



**JOINT VIRGINIA COMMONWEALTH UNIVERSITY  
BOARD OF VISITORS  
AND  
VCU HEALTH SYSTEM AUTHORITY  
BOARD OF DIRECTORS  
ELECTRONIC MEETING  
1:00 PM  
July 29, 2020**

**MINUTES**

**VIRGINIA COMMONWEALTH UNIVERSITY BOARD MEMBERS PRESENT  
ELECTRONICALLY**

Mr. Keith T. Parker, Rector (joint membership)  
Mr. H. Benson Dendy III, Vice Rector  
Ms. Pamela K. El  
Ms. Carolina Espinal  
Mr. Peter F. Farrell  
Mr. Todd P. Haymore  
Dr. Gopinath R. Jadhav (joint membership)  
Ambassador Carmen Lomellin  
Mr. Edward L. McCoy, Secretary (arrived at 1:30 pm)  
Rev. Tyrone E. Nelson  
Dr. Tonya Parris-Wilkins  
Ms. Coleen Santa Ana (exited at 2:30 pm)  
Mr. Stuart C. Siegel (joint membership)  
Ms. Alexis N. Swann  
Dr. Shantaram Talegaonkar (joint membership)  
Mr. G. Richard Wagoner, Jr.

**VIRGINIA COMMONWEALTH UNIVERSITY HEALTH SYSTEM AUTHORITY  
BOARD MEMBERS PRESENT ELECTRONICALLY**

The Honorable Lamont Bagby  
Dr. Peter Buckley  
Mr. Steven DeLuca  
Dr. Lisa Ellis  
Ms. May Fox  
Ms. Lisa Hicks-Thomas  
Dr. Gopinath R. Jadhav (joint membership)  
Dr. Bruce Mathern  
Mr. Timothy McDermott  
The Honorable Ryan McDougale  
Mr. Keith T. Parker, Rector (joint membership)

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Dr. Michael Rao, Chair  
Mr. Stuart C. Siegel (joint membership)  
Dr. Shantaram Talegaonkar (joint membership)  
Dr. Wilhelm Zuelzer

**VIRGINIA COMMONWEALTH UNIVERSITY HEALTH SYSTEM AUTHORITY**  
**BOARD MEMBERS BOARD MEMBERS ABSENT**

Dr. Arline Bohannon  
The Honorable Kirkland Cox  
Mr. George Emerson Jr.  
Mr. John Luke Jr.  
Mr. James Massie III  
The Honorable Marilyn Tavenner  
Dr. Michelle Whitehurst-Cook

**CALL TO ORDER**

President Rao and Rector Parker called the meeting to order at 1:05 pm. Ms. Chelsea Gray and Ms. Mary Tacconi conducted a roll call to see who was present. The meeting was being held in accordance with HB29, Governor's Amendment 28: Allow policy-making boards to meet virtually during emergency declarations. The meeting was held by electronic communication means via Zoom. The public was able to view the open session of the meeting via livestream at <https://mssvideo.vcu.edu/BOV>.

**OTHERS PRESENT**

Ms. Chelsea Gray, Assistant Secretary & Board Liaison to the VCU Board of Visitors  
Mr. Mike Melis, Esq., Virginia Commonwealth University Counsel  
Mr. Paul Neimeyer, Esq., General Counsel and Corporate Secretary, VCU Health System  
Ms. Mary Tacconi, Assistant to the VCU Health System Authority Board of Directors  
Virginia Commonwealth University and Virginia Commonwealth University Health System  
Authority Staff and Guests

**PRESIDENT'S REPORT**

President Michael Rao began his report by welcoming Ambassador Carmen Lomellin and Dr. Tonya Parris-Wilkins to the VCU Board of Visitors and welcoming Delegate Lamont Bagby to the VCU Health System Authority Board of Directors.

President Michael Rao began his report by addressing the current situation with the COVID-19 pandemic and reported that the fall semester will begin on August 17.

President Rao addressed the tremendous disparities and inequities of the pandemic and the violence in the country.

