



**VIRGINIA COMMONWEALTH
BOARD OF VISITORS
STRATEGIC TASK FORCE**

11:30 AM – 1:00 PM¹

**February 17, 2023
Scott House
909 West Franklin St.
Richmond, VA**

AGENDA

1. CALL TO ORDER & WELCOME

2 minutes (11:30 a.m. – 11:32 a.m.)

Mr. Keith Parker, *Chair*

2. ACTION ITEMS

3 minutes (11:32 a.m. – 11:35 a.m.)

Mr. Keith Parker, *Chair*

- a. November 2022 STF meeting minutes

**3. STRATEGIC TASK FORCE &
BOARD OF VISITORS PRIORITIES**

Mr. Keith Parker, *Chair*

- a. Updates:

- i. Legislative initiatives

15 minutes (11:35 a.m. – 11:50 a.m.)

Mr. Matthew Conrad, *Vice President for Government and External Relations for VCU and VCU Health System*

- ii. Budget

20 minutes (11:50 a.m. – 12:10 p.m.)

Ms. Karol Kain Gray, *Senior Vice President and CFO*

- iii. VCU & Foundations

15 minutes (12:10 p.m. – 12:25 p.m.)

Ms. Karol Kain Gray, *Senior Vice President and CFO*

Mr. Jay Davenport, *Vice President for Development and Alumni Relations*

¹ 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.

- iv. Student Success
20 minutes (12:25 p.m. – 12:45 p.m.)

Dr. Fotis Sotiropoulos, *Provost & Senior Vice President for Academic Affairs*

Dr. Tomikia LeGrande, *Vice President for Strategy, Enrollment Management and Student Success*

4. **FOLLOW UP DISCUSSION**

15 minutes (12:45 p.m. – 1:00 p.m.)

Mr. Keith Parker, *Chair*

5. **ADJOURNMENT**

Mr. Keith Parker, *Chair*



BOV Strategic Task Force

KAROL KAIN GRAY

Senior Vice President & CFO

February 17, 2023

2023 Deferral and No Funding Decisions

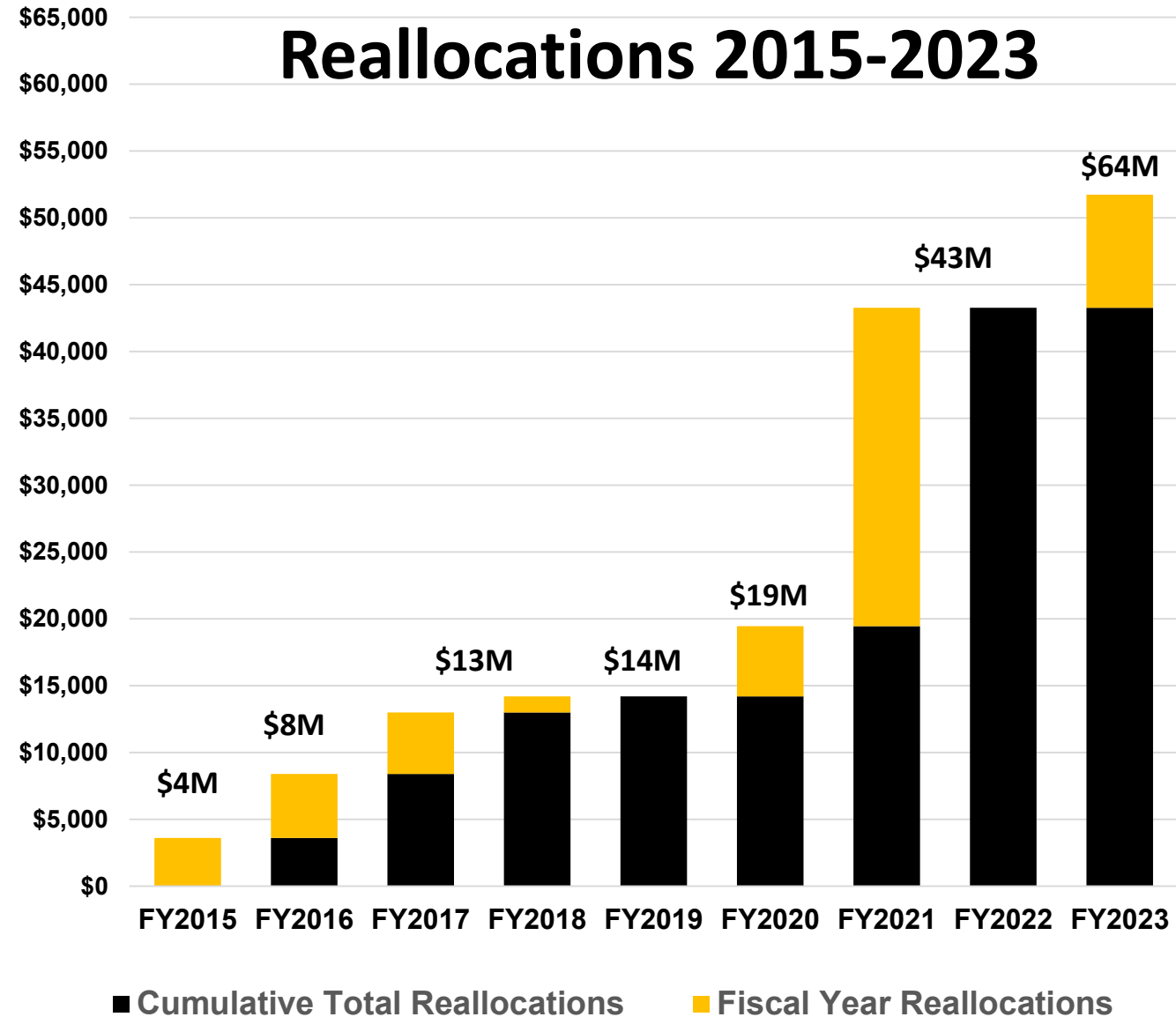
Impacting student and faculty success

- Deferred market salary adjustment for university advisors
- Deferred investment in faculty recruitment and retention; Continued salary inequities for tenure and non-tenured faculty
- Deferred funding for a second year for library acquisitions
- Deferring funds to enhance online program growth
- Deferring funds to for strategic cluster hires

Impacting campus operations, health and safety

- Permanent funding shortfall for utility rate increases of \$2.3 million (used one-time savings for FY23 only)
- Permanent funding shortfall of \$.750M for Compliance

Reallocations 2015-2023



Examples of Efficiencies & Cost Savings

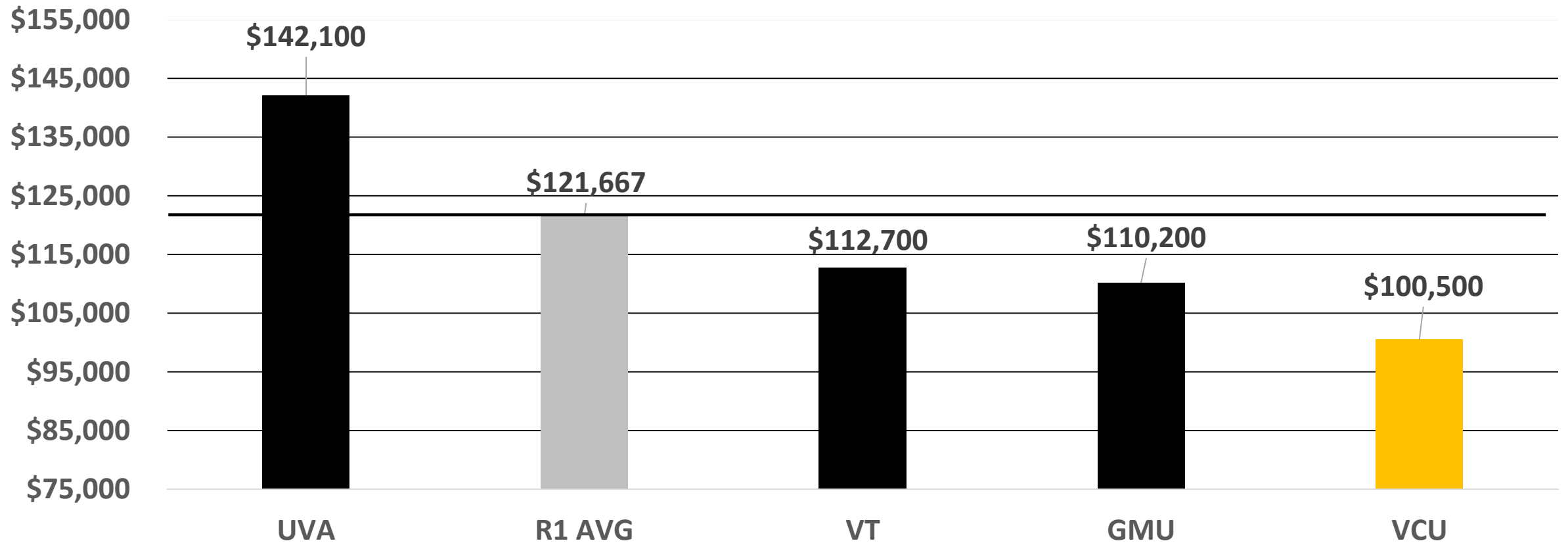
- **Focus on staff workload**, efficiencies, and services to students (Reallocation/Freezing of 62 FTE's)
- **Restructuring** of international student programs \$1.6M cumulative savings
- Efforts to find **efficiencies to streamline processes** (executive search and technology implementation)
- **Strategic procurement** (Approximately \$32M over the next 5 years), improved sourcing and contracting, early payment discounts and electronic payments, and VCU's share of savings negotiated by the VHEPC

Examples of Efficiencies & Cost Savings *continued*

- **Energy Conservation Contract with guaranteed savings of \$1M each year (\$17.9M in total)** with updates to existing buildings to reduce energy consumption
- **Reduction of space and leases \$150k** (Cumulative FY22 & FY23)
- Reimagined Faculty & Staff development opportunities limiting travel; **Travel Spending savings** of \$20M since 2019
- **Participation in VIVA** (library journal subscription costs) saves \$2.7M annually
- **Centralization** of material purchases facilities saves \$150k annually

