

MINUTES OF A REGULAR MEETING OF THE BOARD OF VISITORS
OF VIRGINIA COMMONWEALTH UNIVERSITY
March 21, 1991

A regular meeting of the Board of Visitors of Virginia Commonwealth University was held on Thursday, March 21, 1991, at 9 a.m. in the University Meeting Center.

Present were Drs. Moore (Rector), Berenguer, Holland, Johnson and Peay; Messrs. Farinholt, Ferguson, Gregory, Lipman, Meador, Townes, Whitworth and Wurtzel; and Mesdames Abady and Epps. Mr. Siegel was absent. Also present were Drs. Trani, Andrako, Dewey, Harris, Ruch and Wilson; Messrs. Bruegman, Gehring, Kudless, Poe and Ross; and Mrs. Price.

Dr. Moore called the meeting to order and on motion made and seconded, the Minutes of a Regular Meeting of the Board of Visitors held January 17, 1991, were approved.

The Report of the President followed. Dr. Trani reported on the following items:

Dr. Trani stated that budget issues continue to consume a great deal of time. This matter will be discussed further during the Finance and Investment Committee report.

Dr. Trani gave highlights of his trip around the State including Lynchburg and Roanoke.

The Monroe Park Agreement between VCU and The City of Richmond will be presented to the Board of Visitors during its regular meeting. The agreement is for the City and VCU to provide for the joint management and funding for Monroe Park.

Dr. Trani introduced the following Faculty:

Dr. Jeffrey A. Cole is the new Director of International Education in the Division of Continuing Studies and Public Service, effective March 16, 1991.

Mrs. Sally Hunsberger is a doctoral student in the Department of Biostatistics. She is one of the winners of the top prize for research in Biostatistics sponsored by the Eastern North American Region of the Biometric Society.

Dr. J. John Palen, Chairman of the Department of Sociology and Anthropology, was selected for a Fulbright award to study housing policies at Tungh University in Taiwan during the 1991 spring semester.

Dr. Phillip Hylemon was the recipient of the Science Museum of Virginia Outstanding Scientist Award. Dr. Hylemon has been invited to speak on his research at the Nineteenth Nobel Conference in Stockholm Sweden (June 1991).

Dr. Donald J. Abraham, Chairman of the Department of Medicinal Chemistry, School of Pharmacy, has been a leading researcher in Sickle Cell Anemia for the past 15 years. He has received over \$2,250,000 from the National Institute of Health for research in this area. Dr. Abraham is also a visiting scientist at the Medical Research Council Laboratory of Molecular Biology in Cambridge England, where he collaborates with Nobel Laureate Max F. Perutz.

Dr. William Jollie, Professor and Chair of Anatomy, is president-elect of the American Association of Anatomists. Dr. Jollie has led several China-U.S. Scientific Exchanges to the Peoples' Republic of China and to the U.S.S.R.

Dr. Walter Nance, Professor and Chair of Human Genetics, is president-elect of the American Society for Human Genetics. Dr. Nance is an international authority on use of twins to study human diseases.

Dr. Trani introduced the 1991 Convocation Recipients. They are:

Dr. Albert E. Munson - Dr. Munson, professor of pharmacology and toxicology in the School of Basic Health Sciences, received the University Award of Excellence. Dr. Munson is considered a leader in the field of immunotoxicology. He received his bachelor's degree from the University of Buffalo, his master's degree from the University of New York at Buffalo, and his doctorate in pharmacology at the Medical College of Virginia of VCU.

Dr. Judith A. Brown - Dr. Brown, professor of human genetics and obstetrics and gynecology in the School of Basic Health Sciences, received the Distinguished Service Award. She received her bachelor's degree from the University of Maine in Orono and her doctoral degree from Indiana University in Indianapolis. Dr. Brown did her postdoctoral work at the Buffalo Children's Hospital in the Department of Pediatrics. She is a diplomate of the American Board of Medical

Genetics. Dr. Brown established a community-oriented cytogenetics laboratory which has provided diagnostic testing for Central Virginians. Over the years, Dr. Brown's laboratory has gained a national reputation and has been recognized by the College of American Pathologists as a reference laboratory for cytogenetic test procedures.

