



**BOARD OF VISITORS
FINANCE, BUDGET AND INVESTMENT COMMITTEE
MAY 13TH, 2021
IN-PERSON AND VIRTUAL
MINUTES**

COMMITTEE MEMBERS PRESENT

Mr. Stuart C. Seigel, chair
Mr. Todd P. Haymore, vice chair
Mr. Edward L. McCoy

COMMITTEE MEMBERS PRESENT VIRTUALLY

Ms. Pamela El
Ms. Alexis Swann
Mr. G. Richard Wagoner, Jr.

COMMITTEE MEMBERS ABSENT

Dr. Gopinath Jadhav

OTHER BOARD MEMBERS PRESENT

Mr. Keith T. Parker, Rector
Mr. H. Benson Dendy, III, Vice Rector
Ms. Carolina Espinal
Ambassador Carmen Lomellin
Dr. Tonya Parris-Wilkins
Ms. Coleen Santa Ana
Dr. Shantaram Talegaonkar

OTHERS PRESENT:

Dr. Michael Rao, President
Ms. Karol Kain Gray, Senior Vice President for Finance and Budget and CFO
Dr. Meredith Weiss, Vice President of Administration
Staff and students from VCU and VCUHS

CALL TO ORDER:

Mr. Stuart Seigel, Chair of the Finance, Budget and Investment Committee, called the meeting to order at 1:54 p.m.

APPROVAL OF AGENDA:

Mr. Siegel asked for a motion to approve the agenda for the May 13, 2021 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and seconded, the agenda for the Finance, Budget and Investment Committee meeting was approved.

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. Stuart Siegel, Chair	X	
Mr. Todd Haymore, Vice Chair	X	
Ms. Pamela El	X	
Mr. Edward L. McCoy	X	
Ms. Alexis Swann	X	
Mr. G. Richard Wagoneer, Jr.	X	
Mr. Keith T. Parker, Rector	X	
Mr. H. Benson Dendy, III, Vice Rector	X	
Ms. Carolina Espinal	X	
Ambassador Carmen Lomellin	X	
Dr. Tonya Parris-Wilkins	X	
Ms. Coleen Santa Ana	X	
Dr. Shantaram Talegaonkar	X	

OPEN SESSION ITEMS:

Mr. Siegel began at by asking Ms. Gray to present the proposed 2021-22 Tuition and Fees and University Budget Plan. Mr. Seigel noted that this item will be presented at tomorrow's full board meeting for approval.

Ms. Gray presented the 2021-22 budget recommending no tuition increase for in- and out-of-state undergraduate, graduate and professional students. This is the third consecutive year the board has voted to freeze undergraduate tuition. In addition, Ms. Gray recommended the increase of some mandatory student fees by \$153. The increased fees will support multiple areas of the university, including technology, advising, mental health and veteran services. The budget presented also includes an average 5 percent raise for eligible university faculty and staff, effective July 1.

Mr. Siegel asked Ms. Gray to present the three resolutions for action:

1. **Administrative Titles in Financing-Related Resolutions.** The committee recommended approval of resolution to update the current titles of those officers for the relevant resolutions.
2. **Sunoco Property Funding Authorization** – The committee recommended approval of the resolution to authorize financing for the acquisition of the Property at 600 and 606 West Grace Street from the VCU Real Estate Foundation. As previously approved in May 2018, this resolution includes execution of all documents necessary for the acquisition and financing of the property for a total cost not to exceed \$4.8 million plus associated settlement, due diligence, and transactional costs and to authorize an amendment to include the property in the university's current six-year capital plan.

3. **Broad and Belvidere Renovation Funding Authorization** –The committee recommended approval of funding the estimated \$9.1 million renovation project to the 2003 facility. The VCU Real Estate Foundation (REF) anticipates funding approximately \$3.2 million of these expenditures with reserves. The balance of approximately \$5.9 million would be funded through debt issued by the university and supported by a financing agreement with the REF to pay all financing costs along with principal and interest.

On motion duly made and seconded, the three resolutions to recommend approval to the full board were approved by a roll call vote:

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. Stuart Siegel, Chair	X	
Mr. Todd Haymore, Vice Chair	X	
Ms. Pamela El	X	
Mr. Edward L. McCoy	X	
Ms. Alexis Swann	X	
Mr. G. Richard Wagoneer, Jr.	X	
Mr. Keith T. Parker, Rector	X	
Mr. H. Benson Dendy, III, Vice Rector	X	
Ms. Carolina Espinal	X	
Ambassador Carmen Lomellin	X	
Dr. Tonya Parris-Wilkins	X	
Ms. Coleen Santa Ana	X	
Dr. Shantaram Talegaonkar	X	

A copy of the Administrative Titles in Financing-Related Resolutions is attached hereto as ***Attachment A*** and is made a part hereof.

A copy of the Sunoco Property Funding Authorization is attached hereto as ***Attachment B*** and is made a part hereof.

A copy of the Broad and Belvidere Renovation Funding Authorization is attached hereto as ***Attachment C*** and is made a part hereof.

Approval of the 2022-2028 Six Year Capital Plan (attached)

Mr. Siegel asked Dr. Weiss to present the 2022-2028 Six Year Capital Plan.

The committee recommended approval of the VCU 2022-2028 Six Year Capital Plan. As part of the Commonwealth's biennial budget process, VCU prepares this six -year projection of capital

outlay needs in priority order as outlined in the ONE VCU Master Plan. The plan focused on several key themes:

- Iconic Greens
- Welcoming Front Doors and Streetscapes
- Nationally Prominent Art and Innovations Corridor
- Interdisciplinary Academic and Lab Building
- State of the Art Student Commons
- Honors Residence and Retail Space
- Athletic Village
- New Health System and Health Sciences Campus

On motion duly made and seconded, the resolution to recommend approval of the 2022-2028 Six Year Capital Plan to the full board was approved by a roll call vote:

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. Stuart Siegel, Chair	X	
Mr. Todd Haymore, Vice Chair	X	
Ms. Pamela El	X	
Mr. Edward L. McCoy	X	
Ms. Alexis Swann	X	
Mr. G. Richard Wagoneer, Jr.	X	
Mr. Keith T. Parker, Rector	X	
Mr. H. Benson Dendy, III, Vice Rector	X	
Ms. Carolina Espinal	X	
Ambassador Carmen Lomellin	X	
Dr. Tonya Parris-Wilkins	X	
Ms. Coleen Santa Ana	X	
Dr. Shantaram Talegaonkar	X	

A copy of the resolution to recommend approval of the 2022-2028 Six Year Capital Plan is attached hereto as ***Attachment D*** and is made a part hereof.

SENIOR VICE PRESIDENT’S REPORT:

Mr. Siegel asked Ms. Gray to report on the University’s Small Women-Owned and Minority (SWAM) procurement efforts.

Ms. Gray noted a year to date (as of March 202) spend of \$66.4 million. Several board members asked about SWAM opportunities and networking with SWAM vendors to increase the total spend. The chair asked for a report on SWAM for the full board at the next meeting. Ms. Gray and the Procurement team continue to focus efforts to increase SWAM vendor opportunities for greater participation.

REPORTS FOR INFORMATIONAL PURPOSES:

Mr. Siegel noted that there were several reports for informational purposes, specifically, the Revenue and Expense Summary, VCU Health System and Financial Operations, Treasurer's Report, and Capital Projects Update.

A copy of the presentations are attached hereto as *Attachment E* and is made a part hereof.

CLOSED SESSION:

Mr. Siegel, Chair, then moved that the Finance, Budget and Investment Committee convene into closed session pursuant to Section 2.2-3711 (A) (3) of the Virginia Freedom of Information Act 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 the acquisition of real property near or adjacent to the Monroe Park Campus and/or MC Campus for the expansion of campus facilities or real property to be used for administrative purposes. The motion was seconded and was approved by a roll call vote:

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. Stuart Siegel, Chair	X	
Mr. Todd Haymore, Vice Chair	X	
Ms. Pamela El	X	
Mr. Edward L. McCoy	X	
Ms. Alexis Swann	X	
Mr. G. Richard Wagoneer, Jr.	X	
Mr. Keith T. Parker, Rector	X	
Mr. H. Benson Dendy, III, Vice Rector	X	
Ms. Carolina Espinal	X	
Ambassador Carmen Lomellin	X	
Dr. Tonya Parris-Wilkins	X	
Ms. Coleen Santa Ana	X	
Dr. Shantaram Talegaonkar	X	

RECONVENED SESSION:

Following the closed session, the public was invited to return to the meeting. Mr. Siegel, Chair, called the meeting to order.

On motion duly made and seconded, the following resolution of certification was approved by a roll call vote:

Resolution of Certification

BE IT RESOLVED, that the meeting of the Finance, Budget and Investment Committee and the Board of Visitors of Virginia Commonwealth University certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered by the Committee of the Board.

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. Stuart Siegel, Chair	X	
Mr. Todd Haymore, Vice Chair	X	
Ms. Pamela El	X	
Mr. Edward L. McCoy	X	
Ms. Alexis Swann	X	
Mr. G. Richard Wagoneer, Jr.	X	
Mr. Keith T. Parker, Rector	X	
Mr. H. Benson Dendy, III, Vice Rector	X	
Ms. Carolina Espinal	X	
Ambassador Carmen Lomellin	X	
Dr. Tonya Parris-Wilkins	X	
Ms. Coleen Santa Ana	X	
Dr. Shantaram Talegaonkar	X	

All committee members and other board members in attendance responding affirmatively, the resolution of certification was unanimously adopted.

ADJOURNMENT:

There being no further business, Mr. Siegel adjourned the meeting at 3:14 pm.

ATTACHMENT A

RESOLUTION OF THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY

ADOPTED MAY 14, 2021

Actions Related to General Revenue Pledge Bonds

WHEREAS, in furtherance of its powers to finance or refinance a series of projects the Board of Visitors (the "Board") and the Executive Committee of the Board have adopted various resolutions authorizing the incurrence of debt to finance or refinance projects and named various officers of Virginia Commonwealth University (the "University") as authorized officers who are authorized or have been delegated authority to take certain actions regarding the incurrence of debt and the financing and refinancing of projects, including those resolutions identified on Schedule I (collectively, the "Prior Resolutions"); and

WHEREAS, since those resolutions were adopted the titles of the officers named in the Prior Resolutions has changed; and

WHEREAS, the Board has determined to ratify and reaffirm the authorizations and delegations in the Prior Resolutions and identify the current titles of the authorized officers under the Prior Resolutions.

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

RESOLVED, that the Board hereby ratifies and reaffirms the authorizations and delegations made in the Prior Resolutions; and

RESOLVED FURTHER, that the President of the University, the Senior Vice President and Chief Financial Officer of the University and the Treasurer of the University (collectively, the "Authorized Officers") are hereby authorized to be the officers with the power to act under the authority and delegations granted by the Prior Resolutions, which powers include (i) the authority to take certain actions to refinance projects without further action from the Board, (ii) the authority to hold public hearings pursuant to the Section 147(f) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder, to ensure the tax-exempt status of interest on all or a portion of any bonds of the University, and (iii) the authority to declare the "official intent" of the University to reimburse any expenditures made in connection with a capital project with the proceeds of long-term tax-exempt debt to be issued by or on behalf of the University for purposes of Treasury Regulation Section 1.150-2(d) and (e); and

RESOLVED FURTHER that all acts of all officers of the University which are in conformity with the purposes and intent of this Resolution and in carrying out the financing plans presented to this meeting are ratified, approved and affirmed; and

RESOLVED FURTHER that, upon approval, this action shall take effect immediately.

Schedule I

Prior Resolutions

Confirming Designation of the University's Officers as Authorized to Declare Official Intent to Issue Bonds to Reimburse Expenditures, adopted September 19, 2013, by the Board of Visitors of Virginia Commonwealth University

Authorization of Refunding of the University's Debt, adopted March 4, 2014, by the Executive Committee of the Board of Visitors of Virginia Commonwealth University

Authority of Certain Officers to Execute Financing Documents, adopted September 15, 2016, by the Board of Visitors of Virginia Commonwealth University

ATTACHMENT B

Virginia Commonwealth University Funding Authorization 600 and 606 West Grace Street

Background

The Property is located at 600 and 606 West Grace Street, within the same block as the Institute for Contemporary Art (ICA). In May 2018, the Board of Visitors authorized the University to enter into an arrangement with the VCU Real Estate Foundation's (REF) to provide for the ultimate acquisition of the property by the University on a "break-even" basis at some point in the future. Accordingly, VCU intends to purchase the Property from the REF in early fiscal year 21-22. The former improvements (a Sunoco service station) have been demolished and the site is currently used and maintained by VCU.

Purpose and justification

With the acquisition of the Property, the university can begin planned improvements near the intersection of Broad and Belvidere, including welcoming front doors and streetscapes for the Monroe Park Campus and projects to begin the "Grace Street as Main Street" experience for the VCU community.