Average Faculty Salaries at VA R-1 Institutions

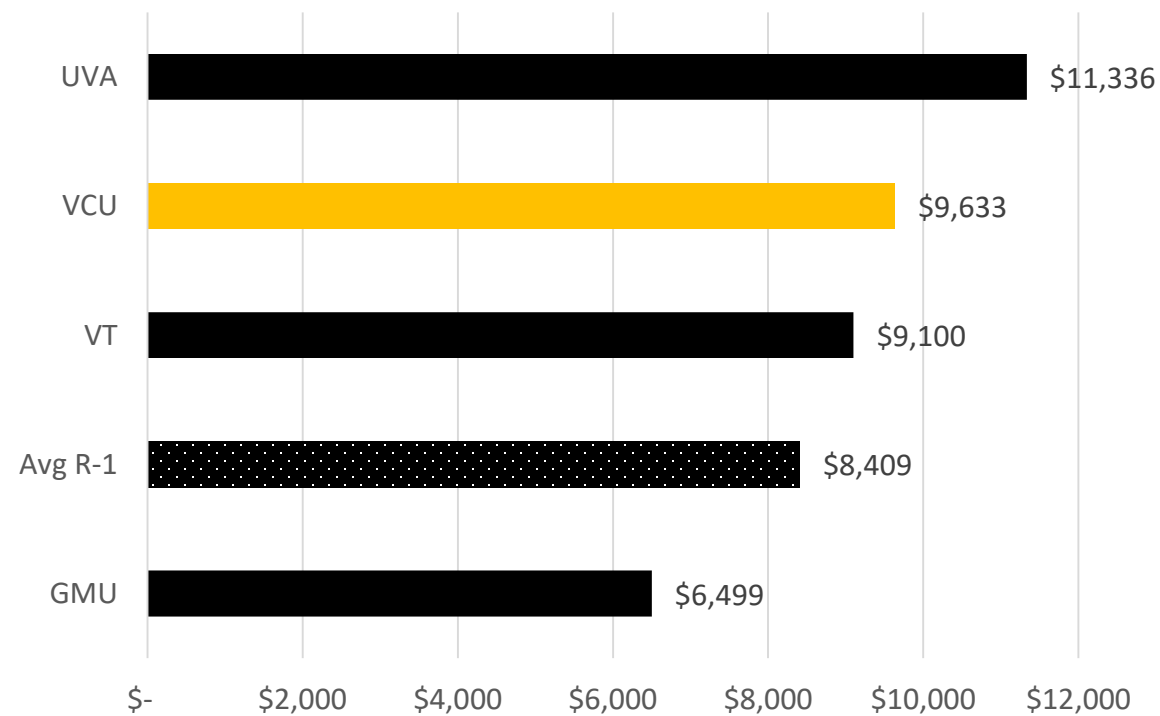
Based on 2022 AAUP data all ranks



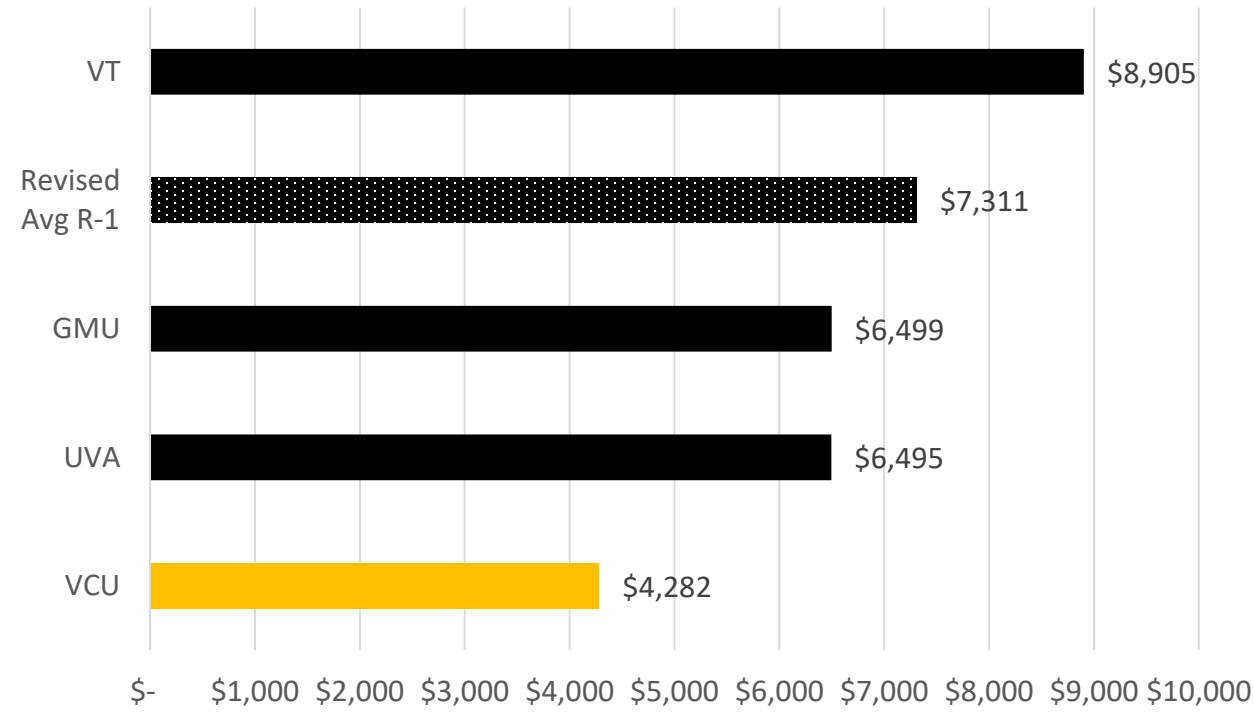
To reach average tenure and tenure-track faculty levels requires an additional total cost of \$40M

Structural Equity Adjustment

2022 State Funding by Fall 21 In-State FTE

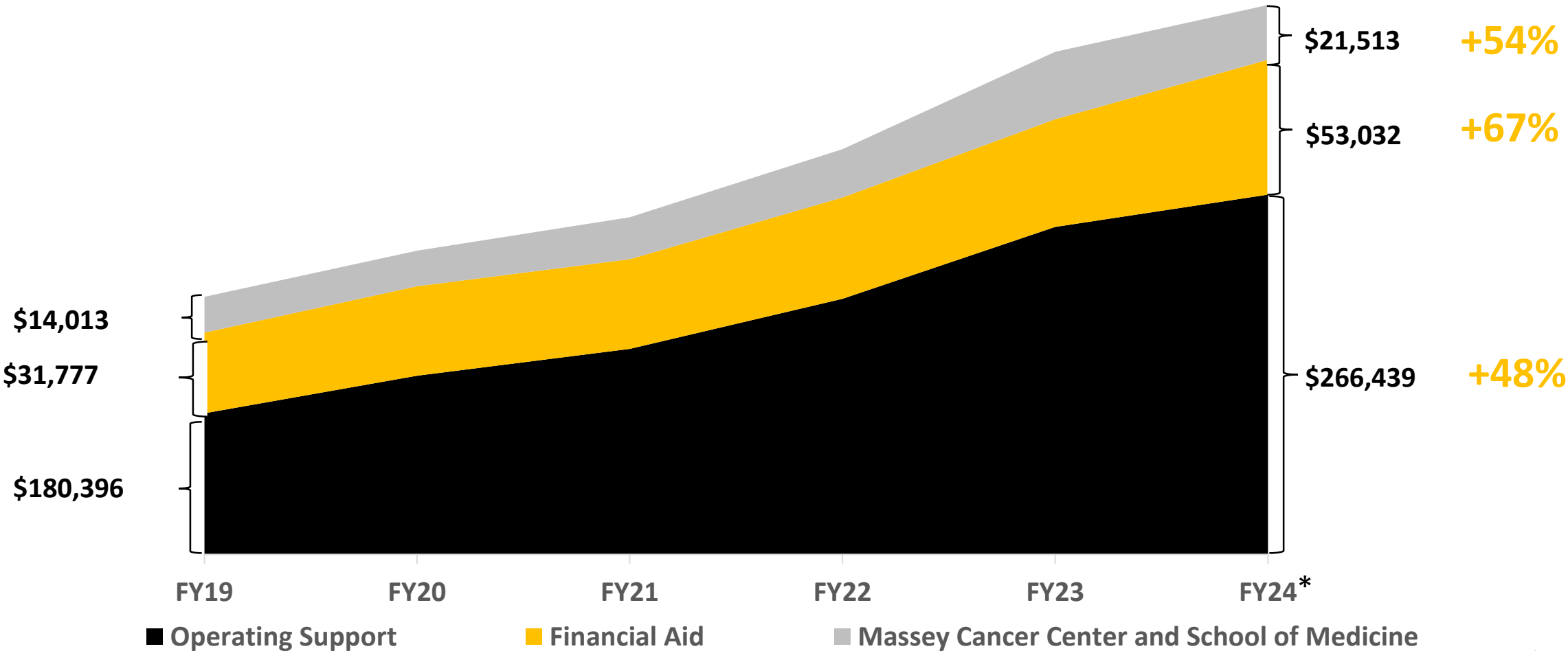


2022 State Funding by Fall 21 In-State FTE adjusted for Vet Med, Medical, Pharmacy, Dentistry State Funding



- The revised right hand table presents adjusted state budgets for schools of Veterinary Medicine, Medicine, Pharmacy, and Dentistry. Law Schools are excluded as they are often expected to be self supported
- VT funding has been adjusted for their Vet program along with an assumed 40% overhead for that program.
- Other first professional programs as defined by SCHEV are not included including, Chiropractic, osteopathic medicine (VT's program is a 501c3), rabbinical and Talmudic studies, podiatry, divinity/ministry. Currently, not other R-1 Universities have these programs.

