, performance and innovation space which draws on technology, media, science, art and design. The activities in this building will range from opera to quantum computing; integrating the disciplines of engineering, cinema, theater, immersive media technology, gaming and the creation of new knowledge. The facility must be highly flexible with the ability to rapidly reconfigure space on a regular basis.

Unlike any other facility on campus, this building will integrate multiple disciplines in a similar manner to the way the university's da Vinci program works now. Focusing on a single project or objective, teams from various areas of expertise will collaborate on projects allowing academic models to simulate the commercial media and product development experience. This building will enable the university to maintain its leadership position in arts education, innovation and media while also integrating other academic disciplines.

Interdisciplinary Academic and Laboratory Building

This project is a 200,000 GSF addition to Harris Hall. It adds both general-purpose classroom and class-lab instructional space to the Monroe Park Campus to replace space that will come off line with the

demolition of the T. Edward Temple building and Oliver Hall Physical Sciences Wing. It also expands the inventory of class laboratories and supplements student study and learning space on the campus. The need for additional instructional space is documented in the university's recently completed master plan.

**Section G. Restructuring:** *Provide information about any plans your institution has to seek an increased level of authority, relief from administrative or operational requirements, or renegotiation of existing management agreements.*

Thank you for the opportunity to provide concerns/issues or to request clarification on items within our existing Tier III authorities. VCU would be very pleased to reopen a dialogue with state stakeholders from both the executive and legislative branches and our fellow Tier III institutions to discuss the following opportunities:

- Stabilize State support for VCU to implement a more informed and robust multi-year planning and budgeting process;
- Provide VCU more flexibility in setting tuition rates and enrollment targets without adverse effects on State support; and
- Allow VCU to preserve E&G operating and capital reserves to retain bond ratings and provide operating flexibility.

**Section H. Performance Pilots (optional):** *For this topic, any institution that wishes to include a Performance Pilot and provided notification by April 1 to relevant parties, should select one or more of the strategies presented in the institution's Academic and Financial plan (PART 3) and General Fund Request (PART 4) that constitute(s) "one innovative proposal" as defined in subsection F of § 23.1-306. Describe the proposal, the proposed performance measures and the requested authority or support from the Commonwealth.*

In accordance with recently enrolled bills (House Bill 2653/Senate Bill 1628), VCU proposes a performance pilot program focused on retaining talent in the Commonwealth. The proposed pilot would meet much of the same criteria as the Innovative Internship Program (also part of HB2653/SB1628) but is considerably larger in scope and would be fully integrated in VCU's existing REAL program.

The proposal aims to provide high quality, paid experiential internship opportunities to underrepresented and low income students, paired with pre-internship career skills workshops and zero credit courses that will encourage development of career ready competencies, and the use of ePortfolios to document student growth and performance. The comprehensive pathway program is designed to meet the needs of students and potential employers.

As an expansion of REAL, this program responds to the Virginia Higher Education Plan's recommendation that the Commonwealth "Implement and support greater efficiencies by reviewing and recommending potential initiatives for further restructuring and shared services that enhance

institutional and administrative flexibility and improve quality and efficiency.” This program addresses the disconnect between the need and desire of the Commonwealth’s workforce sectors to hire diverse students with the necessary soft and hard skills, and the limited access of an entire population of students from the very experiences that would allow them to be competitive and to thrive in these career pathways.

The project budget of \$5 million would be used to provide approximately 2000 students career development support and experiences. This model is based on VCU data for the 2018-2019 AY and includes provision of:

- All Pell Eligible First-Time Freshmen a developmentally appropriate career shadowing opportunity and a 1 cr. ePortfolio development course, and
- A select group of eligible Rising Juniors (580) a pre-internship professionalism course (1 cr.), a paid internship experience during the academic year, and a 1 cr. ePortfolio development course to be completed during the internship experience.

Eligibility for First-Time Freshman students would be based on economic need as determined by their Pell Eligibility. This demographic typically comprises about one-third of VCU’s incoming class.

For Rising Juniors, eligibility factors would include Pell Eligibility, with preference being given to students who are interested in pursuing careers in the targeted work force areas of health care, cyber security, and data analytics.

***Section I. Evaluation of Previous Six-Year Plan:*** Briefly summarize progress made in strategies identified in your institution’s previous six-year plan. Note how additional general fund support and reallocations were used to further the strategies.

Virginia Commonwealth University continues to make steady progress on VCU’s strategic plan, Quest 2025: Together We Transform. The goals of Quest 2025 supports the Virginia Plan and highlights the essential role VCU plays within the Commonwealth to ensure student access and success for significant numbers of students that are underrepresented minorities, lower income, and first-generation as well as the university’s over \$6B contribution to the region’s economic well-being.

The VCU 2018-2020 plan did not rely solely on new tuition funding or state resources to source the plan, instead, VCU’s multi-year budget process emphasizes an all-funds, multi-year, strategic approach allowing for reallocation of base resources, consideration of alternate funding sources, and growth and diversification of revenues. As noted in the *Quest 2025*, VCU remains committed to using its full range of financial resources wisely, balancing investment decisions, whether sourced from new or reallocated funds, with the magnitude of the initiative’s impact on our mission, particularly in advancing student success.



### Transform the undergraduate curriculum (2018 Plan #1)

Consistent with the Virginia Plan's goal (#2) of optimizing student success, VCU's Quest 2025 Strategic Plan identified the transformation of the undergraduate curriculum as a primary goal. We are pleased to report this difficult and comprehensive work is on track with five undergraduate courses under redesign. These courses from across the curriculum are estimated to impact approximately 3,000 student annually. Working under design guidelines established by the National Center for Academic Transformation (NCAT), pilot projects will be developed this summer and fall with pilot course testing in spring 2020. NCAT has now worked with more than 200 institutions to redesign large-enrollment courses at all levels of the undergraduate curriculum with improved learning outcomes and cost reductions.

Increase financial aid, affordable access, online and non-resident recruitment (2018 Plan #2) VCU's commitment to increasing affordability and reducing student debt remains among our highest priorities. The 2018 Plan described multiple strategies including increasing institutional financial aid support, increasing access and funding through growth in online programming and increasing available funding by growing VCU's non-resident student populations. Progress in the biennium includes:

- Since FY 2015, VCU has increased institutional need-based financial aid to undergraduate students by over \$12 million from a combination of reallocation and tuition revenue directed towards student aid.
- In FY 2020, \$6.2M of funding reductions were implemented to ensure VCU's commitment to all institutional priorities including need based aid and still partner with the State for a 0% tuition increase.
- Scholarships and student support is one of the most important component of VCU's current capital campaign and has resulted in over 325 endowed scholarships/student support funds to date with over 65 in the past fiscal year alone. These gifts, once fully realized, will be an important increment to other institutional support and address program specific needs.
- The University continues to support graduate assistantships and stipends through tuition waivers and scholarships. Almost 700 assistantships are supported annually and are considered a critical element to successful faculty research, recruitment and retention.
- Based on work during the 2018-2020 biennium, two fully redesigned online graduate programs (Social Work and Homeland Security and Emergency Preparedness) will re-launch this fall in collaboration with Noodle Partners, a nationally recognized Online Program Manager.
- Online@VCU has developed a series of fully online, facilitated professional development courses for faculty engaged in online learning. To date, over 80 faculty have participated in one or more courses on best practices.
- Global Student Success Program – the university initiated a partnership with the global education provider *Navitas* designed to increase VCU's capacity to deliver specialized programs to a diverse and growing population of students and enhance the university's brand as an international study destination.

- Launching of a new non-resident recruitment initiative including specialized marketing efforts in targeted venues outside of Virginia, improved student outreach through use of digital marketing, increased financial aid (funded from non-resident tuition) and comprehensive brand research initiative to maximize the effectiveness of our recruitment and aid strategy. While, application and yield estimates continue to be positive over recent trends, the university realizes that these efforts will require a sustained investment to achieve future goals.

Provide annual salary increases to faculty and university and academic professionals (2018 Plan #3)

VCU's goal remains an increase to the 60th percentile of our national peers and/or faculty salaries comparable to the Commonwealth's research universities. The university implemented a delayed 3% Faculty (Teaching & Research) salary merit increase in December, 2018 and a 4% merit increase for faculty in FY2020.

Effective January 1, 2018, the university established a new employee group, University and Academic Professionals, as part of the Great Place Human Resources (HR) Redesign initiative launched in FY17, allowed as part of its Tier III status within the Commonwealth. The new group includes most non-teaching and research employees. In FY2019, similar to faculty, the University implemented a 1.5% merit increase (delayed to December to reduce current year costs). This was followed by an increase of 4% for staff for FY2020. (Note that classified staff remaining at VCU will receive the 5% increase (merit and base) as approved by the legislature for FY2020).

The University also addressed adjunct pay equity issues in the last biennium, raising the minimum adjunct pay to \$1,100 per credit hour by FY2020. This was an important initiative as adjunct teaching includes over 1,000 individuals and approximately 2,000 course sections. Average adjunct teaching data gathered by the Chronicle for Higher Education indicated that in Virginia, average course salaries ranged from \$1.5K to \$4.6K.

REAL activities (2018 Plan #4)

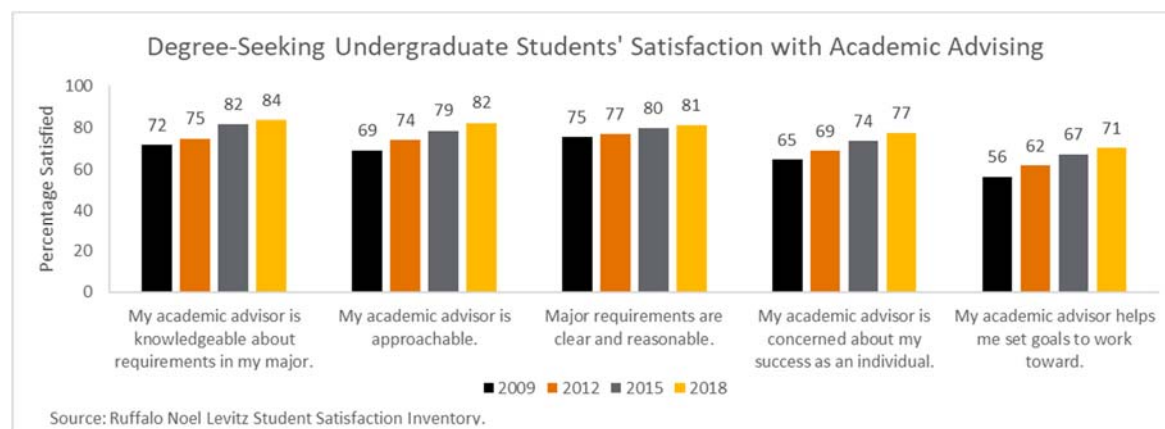
Relevant, Experiential, and Applied Learning (REAL) is VCU's experiential learning initiative. In this biennium, university investment focused on developing a formal framework within the Provost's office, establishing a governance model, completing an inventory of existing REAL courses, conducting a gap analysis to identify barriers to student access, and organizing stakeholder engagement events.

Enhance the university culture supporting student success (2018 Plan #5)

The University made some significant progress in this biennium and our success in graduation and advising was most recently recognized with Congressional testimony before the House Education and Labor Committee. Investments during this biennium include:

- Significantly expanding the number of advisors in first year advising for targeted majors with high DFW rated courses (STEM), minimal career pathway clarity (undeclared), and highly

competitive/selective professional program admission (pre-nursing). In this biennium, six staff were added to improve student: advisor ratios and to expand targeted student success campaigns to these at-risk populations. The graph below highlights the across-the-board success of this initiative:



- The launch of new student success initiatives including:
  - [Major Maps](#) a uniquely designed tool that combines academic planning with strategic career planning. Working with their university guides—such as academic advisors, career advisors, faculty, and mentors—students create a plan that is individualized to them and that focuses on their end goal. They work backward to determine which experiences, connections, and skills will best position them to succeed as working professionals after they graduate.
  - [Early-Alert/ Notification programs](#) which foster improved communication between faculty, advisors, and students about academic expectations and progress through retention prediction, progress reports (early alerts) and midterm grade submission.
  - The [Navigate](#) system, a phone-friendly app which provides students with an “an advisor in their pocket” linking faculty, advisors and students in a connected and coordinated network of student support.
  - [Student Educational Planner/Degree Works](#), a web-based degree-auditing tool available to student and advisors. The Student Educational Planner allows students to map out eight semester course plans in consultation with their academic advisor to ensure timely degree completion. Degree Works quickly and easily identify which requirements have been satisfied, which requirements are outstanding and provides a "What If" feature to show students how progress towards degree completion changes if they change academic programs or add a major, minor, or certificate.
- Progress in the development of a campus-wide schedule enabling improved classroom utilization rates.

### Build and sustain infrastructure to enhance diversity, inclusion and equity (2018 Plan #6)

As noted in the recent SCHEV report (*"The Cost of Doing Nothing: An Urgent Call to Increase Educational Attainment"*), the Commonwealth's ability to become the best educated state requires a renewed focus on recruiting and supporting the education of an increasingly diverse population. VCU is exceptionally positioned to assist in this regard. Progress over the biennium includes

- Hiring of 11 visiting faculty scholars in four new transdisciplinary research cores
- Launch of the Commonwealth Scholars Program providing research opportunities for high-need and high-talent students. All participants have been accepted for research conference presentations and several are co-authors on publications.
- Selection of VCU as one of the Howard Hughes Medical Institute Inclusive Excellence program through a \$1M grant award to establish a Science Learning Center focused on transforming STEM learning in partnership with John Tyler and J. Sargeant Reynolds community colleges. Impact is estimated at more than 7,000 students and over 75 faculty.

### Increase maintenance reserve and increased operating and maintenance funds related to new facilities (2018 Plan #7 & #11)

The physical campus environment has direct impact on recruitment, student success and patient experience. The quality and condition of facilities not only affects perception and recruitment but also impacts the ability to optimally use a space for its intended purpose. Like most universities across the country, VCU has a number of buildings built between 1950 and 1990 that are overdue for revitalization with a backlog of \$127 million in costs associated with maintenance for academic, administrative and research facilities alone.

In addition to the needs of maintaining VCU's existing infrastructure, this biennium saw the opening of the new consolidated College of Health Professions building. This structure includes state of the art classrooms and laboratory spaces and will allow the College to operate in unified space – enhancing cross-disciplinary learning and teaching as well as maximizing operational efficiencies.

### Health Equity, Education and Outreach (2018 Plan # 8 & #9)

As highlighted in Quest 2025, VCU impactful regional stewardship is felt acutely in the areas of healthcare and research, health education and health outreach where VCU and the VCU Health System collaborate on critical regional issues. In the biennium progress toward addressing this need included:

- East End Health Education and Wellness Center- The VCU Health Hub (at 25th Street) opened in May, 2019. It will provide the university with a unique opportunity to advance collaborative learning, strengthen the REAL initiative through inter-professional academic practicum, and accelerate cross-disciplinary research while more fully realizing VCU's commitment to improving community health and wellness through the delivery of preventive and support services.
- Development of an online module entitled VCU Health Equity: Social Determinants of Health to clinical and care coordination team members of the VCU Health System

- Enhancing of community partnerships with Feed More, Homeward and Round Trip. One such partnership was with Feed More in the Anthem grant funded Food is Medicine Project; screening 3,000 patients for food insecurity, providing food boxes, and completing referrals to the Hunger Hotline.
- Creation of multiple health equity courses through the VCU Division of Inclusive Excellence's iExcel Education Program.

Massey Cancer Center is among the top 4 percent of cancer centers in the country and is one of two in the state designated by the National Cancer Institute to lead and shape America's cancer research efforts. In addition to world-class patient services, Massey is an exceptional contributor to the Commonwealth's prosperity realized through the Center's work in research and as an education resource. Among the accomplishments over the biennium:

- \$38.4M in research awards (2018) and a doubling of member multi-PI, NCI-recognized, peer-reviewed grants, 10 of these are multi-institutional and 6 are transdisciplinary;
- 334 cancer-related publications in 2018 including 72 High Impact Publications
- \$12M received in philanthropy (2019)

Increase number of full-time T&R faculty (2018 Plan #10)

The Plan for the biennium identified two critical needs for faculty growth: the addition of four faculty lines to meet accreditation needs for the Robertson School of Media and Culture and to address urgent enrollment-driven faculty needs in the College of Humanities and Sciences. Both needs were addressed in this biennium with faculty hiring completed for the upcoming fall.