President Rao concluded his report reporting that the university is poised for situations that change quickly and we will be ready to adjust as necessary. He reminded the boards of the VCU and VCUHS goal to carry out their missions in the most equitable, inclusive and compassionate ways. A copy of the VCU and VCUHS missions and visions are attached hereto as ***Attachment A*** and is made a part hereof.

#### **REPORT FROM THE VCUHS CHIEF FINANCIAL OFFICER**

Ms. Melinda Hancock, Chief Administrative & Financial Officer, provided an update on the VCU Health System finances. Ms. Hancock reported that she would provide further information in closed session. A copy of Ms. Melinda Hancock's presentation is attached hereto as ***Attachment B*** and is made a part hereof.

#### **REPORT FROM THE VCU CHIEF FINANCIAL OFFICER**

Ms. Karol Kain Gray, Senior Vice President and Chief Financial Officer, reported on the total FY20-21 University Budget. She continued with presenting the FY21 financial plan and concluded with preliminary fall information including enrollment. A copy of Ms. Karol Gray's presentation is attached hereto as ***Attachment C*** and is made a part hereof.

#### **PUBLIC COMMENT PERIOD**

Ms. Chelsea Gray, Assistant Secretary and Board Liaison of the VCU Board of Visitors, reminded the Boards that written comments concerning the proposed agenda items were received prior to the meeting via an online portal and VCU board email. She then reminded the Board of Visitors that they were provided these comments. The public was notified that there would be a public comment session at this meeting however no one pre-registered.

#### **CLOSED SESSION**

Dr. Rao moved that the Virginia Commonwealth University Board of Visitors and the Virginia Commonwealth convene into closed session pursuant to Sections 2.2-3711(A) (1) and (23) of the Virginia Freedom of Information Act to discuss personnel matters, more specifically relating to academic administrator and faculty appointments; and to discuss Health System Authority health care matters and operational strategies where disclosure of such strategies would adversely impact the competitive position of the Authority, including VCU Health System Strategic Financial Report and personnel matters, more specifically to discuss and consider a prospective candidate for a senior position at VCU and VCU Health System. On motion duly made and seconded, a roll call vote was taken:

<b><u>Vote</u></b>	<b><u>Ayes</u></b>	<b><u>Nays</u></b>
Mr. Keith T. Parker, Rector	X	
Mr. H. Benson Dendy III, Vice Rector	X	
Ms. Pamela K. El	X	
Ms. Carolina Espinal	X	

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Mr. Peter F. Farrell	X
Mr. Todd P. Haymore	X
Dr. Gopinath R. Jadhav	X
Ambassador Carmen Lomellin	X
Mr. Edward L. McCoy, Secretary	X
Rev. Tyrone E. Nelson	X
Dr. Tonya Parris-Wilkins	X
Mr. Stuart C. Siegel	X
Ms. Alexis N. Swann	X
Mr. G. Richard Wagoner, Jr.	X

At that time the VCU and VCUHS board members, cabinet members, and VCUHS senior leadership members ended the open session Zoom and entered the closed session Zoom meeting.

### **RECONVENED SESSION**

Following the closed session, the board members and cabinet members returned to the open session Zoom. Dr. Rao called the meeting to order. On motion duly made and seconded, the board reconvened in open session and the following resolution of certification was approved by a roll call vote:

#### **Resolution of Certification**

**BE IT RESOLVED**, that 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 Board.

<b><u>Vote</u></b>	<b><u>Ayes</u></b>	<b><u>Nays</u></b>
Mr. Keith T. Parker, Rector	X	
Mr. H. Benson Dendy III, Vice Rector	X	
Ms. Pamela K. El	X	
Ms. Carolina Espinal	X	
Mr. Peter F. Farrell	X	
Mr. Todd P. Haymore	X	
Dr. Gopinath R. Jadhav	X	
Ambassador Carmen Lomellin	X	
Mr. Edward L. McCoy, Secretary	X	
Rev. Tyrone E. Nelson	X	

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Dr. Tonya Parris-Wilkins	X
Mr. Stuart C. Siegel	X
Ms. Alexis N. Swann	X
Mr. G. Richard Wagoner, Jr.	X

Ms. Santa Ana and Dr. Talegaonkar were not present for the vote. All remaining members present responding affirmatively, the resolution of certification was adopted.

