

MINUTES OF A MEETING OF THE EXECUTIVE COMMITTEE
OF THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY
April 17, 1986

A meeting of the Executive Committee of the Board of Visitors of Virginia Commonwealth University was held on Thursday, April 17, 1986, at 11:30 a.m. in the University Meeting Center.

Present were Messrs. Berry, Farinholt, Lipman, Morris, Reynolds, Smith; Dr. Holland; and Mesdames Abady and Whittemore. Mr. Grey was absent. Also present were Drs. Ackell, Connell, Ruch and Wilson; Messrs. Bruegman, Cribbs, Doswell, Fischer and Ware; and Mrs. Price.

Mr. Smith called the meeting to order. Mr. Bruegman introduced the presentation of the 1986-88 Educational and General Programs, Indirect Cost Recovery Funds and Auxiliary Enterprise Programs. Mr. Cribbs stated that with regard to the educational and general programs, revenues are expected to total \$132,970,000 in 1986-87 and \$133,957,000 in 1987-88, with 70 percent of these amounts provided by State General Fund Appropriations. New program initiatives funded in the 1986-88 Appropriations Act as passed by the 1986 Session of the General Assembly include:

- . Expansion of the Televised Graduate Engineering Program.
- . Reforms to the Undergraduate Curriculum.
- . Assumption of plant responsibility for academic space located in the University Teaching Hospital.
- . Coordination of the Pharmacy Clerkship Program for the State Board of Pharmacy.
- . Transfer of the Massey Cancer Center administration support from Indirect Cost Recovery Funds.
- . Creation of a core physical plant services staff in the University Teaching Hospital by reallocation of 60 FTE staff from the University Physical Plant.

State General Funds are projected to increase by 8.7 percent in 1986-87 and by 0.7 percent in 1987-88 through increases in direct appropriations support and through transfer from central appropriations to the Governor for classified salary regrades approved for July 1, 1986. Nongeneral Funds are projected to increase by 10.6 percent in 1986-87 and by 0.8 percent in 1987-88. Ninety percent of the total Nongeneral Funds revenue is derived from tuition and fees.

Personal services will increase by the salary and fringe benefit increase rates approved by the General Assembly. These rates include an 11.75% increase for instructional faculty, 10% for administrative faculty, and a one-step (4.57%) regrade for classified employees. Salary increases are included for 1986-87 only.

The level-funding practice imposed by the Governor and General Assembly on nonpersonal services will be applied in the University except for expenditure categories such as energy, rent and insurance, and payment to the Family Practice Centers supporting that residency program.

In 1986-87, base budgeted expenditures exceed base budgeted revenues by \$2,491,757. In order to reduce this deficit, the 1985-86 enrollment related reductions adjusted by projected increases in personal services will be continued into 1986-87. In addition, the E&G Contingency will be reduced .75% of base revenues with \$500,000 of the Contingency being supported by sources of revenue outside E&G Programs.

In 1987-88, base budgeted expenditures exceed base budgeted revenues by \$4,195,608. The 1985-86 enrollment related reductions adjusted by projected increases in personal services will be continued into 1987-88. In order to bring the permanent budget into balance, reductions of \$1,693,982 will be identified through the Academic Planning process by December 31, 1986.

Mr. Cribbs stated that with regard to the Indirect Cost Recovery Funds 1986-88 Budget Plan, allocation is limited by the Appropriations Act to research and research-related items. Allocation of indirect cost recovery revenues are divided among the following categories:

- . Schools and Departments
- Student Aid
- . Research Support Services
- . University Research Centers
- . Capital Outlay Projects
- . Special Projects

Revenues are estimated to total \$4,788,000 in each year of the biennium and represent 70% of the total indirect costs expected to be recovered; the Appropriations Act requires the remaining 30% to be included as Nongeneral Funds revenues for Educational and General Programs.

Mr. Cribbs stated that permanent continuing expenditures are projected to exceed the revenues collected in each year of the 1986-88 biennium; 1985-86 fund balances are being used as a temporary measure to offset the shortfall in revenues in the first year only. Programmatic reductions will be necessary in the second year.

Mr. Cribbs noted that revenue estimates are more uncertain in 1986-88 than in prior years because of the impending potential changes to federal indirect cost recovery rates. These potential changes could result in overall reductions ranging from 12% to 25% based on adjustments in reimbursements from federal and other agencies in support of administrative and other indirect costs borne by the University related to the conduct of research and other sponsored programs. Mr. Cribbs stated that any shortfalls due to changes in federal reimbursement policies will be imposed as an across-the-board percentage reduction in expenditures.

With regard to the Auxiliary Enterprises 1986-88 Budget Plan, Mr. Cribbs stated that revenues are projected to total approximately \$20 million annually. All auxiliary enterprises are expected to be operated on a self-supporting basis and no significantly new initiatives are proposed to be undertaken by auxiliary activities during the upcoming biennium.

On motion made and seconded, the 1986-88 Budget Plan for Education and General Programs, Indirect Cost Recovery Funds and Auxiliary Enterprise Programs were approved.

Mr. Cribbs presented the proposed Tuition and Fees Charges for 1986-87. He stated that total charges (tuition, fees, housing and board) for full-time, in-state undergraduates will be \$5,045 in 1986-87, up 7.9% from 1985-86. Total charges for out-of-state undergraduates will be \$7,665, an increase of 10.1% from the current year. Total charges for full-time graduate students will increase 13.2% to

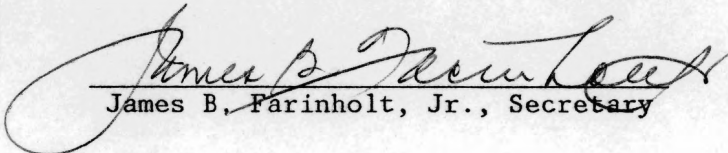
\$2,416. For out-of-state students, charges will total \$4,616, an increase of 16.4%. Tuition and fees for in-state medical students will increase 7.4% while out-of-state medical student rates will increase 5.1%. The University Fee will be \$390 for all full-time students, an increase of 34.5%. Part-time day students will pay \$16 per credit hour and part-time evening students will pay \$14. The separate Student Health Fee, paid by the Academic Campus dormitory residents during 1985-86 and in prior years, will be eliminated in 1986-87.

On motion made and seconded, the Tuition and Fees Charges for 1986-87 were approved as submitted.

Mr. Smith stated that the item pertaining to contract review and approval was being withdrawn from the agenda.

The Quarterly Budget Report was received.

The meeting was adjourned at 12:25 p.m.


James B. Farinholt, Jr., Secretary

Approved:



W. Roy Smith, Rector