



VCU

Board of Visitors

FINANCE AND UNIVERSITY RESOURCES COMMITTEE

April 23, 2026

The Honorable Benjamin Lambert, III Board Room

1213 East Clay Street

Richmond, VA

MEETING MINUTES

COMMITTEE MEMBERS PRESENT

Mr. Anthony Bedell, *Chair*

Mr. P2 Sandhu, *Vice Chair*

Mr. Peter Farrell

Mr. Randy Reynolds Jr.

Ms. Alexis Swann - *virtual pursuant to Code Section 2.2-3708.3(B)(4) personal matter where the member was unable to attend the meeting due to a prior commitment - Hampton, VA*

Mr. Harry Thalhimer

Ms. Ellen Fitzsimmons, *Rector*

Mr. Steve DeLuca, *Vice Rector*

COMMITTEE MEMBERS ABSENT

Dr. Siobhan Dunnivant

OTHER BOARD MEMBERS PRESENT

Mr. Neil Amin

Ms. Heidi Schlicher Cook

Dr. Dale Jones

Dr. Kenneth Lipstock

OTHERS PRESENT

Dr. Michael Rao, *President*

Dr. Meredith Weiss, *Senior Vice President for Finance and Administration and CFO*

Mr. Magnus Johnsson, *Interim Vice President for Development & Alumni Relations*

Dr. Alexis Ehrhardt, *Vice President for Government Relations*

Ms. Karah Gunther, *Vice President for External Affairs and Health Policy*

Dr. David Allen, *Deputy Chief Financial Officer and Associate Vice President for Finance*

Ms. Jessica Bryant, *Senior Director, Strategic Initiatives, VCU Finance and Administration*

Ms. Stephanie Hamlett, *University Counsel*

VCU Finance and Administration leadership team

VCU Presidential Cabinet

Segal Consulting Group representatives (virtual)

CALL TO ORDER

Mr. Anthony Bedell, chair of the Finance and University Resources Committee, called the meeting to order at 12:17 p.m.

The public was able to view the open session of the meeting via livestream, and the recording can be found here: <https://vcu.mediaspace.kaltura.com/channel/Board+of+Visitors/256000903>.

OPEN SESSION ACTION ITEMS

Mr. Bedell began by sharing that the minutes from the February 27, 2026 meeting were provided to the committee in advance for review. Hearing no comments or changes, Mr. Bedell asked Dr. Weiss, senior vice president for finance and administration and CFO, to present the other action items. She presented the first action item for the approval of multiple term contracts for professional architectural/engineering services. The second action item was related to a discussion around student health insurance from the March enrollment and budget workshop. Dr. David Allen, deputy chief financial officer and associate vice president for finance, shared an analysis requested by board members and introduced team members from Segal Consulting Group, who will be assisting VCU with further analysis and the student health insurance procurement process, to answer any follow up questions. Following the discussion, the action item for student health insurance was presented for approval.

On a motion duly made and seconded, the committee approved the February 27, 2026 meeting minutes and the recommendation to the full board for 1) an approval to execute multiple term contracts for professional architectural/engineering services and 2) an approval to execute a contract for student health insurance with United Healthcare.

The February 2026 minutes are posted at <https://bov.vcu.edu/meetings/minutes/>. A copy of the other actions items is attached hereto as *Attachment A* and is made a part hereof.

GOVERNMENT RELATIONS UPDATE

Dr. Alexis Ehrhardt, vice president for government relations, and Ms. Karah Gunther, vice president for external affairs and health policy, offered a high-level update on the 2026 Legislative Session, April 22 Reconvened Session, and the start to the April 23 Special Session. They also provided an update on recent federal level engagement by President Rao and Dr. Marlon Levy.

BUDGET UPDATE

The committee also received an update from Dr. Meredith Weiss, chief financial officer and senior vice president of finance and administration, who provided an overview of the upcoming Six-Year Plan which will be brought to the board for approval in June.