Cost and funding source

The "break-even" cost the REF has incurred to date is approximately \$4.8 million. This includes all acquisition, demolition and carrying costs. The purchase of the Property will be funded through debt issued by the university.

Zoning, and Environmental Matters

The Property is zoned B-4 - Central Business. The Property was previously environmentally remediated; the REF conducted customary due diligence, including a Phase I site assessment, and no significant concerns were identified.

Recommendation or Action

Approve the resolution to authorize financing for the acquisition of the Property at 600 and 606 West Grace Street from the VCU Real Estate Foundation as previously approved in May 2018 and to execute all documents necessary for the acquisition and financing of the property for a total cost not to exceed \$4.8 million plus associated settlement, due diligence, and transactional costs.

Authorize an amendment to include the property in the university's current six-year capital plan.

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

WHEREAS, Chapter 6.1, Title 23.1 of the Code of Virginia of 1950, as amended (the "Virginia Code"), establishes a public corporation under the name and style of Virginia Commonwealth University (the "University") which is governed by a Board of Visitors (the "Board") vested with the supervision, management and control of the University;

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

WHEREAS, by Chapter 4.10, Title 23.1 of the Virginia Code, the University entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 594 of the Acts of Assembly of 2008 which, as amended, classifies the University as a public institution of higher education and empowers the University with the authority to undertake and implement the acquisition of any interest in land;

WHEREAS, the Board's policy on the Authority to Execute Contracts and Other Documents requires Board approval for the acquisition of real estate;

WHEREAS, on March 22, 2018, the Board approved the acquisition of real estate located at 600-606 W. Grace St. (the "Property").

NOW, THEREFORE, BE IT RESOLVED, that the President, Senior Vice President/Chief Financial Officer, and Vice President for Administration are hereby authorized, directed and empowered to execute, for and on behalf of the University and in its name, any and all documents required in connection with the purchase of the Property, including, without limitation, the incurrence of indebtedness to finance the acquisition of the Property, either through the use of the University's commercial paper program or otherwise; and that;

RESOLVED FURTHER, any actions within the authority conferred hereby, taken prior to the date of the foregoing resolutions, by the aforementioned officers or those delegated to act on their behalf, are hereby ratified, confirmed and approved as the acts and deeds of the University.

ATTACHMENT C

Virginia Commonwealth University
Renovation Financing
Broad and Belvidere Housing
732 West Broad Street

Background

VCU and the VCU Real Estate Foundation (REF) entered an agreement in February 2003 to manage the student housing facility on the corner of Broad and Belvidere (Broad and Belvidere Housing). Under the agreement, the REF constructed, equipped and furnished the facility and the university managed operations. Broad and Belvidere Housing can accommodate 487 student beds and typically achieves high occupancy levels.

Purpose and justification

Broad and Belvidere Housing requires all new building finishes throughout, including flooring and paint, appliances, doors and furniture. New HVAC will be installed throughout the facility as well. VCU recommends renovations begin immediately and be completed prior to students' return to campus in Fall 2021.

Cost and funding source

The total cost of the renovations is estimated at \$9.6 million. The REF anticipates funding approximately \$3.7 million of these expenditures with reserves and the REF existing line of credit. The balance of approximately \$5.9 million is requested to be funded through debt issued by the university and supported by a financing agreement with the REF to pay all financing costs along with principal and interest.

Recommendation

Approve the resolution to authorize financing for the renovation of Broad and Belvidere Housing supported by a financing agreement between the university and the VCU Real Estate Foundation (REF) whereby the REF makes full repayment of all principal, interest and financing costs.

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

Broad and Belvidere Housing Renovation Project Financing

WHEREAS, Chapter 23, Title 23.1 of the Code of Virginia of 1950, as amended (the "Virginia Code"), establishes a public corporation under the name and style of Virginia Commonwealth University (the "University") which is governed by a Board of Visitors (the "Board") vested with the supervision, management and control of the University;

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

WHEREAS, by Chapter 10, Title 23.1 of the Virginia Code, the University entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 594 of the Acts of Assembly of 2008 which, as amended, classifies the University as a public institution of higher education and empowers the University with the authority to undertake and implement the acquisition of any interest in land;

WHEREAS, on February 1, 2003, the University executed a Management Contract with the Virginia Commonwealth University Real Estate Foundation ("REF") whereby REF constructed, equipped, and furnished, and the University manages and operates, a student housing facility on the corner of Broad and Belvidere (the "Broad and Belvidere Housing") in support of residential access for Monroe Park Campus students of the University;

WHEREAS, renovations are recommended at an estimated cost of \$9.6 million; and

WHEREAS, REF has requested assistance in financing \$5.9 million of the cost, with REF and the University entering into a financing agreement whereby REF pays all financing costs along with all principal and interest.

NOW, THEREFORE, BE IT RESOLVED, that the recommended renovations are approved and the incurrence of indebtedness to finance all or a portion of their cost is approved; and

RESOLVED FURTHER, that the President, Senior Vice President/Chief Financial Officer, and Treasurer are hereby authorized, directed and empowered to execute, for and on behalf of the University and in its name, any and all documents and any agreements or modifications to existing agreements with any University-affiliated foundations required in connection with the financing of these renovations, including without limitation the incurrence of indebtedness to finance this project either through the use of the University's commercial paper program or otherwise; and

RESOLVED FURTHER, any actions within the authority conferred hereby, taken prior to the date of the foregoing resolutions, by the aforementioned officers or those delegated to act on their behalf, are hereby ratified, confirmed and approved as the acts and deeds of the University.

ATTACHMENT D

2022-2028 Six-Year Capital Plan

**ONE VCU: The most
transformative capital plan in
VCU's history**

VCU Board of Visitors
May 2021

Iconic Greens





Welcoming Front Doors and Streetscapes





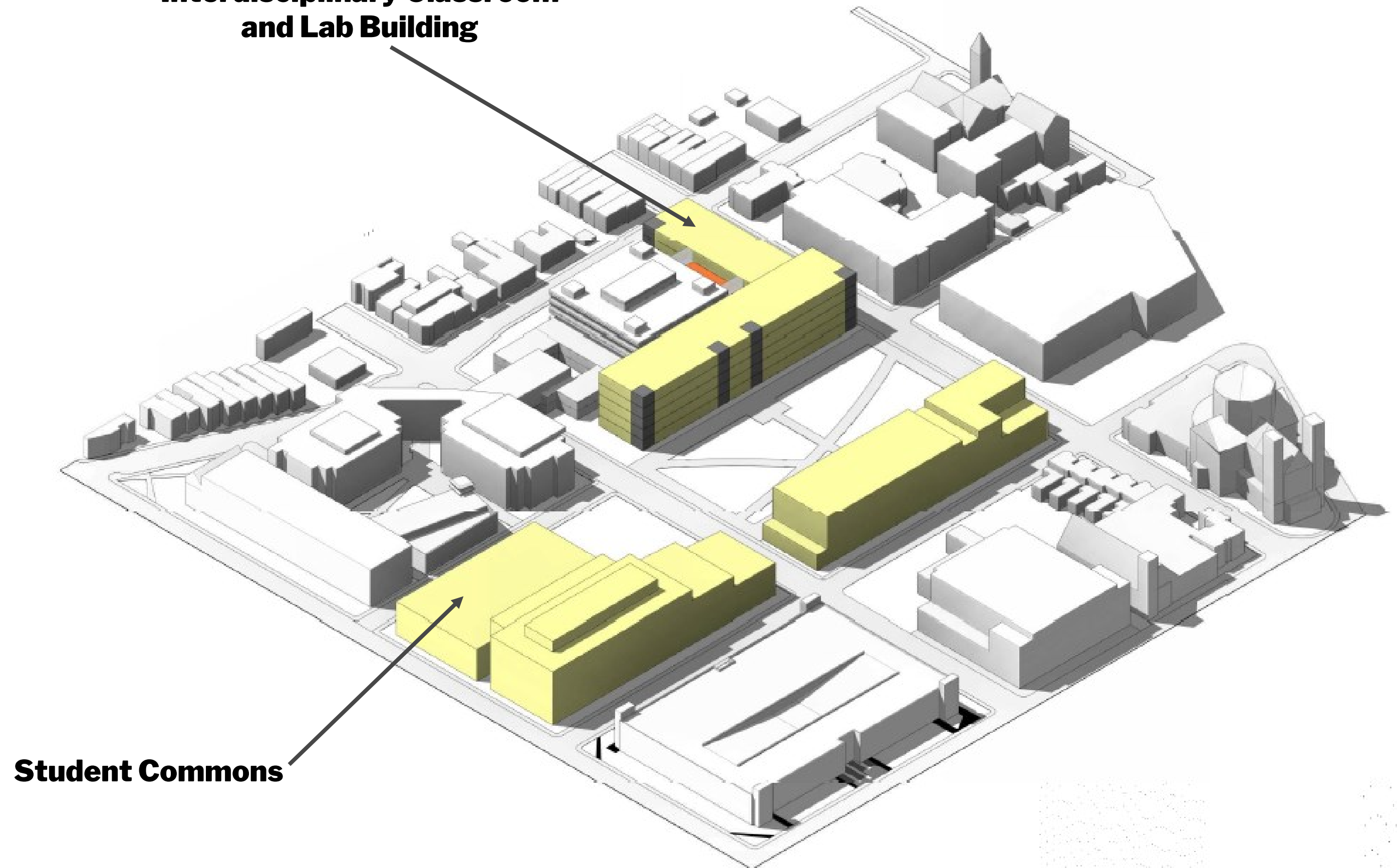
Nationally Prominent Art and Innovation Corridor