**Section J. Economic Development Annual Report (Due October 1):** Describe the institution's contributions to stimulate the economic development of the Commonwealth and/or area in which the institution is located. If applicable, the information should include:

1. University-led or public-private partnerships in real estate and/or community redevelopment.
2. State industries to which the institution's research efforts have direct relevance.
3. High-impact programs designed to meet the needs of local families, community partners, and businesses.
4. Business management/consulting assistance.

# INSTRUCTIONS FOR SUBMITTING 2019 INSTITUTIONAL SIX-YEAR PLAN

**Due Date: July 1, 2019**

***PLEASE READ INSTRUCTIONS CAREFULLY***

## Six-year Plan Requirement

The Higher Education Opportunity Act of 2011 (TJ21) requires Virginia's public institutions of higher education to prepare and submit six-year plans. (See below for complete code reference.) During the 2015 General Assembly session, joint resolutions approved by the House (HJR 555) and Senate (SJ 228) also require that the mission, vision, goals, and strategies expressed in the Virginia Plan, the statewide strategic plan, guide the development of the strategic plan and six-year plan at each public institution of higher education, as well as the agency plan for SCHEV, and that SCHEV report annually on the Commonwealth's progress toward achieving these goals and targets to the Governor, General Assembly, institutions of higher education and the public.

## 2019 Six-year Plan Format

The 2019 Six-Year Plan consists of a workbook and an accompanying narrative. The workbook has an Institution ID page, Instructions page and six parts/worksheets: Tuition and Fee Predictability Plan, Tuition and Other Nongeneral Fund Revenue, Academic-Financial, General Fund (GF) Request, Financial Aid, and Economic Development. **Note: Shaded cells contain formulas.** Instructions for the narrative are provided in a separate attachment. The Enrollment/Degree Projections are being developed in a separate process, but will be incorporated into the six-year plan review.

The 2019 Six-Year Plans are due July 1, 2019. The review group (referred to as Op Six) as outlined in § 23.1-306 - see section B below - will meet with each institution during the months of July and August to review the institution's plan and provide comments. If changes to the plans are recommended, revised institutional submissions are due no later than October 1 or immediately following an institution's Board of Visitors' meeting, if it is later than October 1.

## INSTRUCTIONS FOR PARTS

### 1. Tuition and Fees Predictability Plan

There are two worksheets, Part 1A and Part 1B. Part 1A is for institutions without undergraduate tuition differentials. Part 1B is for institutions with undergraduate tuition differentials. Provide no less than three years (each worksheet allows for four years based on the biennial budget structure) of planned increases in in-state undergraduate tuition and mandatory E&G fees and mandatory non-E&G fees. The tuition and fee charges for in-state undergraduate students should reflect the institution's estimate of reasonable and necessary charges to students based on the mission, market capacity and other factors. Plans shall include a range of tuitions based on available state resources, but must contain a scenario that includes the assumption of no new state general fund support (SCENARIO 1). Add scenarios and tables, if more are needed, and provide brief information about the assumptions for each scenario. Include more detailed information about assumptions used to calculate increases in Section B of the Narrative document. Include anticipated tuition and fee charges affecting first-year students. For institutions that have differential tuition and fee charges by program or level, provide (a) anticipated tuition and fee charges for majority students; (b) a weighted average charge of all first-year students (with a detailed worksheet as attachment); and (c) additional spreadsheets with associated anticipated charges for all undergraduate students by program and level. (Please do not alter the shaded cells that contain formulas.)

## 2. Tuition and Other Nongeneral Fund Revenue

Based on enrollment changes and other institution-specific assumptions, provide the total revenue for educational and general (E&G) programs, by student level and domicile. Provide other anticipated NGF revenue, tuition used for financial aid (Program 108) and anticipated non-E&G fee revenue for in-state undergraduates and then all other students. (Please do not alter the shaded cells that contain formulas.)

## 3. Academic-Financial Plan

The Academic Plan, (JA), of this worksheet should contain academic (including faculty), finance, and support service strategies the institution intends to employ in meeting state needs/goals as found in the Virginia Plan. Information related to the Virginia Plan and more specific state priorities is provided below. Provide a short title for each strategy. Indicate the total amount for the strategy, any internal reallocation to support the strategy and the amount of tuition revenue that will be used to support the strategy. Provide a short description of the strategy, including a specific reference as to where more detailed information about the strategy can be found in the Narrative document, in column J. Provide any pertinent information for consideration in 2022 through 2026 in column K. **Strategies for student financial aid, other than those that are provided through tuition revenue, should not be included on this table; they should be included in Part 4 of the plan, General Fund Request.** Funding amounts in the first year should be incremental. However, if the costs continue into the second year, they should be reflected cumulatively. Institutions that submit strategies that reflect incremental amounts in both years will have their plans returned for revision. If you add rows for additional strategies, please update the total cost formulas. **Institutions should assume no general fund (GF) support in the Academic-Financial Worksheet. A separate worksheet (Part 4) is provided for institutions to request GF support.** *Special Notes: If an institution wishes to include any information about FTEs or fringe benefit adjustments (using DPR's FY2020*

The Virginia Plan: In the column labeled "VP Goal," identify the goal of the The Virginia Plan (VP) that applies to each institutional strategy using the appropriate number (i.e., 1, 2, 3, or 4). The four VP goals are listed below. An institution must still submit strategies for TJ21 Objectives A through D (now § 23.1-306 D3, D5, D6, and D8 - please see code reference below) as per the Code of Virginia, but the corresponding VP goal is identified, not the TJ21 objective (please see the special note below). In the Narrative document (Section A), institutions should provide more detailed information.

**The Virginia Plan has four major goals (more specific state priorities are included with the goals below):**

1. Provide affordable access for all. (Access and enrollment, particularly for underrepresented students.)
2. Optimize student success for work and life. (Retention, completion and time to degree.)
3. Drive change and improvement through innovation and investment. (Affordability and funding.)
4. Advance the economic and cultural prosperity of the Commonwealth and its regions. (Workforce alignment, retention of graduates, and, if applicable, research.)

*Special Note: Strategies also can cross several state goals, notably those related to improved two-year and four-year transfer, and should be included.*

**Additional Objectives (D3, D5, D6, and D8)**

D3. Plans for providing financial aid to help mitigate the impact of tuition and fee increases on low-income and middle-income students and their families as described in subdivision 9, including the projected mix of grants and loans.

D5. Plans for optimal year-round use of the institution's facilities and instructional resources.

D6. Plans for the development of an instructional resource-sharing program with other public institutions of higher education and private institutions of higher education.

D8. The identification of (i) new programs or initiatives including quality improvements and (ii) institution-specific funding based on particular state policies or institution-specific programs, or both, as provided in subsection C of § 23.1-307.

*Special Note: We recommend that any strategy related to D3 be coded as Goal 1 of the VP and strategies related to D5, D6 and D8 be coded as Goal 3 of the VP.*

The Financial Plan, 3B, of this worksheet pertains to the 2020-22 biennium. Complete the lines appropriate to your institution. **As completely as possible, the items in the academic plan and financial plan should represent a complete picture of the institution's anticipated use of projected tuition revenues. For every strategy in 3A and every item in 3B of the plan, the total amount and the sum of the reallocation and tuition revenue should equal one another.** Two additional rows, "Anticipated Nongeneral Fund Carryover" and "Nongeneral Fund for Current Operations" are available for an institution's use, if an institution cannot allocate all of its tuition revenue to specific strategies in the plan. Given the long standing practice that agencies should not assume general fund support for operation and maintenance (O&M) of new facilities, O&M strategies should not be included in an institution's plan, unless they are completely supported by tuition revenue.

**4. GF (General Fund) Request**

Indicate items for which you anticipate making a request for state general fund in the 2020-22 biennium. The item can be a supplement to a strategy or item from the academic and financial plan or it can be a free-standing request for which no tuition revenue would be used. If it is a supplement to a strategy or item from the academic and financial plan, then describe in the Notes column how additional general fund will enhance or expand the strategy. Requests for need-based financial aid appropriated in program 108 should be included here. If additional rows are added, please update the total costs formulas.

**5. Financial Aid**



The Financial Aid worksheet is similar to previous versions, but it now collects four years instead of five years of data. Provide a breakdown of the projected source and distribution of tuition and fee revenue redirected to financial aid. To ensure compliance with the state prohibition that in-state students should not subsidize out-of-state students and to provide the review group with the scope of the strategy, projections must be made for each of the indicated categories. Please be aware that this data will be compared with similar data provided by other institutional offices in order to ensure overall consistency. (Please do not alter shaded cells that contain formulas.)

## 6. Economic Development Annual Report for 2018-2019 (See below for complete code references.)

This worksheet and the narrative piece serve as the required annual report. The reporting period is FY19. ~~THE REPORT IS NOT DUE UNTIL OCTOBER 1.~~ This worksheet contains a menu of items. Each institution is asked to provide information as it can and when applicable. There is also a separate narrative portion. The combination of the metrics and narrative portion captures report information as required by § 23.1-102 subdivision 2 and § 23.1-306 (A) of the Code of Virginia. In 2018 the Intellectual Property (IP) Worksheet data elements were integrated into the Economic Development Contributions Worksheet. Assignment of intellectual property interests to persons and nongovernmental entities and the value of funds from persons or nongovernmental entities to support intellectual property research, for the most recently ended fiscal year, are captured in the worksheet. The worksheet is structured to capture separate aggregate data on entities that have a principal place of business in Virginia and those with a principal place of business outside of Virginia. The IP information is required by § 23.1-102 subdivision 2 of the Code of Virginia.

### Special Notes:

**Enrollment/Degree Projections:** Detailed six-year enrollment/degree projections are being collected through a separate process. These projections will be incorporated in the Six-Year Plan as part of the July and August institutional meetings with the Op Six.

**BOV Approval:** Final board approval of the Six-Year Plan should be done at the earliest possible fall meeting. HB 897 (2018) specified that initial plans do not get posted on the General Assembly's website and that final plans should be submitted to DLAS no later than December 1. However, we are requesting that institutions submit final plans with their responses to Op Six Comments on October 1 (or as soon after fall board meetings as possible) as has been done in the past. We post the responses and final plans for review by the Op Six for a period of time prior to posting to SCHEV's website.

**Accessibility:** All files need to be checked for accessibility prior to submitting them. Information on accessibility is provided at this link on SCHEV's website: <http://schev.edu/index/accessibility/creating-accessible-content>. The first link, "How to Make Your MS Office Documents Accessible" can be used to learn how to check documents. Only errors, not warnings, must be addressed.

### Contacts for Questions:

General Questions - Jean Huskey ([jeanmottley@schev.edu](mailto:jeanmottley@schev.edu))

Academic - Beverly Rebar ([beverlyrebar@schev.edu](mailto:beverlyrebar@schev.edu))

Finance - Yan Zheng ([yanzheng@schev.edu](mailto:yanzheng@schev.edu))

Financial Aid - Lee Andes ([leeandes@schev.edu](mailto:leeandes@schev.edu))

Enrollment/Degree Projections - Tod Massa ([todmassa@schev.edu](mailto:todmassa@schev.edu))

**Legislative References:**

**§ 23.1 - 306. Institutional Six-Year Plans.**

*A. The governing board of each public institution of higher education shall (i) develop and adopt biennially and amend or affirm annually a six-year plan for the institution;*

*(ii) submit such plan to the Council, the General Assembly, the Governor, and the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on Finance no later than July 1 of each odd-numbered year; and (iii) submit amendments to or an affirmation of that plan no later than July 1 of each even-numbered year or at any other time permitted by the Governor or General Assembly to the*

*Council, the General Assembly, the Governor, and the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on Finance. Each such plan and amendment to or affirmation of such plan shall include a report of the institution's active contributions to efforts to stimulate the economic development of the Commonwealth, the area in which the institution is located, and, for those institutions subject to a management agreement set forth in Article 4 (§ 23.1-1004 et seq ) of Chapter 10 the areas that lag behind the Commonwealth in terms of income employment and other factors*

*B. The Secretary of Finance, Secretary of Education, Director of the Department of Planning and Budget, Executive Director of the Council, Staff Director of the House Committee on Appropriations, and Staff Director of the Senate Committee on Finance, or their designees, shall review each institution's plan or amendments and provide comments to the institution on that plan by September 1 of the relevant year. Each institution shall respond to any such comments by October 1 of that year.*

*C. Each plan shall be structured in accordance with, and be consistent with, the objective and purposes of this chapter set forth in § 23.1-301 and the criteria developed pursuant to § 23.1-309 and shall be in a form and manner prescribed by the Council, in consultation with the Secretary of Finance, the Secretary of Education, the Director of the Department of Planning and Budget, the Director of the Council, the Staff Director of the House Committee on Appropriations, and the Staff Director of the Senate Committee on Finance, or their designees.*

*D. Each six-year plan shall (i) address the institution's academic, financial, and enrollment plans, including the number of Virginia and non-Virginia students, for the six-year period; (ii) indicate the planned use of any projected increase in general fund, tuition, or other nongeneral fund revenues; (iii) be based upon any assumptions provided by the Council, following consultation with the Department of Planning and Budget and the staffs of the House Committee on Appropriations and the Senate Committee on Finance, for funding relating to state general fund support pursuant to §§ 23.1-303, 23.1-304, and 23.1-305 and subdivision 9; (iv) be aligned with the institution's six-year enrollment projections; and (v) include:*

*1. Financial planning reflecting the institution's anticipated level of general fund, tuition, and other nongeneral fund support for each year of the next biennium;*

*2. The institution's anticipated annual tuition and educational and general fee charges required by (i) degree level and (ii) domiciliary status, as provided in § 23.1-307;*

*3. Plans for providing financial aid to help mitigate the impact of tuition and fee increases on low-income and middle-income students and their families as described in subdivision 9, including the projected mix of grants and loans;*

4. Degree conferral targets for undergraduate Virginia students;
  5. Plans for optimal year-round use of the institution's facilities and instructional resources;
  6. Plans for the development of an instructional resource-sharing program with other public institutions of higher education and private institutions of higher education;
  7. Plans with regard to any other incentives set forth in § 23.1-305 or any other matters the institution deems appropriate;
  8. The identification of (i) new programs or initiatives including quality improvements and (ii) institution-specific funding based on particular state policies or institution-specific programs, or both, as provided in subsection C of § 23.1-307; and
  9. An institutional student financial aid commitment that, in conjunction with general funds appropriated for that purpose, provides assistance to students from both low-income and middle-income families and takes into account the information and recommendations resulting from the review of federal and state financial aid programs and institutional practices conducted pursuant to subdivisions B 2 and C 1 of § 23.1-309.
- E. In developing such plans, each public institution of higher education shall consider potential future impacts of tuition increases on the Virginia College Savings Plan and ABLE Savings Trust Accounts (§ 23.1-700 et seq.) and shall discuss such potential impacts with the Virginia College Savings Plan. The chief executive officer of the Virginia College Savings Plan shall provide to each institution the Plan's assumptions underlying the contract pricing of the program.
- F. 1. In conjunction with the plans included in the six-year plan as set forth in subsection D, each public institution of higher education, Richard Bland College, and the Virginia Community College System may submit one innovative proposal with clearly defined performance measures, including any request for necessary authority or support from the Commonwealth, for a performance pilot. If the General Assembly approves the proposed performance pilot, it shall include approval language in the general appropriation act. A performance pilot shall advance the objectives of this chapter by addressing innovative requests related to college access, affordability, cost predictability, enrollment management subject to specified commitments regarding undergraduate in-state student enrollment, alternative tuition and fee structures and affordable pathways to degree attainment, internships and work study, employment pathways for undergraduate Virginia students, strategic talent development, state or regional economic development, pathways to increase timely degree completion, or other priorities set out in the general appropriation act.
2. A performance pilot may include or constitute an institutional partnership performance agreement, which shall be set forth in a memorandum of understanding that includes mutually dependent commitments by the institution, the Commonwealth, and identified partners, if any, related to one or more of the priorities set forth in subdivision 1 or set forth in a general appropriation act. No such institutional partnership performance agreement shall create a legally enforceable obligation of the Commonwealth.
  3. No more than six performance pilots shall be approved in a single session of the General Assembly.
  4. Development and approval of any performance pilot proposal shall proceed in tandem with consideration of the institution's six-year plan, as follows:

- a. An institution that intends to propose a performance pilot shall communicate that intention as early as practicable, but not later than April 1 of the year in which the performance pilot will be proposed, to the reviewers listed in subsection B, the co-chairmen of the Joint Subcommittee on the Future Competitiveness of Virginia Higher Education, and the Governor. In developing a proposed performance pilot, the institution shall consider the Commonwealth's educational and economic policies and priorities, including those reflected in the Virginia Plan for Higher Education issued by the Council, the economic development policy developed pursuant to § 2.2-205, the strategic plan developed pursuant to § 2.2-2237.1, relevant regional economic growth and diversification plans prepared by regional councils pursuant to the Virginia Growth and Opportunity Act (§ 2.2-2484 et seq.), and any additional guidance provided by the Joint Subcommittee on the Future Competitiveness of*
- b. An institution that submits a performance pilot shall include the one innovative proposal with clearly defined performance measures, and any corresponding authority and support requested from the Commonwealth, with its submission of the preliminary version of its six-year plan pursuant to clause (ii) of subsection A or with its preliminary amendment or affirmation submission pursuant to clause (iii) of subsection A.*
- c. The reviewers listed in subsection B, or their designees, shall review and comment on any proposed performance pilot in accordance with the six-year plan review and comment process established in subsection B and may expedite such review and comment process to facilitate the executive and legislative budget process or for other reasons. No later than October 15 of the relevant year, the reviewers shall communicate to the Governor and the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance their recommendations regarding each performance pilot proposal. Such recommendations shall include the reviewers' comments regarding how the proposed performance pilots, individually and collectively, support the strategic educational and economic policies of the Commonwealth.*
- d. Each performance pilot proposal shall include evidence of its approval by the institution's governing board and, if accepted, shall be referenced in the general appropriation act.*

#### **§ 23-4.4 (B). Intellectual Property and Externally Sponsored Research**

*B. The president of each state-supported institution of higher education, including the chancellor of the Virginia Community College System, shall beginning with the fiscal year 2016, include in its six-year plan adopted pursuant to § 23-38.87:17 the following for the most recently ended fiscal year: (i) the assignment during the year of any intellectual property interests to a person or nongovernmental entity by the institution, any foundation supporting the intellectual property research performed by the institution, or any entity affiliated with the institution; (ii) the value of externally sponsored research funds received during the year from a person or nongovernmental entity by the institution, any foundation supporting the intellectual property research performed by the institution, or any entity affiliated with the institution; and (iii) the number and types of patents awarded during the year to the institution, any foundation supporting the intellectual property research funded by the institution, or any entity affiliated with the institution that were developed in whole or part from externally sponsored research provided by a person or nongovernmental entity. The plan shall report separate aggregate data on (a) those persons or nongovernmental entities that have a principal place of business in Virginia as reflected in the assignment agreement or awarding documents and (b) those persons or nongovernmental entities that do not have a principal place of business in Virginia as reflected in the assignment agreement or awarding documents.*

**Part 1B: Tuition and Fees Predictability Plans for Institutions with Undergraduate Tuition Differentials  
Virginia Commonwealth University**

**In-State Undergraduate Tuition and Fees Predictability Plans**

**Instructions:** Provide no less than three years (the worksheet allows for four years based on the biennial budget structure) of planned increases in in-state undergraduate tuition and mandatory E&G fees and mandatory non-E&G fees. The tuition and fee charges for in-state undergraduate students should reflect the institution's estimate of reasonable and necessary charges to students based on the mission, market capacity and other factors. Plans shall include a range of tuitions based on available state resources, but must contain a scenario that includes the assumption of no new state general fund support (SCENARIO 1). Add scenarios and tables, if more are needed, and provide brief information about the assumptions for each scenario. Include more detailed information about assumptions used to calculate increases in Section B of the Narrative document. Include anticipated tuition and fee charges affecting first-year students. For institutions that have differential tuition and fee charges by program or level, provide (a) anticipated tuition and fee charges for majority students; (b) a weighted average charge of all first-year students (with a detailed worksheet as attachment); and (c) additional spreadsheets with associated anticipated charges for all undergraduate students by program and level. (Please do not alter the shaded cells that contain formulas.)

VCU took the strategy of generating two tuition predictability scenarios to meet the long term funding goals set forth by Quest 2025, VCU's strategic plan. These long term funding goals focus on improving the student experience, strengthening our faculty through improved compensation, increase national research prominence, and advancing diversity and inclusion. Each of the below scenarios are focused on meeting roughly \$20M to \$30M in new funding needs in each fiscal year to support Quest 2025. The scenarios were developed taking into account long term enrollment changes, other academic initiatives that will improve both out of state and international student numbers, and growth in other funding sources. While these plans strived to generate enough funding to support universities funding needs, both of the below scenarios require budget reductions and reallocations to ensure a balanced budget. These budget reductions and reallocations have been purposefully developed with the intent of holding tuition increases to only reasonable increases. While we have worked to provide the most realistic scenarios we feel that the best outcome for Virginias is a continued partnership between the University and State to ensure state funding which would allow VCU to hold tuition increases to reasonable levels.

**In-State Undergraduate Tuition and Mandatory E&G Fees**

	2019-20		2020-21		2021-22		2022-23		2023-24	
	Charge	Charge	% Increase	Charge	% Increase	Charge	% Increase	Charge	% Increase	
Scenario 1: No new GF										
Majority First-Year Students	12,247	13,098	6.9%	13,621	4.0%	14,030	3.0%			-100.0%
All First-Year Students	12,649	13,596	7.5%	14,132	3.9%	14,555	3.0%			-100.0%
Scenario 2:										
Majority First-Year Students	12,247	12,735	4.0%	13,117	3.0%	13,381	2.0%			-100.0%
All First-Year Students	12,649	13,233	4.6%	13,628	3.0%	13,906	2.0%			-100.0%
Scenario 3:										
Majority First-Year Students			%		%		%			%
All First-Year Students			%		%		%			%

**Assumptions for:**

Scenario 1	No additional general fund support is assumed to offset tuition needs. Undergraduate tuition rates will be 7%, 4%, 3% in FY21-23, respectively. These rates are proposed after extensive review by leadership and still require substantial use of reserves and/or cuts. With this increase VCU will still face \$8.8M in reallocations and reductions in 2021 and \$2.6M in reallocations and reductions in 2022 (4.8% budget cut in FY21). School of Engineering's differential is expected to increase by \$1,000 for only FY2021 and the School of the Arts is expected to increase by \$288 in FY2021 followed by \$173 and \$180 in FY2022 and FY2023. There is a planned 3% increase in Technology and Library Fee from FY2021 through FY2023 to meet both typical infrastructure and operational needs. Calculations as to impact on first year students is based on Fall 2018 Headcount and distribution by major.
Scenario 2	\$10M in additional general fund support is assumed to offset tuition needs in FY2021 followed by an additional \$3M in FY2022 and again in FY2023 for a total increase in permanent support of \$16M by FY2023. Undergraduate tuition rates will be 4%, 3%, 2% in FY21-23, respectively. With this increase VCU will still face \$7.4M in reallocations and reductions in 2021 and \$1.7M in reallocations and reductions in 2022. School of Engineering's differential is expected to increase by \$1,000 for only FY2021 and the School of the Arts is expected to increase by \$288 in FY2021 followed by \$173 and \$180 in FY2022 and FY2023. There is a planned 3% increase in Technology and Library Fee from FY2021 through FY2023 to meet both typical infrastructure and operational needs. Calculations as to impact on first year students is based on Fall 2018 Headcount and distribution by major.

**In-State Undergraduate Mandatory Non-E&G Fees**

	2019-20		2020-21		2021-22		2022-23		2023-24	
	Charge	Charge	% Increase	Charge	% Increase	Charge	% Increase	Charge	% Increase	
Scenario 1:	2,349	2,420	3.0%	2,493	3.0%	2,568	3.0%	2,568	0.0%	
Scenario 2:										
Scenario 3:			%		%		%		%	

**Assumptions for:**

Scenario 1	University Fee is expected to increase by 3% from 2021 through 2023 to meet changing needs for students (excluding any increases due to debt service or salaries).

**Part 2: Tuition and Other Nongeneral Fund (NGF) Revenue**  
**Virginia Commonwealth University**

**Tuition and Fee Increases and Nongeneral Fund (NGF) Revenue Estimates Based on the Assumption of No New General Fund (GF)**

**Instructions:** Based on enrollment changes and other institution-specific assumptions, provide the total revenue for educational and general (E&G) programs, by student level and domicile. Provide other anticipated NGF revenue, tuition used for financial aid (Program 108) and anticipated non-E&G fee revenue for in-state undergraduates and then all other students. (Please do not alter the shaded cells that contain formulas.)

Items	2018-2019 (Estimated)	2019-2020 (Estimated)	2020-2021 (Planned)	2021-2022 (Planned)
	Total Revenue	Total Revenue	Total Revenue	Total Revenue
<b>E&amp;G Programs</b>				
Undergraduate, In-State	\$234,600,333	\$242,865,055	\$259,857,397	\$270,682,502
Undergraduate, Out-of-State	\$51,244,035	\$54,458,369	\$56,506,637	\$65,799,705
Graduate, In-State	\$44,982,606	\$47,307,814	\$46,556,647	\$50,124,123
Graduate, Out-of-State	\$28,895,809	\$30,009,023	\$27,403,457	\$30,067,176
Law, In-State			\$0	\$0
Law, Out-of-State			\$0	\$0
Medicine, In-State	\$13,593,728	\$14,458,846	14,041,441	\$13,853,797
Medicine, Out-of-State	\$18,261,537	\$19,891,289	20,001,185	\$20,789,406
Dentistry, In-State	\$10,688,819	\$10,963,344	\$11,007,929	\$11,365,015
Dentistry, Out-of-State	\$11,012,317	\$11,504,697	\$11,387,568	\$12,164,869
PharmD, In-State	\$11,203,563	\$11,450,618	\$10,610,772	\$10,895,457
PharmD, Out-of-State	\$3,674,644	\$3,669,168	\$3,480,815	\$3,537,776
Veterinary Medicine, In-State			\$0	\$0
Veterinary Medicine, Out-of-State			\$0	\$0
Other NGF*	\$45,029,168	\$38,872,439	\$41,022,783	\$44,854,835
Total E&G Revenue - Gross	\$473,186,559	\$485,450,662	\$501,876,629	\$534,134,661
Total E&G Revenue - Net of Financial Aid	\$445,441,445	\$453,590,064	\$465,916,031	\$493,074,063
<b>Tuition used for Financial Aid (Pgm 108)</b>	\$27,745,114	\$31,860,598	\$35,960,598	\$41,060,598
<b>Non-E&amp;G Fee Revenue</b>				
In-State undergraduates	\$39,096,157	\$40,933,677	\$42,161,687	\$43,426,537
All Other students	\$15,827,563	\$16,571,458	\$17,068,602	\$17,580,660
Total non-E&G fee revenue	\$54,923,720	\$57,505,135	\$59,230,289	\$61,007,198

**Part 3: ACADEMIC-FINANCIAL PLAN**  
**Virginia Commonwealth University**

**Academic and Financial Plan**

**3A: Six-Year Plan for Academic and Support Service Strategies for Six-year Period (2020-2026)**

**Instructions for 3A:** In the column entitled "Academic and Support Service Strategies for Six-Year Period (2020-2026)," please provide short titles to identify institutional strategies associated with goals in the Virginia Plan. Provide a concise description of the strategy in the Description of Strategy column (column J). Within this column, provide a specific reference as to where more detailed information can be found in the Narrative document. Note the goal(s) with which the strategy is aligned with the Virginia Plan (in particular, the related priority areas) in the VP Goal column and give it a Priority Ranking in column A. Additional information for 2022-2026 should be provided in column K (Two Additional Biennia). Strategies for student financial aid, other than those that are provided through tuition revenue, should not be included on this table; they should be included in Part 4, General Fund Request, of the plan. If an institution wishes to include any information about FTEs or fringe benefit adjustments (using DPB's FY2020 start-up instructions available by the end of May), it should list them as strategies in the Academic Plan not the Financial Plan. Funding amounts in the first year should be incremental. However, if the costs continue into the second year, they should be reflected cumulatively. Additional rows for strategies must be added before the gray line. Please update total cost formulas if necessary. **ASSUME NO ADDITIONAL GENERAL FUND IN THIS WORKSHEET.**

SECTION A: ACADEMIC AND SUPPORT SERVICE STRATEGIES FOR SIX-YEAR PERIOD (2020-2026)										
Priority Ranking	Strategies (Short Title)	VP Goal	Biennium 2020-2022 (7/1/20-6/30/22)						Description of Strategy  Concise Information for Each Strategy	Two Additional Biennia  Information for 2022- 2026
			2020-2021			2021-2022				
			Total Amount	Reallocation	Amount From Tuition Revenue	Total Amount	Reallocation	Amount From Tuition Revenue		
1	Enhance Strategic Enrollment Management	1,2	\$1,318,000	\$106,000	\$1,212,000	\$1,318,000	\$106,000	\$1,212,000	Creation of new Student Financial Services unit, enhanced staffing to meet national standards, addition of e-tools for student use (Narrative pg 5)	Expand Financial Aid Operations to further optimize aid, enhancement of e-resources, expand student collaboration and financial literacy initiatives
1	Open and Affordable Course content	1,3	\$219,000	\$219,000	\$0	\$442,000	\$442,000	\$0	Support to continue staffing (librarian), materials acquisition and faculty grants (Narrative pg 5)	Investment in personnel, faculty award incentives, and collections dedicated to these efforts
2	Build and Sustain Initiatives to Enhance Diversity, Inclusion and Equity	2	\$0	\$0	\$0	\$469,000	\$0	\$469,000	New transdisciplinary core focused on Engineering and Life Sciences (Narrative pg 8)	Support diverse faculty recruitment and retention, visiting scholars program, postdoc fellows and research and outreach programs.
3	Student Success	2	\$217,000	\$0	\$217,000	\$623,000	\$0	\$623,000	Addition of advising and communications staff to accelerate student progress (Narrative pg 5)	Continued reduction in student:staff ratios, addition/enhancement of student-facing technology
3	Reducing Class Size for Foundational Courses	2	\$593,000	\$0	\$593,000	\$593,000	\$0	\$593,000	Reduction in class size to 19 for cohort, entry two-semester course to foster student success (Narrative pg 6)	Enhanced programming for entry level courses and further testing of program initiatives
3	Expand Online@VCU	2	\$1,000,000	\$1,000,000	\$0	\$2,000,000	\$2,000,000	\$0	Launch of redesigned online programs with external partners; expansion of faculty professional development to grow online courses (Narrative pg 7)	Expansion of online programs (redesign/new) and expansion of faculty participation in online course training
4	Relevant, Experiential and Applied Learning Initiative (REAL)	4	\$1,055,000	\$0	\$1,055,000	\$1,055,000	\$0	\$1,055,000	Innovation grants, scholarships to ensure student access to internships, use of e-portfolios, expansion of undergraduate research opportunities (Narrative pg 9)	Further growth in internship opportunities and digital portfolio tools; expansion of student research opportunities
4	da Vinci Center	4	\$472,000	\$472,000	\$0	\$472,000	\$472,000	\$0	Provide permanent funding for da Vinci Center activities such as innovation/entrepreneurial competitions, student start-up events, increased internships and placements (Narrative pg 9)	Sustained growth anticipated with growing enrollment from across the university
5	Curricular innovation of General Education	2	\$200,000	\$0	\$200,000	\$400,000	\$0	\$400,000	Development of interdisciplinary and collaborative new courses and comprehensive assessment efforts (Narrative pg 6)	Implementation and evaluation of curricular improvements
5	Course Re-design	2	\$141,000	\$0	\$141,000	\$200,000	\$0	\$200,000	Support for faculty, technology and training on the use of open educational resources, utilization of peer instruction, and development of new pedagogical strategies for student engagement in the learning process (Narrative pg 6)	Develop the internal capacity of VCU's faculty and staff to continue the redesign process on an ongoing basis
			\$0	\$0	\$0	\$0	\$0	\$0		
			\$0	\$0	\$0	\$0	\$0	\$0		
<b>Total 2020-2022 Costs (Included in Financial Plan "Total Additional Funding Need")</b>			\$5,215,000	\$1,797,000	\$3,418,000	\$7,572,000	\$3,020,000	\$4,552,000		

