



**BOARD OF VISITORS
STRATEGIC TASK FORCE
9:30 A.M.
JUNE 22, 2018
PRESIDENT'S CONFERENCE ROOM
910 WEST FRANKLIN STREET, FIRST FLOOR, RICHMOND, VIRGINIA
MINUTES**

COMMITTEE MEMBERS PRESENT

Mr. H. Benson Dendy, Chair
Mr. William Ginther
Mr. John Luke, Jr.
Ms. Karol Kain Gray, Senior Vice President and Chief Financial Officer
Dr. Gail Hackett, Provost and Senior Vice President for Academic Affairs
Dr. Meredith Weiss, Vice President of Administration

MEMBER PARTICIPATING VIA TELEPHONE

Mr. Keith Parker
8585 Sentinae Chase Drive
Roswell, GA
704-575-6131

COMMITTEE MEMBER ABSENT

Mr. Edward McCoy
Mr. G. Richard Wagoner

BOARD MEMBERS PRESENT

Ms. Phoebe Hall, rector

OTHERS PRESENT

Staff from VCU

CALL TO ORDER

Mr. Benson Dendy called the meeting to order at 9:35 a.m.

Mr. Dendy opened the meeting reviewing the group's charge to investigate opportunities for revenue growth at VCU in lieu of raising tuition and relying on State E&G support.

Ms. Gray reviewing the new budget model recently developed by the Office of Budget and Resource Analysis which will transform our planning and budget process to accelerate our progress as a 21st Century, public research university. Therefore, tuition will follow the student where they learn meaning that:

- the teaching school will receive 80% of base tuition and the student's major will receive 20% of the base tuition
- fees will remain with the unit responsible for the program or course
- State (E&G) funds is distributed among schools/college as follows:
 - 50% follows proportion of tuition generated
 - 25% follows proportion research expenditures
 - 25% follows proportional share of central costs
- Financial Aid is a significant strategic priority and undergraduate aid is shared among schools/college in "need blind" manner
- The new budget model stops at the school/college level: Deans and central unit leaders are responsible for all decisions and decision processes within their unit with respect to E&G direct expenses.
- Approximately 33% of VCU's operating budget covers central costs, including academic supports such as the Libraries and Information Technology. Schools will cover their share of central costs based on metrics including space, faculty/staff headcount, and student FTEs.

Subvention/subsidy is used to enable all units to help achieve the university's strategic priorities and is an annual adjustment of funds to bring each unit to a strategically-determined net financial position. Dr. Hackett added that decision making is no longer disconnected from costs and that this model has been widely distributed and discussed among all of the university community. Deans must have plans to contain costs and increase revenue to make programs financially successful.

Ms. Gray added that this model was developed organically at VCU and had lots of buy-in from all levels within the university. Ms. Gray reviewed the spreadsheet for each of the 14 schools showing their revenue positions. Ms. Gray offered that the Budget Office is staffed in an advisory capacity to help schools who struggle with the concept. Ms. Hall complimented the staff for developing the tools to gather the data needed to make informed decisions and create a stronger plan.

Mr. Ginther asked that this information be shared at the next Finance, Budget and Investment committee meeting in September and that Dr. Hackett report same to the Academic and Health Affairs committee as well.

Dr. Hackett reviewed the Quest 2025 theme reviewing enrollment numbers for the last five years and freshman and transfer numbers as well as future enrollment initiatives now being developed. Summer Enrollment is also being reviewed and enhanced to increase revenues in that area. Dr.

Hackett reviewed Online Education initiatives, National Center for Academic Transformation (NCAT) efforts to reduce DFW (Drop, Fail, Withdraw) rates among students. The Open Education program was also reviewed in course materials are provided to students at no cost in an effort to offset the cost of attendance.

Mr. Dendy spoke about the Civic Engagement Program at Tulane University and how successful it's been and that he believed VCU could advertise their strengths in this area of Community Engagement to draw students.

Mr. Conrad provided an update on the State budget and that VCU is focusing on key areas which include:

1. Focus on Faculty Salary Discrepancy in comparison to our Peers (\$40 million deficit)
2. Financial Aid for Virginia students
3. STEM capital outlay for improved laboratory classrooms on campus
4. Development of Division 1 athletic facilities

Mr. Ginther talked about the need to study the relationship between VCU and the Hospitals and possible public/private partnerships. Mr. Luke commented that the business of higher education is dramatically changing and that we must change our approach to advance the institution.

Dr. Weiss is preparing several items for the next meeting of this committee (August) which show how she's focusing her team's efforts on asset management and analysis as well as energy savings. Ms. Gray added that the procurement initiative will result in savings as well.

For the next meeting, suggested agenda items include: Report on the VCU Development by Vice President Davenport, REAL program and civic engagement by Dr. Hackett, and a report from Vice President Lepley on rebranding/marketing efforts.

Ms. Hall referenced her recent read of the Virginius Dabney book on VCU's history *Virginia Commonwealth University: A Sesquicentennial History* (1987) and how fascinating it was to learn the whole story.

Mr. Dendy suggested that the August meeting be held the afternoon before the Board orientation and suggested that everyone hold 3pm on August 15, 2018 as a possible meeting date/time.

The meeting was adjourned at 11:00am.