



VIRGINIA COMMONWEALTH UNIVERSITY

**VIRGINIA COMMONWEALTH
BOARD OF VISITORS
DECEMBER 10, 2021
James Branch Cabell Library
901 Park Avenue – Room 303
RICHMOND, VIRGINIA
& VIRTUAL**

MINUTES

BOARD MEMBERS PRESENT

Mr. H. Benson Dendy III, *Rector*
Ms. Carolina Espinal, *Vice Rector*
Ms. Pamela K. El
Mr. Andrew Florance
Mr. Todd P. Haymore
Ambassador Carmen Lomellin
Mr. Edward L. McCoy, *Secretary*
Rev. Tyrone E. Nelson
Mr. Keith T. Parker
Dr. Tonya Parris-Wilkins
Ms. Coleen Santa Ana
Mr. Stuart C. Siegel
Ms. Alexis Swann
Dr. Shantaram Talegaonkar

BOARD MEMBERS PRESENT VIRTUALLY

Mr. Peter Farrell (arrived at 12:34 p.m. and departed at 2:57 p.m.)

BOARD MEMBERS ABSENT

Dr. Gopinath R. Jadhav

OTHERS PRESENT

President Michael Rao
Ms. Chelsea Gray, *Assistant Secretary and Board Liaison & Executive Assistant to the President*
Ms. Karen Helderman, *Executive Director for Audit and Compliance Services*
Mr. Mike Melis, *University Counsel*
Presidential Cabinet of VCU
VCU students, faculty and staff
Members of the Media

CALL TO ORDER

Rector H. Benson Dendy III called the meeting to order at 12:31 p.m. in the James Cabell Library, 901 Park Avenue, Richmond, Virginia. The meeting was held in accordance with Section 2.2-3708.2 (D) of the Freedom of Information Act.

Ms. Chelsea Gray, Assistant Secretary and Board Liaison & Executive Assistant to the President, reminded everyone in attendance of logistics for the meeting. She then conducted a roll call to see who was present virtually and in-person. The public was able to view the open session of the meeting via livestream at <https://mssvideo.vcu.edu/BOV>.

Rector Dendy acknowledged that VCU is reaching the conclusion of another milestone semester, and the Board appreciates the efforts of students, faculty and staff who continue to show great resilience, dedication and hard work.

He mentioned that commencement would be the following day recognizing Summer and Fall 2021 graduates along with Spring and Fall 2020 and Spring 2021 graduates who didn't have an opportunity to attend an in-person university commencement ceremony.

Rector Dendy mentioned VCU alum Secretary of the Commonwealth Thomasson and commended her for accomplishments since receiving her degree.

On a motion duly made and seconded the Resolution commending Secretary Kelly Thomasson was approved by a roll call vote:

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. H. Benson Dendy III, <i>Rector</i>	X	
Ms. Carolina Espinal, <i>Vice Rector</i>	X	
Ms. Pamela K. El	X	
Mr. Peter Farrell	X	
Mr. Andrew Florance	X	
Mr. Todd P. Haymore	X	
Ambassador Carmen Lomellin	X	
Mr. Edward L. McCoy	X	
Rev. Tyrone E. Nelson	X	
Mr. Keith T. Parker	X	
Dr. Tonya Parris-Wilkins	X	
Ms. Coleen Santa Ana	X	
Mr. Stuart C. Siegel	X	
Ms. Alexis Swann	X	
Dr. Shantaram Talegaonkar	X	

The Resolution commending the Honorable Kelly Thomasson is attached hereto as ***Attachment A*** and is made a part hereof.

PUBLIC COMMENT PERIOD

Ms. Chelsea Gray reminded the Board that written comments were to be received prior to the meeting via an online portal and that no comments were received and provided to the board in advance of the meeting.

She then reminded the Board that there would be a public comment session at this meeting and that in accordance with the published procedures for public comment, one person, Dr. Everett Carpenter, President of the VCU Chapter of American Association of University Professors, pre-registered to speak. Dr. Carpenter mentioned he provided a report to the board in advance of this meeting. Dr. Carpenter addressed his the AAUP report and specifically mentioned shared governance requires transparency and a degree of mutual trust between administration, faculty and other stakeholders.

Dr. Carpenter’s report is attached as *Attachment B*.

APPROVAL OF MINUTES

On a motion duly made and seconded the minutes of the September 14, 2021 board meeting and the October 30, 2021 Board Retreat were approved by a roll call vote:

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. H. Benson Dendy III, <i>Rector</i>	X	
Ms. Carolina Espinal, <i>Vice Rector</i>	X	
Ms. Pamela K. El	X	
Mr. Peter Farrell	X	
Mr. Andrew Florance	X	
Mr. Todd P. Haymore	X	
Ambassador Carmen Lomellin	X	
Mr. Edward L. McCoy	X	
Rev. Tyrone E. Nelson	X	
Mr. Keith T. Parker	X	
Dr. Tonya Parris-Wilkins	X	
Ms. Coleen Santa Ana	X	
Mr. Stuart C. Siegel	X	
Ms. Alexis Swann	X	
Dr. Shantaram Talegaonkar	X	

A copy of the minutes can be found on the VCU website at the following webpage <https://president.vcu.edu/board/minutes/>.

PRESIDENT’S REPORT

President Rao began his report by reminding the board that the work done at VCU positively impacts the future of thousands of students. He highlighted one student, Heather James, born with cystic fibrosis who dropped out soon after she started because of health problems. She persevered and returned to VCU and will be graduating on Saturday. Stories like this should inspire everyone to continue making VCU accessible and focused on supporting ALL of VCU’s students.

He continued to say that VCU is quickly becoming the prime model for modern research universities and university healthcare systems to do the things that really matter to all people of all backgrounds. VCU just recently announced that it is creating a new Institute for Liver Disease and Metabolic Health. The goal is to make VCU a global leader in the research and education about fatty liver disease and metabolically driven disorders and in the care of patients with these conditions, which particularly affect Latinos. The institute will be led by Dr. Arun Sanyal, an internationally renowned clinician-researcher in this area, and will build on the success of VCU's nationally recognized hepatology and liver transplant programs.

President Rao proceeded to mention that his leadership is moving expeditiously through the Quest strategic plan recalibration to ensure that the student experience at VCU is relevant to success in the real world. He and his senior leadership are committed to stackable credentials, digital and entrepreneurial literacies as general education, co-internships, REAL experiences, multi-year transdisciplinary projects focused on major societal challenges and industry needs, and hybrid programs/courses.

In the spirit of the holidays President Rao shared the following video:
<https://www.youtube.com/watch?v=eYxSrOy4TgE>.

In closing, President Rao acknowledged Dr. Peter Buckley, who will assume the role of chancellor of the University of Tennessee Health Sciences Center. He thanked Dr. Buckley for his five years of outstanding services as dean of the VCU School of Medicine and executive vice president for medical affairs with a special recognition for his leadership as interim SVP/CEO leading the health system's pandemic response.

CONSTITUENT REPORTS

The student representatives, Mr. Jordan Matamoro-Mejias and Ms. Anne Skelton, faculty representative, Ms. Nancy Jallo, and staff representative, Mr. Christopher McDonald, all spoke about initiatives that are taking place around campus along with challenges faculty, staff, and students are facing.

A copy of Mr. Matamoro-Mejias' powerpoint is attached hereto as *Attachment C*.

VCU STATE OF RESEARCH

Dr. P. Srirama Rao, Vice President for Research and Innovation, began his report with saying that the 2021 state of the research for VCU is growing and it's impactful, it is transformative, and it has been innovative. He acknowledging all of the researchers at VCU past and present. VCU research has grown 34% since 2018 and 8% over the last year. The external awards were spread across most of VCU's units or schools and colleges. VCU has diversified its portfolio funding from a variety of sources including federal funding, not just the NIH, but also NSF and DOD and DOE, which is a representation of a top tier research university. With VCU's commitment to research \$1.45 billion proposals were submitted in FY2021; this is up 41% since 2018. In compassion to VCU's peers, VCU is number three for startups, number four for patent

applications, and number five for invention disclosures. VCU has also been doing extremely well in the area of clinical care and optimizing health.

Dr. P. Srirama Rao continue to discuss the One VCU Research Strategic priorities plan focusing on the investment strategy.

The board emphasized their enthusiasm and commended Dr. Rao for the work he and his team are doing.

A copy of Dr. Rao’s presentation is attached hereto as *Attachment D*.

CLOSED SESSION

Rector Dendy moved that the Board of Visitors of Virginia Commonwealth University convene a closed session under Section 2.2-3711(A)(1) of the Virginia Freedom of Information Act for the discussion of personnel matters, more specifically relating to the performance evaluation of various staff members; and faculty tenure appointments, changes in status; and an audit report addressing individual use of discretionary funds and travel; and the evaluation of performance of certain departments of Virginia Commonwealth University, which will necessarily involve discussion of the performance of specific individuals relating to student matters; and under Section 2.2-3711(A)(2) for the discussion of matters that would involve the disclosure of information contained in scholastic records of students, more specifically relating to pending or potential investigations or legal actions relating to student matters at the university; and under Section 2.2-3711(A)(3) for the discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, specifically related to real property to be used for Intercollegiate Athletics; and under Section 2.2-3711 (A)(7) and (8), for consultation with legal counsel pertaining to specific legal matters requiring legal advice by counsel and actual or probable litigation, where such consultation of briefing in open meeting would adversely affect the negotiating or litigating posture of the university, namely a survey of and status report on the university’s positions in potential and current litigation in state and federal courts and other legal matters relating to pending investigations, student matters, employee matters, and university policies; and under Section 2.2-3711 (A)(9) for the discussion of gifts, bequests, and fund-raising activities of the University, namely the Named Funds Report, the Approved Named Funds under \$50,000 Report, and other notable and significant gifts; and under Section 2.2-3711(A)(11) for discussion or consideration of honorary degrees or special awards, namely proposed recipients for such degrees or awards; and under Section 2.2-3711 (A)(19) for discussion of specific cybersecurity vulnerabilities and briefing by staff concerning actions taken to respond to such matters, specifically relating to data security and certain IT processes. The motion was seconded and was approved by a roll call vote:

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

Mr. Peter Farrell	X
Mr. Andrew Florance	X
Mr. Todd P. Haymore	X
Ambassador Carmen Lomellin	X
Mr. Edward L. McCoy	X
Rev. Tyrone E. Nelson	X
Mr. Keith T. Parker	X
Dr. Tonya Parris-Wilkins	X
Ms. Coleen Santa Ana	X
Mr. Stuart C. Siegel	X
Ms. Alexis Swann	X
Dr. Shantaram Talegaonkar	X

Following the closed session, the public was invited to return to the meeting. Rector Dendy called the meeting to order. On a 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 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.

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. H. Benson Dendy III, <i>Rector</i>	X	
Ms. Carolina Espinal, <i>Vice Rector</i>	X	
Ms. Pamela K. El	X	
Mr. Peter Farrell	X	
Mr. Andrew Florance	X	
Mr. Todd P. Haymore	X	
Ambassador Carmen Lomellin	X	
Mr. Edward L. McCoy	X	
Rev. Tyrone E. Nelson	X	
Mr. Keith T. Parker	X	
Dr. Tonya Parris-Wilkins	X	
Ms. Coleen Santa Ana	X	
Mr. Stuart C. Siegel	X	
Ms. Alexis Swann	X	
Dr. Shantaram Talegaonkar	X	

All members present responding affirmatively, the resolution of certification was adopted.

CLOSED SESSION ACTION ITEMS

Mr. Dendy mentioned to the board that he plans to make one motion to approve all matters discussed in closed session together unless anyone opposed. Rector Dendy moved that the Board of Visitors of Virginia Commonwealth University approve the following actions as presented in closed session:

1. The Faculty Tenure appointments, changes in status and tenure recommendations.
2. Commencement, Honorary Degree, Edward A. Wayne Medal and Presidential Medallion Recipients.
3. The funds Named Funds and Spaces Report and the Approved Named Funds under \$50,000.

The motion was seconded and was approved by a roll call vote:

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. H. Benson Dendy III, <i>Rector</i>	X	
Ms. Carolina Espinal, <i>Vice Rector</i>	X	
Ms. Pamela K. El	X	
Mr. Peter Farrell	X	
Mr. Andrew Florance	X	
Mr. Todd P. Haymore	X	
Ambassador Carmen Lomellin	X	
Mr. Edward L. McCoy	X	
Rev. Tyrone E. Nelson	X	
Mr. Keith T. Parker	X	
Dr. Tonya Parris-Wilkins	X	
Ms. Coleen Santa Ana	X	
Mr. Stuart C. Siegel	X	
Ms. Alexis Swann	X	
Dr. Shantaram Talegaonkar	X	

ACADEMIC & HEALTH AFFAIRS COMMITTEE REPORT

Ms. Coleen Santa Ana, Co-Chair of the Academic and Health Affairs Committee, referred the board to the BoardEffect board materials and committee summaries that were provided to the board in advance of the meeting.

She began by reporting that during the committee meeting Provost and Senior Vice President for Academic Affairs Dr. Fotis Sotiropoulos provided a report on his plan to build on VCU’s momentum of access and student success toward excellence and national prominence in the academic enterprise. This included key strategies and tactics, as well as examples of metrics of excellence. In addition, Dr. Tomikia LeGrande, vice president for strategy, enrollment management and student success, provided an enrollment market scan to include enrollment plans for next year.

She reported that Dr. Art Kellermann, senior vice president for health sciences and CEO VCU Health, presented a proposal and request for approval to establish a School of Public Health at VCU. The proposed School of Public Health will build on VCU's long-accredited and substantive public health program as a stand-alone academic unit within the university and, consistent with national accreditation standards, will have the same reporting structure as the other schools at the university.

On a motion duly made and seconded the School of Public Health was approved by a roll call vote:

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. H. Benson Dendy III, <i>Rector</i>	X	
Ms. Carolina Espinal, <i>Vice Rector</i>	X	
Ms. Pamela K. El	X	
Mr. Peter Farrell	X	
Mr. Andrew Florance	X	
Mr. Todd P. Haymore	X	
Ambassador Carmen Lomellin	X	
Mr. Edward L. McCoy	X	
Rev. Tyrone E. Nelson	X	
Mr. Keith T. Parker	X	
Dr. Tonya Parris-Wilkins	X	
Ms. Coleen Santa Ana	X	
Mr. Stuart C. Siegel	X	
Ms. Alexis Swann	X	
Dr. Shantaram Talegaonkar	X	

These School of Public Health brief is attached hereto as ***Attachment E*** and is made a part hereof.

The committee also recommended approving five (5) additional academic proposals. On a motion duly made and seconded three (3) new certificates programs for: Culturally Responsive Leadership, Public Health Laboratory Sciences, and Health Equity as well as two (2) program discontinuations for Master of Music in Music and Doctor of Philosophy in Art History were approved by a roll call vote:

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. H. Benson Dendy III, <i>Rector</i>	X	
Ms. Carolina Espinal, <i>Vice Rector</i>	X	
Ms. Pamela K. El	X	
Mr. Peter Farrell	X	
Mr. Andrew Florance	X	
Mr. Todd P. Haymore	X	
Ambassador Carmen Lomellin	X	
Mr. Edward L. McCoy	X	

Rev. Tyrone E. Nelson	X
Mr. Keith T. Parker	X
Dr. Tonya Parris-Wilkins	X
Ms. Coleen Santa Ana	X
Mr. Stuart C. Siegel	X
Ms. Alexis Swann	X
Dr. Shantaram Talegaonkar	X

These items are attached hereto as **Attachment F** and is made a part hereof.

She then reminded the board of the VCU chapter of AAUP report they received earlier. She then turned to Dr. Fotis Sotiropoulos, Provost and Senior Vice President for Academic Affairs, and Ms. Karol Kain Gray, Chief Financial Officer and Senior Vice President to address the AAUP report. The data used is public data which is not consistent throughout institutions and how they classify employees which unfortunately can lead to a number of confusing and false conclusions if the data is not properly interpreted. Term faculty along with tenure-track faculty play a very important role in delivering the educational mission and are important contributors to VCU's mission. VCU is working with growing the number of tenured faculty. VCU has had a very stable faculty administration and executive leadership since 2013 and that the data demonstrates that full time tenure track faculty at VCU in comparison to other Virginia institutions is right in the middle and fairly consistent since 2015.

Rector Dendy commended VCU with not having tuition increases in the last three years and reiterated that the priority for the board and administration is to improve faculty salaries and adjunct faculty salaries.

Provost Sotiropoulos and Ms. Gray's presentation and response to the AAUP report are attached hereto as **Attachment G** and is made a part hereof.

GREEK LIFE UPDATE

Dr. Charles Klink provided a brief update on fraternities and sororities. Over the summer and fall semesters the work in this area has been a major focus. He reported that VCU has made significant progress on the recommendations from Dyad and VCU's own internal assessment, despite some challenges. VCU has hired a Director of the FSL Office and created a hazing prevention coordinator position. Dr. Klink shared a chart showing what steps have been completed, in process and ongoing and what is to be completed.

Dr. Klink's presentation is attached hereto as **Attachment H** and is made a part hereof.

STRATEGIC TASK FORCE REPORT

Mr. Keith Parker, Chair of the Strategic Task Force, reported that the task force met on November 30. In the meeting the task force heard from the University Relations Vice President Grant Heston about the excellent work he and his team are doing to conduct research that is informing strategic planning focused on elevating VCU's storytelling and brand reputation.

The Task Force also received an informative report on University rankings led by Provost Sotiropoulos and Vice President LeGrande. The task force determined that while rankings are important, VCU should focus most closely on those that align with - and advance - the university's mission.

The Task Force very pleased to hear from CFO Karol Gray about strategic plans to double the University's investment in women and minority contracts by 2025.

Also discussed during the meeting was a need to think strategically about how to structure student internships and online education in ways that will help ensure VCU can better support the academic to workforce trajectory for VCU's students. The Provost and his team are working to set goals and identify resources in collaboration with the CFO.

Finally, Mr. Parker addressed the diversity, equity and inclusion priorities that were identified and discussed at the board retreat. A summary of the recommended areas of focus and ideas for engagement is attached hereto as *Attachment I*.

In brief, the task force agreed that Diversity, Equity and Inclusion should be embedded in all aspects of the university's mission and operations. There was a comprehensive list of near and longer term opportunities to support that effort and the Board is asking these priorities explored further in order to develop goals, actions and corresponding timelines. The Board expects university leadership to provide updates on these issues on a regular basis so that they can be made actionable across the breadth of VCU.

There were no action items.

AUDIT, INTEGRITY & COMPLIANCE COMMITTEE REPORT

Dr. Talegaonkar, Chair of the Audit, Integrity and Compliance Committee, referred the board to the BoardEffect board materials and committee summaries that were provided to the board in advance of the meeting.

Dr. Talegaonkar reported that the Audit, Integrity and Compliance Committee heard from Mike Reinholtz, audit director with the Auditor of Public Accounts, on the university's financial statement audit results for the year ended June 30, 2021. The university is receiving an unmodified or clean opinion meaning the financial statements are presented fairly in accordance with the required accounting principles. Mr. Reinholtz will be emailing each board member the final audited financial statements and the report on internal control and compliance soon.

He then reported that the Executive Director shared the results of a recent audit of Social Media governance and noted there are about 750 decentralized social media accounts in use at VCU with Facebook, Twitter and Instagram being the most popular platforms. The Social Media office approves these accounts and there are designated communication leaders who are responsible for managing the accounts and their content in accordance with VCU Guidelines. The audit recommended the Social Media office train the communication leaders on the Guidelines to reduce risk of improperly managed accounts.

Dr. Talegaonkar concluded by reporting that Monal Patel, associate vice-provost of institutional decision and support provided an update on the university's data governance program and brought new committee members up to date on these efforts.

There were no action items.

GOVERNANCE AND COMPENSATION REPORT

Ms. Carolina Espinal, referred the board to the BoardEffect board materials and committee summaries that were provided to the board in advance of the meeting.

Ms. Espinal reported that the committee reviewed its charter, dashboard and planner. A minor revision was made to the committee's charter and was unanimously approved by the committee.

The committee reviewed the revised Alcohol and Other Drugs Policy. This policy is reviewed every even year, but it was reviewed for the following substantive changes to the policy:

- Provided clarity about the offices with authority to interpret and apply the policy based upon the relationship of the individual with the institution.
- Marijuana was specifically clarified in the policy to account for recent changes in state law within Virginia. The policy recognizes marijuana is still a controlled substance according to federal law, and as such, VCU treat it according to that guidance in order to ensure compliance with the Drug Free Campuses and Schools act. Not doing so could potentially jeopardize federal funding.
- A medical amnesty policy has specifically been included, which is modeled upon the policy in the Title IX policy as well as state law providing similar amnesty for individuals seeking assistance for overdoses.
- Off-campus policy enforcement for employees was clarified that the prevailing policy for such conduct would be the VCU Criminal Convictions Investigations Policy.

Ms. Espinal then moved that the Board approve the revised Alcohol and Other Drugs Policy. The motion was seconded and was approved unanimously. Mr. Peter Farrell, the only board member who was attending virtually, exited the zoom at 2:57 p.m.; therefore, the meeting was no longer virtual and a roll call was not necessary.

The revised policy is attached hereto as *Attachment J* and is made a part hereof.

INTERCOLLEGIATE ATHLETICS REPORT

Mr. Todd Haymore, Chair of the Intercollegiate Athletics Committee, reported that the Committee received several Information Items, including:

- Report on NCAA violations
- Report on student-athlete conducts issues
- Fall competitive success:
 - Women's soccer: won A-10 Regular Season Championship
 - Men's soccer: three wins and a draw vs. nationally-ranked teams

- Volleyball: finished 2nd place in A-10
- Field hockey: finished 2nd place in A-10
- Athletic Development:
 - \$132,329 ahead of FY 21 YTD
 - Recent Men's Basketball alumnus commitment of \$750,000 (largest for a former student-athlete)
 - A challenge is raising annual fund dollars during major capital raise for facilities and COVID on game attendance
- Name, Image and Likeness:
 - VCU has had 6 transactions. Challenges include added work for staff, hiring of third parties to work with student-athletes
- Conference affiliation: Loyola University of Chicago was added to Atlantic 10 in November.

There were no action items.

FINANCE, BUDGET & INVESTMENT REPORT

Mr. Stuart Siegel, Chair of the Finance, Budget and Investment Committee, referred the board to the BoardEffect board materials and committee summaries that were provided to the board in advance of the meeting.

The committee reviewed the Tax Exempt Compliance Policy, VCU Investment and Liquidity Policy, and the request for demolition of property at 708 West Grace Street.

Mr. Siegel then moved that the Board approve the Tax Exempt Compliance Policy, VCU Investment and Liquidity Policy, and the demolition of property at 708 West Grace Street. The motion was seconded and was approved unanimously. Mr. Peter Farrell, the only board member who was attending virtually, exited the zoom at 2:57 p.m.; therefore, the meeting was no longer virtual and a roll call was not necessary.

The Tax Exempt Compliance Policy, VCU Investment and Liquidity Policy, and the request for demolition of property at 708 West Grace Street are attached hereto as ***Attachment K*** and is made a part hereof.

UNIVERSITY RESOURCES REPORT

Rev. Tyrone Nelson, Chair of the University Resources Committee, referred the board to the BoardEffect board materials and committee summaries that were provided to the board in advance of the meeting.

He reported that during the committee meeting Ms. Karah Gunther and Mr. Matt Conrad provided an elections update, offered a 2022 General Assembly Session preview and highlighted VCU's priorities for this session. An update on the structure of VCU Office of Government Relations was also shared.

In addition, Rev. Nelson mentioned that Grant Heston shared ROI measures for communications and marketing, provide an update on brand research and talk about expanding/improving VCU social media.

Lastly, he summarized that Mr. Davenport provided a fundraising update, introduced the alumni engagement plans for 2022 and beyond, and introduced the University Development team. VCU's development team has raised \$26.6 million in new gifts and pledges since July 1, 2021, with 7,854 donors. That is a 26% decrease in dollars raised, with 17% decrease in total donor count the same time last year.

There were no action items.

ADJOURNMENT

There being no further business, Rector Dendy adjourned the meeting at 4:07 p.m.

ATTACHMENT A



Commending the Honorable Kelly Thomasson

WHEREAS Secretary Kelly Thomasson, served with distinction as the Secretary of the Commonwealth of Virginia under Governor Ralph Northam and Governor Terry McAuliffe; and

WHEREAS Kelly Thomasson hails from Ashland, Virginia; and

WHEREAS Kelly Thomasson graduated Magna Cum Laude from Virginia Commonwealth University in 2001 with a degree in Political Science; and

WHEREAS Kelly Thomasson worked for Senator Mark Warner for 13 years in various capacities, including projects director in his U.S. Senate office and as director of scheduling in the Office of the Governor; and

WHEREAS Kelly Thomasson joined Governor Terry McAuliffe's administration as the Deputy Secretary of the Commonwealth in 2014 and was appointed as Secretary of the Commonwealth in 2016; and

WHEREAS Kelly Thomasson was named Top 40 Under 40 by *Style Weekly* in 2017; and

WHEREAS Kelly Thomasson was reappointed as Secretary of the Commonwealth in 2018 by Governor Ralph Northam; and

WHEREAS Kelly Thomasson is passionate about creating a state government that is open and welcoming to everyone, she was instrumental in recruiting qualified, service-minded individuals to serve on boards, commissions, and councils across the entire Commonwealth of Virginia; and

WHEREAS Kelly Thomasson led the effort to restore civil rights of eligible felons on a case-by-case basis, resulting in over 160,000 individuals having their rights restored in the Commonwealth of Virginia; and

WHEREAS Kelly Thomasson also acts as the Governor's liaison to Virginia's Indian tribes, as well as the Council on Women; and

WHEREAS Kelly Thomasson is involved in many local community activities, including serving on the board of the Ashland Main Street Association; and

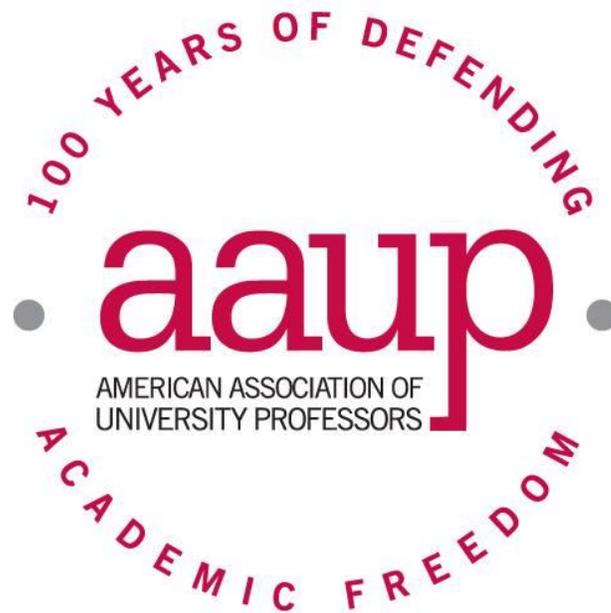
WHEREAS Kelly Thomasson served as Secretary of the Commonwealth with distinction and Virginia Commonwealth University thanks Secretary Kelly Thomasson for her service to the Commonwealth; now, therefore, be it

RESOLVED by Virginia Commonwealth University Board of Visitors on this 10th day of December 2021 that we commend Secretary Kelly Thomasson for her dedicated and extraordinary service to our Commonwealth.

H. Benson Dendy III, Rector

Michael Rao, President

ATTACHMENT B



A Report on the Administrative Structure at Virginia Commonwealth University

By the
VCU Chapter of the AAUP

and

endorsed by the VCU Chapter of the United Campus Workers

Presented as written comments to the VCU Board of Visitors December 10, 2021

Executive Summary

Over the past two years, administrative growth at Virginia Commonwealth University has out-paced faculty growth while the number of instructional employees overall has remained unchanged. **For every four tenure track faculty members at VCU, there are five administrators.** This growth in executive administration correlates directly to eroded working conditions for all faculty, but particularly for the growing contingent faculty workforce. Instructors' working conditions are students' learning conditions, and the erosion of the former negatively impacts the latter. Only 33% of the instructional employees are tenured or tenure-track, which is a lower percentage of tenure-eligible faculty than all of VCU's VA peer institutions, as well as the majority of national peer and aspirational universities. Tenure-eligible faculty are typically the research-active faculty that drive the university's R1 ranking, attract students, and provide the relevant experiential learning opportunities that set VCU apart from other universities.

VCU has developed an inefficient and expensive administrative overhead that is sapping cash flow, threatening the bond rating, and mismanaging student tuition and taxpayer dollars.

As an institution, VCU is responding to the crisis in higher education in the least effective way possible—hiring more and more administrators and non-instructional employees—rather than investing in the core, intertwined missions of education and research.

If VCU is an institution for transformative innovation that can lead the reinvention of higher education, then let it not be hampered by the lack of tenure-track faculty. VCU's faculty are forward thinking and highly adaptable, as we have witnessed over the past year. We are dedicated to

providing our students, many of them first-generation college students, an excellent education and to engaging in research for the greater public good. For our institution to reach its full potential we must decrease the level of administration, increase the percentage of tenure-track faculty and provide them with the resources needed to maximize student success.

According to financial data reported to the National Center for Educational Statistics by VCU administration, over the past two years the increase in the administrative salaries has been covered almost entirely by a rise in student tuition revenue. Since 2019, the number of management employees has increased 9.6%. **Students are paying the price and they are going to look elsewhere if VCU does not correct its course.** Finance-savvy students are not going to pay more and more for a VCU education—which is already among the costliest in the Commonwealth—when that additional revenue is being spent on management and administration, rather than being invested directly into their education.

The VCU Chapter of the AAUP is requesting that the VCU Board of Visitors immediately begin a comprehensive review of the administrative structure of VCU, as well as the structure of the instructional staff by an outside consulting group vetted by faculty. We believe this is essential for VCU to move to the next level and continue providing the best education possible for our students.

VCU Administrative structure is out of balance

An article published by the Association of American Colleges and Universities periodical peerReview in Fall 2002 explained that *“Over-reliance on part-time and other ‘contingent’ instructional staff diminishes faculty involvement in undergraduate learning...such over-reliance particularly disadvantages the less-well-prepared entering and lower-division students in the non-elite institutions who most need more substantial faculty attention.”* AAUP’s 2018 Data Snapshot of contingency in higher education shows that destabilization of the faculty workforce through conversion of instructional labor to contingent positions has continued unabated, eroding the working conditions of our instructional workforce nationally. Stabilizing and protecting the employment status of adjunct and term faculty would rectify this concern by

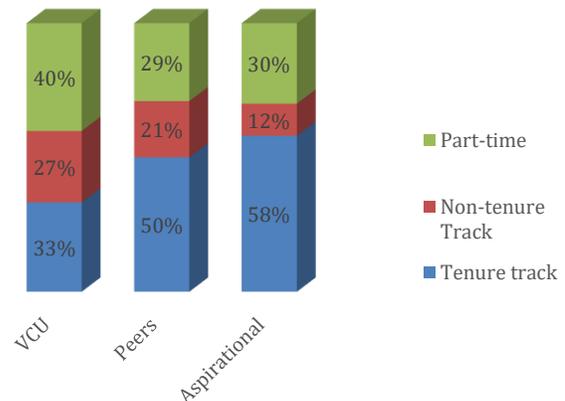
At VCU, 23% of employees are instructional employees. The percentage of tenure-track faculty per total instructional employees is the lowest of any of our peer institutions.

allowing those faculty to focus their attention on students rather than on their precarious employment status.