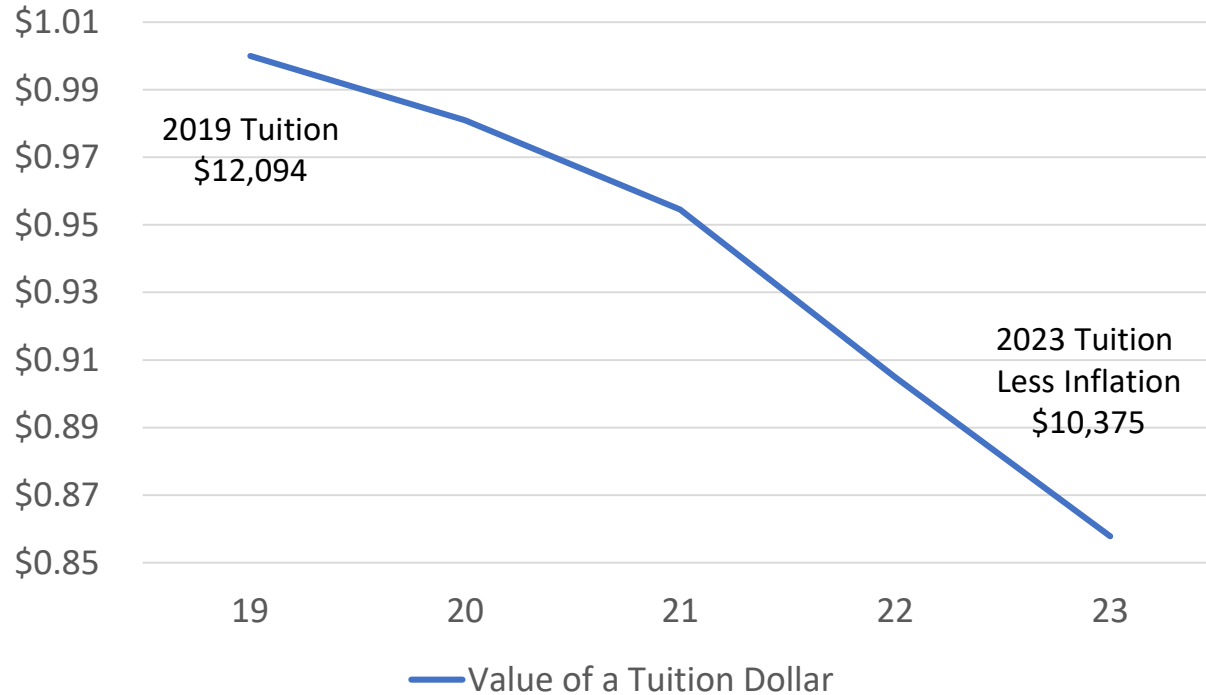
Growth in State Support *in thousands*



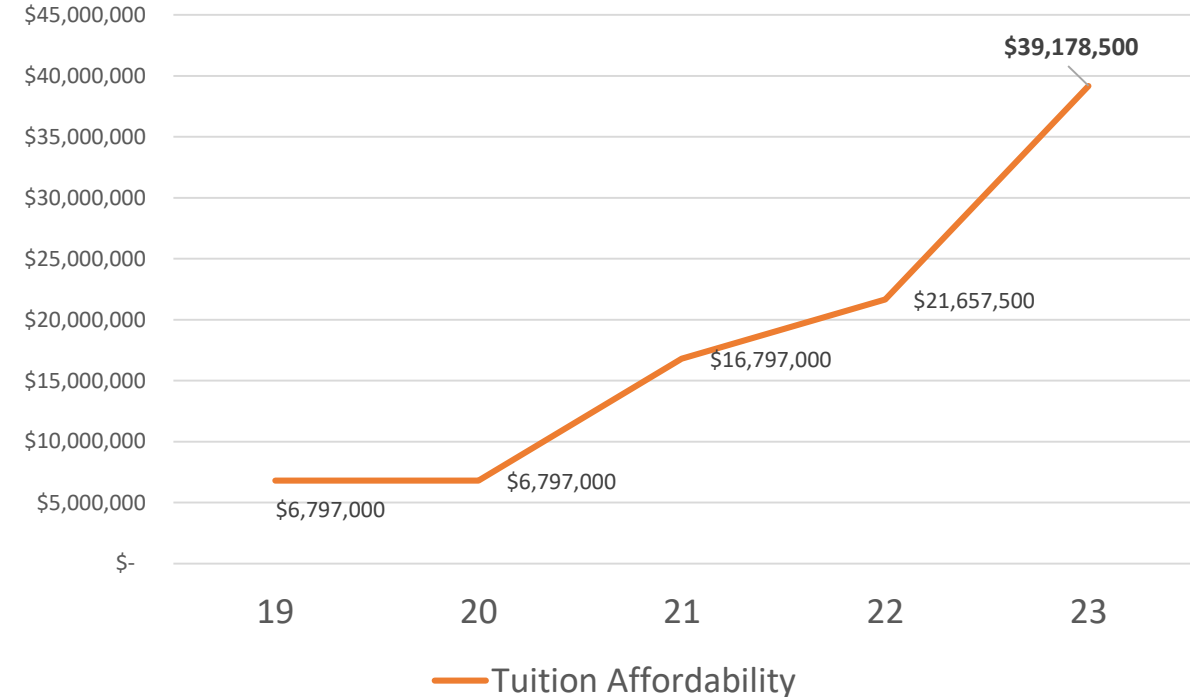
*Estimated

Impact of HEPI Inflation on Tuition with New State Funds

Impacts of Inflation on Tuition



Growth in State Tuition Affordability Funds



Inflation loss of \$55.2M in tuition spending power

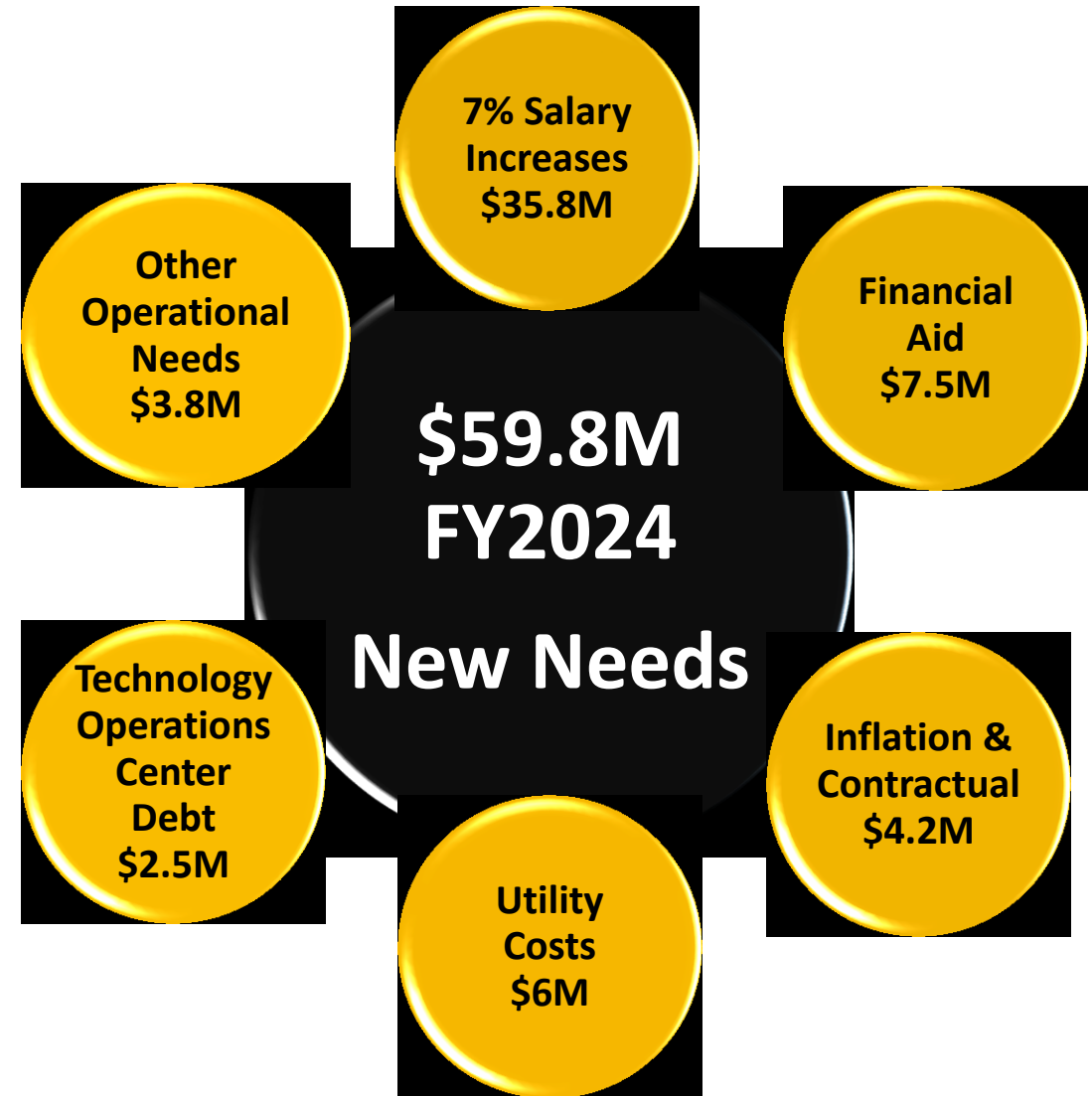
Gain of \$39M in Tuition Moderation State Funding

Loss of \$16M in tuition spending power
with an increase in state funds

FY2024 Budget

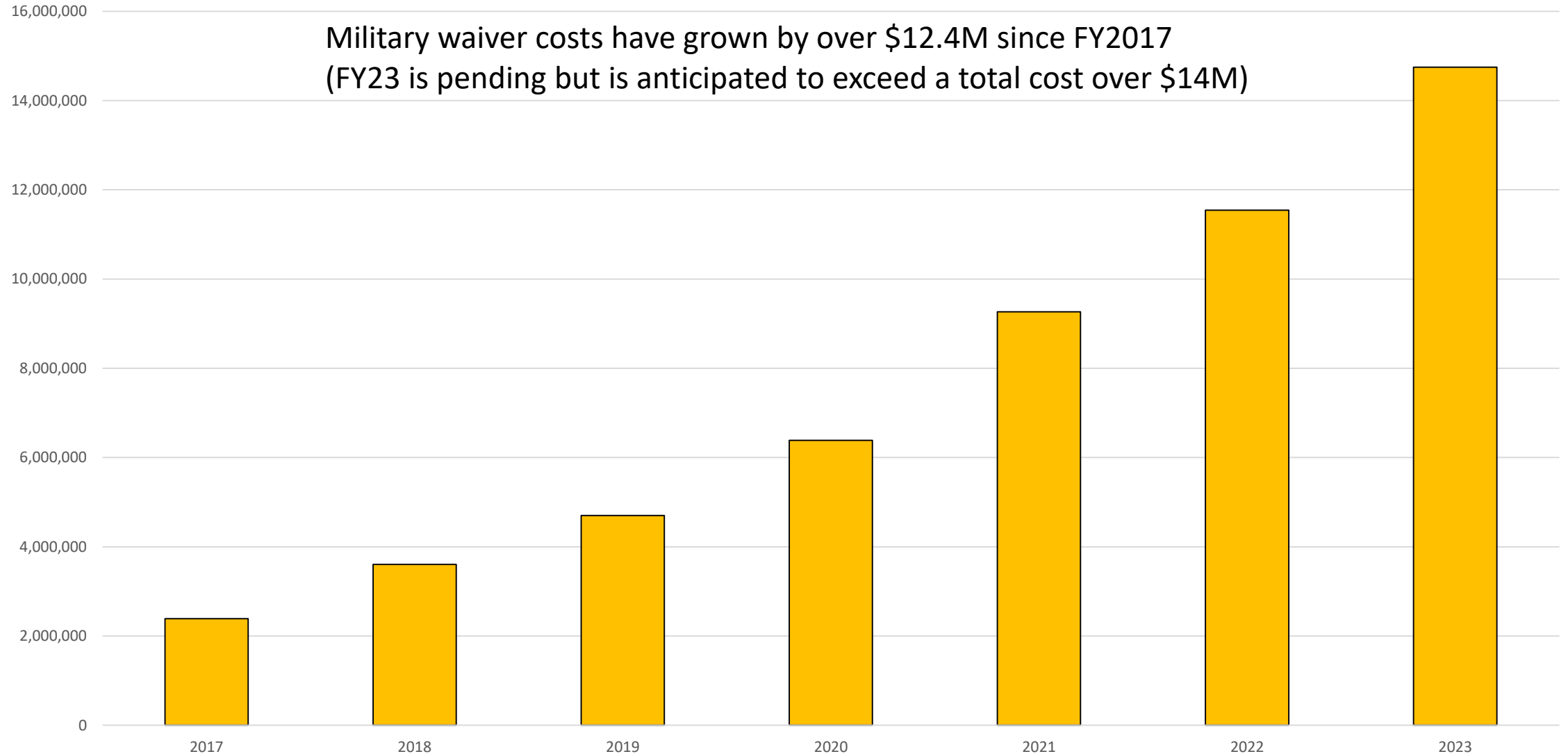
New Critical Needs & Inflationary Costs

- 7% Salary increases total cost \$35.8M
- Financial Aid \$7.5M (In addition to state aid)
- Inflation & Contractual \$4.2M
- Utility Costs \$6M
- Technology Operations Center & Other Debt \$2.5M
- Other Operational Needs \$3.8M