Dr. Robert D. Holsworth - Dr. Holsworth, associate professor of political science in the College of Humanities and Sciences, received the Distinguished Teaching Award. Dr. Holsworth received his bachelor's degree from Seton Hall University in South Orange, New Jersey and his doctoral degree from the University of North Carolina at Chapel Hill. Dr. Holsworth is president of the Faculty Senate and has served as vice-chairperson of the University Council, chairperson of the Faculty Caucus of the University Council, and was a member of the steering committee for the Presidential Search.

Dr. Barry Wolf - Dr. Wolf, professor of human genetics and pediatrics in the School of Basic Health Sciences, received the Distinguished Scholar Award. Dr. Wolf was unable to attend the Board meeting.

Mrs. Epps reported for the Student Affairs Committee. On motion made and seconded, the Minutes of a Meeting held January 16, 1991, were approved as amended.

Mrs. Epps reported on the following:

Faculty are continuing to study appropriateness of an ethnic studies course requirement.

A task force has been established to review the Rules and Procedures document, the University's major code of conduct document. Attention is being given to the section on harassment.

The status of the budget planning was discussed and its potential impact across the various sectors of the University.

Enrollment projections for fall were reviewed. The University is anticipating a smaller freshman class than preceding years. Other groups should remain at current levels.

Meetings have been held with various student groups, including leaders of Greek organizations, foreign students, and MCV campus students.

A current review of tuition and fees for 1991-92 was presented. The Committee heard reactions to the proposed increases from an undergraduate student, Mr. Robert Greene; a medical student, Mr. Shangara (Tony) Singh; a dental student, Mr. Timothy A. Smith; and a graduate student, Ms. Patricia W. Slattum.

Dr. Deborah Cowles, faculty chairman of the Intercollegiate Athletic Council, reported on their activities as the major internal group overseeing VCU's athletic program. Council activities this year included:

- * Participation in the National College Student Athlete Project began last year.
- * Review of NCAA compliance activities, and
- * On-campus activities to enhance communication between faculty and the Department of Athletics.

Given the limitations of time, the Committee held over to the next meeting the reports on Drug and Alcohol Education Programs and student retention activities.

Mr. Wurtzel reported for the Academic Policy Committee. On motion made and seconded, the Minutes of Meetings held on January 16, 1991, and January 17, 1991, were approved.

A proposal to rename the Department of Rehabilitation Medicine in the School of Medicine to the Department of Physical Medicine and Rehabilitation was presented. The name change, which is the only request, emphasizes the comprehensiveness of mission and services and is consistent with the nomenclature of similar programs elsewhere in the United States and that used by the accrediting body for this specialty. Currently the term "rehabilitation" denotes inpatient services only, while "physical medicine" refers to the

complete scope of services in the field. This redesignation does not require additional resources or affect any other existing University program. On motion made and seconded, the proposal to rename the Department of Rehabilitative Medicine to the Department of Physical Medicine and Rehabilitation was approved.

The enrollment planning for fall semester as also reported by the Student Affairs Committee was reviewed. The University is anticipating a smaller freshman class, which will result in slightly lower than projected enrollment.

The current status of budget development was reviewed.

The State Council is surveying VCU faculty and other faculties across Virginia on matters related to faculty workload and reward systems. The Committee will receive the results of this survey at its May meeting.

A brief update on the tuition and fees issue(s) as presented to the Student Affairs Committee was presented.

Dr. William Dewey, Associate Provost for Research and Graduate Studies, presented a report on the role of scholarship, research, and intellectual property development at the University. Major items for discussion included:

- * Important role of scholarship in the life of the University,
- * The dramatic growth of funded research over the past years.

The Committee asked for more information on the role of intellectual property development and future plans.

Dr. Johnson reported for the Advancement Committee.

On motion made and seconded, the Minutes of a Meeting held January 16, 1991, were approved.

The Alumni Activities Report was presented. Over the past several years, the Advancement Office, Athletics, the licensing office in the Purchasing Department and the bookstores have been working together to coordinate and improve the quality and marketing of University merchandise. Two years ago, VCU signed a licensing agreement with Collegiate Concepts to govern the use of the University's name and symbols, to improve the marketing, and to generate royalty income. This initiative has paid handsome dividends. Both merchandise quality and sales are up. An advertising campaign in University publications has also been successful, and VCU has entered the catalog business with a first-time catalog presenting items for both the Academic and MCV Campuses. This catalog was mailed to over 40,000 alumni last October, in time for the holidays. The office of Alumni Activities researches catalog orders to determine the market for more efficient target marketing in the coming year.