Tenure track employees at an R1 university are those faculty who are afforded more capacity for active research. These research-active faculty are directly responsible for the increase seen in VCU research expenditures over the past two years which, in turn, attracts students to our programs. **The ratio of tenured or tenure-track faculty to total instructional employees directly impacts program quality.** Tenured/tenure-track research faculty provide valuable hands-on research experiences to students, in line with

VCU’s commitment to the relevant, experiential, and applied learning initiative (REAL). Stable working conditions for full-time, tenure track faculty allows those faculty to focus our curriculum on addressing real world problems and experiential opportunities, not only within research fields, but also through possibilities for interdisciplinary convergence research and problem-based learning as outlined within VCU’s strategic vision. Active tenured/tenure-track research faculty are able to develop strong professional networks and community ties through their work and these connections help students secure professional opportunities. ***In a world where it increasingly matters who you know (and not just what skills you’ve been credentialed in), providing these networked connections is essential to helping our students succeed in this challenging and dynamic economy.***

Instructional Employees Breakdown





At VCU in 2020, Every student contributes \$3398 of their tuition to management employee salaries

compared to UVA and VA Tech at 75% and GMU at 65%. This could be one reason that those institutions gained students last year while VCU lost students.

The percentage of instructional faculty is below our peers

At VCU there are 2.5 instructional employees per every management employee. This stands in sharp contrast to our peer institutions, where there are 3.8 instructional employees per management employee—54% more. VCU's aspirational peer institutions have 3.9 such instructional employees, or 59% more.

Over 20% of all salary outlays are for managerial employees, while only 27% are for instructional staff. By comparison, VCU's Peer institutions typically spend on average 13% of all salary outlays on management employees and spend over 30% on instructional employees. To put this into financial perspective, in 2020 VCU spent a total of \$87M on 868 non-instructional management employees, compared to \$125M on 2133 full and part-time instructional employees responsible for conducting the educational and research mission of the university.

All too often, the low percentage of tenure-track faculty is defended as necessary to maintain favorable bond ratings with Moody's and S&P rating agencies. It is regularly suggested that a high percentage of tenured faculty negatively impacts the rating because it depresses operational cash flow. But upon examining the bond rating scorecard used by Moodys, it is not the percentage of tenure-track faculty that impact the bond rating per se, but rather committed salary outlays, which include those for administration contracts. At the Moody's-identified peer institutions, the instructional-to-management employee ratio is even larger at 5.3 instructional employees per management employee. Even the for-profit University of Phoenix has 4.7 instructional employees per management employee ratio. In contrast, the ratio of instructional employees to management at VCU is an abysmal 2.5-to-1.

In April 2017, the California state auditors examined administrative costs at the University of California system and found that the ten executives in the president's office were earning over \$3.7M. At VCU in 2020, the 14 individuals listed in the president's cabinet had combined salaries of over \$5.3M, while management salary outlays increased from \$55M in 2015 to over \$87M in 2020. The disproportionate number of management employees and the large amount of salaries for them reduces the success rates for our most vulnerable students and negatively impacts the faculty's ability to complete our educational mission. **As an institution, we are responding to the crisis in higher education by hiring more and more administrators and non-instructional employees, as opposed to focusing on our core, intertwined missions of education and research.**

When we look at just tenured/tenure-track faculty to administrators, VCU's ratio further drops to 0.81:1, or more than one administrator per every tenured or tenure-track faculty member.

Key Information

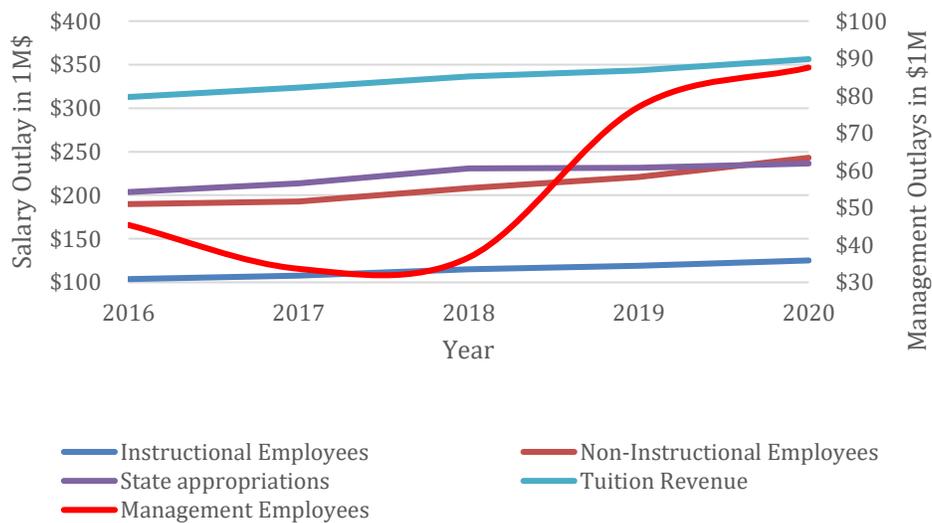
- Every student at VCU pays \$3398, or 27% of their tuition to management employees who do not directly contribute to the overall instruction.
- The most vulnerable students are those eligible for Pell Grants. The inflation-adjusted Pell Grant award has been almost flat at \$6195 since 2013. However, the overall salary outlays for management employees at VCU increased 31% from 2016 to 2020.
- From 2019 to 2020, revenue from tuition increased by \$13M while management salary outlays increased

by \$10.5M.

- Since 2015, VCU has seen the overall full-time student enrollment drop about 5% while the number of full-time instructional employees has remained unchanged. Since 2019, the number of management employees has increased 9.6%.
- According to data provided to the IPEDS system, in 2020 35% of all salary outlays were for 868 managerial employees, while only 45% of salary outlays were for the **entire body** of instructional employees.

VCU serves the Commonwealth by providing excellent educational opportunities to first-generation college students. Our mission states that we are an “urban public research institution dedicated to the success and well-being of our students.” **However, the choices made to expand executive, administrative, and managerial staff, and their compensation, have been paid for by our students, particularly our most financially challenged students who are disproportionately likely to be first-generation college students and students of color. This development puts our mission at risk.**

Key Financials since 2016



VCU and the National Conversation About College Price

- Benjamin Ginsberg, a professor of political science at the Johns Hopkins University has argued that universities would be better off with fewer administrators. The three-to-one ratio “makes a lot of sense,” Mr. Ginsberg said, because it would shift the staff balance in universities.
- Richard Vedder, director of the Center for College Affordability and Productivity and a professor of economics at Ohio University (a VCU peer institution) during testimony to US senate budget committee in June 2014, said *“shifting the balance back toward faculty is key to keeping universities’ missions focused on teaching, as opposed to becoming too focused on other activities, like business development or sustainability efforts. “We need to get back to basics,”* said Mr. Vedder. The basics are “teaching and research,” he said, *“and we need to incentivize leaders of the universities to get rid of anything that’s outside of that.”*
- Part-time positions of one year or less make up the largest share of non-tenure track positions at all types of institutions, ranging from 19% of all faculty positions at public research institutions to 50% of all faculty positions at community colleges. The employment status of these non-tenure track contingent faculty is tenuous, allowing institutions to hire and relieve most of their contingent instructional staff relatively quickly over a short period of time. Their precarity is harmful for all faculty and for the capacity of programs to fulfill their missions to students, and stabilizing adjunct and term faculty should be considered a priority by providing better pay and longer contracts.
- Contingent faculty have substituted for tenure or tenure-track faculty in most types of institutions. While the addition of contingent faculty has outpaced the loss of tenure or tenure-track faculty at private bachelor’s and master’s institutions, **the rise in the use of contingent faculty has merely offset declines in tenure-line faculty at all other types of four-year institutions.** At public community colleges, the decrease in the number of tenure-line faculty surpassed the growth in the number of contingent faculty, resulting in a net loss of 3 full-time equivalent (FTE) faculty per 1,000 FTE students.
- Colleges and universities with higher shares of contingent faculty also have higher shares of students at risk of noncompletion, particularly among private four-year institutions. Among private four-year colleges and universities, those with the largest shares of part-time students reported higher concentrations of contingent faculty. Likewise, private four-year institutions with the largest shares of Pell Grant recipients also reported higher concentrations of contingent faculty. Some evidence indicates that the intense workloads and high levels of precarity that affect adjuncts and other contingent faculty may also negatively affect student success outcomes (Bickerstaff & Chavarin, 2018). However, existing tenured faculty do not have the capacity to teach the course loads that contingent faculty currently cover and increasing course loads would further diminish positive student outcomes and compromise research productivity. Therefore, universities should rectify faculty precarity by offering longer and more robust contracts and benefits to their current contingent faculty members. Rather than running costly national searches for tenure-eligible positions, universities should seek to convert existing faculty from contingent to full time or tenure eligible.

Methodology

Publicly available data were obtained using the Integrated Postsecondary Education Data System (IPEDS). IPEDS is an annual data collection distributed by the Postsecondary Branch of the National Center for Education Statistics (NCES), a non-partisan center within the Institute of Education Sciences under the U.S. Department of Education. NCES is the primary federal entity for collecting and analyzing data related to education in the U.S. and other nations. IPEDS is a system of interrelated surveys conducted annually by the U.S. Department of Education's National Center for Education Statistics (NCES). Institutions must complete the IPEDS surveys in eight areas: institutional characteristics; institutional prices; admissions; enrollment; student financial aid; degrees and certificates conferred; student persistence and success; and academic libraries, institutional, and human fiscal resources. These data are made available to

Data collected from the IPEDS surveys herein represent a direct statement of information provided to the NCES by VCU, without further interpretation. There were no changes made to employee categories, university revenues, or salary outlays as reported by VCU.

students and parents through the College Navigator college search Web site and to researchers and others through the IPEDS Data Center. To learn more about IPEDS Survey components, visit <https://nces.ed.gov/ipeds/use-the-data/survey-components>.

The completion of all IPEDS surveys is mandatory for institutions that participate in or are applicants for participation in any federal student financial aid program (such as Pell grants and federal student loans) authorized by Title IV of the Higher Education Act of 1965, as amended (20 USC 1094, Section 487(a)(17) and 34 CFR 668.14(b)(19)).

Tuition, as reported to the IPEDS system, includes the average amount of money charged to students for instructional services. For this analysis, we concentrated on VCU's average in-state tuition.

Additional data were obtained via a Freedom of Information Act Request of the Virginia Department of Human Resource Management for the salary information of all state employees with salaries over \$50,000 per year at Virginia Commonwealth University, University of Virginia's Main Campus, and Virginia Tech. Salary information used from the IPEDS system are for full-time, non-medical, instructional staff, and include base salaries only – no supplements, overloads, or bonuses. Additional stipends for administrative, managerial, or other responsibilities are NOT included in the salary outlays data for instructional staff. The excluded medical staff is any staff employed by or staff working in the medical school. This also does not include staff employed by or employees working strictly in a hospital associated with a medical school, or those who work in health or allied health schools or departments such as dentistry, nursing, or dental hygiene unless the health or allied health schools or departments are affiliated with (housed in or under the authority of) the medical school.

Cash and Financial statements are publicly available from the September 2021 Board of Visitors meeting of the committee on finance and budget. Copies of the Moody's bond rating scorecards were obtained from Virginia Commonwealth University. Salary outlays were reported in the IPEDS human financial resources survey. The salary outlays used herein were for full-time non-medical instructional staff per academic year.

Data Used and Definitions

Institutions of higher education are required to report headcounts of graduate and undergraduate enrollment as well as staff numbers through the IPEDS system. Staff are classified in three general categories:

1. Instructional employees are those whose primary responsibility is instruction (i.e., faculty). For this analysis, the number of instructional employees does not take into account those faculty from the medical school whose primary responsibility is clinical or research. Instructional employees are broken down into full and part-time numbers as well as tenured, tenure track but not yet tenured, and non-tenure track numbers.
2. Executive/administrative/managerial employees are those whose primary responsibility is administration (i.e. deans, associate deans, vice presidents, etc.).
3. Non-instructional employees are those whose primary responsibility is university support through means other than teaching.

Selection of Peer institutions

The Carnegie Commission on Higher Education classifies Virginia Commonwealth University as an R1: Doctoral University - Very High Research Activity. VCU is one of four Virginia institutions to earn an R1 classification. The selection of peer institutions was matched to those provided by VCU's Quest 2025 peer institutions, aspirational peers, and other Virginia R1 institutions. We routinely measure ourselves against these institutions to help track our progress toward VCU's strategic plan goals.

Peer Institutions

University of Cincinnati - Main Campus
University of Louisville
University of South Florida - Main Campus
University of Alabama at Birmingham
University of Illinois at Chicago
University of South Carolina - Columbia

Aspirational Peer Institutions

University of California - Los Angeles
Florida State University
University of Minnesota - Twin Cities
University of Buffalo
The Ohio State University - Main Campus
University of Pittsburgh - Pittsburgh Campus

Virginia R1 Peer Institutions

University of Virginia
Virginia Polytechnic Institute and State University
George Mason University

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Contingent Workforce, a report to congressional requesters by US General Accountability Office, October 2017

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Maxey, D. & Kezar, A Revealing opportunities and obstacles for changing non-tenure-track faculty practices, Journal of Higher Education, 86:4, 564-594 2015

Drozdowski, M. The Plight of adjunct faculty on America's Campus, Best Colleges, March 23, 2021

Bickerstaff, S. & Chavarin, O. Understanding the needs of part-time faculty at six community colleges, Community college research center, November 2018

Vedder, R. Can college be made more affordable? testimony before the committee on the budget, US senate, June 4, 2014

Ginsberg, B. The Fall of the Faculty: The Rise of the All-Administrative University and Why It Matters, Oxford University Press, 2011

Appendix 1: VCU data compared to the averages of our peers

Institution/ year 2020	Virginia Commonwealth University	AVERAGES	
		Among Quest 2025 and Virginia Peers	Among Aspirational peers
Total degrees awarded	7552	17444	12303
Total degree programs	156	321	253
Reported full-time equivalent (FTE) undergraduate enrollment	21177	44417	31499
Reported full-time equivalent (FTE) graduate enrollment	4586	12832	8260
Full-time equivalent fall enrollment	26707	57642	39862
Full-time instructional employees (excluding medical schools)	1278	2935	1923
Part-time instructional employees (excluding medical schools)	857	1200	823
Full-time non-instructional staff - number	3521	8244	7604
Instructional employees (excluding medical schools), faculty with tenure or on tenure track	708	2000	1411
Instructional employees (excluding medical schools), faculty not on tenure track	1425	2066	1151
Management - number	868	1133	942
Graduate assistants (excluding medical schools)	834	3757	2657

Institution/ year 2020	Virginia Commonwealth University	Among Quest 2025 and Virginia Peers	Among Aspirational peers
Total Instructional Employees salary outlays	\$ 125,127,494	\$ 330,939,524	\$ 244,012,714
Full-time non-instructional staff - outlays	\$ 243,016,365	\$ 546,065,817	\$ 513,420,206
Management - outlays	\$ 87,547,533	\$ 133,622,191	\$ 110,791,260
Total state appropriations	\$ 270,852,010	\$ 450,047,128	\$ 547,430,191
Revenue from Tuition and fees, after deducting discounts and allowances	\$ 356,255,280	\$ 840,120,259	\$ 614,568,725
In-state average tuition for full-time undergraduates	\$ 12,177	\$ 21,575	\$ 10,883
Out-of-state average tuition for full-time undergraduates	\$ 32,825	\$ 61,470	\$ 30,078

Appendix 2: VCU IPEDS data from 2016-2020

Survey year	2016	2017	2018	2019	2020
Total degrees awarded	7420	7588	7506	7379	7552
Full-time equivalent fall enrollment	27466	27490	27282	27399	26707
Full-time instructional employees, faculty tenured or on tenure track	680	686	708	727	707
Full-time instructional employees, faculty not on tenure track	510	527	536	557	569
Part-time instructional employees	857	883	912	874	857
Full-time non-instructional staff - number	3112	3122	3256	3392	3521
Graduate assistants (excluding medical schools)	836	867	887	834	834
Management - number	354	228	249	785	868
Salary outlays - total	\$ 103,702,659	\$ 107,700,428	\$ 115,009,234	\$ 118,890,899	\$ 125,127,494
Full-time non-instructional - outlays	\$ 189,851,894	\$ 192,646,252	\$ 208,272,816	\$ 221,085,795	\$ 243,016,365
Management - outlays	\$ 45,368,017	\$ 33,630,122	\$ 36,641,148	\$ 77,001,359	\$ 87,547,533
Total state appropriations	\$ 230,869,666	\$ 256,173,107	\$ 278,093,185	\$ 291,281,124	\$ 270,852,010
Core revenues, total dollars (GASB)	\$ 890,255,313	\$ 915,859,947	\$ 998,590,651	\$ 990,909,896	\$ 997,264,534
Core expenses, total dollars (GASB)	\$ 815,610,258	\$ 859,999,736	\$ 886,570,229	\$ 937,414,339	\$ 949,820,539
Revenue from tuition and fees	\$ 312,809,796	\$ 323,586,088	\$ 336,426,527	\$ 343,183,127	\$ 356,255,280
In-state average tuition for full-time undergraduates	\$10,669	\$10,846	\$10,972	\$12,177	\$12,177
Out-of-state average tuition for full-time undergraduates	\$28,735	\$29,378	\$29,824	\$32,825	\$32,825

ATTACHMENT C

Jordan Matamoro-Mejias

Undergraduate Report for the Board of Visitors
December 15th, 2021





UCV

Physical
Therapy



Clinical Lab Sciences

Melissa Jamerson, PhD, MLS(ASCP)

Assistant Chair, Associate Professor -
Immunology and Immunohematology



VCU
School of Health
Sciences



Reports from Student Leadership



PSA Report

- Struggles with access to advising
- Solutions



SGA Report

- COVID-19
 - Students still feel the lasting impacts of the pandemic
 - Students come to class ill
- Communication
 - Centralized resource for information
 - Topics that affect students
- In-person Classes
 - Power of choice



Thank You



onevcu | RESEARCH

ATTACHMENT D



State of the Research

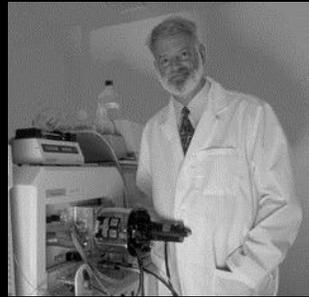
P. Srirama Rao, Ph.D., Vice President for Research and Innovation | December 10, 2021

Transformative Innovation is in VCU's DNA



1956: D. Hume, M.D.

Organ transplantation pioneer



1970: R. Martin, Ph.D.

Addiction and drug abuse



1980: B. Benacerraf, M.D.

Nobel Prize in Medicine or Physiology



2002: J. Fenn, Ph.D.

Nobel Prize in Chemistry



J. Guidry, Ph.D.
Visual social media, health



S. Fong, Ph.D.
Bioengineering, systems biology and microorganisms



J. Salvatore, Ph.D.
Genetics, Alcohol misuse



F. Salloum Ph.D.
Cardiac Physiology



P. Jena, Ph.D.
Theoretical physics



C. Bae, Ph.D.
K-12 STEM education

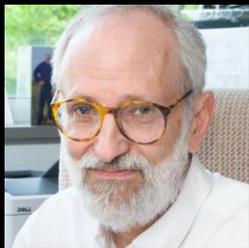


M. Safo, Ph.D.
Sickle cell disease



F. Gupton, Ph.D.
Pharmaceutical engineering

2021



K. Kendler, M.D.
Genetics, addiction



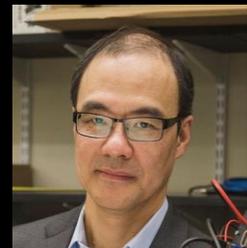
B. Howell, Ph.D.
Housing, gentrification, eviction



R. Winn, M.D.
Cancer biology, disparities research



D. Dick, Ph.D.
Genetics, epidemiology, substance abuse



C. Ye, Ph.D.
Robotics, vision, assisted technologies



M. Peace, Ph.D.
Forensic science/toxicology



D. McGarvey, Ph.D.
Fresh water ecology

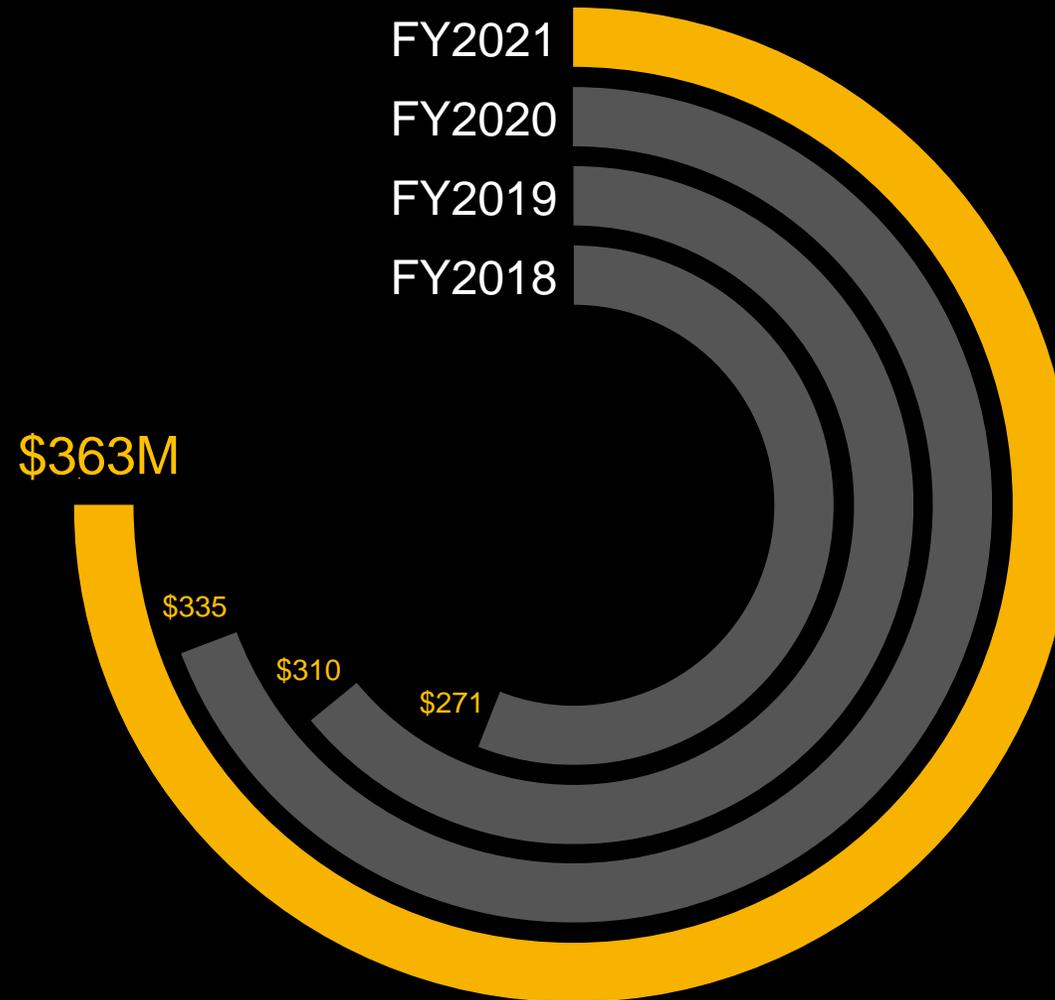


B. Haupt, Ph.D.
Emergency and crisis management

External Sponsored Funding Growth

Up 34% since 2018

8% since 2020



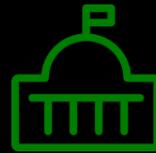
2021 Externally Sponsored Research Awards



\$363M

Total external awards

8.3% ↑



\$165M

Federal awards



\$57M

Industry awards

51.3% ↑



\$56M

State awards

8.9% ↑

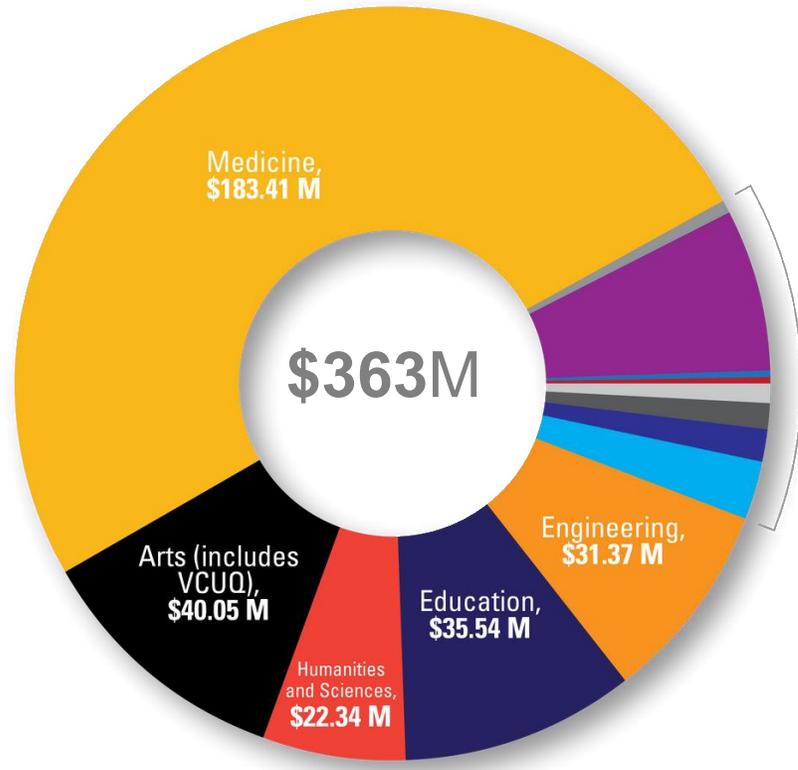


\$85M

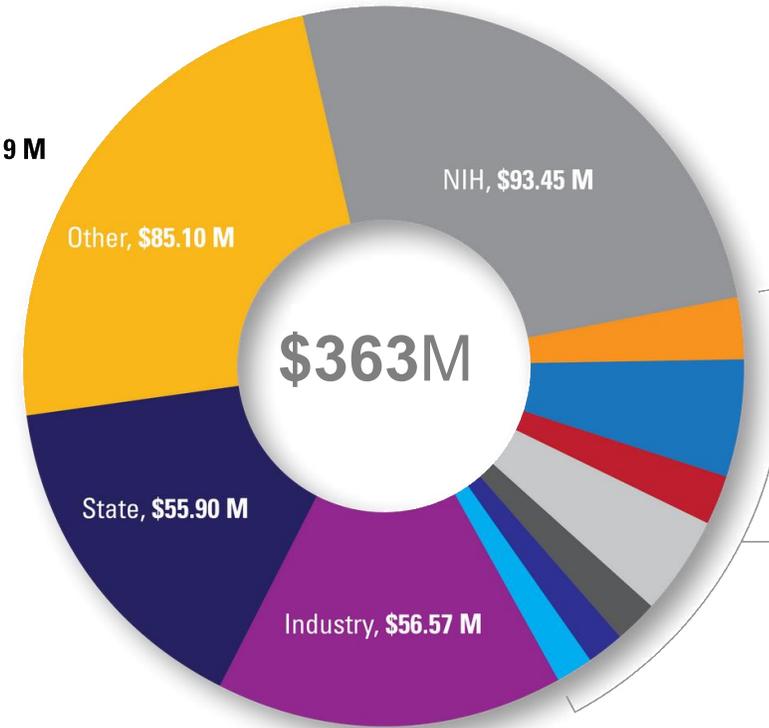
Other (foundation, gifts)

10.2% ↑

External Awards by College/School and Sponsor



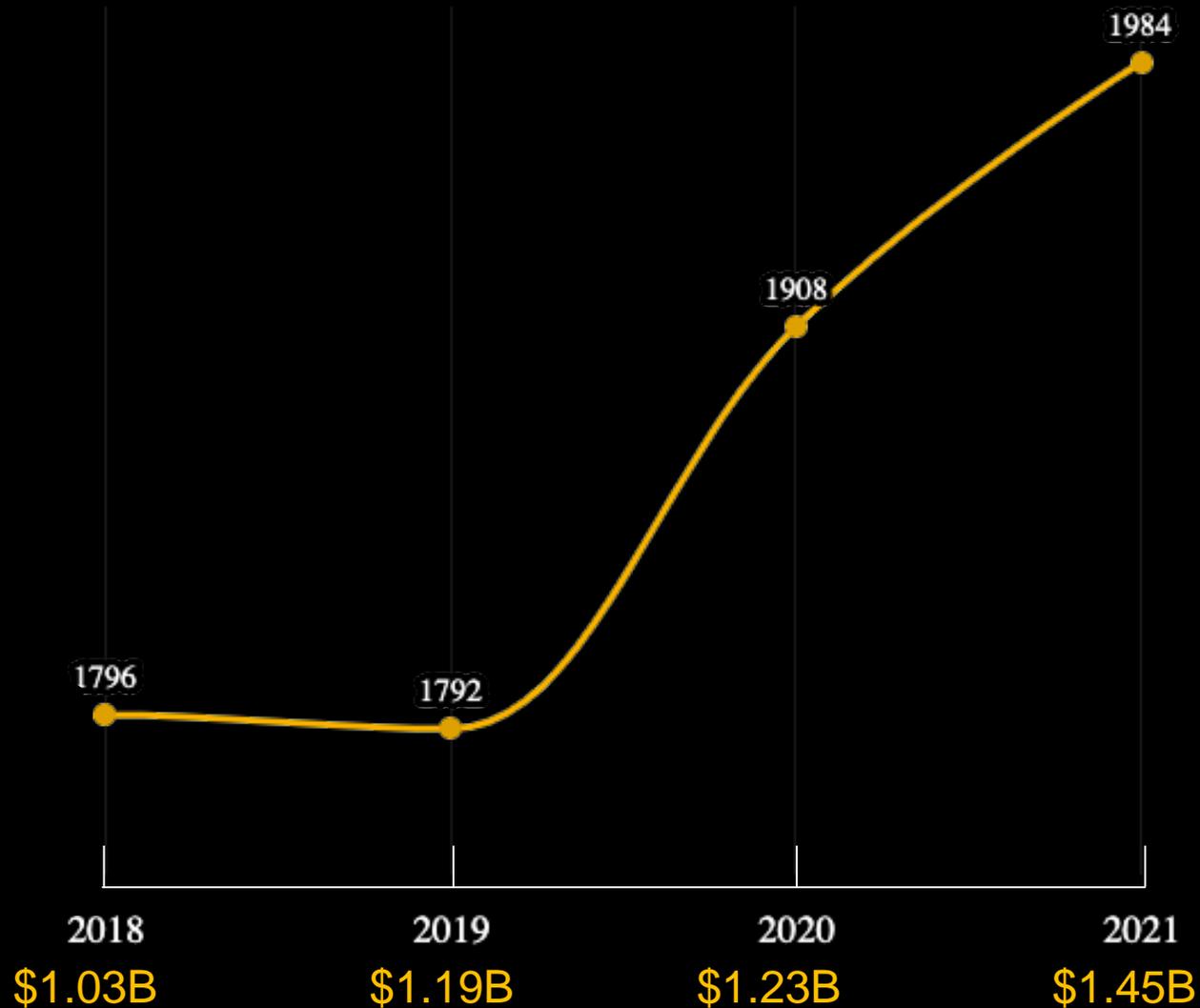
- Wilder, \$2.07 M
- Other (OVPRI, Provost, Finance), \$24.91 M
- Business, \$0.87 M
- Social Work, \$1.15 M
- Nursing, \$2.76 M
- Health Professions, \$4.19 M
- Dentistry, \$4.88 M
- Pharmacy, \$9.37 M



