

**CONFIDENTIAL SUMMARY  
FBI COMMITTEE  
OF THE BOARD OF VISITORS  
May 13, 2021  
OPEN SESSION**

**ACTION ITEMS:**

- FY22 University Budget Plan and Proposed Tuition and Fees (budget books will be distributed). The board will be asked to approve the E&G operating budget including tuition and fees for FY22. The committee will review the various components of the budget including both E&G and non-E&G funding sources and proposed fees making recommendations for approval by the full board.
- Resolutions:
  - Amending titles in the signature authority policy
  - 600-606 West Grace Street (Sunoco Property) financing
  - Broad and Belvidere Housing renovation funding
- 2022 Six Year Capital Budget Plan. The Vice President for Administration will present the six-year plan by biennium in prioritized project order for state submission in June.

**FOR INFORMATION/COMMITTEE REVIEW:**

**1) Items that may be action items at upcoming committee meeting:**

- Committee charter and planner – review of the committee bylaws and any necessary including the annual meeting planner outlining when items will be presented to the committee for the coming year.
- Financial Assumptions in the six year plan – each summer the State requires submission of the university's six-year strategic plan that ties to the state's strategic plan for higher education. The Provost works with the University's budget office to compile the materials for the President and his senior vice presidents to present to state officials.

**2) Items that the board needs to be aware of, but will not require action (all linked here)**

- Report on SWAM. Ms. Gray will provide a brief report on the University's SWAM efforts to date.
- Updates:
  - Revenue and Expense Summary
  - VCU Health System and Financial Operations
  - Treasurer's Report
  - Capital Projects Update



**FINANCE, BUDGET AND INVESTMENT COMMITTEE**

**1:45 P.M.\*\***

**MAY 13, 2021**

**JAMES BRANCH CABELL LIBRARY**

**901 PARK AVENUE – ROOM 303**

**RICHMOND, VIRGINIA**

**DRAFT**

**OPEN SESSION AGENDA**

- 1. CALL TO ORDER** *Mr. Stuart Siegel, Chair*
- 2. APPROVAL OF AGENDA** *Mr. Stuart Siegel, Chair*
- 3. ACTION ITEMS:**
  - a. PROPOSED 2021-22 Tuition and Fees and UNIVERSITY BUDGET PLAN *Ms. Karol Kain Gray, Senior Vice President and CFO*
  - b. RESOLUTIONS:
    - i. Administrative Titles in Financing-Related Resolutions
    - ii. Sunoco Property at 600-606 West Grace Street Funding Authorization
    - iii. Broad and Belvidere Renovation Funding Authorization
  - c. PROPOSED 2022-2028 SIX YEAR CAPITAL PLAN *Dr. Meredith Weiss, Vice President for Administration*
- 4. REPORT FROM SENIOR VICE PRESIDENT FOR FINANCE AND BUDGET** *Ms. Karol Kain Gray, Senior Vice President and CFO*
  - a. SWAM Update
- 5. MISCELLANEOUS REPORTS: For Informational Purposes Only** *Mr. Stuart Siegel, Chair*
  - a. Revenue and Expense Summary as of March 31, 2021
  - b. VCU Health System and Financial Operations as of March 31, 2021
  - c. Treasurer's Report
  - d. Capital Projects Update

**\*\* The start time for the Board of Visitors meeting is approximate only. The meeting may begin either before or after the listed approximate start time as Board members are ready to proceed**

- 6. CLOSED SESSION** *Mr. Stuart Seigel, 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.**

**7. RETURN TO OPEN SESSION AND CERTIFICATION**

**Mr. Stuart Siegel, *Chair***

**Action Item:**

**Approval of items discussed in closed session, if any**

**8. OTHER BUSINESS**

**Mr. Stuart Siegel, *Chair***

**9. ADJOURNMENT**

**Mr. Stuart Siegel, *Chair***

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## BOARD OF VISITORS

### RESOLUTION FOR 2021-2022 TUITION AND FEES

**THEREFORE, BE IT RESOLVED**, that the Board of Visitors of Virginia Commonwealth University approves a zero percent increase for undergraduate, graduate, doctoral and first professional tuition for the 2021-2022 Academic Year; and approves mandatory fee increases for health service fee, university fee, and technology fee; and approves increases to dining, parking, and housing fees.

**BE IT FURTHER RESOLVED**, that the Board of Visitors approves the undergraduate fees as set forth in Exhibit A attached hereto; and

**BE IT FURTHER RESOVLED**, that the Board of Visitors approves the graduate tuition and fees as set forth in Exhibit B attached hereto.

### RESOLUTION FOR 2021-2022 OPERATING BUDGET

**THEREFORE, BE IT RESOLVED**, that the Board of Visitors of Virginia Commonwealth University approves the 2021-2022 \$1.3 billion operating budget for the university as recommended by the President and the Chief Financial Officer.

**BE IT FUTHER RESOLVED**, \$25.9 million in critical and strategic investments for faculty and academic support, systems and operational improvements are approved as recommended by the President and the Chief Operating Officer.

## Executive Summary

In FY2022, Virginia Commonwealth University is planning for a year with significantly less uncertainty than FY2021. For budget planning purposes, operations are assumed to return largely to pre-pandemic status. However, the university will continue to monitor health conditions closely and plans for the upcoming year will continue to evolve as guidance is provided by state and federal governments, and input is received from the VCU community. Expected stable enrollment, investments in strategic needs, welcomed resources provided by the State of Virginia, and federal funding related to the pandemic has allowed for a balanced budget without implementing university wide budget reductions.

The VCU budget plan for FY2022 demonstrates the university's commitment to advancing the university strategic plan, Quest 2025: Together We Transform. Among the most significant actions is the Board of Visitors' decision to freeze standard undergraduate tuition rates for the third consecutive year. This critical student access initiative will be expanded in FY2022 to include standard tuition rates for graduate and first professional degree programs.

In addition, the FY2022 budget includes actions to advance the university strategic plan in promoting diversity and inclusion, expanding research, and supporting faculty and staff. These budgetary actions to advance the VCU strategic plan include:

- *Faculty, Staff, and Adjunct Support:* Providing competitive salaries for VCU's faculty, staff, and adjuncts is an integral part of ensuring VCU's status as a nationally prominent university. In FY2022, the Virginia General Assembly mandated a five percent increase for all state employees. VCU is supportive of this increase and the FY2022 budget includes \$13M to support the VCU share of this increase, along with funding to support standard faculty promotions and adjunct pay increases.
- *Research & Research Support:* The FY2022 budget includes \$398M for sponsored research, the highest level ever budgeted at VCU. The budget also includes a reset of the university \$45M overhead funding model (FACR) to support research, and allocates additional funds to support the Strategic Research Priorities Plan as well as directing funds back to units to seed additional funding growth.
- *Diversity Driving Excellence:* As part of the strategic plan goal to build and sustain the infrastructure to enhance diversity, inclusion, and equity at all levels of the university, the FY2022 plan includes critical funding to expand the VCU initiative iCubed increasing diverse faculty hires supporting collaborative, interdisciplinary teaching and research clusters.

The FY2022 budget also underscores the very positive partnership between VCU and the State of Virginia. In FY2022, total new state funding of approximately \$32.7M has been appropriated. This includes \$14.3M of new operating support, \$10.6M for the state share of the mandated salary increase, and \$4.6M for new state-funded financial aid. Massey Cancer Center also received \$5M in new funding to support research and cancer treatment. In total, this represents a 13.4% growth in state operational funding. The state

also supported two important capital initiatives including the purchase of property to allow the move of the athletic facilities off campus thereby allowing the development of needed on-campus academic facilities, and funding to plan for the development of the Arts and Innovation building. Both projects are high priorities in the university Master Plan.

