



Virginia State University

TABLE OF CONTENTS

RESOLUTION	
ISSUE PAPER	
EXECUTIVE SUMMARY	1-2
PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2022	3 – 13
APPENDIX	
Proposed Budget Plan	Table I
Proposed Auxiliary Enterprise Budget Plan	Schedule I
Proposed Cooperative Extension and Agricultural Research Services (CEARS) Budget Plan	Schedule II
2021-2022 Approved Funding Requests Educational and General	
2021-2022 Approved Funding Requests Auxiliary Enterprise	
2021-2022 Approved Funding Requests Local Funds	

**VIRGINIA STATE UNIVERSITY
BOARD OF VISITORS**

**RESOLUTION AUTHORIZING THE OPERATING BUDGET FOR
FISCAL YEAR 2021-2022**

April 23, 2021

WHEREAS, the appropriations to Virginia State University (“VSU” or “University”), which authorize the state funding and spending authority for the University, including the Cooperative Extension and Agricultural Research Services budget, but not including local University or VSU Foundation funding, are limited to the amounts and conditions in the 2020 Virginia Acts of Assembly, Chapter 56; and

WHEREAS, the University has forecasted revenue collections from all sources for Fiscal Year 2021-2022, based on conservatively anticipated enrollment levels; and

NOW, THEREFORE, BE IT RESOLVED, the Board of Visitors approves the Operating Budget appearing on the attached Table I; and

BE IT FURTHER RESOLVED THAT, the Board of Visitors approves the Educational and General (E&G) Budget appearing on the attached Table I; and

BE IT FURTHER RESOLVED THAT, the Board of Visitors approves the budgeted amounts for the Auxiliary Enterprise programs as appearing on Schedule I; and

BE IT FURTHER RESOLVED THAT, the Board of Visitors approves the budgeted amounts for the Cooperative Extension and Agricultural Research Services (“CEARS”) programs as appearing on Schedule II; and

BE IT FURTHER RESOLVED THAT, the Board of Visitors approves expenditures in support of Sponsored Programs that have been properly awarded to the University and up to the amounts for which cash will be made available during the course of Fiscal Year 2021-2022 or as appearing in Table I; and

BE IT FURTHER RESOLVED THAT, the Board of Visitors authorizes the President to allocate and cause to be expended tuition, room, board, comprehensive and other fees collected beyond base projections, up to the amount appropriated and adjustments required and allowed by language in the Act, any additional General Fund Appropriation which may be incorporated in the University’s final budget and to expend local funds available to the University should the need arise.

Huron F. Winstead, Rector

Thursa D. Crittenden, Secretary

Date

Date

Virginia State University

Petersburg, Virginia

Date: April 22-23, 2021	Board Committee: Facilities, Finance and Audit
	Initiating Unit: Finance
Board Action: Approval	Additional Information Included in Board Package: Yes

TOPIC: FY 2022 Operating Budget

BACKGROUND:

Good fiscal management practices require the preparation of an annual budget. Staff has reviewed the University’s operating needs and is proposing a budget for FY 2022 totaling \$187.3 million. The component parts of the budget are expenses for Educational and General (\$76.1 million), Auxiliary Enterprises (\$38.6 million), Sponsored Programs (\$28.4 million), Student Financial Assistance (\$25.1 million), Local Funds (\$5 million) and Cooperative Extension and Agricultural Research Services (\$14 million). The budgeted expenses increased by \$31.1 million from FY 2021, reflecting changes in all categories with the exception of Sponsored Programs.

AUTHORITY:

The following passage from the **Code of Virginia** grants the Board of Visitors the authority to manage the University and therefore to establish its annual operating budget.

§ 23.1-1301. Governing boards; powers.

- A. The board of visitors of each baccalaureate public institution of higher education or its designee may:
1. Make regulations and policies concerning the institution;
 2. Manage the funds of the institution and approve an annual budget;
 3. Appoint the chief executive officer of the institution;
 4. Appoint professors and fix their salaries; and
 5. Fix the rates charged to students for tuition, mandatory fees, and other necessary charges.

CONSEQUENCE OF NON APPROVAL:

Prudent management practices require the annual establishment of an operating budget for an entity. Not approving the University’s annual operating budget will have Virginia State University operating out of the norm for institutions of higher education.



Proposed Operating Budget for Fiscal Year 2022

Executive Summary

This section provides an overview of the University's 2021-2022 proposed operating budget. Detailed information describing the sources and uses of funds is provided in the supporting narrative, table and schedules.

The FY 2022 proposed budget supports and maintains the Strategic Priorities of the University. At Virginia State University, we are proudly committed to:

- ***Increase Student Opportunity and Access to Higher Education***
- ***Sustain Academic Excellence***
- ***Provide a Transformative VSU Experience that Supports the Holistic Development of Students***
- ***Define the VSU Brand and Tell our Story***
- ***Increase and Diversify Financial Resources and Enhance Operational Effectiveness***
- ***Enhance the Land Grant Mission of the University***

The FY 2022 proposed budget plan has been developed to reflect the University operating at a close to normal pattern while still addressing the ongoing concerns related to the COVID-19 pandemic. The University is currently planning a return to on-campus operation for the fall with a 69% occupancy rate of the residence halls.

The proposed budget is based on assumptions related to enrollment projections, actions from the current approved State budget, revenue calculations and expenditure estimates. As we are planning for the upcoming year, the budget will continue to evolve as guidance is provided by the State and Federal Government and input is received from our constituents. As of this report, the Commonwealth of Virginia's 2020-2022 Amended Biennium Budget has not been approved.

- On February 5, 2021, the Board of Visitors voted to hold all tuition and fees at the FY 2021 levels for both In-State and Out-of-State students. Virginia State University is dedicated to remaining Virginia's opportunity university amidst the COVID-19 pandemic.
- The University Administration has created revenue scenarios related to enrollment. The FY 2022 proposed budget includes a 10% enrollment increase. The projected enrollment split remains at 74% In-State and 26% Out-of-State.

	Three Year Actual			Budget	
	Fall 2018	Fall 2019	Fall 2020	Fall 2020	Fall 2021
Head Count	4,392	4,365	4,025	3,490	3,839
Full - Time	4,081	4,113	3,735	3,247	3,572
On - Campus	2,526	2,609	0	0	2,000

Total revenues are expected to increase by \$31.1 million generated from tuition and fees, new state funding and private gifts.

The University's expense needs have grown in proportion to additional projected revenues, carry-forward and available reserve funds. The University will be able to address some one-time costs as well as ongoing expenses using these additional revenues. A list of these expenses are included in the appendix of this report.

Details of revenue and expense changes by fund source are available on Table I, followed by detailed summaries for Auxiliary Enterprises and CEARS on Schedule I and Schedule II respectively.

Proposed Operating Budget for Fiscal Year 2022

Approval is now requested for the Fiscal Year 2022 operating budget.

The components of the FY 2022 proposed budget include:

1. Educational and General (E&G)
2. Auxiliary Enterprises (AE)
3. Sponsored Programs
4. State Student Financial Assistance
5. Local Funds
6. Cooperative Extension and Agricultural Research Services (CEARS)

Educational and General

Educational and General is a term used to describe all operations related to the institution's instructional programs and related support services. It does not include operations for the Cooperative Extension and Agricultural Research Services (CEARS).

Auxiliary Enterprises

Activities funded under the auxiliary enterprise program exist to serve the students, faculty, or staff, and are funded through the sale of goods, services or fees.

Sponsored Programs

This category includes Federal external funding, which represents grants and contracts from research funding and Federal student financial aid.

State Student Financial Assistance

The state student financial assistance budget is comprised of financial aid funds received from the Commonwealth of Virginia.

Local Funds

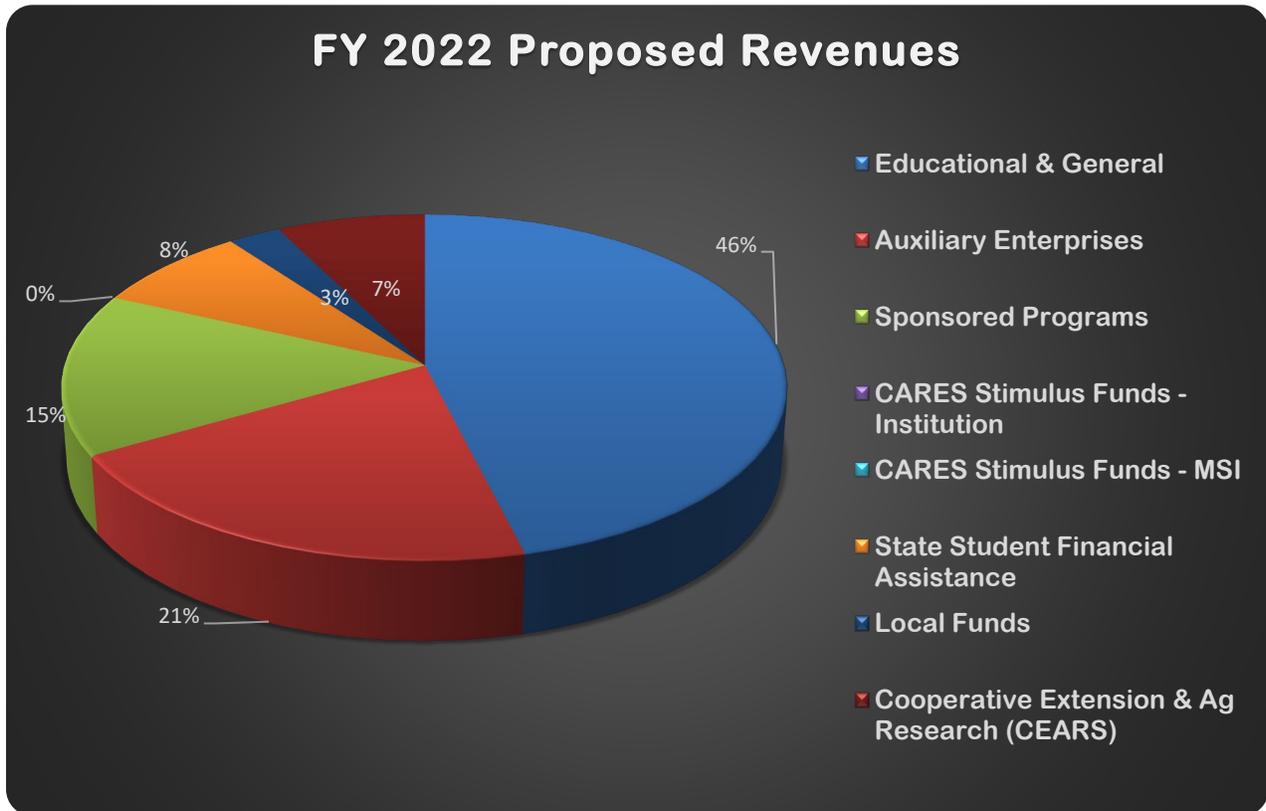
This category includes all Local funds received at Virginia State University. Unrestricted donations are included in this category.

Cooperative Extension and Agricultural Research Services (CEARS)

This category describes Educational and General operations related to the 1890 Land Grant Mission. VSU is a land grant institution with CEARS, Agency 234, as its Extension and Agricultural Research organization.