Growth in Military Waivers

VCU cost share



FY2024 E&G Budget Overview

VCU FY 2024 State Budget Scenarios With Governors Introduced Budget

	Gov State Scenario 0% Tuition Inc.	House State Scenario 0% Tuition Inc.	Senate State Scenario 0% Tuition Inc.	House State Scenario & 1% Tuition Inc.	Senate State Scenario & 1% Tuition Inc.	Senate State Scenario & 3% Tuition Inc.
FY24 Projected Revenue						
Tuition & Enrollment	\$ 2,028	\$ 2,028	\$ 2,028	\$ 5,577	\$ 5,577	\$ 12,675
New State Operational Support	-	10,634	20,450	10,634	20,450	20,450
7% Salary Increase (49%)	12,469	17,457	17,457	17,457	17,457	17,457
Total Revenue Growth	14,497	30,119	39,935	33,668	43,484	50,582
FY24 Projected Needs						
7% Salary Increases	\$ (25,610)	\$ (35,854)	\$ (35,854)	\$ (35,854)	\$ (35,854)	\$ (35,854)
Strategic Investments & Inflationary Costs	(25,509)	(24,033)	(24,033)	(24,033)	(24,033)	(24,033)
Deferred Non-Contractual Needs	3,645	3,645	3,645	3,645	3,645	3,645
New Expense Needs (W/ 5% Salary)	(47,474)	(56,242)	(56,242)	(56,242)	(56,242)	(56,242)
University Reallocations	(32,977)	(26,123)	(16,307)	(22,574)	(12,758)	(5,660)
Reallocations Needed To Balance	-5.42%	-4.29%	-2.68%	-3.71%	-2.10%	-0.93%

Pre-Conference Scenarios

FY2024 Budget

Currently Unfunded Needs for Student Services & Innovation:

- Recruit and retain counseling staff and eliminate salary inequity in University Counseling Services as demand rises nationally (\$1.6M)
- Sustain new online mental health services and replace HEERF monies funding the 2023 launch (\$480k)
- Expand online education and curricular innovation to enhance student recruitment, geographic reach and student retention (\$6M)
- Enhance student success, research growth and rankings with added tenure-eligible high impact faculty positions (cluster hiring model (\$6M))
- Non-utility inflationary growth for operations

Cost Saving Measures for FY23 and Beyond

Actions that are being taken now to address budget shortfalls:

- Faculty and Staff Hiring Freeze
- Suspension of Discretionary Spending
- Suspension of Catering/Food Services
- Elimination of Non-business Essential Office Supplies
- Limitation of Non-Business Essential Travel

VCU Fundraising Foundations



MCV Foundation



School of Business Foundation



VCU Foundation



College of Engineering Foundation

Other VCU Foundations



Intellectual Properties Foundation



Real Estate Foundation

Foundation Governance

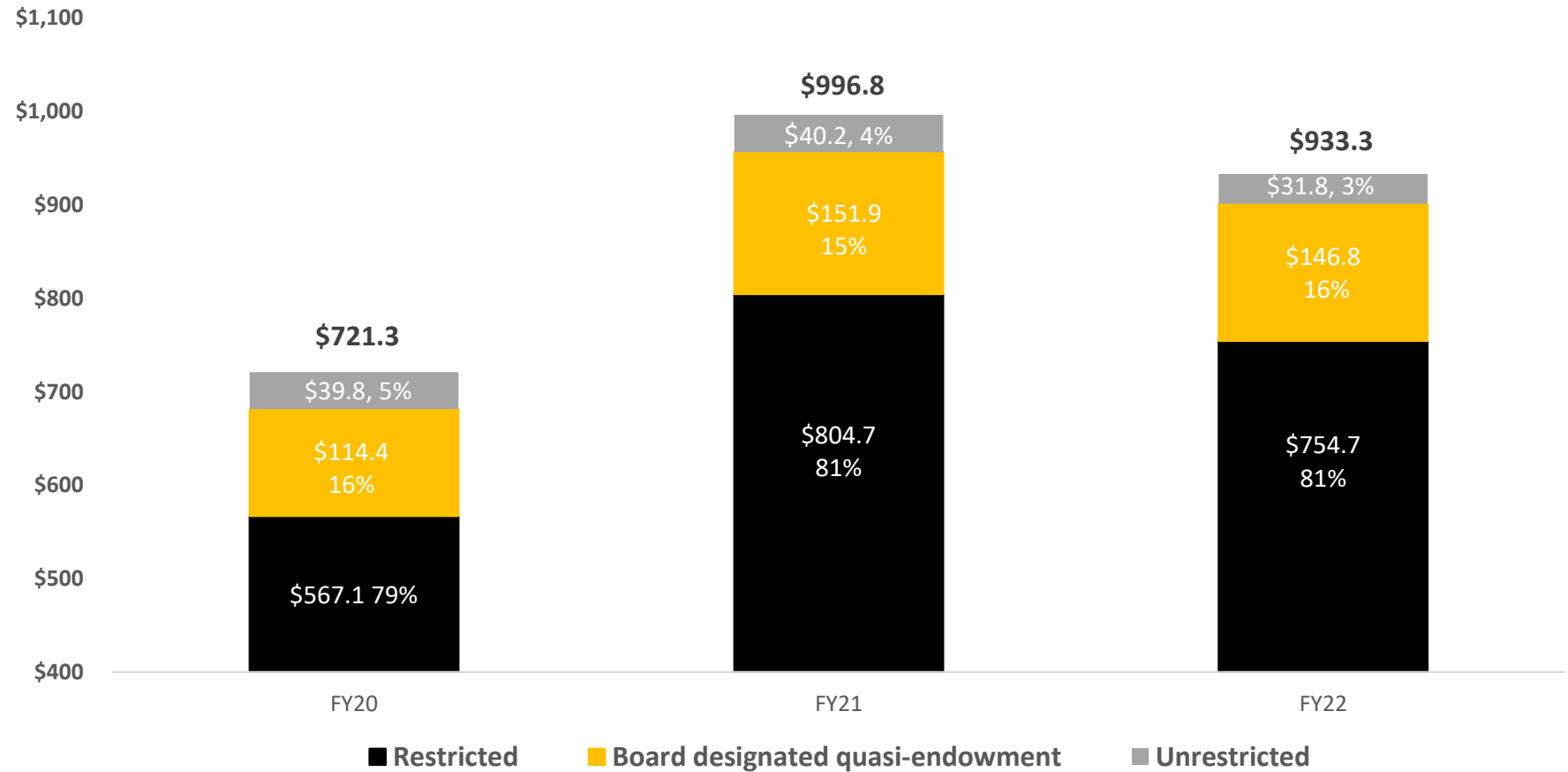
- The foundations are separate 501 (C) (3) organizations with their own boards
- Annual financial statement audit is performed by an independent auditor for all organizations
- Foundations exist solely to benefit the university
- The President or his designee is a member of the foundation board; One member of the VCU Board is also a member of the foundation board
- MOU governs relationship with the foundations; signed by both parties; renewed every three-five years
- Foundations are reported as component units of the university on the financial statements; 990 filings are also reviewed by the university
- SVP/CFO provides the Board with an annual high level review of financial results of foundations

Foundation Board Appointments

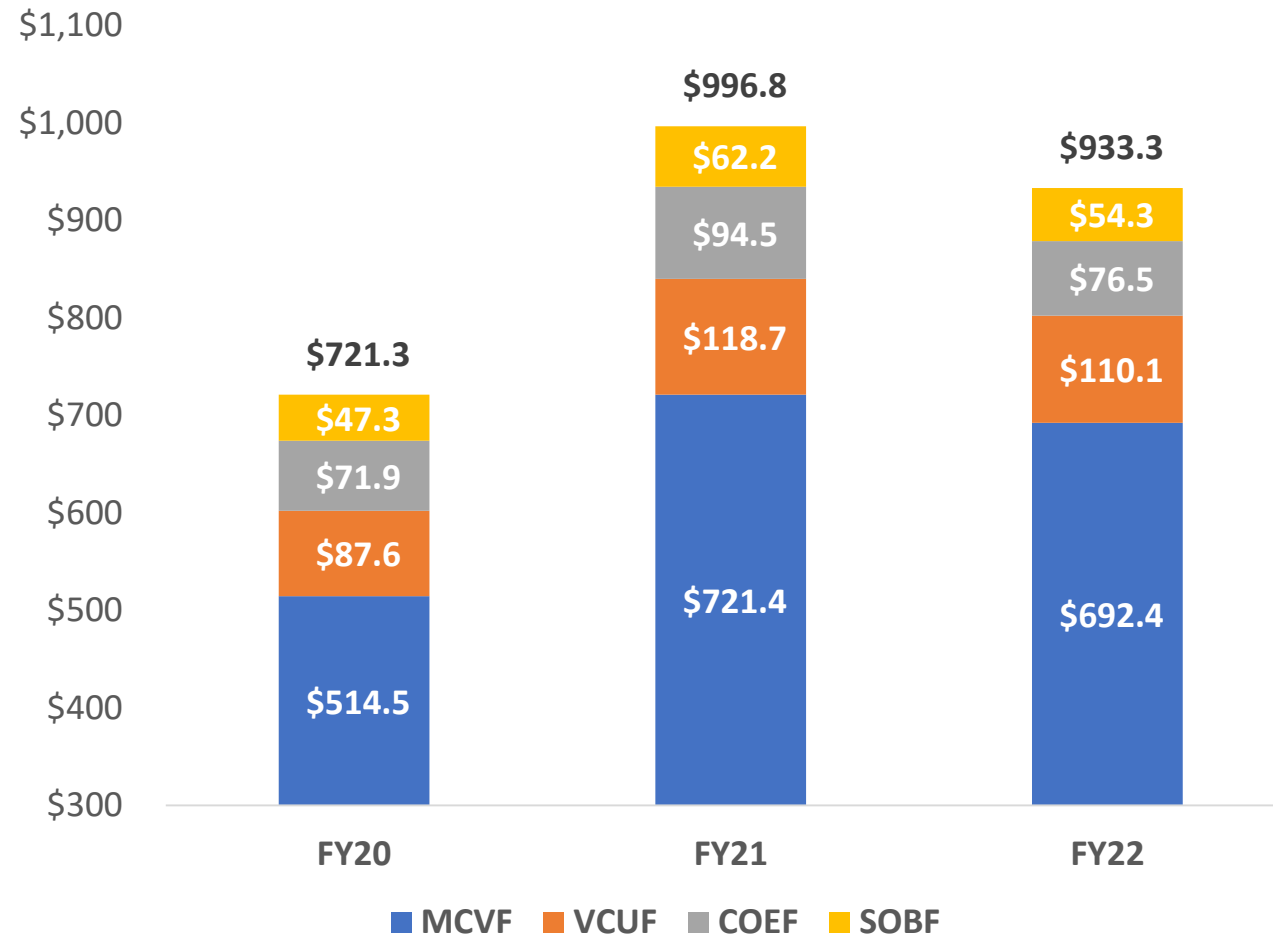
Representative from VCU BOV:

- MCVF – **Peter Farrell**
- VCUF – **Tonya Paris-Wilkins**
- VCUCOEF – **Ben Dendy**
- VCUSOBF – **Ed McCoy**
- VCU Intellectual Properties – **Dale Jones**
- VCUREF - **Shantaram Talegaonkar**