### **PRIORITY ACTION ITEMS**

After the closed session Dr. Rao asked for a motion to approve the appointment of the VCU Senior Vice President for Health Sciences and VCU Health System Chief Executive Officer consistent with the terms approved at the December 2019 VCU Health System Board of Directors and VCU Board of Visitors meetings.

Ms. Santa Ana and Dr. Talegaonkar were not present for the vote. All remaining members present responding affirmatively, the item listed above was unanimously approved.

<b><u>Vote</u></b>	<b><u>Ayes</u></b>	<b><u>Nays</u></b>
Mr. Keith T. Parker, Rector	X	
Mr. H. Benson Dendy III, Vice Rector	X	
Ms. Pamela K. El	X	
Ms. Carolina Espinal	X	
Mr. Peter F. Farrell	X	
Mr. Todd P. Haymore	X	
Dr. Gopinath R. Jadhav	X	
Ambassador Carmen Lomellin	X	
Mr. Edward L. McCoy, Secretary	X	
Rev. Tyrone E. Nelson	X	
Dr. Tonya Parris-Wilkins	X	
Mr. Stuart C. Siegel	X	
Ms. Alexis N. Swann	X	
Mr. G. Richard Wagoner, Jr.	X	

Rector Parker asked for a motion to approve the appointment of Tomikia LeGrande as Vice President of Strategy, Enrollment Management and Student Success.

Ms. Santa Ana and Dr. Talegaonkar were not present for the vote. All remaining members present responding affirmatively, the item listed above was unanimously approved.

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<b><u>Vote</u></b>	<b><u>Ayes</u></b>	<b><u>Nays</u></b>
Mr. Keith T. Parker, Rector	X	
Mr. H. Benson Dendy III, Vice Rector	X	
Ms. Pamela K. El	X	
Ms. Carolina Espinal	X	
Mr. Peter F. Farrell	X	
Mr. Todd P. Haymore	X	
Dr. Gopinath R. Jadhav	X	
Ambassador Carmen Lomellin	X	
Mr. Edward L. McCoy, Secretary	X	
Rev. Tyrone E. Nelson	X	
Dr. Tonya Parris-Wilkins	X	
Mr. Stuart C. Siegel	X	
Ms. Alexis N. Swann	X	
Mr. G. Richard Wagoner, Jr.	X	

Rector Parker asked for a motion to approve the appointment of Daniel C. Bullard as Dean and Professor of the Graduate School and Carmenita Higginbotham as Associate Professor and Dean of the School of the Arts and Special Assistant to the Provost for the School of the Arts in Qatar.

Ms. Santa Ana and Dr. Talegaonkar were not present for the vote. All remaining members present responding affirmatively, the item listed above was unanimously approved.

<b><u>Vote</u></b>	<b><u>Ayes</u></b>	<b><u>Nays</u></b>
Mr. Keith T. Parker, Rector	X	
Mr. H. Benson Dendy III, Vice Rector	X	
Ms. Pamela K. El	X	
Ms. Carolina Espinal	X	
Mr. Peter F. Farrell	X	
Mr. Todd P. Haymore	X	
Dr. Gopinath R. Jadhav	X	
Ambassador Carmen Lomellin	X	
Mr. Edward L. McCoy, Secretary	X	
Rev. Tyrone E. Nelson	X	
Dr. Tonya Parris-Wilkins	X	
Mr. Stuart C. Siegel	X	
Ms. Alexis N. Swann	X	
Mr. G. Richard Wagoner, Jr.	X	

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Ms. Santa Ana and Dr. Talegaonkar were not present for the vote. All remaining members present responding affirmatively, the item listed above was unanimously approved.

**ADJOURNMENT**

There being no further business, Mr. Parker, Rector, adjourned the meeting at 2:45 pm.

