

MINUTES OF A REGULAR MEETING OF THE
BOARD OF VISITORS OF
VIRGINIA COMMONWEALTH UNIVERSITY
September 22, 1994

A regular meeting of the Board of Visitors of Virginia Commonwealth University was held on Thursday, September 22, 1994, at 9 a.m. in the University Meeting Center.

Present were Messrs. Whitworth (Rector), Flippen, Framme, Meador, Siegel, Townes and Weinberg; Drs. Dombalis, Gilmer, Johnson, Smith, Vaughan and Wootton; and Mrs. Teig. Mr. Arenstein and Ms. Vaughan were absent. Also present were Drs. Trani, Dewey, Gloster, Harris, Jones, Rhone and Schexnider; Messrs. Bruegman, Bunce, Cribbs, Jez, Smith and Wyeth; and Mesdames Messmer, Perry-Johnson and Price.

Mr. Whitworth called the meeting to order.

The President's Report followed.

Dr. Trani introduced VCU's new student representative to the Board, Mr. Ted McCaskey; Administrative Associate, Dr. Michael Davis; and the Community Service Associates for the Summer 1994; and Fall 1994. The Community Service Associates are: Dr. Mary Clement, Ms. Carolyn M. Lambert, Ms. Susan Neal, Ms. Rosa Jimenez-Vasquez for the Summer 1994; and Dr. Robert Godwin-Jones, Dr. Sheary Johnson, Mr. Daniel Ream, Dr. Diane Simon and Dr. Blue Wooldridge for Fall 1994.

The graduate programs at Virginia Commonwealth University once again achieved top ranking in U.S. News & World Report's 1994 Best Graduate Schools edition. For the second year in a row, the Department of Health Administration was ranked ninth, the School of Pharmacy was ranked tenth, and the School of Dentistry was ranked 13th among the top professional graduate programs in the country. For the first time, the School of the Arts was ranked among the top art schools for graduate study -- 25th in the fine arts category.

Mr. Meador reported for the Academic Policy Committee. The Program Proposal for the School of Engineering was presented. The program proposal has been under continuous review by the Academic Planning Committee, the Industrial Advisory, two State Council of Higher Education of Virginia (SCHEV) representatives, and the School's planning team of senior administrators. The proposed engineering program has strong orientations toward high-tech manufacturing, medicine, and biotechnology, and is designed to produce students who are highly competent in math and the sciences but also have well-developed skills in writing, speaking, and interpersonal relations. Foreign language and culture will be stressed so that the School's graduates can better function globally, and the School's programs will stress intellectual integration and synthesis to temper the traditional academic emphasis on analysis and reductionist thought alone.

The Committee focused on the expected quality of faculty and students. The proposal contained recommendations for the recruitment of distinguished faculty; the resources needed, and the sources of such resources; the unique features of the curriculum and program; the recruitment of students; and the opportunities for the close tie-in with the MCV Campus. The biomedical strengths will allow the School to realize the level of quality expected.

Prior to submission to the Board of Visitors, the program proposal was reviewed and approved by the University Undergraduate Curriculum Committee and the Committee on Academic Affairs of the University Council.

Mr. Framme reported for the Advancement Committee. The Legislative Update was presented. The effects of the Governor's parole plan are under careful scrutiny as the University has been asked to submit budget cuts of 2, 4, and 6%. Area neighborhood concerns regarding parking issues resulting from the construction of the School of Engineering continue to be addressed. VCU will continue to work with legislators in the State government as efforts to reengineer or downsize the University are being realized. Board members have been asked to work with the Office of Governmental and Community Relations in meeting with officials to provide information on VCU's efforts.

The Media Relations Plan Review was presented. The goal of the Media Relations Plan is to depict VCU as a model urban institution where key issues of the 90's are being addressed, and where significant contributions to Richmond, the region, and the nation are being made. A timetable of both short and long-term goals was created to raise the morale of the office and to increase the productivity and quality of publications from News Services.

Mr. Weinberg reported for the Finance and Investment Committee. A Contract Notification for the Financial Advisory Services was presented. The University and organizations affiliated with VCU have engaged an outside firm to serve as a financial advisor. A financial advisor will assist the staff in developing plans for issuing debt and structuring bond financing. Four firms submitted proposals. An evaluation of the proposals resulted in the selection of Crestar Securities Corporation of Richmond to be the University's

financial advisor. Crestar received the highest point total in the evaluation process and offered the most attractive cost structure.

