

VCU Board of Visitors

V i r g i n i a C o m m o n w e a l t h U n i v e r s i t y

November 9, 2007 **A Regular Meeting of the Board of Visitors**

Minutes

A regular meeting of the Board of Visitors of Virginia Commonwealth University was held on Friday, November 9, 2007, at 8 a.m. in the Richmond Salons located in the University Student Commons at 907 Floyd Avenue.

Present were Messrs. Rosenthal (Rector), Hurtado, Jackson, Jones, Robertson, Sherman, Siegel and Snead; Drs. Bersoff, Broaddus, Doswell and Romano; and Mesdames Lambert and Rhodes. Dr. Shapiro and Mr. Baldacci were absent. Also present were Drs. Trani, Gottfredson, Holsworth, Huff, Macrina, Marolla, Moriarty, Retchin, Rhone and Rodriguez; Messrs. Bennett, Bunce, Gehring, Ohlinger, Ream, Ross and Wyeth; and Mesdames Atkinson, Balmer, Messmer and Stillman. Ms. Syed, alternate student representative to the Board, and Dr. Murphy-Judy, faculty representative to the Board, were also present.

The Report of the Rector and the Report of the President were presented.

Mr. Snead reported for the Academic and Health Affairs Policy Committee. The Proposal to Change the Program Name from the VCU Adcenter to the VCU Brandcenter was presented. The Adcenter name change was requested to reflect the current focus and future direction of the program and the advertising industry. In 1999, the VCU Adcenter was given permission by the President's Office to "sub brand" itself both internally and externally. The authorization gave the VCU Adcenter license to create a distinct graphic identity. The Adcenter established a logo, typefaces and visual identity and has successfully supported the look in printed material, direct mail, and advertising. With increased competition within the academic market and evolving industry, the Adcenter has found that the name does not reflect the program. After research and discussion, the VCU Adcenter developed a new mission statement, which reflects changes made to the curriculum, along with the development of an Executive Education program. The statement states that the mission is to "drive the industry to embrace and master change." The new mission statement, coupled with the evolution of the industry, supports that the modifier "Ad" no longer represents the curriculum. Instead, the industry now focuses on "brands" that are defined by total communications, including digital, packaging, retail environment, as well as advertising. The modifier "Brand" is more fitting in describing the extraordinary program that matriculates professionals who are experts in all areas of the business community. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the proposal to Change the Program Name from the VCU Adcenter to the VCU Brandcenter.

The Proposal to Establish the Center for Clinical Translational Research was presented. In February 2006, the Board of Visitors approved the VCU 2020 Vision for Excellence, the University's strategic plan. A significant portion of the strategic plan focused on accelerating VCU's research programs and the development and enhancement of doctoral-level education. The plan includes an ambitious vision for the VCU School of Medicine including the recruitment of new research faculty, expansion of the graduate-level basic science programs, and the construction of new laboratory and education space. In July 2005, a committee was established by the Dean of the School of Medicine to "produce a terrain map for VCU's translational-clinical research." The committee's findings were summarized in a December 2005 report.

Within the University, the proposed Center for Clinical and Translational Research (CTTR) would provide the necessary longitudinal and cross-disciplinary networking, culture, and infrastructure for identifying promising discoveries made in the laboratory, testing the discoveries in animals, and developing trials and studies for humans. Participation of researchers from life, physical, computer, engineering, economic, and social sciences from across the University will be critical. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the proposal to Establish the Center for Clinical and Translational Research.

The Proposal for Organizational Change in Nursing was presented. The request to change the School of Nursing department structure from a three department structure to a two department structure would result in more efficient management operations and effective mission-focused work. The department structure proposed for the VCU School of Nursing is an effort to create greater "interdisciplinary collaboration" across specialties that will enhance the teaching and research of the School. The reorganization from three to two departments was an administrative decision that has been discussed widely with faculty, departments, department chairs and the Department of Integrative Systems. There will be

no financial impact or required changes to the educational offerings of the School. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the proposal for Organizational Change in Nursing.