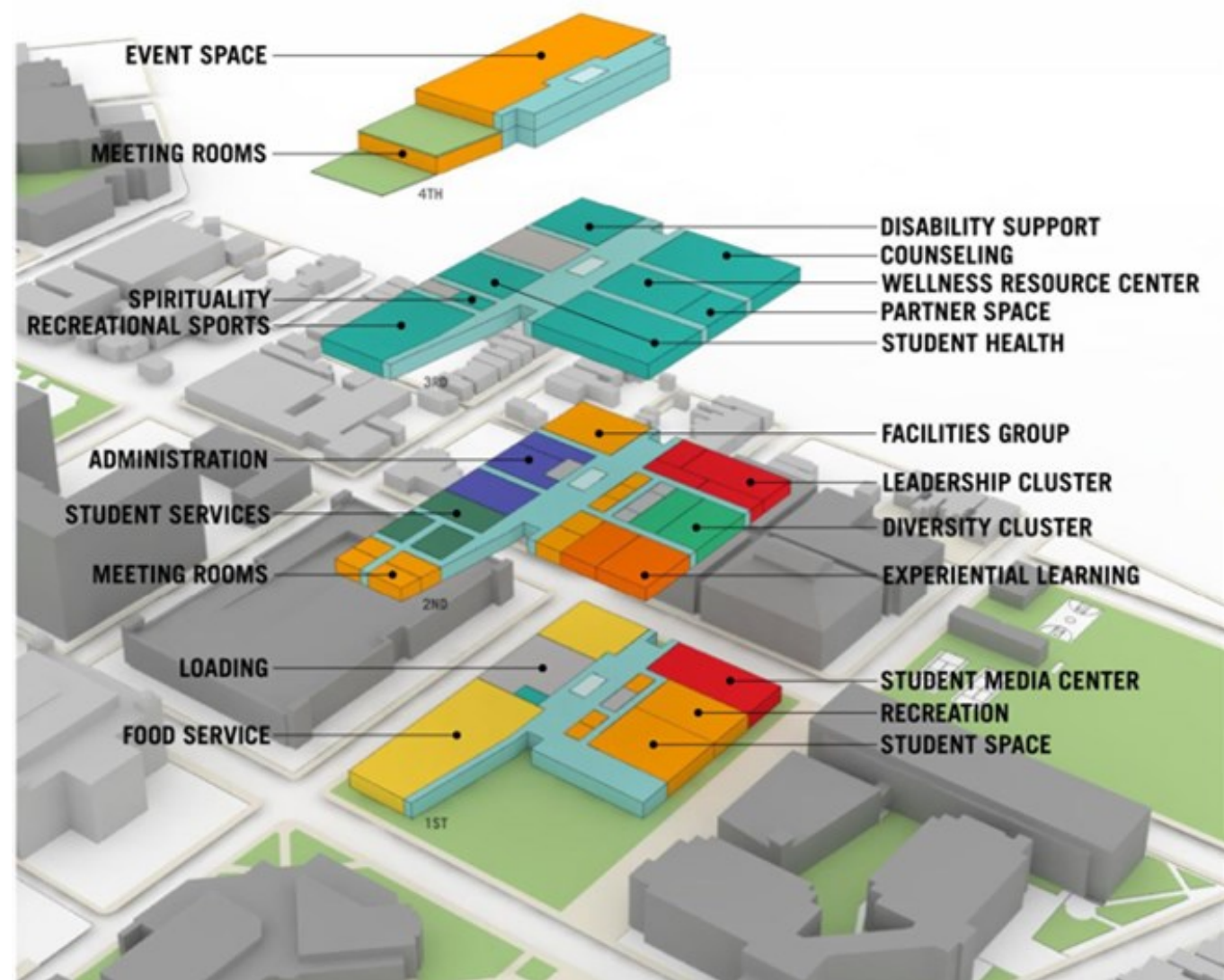
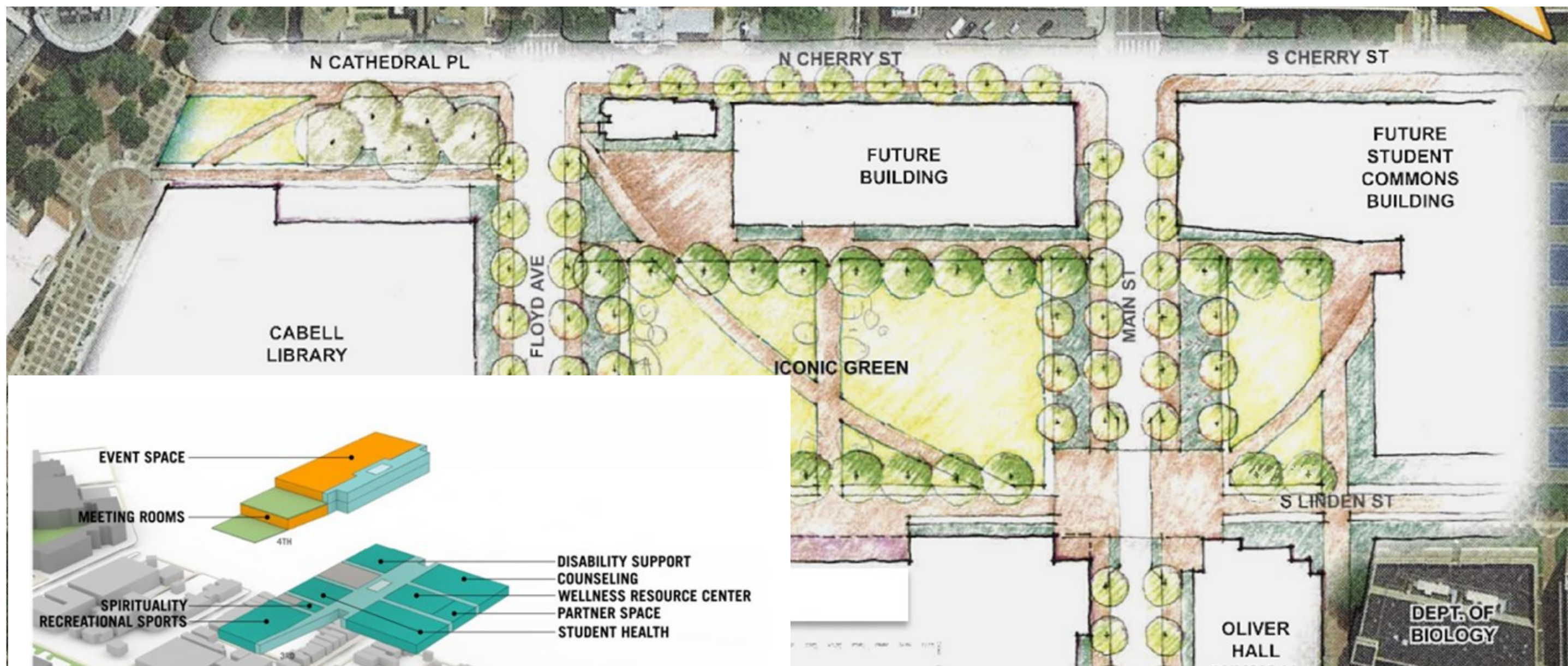
Interdisciplinary Classroom and Laboratory Building

**Interdisciplinary Classroom
and Lab Building**



Student Commons

State-of-the-Art Student Commons



Honors Residence and Retail



Athletic Village





A New Health System Campus





Major Projects

Biennium 2022-2024

Project	State General Fund	Non-General Fund		Total
		Cash/Private/Debt	P3	
State Projects				
STEM Furnishings & Equipment	\$ 10,966,850	\$ -	\$ -	\$ 10,966,850
Arts and Innovation Building	\$ 163,000,567	\$ 18,000,000	\$ -	\$ 181,000,567
Interdisciplinary Classroom and Lab Building	\$ 152,036,070	\$ -	\$ -	\$ 152,036,070
University Projects				
VCU Athletic Village Land	\$ -	TBD	\$ -	\$ -
Front Doors, Campus Main Streets, Streetscapes & Lighting	\$ -	\$ 7,483,995	\$ -	\$ 7,483,995
VCU Athletic Village Tennis Facility	\$ -	TBD	\$ -	\$ -
VCU Athletic Village Practice Fields	\$ -	TBD	\$ -	\$ -
Total	\$ 326,003,487	\$ 25,483,995	\$ -	\$ 351,487,482.00

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



Major Projects

Biennium 2024-2026

Project	State General Fund	Non-General Fund		Total
		Cash/Private/Debt	P3	
State Projects				
School of Dentistry	\$ 196,165,861	\$ -	\$ -	\$ 196,165,861
University Projects				
Student Commons and Wellness Facility and Iconic Green	\$ -	\$ 156,293,186	\$ -	\$ 156,293,186
VCU Athletic Village Multipurpose Indoor Facility	\$ -	TBD	\$ -	TBD
Front Doors, Campus Main Streets, Streetscapes & Lighting	\$ -	\$ 3,579,183	\$ -	\$ 3,579,183
Public Private Partnerships				
Honors Residence Hall & Grace Street Streetscape	\$ -	\$ -	\$ 109,200,000	\$ 109,200,000
Total	\$ 196,165,861	\$ 159,872,369	\$ 109,200,000	\$ 465,238,230

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



Major Projects

Biennium 2026-2028

Projects	State General Fund	Non-General Fund		Total
		Cash/Private/Debt	P3	
State Projects				
Interdisciplinary Health Sciences Bldg., Library and Innovation Center with Central Green (Translational Science)	\$ 234,389,683	\$ 46,889,188	\$ -	\$ 281,278,871
University Projects				
Student Gallery	\$ -	\$ 18,500,000	\$ -	\$ 18,500,000
Recreation Facilities	\$ -	\$ 10,257,935	\$ -	\$ 10,257,935
Welcome Center	\$ -	\$ 64,500,000	\$ -	\$ 64,500,000
Front Doors, Campus Main Streets, Streetscapes & Lighting	\$ -	\$ 2,500,000	\$ -	\$ 2,500,000
Total	\$ 234,389,683	\$ 142,647,123	\$ -	\$ 377,036,806

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

Board of Visitors

Finance, Budget & Investment Committee

May 13, 2021



ATTACHMENT E

Agenda

1. Call To Order and Roll Call
2. Approval of Agenda
3. Action Items
 - a. PROPOSED 2021-22 Tuition and Fees and University Budget Plan



Board of Visitors Meeting Finance, Budget and Investment

May 13, 2021
Karol Kain Gray,
Senior VP & CFO

Agenda

- 2022 Educational and General Budget
- 2022 Tuition and Fees
- 2022 All Funds Budget

2022 Strategic Priorities

- Successfully transition to a post-pandemic environment
- Continue investment in student access, recruitment and retention
- Strengthen faculty and staff compensation
- Invest in infrastructure to maintain forward momentum

New FY2022 E&G Budget Sources

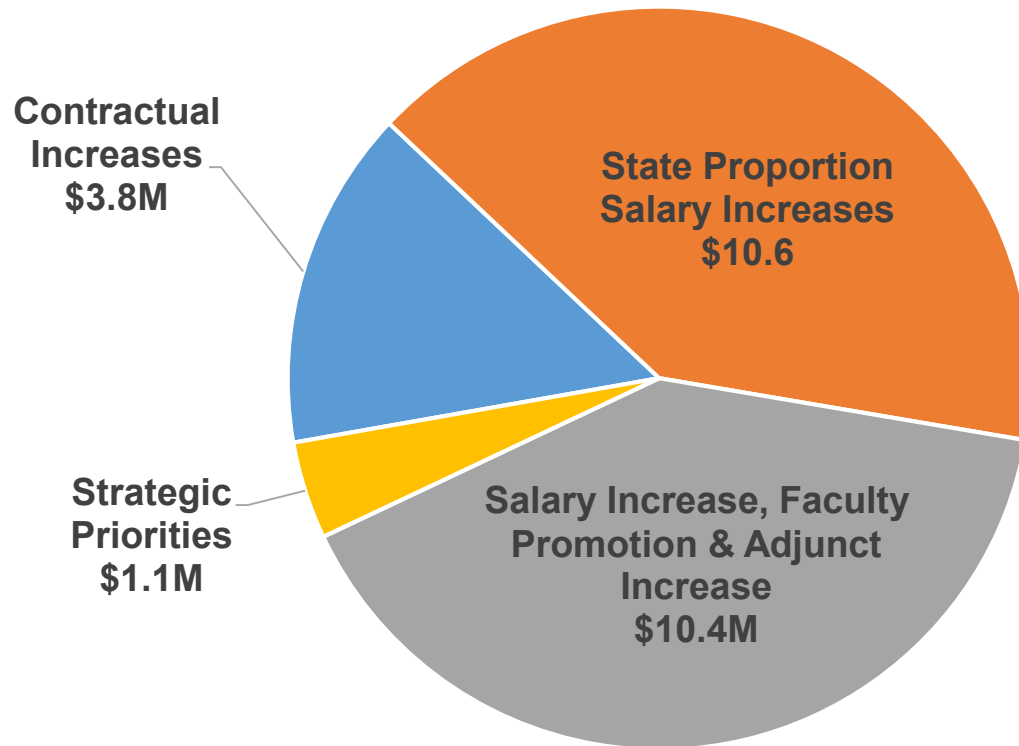
Tuition Growth and State Funding

Operating Item	FY22
Growth In Tuition (enrollment)	\$1.1M
State Affordable Access Operating Funds	\$14.3M
State Portion Merit Salary Increase (5%)	\$10.6M
Total Education and General Funds	\$26M

Financial Aid and Specific Unit Funds	
Massey Cancer Center	\$5.0M
Center for Aging	\$0.2M
Need-Based UG Financial Aid	\$4.6M
Total Education and General Funds	\$9.8M

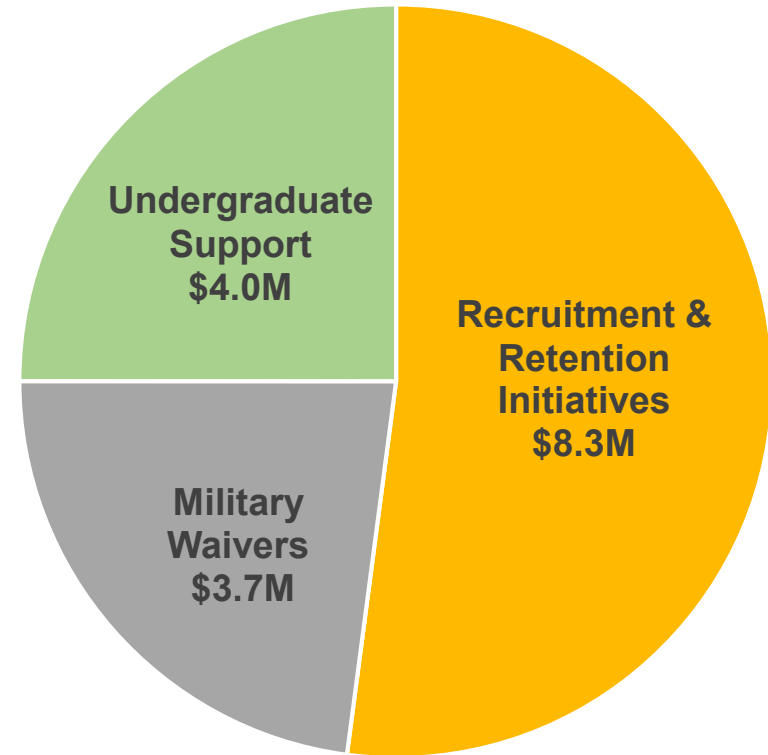
FY2022 E&G Budget Needs

Operational & Mandated Needs



Total Need: \$25.9M

Financial Aid



Total Need: \$16.0M

FY2022 E&G Overview

	Increase Range			
Proposed FY2022 Tuition Rate Increase	0.0%	1.0%	2.0%	3.0%
\$ of UG Proposed Increase	\$ -	\$ 299	\$ 415	\$ 531