Revenue

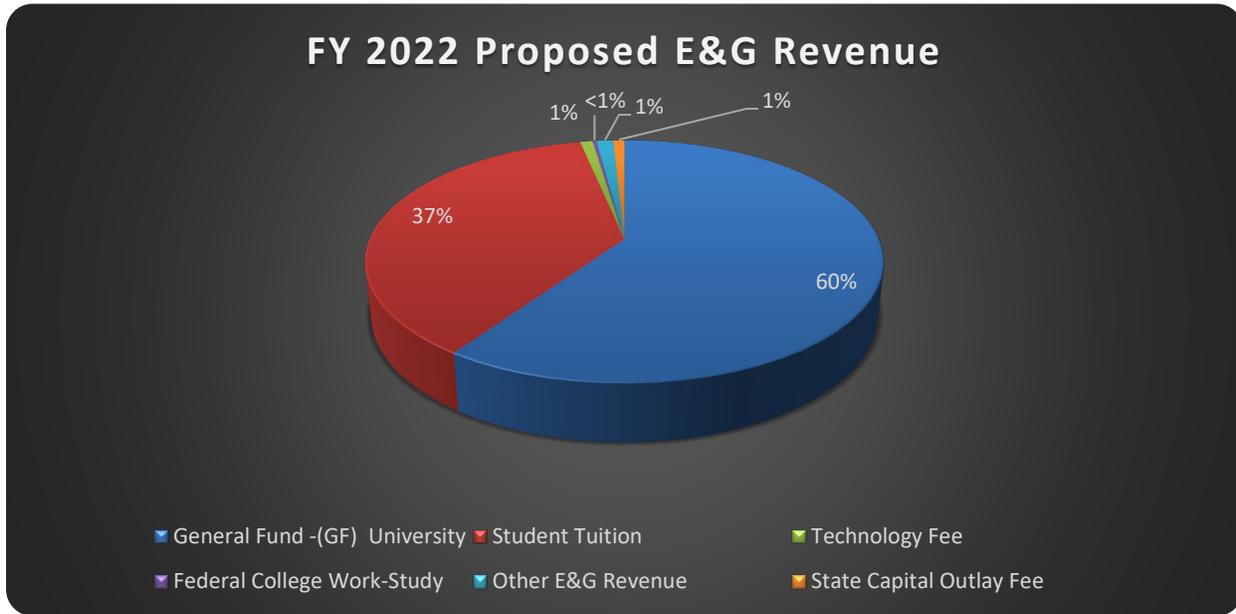
The University proposes a revenue budget for FY 2022 of \$187.3 million. This is a net increase of \$31.1 million from the FY 2021 budget of \$156.2 million. There are changes in every category except Sponsored Programs.



Two Year Revenue Comparison				
Description	FY2022 Proposed	FY2021 Approved	\$ Change	% Change
Educational & General	\$ 86,310,639	\$ 70,946,003	\$ 15,364,636	22.0%
Auxiliary Enterprises	38,570,940	22,920,694	15,650,246	68.0%
Sponsored Programs	28,447,617	28,447,617	0	0.0%
CARES Stimulus Funds - Institution	-	993,601	(993,601)	-100.0%
CARES Stimulus Funds - MSI	-	9,803,132	(9,803,132)	-100.0%
State Student Financial Assistance	14,942,721	9,506,879	5,435,842	57.0%
Local Funds	4,969,635	2,525,625	2,444,010	97.0%
Cooperative Extension & Ag Research (CEARS)	14,025,378	11,076,279	2,949,099	27.0%
Total Revenue	\$ 187,266,930	\$ 156,219,830	\$ 31,047,100	20.0%

Educational and General

As the FY 2022 Revenue pie chart indicates, E&G represents 46% of the total revenue and continues to be the University’s major source of revenue. The total proposed E&G revenue will increase \$15.4 million from FY 2021 due to the projected 10% enrollment increase. The following table and chart details the sources of E&G revenue and the change from the FY 2021 budget.



Educational and General Revenue					
Description	FY2022 Proposed	FY2021 Approved	\$ Change	% Change	
General Fund -(GF) University	\$ 51,452,283	\$ 39,362,755	\$ 12,089,528	31.0%	
Student Tuition	32,023,995	29,013,688	3,010,307	10.0%	
Technology Fee	790,678	718,807	71,871	10.0%	
Federal College Work-Study	262,991	262,991	0	0.0%	
Other E&G Revenue	1,078,736	949,620	129,116	14.0%	
State Capital Outlay Fee	701,956	638,142	63,814	10.0%	
Total E&G Revenue	\$ 86,310,639	\$ 70,946,003	\$ 15,364,636	22.0%	

General Fund – There is a projected change of \$12.1 million in general fund support from the Commonwealth to the University. This includes \$7.9 million in projected carry-forward funding.

Student Tuition – Budgeted tuition revenue is projected to increase \$3 million in FY 2022 based on the projected 10% enrollment increase.

Technology Fee – This revenue is projected to increase by \$71,871 from the FY 2021 budget based on the projected 10% enrollment increase.

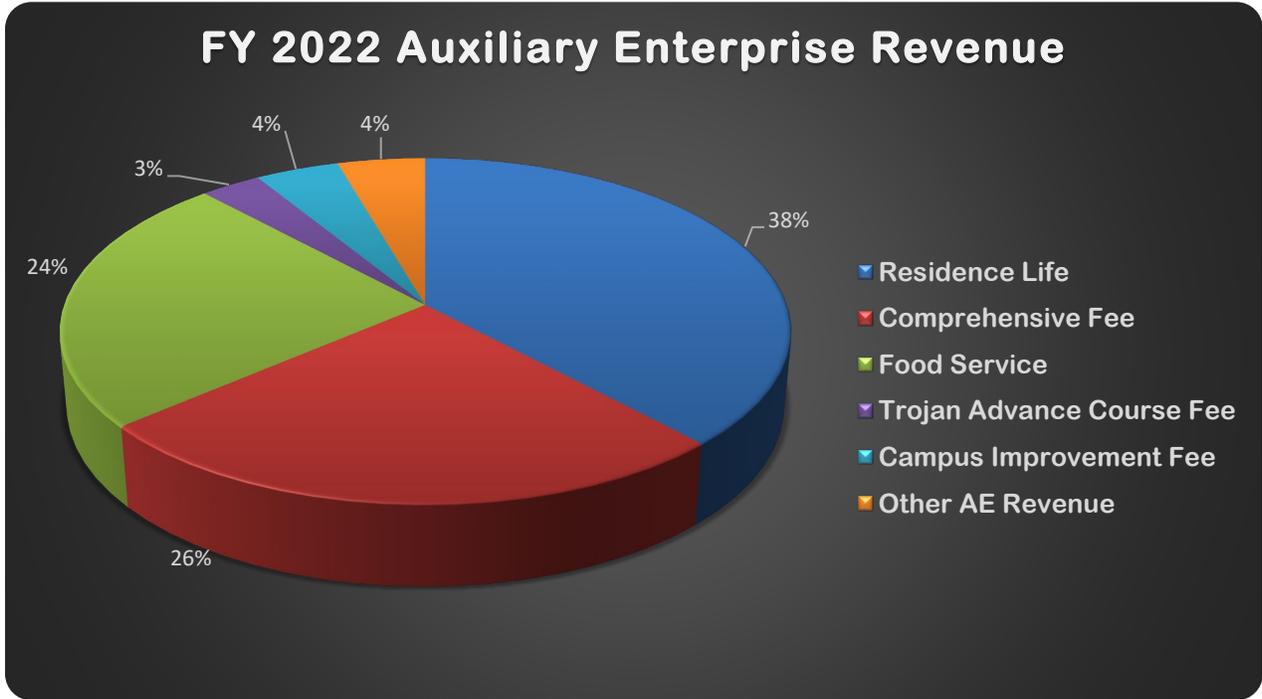
Federal College Work-Study (CWS) – This revenue is received from the Federal Government to support students working in the E&G program. The revenue is not projected to change in FY 2022.

Other E&G Revenue – This revenue is projected to increase by 14% based on increased orientation fee revenue, special course fees and other student related fees.

State Capital Outlay Fee – The Appropriation Act contains language requiring institutions of higher education to assess a capital fee to Out-of-State students. VSU is required to forward the funds to the State Treasury annually to cover the debt service costs on academic buildings and facilities of the Commonwealth. The revenue from this fee is projected to increase by \$63,814 based on the projected 10% enrollment increase.

Auxiliary Enterprises

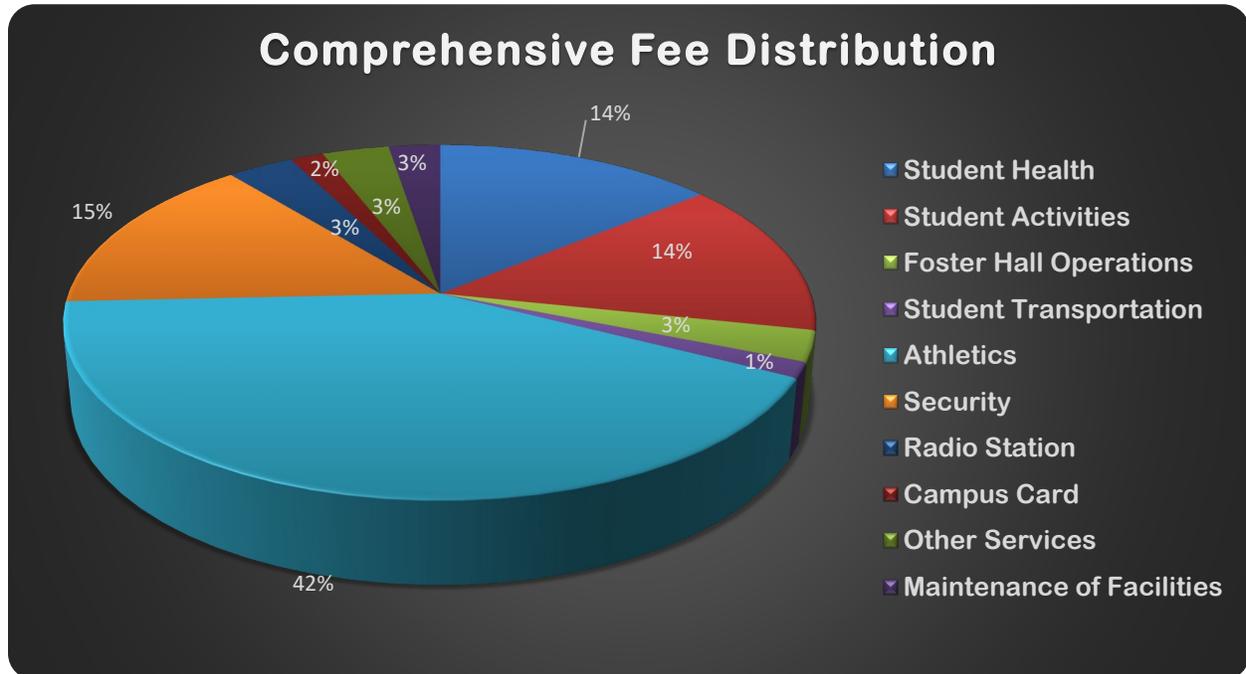
Auxiliary Enterprises is 21% of the University’s revenue and represents the second largest category. The total proposed Auxiliary revenue will increase by \$15.7 million.



Auxiliary Enterprise Revenue						
Description	FY2022 Proposed	FY2021 Approved	% of Total	\$ Change	% Change	
Residence Life	\$ 14,679,922	\$ 6,189,157	38%	\$ 8,490,765	137.0%	
Comprehensive Fee	9,905,263	8,987,581	26%	917,682	10.0%	
Food Service	9,393,464	4,211,073	24%	5,182,391	123.0%	
Trojan Advance Course Fee	1,200,000	1,200,000	3%	0	0.0%	
Campus Improvement Fee	1,657,872	1,506,058	4%	151,814	10.0%	
Other AE Revenue	1,734,419	826,825	4%	907,594	110.0%	
Total Auxiliary Revenue	\$ 38,570,940	\$ 22,920,694	100%	\$ 15,650,246	68.0%	

Residence Life – Residential Facilities generate revenues primarily from student housing. The FY 2022 revenue is comprised of \$14.7 million from student housing rents. The projected occupancy rate for fall 2021 is 2,000. The revenue is showing a significant increase in FY 2022 because there were no students budgeted on campus for fall 2020 and 1,700 budgeted for spring 2021.