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

DEVELOPMENT AND ALUMNI RELATIONS UPDATE

Mr. Magnus Johnsson, interim vice president for development and alumni relations, shared an update on the Unlocking Potential campaign and reported on the success of the campaign's ongoing regional launch events.

A copy of the presentation is attached hereto as *Attachment C* and is made a part hereof.

CLOSED SESSION

On motion made and seconded, the Finance and University Resources Committee of the VCU Board of Visitors (BOV) convened in closed session for the discussion of gifts, bequests and fund-raising activities of the university, specifically the Named Funds and Spaces Report, and the Approved Named Funds over \$50,000 Report, and other notable and significant gifts report as permitted by Section 2.2-3711.A(9) of the Virginia Freedom of Information Act.

RETURN TO OPEN SESSION AND CERTIFICATION

Following the closed session, the public was invited to return to the meeting. Mr. Bedell 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 Finance and University Resources Committee of the BOV of VCU certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act 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.

<u>Vote</u>	<u>Aye</u>	<u>Nay</u>
Mr. Anthony Bedell, <i>Chair</i>	X	
Mr. P2 Sandhu	X	
Mr. Peter Ferrell	X	
Mr. Randy Reynolds	X	
Ms. Alexis Swann	X	
Mr. Harry Thalhimer	X	
Mr. Steve DeLuca, <i>Vice Rector</i>	X	

Dr. Dunnivant was absent from the vote. All members present responding affirmatively, the resolution of certification was adopted.

On a motion duly made and seconded, the committee approved the recommendation to the BOV to approve the named funds and spaces over \$50,000 as discussed in closed session.

REPORTS FOR INFORMATIONAL PURPOSES

Mr. Bedell noted the Third Quarter Performance Analysis, Finance and University Resources Committee Dashboard, and VCU Health System and Financial Operations update were included in the pre-read materials.

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

ADJOURNMENT

There being no further business, Mr. Bedell adjourned the meeting at 12.55 p.m.

Action items

Approval of February 27, 2026 meeting minutes

Approval to execute multiple term contracts

Professional architectural/engineering services

Background

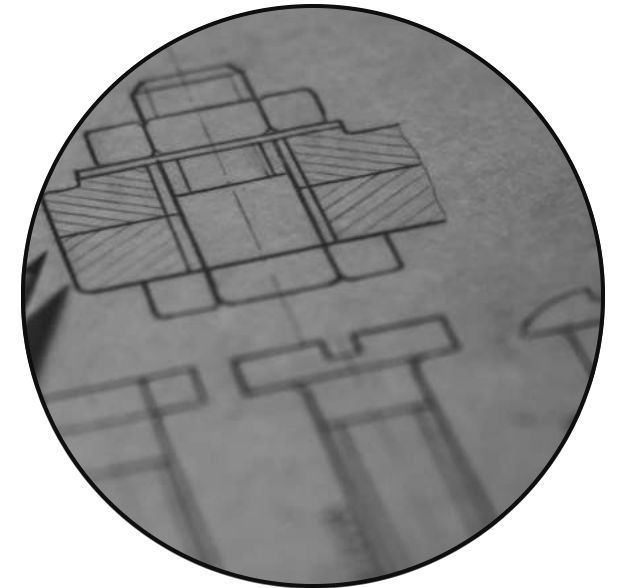
VCU seeks BOV approval to execute amendments of existing architect/engineer (A/E) term contracts to reflect an amendment to the VCU Higher Education Capital Outlay Manual (HECO Manual). Pending BOV approval in April 2026, an amendment to VCU's HECO Manual would align with changes in state law (Chapter 505 of the Acts of the General Assembly 2022) pertaining to increases in fee limits for A/E term contracts. This HECO Manual amendment allows up to \$10M per contract term with no one project exceeding \$2.5M; VCU's current HECO Manual limits A/E term contracts to \$1M per contract term. Optional-use A/E term contracts allow the university to retain a network of prequalified vendors. This approval will amend existing, optional-use A/E term contracts as well as contract renewals that extend through June 30, 2030. The selection of 22 firms followed a competitive request for proposal process.