Total Federal, \$165.3 M (including NIH)

- DOD, \$10.29 M
 - Other DHHS, \$18.70 M
 - VAMC, \$8.51 M
 - University Flow Through, \$15.26 M
 - NSF, \$7.39 M
 - US DoEd, \$5.94 M
 - Other Federal, \$5.80 M
- Total Federal, \$165.3 M**

Proposal Submissions to External Sponsors



\$1.45 billion

proposals submitted in FY2021

41% ↑

since 2018

18% ↑

since FY2020

● Proposals submitted (number and dollars)

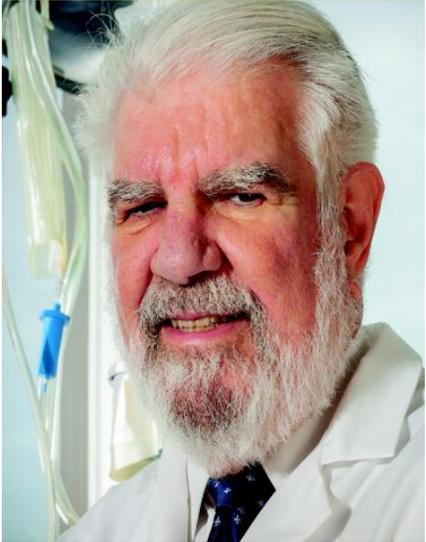


Shaping the Future

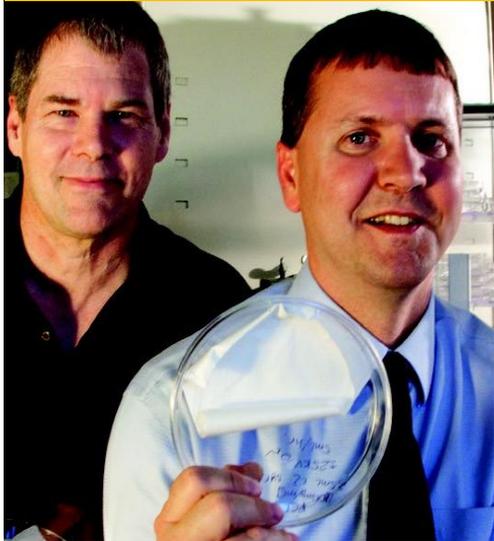
**Technology
Commercialization,
Entrepreneurship,
Economic Development**

Impactful Innovators and Entrepreneurs

Wound Healing Patch



Clotting Bandage



Sickle Cell Drug



Lyme Disease Vaccine



Venting and Feeding Device for Infants



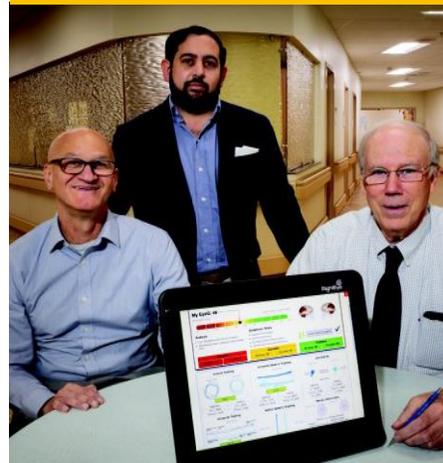
Biofilm for Infection Prevention



Automated Detection of Sexual Assault DNA



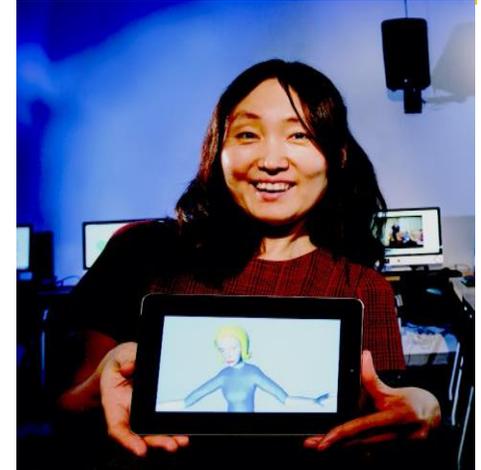
Early Detection of Parkinson's Disease



V-Coach – App for Mindfulness

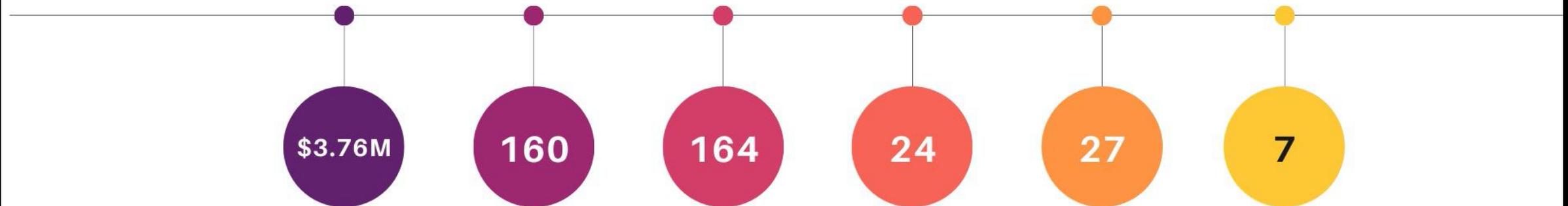
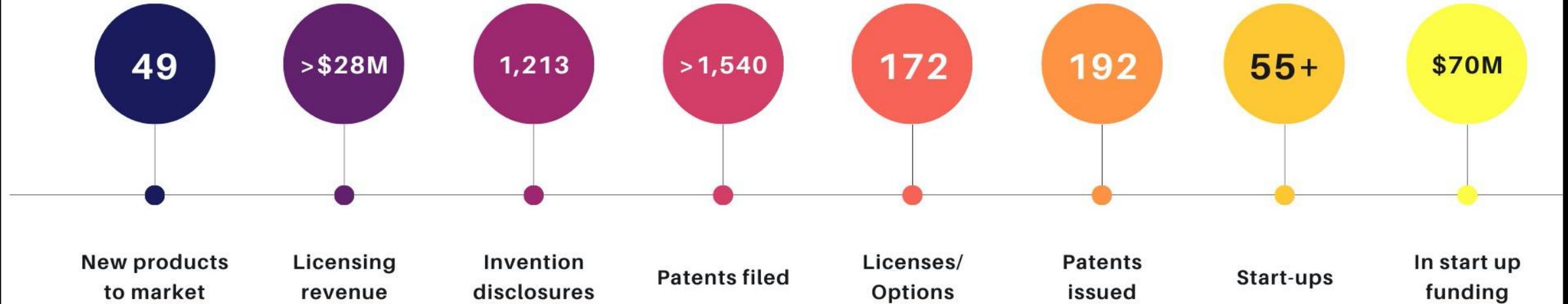


VR for Improving End of Life Quality



Technology Commercialization

10 years of impact



Year to date - FY 2021

Technology Commercialization

FY2020 Peer Analysis of 19 Public Universities



#3 start-ups, #4 patent applications, #5 invention disclosures, #8 licensing income

INSTITUTION	TOTAL RES. EXPENDITURES	INVENTION DISCLOSURES	PATENT APPLICATIONS	LICENSES & OPTIONS	LICENSING INCOME	ISSUED PATENTS	START-UPS	LICENSING FTEs
Louisiana State University	\$356,036,000	197	134	56	\$8,553,734	44	7	9
University of South Florida	\$353,737,000	189	n/a	102	\$1,776,745	n/a	11	7
University of Kentucky	\$350,012,433	117	165	17	\$2,943,622	38	5	10
Medical College of Wisconsin	\$307,519,000	50	67	14	\$294,000	10	3	2
Utah State University	\$304,255,724	51	26	22	\$1,698,829	11	2	2
Temple University	\$299,707,000	92	91	20	\$1,191,573	22	3	5
University of Hawaii	\$296,887,000	65	42	13	\$220,647	10	1	4
Virginia Commonwealth University	\$291,902,698	133	128	22	\$2,480,057	17	7	4
University of Oklahoma	\$287,151,848	51	51	5	\$3,832,716	15	2	4
University of Connecticut	\$280,131,000	102	126	14	\$838,713	24	3	3.5
University of Kansas	\$275,401,741	62	103	35	\$8,087,081	27	4	5
Medical University of South Carolina	\$271,300,000	156	56	19	\$1,010,541	20	3	4
Oregon State University	\$268,385,000	100	79	51	\$3,800,619	26	9	4
Mississippi State University	\$264,526,000	23	20	10	\$164,000	1	3	3.75
Clemson University	\$263,403,000	69	39	13	\$315,578	12	5	3
University of Cincinnati	\$262,444,482	148	117	23	\$791,235	36	4	4.3
Auburn University	\$255,281,000	60	113	22	\$4,609,824	17	1	2.6
University of New Mexico	\$243,375,266	127	258	47	\$52,341,706	46	4	5
Wayne State University	\$243,259,000	47	67	7	\$817,203	23	0	2
VCU Peer Rank (out of 19)	8	5	4	7	8	11	3	8
VCU National Rank (out of 183)	81	66	63	89	89	106	35	90

FY2020 Technology Commercialization Virginia Peer Analysis

Institution	Research Expenditures	Invention Disclosures	Patent Applications	Licenses + Options	Licensing Income	Issued Patents	Start-ups	Licensing FTEs
VCU	\$291,902,698	133	128	22	\$2,480,057	17	7	4
UVA	\$653,916,000	241	185	83	\$3,366,032	56	6	6.5
VT	\$556,341,000	127	90	27	\$1,432,014	21	6	3
GMU	\$200,000,000	40	n/a	6	\$172,000	n/a	4	n/a



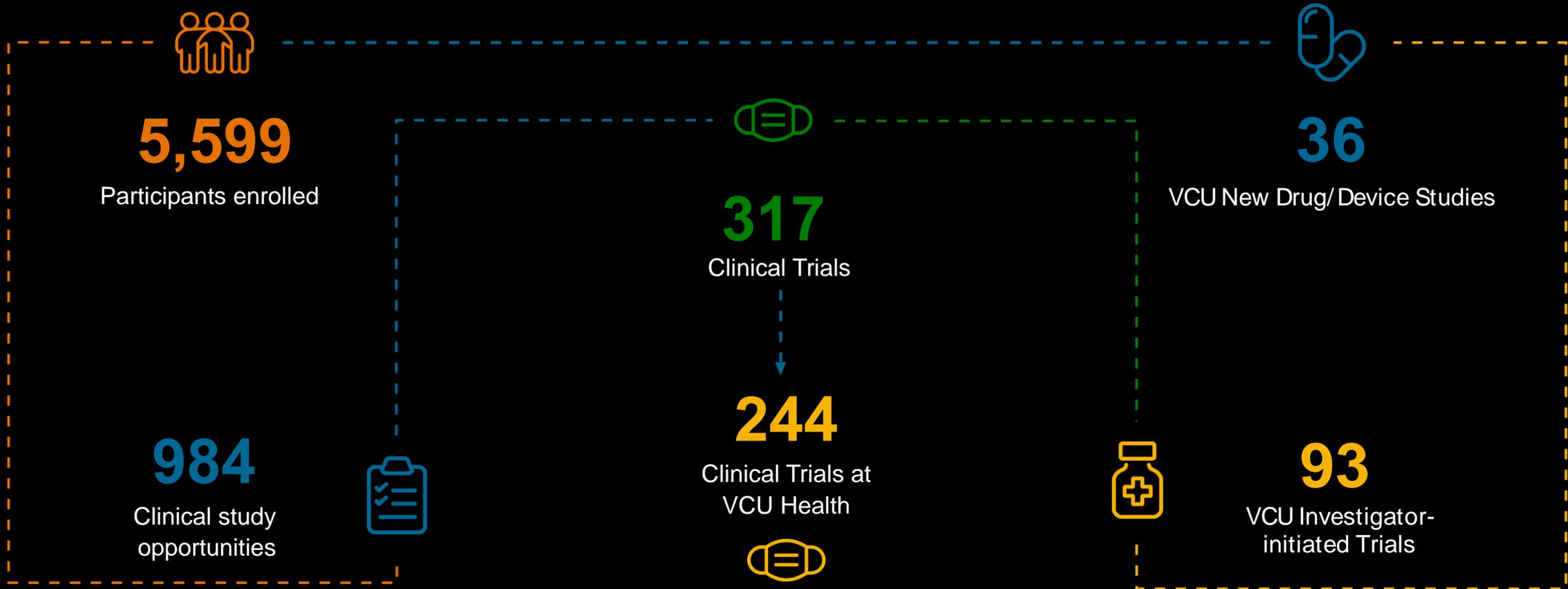
Shaping the Future

**Clinical Research
and Care**

Clinical Research FY2021: \$34M (up by 26%)

Includes COVID-19 trials

Bench to Bedside





Shaping the Future

**One VCU Research
Strategic Priorities Plan**

Strategic Research Priorities

Achieving transformative innovation through a culture of collaboration



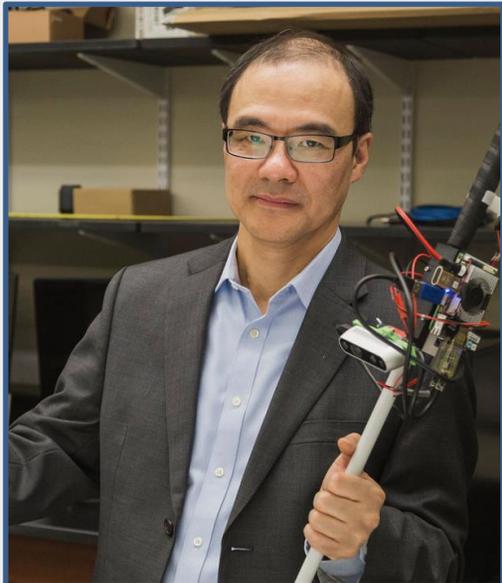
Enriching the human
experience

Achieving a just and
equitable society

Optimizing health

Supporting sustainable
energy and environments

Enriching the Human Experience



Cang Ye, Ph.D.
College of Engineering



A seeing-cane improves wayfinding

- Funded by 2 NIH organizations
- A robotic navigation aid for the visually impaired, beyond GPS wayfinding
- 2.2B people are visually impaired resulting in a \$49.4B economic productivity loss (Lancet)

Achieving a Just and Equitable Society

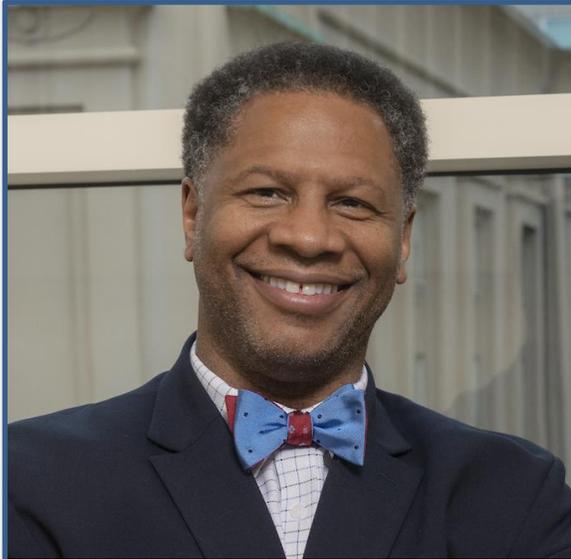
Increasing scientific literacy and tools for middle school teachers and URM students

- VCU collaboration with 15 local, urban middle schools
- ~\$5M in NSF supported outcomes:
 - Advance diversity in STEM
 - Achieve greater science literacy for all students



Christine Bae, Ph.D.
School of Education

Optimizing Health



Robert Winn, M.D.
Massey Cancer Center, SoM

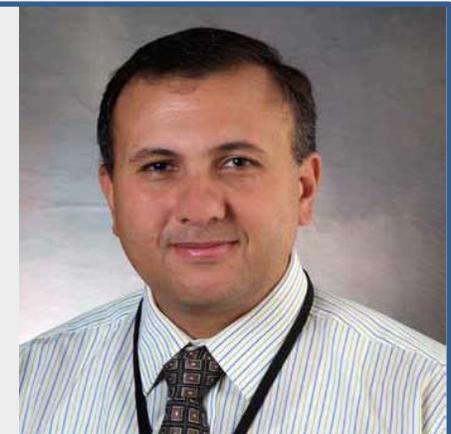


Addressing health disparities and diversifying future cancer care

- ~\$5M in NIH funding
- Addressing disproportionate effects of lung cancer on the Black community
- Breaking down systemic race-related barriers for care and employment



Zina Trost, Ph.D.,
CERSE, SoM



Ashraf Gorgey, Ph.D.,
CERSE, SoM

Federally-designated spinal cord consortium

- \$2.2M in NIH funding
- Converging talents of VCU, VCU Health, Veteran's Affairs, Sheltering Arms Institute to establish a national model for integrated health

(CERSE: The Center for Rehabilitation Science and Engineering)

Optimizing Health

World's most highly cited researchers

Leading VCU's centers of excellence



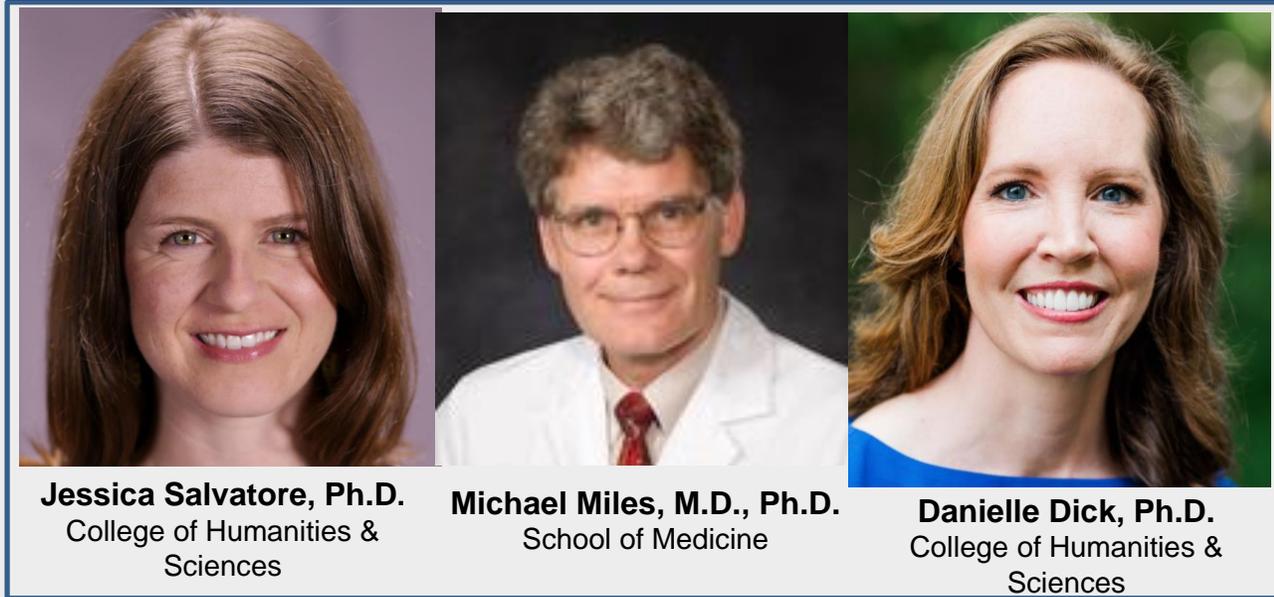
Tom Eissenberg, Ph.D.
Tobacco Abuse



Kenneth Kendler, M.D.
Substance Abuse & Depression



Arun Sanyal, M.D.
Liver Disease



Jessica Salvatore, Ph.D.
College of Humanities & Sciences

Michael Miles, M.D., Ph.D.
School of Medicine

Danielle Dick, Ph.D.
College of Humanities & Sciences



Genetic answers to alcohol addiction risk

- \$7.8M NIAAA / NIH grant with \$1.8M to study the genetics and \$3M for transdisciplinary research on predictors of drinking involved in alcohol consumption behavior
- VCU leads the nation in alcohol and addiction research

Supporting Sustainable Energy and Environment



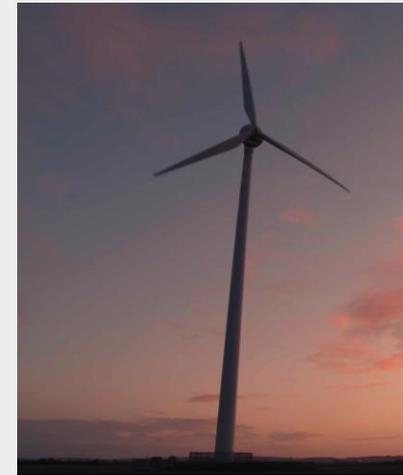
Daniel McGarvey, Ph.D.
VCU Life Sciences & Center for
Environmental Studies

James Vonesh, Ph.D.
VCU Life Sciences & Center for
Environmental Studies



Leading river research and preservation across the Commonwealth and beyond

- Co-leading a \$2M NSF freshwater research and education for URM students and early career scientists
- River Field Studies Network



Milos Manic, Ph.D.
College of Engineering

Addressing infrastructure vulnerabilities through cybersecurity

DoE funded wind, solar and nuclear energy research

- In collaboration with Idaho National Labs
- VCU is developing technologies to integrate and secure critical infrastructure systems

Research Excellence at VCUarts Qatar



VCUarts Qatar is a hub for multi-disciplinary and cross-institutional research collaborators with:

- Qatar Foundation partner universities
- VCU Monroe Park and MCV

Key areas of research excellence



Emergent
technology



Material
studies



Advancing
pedagogies



Cultural
heritage



Visual
cultures

Research labs at VCUarts Qatar

- TypeAraby
- X-LAB
- Sonic Jeel
- WaterWithWater
- BOOST
- Multimodal Mathematics
- Nano-Technology + Textiles
- Data Art + Technology (D.A.T.)

One VCU Research: Impact by 2027

Inform public policy and practice

Through community engaged, actionable research results

Address societal issues and vulnerabilities

Through AI, VR, ML, cyber security, HPRC and data science technologies

Create sustainable solutions

Through innovation in arts, humanities and technology

Prepare for the future

By advancing sustainable energy, materials and manufacturing

Deconstruct grand challenges

Through advances in basic and applied research

Leverage inclusive culture

Through a diverse Team Science and URM faculty in research leadership

Reduce health disparities

Through public health, clinical research and trials

Deliver health breakthroughs

Through drugs, devices, biologics and vaccine development

One VCU Research Strategic Priorities Plan: KPIs by 2027

Increased UG and graduate students immersed in research

Improved ranking of research programs, schools and colleges

Enhanced community - engagement and access to innovation

Team Science drives creative and transdisciplinary research

Leadership in health disparities research

Increased clinical trails; Massey is a designated NCI Comprehensive Cancer Center



>\$400 million

Per Year in External Awards



Top 50

U.S. Research Universities Ranking



~\$500 million

Per Year in Research Expenditures



Doubled

Patents, Licensing, Partnerships, Start-ups

One VCU Research Strategic Priorities Plan

Phase 1: Current Investment Strategy

Commercialization Fund: \$0.5M

Quest Fund (Seed): \$1M

Accelerate Fund (Interdisciplinary): \$1.5M

VCU Breakthroughs Fund (Transdisciplinary): \$2.5M

State of the Art Equipment Fund (HEETF): \$5.5M



RFPs released VCU
enterprise-wide on
12/1/2021

One VCU Research Strategic Priorities Plan

Phase 1-3: Infrastructure Investments

Increase graduate student and trainee engagement in research

Through vertical integration of undergraduate students in research and entrepreneurship

Expand technology commercialization and entrepreneurship/start-ups

With institutes, centers, and cores

Increase clinical trials and research

Through integration of VCU and VCU Health data sharing, compliance, and regulatory processes

Increase research faculty hires

With cluster approach and inclusion of URM

Expand services and support staff across enterprise

By providing resources to reduce faculty administrative burden

Strengthen communications and increase prominence

Through research analytics and dashboarding to better tabulate ROI

Strengthen global partnerships

With academic and research collaborations

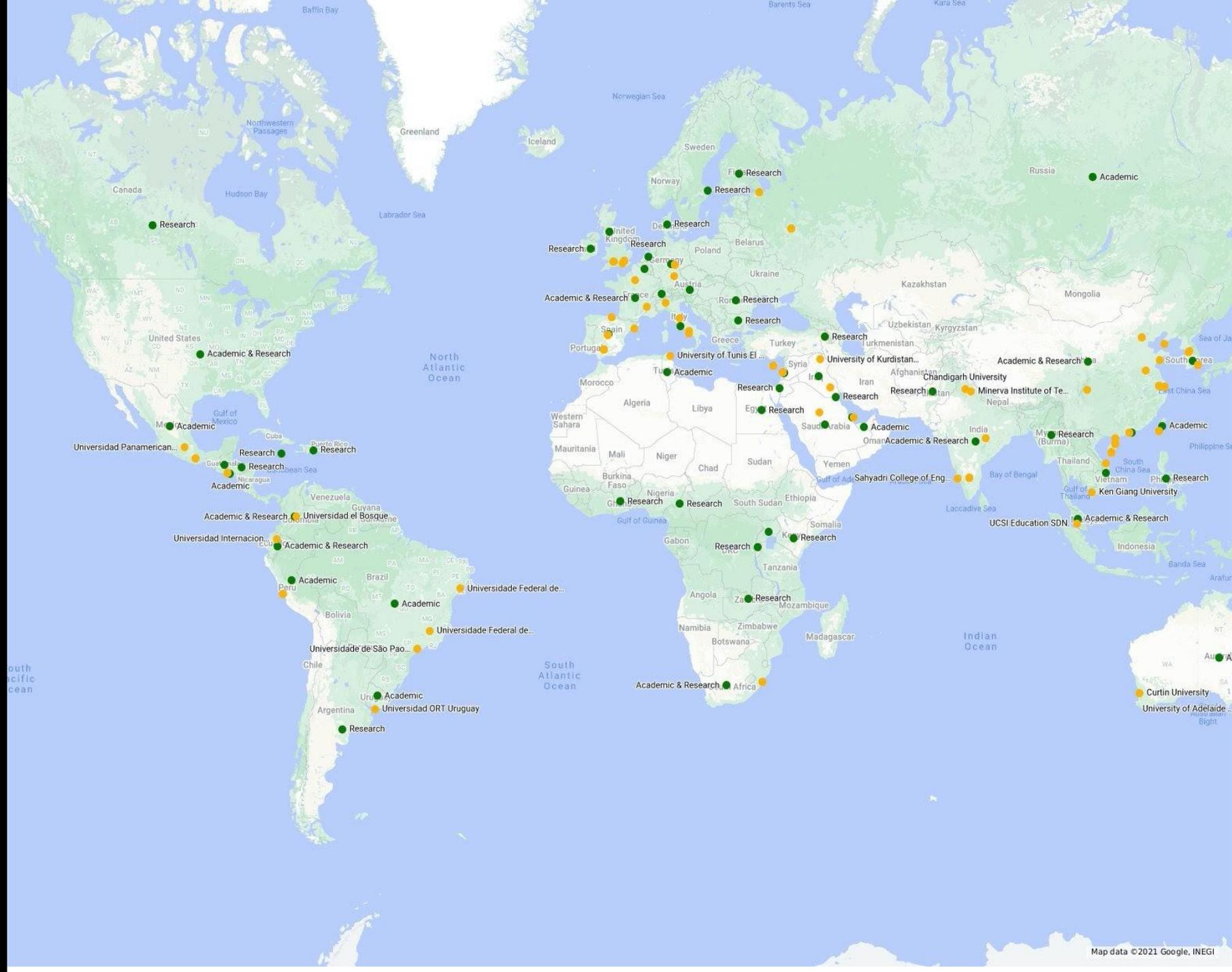
One VCU Research Strategic Priorities Plan

Projected Total Cost: \$77M over 6 years

Committed: \$35.5M | Unmet: \$41.5M

Phase	Year	Academic Year	Budget Target	Committed Funding	Unmet Funding
1	1	2022	\$ 8,000,000	\$ 7,275,000	\$ 725,000
1	2	2023	\$ 11,000,000	\$ 9,093,850	\$ 1,906,150
2	3	2024	\$ 14,500,000	\$ 7,165,041	\$ 7,334,959
2	4	2025	\$ 14,500,000	\$ 6,238,652	\$ 8,261,348
3	5	2026	\$ 14,500,000	\$ 3,314,766	\$ 11,185,234
3	6	2027	\$ 14,500,000	\$ 2,393,469	\$ 12,106,531
		Total	\$ 77,000,000	\$ 35,480,778	\$ 41,519,222

Shaping the Future: Locally, Nationally, and Globally



One VCU Research: **Shaping the Future**



ATTACHMENT E

Virginia Commonwealth University Proposed Organizational Change Brief

Proposal

Virginia Commonwealth University (VCU) requests approval to establish a School of Public Health. The proposed School of Public Health will build on VCU's long-accredited and substantive public health program as a stand-alone academic unit within the university and consistent with national accreditation standards, will have the same reporting structure as the other schools at the university (e.g., College of Health Professions; and the Schools of Dentistry, Medicine, Nursing, and Pharmacy).

Overview

The proposed School of Public Health intends to focus on advancing the health of the commonwealth, with a particular emphasis on eliminating longstanding racial, ethnic, economic and geographic health disparities. The proposed school will attract and prepare a high-performing public health workforce with the breadth of knowledge and skills required to meet existing and emerging threats to public health. The proposed school will also catalyze world-class, multidisciplinary and inter-professional research across VCU's MCV and Monroe Park Campuses to improve public's health at a local, regional, national, and global level.