Comprehensive Fee – There is a projected increase in comprehensive fee revenue of \$.9 million as a result of the projected 10% enrollment increase. The components of the Comprehensive Fee are listed below.



Comprehensive Fee Distribution						
Description	FY2022 Approved	FY2021 Approved	% of Total	\$ Change	% Change	
Student Health	\$ 408.00	\$ 408.00	14%	-	0.0%	
Student Activities	412.00	412.00	14%	-	0.0%	
Foster Hall Operations	81.00	81.00	3%	-	0.0%	
Student Transportation	41.00	41.00	1%	-	0.0%	
Athletics	1,212.00	1,212.00	42%	-	0.0%	
Security	428.00	428.00	15%	-	0.0%	
Radio Station	96.00	96.00	3%	-	0.0%	
Campus Card	49.00	49.00	2%	-	0.0%	
Other Services	97.00	97.00	3%	-	0.0%	
Maintenance of Facilities	75.00	75.00	3%	-	0.0%	
Total Comprehensive Fee	\$ 2,899.00	\$ 2,899.00	100%	\$ -	0.0%	

Food Service – Food Service will generate \$9.4 million in revenue. This revenue will satisfy contractual obligations with the food service provider and support general operations of the dining facilities. The revenue is projected to increase \$5.2 million in FY 2022 due to projected increased occupancy.

Trojan Advance Course Fee – This fee represents the digital course material (eBook) component of Trojan Advance course offerings and other digital course materials. The revenue is not projected to change.

Campus Improvement Fee – This revenue provides support for debt service, renovations, facility upgrades, and other current and long term on-campus initiatives. The revenue will increase based on the projected 10% increase in enrollment.

Other AE Revenue – There is a \$.9 million projected increase in other AE revenue. This is due to students being on campus full-time in FY 2022.

Sponsored Programs

Sponsored Programs activity will generate approximately 15% of the University’s revenue budget in FY 2022. Projected revenue remains unchanged from FY 2021. The University will continue to analyze and monitor the Sponsored Programs activity.

CARES Stimulus Funds – Institution and Minority Serving Institution (MSI)

CARES Stimulus Funds will generate 0% of the University’s revenue budget in FY 2022. There is no new revenue projected over the current stimulus funds that have been received by the University as of the writing of this report.

State Student Financial Assistance

State Student Financial Assistance activity will generate approximately 8% of the University’s revenue budget in FY 2022. The revenue as shown in the two-year revenue comparison chart reflects only the general fund support. There is a \$5.4 million increase in state funds from the Commonwealth in FY 2022, \$4.6 million for Virginia College Affordability Network (VCAN) and \$.8 million for the Governor’s Emergency Education Relief Fund (GEER).

Local Funds

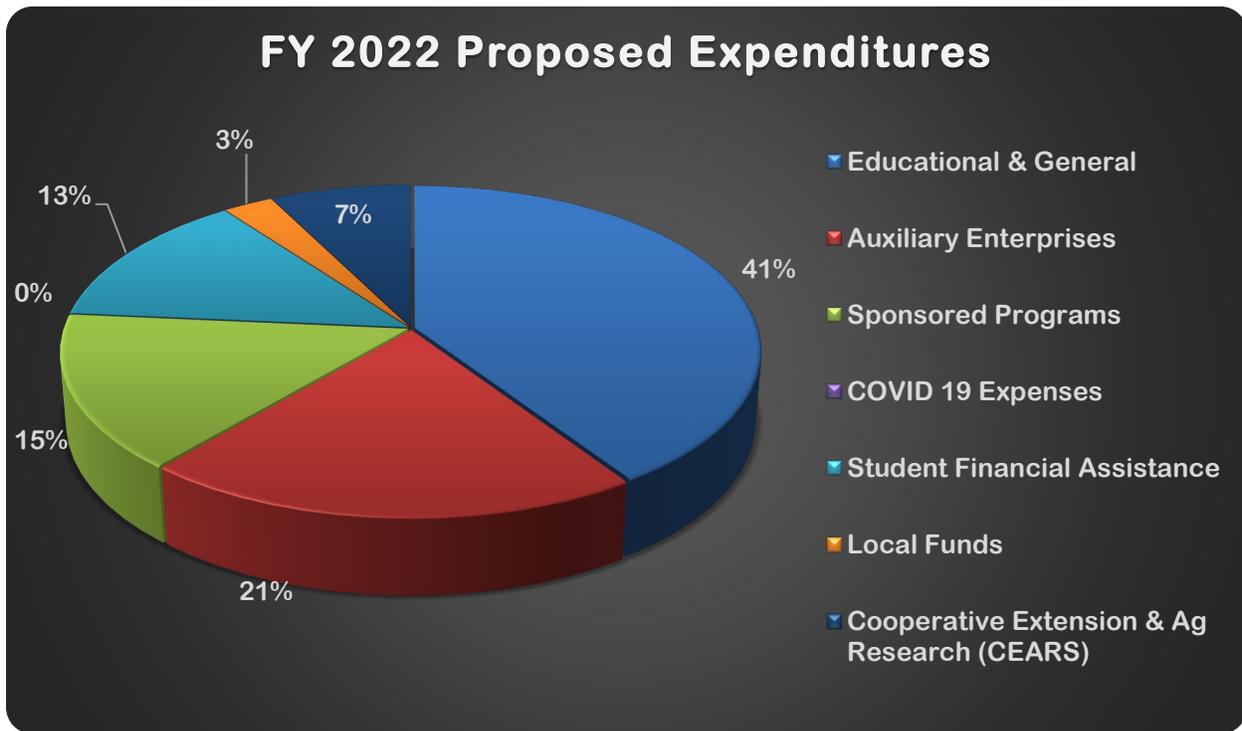
Local funds activity will generate approximately 3% of the University’s revenue budget in FY 2022. The budget will increase \$2.4 million. There is local fund revenue for the computer science and computer engineering program as well as funding from MacKenzie Scott included in this amount.

Cooperative Extension and Agricultural Research Services (CEARS)

CEARS generates 7% of the University’s revenue budget in FY 2022. The University receives State appropriation annually to match the Federal expenses. The general fund increased by \$1.6 million and the non-general fund increased by \$1.4 million to match the Appropriation in Chapter 56.

Expenditures

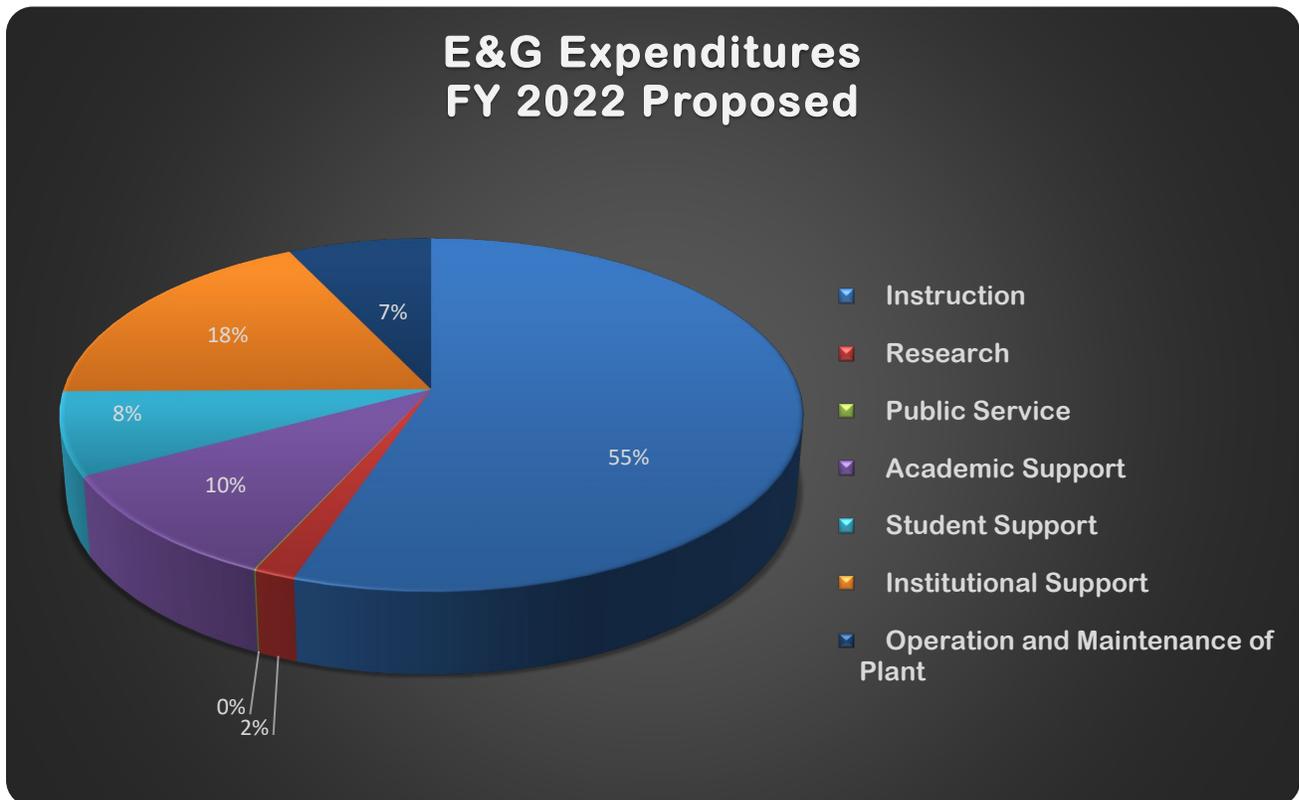
The distribution of FY 2022 expenditures generally mirrors the FY 2022 revenue distribution. The two exceptions are E&G and Student Financial Assistance. A portion of the funding generated through tuition (recorded as E&G revenue) is designated for Student Financial Assistance.



Two Year Expenditure Comparison				
Description	FY2022	FY2021	\$ Change	% Change
	Proposed	Approved		
Educational & General	\$ 76,114,512	\$ 64,786,606	\$ 11,327,906	16.0%
Auxiliary Enterprises	38,570,940	22,920,694	15,650,246	68.0%
Sponsored Programs	28,447,617	28,447,617	0	0.0%
COVID 19 Expenses	-	9,960,003	(9,960,003)	-100.0%
Student Financial Assistance	25,138,848	16,503,006	8,635,842	52.0%
Local Funds	4,969,635	2,525,625	2,444,010	97.0%
Cooperative Extension & Ag Research (CEARS)	14,025,378	11,076,279	2,949,099	27.0%
Total Expenditures	\$ 187,266,930	\$ 156,219,830	\$ 31,047,100	19.0%