The only pending issue at this point is whether the University will decide to manage its own licensing operation or continue to pay an outside vendor. The bottom line is that the University's effort to market merchandise to alumni is now coordinated and offering a high quality product line. VCU is now seeking to determine how best to expand these efforts.

The University Relations Report was presented. Appointments with media executives were scheduled during the President's recent two-day trip to the Lynchburg and Roanoke areas. This was

the fourth Presidential swing through the Commonwealth for Dr. Trani. Meetings were held with the publishers and editorial staffs of the Lynchburg News and Daily Advance and the Roanoke Times and World News. Good follow-up articles and editorials are expected as both meetings went quite well.

Dr. Trani has published a major op-ed article entitled, "A Marshall Plan for Higher Education in the Soviet Union," in The Chronicle of Higher Education, the principle, national publication for higher education. Also, John Sarvay, a VCU student and stringer for the University publications office, recently published an article in The Washington Post collegiate section regarding the University's academic and athletic ties with the Soviet Union. In late April, Dr. Trani has an appointment with The New York Times in an effort to broaden their horizons regarding higher education in general and VCU in particular.

Also, VCU experts on the Gulf crisis were in extremely high demand during the war. In particular, Ted Smith, associate professor in the School of Mass Communications, was featured on Face the Nation on February 10, debating journalist David Halberstam on the role of the media in the Gulf War.

A new Source Guide to Minority Affairs is presently at the printer. The Guide will assist reporters in contacting VCU faculty who can provide a fresh insight into the multitude of minority-related subjects that are in the news today.

Mr. Ferguson reported for the Audit Committee. On motion made and seconded, the Minutes of a Meeting held March 21, 1991,

were approved. The remainder of the Committee's report was made during executive session.

Mr. Farinholt reported for the Finance and Investment Committee. On motion made and seconded, the Minutes of a Meeting held January 16, 1991, were approved.

The 1991 Session of the General Assembly was discussed.

Some of the highlights were:

The General Assembly left intact the Governor's \$200 million reserve but requires it to be used if revised revenue forecasts in August 1991 signal additional declines in State funds.

The Appropriations Act assumes an additional \$103.5 million in budget cuts, but the cuts remain undistributed. These additional cuts are equivalent to another 6.5% reduction.

The University's estimated share of the \$103.5 million of undistributed reductions is \$7.0 million.

MCV Hospitals will be required to transfer \$2.8 million of nongeneral funds to the State's General Fund.

Colleges and universities can raise additional revenue through tuition increases to help offset the budget reductions in 1991-92. VCU is authorized to collect up to \$5.5 million in additional tuition revenue next year.

The Legislators approved language requiring non-resident undergraduate students to pay the full cost of their education by 1991-92 and all non-resident students to pay at least the full cost by 1992-93. For VCU, non-resident undergraduate tuition revenue will have to increase by \$308,535 in 1991-92.

The General Assembly approved a \$9.0 million General Fund financial aid package. VCU's share is \$435,130.

An early retirement program for eligible State employees was approved by the 1991 General Assembly.

Boards of Visitors at VCU and UVA will have authority to develop compensation and retirement plans that are competitive with other non-state hospitals for health care provider positions.

The General Assembly approved \$175,000 from the General Fund to support the Dentistry Sterilization Facility.

The General Assembly failed to reach agreement on a package of frozen lottery capital projects. This action postpones projects at VCU involving classroom and laboratory renovations, construction of the new medical sciences building, and renovations to A.D. Williams/West Hospital.

The replacement steam plant at MCV was approved.

The two-floor \$4.5 million addition to the new Ambulatory Care Facility was authorized for MCVH.

\$1 million in renovations to Nelson Clinic was authorized.

The General Assembly approved \$1.5 million for repairs to the MCVH Visitors Parking Deck.

The Tuition and Fees issues for the upcoming year were discussed. These issues were discussed as part of the reports of the Student Affairs and the Academic Policy Committees.

The Quarterly Budget Report for the current fiscal year was presented for information. In terms of overall budgetary performance for the second quarter ended December 31, 1990, revenues collected were 79.3% or 0.2 percentage points behind last year's second quarter collections. Year-to-date expenditures represent 55.5% of projected annual revenues compared to 53.2% last year.