## **VCU Health Mission:**

**We preserve and restore health for all people of Virginia and beyond through innovation in service, research and education.**

## **Vision:**

**We lead the nation in quality, affordability, and impact as a trusted and preferred academic health system.**



# VCU Mission:

As the premier urban, public research university in Virginia, VCU's mission is to advance knowledge and student success through its commitments to:

- An engaged, learner-centered environment that fosters inquiry, discovery and innovation in a global setting
- Research that expands the boundaries of new knowledge and creative expression and promotes translational applications to improve human health
- Interdisciplinary collaborations that bring new perspectives to complex problems and mobilize creative energies that advance innovation and solve global challenges
- Health care that strives to preserve and restore health for all people, to seek the cause and cure of diseases through groundbreaking research, and to educate those who serve humanity
- Diversity that provides a climate of inclusion, a dedication to addressing disparities wherever they exist, and an opportunity to explore and create in an environment of trust
- Sustainable, university-community partnerships that enhance the educational, economic and cultural vitality of the communities VCU serves in Virginia and around the world

## Vision:

VCU will be a premier urban, public research university distinguished by its commitment to:

- The intellectual and academic success of a diverse student body
- Research and discovery that advances knowledge, inspires creativity and improves human health
- The global engagement of students, faculty and staff that transforms lives and communities

OPEN SESSION  
VCU Health System

Financial Update

July 2020



# VCU Health System FY 2021 Forecast

## Fiscal Year 2021 Forecast (in 1000s)

Net Revenues	\$ 2,467,447
Other Operating Revenue	\$ 56,941
<b>Total Revenue</b>	<b>\$ 2,524,388</b>
<b>Operating Expenses</b>	
Salaries & Benefits	\$ 1,430,592
Supplies	\$ 512,118
Other	\$ 385,985
<b>Total Operating Expenses</b>	<b>\$ 2,328,695</b>
<b>EBIDTA</b>	<b>\$ 195,693</b>
 Depreciation & Interest	 \$ 133,764
<b>Operating Margin</b>	<b>\$ 61,929</b>

- ❑ Assumptions of ongoing COVID-19
- ❑ Minimization of risks for the fiscal year
- ❑ Commitment to meet current obligations while reducing unnecessary exposure
  - ❑ Children's Hospital of Richmond
  - ❑ Adult Outpatient Pavilion
  - ❑ Infrastructure investments for Information Technology
- ❑ Approved forecast of at least 2.5% using dynamic forecasting which will be revisited every quarter