Educational and General

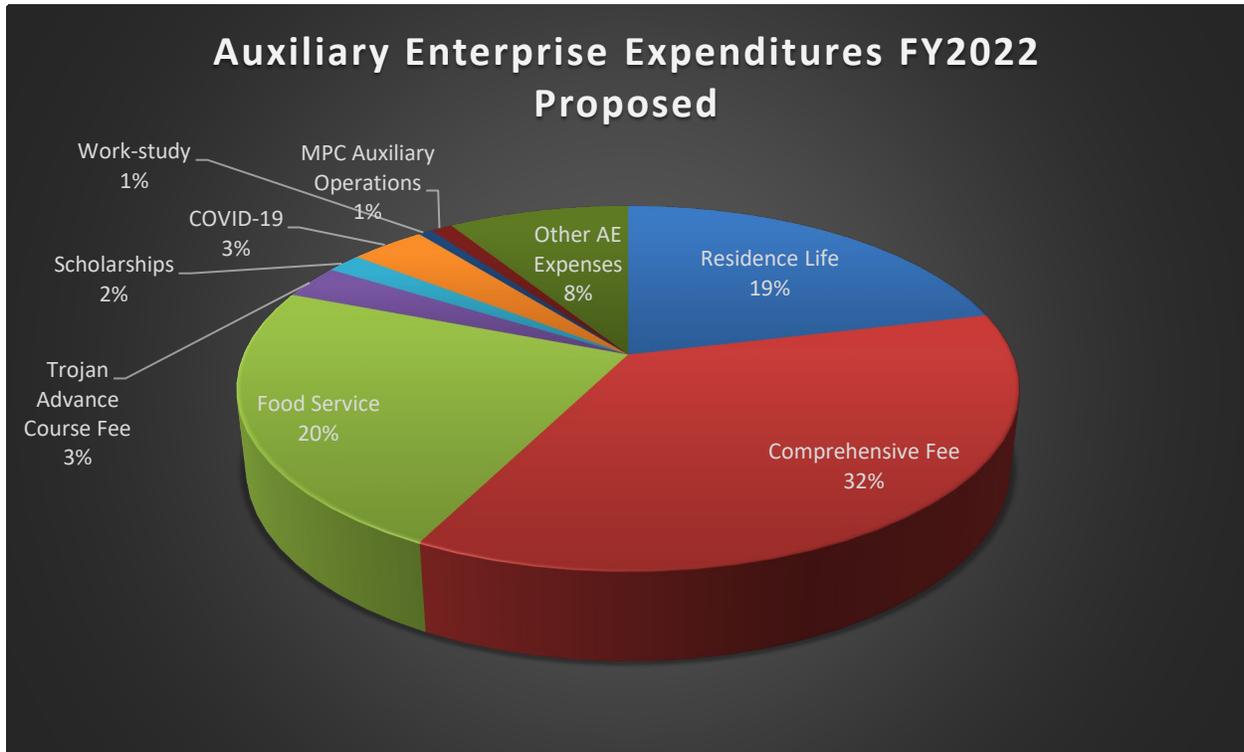
Educational and General expenditures are expected to increase by \$11.3 million due to ongoing and one-time expenses. A report showing approved expenses of \$10 million funded in E&G is included in the appendix of this document. Additional expenses for the State portion of the 5% proposed salary increase is also included.



The E&G subprograms and major activity include: **Instruction**-instructional faculty and department operating costs; **Research**-state supported research; **Public Service**-community outreach activity; **Academic Support**-library materials, access and services, information technology and dean expenses; **Student Services**-registrar, admissions, financial aid, career services; **Institutional Support**-executive management, fiscal services, human resources, police, purchasing, etc.; **Operation and Maintenance of Plant**-buildings and grounds maintenance, and utilities.

Auxiliary Enterprises

An Auxiliary Enterprise is a self-supporting unit that exists to serve students, faculty and/or staff through the sale of goods and services. The Commonwealth of Virginia does not provide support for operating costs, facilities maintenance or facility construction. Accordingly, they must generate revenues to operate and accumulate reserves. The pie chart below shows the major expense categories in Auxiliary Enterprise.



The Auxiliary Services operations are charged an indirect cost recovery rate of 20.61% on dollars spent for services provided by Educational and General operations. These funds serve as a revenue source for E&G. The rate is expected to remain the same for FY 2022. Continued funding of \$1.5 million for COVID-19 expenses has also been included to address any additional needs for the FY 2022 budget year. A report showing one-time and ongoing approved expenses of \$7.7 million (funded by Auxiliary Reserves) is included in the appendix of this document.

Student Financial Assistance

The Student Financial Assistance budget is comprised of \$18 million from the State and \$7 million from tuition. Student Financial Assistance is projected to increase \$8.6 million in FY 2022. The increase is the result of new state funding of \$7.8 million for VCAN (\$3.2 million projected carry-forward) and \$.8 million for GEER.

Local Funds

Local funds activity will increase based on the additional revenue added in FY 2022. Funding from the MacKenzie Scott gift and other gifts will be used to support the University's initiatives for Academic Innovation, tuition assistance for staff and the Computer Science and Computer Engineering program. Local Fund expenditures will continue to be analyzed and monitored by the University. A report showing one-time and ongoing approved expenses of \$2.4 million is included in the appendix of this document.

Sponsored Programs

Sponsored Programs activity will remain the same in FY 2022. These expenditures will continue to be analyzed and monitored by the University.

Cooperative Extension and Agricultural Research Services (CEARS)

CEARS activity will increase based on the additional revenues added in FY 2022. Expenditures were analyzed and adjusted by program. These expenditures will continue to be analyzed and monitored by the University.

Approval of the budget for FY 2022, as presented in **Table I** and supplemented by **Schedule I** and **II**, is requested.

Virginia State University



Schedule of Proposed Operating Budget For the 2021-2022 Academic Year

Presented to the Virginia State University

Board of Visitors

For Consideration at its April 23, 2021 Meeting

Submitted By

Makola M. Abdullah, Ph.D., President

Kevin Davenport, Vice President for Finance and CFO

APPENDIX

**Virginia State University
Fiscal Year 2022
Proposed Budget**

	Fall 2021	Spring 2022	2021 - 2022 Proposed Budget	2020 - 2021 Approved Budget	\$ Change	% Change
Revenue						
Educational & General (E & G)						
State General Funds (University)	\$ 43,521,042	\$ -	\$ 43,521,042	\$ 38,889,330	\$ 4,631,712	12%
State General Funds (Carry-Forward)	7,931,241	-	7,931,241	473,425	7,457,816	1575%
Total General Funds	\$ 51,452,283	\$ -	\$ 51,452,283	\$ 39,362,755	\$ 12,089,528	31%
Non-General Funds						
Tuition	\$ 16,652,477	\$ 15,371,518	\$ 32,023,995	\$ 29,013,688	\$ 3,010,307	10%
Federal College Work-Study	78,897	184,094	262,991	262,991	-	0%
Technology Fee	411,153	379,525	790,678	718,807	71,871	10%
Other E&G Fees and Revenue	539,368	539,368	1,078,736	949,620	129,116	14%
Out of State Capital Outlay Fee	365,017	336,939	701,956	638,142	63,814	10%
Total Non-General Funds	\$ 18,046,912	\$ 16,811,444	\$ 34,858,356	\$ 31,583,248	\$ 3,275,108	10%
Total Educational & General	\$ 69,499,195	\$ 16,811,444	\$ 86,310,639	\$ 70,946,003	\$ 15,364,636	22%
Auxiliary Enterprises (Schedule I)	\$ 19,898,374	\$ 18,672,566	\$ 38,570,940	\$ 22,920,694	\$ 15,650,246	68%
Sponsored Programs	14,792,761	13,654,856	28,447,617	28,447,617	-	0%
CARES Stimulus Funds - Institution	-	-	-	993,601	(993,601)	-100%
CARES Stimulus Funds - MSI	-	-	-	9,803,132	(9,803,132)	-100%
State Student Financial Assistance General Funds	14,942,721	-	14,942,721	9,506,879	5,435,842	57%
Local Funds	2,484,818	2,484,818	4,969,635	2,525,625	2,444,010	97%
Cooperative Extension and Agricultural Research Services (Schedule II)	10,749,158	3,276,220	14,025,378	11,076,279	2,949,099	27%
Total Revenue	\$ 132,367,027	\$ 54,899,903	\$ 187,266,930	\$ 156,219,830	\$ 31,047,100	20%
Expenditures						
Educational & General (E & G)						
Instruction	\$ 22,287,136	\$ 19,764,064	\$ 42,051,200	\$ 37,884,669	\$ 4,166,531	11%
Research	729,457	486,304	1,215,761	1,195,155	20,606	2%
Public Service	2,312	43,924	46,236	46,236	-	0%
Academic Support	4,331,798	3,010,232	7,342,030	4,958,017	2,384,013	48%
Student Support	3,461,383	2,832,041	6,293,424	4,722,598	1,570,826	33%
Institutional Support	8,905,853	4,795,460	13,701,313	10,604,643	3,096,670	29%
Operation and Maintenance of Plant	2,677,629	2,786,919	5,464,548	5,375,288	89,260	2%
Total Educational & General	\$ 42,395,567	\$ 33,718,945	\$ 76,114,512	\$ 64,786,606	\$ 11,327,906	17%
Auxiliary Enterprises (Schedule I)	\$ 20,210,082	\$ 18,360,858	\$ 38,570,940	\$ 22,920,694	\$ 15,650,246	68%
Sponsored Programs	14,792,761	13,654,856	28,447,617	28,447,617	-	0%
COVID 19 Expenses	-	-	-	9,960,003	(9,960,003)	-100%
Student Financial Assistance	13,072,201	12,066,647	25,138,848	16,503,006	8,635,842	52%
Local Funds	2,484,818	2,484,818	4,969,635	2,525,625	2,444,010	97%
Cooperative Extension and Agricultural Research Services (Schedule II)	7,076,609	6,948,769	14,025,378	11,076,279	2,949,099	27%
Total Expenditures	\$ 100,032,038	\$ 87,234,892	\$ 187,266,930	\$ 156,219,830	\$ 31,047,100	20%
Revenue Over/(Under) Expenditures	\$ 32,334,989	\$ (32,334,989)	\$ -	\$ -	\$ -	

Schedule I
Virginia State University
Auxiliary Enterprise Operating Budget
Proposed Budget

	Fall 2021	Spring 2022	2021 - 2022 Proposed Budget	2020 - 2021 Approved Budget	\$ Change	% Change
REVENUES						
Student Fees						
Residence Life	\$ 7,486,760	\$ 7,193,162	\$ 14,679,922	\$ 6,189,157	\$ 8,490,765	137%
Comprehensive Fee	5,150,737	4,754,526	9,905,263	8,987,581	917,682	10%
Food Service	4,884,601	4,508,863	9,393,464	4,211,073	5,182,391	123%
Trojan Advance Course Fee	624,000	576,000	1,200,000	1,200,000	-	0%
Campus Improvement Fee	862,093	795,779	1,657,872	1,506,058	151,814	10%
<i>Subtotal - Student Fees</i>	<u>\$ 19,008,192</u>	<u>\$ 17,828,329</u>	<u>\$ 36,836,521</u>	<u>\$ 22,093,869</u>	<u>\$ 14,742,652</u>	<u>67%</u>
Other Revenues						
Sales and Services ⁽¹⁾	\$ 257,462	\$ 70,970	\$ 328,432	\$ 58,000	\$ 270,432	466%
Miscellaneous ⁽²⁾	122,229	464,559	586,788	586,788	-	0%
Bookstore Commissions	60,000	90,000	150,000	100,000	50,000	50%
Parking Fees / Fines	195,575	68,716	264,291	58,037	206,254	355%
Misc. Fees ⁽³⁾	254,916	149,992	404,908	24,000	380,908	1587%
<i>Subtotal - Other Revenues</i>	<u>\$ 890,182</u>	<u>\$ 844,237</u>	<u>\$ 1,734,419</u>	<u>\$ 826,825</u>	<u>\$ 907,594</u>	<u>110%</u>
Total Revenues	<u>\$ 19,898,374</u>	<u>\$ 18,672,566</u>	<u>\$ 38,570,940</u>	<u>\$ 22,920,694</u>	<u>\$ 15,650,246</u>	<u>68%</u>
EXPENDITURES AND CONTRIBUTIONS TO RESERVES						
Program Expenditures						
Food Services	\$ 4,539,208	\$ 4,917,476	\$ 9,456,684	\$ 4,810,004	\$ 4,646,680	97%
Conference Services	70,200	163,799	233,999	225,000	8,999	4%
Residential Facilities	3,696,113	4,899,499	8,595,612	7,150,989	1,444,623	20%
Athletics	2,952,986	2,952,986	5,905,972	5,011,951	894,021	18%
Student Activities	890,876	1,088,849	1,979,725	1,617,181	362,544	22%
Security	900,826	1,015,825	1,916,650	1,754,136	162,514	9%
Radio Station	151,137	192,357	343,494	304,366	39,128	13%
Foster Hall	157,427	184,805	342,232	308,145	34,087	11%
Administrative Auxiliary Personnel	382,348	382,348	764,696	741,652	23,044	3%
Other	1,654,852	1,654,852	3,309,704	-	3,309,704	N/A
Student Health Services	774,205	873,039	1,647,244	1,603,936	43,308	3%
COVID 19	750,000	750,000	1,500,000	1,500,000	-	0%
Campus Card Operations (student)	224,558	285,801	510,359	204,734	305,625	149%
Work-study	66,429	210,359	276,788	276,788	-	0%
Transportation	157,533	717,649	875,182	65,430	809,752	1238%
Parking	153,312	153,312	306,623	300,250	6,373	2%
Bookstore	29,000	21,000	50,000	100,000	(50,000)	-50%
Trojan Advance Course Operations	648,000	552,000	1,200,000	1,200,000	-	0%
MPC Auxiliary Operations	234,539	199,793	434,332	270,166	164,166	61%
Auxiliary recoveries	(145,000)	(145,000)	(290,000)	(290,000)	-	0%
<i>Subtotal - Program Expenditures</i>	<u>\$ 18,288,548</u>	<u>\$ 21,070,748</u>	<u>\$ 39,359,296</u>	<u>\$ 27,154,728</u>	<u>\$ 12,204,568</u>	<u>45%</u>