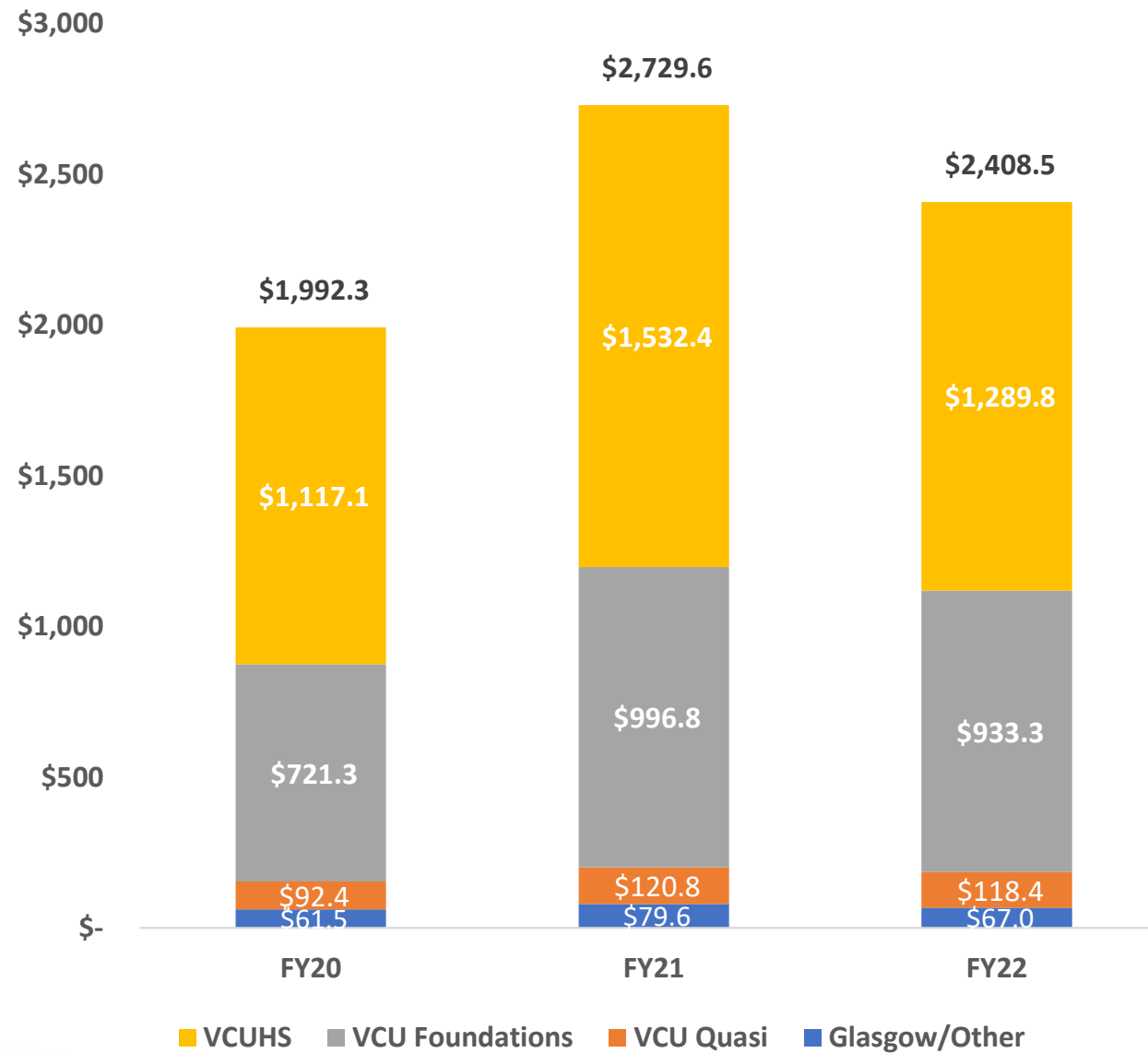
Foundation Endowment Balances *in millions*



Foundation Endowment Balances *in millions*



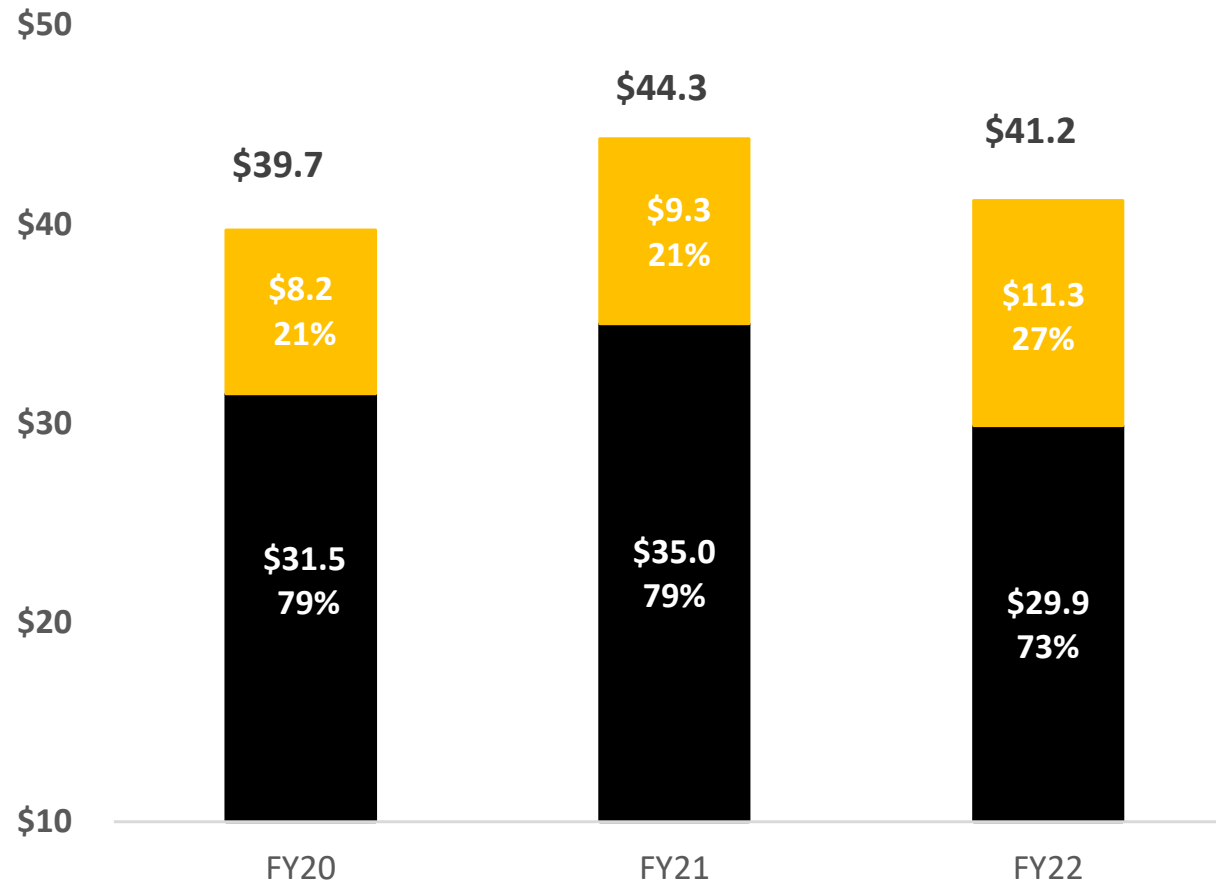
Endowment Balances – NACUBO Survey *in millions*



Endowment Spending Policy

Foundation	Spending Policy	Administrative Fee
VCUF	4.25%; 12 qtr market avg	1%; 12 qtr. market average
MCVF	Hybrid Yale Method - 70% based on CY spend rate = PY spend rate adjusted for inflation using HEPI; 30% based on 12 qtr. mkt. average	1%; 12 qtr. market average
VCUSOBF	4.0%; 12 qtr market avg	1%; 12 qtr. market average
VCUCOEF	4.5%; 12 qtr market avg	.75%; 12 qtr market average

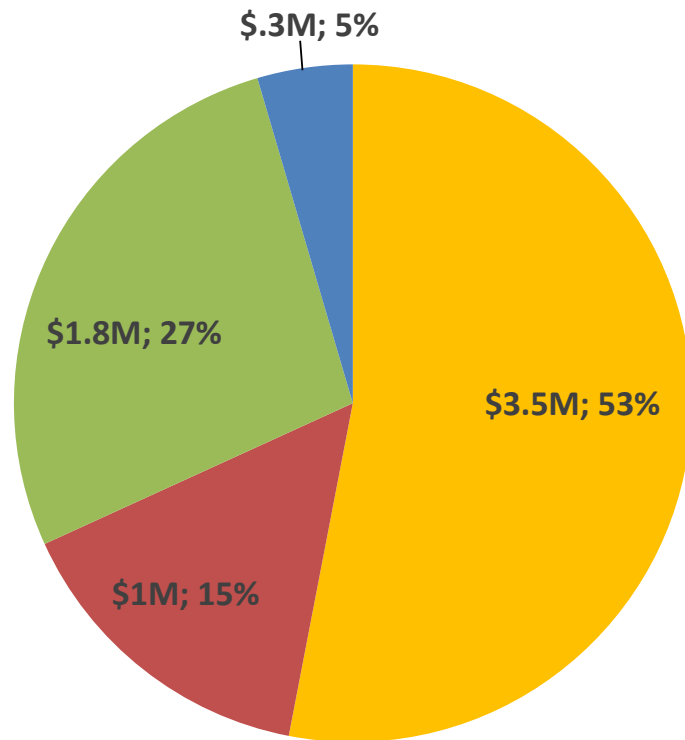
Endowment Payout *in millions*



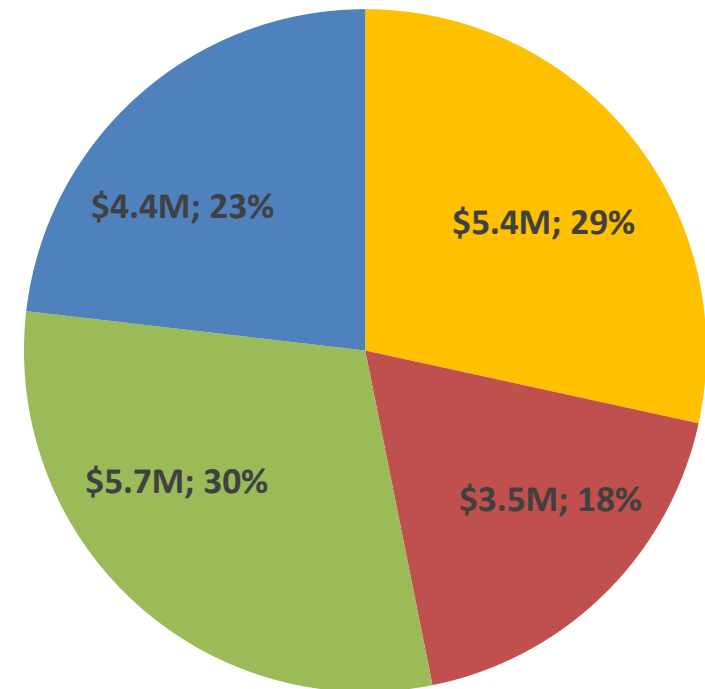
■ Restricted ■ Unrestricted and Board designated