In addition to state funding, VCU received \$56M in Higher Education Emergency Relief Funding III to be used in the spring of 2021 through this next fiscal year. As per the legislative requirement, half of this funding, \$28M, will be used as direct student support while the other \$28M will be directed to offset university's revenue shortfalls and other COVID needs.

The budget plan as presented in subsequent sections provides details as to changes for FY 2021-2022 by fund source. An overview is available on Table A (pg. I-4), followed by detailed summaries by fund in Section II. Details as to individual tuition rates can be found in Section III. Questions or concerns requiring additional information should refer to the University Budget Office website at <https://budget.vcu.edu> for additional information, including how to contact the University Budget Office.

**RESOLUTION OF THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH  
UNIVERSITY**

**ADOPTED MAY 14, 2021**

**Actions Related to General Revenue Pledge Bonds**

WHEREAS, in furtherance of its powers to finance or refinance a series of projects the Board of Visitors (the "Board") and the Executive Committee of the Board have adopted various resolutions authorizing the incurrence of debt to finance or refinance projects and named various officers of Virginia Commonwealth University (the "University") as authorized officers who are authorized or have been delegated authority to take certain actions regarding the incurrence of debt and the financing and refinancing of projects, including those resolutions identified on Schedule I (collectively, the "Prior Resolutions"); and

WHEREAS, since those resolutions were adopted the titles of the officers named in the Prior Resolutions has changed; and

WHEREAS, the Board has determined to ratify and reaffirm the authorizations and delegations in the Prior Resolutions and identify the current titles of the authorized officers under the Prior Resolutions.

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:**

RESOLVED, that the Board hereby ratifies and reaffirms the authorizations and delegations made in the Prior Resolutions; and

RESOLVED FURTHER, that the President of the University, the Senior Vice President and Chief Financial Officer of the University and the Treasurer of the University (collectively, the "Authorized Officers") are hereby authorized to be the officers with the power to act under the authority and delegations granted by the Prior Resolutions, which powers include (i) the authority to take certain actions to refinance projects without further action from the Board, (ii) the authority to hold public hearings pursuant to the Section 147(f) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder, to ensure the tax-exempt status of interest on all or a portion of any bonds of the University, and (iii) the authority to declare the "official intent" of the University to reimburse any expenditures made in connection with a capital project with the proceeds of long-term tax-exempt debt to be issued by or on behalf of the University for purposes of Treasury Regulation Section 1.150-2(d) and (e); and

RESOLVED FURTHER that all acts of all officers of the University which are in conformity with the purposes and intent of this Resolution and in carrying out the financing plans presented to this meeting are ratified, approved and affirmed; and

RESOLVED FURTHER that, upon approval, this action shall take effect immediately.

## **Schedule I**

### **Prior Resolutions**

Confirming Designation of the University's Officers as Authorized to Declare Official Intent to Issue Bonds to Reimburse Expenditures, adopted September 19, 2013, by the Board of Visitors of Virginia Commonwealth University

Authorization of Refunding of the University's Debt, adopted March 4, 2014, by the Executive Committee of the Board of Visitors of Virginia Commonwealth University

Authority of Certain Officers to Execute Financing Documents, adopted September 15, 2016, by the Board of Visitors of Virginia Commonwealth University



**Virginia Commonwealth University**  
**Funding Authorization**  
**600 and 606 West Grace Street**

**Background**

The Property is located at 600 and 606 West Grace Street, within the same block as the Institute for Contemporary Art (ICA). In May 2018, the Board of Visitors authorized the University to enter into an arrangement with the VCU Real Estate Foundation's (REF) to provide for the ultimate acquisition of the property by the University on a "break-even" basis at some point in the future. Accordingly, VCU intends to purchase the Property from the REF in early fiscal year 21-22. The former improvements (a Sunoco service station) have been demolished and the site is currently used and maintained by VCU.

**Purpose and justification**

With the acquisition of the Property, the university can begin planned improvements near the intersection of Broad and Belvidere, including welcoming front doors and streetscapes for the Monroe Park Campus and projects to begin the "Grace Street as Main Street" experience for the VCU community.

**Cost and funding source**

The "break-even" cost the REF has incurred to date is approximately \$4.8 million. This includes all acquisition, demolition and carrying costs. The purchase of the Property will be funded through debt issued by the university.

**Zoning, and Environmental Matters**

The Property is zoned B-4 - Central Business. The Property was previously environmentally remediated; the REF conducted customary due diligence, including a Phase I site assessment, and no significant concerns were identified.

**Recommendation or Action**

Approve the resolution to authorize financing for the acquisition of the Property at 600 and 606 West Grace Street from the VCU Real Estate Foundation as previously approved in May 2018 and to execute all documents necessary for the acquisition and financing of the property for a total cost not to exceed \$4.8 million plus associated settlement, due diligence, and transactional costs.

Authorize an amendment to include the property in the university's current six-year capital plan.

**RESOLUTION OF THE BOARD OF VISITORS OF  
VIRGINIA COMMONWEALTH UNIVERSITY  
PROPERTY FINANCING**

**WHEREAS**, Chapter 6.1, Title 23.1 of the Code of Virginia of 1950, as amended (the "Virginia Code"), establishes a public corporation under the name and style of Virginia Commonwealth University (the "University") which is governed by a Board of Visitors (the "Board") vested with the supervision, management and control of the University;

**WHEREAS**, Title 23.1 of the Virginia Code classifies the University as an educational institution of the Commonwealth of Virginia;

**WHEREAS**, by Chapter 4.10, Title 23.1 of the Virginia Code, the University entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 594 of the Acts of Assembly of 2008 which, as amended, classifies the University as a public institution of higher education and empowers the University with the authority to undertake and implement the acquisition of any interest in land;

**WHEREAS**, the Board's policy on the Authority to Execute Contracts and Other Documents requires Board approval for the acquisition of real estate;

**WHEREAS**, on March 22, 2018, the Board approved the acquisition of real estate located at 600-606 W. Grace St. (the "Property").

**NOW, THEREFORE, BE IT RESOLVED**, that the President, Senior Vice President/Chief Financial Officer, and Vice President for Administration are hereby authorized, directed and empowered to execute, for and on behalf of the University and in its name, any and all documents required in connection with the purchase of the Property, including, without limitation, the incurrence of indebtedness to finance the acquisition of the Property, either through the use of the University's commercial paper program or otherwise; and that;

**RESOLVED FURTHER**, any actions within the authority conferred hereby, taken prior to the date of the foregoing resolutions, by the aforementioned officers or those delegated to act on their behalf, are hereby ratified, confirmed and approved as the acts and deeds of the University.

**Virginia Commonwealth University**  
**Renovation Financing**  
**Broad and Belvidere Housing**  
**732 West Broad Street**

**Background**

VCU and the VCU Real Estate Foundation (REF) entered an agreement in February 2003 to manage the student housing facility on the corner of Broad and Belvidere (Broad and Belvidere Housing). Under the agreement, the REF constructed, equipped and furnished the facility and the university managed operations. Broad and Belvidere Housing can accommodate 487 student beds and typically achieves high occupancy levels.

**Purpose and justification**

Broad and Belvidere Housing requires all new building finishes throughout, including flooring and paint, appliances, doors and furniture. New HVAC will be installed throughout the facility as well. VCU recommends renovations begin immediately and be completed prior to students' return to campus in Fall 2021.

**Cost and funding source**

The total cost of the renovations is estimated at \$9.1 million. The REF anticipates funding approximately \$3.2 million of these expenditures with reserves. The balance of approximately \$5.9 million is requested to be funded through debt issued by the university and supported by a financing agreement with the REF to pay all financing costs along with principal and interest.