FY2022 Projected Revenue Growth

Other Tuition Rate Growth	\$ 0	\$ 3,441	\$ 6,882	\$ 10,322
Enrollment Growth	1,100	1,111	1,608	1,624
State Portion Salary Increases	10,553	10,923	10,923	10,923
State Support	14,329	14,329	14,329	14,329
Total Revenue Growth	25,982	29,804	33,742	37,198

Proposed FY2022 Projected Expenses

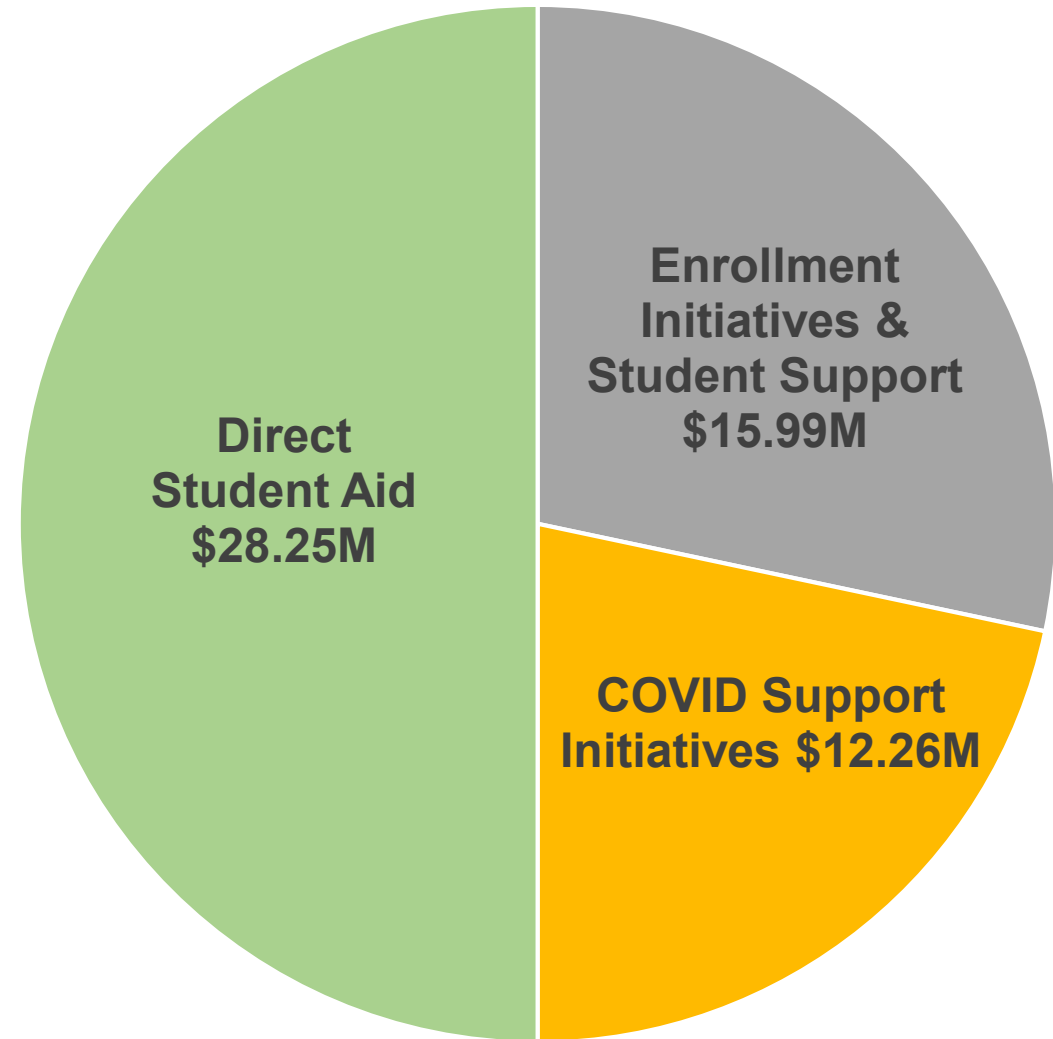
State Portion Salary Increases	(10,553)	(10,923)	(10,923)	(10,923)
Salary, Operating and Contractual Needs	(15,419)	(15,049)	(15,049)	(15,049)
Aid and Enrollment Initiatives	(16,003)	(16,003)	(16,003)	(16,000)
Net Expense Needs	(41,975)	(41,975)	(41,975)	(41,972)

Projected Shortfall	(\$15,993)	(\$12,171)	(\$8,233)	(\$4,774)
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*Shortfall to be funded from HEERF III
and/or Additional Enrollment Growth

FY2022 Planned Use of HEERF III

- Allocates \$56.5M to VCU 50% for direct student aid; 50% for the institution
- \$15.99M Institutional share planned for enrollment initiatives and student support
- Remaining \$12.26 funding allocated for lost revenues, additional COVID testing and PPE, financial aid and technology infrastructure improvements



Summary of Recommended Tuition and Fees FY2022

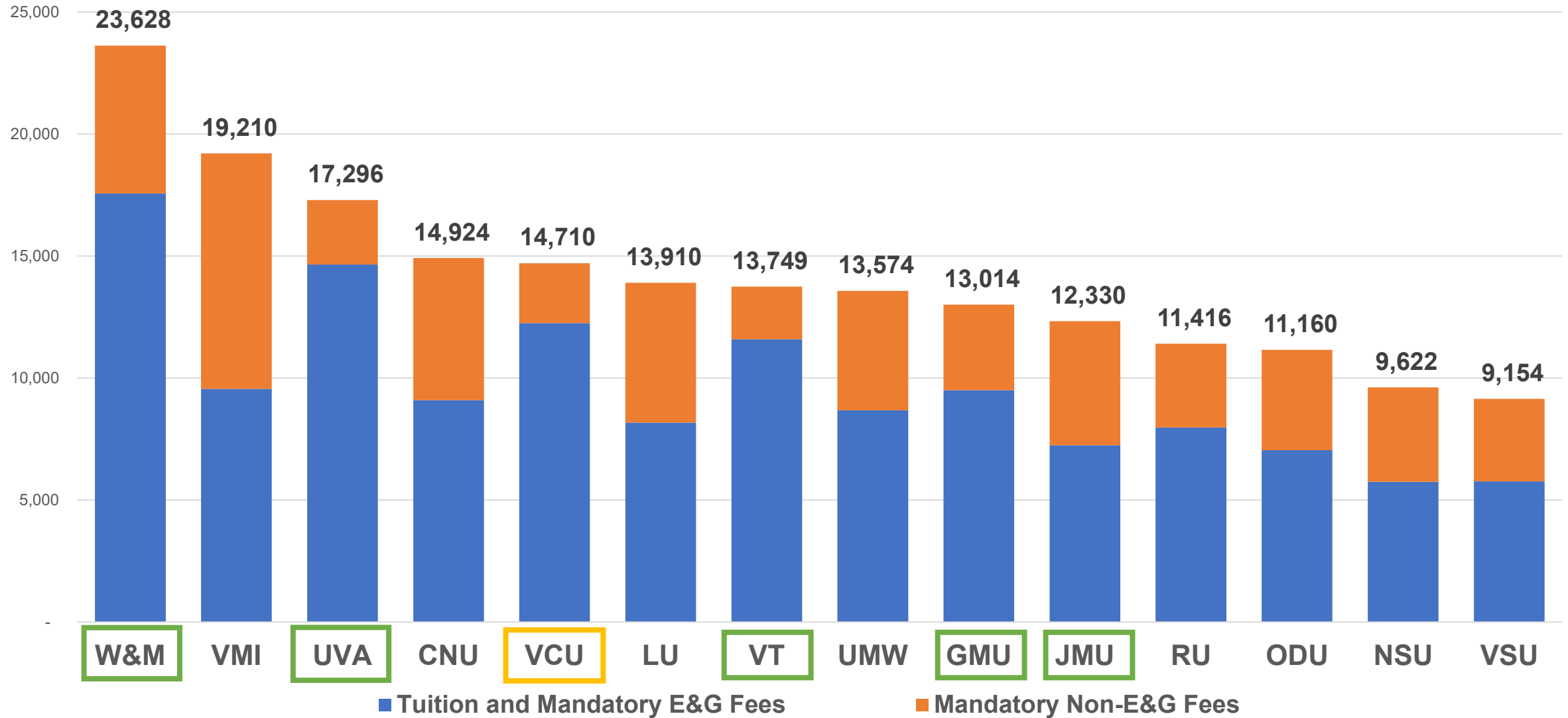
Tuition & Fees – Undergraduate Resident

Resident Undergraduate Tuition & Fees					
Tuition Increase %		0.0%	1.0%	2.0%	3.0%
Fee Increase %		5.5%	5.5%	5.5%	5.5%
Overall Increase %		1.0%	2.0%	2.8%	3.6%
	FY2021		FY2022		
Tuition ¹	12,094	12,094	12,240	12,356	12,472
Student Fees ²	2,781	2,934	2,934	2,934	2,934
Total Tuition & Fees	\$ 14,875	\$ 15,028	\$ 15,174	\$ 15,290	\$ 15,406
Total Proposed Increase		\$ 153	\$ 299	\$ 415	\$ 531

¹Based on 15 credits a semester, 30 credits per academic year.

²Fees reflect the merging of online and technology fees

Comparative In-State Tuition and Mandatory Fees (FY21 data)



Undergraduate Resident Inclusive of Room and Board

Resident Undergraduate Tuition, Fees, Room & Board					
Tuition Increase %		0.0%	1.0%	2.0%	3.0%
Fee Increase %		5.5%	5.5%	5.5%	5.5%
Room and Board Increase %		2.8%	2.8%	2.8%	2.8%
Overall Increase %		1.8%	2.4%	2.8%	3.2%
	FY2021		FY2022		
Tuition - 15 Credit Hours	12,094	12,094	12,240	12,356	12,472
Student Fees	2,781	2,934	2,934	2,934	2,934
Total Tuition and Fees	\$ 14,875	\$ 15,028	\$ 15,174	\$ 15,290	\$ 15,406
Room	6,817	6,953	6,953	6,953	6,953
Board	4,480	4,662	4,662	4,662	4,662
Total Tuition, Fees, Room & Board	\$ 26,172	\$ 26,643	\$ 26,789	\$ 26,905	\$ 27,021
Tuition and Fee Change		\$ 153	\$ 299	\$ 415	\$ 531
Tuition, Fees, Room & Board Change		\$ 471	\$ 617	\$ 733	\$ 849

Tuition & Fees – Undergraduate Non-Resident

Non-Resident Undergraduate Tuition & Fees					
Tuition Increase %		0.0%	1.0%	2.0%	3.0%
Fee Increase %		4.4%	4.4%	4.4%	4.4%
Overall Increase %		0.9%	1.8%	2.7%	3.6%
	FY2021		FY2022		
Tuition ¹	32,742	32,742	33,090	33,410	33,728
Student Fees ²	3,471	3,624	3,624	3,624	3,624
Total Tuition & Fees	\$ 36,213	\$ 36,366	\$ 36,714	\$ 37,034	\$ 37,352
Total Proposed Increase		\$ 153	\$ 501	\$ 821	\$ 1,139

¹Based on 15 credits a semester, 30 credits per academic year.

²Fees include the online and technology fee conversion

Summary of Tuition Recommendations for FY2022

Tuition \$ Increase	Tuition % Increase	Fee \$ * Increase	Fee % Increase	Student Classification
-	0.0%	\$ 153	5.5%	Resident Undergraduate
-	0.0%	\$ 153	4.4%	Non-Resident Undergraduate
-	0.0%	\$ 153	5.5%	Resident Masters
-	0.0%	\$ 153	4.4%	Non-Resident Masters
-	0.0%	\$ 153	5.5%	Resident Doctoral
-	0.0%	\$ 153	4.4%	Non-Resident Doctoral
-	0.0%	\$ 211	6.8%	Resident Medicine
-	0.0%	\$ 211	5.6%	Non-Resident Medicine
-	0.0%	\$ 11	0.3%	Resident Pharmacy
-	0.0%	\$ 11	0.3%	Non-Resident Pharmacy
-	0.0%	\$ 688	4.1%	Resident Dentistry
-	0.0%	\$ 688	3.9%	Non-Resident Dentistry

***\$153 Full Time Increase for Mandatory Fees:**

- Technology and Online Combination net \$35
- University Fee \$107
- Health Service Fee \$11

FY2022 Non-Mandatory Fees

Housing Rates: increase of \$136 or 2% to fund salary, utilities and contract cost increases. Most typical rate will be \$6,953.

Dining Rates: increase of \$182 or 3.9% to fund ARAMARK contract increase and increase of the minimum wage. Most typical rate will be \$4,662.

Parking Rates: Increase of \$10 or 2% to fund deferred maintenance, operations and alternate transportation initiatives. Most typical rates will be \$486.