**Part 3: ACADEMIC-FINANCIAL PLAN**  
**Virginia Commonwealth University**

**Academic and Financial Plan**

**3A: Six-Year Plan for Academic and Support Service Strategies for Six-year Period (2020-2026)**

**Instructions for 3A:** In the column entitled "Academic and Support Service Strategies for Six-Year Period (2020-2026)," please provide short titles to identify institutional strategies associated with goals in the Virginia Plan. Provide a concise description of the strategy in the Description of Strategy column (column J). Within this column, provide a specific reference as to where more detailed information can be found in the Narrative document. Note the goal(s) with which the strategy is aligned with the Virginia Plan (in particular, the related priority areas) in the VP Goal column and give it a Priority Ranking in column A. Additional information for 2022-2026 should be provided in column K (Two Additional Biennia). Strategies for student financial aid, other than those that are provided through tuition revenue, should not be included on this table; they should be included in Part 4, General Fund Request, of the plan. If an institution wishes to include any information about FTEs or fringe benefit adjustments (using DPB's FY2020 start-up instructions available by the end of May), it should list them as strategies in the Academic Plan not the Financial Plan. Funding amounts in the first year should be incremental. However, if the costs continue into the second year, they should be reflected cumulatively. Additional rows for strategies must be added before the gray line. Please update total cost formulas if necessary. **ASSUME NO ADDITIONAL GENERAL FUND IN THIS WORKSHEET.**

SECTION A: ACADEMIC AND SUPPORT SERVICE STRATEGIES FOR SIX-YEAR PERIOD (2020-2026)										
Priority Ranking	Strategies (Short Title)	VP Goal	Biennium 2020-2022 (7/1/20-6/30/22)						Description of Strategy	Two Additional Biennia
			2020-2021			2021-2022				
			Total Amount	Reallocation	Amount From Tuition Revenue	Total Amount	Reallocation	Amount From Tuition Revenue		
			Concise Information for Each Strategy			Information for 2022- 2026				

**3B: Six-Year Financial Plan for Educational and General Programs, Incremental Operating Budget Need 2020-2022 Biennium**

**Instructions for 3B:** Complete the lines appropriate to your institution. As completely as possible, the items in the Academic Plan (3A) and Financial Plan (3B) should represent a complete picture of the institution's anticipated use of projected tuition revenues. For every strategy in 3A and every item in 3B of the plan, the total amount and the sum of the reallocation and tuition revenue should equal one another. Two additional rows, "Anticipated Nongeneral Fund Carryover" and "Nongeneral Fund Revenue for Current Operations" are available for an institution's use, if an institution cannot allocated all of its tuition revenue to specific strategies in the plan. Also, given the long standing practice that agencies should not assume general fund support for operation and maintenance (O&M) of new facilities, O&M strategies should not be included in an institution's plan, unless they are completely supported by tuition revenue. **Please do not add additional rows to 3B without first contacting Jean Huskey.**

Assuming No Additional General Fund		2020-2021			2021-2022		
Items	Total Amount	Reallocation	Amount From Tuition Revenue	Total Amount	Reallocation	Amount From Tuition Revenue	
<b>Total Incremental Cost from Academic Plan<sup>1</sup></b>	\$5,215,000	\$1,797,000	\$3,418,000	\$7,572,000	\$3,020,000	\$4,552,000	
<b>2</b> Increase T&R Faculty Salaries (\$)	\$5,610,000	\$0	\$5,610,000	\$14,844,000	\$0	\$14,844,000	
T&R Faculty Salary Increase Rate(%) <sup>2</sup>	3.00%		3.00%	3.00%		3.00%	
Increase Admin. Faculty Salaries (\$)	\$0	\$0	\$0	\$0	\$0	\$0	
Admin. Faculty Salary Increase Rate (%) <sup>2</sup>	0.00%		0.00%	0.00%		0.00%	
Increase Classified Staff Salaries (\$)	\$0	\$0	\$0	\$0	\$0	\$0	
Classified Salary Increase Rate (%) <sup>2</sup>	0.00%		0.00%	0.00%		0.00%	
<b>2</b> Increase University Staff Salaries (\$)	\$1,523,000	\$0	\$1,523,000	\$4,541,000	\$0	\$4,541,000	
University Staff Salary Increase Rate (%) <sup>2</sup>	2.00%		2.00%	2.00%		2.00%	
O&M for New Facilities	\$395,000	\$0	\$395,000	\$921,000	\$0	\$921,000	
<b>1</b> Add'l In-State Student Financial Aid from Tuition Rev	\$3,300,000	\$0	\$3,300,000	\$7,400,000	\$0	\$7,400,000	
Add'l Out-of-State Student Financial Aid from Tuition Rev	\$800,000	\$0	\$800,000	\$1,800,000	\$0	\$1,800,000	
Anticipated Nongeneral Fund Carryover*	\$0	\$0	\$0	\$0	\$0	\$0	
Nongeneral Fund for Current Operations**	\$4,852,000	\$172,000	\$4,680,000	\$12,092,000	\$172,000	\$11,920,000	
Library Enhancement	\$426,000	\$213,000	\$213,000	\$864,000	\$432,000	\$432,000	
Utility Cost Increase	\$191,000	\$0	\$191,000	\$388,000	\$0	\$388,000	
<b>Total Additional Funding Need</b>	<b>\$22,312,000</b>	<b>\$2,182,000</b>	<b>\$20,130,000</b>	<b>\$50,422,000</b>	<b>\$3,624,000</b>	<b>\$46,798,000</b>	

Notes:

(1) Please ensure that these items are not double counted if they are already included in the incremental cost of the academic plan.

(2) If planned, enter the cost of any institution-wide increase. Note this strategy is described on pages 7-8 of the narrative.

\*Budget reductions/use of one-time funds is required to support these needs depending on the scenario as detailed in the narrative.

\*\* See Narrative pg 14 for description. Costs include deferred maintenance, anticipated increases university costs for fringe benefits (based on historical actuals), and operational contractual increases including such items as rent, contracted security, software and maintenance contracts.



**Part 4: General Fund (GF) Request  
Virginia Commonwealth University**

**Requesting General Fund Support**

**Instructions:** Indicate items for which you anticipate making a request for state general fund in the 2020-22 biennium. The item can be a supplement to a strategy or item from the academic and financial plan or it can be a free-standing request for which no tuition revenue would be used. If it is a supplement to a strategy or item from the academic and financial plan, then describe in the Notes column how additional general fund will enhance or expand the strategy. Requests for need-based financial aid appropriated in program 108 should be included here. If additional rows are added, please update the total costs formulas.

Priority Ranking	Initiatives Requiring General Fund Support						Notes
			Biennium 2020-2022 (7/1/20-6/30/22)				
	Strategies (Match Academic-Financial Worksheet Short Title)	VP Goal	2020-2021		2021-2022		
			Total Amount	GF Support	Total Amount	GF Support	
1	UG Need based Aid	#1,3, D3,D6,D10	\$8,000,000	\$4,000,000	\$18,000,000	\$9,000,000	\$4M and \$5M of matching funds for financial aid (Narrative pg 10)
2	VMSDEP Waivers	#1,3, D3,D6,D10	\$1,970,460	\$1,970,460	\$2,049,278	\$2,049,278	Funding to support expanded eligibility for VMSDEP waivers (Narrative pg 11)
3	Humanities, Arts Student Internships	#4	\$2,300,000	\$2,300,000	\$3,300,000	\$3,300,000	Humanities and Sciences for career readiness (Narrative pg 11)
4	Massey Cancer Center	#4	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	Funding requested to support NCI designation, etc. (Narrative pg 11)
			\$14,770,460	\$10,770,460	\$25,849,278	\$16,849,278	

**Part 5: Financial Aid Plan**  
**Virginia Commonwealth University**

**FINANCIAL AID PLAN**

**Instructions:** Provide a breakdown of the projected source and distribution of tuition and fee revenue redirected to financial aid. To ensure compliance with the state prohibition that in-state students not subsidize out-of-state students and to provide the review group with a scope of the strategy, projections must be made for each of the indicated categories. Please be aware that this data will be compared with similar data provided by other institutional offices in order to ensure overall consistency. (Please do not alter shaded cells that contain formulas.)

**Note:** If you do not have actual amounts for *Tuition Revenue for Financial Aid* by student category, please provide an estimate. If values are not distributed for *Tuition Revenue for Financial Aid*, a distribution may be calculated for your institution.

**Allocation of Tuition Revenue Used for Student Financial Aid**

**\*2018-19 (Estimated)** Please see footnote below.

T&F Used for Financial Aid	Gross Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid
Undergraduate, In-State	\$234,600,333	\$17,842,662	7.6%	\$17,842,662
Undergraduate, Out-of-State	\$51,244,035	\$4,873,772	9.5%	\$4,873,772
Graduate, In-State	\$44,982,606	\$3,119,303	6.9%	\$3,119,303
Graduate, Out-of-State	\$28,895,809	\$1,909,377	6.6%	\$1,909,377
First Professional, In-State	\$35,486,110	\$0	%	\$0
First Professional, Out-of-State	\$32,948,498	\$0	%	\$0
Total	\$428,157,391	\$27,745,114	6.5%	\$27,745,114
Total from Tuition & Other NGF Revenue worksheet	\$473,186,559	\$27,745,114	5.9%	
In-State Sub-Total	\$315,069,049	\$20,961,965	6.7%	\$20,961,965

**2019-20 (Planned)**

T&F Used for Financial Aid	Gross Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid
Undergraduate, In-State	\$242,865,055	\$20,642,662	8.5%	\$20,642,662
Undergraduate, Out-of-State	\$54,458,369	\$5,273,772	9.7%	\$5,273,772
Graduate, In-State	\$47,307,814	\$3,619,303	7.7%	\$3,619,303
Graduate, Out-of-State	\$30,009,023	\$2,209,377	7.4%	\$2,209,377
First Professional, In-State	\$36,872,808	\$0	%	\$0
First Professional, Out-of-State	\$15,173,865	\$0	%	\$0
Total	\$426,686,934	\$31,745,114	7.4%	\$31,745,114
Total from Tuition & Other NGF Revenue worksheet	\$485,450,662	\$31,860,598	6.6%	
In-State Sub-Total	\$327,045,677	\$24,261,965	7.4%	\$24,261,965
Additional In-State	\$11,976,628	\$3,300,000	27.6%	\$3,300,000

**2020-21 (Planned)**

T&F Used for Financial Aid	Gross Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid
Undergraduate, In-State	\$259,857,397	\$23,442,662	9.0%	\$23,442,662
Undergraduate, Out-of-State	\$56,506,637	\$5,773,772	10.2%	\$5,773,772
Graduate, In-State	\$46,556,647	\$4,119,303	8.8%	\$4,119,303
Graduate, Out-of-State	\$27,403,457	\$2,509,377	9.2%	\$2,509,377
First Professional, In-State	\$35,660,141	\$0	%	\$0
First Professional, Out-of-State	\$34,759,671	\$0	%	\$0
Total	\$460,743,951	\$35,845,114	7.8%	\$35,845,114
Total from Tuition & Other NGF Revenue worksheet	\$501,876,629	\$35,960,598	7.2%	
In-State Sub-Total	\$342,074,185	\$27,561,965	8.1%	\$27,561,965
Additional In-State	\$15,028,508	\$3,300,000	22.0%	\$3,300,000
Additional In-State from Financial Plan		\$3,300,000		

**2021-22 (Planned)**

T&F Used for Financial Aid	Gross Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid
Undergraduate, In-State	\$270,682,502	\$27,042,662	10.0%	\$27,042,662
Undergraduate, Out-of-State	\$65,799,705	\$6,473,772	9.8%	\$6,473,772
Graduate, In-State	\$50,124,123	\$4,619,303	9.2%	\$4,619,303
Graduate, Out-of-State	\$30,067,176	\$2,809,377	9.3%	\$2,809,377
First Professional, In-State	\$36,114,269	\$0	%	\$0
First Professional, Out-of-State	\$36,492,051	\$0	%	\$0
Total	\$489,279,826	\$40,945,114	8.4%	\$40,945,114
Total from Tuition & Other NGF Revenue worksheet	\$534,134,661	\$41,060,598	7.7%	
In-State Sub-Total	\$356,920,894	\$31,661,965	8.9%	\$31,661,965
Additional In-State	\$14,846,710	\$4,100,000	27.6%	\$4,100,000
Additional In-State from Financial Plan		\$7,400,000		

*\* Please note that the totals reported here will be compared with those reported by the financial aid office on the institution's annual S1/S2 report. Since the six-year plan is estimated and the S1/S2 is "actual," the numbers do not have to match perfectly but these totals should reconcile to within a reasonable tolerance level. Please be sure that all institutional offices reporting tuition/fee revenue used for aid have the same understanding of what is to be reported for this category of aid.*

**Part 6: Economic Development Annual Report for 2018-19**  
**Virginia Commonwealth University**

**ECONOMIC DEVELOPMENT: CONTRIBUTIONS (HB515; which was enacted as Chapter 149, Virginia Acts of Assembly, 2016 Session)**

**Requirement:** As per § 23.1-306 (A) of the Code of Virginia each such plan and amendment to or affirmation of such plan shall include a report of the institution's active contributions to efforts to stimulate the economic development of the Commonwealth, the area in which the institution is located, and, for those institutions subject to a management agreement set forth in Article 4 (§ 23.1-1004 et seq.) of Chapter 10, the areas that lag behind the Commonwealth in terms of income, employment, and other factors.

**Instructions:** The reporting period is FY19. **THE REPORT IS NOT DUE UNTIL OCTOBER 1.** The metrics serve as a menu of items that institutions should respond to as applicable and when information is available to them. Leave fields blank, if information is unavailable. (Please do not alter shaded cells that contain formulas.) Please note the narrative question at the bottom of the page. The response should be provided in the separate Narrative document, Section J.

**6A: Provide information for research and development (R&D) expenditures through June 30, 2019 by source of fund with a breakdown by Science and Engineering (S&E) specific and non-S&E. (Definition: The response is an unaudited version of the data to be submitted to the NSF Higher Education R&D [HERD] Survey in early 2020.)**

VA PLAN Strategy Reference	6A: Research and Development (R&D) Expenditures by Source of Fund	*S&E	Non S&E	Total
	<b>Source of Funds</b>			
4.3	Federal Government			\$0
	State and Local Government			\$0
	Institution Funds			\$0
	Business			\$0
	Nonprofit Organizations			\$0
	All Other Sources			\$0
	<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	* S&E - Science and Engineering			

**6B: For the following items, provide responses in appropriate fields. Insert an X for yes/no responses. Use Number/Amount field for other information. A Comments field has been provided for any special information your institution may want to provide.**

VA PLAN Strategy Reference	6B: General Questions	Yes	No	Number/Amount	Comments
4.1	1. Does your institution offer an innovation- or entrepreneurship-themed student living-learning community (student housing)?				
4.1	2. Does your institution offer startup incubation/accelerator programs? If yes, please comment if people/companies external to the institution can access them and, if so, how. (Definition: Incubation or accelerator programs are structured multi-week or multi-month programs for which a cohort of start-up companies are chosen; includes mentoring and connections to investors)				
4.2	3. Does your institution have an entrepreneurship center? If yes, please comment if people/companies external to the institution can access it and, if so, how.				
4.2	4. Does your institution use Entrepreneur(s)-in-Residence? (Definition: EIRS are usually experienced founders of high-growth start-up companies who partner with a university to explore active research projects and seek out opportunities to commercialize the products of research; alternatively, an EIR could be a grad student, post-doc, business major, etc., who assists to evaluate IP and provide assessments of market pull potential, business planning, etc. )				
4.1	5. Number of students paid through externally funded research grants or contracts.				
4.1	6. Please answer Yes if (i) your institution's written tenure policy specifically mentions the development of intellectual property and/or the commercialization of research; or (ii) the policies of any schools or other divisions mention IP and/or commercialization as a consideration for promotion and tenure; or (iii) the instructions for compiling a P&T portfolio include providing information about patents, licenses, and other commercialization activities? If Yes, please provide a brief explanation in the comments field. If No, use the comments field to describe other ways a promotion and tenure committee might value those contributions, if any.				
4.2	7. Does your institution or an affiliated entity offer translational research and/or proof of concept funding? If yes, please provide the dollar amount awarded in FY19 in the number/amount field. In the comments field, please provide the number of grants awarded; additional comments can also be entered if needed.				
4.2	8. Does your institution or an affiliated entity offer a seed fund or venture capital fund that awards money to start-ups? If yes, please comment on whether it awards funding only to university-based start-ups or to the general public as well? If yes, please provide dollar amount awarded in FY19 in the number/amount field and the number of awards made in the comments field.				

