

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

February 14, 2008 **A Regular Meeting of the Board of Visitors**

Minutes

A regular meeting of the Board of Visitors of Virginia Commonwealth University was held on Thursday, February 14, 2008, 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, Doswell, Shapiro; and Mesdames Lambert and Rhodes. Drs. Broaddus and Romano and Mr. Baldacci were absent. Also present were Drs. Trani, Gottfredson, Holsworth, Huff, Macrina, Moriarty, Retchin, Rhone and Rodriguez; Messrs. Bennett, Bunce, Gehring, Ohlinger, Ream, Ross and Wyeth; and Mesdames Atkinson, Balmer, and Messmer. Ms. Mainthia, student representative to the Board, Ms. Williams, staff 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 Establish a Ph.D. in Nanoscience and Nanotechnology was presented. The proposal for the new VCU interdisciplinary Ph.D. program in Nanoscience and Nanotechnology is driven by the need to build an academic structure so students in the natural sciences, mathematics, engineering and medicine can learn the ongoing research opportunities in nanoscience and nanotechnology and acquire the education and knowledge that will enable the students to pursue such careers. The scope and importance of nanomaterials is increasingly recognized among students, faculty and industrial scientists not only because of the discovery of new classes of materials of high technological relevance, but also because of a deeper fundamental understanding of the basic scientific phenomena underlying the unique properties of nanomaterials. VCU students should be trained in the rapidly expanding cross-disciplinary areas of nanostructures and nanotechnology. The training requires new effective approaches for the integration of teaching and research activities at both the undergraduate and graduate levels. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the Proposal to Establish a Ph.D. in Nanoscience and Nanotechnology.

The Proposal to Establish a Ph.D. in Chemical Biology was presented. The program will train students through highly interdisciplinary teaching and research, give the students strong technological and computational skills, and produce graduates with the ability and background to move easily among different projects and research venues in future careers. The graduates will be among the researchers making the most significant advances in chemical and biological science research in academic, industry and government settings during the coming decades. The Ph.D. program in Chemical Biology is a cross-campus program. Reflecting the interdisciplinary concept, faculty members from departments and centers spanning the chemical and biological sciences on both the Monroe Park and Medical campuses are participating in the program. The program is not limited to a specific track within a specific department. In principle, students from the participating departments will gain the Ph.D. in Chemical Biology through a combination of core activities in Chemical Biology, home department courses and elective courses across the campus-wide Chemical Biology curriculum. The program is specifically designed to be as flexible as possible in order to maximize the learning and research possibilities available to students. The students may develop research projects that draw from the many areas in the chemical and biological sciences available at VCU. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the Proposal to Establish a Ph.D. in Chemical Biology.

The Proposal to Establish a Ph.D. in Systems Modeling and Analysis was presented. The program will be operated by the Department of Statistical Sciences and Operations Research and the Department of Mathematics and Applied Mathematics, within the College of Humanities and Sciences at VCU. The program is the result of significant growth in research in both departments. The new research-oriented Ph.D. program will complement the Master of Science in Mathematical Sciences offered by the two departments. The program will contribute to VCU's strong focus on scholarship, teaching, and service in the areas of operations research, statistics, and mathematics. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the Proposal to Establish a Ph.D. in Systems Modeling and Analysis.

The Proposal to Establish a Ph.D. in Neurosciences was presented. The new degree program directly addresses a well-documented need to train neuroscientists who are able to integrate multiple disciplines, have strong technological and computational skills, and are sufficiently flexible in their training to be able to easily move among different projects and research venues. The neuroscientists will be among the researchers making significant advances in life sciences research in academic, industry and government settings during the coming decades. The creation of the program in Neurosciences will provide an appropriate addition to the spectrum of doctoral training at VCU that recognizes existing strengths in scholarship, providing an enhanced interdisciplinary platform for training which more directly links basic and behavioral biomedical science as a venue for the preparation of a generation of individuals prepared to contribute to the identification of solutions for problems in human health. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the Proposal to Establish a Ph.D. in Neurosciences.

The Proposal to Establish the Liberal Studies for Early and Elementary Education (LSEEE) Major in the Bachelor of Interdisciplinary Studies was presented. In 2005, VCU developed a concentration in Liberal Studies for Early and Elementary Education within the Bachelor of Interdisciplinary Studies that has been operating very successfully, with nearly 500 students. The concentration and proposed major were developed in response to the 2001 Federal Elementary and Secondary Education Act (part of the No Child Left Behind legislation) and the statement that "New public elementary school teachers must have at least a bachelor's degree and pass a state test demonstrating subject knowledge and teaching skills in reading, writing, mathematics and other areas of any basic elementary school curriculum." The interdisciplinary program of study in humanities and sciences, coupled with pre-professional coursework developed in collaboration with the VCU School of Education (SOE), prepares VCU students for pre-kindergarten to grade six teaching careers that demand expertise in each of the four core areas -- math, science, social science, and English/language arts. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the Proposal to Establish the Liberal Studies for Early and Elementary Education (LSEEE) Major in the Bachelor of Interdisciplinary Studies.