All Funds FY2021-2022 Budget

Sponsored Programs= \$388M

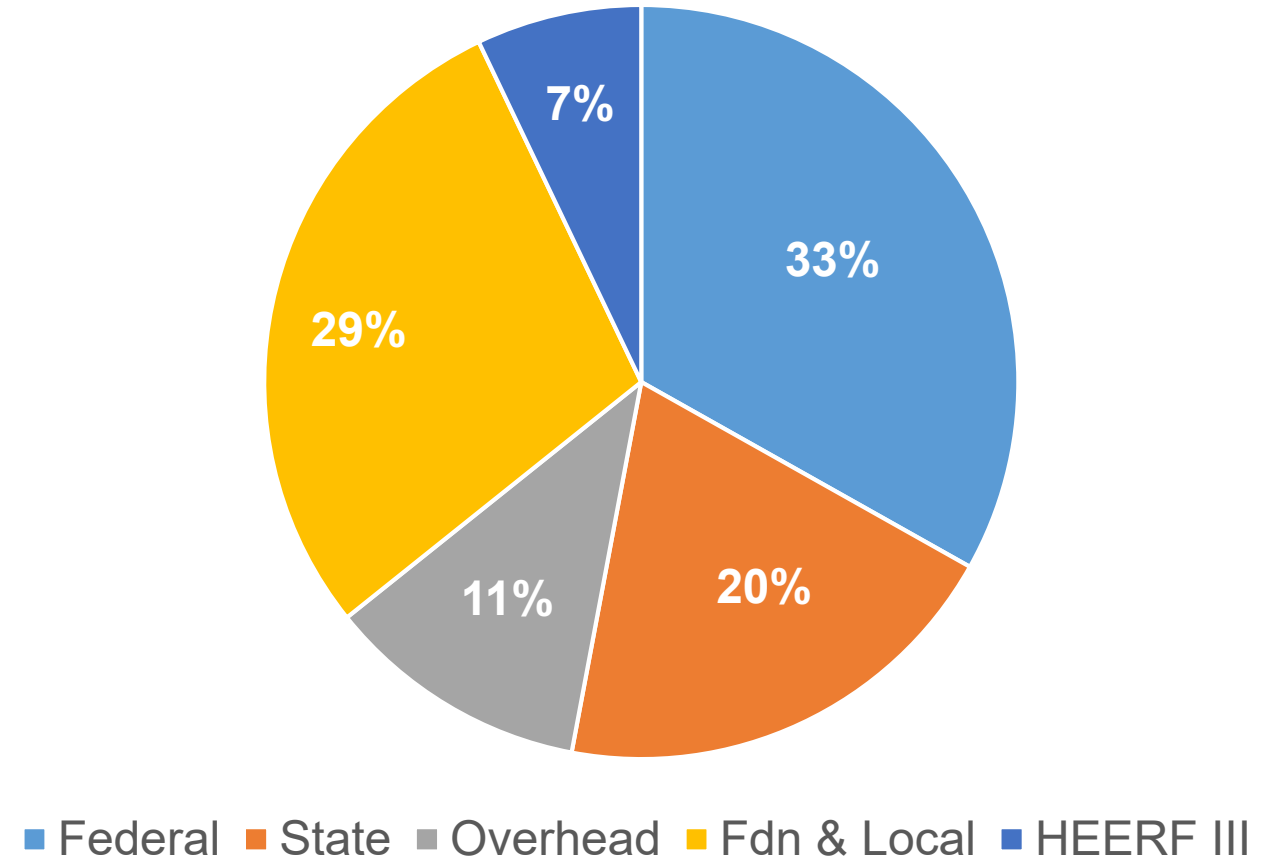
Budgeted research expenditures

- FY18 \$225M to FY22 \$388M
- 72% increase in budget over the past 5 years
- Includes \$28M in HEERF III

Significant grants awarded or expected include:

- PHLOW and M4All
- Translational Research Center in Lung Cancer Disparities (TRACER)
- VSU-MCC Partnership for Cancer Disparities Research and Training program (SUCCEED)

Sources of Sponsored Funding



Auxiliary Fund Total Uses = \$152M

Dining

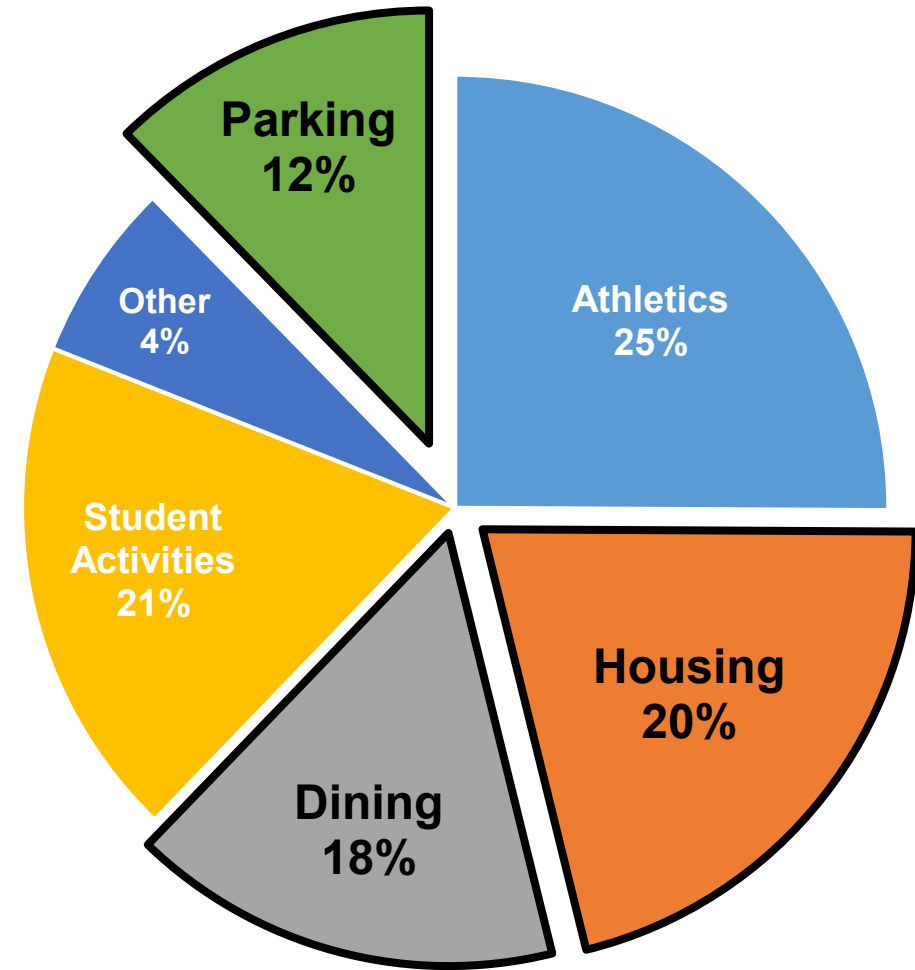
- Provide base salary increases to front line staff
- Continue to assess new vendors/locations
- 3.9% increase in average plan rates

Housing

- Near-normal operations
- Reserve rooms for possible quarantine requirements
- 2% increase in most typical plan

Parking

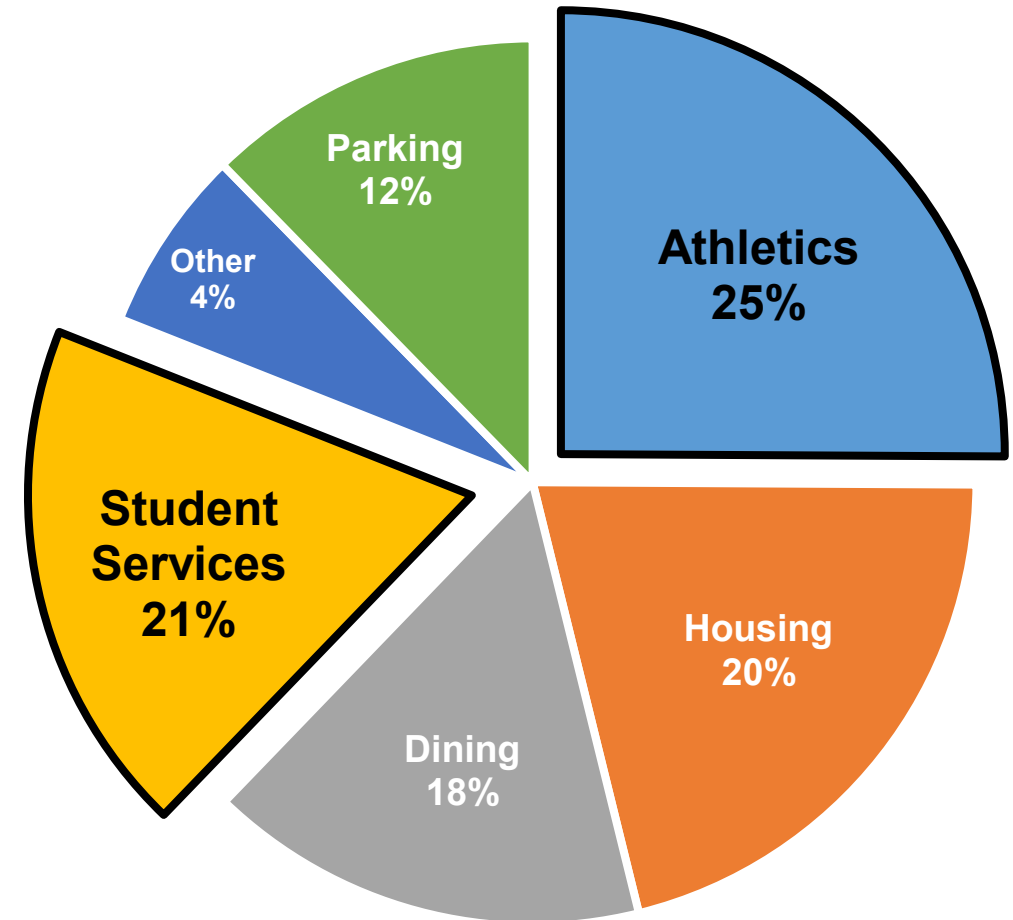
- Support maintenance and contractual needs
- 2% increase in student plan



Auxiliary Fund Total Uses = \$152M

Athletics & Student Services

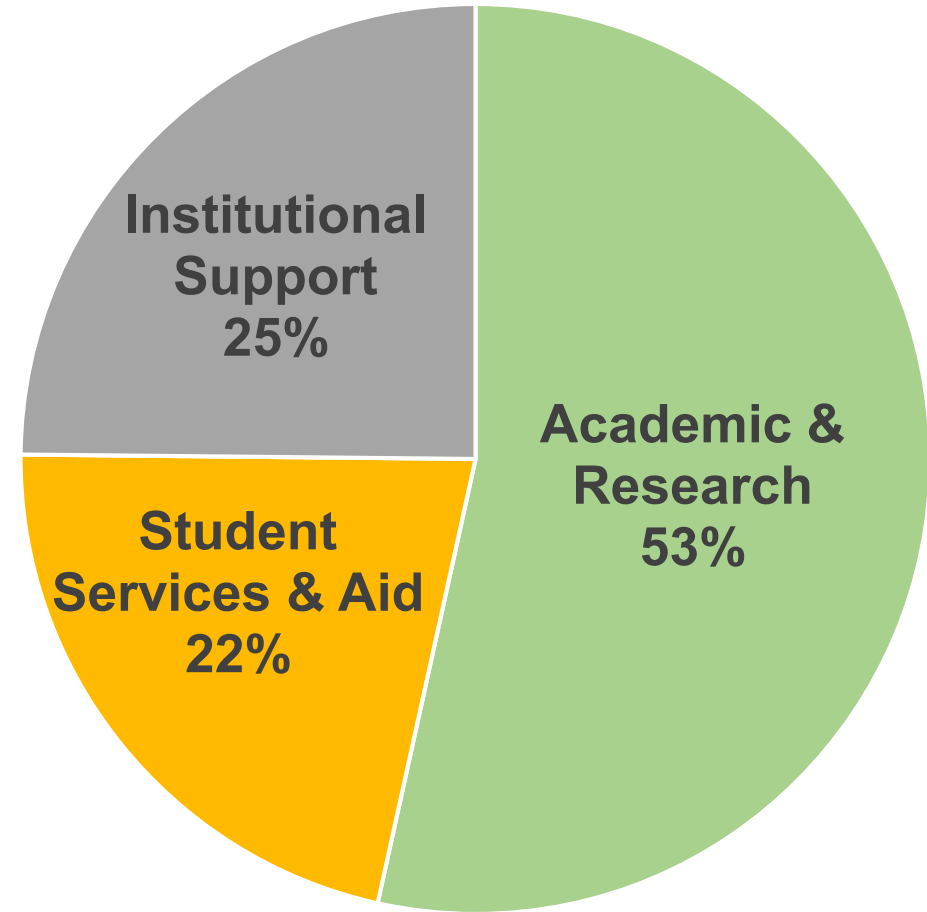
- Support contractual and salary increases as well as new debt service
- University fee and health fee increase by 5%
- Return to pre-pandemic levels for operations in athletics, student activities, recreational sports, counseling, etc.