The Budget Reports for the Fiscal Year Ended June 30, 1994, and the 1994-95 Budget Plan were presented. The University ended the 1994 fiscal year with a surplus of revenues over expenditures amounting to \$5.8 million, representing 1.4% of the total annual budget. The budget for the current fiscal year is in balance. Shortfalls in tuition revenue, due to the lower enrollments than projected, continue to draw down budgeted contingency reserve funds.

Dr. Gilmer reported for the Health Affairs Committee. Financial statistics for the twelve months ending June 30, 1994, were reviewed. There were some significant unknown expenses booked in June 1994. For the twelve month period ending June 30, 1994, there is an excess from operations of \$3.7M.

Financial statistics for the two months ending August 31, 1994, show a continued decrease in patient volume, translating into total operating income of \$62.7M compared to the budget of \$66.8M and total expenses of \$61.6M compared to a budget of \$62.5M. The Hospitals have been proactive in attempting to balance the budget, and in April 1994, eliminated 150 positions and implemented a hiring freeze in July 1994.

The Hospitals have implemented actions to balance the 1995 budget and compensate for the reduced patient volume. Expense reductions identified to date will approximate \$11.2M for the last three quarters of 1995 (annual dollars are \$13.6M), and when fully

implemented, would result in the projected loss for 1995 of (\$12.3)M being reduced to a loss of (\$1.1.)M.

The Hospitals have completed Phase I of the expense reduction strategies for the years 1995-1998. VCU/MCV Hospitals have engaged Mercer Management Consulting for Phases II and III of the expense reduction strategies currently underway at the Hospitals. The initiative should reduce costs approximately \$68M over the next several years.

The contract for Contrast Media Non Ionic and Low Osmolarity was presented. The Hospitals is exercising six months of the first of three, one-year renewal options of the contract in order to allow the Hospitals time to conduct a cost analysis and to establish firm fixed pricing for the six month renewal period, June 15, 1994, through December 14, 1994. The renewal is valued at approximately \$950,000.

The Contract for Perfusion Packs was presented. The purpose of the contract is to establish firm fixed pricing for custom perfusion packs used in surgery. The invitation to bid allowed for the potential of six years for the contract. MCVH will initially exercise the option to contract for four years with one two-year renewal. The contract is valued at approximately \$845,000.

Mr. Townes reported for the Property Committee. The Architect Selection for the Renovations of the Nelson Clinic was presented. The architectural firm of Greaves, Finch & Associates from Virginia Beach has been recommended to provide design services for renovations to the seventh floor of Nelson Clinic. The \$925,000 project upgrades clinical space for dermatology and provides addi-

tional space for the extended-stay surgical recovery suite. On motion made and seconded, the Architect Selection for the Renovations of Nelson Clinic was approved.

The Capital Project Status Report was presented. Highlights include:

- . Successful completion of a \$2 million renovations program in Scherer Hall at 923 West Franklin Street.
- . The administration and the architect are working on options for dealing with the historic structure on the School of Engineering site.
- . Value engineering is being utilized as a means of keeping the Fine Arts Center and Convocation/Recreation Center construction projects within budget.
- . Delays are being encountered for general renovation projects in West Hospital because of the State's requirement for long-term, costly life and fire safety renovations to the building. The University is committing to demolition of the building within 10 years as a means of reaching a compromise with the State over the extent of the life and fire safety renovations required.
- . The State did not approve a change order for floors five and six of the new Ambulatory Care Facility, which necessitated that these floors be completed in accordance with the generic design. Any modifications to these floors will be undertaken later after completion of the building.
- . Construction has begun on the Virginia Biotechnology Research Park.

Dr. Smith reported for the Student Affairs Committee. A follow-up report on Methods of Increasing Employment Options for VCU Students/Graduates was presented. At the May 19, 1994, meeting of the Student Affairs Committee of the Board of Visitors, Susan Spencer, Interim Director of the University Career Center, presented a report of the University Career Center. A follow-up report was requested by the Committee on possible vehicles for increasing employment options for VCU's students and graduates, with special

attention on career fairs and the establishment of a state-wide or regional clearinghouse on job opportunities.