Mr. Whitworth reported for the Hospital Committee.

On motion made and seconded, the Minutes of a Meeting held January 16, 1991, were approved.

The issuance of a Request for Proposal to establish a term contract for the procurement of Blood, Blood Products and Related Services was presented. It is the intention of MCVH to establish a five (5) year term contract through the competitive bid process. The estimated value of this contract is \$15,000,000. Following a discussion, on motion made and seconded, the issuance of this Request for Proposal was approved.

The financial highlights for the seven month period ending January 31, 1991, were presented. Patient days are below budgeted levels due to continued reduction in the average length of stay. This continues to cause an under budget condition for Routine Services revenue. Outpatient visits continue to exceed the prior year, but are slightly below budget for the current year. Although visits are below budget for the seven months, a favorable rate variance contributes to Clinic Services revenue being over budget. It is expected that outpatient visits will approximate or exceed budget for the fiscal year. Lower than budgeted expenses, related to personnel vacancies, is the major factor contributing to the Hospitals year-to-date excess of \$5.8 million when compared to the budgeted excess of \$3.0 million. MCVH has fully funded depreciation in the amount of \$8.3 million for the seven months.

As previously explained, patient days continue to decrease due to a reduction in the average length of stay. Since patient admissions remain at approximately budgeted levels, the same services to patients are being compressed into a shorter stay. Expenses, therefore, are not decreasing in a direct relationship to patient day decreases.

There had been a delay in the Hospitals planned upgrade of the computer due to discussions between IBM and the Department of Information Technology concerning IBM's bid. This matter was recently resolved, and the Hospital is proceeding as originally planned to accept IBM's bid of \$335,680. This bid, as noted in January, is below the original \$500,000 estimate which the Hospital Committee approved at the November 1, 1990, meeting.

The General Assembly recently approved legislation for the State's two teaching hospitals which is now awaiting signature by the Governor. The changes in the legislation are a result of recommendations of the Joint Legislative Subcommittee Studying Flexibility in Personnel and Purchasing Practices for Teaching Hospitals (HJR 212 SJR 127) which met during 1990. A summary of the original and final approved legislation is as follows:

Personnel

Original - Requested removal of all hospital personnel from the State Personnel System for matters relating to salaries and fringe benefits.

General Assembly Approved - Approved removal of healthcare providers from the State System for matters relating to salaries and fringe benefits. (Approximately 50% of Hospital Employees.)

Original - Granting authority to the Boards of Visitors at both hospitals to approve salary fringe benefit programs.

General Assembly Approved - Granting authority to the Board of Visitors at both hospitals to approve salary and fringe benefit programs. In addition, any changes in compensation plans for such employees is subject to the review and approval of the Secretary of Education.

Purchasing

Original - Prohibition against entering into cooperative procurement arrangements for acquisitions less than \$150,000 to be removed for all State agencies.

General Assembly Approved - Approved as requested.

Original - Removal of two teaching hospitals from the control of the Director of State Purchasing. Teaching hospitals will still continue to follow State Procurement Rules and Regulations. Matters will be subject to further study.

General Assembly Approved - Denied Request, leaving decisions regarding purchasing matters with the Director of State Purchasing. Teaching hospitals will still continue to follow State Procurement Rules and Regulations.

The assumptions associated with the Hospitals 1991-92 budget development were reviewed. The budget will be presented at the April 19, 1991, combined meeting of the Hospital and Finance and Investment Committees.

MCVH proposes to contract the R.E.N. Corporation for the management of outpatient dialysis services in conjunction with the MCV Division of Nephrology and University Internal Medicine Foundation. Contract details are being worked out to effect a three-way agreement to create an offsite satellite dialysis center. This item is presented for information as contract details and legal review have not been completed. When a final contract is complete, it will be presented for approval.

The American Institute of Certified Public Accountants is requiring changes in the way providers of Healthcare Services report certain items effective for fiscal 1991-92. The Hospitals finance staff will be working closely with Internal Audit and with the Auditor of Public Accounts as the new reporting requirements are implemented. Although the bottom line will not change, the components of the Hospitals financial statements will be different. Since these new guidelines will be in effect for 1991-92, the Hospitals will prepare the 1991-92 budget under this new format.