**Recommendation**

Approve the resolution to authorize financing for the renovation of Broad and Belvidere Housing supported by a financing agreement between the university and the VCU Real Estate Foundation (REF) whereby the REF makes full repayment of all principal, interest and financing costs.

**RESOLUTION OF THE BOARD OF VISITORS OF  
VIRGINIA COMMONWEALTH UNIVERSITY**

**Broad and Belvidere Housing Renovation Project Financing**

**WHEREAS**, Chapter 23, Title 23.1 of the Code of Virginia of 1950, as amended (the "Virginia Code"), establishes a public corporation under the name and style of Virginia Commonwealth University (the "University") which is governed by a Board of Visitors (the "Board") vested with the supervision, management and control of the University;

**WHEREAS**, Title 23.1 of the Virginia Code classifies the University as an educational institution of the Commonwealth of Virginia;

**WHEREAS**, by Chapter 10, Title 23.1 of the Virginia Code, the University entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 594 of the Acts of Assembly of 2008 which, as amended, classifies the University as a public institution of higher education and empowers the University with the authority to undertake and implement the acquisition of any interest in land;

**WHEREAS**, on February 1, 2003, the University executed a Management Contract with the Virginia Commonwealth University Real Estate Foundation ("REF") whereby REF constructed, equipped, and furnished, and the University manages and operates, a student housing facility on the corner of Broad and Belvidere (the "Broad and Belvidere Housing") in support of residential access for Monroe Park Campus students of the University;

**WHEREAS**, renovations are recommended at an estimated cost of \$9.1 million; and

**WHEREAS**, REF has requested assistance in financing \$5.9 million of the cost, with REF and the University entering into a financing agreement whereby REF pays all financing costs along with all principal and interest.

**NOW, THEREFORE, BE IT RESOLVED**, that the recommended renovations are approved and the incurrence of indebtedness to finance all or a portion of their cost is approved; and

**RESOLVED FURTHER**, that the President, Senior Vice President/Chief Financial Officer, and Treasurer are hereby authorized, directed and empowered to execute, for and on behalf of the University and in its name, any and all documents and any agreements or modifications to existing agreements with any University-affiliated foundations required in connection with the financing of these renovations, including without limitation the incurrence of indebtedness to finance this project either through the use of the University's commercial paper program or otherwise; and

**RESOLVED FURTHER**, any actions within the authority conferred hereby, taken prior to the date of the foregoing resolutions, by the aforementioned officers or those delegated to act on their behalf, are hereby ratified, confirmed and approved as the acts and deeds of the University.

# **2022-2028 Six-Year Capital Plan**

**ONE VCU: The most  
transformative capital plan in  
VCU's history**

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VCU Board of Visitors  
May 2021

# Iconic Greens





VCU

A man in a dark hoodie and pants walking away from the camera.

A woman with long brown hair, wearing a dark jacket and pants, walking towards the camera.

A woman in blue scrubs walking towards the camera.

A woman in blue scrubs walking towards the camera.

A woman in a pink jacket sitting on a yellow folding chair.

A man in a light blue shirt and grey pants walking with a cane.

An older man in a light blue shirt and grey pants walking with a cane.

An older man in a red shirt and tan pants walking.

A man in a blue shirt sitting on a wooden bench.

A doctor in a white lab coat with a stethoscope around his neck, walking towards the camera.



# **Welcoming Front Doors and Streetscapes**





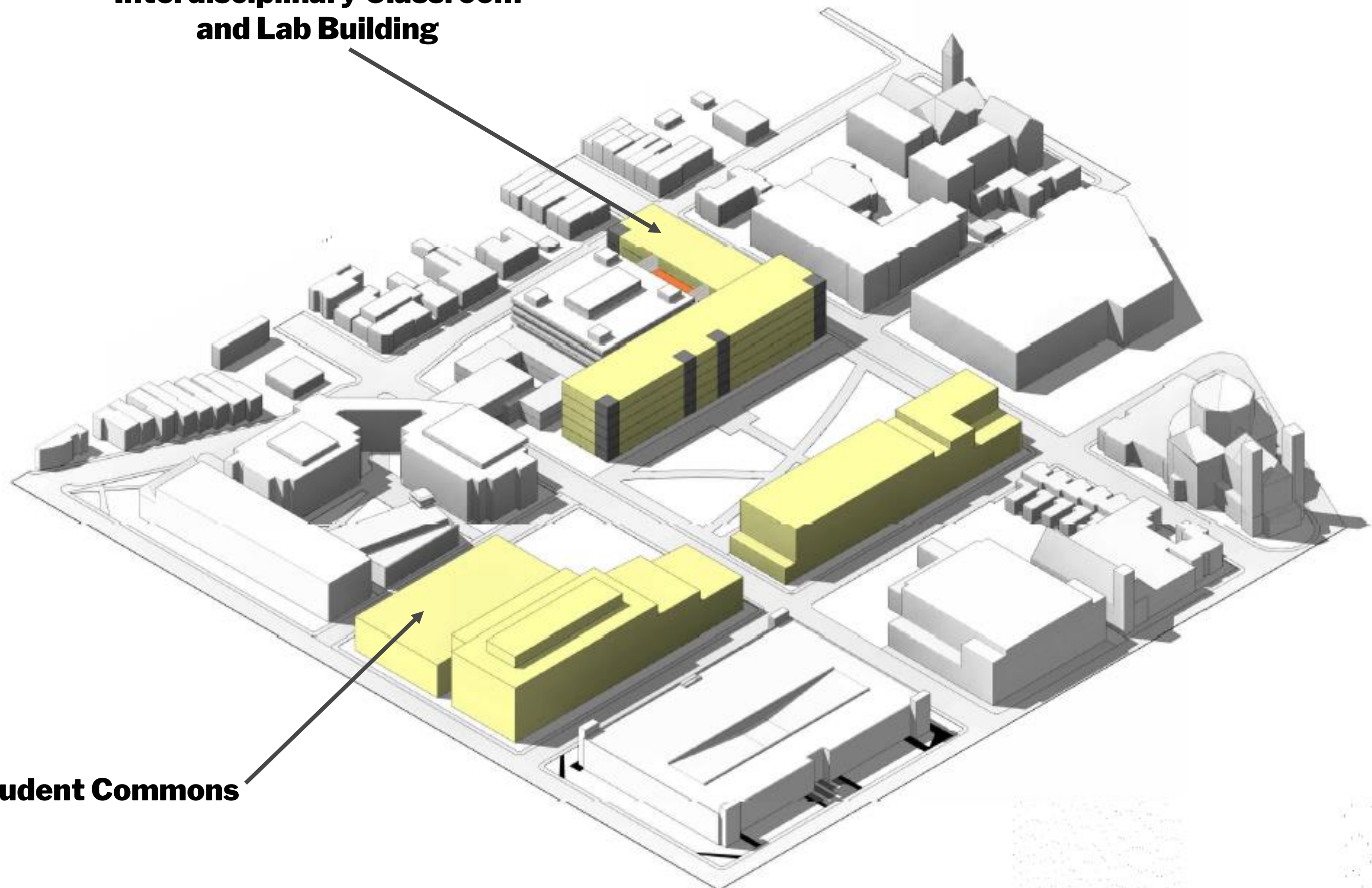
# **Nationally Prominent Art and Innovation Corridor**