**6C: Provide information for federal research and commercialization grants by type, number, and dollar value with a breakdown by college and department. If additional rows are needed, please contact Jean Mottley (jeanmottley@schev.edu) for assistance.**

VA PLAN Strategy Reference	6C: Research and Commercialization Grants	No.	\$ Value	College	Department
4.3	SBIR - Small Business Innovation Research				
	STTR - Small Technology Transfer Research				

**6D: The Intellectual Property (IP) section captures information on disclosure, patent, and licensing activities. It is divided into three tables. Tables 1 and 2 capture information regardless of source of funds or nature of entity to whom IP is transferred. Table 3 is required by § 23.1-102 subdivision 2 of the Code of Virginia. It details assignment of IP interests to persons or nongovernmental entities and the value of externally sponsored research funds received during the year from a person or nongovernmental entity by the institution, any foundation supporting the IP research performed by the institution, or any entity affiliated with the institution. Information is sought on research that yields IP regardless of the project's intent. Information is sought about IP transferred as a result of either basic or applied research. Tables 2 and 3 capture separate aggregate data on entities that have a principal place of business in Virginia and those with a principal place of business outside of Virginia.**

VA PLAN Strategy Reference	6D: Table 1 - All Activity for FY 2018-19	No.
4.2	1. Number of Intellectual Property disclosures received	0
	2. Number of Provisional Patent Applications filed during the year	0
	3. Number of Patent Applications filed during the year (by type)	
	Design	0
	Plant	0
	Utility	0
	<b>Total</b>	<b>0</b>
	4. Total number of Patent Applications pending (by type)	
	Design	0
	Plant	0
	Utility	0
	<b>Total</b>	<b>0</b>
	5. Number of Patents awarded during the year (by type)	
	Design	0
	Plant	0
	Utility	0
	<b>Total</b>	<b>0</b>

VA PLAN Strategy Reference	6D: Table 2 - All Activity for FY 2018-19	Principal Place of Business in VA	Principal Place of Business Outside VA
4.2	1. Total number of intellectual property licenses executed in FY18-19	0	0
	2. Number of start-ups created through IP licensing in FY18-19	0	0
	3. Amount of licensing revenue in FY18-19 resulting from all intellectual property licenses	\$0	\$0
	4. Number of jobs created as a result of university start-ups	0	0

VA PLAN Strategy Reference	6D: Table 3 - Research Supported by Persons or Nongovernmental Entities	Principal Place of Business in VA	Principal Place of Business Outside VA
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4.2	1. Value of funds received (not expended) from persons or nongovernmental entities to support research	\$0	\$0
	2. Number of patents awarded during the year (by type) developed in whole or part from research projects funded by persons or nongovernmental entities:	This is a subset of Table 1, #5.	
	a. Design Patent	0	0
	b. Plant Patent	0	0
	c. Utility Patent	0	0
	<b>d. Total</b>	<b>0</b>	<b>0</b>
	3. Number of assignments of intellectual property interests to persons or nongovernmental entities (definition: "assignment" is the outright conveyance, sale and transfer of the IP, in contrast to "license" of IP rights, which is the contractual permission given to another party to use the IP)	0	0

**6E: These items are VCCS specific. Please provide responses in appropriate fields. A Comments field has been provided for any special information the VCCS may want to provide.**

VA PLAN Strategy Reference	6E: General Questions - VCCS Specific	Number	Comments
4.1	1. Number of training programs leading to workforce certifications and licensures		
	2. Number of students who earned industry recognized credentials stemming from training programs.		
	3. Number of industry-recognized credentials obtained, including certifications and licenses.		
	4. Number of Career/Technical Education certificates, diplomas and degrees awarded that meet regional workforce needs.		

**NARRATIVE REQUIREMENT (Section J):**

**Contributions to Economic Development** – Describe the institution's contributions to stimulate the economic development of the Commonwealth and/or area in which the institution is located. *If applicable*, the information should include:

- University-led or public-private partnerships in real estate and/or community redevelopment.
- State industries to which the institution's research efforts have direct relevance.
- High-impact programs designed to meet the needs of local families, community partners, and businesses.
- Business management/consulting assistance.

## **Request for Approval of Demolition Franklin Street Gymnasium**

### **Background**

The Franklin Street Gymnasium was built in phases between 1892 and 1967 and located at 817 West Franklin Street on the Monroe Park Campus. While the site is within the Franklin Street historic district, the Department of Historic Resources found the Gymnasium is not a contributing structure. The Virginia Department of Historic Resources does not object to the demolition.

### **Considerations**

The 817 West Franklin Street location is the site for the College of Humanities and Sciences STEM Teaching Laboratory building included in the One VCU Master Plan.

### **Funding**

Demolition of the building is funded as part of the Capital Project to construct the College of Humanities and Sciences STEM Teaching Laboratory. The state approved funding for the new STEM building in May 2019.

### **Recommendation**

Approve the demolition of the Franklin Street Gymnasium.

# Approval for Demolition

## Franklin Street Gymnasium

### Purpose:

- VCU seeks BOV approval to demolish the Franklin Street Gymnasium.
- The new STEM building will be built on the site.

### Cost:

- The state approved funding for the College of Humanities and Sciences STEM building in May 2019. The gymnasium demolition is funded as part of the project.

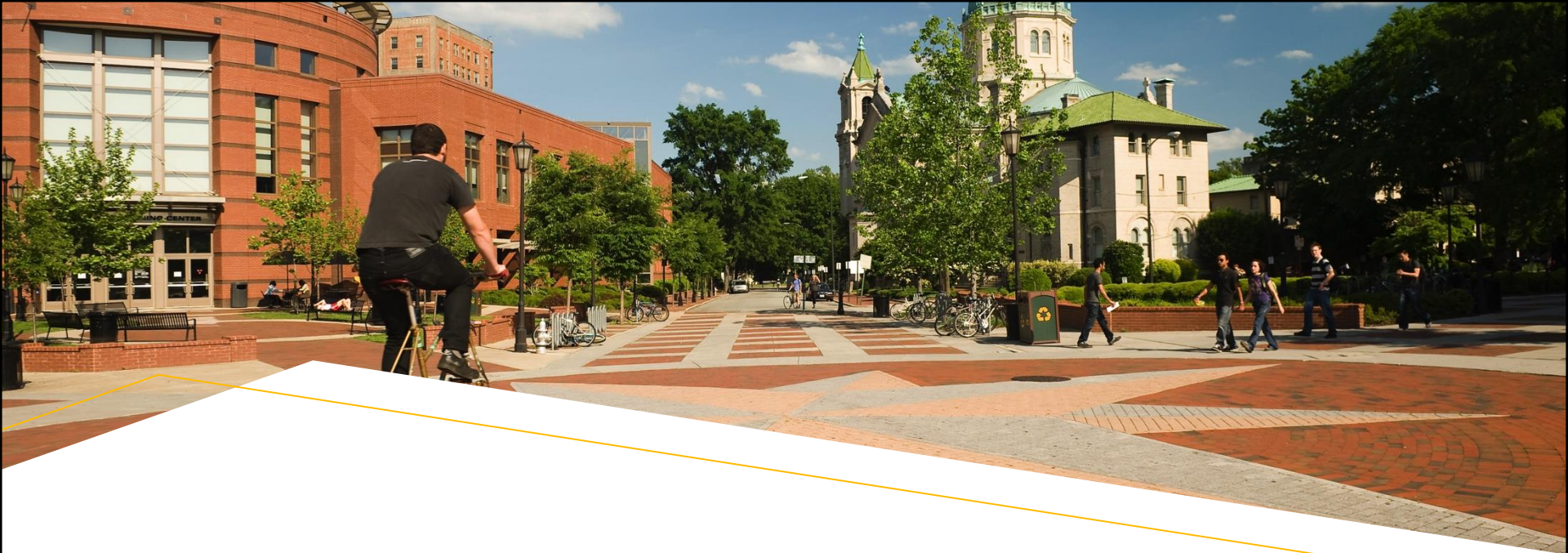
### Recommendation:

- Approve the demolition of the Franklin Street Gymnasium.

Franklin Street Gym



STEM building rendering



# Division of Administration

September 2019

# Front Doors

## Shafer and Franklin Streets





# Front Doors

## Linden and Main Streets



# Arts and Innovation Building



# Interdisciplinary Academic and Laboratory Building

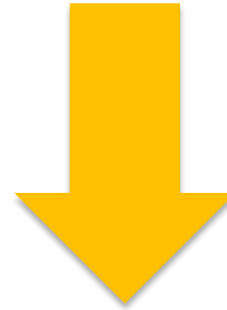




- New university policy
- Applies to all tobacco products including e-cigarettes
- Focus is on health and wellness
- Smoking cessation resources offered through the student wellness center and HR

# Energy Conservation

# 5.5%



- VCU's FY19 utility costs (water, gas and electric) decreased by 5.5%
- Costs reduced by \$809,000 in FY19



**VCU Finance, Budget and Investment Committee  
Meeting**

***September 13, 2019***



VCIMCO's total AUM is approximately \$1.5B as of June 30, 2019

- VCIMCO manages approximately \$1,115M of endowment and quasi-endowment assets from affiliated VCU entities (which includes \$9M of receivables from prior investment advisers)

	AUM (\$)	AUM (%)
– VCU Health System	\$809M	55.2%
– VCU Quasi	\$95M	6.5%
– VCU Glasgow	\$48M	3.3%
– VCU Foundation	\$86M	5.8%
– College of Engineering Foundation	\$77M	5.2%
– Community Memorial Hospital Foundation	\$0.1M	
– The Gear Endowment	\$0.1M	

- VCIMCO also manages approximately \$352M of other short-term assets

– VCU (Short Term)	\$240M	16.4%
– VCU Health System	\$112M	7.6%



## VCIMCO Board of Directors

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### ***Board of Directors***

- Steven Henderson\* *Board Chair, Director of Investments at Spider Management Company*
- John Sherman, Jr. *Board Vice Chair, CEO, BB&T Scott & Stringfellow, Retired*
- Melinda Hancock\*\* *Chief Administrative & Financial Officer, VCU Health System*
- James P. Massie\*\* *Investment Subcommittee Chair, VCU Health System*
- Charles Johnson\*\*\* *Partner, Private Advisors LLC, Retired*
- Lawrence Kochard\*\*\* *CIO, Makena Capital Management*
- J. Alfred Broaddus, Jr. *President, Federal Reserve Bank of Richmond, Retired*
- Kent Cox *Founding Member, Graystone Consulting*
- Palmer Garson *Managing Director, Silvercrest Asset Management Group*
- Nan Leake *Advisory Partner, Partners Group*
- Fred Tattersall *Chairman, 1607 Capital Partners*
- Jane Watkins *CEO, Virginia Credit Union, Retired*

### ***Ex-Officio Member***

- Karol Gray *Senior Vice President and CFO VCU of Finance and Budget*

\* VCU President Appointee

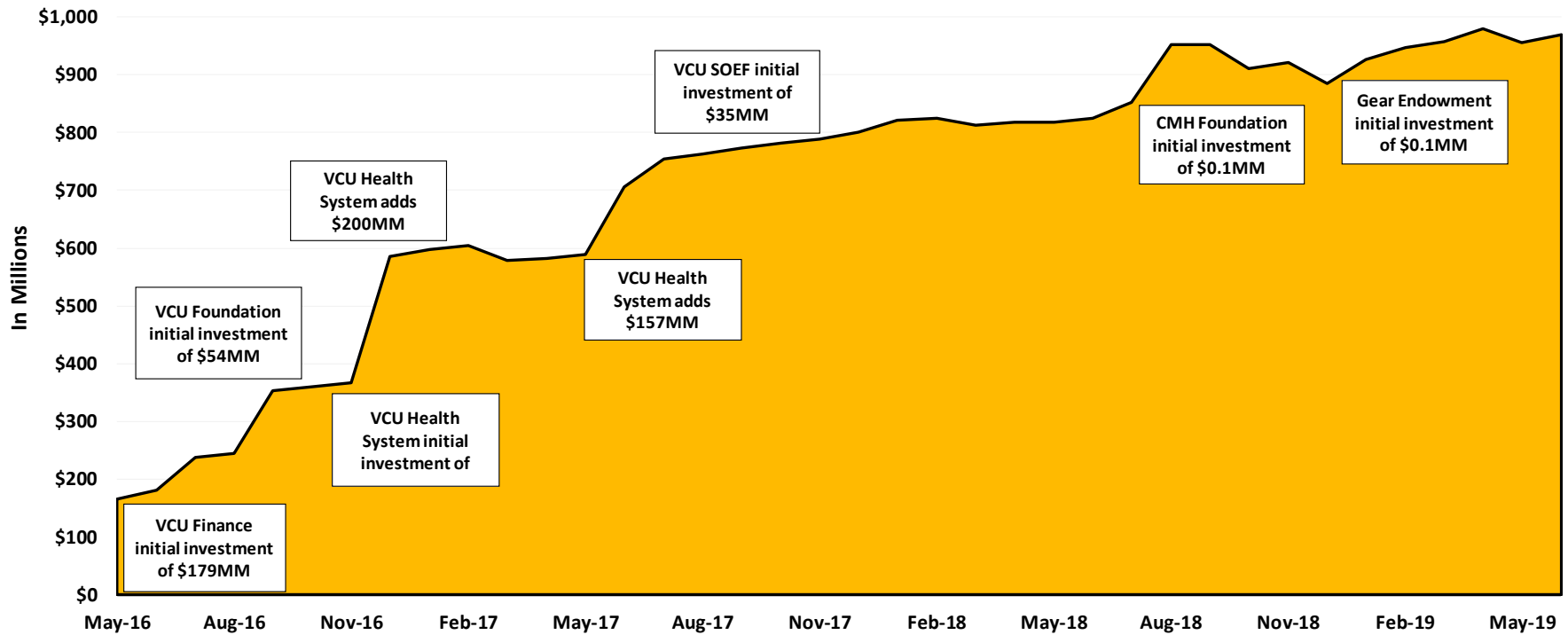
\*\* VCU Health System Appointee

\*\*\* VCU Appointee





## VCIMCO Assets Under Management





## Investment Holdings

Virginia Commonwealth University & Glasgow Endowment	
Account	As of 06/30/2019 Market Value <sup>1</sup>
The Ram Fund, L.P. (Net)	\$136,362,151
The Ram Private Assets Fund, L.P. <sup>2</sup> . (Net)	5,593,315
<b>Total VCIMCO Funds</b>	<b>141,955,466</b>
JP Morgan Hedge Funds (Receivable)	189,144
JP Morgan Hedge Funds	1,599,213
<b>Total JP Morgan</b>	<b>1,788,357</b>
<b>Long Term Tier Total</b>	<b>143,743,824</b>
Merganser Capital Management	240,096,126
<b>Short Term Tier Total</b>	<b>240,096,126</b>
<b>Total Assets</b>	<b>\$383,839,949</b>

Notes:

<sup>1</sup> Market values are estimated based on information available at the time of reporting production. These market value are unaudited and subject to change

<sup>2</sup> The market value in Ram Private Assets Fund includes the net capital balance as of March 31, 2019 and additional capital calls from April 1, 2019 to June 30, 2019



## Performance

### Virginia Commonwealth University & Glasgow Endowment Total Assets and Performance in VCIMCO Funds (as of 06/30/2019)

	Market Value <sup>1</sup>	Returns			Inception date <sup>2</sup>	
		Q2 2019	FYTD	1Y Annualized		
<b>The Ram Fund, L.P.</b>						
<b>Equity</b>	<b>81,669,609</b>	<b>1.53%</b>	<b>3.73%</b>	<b>3.73%</b>	<b>8.57%</b>	<b>5/1/2016</b>
<i>MSCI All Country World Equity</i>		3.80%	6.32%	6.32%	11.42%	
<b>Real Assets</b>	<b>3,568,087</b>	<b>0.69%</b>	<b>1.09%</b>	<b>1.09%</b>	<b>0.12%</b>	<b>5/1/2016</b>
<i>MSCI ACWI Real Estate</i>		0.62%	10.85%	10.85%	7.82%	
<b>Fixed Income &amp; Cash</b>	<b>51,192,597</b>	<b>0.83%</b>	<b>0.94%</b>	<b>0.94%</b>	<b>-0.04%</b>	<b>5/1/2016</b>
<i>Barclays US Aggregate</i>		3.08%	7.87%	7.87%	2.78%	
<b>Total (Gross)</b>	<b>136,430,292</b>	<b>1.29%</b>	<b>3.23%</b>	<b>3.23%</b>	<b>5.47%</b>	<b>5/1/2016</b>
<i>Blended Benchmark (<sup>4</sup>)</i>		3.40%	7.48%	7.48%	9.00%	
<b>The Ram Private Assets Fund, L.P.<sup>3</sup></b>						
Private Equity	5,593,315	5.90%	5.36%	17.79%	13.03%	10/1/2016

Notes:

<sup>1</sup> Market values are estimated based on information available at the time of reporting production. These market value are unaudited and

<sup>2</sup> The inception date represents first exposure into the asset class via the VCIMCO funds.