The Joint Commission on Accreditation of Healthcare Organizations (JCAHO) is placing a new emphasis on safety. The Hospitals do have a Safety Committee as required by JCAHO. The committee meets bimonthly and the agenda consists of reports from members regarding various subjects related to safety. The organization and responsibility for safety was reviewed by Hospital Administration.

In addition to the Hospital Safety Committee, the University Safety Liaison Committee meets quarterly to discuss safety issues within the University and Hospital environment. There is significant membership overlap between the Hospital Safety and University Safety Liaison Committee.

Mr. Meador reported for the Property Committee.

On motion made and seconded, the Minutes of a Meeting held January 16, 1991, were approved.

A lease for administrative office space at 327 West Main Street was presented. This space is occupied by the University Financial Operations Division, Human Resource Systems and part of the Financial Aid Division. There is 43,476 square feet of administrative office space at 327 West Main Street and the property is owned by the VCU Foundation. The lease with the VCU Foundation would be renewed for five years at \$378,241 annually (\$8.70/sq. ft.). The University would be responsible for maintenance, utilities and housekeeping. On motion made and seconded, the lease for administrative office space at 327 West Main Street was approved.

The Parking Enforcement Policy was presented. A formal policy needs to be approved by the Board in accordance with the Code of Virginia. In the past, the administration has enforced this policy without formal Board approval. The policy permits motor vehicle parking upon payment of appropriate fees and parking is restricted to designated areas.

Parking regulations will be enforced through monetary penalties, restriction of parking privileges, towing or immobilization of vehicles, or a combination of these actions. Authority to approve

and implement specific parking regulations and enforcement actions is delegated to the Senior Vice President for Administration. The Committee expressed concern that the policy be applied uniformly to faculty, staff and students and that enforcement be a self-supporting operation. The administration will provide a report on enforcement practices and procedures at a future meeting. On motion made and seconded, the Parking Enforcement Policy was approved.

The selection of the architect for a student housing renovation project was presented. The project consists primarily of building modifications and repairs to five major dormitory facilities on the MCV and Academic Campuses. The architect recommended for selection is Smithey & Boynton for a fee of \$170,000. Smithey & Boynton is a Virginia firm headquartered in Roanoke, with an office in Richmond. Representative projects include contracts with Virginia Tech, George Mason and Virginia State. On motion made and seconded, the contract with the firm of Smithey & Boynton was approved.

The Project Plans for an air-supported structure to cover the six tennis courts located on the Academic Campus were presented. This project will provide a temporary, removable, air-supported structure to cover the six existing outdoor tennis courts. The State will not allow this structure to remain in place year-round. The construction budget is \$457,225 (12.15/GSF) out of a total budget of \$530,800. The project is expected to be completed in November, 1991. On motion made and seconded, the project plans for an air-supported structure to cover the six tennis courts was approved.

The University's and Hospitals' 1992-94 Biennial Capital Outlay Proposal was presented. Most of these projects are ones that

had been approved earlier by the Governor and the General Assembly, but are unfunded now due to the State's revenue shortfall. Other priorities include projects that were requested the last time around, but were not approved. The process is one where the University submits its capital request a year in advance of the 1992 Session of the General Assembly. It was noted by the administration that the construction of a new Allied Health/Nursing Building may not be approved by State Council staff so long as A.D. Williams/West Hospital is utilized. Also, VCU's request will be amended to include an addition to the Massey Cancer Center. Private funds will support this project which is estimated to cost \$7.6 million. On motion made and seconded, the University's and Hospitals' 1992-94 Biennial Capital Outlay Proposal was approved.

The Committee was notified of the contract award for construction of Student Commons, Phase II. Viking Enterprise has been awarded the contract. The construction bid is \$3,165,520 based on a construction budget of \$4,438,000. The bid is 29% under budget. Viking is a Richmond firm with much of its representative work consisting of elementary school construction for the Hopewell and Chesterfield County School Boards.

A Capital Project Status Report was provided for information purposes to the Committee. The following highlights are significant:

There is a significant drop in construction bidding rates brought on by the national economic downturn. Rates have fallen statewide as much as 30%.

The 1991 Session of the General Assembly authorized the addition of two more floors to the plans for MCVH Ambulatory Care expansion. Preliminary design is underway with project completion expected in June, 1993.

Working drawings for the MCV Parking Deck are expected to

be completed in two weeks.