# **Interdisciplinary Classroom and Laboratory Building**

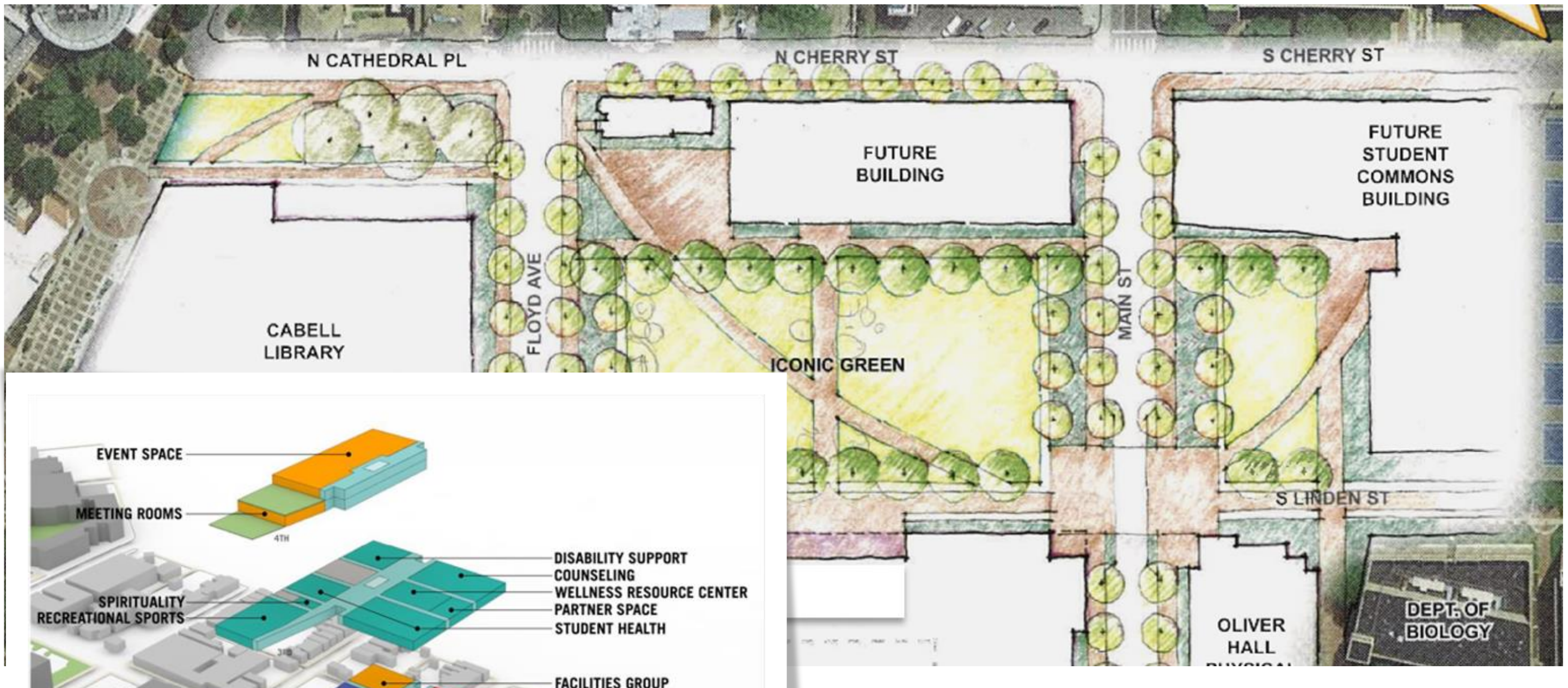
**Interdisciplinary Classroom  
and Lab Building**



**Student Commons**



# **State-of-the-Art Student Commons**



# **Honors Residence and Retail**



# Athletic Village





# **A New Health System Campus**







VCU Health

VCU Health

DOORWAYS  
WORK. MOVE. LIVE.

Ronald McDonald House

# Major Projects

Biennium 2022-2024

Project	State General Fund	Non-General Fund		Total
		Cash/Private/Debt	P3	
<b>State Projects</b>				
STEM Furnishings & Equipment	\$ 10,966,850	\$ -	\$ -	\$ 10,966,850
Arts and Innovation Building	\$ 163,000,567	\$ 18,000,000	\$ -	\$ 181,000,567
Interdisciplinary Classroom and Lab Building	\$ 152,036,070	\$ -	\$ -	\$ 152,036,070
<b>University Projects</b>				
VCU Athletic Village Land	\$ -	TBD	\$ -	\$ -
Front Doors, Campus Main Streets, Streetscapes & Lighting	\$ -	\$ 7,483,995	\$ -	\$ 7,483,995
VCU Athletic Village Tennis Facility	\$ -	TBD	\$ -	\$ -
VCU Athletic Village Practice Fields	\$ -	TBD	\$ -	\$ -
<b>Total</b>	\$ 326,003,487	\$ 25,483,995	\$ -	\$ 351,487,482.00

Costs are estimated.

Renovation and maintenance projects occur each year and are funded by state general fund allocation and/or school funds; they are brought to the Board of Visitors to be added to the capital plan when they rise to the level of a capital project.

# Major Projects

Biennium 2024-2026

Project	State General Fund	Non-General Fund		Total
		Cash/Private/Debt	P3	
<b>State Projects</b>				
School of Dentistry	\$ 196,165,861	\$ -	\$ -	\$ 196,165,861
<b>University Projects</b>				
Student Commons and Wellness Facility and Iconic Green	\$ -	\$ 156,293,186	\$ -	\$ 156,293,186
VCU Athletic Village Multipurpose Indoor Facility	\$ -	TBD	\$ -	TBD
Front Doors, Campus Main Streets, Streetscapes & Lighting	\$ -	\$ 3,579,183	\$ -	\$ 3,579,183
<b>Public Private Partnerships</b>				
Honors Residence Hall & Grace Street Streetscape	\$ -	\$ -	\$ 109,200,000	\$ 109,200,000
<b>Total</b>	\$ 196,165,861	\$ 159,872,369	\$ 109,200,000	\$ 465,238,230

Costs are estimated.

Renovation and maintenance projects occur each year and are funded by state general fund allocation and/or school funds; they are brought to the Board of Visitors to be added to the capital plan when they rise to the level of a capital project.

# Major Projects

Biennium 2026-2028

Projects	State General Fund	Non-General Fund		Total
		Cash/Private/Debt	P3	
<b>State Projects</b>				
Interdisciplinary Health Sciences Bldg., Library and Innovation Center with Central Green (Translational Science)	\$ 234,389,683	\$ 46,889,188	\$ -	\$ 281,278,871
<b>University Projects</b>				
Student Gallery	\$ -	\$ 18,500,000	\$ -	\$ 18,500,000
Recreation Facilities	\$ -	\$ 10,257,935	\$ -	\$ 10,257,935
Welcome Center	\$ -	\$ 64,500,000	\$ -	\$ 64,500,000
Front Doors, Campus Main Streets, Streetscapes & Lighting	\$ -	\$ 2,500,000	\$ -	\$ 2,500,000
<b>Total</b>	\$ 234,389,683	\$ 142,647,123	\$ -	\$ 377,036,806

Costs are estimated.

Renovation and maintenance projects occur each year and are funded by state general fund allocation and/or school funds; they are brought to the Board of Visitors to be added to the capital plan when they rise to the level of a capital project.