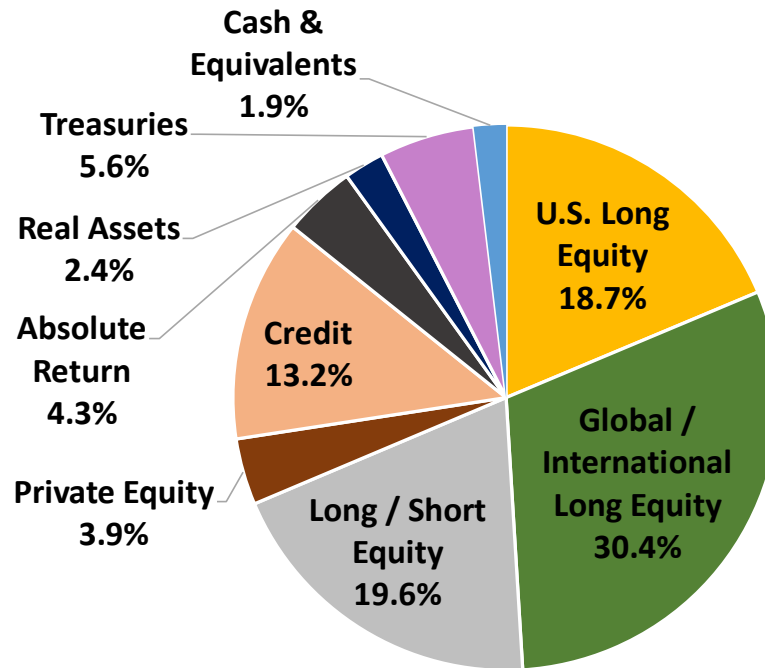
<sup>3</sup> The market value in Ram Private Assets Fund includes the net capital balance as of March 31, 2019 and additional capital calls from April 1, 2019 to June 30, 2019. Performance for Ram Private Assets Fund is as of March 31, 2019.

<sup>4</sup> The Blended Benchmark is composed of 65% MSCI ACWI, 25% Barclays Agg, and 10% MSCI ACWI Real Estate.



## Strategic Asset Allocation

June 30, 2019



***VCIMCO uses the above strategic asset categorizations to monitor VCU Quasi and Glasgow investments.***



## Risk Exposures

### Regional Exposure

Regional Exposure (%)	North America	Europe	Asia	Rest of World
Regional Exposure	56.3%	18.6%	21.4%	5.1%

### Asset Class Exposure

Asset Class	Actual
Equity	59.9%
Real Assets	2.6%
Credit	11.7%
Sovereign	5.8%
Cash - Manager Held	4.2%
Cash - Short Proceeds	14.0%
Cash - VCIMCO Held	1.9%
<b>Total</b>	<b>100.0%</b>

*\*As of June 30, 2019*

# Certified Small, Women, & Minority (SWaM) Business Spend

Small Business and Supplier Diversity Class	FY18		FY19	
Non-SWaM	\$ 129,486,380	56.6%	\$ 109,766,820	57.0%
Certified Minority Owned Business	11,305,714	4.9%	10,932,107	5.7%
Certified Women Owned Business	13,943,884	6.1%	11,051,563	5.7%
Certified Small Business	74,260,524	32.4%	60,904,273	31.6%
	\$ 228,996,502	100.0%	\$ 192,654,763	100.0%

# Actions/Events Focused on SWaM Improvement

- VCU did business with 81 certified minority-owned businesses and 127 women-owned businesses in FY19; 23 and 40, respectively, were new to VCU.
- On July 24<sup>th</sup>, VCU had its augural SWaM Connect Series. VCU invited 18 Small Business and Supplier Diversity (SBSD) certified businesses who specialize in marketing and print material, as well as the Metropolitan Business League, to campus. This provided them with an opportunity to have one-on-one contact with end users at the university. Based on the positive feedback, similar events will be held quarterly with vendors who specialize in other commodities.

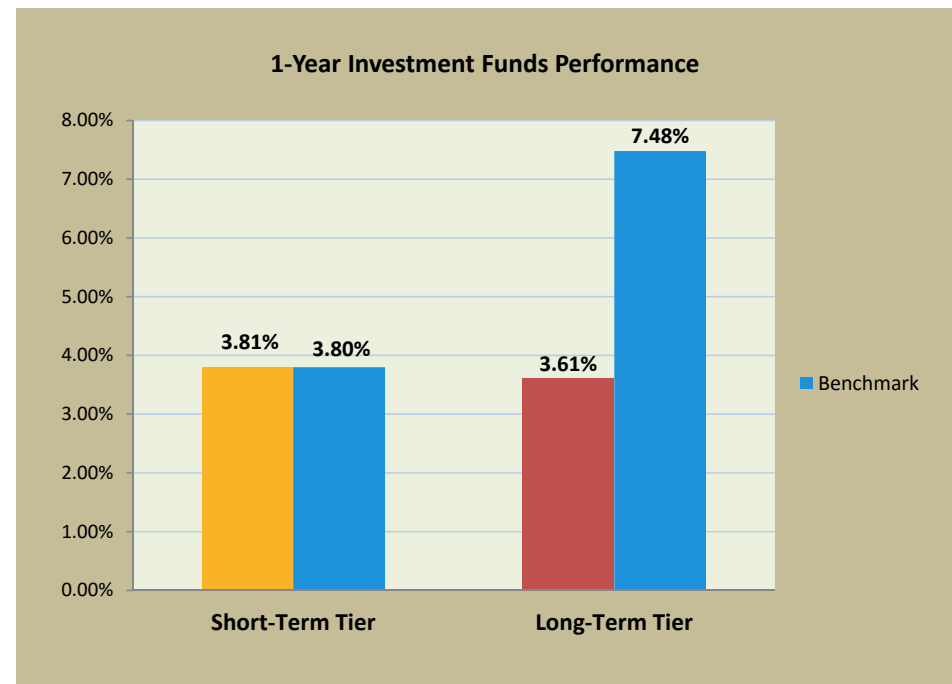
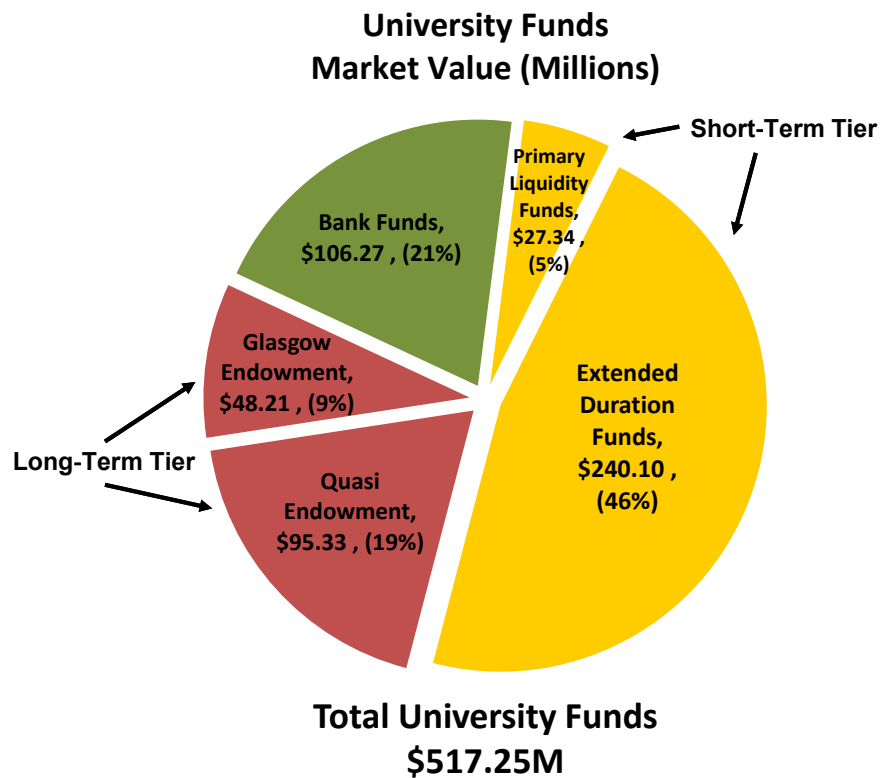
# Treasurer's Report As of June 30, 2019

Finance and Budget, Karol Kain Gray, September 13, 2019





# Total University Funds Overview for the Period Ending June 30, 2019



## Short-Term and Long-Term Tier Performance and Asset Allocation as of June 30, 2019

Short-Term Tier		Market Value	Current Allocation		Qtr Return	1 Yr Return	3 Yrs Return	5 Yrs Return	Since July-09 Return
<b>Primary Liquidity Funds (Payden &amp; Rygel)</b>		\$ 27,340,632	10.2%	<b>Total Return</b>	<b>0.54%</b>	<b>2.29%</b>	<b>1.41%</b>	<b>0.89%</b>	<b>0.54%</b>
<i>iMoneyNet MM All Taxable</i>					0.51%	1.91%	1.09%	0.66%	0.34%
				Price Return	0.02%	0.06%	-0.07%	-0.09%	-0.17%
				Income Return	0.52%	2.23%	1.48%	0.98%	0.71%
<b>Extended Duration Funds (Merganser)</b>		\$ 240,096,126	89.8%	<b>Total Return</b>	<b>1.39%</b>	<b>4.29%</b>	<b>1.76%</b>	<b>1.55%</b>	<b>1.62%</b>
<i>BofA ML US Corp &amp; Gov 1-3Yr Blended Index</i>					1.49%	4.29%	0.94%	0.92%	1.03%
				Price Return	0.77%	1.89%	-0.32%	-0.37%	-0.49%
				Income Return	0.62%	2.40%	2.08%	1.92%	2.11%
<b>Total Short-Term Tier</b>		\$ 267,436,758	100.0%	<b>Total Return</b>	<b>1.20%</b>	<b>3.81%</b>	<b>1.68%</b>	<b>1.36%</b>	<b>1.23%</b>
<i>Short-Term Tier Composite</i>					1.22%	3.80%	1.24%	1.28%	1.63%
				Price Return	0.86%	1.75%	-0.12%	-0.20%	-0.35%
				Income Return	0.34%	2.06%	1.80%	1.56%	1.58%
Long-Term Tier		Market Value	Current Allocation	VCU Strategic Allocation	Qtr Return	1 Yr Return	3 Yrs Return	5 Yrs Return	Since April-12 Return
<b>Equity</b>									
VCIMCO Equity		\$ 85,004,020	59.1%						
JP Morgan Equity		\$ 189,128	0.1%						
<b>Subtotal</b>		\$ 85,193,148	59.2%	<b>65.0%</b>	<b>1.52%</b>	<b>3.18%</b>	<b>8.54%</b>	<b>4.71%</b>	<b>5.95%</b>
<i>MSCI All Country World Index</i>					3.80%	6.32%	12.22%	6.74%	9.53%
<b>Real Assets</b>									
VCIMCO Real Assets		\$ 3,424,225	2.4%						
JP Morgan Real Assets		\$ 934,714	0.6%						
<b>Subtotal</b>		\$ 4,358,939	3.0%	<b>10.0%</b>	<b>0.72%</b>	<b>7.67%</b>	<b>1.68%</b>	<b>3.23%</b>	<b>2.67%</b>
<i>MSCI ACWI Real Estate Index</i>					0.58%	10.80%	6.99%	6.56%	8.05%
<b>Fixed Income and Cash</b>									
VCIMCO Fixed Income and Cash		\$ 53,595,362	37.3%						
JP Morgan Fixed Income and Cash		\$ 664,570	0.5%						
<b>Subtotal</b>		\$ 54,259,932	37.7%	<b>25.0%</b>	<b>0.82%</b>	<b>0.59%</b>	<b>-0.54%</b>	<b>0.21%</b>	<b>0.91%</b>
<i>Barclays US Aggregate Index</i>					3.08%	7.87%	2.31%	2.95%	2.70%
<b>Total Long Term Tier</b>									
VCIMCO - Total		\$ 142,023,607	98.8%						
JP Morgan - Total		\$ 1,788,412	1.2%						
		\$ 143,812,019	100.0%	<b>100.0%</b>	<b>1.38%</b>	<b>3.61%</b>	<b>5.58%</b>	<b>3.21%</b>	<b>3.89%</b>
<i>Composite Benchmark</i>					3.40%	7.48%	8.27%	4.23%	5.02%
<b>Net Liabilities - VCIMCO Funds</b>		\$ (271,412)							
<b>Net Asset Value - Long-Term Tier</b>		\$ 143,540,607							
<b>Total Short-Term Tier and Long-Term Tier</b>		\$ 410,977,365							

Note: The table above includes assets still held in custody by JPMorgan some of which will be transferred into The Ram Fund upon liquidation. These assets are not managed by VCIMCO but are included above at the request of VCU and for completeness of the Long-Term Tier.



## Annual Statement of Compliance

- The VCU Investment Policy requires an annual report to the BOV showing compliance for both the Short-Term Tier and the Long-Term Tier.
- Pages 5 – 10 meet this annual requirement.

# Short-Term Tier Policy Requirements

- VCU Investment Policy requires a quarterly report to the Board of Visitors, which includes at a minimum;
  - Investment performance (net of fees) for the Short-Term Tier versus the appropriate benchmarks (**see page 3**);
  - Actual asset allocations (**see page 6**);
  - Any investments that required management notification (such as credit downgrades or duration changes) (**None to Report**); and
  - A statement from each investment manager certifying compliance with the Virginia Investment of Public Funds Act (**see page 8**).
- The Policy also requires an annual report, which includes at a minimum;
  - A certificate showing compliance with the Investment Policy, specifically the Authorized Investments, diversification restrictions, duration, maturity and credit quality constraints (**see pages 6 & 7**).