	Fall 2021	Spring 2022	2021 - 2022 Proposed Budget	2020 - 2021 Approved Budget		
Other Expenditures						
Debt Service ⁽⁴⁾	\$ 1,473,360	\$ 4,420,079	\$ 5,893,439	\$ 9,735,932	\$ (3,842,493)	-39%
Facilities Maintenance Reserve	98,174	252,448	350,622	350,622	-	0%
Scholarships ⁽⁵⁾	350,000	350,000	700,000	700,000	-	0%
Subtotal - Other Expenditures	\$ 1,921,534	\$ 5,022,527	\$ 6,944,061	\$ 10,786,554	\$ (3,842,493)	-36%
Total Expenditures	\$ 20,210,082	\$ 26,093,275	\$ 46,303,357	\$ 37,941,282	\$ 8,362,075	22%
Contribution to/from Reserves	\$ -	\$ (7,732,417)	\$ (7,732,417)	\$ (15,020,588)	\$ 7,288,171	-49%
Total Expenditures and Reserve Change	\$ 20,210,082	\$ 18,360,858	\$ 38,570,940	\$ 22,920,694	\$ 15,650,246	68%
Contributions to Fund Balance	\$ (311,708)	\$ 311,708	\$ -	\$ -	\$ -	
Notes:						
(1) Sales and Services Revenue						
Residential Facilities (Laundry and Commissions)	\$ 17,210	\$ 20,204	\$ 37,414	\$ 8,000	\$ 29,414	368%
Conference Services	198,000	27,000	225,000	50,000	175,000	350%
Food Service Commissions	42,252	23,766	66,018	-	66,018	N/A
Total Sales and Services Revenue	\$ 257,462	\$ 70,970	\$ 328,432	\$ 58,000	\$ 270,432	466%
(2) Misc. Revenues						
Interest Earned on Auxiliary Funds	\$ 55,800	\$ 254,200	\$ 310,000	\$ 310,000	\$ -	0%
Work-study	66,429	210,359	276,788	276,788	-	0%
Total Miscellaneous Revenue	\$ 122,229	\$ 464,559	\$ 586,788	\$ 586,788	\$ -	0%
(3) Misc. Fees						
Student Health Services	\$ 10,387	\$ 7,218	\$ 17,605	\$ 2,500	\$ 15,105	604%
Residence Life	30,368	101,667	132,035	-	132,035	N/A
Student Activities	30,632	4,577	35,209	4,000	31,209	780%
VSU One Card	23,326	20,686	44,012	10,000	34,012	340%
Athletics	160,203	15,844	176,047	7,500	168,547	2247%
Total Misc. Fees	\$ 254,916	\$ 149,992	\$ 404,908	\$ 24,000	\$ 380,908	1587%
(4) Debt						
Residence Life	\$ 1,347,670	\$ 4,043,010	\$ 5,390,680	\$ 8,639,591	\$ (3,248,911)	-38%
Food Services	41,833	279,958	321,791	344,041	(22,250)	-6%
Other Auxiliary Debt	45,242	135,726	180,968	752,300	(571,332)	-76%
Total Debt	\$ 1,434,745	\$ 4,458,694	\$ 5,893,439	\$ 9,735,932	\$ (3,842,493)	-39%
(5) Scholarships						
Bookstore	\$ 50,000	\$ 50,000	\$ 100,000	\$ 100,000	\$ -	0%
Auxiliary Scholarships	300,000	300,000	600,000	600,000	-	0%
Total Scholarships	\$ 350,000	\$ 350,000	\$ 700,000	\$ 700,000	\$ -	0%

Schedule II
Virginia State University
Cooperative Extension and Agricultural Research Services (CEARS)
Proposed Budget

	Fall 2021	Spring 2022	2021 - 2022 Proposed Budget	2020 - 2021 Approved Budget	\$ Change	% Change
Revenue						
Educational & General (E & G)						
State General Funds (CEARS)	\$ 7,199,920	\$ -	\$ 7,199,920	\$ 5,634,963	\$ 1,564,957	28%
Total General Funds	<u>\$ 7,199,920</u>	<u>\$ -</u>	<u>\$ 7,199,920</u>	<u>\$ 5,634,963</u>	<u>\$ 1,564,957</u>	<u>28%</u>
Non-General Funds						
E & G Sponsored Programs (CEARS)	\$ 3,549,238	\$ 3,276,220	\$ 6,825,458	\$ 5,441,316	\$ 1,384,142	25%
Total Non-General Funds	<u>\$ 3,549,238</u>	<u>\$ 3,276,220</u>	<u>\$ 6,825,458</u>	<u>\$ 5,441,316</u>	<u>\$ 1,384,142</u>	<u>25%</u>
Total Revenue	<u>\$ 10,749,158</u>	<u>\$ 3,276,220</u>	<u>\$ 14,025,378</u>	<u>\$ 11,076,279</u>	<u>\$ 2,949,099</u>	<u>27%</u>
Expenditures						
Educational & General (E & G)						
Research	\$ 3,720,670	\$ 3,720,670	\$ 7,441,340	\$ 4,880,806	\$ 2,560,534	52%
Public Service	3,330,574	3,199,964	6,530,538	5,447,783	1,082,755	20%
Institutional Support	19,665	14,835	34,500	34,500	-	0%
Operation and Maintenance of Plant	5,700	13,300	19,000	713,190	(694,190)	-97%
Total Expenditures	<u>\$ 7,076,609</u>	<u>\$ 6,948,769</u>	<u>\$ 14,025,378</u>	<u>\$ 11,076,279</u>	<u>\$ 2,949,099</u>	<u>27%</u>
Revenue Over/Under Expenditures	<u>\$ 3,672,549</u>	<u>\$ (3,672,549)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Virginia State University
2021-2022 Approved Funding Requests
Educational and General

Area	Program	Frequency	Department	Request	Description
5% Salary increase	Various	Ongoing	Various-University portion	1,035,643	5% salary increase - 47%
5% Salary increase	Various	Ongoing	Various	32,312	5% wage increase - 100%
Provost	Instruction	One-Time	College of Natural & Health Sciences	40,000	Accreditation requirements for Nursing
Provost	Instruction	One-Time	College of Business	68,950	Accreditation additional fees
Provost	Instruction	One-Time	College of Natural & Health Sciences	45,000	Accreditation expenses for Psychology
Provost	Instruction	One-Time	College of Agriculture	49,000	Accreditation of Dietetic Internship Program
Provost	Instruction	One-Time	Academic areas	216,532	Fund Academic printing costs
Provost	Instruction	One-Time	Academic areas	198,150	Fund Academic telephone costs
Provost	Instruction	One-Time	College of Humanities	320,000	NASM Standards (establish online music, library, computer labs) Technology integration with student learning and develop the Computer
Provost	Instruction	One-Time	College of Business	107,700	Information Systems
Provost	Instruction	One-Time	Academic areas	500,000	Faculty Early retirement
Provost	Instruction	Ongoing	College of Humanities	140,200	Fund Master of Social Work Program
Provost	Instruction	Ongoing	Provost	75,000	Promotion and Tenure
Provost	Instruction	Ongoing	Academic areas	980,407	11 positions
Provost	Instruction	Ongoing	Provost	300,000	Salary Equity study and plan
Technology	Academic support	One-Time	Academic	2,000,000	Classroom upgrades Upgrade current integrated library database system (ILS) Virtua to next
Provost	Academic Support	One-Time	Library	200,000	generation system
Provost	Academic support	Ongoing	Library	65,000	Archivist
Provost	Student Support	One-Time	Registrar	110,000	Banner Degree Works Consultant
Provost	Student Support	One-Time	Registrar	100,000	Electronic form submission repository (software upgrades)
Provost	Student Support	One-Time	Registrar	75,000	Ellucian banner customization of prerequisites checking and maintenance
Provost	Student Support	One-Time	Enrollment Management	31,000	Replace application process system with CRM Admission Pros
Provost	Student Support	One-Time	Registrar	75,000	Restore and image records from paper to electronic retrieval and destruction
Provost	Student Support	One-Time	Enrollment Management	6,308	Transfer Evaluation System
Provost	Student Support	One-Time	Enrollment Management	25,000	Visit Days recruitment tool
Provost	Student support	Ongoing	College of Engineering and Tech	500,000	5 positions for Computer Science and Computer Engineering program
Provost	Student Support	Ongoing	Enrollment Management	36,000	Admissions processor
Provost	Student Support	Ongoing	Enrollment Management	36,000	Transcript imaging specialist
Provost	Student Support	Ongoing	Enrollment Management	59,177	1 position
Provost	Student Support	Ongoing	Financial Aid	52,036	1 position
Finance	Student Support	Ongoing	Collections	83,324	1 position; add 1 part-time position
Provost	Student Support	Ongoing	ACE	28,000	Sponsor freshman-wide service learning activities
Finance	Inst. Support	One-Time	Fixed Asset	50,000	Asset inventory system
Finance	Inst. Support	One-Time	Post Office	60,931	Auditable reporting tool to streamline parcel and mail delivery
Internal Audit	Inst. Support	One-Time	Internal Audit	105,000	Automated work paper technology data mining tool
Provost	Inst. Support	One-Time	Provost	200,000	Climate Survey/Equity plan (Consultant)
Technology	Inst. Support	One-Time	Technology Services	64,670	2 IT contractors for HP deployment
Police	Inst. Support	One-Time	Security	30,000	Life saving tactical equipment, shields, helmets
Finance	Inst. Support	One-Time	Post Office	53,000	System to streamline mail delivery process
Technology	Inst. Support	Ongoing	Technology Services	180,000	Contract increases
Finance	Inst. Support	Ongoing	Fixed Asset	60,000	FAACS position
Finance	Inst. Support	Ongoing	Post Office	32,000	Postal position
President	Inst. Support	Ongoing	President	204,000	Senior Advisor to the President for Institutional Equity, Ethics and Compliance
Finance	Inst. Support	Ongoing	Budget Office	93,362	1 position
External Relations	Inst. Support	Ongoing	Institutional Advancement	40,140	1 position
Internal Audit	Inst. Support	Ongoing	Internal Audit	107,120	1 position
Human Resources	Inst. Support	Ongoing	Human Resources	209,300	3 positions
Provost	Inst. Support	Ongoing	Provost	230,137	3 positions
Finance	Inst. Support	Ongoing	Controller's Office	362,409	4 positions
Finance	Inst. Support	Ongoing	Finance	90,000	Finance Internship program
External Relations	Inst. Support	Ongoing	Institutional Advancement	93,000	Additional NPS budget
Technology	Inst. Support	Ongoing	Technology Services	40,000	Technology position to assist the Radio station
Agency 234	Inst. Support	Ongoing	Research and Economic	27,750	Veterinarian half of the University's bill previously paid by Agency 234
Agency 234	O&M	Ongoing	Facilities	30,000	Agency 234 repairs to infrastructure

