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.)
   a. November 2022 STF meeting minutes
   Mr. Keith Parker, Chair

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.)

4. FOLLOW UP DISCUSSION
   15 minutes (12:45 p.m. – 1:00 p.m.)

5. ADJOURNMENT

Dr. Fotis Sotiropoulos, Provost & Senior Vice President for Academic Affairs
Dr. Tomikia LeGrande, Vice President for Strategy, Enrollment Management and Student Success

Mr. Keith Parker, Chair
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
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

$142,100
$121,667
$112,700
$110,200
$100,500

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

- FY19: $14,013
- FY20: $31,777
- FY21: $180,396
- FY22: $266,439
- FY23: $53,032
- FY24*: $21,513

*Estimated

- Growth in State Support: +54%
- Growth in State Support: +67%
- Growth in State Support: +48%
Impact of HEPI Inflation on Tuition with New State Funds

Impacts of Inflation on Tuition

- Inflation loss of $55.2M in tuition spending power
- Loss of $16M in tuition spending power with an increase in state funds

Growth in State Tuition Affordability Funds

- Gain of $39M in Tuition Moderation State Funding

Value of a Tuition Dollar

2019 Tuition: $12,094
2023 Tuition: $10,375

Less Inflation: $10,375

Tuition Affordability

- $6,797,000
- $16,797,000
- $21,657,500
- $39,178,500
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

$59.8M FY2024 New Needs
Military waiver costs have grown by over $12.4M since FY2017 (FY23 is pending but is anticipated to exceed a total cost over $14M).
## FY2024 E&G Budget Overview

### VCU FY 2024 State Budget Scenarios With Governors Introduced Budget

<table>
<thead>
<tr>
<th></th>
<th>Gov State Scenario</th>
<th>House State Scenario</th>
<th>Senate State Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% Tuition Inc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY24 Projected Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; Enrollment</td>
<td>$ 2,028</td>
<td>$ 2,028</td>
<td>$ 2,028</td>
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<tr>
<td>New State Operational Support</td>
<td>-</td>
<td>10,634</td>
<td>20,450</td>
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<tr>
<td>7% Salary Increase (49%)</td>
<td>12,469</td>
<td>17,457</td>
<td>17,457</td>
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<tr>
<td>Total Revenue Growth</td>
<td>14,497</td>
<td>30,119</td>
<td>39,935</td>
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<tr>
<td>FY24 Projected Needs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7% Salary Increases</td>
<td>$ (25,610)</td>
<td>$ (35,854)</td>
<td>$ (35,854)</td>
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<tr>
<td>Strategic Investments &amp; Inflationary Costs</td>
<td>(25,509)</td>
<td>(24,033)</td>
<td>(24,033)</td>
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<tr>
<td>Deferred Non-Contractual Needs</td>
<td>3,645</td>
<td>3,645</td>
<td>3,645</td>
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<tr>
<td>New Expense Needs (W/ 5% Salary)</td>
<td>(47,474)</td>
<td>(56,242)</td>
<td>(56,242)</td>
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<tr>
<td>University Reallocations</td>
<td>(32,977)</td>
<td>(26,123)</td>
<td>(16,307)</td>
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<tr>
<td>Reallocations Needed To Balance</td>
<td>-5.42%</td>
<td>-4.29%</td>
<td>-2.68%</td>
</tr>
</tbody>
</table>

### Pre-Conference Scenarios

<table>
<thead>
<tr>
<th></th>
<th>House State Scenario</th>
<th>Senate State Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>&amp; 1% Tuition Inc.</td>
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<td></td>
</tr>
<tr>
<td>FY24 Projected Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; Enrollment</td>
<td>$ 5,577</td>
<td>$ 5,577</td>
</tr>
<tr>
<td>New State Operational Support</td>
<td>10,634</td>
<td>20,450</td>
</tr>
<tr>
<td>7% Salary Increase (49%)</td>
<td>17,457</td>
<td>17,457</td>
</tr>
<tr>
<td>Total Revenue Growth</td>
<td>33,668</td>
<td>43,484</td>
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<tr>
<td>FY24 Projected Needs</td>
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<tr>
<td>7% Salary Increases</td>
<td>$ (35,854)</td>
<td>$ (35,854)</td>
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<td>Strategic Investments &amp; Inflationary Costs</td>
<td>(24,033)</td>
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<td>3,645</td>
</tr>
<tr>
<td>New Expense Needs (W/ 5% Salary)</td>
<td>(56,242)</td>
<td>(56,242)</td>
</tr>
<tr>
<td>University Reallocations</td>
<td>(22,574)</td>
<td>(12,758)</td>
</tr>
<tr>
<td>Reallocations Needed To Balance</td>
<td>-3.71%</td>
<td>-2.10%</td>
</tr>
</tbody>
</table>
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
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*