University Funds = \$56M

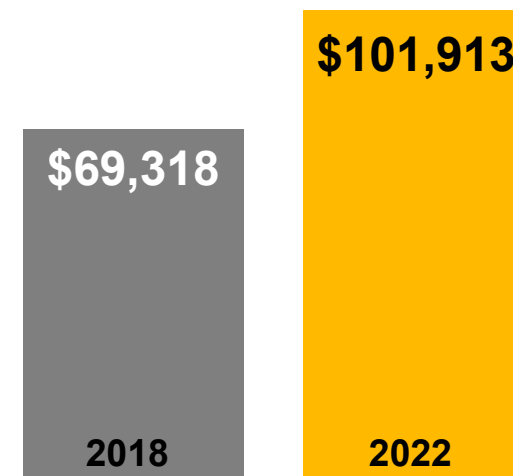
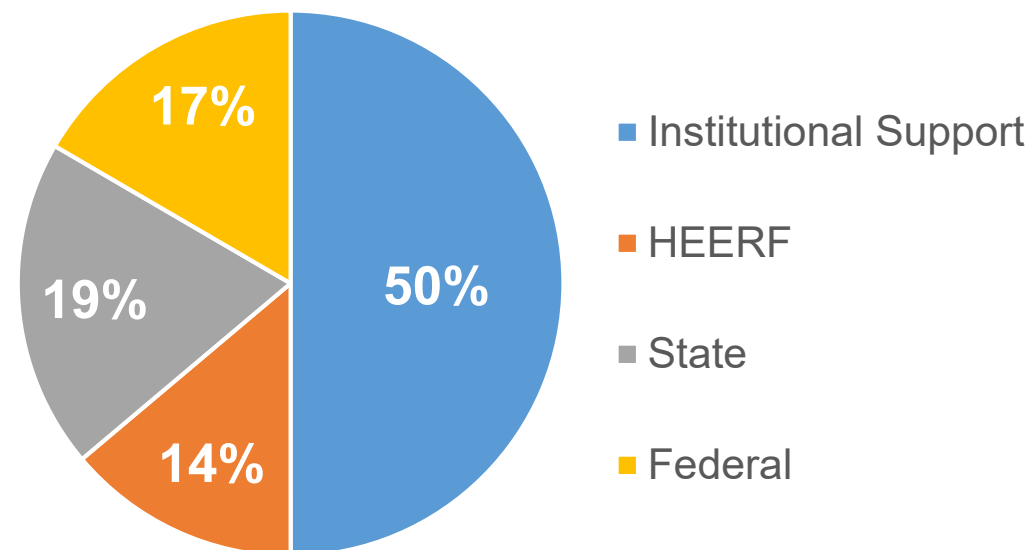
- Gift and investment income expenditures focus on academics and research
- Approximately \$12M is budgeted for student support
- New fundraising will leverage experience gained with online audience and will grow alumni connections

University Funds Uses



Financial Aid = \$204M

- \$102M in Federal and State support
- Includes \$28M of direct student support from HEERF funds
- Other federal funds support Pell and work-study
- Over a \$4M increase in State funding
- Increased institutional funding for undergraduates, non-residents and military waivers

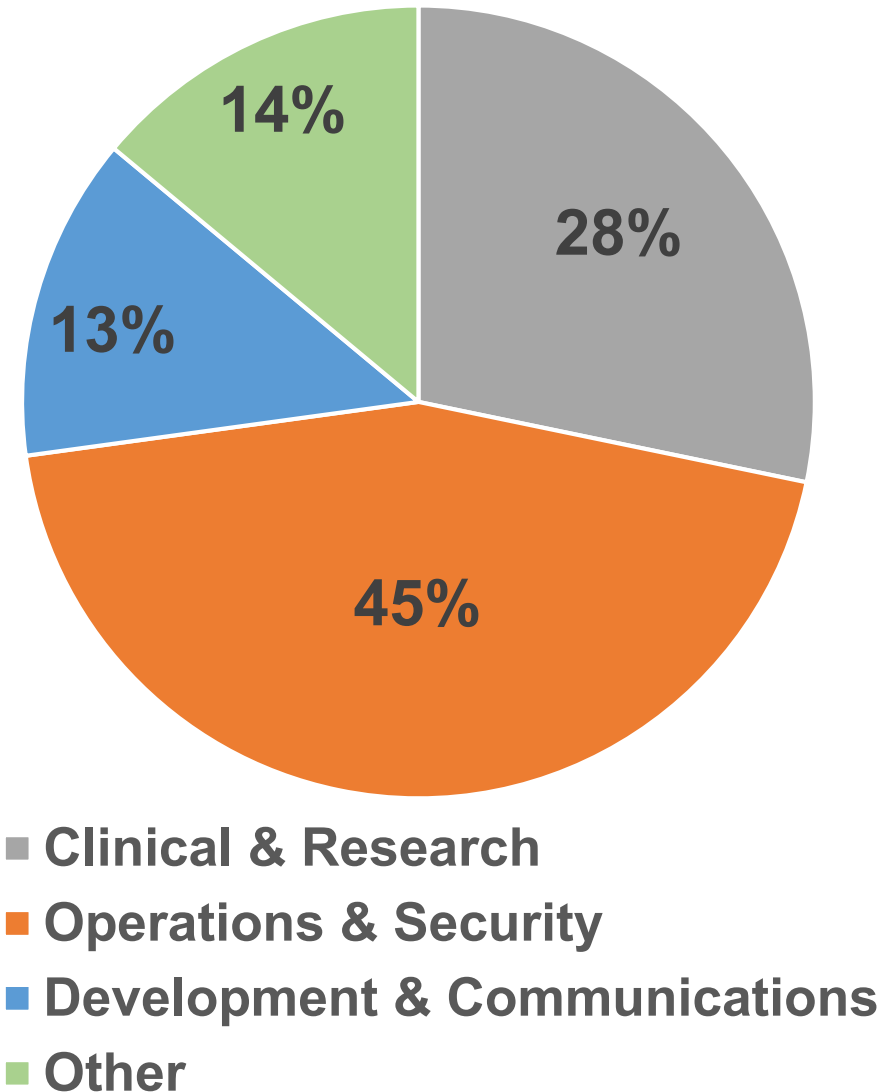


Growing institutional investment

Note: Summary of all funds only reflects Federal & State support

Hospital Services = \$42M

- Research and clinical services include all health sciences schools plus Massey
- Operation and security includes utilities, telecomm and police services
- Development and communications are coordinated across VCU Health and university



Virginia Commonwealth University
FY2021-2022 University Budget Plan
Sources Summary
(in thousands)

FY 2021-2022 Sources	Educational & General Programs	Sponsored Programs			Qatar	University Funds	Student Financial Assistance	Hospital Services	Total University
		Direct Costs	Facilities & Admin. Costs	Auxiliary Enterprises					
State General Fund									
Direct Appropriations	\$ 218,306	\$ 19,013	\$ -	\$ -	\$ -	\$ -	\$ 39,834	\$ -	\$ 277,153
Central Transfers	-	-	-	-	-	-	-	-	\$ -
State General Fund	\$ 218,306	\$ 19,013	\$ -	\$ -	\$ -	\$ -	\$ 39,834	\$ -	\$ 277,153
Nongeneral Funds									
Student Tuition and Fees	439,392	-	-	61,825	-	-	-	-	501,217
Grants and Contracts	140	334,139	45,000	-	-	-	62,089	-	441,368
Gifts and Investment Earnings	100	-	-	5,662	-	44,750	-	-	50,512
Sales and Services	6,815	-	-	84,641	39,989	-	-	41,861	173,306
Other Sources	3,110	-	-	1,647	-	11,615	-	-	16,372
Total Nongeneral Funds	449,557	334,139	45,000	153,775	39,989	56,365	62,089	41,861	1,182,776
Transfers in (out)	10,635	-	(10,635)	-	-	-	-	-	-
Total University Sources	\$ 678,498	\$353,152	\$ 34,365	\$ 153,775	\$39,989	\$ 56,365	\$ 101,923	\$41,861	\$1,459,929

Virginia Commonwealth University

FY2021-2022 University Budget Plan

Expenditure Summary

(in thousands)

FY 2021-2022 Uses	Educational & General Programs	Sponsored Programs		Auxiliary Enterprises	Qatar	University Funds	Student Financial Assistance	Hospital Services	Total University
		Direct Costs	Facilities & Admin. Costs						
Instruction	\$ 323,688	\$ -	\$ -	\$ -	\$39,989	\$ 5,378	\$ -	\$ -	\$ 369,055
Research	20,666	353,152	25,034	-	-	11,425	-	-	410,277
Public Service	4,406	-	-	-	-	2,068	-	-	6,474
Academic Support	120,190	-	729	-	-	13,324	-	-	134,243
Student Services	17,349	-	-	-	-	763	-	-	18,112
Institutional Support	84,419	-	1,660	-	-	10,657	-	-	96,736
Operation and Maintenance of Plant	63,478	-	3,201	-	-	1,279	-	1,000	68,958
Scholarships and Fellowships	35,733	-	1,716	-	-	11,471	97,295	-	146,215
Auxiliary Enterprises	-	-	-	152,158	-	-	-	-	152,158
Hospital Services	-	-	-	-	-	-	-	40,861	40,861
Subtotal Uses	669,929	353,152	32,340	152,158	39,989	56,365	97,295	41,861	1,443,089
Transfers in (out)	-	-	-	(4,628)	-	-	4,628	-	-
Contingencies and Reserves	8,569	-	2,025	6,245	-	-	-	-	16,839
Total University Uses	\$ 678,498	\$353,152	\$ 34,365	\$ 153,775	\$39,989	\$ 56,365	\$ 101,923	\$41,861	\$1,459,928



3. Action Items

b. RESOLUTIONS:

- i. Administrative Titles in Financing-Related Resolutions
- ii. Sunoco Property at 600-606 West Grace Street Funding Authorization
- iii. Broad and Belvidere Renovation Funding Authorization

For action: Administrative Titles in Financing-Related Resolutions

Background

The Board has adopted various resolutions authorizing the incurrence of debt to finance or refinance projects and named various officers of Virginia Commonwealth University (the "University") as authorized officers who are authorized or have been delegated authority to take certain actions regarding the incurrence of debt and the financing and refinancing of projects.

Since the resolutions were adopted the titles of the officers named in the Prior Resolutions have changed and the Board has determined to ratify and reaffirm the authorizations and delegations in the Prior Resolutions and identify the current titles of the authorized officers under the Prior Resolutions. issued by the university.

Recommendation

Approve the resolution to amend the current titles of the authorized officers under the prior resolutions issued by the University.

For action: Funding authorization

600 and 606 West Grace Street

Background

The Property is located at 600 and 606 West Grace Street, within the same block as the Institute for Contemporary Art (ICA). In May 2018, the Board of Visitors authorized the university to enter into an arrangement with the VCU Real Estate Foundation (REF) to provide for the ultimate acquisition of the Property by the university on a “break-even” basis at some point in the future. Accordingly, VCU intends to purchase the Property from the REF in early fiscal year 21-22. The former improvements (a Sunoco service station) have been demolished and the site is currently used and maintained by VCU.

Costs

The “break-even” cost the REF has incurred to date is approximately \$4.8M. This includes all acquisition, demolition and carrying costs. The purchase of the Property will be funded through debt issued by the university.

Recommendation

Approve the resolution to authorize financing for the acquisition of the Property at 600 and 606 West Grace Street from the VCU Real Estate Foundation as previously approved in May 2018 and to execute all documents necessary for the acquisition and financing of the property for a total cost not to exceed \$4.8M plus associated settlement, due diligence, and transactional costs.

Authorize an amendment to include the Property in the university’s current six-year capital plan.

For action: Renovation financing

Renovation of 732 West Broad Street | Broad and Belvidere Housing

Background

VCU and the VCU Real Estate Foundation (REF) entered an agreement in February 2003 to manage the student housing facility on the corner of Broad and Belvidere. Under the agreement, the REF constructed, equipped and furnished the facility and the university managed operations. Broad and Belvidere Housing can accommodate 487 student beds and typically achieves high occupancy levels.

Costs

The total cost of the renovations is estimated at \$9.6M. The REF anticipates funding approximately \$3.7 million of these expenditures with reserves and the REF existing line of credit. The balance of approximately \$5.9M is requested to be funded through debt issued by the university and supported by a financing agreement with the REF to pay all financing costs along with principal and interest.