The Six-Year Academic, Financial and Enrollment Plan was presented. The Restructuring of Higher Education Act required Virginia institutions to develop and update six-year enrollment, academic and financial plans by October 1st of each odd-numbered year. The State Council for Higher Education in Virginia (SCHEV) coordinates the development of the plans. VCU's original Board-approved plans were submitted in October of 2005, and VCU submitted its draft updated plans to SCHEV on October 1, 2007 as required. The updates are subject to Board approval. The report provided an overview of the academic, enrollment and financial six-year plan updates, and outlined how the plans are consonant with the goals and initiatives identified in VCU 2020. The Senior Vice President for Finance and Administration made a similar report to the Finance, Investment and Property Committee. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the Six-Year Academic, Financial and Enrollment Plan.

The following items were presented for information: a report on VCU Student Engagement and VCU Compact, a report on VCU's International Partnerships, a report on the School of Engineering, a report on the Center for Teaching Excellence, an update on the Master of Science Addiction Studies Program, an update on the Transitional Doctor of Physical Therapy Program, and the Virginia Commonwealth University Health System Financial Statement Summary Fiscal Year 2007 – Twelve Months Ending June 30, 2007.

Mr. Jackson reported for the Audit Committee. The Proposed Committee Name Change was presented. In November 2005, the Board of Visitors approved the establishment of the University Compliance function. Since the hiring of the University Compliance Officer in July 2006, the Audit Committee's responsibilities have expanded significantly. As a result, the Executive Director proposed that the name of the Audit Committee be changed to the "Audit and Compliance Committee" to more accurately reflect the full scope of the Committee's oversight and responsibilities. The General Counsel advises that the change, if approved, could be incorporated into the Board Bylaws during the next regular update. No immediate action would be necessary in that regard. The Audit Committee recommended to the full Board the approval of the Proposed Committee Name Change.

The Proposed 2008 Workplan was presented. The Audit Plan is supported by three key planning documents: 1) the COSO Models; 2) the Summary of Critical Issues and Risk Management Considerations; and 3) the Four Year Core Audit Plan for Risk-Based Audits. In addition to the risk-based audits, the 2008 Plan includes time for annual projects requested by the Audit Committee and senior management as well as time for special projects. The Audit Committee recommended to the full Board the approval of the Proposed Audit Workplan.

Mrs. Rhodes reported for the Finance, Investment and Property Committee. The Proposed Change in Project Scope for the School of Dentistry Addition was presented. The University received authorization in the 2006 General Assembly Session to construct a 55,800 gross square foot addition for the School of Dentistry. The current budget is \$14,750,000 with the Commonwealth contributing \$9,150,000 from the General Fund and the University providing \$5,600,000. The project is being developed using the construction management at risk project delivery method. In July 2007, Hourigan Construction was selected to serve as construction manager and after pricing the preliminary design, concluded the project was under funded by \$5,000,000. An independent cost estimate completed in May 2007 had indicated the project was essentially on budget. The University has now obtained pricing from another major construction firm and the second estimate confirms Hourigan Construction's \$19,750,000 project cost. In comparing the contractor's estimates with the independent cost estimator's estimate, the independent cost estimator had significantly underestimated the unit cost for the work. The three primary elements contributing to the higher cost are the complexity of the design, inadequate estimate and needed scope improvements. The recommendation is to request authority to increase the total project budget from \$14,750,000 to \$19,750,000. The additional funding would be provided through one, or a combination, of the following sources: infusion of University funds; or issuance of University-backed VCBA bonds. The Finance, Investment and Property Committee recommended to the full Board the approval of the proposed Change in Project Scope for the School of Dentistry Addition.

The Six-Year Financial Plan for 2009-2014 was presented. The Six-Year Financial Plan is a requirement of the 2005 Higher Education Restructuring Act. The University developed financial plans under two scenarios: one where VCU receives sufficient additional state support to reach 100 percent of the state's funding guidelines, and a second where there is no additional state support over the next six years. While the University will make budget and tuition and fees decisions each year based on actual state appropriations, the plans provide useful information on institutional priorities and commitments, including implementation of VCU2020 and the Capital Plan, and potential tuition and fee increases. The Finance, Investment and Property Committee recommended to the full Board the approval of the Six-Year Financial Plan for 2009-2014.

The lease for 807, 811, 813, 815 South Cathedral Place and 14 North Laurel Street was presented. The VCU Real Estate Foundation (VCUREF) will acquire the property from the Catholic Diocese of Richmond and enter into a lease agreement with VCU to lease the space. The buildings consist of two-story and three-story attached masonry single-family townhouses, which have been converted to office space and are in excellent condition. No significant modifications are needed by VCU prior to occupancy. The lease provides needed office space to house various VCU administrative and/or academic functions within the footprint of the Monroe Park Campus. The Finance, Investment and Property Committee recommended to the full Board the approval of the lease for 807, 811, 813, 815 South Cathedral Place and 14 North Laurel Street.