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

<b>Small Business and Supplier Diversity Class</b>	<u>FY18</u>		<u>FY19 March YTD</u>	
Non-SWaM	\$ 129,486,380	56.5%	\$ 81,640,322	58.0%
Certified Minority Owned Business	11,305,714	4.9%	8,443,724	6.0%
Certified Women Owned Business	13,943,884	6.1%	8,871,071	6.3%
Certified Small Business	<u>74,260,524</u>	<u>32.4%</u>	<u>41,760,207</u>	<u>29.7%</u>
	<u>\$ 228,996,502</u>	<u>100.0%</u>	<u>\$ 140,715,324</u>	<u>100.0%</u>

# FY 19 Actions/Events Focused on SWaM Improvement

## Events/Actions

- Hosted SWaM Event on December 4, 2018 at the Siegel Center
- Met with Floyd Miller from MBL on March 27<sup>th</sup>
  - Next steps - plan “Lunch and Learn sessions” with vendors
- Had a conference call with Tracey Wiley from VA Department of Small Business and Supplier Diversity in April 2019.
  - Next steps - partner with SBSD to develop a strategy/campaign for outreach
- October 9<sup>th</sup> and 10<sup>th</sup> -Hosting Virginia Association of State College and University Purchasing Professionals (VASCUPP) 2019 SWaMfest in Richmond

**Quarterly Report**  
**FY2021 3<sup>rd</sup> Quarter Report**

*Dollars in Thousands*

	<u>Actuals</u>				<u>Budget</u>	<u>Actuals</u>	<u>Pro-Rated</u>	
	<u>FY20 Q3</u>	<u>FY21 Q3</u>	<u>\$ Change</u>	<u>% Change</u>	<u>BoV Book</u>	<u>FY20 YE</u>	<u>YE</u>	
<b>1</b>	<b>Revenue</b>							
2	Tuition and Fees E&G	410,479	405,363	(5,116)	-1.2%	401,979	406,947	401,875
3	State General Fund E&G	152,988	155,705	2,717	1.8%	195,225	195,185	198,651
4	Other Income E&G	49,721	48,898	(823)	-1.7%	21,732	97,673	96,056
<b>5</b>	<b>Educational and General Programs</b>	<b>613,188</b>	<b>609,966</b>	<b>(3,222)</b>	<b>-0.5%</b>	<b>658,926</b>	<b>699,805</b>	<b>696,127</b>
6	University and Student Health Fee	55,903	54,080	(1,823)	-3.3%	54,819	55,153	53,354
7	Other Auxiliary Income	83,934	53,197	(30,737)	-36.6%	90,660	76,662	48,588
<b>8</b>	<b>Auxiliary Enterprises</b>	<b>139,837</b>	<b>107,276</b>	<b>(32,560)</b>	<b>-23.3%</b>	<b>145,479</b>	<b>131,815</b>	<b>101,122</b>
9	Sponsored Programs	166,209	176,448	10,239	6.2%	288,429	228,632	242,716
10	FACR	34,977	24,095	(10,882)	-31.1%	32,974	33,911	23,361
11	University Funds	43,103	51,845	8,741	20.3%	53,584	69,168	83,195
12	Student Financial Assistance	74,288	72,161	(2,128)	-2.9%	76,056	85,672	83,218
13	Hospital Services and COVID Relief Funds	24,111	63,531	39,421	163.5%	35,540	46,627	122,863
<b>14</b>	<b>Total Revenue</b>	<b>1,095,713</b>	<b>1,105,321</b>	<b>9,609</b>	<b>0.9%</b>	<b>1,290,988</b>	<b>1,295,629</b>	<b>1,352,602</b>
<b>15</b>	<b>Expenses</b>							
16	Academic Programs E&G	328,702	310,661	(18,041)	-5.5%	381,588	406,981	384,644
17	Support Programs E&G	243,744	238,812	(4,932)	-2.0%	277,338	294,447	288,489
<b>18</b>	<b>Educational and General Programs</b>	<b>572,446</b>	<b>549,473</b>	<b>(22,973)</b>	<b>-4.0%</b>	<b>658,926</b>	<b>701,428</b>	<b>673,279</b>
19	Auxiliary Enterprises	112,698	89,327	(23,371)	-20.7%	145,479	135,192	107,156
20	Sponsored Programs	157,434	165,099	7,665	4.9%	288,429	222,114	232,928
21	FACR	25,417	26,063	646	2.5%	32,974	32,885	33,721
22	University Funds	59,240	47,828	(11,413)	-19.3%	53,584	69,424	56,049
23	Student Financial Assistance	78,751	76,818	(1,934)	-2.5%	76,056	85,870	83,762
24	Hospital Services and COVID Relief Funds	24,610	56,283	31,673	128.7%	35,540	49,001	112,065
<b>25</b>	<b>Total Expenses</b>	<b>1,030,598</b>	<b>1,010,891</b>	<b>(19,707)</b>	<b>-1.9%</b>	<b>1,290,988</b>	<b>1,295,916</b>	<b>1,298,961</b>
<b>26</b>	<b>Net</b>	<b>65,115</b>	<b>94,430</b>	<b>29,316</b>	<b>45.0%</b>	<b>-</b>	<b>(286)</b>	<b>53,641</b>





FY 2021 Financial Report for the  
Nine Months Ending  
March 31, 2021

# VCUHS Balance Sheet

(\$ in thousands)

March 31, 2021

	<u>March 31, 2021</u>	<u>June 30, 2020</u>
<b>ASSETS &amp; DEFERRED OUTFLOWS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 147,236	\$ 602,209
Short-term investments	255,557	1,508
Patient accounts receivable, net	411,655	340,255
Other current assets	222,397	167,834
	<u>\$ 1,036,845</u>	<u>\$ 1,111,806</u>
ASSETS WHOSE USE IS LIMITED & LT INVESTMENTS		
CAPITAL ASSETS	1,913,397	1,621,107
OTHER ASSETS	1,346,784	1,136,815
DEFERRED OUTFLOWS	87,070	81,549
	<u>56,230</u>	<u>58,356</u>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<u>\$ 4,440,326</u>	<u>\$ 4,009,633</u>
<b>LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>		
CURRENT LIABILITIES		
Current portion of long-term debt and capital leases	\$ 11,430	\$ 12,360
Settlements due to Third Parties	145,554	76,244
Trade accounts payable	134,424	111,213
Accrued salaries, wages, and fringe benefits, leave	130,052	136,639
Other current liabilities	226,043	213,607
	<u>\$ 647,503</u>	<u>\$ 550,063</u>
OTHER LIABILITIES		
Long-term debt and capital leases, less current portion	\$ 643,317	\$ 670,183
Other liabilities	150,808	145,327
	<u>\$ 1,441,628</u>	<u>\$ 1,365,573</u>
DEFERRED INFLOWS	\$ 14,435	\$ 14,435
NET POSITION	<u>\$ 2,984,263</u>	<u>\$ 2,629,625</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>	<u>\$ 4,440,326</u>	<u>\$ 4,009,633</u>



**VCUHealth**<sup>TM</sup>

VCU Health System Authority

# VCUHS Consolidated Income Statement

(\$ in thousands)

March 31, 2021 FYTD (9 months)