Cost and funding

Cost of services depends on need, type, scale and scope. Sources of funding vary by project and may include state-appropriated funding, debt, university or auxiliary funds. Pending BOV approval of the HECO Manual amendment, VCU would limit spending with each firm to \$10M per contract term, with no one project exceeding \$2.5M.

Recommendation

Approve the execution of amendments to existing architect/engineer (A/E) term contracts effective July 1, 2026.



VCU student health insurance operates on a thin margin

1,572

Members
(students & dependents)

\$3,973

Current premium

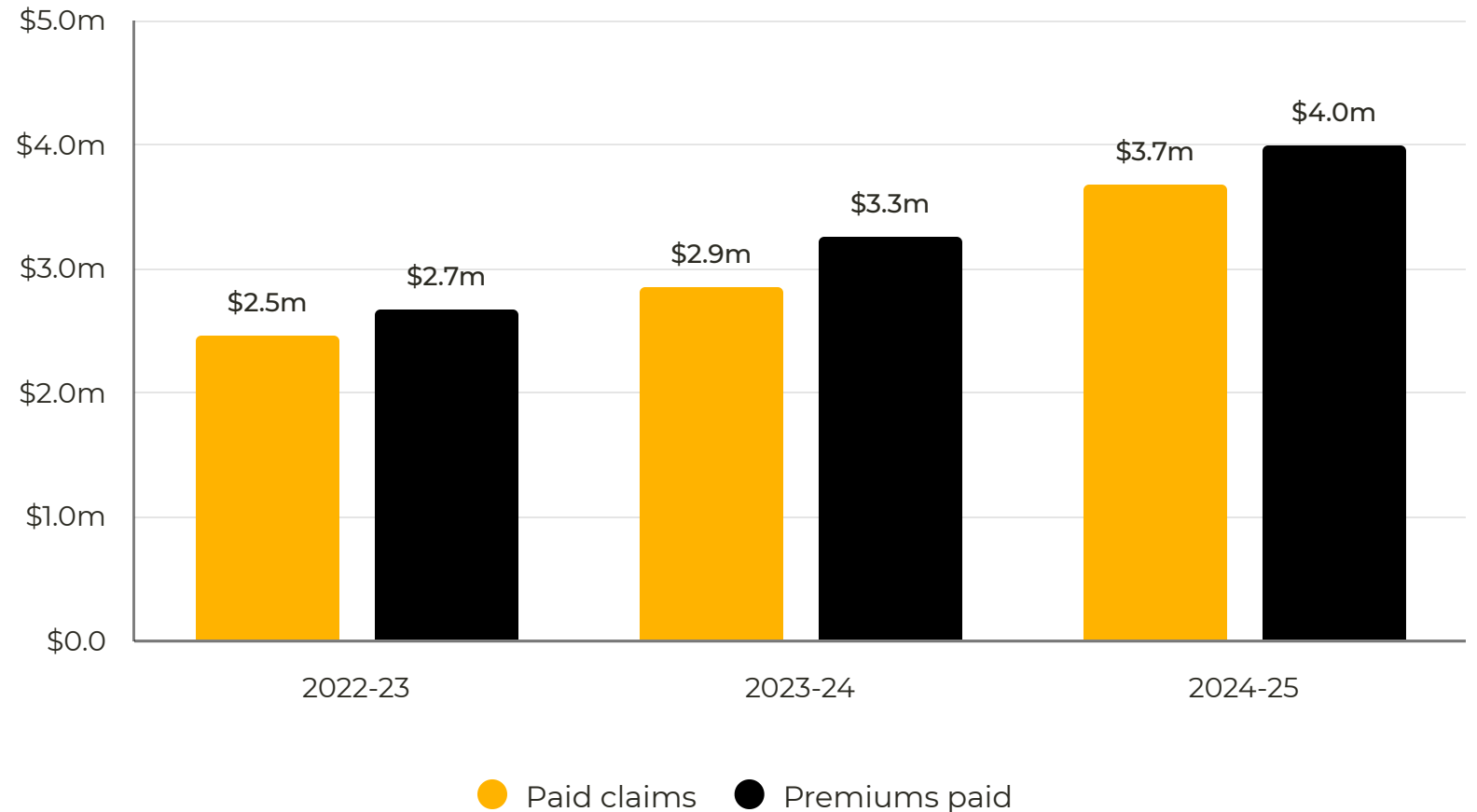
91.9%

Claims-to-premium

0

Complaints for UnitedHealthcare
in VA in 2025 based on NAIC and
in VCU's plan

UnitedHealthcare paid-claims to premiums

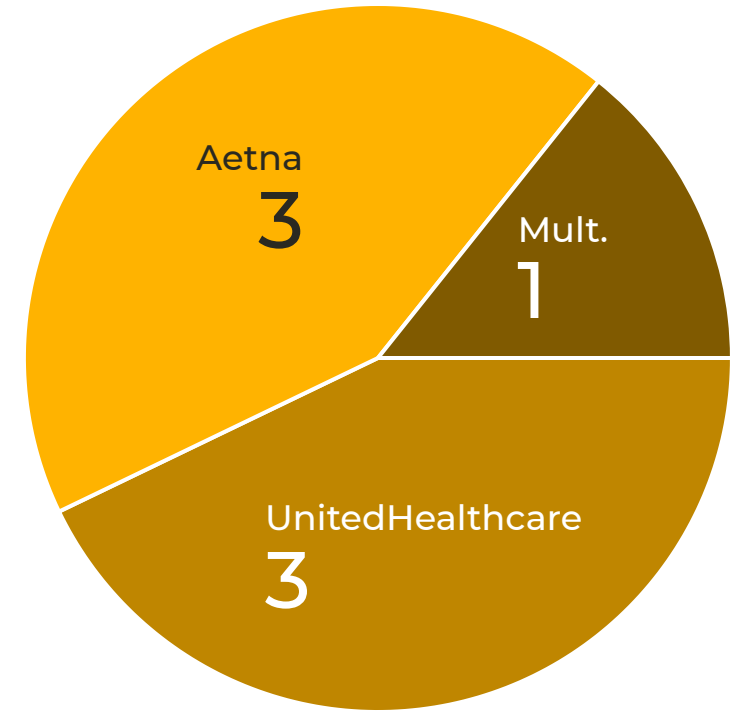


Self insurance estimates are costly

Estimates based on generally applied insurance parameters for 1,500 members

	UnitedHealthcare	Est. self insurance cost
Stop-loss insurance	Included	\$500k
Third-party administration	Included	\$235k
Pharmacy benefit management	Included	\$470k
Network access fees	Included	\$80k
Actuarial and risk support	Included	\$75k
UnitedHealthcare current administrative costs	\$322k	-
Total overhead and non-direct care costs	\$322k	\$1,360k

Va colleges choose providers



Approval to execute a contract renewal

Student health insurance, UnitedHealthcare

Background

VCU seeks BOV approval to execute a one-year contract renewal for student health insurance with UnitedHealthcare. The VCU student health insurance program began in December 2021 and provides health insurance coverage to full-time Ph.D., first professional and international students. Insurance is required for this student group unless proof of comparable insurance is provided.

Considerations

All agreements in which the value exceeds or can be reasonably expected to exceed \$7M, or previously approved agreements with proposed contract renewals or amendment amounts that are projected to increase by more than 10%, require BOV approval as outlined in VCU's Delegation of Signatory Authority policy. The proposed one-year renewal for the 2026-2027 academic year is estimated at approximately \$5.6M, which exceeds the previously approved annual amount of \$3.6M by more than 10%; and therefore requires BOV approval. The increase in costs is due to a combination of rising rates and higher student participation.