# Authorized Investments, Diversification Restrictions and Credit Quality Constraints

Authorized Investments	Primary Liquidity Fund (Payden & Rygel)						Extended Duration Fund (Merganser)					
	Policy Max	Actual %	Minimum Rating	Actual Min Rating	Max Maturity	Actual Max Maturity	Policy Max	Actual %	Minimum Rating	Actual Min Rating	Max Maturity	Actual Max Maturity
Cash	100%	4%	n/a	n/a	n/a	n/a	100%	0%	n/a	n/a	n/a	n/a
U.S. Treasury and Agency Securities	100%	82%	n/a	n/a	n/a	1.25 years	100%	11%	n/a	AAA	n/a	2.64 years
Non-Negotiable Certificates of Deposit (CDs)	5%	0%	Fed insured and VSPDA collateralized	none invested	5 yrs	none invested	0%	0%	Fed insured and VSPDA collateralized	none invested	5 yrs	none invested
Negotiable CDs and/or Negotiable Bank Deposit Notes	20%	2%	A-1, P-1 for 1yr or less/AA-, Aa3 for over 1yr	A-1/P-1	5 yrs	0.75 years	20%	0%	A-1, P-1 for 1yr or less/AA-, Aa3 for over 1yr	none invested	5 yrs	none invested
Overnight/Open Treasury/Agency Repurchase Agreements	100%	0%	Treasury/Agency/GSE - collateralized	none invested	overnight	none invested	0%	0%	Treasury/Agency/GSE - collateralized	none invested	overnight	none invested
Overnight/Open non-Treasury/Agency Repurchase Agreements	50%	0%	GSE collateralized	none invested	overnight	none invested	0%	0%	GSE collateralized	none invested	overnight	none invested
Term Repurchase Agreements	20%	0%	>100% Treasury/Agency/GSE - collateralized; daily MTM	none invested	n/a	none invested	0%	0%	>100% Treasury/Agency/GSE - collateralized; daily MTM	none invested	n/a	none invested
Banker's Acceptances	40%	0%	A-1, P-1	none invested	n/a	none invested	0%	0%	A-1, P-1	none invested	n/a	none invested
Commercial Paper	35%	3%	A-1, P-1, F-1, D-1	A-1/P-1/ F-1/D-1	< 270 days	10 days	0%	0%	A-1, P-1, F-1, D-1	none invested	< 270 days	none invested
Money Market Funds	35%	0%	AAA	none invested	n/a	none invested	10%	1%	AAA	AAA	n/a	n/a
Corporate Notes/Bonds	25%	8%	A-, A3	A- by two	n/a	3.0 years	40%	37%	A-, A3	A+	n/a	3.64 years
Municipal Securities	10%	1%	A-, A3	AA-/Aa3	n/a	0.1 years	10%	0%	A-, A3	none invested	n/a	none invested
Asset-Backed Securities	0%	0%	AAA	n/a	n/a	n/a	40%	39%	AAA	AAA	5 yrs	4.17 years
Combined Agency MBS, Agency/Private CMOs, CMBS, RMBS, PACs	0%	0%	AAA	n/a	n/a	n/a	50%	12%	AAA	AAA	5 yrs	4.92 years
Agency Mortgage-Backed Securities (MBS)	0%	0%	AAA	n/a	n/a	n/a	50%	2%	AAA	AAA	5 yrs	4.38 years
Agency CMOs (including PACs)	0%	0%	AAA	n/a	n/a	n/a	10%	2%	AAA	AAA	5 yrs	4.92 years
Commercial Mortgage-Backed Securities (CMBS)	0%	0%	AAA	n/a	n/a	n/a	10%	8%	AAA	AAA	5 yrs	3.44 years
Private Label Residential Mortgages (including CMOs & PACs)	0%	0%	AAA	n/a	n/a	n/a	5%	0%	AAA	none invested	5 yrs	none invested
International Development Bank Obligations	0%	0%	AAA	n/a	n/a	n/a	5%	0%	AAA	none invested	5 yrs	none invested

## Duration Constraints Comply with the Investment Policy

Fund	Policy Maximum Duration	Allowable Duration Deviation	Fund Duration
Primary Liquidity Fund	9 months	+10%	0.6 months
Extended Duration Fund	ML 1-3 Yr		
Short Duration Portfolio	Govt/Corp (1.8 years)	+10%	1.6 years

## Statements from investment managers certifying Compliance with the Virginia Investment of Public Funds Act

- Payden & Rygel (Primary Liquidity Fund Manager) has provided a statement attesting to compliance with the VCU Investment Policy and the Investment of Public Funds Act.



This letter certifies that, as of June 30, 2019, all investments in the VCU Primary Liquidity Fund were in compliance with the VCU Investment Policy, which we understand to be in compliance with the Virginia Investment of Public Funds Act. Holdings were within the allowable universe of investments.

- Merganser (Extended Duration Fund Manager) has provided a statement attesting to compliance with the VCU Investment Policy and the Investment of Public Funds Act.



This letter certifies that all investments in the VCU Extended Duration Fund were in compliance with the VCU Investment Policy and the Virginia Investment of Public Funds Act as of June 30, 2019.

# Long-Term Tier Policy Requirements

- VCU Investment Policy requires a quarterly report to the Board of Visitors, which includes at a minimum;
  - Investment performance (net of fees) for the Long-Term Tier versus the appropriate benchmarks **(see page 3)**; and
  - Actual asset allocations of the Long-Term Tier versus the Strategic Asset Allocations **(see page 10)**.
- The Policy also requires an annual report, which includes at a minimum;
  - A report showing compliance with the Investment Policy **(see pages 10)**;
  - Status of investments that may require management attention (such as changes to the Strategic Asset Allocation). **(none to report )**; and
  - Spending policy payouts and reinvestments for the Long-Term Tier:
    - For FY19 Glasgow distributed all of the \$2.17 million allowed under the spending policy and the Quasi Endowment distributed all of the \$4.46 million allowed under the spending policy.
    - Both Glasgow and the Quasi Endowment also paid out a 1% administrative fee of \$1.47 million total, which funded central University budgets.



# Long-Term Tier Compliance Summary for the Period Ending June 30, 2019

Asset Class	Market Value	Actual Allocation	Strategic Asset Allocation		
			Min	Target	Max
Equity	\$ 85,193,148	59.2%	40.00%	65.00%	70.00%
Real Assets	\$ 4,358,939	3.0%	0.00%	10.00%	20.00%
Fixed Income & Cash	\$ 54,259,932	37.7%	10.00%	20.00%	45.00%
<b>Total VCIMCO Funds</b>	<b>\$ 143,812,019</b>	<b>100.0%</b>			

1. The table above includes assets still held in custody by JPMorgan. These assets are not managed by VCIMCO but are included above at the request of VCU and for completeness of the Long-Term Tier.

2. The Strategic Asset Allocation targets and ranges are based on the revised VCU Investment Policy (approved on 03/22/17).

3. As of 06/30/18 current asset allocations are in compliance with the approved ranges.

**Page reserved for September 6<sup>th</sup> Monitoring Report**

**Virginia Commonwealth University**  
**2019-2020 University Budget Plan**  
**Revenue Summary (in thousands)**

<b>FY 2019-2020 Sources</b>	Educational & General Programs	Sponsored Programs	Auxiliary Enterprises	Qatar	University Funds	Student Financial Assistance	Hospital Services	Total University	Change from 2018-19 Budget Plan
<b>State General Fund</b>									
Direct Appropriations	\$ 193,273	\$ 14,013	\$ -	\$ -	\$ -	\$ 35,196	\$ -	\$ 242,482	13.2%
Central Transfers		-	-	-	-	-	-	\$ -	-100.0%
<b>State General Fund</b>	<b>\$ 193,273</b>	<b>\$ 14,013</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,196</b>	<b>\$ -</b>	<b>\$ 242,482</b>	<b>11.2%</b>
<b>Nongeneral Funds</b>									
Student Tuition and Fees	458,638	-	59,663	-	-	-	-	518,301	2.7%
Grants and Contracts	-	293,688	-	-	-	33,703	-	327,391	26.0%
Gifts and Investment Earnings	100	-	5,158	-	46,879	-	-	52,137	7.9%
Sales and Services	9,282	-	90,282	40,096	-	-	30,416	170,076	1.9%
Other Sources	4,969	-	8,353	-	5,246	-	-	18,568	67.2%
<b>Total Nongeneral Funds</b>	<b>472,989</b>	<b>293,688</b>	<b>163,456</b>	<b>40,096</b>	<b>52,125</b>	<b>33,703</b>	<b>30,416</b>	<b>1,086,473</b>	<b>9.6%</b>
Transfers (in) out	10,025	(10,025)	-	-	-	-	-	-	n/a
<b>Total University Sources</b>	<b>\$ 676,287</b>	<b>\$ 297,676</b>	<b>\$ 163,456</b>	<b>\$ 40,096</b>	<b>\$ 52,125</b>	<b>\$ 68,899</b>	<b>\$ 30,416</b>	<b>\$ 1,328,955</b>	<b>9.9%</b>

**Virginia Commonwealth University**  
**2019-2020 University Budget Plan**  
**Expenditure Summary (in thousands)**

<b>FY 2019-2020 Uses</b>	Educational & General Programs	Sponsored Programs	Auxiliary Enterprises	Qatar	University Funds	Student Financial Assistance	Hospital Services	Total University	Change from 2018-19 Budget Plan
Instruction	\$ 330,886	\$ -	\$ -	\$ 40,096	\$ 4,973	\$ -	\$ -	\$ 375,955	0.6%
Research	15,991	288,503	-	-	10,564	-	-	315,058	27.8%
Public Service	4,980	-	-	-	1,912	-	-	6,892	0.6%
Academic Support	111,579	729	-	-	12,327	-	-	124,635	11.8%
Student Services	16,360	-	-	-	705	-	-	17,065	3.3%
Institutional Support	103,805	1,178	-	-	9,854	-	-	114,837	19.6%
Operation and Maintenance of Plant	59,786	3,870	-	-	1,183	-	1,000	65,839	1.8%
Scholarships and Fellowships	5,446	1,716	-	-	10,607	101,688	-	119,457	12.2%
Auxiliary Enterprises	-	-	161,399	-	-	-	-	161,399	5.7%
Hospital Services	-	-	-	-	-	-	29,416	29,416	25.9%
<b>Subtotal Uses</b>	<b>648,833</b>	<b>295,996</b>	<b>161,399</b>	<b>40,096</b>	<b>52,125</b>	<b>101,688</b>	<b>30,416</b>	<b>1,330,553</b>	<b>11.0%</b>
Transfers (in) out <sup>(1)</sup>	28,661	-	4,128	-	-	(32,789)	-	-	n/a
Net Increase (Decrease) to Contingency	(1,207)	1,680	(2,071)	-	-	-	-	(1,598)	-114.7%
<b>Total University Uses</b>	<b>\$ 676,287</b>	<b>\$ 297,676</b>	<b>\$ 163,456</b>	<b>\$ 40,096</b>	<b>\$ 52,125</b>	<b>\$ 68,899</b>	<b>\$ 30,416</b>	<b>\$ 1,328,955</b>	<b>9.9%</b>

**Virginia Commonwealth University - Revenue & Expenses**  
**FY2019 FP14 Report**

		FY 2018 FP14 Actuals	FY 2019 FP14 Actuals	Actuals \$ Variance	Actuals % Variance
<b>1</b>	<b>Revenues</b>				
2	State General Funds	219,839	225,478	5,638	2.6%
3	Nongeneral Funds:				
	Educational and General Tuition and Fees	423,245	449,013	25,768	6.1%
5	Grants and Contracts:				
6	Sponsored Programs	227,677	237,492	9,815	4.3%
7	Financial Aid	33,686	34,577	890	2.6%
8	Auxiliary Enterprises:	141,992	151,877	9,884	7.0%
9	VCUQ	38,923	39,321	398	1.0%
10	Gifts and Investment Income Sales and Services, Other	40,853	43,671	2,818	6.9%
11	Revenues	57,872	53,980	(3,892)	-6.7%
	<b>Total Revenues</b>	<b>\$ 1,184,088</b>	<b>\$ 1,235,408</b>	<b>\$ 51,320</b>	<b>4.3%</b>
<b>12</b>	<b>Expenses</b>				
13	Educational and General Expenses	605,601	624,320	18,719	3.1%
14	VCUQ	38,579	39,204	626	1.6%
15	Sponsored Programs	193,959	205,001	11,042	5.7%
16	FACR	36,227	30,009	(6,217)	-17.2%
17	Auxiliary Enterprises	155,597	152,027	(3,570)	-2.3%
18	University Funds	54,634	61,739	7,105	13.0%
19	Student Financial Assistance	102,812	107,532	4,720	4.6%
20	Hospital Services	25,934	30,440	4,506	17.4%
	<b>Total Expenses</b>	<b>\$ 1,213,342</b>	<b>\$ 1,250,272</b>	<b>\$ 36,929</b>	<b>3.0%</b>



FY 2020 Financial Report for the  
One Month Ending  
July 31, 2019

VCU Health System

# VCUHS Balance Sheet (\$ in thousands)

## July 31, 2019 Year To Date (1 month)

	<u>July 31, 2019</u>	<u>June 30, 2019</u>
<b>ASSETS &amp; DEFERRED OUTFLOWS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 206,365	\$ 408,395
Short-term investments	204,420	21,736
Patient accounts receivable, net	351,804	356,618
Other current assets	423,042	347,456
	\$ 1,185,631	\$ 1,134,205
ASSETS WHOSE USE IS LIMITED & LT INVESTMENTS		
	\$ 1,720,070	\$ 1,714,045
CAPITAL ASSETS		
	\$ 987,943	\$ 982,425
OTHER ASSETS		
	\$ 15,827	\$ 15,853
DEFERRED OUTFLOWS		
	\$ 49,566	\$ 52,606
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>\$ 3,959,037</b>	<b>\$ 3,899,134</b>
 <b>LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>		
CURRENT LIABILITIES		
Current portion of long-term debt and capital leases	\$ 10,238	\$ 11,621
Estimated medical claims payable	175,935	174,863
Settlements due to Third Parties	114,159	38,961
Trade accounts payable	110,360	149,613
Accrued salaries, wages, and fringe benefits, leave	121,014	123,272
Other current liabilities	49,058	33,598
	\$ 580,764	\$ 531,928
OTHER LIABILITIES		
Long-term debt and capital leases, less current portion	\$ 677,629	\$ 684,198
Other liabilities	142,119	144,413
	\$ 1,400,512	\$ 1,360,539
DEFERRED INFLOWS		
	\$ 19,057	\$ 19,057
<b>NET POSITION</b>	<b>\$ 2,539,468</b>	<b>\$ 2,519,538</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>	<b>\$ 3,959,037</b>	<b>\$ 3,899,134</b>