	<i>Percent</i>	<b>FYTD 2021 Actual</b>	<b>FYTD 2021 Q3 Plan</b>	<b>FYTD 2020 Actual</b>	<i>Variance Percent</i>
<b>Operating Revenues</b>					
Net patient service revenue	1.2%	\$ 1,825,768	\$ 1,804,205	\$ 1,647,807	10.8%
Premiums earned		-		1,543,114	-100.0%
Contract and Other revenue	-6.7%	40,656	43,553	37,277	9.1%
<b>Total Operating Revenues</b>	1.0%	<b>\$ 1,866,424</b>	<b>\$ 1,847,758</b>	<b>\$ 3,228,198</b>	-42.2%
<b>Operating Expenses</b>					
Salaries, Wages and Benefits	0.9%	\$ 1,053,757	\$ 1,063,175	\$ 1,089,693	3.3%
Medical claims expense	-7.6%	6,694	6,219	1,331,210	99.5%
Purchased services	-0.6%	143,410	142,560	127,097	-12.8%
Supplies	-2.9%	239,539	232,851	230,639	-3.9%
Drugs	-7.3%	167,094	155,766	148,076	-12.8%
Other expenses	-2.7%	138,754	135,078	128,437	-8.0%
	-0.8%	<b>\$ 1,749,248</b>	<b>\$ 1,735,649</b>	<b>\$ 3,055,152</b>	42.7%
<b>Operating EBIDA</b>					
	4.5%	<b>\$ 117,176</b>	<b>\$ 112,109</b>	<b>\$ 173,046</b>	-32.3%
<i>EBIDA (%)</i>		6.3%	6.1%	5.4%	
Interest, Taxes, Depreciation and Amortization	2.6%	\$ 85,309	\$ 87,616	\$ 95,590	10.8%
Total Operating Expenses	-0.6%	1,834,557	1,823,265	3,150,742	41.8%
<b>Total Operating Excess/(Loss)</b>		<b>\$ 31,867</b>	<b>\$ 24,493</b>	<b>\$ 77,456</b>	
<i>Operating Margin (%)</i>		1.7%	1.3%	2.4%	
<b>Nonoperating revenues and expenses:</b>					
Investment income	19.9%	\$ 304,872	\$ 254,280	\$ (136,784)	-322.9%
Other non-operating income(expense)	-102.0%	(339)	16,965	(2,750)	87.7%
Donations and gifts		26,985	9,726	(1,466)	
		<b>\$ 331,518</b>	<b>\$ 280,970</b>	<b>\$ (141,000)</b>	
<b>Excess of rev. over exp. before transfers</b>					
		<b>\$ 363,385</b>	<b>\$ 305,463</b>	<b>\$ (63,544)</b>	
<i>Total Margin (%)</i>		16.5%	14.3%	-2.1%	