Cost and funding

The proposed contract cost for the 2026-2027 academic year is estimated at approximately \$5.6M. This estimate is based on the 2025-2026 premium of \$3,973 per student, and the current program coverage of approximately 1,416 enrolled members, including students and dependents. International, first professional students and dependents pay the full premium cost through assessed student fees. Ph.D. students cover 30% of the premium, with the remaining 70% paid by university funds. Overall contract value is subject to change based on participation and enrollment.

Recommendation

Approve the request to execute a one-year contract renewal for student health insurance with UnitedHealthcare at an estimated annual cost of approximately \$5.6M for the 2026-2027 academic year.



Six-Year Plan preview

Dr. Meredith Weiss, senior vice president for finance & administration & chief financial officer

About the Six-Year Plan

- Requirement under the Virginia Higher Education Opportunity Act of 2011
- Submitted every odd year and updated every even year (this is an update year)
- Communicates strategies for the upcoming biennium, focusing on E&G
- Strategies in the plan have been presented and discussed with the BOV
- Serves as a tool for state and institutional planning
- Separate from the Six-Year Capital Plan (also a required state document)
- Approve at the June BOV meeting



Six-Year Plan focus areas



Academic programs



Student success initiatives and metrics



Strategic enrollment management



Operational efficiencies



Capital priorities



Legislative priorities

April 2026

VCU Board of Visitors

Finance and University Resources Committee

Magnus H. Johnsson, CFRE (M.P.A.'10, Cert.'10)
Interim Vice President, Development and Alumni Relations



Regional campaign launch events

Regional events and dean panels

New York, NY
October 2025



Business, Humanities and Sciences, Medicine

Los Angeles, CA
February 2026



Arts, Health Professions, Libraries

Raleigh, NC
March 2026



Pharmacy, Nursing, Engineering

Norfolk/VA Beach
April 2026



Dentistry, Massey, Education

Washington DC/NOVA
May 2026



Social Work, Wilder, Public Health

Regional event strategy driving early success

- Progress to goal
 - 356 of 366 total registrations secured (97.27%)
 - 2 events remaining, positioning us to meet or exceed goal
- Regional events to target key markets
 - 5 regional receptions (Goal: 70 registrations each)
 - 1 salon dinner (Goal: 16 registrations)
 - Balanced approach driving both broad reach and high-touch engagement
- Leadership engagement
 - Goal: Engage all 15 CSU leaders across events (3 per event)
 - Status: 100% achieved, all 15 leaders confirmed and scheduled

Los Angeles, CA

Feb. 4, 2026



Raleigh, NC

March 5, 2026



Norfolk, VA

April 16, 2026





VCU Basketball
NCAA tournament events

Pittsburgh, PA

March 11-15, 2026



Greenville, SC

March 19, 2026





Questions?

FY2026 Q3 Financial Performance Analysis

Dollars in Millions

SOURCES/USES <i>(in millions)</i>	FY2025-26 Full Budget	FY2025-26 YTD @ Q3	Projected Year- End Actuals	Projected YE \$ Budget Variance	Projected YE % Budget Variance
SOURCES					
Net Tuition and Fees (E&G)	\$464	\$440	\$477	\$13	3%
State Appropriations	\$321	\$248	\$329	\$8	3%
Other E&G Income	\$76	\$86	\$90	\$14	18%
Auxiliary Student Fees	\$71	\$69	\$72	\$1	2%
Other Auxiliary Income	\$109	\$103	\$116	\$7	6%
Sponsored Programs and Research	\$385	\$273	\$379	-\$6	-1%
University Funds	\$104	\$81	\$136	\$32	30%
Student Financial Assistance	\$112	\$118	\$117	\$5	5%
Hospital Services	\$68	\$53	\$69	\$1	2%
Total Operating Sources	\$1,711	\$1,470	\$1,786	\$75	4%
USES					
Academic Programs (E&G)	\$441	\$368	\$460	\$19	4%
Academic Support (E&G)	\$419	\$337	\$439	\$20	5%
Auxiliary Enterprises	\$180	\$149	\$186	\$6	3%
Sponsored Programs and Research	\$385	\$302	\$389	\$4	1%
University Funds	\$104	\$110	\$139	\$35	33%
Student Financial Assistance	\$112	\$114	\$117	\$5	5%
Hospital Services	\$68	\$52	\$68	\$0	-1%
Total Operating Uses	\$1,711	\$1,431	\$1,797	\$86	5%
Net Operating Sources & Uses	-	\$39	-\$11	-\$11	