The City and University, in a joint effort, are scheduled to initiate construction in April, 1991 on the Streetscape project on the MCV Campus.

Ground breaking for construction of Student Commons, Phase II occurred on Monday, March 18, 1991.

The University is in the midst of clarifying environmental problems which have been found on two proposed development sites, Universal Ford properties and the CSX site for the MCVH Steam Plant. An environmental attorney is being retained to assist in this process.

On motion made and seconded, the Board of Visitors convened into executive session to discuss certain personnel matters involving the performance of identifiable employees or faculty of VCU, and to discuss the evaluation of performance of departments or schools of VCU where such matters regarding such individuals might be affected by such evaluation including the evaluations of the Athletic Department, University Library and the Honors Program, Faculty Appointments and Changes in Status, Full and Consultative Hospital Privileges, a Report on the Joint Commission Visit, a Report on a Psychiatry Incident, and Audit Reports of individually identified departments and/or schools, and to discuss the condition, acquisition or use of real property for public purposes or of plans for the future of a state institution of higher education which could affect the value of property owned or desirable for ownership by such institution, including a discussion on an Easement Request, a Report on the Community Assistance Program and a Report from the task force concerning the feasibility of the VCU Real Estate Foundation, and to discuss the investing of public funds including a Memorandum of Understanding between VCU and the VCU Foundation, the Quarterly Investment Report and a Presentation by Investment Manag-

ers on Annual Performance, and to discuss legal matters, active and recently resolved litigation, and probable litigation with its attorney, and to discuss matters relating to gifts, bequests, and fundraising activities, including a Development Report, a Report on 1990-91 Total Private Support, Priority Prospects Review, the NEH Challenge Grant Status Report and Naming Proposals as authorized by Section 2.1-344 a(1), a(3), a(6), a(7) and a(8) of the Virginia Freedom of Information Act.

Following executive session, on motion made and seconded, the following Resolution was approved by roll call vote:

Virginia Commonwealth University hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the executive session meeting were heard, discussed or considered by the Audit Committee of the Board of Visitors of Virginia Commonwealth University.

<u>Roll Call Vote:</u>	<u>Ayes</u>	<u>Nays</u>
Dr. French H. Moore, Jr. (Rector)	X	
Mrs. Nina F. Abady	X	
Dr. Thomas J. Berenguer	X	
Mrs. Rozanne G. Epps	X	
Mr. James B. Farinholt, Jr.	Left before voting	
Mr. Jack H. Ferguson	X	
Mr. Roger L. Gregory	Left before voting	
Dr. William E. Holland	X	
Dr. Harry I. Johnson, Jr.	X	
Mr. Eric M. Lipman	X	
Mr. Richard L. Meador	X	
Dr. Clarence L. Peay	X	
Mr. Stuart C. Siegel	Absent	
Mr. Clarence L. Townes, Jr.	X	
Mr. F. Dixon Whitworth, Jr.	X	
Mr. Alan L. Wurtzel	X	

Vote:

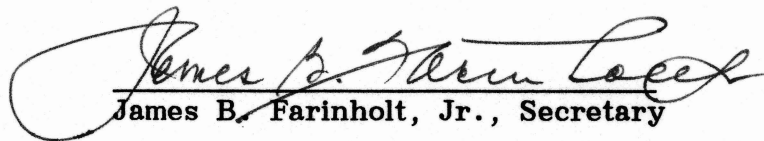
Ayes: 13

Nays: 0

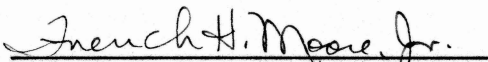
ABSENT DURING MEETING: 1
ABSENT DURING VOTING: 3

On motion made and seconded, the Board accepted the Report of the General Counsel, approved Faculty Appointments and Changes in Status and other personnel actions, approved Full and Consultative Hospital Privileges, approved Naming Proposals, accepted the Executive Session Committee reports including an Easement Request on the Hanover County Animal Farm, Memorandum of Understanding between Virginia Commonwealth University and the Virginia Commonwealth University Foundation, The Community Assistance Program and the establishment of a Task Force to study the feasibility of establishing a VCU Real Estate Foundation and accepted the President's report.

The meeting was adjourned at 1 p.m.


James B. Farinholt, Jr., Secretary

Approved:


French H. Moore, Jr., Rector