**VCUHealth**<sup>TM</sup>

VCU Health System Authority

### Key Performance Indicators (YTD as of 03/2021)

#### Debt Service Coverage Ratio

**7.5** ▲  
As of 03/2021

4.2  
FY21 Target

#### Expenses per Day

**\$6,384** ▼  
As of 03/2021

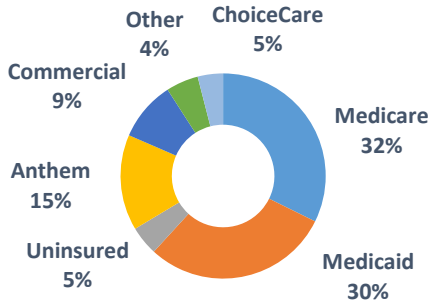
\$6,697  
FY21 Target

#### Return on Assets

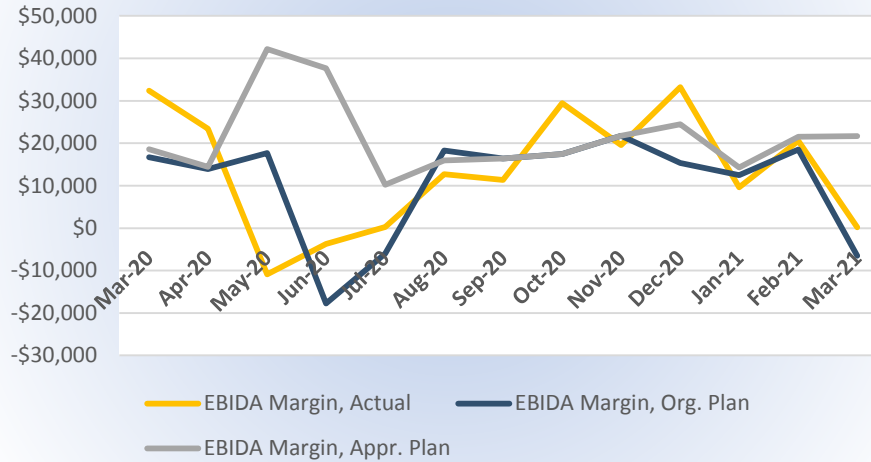
**10.8%** ▲  
As of 03/2021

5.4%  
FY21 Target

#### SYSTEM PAYER MIX



#### VCU Health System EBIDA Margin, by Month



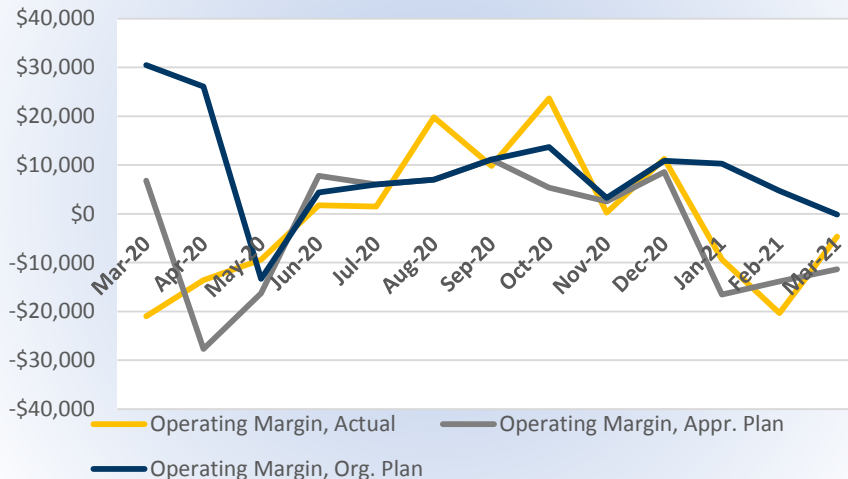
#### Operating Margin

**1.7%** ▲  
FY21 Target 2.5%

#### EBIDTA Margin

**6.3%** ▲  
FY21 Target 8.5%

#### VCU Health System Operating Margin, by Month



#### Days' Cash on Hand

**357.9** ▲  
FY21 Target: 190

Small arrows indicates desired trend

# Treasurer's Report

## As of March 31, 2021

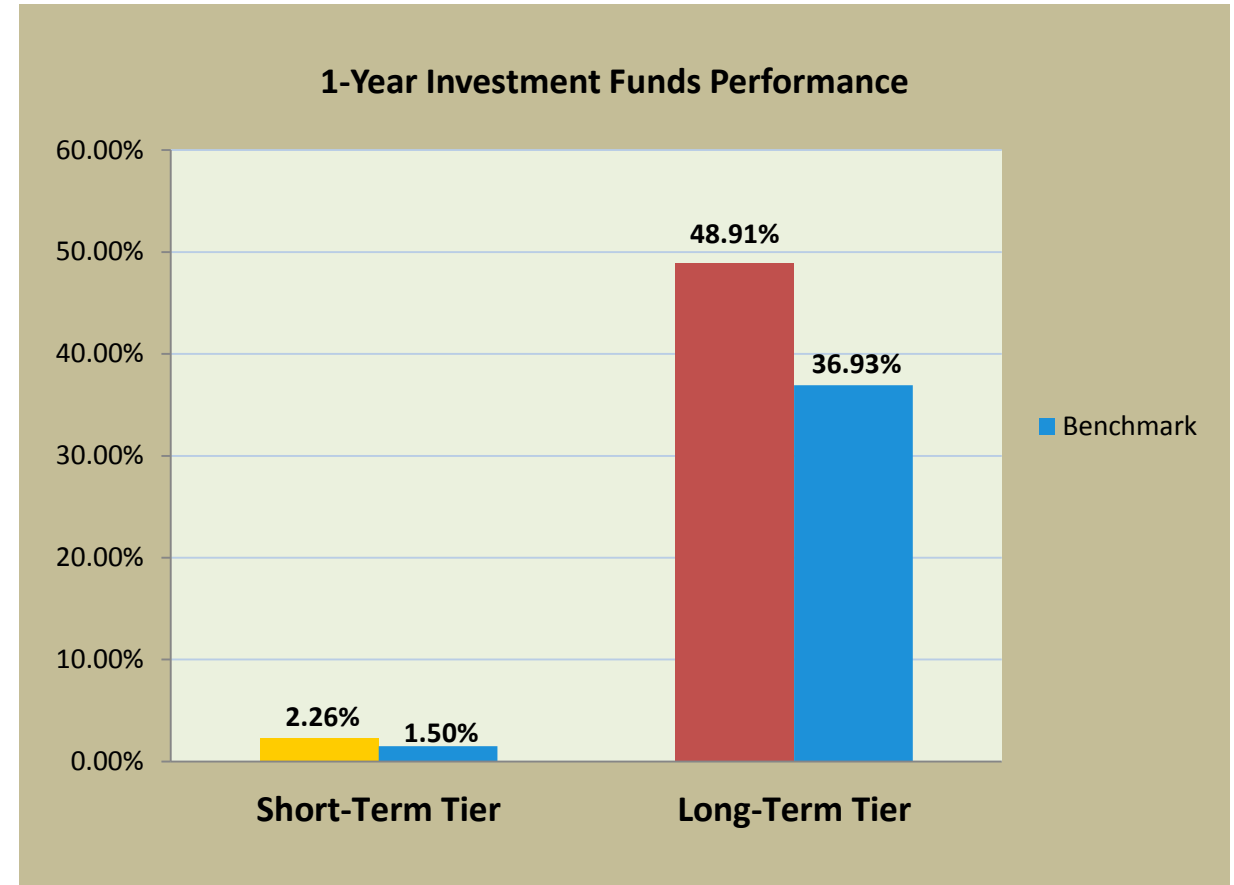
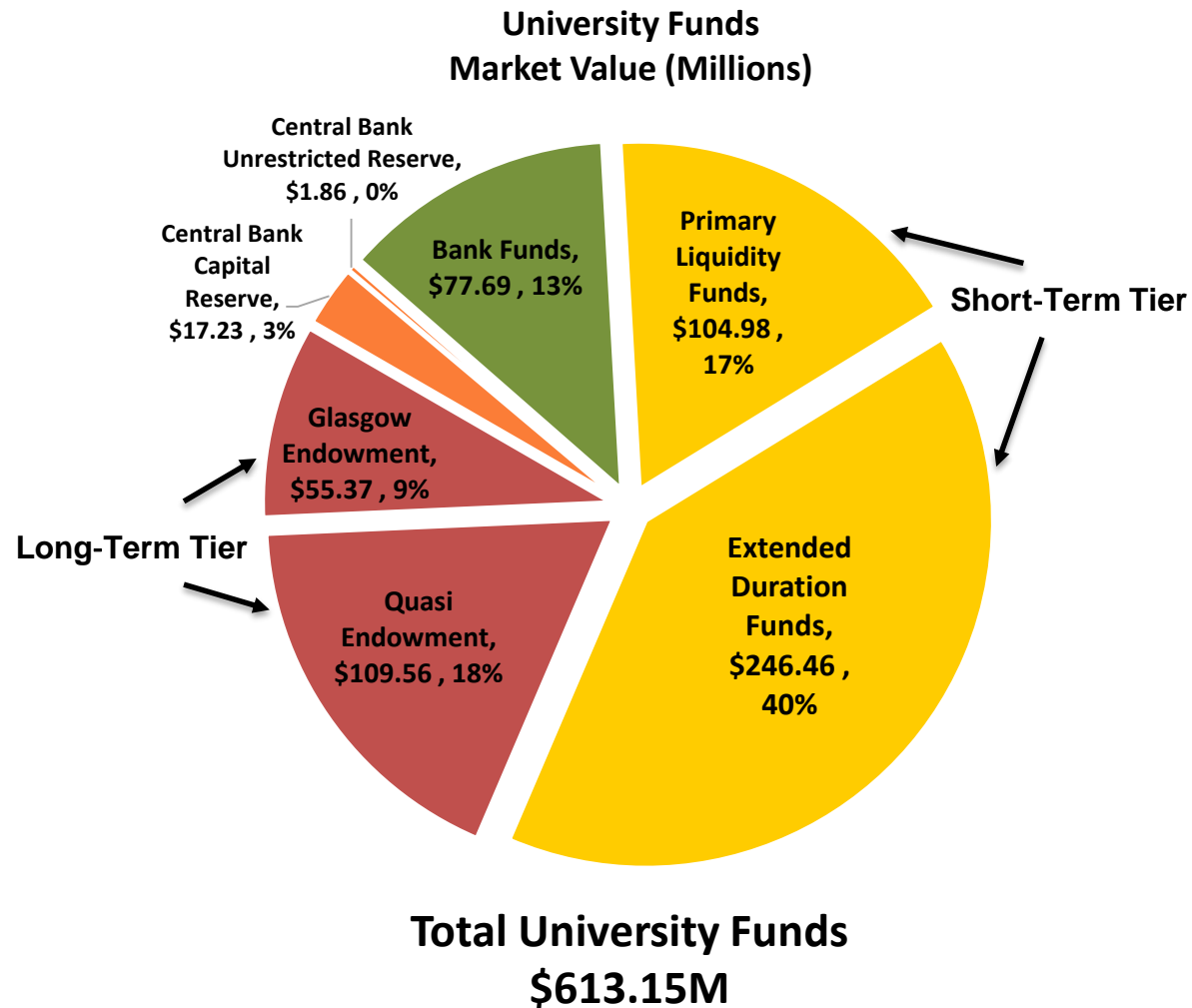
Finance, Budget and Investment Committee

Karol Kain Gray

May 14, 2021



# Total University Funds Overview for the Period Ending March 31, 2021



## Short-Term Tier Performance Summary as of March 31, 2021

### Performance Summary (Net of Fees)

	Market Value	Current Allocation	1 Month	QTD	1 Year	Annualized		
						3 Years	5 Years	Since 7/2009
<b>Primary Liquidity Funds / Payden &amp; Rygel</b>	<b>\$ 104,978,838</b>	<b>29.9%</b>	<b>0.00%</b>	<b>-0.03%</b>	<b>0.49%</b>	<b>1.60%</b>	<b>1.28%</b>	<b>0.63%</b>
<i>iMoneyNet MM All Taxable</i>			<i>0.00%</i>	<i>0.00%</i>	<i>0.09%</i>	<i>1.15%</i>	<i>0.90%</i>	<i>0.39%</i>
<b>Extended Duration Funds / Merganser</b>	<b>\$ 246,459,663</b>	<b>70.1%</b>	<b>-0.10%</b>	<b>-0.28%</b>	<b>2.46%</b>	<b>3.12%</b>	<b>2.12%</b>	<b>1.77%</b>
<i>BofA ML US Corp &amp; Govt 1-3 Year Blended<sup>1</sup></i>			<i>0.00%</i>	<i>-0.03%</i>	<i>1.69%</i>	<i>3.06%</i>	<i>2.02%</i>	<i>4.08%</i>
<b>Total Operating Funds</b>	<b>\$ 351,438,500</b>	<b>100.0%</b>	<b>-0.07%</b>	<b>-0.18%</b>	<b>2.26%</b>	<b>2.89%</b>	<b>1.96%</b>	<b>1.42%</b>
<i>Short-Term Tier Composite<sup>2</sup></i>			<i>0.00%</i>	<i>-0.01%</i>	<i>1.50%</i>	<i>2.70%</i>	<i>1.75%</i>	<i>1.65%</i>

<sup>1</sup> BofA ML US Corp & Gov 1-3 Year Blended Index = Citi 6-Month T-Bill 7/31/2009 to 2/28/2010; BofA ML US Corp & Govt 1-3 Year AAA-A 3/31/2010 to 4/30/2016; BofA ML Treasury 1-5 Year 5/31/2016 to 3/31/2017, BofA ML US Corp & Govt 1-3 year 4/30/2017 to present

