



**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

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.

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
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.



Proposed FY2019-20 University Budget Plan and Tuition and Fees

May 10, 2019

2020 Strategic Priorities

- Strengthen student access and excellence
- Strengthen faculty and staff compensation
- Invest in infrastructure to support academic and research needs
- Diversify funding sources and implement strategic cost containment measures

Funding Strategies

- Partner fully with the State on Tuition Affordability Plan
- Ensure strategic goals are funded and advanced
- Implement an all-funds approach including selective reductions and deferral of needs

Growing the VCU-VA Partnership

Innovative and collaborative work with the Governor and the VA General Assembly resulted in significant gains:

- \$6.8M of permanent support to offset the undergraduate tuition rate increase
- \$2.3M* of one-time support to offset health insurance premiums
- \$3.4M of permanent support for UG financial aid
- \$6.2M* of permanent support for salary increases for faculty and staff
- Commitment to full funding for the STEM building \$121M

FY2020 Budget Sources

(In Thousands)

Sources - FY2020 Budget

State Funding including Tuition Affordability	\$	21,996
State Funding One Time Funds	\$	2,300
Tuition, Fee and Enrollment growth	\$	8,319
Investment Income	\$	4,107
Auxiliary Enterprises	\$	1,500
Use of Reserves including other funds	\$	8,880
Total	\$	47,102

FY2020 Budget Requests

(In Thousands)

Requests - FY2020 Budget

Salary, Fringe, Faculty Promotion & Adjuncts	\$	26,730
Financial Aid	\$	12,448
Student Success & Recruitment	\$	3,959
Academic & Operational Infrastructure	\$	3,965
Total	\$	47,102