Finance and University Resources Committee

Dashboard Metrics for Quarterly Review - April 2026

Finance

Area/metric	Target/goal/benchmark	Actual/outcome	Information/notes
Bond ratings (AA- credit rating is minimum to achieve Tier III designation)			
Moody's	Aa Category	Aa3	Rating reaffirmed March 2026, met goal
S&P	AA Category	AA-	Rating reaffirmed February 2025, met goal
Debt ratio (debt policy requires 6% limit based on debt service of operating expense)			
Calculated debt ratio	Threshold is S&P (6%) or Moody's rating group median (3.7% for FY 2024) Annual debt service/operating expense (as defined by each S&P and Moody's)	FY2024 debt ratio was 3.2%, FY2025 debt ratio was 3.0%; S&P calculation not available	Currently, debt ratio is within debt policy expectations. S&P and Moody's use different methods to calculate debt ratios.
Investment performance (calculated over previous 12 months as of December 31, 2025)			
Short-term tier	4.85%	5.15%	Short-term tier investments are in fixed income assets and are managed by external managers. Performance exceeded benchmark.
Long-term tier	17.73%	16.73% (estimated)	Long-term tier investments include the Quasi endowment and Glasgow endowment under the management of VCIMCO. Underperformed benchmark.
Quarterly review of budget to actual performance			
Revenues	<u>For FY 2025:</u> Q1 - 36%, Q2 - 66%, Q3 - 86%, Q4 - 106%	<u>For FY 2026:</u> Q3 - As of the end of the second quarter, VCU has collected 86% of our budget.	As of the end of the third quarter, revenues are projected to end above FY 2026 budget, a 1.6% increase over FY 2025 year-end revenues. Increased revenues include mid-year additions to state appropriations, increased enrollment driving higher tuition and fees, auxiliary revenue, and positive university funds income.
Expenses	<u>For FY 2025:</u> Q1 - 29%, Q2 - 50%, Q3 - 82%, Q4 - 105%	<u>For FY 2026:</u> Q3 - As of the end of the second quarter, VCU has accounted for 84% of its budget.	Expenses expected to end above budget, a 2.7% increase over FY 2025 expenses following increased revenues and planned capital spending in FY 2026 resulting in a projected deficit of \$11M. See quarterly performance analysis for further information and other categories.

Development & Alumni Relations¹

Campaign progress

Primary giving by household/entity (< \$50,000)

Major giving by household/entity (\$50,000 - \$999.9K)

Principal giving by household/entity (\$1M+)

Donors

New donors

Government Relations Priorities

Increased state support for tuition affordability, career readiness and academic programs: Additional support from the state for student financial aid, rising inflationary costs, the launch of innovative academic programming, and unfunded costs of Virginia Military Survivors and Dependents Education Program (VMSDEP) tuition waivers. With full funding for VMSDEP, VCU would reallocate resources to improve student retention and graduation rates for all students by investing in student success resources and increasing career readiness funding for student internships and/or real-world work experience.

Increased state support to expand the commonwealth's healthcare workforce: As the only university in the commonwealth and only one of 12 in the entire country that graduates students across all health science disciplines (medicine, nursing, dentistry, public health, pharmacy and health professions), VCU seeks support from the state to begin a new model for directly funding higher-cost health science degrees. Enabling funding will also expand enrollment in many health science programs at VCU.

Increased state support to revolutionize healthcare: This includes support for Massey Comprehensive Cancer Center to meet the growing need for advanced cancer research, the College of Engineering to develop and deliver AI-based technology solutions, and Pauley Heart Center.