The Proposal to Change the Name of the VCU School of Medicine Department of Human Genetics to the VCU School of Medicine Department of Human and Molecular Genetics was presented. The department was created in 1975. Since then, the discipline of investigative and clinical genetics has evolved immensely. The name change would position the department to compete for the recruitment of graduate students, postdoctoral fellows and faculty members aspiring to be part of a modern, broad-based genetics program. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the Proposal to Change the Name of the VCU School of Medicine Department of Human Genetics to the VCU School of Medicine Department of Human and Molecular Genetics.

The Proposal to Change the Name of the VCU School of Medicine Department of Physiology to the VCU School of Medicine Department of Physiology and Biophysics was presented. The name change would more accurately reflect the research and educational programs of the department, which centers activities around the study and teaching of physiology using biophysical approaches. No curriculum changes have been made and the department name change better reflects the curriculum content. Additionally, the name change would help to recruit faculty and students. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the Proposal to Change the Name of the VCU School of Medicine Department of Physiology to the VCU School of Medicine Department of Physiology and Biophysics.

The Proposal to Establish a VCU Policy for VCU Institutes and Centers was presented. VCU hosts numerous organizational units referred to as centers or institutes. Historically, the Institutes have tended to reflect a research-focused mission; Centers have tended to have broader missions that can include research, but may also prioritize academic, clinical, or service activities; and official approval by the Board of Visitors has provided distinction among the dozens of centers and institutes at VCU. However, no explicit policies or guidelines exist to provide consistency in governance, operation and evaluation, whether the center or institute has been approved by the Board of Visitors or not. Therefore, as directed within VCU 2020, a committee was formed to develop recommendations for standard procedures for the formation, operation and evaluation of new institutes and centers, as well as the evaluation of existing VCU institutes and centers. The plan called the VCU Institutes and Centers Framework distinguishes institutes and centers into two categories: Chartered (Board of Visitor approved); and General. The plan provides specific guidance for formation of institutes and centers, appointment and responsibilities of institutes and center directors, annual reporting and systematic, periodic evaluation. The plan also establishes the VCU Standing Committee on Institutes and Centers, chaired by the Vice President for Research. The Standing Committee will play a critical role in the deployment of the VCU Institutes and Centers Framework, and will have an ongoing role in aspects of the process that involve center formation and evaluation. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the Proposal to Establish a VCU Policy for VCU Institutes and Centers.

The Proposal to Establish the VCU Center for Rehabilitation Sciences and Engineering was presented. The VCU Center for Rehabilitation Sciences and Engineering (CERSE) is a comprehensive, interdisciplinary center of excellence furthering the science and serving the needs of persons with disabilities. The Center brings together VCU researchers, clinicians,

rehabilitation specialists, and academicians from the Schools of Medicine, Allied Health, Education and Engineering, as well as the Hunter Holmes McGuire Veterans Administration Medical Center and the Virginia Department of Rehabilitative Services. CERSE is a consortium coordinated by the VCU Department of Physical Medicine and Rehabilitation and partially supported by the Virginia Department of Rehabilitative Services (DRS). The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the Proposal to Establish the VCU Center for Rehabilitation Sciences and Engineering.

The Proposal to Establish the VCU Institute for Molecular Medicine (IMM) was presented. The VCU Institute for Molecular Medicine represents a logical institutional initiative for the post-genomic era. The initiative is unique at VCU, since no institutional programs with this broad focus currently exist. Further, the initiative fills a key need that is not met by the VCU Institute of Structural Biology, by emerging efforts in Chemical Biology, or by any of the disease-focused research centers at the university. The Institute will facilitate the development of effective treatments and cures for debilitating diseases through the utilization of the gene discoveries and the expansion of gene target and therapy knowledge. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the Proposal to Establish the VCU Institute for Molecular Medicine (IMM).

The following items were presented for information. The Report of the Provost and Vice President for Academic Affairs, a Report on the School of Allied Health Professions, a Report on the Center for Human Needs and the Virginia Commonwealth University Health System Financial Statement Summary Fiscal Year 2007 Six Months Ending December 31, 2007.

Mr. Jackson reported for the Audit Committee. The State Auditor of Public Accounts, Mr. Walter J. Kucharski and the Deputy State Auditor, Mrs. Martha Mavredes, presented the external audit report for the fiscal year ended June 30, 2007. The auditors reported that the financial statements are fairly presented in all material respects and there were no material weaknesses in the University's control system. One issue of noncompliance was cited in the report; that issue involves compliance with Employment Eligibility Verification procedures required by the US Department of Homeland Security. In addition, the auditors repeated their recommendation from prior years that the University strengthen its cash reconciliation procedures. After the State Auditor's presentation, the business plans to address the two issues were presented by management.