The Project Plans for the School of Engineering's Health and Life Sciences Laboratory were presented. The project will bring together interdisciplinary research faculty from engineering, life sciences, and health sciences to share knowledge and resources. The facility will be a two-story structure compatible with the architectural design of the School of Engineering, Phase I. The project will contain wet research laboratories, faculty offices, graduate student offices, and related support space. The construction budget is \$9,748,000 with a total budget of \$13,465,000. The Finance, Investment and Property Committee recommended to the full Board the approval of the Project Plans for the School of Engineering's Health and Life Sciences Laboratory.

The Project Plans for the 8th Street Parking Deck Office were presented. The project creates administrative office space on the ground floor of the 8th Street Parking Deck to consolidate the Enforcement and Customer Services Division of the Department of Parking and Transportation in one location. Currently Parking and Transportation personnel are divided between two offices on the Monroe Park Campus and one location on the MCV Campus. The 4,600 SF addition to the 8th Street Parking Deck office will accommodate both divisions of the department. The construction budget is \$690,000 with a total budget of \$1,226,350. The Finance, Investment and Property Committee recommended to the full Board the approval of the Project Plans for the 8th Street Parking Deck Office.

The following items were presented for review or information: 2007-08 State Budget Reduction Plan, University Quarterly Budget Performance Report: September 30, 2007, 2008-10 State Budget Requests, Capital Projects Status Report, Annual Report: Cash Management Operating Pool, Virginia Commonwealth University Health System Financial Statement Summary Fiscal Year 2007 – Twelve Months Ending June 30, 2007, Notification of Contract Awards for the Medical Sciences Building II and the VCU Foundation Inger and Walter Rice Center for Environmental Life Sciences Education Building. Notification of Contract Award for the School of Business, the School of Engineering Furniture Procurement, the Foundation Annual Reports for the VCU Foundation, the VCU Real Estate Foundation, the VCU School of Engineering Foundation, the VCU Alumni Association and the MCV Alumni Association

Mrs. Lambert reported for the Student Affairs Committee. The following items were presented for information: a Report on MRSA, a Fall Enrollment Report, a Report on Helping the Distressed Student, the Standing Committee on Safety, a Report on University Student Health Services and highlights for 2006-07 for University Student Health Services and a report on the VCU 2007 Fall Fest.

Due to time constraints the following three presentations were deferred to the February meeting: Honors College National Scholarships; Student Athletics/NCAA Academic Performance Rates; and the University College Scorecard.

On motion made and seconded, the following Consent Agenda Action Items were approved:

Board of Visitors

- Minutes of a Meeting held August 9, 2007

Academic and Health Affairs Policy Committee

- Minutes of a Meeting held August 8, 2007
- Proposal to Change Program Name from VCU Adcenter to VCU Brandcenter
- Proposal to Establish the Center for Clinical and Translational Research
- Proposal for Organizational Change in the School of Nursing
- Six-Year Academic, Financial and Enrollment Plan (hand-out)

Audit Committee

- Minutes of a Meeting held August 8, 2007
- Proposed 2008 Audit Workplan
- Proposed Audit Committee Name Change

External Relations

- Minutes of a Meeting held August 8, 2007

Finance, Investment and Property Committee

- Minutes of a Meeting held August 8, 2007
- Six-Year Financial Plan, 2009-2014
- Lease for 807, 811, 813, 815 South Cathedral Place and 14 North Laurel Street
- Proposed Change in Project Scope for the School of Dentistry Addition
- Project Plans for the School of Engineering – Health and Life Sciences Laboratory
- Project Plans for the 8th Street Parking Deck Office

Student Affairs Committee

- Minutes of a Meeting held August 8, 2007

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

The VCU Management Agreement under the Higher Education Restructuring Act was presented. SCHEV is charged with developing performance benchmarks for each of the 12 state objectives and SCHEV determines whether an institution is meeting the state's expectations. Financial incentives are offered for institutions which meet the state's expectations, including automatic carry forward of unexpended balances; interest earnings on non-general fund balances; rebates on use of small purchase charge card; and eVA rebate on sole source procurements. VCU received \$1.7 million from the state in FY 2008 for financial incentives under the Restructuring Act. There are three levels of autonomy/authority. The process for entering into a Level 3 Process Management Agreement is:

- By a two-thirds majority, Board of Visitors must vote to authorize the institution to enter into a management agreement (February, 2007 Board meeting)
- Institution must apply to the Governor for permission to begin negotiations (March 2007)
- If Governor approves, the Governor designates Cabinet Secretaries who negotiate the agreement (September, 2007)

The agreement must be signed by the secretaries, approved by the Board of Visitors, and submitted to the General Assembly for review by November 15, 2007.