MCVF Endowment Payout

Unrestricted/Board Designated



Restricted

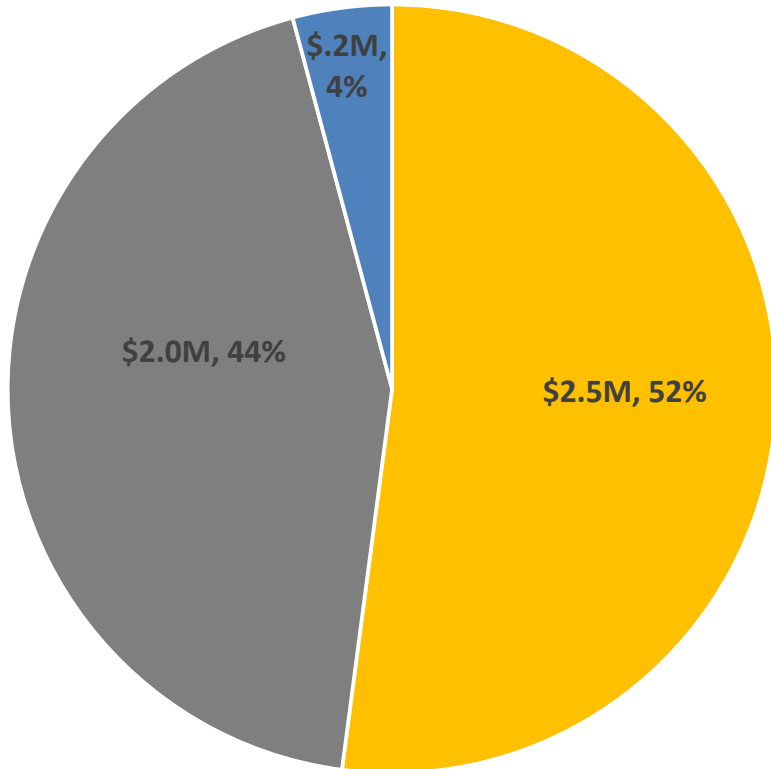


■ Academic/Inst. Support ■ Instruction ■ Research ■ Scholarships

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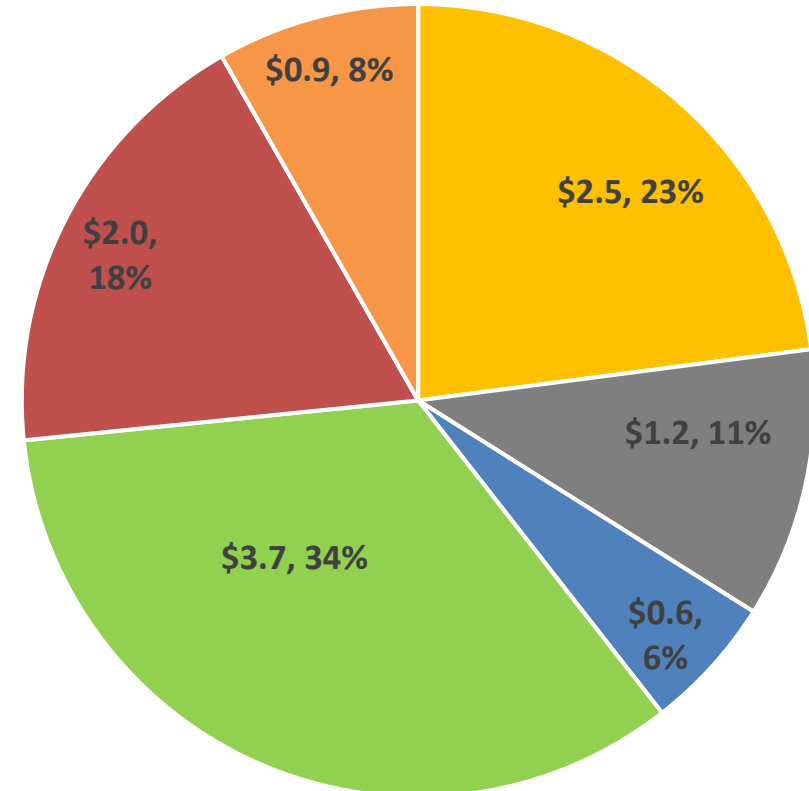
MPC Foundations Endowment Payout

Unrestricted/Board Designated

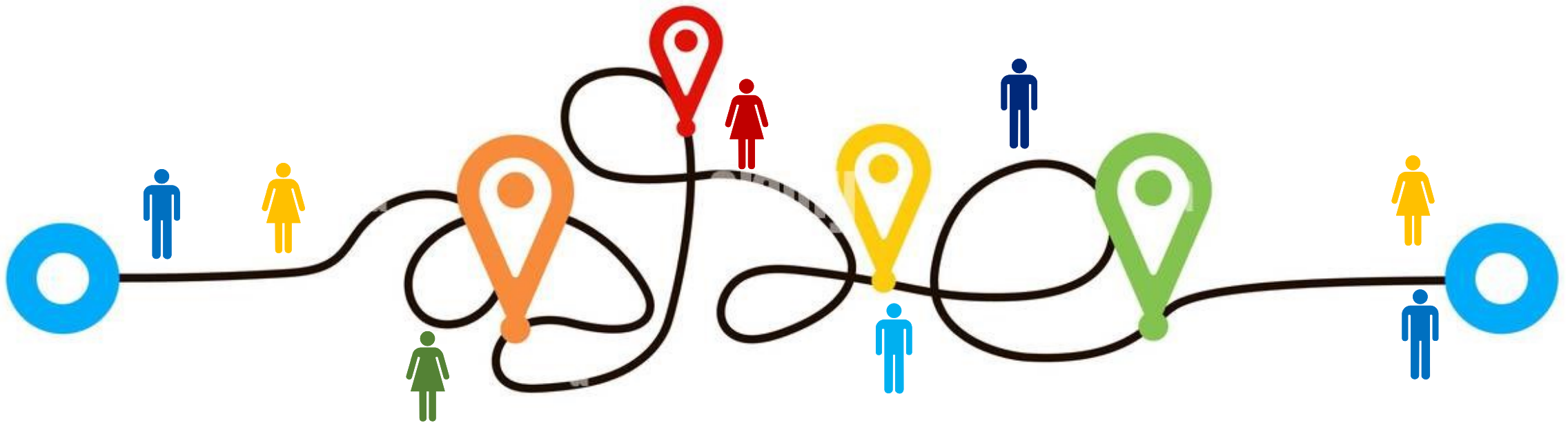


■ Academic/Inst. Support ■ Athletics ■ Scholarships

Restricted



■ Academic/Inst. Support ■ Athletics ■ Student Services
■ Scholarships ■ Research ■ Instruction



New Student Journey Mapping

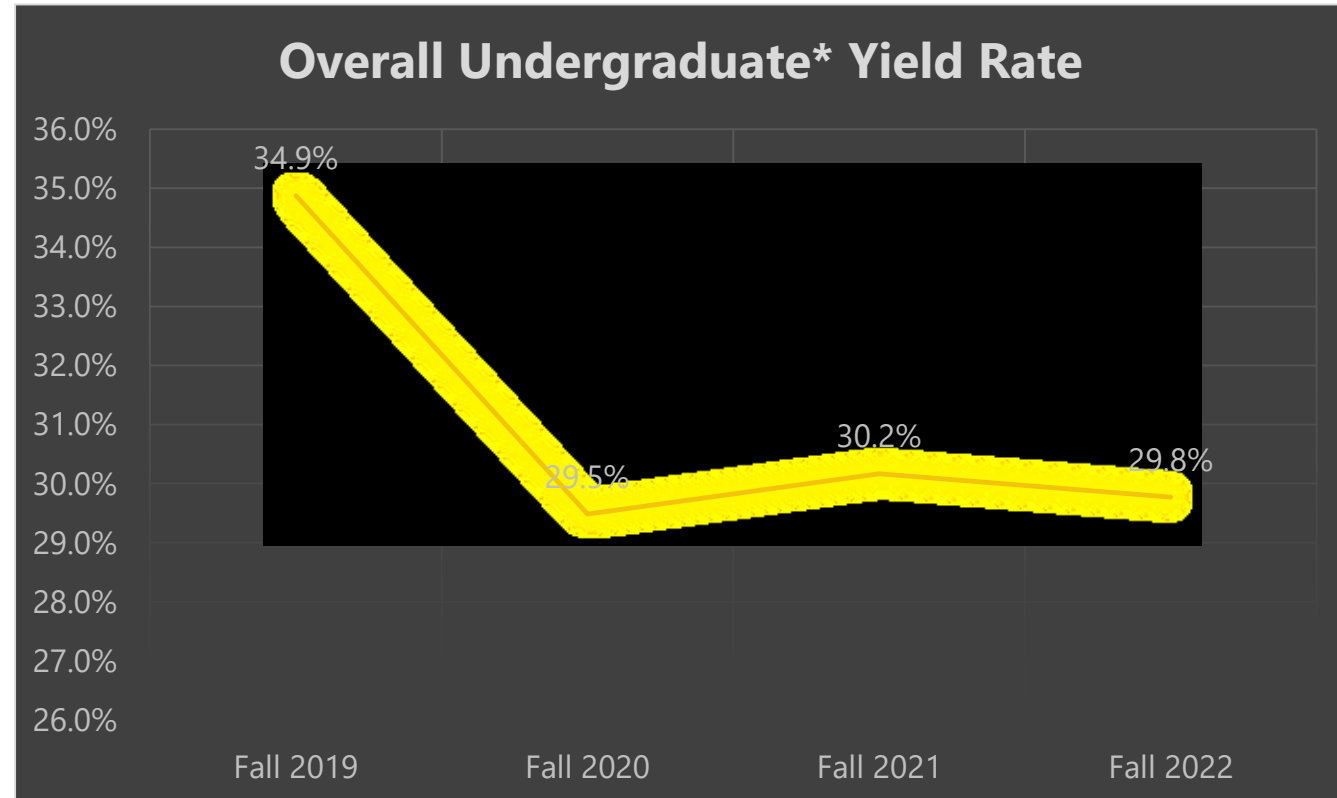
Tomikia LeGrande, Ed.D.

Vice President for Strategy, Enrollment Management & Student Success

The Problem

- **Overall undergraduate enrollment yield, new freshmen and transfer, has declined since 2019.**
- **Large decentralized organization, not always aware of what one another is doing**
- **Heavy emphasis on increasing freshman class to help improve enrollment**
- **Every 1% yield for new freshman 160 students = \$2.5M ***

*Assuming all in-state new freshman



*Degree-Seeking Freshman and Transfer Students
All data reflects Census 2 from InSights 3.0