Mrs. Rhodes reported for the Finance, Investment and Property Committee. The Management Principles for Relationships with University-related Foundations and Other Affiliated Organizations requires Board approval for the creation of University-related foundations or affiliate organizations. By definition, subsidiaries of University-related foundations and affiliates are also covered by the principles. The VCU Intellectual Property Foundation (VCUIPF) established Media Dominion, Inc. and Media Dominion Holdings, LLC to fulfill sales requests from University subscribers to several VCU-developed medical and dental educational software technologies. The technologies were acquired by VCUIPF after the initial licensees defaulted on their license agreement. The VCU Real Estate Foundation (VCUREF) established two VCU Brandcenter limited liability companies named the Ad Center Development LLC and the Ad Center Management LLC (herein referred to as the LLCs). The LLCs were formed for the sole purpose of allowing VCUREF to rehabilitate the Central Belting Building in a manner that qualifies for federal and state historic tax credits. The LLCs were required in order to ensure tax credits could be accepted by VCUREF, a non-profit entity. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the formation of Media Dominion, Inc.; the approval of the formation and the termination of Media Dominion Holdings, LLC; the approval of the formation of the Ad Center Development LLC; and the approval of the formation and the termination of the Ad Center Management LLC.

The Amendment of the Bond Resolution on the VCU School of Engineering Foundation and VCU School of Business Foundation Bonds was presented. On motion made and seconded, the following Resolution was approved:

AMENDMENT TO BOND RESOLUTION ON VCU SCHOOL OF ENGINEERING FOUNDATION AND VCU SCHOOL OF BUSINESS FOUNDATION BONDS

Virginia Commonwealth University Authorizing Amendment of the Existing Bond Documents and Related Transactions

General Revenue Pledge Bonds, Series 2006A and 2006B

RECITALS

1. On April 19, 2006 Virginia Commonwealth University (VCU) issued its \$74,800,000 General Revenue Pledge Bonds, Series 2006A and Series 2006B (the "Series 2006 Bonds") pursuant to a Resolution (the "Series 2006

Resolution"). Payment of such bonds is secured by a financial guaranty insurance policy issued by Ambac Assurance Corporation ("Ambac").

2. Because of financial difficulties encountered by Ambac and its reduced rating, the interest rate on the Series 2006 Bonds, currently determined daily, has risen substantially.
3. The University's financial staff has recommended that the University undertake as soon as possible a restructuring of the Series 2006 Bonds to reduce interest expense by acquiring a direct pay letter of credit or similar credit enhancement document (the "Letter of Credit") to secure payment of the Series 2006 Bonds and to permit the remarketing of the Series 2006 Bonds at an attractive interest rate.
4. Because of the uncertainties of the bond market and the need for flexibility in negotiating documentation with both Ambac and the bank chosen to provide the Letter of Credit (the "LC Bank"), it is in the best interest of the University to provide authority to its officers to undertake amendment of the Series 2006 Resolution and related steps.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

1. For purposes of this Resolution, the Board of Visitors hereby designates the President, the Provost and Vice President for Academic Affairs, the Senior Vice President for Finance and Administration, and the Associate Vice President for Business Services and Treasurer as Authorized Officers.
2. The Authorized Officers (any one of whom may act) are authorized to approve the terms of and execute any of the following documents:
 - a) An amendment to the Series 2006 Resolution making such changes as necessary or desirable to reflect the planned restructuring and the acquisition of the Letter of Credit or other credit enhancement provisions.
 - b) A reimbursement or similar agreement with the LC Bank evidencing the University's obligations to reimburse the LC Bank for amounts drawn on the letter of credit or otherwise payable under the reimbursement agreement.
 - c) An intercreditor or similar agreement between the University, Ambac and the letter of credit bank.
 - d) Amendments or supplements to the existing standby bond purchase agreement between the University and Wachovia Bank, National Association.
3. The Authorized Officers are authorized (any one of whom may act) to approve and execute any remarketing document, supplemental official statement or other document by which the Series 2006 Bonds are sold or remarketed as a result of the proposed restructuring.
4. The officers of the University are authorized to execute all documents necessary or desirable to carry out the proposed plan of restructuring as approved by this Resolution as modified by the Authorized Officers, including without limitation the execution of (a) IRS Form 8038 and other forms that may be necessary in connection with preserving the tax-exempt status of the Series 2006 Bonds, (b) amendments to the existing documents with respect to the Series 2006 Bonds between the University and the VCU School of Business Foundation and the VCU School of Engineering Foundation, and (c) the execution of documents making or confirming the pledge of Pledged Revenues, as defined in the Series 2006 Resolution, for the benefit of the LC Bank or otherwise to secure payment on the Series 2006 Bonds or any obligations undertaken in connection with Series 2006 Bonds and the restructuring.
5. The officers of the University are authorized to take any other action that may be necessary and desirable in carrying out the proposed plan of restructuring, as modified as permitted hereunder, and to carrying out the intents and purposes of this Resolution.