In 2006, the General Assembly adopted the first three agreements as statutes, with the provision that the agreements will expire after four years, unless renewed. On motion made and seconded, the Board approved the Management Agreement, authorizing the President to execute the Agreement on behalf of Virginia Commonwealth University; and delegates to the President the authority to approve minor changes that may be necessary to finalize the Agreement, subject to any changes being reported to the Board at the February 2008 meeting.

The General Counsel presented a brief update on the Conflict of Interests Training. The Conflict of Interests Act and Ethics in Public Contracting training materials were distributed to each Board member. The material is to be reviewed by each Board member and a Certificate of Training is to be signed and returned to the University Compliance Officer.

On motion made and seconded, the Board convened into closed session to discuss certain personnel matters and matters relating to the performance of identifiable employees and faculty of VCU and to discuss the performance of departments or schools of VCU where such matters regarding such individuals might be affected by such evaluations, including issues related to the President in his official capacity and to discuss the evaluation of his performance, and including the Faculty Appointments and Changes in Status and other Personnel Actions, and Executive Salaries and Continuing Faculty Salaries; to discuss the acquisition or 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 acquisition of property on or adjacent to the Monroe Park Campus; and to consult with legal counsel pertaining to actual and probable litigation, and other specific legal matters requiring the provision of legal advice by counsel, including the Report of the General Counsel and a review of the outside contracting process within the Division of Student Affairs and Enrollment Services; to discuss matters relating to gifts, bequests, and fundraising activities and grants and contracts for services or work to be performed by such institution, including the approval of the Named Funds Report and Facility Naming Recommendations and an update on

the development activities, and to discuss matters relating to honorary degrees and special awards, including the Report of the Special Awards Committee as authorized by Section 2.2-3711 A(1), A(3), A(6), A(7), A(8) and A(10) of the Virginia Freedom of Information Act.

Following closed 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 closed session meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session meeting were heard, discussed or considered by the Board of Visitors of Virginia Commonwealth University.

Roll call vote	Ayes	Nays
Mr. Thomas G. Rosenthal, Rector	X	
Mr. David G. Baldacci	Absent	
Dr. Edward H. Bersoff	Left before voting	
Dr. J. Alfred Broaddus, Jr.	X	
Dr. John C. Doswell II	Left before voting	
Mr. Arthur D. Hurtado	X	
Mr. Brian K. Jackson	Left before voting	
Mr. Maurice A. Jones	X	
Ms. Lillian L. Lambert	X	
Mrs. Anne J. G. "Panny" Rhodes	Left before voting	
Mr. Richard T. Robertson	Left before voting	
Dr. Michele A. Romano	X	
Dr. Carol S. Shapiro	Absent	
Mr. John Sherman, Jr.	X	
Mr. Stuart C. Siegel	X	
Mr. Thomas G. Snead, Jr.	X	

Total votes

Ayes: 9
 Nays: 0
 ABSENT DURING MEETING: 2
 ABSENT DURING VOTING: 7

On motion made and seconded, the Board accepted the Report of the President; accepted the recommendations of the Special Awards Committee; approved the Faculty Appointments and Changes in Status and Other Personnel Actions as amended; approved the Executive Salaries, approved the Continuing Faculty Salaries, approved the Named Funds Report and Facility Naming Recommendations as amended; concurred with the acquisition of property on or adjacent to the Monroe Park Campus by the VCU Real Estate Foundation, approved the transfer of property on or adjacent to the Monroe Park Campus to the City of Richmond, approved the acquisition of property on or adjacent to the Monroe Park Campus; accepted the Closed Session Committee Reports; and accepted the Report of the General Counsel, and accepted the Report of the Presidential Evaluation Committee.

The meeting was adjourned at 1:05 p.m.