Total 9,953,559

Ongoing \$5,222,318

One-Time 4,731,241

Total \$9,953,559

Virginia State University
2021-2022 Approved Funding Requests
Auxiliary Enterprise

Area	Program	Frequency	Request	Description
5% Salary increase	Various	Ongoing	\$ 328,806	5% salary increase (salary and wages)
Athletics	Athletics	One-Time	131,150	Additional funding for lodging
Athletics	Athletics	Ongoing	650,000	Additional NPS budget
Finance	Campus Card	One-Time	300,000	New vendor for VSU One-Card
Foster Hall	Foster Hall	Ongoing	34,087	Additional NPS budget
Finance	MPC	Ongoing	164,166	Fund Auxiliary portion of MPC operating costs
Finance	Other	One-Time	30,000	Implementation of software system for telecom billing
Finance	Other	One-Time	179,468	Auxiliary printing contract loses
Finance	Other	One-Time	130,424	New Kronos clocks to capture student and part-time work hours
Capital/Facilities	Other	One-Time	75,000	Basketball court repair
Capital/Facilities	Other	One-Time	220,000	Electrical upgrade for Langston Hall (Loss Bond proceeds)
Capital/Facilities	Other	One-Time	600,000	Window replacement Byrd Hall (Loss Bond proceeds)
Capital/Facilities	Other	One-Time	100,000	Jones Dining Hall drain piping
Capital/Facilities	Other	One-Time	70,000	Jones Dining Hall grease interceptor enlarged and replaced
Capital/Facilities	Other	One-Time	170,000	Jones Dining Hall interconnection
Capital/Facilities	Other	One-Time	60,000	Jones Dining Hall restroom exhaust
Capital/Facilities	Other	One-Time	200,000	MPC Soccer Field grading, field dressing and sports equipment
Capital/Facilities	Other	One-Time	130,000	Replace Rogers Stadium home side performance area
Capital/Facilities	Other	One-Time	70,000	Senior walk etching machine
Capital/Facilities	Other	One-Time	100,000	Develop automated processes and solutions - Audit issue 2018-2020
Capital/Facilities	Other	One-Time	400,000	Water line to Academic Commons building
Capital/Facilities	Other	One-Time	80,000	University space planner
Technology	Other	One-Time	500,000	Technology initiatives
Finance	Other	Ongoing	81,977	Fund Kronos contract
Finance	Other	Ongoing	45,000	Full-time driver/Fixed Assets tag position
Finance	Other	Ongoing	67,000	Part-time position for Procurement/Fixed Assets
Radio Station	Radio Station	Ongoing	33,669	Additional NPS budget
Residence Life	Residence Life	One-Time	709,828	Moore Hall furniture
Residence Life	Residence Life	One-Time	360,000	Byrd Hall furniture
Residence Life	Residence Life	Ongoing	459,265	Additional NPS budget
Police	Security	Ongoing	120,000	Hire additional part-time employees for safety purposes
Student Affairs	Student Activities	One-Time	30,000	Reporting system for Student Conduct and Title IX
Student Affairs	Student Activities	Ongoing	232,577	3 positions
Student Affairs	Student Activities	Ongoing	70,000	Implement a Restorative Justice Program
Finance	Transportation	One-Time	800,000	Purchase 2 motor coach buses

Total \$ 7,732,417

Ongoing \$ 2,286,547
One-Time 5,445,870
Total \$ 7,732,417

Virginia State University
2021-2022 Approved Funding Requests
Local Funds

Area	Program	Frequency	Request	Description
Finance	Inst. Support	Ongoing	\$ 100,000	Tuition assistance for staff
Provost	Financial Aid	Ongoing	1,344,010	Computer Science and Computer Engineering program
Provost	Other	One-Time	1,000,000	Transforming the University through innovative strategies
		Total	\$ 2,444,010	
		Ongoing	\$ 1,444,010	
		One-Time	1,000,000	
		Total	\$ 2,444,010	
		MacKenzie Scott	\$ 1,528,010	
		Other Local	916,000	
			\$ 2,444,010	

VIRGINIA STATE UNIVERSITY
Petersburg, Virginia

Date: April 22, 2021	Board Committee: Facilities and Finance and Audit
	Initiating Unit: Facilities and Finance
Board Action: Approval	Additional Information Included in Board Package: Yes

TOPIC: Six Year Capital Outlay Plan

BACKGROUND:

In the late spring or summer of each odd numbered year, the Governor, through the Department of Planning and Budget (DPB), requests that institutions of higher education develop their next six-year capital outlay plan. Virginia State University must develop a six-year capital outlay project plan and submit corresponding capital budget requests for funding consideration by the State Council of Higher Education for Virginia (SCHEV), the General Assembly, the Governor, and the respective chairs of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on Finance.

The Department of Planning and Budget, the Department of General Services, and the staff of the State Council of Higher Education will review Virginia State University's Six-Year Capital Plan and budget requests and submit the results of their review to the Six-Year Capital Outlay Plan Advisory Committee for funding consideration in the 2022 budget session.

The Master Plan serves as the required support document for the University's Six-Year Capital Plan and each project submitted for consideration must conform to an approved Master Planning document. The Six Year Plan for fiscal years 2022-2028 reflects the University's Strategic Plan and the 2017 Campus Master Plan and the 2019 Master Plan Revision.

AUTHORITY:

§ 23.1-1016(B) of the *Code of Virginia* requires that “[a]ll capital projects of a covered institution, whether funded by an appropriation of the General Assembly or otherwise, shall be approved by the institution's governing board.”

§ 23.1-1016(D)(3) of the *Code of Virginia* requires that if a covered institution constructs improvements on land, or renovates property “[s]uch improvements or renovations shall be consistent with such institution’s master plan approved by its governing board.....”

CONSEQUENCE OF NON-APPROVAL:

If a Six Year plan is not approved, the State Council of Higher Education for Virginia, the General Assembly, the Governor, and the respective chairs of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on Finance will not give funding consideration for the University's capital projects in the 2022 budget session.

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**RESOLUTION OF THE
VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
APPROVING SIX-YEAR CAPITAL PLAN FOR 2022 - 2028**

WHEREAS, § 23.1-306 of the *Code of Virginia* requires that “[t]he governing board of each public institution of higher education shall (i) develop and adopt biennially in odd-numbered years and amend or affirm biennially in even-numbered years a six-year plan for the institution....”; and

WHEREAS, the 2022-2028 Capital Plan was developed by application of the 2017 Campus Master Plan and the 2019 Master Plan Revision; and

WHEREAS, § 23.1-1016(B) of the *Code of Virginia* requires that “[a]ll capital projects of a covered institution, whether funded by an appropriation of the General Assembly or otherwise, shall be approved by the institution’s governing board”; and

WHEREAS, § 23.1-1016(D)(3) of the *Code of Virginia* requires that if a covered institution constructs improvements on land, or renovates property “[s]uch improvements or renovations shall be consistent with such institution’s master plan approved by its governing board....”; and

WHEREAS, every biennium, Virginia State University must submit a Six-Year Capital Plan for consideration by the State Council of Higher Education for Virginia (“SCHEV”), the General Assembly, the Governor, and the respective chairs of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on Finance; and

WHEREAS, the Board of Visitors support the Six Year Plan reflecting the 2017 Master Plan, the 2019 Master Plan Revision and the University’s Strategic Plan.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Visitors of Virginia State University hereby approves the Six Year Capital Plan covering the fiscal years 2022-2028.

Huron F. Winstead, Rector

Thursa D. Crittenden, Secretary

Date

Date

2022-2028 CAPITAL OUTLAY PLAN

In January of 2022, the General Assembly session will consider the Commonwealth of Virginia capital outlay six-year plan for the biennia 2022-2028. The plan is developed in accordance with the Governor's historical guidance on six-year capital plans. Typically developed in odd-numbered years, the plan, which also includes the 2022-2028 Maintenance Reserve request, is being brought to the Board for their review and approval.

The first biennium, which will be the focus for action by the 2022 legislative session, reinforces the University's continued investment in critical infrastructure projects for the campus as well as recommended projects from the 2017 Master Plan and the 2019 Master Plan Revision. The first biennium plan includes funding requests for construction of a new Center for Leadership and Social Equity and Engagement, a new Physical Plant Annex for Material Recovery and Reuse; renovation and addition to the Johnson Memorial Library to provide a Technology One Stop; renovation of Virginia Hall; renovation of Davis Hall; Accessibility Upgrades and Replacements; Reroofing of eleven academic and administrative buildings; and infrastructure improvements for Erosion Control and Storm water Management.

Subsequent biennia include projects for construction of a new Indoor Athletics Training Facility, renovation of two buildings for apartment style student housing, renovation of Rogers Stadium, and renovation of six academic and administrative buildings including Colson Hall, Jesse Bolling Hall, Vawter Hall, Gandy Hall and Fauntleroy Hall. Infrastructure improvements for paving, sidewalks and retaining walls to address deficiencies is requested in the second biennia.

The University expects to make several submittals to the Department of Planning and Budget (DPB) before the 2022 legislative session begins. The first submission contains project budget estimates and narratives along with conceptual images and drawings. Over the course of the process, project budgets will be refined and adjusted in accordance with the Division of Engineering and Buildings cost review process.

The University has been granted prior funding authority for the following projects, which are not included in this plan:

Demolish/Replace Daniel Gym and Harris Hall \$108,547,000 VCBA

A new 174,000 square foot building combining the College of Education with the College of Humanities and Social Sciences as a single facility is approved for design. Phase 1 was recommended for approval in the 2019 budget bill effective 7/1/19 and the 2020 session approved the entire project to proceed to construction. The existing Harris Hall is scheduled for demolition in the summer of 2021 and Daniel Gym will be demolished upon occupancy.

Construct a New Agricultural Research and Education Building \$10,000,000 NGF

A new 13,800 square foot Agricultural Research and Education building is approved to expand the agricultural research and education capabilities by adding wet laboratories, a multipurpose auditorium, distance learning technologies, offices, and food processing laboratory. Construction will begin on the new facility in May 2021. The project is funded from the 1890 Facilities grant award.

Improve and Replace Technology Infrastructure \$11,471,000 VCBA

This capital project provides for the additional infrastructure pathways (duct bank, conduit and fiber) necessary to provide connections to alternate core facilities for major buildings to ensure that critical voice and data services remain available in the event that a key pathway is severed. In addition, this project will address significant issues affecting the security, safety, and environmental conditions of the University's telecommunications rooms and pathways. These problems endanger the reliability and security of the university's voice and data communications systems.

Improve Infrastructure for Campus Safety, Security, Energy Reduction and System Reliability \$8,299,506 VCBA

This project provides for infrastructure improvements to improve campus safety and security, to increase efficiency of the campus steam distribution system and reduce energy consumption and campus utility costs. This project will provide for the installation of exterior LED lighting fixtures, the installation of card reader systems and exterior and interior surveillance cameras, steam system piping improvements and a boiler replacement at the campus Steam Plant. Annual utility costs savings of approximately \$100,000 are anticipated because of steam system efficiencies.

Waterproof Campus Buildings \$6,101,000 VCBA

This project provides for waterproofing basements and providing improved drainage at 11 academic and administrative buildings to prevent moisture intrusion and curb mold growth. These buildings are Virginia Hall, the President's House, Colson Hall, Lindsay Montague, Vawter Hall, Storum Hall, Davis Hall, Institutional Effectiveness, Trinkle Hall, Gandy Hall and Singleton Hall.

Construct Admissions Building \$20,846,000 VCBA

This project provides for the construction of a new approximate 30,000 GSF Admissions building at the north end of University Avenue in the location of current Lot 27. Displaced parking will be replicated in other campus locations.