Impact on Existing Programs/Policies

The proposed organizational change will: 1) academically relocate the Department of Biostatistics, 2) academically relocate and reorganize the Department of Health Behavior and Policy into two departments -- the Department of Social and Behavioral Health and the Department of Health Management and Policy, and 3) academically relocate and elevate the Division of Epidemiology, currently located within the Department of Family Medicine and Population Health, to become a Department of Epidemiology. All three organizational units currently reside in the School of Medicine but will be reallocated, with the support of the School of Medicine's dean and faculty, to the proposed School of Public Health. The academic programs that reside within each of the departments will realign with their respective departments.

Impact on Faculty

Initially, the proposed School of Public Health will house 41 instructional faculty and 6 adjunct faculty for a total of 47 faculty. The current faculty are academically located in the School of Medicine and will relocate to the proposed school. The instructional faculty of the proposed School of Public Health will include 26 faculty (15 tenured, 11 tenure-track) and 15 full-time (i.e., non-tenure or non-tenure eligible positions) faculty. These faculty will be supplemented by 6 adjunct faculty for a total of 47 faculty positions. As enrollment grows, additional faculty will be hired. Anticipated enrollment growth has been budgeted for the first three years of the school's operations.

Funding

Funding for the proposed School of Public Health will be sourced in two ways: (1) existing VCU resources allocated to the departments that are being restructured into the new school will be retained and (2) VCU Health will provide \$5 million dollars in start-up support to cover initial operating costs, and will underwrite any operating deficits that might occur over the life of the school.

Next Steps

November 18: University Council subcommittee on Academic Affairs and University Policies (UCAAUP)

December 2: University Council Meeting

Electronic Vote: President's Cabinet Meeting

December 8-9: VCU Health System Board of Directors

December 9: VCU Board of Visitors Meeting

ATTACHMENT F

Virginia Commonwealth University Proposed Program Brief

Proposal to create a Graduate Certificate in Culturally Responsive Leadership

Overview

Virginia Commonwealth University (VCU) requests approval to create a 15-credit hour Graduate Certificate in Culturally Responsive Leadership. The purpose of the proposed certificate program is to prepare school and community leaders with foundational theory, research and skills related to culturally responsive leadership. Students will develop specific knowledge of power imbalances related to race, ethnicity, culture and class in school and community settings. Graduates will possess the skills to mitigate those imbalances through the establishment of practices that nurture an anti-racist organizational climate. Graduates will be able to: 1) analyze research and theory related to race, ethnicity, culture and class; 2) engage in critical self-reflection and action; 3) develop relationships with schools, communities, nonprofits and other community-based organizations to advocate for transformative, justice-centered praxis in education; 4) implement place- and people-based education strategies to empower communities for social change.

Method of Delivery

Traditional face-to-face classroom format and fully online.

Target Implementation Date

Fall 2022

Target Population

The target audience includes individuals working in K-12 educational settings, including schools and education-related non-profit organizations.

Impact on Faculty

All courses will be taught by existing faculty in the Department of Educational Leadership. Faculty appointments in the proposed Graduate Certificate program will be established by the Chair of the Department of Educational Leadership. The minimum requirements for faculty teaching in the certificate program include a doctorate in educational leadership or a related field and three years of higher education teaching experience

Funding

Resources required to support the proposed certificate include existing resources to support current programs such as: student support services (e.g., enrollment, help desk for computer and technology support, library); faculty support services (e.g., copying, contracts); and general administration (e.g., budgeting, forecasting). Program administration is provided by the program coordinator. Faculty in the Department of Educational Leadership created new courses for the program. Faculty time to teach the new courses will be included in existing teaching loads. No new positions will be created to initiate the proposed certificate program. Virginia Commonwealth University has sufficient resources to initiate and sustain the proposed certificate program.

Next Steps

October 28 - University Council subcommittee on Academic Affairs and University Policies (UCAAUP)
November 4 - University Council Meeting
November 8 - President's Cabinet Meeting
December 9 - Board of Visitor's Meeting

Virginia Commonwealth University Proposed Program Brief

Proposal to create a Baccalaureate Certificate in Public Health Laboratory Sciences

Overview

Virginia Commonwealth University (VCU) requests approval to create a 12-credit hour Baccalaureate Certificate in Public Health Laboratory Sciences. The purpose of the certificate program is to provide students with specific coursework and training for performing laboratory testing in a public health facility. Students will learn knowledge and skills in areas related to public health laboratories (e.g., whole genome sequencing and epidemiology). Graduates will possess competencies and skills specific to a public health laboratory setting and be able to: 1) perform molecular assays not performed routinely in the clinical laboratories such as those applicable to whole genome sequencing and newborn screening; 2) apply the fundamentals of epidemiology in public health surveillance including data collection, analyzing and interpreting data, and evaluating and improving surveillance; and 3) assess and apply quality management and regulatory requirements of public health laboratories.

Method of Delivery

Core courses will be offered fully online. Practicum courses will be offered in a public health laboratory setting.

Target Implementation Date

Fall 2022

Target Population

The primary target audience for the proposed certificate program is existing undergraduate students in the Bachelor of Science (BS) degree program in Medical Laboratory Sciences. Additionally, current graduate students in the Master of Science (MS) degree program in Medical Laboratory Sciences and individuals who possess a bachelor's degree and are certified as Medical Laboratory Scientists may apply to the program.

Impact on Faculty

Full-time faculty from the Department of Medical Laboratory Sciences will be the primary instructors in the proposed program. Two adjunct faculty will also be used. All faculty teaching in the certificate program will meet minimum requirements: master's degree or higher, certified as Medical Laboratory Scientist or related credential, minimum five years' experience in their discipline, and minimum two year's higher education or bench training experience.

Funding

Resources required to support the certificate program are met by existing resources to support current programs. These include student support services (enrollment, help desk, and library), faculty support services, and general administration (budgeting and forecasting). No new faculty or staff positions will be created to support the certificate. Resources for adjunct faculty will be available within the existing budget of the Department of Medical Laboratory Sciences in the College of Health Professions. The university has sufficient resources to offer and sustain the certificate program.

Next Steps

October 28 - University Council subcommittee on Academic Affairs and University Policies (UCAAUP)
November 4 - University Council Meeting
November 8 - President's Cabinet Meeting
December 9 - Board of Visitors Meeting

**Virginia Commonwealth University
Proposed Program Brief**

Proposal to create a Graduate Certificate in Health Equity

Overview

Virginia Commonwealth University (VCU) requests approval to create a 12-credit hour Graduate Certificate in Health Equity. The purpose of the proposed program is to prepare students to manage factors (e.g., differences in income, education, social and physical environments, and access to health care) that contribute to health disparities in the United States (U.S.) by helping them identify and advocate for strategies to reduce these disparities (e.g., increasing insurance coverage, increasing school and social program funding in disadvantaged communities, and eliminating food deserts). Students will gain an understanding of the historical context and existing research on the causes and impact of health disparities. Students will also explore the values and ethical framework that relate to health equity. Students will learn how health care organizations and public entities are funding efforts to address unconscious bias, patient centered care, and the social determinants of health such as housing, food insecurity, and environmental conditions as well as increased access to health care as a means to reduce health disparities. Students will develop skills to understand and influence the policy process and learn to apply advocacy skills to influence policies that affect health equity. Graduates will be prepared to critically analyze, design, and implement strategies to enhance health equity.

Method of Delivery

All courses for the proposed certificate program will be conducted in a fully online format.

Target Implementation Date

Fall 2022

Target Population

The target population for the certificate program is students enrolled in VCU graduate degree programs in the health sciences (e.g., nursing, medicine, pharmacy, dentistry, health professions) as well as other graduate programs such as social work and public administration. The certificate will also target graduates of undergraduate programs in health sciences, social work, and public administration.

Impact on Faculty

Faculty members teaching courses will have appointments in the Department of Health Administration and other departments in the College of Health Professions. All faculty teaching in the certificate program will meet the minimum requirements for faculty as determined by the home departments. No new faculty positions will be created.

Funding

Resources required to support the proposed certificate program include existing resources to support current programs such as student support services (e.g., enrollment, help desk, and library), faculty support services (e.g., copying and contracts), and general administration (e.g., budgeting and forecasting). No new positions will be created to initiate and sustain the proposed certificate program. The university has adequate resources to offer and sustain the proposed certificate program.

Next Steps

October 28 - University Council subcommittee on Academic Affairs and University Policies (UCAAUP)
November 4 - University Council Meeting
November 8 - President's Cabinet Meeting
December 9 - Board of Visitor's Meeting

Virginia Commonwealth University Proposed Program Brief

Intent to Discontinue the Master of Music in Music in the School of the Arts

Overview

Virginia Commonwealth University (VCU) requests approval to discontinue the Master of Music (M.M.) in Music in the School of the Arts. This program has experienced a decline in enrollment in recent years. In 2019-2020 there were four students enrolled in this program, all of whom graduated in the Summer 2020 term. There have been no new enrollments in the program since that time.

VCU submitted materials to SCHEV in August 2021 as part of the productivity review process, and subsequently this discontinuance was the agreed-upon action by SCHEV and the university.

There are no students affected by this closure. There are no students “stopped out” or currently enrolled at this time.

The department will communicate this decision to all potential students, faculty, and staff via the University Bulletin and through direct communication.

Target Implementation Date

Fall 2022

Impact on Faculty and Funding

Resources previously required to sustain the M.M. in Music have been reallocated to related programs within the Department of Music in the School of the Arts. This includes instructional faculty and staff who have supported the program. No staff or faculty have been eliminated as part of this change, and there will be no measurable changes in workload or duties as a result of this discontinuance. No additional costs or fees to students have been associated with this change.

Next Steps

October 28 - University Council subcommittee on Academic Affairs and University Policies (UCAAUP)
November 4 - University Council Meeting
November 8 - President's Cabinet Meeting
December 9 - Board of Visitor's Meeting



Program Productivity Process: *Intent to Discontinue Cover Sheet*

Complete a separate cover sheet for each program closure. Completed cover sheets should be emailed to emilyhils@schev.edu.

1. Institution: Virginia Commonwealth University	
2. Program name: Music	
3. Degree designation (e.g. AA, BS, MBA, PhD): Master of Music (M.M.)	4. CIP code: 50.0903
5. Date beyond which no new enrollments will be accepted (last semester and year): Fall 2021	6. Termination date for reporting degrees (last semester and year when the degree will be granted): Fall 2021
7. Submitted by (name, title, email address): Deborah S. Noble-Triplett, Ph.D., Senior Vice Provost for Academic Affairs, nobletriplett@vcu.edu	

Virginia Commonwealth University Proposed Program Brief

Intent to discontinue the Doctor of Philosophy in Art History

Overview

Virginia Commonwealth University (VCU) requests approval to discontinue the Doctor of Philosophy (Ph.D.) in Art History in the School of the Arts. The program has experienced a decline in enrollment and funding in recent years. In 2020-2021, the Ph.D. in Art History enrolled five students and graduated one.

VCU submitted materials to SCHEV in August 2021 as part of the productivity review process, and subsequently this discontinuance was the agreed-upon action by SCHEV and the university.

There are currently four students affected by this closure. None of these students is taking courses, as all are in the dissertation phase of their doctoral programs. Students will be permitted to finish their dissertations and graduate within eight semesters, which is consistent with university policy. The teach out plan will be to offer the dissertation course in which they will enroll each semester until degree completion. There are no “stopped out” students affected by this closure.

The department will communicate this decision to all students, faculty, and staff via the University Bulletin and through direct communication.

Target Implementation Date

Fall 2022

Impact on Faculty and Funding

The resources required to sustain the Ph.D. in Art History have been reallocated to related programs within the Department of Art History. This includes instructional faculty and the staff who support the program. No staff or faculty have been eliminated as part of this change, and there will be no measurable changes in workload or duties as a result of this decision. No additional costs or fees to students have been associated with this change.

Next Steps

October 28 - University Council subcommittee on Academic Affairs and University Policies (UCAAUP)

November 4 - University Council Meeting

November 8 - President's Cabinet Meeting

December 9 - Board of Visitor's Meeting



Program Productivity Process: *Intent to Discontinue Cover Sheet*

Complete a separate cover sheet for each program closure. Completed cover sheets should be emailed to emilyhils@schev.edu.

1. Institution: Virginia Commonwealth University	
2. Program name: Art History	
3. Degree designation (e.g. AA, BS, MBA, PhD): Doctor of Philosophy (Ph.D.)	4. CIP code: 50.0703
5. Date beyond which no new enrollments will be accepted (last semester and year): Fall 2021	6. Termination date for reporting degrees (last semester and year when the degree will be granted): Spring 2025
7. Submitted by (name, title, email address): Deborah S. Noble-Triplett, Ph.D., Senior Vice Provost for Academic Affairs, nobletriplett@vcu.edu	



ATTACHMENT G

Board of Visitors Meeting Finance, Budget and Investments

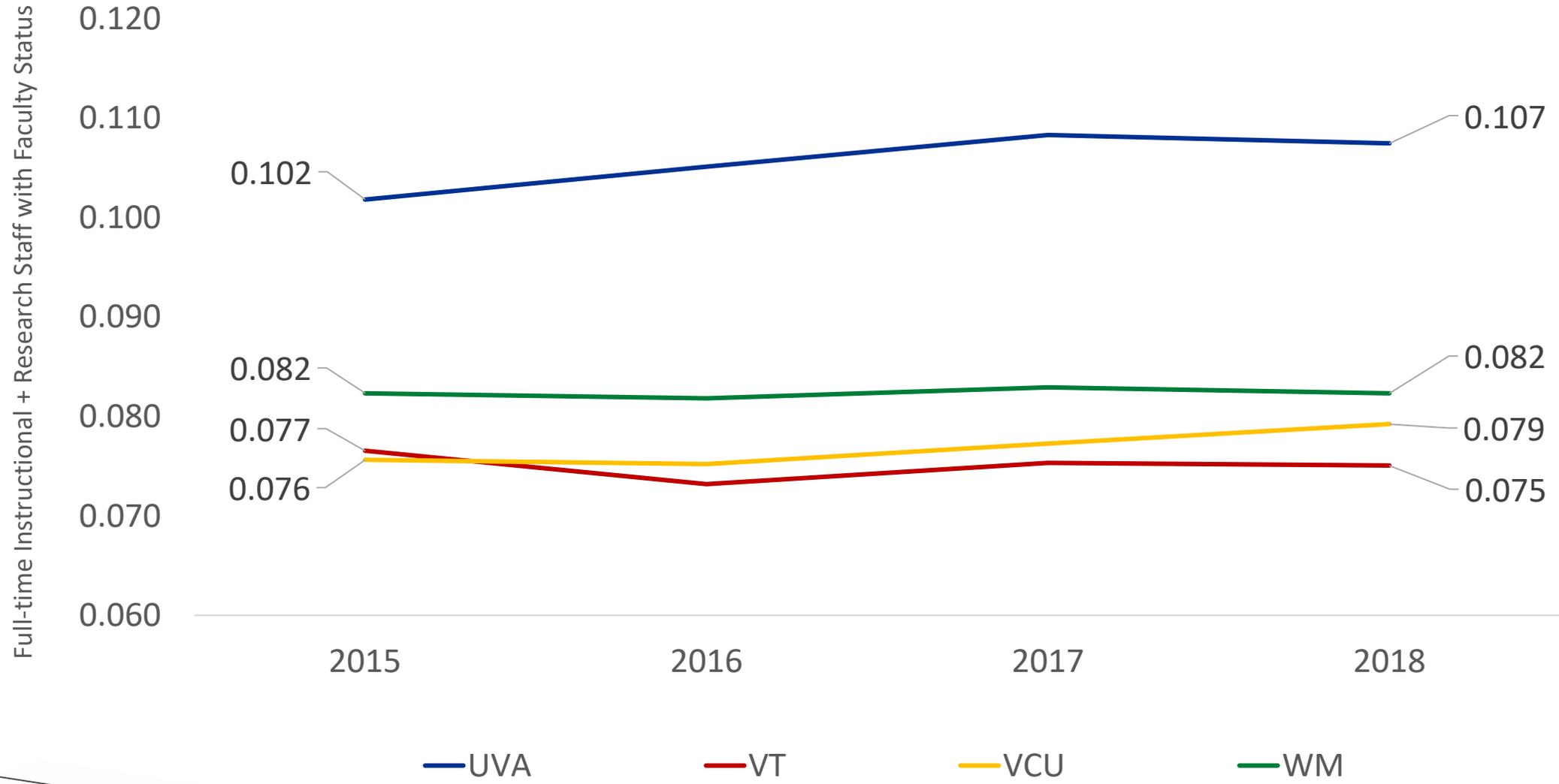
December 10, 2021

Karol Kain Gray

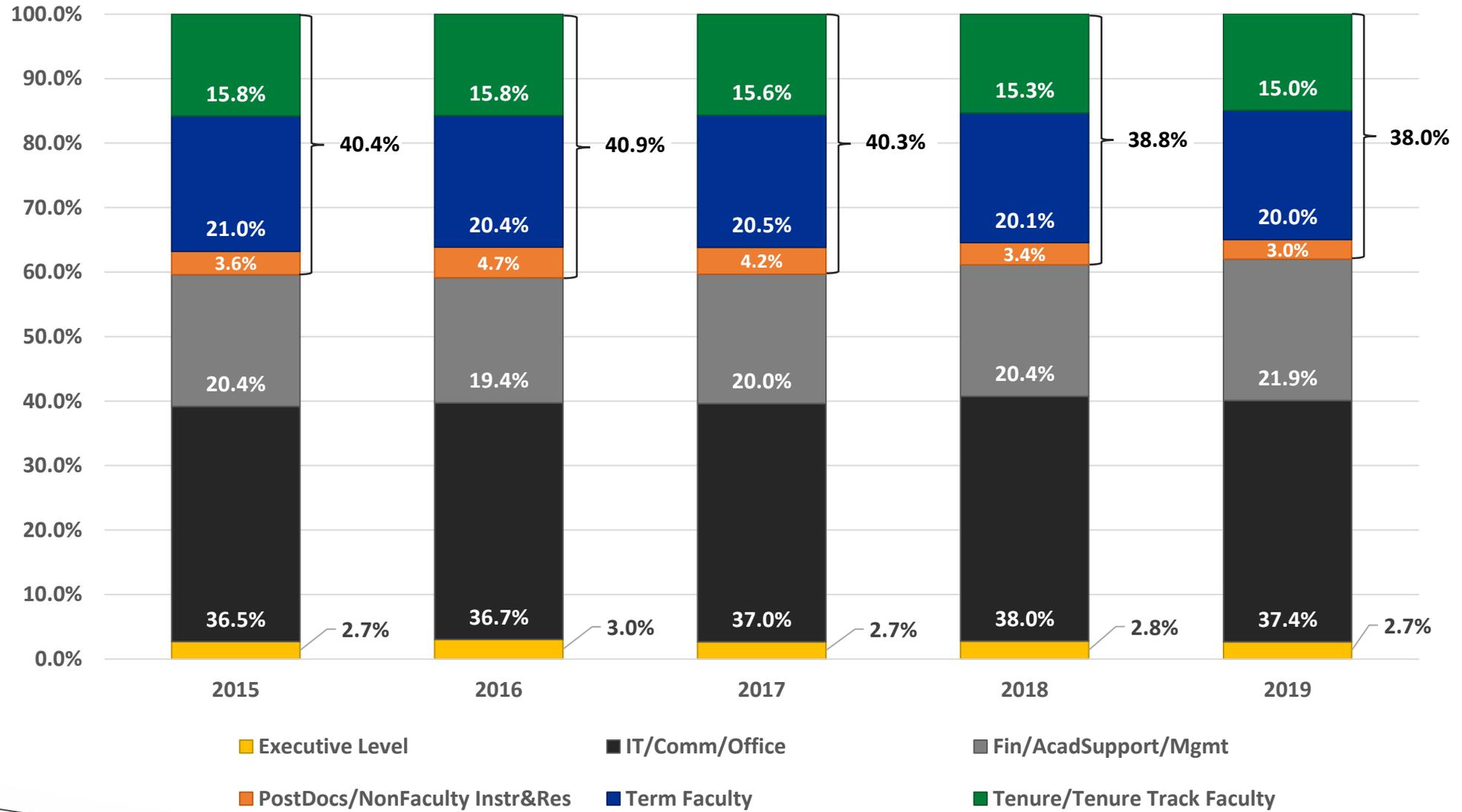
Senior VP & CFO



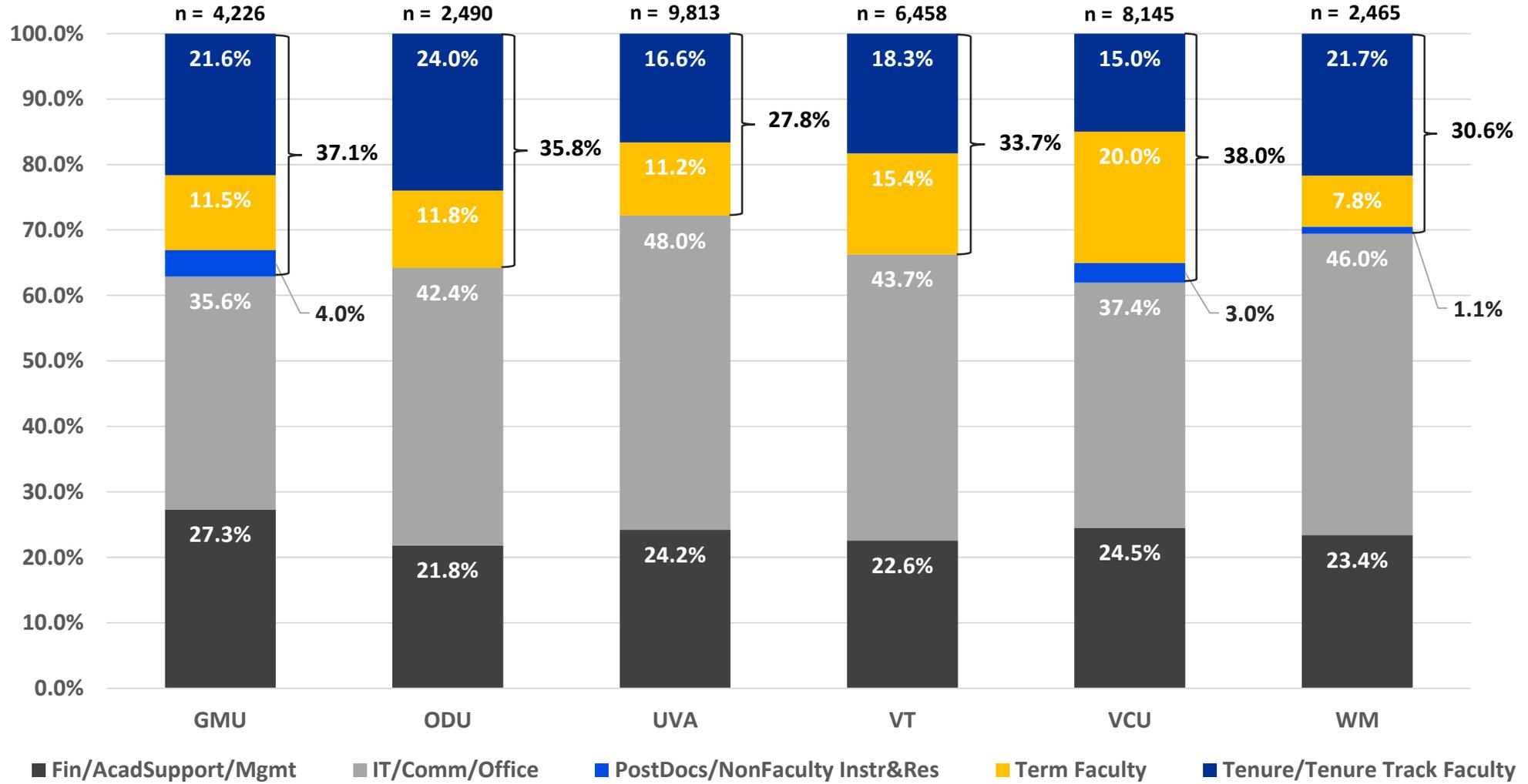
Full-time Tenure, Tenure Track and Term Faculty per Student FTE by Institution



VCU Employee Distribution by Category



2019 Employee Distribution by Category and School





To: Members of the Board
From: Office of the Provost, Office of Budget, Analysis, and Financial Planning
Subject: AAUP Report on VCU Administrative Structure
Date: December 10, 2021

The VCU Chapter of the American Association of University Professors (AAUP) submitted a report suggesting that there has been a rise in management employees at VCU with a concomitant loss of support for tenured and tenure track faculty. Further, the report implies that a rise in student tuition has been required to fund administrative growth at VCU, and that administrative growth has outpaced faculty growth. However, this report does not accurately reflect VCU's current or historical administrative structure or its investments in personnel.

In general, the report suffers from an inaccurate interpretation of the data. Attached we have provided a reviewed copy of the report highlighting contextual corrections. In general, these corrections clarify:

- Definitional issues associated with the data set (Integrated Postsecondary Education Data System, known as IPEDS), noting that classification of management is not consistent across institutions or over time. VCU's classification of management staff has been significantly impacted by the VCU HR Redesign, which involved reclassification of many existing employees.
- Increases to salaries and other operational costs within the last three years are the result of State funding or reallocation, as VCU's tuition rate has remained flat during that time.
- Corrected data regarding instructional vs. non-instructional personnel noting VCU as among the highest investor in instructional and research per student FTE, behind UVA and W&M.
- Corrected data regarding the costs associated with the university cabinet.

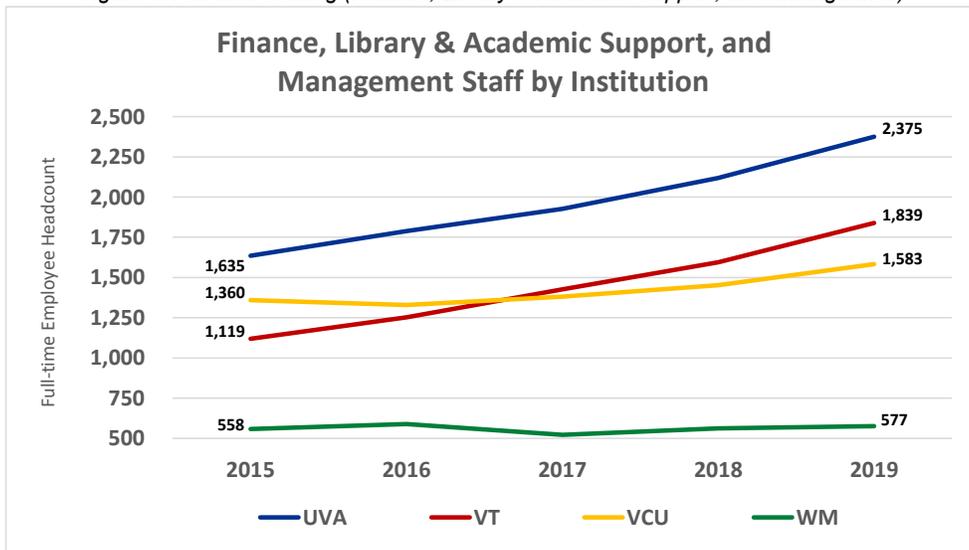
One of the fundamental issues with the claims in this report is the lack of alignment with institutional practices in the data source. The AAUP analysis uses data from the Integrated Postsecondary Education Data System (IPEDS), a system of surveys conducted annually by the U.S. Department of Education. IPEDS gathers information from every institution that participates in federal student financial aid programs and provides basic public data needed to determine trends in postsecondary education in the U.S. (e.g., number of students enrolled, employed faculty and staff, degrees earned, etc.).

Working with IPEDS data can be challenging. For example, data is self-reported by institutions based on how the institution interprets and responds to each IPEDS survey component. This would include how an institution defines employee types which can easily differ from institution to institution. To complicate matters, within the last two years, the VCU HR Redesign intentionally changed the way the university classifies employee types. While internal resource metrics provided to the BOV reflect this change, it was not addressed in a timely manner in the public IPEDS data.

This change in coding is most problematic when the AAUP assessment uses the metric of management employees to show significant growth over time. While the size of VCU's administration has not increased, the reporting of management staff did change as a result of how administrative faculty (mainly some academic advisors, finance and administrative professionals) were re-coded into management after the HR Redesign in 2018. These employees were almost entirely from the IPEDS employment categories of Business, Financial Operations and Libraries and

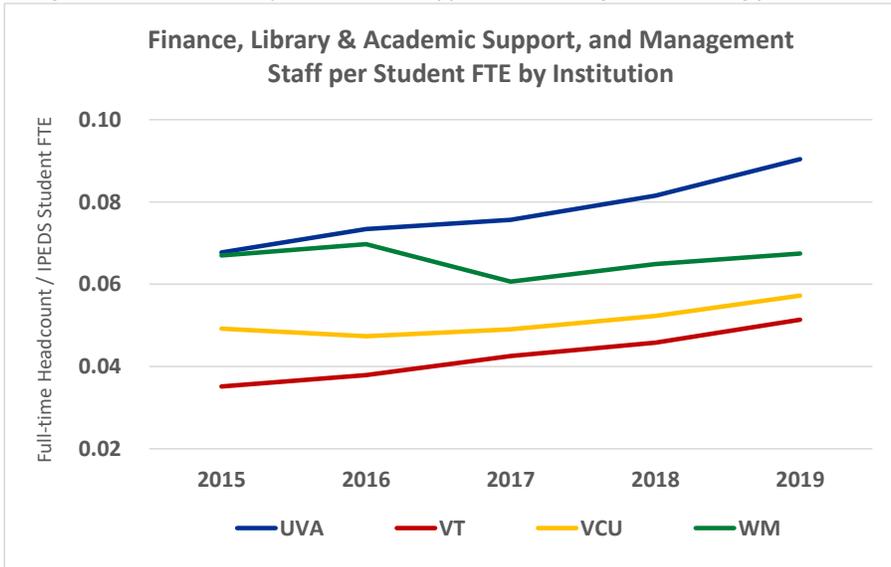
Instructional Support. When the coding issue is resolved (by combining these administrative groups), one sees that VCU has experienced relatively modest growth across these categories in recent years. As Figure 1 shows, UVA and Virginia Tech have expanded their staffing levels in these categories much more rapidly than VCU has.

Figure 1: Full-time Staffing (Finance, Library & Academic Support, and Management)



We continue to see these trends when we examine staffing levels on a per student FTE basis (Figure 2). Again, VCU has experienced relatively modest growth in these categories, particularly in comparison with UVA and Virginia Tech.

Figure 2: Finance, Library & Academic Support, and Management Staffing per Student



VCU has maintained steady state staffing for faculty since 2015, as shown in Figures 3 & 4.