Acquisition of the Altria Center for Research and Technology: VCU seeks the Commonwealth's assistance with the purchase and renovation of the Altria Center for Research and Technology building, which will meet multiple urgent needs including required space for VCU's Massey Comprehensive Cancer Center to maintain its National Cancer Institute "comprehensive" status, health sciences research, and academic and classroom space for VCU Schools of Pharmacy and Public Health.

VCU School of Dentistry facility construction: VCU is the home to the commonwealth's only Dental School and is the only facility in the state offering complete multidisciplinary care (oral surgeon, periodontist, oral pain, oral cancer, etc.). VCU seeks funding from the state to construct the new School of Dentistry facility, a 313,880 gross square foot building to provide state-of-the art equipment and technology to serve more than 500 students.

¹ Information is discussed during closed session under Section 2.2-3711(A)(9) of the Virginia Freedom of Information Act for the discussion of gifts, bequests and fundraising activities of the university.

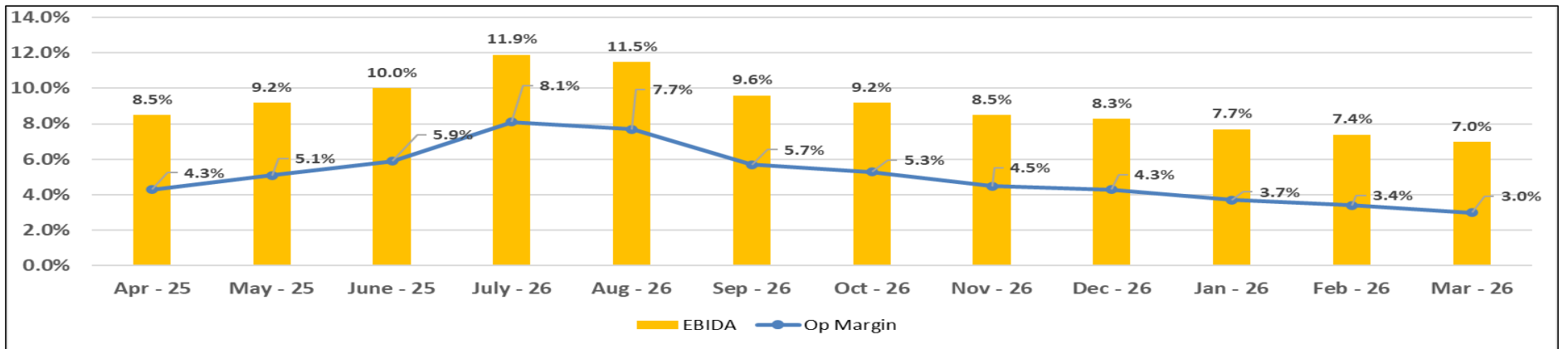


VCU Health System Authority
FY 2026 Strategic Finance Update:
- Nine months ending March 31, 2026