11 Discovery Sessions

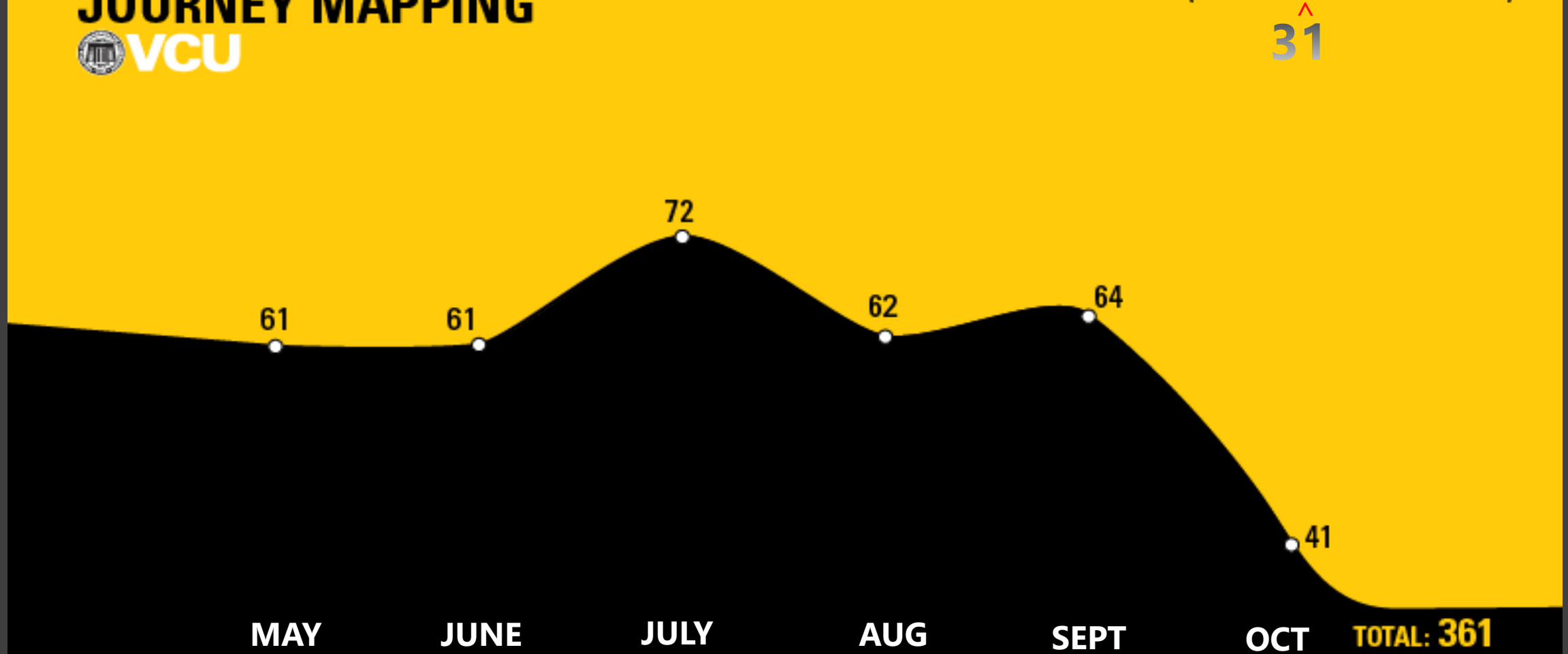
31 Departments Involved

The Results

NEW STUDENT JOURNEY MAPPING



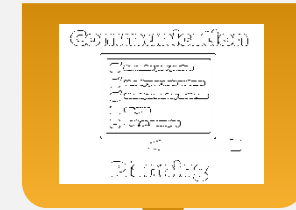
TOUCHPOINTS PER MONTH (FOR ALL DEPARTMENTS)



The Recommendations

Pain Points

- Overwhelming
- Overcommunicating
- Confusion
- Frustration
- No one repository to see all messages



Comprehensive Communications Plan

- Underway
(Draft Due March 1)

Data Lake

- In Discussion Phase
(Tentative May 1)



Use Artificial Intelligence

- Planning Phase
Summer 2023
(Launch in December
for Fall 2024 class)