On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the following items on the Committee's For Action (Consent Agenda): the Minutes of the Finance, Investment and Property Committee Meeting held November 8, 2007; the Transfer of Retail Stores Quasi-Endowment; and the Architect/Engineer Selection for the Tennis Bubble Replacement.

The Capital Projects Status Report and the University's Financial Statements for the Year Ended June 30, 2007, were presented to the Finance, Investment and Property Committee for review.

The following items were presented to the Finance, Investment and Property Committee for information: the 2008-10 Budget Update; the University Quarterly Budget Performance Report: December 31, 2007; the Notification of Contract Award for the Health and Life Sciences Laboratory and the W. Baxter Perkinson, Jr. Building; the Virginia Commonwealth University Health System Financial Statement Summary Fiscal Year 2007 – Six Months Ending December 3, 2007; the Virginia Biotechnology Research Park Authority Summary of Actual and Planned Occupancy; and the Foundations Annual Reports for the MCV Foundation, the VCU School of Business Foundation and the VCU Intellectual Property Foundation.

The Finance, Investment and Property Committee members toured the Brandcenter, the School of Business and the School of Engineering.

Dr. Shapiro reported for the Student Affairs Committee. The following items were presented for information: the Admissions Report, an Update on Safety, a report from the student representative to the Board of Visitors, a Report on the Honors College National Scholarships, and a report on the University College Scorecard.

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

Board of Visitors

- Minutes of a Meeting held November 9, 2007

Academic and Health Affairs Policy Committee

- Minutes of a Meeting held November 8, 2007
- Proposal to Establish a Ph.D. in Nanoscience and Nanotechnology
- Proposal to Establish a Ph.D. in Chemical Biology
- Proposal to Establish a Ph.D. in Systems Modeling and Analysis
- Proposal to Establish a Ph.D. in Neurosciences
- Proposal to Establish the Liberal Studies for Early and Elementary Education (LSEEE) Major in the Bachelor of Interdisciplinary Studies
- Proposal to Change the Name of the VCU School of Medicine Department of Human Genetics to the VCU School of Medicine Department of Human and Molecular Genetics
- Proposal to Change the Name of the VCU School of Medicine Department of Physiology to the VCU School of Medicine Department of Physiology and Biophysics
- Proposal to Establish VCU Policy: VCU Institutes and Centers
- Proposal to Establish VCU Center for Rehabilitation Sciences and Engineering
- Proposal to Establish VCU Institute for Molecular Medicine (IMM)

Audit and Compliance Committee

- Minutes of a Meeting held November 8, 2007

External Relations

- Minutes of a Meeting held November 8, 2007

Finance, Investment and Property Committee

- Minutes of a Meeting held November 8, 2007
- Management Principles and Guidelines
 - a) VCUIPF – Media Dominion, Inc. and LLC
 - b) VCUREF – Brandcenter Partnerships
- Transfer of Retail Stores Quasi-Endowment
- Architect/Engineer Selection for Tennis Bubble Replacement
- Amendment to Bond Resolution on VCU School of Engineering Foundation and VCU School of Business Foundation Bonds

Student Affairs Committee

- Minutes of a Meeting held November 8, 2007

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

Mr. Rosenthal appointed the following Board members to serve on the Board Nominating Committee for Rector: Mr. Thomas G. Snead, Jr. (Chair), Dr. Edward H. Bersoff, Mr. Brian K. Jackson, Mrs. Anne J. G. Rhodes and Dr. Carol A. Shapiro.

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 a report on Institutional Performance Measures including research expenditures, the Faculty Appointments and Changes in Status and other Personnel Actions; 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; 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 Student Affairs Committee as authorized by Section 2.2-3711 A(1), 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	X	
Dr. J. Alfred Broaddus, Jr.	Absent	
Dr. John C. Doswell II	X	
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	X	
Mr. Richard T. Robertson	X	
Dr. Michele A. Romano	Absent	
Dr. Carol S. Shapiro	X	
Mr. John Sherman, Jr.	X	
Mr. Stuart C. Siegel	X	
Mr. Thomas G. Snead, Jr.	X	

Total votes

Ayes: 12

Nays: 0

ABSENT DURING MEETING: 3

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; approved the Named Funds Report and Facility Naming Recommendations; accepted the Closed Session Committee Reports; approved the Recommendations of the Student Affairs Committee for the Board of Visitors Award Selection; and accepted the Report of the General Counsel.

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