<table>
<thead>
<tr>
<th>Year</th>
<th>Restricted</th>
<th>Board designated quasi-endowment</th>
<th>Unrestricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>$567.1 79%</td>
<td>$114.4 16%</td>
<td>$39.8, 5%</td>
</tr>
<tr>
<td>FY21</td>
<td>$804.7 81%</td>
<td>$804.7 81%</td>
<td>$40.2, 4%</td>
</tr>
<tr>
<td>FY22</td>
<td>$754.7 81%</td>
<td>$151.9 15%</td>
<td>$31.8, 3%</td>
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</tbody>
</table>

VCU
Foundation Endowment Balances in millions

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCVF</td>
<td>$514.5</td>
<td>$721.4</td>
<td>$692.4</td>
</tr>
<tr>
<td>VCUF</td>
<td>$47.3</td>
<td>$118.7</td>
<td>$76.5</td>
</tr>
<tr>
<td>COEF</td>
<td>$71.9</td>
<td>$94.5</td>
<td>$110.1</td>
</tr>
<tr>
<td>SOBF</td>
<td>$87.6</td>
<td>$62.2</td>
<td>$54.3</td>
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</tbody>
</table>

FY20: $514.5 million  
FY21: $996.8 million  
FY22: $933.3 million
# Endowment Spending Policy

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Spending Policy</th>
<th>Administrative Fee</th>
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<tbody>
<tr>
<td>VCUF</td>
<td>4.25%; 12 qtr market avg</td>
<td>1%; 12 qtr. market average</td>
</tr>
<tr>
<td>MCVF</td>
<td>Hybrid Yale Method - 70% based on CY spend rate = PY spend rate adjusted for inflation using HEPI; 30% based on 12 qtr. mkt. average</td>
<td>1%; 12 qtr. market average</td>
</tr>
<tr>
<td>VCUSOBF</td>
<td>4.0%; 12 qtr market avg</td>
<td>1%; 12 qtr. market average</td>
</tr>
<tr>
<td>VCUCOEF</td>
<td>4.5%; 12 qtr market avg</td>
<td>.75%; 12 qtr market average</td>
</tr>
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</table>
MCVF Endowment Payout

Unrestricted/Board Designated

- $3.5M; 53%
- $1.8M; 27%
- $1M; 15%
- $.3M; 5%

Restricted

- $5.4M; 29%
- $5.7M; 30%
- $3.5M; 18%
- $4.4M; 23%

Academic/Inst. Support
- Instruction
- Research
- Scholarships
MPC Foundations Endowment Payout

Unrestricted/Board Designated

- $2.5M, 52%
- $2.0M, 44%
- $0.2M, 4%

Restricted

- $3.7M, 34%
- $2.5M, 23%
- $2.0M, 18%
- $1.2M, 11%
- $0.6M, 6%
- $0.9M, 8%

Academic/Inst. Support

- $2.5M, 52%
- $2.0M, 44%
- $2.5M, 52%

Athletics

- $2.0M, 18%
- $1.2M, 11%

Student Services

- $0.6M, 6%

Scholarships

- $0.9M, 8%
- $0.6M, 6%

Research

- $0.9M, 8%

Instruction

- $3.7M, 34%
- $2.5M, 23%
- $2.0M, 18%
- $1.2M, 11%
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
The Process

11 Discovery Sessions

31 Departments Involved
The Results

NEW STUDENT JOURNEY MAPPING

TOUCHPOINTS PER MONTH
(FOR ALL DEPARTMENTS)

TOTAL: 361

MAY 61
JUNE 61
JULY 72
AUG 62
SEPT 64
OCT 41

VCU
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

- 6-year rate: 49.2% (2002), 55.5% (2018)
- 5-year rate: 43.0% (2002), 62.0% (2018)
- 4-year rate: 23.3% (2002), 45.5% (2018)
Graduation vs. Admissions Rates

93 Public Research I Universities

2015 Cohort (6yr Graduation)
6-Year Graduation Rate

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

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

Year Graduation Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>VCU</th>
<th>ASU</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>43.0%</td>
<td>49.3%</td>
</tr>
<tr>
<td>2003</td>
<td></td>
<td></td>
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<tr>
<td>2004</td>
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<td>2014</td>
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<tr>
<td>2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>67.8%</td>
<td>61.0%</td>
</tr>
</tbody>
</table>
4-Year Graduation Rate

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

- VCU
- ASU

- 23.3%
- 28.4%
- 47.1%
- 55.8%
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

Goal: Enroll more than 31,000 by 2028
Enrollment & Student Success Implementation

Goal: Enroll more than 31,000 by 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

Long-Term
Starting now completing in phases through 2028
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

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

Enrollment & Student Success Implementation

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