Summary of Recommended Tuition and Fees – FY2020

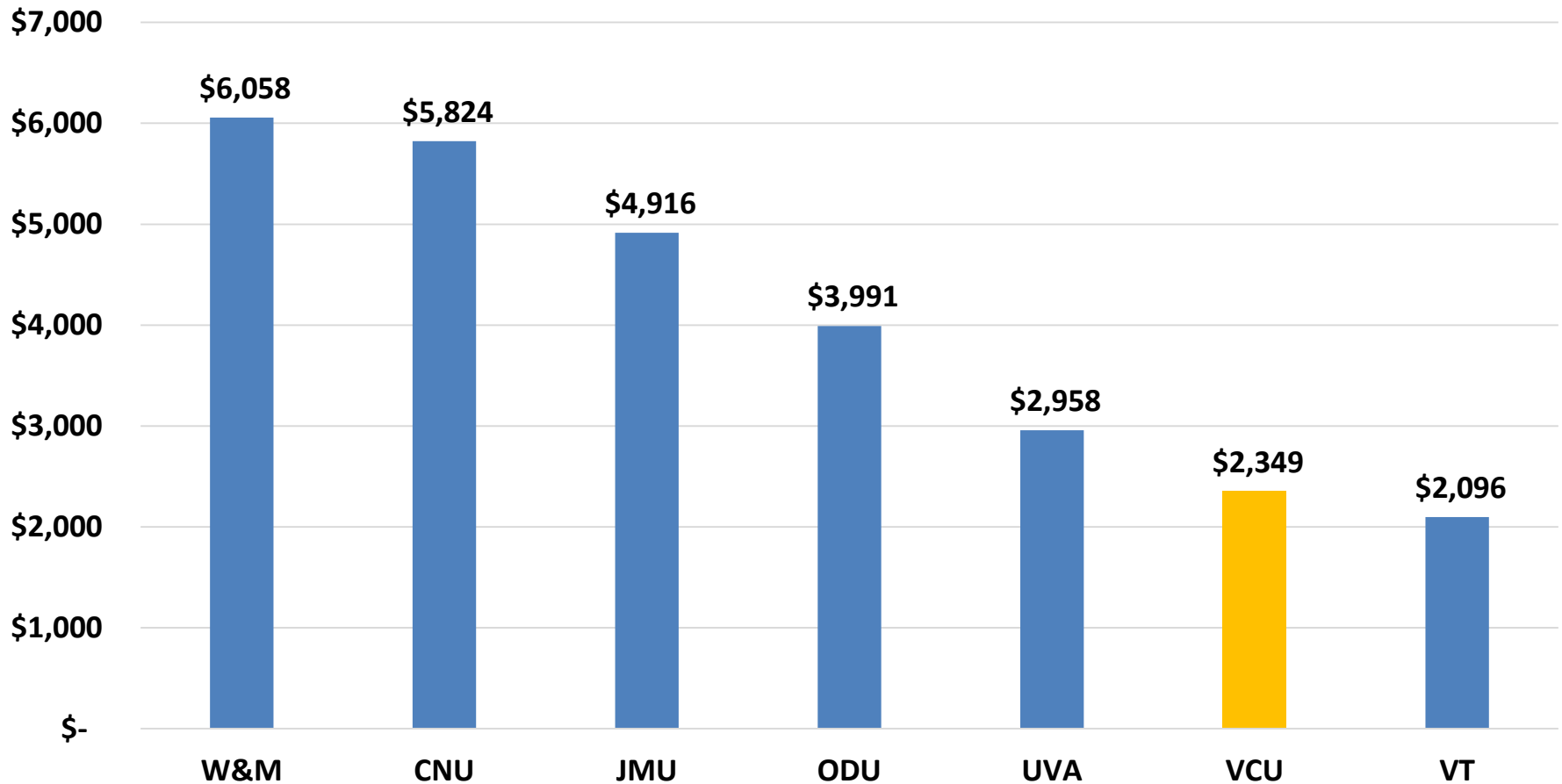
FY2020 Overview

Proposed FY2020 UG Tuition Rate Increase	Increase Range			
	0.0%	3.5%	4.0%	4.5%
<u>FY2020 Projected Revenue Growth</u>				
Tuition Rate, Fee & Enrollment Growth	8,319	18,327	19,501	20,676
State Support Tuition Affordability	6,797	-	-	-
State Support Salary & Fringe*	10,926	10,926	10,926	10,926
State Support Student Success*	4,273	4,273	4,273	4,273
State Support Health Plan Premium Holiday- One-time*	2,300	2,300	2,300	2,300
Total Revenue Growth	32,615	35,826	37,000	38,175
<u>Proposed FY2020 Projected Expenses</u>				
FY2020 Proposed Expense Needs	(47,103)	(47,103)	(47,103)	(47,103)
Proposed Reallocations, Reductions and Use of Reserves	14,488	11,277	10,103	8,928
Net Expense Needs	(32,615)	(35,826)	(37,000)	(38,175)
E&G Net Position with Unfunded Requests	\$ (0)	\$ (0)	\$ (0)	\$ (0)

* State amounts are estimated pending final figures late May from DHRM.

Comparison of Total Mandatory Non-E&G Fees

2019-2020 Mandatory Non-E&G Fees for Resident Undergraduates



Data sources include institution bursar webpages and news articles; Not all institutions are shown pending publication of rates.

Comparison of Total Mandatory Non-E&G Fees

FY2019-2020	Increase %	Increase \$
W&M	3.9%	\$228
CNU	3.0%	\$170
JMU	3.1%	\$150
ODU	3.9%	\$148
UVA	4.2%	\$120
VCU	4.7%	\$106
VT	3.5%	\$71
Average	3.7%	\$142

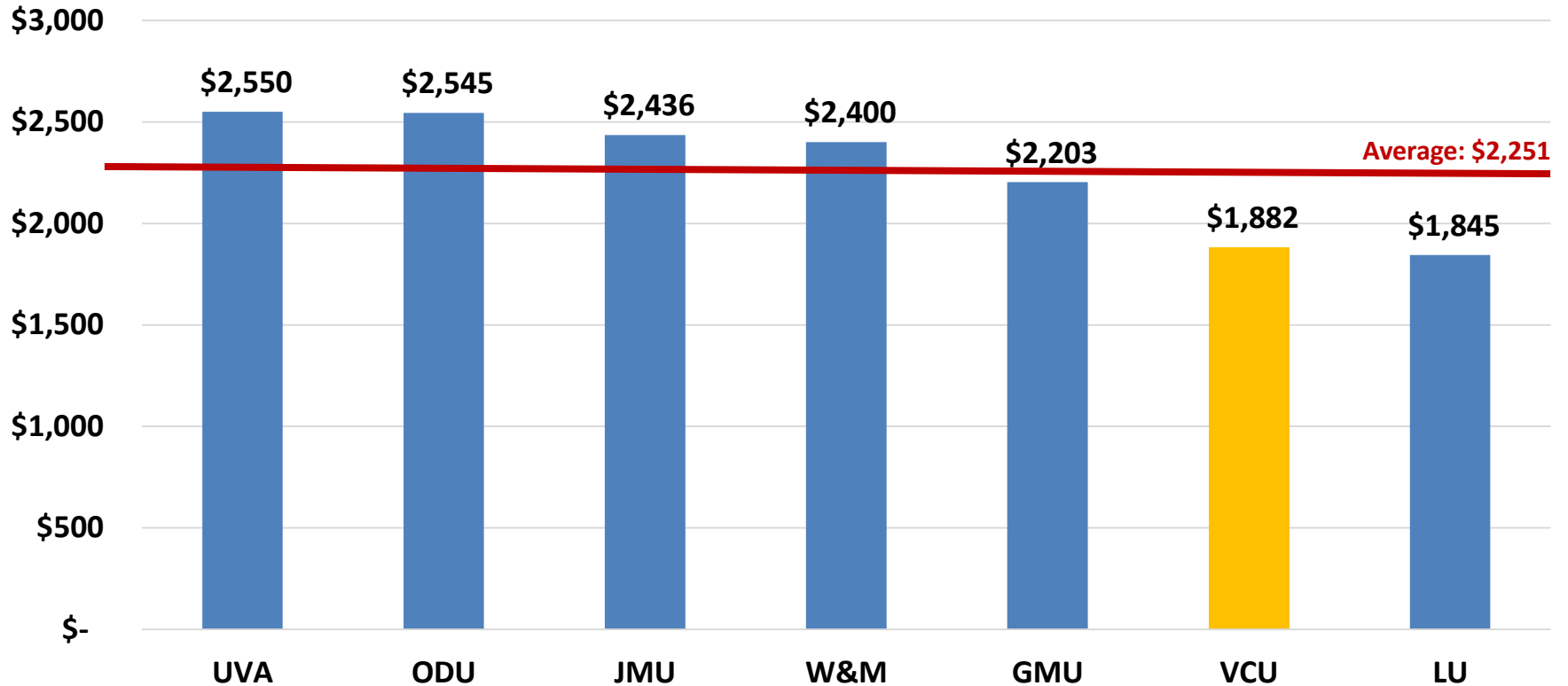
Data sources include institution bursar webpages and news articles; Not all institutions are shown pending publication of rates.