# Board of Visitors

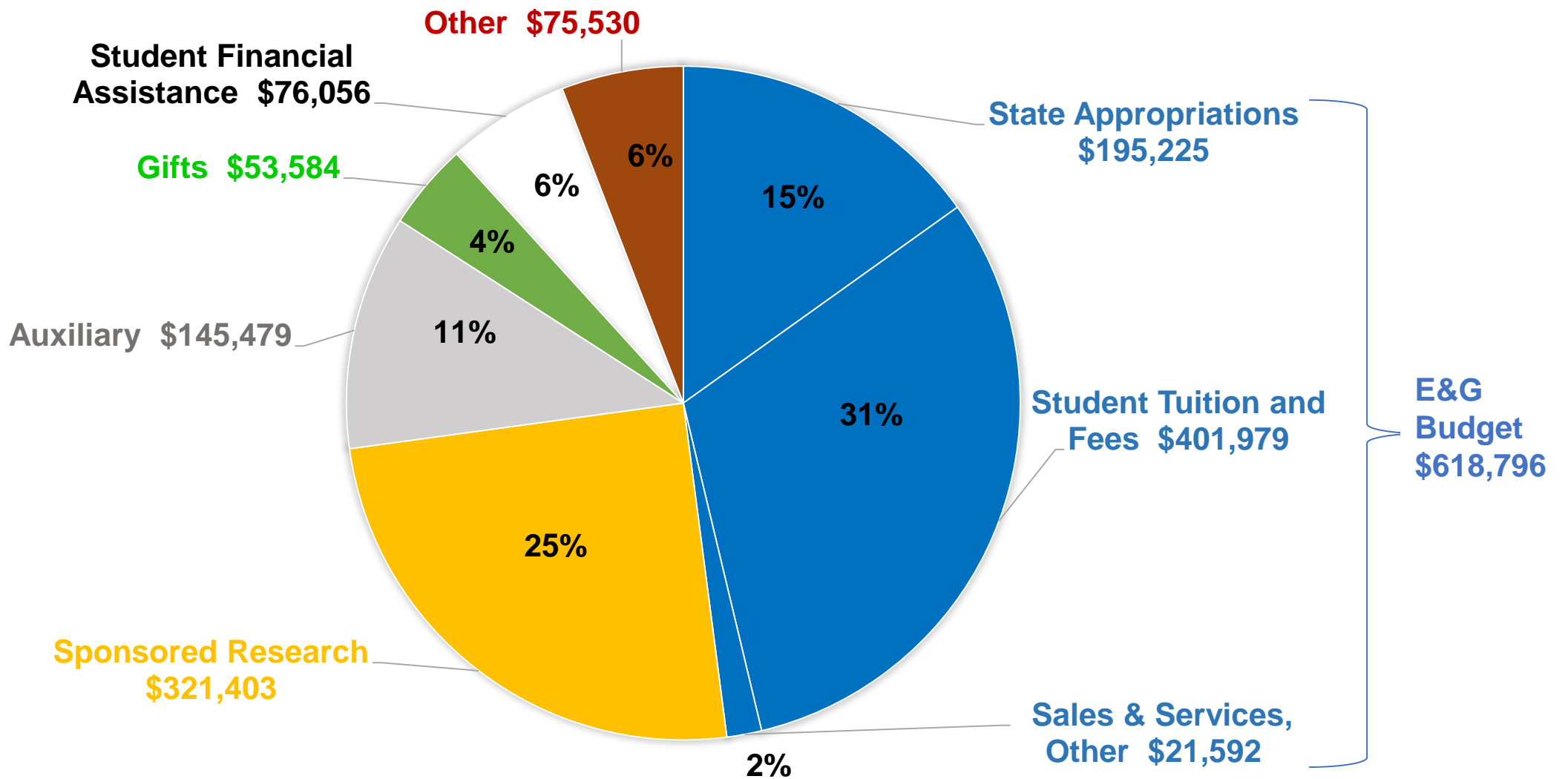
Budget Update  
July 29, 2020

## ATTACHMENT C



Karol Kain Gray, Senior VP and CFO

# Total University Budget FY20-21: \$1.3B



# FY2021 Financial Plan

	2021
<b><u>University Revenue</u></b>	
FY21 with 10% Enrollment Decline	\$(41,546)
<b>Total University Revenue</b>	<b>(41,546)</b>
<b><u>Projected Expenses</u></b>	
Fringe Benefit Increase	(3,430)
Faculty Promotions	(1,284)
Graduate and Military Tuition Waivers	(6,500)
Academic and Operational Needs (net of reallocation)	(440)
COVID-19 Costs	(2,642)
<b>Projected Total University Expenses</b>	<b>(14,296)</b>
<b>Total University Shortfall</b>	<b>(55,842)</b>
<b><u>Actions Required To Balance 2021</u></b>	
Reallocation of Auxiliary Fund Balances	10,177
Hiring Freeze, Attrition, and Executive Savings	11,094
Strategic School and Administrative Reductions	18,140
One Time Use of Contingency Funds	16,431
<b>Total 2021 Actions</b>	<b>55,842</b>
<b>University Net Position</b>	<b>\$ -0-</b>

# Preliminary Fall update

## Enrollment:

- Preliminary information is generally positive (~3% loss mostly in UG) but **significant uncertainty remains**
- VCU undergraduate class profile very similar to FY20
- Graduate enrollment flat to FY20

## State budget:

- State revenue reforecast planned for August 18
- State revenue FY20 loss due to COVID19 much less than anticipated (\$237M vs. \$1B)

## COVID-19 related issues:

- Continued need for PPE and testing into spring estimated at an additional \$6.5M bringing total PPE costs to \$9M
- Continuing planned impact to housing and dining \$8-10M range
- Possible additional CARES funding from Federal and State government
- Ongoing challenges in student recruitment/retention with any changes in instructional modality
- Change in public health mandates

# Question and Answer