Figure 3: Count of Full-time VCU Faculty by Tenure Status

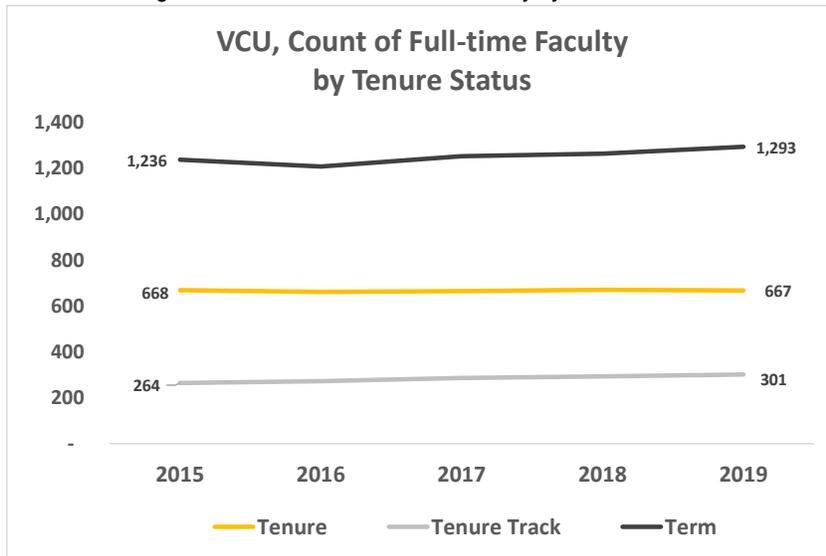
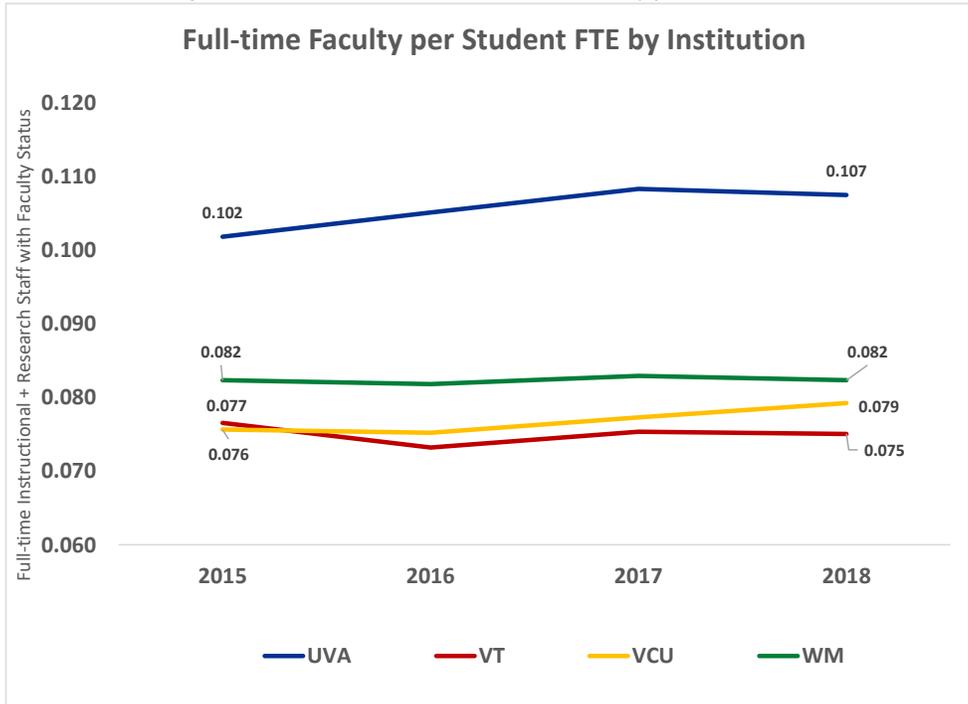


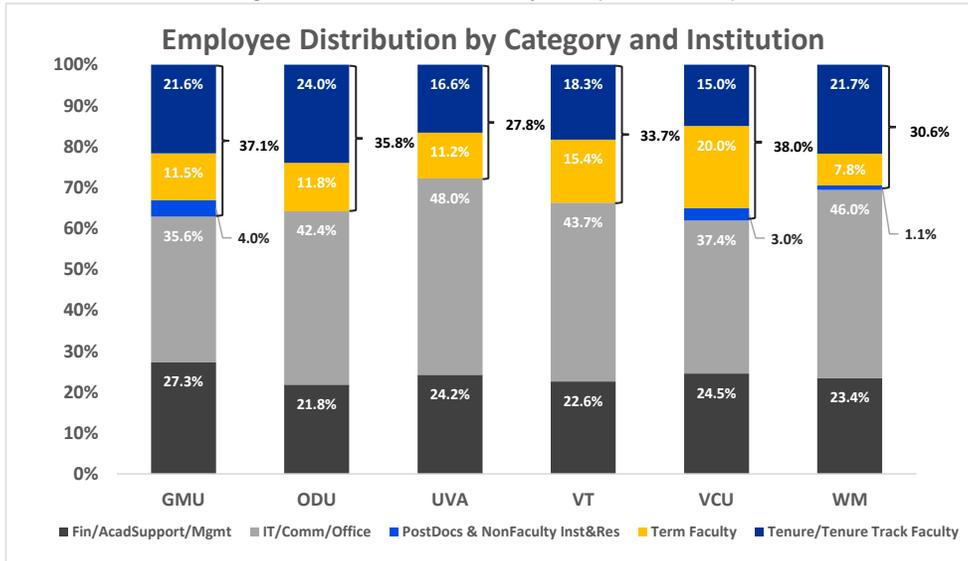
Figure 4: Full-time Instruction + Research Faculty per Student FTE



As Figure 5 shows, when VCU's allocation among staff categories is compared to other Virginia peers, we see that VCU does have a lower percentage of tenured and tenure-track faculty. Addressing this inequity is a key area of focus and a driving force behind VCU's recent request to the State of \$60M for equity funding (to be funded over 3 years).

The lower proportion of tenure and tenure track faculty is offset in part by a higher numbers of term faculty and non-faculty researchers and instructors. Including these groups, VCU has a higher percentage of full-time staff engaged in instruction and research than any of its major Virginia peers, at 38.0%. When viewed as a percentage of total full-time employees, VCU's staffing for financial, academic support, and management functions is comparable to those of our Virginia peers.

Figure 5: Distribution of Staff by Occupational Groups

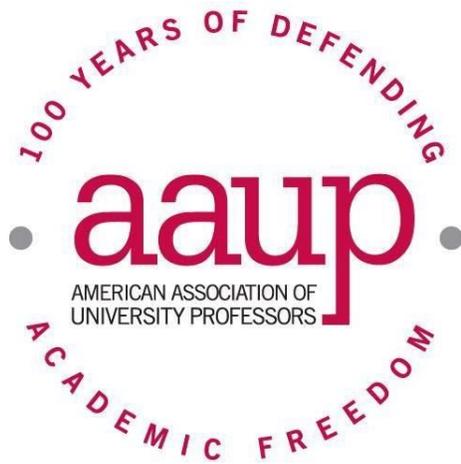


Note that not all institutions report staffing for the postdoctoral / non-faculty instruction and research classification. According to the instructions that IPEDS provides to institutions, “non-faculty status” is intended to allow institutions to account for employees whose primary function is research and/or instruction, but who do not qualify for faculty status (such as postdoctoral research associates). From 2015-2019, neither UVA nor Virginia Tech reported any staff in this category. Assuming that both institutions did, in fact, employ staff such as postdoctoral researchers, it is likely that such staff are included in those institutions’ reported numbers for instructional and research faculty.

As a dynamic institution responding to student and faculty needs, as well as to changing external conditions, VCU will continue to make changes to optimize staffing resources. One area which has experienced recent staffing growth is student advising, following a decision made in 2016 to improve and expand that function. As the Board approved at that time, VCU, like many other institutions, changed its student advising model from faculty-based advising to a more consistent, full time, professional advisor model. This not only provided faculty more time to focus on teaching and research but enhanced services to VCU students, providing greater expertise, consistency and accessibility. Overall, approximately 33 professional advisor positions have been added.

As a final note, as the BOV is aware, the university’s commitment to growing the investment in faculty salaries is evidenced each budget cycle. The university’s internal budget consistently includes funding for promotions in rank, and the last several years have included base rate increases for adjuncts. As noted above, VCU prioritizes faculty and adjunct salary increases in both the Six Year Plan and VCU’s annual budget request to the Governor. This most recent State budget cycle saw two requests: a request for 2-3% merit increase for faculty in addition to a \$60M equity adjustment which will directly support our faculty. This is accomplished through increasing salaries to more competitive levels and creating new tenure and tenure track positions. The latter are key both for student success and for realizing VCU’s Strategic Research Priorities Plan for research

growth. Our commitment to investing in instruction and research, along with student support, will continue to be one of our highest priorities.



A Report on the Administrative Structure at Virginia Commonwealth University

By the
VCU Chapter of the AAUP

and

endorsed by the VCU Chapter of the United Campus Workers

Presented as written comments to the VCU Board of Visitors December 10, 2021

Executive Summary

Over the past two years, administrative growth at Virginia Commonwealth University has outpaced faculty growth while the number of instructional employees overall has remained unchanged. **For every four tenure track faculty members at VCU, there are five**

administrators. This growth in executive administration correlates directly to eroded working conditions for all faculty, but particularly for the growing contingent faculty workforce. Instructors' working conditions are students' learning conditions, and the erosion of the former negatively impacts the latter. Only 33% of the instructional employees are tenured or tenure-track, which is a lower percentage of tenure-eligible faculty than all of VCU's VA peer institutions, as well as the majority of national peer and aspirational universities. Tenure-eligible faculty are typically the research-active faculty that drive the university's R1 ranking, attract students, and provide the relevant experiential learning opportunities that set VCU apart from other universities.

VCU has developed an inefficient and expensive administrative overhead that is sapping cash flow, threatening the bond rating, and mismanaging student tuition and taxpayer dollars.

As an institution, VCU is responding to the crisis in higher education in the least effective way possible—hiring more and more administrators and non-instructional employees—rather than investing in the core, intertwined missions of education and research.

If VCU is an institution for transformative innovation that can lead the reinvention of higher education, then let it not be hampered by the lack of tenure-track faculty. VCU's faculty are forward thinking and highly adaptable, as we have witnessed over the past year. We are dedicated to

providing our students, many of them first-generation college students, an excellent education and to engaging in research for the greater public good. For our institution to reach its full potential we must decrease the level of administration, increase the percentage of tenure-track faculty and provide them with the resources needed to maximize student success.

According to financial data reported to the National Center for Educational Statistics by VCU administration, over the past two years the increase in the administrative salaries has been covered almost entirely by a rise in student tuition revenue. Since 2019, the number of management employees has increased 9.6%. **Students are paying the price and they are going to look elsewhere if VCU does not correct its course.** Finance-savvy students are not going to pay more and more for a VCU education—which is already among the costliest in the Commonwealth—when that additional revenue is being spent on management and administration, rather than being invested directly into their education.

The VCU Chapter of the AAUP is requesting that the VCU Board of Visitors immediately begin a comprehensive review of the administrative structure of VCU, as well as the structure of the instructional staff by an outside consulting group vetted by faculty. We believe this is essential for VCU to move to the next level and continue providing the best education possible for our students.

Commented [1]: In this report, definitions and references to metrics are often misinterpreted and misrepresented. The report equates university administration and management functions, using the two terms interchangeably. This characterization of IPEDS is inaccurate.

Commented [2]: The use of administrations is not a metric of IPEDS. The preamble addresses VCU's level of administration and comparable figures for the state.

Commented [3]: Salary increases overall and in recent years have been state-mandated and funded half by the state, for example, the 5% mandated increases for all employees in fiscal year 2022. For faculty, there is and has been a focus on providing 10% increases related to promotions and rises in rank and supporting faculty merit increases as part of VCU's long-term strategy.

Commented [4]: VCU's cost of tuition and mandatory fees is 3rd out of the 5 tier III institutions in the state (VCU, W&M, VT, UVA, JMU) and has been held flat for the last 3 years for undergraduate students. All recent increases in operational costs, new hires, and salary increases have been from state funds and reallocations and have not been at the cost of increasing tuition to our students.

VCU Administrative structure is out of balance

An article published by the Association of American Colleges and Universities periodical peerReview in Fall 2002 explained that “Over-reliance on part-time and other ‘contingent’ instructional staff diminishes faculty involvement in undergraduate learning...such over-reliance particularly disadvantages the less-well-prepared entering and lower-division students in the non-elite institutions who most need more substantial faculty attention.” AAUP’s 2018 Data Snapshot of contingency in higher education shows that destabilization of the faculty workforce through conversion of instructional labor to contingent positions has continued unabated, eroding the working conditions of our instructional workforce nationally. Stabilizing and protecting the employment status of adjunct and term faculty would rectify this concern by

allowing those faculty to focus their attention on students rather than on their precarious employment status.

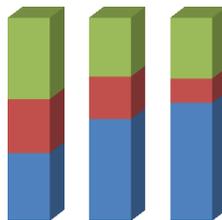
At VCU, 23% of employees are instructional employees. The percentage of tenure-track faculty per total instructional employees is the lowest of any of our peer institutions.

Tenure track employees at an R1 university are those faculty who are afforded more capacity for active research. These research-active faculty are directly responsible for the increase seen in VCU research expenditures over the past two years which, in turn, attracts students to our programs. **The ratio of tenured or tenure-track faculty to total instructional employees directly impacts program quality.**

Tenured/tenure-track research faculty provide valuable hands-on research experiences to students, in line with

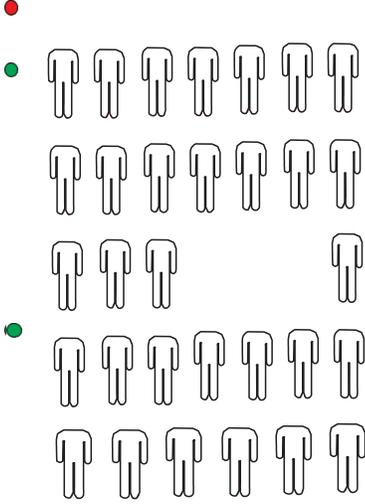
VCU’s commitment to the relevant, experiential, and applied learning initiative (REAL). Stable working conditions for full-time, tenure track faculty allows those faculty to focus our curriculum on addressing real world problems and experiential opportunities, not only within research fields, but also through possibilities for interdisciplinary convergence research and problem-based learning as outlined within VCU’s strategic vision. Active tenured/tenure-track research faculty are able to develop strong professional networks and community ties through their work and these connections help students secure professional opportunities. **In a world where it increasingly matters who you know (and not just what skills you’ve been credentialed in), providing these networked connections is essential to helping our students succeed in this challenging and dynamic economy.**

Instructional Employees Breakdown



Commented [5]: When VCU is compared to its other R1 and SCHEV peers, it is in the middle of the pack for the number of research and instructional personnel per student and spending per FTE on research and instructional personnel.

Commented [6]: VCU has invested significantly in the REAL program and is expanding that program for this very purpose.



There are nine management for eight tenure-track and 17 non-tenure track employees.

Key Information

At VCU, 23% of employees are instructional employees. **The percentage of tenure-track faculty per total instructional employees is the lowest of any of our peer institutions.** Only 33% of the instructional employees at VCU are tenured or tenure-track employees, compared to 50% and 58% at our peer and aspirational peer institutions, respectively.

At VCU, 15% of all employees are categorized as management. **This is twice the percentage of our peer institutions.**

VCU's lack of tenure-track faculty is apparent on a per-student basis. **Simply, there are substantially fewer tenured and tenure-track faculty at VCU than at our peer institutions.** VCU has 36.3 full-time students per tenure-track faculty member. This is a worse ratio than peer institutions, both within the Commonwealth and nationally. At Virginia

peer institutions, the average ratio is 25.5:1, while at our national peer institutions it is 32.8:1. Only 55% of VCU's full-time instructional employees are tenured or tenure-track faculty, as

	Student to Tenure Track Faculty Ratio	Tenure Track Faculty to Administration Ratio	Percentage Instructional Employees on the Tenure Track
VCU	36.3 : 1	0.82	33%
Virginia Peers	25.5 : 1	5.5	56%
Peer	32.8 : 1	1.7	43%
Aspirational Peers	34 : 1	2.1	55%

Commented [7]: When part-time instructional faculty are included VCU's percentage is closer to 38%. When clinical faculty are included (excluding adjuncts) 39% are instructional employees. When IPEDS data is used Instructional and Research personnel account for 44%.

Commented [8]: This is misleading because it combines two different metrics. The best way to understand faculty composition is to review them as: (1) % of Instructional faculty who are full-time (2) % of full-time instructional faculty who are tenured or tenure-eligible

2019 % of Full Time Instruction&Research Staff who are tenured or tenure-eligible

- WM = 74%
- ODU = 67%
- GMU = 65%
- UVA = 60%
- VT = 54%
- VCU = 43%

2019 % of Instruction&Research Staff who are Full-time

- ODU 94%
- UVA 94%
- VT 98%
- WM 80%
- VCU 71%
- GMU 52%

VCU is on the low side in terms of % Full-time, but we're not the outlier on this metric (GMU is the outlier).

Commented [9]: Much of this change came after the implementation of the HR redesign and reclassification of Administrative Professional Faculty to University Academic Professionals (UAP). The change is not an indication of VCU having more of these employees but having a different classification from others. In total, VCU is comparable.



At VCU in 2020, Every student contributes \$3398 of their tuition to management employee salaries

compared to UVA and VA Tech at 75% and GMU at 65%. This could be one reason that those institutions gained students last year while VCU lost students.

The percentage of instructional faculty is below our peers

At VCU there are 2.5 instructional employees per every management employee. This stands in sharp contrast to our peer institutions, where there are 3.8 instructional employees per management employee— 54% more. VCU's aspirational peer institutions have 3.9 such instructional employees, or 59% more.

Over 20% of all salary outlays are for managerial

employees, while only 27% are for instructional staff. By comparison, VCU's Peer institutions typically spend on average 13% of all salary outlays on management employees and spend over 30% on instructional employees. To put this into financial perspective, in 2020 VCU spent a total of \$87M on 868 non-instructional management employees, compared to \$125M on 2133 full and part-time instructional employees responsible for conducting the educational and research mission of the university.

All too often, the low percentage of tenure-track faculty is defended as necessary to maintain favorable bond ratings with Moody's and S&P rating agencies. It is regularly suggested that a high percentage of tenured faculty negatively impacts the rating because it depresses operational cash flow. But upon examining the bond rating scorecard used by Moody's, it is not the percentage of tenure-track faculty that impact the bond rating per se, but rather committed salary outlays, which include those for administration contracts. At the Moody's-identified peer institutions, the instructional-to-management employee ratio is even larger at 5.3 instructional employees per management employee. Even the for-profit University of Phoenix has 4.7 instructional employees per management employee ratio. In contrast, the ratio of instructional employees to management at VCU is an abysmal 2.5-to-1.

In April 2017, the California state auditors examined administrative costs at the University of California system and found that the ten executives in the president's office were earning over \$3.7M. At VCU in 2020, the 14 individuals listed in the president's cabinet had combined salaries of over \$5.3M, while management salary outlays increased from \$55M in 2015 to over \$87M in 2020. The disproportionate number of management employees and the large amount of salaries for them reduces the success rates for our most vulnerable students and negatively impacts the faculty's ability to complete our educational mission. **As an institution, we are responding to the crisis in higher education by hiring more and more administrators and non-instructional employees, as opposed to focusing on our core, intertwined missions of education and research.**

Commented [10]: This statement is incorrect. Data from 2019 shows that our instructional staff as a percentage of the total staff are among the highest in the state:

FY2019
GMU
Total FT Staff = 4,226
FT Instruction&Research = 1,568
Instruction&Research Share = 37.1%

ODU
Total FT Staff = 2,490
FT Instruction&Research = 891
Instruction&Research Share = 35.8%

UVA
Total FT Staff = 9,813
FT Instruction&Research = 2,731
Instruction&Research Share = 27.8%

VT
Total FT Staff = 8,145
FT Instruction&Research = 2,745
Instruction&Research Share = 33.7%

VCU
Total FT Staff = 6,458
FT Instruction&Research = 2,457
Instruction&Research Share = 38.0%

Commented [11]: The total spent on non-instructional management employees is misleading and does not support the stated conclusion as it includes all types of management from senior level to foodservice managers to research lab managers.

It also appears that these figures exclude medical faculty which support the teaching and research mission of the university.

Commented [12]: This statement is untrue. Tenure and Tenure Track faculty numbers are not a part of any bond rating agency scorecards nor has it ever been regularly suggested that this metric is important to VCU's bond ratings.

Commented [13]: Management outlays increasing from \$45M in 2016 to over \$87M in 2020 was directly related to the recording of Administrative Faculty to Management Staff from the HR redesign and unrelated to adding new positions. Overall, the average managerial salary has decreased from \$128k to \$101k.

Commented [14]: As of 1-10-21 the total salaries in the president's cabinet totaled \$4.6M. This figure also includes health system and university joint employees. If the report referred from 2017 were to be updated for salary changes and inflation from the last 5 years it would likely be higher than that of VCU's current level.

When we look at just tenured/tenure-track faculty to administrators, VCU's ratio further drops to 0.81:1, or more than one administrator per every tenured or tenure-track faculty member.

Key Information

- Every student at VCU pays \$3398, or 27% of their tuition to management employees who do not directly contribute to the overall instruction.
- The most vulnerable students are those eligible for Pell Grants. The inflation-adjusted Pell Grant award has been almost flat at \$6195 since 2013. However, the overall salary outlays for management employees at VCU increased 31% from 2016 to 2020.
- From 2019 to 2020, revenue from tuition increased by \$13M while management salary outlays increased by 10.5M.
- Since 2015, VCU has seen the overall full-time student enrollment drop about 5% while the number of full-time instructional employees has remained unchanged. Since 2019, the number of management employees has increased 9.6%.
- According to data provided to the IPEDS system, in 2020 35% of all salary outlays were for 868 managerial employees, while only 45% of salary outlays were for the **entire body** of instructional employees.

Commented [15]: In total, VCU spends \$4,618 per student on Academic and Institutional support (which includes management, finance, and academic affairs), not only management, the middle of our Tier III peers. This is funded from both tuition (2/3 - \$3,079) and state support (1/3 - \$1,539). It is misleading to equate institutional expenditures with student expenditures, because of state support.

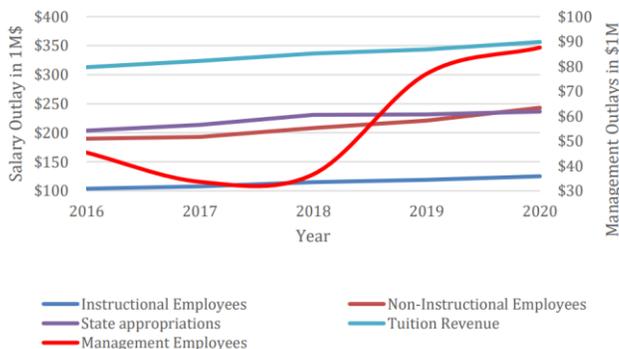
Commented [16]: Overall, VCU has committed to institutional aid over the last 5 years, growing our investment from \$17.1M in 2016 to \$58.8M in 2021, an increase of 243%.

Commented [17]: From 2019 to 2020 tuition revenue decreased by \$15M due to the pandemic.

Commented [18]: As noted in the preamble, the actual percentage management, business, and academic affairs have increased is from 22.7% to 23.5% from 2016 to 2020 as compared to total employees.

VCU serves the Commonwealth by providing excellent educational opportunities to first-generation college students. Our mission states that we are an “urban public research institution dedicated to the success and well-being of our students.” **However, the choices made to expand executive, administrative, and managerial staff, and their compensation, have been paid for by our students, particularly our most financially challenged students who are disproportionately likely to be first-generation college students and students of color. This development puts our mission at risk.**

Key Financials since 2016



VCU and the National Conversation About College Price

- Benjamin Ginsberg, a professor of political science at the Johns Hopkins University has argued that universities would be better off with fewer administrators. The three-to-one ratio “makes a lot of sense,” Mr. Ginsberg said, because it would shift the staff balance in universities.
- Richard Vedder, director of the Center for College Affordability and Productivity and a professor of economics at Ohio University (a VCU peer institution) during testimony to US senate budget committee in June 2014, said *“shifting the balance back toward faculty is key to keeping universities’ missions focused on teaching, as opposed to becoming too focused on other activities, like business development or sustainability efforts. “We need to get back to basics,”* said Mr. Vedder. The basics are “teaching and research,” he said, *“and we need to incentivize leaders of the universities to get rid of anything that’s outside of that.”*
- Part-time positions of one year or less make up the largest share of non-tenure track positions at all types of institutions, ranging from 19% of all faculty positions at public research institutions to 50% of all faculty positions at community colleges. The employment status of these non-tenure track contingent faculty is tenuous, allowing institutions to hire and relieve most of their contingent instructional staff relatively quickly over a short period of time. Their precarity is harmful for all faculty and for the capacity of programs to fulfill their missions to students, and stabilizing adjunct and term faculty should be considered a priority by providing better pay and longer contracts.
- Contingent faculty have substituted for tenure or tenure-track faculty in most types of institutions. While the addition of contingent faculty has outpaced the loss of tenure or tenure-track faculty at private bachelor’s and master’s institutions, **the rise in the use of contingent faculty has merely offset declines in tenure-line faculty at all other types of four-year institutions.** At public community colleges, the decrease in the number of tenure-line faculty surpassed the growth in the number of contingent faculty, resulting in a net loss of 3 full-time equivalent (FTE) faculty per 1,000 FTE students.
- Colleges and universities with higher shares of contingent faculty also have higher shares of students at risk of noncompletion, particularly among private four-year institutions. Among private four-year colleges and universities, those with the largest shares of part-time students reported higher concentrations of contingent faculty. Likewise, private four-year institutions with the largest shares of Pell Grant recipients also reported higher concentrations of contingent faculty. Some evidence indicates that the intense workloads and high levels of precarity that affect adjuncts and other contingent faculty may also negatively affect student success outcomes (Bickerstaff & Chavarin, 2018). However, existing tenured faculty do not have the capacity to teach the course loads that contingent faculty currently cover and increasing course loads would further diminish positive student outcomes and compromise research productivity. Therefore, universities should rectify faculty precarity by offering longer and more robust contracts and benefits to their current contingent faculty members. Rather than running costly national searches for tenure-eligible positions, universities should seek to convert existing faculty from contingent to full time or tenure eligible.

Methodology

Publicly available data were obtained using the Integrated Postsecondary Education Data System (IPEDS). IPEDS is an annual data collection distributed by the Postsecondary Branch of the National Center for Education Statistics (NCES), a non-partisan center within the Institute of Education Sciences under the U.S. Department of Education. NCES is the primary federal entity for collecting and analyzing data related to education in the U.S. and other nations. IPEDS is a system of interrelated surveys conducted annually by the U.S. Department of Education's National Center for Education Statistics (NCES). Institutions must complete the IPEDS surveys in eight areas: institutional characteristics; institutional prices; admissions; enrollment; student financial aid; degrees and certificates conferred; student persistence and success; and academic libraries, institutional, and human fiscal resources. These data are made available to students and parents through the College Navigator

Data collected from the IPEDS surveys herein represent a direct statement of information provided to the NCES by VCU, without further interpretation. There were no changes made to employee categories, university revenues, or salary outlays as reported by VCU.

college search Web site and to researchers and others through the IPEDS Data Center. To learn more about IPEDS Survey components, visit <https://nces.ed.gov/ipeds/use-the-data/survey-components>.

The completion of all IPEDS surveys is mandatory for institutions that participate in or are applicants for participation in any federal student financial aid program (such as Pell grants and federal student loans) authorized by Title IV of the Higher Education Act of 1965, as amended (20 USC 1094, Section 487(a)(17) and 34 CFR 668.14(b)(19)).

Tuition, as reported to the IPEDS system, includes the average amount of money charged to students for instructional services. For this analysis, we concentrated on VCU's average in-state tuition.

Additional data were obtained via a Freedom of Information Act Request of the Virginia Department of Human Resource Management for the salary information of all state employees with salaries over \$50,000 per year at Virginia Commonwealth University, University of Virginia's Main Campus, and Virginia Tech. Salary information used from the IPEDS system are for full-time, non-medical, instructional staff, and include base salaries only – no supplements, overloads, or bonuses. Additional stipends for administrative, managerial, or other responsibilities are NOT included in the salary outlays data for instructional staff. The excluded medical staff is any staff employed by or staff working in the medical school. This also does not include staff employed by or employees working strictly in a hospital associated with a medical school, or those who work in health or allied health schools or departments such as dentistry, nursing, or dental hygiene unless the health or allied health schools or departments are affiliated with (housed in or under the authority of) the medical school. Cash and Financial statements are

publicly available from the September 2021 Board of Visitors meeting of the committee on finance and budget. Copies of the Moody's bond rating scorecards were obtained from Virginia Commonwealth University. Salary outlays were reported in the IPEDS human financial resources survey. The salary outlays used herein were for full-time non- medical instructional staff per academic year.

Data Used and Definitions

Institutions of higher education are required to report headcounts of graduate and undergraduate enrollment as well as staff numbers through the IPEDS system. Staff are classified in three general categories:

1. Instructional employees are those whose primary responsibility is instruction (i.e., faculty). For this analysis, the number of instructional employees does not take into account those faculty from the medical school whose primary responsibility is clinical or research. Instructional employees are broken down into full and part-time numbers as well as tenured, tenure track but not yet tenured, and non-tenure track numbers.
2. Executive/administrative/managerial employees are those whose primary responsibility is administration (i.e. deans, associate deans, vice presidents, etc.).
3. Non-instructional employees are those whose primary responsibility is university support through means other than teaching.

Selection of Peer institutions

The Carnegie Commission on Higher Education classifies Virginia Commonwealth University as an R1: Doctoral University - Very High Research Activity. VCU is one of four Virginia institutions to earn an R1 classification. The selection of peer institutions was matched to those provided by VCU's Quest 2025 peer institutions, aspirational peers, and other Virginia R1 institutions. We routinely measure ourselves against these institutions to help track our progress toward VCU's strategic plan goals.