Mandatory Fees

E&G Mandatory Fees	FY2019	FY2020 Proposed	\$ Increase	% Increase
Library Fee	\$70	\$70	\$0	0.0%
Technology Fee	\$83	\$83	\$0	0.0%
Non E&G Mandatory Fees				
University Fee	\$1,938	\$2,035	\$97	5.0%
Health Service Fee	\$215	\$224	\$9	4.2%
Student Activity Fee	\$90	\$90	\$0	0.0%
Total Mandatory Fees - Resident	\$2,396	\$2,502	\$106	4.4%
Capital Outlay Fee (nonresident only)	\$660	\$660	\$0	0.0%
Total Mandatory Fees - Nonresident	\$3,056	\$3,162	\$106	3.5%

- Student Activity Fee at Monroe Park Campus
- University Fee of 3% before state authorized salary increase, fringe and debt service

2018-2019 Dining Plan Prices



Non-Mandatory Fees

Housing Rates*: FY 2020 proposed housing rates will increase 3.0% due to proposed salary and benefit increases, utilities and contract cost increases.
FY2020: \$6,555 - increase of \$191

Dining Rates*: FY 2020 proposed dining rates reflect an average increase of 9.25%. This increase will address contractual CPI increases as well as enhancements to the overall dining program.
FY2020: \$4,440 - increase of \$376

Parking Rates*: FY 2020 proposed parking rates reflect an average increase of 4.5% for students. This increase is due to costs associated with deferred maintenance, increasing operational costs, and alternate transportation initiatives
FY2020: \$464 – increase of \$20

*most typical rates

Undergraduate Tuition

Resident		<u>Increase Range</u>			
Range of Proposed Tuition Increase*		0.0%	3.5%	4.0%	4.5%
FY2020 Tuition Increase*					
Tuition-15 Credit Hour	\$12,094	\$12,528	\$12,586	\$12,644	
Current Tuition					
Tuition-15 Credit Hour	\$12,094	\$12,094	\$12,094	\$12,094	
Proposed \$ Increase-Per Academic Year		\$0	\$434	\$492	\$550

Non-Resident					
Range of Proposed Tuition Increase*		0.0%	3.5%	4.0%	4.5%
FY2020 Tuition Increase*					
Tuition-15 Credit Hour	\$32,742	\$33,902	\$34,076	\$34,220	
Current Tuition					
Tuition-15 Credit Hour	\$32,742	\$32,742	\$32,742	\$32,742	
Proposed \$ Increase-Per Academic Year		\$0	\$1,160	\$1,334	\$1,478

*Based on per credit

Undergraduate Resident Inclusive of Room and Board

	2018-2019	2019-2020		
Tuition 15 Credit hours	12,094	12,094		
University Fee	1,938	2,035		
Technology Fee	83	83		
Library Fee	70	70		
Health Service Fee	215	224		
Student Activity Fee	90	90		
Capital Outlay Fee (non-resident)	N/A	N/A		
TOTAL: TUITION & MANDATORY FEES	\$14,490	\$14,596	\$106	0.7%
Room	6,364	6,555		
Board	4,064	4,440		
TOTAL: TUITION & MANDATORY FEES & ROOM & BOARD	\$24,918	\$25,591	\$673	2.7%