In response to the Committee's request, Ms. Spencer launched a study using surveys and obtaining benchmark information to determine how best to meet the need of VCU students and graduates for the highest quality system to learn about potential employment opportunities locally, statewide, nationally, and internationally. The usage of available technology to create a regional or state databank to exchange employment information between employers and potential employees in locales of colleges and universities throughout the Commonwealth was recommended. The continued development of a computer clearinghouse for job opportunities was also encouraged.

A report on Summer School Enrollment was presented. VCU continues to offer comprehensive, flexible summer programming, scheduling 636 sections from May 23 to August 19. While courses originate in the Academic Campus schools and the College, the Division of Continuing Studies coordinates all aspects of summer studies at VCU. During the Summer 1994 session, the University enrolled 8,173 students. The decline of 526 students from Summer 1993 continued the enrollment trends of the 1993-94 academic year. Summer off-campus enrollment, however, increased by almost 100 students, and involved several new community organizations and agencies. Some of the issues raised included: the need to change the expectations of faculty that each person will be able to teach the maximum load allowed in the summer, reducing or eliminating small and duplicative sections, and the need to attract non-VCU students. The

impact of the tuition differential in the Business School on the decline in that school, opportunities for attracting international students (e.g., South African students), the increasing costs to students, and improved strategies for attracting more students were other issues discussed. The Committee requested that a plan for summer of 1995 be presented at a later meeting of the Committee.

A report on the Early Fall Enrollment was presented. Based on registrations through September 16, 1994, the University is expected to have a Fall 1994 headcount enrollment of approximately 21,348 students, representing a decline of 506 from the 21,854 students enrolled in the Fall of 1993. The size of the Fall 1994 freshman class is 1,658 students, up from 1,567 freshmen in Fall 1993. The mean combined SAT score of matriculated, regularly admitted freshmen is 1003, down from 1010 a year ago. The size of the transfer class for Fall 1994 is 1,703 students, compared to 1,672 transfers in Fall 1993. On-campus enrollments are 19,848, down 458 from last Fall. The shortfall in on-campus enrollments will be partially offset by off-campus students. The Division of Continuing Studies and Public Service anticipates 1,500 off-campus registrations by October, approximately 400 students more than the original projection of 1,101 off-campus students. The report also included information on fall enrollments by race and ethnicity, and the increase in enrollment of African-American students was noted. One of the major reasons for the decline in enrollment was noted as financially related, including increased costs to students and lack of job opportunities for many of VCU's students.

The Strategic Plan Implementation Report was presented. The Strategic Plan Implementation Report: Year One (1993-1994) presents a detailed summary of accomplishments in 1993-1994 and plans for 1994-1995 related to each of the 162 objectives under the fifteen strategic directions identified in the Strategic Plan. Provost Harris and Dr. Barbara Fuhrmann, who coordinated the compilation of the Implementation Report, presented the report to the Committee. In 1993-1994, the implementation process brought together students, faculty, classified staff, and administrators on 22 task forces charged with designing and carrying out the implementation of the plan. Additionally, a Council of Advisors was empaneled to assist the Provost in overseeing and evaluating implementation of the plan. The University needs to now address financial implications and establish benchmarks to monitor ongoing implementation of the plan, both of which will be the foci for 1995.

On motion made and seconded, the following items from the Consent Agenda were approved:

- Ad Hoc Committee on Joint Venturing
 - Minutes of a Meeting held July 13, 1994
- Board of Visitors
 - Minutes of a Meeting held July 14, 1994
- Academic Policy Committee
 - Program Proposal for School of Engineering
- Advancement Committee
 - Minutes of a Meeting held July 13, 1994
- Audit Committee
 - Minutes of a Meeting held July 14, 1994
- Property Committee
 - Minutes of a Meeting held July 13, 1994
 - Architect Selection - Renovations of Nelson Clinic
- Student Affairs Committee
 - Minutes of a Meeting held July 13, 1994

On motion made and seconded, the Consent Agenda Information Items were accepted.

Ms. Teig reported for the Nominating Committee that consisted of Messrs. Arenstein (Chair), Framme, Weinberg and Whitworth and Ms. Teig. The Committee recommended the following slate: Stuart C. Siegel, Vice Rector; Harry I. Johnson, Jr., Secretary; and Richard L. Meador and Clarence L. Townes, Jr., members-at-large. On motion made and seconded, the slate of officers were elected.