Peer Institutions

University of Cincinnati - Main Campus
University of Louisville
University of South Florida - Main Campus
University of Alabama at Birmingham
University of Illinois at Chicago
University of South Carolina - Columbia

Aspirational Peer Institutions

University of California - Los Angeles
Florida State University
University of Minnesota - Twin Cities
University of Buffalo
The Ohio State University - Main Campus
University of Pittsburgh - Pittsburgh Campus

Virginia R1 Peer Institutions

University of Virginia
Virginia Polytechnic Institute and State University
George Mason University

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Drozdowski, M. The Plight of adjunct faculty on America's Campus, Best Colleges, March 23, 2021

Bickerstaff, S. & Chavarin, O. Understanding the needs of part-time faculty at six community colleges, Community college research center, November 2018

Vedder, R. Can college be made more affordable? testimony before the committee on the budget, US senate, June 4, 2014

Ginsberg, B. The Fall of the Faculty: The Rise of the All-Administrative University and Why It Matters, Oxford University Press, 2011

Appendix 1: VCU data compared to the averages of our peers

Institution/ year 2020	Virginia Commonwealth University	AVERAGES	
		Among Quest 2025 and Virginia Peers	Among Aspirational peers
Total degrees awarded	7552	17444	12303
Total degree programs	156	321	253
Reported full-time equivalent (FTE) undergraduate enrollment	21177	44417	31499
Reported full-time equivalent (FTE) graduate enrollment	4586	12832	8260
Full-time equivalent fall enrollment	26707	57642	39862
Full-time instructional employees (excluding medical schools)	1278	2935	1923
Part-time instructional employees (excluding medical schools)	857	1200	823
Full-time non-instructional staff - number	3521	8244	7604
Instructional employees (excluding medical schools), faculty with tenure or on tenure track	708	2000	1411
Instructional employees (excluding medical schools), faculty not on tenure track	1425	2066	1151
Management - number	868	1133	942
Graduate assistants (excluding medical schools)	834	3757	2657

Institution/ year 2020	Virginia Commonwealth University	Among Quest 2025 and Virginia Peers	Among Aspirat ional peers
Total Instructional Employees salary outlays	\$ 125,127,494	\$ 330,939,524	\$ 244,012,714
Full-time non-instructional staff - outlays	\$ 243,016,365	\$ 546,065,817	\$ 513,420,206
Management - outlays	\$ 87,547,533	\$ 133,622,191	\$ 110,791,260
Total state appropriations	\$ 270,852,010	\$ 450,047,128	\$ 547,430,191
Revenue from Tuition and fees, after deducting discounts and allowances	\$ 356,255,280	\$ 840,120,259	\$ 614,568,725
In-state average tuition for full-time undergraduates	\$ 12,177	\$ 21,575	\$ 10,883
Out-of-state average tuition for full-time undergraduates	\$ 32,825	\$ 61,470	\$ 30,078

Appendix 2: VCU IPEDS data from 2016-2020

Survey year	2016	2017	2018	2019	2020
Total degrees awarded	7420	7588	7506	7379	7552
Full-time equivalent fall enrollment	27466	27490	27282	27399	26707
Full-time instructional employees, faculty tenured or on tenure track	680	686	708	727	707
Full-time instructional employees, faculty not on tenure track	510	527	536	557	569
Part-time instructional employees	857	883	912	874	857
Full-time non-instructional staff - number	3112	3122	3256	3392	3521
Graduate assistants (excluding medical schools)	836	867	887	834	834
Management - number	354	228	249	785	868
Salary outlays - total	\$ 103,702,659	\$ 107,700,428	\$ 115,009,234	\$ 118,890,899	\$ 125,127,494
Full-time non-instructional - outlays	\$ 189,851,894	\$ 192,646,252	\$ 208,272,816	\$ 221,085,795	\$ 243,016,365
Management - outlays	\$ 45,368,017	\$ 33,630,122	\$ 36,641,148	\$ 77,001,359	\$ 87,547,533
Total state appropriations	\$ 230,869,666	\$ 256,173,107	\$ 278,093,185	\$ 291,281,124	\$ 270,852,010
Core revenues, total dollars (GASB)	\$ 890,255,313	\$ 915,859,947	\$ 998,590,651	\$ 990,909,896	\$ 997,264,534
Core expenses, total dollars (GASB)	\$ 815,610,258	\$ 859,999,736	\$ 886,570,229	\$ 937,414,339	\$ 949,820,539
Revenue from tuition and fees	\$ 312,809,796	\$ 323,586,088	\$ 336,426,527	\$ 343,183,127	\$ 356,255,280
In-state average tuition for full-time undergraduates	\$10,669	\$10,846	\$10,972	\$12,177	\$12,177
Out-of-state average tuition for full-time undergraduates	\$28,735	\$29,378	\$29,824	\$32,825	\$32,825

Commented [19]: This increase may be in part due to the increase of research funding from \$275M in 2016 to \$335M in 2020 (22% increase). The increase in research funding means the number of staff assigned to research also increases.

Commented [20]: As stated in the preamble, for 2019 and 2020 increases are directly a result of VCU's HR Redesign. 2019 and 2020 "management" numbers include former AP Faculty (now UAP employees) who were not previously included.

ATTACHMENT H

Appendix I

Fraternity and Sorority Life Update			
	Completed	In Process and Ongoing	To Be Completed
Roles and Responsibilities	<p>Fraternity and Sorority Life is a separate unit reporting to the Associate Vice Provost</p> <p>Director of Fraternity and Sorority Life, Joe Wheelless, hired</p> <p>Record keeping system strengthened</p> <p>Organizational conduct cases adjudicated through Student Conduct and Academic Integrity</p> <p>Position added to Student Conduct and Academic Integrity to address organizational misconduct</p>	<p>Creating a sense of community (ongoing)</p> <p>Increasing support for chapter officers (ongoing)</p> <p>Analyzing FSL staffing for spring recruitment for open positions (Spring 2022)</p> <p>Developing strategic priorities and an assessment plan (Summer 2022)</p> <p>FSL affiliation as a demographic attribute in Banner (ongoing)</p>	<p>Increasing chapter accountability plan (Spring 2022)</p> <p>Revamp Standards of Excellence (Spring 2022)</p> <p>Establish FLS alumni council, FSL Director (Fall 2022)</p> <p>Start comprehensive DEI plan (Fall 2022)</p>

Fraternity and Sorority Life Update

	Completed	In Process and Ongoing	To Be Completed
Health and Safety	<p>Policy developed to address organizational misconduct</p> <p>Student organization case coordination team established for review of incidents</p> <p>Alcohol amnesty incorporated</p> <p>Finished Gordie Center training focused on alcohol and hazing</p>	<p>Hazing prevention coordinator position posted (Fall 2021 - Anticipated hire Fall 2022)</p> <p>Develop mechanism to disclose misconduct of FSL groups (Spring 2022)</p> <p>Update and expand campus hazing policy (Spring 2022)</p>	<p>Hazing investigation training (Fall 2022)</p> <p>Campus wide hazing prevention plan (Spring 2023)</p>
Recruitment, Intake and Member Education		<p>Outreach to councils, chapters and national headquarters regarding initial postponed recruitment and anticipated spring recruitment (ongoing)</p> <p>Met with all four councils fall related to new member intake and recruitment</p> <p>FSL town meeting reviewing workgroup recommendations</p> <p>Developing recruitment/intake plans with councils for spring 2022 cycle</p>	<p>Revamp fall recruitment to be completed by FSL Director (Spring 2022)</p>
University/Community Relations	<p>Student organization case coordination team established</p> <p>University/community relations workgroup presentation and feedback session with neighborhood association</p>		

ATTACHMENT I

Diversity, Equity and Inclusion Priority

Embed DEI in all facets of the university's mission and operations with intentionality

- Develop a One VCU strategic plan: Quest Recalibration
 - Enterprise-wide: VCU and VCU Health
 - Accountable structure throughout organization
 - Empower the chief diversity officer to guide the development of a framework that includes budget, policy, infrastructure, strategic priorities
 - DEI Accountability/performance metrics that specifically includes accountability rubrics for creating a culture of inclusion, focus on equity and diversity
 - Review/revise VCU mission and vision statements so that they are relevant, memorable and actionable
 - Incorporate student experience and engage students in the vision
 - Significantly improve supplier diversity, especially with women and minority businesses

- Student-centered focus - meet students where they are
 - Create a deeper connection to the student experience/Bridge gaps between students and leadership
 - Center student empowerment
 - Organize student leader panels with VCU leadership
 - Raise awareness of student support services.
 - Possible tactic: develop a resource wheel to students navigate how to access important tools and resources
 - Provost to organize meetings between deans and students to explore how to create an infrastructure model (fractal model) for organizing effective connections between students, administration, deans, department chairs and others
 - Identify good examples of engaging students in the academic/career continuum, e.g., Management Leaders of tomorrow; share with board

 - Establish more and stronger student-focused programming at VCU and VCUHS
 - Mentorships
 - "Co-op" Internships
 - Student feedback loop (listening to students when professors have been given consistent negative reviews and doing something about it)
 - Senior leadership to push chairs and faculty and hold them accountable (e.g. DFW rates)
 - Better engage the student government structure
 - Empower students with 1-1 meetings

BOV Retreat Follow-up

12.02.21

OTHER:

- Priorities - budget implications/FY 23 and beyond university budget
- VCU branding/marketing communications to support strategic priorities
- Review VCU Foundations - how they are set up; agreements, etc. (PDL/KG to develop backgrounder for BOV)
- Provide a history of the BOV and VCUHS boards with analysis of the pros and cons of the BOV as the primary governing board and health system board as a subsidiary committee (legal, government relations)
- Grow enrollment: international, scale popular programs, online, etc.



EXECUTIVE SUMMARY OF PROPOSED POLICY: Alcohol & Other Drugs

New Policy or Substantive Revision

Policy Type: Board of Visitors

Responsible Office: Division of Student Affairs, VCU Human Resources, Office of the Provost

Draft Date: 06/11/2021

Initial Policy Approved: 09/1991

Revision History:	09/1991 11/10/1999 5/17/2002 11/16/2006 5/09/2014 03/22/2018	VCU Alcohol and Drug Policy VCU Alcohol and Drug Policy VCU Alcohol and Drug Policy VCU Alcohol and Drug Policy Alcohol and Other Drugs Alcohol and Other Drugs (9/1/2020: Minor revision to update hyperlinks and office names]
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Governance Process Tracking:

Integrity & Compliance Office Review: 05/28/2021

University Counsel Review: 06/09/2021

Public Comment Posting: 8/26/2021

University Council Academic Affairs and University Policy Committee Review: 10/28/2021

University Council Review: 11/04/2021

President’s Cabinet Approval:

Board of Visitors Approval (if applicable):

1. Why is this policy being created <input type="checkbox"/> or revised <input checked="" type="checkbox"/>?	To comply with the Drug Free Campuses and Schools Act, the alcohol and other drug policy must be reviewed and revised as appropriate in even numbered years. Per the federal statute, the AOD Task Force appointed by the Provost reviewed the AOD policies and practices and reviewed and revised the AOD policy as necessary. This revised policy is a result of that process.
2. <u>New policy</u> <input type="checkbox"/>: What are the general points or	The substantive changes to the policy are as follows: <ul style="list-style-type: none"> • Provided clarity about the offices with authority to interpret and apply the policy based upon the relationship of the individual with the institution. Specifically, the Assistant Vice President for Human Resources will interpret and apply

<p>requirements covered in this policy?</p> <p>Revised policy ☒: What are the substantive differences between this draft and the current policy?</p>	<p>policy for staff; the Senior Vice Provost for Faculty Affairs will interpret and apply policy for faculty; and the SVP For Student Affairs within the Division of Student Affairs will interpret and apply the policy for students.</p> <ul style="list-style-type: none"> • Marijuana was specifically clarified in the policy to account for recent changes in state law within Virginia. Similar to institutions located in states that have previously decriminalized marijuana, the policy recognizes marijuana is still a controlled substance according to federal law, and as such, we treat it according to that guidance in order to ensure compliance with the Drug Free Campuses and Schools act. Not doing so could potentially jeopardize federal funding. • A medical amnesty policy has specifically been included, which is modeled upon the policy in the Title IX policy as well as state law providing similar amnesty for individuals seeking assistance for overdoses. This policy provides an opportunity for educational sanctions, but allows students to seek help for themselves or others without fear of student conduct sanctions for any students involved who may have engaged in prohibited conduct as described in this policy. • Off-campus policy enforcement for employees was clarified that the prevailing policy for such conduct would be the VCU Criminal Convictions Investigations Policy.
<p>3. Which stakeholder offices or personnel have provided input into this policy draft?</p>	<p>The following offices and personnel were consulted:</p> <ul style="list-style-type: none"> • Senior Vice Provost for Faculty Affairs • Alcohol and Other Drugs Task Force • Collegiate Recovery • University Counseling Services • VCU Police Department • Office of Student Conduct and Academic Integrity • Residential Life and Housing • VCU Human Resources • University Counsel • VCU College and Behavioral Health Institute • Division of Student Affairs • Office of the Provost • Office of the Dean of Students • VCU Health Human Resources • Alcohol and Other Drugs Advisory Committee
<p>4. Which other universities' policies or resources (e.g., laws, regulations, etc.) did you</p>	<p>We considered the following:</p> <ul style="list-style-type: none"> • Drug-Free Workplace Act of 1988 and implementing regulations at 34 CFR Part 84, https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=0593ca209d0a62cb0ba6f0729262fe6c&mc=true&r=PART&n=pt34.1.84 • The Drug-Free Schools and Communities Act of 1989, codified at 20 U.S.C. § 1011i. Drug and alcohol abuse prevention, https://www.govinfo.gov/app/details/USCODE-2011-title20/USCODE-2011-

<p>consider when preparing this draft?</p>	<p>title20-chap28-subchapl-partB-sec1011i, and its implementing regulations at 34 CFR Part 86, https://www.ecfr.gov/cgi-bin/text-idx?SID=393301a7cdcca1ea71f18aae51824e7&node=34:1.1.1.1.30&rgn=div5</p> <ul style="list-style-type: none"> • Commonwealth of Virginia Policy on Alcohol and Other Drugs (Employees only) http://www.dhrm.virginia.gov/docs/default-source/hrpolicy/assets/pol1_05alcoholanddrugsummary.pdf?sfvrsn=2 • VCU Policy: Family and Medical Leave • VCU Policy: Accessibility and Reasonable Accommodation for Individuals with Disabilities • Commonwealth of Virginia policy: Employee Standards of Conduct http://www.dhrm.virginia.gov/docs/default-source/hrpolicy/pol1_60.pdf?sfvrsn=2 • VCU Policy: Faculty Promotion and Tenure Policies and Procedures • VCU Policy: Administrative and Professional Faculty and Faculty Holding Administrative Appointments • VCU Policy: Student Code of Conduct • Guide to Residential Living (updated annually) • Procedures for Parental Notification • VCU Policy: Preventing and Responding to Discrimination
<p>5. What is your general assessment of this policy's impact on the university community?</p>	<p>The impact is broad and wide-ranging, as it impacts how various conduct policies related to alcohol and other drugs are administered. Specifically, the additions of a medical amnesty policy for students and clarifying how marijuana use is handled under this policy are important for the community to know and understand.</p>
<p>6. What is your plan to implement this new policy or policy revision (e.g., raise awareness and train relevant audiences and monitor for compliance)?</p>	<p>As part of the Drug-Free Schools and Campuses act, we are required to provide an annual notice to this policy, which we will continue to do. This will occur in the fall semester. New students will also be provided with this information as part of a new program being developed by the Division of Student Affairs to implement Alcohol.Edu as part of orientation.</p>



Alcohol and Other Drugs

Policy Type: Board of Visitors

Responsible Office: Division of Student Affairs, Office of the Provost, Human Resources

Initial Policy Approved: 09/1991

Current Revision Approved:

Policy Statement and Purpose

The purpose of this policy is to promote the health, safety and welfare of members of the Virginia Commonwealth University community and the public served by the university. VCU recognizes that substance use disorders are treatable medical conditions. As such, this policy balances the need for VCU to support individuals seeking recovery with the safety and health of the entire university population. This policy encourages help-seeking while also outlining consequences for violation of the community standards for conduct, specifically standards regarding unauthorized substance use. To support our students and employees, VCU's policy:

- Encourages all members of the community to attend to the safety and well-being of each other and actively seek help for an alcohol or other drug related emergency.
- Encourages individuals to seek help if they are concerned that they or their family members may have a drug and/or alcohol problem.
- Encourages individuals to use the services of qualified professionals in the community to assess the seriousness of substance use disorders and identify appropriate sources of help.
- Provides a current list of VCU resources.
- Allows the use of accrued paid or unpaid leave for employees while seeking treatment for substance use disorders.

In accordance with the federal and state law/policy, VCU prohibits the unlawful possession, use, or distribution of drugs and alcohol by students and employees on university property, or as part of or affecting any university activity. Marijuana (cannabis) is a controlled substance under federal law and therefore its possession, use, or distribution is prohibited by this policy as a drug, regardless of any law of the Commonwealth of Virginia that may permit its possession or use. For students, as stated in the Student Code of Conduct, the Director of Student Conduct and Academic Integrity or designee shall decide at their sole discretion on a case-by-case basis whether the Student Code of Conduct shall be applied to conduct occurring off campus, including conduct prohibited by this policy. For employees, VCU Human Resources will review any violations of this policy occurring off campus in accordance with VCU Criminal Convictions

Investigations Policy. The conduct described in this paragraph is referred to in this policy as Prohibited Conduct.

Any employee or student who violates this policy is subject to disciplinary action up to and including termination of employment or expulsion from the university under applicable university employee or student conduct policies. In addition, to promote the safety of members of the University community, VCU may refer information related to such a violation to appropriate law enforcement officials and/or require satisfactory participation in an appropriate evaluation or rehabilitation program.

In accordance with the law and university policies on (1) Preventing and Responding to Discrimination and (2) Accessibility and Reasonable Accommodation, VCU does not discriminate on the basis of disability in admission, employment or access to its programs and activities and provides reasonable accommodation for individuals with disabilities.

VCU supports an environment free from retaliation. Retaliation against any individual who brings forth a good faith concern, asks a clarifying question, or participates in an investigation is prohibited.

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Who Should Know This Policy

All VCU faculty, staff and students are responsible for knowing this policy and familiarizing themselves with its contents and provisions.

Definitions

Amnesty: The offering of protection from discipline under university policies to individual(s) involved in a potential violation of a law or policy when certain conditions are met.

Employee: For the purpose of this policy, any person (faculty and/or staff) with a direct employment relationship with VCU, including those who work on a part-time or temporary basis. An individual can hold a status as both a student and employee. Cases arising under this policy will be addressed consistent with the role principally held by such individuals in the context of the alleged incident.

Prohibited Conduct: The unlawful possession, use, or distribution of drugs and alcohol by students and employees on university property, or as part of or affecting any university activity. Marijuana (cannabis) is a controlled substance under federal law and therefore its possession, use, or distribution is prohibited by this policy as a drug, regardless of any law of the Commonwealth of Virginia that may permit its possession or use.

Recovery: Beyond changing an individual's use of substances, it is a deeper process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential.

Student: The term "Student" includes all persons taking courses through VCU, either full-time or part-time, on-line or in-person, single or dual enrolled, pursuing undergraduate, graduate or professional studies. "Student" also includes all persons who withdraw after allegedly violating university policy, persons who are not enrolled officially for a particular term but who have not officially withdrawn from the university, persons who have been notified of their acceptance for admissions, and persons living in VCU residence halls regardless of course enrollment.

Substance Use Disorder: The current terminology used in the DSM-V to cover a wide range of issues or symptoms that potentially develop when individuals use alcohol or other drugs.

University Property: Any property owned, leased, or controlled by Virginia Commonwealth University.

Workplace: Any state-owned or -leased property or any site where official duties are being performed by a VCU employee.

Contacts

The Senior Vice Provost for Student Affairs officially interprets this policy for students, the Assistant Vice President for Human Resources officially interprets this policy for staff, and the Senior Vice Provost for Faculty Affairs officially interprets this policy for faculty. The Assistant Vice Provost for Health and Wellness with the Division of Student Affairs is responsible for obtaining approval for any revisions through the

appropriate governance structures. Please direct general policy questions to the Division of Student Affairs 804-828-1244.

Policy Specifics and Procedures

Education and Resources

- The Office of the Provost and VCU Human Resources will distribute at least annually in writing to all employees and students this policy, together with information regarding alcohol and other drug counseling, treatment and rehabilitation programs, descriptions of the health risks associated with alcohol and other commonly misused drugs, and descriptions of applicable legal sanctions under state and federal law for the unlawful possession or distribution of controlled substances, illegal drugs, and alcohol.
- Specific resources at the university and in the surrounding community for employees and students needing additional information or support related to an alcohol or other drug use issue are regularly updated and can be accessed through the [VCU Alcohol and Other Drug Resources and FAQ page](#).
- Educational information on the [health risks of alcohol and other drugs](#) is publicly available and regularly updated by the Advisory Committee on Alcohol and Other Drugs.
- The provost-appointed Advisory Committee on Alcohol and Other Drugs will write a biennial report in even years reviewing the program's educational effectiveness and the consistency of enforcement sanctions.

Accessing Support and Treatment for Recovery

- VCU recognizes that substance use disorders are treatable illnesses. VCU also realizes that early intervention and support improve the success of rehabilitation.
- Specific resources at the university and in the surrounding community for employees and students with a substance use disorder are regularly updated and can be accessed through the [VCU Alcohol and Other Drug Resources and FAQs page](#).
- In accordance with the law, VCU does not discriminate on the basis of disability in admission, employment, or access to its programs and activities and provides reasonable accommodation for individuals with disabilities. Current illegal drug use is excluded from the definition of disability under the Americans with Disabilities Act (ADA), but substance use disorder may be a covered disability. An individual with a disability may include a person who is in or has completed a drug treatment program or has been otherwise rehabilitated and is no longer using drugs. Contact VCU's ADA Coordinator at (804) 828-8532 or ADAservices@vcu.edu.
- Additional assistance for students:
 - Students can contact the Dean of Students Office to learn more about requesting a medical leave of absence.
- Additional procedural assistance for employees:
 - An employee eligible for family and medical leave (FMLA) shall be permitted to take a leave of absence to undergo treatment in an approved alcohol or drug treatment program. A request for leave by an employee who is ineligible for FMLA will be considered on a case by case basis.

Contact VCU Human Resources Employee Relations at 804-828-1510 or emprel@vcu.edu.

Relevant Federal and State Legal Sanctions

Members of the VCU community are subject to and should be aware of the potential consequences for conduct involving drugs and alcohol under state and federal law. As required by the Federal Drug-Free Schools and Communities Act of 1989, some of the pertinent laws and references to sanctions are referenced below.

Virginia law

Title 18.2 of the Code of Virginia describes crimes and penalties. An offense is generally classified in the Code of Virginia as a misdemeanor or a felony, depending upon the type and the amount of the substance(s) involved. Penalties can include both civil and criminal and range in severity from fines to loss of driver's license to imprisonment.

<https://law.lis.virginia.gov/vacode/title18.2/>

Virginia's Alcohol Beverage Control Act contains a variety of provisions governing the possession, use and consumption of alcoholic beverages: <https://www.abc.virginia.gov/enforcement/virginia-codes-and-regulations>

Federal law

The U.S. Department of Justice's Drug Enforcement Administration (DEA) enforces the federal Controlled Substances Act, 21 U.S.C. §§ 801 et seq. Part D describes offenses and penalties.

<https://www.deadiversion.usdoj.gov/21cfr/21usc/>

Policy Enforcement for Employees

- Employees are prohibited from engaging in any of the following acts:
 - The unlawful possession, use, or distribution of drugs and/or alcohol on university property, or as part of any university activity, or off campus.
 - Reporting to or remaining at work impaired by or under the influence of alcohol or drugs except from the use of drugs for legitimate medical purposes
 - Violation of any criminal drug law based upon conduct occurring either in or outside the workplace
 - Violation of any law that governs driving while intoxicated based upon conduct occurring in the workplace
- Supervisors are required to immediately report such occurrences to Human Resources, Office of Employee Relations.
- Violation of any of the foregoing prohibitions may subject an employee to disciplinary action including, but not limited to termination or suspension, in accordance with applicable state and university policies.
- Employees are also subject to the VCU Criminal Convictions Investigations Policy, which may include alcohol or other drug related criminal convictions.

Policy Enforcement for Students

- A student found responsible for Prohibited Conduct is subject to disciplinary action up to and including expulsion from the university in accordance with university policies, including the *Student Code of Conduct* and applicable Residential Life and Housing policies.
 - Medical Amnesty: If a student seeks medical assistance for themselves or others due to the use of alcohol or drugs, neither the student seeking assistance nor the student needing aid will be subject to disciplinary action by the university for prohibited conduct under this policy. In these circumstances, the university reserves the right to mandate that the student(s) participate in academic programming or a medical intervention related to alcohol or drug use. In the case of a student with additional university responsibilities (i.e. teaching assistants or resident advisers) potential disciplinary action may occur as stated in the policies related to those additional responsibilities.
- As a result of any violation of this policy, a student may be referred to an appropriate educational, evaluation or rehabilitation program or offered community service, in lieu of suspension or dismissal. Satisfactory participation in any such program is to be determined by the appropriate university official who may consult with the individual or organization providing the evaluation or rehabilitation program, coordinating the community service, and/or conducting the educational program. Participation in any such program may postpone completion of degree requirements.
- When students under the age of 21 are found responsible for violating alcoholic beverage and/or drug laws or policies, VCU may notify their parent or guardian of such violations at the time of the notification in accordance with the Family Educational Rights and Privacy Act (FERPA).

Procedures for University Events Where Alcohol Is Served

- Students, employees, contractors, and guests must conduct themselves in accordance with the laws of the Commonwealth of Virginia and assume full responsibility for their activities while sponsoring or attending university events where alcohol is served.
- Individuals who host or organize a university event, on- or off-campus, where alcohol is served must:
 - Comply with applicable federal law, state law, and Virginia ABC regulations
 - In conducting an event, complete the following:
 - Request and complete the Alcohol Authorization Agreement form by emailing uscaevent@vcu.edu.
 - Execute an agreement with a third party vendor with an ABC license setting forth that the vendor is responsible for adhering to applicable laws and regulations. (Obtaining an ABC license rather than using a third party vendor requires special exemption from the Senior Vice Provost for Student Affairs or designee).
 - Pay security costs incurred in connection with the event. For events on University property, VCU Police determine the cost and the level of security required.
 - The event must be in accordance with the Office of Procurement Services [Allowable Expenditures and Required Documentation Chart](#), including utilizing only local or private funds to pay for the purchase of alcoholic beverages. There must be a clear business purpose for the function that supports the university's mission and is approved by the appropriate leadership (e.g., chair/director and

vice provost/dean/designee). For more information, see <http://procurement.vcu.edu/i-want-to/make-a-purchase/know-what-you-can-and-cannot-buy/allowable-business-expenditure-chart/>.

- For university events, any publication, advertisement or announcement whose actual or intended recipients are primarily persons under 21 years of age must not mention or depict alcoholic beverages. Distribution of any publication, advertisement or announcement that mentions or depicts alcoholic beverages should be limited primarily to persons 21 years of age or older and such publication, advertisement, or announcement must contain a requirement of proof of age.

Forms

- Email uscaevent@vcu.edu for Alcohol Authorization Agreement Form

Related Documents

1. Drug-Free Workplace Act of 1988 and implementing regulations at 34 CFR Part 84, <https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=0593ca209d0a62cb0ba6f0729262fe6c&mc=true&r=PART&n=pt34.1.84>
2. The Drug-Free Schools and Communities Act of 1989, codified at 20 U.S.C. § 1011i. Drug and alcohol abuse prevention, <https://www.govinfo.gov/app/details/USCODE-2011-title20/USCODE-2011-title20-chap28-subchapl-partB-sec1011i>, and its implementing regulations at 34 CFR Part 86, <https://www.ecfr.gov/cgi-bin/text-idx?SID=393301a7cdcca1ea71f18aae51824e7&node=34:1.1.1.1.30&rgn=div5>
3. Commonwealth of Virginia Policy on Alcohol and Other Drugs (Employees only) http://www.dhrm.virginia.gov/docs/default-source/hrpolicy/assets/pol1_05alcoholanddrugssummary.pdf?sfvrsn=2
4. VCU Policy: [Family and Medical Leave](#)
5. VCU Policy: [Accessibility and Reasonable Accommodation for Individuals with Disabilities](#)
6. Commonwealth of Virginia policy: Employee Standards of Conduct http://www.dhrm.virginia.gov/docs/default-source/hrpolicy/pol1_60.pdf?sfvrsn=2
7. VCU Policy: [Faculty Promotion and Tenure Policies and Procedures](#)
8. VCU Policy: [Administrative and Professional Faculty and Faculty Holding Administrative Appointments](#)
9. VCU Policy: [Student Code of Conduct](#)
10. Guide to Residential Living (updated annually)
11. [Procedures for Parental Notification](#)
12. VCU Policy: [Preventing and Responding to Discrimination](#)

Revision History

This policy supersedes the following archived policies:

Approval/Revision Date	Title
09/1991	<i>VCU Alcohol and Drug Policy</i>
11/10/1999	<i>VCU Alcohol and Drug Policy</i>
5/17/2002	<i>VCU Alcohol and Drug Policy</i>
11/16/2006	<i>VCU Alcohol and Drug Policy</i>

5/09/2014
03/22/2018

Alcohol and Other Drugs
Alcohol and Other Drugs (9/1/2020: Minor revision to update
hyperlinks and office names]

FAQs

Will the VCU Police Department enforce federal or state law regarding marijuana?

The VCU Police Department is a law enforcement entity under the laws of the Commonwealth of Virginia. Therefore, the Department will enforce Virginia law. The VCU Police Department will, upon request, assist or support federal law enforcement if necessary. For more specific information please contact the VCU Police Department directly.

Under this policy are university employees subject to discipline from VCU for activities involving drugs or alcohol that occur off campus?

Under this policy employees are subject to discipline for the *unlawful* possession, use, or distribution of drugs and/or alcohol. Whether the possession, use or distribution of drugs and/or alcohol is unlawful is subject to decision of law enforcement and the respective federal or state court.

Other Frequently Asked Questions related to this policy are regularly updated and can be accessed through the [VCU Alcohol and Other Drug Resources and FAQ page](#).



VCU

ATTACHMENT K

Tax-Exempt Debt Compliance

Policy Type: Board of Visitors

Responsible Office: Treasury Services

Initial Policy Approved: 02/09/2012

Current Revision Approved: TBD

Policy Statement and Purpose

This policy provides a framework for complying with federal laws and regulations relating to the issuance and post-issuance monitoring of tax-advantage or tax-exempt bonds (collectively, "tax-exempt"). The purpose of this policy is to identify the compliance areas of tax-exempt bond financing and define the university's policy to fulfill all requirements in these areas during both pre- and post-issuance processes. This policy provides guidance to university employees involved in tax-exempt financings or active in the facilities so financed in order to understand and carry out their roles in this compliance.

The university relies heavily on the tax-exempt bond market to finance a portion of the university's capital projects. The consequences of non-compliance can be severe and can include the retroactive loss of tax-exempt status, significant liability to the IRS or bondholders, reputational damage, and the inability to access the tax-exempt bond market in the future.