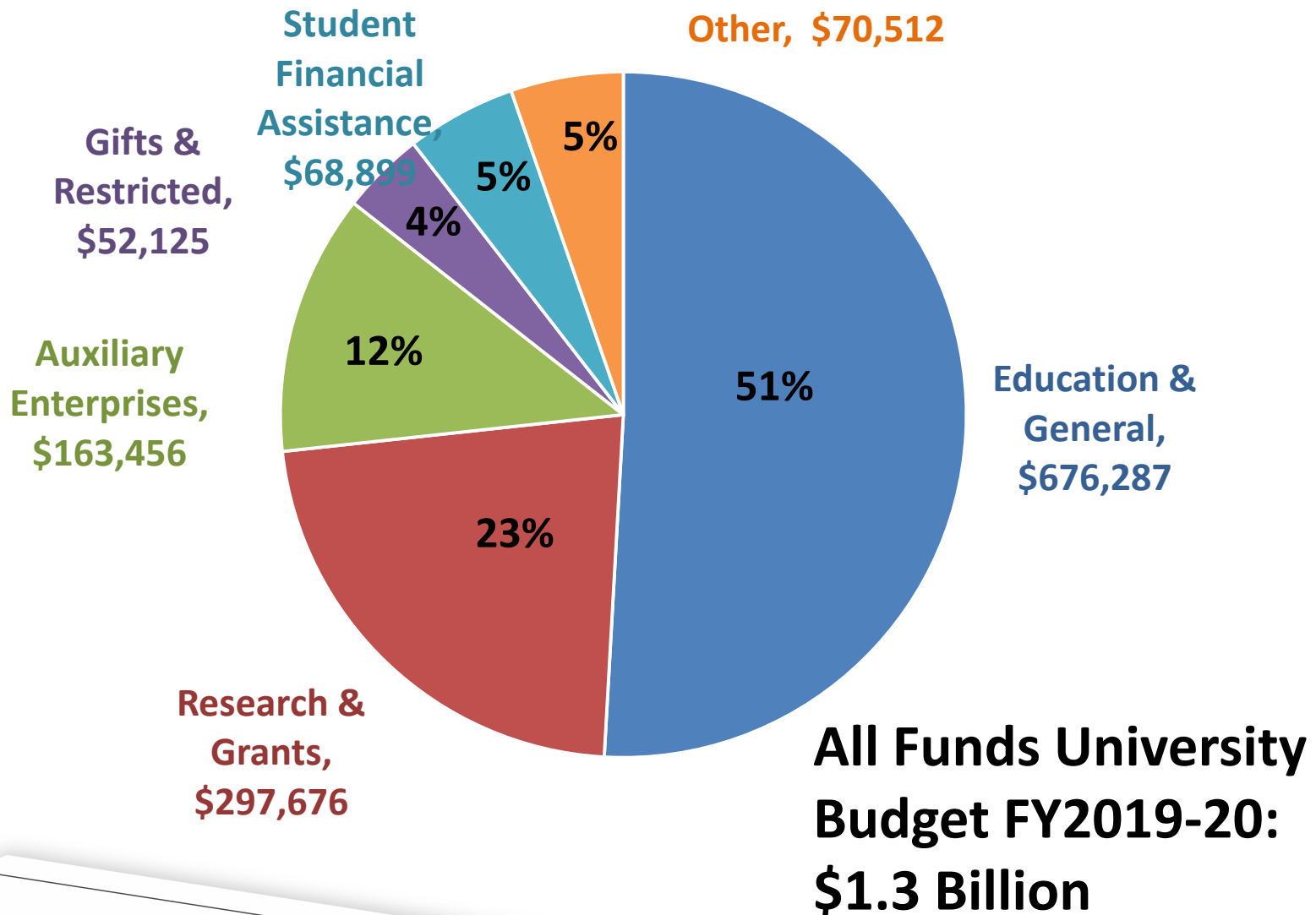
Tuition Recommendations for FY2020

- Adopt combined **tuition and mandatory fees** increases of:

Tuition \$ Increase	Tuition % Increase	Fee \$ Increase	Fee % Increase	
\$ -	0.0%	\$ 106	4.4%	Resident Undergraduates
\$ -	0.0%	\$ 106	3.5%	Nonresident Undergraduates
\$ 486	4.0%	\$ 106	4.4%	Resident Masters level students
\$ 1,008	4.0%	\$ 106	3.5%	Nonresident Masters level students
\$ 396	4.0%	\$ 106	4.4%	Resident Doctoral students
\$ 864	4.0%	\$ 106	3.5%	Nonresident Doctoral students
\$ 936	3.0%	\$ 110	3.5%	Resident Medicine
\$ 2,566	5.0%	\$ 110	2.9%	Nonresident Medicine
\$ 1,600	4.0%	\$ 1,194	7.9%	Resident Dentistry
\$ 2,815	4.0%	\$ 1,194	7.6%	Nonresident Dentistry
\$ 682	2.5%	\$ 106	3.5%	Resident Pharmacy
\$ 983	2.5%	\$ 106	2.9%	Nonresident Pharmacy
\$ 9,736	185.0%	\$ 30,106	NA	Resident Advanced Dental Education
\$ 10,396	225.8%	\$ 30,106	NA	Nonresident Advanced Dental Education

All Funds FY2019-20 Budget

VCU in Context *in thousands*



Components of Education & General (E&G)

[CATEGORY
NAME]
3%

[CATEGORY
NAME] Funds
29%

Tuition and
Fees
68%

E&G Budget
FY2019-20: \$676.3M

Virginia Commonwealth University – 2019-2020 University Budget Plan
Sources Summary (in thousands)

FY 2019-2020 Sources	Educational & General Programs	Sponsored Programs	Auxiliary Enterprises	Qatar	University Funds	Student Financial Assistance	Hospital Services	Total University	Change from FY2018-19 Budget Plan
State General Fund	<u>\$ 193,273</u>	<u>\$ 14,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,196</u>	<u>\$ -</u>	<u>\$ 242,482</u>	<u>11.2%</u>
Nongeneral Funds									
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%
Total Nongeneral Funds	<u>472,989</u>	<u>293,688</u>	<u>163,456</u>	<u>40,096</u>	<u>52,125</u>	<u>33,703</u>	<u>30,416</u>	<u>1,086,473</u>	<u>9.6%</u>
Transfers (in) out	10,025	(10,025)	-	-	-	-	-	-	n/a
Total University Sources	<u>\$ 676,287</u>	<u>\$297,676</u>	<u>\$ 163,456</u>	<u>\$40,096</u>	<u>\$ 52,125</u>	<u>\$ 68,899</u>	<u>\$30,416</u>	<u>\$ 1,328,955</u>	<u>9.9%</u>