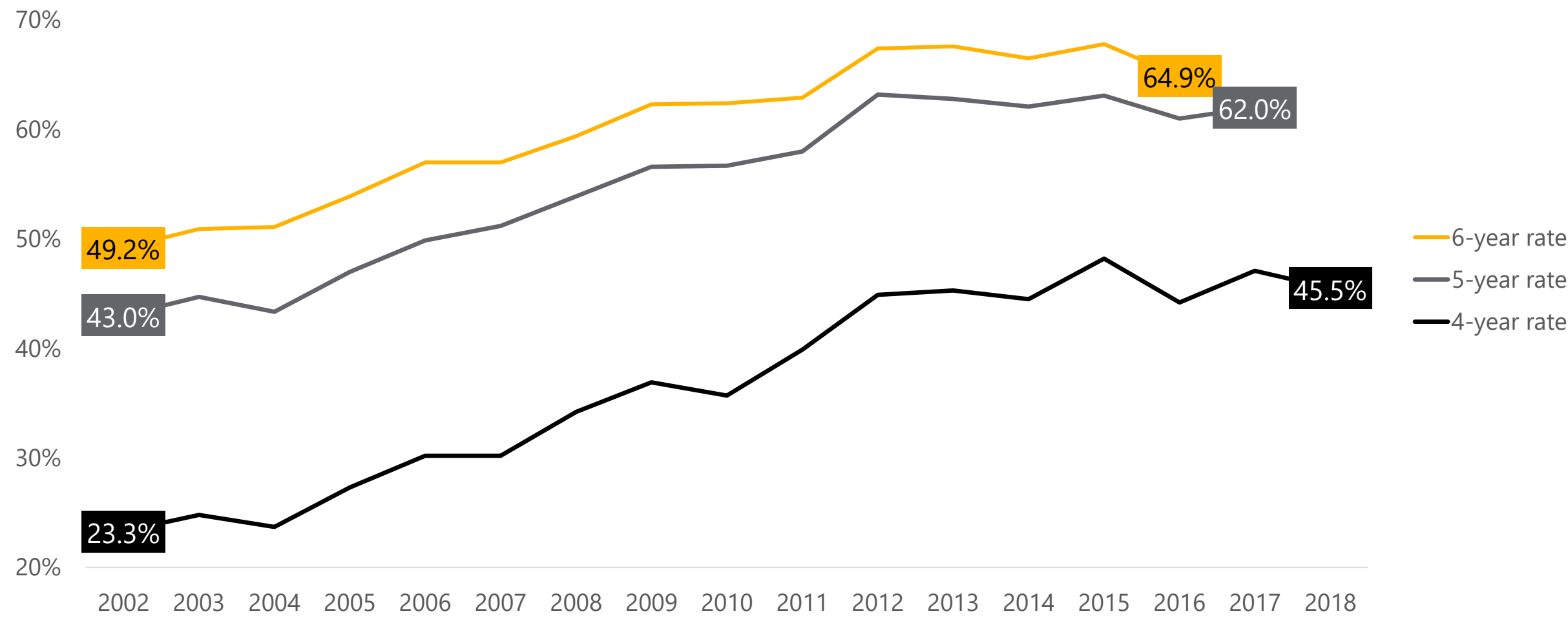


Future of VCU Enrollment and Student Success

Fotis Sotiropoulos, Ph.D.
Provost and Senior Vice President for Academic Affairs

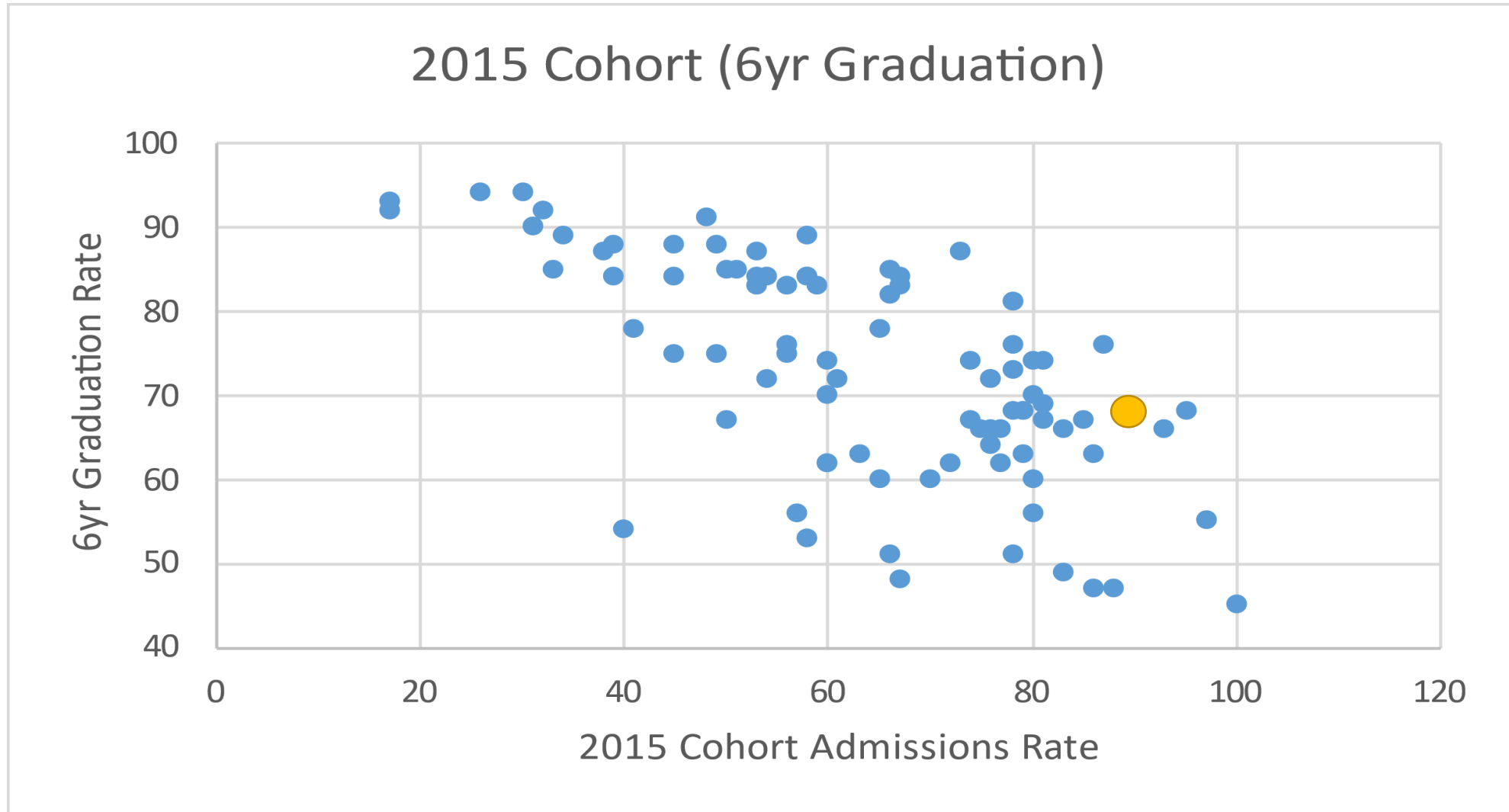
Graduation Rates

VCU Graduation Rates for First-time, Full-time Freshmen by Fall Cohort



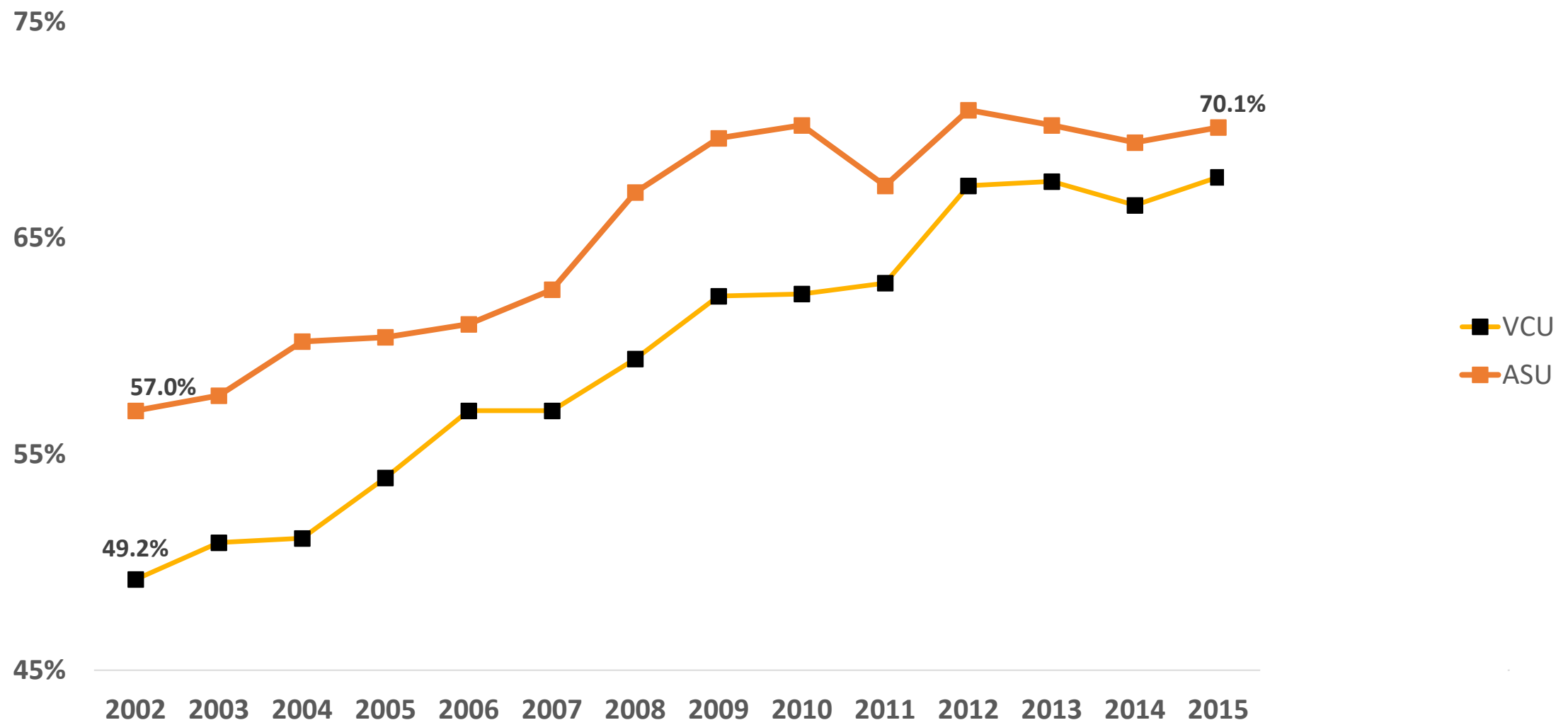
Graduation vs. Admissions Rates

93 Public Research I Universities



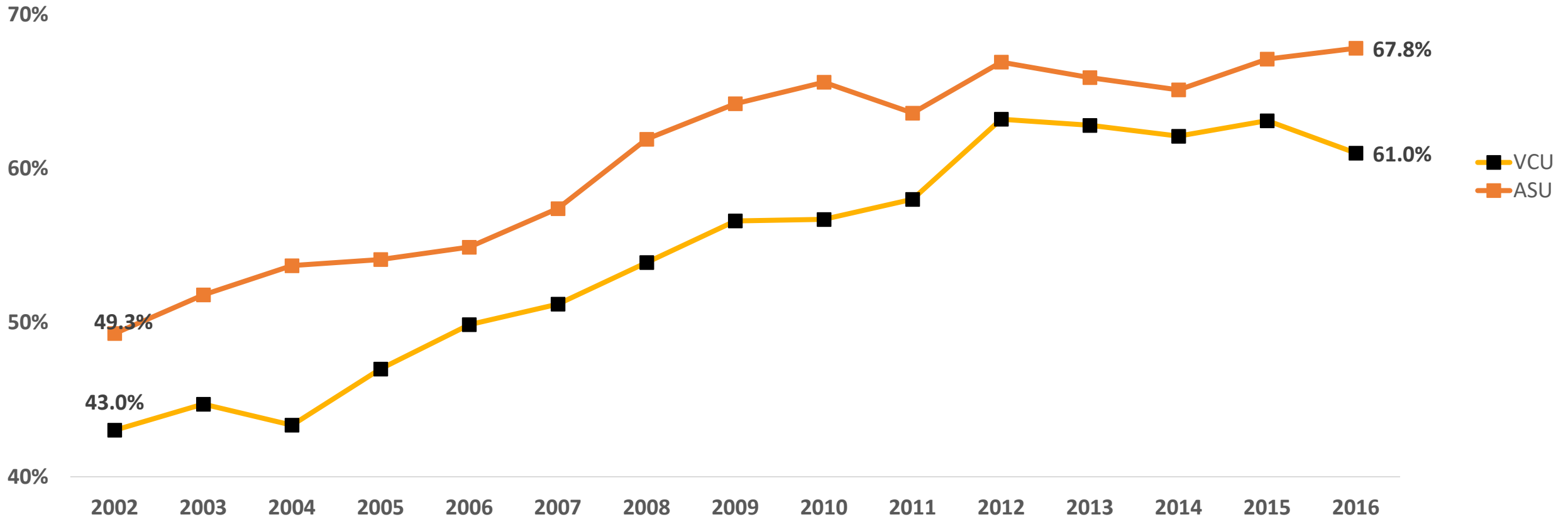
6-Year Graduation Rate

6-Year Graduation Rates for First-time, Full-time Freshmen by Fall Cohort

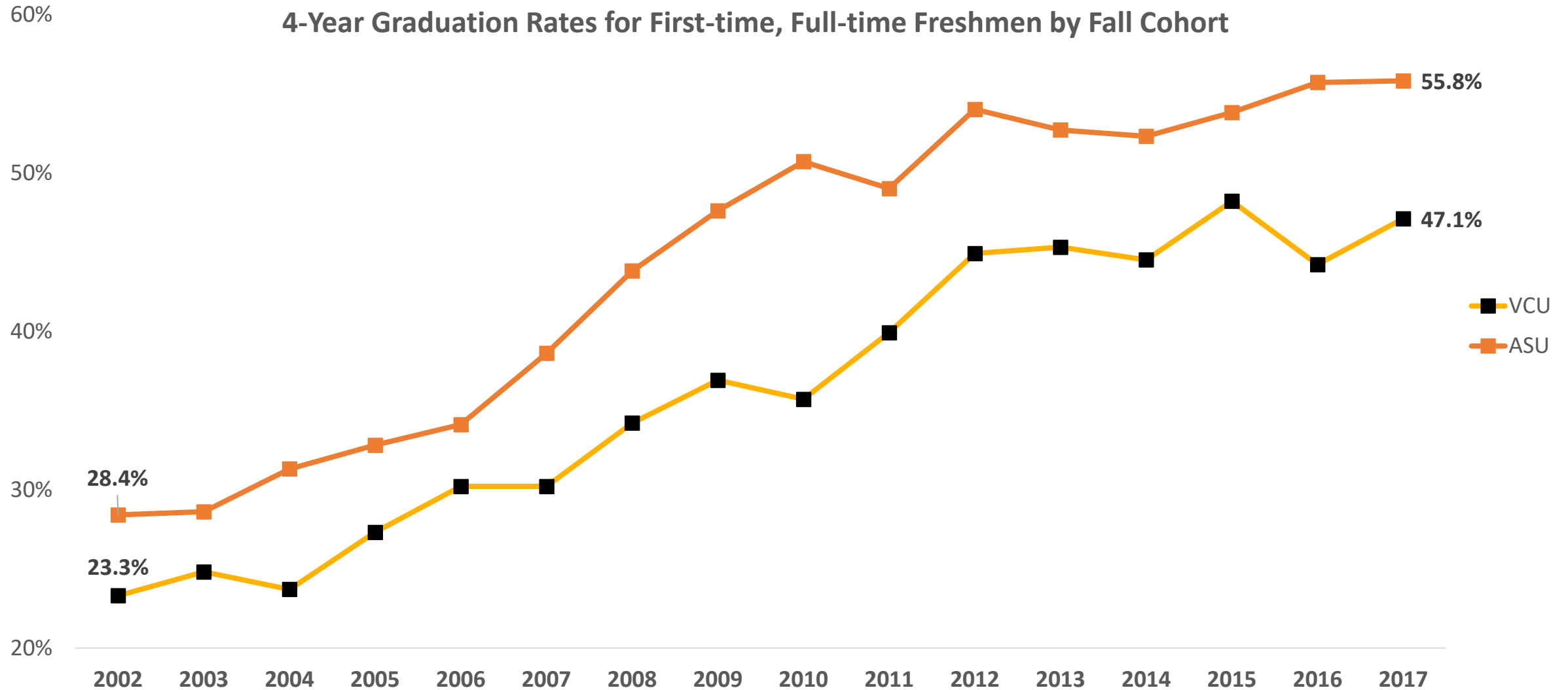


5-Year Graduation Rate

5-Year Graduation Rates for First-time, Full-time Freshmen by Fall Cohort



4-Year Graduation Rate



Enrollment & Student Success Implementation

Goal: Enroll more than 31,000 by 2028

Short-Term Now– May 2023

Increase new student pipeline

- Overall applications
- Out-of-state applications
- Speed of acceptances

Improve enrollment yield

- Launched targeted scholarships for H&S students
- Finalizing a new student journey map
- Launched new freshman parent communication plan
- Developing outreach plan for accepted H&S

Grow VCU presence in target markets

- Launched undergraduate adult student marketing and recruitment campaign
- Revamping and invest in VCU Online (in progress)
- Grow international students in high-growth potentials such as masters degrees in engineering, computer science and business

Launch campus-wide engagement plan

- Use leadership voices to drive a sense of urgency and purpose in key groups of faculty, staff, students and administrators
- Share updates and vision in traditional settings and create special new opportunities

Enrollment & Student Success Implementation

Goal: Enroll more than 31,000 by 2028

Long-Term Starting now completing in phases through 2028

Build a culture focused on student success and outcomes

- Reward faculty engaging in innovative teaching and increasing productivity
 - Revise P&T and post-tenure policies
- Make learning more fun
 - Problem- and research-based learning early
 - Focusing on educating life-long learners, entrepreneurs and innovators

Grow enrollments in high demand areas

- Invest in computer science and other market-relevant engineering programs to add 1000 more students by 2028
- Invest in adding 500 new students in the business programs by 2028

Create value in the VCU degree

- New degrees and programs in market relevant areas
- Offer innovative career pathways that set us apart and are distinct and unique preparing the students for the future of work
- Focus on problem-based learning across VCU
- Computational and Entrepreneurial Literacy

Demonstrate value in the VCU degree

- Grow prestige and rankings at the enterprise and college, school and department levels
- Increase brand reach and effectiveness
 - focus on our distinctive excellence, national prominence and the competitive advantage/fit of VCU and our location

Enrollment & Student Success Implementation

Goal: Achieve 78% 6-year graduation rate by 2028

Short-Term Now– August 2023

Focus on H&S and the Wilder School

- Offer retention grants for students with a greater propensity for not maintaining continuous enrollment
- Expand support and standardized benchmarks for advisors

Improve student outcomes in courses that are barriers

- Launch virtual reality pilot focusing on calculus
- Launch artificial intelligence project
- Launch Academic Recovery Projects, grant from Dell Foundation through partnership in the University Innovation Alliance

Long-Term Starting now completing in phases through 2028

Prioritize improved student experience and technology

- Map the student journey throughout the institution to identify areas we need to address that cut across different units
- Invest to incorporate technological and scientific approaches targeted both at students and faculty
- Develop AI project aimed at empowering students to contemplate the implications for their actions
- Create training and interventions for faculty coupled with P&T and post-tenure reward system