On motion made and seconded, the Board 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 Faculty Appointments and Changes in Status and other Personnel Actions, Full and Consultative Hospital Privileges, the Reappointment of Medical Staff, the Quarterly Safety and Risk Management Report and the Semi-Annual Hospital Quality Progress Report, and to discuss the condition, acquisition and use of real property for public purpose, or of the disposition of publicly held property, 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 the Research Park Post Closing Resolution, and to discuss legal matters and probable litigation with its attorney relating to the aforementioned Audit Reports as may be necessary and a discussion and/or consideration of contractual or other legal relationships involving MCV Hospitals, and to discuss the investing of public funds including an Investment Review with Investment Consultant and to discuss

matters relating to gifts, bequests, and fundraising activities including the Development Report with a review of a Top Prospect List and a review of the Nucleus Fund Projects, Review of Business School Staffing Arrangement and the approval of the Named Funds Report, and to discuss matters relating to honorary degrees and special awards as authorized by Section 2.1-344 (a)1, (a)3, a(6), a(7), a(8) and a(10) 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 session 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 Board of Visitors of Virginia Commonwealth University.

<u>Roll Call Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. F. Dixon Whitworth, Jr., Rector	X	
Mr. Richard A. Arenstein	Absent	
Rev. Constantine N. Dombalis	Left before voting	
Mr. Edward L. Flippen	X	
Mr. Lawrence W. Framme, III	X	
Dr. Robert D. Gilmer	X	
Dr. Harry I. Johnson, Jr.	X	
Mr. Richard L. Meador	X	
Mr. Stuart C. Siegel	X	
Dr. Lindley T. Smith	X	
Ms. Eva S. Teig	X	
Mr. Clarence L. Townes, Jr.	X	
Dr. David A. Vaughan	X	
Ms. Sandra Adair Vaughan	Absent	
Mr. Jay M. Weinberg	X	
Dr. Percy Wootton	Left before voting	

VOTE:

Ayes: 12
Nays: 0

ABSENT DURING MEETING: 2
ABSENT DURING VOTING: 4

On motion made and seconded, the Board accepted the Report of the President; approved the Faculty Appointments and Changes in Status and other Personnel Actions including addendum items, the Annual Reappointment of Affiliate and Clinical Faculty, the Full and Consultative Hospital Privileges, Medical Staff Appointments and the Named Funds Report, accepted the Risk Management and Safety Report, the semiannual Hospital Quality Progress Report; approved the Acquisition of Real Property including 519-23 North Harrison Street and 1069 West Broad Street, subject to final price negotiation, accepted the Report of the General Counsel; accepted the report of the Audit Committee regarding the meeting held September 22, 1994; accepted the Executive Committee Reports; approved the Post-closing Resolutions regarding the Biotechnology Research Park Transaction documents with Lawrence H. Framme, III abstaining; approved the resolution approving the conveyance of VCU's interest in the Crump Property with Mr. Jay M. Weinberg abstaining and approved the following Resolution of Commendation:

A Resolution In Honor Of
H. Stephen Moore, Jr.
September 22, 1994

WHEREAS, H. Stephen Moore, Jr., has served Virginia Commonwealth University with distinction for twenty-five years;

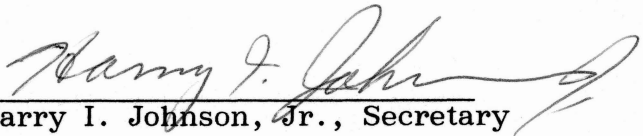
WHEREAS, H. Stephen Moore, Jr., has transformed a small personnel operation into a comprehensive human resource organization;

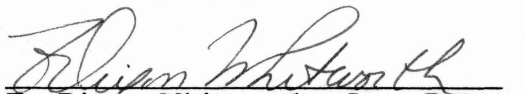
WHEREAS, Virginia Commonwealth University has developed a top-rated organization that has been recognized nationally for its creative and innovative approaches to human resource management;

WHEREAS, Virginia Commonwealth University has been cited as having one of the best human resource programs in the country;

THEREFORE, BE IT RESOLVED that Virginia Commonwealth University and its Board of Visitors extend best wishes and appreciation to H. Stephen Moore, Jr., on his retirement. In recognition of his service to Virginia Commonwealth University and the Commonwealth of Virginia, the Board of Visitors bestows the title of Assistant Vice President for Human Resources Emeritus.

The meeting was adjourned at 12:30 p.m.


Harry I. Johnson, Jr., Secretary


F. Dixon Whitworth, Jr., Rector