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

FY 2019-2020 Uses	Educational & General Programs	Sponsored Programs	Auxiliary Enterprises	Qatar	University Funds	Student Financial Assistance	Hospital Services	Total University	Change from FY2018-19 Budget Plan
Instruction	\$ 332,224	\$ -	\$ -	\$ 40,096	\$ 4,973	\$ -	\$ -	\$ 377,293	0.9%
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	15,022	-	-	-	705	-	-	15,727	-4.8%
Institutional Support	103,805	1,178	-	-	9,854	-	-	114,837	19.6%
Operation and Maintenance	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%
Subtotal Uses	648,833	295,996	161,399	40,096	52,125	101,688	30,416	1,330,553	11.0%
Transfers (in) out	28,661	-	4,128	-	-	(32,789)	-	-	n/a
Addition to Reserves	(4,544)	-	(6,748)	-	-	-	-	(11,292)	187.0%
Contingencies	3,337	1,680	4,677	-	-	-	-	9,694	-3.3%
Total University Uses	\$ 676,287	\$297,676	\$ 163,456	\$ 40,096	\$ 52,125	\$ 68,899	\$ 30,416	\$ 1,328,955	9.9%

Questions

Supplemental Information

Summary of funds other than Education & General*:

- Sponsored Programs
- Auxiliary Enterprises
- University Funds
- Student Financial Assistance
- Hospital Services

Supplemental Materials

- Mandatory Fees
- HR Information

*These slides are to be found in Tab II of the Budget Plan.

Sponsored Programs

Sponsored Programs

Sponsored programs includes research projects, training grants, and similar activities funded by revenue received from governmental and private agencies for specific purposes. The Sponsored Program fund includes funding award to reimburse the university for overhead costs.

Federal awards constitute the majority of VCU funding, most significantly from the Department of Health & Human Services (DHSS).

Virginia Commonwealth University – 2019-2020 University Budget Plan
Sponsored Programs - Sources & Uses (in thousands)

	2018-19 Projected	2019-20 Budget Plan	Change Over 2018-19
A. SOURCES			
Total Federal Grants and Contracts	110,575	119,655	8.2%
Total Other Grants and Contracts	143,667	146,046	1.7%
Total Sources Associated with Direct Costs	<u>254,242</u>	<u>265,701</u>	4.5%
Facilities and Administrative Cost Recoveries	<u>40,000</u>	<u>42,000</u>	5.0%
Total Sources	<u><u>\$ 294,242</u></u>	<u><u>\$ 307,701</u></u>	4.6%
B. USES			
1. Instruction	\$ 13,829	\$ 14,462	4.6%
2. Research	247,443	258,780	4.6%
3. Public Service	588	615	4.6%
4. Academic Support	5,296	5,539	4.6%
6. Institutional Support	4,414	4,616	4.6%
7. Operation and Maintenance of Plant	7,356	7,693	4.6%
8. Scholarships and Fellowships	1,716	1,716	0.0%
9. Transfer Facilities & Admin. Cost Recoveries to E&G	12,000	12,600	5.0%
10. Contingencies	<u>1,600</u>	<u>1,680</u>	5.0%
Total Uses	<u><u>\$ 294,242</u></u>	<u><u>\$ 307,701</u></u>	4.6%

Auxiliary Enterprises

Auxiliary Enterprises

An auxiliary enterprise is a self-supporting unit that exists to serve students, faculty, or staff through the sale of goods or services.

Auxiliary enterprises include:

- intercollegiate athletics
- residential facilities
- student centers, student gymnasiums, student development programs
- student health services
- food service facilities and bookstores
- telecommunications
- parking and transportation.

Virginia Commonwealth University - 2019-2020 University Budget Plan
Auxiliary Enterprises - Sources (in thousands)

	2018-2019 Budget Plan	2019-2020 Budget Plan	Change Over 2018-2019
A. SOURCES			
1. Sales and Services	\$ 34,886	\$ 35,682	2%
2. University Fee	51,615	54,357	5%
3. Room Plan	31,779	31,846	0%
4. Board Plan	25,817	22,754	-12%
5. Health Fee	5,106	5,306	4%
6. Gifts and Interest Earnings	5,630	5,158	-8%
7. Other - Use of Balances	5,632	8,353	48%
Total Sources	<u>\$ 160,465</u>	<u>\$ 163,456</u>	2%
B. USES			
1. Operational Uses	152,421	161,399	
2. Capital Reserves / Contingencies	4,267	4,677	10%
3. Financial Aid Transfer	2,912	4,128	42%
Total Uses	<u>\$ 159,600</u>	<u>170,204</u>	7%
C. Contribution to (Use of) Fund Balance	<u>\$ 865</u>	<u>\$ (6,748)</u>	

University Funds

University Funds

University Funds include both restricted and unrestricted funds including:

- gifts to University departments,
- investment earnings and endowment income
- foundation support, and other transfers

There are approximately 2,000 different funds throughout the University supporting a variety of needs.