Accordingly, this policy addresses the following areas:

- Identification of applicable Internal Revenue Code provisions and Treasury rules and regulations relating to tax-exempt debt compliance (collectively, the "Tax Rules");
- Definition of the university's policy for complying with applicable rules and regulations to safeguard against violations that may result in penalty or the loss of the tax-exempt status of its bonds;
- Assignment of responsibility for tax-exempt bond compliance to specific departments to maintain continuity and ensure that sufficient information is routinely identified, maintained and shared as appropriate between departments; and,
- Identification of the university's continuing disclosure requirements and establish procedures for providing annual disclosure, "event disclosure" and voluntary disclosure through the Electronic Municipal Market Access ("EMMA") system.

Compliance with the policy ensures that (1) the proceeds of tax-exempt bonds are spent as required by

both the bond documents and the Tax Rules and (2) the buildings and equipment financed by tax-exempt bonds do not have impermissible amounts of third-party use. The bond documents and tax rules detail the requirements requiring the timely expenditure of bond proceeds the evaluation of investment "arbitrage" arising from the investment of bond proceeds prior to their expenditure and the limitations on third-party use.

The university recognizes compliance with Tax Rules is fluid. Accordingly, the policy requires on-going monitoring and will be reviewed periodically and modified as necessary by the Treasurer.

Oversight

VCU's Treasurer is responsible for administering and overseeing the day-to-day aspects of the program as well as supporting the Bond Compliance Community which consists of individuals from the following departments: Treasury Services, Facilities Management Division (FMD), the Controller's Office, Development and Alumni Relations, Contracts Team in Procurement Services, Capital Assets and Real Estate, University Relations and the Office of Research and Innovation. Additionally, individuals from any university department which occupies space financed with tax-exempt bonds will provide required compliance data. For pre- and post-issuance compliance requirements, this Bond Compliance Community shall provide information concerning any space currently or prospectively financed with tax-exempt bonds to ensure compliance with the applicable Tax Rules.

Noncompliance with this policy may result in disciplinary action up to and including termination. VCU supports an environment free from retaliation. Retaliation against any employee who brings forth a good faith concern, asks a clarifying question, or participates in an investigation is prohibited.

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Who Should Know This Policy

- Vice Presidents and other Senior Executives
 - Vice Provosts, Deans, Directors, and Department Heads
 - The Bond Compliance Community

Definitions

501(c)3 Bonds - federally tax-exempt bonds issued on behalf of a nonprofit organization, such as the Virginia Commonwealth University Real Estate Foundation, to finance a capital project or for other purposes permitted by the Internal Revenue Code.

Arbitrage - the investment gain made by investing the proceeds of tax-exempt bonds in higher yielding investments, often taxable investments.

Arbitrage Rebate Consultant – professional firm engaged to measure and verify arbitrage earned and rebate obligations under IRS Treasury rules in compliance with a specific tax-exempt debt issue.

Bad Use - use of tax-advantage financed facility by or for benefit of third-party entities which may include non-profit or for-profit entities, or the Federal Government. There are special rules relating to use for sponsored research. Management and development contracts with private parties also can create bad use.

Bond Compliance Community – VCU staff engaged in oversight and reporting of various aspects of tax-exempt bond compliance including, but not limited to, contracts with third parties, authorizations, validation and approval of expenditures, measurement of tax compliance, evaluation and reporting of third-party use.

Electronic Municipal Market Access System ("EMMA") – electronic repository of municipal bond data maintained by the Municipal Securities Rulemaking Board. EMMA serves as the official source for municipal securities disclosures and related market data in the United States. EMMA provides free on-line access to centralized new issue municipal securities disclosure documents (known as official statements), on-going continuing disclosures for all municipal securities and other required information for the benefit of and disclosure to investors.

Good Use also known as Government Use – use of tax-advantage financed facility exclusively by the university, a state or local governmental unit or the general public, or in the case of 501(c)(3) bonds, by a private charitable organization in connection with its charitable activities.

Governmental Unit or Person – State or municipal government or agency, including certain related entities, but excluding the federal government.

Government Bonds - bonds issued by a governmental entity, such as Virginia Commonwealth University, to support spending and obligations. These bonds can be taxable or tax-exempt.

Private Business Use – See “Bad Use”.

Tax-Advantage Bonds - Debt obligations which carry some form of tax “advantage” for the issuer or investor of the security. This policy will refer to Tax-Advantage Bonds as “Tax-Exempt Bonds”, which is most commonly used in financing markets. See “Tax-Exempt Bonds.”

Tax-Credit Bonds - Debt obligations where the bondholder may receive, in lieu of interest payments, a credit against federal income tax or the issuer can receive a subsidy towards the interest payment. This

policy will refer to Tax-Advantage Bonds as “Tax-Exempt Bonds”, which is most commonly used in financing markets. See “Tax-Exempt Bonds.”

Tax-Exempt Bonds - Debt obligations which carry a tax advantage for the investor as interest is excluded from gross income for federal income tax purposes. Such interest may or may not be exempt from state income or personal property taxation in the jurisdiction where issued or in other jurisdictions. Tax-Exempt Bonds may also include Tax-Advantage and Tax-Credit Bonds.

Tax Rules - applicable Internal Revenue Code provisions and Treasury rules and regulations relating to tax-exempt debt compliance.

Third-Party— any party other than a related governmental unit; The Commonwealth of Virginia and its agencies, including other institutions of higher education, are not third-party to Virginia Commonwealth University.

Contacts

The Office of Treasury Services within the Office of the Senior Vice President and Chief Financial Officer officially interprets this policy and is responsible for obtaining approval for any revisions as required by the policy Creating and Maintaining Policies and Procedures through the appropriate governance structures. Please direct policy questions to Treasury Services. Treasury Services is responsible for responding to inquiries by investors, rating agencies and other outside parties relating to the status of projects, the financial condition of the University and any other events that may affect investors. All such inquiries should be referred to the Treasurer.

Policy Specifics and Procedures

Pre-Issuance:

Tax-Exempt Bond compliance begins with the proper planning for debt issuances. While capital projects can be proposed and approved at any time, it is expected that the majority will be identified during the biennial updates to the University’s six-year capital plan which is approved by the Board of Visitors. Once senior management has recommended the project for debt issuance, the following authorizations are generally required to be in place prior to any debt issuance:

Authorization of Debt — All indebtedness incurred by the university, whether tax-exempt or taxable, must be authorized by the Board of Visitors.

Declaration of Intent to Borrow and Reimbursement Resolution— While the Tax Rules restrict the ability of the University to use bond proceeds to reimburse itself for costs incurred prior to the issuance of the Bonds, the university can in many circumstances preserve the right to reimburse itself for current expenditures with the proceeds of future bonds by passing a qualifying "reimbursement resolution" or adopting a qualifying expression of intent to reimburse. The Board of Visitors has authorized the Senior Vice President and CFO to take such action. In general, bond proceeds can be used for reimbursement for prior costs within 18 months after the project is "placed in service" but in no event later than three years after the date of the expenditures. The reimbursement clause applies to expenditures made up to 60 days

prior to the reimbursement resolution. There are exceptions for certain preliminary costs, such as architects' and engineering fees.

State Authorization – Legislative approval is required as well as approval by the Treasury Board in accordance with § 2.2-2416 of the Code of Virginia for any debt issued through a State authority. However, under the Management Agreement dated March 12, 2008 (as amended and renewed from time to time) between the Commonwealth of Virginia and the Board of Visitors of the Virginia Commonwealth University, the university has the authority to issue bonds, notes or other obligations that do not constitute state tax-supported debt with only the Board of Visitors' approval.

Legal Opinions – Legal counsel is required to provide a legal opinion on debt authorizations and the effect on the tax- exempt status of the debt being issued. For new bond issues, bond counsel opines on the validity and tax-exempt status of the bonds, while University counsel opines on due authorization of the bonds and compliance with existing bond documents and similar restrictions.

Tax Certificate – A Tax Certificate, also known as an Arbitrage Certificate, is required to properly document the validity and tax-exempt status of the financing and to identify compliance requirements with applicable laws and regulations during the time of issuance. This Certificate sets forth the university's expectations as to the use of bond proceeds and will be reviewed by an official familiar with the project being financed, the cost components and the schedule. For bonds issued by another entity for the benefit of the university (such as The Treasury Board for 9(c) Bonds or the Virginia College Building Authority for certain 9(d) Bonds), similar certificates are required. Review of the proposed use of the facility will also engage the future occupants as well as FMD to estimate bad use in consideration of issuing taxable bonds.

Treasury Services will manage the pre-issuance process including the drafting, review, and development of any needed resolutions, write-ups, financial feasibility studies or other materials.

Post Issuance:

For bonds to continue to qualify for tax-exempt status, the applicable detailed provisions in the Tax Rules must be satisfied. Accordingly, post-issuance debt compliance generally falls into the following categories:

- Expenditure and allocation of bond proceeds
- Investment of bond proceeds and payment of rebate, if any, to the U.S. Government
- Use of bond financed project (private use) and compliance with remedial action in case of a “change in use”
- Disclosure and other filing requirements
- Record retention, and
- Training.

If the potential to fail to comply with post issuance compliance activities is identified, the Treasurer will seek the advice of qualified bond counsel in order to assess the need to take remedial actions described under section 1.141-12 or 1.148 of the Income Tax Regulations or enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31.

Expenditure and Allocation of Bond Proceeds

Bond proceeds can only be used for eligible related project costs in accordance with applicable federal law and the restrictions of the bond documents. The spending of bond proceeds and related investment

earnings toward eligible project costs must be tracked to ensure they are used for qualified purposes. Bond proceeds are intended to be disbursed for the following expenditures:

- Project Costs
- Capitalized Interest
- Bond Issuance Costs

Under bond counsel direction, in certain circumstances bond proceeds may also be used for principal payments on the bonds.

FMD is responsible for verifying that bond proceeds are spent on qualified expenditures and maintaining related payment records. FMD will have the accounting documentation be made part of the permanent records for the particular bond transaction. At the conclusion of a project, Treasury Services will compile a final accounting, documenting the use of all bond proceeds, related investment earnings and equity by project. There are rules that permit a reallocation of use of bond proceeds if action is taken not later than 18 months after the later of the date of the expenditure or the date the project is placed in service. Bond counsel will be consulted regarding any planned reallocations. Treasury will maintain the final allocation records.

Spending Requirements and Arbitrage Rebate

There also are restrictions on the timing of the expenditure of bond proceeds. With few exceptions, proceeds must be spent within three years of bond issuance. If it appears that all proceeds will not be spent within a three-year period, bond counsel will be consulted.

The Tax Rules also require borrowers to calculate and pay or "rebate" to the U.S. Government any "excess arbitrage" earned on the investment of bond proceeds. Arbitrage compliance is governed by specific provisions of the Tax Rules in section 1.148. There are several "rebate exceptions" if bond proceeds are spent in accordance with the bond documents.

Excess arbitrage (as defined by the IRS) must be rebated to the federal government if certain spending benchmarks are not achieved in the two years after issuance of the bonds. As a general rule, the university will seek to finance projects when proceeds will be spent within two years, and attempt to meet the two-year spending rebate exception. The two-year spending exception requires that proceeds be spent as follows:

- 10% within 6 months of issue date;
- 45% within 12 months of issue date;
- 75% within 18 months of issue date;
- 100% (less "reasonable retainage") within 24 months of issue date.

Expenditures are to be reviewed between Treasury Services and FMD 30 days prior to the end of each six-month period to minimize the chance of forfeiting the rebate exception. The two-year exception applies only to transactions primarily to fund construction. Financings for non-construction typically have an 18-month exception with the following spending thresholds:

- 15% within 6 months of issue
- 60% within 12 months of issue
- 100% within 18 months of issue

Investment Proceeds

All tax-exempt bond proceeds will be invested in the Virginia State Non-Arbitrage Program ("SNAP"), unless approved in writing by the university's Senior Vice President and CFO. The Virginia Treasury Board sponsors the SNAP to provide comprehensive investment management, accounting and arbitrage calculation services for the proceeds of tax-exempt financings of Virginia governments.

Periodically, SNAP advises the University of the amount required to be spent to achieve the spenddown benchmark by each semi-annual deadline. The Treasurer will monitor the compliance with periodic spending exceptions and the investment of bond proceeds. In cases when a rebate is owed (as calculated by the Arbitrage Rebate Consultant), any resulting liability will be paid and properly reported on the applicable IRS form(s).

Private Business Use

Section 1.141 of the Tax Rules limit the amount of Private Business Use or the amount of private payment or "security." The university complies with these provisions by limiting Private Business Use rather than private payment or security.

Private Business Use is the direct or indirect use of a tax-exempt financed facility in a trade or business carried on by any person other than a governmental unit. Pursuant to the Private Business Use test, the tax-exempt status of a governmental-issued bond is jeopardized if more than 10% of the proceeds are used for Private Business Use.¹ Improper use of the bond financed facility is considered "bad use" of the proceeds of the bonds that financed the facility. Generally, most Private Business Use in a tax-exempt financed facility arises from the following types of arrangements:

- Ownership: A sale or transfer of ownership to a Non-Governmental Person (as defined by applicable tax law) of tax-exempt financed property. For 501(c) (3) bonds, no portion of the bond financed property can be owned by a private, for-profit entity.
- Leases: Any arrangement where the University leases a tax-exempt financed property to a Non-Governmental Person. Transactions that are not called lease transactions may be treated as a lease based on the level of control given to the Non-Governmental Person and whether the Non-Governmental Person bears the risk of loss.
- Management Contracts: A management contract is any arrangement whereby a Non-Governmental Person actively manages the operations of a facility. Management contracts include, for example, contracts for dining services (food courts), retail services, and facility management, or vivarium services (management of an animal facility). The basic rules for permitted management contracts are set forth in IRS Revenue Procedure 2017-13. As a general principle, the contract should not give the private party any of kind of profit sharing or "investment" in the undertaking, and the term of the contract is limited based on the type of compensation to the Non-Governmental Entity. All management contracts for bond-financed space should be reviewed by bond counsel.

¹ In the case of bonds that are "501(c)(3) bonds" rather than "governmental bonds," the maximum amount is 5% rather than 10%. While most bonds issued by the University are governmental bonds, bonds involving related foundations may be 501(c)(3) bonds.

- Sponsored Research Agreements: Certain research that is sponsored by a Non-Governmental Person (including the federal government and its agencies). The basic rules for determining when sponsored research is not considered "bad use" are set forth in IRS Revenue Procedure 2007-47. Generally, qualifying research agreements must be for "basic research" and the rights of the sponsor to the results of the research must comply with the stated rules.
- Other Actual or Beneficial Use: Any other arrangement that conveys special legal entitlements to a Non-Governmental Person for beneficial use of tax-exempt financed property, such as an arrangement that conveys priority rights to use a tax-exempt financed facility, will result in Private Business Use. Examples of such "special legal entitlements" include summer camps having the exclusive right to use an athletic facility, specially designed courses open only to one company, certain naming rights or use of a parking garage for a private event.

With the assistance of the Bond Compliance Community, Treasury Services will be responsible for ongoing private use monitoring.

Any contemplated change in a project's use that includes Private Business Use must be reported to the Treasurer prior to the implementation of the proposed change in use to ensure compliance with applicable regulations.

Tax and State Filings

The University is required to provide the following filings:

- Tax Forms – Tax-exempt debt obligation issuers are required to file the appropriate 8038 IRS forms (8038, 8038-G, 8038-T, and 8038-R) in accordance with applicable federal law and as needed.
- Statistics and filings required to be sent to the State for any debt issued through a State authority for the benefit of the University.
- Arbitrage Certificates – At the earlier of full expenditure of bond proceeds or within 60 days after each fifth anniversary of the debt issue with unspent bond proceeds, the University must calculate any arbitrage on the debt and make any required rebate payment until full expenditure of the bond proceeds is completed.

The Treasurer is responsible for ensuring that such filings are made.

Continuing Disclosure

In connection with the issuance of the Bonds the university has signed several, substantially identical Continuing Disclosure Agreements ("CDAs"). These disclosures are not required by the Tax Rules, but rather by a rule of the United States Securities and Exchange Commission ("SEC Rule 15c2-12") that mandates the University's bond underwriters obtain a CDA from the university in connection with sale of bonds to the public. The CDAs require the university to file certain annual financial and operating information with the Electronic Municipal Market Access System ("EMMA.") maintained by the Municipal Securities Rulemaking Board. EMMA permits investors to access certain operating results and information about the University's financial position. The CDAs also require the university make disclosures through EMMA about certain specified events ("event disclosure") such as bond defaults and rating changes and may be time sensitive in the requirement of those filings. Future CDAs for bond issues may require CDAs that require the filing of additional or different information.

The Treasurer is responsible for making all filings required by CDAs, and any events affecting such filings should be reported to Treasury Services. The Treasurer is responsible for responding to inquiries by investors, rating agencies and other outside parties relating to the status of projects, the financial condition of the University and any other events that may affect investors. All such inquiries should be referred to the Treasurer.

Record Retention

It is the university's policy to retain all records relating to tax-exempt bond financings for the entire term of the bond issue, or refinancing issue, plus three years. This policy supersedes any other documented retention policies at the University or the Commonwealth.

Generally, records refer to all documents, reports, accounts and certifications relating to the:

- Issuance of tax-exempt bonds
- Investment of bond proceeds
- Expenditure and allocation of bond proceeds
- Use of debt-financed property
- Disclosure and other filing requirements

Duties of the Bond Compliance Community

Due to the decentralized nature of the university, specific departments are responsible for the following:

Treasury Services – is responsible to maintain records relating to the issuance of the university's tax-exempt bonds (i.e., the bond transcripts and working documents), the investment of bond proceeds, the university's annual continuing disclosure filings, final allocation of bond proceeds, responses to the annual Private Business Use Monitoring Questionnaire and the resultant annual PBU Tracking Tool summary. A database of projects financed with tax-exempt bonds will be maintained by Treasury Services. Annually, a Private Use Monitoring Questionnaire will be completed by an individual representing each university department responsible for such spaces. Using these annual responses from the Bond Compliance Community, Treasury Services will maintain the official record of the university's total private business use, known as the PBU Tracking Tool. With the assistance as necessary from FMD, the Offices of Space Management, the Controller, Development and Alumni Relations, and Research and Innovation, Treasury Services will analyze questionnaire responses to: (i) determine whether taxable financing is appropriate for a particular capital project; (ii) identify impermissible Private Business Use in existing facilities to take corrective action; and (iii) collect information necessary for reporting purposes. If potentially impermissible Private Business Use is identified, the Treasurer will seek the advice of qualified bond counsel for remediation action.

Contracts Team (in Procurement Services) and Capital Assets and Real Estate (CARE) – are responsible for negotiating purchase contracts and real estate contracts, respectively, with third parties. The Contracts Team and CARE will work with Treasury Services and university departments to minimize contracts with private business by establishing terms under the allowable safe harbors, as possible. Notification of contracts which create PBU will be given by the Contracts Team or CARE to Treasury Services.

The Office of the Controller – is responsible to prepare and maintain the audited financial statements of the university, reports of any prior IRS examinations of VCU or bond financings, and the annual tax filings of the University including relevant foundation filings (including the Form 990).

The Facilities Management Division – is responsible to maintain records on the expenditure and allocation of bond proceeds including construction contracts, vendor invoices, payments and requisitions.

Development and Alumni Relations – is responsible for naming rights compliance and documentation of philanthropic purpose of gifts.

The Office of Research and Innovation – is responsible to maintain records relating to Sponsored Research Agreements (including the agreements themselves), collect information from departments and units on which building(s) the research takes place, flag such Sponsored Research Agreements as are likely to give rise to private business use, and provide Treasury Services with an annual report including awards, buildings and potential private business flags. .

Space Management – is responsible to maintain square footage, gross and assignable, on all tax-exempt financed facilities and to be available to visit facilities and evaluate usable space.

The Office of University Counsel – is responsible to seek the appointment of qualified outside bond counsel, as necessary, as well as to opine on authorization of the bonds and compliance with University authorization, existing bond documents and similar restrictions.

University Personnel in Departments Responsible for Tax-Exempt Financed Space – are responsible to respond to the annual Private Business Use Monitoring Questionnaires, disclose any outside third-party ownership, leases or similar use, other outside actual or beneficial use, service contracts or use, parking use or agreements, and provide any and all such agreements to Treasury Services as required by the annual Private Business Use Monitoring Questionnaires.

Training

Treasury Services is responsible to develop and update training materials and to provide training for employees in the individual university departments impacted by this policy. These materials are provided to required staff engaged in private business use tracking as needed.

Forms

There are no forms associated with this policy and procedures.

Related Documents

1. [VCU Debt Management Policy](#)
2. [VCU Policy for Sale of Goods and Services](#)
3. [VCU Maps of Tax-Exempt Financed Facilities](#)
4. [Treasury Board of the Commonwealth of Virginia: Post Issuance Compliance Policy for Tax-Exempt Qualified Obligations](#)
5. IRS [Publication 4077](#) – Tax-Exempt Bonds for 501(c)3 Charitable Organizations
6. IRS [Publication 4079](#) - Tax-Exempt Governmental Bonds Compliance Guide
7. VCU Private Use Monitoring Questionnaire

8. KPMG’s “VCU Private Business Use Study” training materials (internal distribution only)
9. KPMG’s “VCU Tax-Exempt Financing Private Business Use Final Assessment Report”, dated January 18, 2018 (internal distribution only)
10. US Code: Title 26, Sections 103, 141, 145, 147, 148, 149, and 150
11. IRS Revenue Procedure 2017-13
12. IRS Revenue Procedure 2007-47
13. IRS Revenue Procedure 2014-67
14. IRS Revenue Procedure 2016-44, 2016-36 IRB 316

Updates or revisions to the Tax Rules and Revenue Procedures will be automatically incorporated to this policy as implemented by the IRS even without detailed listing above

Revision History

This policy supersedes the following archived policies:

February 9, 2012, New Policy	<i>VCU Tax-Exempt Debt Compliance Policy</i>
October 21, 2014	<i>Tax-Exempt Debt Compliance Policy</i>
TBD	<i>Tax-Exempt Debt Compliance</i>

FAQs

There are no FAQs associated with this policy and procedures.



Investment and Liquidity

Policy Type: Board of Visitors

Responsible Office: Treasury Services, Office of the Senior Vice President and Chief Financial Officer

Initial Policy Approved: 05/15/2009

Prior Revision Approved: 03/22/2017

Current Revision Approved: tbd

Policy Statement and Purpose

The purpose of this Investment and Liquidity Policy is to define the financial goals, objectives, and legal limitations for the investment and management of Virginia Commonwealth University's funds and to articulate the responsibilities of the University, its investment managers, and its investment advisors, including performance measures and reporting requirements. This policy is subject to (a) applicable federal and state laws, rules and regulations, (b) resolutions and policies of the Board of Visitors or the Board's designated Committee, and (c) restrictions imposed by donors, funding agencies or deeds of trust. Nothing in this policy should be construed to authorize activities that violate any of the above.

This policy sets forth the parameters to be followed to maintain operating liquidity and invest university funds. The policy sets forth detailed asset strategies, permitted and prohibited investment options, and benchmarks for performance for operating, reserve and endowment funds. It also provides requirements of investment managers, and how investments managers should be monitored.

The University, by consultation with the Board of Visitors (the "Board") or designated Committee, has the following responsibilities:

1. To comply with the Board's asset allocation, diversification and quality guidelines for investment of funds as detailed in this policy;
2. To utilize approved qualified investment advisors, investment managers and consultants and to facilitate communication from these entities to the Board;
3. To ensure that the current spending requirements of the university are supported and the university's daily cash flow demands are met;
4. To monitor and evaluate investment results and communicate the results to the Board or its designated committee; and
5. To ensure liquidity for operational purposes is achieved.

It is the policy of the University to invest its funds solely in the interest of the University and in a manner that will provide the highest investment return within the specified risk tolerance, and to ensure the university’s operating funds meet daily cash flow demands. In the investment of its funds, the University will conform to applicable federal and state laws and other legal requirements, including, but not limited to:

- that certain Management Agreement dated March 12, 2008 (as amended and renewed from time to time) between the Commonwealth of Virginia and the Board of Visitors (the “Board”) of the Virginia Commonwealth University, in order to provide the university flexibility to manage cash and investments, on its own behalf, under the State’s Restructured Higher Education Financial and Administrative Operations Act of 2005 including Exhibit F, Policy Governing Financial Operations and Management, thereto);
- the Security for Public Deposits Act, Chapter 44 (§ 2.2-4400 et seq.) of Title 2.2 of the Code of Virginia, as amended;
- the Investment of Public Funds Act, Chapter 45 (§ 2.2-4500 et seq.) of Title 2.2 of the Code of Virginia, as amended;
- the Uniform Prudent Management of Institutional Funds Act, Chapter 11 (§ 64.2-1100 et seq.) of Title 64.2 of the Code of Virginia, as amended; and
- § 23.1-2306 of the Code of Virginia, as amended, concerning the University’s investment of endowment funds, endowment income, and gifts.

The University shall maintain operating cash in accordance with this policy and with the Investment of funds in deposits as stipulated in § 2.2-4400 of the Code of Virginia, the Investment of Public Funds Act. The University shall invest its operating funds and operating reserves in accordance with this Act. Gifts, local funds, and non-general fund reserves and balances may be invested in accordance with the Uniform Prudent Management of Institutional Funds Act.

In the pursuit of its investment objectives, the University may engage the services of one or more investment advisors (each, an “Investment Advisor”) who, if authorized, may select investment managers (each, an “Investment Manager”) for the assets. All Investment Advisors and Investment Managers appointed by the university must agree to invest the university’s funds in accordance with this policy.

Noncompliance with this policy may result in disciplinary action up to and including termination. VCU supports an environment free from retaliation. Retaliation against any employee who brings forth a good faith concern, asks a clarifying question, or participates in an investigation is prohibited.

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Who Should Know This Policy

- The Board of Visitors;
- The Investment Advisor;
- Investment Managers;
- The Senior Vice President and Chief Financial Officer;
- The Treasurer; and
- Administrative staff involved in the appointment of Investment Advisors or Investment Managers.

Definitions

Asset-Backed Securities (ABS)

Financial investment collateralized by a pool of receivables, including but not limited to loans/leases on automobiles, equipment, credit cards and device payment plans

Central Bank

Internal management of funds to provide lending services for operating units.

Commercial Mortgage-Backed Securities (CMBS)

Fixed-income securities that are backed by mortgages on commercial and multifamily properties rather than residential real estate.

Commercial Paper

Commonly used type of unsecured, short-term debt instrument issued by corporations, typically used for the financing of payroll, accounts payable and inventories, and meeting other short-term liabilities.

Maturities can range from overnight to 397 days but are rarely longer than 270 days. Commercial paper is usually issued at a discount from face value and reflects prevailing market interest rates.

Distribution (for an endowment)

Based on presumptive guidance from a formula that is intended to provide budgetary stability by smoothing the impact of annual investment gains and losses. The formula's inputs reflect expectations about long-term returns and inflation rates.

Duration

Measure of a bond's sensitivity to changes in the interest rate. This is the time weighted present value of the cash flows from a bond. This is not "maturity" (see "Maturity").

Endowment

Invested funds, typically received from a donor to generate earnings for two purposes: (a) distribution for use (see "Spending Policy") and (b) growth in the remaining balance to preserve purchasing power and continue ongoing and permanent distributions. Typical endowment terms permit the expenditure of income but not principal, or limit on the percentage or amount of the fund that can be spent in any year.

Illiquid Assets

Drawdown private investment vehicles with a fixed fund life in excess of 7 years.

Intermediate-Term

A time horizon over 3 years to 10 years

Liquidity

The time within which an asset or security can be converted into ready cash without affecting its market price. The most liquid asset of all is cash itself.

Long-Term

A time horizon greater than 10 years.

Maturity

Defined point in time at which a financial instrument will legally cease to exist and the principal is repaid with interest.

Mortgage-Backed Securities (MBS)

Financial investment collateralized by an underlying pool of mortgages.

Negotiable certificate of deposit

A certificate of deposit (CD) with a minimum face value of \$100,000, though typically \$1 million or more. They are guaranteed by the issuing bank and can usually be sold in a highly liquid secondary market, but they cannot be cashed in before maturity. Also known as a jumbo CD.

Non-negotiable Certificates of Deposit

Investments between an investor and a financial institution. Unlike negotiable CDs, non-negotiable CDs cannot be transferred, sold, bought, or exchanged.

Quasi Endowment

Funds functioning as endowments which are typically used to report resources that the University, rather

than a donor, has determined are to be retained and managed like an endowment. Principal and income of these funds may be utilized at the discretion of the University.

Residential Mortgage-Backed Securities (RMBS)

Financial investment collateralized by an underlying pool of residential mortgages.

Rule 144A

A legal provision amending restrictions placed on trades of privately placed securities. This safe harbor loosens restrictions on qualified institutional buyers which were set forth by Rule 144 under Section 5 of the Securities Act of 1933 required for sales of securities by the Securities and Exchange Commission (SEC).

Short-Term

A time horizon under 3 years.

Sinking Fund

Funds set aside to pay off a debt or bond. Sinking funds are periodic payments of principal and interest that pay off the debt on a predetermined basis. The payments reduce the debt burden of a company over time.

Contacts

The Office of Treasury Services officially interprets this policy and is responsible for obtaining approval for any revisions as required by the policy *Creating and Maintaining Policies and Procedures* through the appropriate governance structures. Please direct policy questions to the Office of Treasury Operations, attention Treasurer.

Policy Specifics and Procedures

1. Financial Objectives and Standard of Care

The university maintains cash for operating purposes. As public and non-public funds may be initially indistinguishable, the university will treat all deposits as subject to Virginia Security for Public Deposits Act, Chapter 44 (§ 2.2-4400 et seq.) of Title 2.2 of the Code of Virginia, as amended, which, among other things, restricts deposits to FDIC insured limits or with institutions qualified by the Virginia Treasury Board to accept public deposits. These funds will be the first source of liquidity for the University and must remain immediately accessible. The Treasurer will strive to minimize uninvested cash balances for regular operating purposes.

The University's investment funds are split between two tiers, a Short-Term Tier and a Long-Term Tier. Each Tier has financial objectives, structure, and investment guidelines. Investment activities for both Tiers shall be guided by the appropriate objectives. The objectives will be defined in the relevant sections below.

The Short-Term Tier consists of the University's operating funds and operating reserves and shall be invested in accordance with the Investment of Public Funds Act.

The Long-Term Tier consists of gifts, local funds, and non-general fund reserves and balances that are endowments or have been designated by the Board to be treated as endowment (“quasi-endowments”) or as part of the Central Bank. The Long-Term Tier shall be invested in accordance with the Uniform Prudent Management of Institutional Funds Act.

Investments made in sinking funds or with proceeds from tax-exempt borrowings are subject to other restrictions and are not included as “investments” in this policy.

All investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

2. Short-Term Tier

A. Fund Structure and Financial Objectives

The Short-Term Tier will be divided into two funds: the Primary Liquidity Fund and the Extended Duration Fund. As components of the Short-Term Tier, both the Primary Liquidity Fund and the Extended Duration Fund shall be invested in compliance with the Investment of Public Funds Act.