Renovate Summerseat for Urban Agriculture Center VCBA

The Summerseat property is a circa 1860 wood frame building of approximately 1,115 SF located at 20829 Chesterfield Avenue. Purchased by the University in 2012, the building is eligible for the National Register of Historic Places. This project will renovate the Summerseat building as a Cooperative Extension Urban Agriculture Center and provide crop and tree agriculture demonstration areas on its 2.2-acre parcel. The building is highly visible from both River Road and Chesterfield Avenue and serves as a western gateway to the Multipurpose Center. Once purposed as an Urban Agriculture Demonstration Center, the facility will provide high profile view of VSUs 1890 Land Grant programs to a regional audience.

Improve Heating, Air Conditioning and Ventilation Campuswide for Infectious Aerosol Control \$ \$33,980,000 VCBA

This project is in response to the COVID-19 pandemic to assist in infectious aerosol control in state owned buildings with epidemic conditions in place. This project will provide for modifications and or replacement of Heating, Ventilating and Air Conditioning systems in eight Educational and General buildings to increase ventilation, filtration and humidity control.

Construct New Student Union \$34,547,000 AUX/LOCAL

A new 81,000 square foot Student Union is approved to house increased student recreational services. The new facility will provide offices for campus organizations and Student Activities staff; a food court; banquet and theatre spaces; a games center; general and commuter lounges; conference spaces capable with wireless internet access along with audiovisual presentation systems. Outdoor amenities will include passive areas, grilling areas and large gathering areas. A request to change the title of this project to “Renovate and Construct Addition to Foster Hall for Student Union” in accordance with the 2019 Master Plan Revision will be requested in the 2022 legislative session.

Renovation and Addition to President’s House \$ 2,100,000 LOCAL

This project provides for the renovation of the existing President’s House as a private residence and the construction of an approximately 4000 SF addition for assembly. The President's Residence is a three story masonry structure with basement of approximately 7,530 SF located in the historic campus core. The President’s House was built in 1939-1940 to house University Presidents and their families and functions for small official gatherings and entertaining of official University guests. The location of the President’s House is ideally suited for these gatherings as it offers sweeping views of the historic campus and the Appomattox River. The building requires modifications to address water intrusion and heating, air conditioning and ventilation concerns. In addition, some modifications to common areas are necessary to make the building serviceable as a private residence. While the existing structure is adequate for private functions, an approximately 4000 square feet addition is proposed to increase the capacity for official gatherings and address accessibility concerns. The President officiates over various larger functions including receptions, sponsorship events, student organization functions, and fund raising events that cannot be accommodated in the existing structure. The addition will provide space to host these larger events. Proposed spaces in the addition include large assembly and dining spaces, a catering kitchen with storage and ADA accessible restrooms suitable for large gatherings. The University will raise the local funds necessary to perform this work in phases.

2022-2024 BIENNIUM

1 Major Repairs and Maintenance Reserve (MR) \$s from GF/VCBA

The first capital priority in any institution's biennial plan is maintenance reserve (MR). The MR request funds only for newly identified major repair and replacement projects, and does not represent Virginia State University's deferred maintenance backlog. Projects include building systems, equipment and components, such as roofs, HVAC, windows, cooling towers, electrical, plumbing and mechanical, etc.

2 BOLT Center for Leadership, Social Equity and Engagement \$32,000,000 GF

VSU is dedicated to using a holistic approach to academic excellence and student success and engagement. The 2020-2025 strategic plan emphasizes leadership and professional development, career planning, and experiential learning. The plan focuses on developing student leaders who are more engaged with their learning, have the soft skills necessary to be successful in their careers, and are equipped with the knowledge, skills, and disposition to be globally competitive while remaining civically engaged. This is particularly important to VSU since the number of first in family to attend college is proportionately higher than peers and is consistent with the Governor's priority of transforming workforce pathways by measuring success in jobs, not just degrees.

The University's "Becoming Outstanding Leaders of Tomorrow" or BOLT quality enhancement plan infuses leadership curricula into the coursework required by each student. The BOLT program is a component of the accreditation or reaffirmation process with the goal of enhancing overall institutional quality and effectiveness by focusing on an issue(s) the institution considers important to improving student learning. The leadership curriculum is consistent with the VSU's strategic plan and provides three academic pathways with progressive leadership content with a focus on social change. All incoming students are required to successfully complete one of the three curriculum pathways, some resulting in a leadership minor. Expected outcomes are improvements in Graduation, Persistence, and Retention Rates as well as improved student achievement including an increased number of students employed within related fields.

This project provides for the construction of a new facility to house the BOLT leadership program. The new facility will be constructed on the site of the former Daniel Gym, which will be demolished under project 212-18333, Demolish/Replace Daniel Gym and Harris Hall. The approximate 60,000 GSF building will contain classrooms, leadership labs, faculty offices, career planning support spaces including interview simulator lab rooms, and assembly spaces for group collaboration. Specialty spaces will include experiential learning spaces with an emphasis on building self-confidence, social responsibility, civic-mindedness, wellness, self-esteem, and personal efficacy.

3 Renovate and Addition for Johnston Memorial Library \$38,000,000 GF

The 103,198 Johnson Memorial Library building houses computer labs, small study rooms, University library staff, faculty, and volumes as well as the University data center organization within a basement and three upper floors. This project will provide for centralization of the Technology Services organization from three University locations with the data center in an open office environment suitable for streamlined and collaborative operations. In addition, a Makerspace equipped with 3D printers, software, electronics, craft and hardware, supplies and tools will be provided where students can gather to create, invent, and learn. A 30,000 SF addition on the upper three floors which will provide space for the Technology

Services personnel along with providing for the maker space. This project will include replacement of finishes throughout the building, replacement of the building automation controls system, replacement of existing interior lighting with energy efficient LED lamps, and refurbishment of the building cooling tower. Currently, the primary access to the library is to the south facing Virginia Hall. The building addition will be placed to the north facing a central campus green space extending from the library to Bousseau Street providing a second main entrance to the library.

4 Construct Physical Plant Annex for Material Recovery and Reuse \$10,000,000 GF

Executive Order 77 signed on March 23, 2021 prohibits the sale and distribution of all single use plastic products by and requires composting and diversion of waste from landfills, this project provides for a new Material Recovery and Reuse Center to be constructed as an annex to the Physical Plant building. This 10,000 GSF facility will provide a central plant location for plastic products with automated plastic shredding and baling for recycle. The facility will also house a composting center that accepts food waste from campus dining facilities with the compost being used for landscaping projects and at the Randolph Farm Research Station. Included in this project is the cost of replacing existing campus water fountains with water bottle fill stations, and installing infrastructure for reverse vending machines to accept and record recyclables.

5 Renovate Virginia Hall \$28,000,000 GF

The Virginia Hall building was last renovated over 20 years ago, and the Facilities Condition Index is now 45%, which is considered very poor. Virginia Hall is the home of the Human Resources department and provides spaces for senior leadership and other public facing functions at the University. This project will address the deferred maintenance backlog of \$7.5M while providing upgrades to building infrastructure, envelope, accessibility, finishes, security systems, and building technology. This project will be a historic preservation effort which restores the circa. 1939 Virginia Hall building to a stature commensurate with its place in University history.

6 Erosion Control and Storm Water Management Improvements \$8,000,000 GF

This project provides for the installation of a new trunk line serving the historic area of campus that will parallel Hayden Street. Other improvements include restoration of severely eroded storm water outfalls on the eastern and southern sectors of campus and repair and installation of best management practice (BMPS) storm water structures at the northwestern portion of the academic campus and at Randolph Farm.

7 Accessibility Upgrades and Replacements \$8,000,000 GF

This project provides for the installation of new elevators and towers at six campus buildings that do not have accessibility to their second floor areas. These buildings are Fauntleroy Hall, Trinkle Hall, the Faculty Innovation Center, the Title III building and Institutional Effectiveness. In addition, replacements of existing elevators and restroom and stairway modifications at Colson Hall, Lindsay Montague, Singleton Hall and Wilder Hall will be accomplished with this project.

8 Reroof Academic and Administrative Buildings Campuswide \$15,000,000 GF

This project provides for the replacement of roof systems and correction of envelope deficiencies at 16 educational and general buildings including Davis Hall, Fauntleroy Hall, Institutional Effectiveness, Hunter-McDaniel Hall, Jackson Place Cottage #3 & #4, M.T. Carter, Owens Hall, Physical Plant Building, Singleton Hall, TITLE III building, Virginia Hall, Colson Hall, Heating

Plant, Johnston Memorial Library, Lindsey Montague and Wilder Hall. These buildings have roofing systems that have outlived their useful life, and inspections have indicated that replacements are required.

9 Renovate Davis Hall \$ 28,000,000 GF

Constructed in 1920 as the Matoaca Elementary school, Davis Hall is now the home of the Department of Music. The building currently has a Facilities Condition Index of 33% which is considered poor (>10%) and is subject to unusual wear due to its extended hours of operation to accommodate band activities and student practice needs. Last renovated in 1998, this historic structure is in need of complete renovation and upgrades to meet programmatic needs. This project will provide updated finishes, space modifications to accommodate academic program requirements, upgraded infrastructure and modern teaching technologies to support VSUs Media, Arts and Design programs.

2024-2026 BIENNIUM

1 Maintenance Reserve \$ from GF

The first capital priority in any institution's biennial plan is maintenance reserve (MR). The MR request funds only for newly identified major repair and replacement projects, and does not represent Virginia State University's deferred maintenance backlog. Projects include building systems, equipment and components, such as roofs, HVAC, windows, cooling towers, electrical, plumbing and mechanical, etc.

2 Renovate Colson Hall \$15,200,000 GF

Constructed in 1937, the Facilities Condition Index for Colson Hall is now 42%, which is considered very poor. This historic structure is in need of complete renovation to correct deficiencies, provide required systems renewals and replacements, and upgraded infrastructure. This project will provide for the historic preservation of the building envelope, replacement of mechanical and electrical systems, installation of wireless and academic support technologies and accessibility upgrades. Faculty offices currently occupied at Colson Hall will be relocated to the new Academic Commons Building allowing an opportunity to accommodate the relocation of Finance and Administration staff into a centralized operations center.

3 Renovate Jesse Bolling Hall \$10,400,000 GF

The Jesse Bolling building was constructed in 1958 and was last renovated in 1985. The building houses the ROTC program that operates in cooperation with Fort Lee. The Jesse Bolling building has a Facilities Condition Index of 44%, which is considered very poor and is in need of a complete renovation to correct deficiencies, provide required system renewals and replacements and upgrade the building for the ROTC academic program. Planned building upgrades include installation of an exterior ROTC physical training area, replacement of mechanical and electrical systems, installation of wireless and academic support technologies and accessibility upgrades.

4 Renovate Vawter Hall for Faculty Development Center \$9,700,000 GF

Constructed in 1908, the 22,698 GSF Vawter Hall building currently houses the Language Arts academic program and is one of 2 campus buildings that are listed on the National Register of Historic Places. While historically significant, Vawter Hall is in need of upgrades and system renewals. The building currently has a deferred maintenance backlog of \$2.8 M and a Facilities Condition Index of 29%, which is considered poor. The Language and Literature classrooms and offices are planned to relocate to the new Academic Commons Building offering an opportunity to renovate the unoccupied building. This project provides for the upgrades to the building infrastructure and renovation of interior spaces to provide for a Faculty Development Center. This facility will sustain faculty engagement and programs directly supporting teaching and scholarly/creative activities. This project will provide space for individualized and group training, support areas to assist new and tenure-track faculty, conference and seminar spaces, and a resource library.

5 Renovate Guest House for Net Zero Demonstration Area \$3,500,000 GF

The 1,841 GSF Guest House was constructed in 1935, but has been vacant for more than two decades. The Facilities Condition Index of the buildings is 2.4% or very poor. This project will provide for renovation of the building as a net zero building, demonstrating best practices and new technologies that reduce energy consumption and reduce the carbon footprint of a building to zero. Located adjacent to the recently renovated Honors House, now the Center for Sponsored

Research and Graduate Studies, this historic structure can still be saved while providing value to University STEAM programmatic offerings.