Virginia Commonwealth University – 2019-2020 University Budget Plan
University Funds Sources & Uses (in thousands)

	2018-19 Budget Plan	2019-20 Budget Plan	Change Over 2018-19
A. SOURCES			
1. Gifts	\$ 32,980	\$ 34,629	5.0%
2. Endowment and Investment Income, Foundation Support	9,618	12,250	27.4%
3. Other Transfers	5,143	5,246	2.0%
Total Sources	<u><u>\$ 47,741</u></u>	<u><u>\$ 52,125</u></u>	9.2%
B. USES			
1. Instruction	\$ 4,755	\$ 4,973	
2 Research	10,564	10,564	
3. Public Service	1,912	1,912	
4. Academic Support	10,720	12,327	
5. Student Services	646	705	
6. Institutional Support	9,354	9,854	
7. Operation and Maintenance of Plant	1,183	1,183	
8. Scholarships and Fellowships	8,607	10,607	
Total Uses	<u><u>\$ 47,741</u></u>	<u><u>\$ 52,125</u></u>	9.2%

Student Financial Assistance

Student Financial Assistance

Student Financial Assistance includes:

- Scholarships, grants and fellowships awarded to students without requiring work or service
- Work-related programs such as Federal Work Study Funds
- All fund sources includes State and Federal (Pell and Work Study) monies
- Tuition waivers for a variety of students including those eligible for waivers related to military service, graduate and PhD students, non-resident and exchange students

Virginia Commonwealth University – 2019-2020 University Budget Plan
Student Financial Assistance (in thousands)

DESCRIPTION	2018-19 Budget Plan	2019-20 Budget Plan	Change Over 2018-19
A. Federal			
1. Grants and Scholarships	\$ 30,513	\$ 31,806	4.2%
2. Federal Work Study	1,530	1,897	24.0%
Total Federal	<u>32,043</u>	<u>33,703</u>	5.2%
B. State			
1. Scholarships	28,352	31,771	12.1%
2. Fellowships	3,425	3,425	0.0%
Total State	<u>31,777</u>	<u>35,196</u>	10.8%
Total Federal and State	<u>63,820</u>	<u>68,899</u>	8.0%
C. University			
1. E&G Programs	55,328	65,344	18.1%
2. Facilities and Admin. Cost Recoverie	1,716	1,716	0.0%
3. Auxiliary Enterprise Programs			
Athletic Scholarships	6,740	6,790	0.7%
Student Financial Assistance	2,912	4,128	41.8%
4. University Funds	8,607	10,607	23.2%
Total University Sources	<u>75,303</u>	<u>88,585</u>	17.6%
D. Total Sources	<u><u>\$ 139,123</u></u>	<u><u>\$157,484</u></u>	13.2%

Hospital Services

Hospital Services

Hospital Services represents University revenue and expenditure for services provided by the University to the VCU Health System and related activities. Hospital Services includes payment for operational, administrative, clinical and research support services including:

- Police and security
- Telecommunications
- Steam plant
- Capital planning and facilities
- Overhead support for a variety of administrative functions

*

Virginia Commonwealth University – 2019-2020 University Budget Plan
Hospital Services Sources & Uses (in thousands)

	2018-19 Budget Plan	2019-20 Budget Plan	Change Over 2018-19
A. SOURCES			
Nongeneral Funds			
1. Sales and Services	\$23,961	\$29,544	23.3%
2. Other Sales and Services	407	872	114.3%
Total Sources	<u>\$24,368</u>	<u>\$30,416</u>	24.8%
B. USES			
1. Operation and Maintenance of Plant	\$ 1,000	\$ 1,000	0.0%
2. Hospital Services	23,368	29,416	25.9%
Total Uses	<u>\$24,368</u>	<u>\$30,416</u>	24.8%

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

MAY 10, 2019

Authorization of Commercial Paper Program

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"); and

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

WHEREAS, by Chapter 10, Title 23.1 of the Virginia Code (as amended, the "Act"), the University entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 594 of the 2008 Virginia Acts of Assembly, 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, including improvements on the acquired land at the time of acquisition, new construction, improvements or renovations and to borrow money for such purposes, including the refinancing of any such facilities; and

WHEREAS, the University has developed plans to facilitate the financing of various projects (i) that have either been authorized by the Board or by appropriate legislation enacted by the General Assembly and (ii) for which the incurrence of indebtedness has been authorized by the Board (collectively, the "Projects") by implementing a short-term financing program (the "Program"), which will be evidenced by the issuance of short-term notes (the "Notes") as part of a commercial paper program or line of credit or similar facility (or some combination of the foregoing); and

WHEREAS, the University intends for the Program not to exceed \$75,000,000 in outstanding principal amount at any one time; and

WHEREAS, the Board has determined it desirable to authorize the Program; and

WHEREAS, the Board anticipates that the Notes will be secured by a general revenue pledge of the University and not be in any way a debt of the Commonwealth of Virginia (the "Commonwealth") and shall not create or constitute any indebtedness or obligation of the Commonwealth, either legal, moral, or otherwise; and

WHEREAS, the Board desires to authorize certain officers of the University to approve the final forms and details of the Program and the Notes, as set forth below.