Recommendation

Approve the resolution to authorize financing for the renovation of Broad and Belvidere Housing supported by a financing agreement between the university and the VCU Real Estate Foundation whereby the REF makes full repayment of all principal, interest and financing costs.

3. Action Items

c. PROPOSED 2022-2028 SIX YEAR CAPITAL PLAN



2022-2028 Six-Year Capital Plan

ONE VCU: The most transformative capital plan in VCU's history

VCU Board of Visitors
May 2021

Iconic Greens





Welcoming Front Doors and Streetscapes



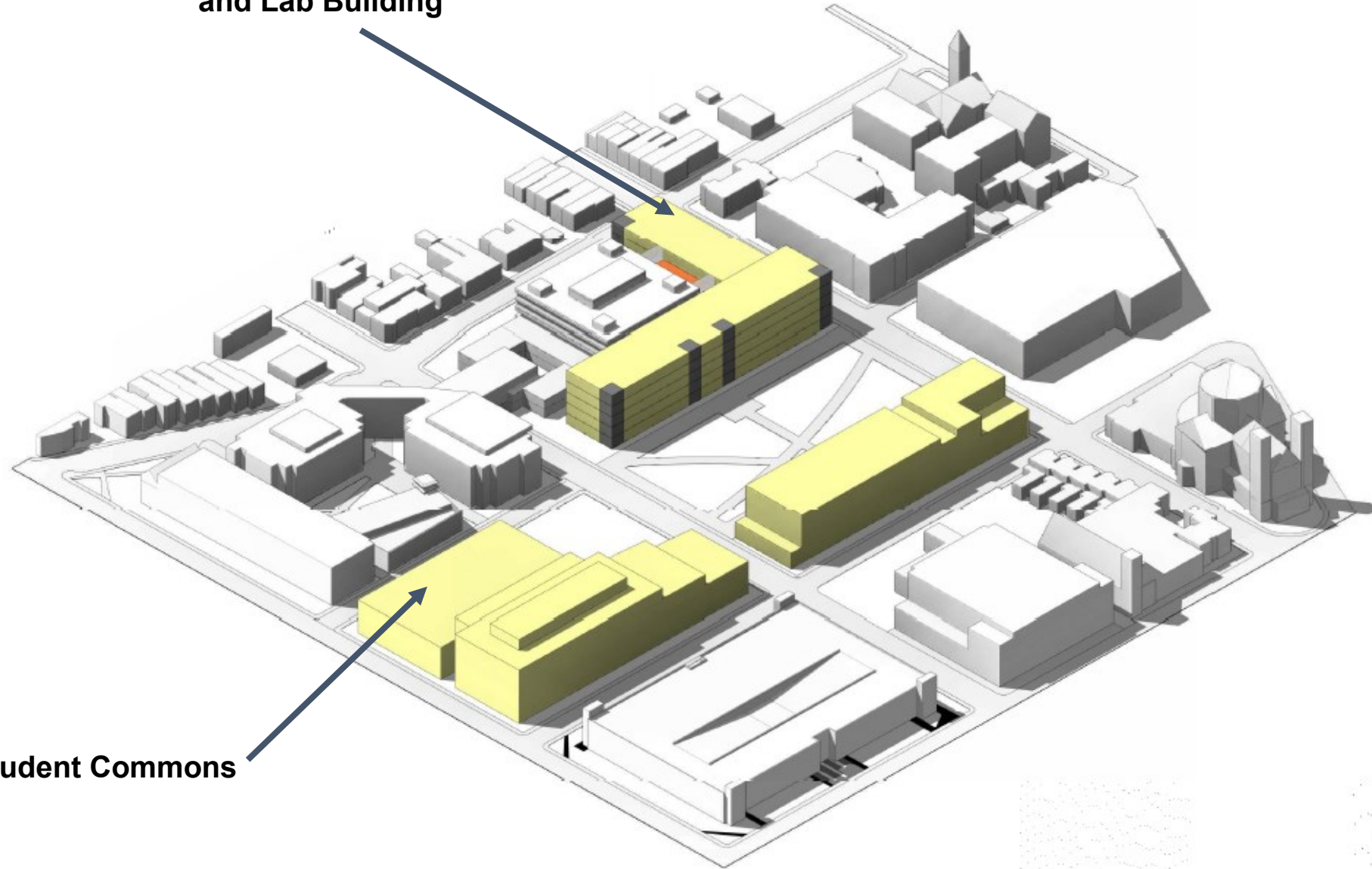
Nationally Prominent Art and Innovation Corridor





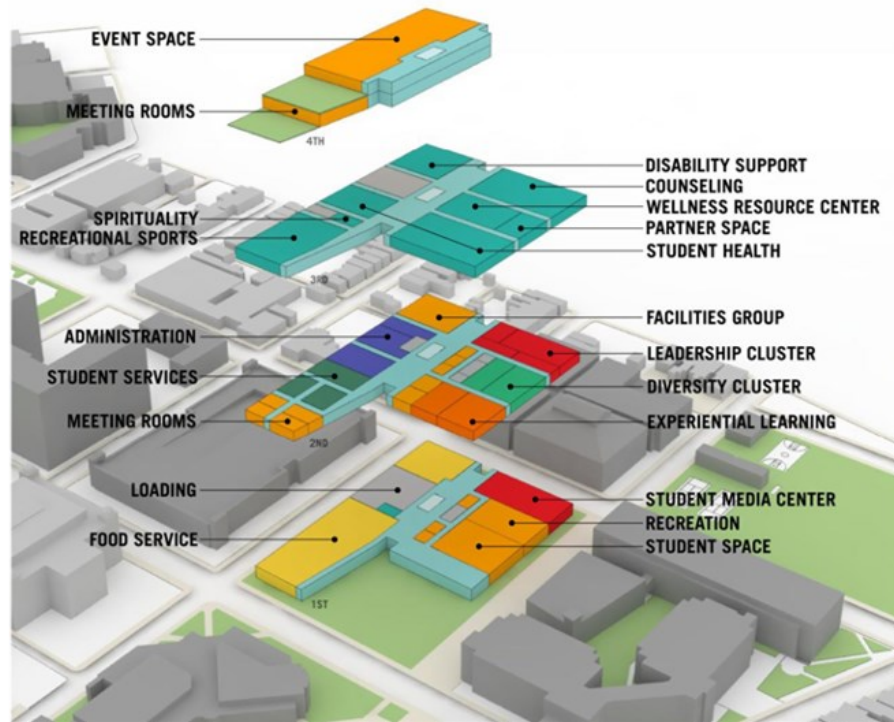
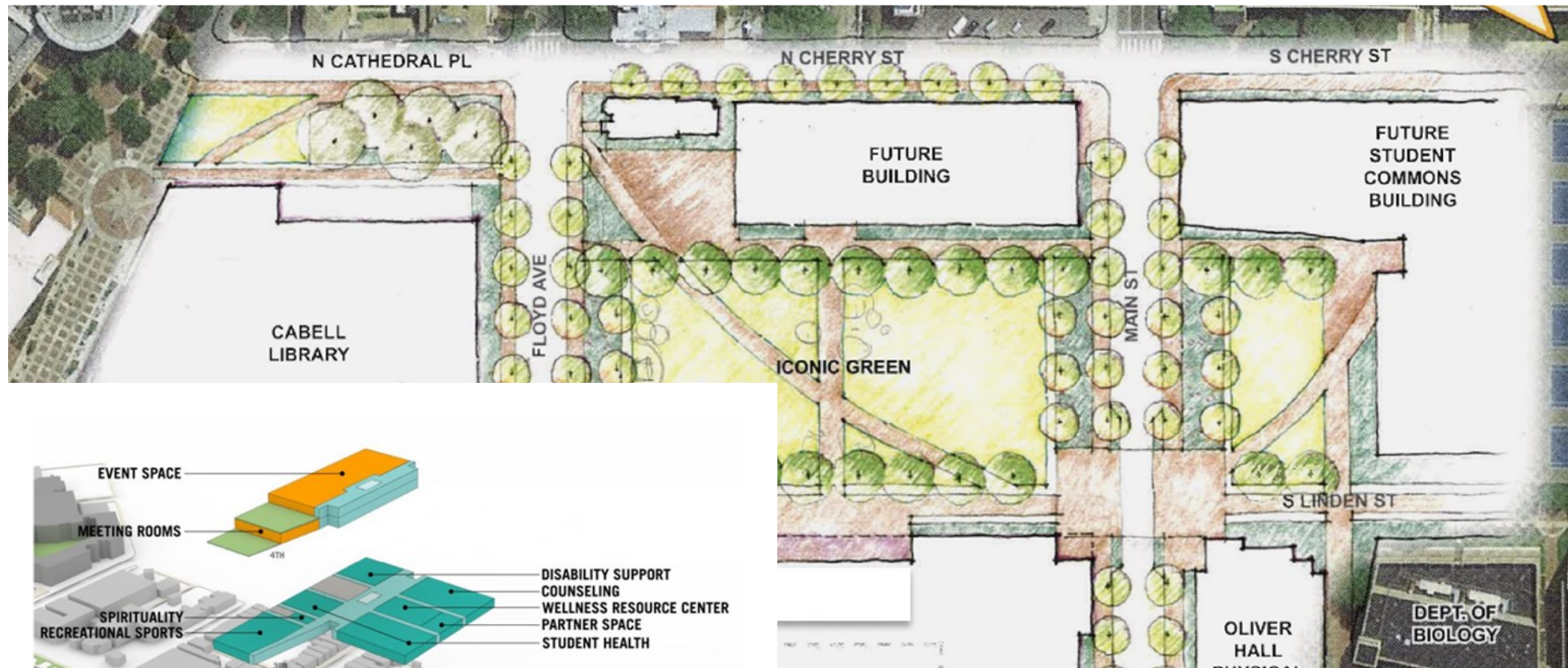
Interdisciplinary Academic and Laboratory Building

**Interdisciplinary Academic
and Lab Building**



Student Commons

State-of-the-Art Student Commons



Honors Residence and Retail



Athletic Village





A New Health System and Health Sciences Campus







Purpose

The proposed Six-Year Capital Plan is a prioritization of key projects outlined in the ONE VCU Master Plan.

As part of the Commonwealth's biennial budget process, the university prepares and the Board of Visitors approves a Six-Year Capital Plan. Projects are categorized as:

- **State Projects:** Requiring state funding and are submitted to the Governor
- **University Projects:** Requiring other funding sources and are not submitted to the Governor

The Governor evaluates VCU's projected capital needs and incorporates his recommendations into the Executive Budget for consideration by the General Assembly.

Major Projects

Biennium 2022-2024

Project	State General Fund	Non-General Fund		Total
		Cash/Private/Debt	P3	
State Projects				
STEM Furnishings & Equipment	\$ 10,966,850	\$ -	\$ -	\$ 10,966,850
Arts and Innovation Building	\$ 163,000,567	\$ 18,000,000	\$ -	\$ 181,000,567
Interdisciplinary Academic and Lab Building	\$ 152,036,070	\$ -	\$ -	\$ 152,036,070
University Projects				
VCU Athletic Village Land	\$ -	TBD	\$ -	\$ -
Front Doors, Campus Main Streets, Streetscapes & Lighting	\$ -	\$ 7,483,995	\$ -	\$ 7,483,995
VCU Athletic Village Tennis Facility	\$ -	TBD	\$ -	\$ -
VCU Athletic Village Practice Fields	\$ -	TBD	\$ -	\$ -
Total	\$ 326,003,487	\$ 25,483,995	\$ -	\$ 351,487,482.00

Costs are estimated.

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

Major Projects

Biennium 2024-2026

Project	State General Fund	Non-General Fund		Total
		Cash/Private/Debt	P3	
State Projects				
School of Dentistry	\$ 196,165,861	\$ -	\$ -	\$ 196,165,861
University Projects				
Student Commons and Wellness Facility and Iconic Green	\$ -	\$ 156,293,186	\$ -	\$ 156,293,186
VCU Athletic Village Multipurpose Indoor Facility	\$ -	TBD	\$ -	TBD
Front Doors, Campus Main Streets, Streetscapes & Lighting	\$ -	\$ 3,579,183	\$ -	\$ 3,579,183
Public Private Partnerships				
Honors Residence Hall & Grace Street Streetscape	\$ -	\$ -	\$ 109,200,000	\$ 109,200,000
Total	\$ 196,165,861	\$ 159,872,369	\$ 109,200,000	\$ 465,238,230

Costs are estimated.