<sup>2</sup> Short-Term Tier Composite = Weighted Average of iMoneyNet MM All Taxable/BofA ML US Corp & Gov 1-3 Year Blended Index

## Long-Term Tier Performance Summary Estimated as of March 31, 2021

	% Allocation	Since Inception						
		4/30/2016	3 Years	1 Year	CYTD	FYTD	3 Mos	Month
<b>VCIMCO Funds</b>	<b>100.0%</b>	<b>8.72%</b>	<b>9.81%</b>	<b>49.38%</b>	<b>3.38%</b>	<b>24.86%</b>	<b>3.38%</b>	<b>0.63%</b>
<i>Long-Term Policy Benchmark <sup>1</sup></i>		<i>9.99%</i>	<i>9.85%</i>	<i>36.93%</i>	<i>2.70%</i>	<i>19.91%</i>	<i>2.70%</i>	<i>1.84%</i>
<b>Equity</b>	<b>65.6%</b>	<b>12.67%</b>	<b>12.52%</b>	<b>64.48%</b>	<b>3.42%</b>	<b>33.17%</b>	<b>3.42%</b>	<b>0.50%</b>
<i>MSCI All Country World</i>		<i>13.10%</i>	<i>12.06%</i>	<i>54.60%</i>	<i>4.57%</i>	<i>29.68%</i>	<i>4.57%</i>	<i>2.67%</i>
<b>Credit and Absolute Return</b>	<b>20.0%</b>	<b>4.81%</b>	<b>6.20%</b>	<b>26.59%</b>	<b>6.06%</b>	<b>14.97%</b>	<b>6.06%</b>	<b>1.21%</b>
<i>Barclays US Corporate High Yield</i>		<i>6.80%</i>	<i>6.84%</i>	<i>23.72%</i>	<i>0.85%</i>	<i>12.29%</i>	<i>0.85%</i>	<i>0.15%</i>
<b>Real Assets</b>	<b>4.5%</b>	<b>-3.19%</b>	<b>-1.66%</b>	<b>34.59%</b>	<b>-0.02%</b>	<b>8.37%</b>	<b>-0.02%</b>	<b>1.65%</b>
<i>MSCI All Country World Real Estate</i>		<i>5.46%</i>	<i>5.38%</i>	<i>30.10%</i>	<i>6.02%</i>	<i>17.18%</i>	<i>6.02%</i>	<i>4.19%</i>
<b>Treasuries</b>	<b>0.9%</b>	<b>1.15%</b>	<b>2.47%</b>	<b>0.21%</b>	<b>3.11%</b>	<b>0.00%</b>	<b>3.11%</b>	<b>0.30%</b>
<i>Barclays US Treasury</i>		<i>2.11%</i>	<i>3.76%</i>	<i>-1.27%</i>	<i>-1.76%</i>	<i>-1.79%</i>	<i>-1.76%</i>	<i>-0.69%</i>
<b>Cash and Equivalents</b>	<b>9.0%</b>							
<b>VCU Long-Term Tier</b>		<b>8.55%</b>	<b>9.73%</b>	<b>48.91%</b>	<b>3.38%</b>	<b>24.65%</b>	<b>3.38%</b>	<b>0.63%</b>

Total VCU Long-Term Tier includes residual investments held by JP Morgan.

JP Morgan valuations are based on manager reporting. Totals may not sum due to rounding. Past performance is not predictive of future results.

Returns for periods greater than one year are annualized. Performance is estimated based on best available data as of April 7, 2021.

Performance includes reporting by 28 of 34 Ram Private Assets Fund, LP underlying investments representing 87.5% of Ram Private Assets Fund net asset value as of December 31, 2020.

Since inception return is indicative of VCIMCO's inception (April 30, 2016) unless otherwise indicated.

<sup>1</sup> 65% MSCI All Country World, 25% Barclays US Aggregate, 10% MSCI All Country World Real Estate.



# Strategic Asset Allocation Risk Control Targets and Ranges

March 31,2021

## VCU Long-Term Tier

Asset Class	%	Target	Min	Max	In Compliance
Equity	66.8%	65.0%	40.0%	70.0%	Yes
Real Assets	4.5%	5.0%	0.0%	20.0%	Yes
Credit	10.1%	10.0%	5.0%	45.0%	Yes
Sovereign	0.8%	5.0%	0.0%	25.0%	Yes
Cash/Residual	17.8%	15.0%	0.0%	25.0%	Yes
<b>Total VCIMCO Market Value</b>	<b>100.0%</b>	<b>100.0%</b>			

Currency Region	Exposure	Range	In Compliance
Americas	65.8%	50.0% - 100.0%	Yes
EMEA	16.7%	0.0% - 30.0%	Yes
Asia	22.1%	0.0% - 30.0%	Yes
Rest of World	4.0%	0.0% - 20.0%	Yes
<b>Gross Total</b>	<b>108.6%</b>		
<i>Implied Leverage</i>	<i>-8.6%</i>		
<b>Net Total</b>	<b>100.0%</b>		

Geographical Region	Exposure	Range	In Compliance
Americas	47.2%	25.0% - 75.0%	Yes
EMEA	15.7%	0.0% - 50.0%	Yes
Asia	15.4%	0.0% - 40.0%	Yes
Rest of World	3.9%	0.0% - 20.0%	Yes
<b>Net Total</b>	<b>82.2%</b>		

Note: As of 03/31/2021. Totals may not sum due to rounding.

# Reserve for Monitoring Report as of 5/7/2021 #1

# Reserve for Monitoring Report as of 5/7/2021 #2

**May 2021 Summary of Major Capital Projects**

Project	Funding		Final Completion	Comments
	Amount	Source		
<b>Completed Projects:</b>				
Engineering Research Expansion	\$41,341,000 \$49,000,000 \$10,300,000 \$100,641,000 Total	State-Supported Debt University-Supported Debt State-Supported Debt Total	Spring 2021	The Virginia Department of General Services, Division of Engineering and Buildings approved the Certificate of Occupancy in November 2020. The facility is open and occupied. Punch list work continues. Forecasts indicate project completion will be within budget.
<b>Construction Underway:</b>				
D Parking Deck Restoration	\$8,000,000 \$4,500,000 \$12,500,000 Total	University-Supported Debt Auxiliary Enterprise Total	June 2021	Structural repairs complete. Restriping the deck is underway. Anticipated completion is June 2021.
Trani Life Sciences Roof & HVAC Replacement	\$7,114,000 \$7,114,000 Total	State-Supported Debt Total	June 2021	Delays from a fire event have pushed substantial completion of the mechanical systems to May with re-roofing to be complete in early June. The laboratories are reopened.
Rice Center Research Facility	\$5,500,000 \$1,100,000 \$1,000,000 \$7,600,000 Total	Private Funds Life Sciences Funds Internal Loan Total	Summer 2021	Construction continues with minimal delays.
STEM Teaching Laboratory Building	\$113,505,000 \$10,967,000 \$124,472,000 Total	State-Supported Debt General Fund Total	Winter 2022	Steel work will be complete in May.
Sanger 9 Surgery Innovation Suite	\$6,187,800 \$6,187,800 Total	School of Medicine Funds Total	Jun 2021	Project delayed due to equipment changes and unforeseen floor conditions.
<b>On Schedule</b>				
	<b>Delay</b>		<b>Significant Delay</b>	

## **RESOLUTION OF CERTIFICATION**

The Chair of the Finance, Budget, and Investment Committee of the Board of Visitors of Virginia Commonwealth University will entertain a motion of certification that Virginia Commonwealth University hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session meeting were heard, discussed or considered by the Finance, Budget and Investment Committee of the Board of Visitors of Virginia Commonwealth University.