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

RESOLVED, that the Board hereby authorizes and approves of the Program and hereby authorizes the issuance of one or more series of Notes to undertake the financing and refinancing of the Projects and providing for the terms of the Program and the Notes, through the delivery of one or more Note Resolutions (each, a "Note Resolution") in such form as may be approved by the Authorized Officers designated below consistent with prior practice of the University so that each Note Resolution may reflect the terms and conditions of the Program and the Notes; 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 authorized and directed to approve the final terms of the Program and the Notes, including, without limitation, the original principal amounts and series, the maturity dates and amounts, redemption provisions, prices and interest rates and the tax status of interest on each Note, provided that the maximum aggregate par amount of all Notes outstanding at any one time shall not exceed \$75,000,000; and

RESOLVED FURTHER, the Authorized Officers are each hereby authorized and directed to approve, negotiate, execute and deliver each Note Resolution on behalf of the University; and

RESOLVED FURTHER, the officers and staff of the University are hereby authorized and directed to prepare disclosure materials (the "Disclosure Statement") in preliminary and final forms, and the Authorized Officers are hereby authorized and directed to execute the Disclosure Statement in final form; and

RESOLVED FURTHER, the Authorized Officers are each hereby authorized to negotiate, execute and deliver such other documents as such officer deems necessary or desirable to facilitate the implementation and maintenance of the Program and the issuance and rollover of any Notes, including without limitation a continuing disclosure undertaking and any liquidity facilities; and

RESOLVED FURTHER, the University is hereby authorized to enter into one or more liquidity facilities or credit agreements with JPMorgan Chase Bank, National Association, or an affiliate thereof, and such other financial institutions as the Authorized Officers may deem necessary or advisable upon conferring with the University's financial advisor; and

RESOLVED FURTHER, that the officers and staff of the University are authorized and directed to take all such further actions, including without limitation the designation of broker-dealers, underwriters, paying agents, remarketing agents, solicitation agents, trustees, and liquidity providers, and to execute all such instruments, agreements, documents, and certificates as they shall deem necessary or desirable to carry out the terms of the financing plans presented to this meeting, including without limitation any liquidity facilities, and any agreements or modifications to existing agreements with the VCU Real Estate Foundation, the VCU School of Business Foundation or the VCU School of Engineering Foundation; and

RESOLVED FURTHER, that Authorized Officers are authorized to enter into extensions of and amendments to the liquidity facilities or credit agreements and new liquidity facilities or credit agreements with other financial institutions from time to time (including to increase the aggregate principal amount thereof), so long as such extensions and amendments and new liquidity facilities or credit agreements are not inconsistent with the intent of this Resolution and the aggregate principal amount of the liquidity facilities or credit agreements does not exceed the maximum amount of Notes that can be outstanding at one time under the Note Resolutions; and

RESOLVED FURTHER, pursuant to the Section 147(f) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder, the University designates each of the Authorized Officers as a public hearing officer to hold any public hearings required in order to ensure the tax-exempt status of interest on all or a portion of any Notes of the University; and

RESOLVED FURTHER, to preserve the ability to finance and refinance the Projects on a tax-exempt basis in the future, the Board hereby designates each Authorized Officer as a person authorized under Treasury Regulation Section 1.150-2(d) and (e) 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. After making each such declaration, such individual will file a copy of the declaration with the Board before the next meeting of the Board. Such declarations will be kept with the other public records of the University and noted in the Board's records; and

RESOLVED FURTHER, the appropriate officers of the University are hereby authorized and directed to execute and deliver simultaneously with the issuance of any series of the Notes, the interest on which is intended to be excludable from gross income for federal income tax purposes, a Non-Arbitrage Certificate and Tax Compliance Agreement or similar document (the "Tax Certificate") setting forth the expected use and investment of the proceeds of the Notes and containing such covenants as may be necessary in order to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), including the provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage bonds." The University hereby agrees that the proceeds from the issuance and sale of any such series of the Notes will be invested and expended as set forth in the Tax Certificate and that the University will comply with the other covenants and representations contained in it. The Authorized Officers are each authorized to take such actions, on more than one occasion, to preserve the tax-exempt status of any Note (that was originally issued on a tax-exempt basis), including actions to establish a new program if the Notes are treated as a "commercial paper program" for purposes of the Tax Code and the applicable regulations. Except as may be provided in the Tax Certificate, no further action shall be required to be taken by the Board to establish a new program. The establishment of a new program, in and of itself, shall not require the consent of the holders of any Notes; and

RESOLVED FURTHER that all acts of all officers and staff 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.

Virginia Commonwealth University Board of Visitors
RESOLUTION
Approval of the Six Year Capital Outlay Plan for 2020-2026
May 10, 2019

BE IT RESOLVED, the Virginia Commonwealth University Board of Visitors approves the Virginia Commonwealth University Six Year Capital Outlay Plan for 2020-2026, as presented in Appendix A.