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

Major Projects

Biennium 2026-2028

Projects	State General Fund	Non-General Fund		Total
		Cash/Private/Debt	P3	
State Projects				
Interdisciplinary Health Sciences Bldg., Library and Innovation Center with Central Green (Translational Science)	\$ 234,389,683	\$ 46,889,188	\$ -	\$ 281,278,871
University Projects				
Student Gallery	\$ -	\$ 18,500,000	\$ -	\$ 18,500,000
Recreation Facilities	\$ -	\$ 10,257,935	\$ -	\$ 10,257,935
Welcome Center	\$ -	\$ 64,500,000	\$ -	\$ 64,500,000
Front Doors, Campus Main Streets, Streetscapes & Lighting	\$ -	\$ 2,500,000	\$ -	\$ 2,500,000
Total	\$ 234,389,683	\$ 142,647,123	\$ -	\$ 377,036,806

Costs are estimated.

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

Recommendation

Approve the VCU 2022-2028 Six Year Capital Plan.

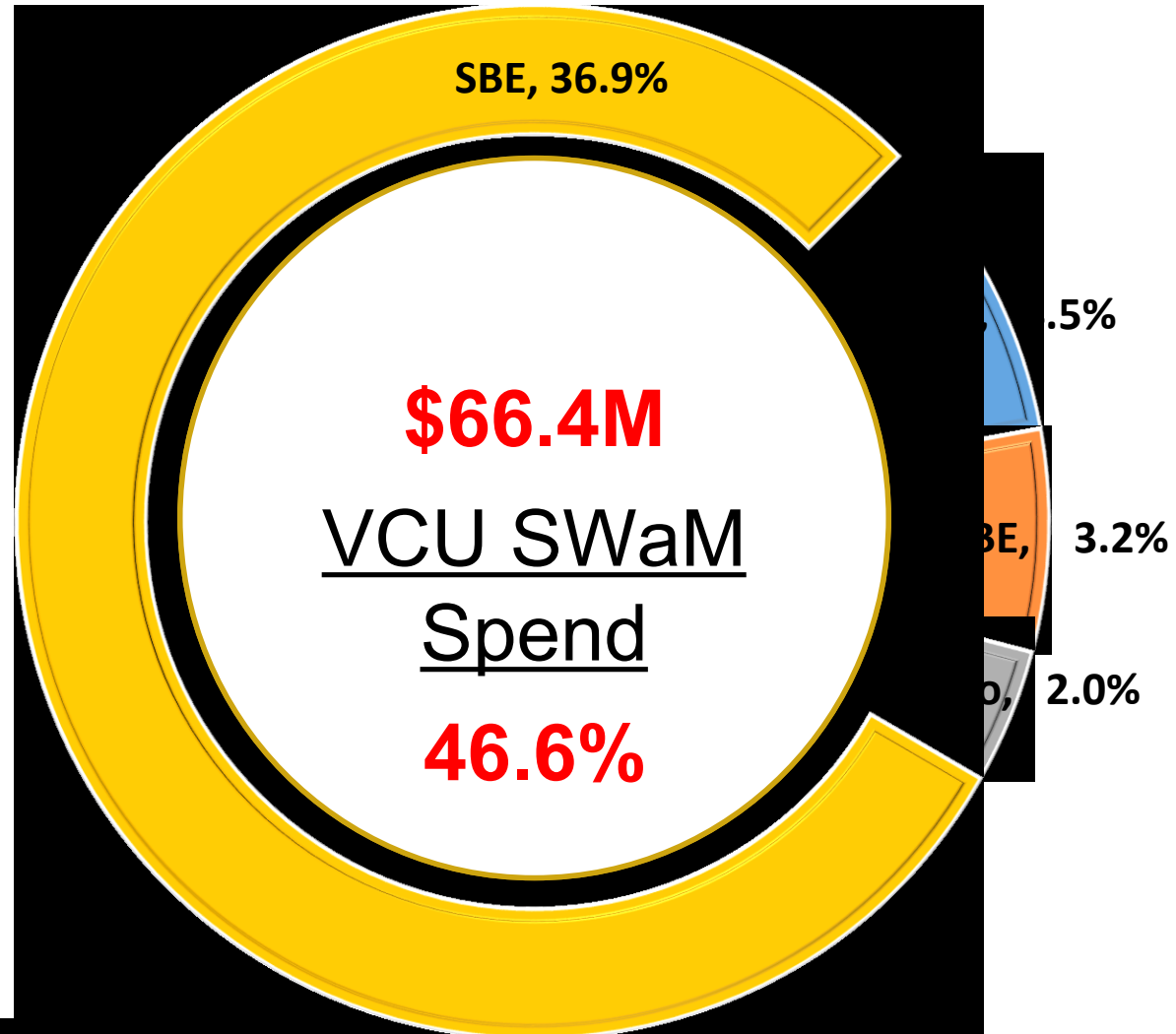
4. Report from Senior Vice President and CFO

SWAM UPDATE



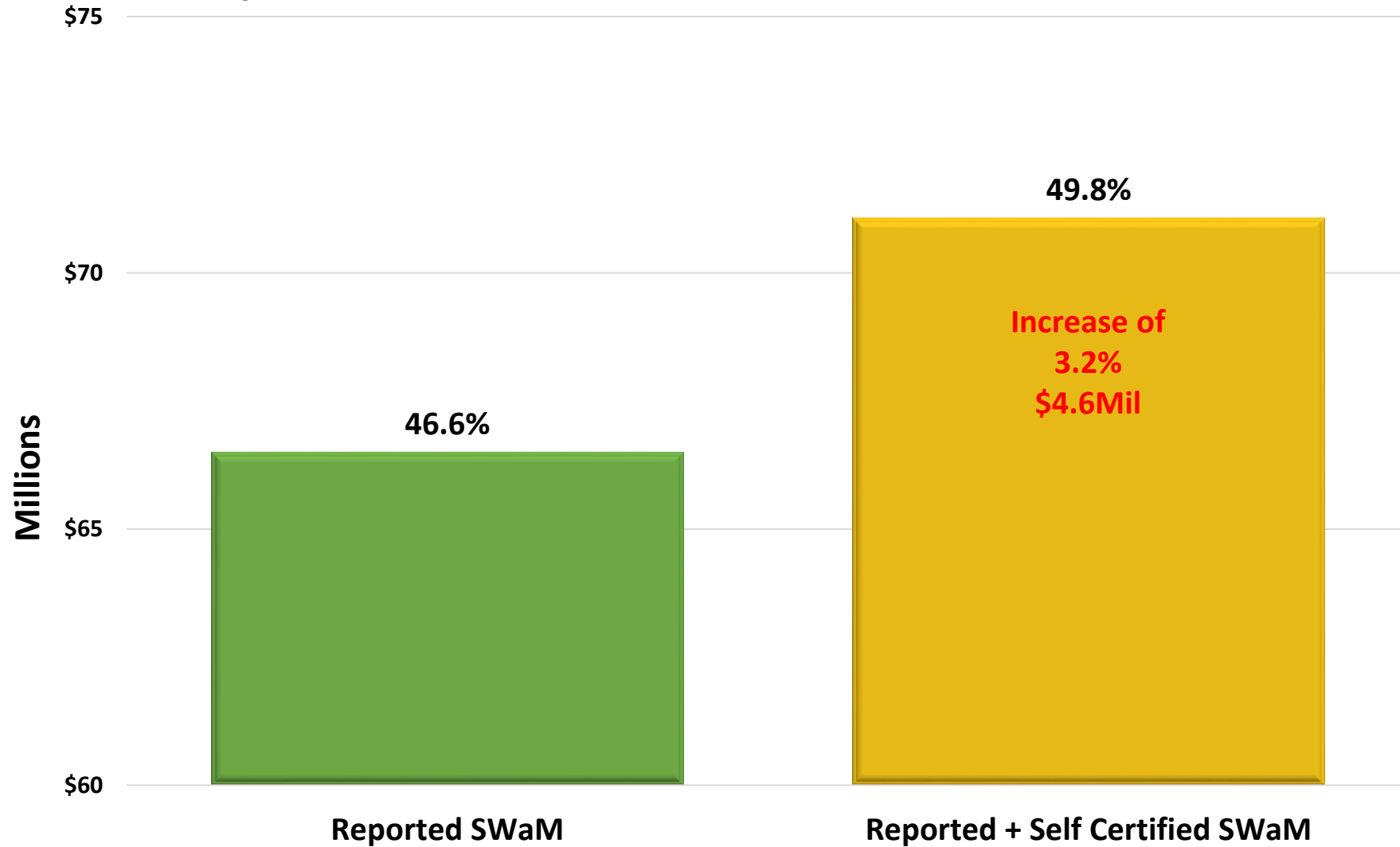
Reported SWaM Percentage by Category

FY21 YTD through March



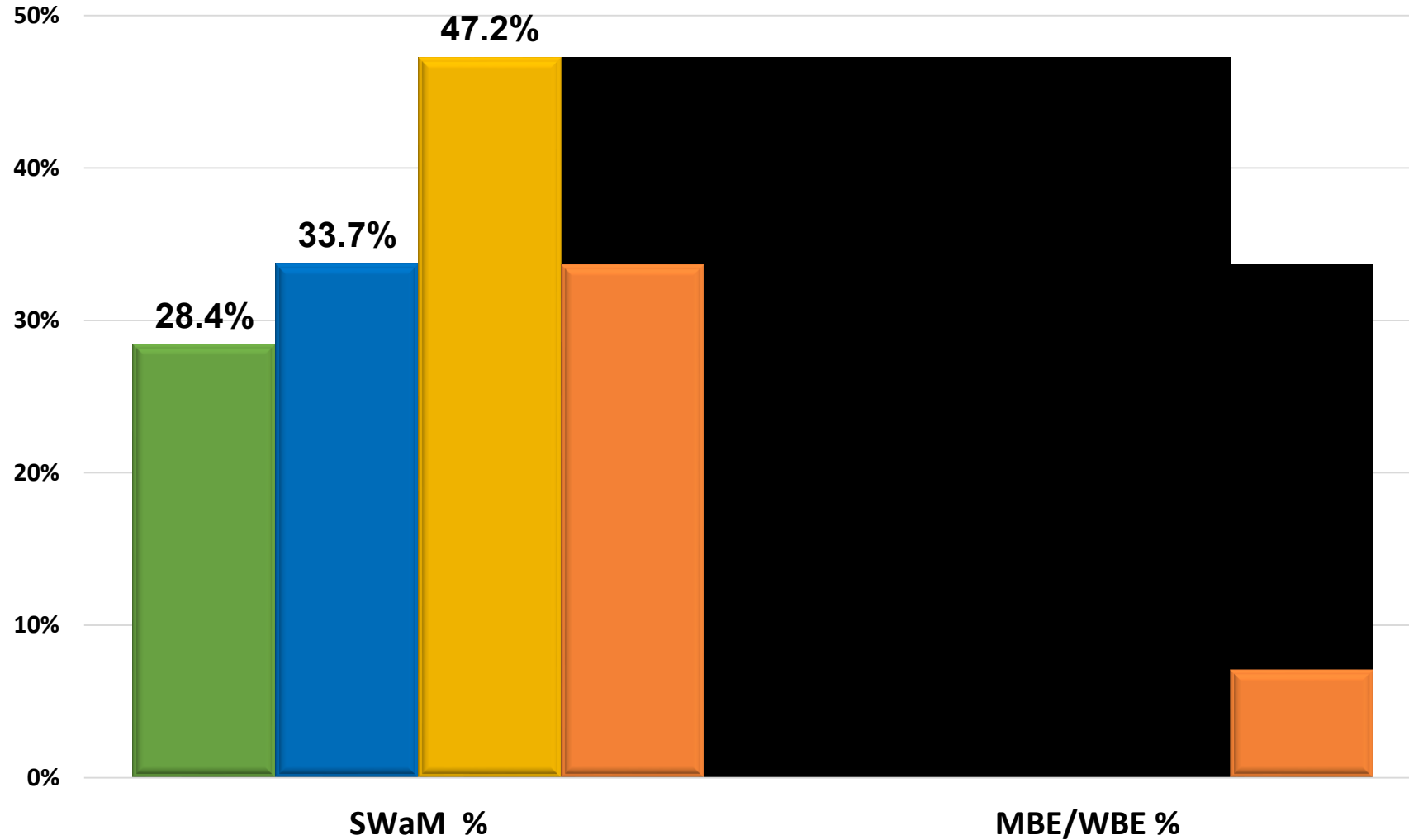
SWaM Reported Plus Self Certified

FY21 YTD through March



Comparison of Reported SWaM Expenditures

First Half of FY21



■ VCU ■ VASCUPP ■ TIER 3

5. MISCELLANEOUS REPORTS: For Informational Purposes Only

- a. Revenue and Expense Summary as of March 31, 2021
- b. VCU Health System and Financial Operations as of March 31, 2021
- c. Treasurer's Report
- d. Capital Projects Update

6. CONVENE INTO CLOSED SESSION

7. RETURN TO OPEN SESSION

Certification

Vote for Items Discussed in Closed
Roll Call

8. OTHER BUSINESS

9. ADJOURNMENT