VCUHS – Consolidated Operating Margin & Liquidity

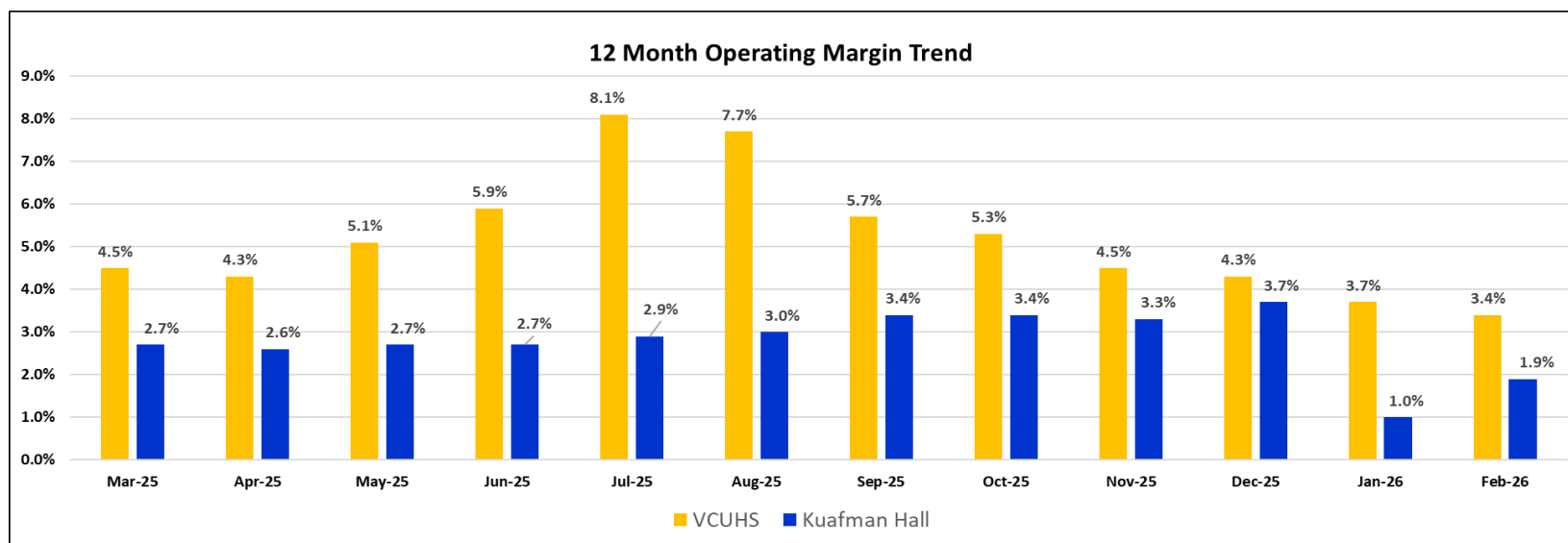
For the Nine Months Ending March 31, 2026 & 12-month Trending Performance

(\$s in 000s)	Actual FY23	Actual FY24	Actual FY25	Budget March YTD FY26	Actual March YTD FY26	2024 Moody's Aa3	2024 S&P AA-
Total Operating Revenue	\$ 3,063,278	\$ 3,545,911	\$ 3,788,910	\$ 2,918,693	\$ 3,027,698	N/A	N/A
Income for Operations	\$ (19,549)	\$ 267,078	\$ 231,385	\$ 117,126	\$ 90,710	N/A	N/A
Operating Margin %	-0.6%	7.5%	6.0%	4.0%	3.0%	2.0%	2.3%
Operating EBIDA	\$ 133,857	\$ 426,972	\$ 388,851	\$ 237,969	\$ 212,916	N/A	N/A
EBIDA %	4.4%	12.0%	10.2%	8.2%	7.0%	6.9%	7.5%
Debt to Capitalization	20.6%	18.5%	16.9%	16.5%	15.7%	21.4%	23.3%
Days Cash on Hand	225	236	246	245	241	258	247
Unrestricted Cash to Debt	238%	266%	304%	311%	336%	269%	243%
Maximum Annual Debt Service Coverage	3.4	8.1	8.3	6.5	5.9	6.5	5.6



National Healthcare Optic

February 2026 Kaufman Hall Flash Report



Kaufman Hall Key Takeaways:

- **Cost pressures are driving a tenuous financial outlook.** Hospital expenses are elevated in early 2026 compared to 2025, while revenues are pressured by an eroding payer mix.
- **Hospital performance is bifurcating.** There is significant variation in hospital performance by size, geography, and market position.
- **Softer, uneven volumes reflect shifting care patterns.** Patient days have softened in early 2026 while the average length of stay remains relatively steady, reflecting both demographic shifts and changes in where care is delivered.
- **Outpatient revenue is rising in early 2026.** Outpatient care offers significant benefits to both patients and health systems, though hospitals must manage both revenue dilution and a greater concentration of high-acuity patients as a result.