Primary Liquidity Fund: The Primary Liquidity Fund will be the first source of liquidity for the University (in concert with the University’s bank deposits). These funds must be readily available to meet the University’s operating needs, and as such, a portion of this fund shall be continuously invested in short-term investments such as money market mutual funds, bank deposits, or overnight repurchase agreements to ensure funds are readily available for the University’s obligations. Safety and liquidity are the primary objectives of this fund.

Extended Duration Fund: The remaining Short-Term Tier funds, collectively known as the Extended Duration Fund, will be a secondary source of liquidity for the University. These funds do not need to be continuously available to meet the University’s operating needs but may be called upon at some point during the University’s annual operating cycle. As such, they shall be invested in short- and intermediate-term investments. Preservation of capital and return are the primary objectives of this fund.

Both funds of the Short-Term Tier will consist of funds managed by external Investment Managers. Each fund and respective Investment Manager will have a specific mandate and related restrictions.

B. Investment Managers Under the Senior Vice President’s Purview

The Board delegates the management and investment of the Short-Term Tier to the senior vice president and chief financial officer (SVP & CFO), including the selection, hiring, monitoring, and termination of Short-Term Tier Investment Managers. The SVP & CFO in turn may delegate these responsibilities to an Investment Advisor, including the selection, hiring, monitoring, and termination of Short-Term Tier Investment Managers. Only firms meeting the requirements of the **Investment Manager Requirements for the Short-Term Tier** section below may serve as Short-Term Tier Investment Managers, and on an ongoing basis, Short-Term Tier Investment Managers must

comply with the duties outlined in both the **Monitoring and Reporting for the Short-Term Tier** and the **Investment Manager Requirements for the Short-Term Tier** sections below.

The SVP & CFO and the Investment Advisor shall act in good faith, and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in (a) selecting Investment Managers; and (b) monitoring the Investment Manager's performance and compliance with the scope and terms of this delegation.

C. Authorized Investments

Authorized investments for qualified public entities are set forth in the Investment of Public Funds Act of the *Code of Virginia* in § 2.2-4500 et seq. A qualified public entity is defined as any state agency having an internal or external public funds manager with professional investment management capabilities. The Investment of Public Funds Act authorizes qualified public entities to invest Short-Term Tier funds in the following securities:

1. *Treasury and Agency Securities*: Obligations issued or guaranteed by the U.S. Government, an agency thereof, or U.S. Government sponsored enterprises. This includes Agency Mortgage-Backed Securities. These securities can be held directly, in the form of repurchase agreements collateralized by such debt securities or in the form of registered money market or mutual funds provided that the portfolio is limited to such evidences of indebtedness (§ 2.2-4501.2).
2. *Non-Negotiable Certificate of Deposits and Time Deposits*: Non-negotiable certificates of deposit and time deposits of Virginia banks and savings institutions federally insured to the maximum extent possible and collateralized under the Virginia Security of Public Deposits Act, § 2.2-4400 et seq. of the *Code of Virginia*, and having a maturity not greater than five years.
3. *Negotiable CD's and Bank Deposit Notes*: Negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks with a rating of at least two of the following: (a) for maturities of one year or less, A-1 by Standard & Poor's, P-1 by Moody's Investors Service or F1 by Fitch Ratings, Inc.; (b) for maturities over one year and not exceeding five years, a rating of at least AA by Standard & Poor's, at least Aa by Moody's Investors Service, or at least AA by Fitch Ratings, Inc. (§ 2.2-4509). This includes all levels of the "AA/Aa/AA" rating.
4. *Repurchase Agreements*: Repurchase Agreements collateralized by securities of the U.S. Treasury, an agency thereof, or U.S. Government sponsored enterprises (§ 2.2-4507). The collateral on overnight or one day repurchase agreements is required to be at least 100% of the value of the repurchase agreement. Longer-term repurchase agreements are required to have collateralization in excess of 100% and be marked-to-market on a daily basis.
5. *Banker's Acceptances*: Banker's Acceptances with major domestic banks and domestic offices of foreign banks (§ 2.2-4504) rated not lower than A-1 by Standard & Poor's and P-1 by Moody's Investors Service.
6. *Commercial Paper*: Prime quality commercial paper issued by domestic corporations.

“Prime quality” shall be as rated by at least two of the following: A-1 by Standard & Poor’s, P-1 by Moody’s Investors Service, or F-1 by Fitch Investor’s Services or by their respective corporate successors, provided that at the time of any such investment the corporation meets the criteria specified in the *Code of Virginia* § 2.2-4502.

7. Money Market and Other Mutual Funds: Money market and other open-end investment funds provided that they are registered under the Securities Act of the Commonwealth of Virginia (§ 13.1-501) or by the Federal Investment Company Act of 1940, and that the investments by such funds are restricted to investments otherwise permitted by qualified public entities within the Commonwealth of Virginia (§ 2.2-4508).

8. Corporate Debt: Corporate notes and bonds having a credit rating of at least A3/A- or equivalent by two nationally recognized rating agencies, one of which must be either Standard & Poor’s or Moody’s Investors Service. This includes all levels of the “A” rating (§ 2.2-4510.B).

9. Municipal Securities: Taxable and tax-exempt municipal securities of the following provided that at the time of any such investment the municipal security meets the criteria specified in § 2.2-4501 of the *Code of Virginia*, including: (i) of any state of the United States, (ii) of any county, city, town, district, authority or other public body of the Commonwealth of Virginia, (iii) of any city, county, town or district situated in any one of the states of the United States provided that they are the direct legal obligations of the city, county, town, or district and the city, county, town, or district has power to levy taxes on the taxable real property therein for the payment of such obligations without limitation of rate or amount. (§ 2.2-4501) The municipal securities must be rated at least A3/A- or equivalent by two nationally recognized rating agencies, one of which must be either Standard & Poor’s or Moody’s Investors Service. This includes all levels of the “A” rating.

10. Asset-Backed and Mortgage-Backed Securities: Asset-backed and Non-Agency mortgage-backed securities with a duration of no more than five years and rated no less than AAA/Aaa by at least two nationally recognized rating agencies, one of which must be either Standard & Poor’s, Moody’s Investors Service or Fitch Ratings, Inc. (§ 2.2-4511). Authorized mortgage-backed investments include Commercial Mortgage-Backed Securities (CMBS), Non-Agency (private label) Mortgage-Backed Securities (MBS & RMBS) including pass-throughs, and Collateralized Mortgage Obligations (CMOs).

11. International Bank for Reconstruction and Development, Asian Development Bank, and African Development Bank Obligations (§ 2.2-4501): Dollar-denominated bonds and other obligations issued, guaranteed or assumed by the International Bank for Reconstruction and Development, by the Asian Development Bank, or by the African Development Bank having a maturity of no longer than five years and a credit rating of at least AAA by Standard & Poor’s and Aaa by Moody’s Investors Service.

Should a security be downgraded to a level that ceases to meet the credit quality guidelines above, the Investment Manager shall notify the Treasurer of the University in writing within one business day of the downgrade. Unless the SVP & CFO authorizes the retention of any such downgraded security in writing, such security must be sold within 30 calendar days.

D. Prohibited Investments or Actions

Investment securities not specifically authorized above are prohibited. For further clarification, the following securities are explicitly prohibited:

1. Inverse floaters, Credit Default Swaps (CDSs), Collateralized Debt Obligations (CDOs), Collateralized Loan Obligations (CLOs), and Interest Only (IO), Principal Only (PO) and Z-tranche securities.
2. Futures, options, options on futures, margin buying, leveraging and commodities. Forward trades are permitted as long as they are procured during normal “when issued” periods for individual markets and as long as cash is reserved or a security will mature to cover the purchase at the time of settlement.
3. Securities with the ability to defer interest and securities with the ability to convert to perpetual maturities.
4. Subordinated and convertible debt securities.

E. Asset Allocation Parameters and Short-Term Tier Constraints

Asset Allocation

The Primary Liquidity Fund is intended to provide for the day-to-day working capital requirements of the University in conjunction with the cash in bank balances, with the remaining balance of the Short-Term Tier being invested in the Extended Duration Fund.

Duration and Maturity Limitations

The maximum maturity may not exceed five years on any single non-negotiable certificate of deposit or time deposit of Virginia banks, negotiable certificate of deposit or bank deposit note. For any single asset-backed or mortgage-backed security, the maximum duration may not exceed five years at the time of purchase; in the event the duration subsequently exceeds this limit, the external Investment Manager shall notify the Treasurer of the University in writing within one business day, and the University, in consultation with the Investment Manager, shall decide the appropriate action.

The target duration for the Primary Liquidity Fund and Extended Duration Fund are as follows:

Target Duration	
Primary Liquidity Fund	9 months or less
Extended Duration Fund	
Short Duration Portfolio	Per Applicable Benchmark
Intermediate Duration Portfolio	Per Applicable Benchmark
Long Duration Portfolio	Per Applicable Benchmark

Primary Liquidity Fund and Extended Duration Fund Investment Managers' maximum duration is limited to +10% of the Target Duration or the Applicable Benchmark duration. For purposes of this section, duration shall be defined as the industry standard effective duration as calculated by

Bloomberg or other well-established models available. In addition, for purposes of asset-backed securities and mortgage-backed securities, the prepayment assumptions to be used in the effective duration calculation will be the Bloomberg median prepayment assumptions or other well-established models available. In the absence of a median prepayment assumption available in Bloomberg, the assumption to be used shall be that which provides the greatest principal protection to the portfolio.

F. Performance Measures

In accordance with the performance measures by which the State Council of Higher Education for Virginia measures investment performance as published annually in the Commonwealth of Virginia’s Appropriations Act, the University should achieve a three-year average rate of return at least equal to the iMoney.net money market index fund.

Investment Managers should produce returns commensurate with the following benchmarks:

Fund	Fund Benchmark(s)
Primary Liquidity Fund	iMoney.net Money Market Index
Extended Duration Fund	
Short Duration Portfolio	Bank of America Merrill Lynch (BofAML) 1-3 Year US Treasury Index, BofAML 1-3 year Govt/Corp Index, Barclays 1-3 Year Government Bond Index, or other benchmark(s) that more appropriately reflects the Investment Manager(s) style within this portfolio.
Intermediate Duration Portfolio	Barclays US Treasury Intermediate Index, Barclays US Intermediate Government Index, Barclays US Intermediate Gov/Credit Bond Index, or other benchmark(s) that more appropriately reflects the Investment Manager(s) style within this portfolio.
Long Duration Portfolio	Barclays US Aggregate Treasury Index, Barclays U.S. Aggregate Government Index, Barclays US Aggregate Bond Index, or other benchmark(s) that more appropriately reflects the Investment Manager(s) style within this portfolio.

Diversification

Each individual portfolio within the Primary Liquidity Fund and the Extended Duration Fund will be diversified with no more than 3% of the value of the respective portfolios invested in the securities or individual trusts of any single issuer. This limitation shall not apply to the U.S. Government, an agency thereof, or U.S. Government sponsored enterprises, securities fully insured and/or fully guaranteed by the U.S. Government, or money market funds.

At the time of purchase, the maximum percentage in each eligible security type for the Primary Liquidity Fund and the Extended Duration Fund shall be maintained as follows:

Authorized Investments	Primary Liquidity Fund	Extended Duration Fund
U.S. Treasury and Agency Securities	100%	100%
Agency Mortgage-Backed Securities	0%	50%
Asset-Backed Securities	0%	50%
Banker's Acceptances	40%	0%
Certificates of Deposit (CDs) (Negotiable) and/or Negotiable Bank Deposit Notes	20%	20%
Certificates of Deposit (CDs) (Non-Negotiable)	5%	0%
Collateralized Mortgage Obligations, Agency	0%	10%
Commercial Mortgage-Backed Securities	0%	20%
Commercial Paper	35%	0%
Corporate Notes/Bonds	25%	40%
International Development Bank Obligations, Asian Development Bank, and African Development Bank Obligations	0%	5%
Money Market Funds	35%	10%
Municipal Securities	10%	10%
Repurchase Agreements, Overnight/Open, Non-Treasury/Non-Agency	50%	0%
Repurchase Agreements, Overnight/Open, Treasury/Agency	100%	0%
Repurchase Agreements, Term	20%	0%
Residential Mortgage-Backed Securities, Private Label (including CMOs)	0%	5%
Combined 144A Securities of allowed investments	20%	20%
Combined Agency Mortgage-Backed Securities, Agency/Private Collateralized Mortgage Obligations, Commercial Mortgage-Backed Securities, Residential Mortgage-Backed Securities	0%	50%

G. Monitoring and Reporting for the Short-Term Tier

Quarterly, the Board will receive an investment report for the Short-Term Tier. At a minimum, this report will include the following information:

- Investment performance report (net of fees) for the Short-Term Tier as a whole, the Primary Liquidity Fund, and the Extended Duration Fund, versus the appropriate benchmarks above.

- Any investments that required management notification (such as credit downgrades or duration changes), along with management's response to such notifications.
- A statement from each Investment Manager certifying compliance with the Virginia Investment of Public Funds Act.

Annually, the Board will receive the following information on the Short-Term Tier. At a minimum, this will include:

- Actual asset allocations of the Short-Term Tier as a whole, the Primary Liquidity Fund, and the Extended Duration Fund versus the allocation requirements above.
- A certificate showing compliance with the Investment Policy, specifically the **Authorized Investments**, the **Prohibited Investments or Actions**, and the **Asset Allocation Parameters** and **Short-Term Tier Constraints** sections above.

H. Investment Manager Requirements for the Short-Term Tier

Before an organization can provide investment management services for the Short-Term Tier, it must confirm in writing that it has received, reviewed, and is able to comply with this Investment Policy. Investment Managers are not permitted to deviate from their specifically announced investment strategy and may utilize discretion only as approved by the Board or its designee. Only firms having the following qualifications may serve as Short-Term Tier Investment Managers:

- Registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940 or exempt from registration;
- Must have provided to the University an annual updated copy of Form ADV, if applicable;
- Must be registered to conduct business in the Commonwealth of Virginia; and,
- Must have proven experience in providing investment management services under the Virginia Investment of Public Funds Act.

Short-Term Tier Investment Managers shall have the following duties:

- Accept assets as directed by the University, and invest those assets in strict adherence to the Investment Policy and applicable laws;
- Reconcile all transactions, market values, security holdings, and cash flows with the custodian within 30 days of each month-end;
- Calculate monthly performance against the appropriate benchmark and provide a written report within 35 days of each month-end;
- Calculate quarterly performance against the appropriate benchmark and provide a written report within 35 days of each quarter-end;
- Provide written quarterly reports concerning investment strategy, including quantitative performance attribution based on interest rate risk, sector allocation and security selection;
- Provide a written economic and investment outlook report within 30 days of each month-end;
- Meet as required to review portfolio and investment results;
- Issue prospectuses, annual reports and other pertinent information on a timely basis;
- Notification in advance of potential material changes in fund and/or firm operations under consideration or about to be implemented, including organizational or strategy changes that may impact asset management;
- Notification of any non-compliant securities as further outlined above; and,

- Provide a written quarterly statement attesting to compliance with the Investment Policy.

3. Long-Term Tier

A. Fund Structure

The Long-Term Tier shall consist of endowments and Board-designated quasi-endowment funds. As the Long-Term Tier consists of gifts, local funds, and non-general fund reserves and balances designated for long-term investment, it shall be invested in accordance with the Uniform Prudent Management of Institutional Funds Act. The primary objective for the Long-Term Tier is to maximize long-term real returns commensurate with the University's risk tolerance.

B. Financial Objectives

The funds invested in the Long-Term Tier shall be treated as long-term assets managed to maintain the purchasing power of those assets in the future while being mindful of the cash flow and liquidity requirements of both the University and the endowed funds. The objective of the Long-Term Tier is to achieve a rate of return in excess of inflation, CPI + 5%, at an acceptable level of risk.

The university does not expect that this investment objective will be achievable every year and, as a result, investment performance over rolling three-, five-, and ten-year periods will carry greater significance. The university also recognizes that some level of investment risk, including volatility and illiquidity, is necessary to achieve the long-term investment objectives of the Long-Term Tier.

The overall return will be evaluated against a policy portfolio benchmark consisting of the sum of different asset class benchmarks weighted in accordance with the long-term policy targets designed to meet the Long-Term Tier objective.

C. Long-Term Tier Investment Managers Under the Investment Advisor's Purview

The Board has delegated the management and investment of the Long-Term Tier to the Investment Advisor, including the selection, hiring, monitoring, and termination of Investment Managers.

The Investment Advisor shall act in good faith, and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in: a) selecting Investment Managers; b) monitoring the Investment Manager's performance and compliance with the scope and terms of the delegation.

D. Authorized Investments

Given the uncertain and continuously evolving nature of investment markets, no static list of security types, asset classes, or definitions of investment management strategies can continuously express prudent practice. Therefore, the process by which investment decisions are developed, analyzed, adopted, and executed must satisfy relevant standards of care.

Note: Investment Managers or the Investment Advisor are to vote shareholders' proxies. Such voting is to be solely in the best interest of the university's investment funds, given their stated

policies, goals, and objectives. Where Investment Managers or fund vehicles have their own terms regarding proxy voting, such terms will be an attribute to be considered by the Investment Advisor in selecting and monitoring Investment Managers and investment vehicles.

E. Strategic Asset Allocation and Performance Measures

In developing and implementing the Long-Term Tier’s Strategic Asset Allocation, the university will consider the risks associated with each asset class. Based upon the university’s risk tolerance together with capital market risk and return estimates, the Board sets a strategic asset allocation designed to achieve the objectives stated in this Investment Policy Statement. The Strategic Asset Allocation shall be prudently diversified across asset classes. The Investment Advisor will invest the Long-Term tier in keeping with the parameters of the Strategic Asset Allocation below. The Strategic Asset Allocation specifies risk controls in the form of ranges and targets for Fund asset allocations as well as liquidity targets. The ranges help to ensure adequate diversification, define acceptable degrees of tactical tilts, and constrain absolute risk. Extraordinary market conditions may lead to deviations outside the specified ranges, which will be reported to the Investment Committee with a plan to return to the specified ranges.

Benchmark indices are selected to represent the desired risk and return profile of the Long-Term Tier. The Investment Advisor should produce returns commensurate with the blended benchmark indices noted below. Key considerations in selecting benchmark indices include broad market coverage, ability to passively invest, transparency of index construction, and objectivity of the index provider.

Strategic Asset Allocation Risk Control Targets and Ranges:

Net Exposure (%)	Range	Target
Equity	40-80	65
Real Assets	0-20	5
Credit	5-45	10
Government Bonds	0-25	5
Cash/Residual	0-25	15

Regional Exposures (%)	North America	Europe	Asia	Rest of World
Regional Ranges	25-75	0-50	0-40	0-20
Cash & Currency Ranges	50-100	0-30	0-30	0-20

Liquidity Measure (%)	Target
Quarterly liquidity	20
Illiquid Assets (> 7 years)	25

Long-Term Tier Benchmark

Asset Class	Weighting (%)	Benchmark
Equity	70	MSCI All Country World Equity
Fixed Income & Cash	30	Barclays Aggregate Bond Index
TOTAL	100	Blended Benchmark

Annual Review

Annually, the University and the Investment Advisor shall informally review and assess the Strategic Asset Allocation. Should the University and the Investment Advisor recommend changes to the Strategic Asset Allocation, such proposed changes will be brought to the Board for consideration.

Rebalancing Guidelines

The Strategic Asset Allocation reflects targets for exposures to various asset classes as described above. The purpose of rebalancing is to maintain the risk/reward relationship implied by the stated long-term Strategic Asset Allocation targets adopted by the Board. The actual asset mix may diverge from the target allocations as a result of either market fluctuations or explicit tactical decisions. The role of the ranges within the Strategic Asset Allocation is to allow for these short-term fluctuations, and to provide limits for tactical investing.

Under stable market conditions, should actual asset allocations reside outside of allowable Strategic Asset Allocation ranges, unless otherwise directed by the Board, the Investment Advisor will rebalance the Long-Term Tier without prior Board discussion or approval. Cash flows to, from, or within the Long-Term Tier will be used to rebalance the portfolio and may be allocated to or from the underlying Investment Managers within the Long-Term Tier.

The Board recognizes that under distressed market conditions, a less static approach to rebalancing could provide the University with increased flexibility and a more productive rebalancing process. Should the Investment Advisor believe that such distressed market conditions exist, the Investment Advisor shall: (a) immediately notify the Senior Vice President and CFO; (b) provide the Senior Vice President and CFO with recommended intermediate-term deviations from the Strategic Asset Allocation; and, (c) provide the Senior Vice President and CFO with a recommended timeline for rebalancing the Long-Term Tier. After reviewing these three items with the Investment Advisor, the Senior Vice President and CFO may authorize intermediate-term deviations from the Strategic Asset Allocation targets, and shall provide the recommended deviations and recommended rebalancing timeline for the Board's review at its next meeting.

F. Investment Restrictions

The Strategic Asset Allocation specifies risk controls in the form of ranges for Long-Term Tier asset allocations. The ranges help to ensure adequate diversification, define the permissible magnitude of tactical asset allocation, and constrain both absolute and relative risk. Risk control ranges express the acceptable variation from target asset allocations in normal market and economic

circumstances. The Investment Advisor shall adopt risk controls principally considering the Tier's tolerance for volatility, but also to ensure adequate liquidity.

It is understood that the Long-Term Tier must maintain a certain minimum level of liquidity that is sufficient to fund annual programmatic activities, as well as to fund ongoing expenses, including capital calls. The Investment Advisor shall monitor on an ongoing basis the liquidity of the Long-Term tier.

G. Spending Guidelines

The Spending Policy is meant to maintain the purchasing power of the Long-Term Tier, with the goal of providing a predictable and sustainable level of income. This policy reflects industry best practices. Under this policy, spending for a given year equals the trailing average three-year quarter-end market values of the Long-Term Tier multiplied by the long-term spending rate of 4.5%. An additional 1% administrative fee is distributed concurrently.

Annual payouts are assumed, and distributions are to be made on or before September 30. The University will communicate an estimate of the distribution to the Investment Advisor approximately 120 days in advance, and the Advisor will confirm receipt of the notification to the University within five business days. The final amount shall be determined at least 5 days before the distribution date, or earlier as agreed upon with the Investment Advisor. The Advisor is responsible for wiring funds as directed.

Payouts under this Spending Policy may exceed spending needs. At the discretion of the Senior Vice President and CFO, the University may elect to reinvest any portion of the annual distribution back into the Long-Term Tier. Each year, the Senior Vice President and CFO will prepare a report for the Board showing the current spending rate and allocating distributions made under this Spending Policy between those funds spent to meet University needs and those funds reinvested into the Long-Term Tier.

If the market value of the investment funds fall below the restricted amount, the payout and distribution shall be in compliance with Virginia's Uniform Prudent Management of Institutional Funds Act (§ 64.2-1100 et seq., "UPMIFA"), determining what portion of investment funds is appropriate for expenditure or accumulation as the University and Investment Advisor determine is prudent for the uses, benefits, purposes, and duration for which the investment funds were established.

H. Monitoring and Reporting for the Long-Term Tier

Quarterly, the Board will receive the following information on the Long-Term Tier. At a minimum, this report will include:

- Investment performance (net of fees) for the Long-Term Tier versus the appropriate benchmarks above.
- Actual asset allocations of the Long-Term Tier versus the Strategic Asset Allocations above.

Annually, the Board will receive the following information on the Long-Term Tier. At a minimum, this report will include:

- A report showing compliance with the Investment Policy, specifically the **Authorized**

Investments, Strategic Asset Allocation and Performance Measures, and Investment Restrictions sections above;

- The report specified under the **Spending Policy** section above; and
- A liquidity measurement analysis.

I. Investment Advisor Requirements for the Long-Term Tier

The Investment Advisor shall prudently select Investment Managers, acting in good faith, and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. Investment Managers are not permitted to deviate from their specifically announced investment strategy and may utilize discretion only as approved by the Investment Advisor.

The Investment Advisor shall have the following duties:

- Accept assets as directed by the University, and invest those assets in strict adherence to the Investment Policy and applicable laws;
- Reconcile all transactions, market values, security holdings (as applicable), and cash flows with the Investment Managers;
- Calculate performance against the appropriate benchmarks and provide regular, written reports to the University;
- Provide written reports to the University concerning investment strategy, including quantitative performance attribution;
- Meet as required with the University to review portfolio and investment results;
- Issue investment reports and other pertinent information on a timely basis to the University;
- Notify the University of potential material changes in fund and/or firm operations under consideration or about to be implemented, including organizational or strategy changes that may impact asset management;
- Notify the University of any non-compliant investments; and,
- Provide a written quarterly statement attesting to compliance with the Investment Policy.
-

J. The Central Bank

With the exceptions of reporting, distributions and liquidity requirements, investments made for the Central Bank are managed under the same requirements of the Long-Term Tier. These funds shall be invested in accordance with the Uniform Prudent Management of Institutional Funds Act. The primary objective for the Central Bank is to meet the obligations of the scheduled debt service payments out of the bank while generating liquidity and debt capacity for the University. Specific liquidity considerations will apply to the Central Bank to meet scheduled obligations in lieu of annual distributions.

Distributions for the principal and interest payments of the Central Bank must be available for timely payment, as scheduled. Additional distributions from the Bank for internal loans will be scheduled as needed, with the goal of minimizing distributions in order to provide for the Bank's growth. The investment of these funds will focus on providing this scheduled liquidity under the investment policy herein.

An annual report will be provided to the Board of Visitors to detail deposit amounts, payments and account balances for the various funds of the Bank.

4. Establishing a Prudent Split Between the Short-Term and Long-Term Tiers

The Short-Term and Long-Term Tiers have markedly different liquidity, risk, and volatility profiles. It is the responsibility of the Office of the Senior Vice President and CFO to perform ongoing analysis and monitoring to recommend to the Board a prudent split between the Short-Term and Long-Term Tiers.

5. Procedures

No changes to this policy may be implemented without the approval of the Board or its designated committee.

6. Violations

Passive Violations: A passive violation occurs when a portfolio breaches a prescribed policy limit as the result of changing market or credit conditions, with the exception of the procedures outlined under the **Rebalancing Guidelines** for the Long-Term Tier. Other than the routine rebalancing of the Long-Term Tier under stable market conditions as described in the **Rebalancing Guidelines** above, the university will report any violations to the Board and will remedy the violation within 90 days of the violation or prepare a written action plan that must be approved by the Board to extend the cure period beyond 90 days. The Investment Advisor and Investment Managers will continuously monitor the portfolio for any Passive Violations and will promptly notify the university as they occur.

Active Violations: An active violation is caused by entering into an agreement or investment that breaches a limit at inception or thereafter through failure to monitor. In this case, a thorough analysis of controls will ensue and be reported to the Board, as soon as practical. The Investment Advisor will seek to remedy the violation when possible. In instances where the costs of immediate remedies are prohibitive, the Investment Advisor will develop a corrective action plan that will be submitted to the university within a reasonable time after the violation occurs, not to exceed 15 days, depending on the nature and complexity of the investment holding and transactions needed to remedy the violation. The Board will be apprised of the violation at its next regularly scheduled meeting along with the corrective action plan.

7. Legal and Other Considerations

The university will, in accordance with law, consider the present and anticipated financial requirements of the university, the expected total returns on investments, the capital markets environment and general economic conditions.

The *Code of Virginia* § 64.2-1102, the Virginia Uniform Prudent Management of Institutional Funds Act, sets forth specific factors that, if relevant, must be considered in managing and investing the Long-Term Tier. These factors are:

1. The duration and preservation of the Long-Term Tier funds;
2. The purposes of the institution and the Long-Term Tier funds;
3. General economic conditions;
4. The possible effect of inflation or deflation;

5. The expected total return from income and the appreciation of investments;
6. Other resources of the institution; and
7. The investment policy of the institution.

Upon request, the university will present an analysis of these factors to the Board to assist its decisions regarding managing and investing the Long-Term Tier.

8. Conflicts of Interest

Virginia Commonwealth University will take reasonable measures to assess the independence of Investment Advisors and Investment Managers. Annually and prior to the approval of an Investment Advisor or Investment Manager, all personnel listed in “Who Should Know This Policy” must disclose any conflicts of interest on in the form of Exhibit A.

Forms

There are no forms associated with this policy and procedures.

Related Documents

1. VCU Policy: [Debt Management](#)
2. [Code of Virginia, Title 2.2, Chapter 44 \(§ 2.2-4400 et seq.\), as amended, Security for Public Deposits Act](#)
3. [Code of Virginia, Title 2.2, Chapter 45 \(§ 2.2-4500 et seq.\), as amended; Investment of Public Funds Act](#)
4. [Code of Virginia, Title 23.1, Chapter 23 \(§ 23-2306\), as amended, concerning the University’s investment of endowment funds, endowment income, and gifts](#)
5. [Code of Virginia, Title 64.2, Chapter 11 \(§ 64.2-1100 et seq.\), as amended; Uniform Prudent Management of Institutional Funds Act](#)
6. Management Agreement dated March 12, 2008 (as amended and renewed from time to time) between the Commonwealth of Virginia and the Board of Visitors of the Virginia Commonwealth University

Revision History

This policy supersedes the following archived policies:

Approval/Revision Date	Title
05/15/2009	<i>VCU Operating Pool Investment Policy</i>
09/19/2013	VCU Investment Policy
04/25/2016	VCU Investment Policy – Interim
03/22/2017	VCU Investment Policy
03/05/2019	Investment Policy (minor revision to clarify

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preexisting Strategic Asset Allocation and
Performance Measures)

FAQ

There are no FAQ associated with this policy and procedures.

Exhibit A

Annual Investment Conflict of Interest Disclosure Statement

[LIST OF CURRENT and/or PROPOSED INVESTMENT ADVISOR(S)
AND INVESTMENT MANAGER(S) – TO BE PROVIDED BY STAFF]

Except for the relationships and investments set forth below, I hereby certify to the best of my knowledge that neither I, nor any of my household family members, has a material ownership interest in, or is directly employed by, any Investment Advisor or Investment Manager engaged or to be engaged by the University and listed above. I hereby certify that I have received a copy of the University's current Investment Policy, have read and understand the policy, and agree to abide by its provisions pertaining to Conflicts of Interest.

Signature: _____

Print Name: _____

Title _____

Date: _____

PLEASE LIST ANY EXCEPTIONS BELOW:

Virginia Commonwealth University
Request for Approval of Demolition
708 West Grace Street

Background

708 West Grace Street was built in phases between 1876 and 1950 and is located on the Monroe Park Campus across from the existing VCU Honors College. The property is not usable in its current state, requires significant investment and is in the footprint of a future student housing project in the ONE VCU Master Plan. Demolition is planned for 2022.

Considerations

The building is not listed as a historic structure and the property is not located within a historic district. The Department of Historic Resources and the Art and Architectural Review Board reviewed and approved the plans for demolition.

Cost and funding source

Demolition is estimated at \$110,000 and will be funded by the university.

Recommendation

Approve the request to demolish 708 West Grace Street.