# VCUHS Consolidated Income Statement (\$ in thousands)

## July 31, 2019 Year to Date (1 month)

### Operating Excess of \$24.0M is \$12.8M over the Approved Plan

	<i>Percent</i>	<i>Variance Projected</i>	<b>FY 2020 Actual</b>	<b>FY 2020 Approved Plan</b>	<b>FY 2019 Actual</b>	<i>Variance Prior Year</i>	<i>Percent</i>
<b>Operating Revenues</b>							
Net patient service revenue	11.7%	\$ 21,007	\$ 200,495	\$ 179,488	\$ 164,368	\$ 36,127	22.0%
Premiums earned	2.6%	4,334	168,599	164,265	119,229	\$ 49,370	41.4%
Contract and Other revenue	178.8%	2,319	3,615	1,296	3,080	535	17.4%
<b>Total Operating Revenues</b>	<b>8.0%</b>	<b>\$ 27,660</b>	<b>\$ 372,709</b>	<b>\$ 345,049</b>	<b>\$ 286,678</b>	<b>\$ 86,031</b>	<b>30.0%</b>
<b>Operating Expenses</b>							
Salaries and wages	-4.7%	\$ (4,339)	\$ 95,753	\$ 91,414	\$ 84,549	\$ (11,204)	-13.3%
Benefits	3.6%	942	25,370	26,312	24,232	(1,138)	-4.7%
Medical claims expense	-8.5%	(12,199)	154,914	142,715	103,932	(50,982)	-49.1%
Purchased services	18.8%	2,456	10,597	13,053	10,904	307	2.8%
Supplies	-21.3%	(4,007)	22,808	18,801	23,813	1,005	4.2%
Drugs	1.0%	164	16,763	16,927	11,799	(4,964)	-42.1%
Other expenses	10.0%	1,293	11,660	12,953	16,086	4,426	27.5%
<b>Operating Excess (Loss)</b>	<b>-4.6%</b>	<b>\$ (107,648)</b>	<b>\$ 337,865</b>	<b>\$ 322,175</b>	<b>\$ 275,315</b>	<b>\$ (62,550)</b>	<b>-22.7%</b>
<b>EBITDA</b>	<b>52.3%</b>	<b>\$ 11,970</b>	<b>\$ 34,844</b>	<b>\$ 22,874</b>	<b>\$ 11,363</b>	<b>\$ 23,481</b>	<b>206.6%</b>
<i>EBITDA (%)</i>			9.3%	6.6%	4.0%		
<b>Interest, Taxes, Depreciation and Amortization</b>							
Interest expense	3.1%	70	2,175	2,245	2,263	88	3.9%
Provision for depreciation / amortization	7.7%	729	8,679	9,408	8,409	(270)	-3.2%
	6.9%	799	\$ 10,854	\$ 11,653	\$ 10,672	(182)	-1.7%
<b>Total Operating Expenses</b>	<b>-4.5%</b>	<b>(14,891)</b>	<b>348,719</b>	<b>333,828</b>	<b>285,987</b>	<b>(62,732)</b>	<b>-21.9%</b>
<b>Total Operating Excess/(Loss)</b>		<b>\$ 12,769</b>	<b>\$ 23,990</b>	<b>\$ 11,221</b>	<b>\$ 690</b>	<b>\$ 23,300</b>	
<i>Operating Margin (%)</i>			6.4%	3.3%	0.2%		
<b>Nonoperating revenues and expenses:</b>							
Investment income	-96.8%	\$ (16,405)	\$ 540	\$ 16,945	\$ 18,040	\$ (17,500)	-97.0%
Other non-operating income/(expense)incl. taxes	-544.7%	(512)	(418)	94	3	421	14033.3%
Donations and gifts		158	82	240	231	149	
<b>Total Non-Operating Revenues and Expense</b>		<b>\$ (17,075)</b>	<b>\$ 204</b>	<b>\$ 17,279</b>	<b>\$ 18,274</b>	<b>\$ (16,930)</b>	
<b>Excess of rev. over exp. before transfers</b>		<b>\$ (4,306)</b>	<b>\$ 24,194</b>	<b>\$ 28,500</b>	<b>\$ 18,964</b>	<b>\$ 5,230</b>	
<i>Total Margin (%)</i>			6.5%	7.9%	6.2%		





# VCUHS Key Ratios

## July 31, 2019 Year-to-Date (1 month)

	Actual <u>FY 2020</u>	Actual <u>FY 2019</u>	COTH <u>Benchmark</u>	S&P's Median <u>Benchmark</u>	Moody's Median <u>Benchmark</u>	<u>Trend</u>
<b>LIQUIDITY RATIOS:</b>						
Current	2.0	3.4			1.7	Favorable
Days in A/R	58.3	74.0	48.0	47.7	48.8	Unfavorable
Days Cash on Hand	190.2	198.2		220.4	234.2	Unfavorable
<b>LEVERAGE RATIOS:</b>						
Debt Service Coverage	9.3	5.7		4.6	6.9	Unfavorable
Long-Term Debt to Capitalization	21.5%	22.1%		30.1%	29.5%	Favorable
Interest Coverage	12.0	3.0			4.9	Unfavorable
Cash Flow to Debt	4.7%	21.4%		14.4%	25.0%	Unfavorable
<b>PROFITABILITY RATIOS:</b>						
EBITDA	9.3%	4.5%		>10.8%	>8.9%	Unfavorable
Operating Margin	6.4%	1.0%		>3.3%	>3.7%	Favorable
Total Margin	6.6%	3.1%		>4.4%	>6.6%	Unfavorable

### Key Performance Indicators (YTD as of 7/2019)

#### Employee Engagement Score

**4.08** ▲ 4.14  
As of 6/2018 Target

#### Debt Service Coverage Ratio

**9.3** ▲ 6.9  
As of 6/2019 Target

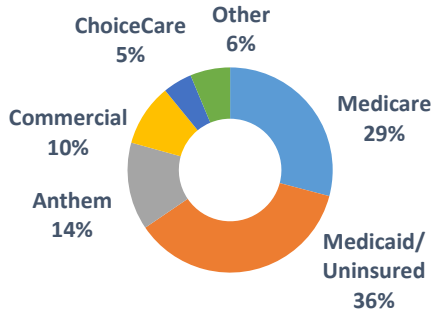
#### Expenses per Day

**\$11,124** ▼ \$10,769  
As of 7/2019 Target

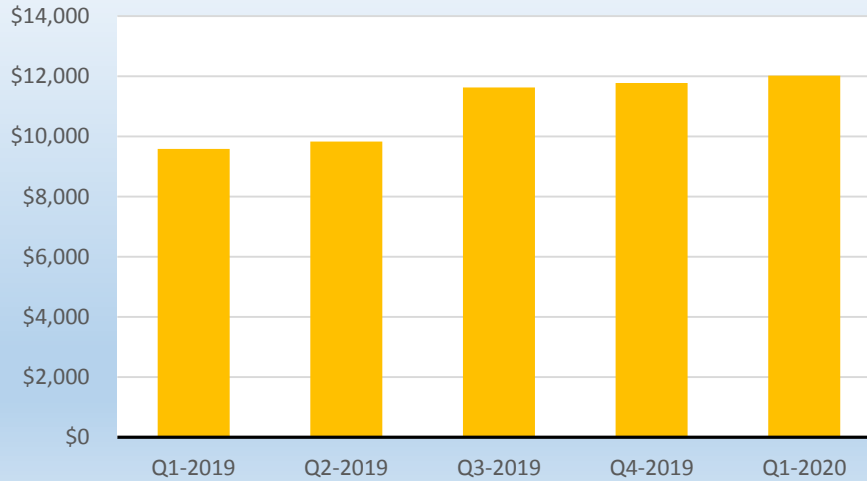
#### Return on Assets

**3.06%** ▲ 5.45%  
As of 7/2019 Target

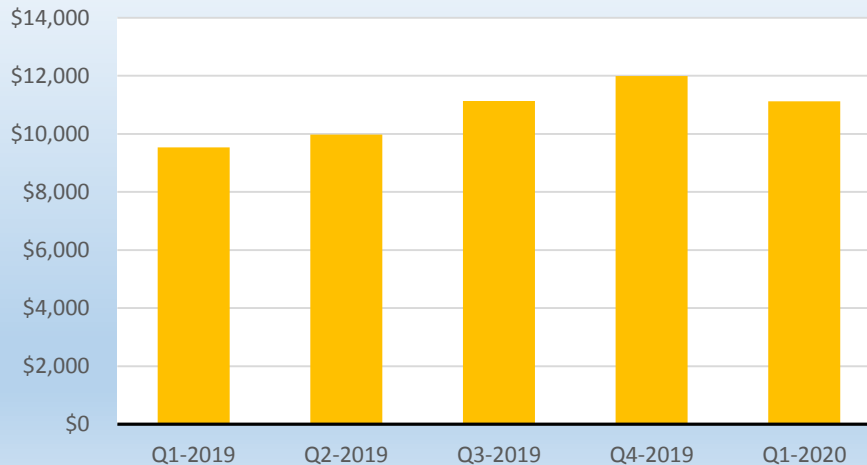
#### SYSTEM PAYER MIX



#### VCU Health System Operating Revenue per Day (thousands)



#### VCU Health System Operating Expense per Day (thousands)



#### Net Operating Revenue

**\$24.0M** ▲

Target \$11.2M

#### Operating Margin

**6.4%** ▲

Target 3.3%

#### EBIDA Margin

**9.3%** ▲

Target 7.0%

#### Days' Cash on Hand

**190.2** ▼

Target: 193

*Small arrows indicates desired trend*

# ARMICS

**Virginia Commonwealth University  
Finance, Budget and Investment Committee  
September 13, 2019**



**VCU**

# Agency Risk Management and Internal Control Standards (ARMICS)

- ARMICS is a directive of the State Comptroller that mandates the implementation and annual assessment of agency internal controls to provide a reasonable assurance of the integrity of all fiscal processes
- Annual certification is done in September by the Senior Vice President/CFO and the President
  - Agency Level Internal Control Assessment
  - Process and Transaction Level Internal Control Assessment
  - Corrective Action Plan, if needed

# ARMICS – Agency Level Assessment

VCU conducts the Agency Level Assessment through the Enterprise Risk Management (ERM) process

The ERM Steering Committee met to evaluate the risk ranking and controls of the following identified risks in June and August of 2019:

- Global Programs and International Issues
- Data Analytics and IT Functionality
- Enrollment Management
- Accreditation
- Civil Rights Compliance
- Clinical Research Administration

The ERM Steering Committee will continue to evaluate and make recommendations on the risk appetite for the various risks

# ARMICS – Process and Transaction Level Assessment

- All departments and central units are required to sign a certification statement:
  - Risk assessments are accurate and current
  - Internal controls are operating effectively
  - Testing of controls has been documented
- Departmental assessments are forwarded to the appropriate VP so they can sign the certification for their entire operation
  - VPs certify to the Senior Vice President/CFO and the President that their operations have met the process and transaction level requirements
- Controller's Office conducts random testing in departments and central units

# Integrity of Fiscal Processes

- Integrity and accountability are core values of the university and the Controller's Office will continue its initiative to ensure that these values are understood and adhered to throughout the university community
- Refresher training courses on ARMICS requirements are planned for the fall of 2019
- The mandatory fiscal training program, implemented in fiscal year 2012, continues to be a requirement for current users to retain (or, for future users, to obtain) access to the Banner Finance system
  - Training begins with a Fiscal Responsibilities and Internal Controls course and is followed by individual modules and testing depending on the level of Banner access the user needs – from full transaction access (budget entries, journal vouchers, cash receipt and encumbrance removals) to more limited access

# Summary

- VCU will have met ARMICS requirements for FY 2019 through the following:
  - Completion of the certifications by the departments to the Vice Presidents by June 30, 2019
  - Random testing of internal controls by the Controller's office
  - Identification of agency level risks and current mitigation strategies
  - Final certification to the Department of Accounts on September 30, 2019
- ARMICS is an on-going process that is now supplemented with the ERM program



**Virginia Commonwealth University  
Board of Visitors Fund Annual Report**

The Board of Visitors established a donor-advised, restricted fund known as the Board of Visitors (BOV) Fund at the May 2012 meeting. Direct contributions from members of the BOV or friends provide the monies for the fund. The monies in this fund shall only be used for scholarships, faculty and staff recognitions, and other projects, undertaking or expense which the BOV deems to be in the best interests of VCU.

BOV Fund  
Year Ended June 30, 2019

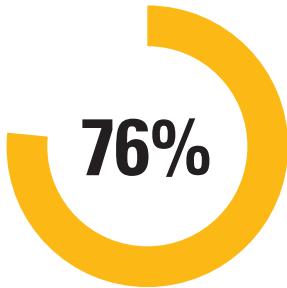
Beginning Balance	\$40,350
Expenses - Scholarships	5,000
	<hr/>
Ending Balance	<u>\$35,350</u>

Virginia Commonwealth University  
September 2019 Summary of Major Capital Projects

Project	Funding		Completion	Comments
	Amount	Source		
<b>Completed Projects:</b>				
Sanger Hall Phase II Renovations	\$17,214,620	General Funds	Oct 2015 (Part A only) July 2019 (all remaining phases)	The second phase of the floor-by-floor wet lab renovation of Sanger Hall. This phase will complete an additional two floors. Four floors are already complete. Issues with mechanical system will cause an eight week delay.
	\$7,040,600	University-Supported Debt		
	\$1,366,919	University Funds		
	\$1,795,000	State-Supported Debt		
	\$27,417,139	Total		
West Main St Deck Restoration	\$1,960,767	University-Supported Debt	May 2019	Delay due to weather restrictions.
	\$1,960,767	Total		
<b>Construction Underway:</b>				
D Parking Deck Restoration (Corrosion)	\$3,344,682	University-Supported Debt	Nov 2019	Delay due to cold temperatures slowing work on the deck surface as well as other extensive repairs that were not originally identified.
	\$618,515	Auxiliary Enterprise		
	\$3,963,197	Total		
Engineering Research Expansion	\$41,341,000	State-Supported Debt	Fall 2020	Construction started in June 2018. Of the \$49,000,000; \$6,541,000 and all of the \$10,300,000 were approved in the 2020 State Budget.
	\$49,000,000	University-Supported Debt		
	\$10,300,000	General Funds		
	\$100,641,000	Total		
MCV Campus Steam Line Installation	\$4,335,000	Auxiliary Enterprise	Summer 2020	
	\$1,365,000	Health Systems Funds		
	\$5,700,000	Total		
Scott House Renovation	\$3,500,000	State-Supported Debt	May 2020	
	\$3,500,000	University-Supported Debt		
	\$7,000,000	Total		
Trani Life Sciences Roof & HVAC Replacement	\$8,200,000	State-Supported Debt	To Be Determined	
	\$8,200,000	Total		
<b>Planning Underway:</b>				
STEM Teaching Laboratory Building	\$113,505,000	State-Supported Debt	Dec 2022	Included in Pool projects. \$113,505,000 approved for construction. \$10,967,000 requested in 2020-2022 Biennium for equipment. Planning underway.
	\$10,967,000	General Fund		
	\$124,472,000	Total		
West Hospital Dept of Transplant Surgery Rene	\$2,275,000	School of Medicine Funds		Project cancelled by client.
	\$2,275,000	Total		
<b>Other Projects of Interest:</b>				
On Schedule	Delay	Significant Delay		



## By the numbers



VCU's non-faculty workforce in the new HR plan

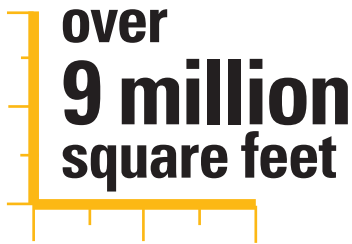


VCU community reporting feeling "safe" or "very safe"



# 893,511

Number of GRTC rides by VCU/VCU Health employees and students during pilot year (Aug. 1, 2018-July 31, 2019)



Added or renovated under Dr. Rao's leadership

# \$2.91 per square foot

VCU's FY19 utility costs (water, gas and electric), a decrease of 5.5% from FY18 as part of a new energy conservation initiative

# \$172 million

Deferred maintenance backlog, \$397M = 10-year renewal need



Average number of wireless devices connected to VCU network (five times more than 2012)



Load capacity for conventional leased space allocated to each full-time employee (14 sq. ft. below industry average)



Number of 15-second customer service survey respondents who say our customer service met or exceeded their expectations

### Accident rates since 2015





# VCU

VIRGINIA COMMONWEALTH UNIVERSITY

## Finance and Budget

### Key Performance Measures and Projects

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Report of VCU Finance and Budget Performance Indicators – Fiscal Year-to-Date as of June 30, 2019

Measure	Metrics/Performance as of June 30, 2019	Comments
Investments	Investment Balances	<ul style="list-style-type: none"> <li>▪ See 6/30/19 Treasurer’s Report</li> </ul>
	Investment Returns	<ul style="list-style-type: none"> <li>▪ See 6/30/19 Treasurer’s Report</li> </ul>
Debt	Bond ratings	<ul style="list-style-type: none"> <li>▪ AA-/Aa2 (within Tier III requirement)</li> </ul>
	Debt Ratio	
	FY18 Audited FY19 Estimated Unaudited	<ul style="list-style-type: none"> <li>▪ 4.35% (below 6% debt policy requirement And 7.0% Tier III requirement)</li> <li>▪ 4.18% (below 6% debt policy requirement And 7.0% Tier III requirement)</li> </ul>
Revenues and Expenses	Performance vs. Prior Year	<ul style="list-style-type: none"> <li>▪ Revenues (\$1,235M) are +4.3% above last year; Expenses (\$1,250M) are +3.0% above last year.</li> </ul>
<b>Major Projects/Initiatives</b>		<b>Next Steps/Comments</b>
VCIMCO		<ul style="list-style-type: none"> <li>▪ See 6/30/19 Treasurer’s Report</li> </ul>
University Budget Redesign		<ul style="list-style-type: none"> <li>▪ FY2020 budget uploaded with model for 7/1/19</li> </ul>