2020-2022 Biennium

Group One Priorities (2020-2022 Biennium)

		State General Fund	Non-General Fund			Total
Priority	Project		Cash/Private	Debt	P3	
State Projects						
1	STEM Building Equipment	\$ 5,904,850	\$ -	\$ -	\$ -	\$ 5,904,850
1	Arts and Innovation Academic Building	\$ 181,364,000	\$ -	\$ -	\$ -	\$ 181,364,000
2	Interdisciplinary Academic and Laboratory Building	\$ 179,000,000	\$ -	\$ -	\$ -	\$ 179,000,000
University Projects						
1	Dentistry Clinic Relocation to Adult Outpatient Facility	\$ -	\$ 10,000,000	\$ 27,798,280	\$ -	\$ 37,798,280
1	Athletic Village	\$ -	TBD	TBD	\$ -	TBD
2	VCU Front Doors Phase Two	\$ -	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000
Public Private Partnership Projects						
1	West Hospital Renovation*	\$ -	\$ -	TBD	\$ 126,100,000	\$ 126,100,000
1	Student Housing	\$ -	\$ -	\$ -	\$ 109,200,000	\$ 109,200,000
Total		\$ 366,268,850	\$ 14,000,000	\$ 27,798,280	\$ 235,300,000	\$ 643,367,130

*Pending further feasibility analysis.

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

2022-2024 Biennium

Group Two Priorities (2022-2024 Biennium)

Priority Project		State General Fund	Non-General Fund			Total
			Cash/Private	Debt	P3	
State Projects						
1	Transdisciplinary Neurosciences Building	\$ 147,784,509	TBD	TBD	\$ -	\$ 295,569,018
2	Interdisciplinary Health Sciences Academic Building, Library, and Innovation Center	\$ 191,667,000	TBD	TBD	\$ -	\$ 236,922,340
University Projects						
1	Student Commons and Wellness Facility	\$ -	TBD	TBD	\$ -	\$ 156,293,186
1	Athletics Tennis Center	\$ -	\$ -	\$ 23,000,000	\$ -	\$ 23,000,000
2	VCU Front Doors Phase Three		\$ 5,746,500	\$ -	\$ -	\$ 5,746,500
Total		\$ 339,451,509	\$ 5,746,500	\$ 23,000,000	\$ -	\$ 717,531,044

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

2024-2026 Biennium

Group Three Priorities (2024-2026 Biennium)

Priority Project		State General Fund	Non-General Fund			Total
			Cash/Private	Debt	P3	
State Projects						
1	Interdisciplinary Academic Laboratory Building	\$ 95,100,000	\$ -	\$ -	\$ -	\$ 95,100,000
University Projects						
1	Student Gallery	\$ -	TBD	TBD	\$ -	\$ 18,500,000
2	Welcome Center (Admissions and Alumni)	\$ -	TBD	TBD	\$ -	\$ 64,500,000
2	Athletics Field House	\$ -	TBD	TBD	\$ -	\$ 16,000,000
2	Recreation Facility	\$ -	TBD	TBD	\$ -	\$ 10,257,935
2	VCU Front Doors Phase Four	\$ -	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
Public Private Partnership Projects						
1	Student Housing	\$ -	\$ -	\$ -	\$ 48,750,000	\$ 48,750,000
Total		\$ 95,100,000	\$ 2,500,000	\$ -	\$ 48,750,000	\$ 255,607,935

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

**BOARD OF VISITORS
RESOLUTION
EASEMENT BETWEEN VCU AND VIRGINIA ELECTRIC AND POWER COMPANY**

MAY 10, 2019

WHEREAS, VCU Health System (VCUHS) is building a new Adult Outpatient Facility (the "AOF") on land owned by Virginia Commonwealth University (the "University") and long-term leased to VCUHS until 2096, which land is located at 515 N. 10th Street on the MCV Campus (the "Property"); and

WHEREAS, new electrical lines, associated facilities, and, due to space limitations, an underground transformer vault, are needed to provide electrical service to the new AOF; and

WHEREAS, it is therefore necessary for the University to grant an easement (the "Deed of Easement") to Virginia Electric and Power Company, doing business as Dominion Energy ("Dominion"), to install, maintain, and repair the new electrical lines and associated facilities (the "Easement"); and

WHEREAS, it is further necessary for VCUHS to enter into an agreement to accept responsibility for the costs and other obligations associated with the installation, maintenance, and repair of the underground concrete vault (the "Vault Agreement"), and for the University to join the Vault Agreement to assume those responsibilities and obligations in the event the long-term lease to VCUHS is not renewed in 2096 or is otherwise terminated; and

WHEREAS, by Chapter 10, Title 23.1 of the Virginia Code (as amended, the "Act"), the University entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 594 of the 2008 Virginia Acts of Assembly, which, as amended, classifies the University as a public institution of higher education and empowers the University with the authority to dispose of real property; and

WHEREAS, the grant of the aforesaid Easement is considered a disposition of certain property rights with respect to the aforesaid Property.

NOW, THEREFORE BE IT RESOLVED that the Board of Visitors of Virginia Commonwealth University ("Board") hereby authorizes and approves the grant of the aforesaid Easement to Dominion Power and the acceptance of the conditions of the aforesaid Vault Agreement between VCUHS, Dominion, and VCU; and

RESOLVED FURTHER, that the Board authorizes the President and his designee to take such further actions and execute any and all documents that might be necessary with respect to the aforesaid Deed of Easement and Vault Agreement.