6 Renovate Gandy Hall \$ 15,000,000 GF

The 34,494 SF Gandy Hall building was constructed in 1954 and currently houses the Registrar's Office, Financial Aid, Cashier's Office, Student Accounts and the Hospitality Management, Culinary Arts, Textiles and Materials programs of the College of Agriculture. This project will provide for the complete renovation of the building and will address programmatic needs for the Culinary Arts, Textiles and Materials and Hospitality Management academic departments.

7 Construct Pedestrian Walkway on University Avenue \$ 14,500,000 GF

This project provides for the construction of a pedestrian and bicycle bridge from the City of Petersburg's Patton Park across the Appomattox River onto Main Campus, and for site and landscape improvements to University Avenue. The conversion of University Avenue to a pedestrian corridor was envisioned in the campus master plan, primarily as a safety consideration for the large volume of students that walk through this area between buildings. It is a component of a larger plan to move vehicular circulation more to the perimeter, creating a walkable campus core. The region around VSU (including Petersburg and the Ettrick community in Chesterfield) has been designated as an opportunity zone. The City of Petersburg was awarded a grant to improve Patton Park, which is a logical anchor for an extension of the University Avenue pedestrian way. The improvements to Patton Park by VDOT and the City of Petersburg is a time limited, one-time opportunity to provide economic development and improve the opportunity zone. The project can be constructed in phases, but it is advantageous for the required diligence and design work to be completed as one project. Funding to the University for design and coordination of utilities is required now to implement the regional improvements. The construction will occur as two components with the first composed of site modifications on University Avenue and the second composed of the elevated walkway and bridge.

8 Renovate 20708 and 20720 Fourth Avenue for Student Apartment Housing \$7,000,000 AUX

The 20716 and 20720 Fourth Avenue buildings were constructed in 1954 as faculty apartments. These buildings are currently vacant. Both buildings are in very poor condition with a combined Facilities Condition Index of 51%. This project will provide for the complete renovation of both buildings including the addition of elevators and towers to provide apartment style housing for twenty-four students and one faculty in residence suite.

9 Site Infrastructure Renewals and Replacements \$7,500,000 AUX/GF

This project supports the multi-phased replacement of site infrastructure components including retaining walls, paving and sidewalks. A condition assessment of these systems indicates that the current FCI index of 25% is considered poor and some components do not meet accessibility standards. Further repairs to these components are anticipated to be more extensive and costly than replacement, and maintenance reserve funding is insufficient to accommodate this work.

2026-2028 BIENNIUM

1 Maintenance Reserve \$ from GF

Always the first capital priority in any institution's biennial plan, the MR request funds only newly identified major repair and replacement projects, and does not represent the College's deferred maintenance backlog. Projects include building systems, equipment and components, such as roofs, HVAC, windows, cooling towers, electrical, plumbing and mechanical, etc.

2 Renovate Storum Hall for Continuing and Distance Learning Center \$7,000,000 GF

Constructed in 1914, the 6,006 GSF Storum Hall building currently houses the Institutional Advancement staff and is one of 2 campus buildings that are listed on the National Register of Historic Places. This project provides for the upgrade of building infrastructure, and renovation of interior spaces to provide for a Continuing and Distance Learning Center. This facility will provide space for the Continuing and Distance education staff as well as conference, workshop and seminar spaces for faculty and student support to integrate online learning with traditional classroom experience.

3 Renovate Fauntleroy Hall \$10,000,000 GF

The 16,938 GSF Fauntleroy Hall building was constructed in 1936 and houses the Art and Design program of the College of Humanities and Social Sciences. The Fauntleroy Hall building is in very poor condition with a Facilities Condition Index of 34% and is in need of a complete renovation to correct deficiencies, provide required system renewals and replacements and upgrade the building for the Art and Design academic program. Planned building upgrades include replacement of mechanical and electrical systems, upgrade of finishes, building modification for studio spaces and installation of academic support technologies.

4 Renovate Trinkle Hall for Living/Learning Center \$12,000,000 AUX

With the relocation of the Technology Services Organization to the Technology One Stop at Johnson Memorial Library, the 27,587 GSF Trinkle Hall building will be repurposed for student housing. Originally constructed in 1929, the building will be completely renovated as a faculty-in-residence living/learning community. Improvements will address accessibility issues by updating stairwells, building entry points, and providing an elevator. Mechanical, electrical, and plumbing systems will be upgraded and window cooling units will be replaced with a central air system. All fixtures, furniture and finishes will be upgraded and bathrooms renovated to address space, accessibility, quality, and privacy issues. Space modifications will include a faculty in residence apartment suite. The Trinkle Hall building is in very poor condition with a Facilities Condition Index of 49%.

5 Construct Indoor Training Facility and Renovate Rogers Stadium \$23,800,000 AUX

This project provides for improvements to the Rogers Stadium building, the replacement of the running track, site improvements to athletic fields and the construction of a new 50,000 GSF Indoor Training Facility. Improvements the Rogers Stadium include new stadium seating, installation of a waterproof traffic rated coating for the grandstand, renovation of the stadium offices, and structural repairs to masonry and steel. Improvements to the football, football practice, softball, and baseball fields would include new drainage, and additional event parking will be provided. The Indoor Track Facility will be constructed for University sports teams training and conditioning purposes during inclement weather.

6 Renovate Classroom Space for Sponsored Research \$6,000,000 Grant

While the long term goals of the University are to double research grant funding, the current needs for additional research space can be met by converting under-utilized classroom, class lab, and computer lab space into research lab and office space at Hunter-McDaniel Building, Singleton Hall, and Owens Hall. This project will utilize grant funding as it becomes available to create collaborative research opportunities within or between departments at these locations.

7 Renovate Post Office Building \$3,500,000 GF

The Post Office building was constructed in 1928 as a student laundry facility. The building will be vacated when the Student Union addition is complete offering an opportunity to renovate the first floor of the building for gallery and archive display space. The building is in very poor condition with a Facilities Condition Index of 76%. Accessibility and infrastructure upgrades and the construction of a shared commons will be included with the renovation.

**Six-Year Plan
2022-2024 Biennium**

PRIORITY	PROJECT TITLE	ESTIMATED CONSTRUCTION COST	FUND TITLE	2022-2024 SIX YEAR PLAN		Facility Condition Index (FCI)	Master Plan Addition
				Priority	Biennium Introduced:		
1	Maintenance Reserve		GF				
2	Construct BOLT Center for Leadership, Social Equity and Engagement	\$32,000,000	GF	2	2018-2020	N/A	
3	Renovate and Construct Addition to Johnston Memorial Library for Technology One Stop	\$38,000,000	GF	3	2016-2018	28.00%	
4	Construct Physical Plant Annex for Material Recovery and Reuse	\$10,000,000	GF	4	2022-2024	N/A	X
5	Renovate Virginia Hall	\$28,000,000	GF	5	2020-2022	45.00%	
6	Erosion Control and Storm Water Management Improvements	\$8,000,000	GF	6	2022-2024	N/A	
7	Accessibility Upgrades and Replacements	\$8,000,000	GF	7	2022-2024	N/A	
8	Reroof Academic and Administrative Buildings Campuswide	\$15,000,000	GF	8	2022-2024	N/A	
9	Renovate Davis Hall	\$28,000,000	GF	9	2020-2022	33.00%	
		\$167,000,000					

**Six-Year Plan
2024-2026 Biennium**

PRIORITY	PROJECT TITLE	ESTIMATED CONSTRUCTION COST	FUND TITLE		2024-2026 SIX YEAR PLAN		Facility Condition Index (FCI)	Master Plan Addition
					Priority	Biennium Introduced:		
	Maintenance Reserve			GF				
10	Renovate Colson Hall	\$15,200,000		GF	2	2018-2020	42.00%	
11	Renovate Jesse Bolling Hall	\$10,400,000		GF	3	2018-2020	44.00%	
12	Renovate Vawter Hall for Faculty Development Center	\$9,700,000		GF	4	2018-2020	29.00%	
13	Renovate Guest House for Net Zero Demonstration Area	\$3,500,000		GF	5	2018-2020	240.00%	
14	Renovate Gandy Hall	\$15,000,000		GF	6	2018-2020	17.00%	
15	Construct Pedestrian Walkway on University Avenue	\$14,500,000		GF	7	2016-2018	N/A	
16	Renovate 20716 and 20720 Fourth Avenue for Student Apartment Housing	\$7,000,000		AUX	8	2018-2020	51.00%	
19	Site Infrastructure Renewals and Replacements	\$7,500,000	AUX	GF	9	2018-2020	25.00%	
		\$82,800,000						

**Six-Year Plan
2026-2028 Biennium**

PRIORITY	PROJECT TITLE	ESTIMATED CONSTRUCTION COST	FUND TITLE	2026-2028 SIX YEAR PLAN		Facility Condition Index (FCI)	Master Plan Addition
				Priority	Biennium Introduced:		
	Maintenance Reserve		GF				
20	Renovate Storum Hall for Continuing and Distance Learning Center	\$7,000,000	GF	2	2018-2020	19.00%	
21	Renovate Fauntleroy Hall	\$10,000,000	GF	3	2018-2020	33.00%	
22	Renovate Trinkle Hall for Living/Learning Center	\$12,000,000	AUX	4	2018-2020	50.00%	
23	Construct New Indoor Training Facility and Renovate Rogers Stadium	\$23,800,000	AUX	5	2018-2020	N/A	
24	Renovate Classroom Space for Sponsored Research	\$6,000,000	GRANT	6	2018-2020	N/A	
25	Renovate Post Office Building First Floor for Archive Display	\$3,500,000	GF	7	2016-2018	76.00%	
		\$62,300,000					

Code of Virginia

Title 23.1. Institutions of Higher Education; Other Educational and Cultural Institutions

Chapter 6. Financial Assistance

§ 23.1-612. Unfunded scholarships.

A. The governing board of each public institution of higher education may establish unfunded scholarships that are subject to such regulations and conditions as the governing board establishes and the following limitations and restrictions:

1. All such scholarships shall be applied exclusively to the remission, in whole or in part, of tuition and mandatory fees.
 2. The governing board shall determine the number of such scholarships annually awarded to undergraduate Virginia students and non-Virginia students.
 3. The total value of all such scholarships annually awarded to undergraduate Virginia students shall not exceed the amount of the applicable sum of undergraduate tuition and mandatory fees multiplied by 20 percent of the enrollment of undergraduate Virginia students during the preceding academic year.
 4. The total value of all such scholarships annually awarded by an institution to undergraduate non-Virginia students shall not exceed the amount of the applicable per capita out-of-state tuition differential paid by undergraduate non-Virginia students for tuition and mandatory fees multiplied by 20 percent of the enrollment of undergraduate non-Virginia students during the preceding academic year.
 5. All such scholarships awarded to undergraduate students shall be awarded only to students in the first four years of undergraduate work and shall be awarded and renewed on a selective basis to students of character and ability who are in need of financial assistance. For purposes of determining need under this section, each governing board shall use a nationally recognized needs-analysis system approved by the Council.
 6. The governing board of each public institution of higher education shall determine the number of such scholarships annually awarded to graduate students or teachers serving as clinical faculty pursuant to § 22.1-290.1. The total value of all such scholarships annually awarded to such graduate students and clinical faculty shall not exceed the amount of the sum of graduate tuition and mandatory fees multiplied by the number of teachers serving as clinical faculty pursuant to § 22.1-290.1 and graduate students who are employed as teaching assistants, graduate assistants, or research assistants with significant academic or academic support responsibilities and who are paid a stipend of at least \$2,000 in the particular academic year. All unfunded scholarships awarded to graduate students or teachers serving as clinical faculty shall be awarded and renewed on a selective basis to such graduate students and clinical faculty of character and ability.
 7. An unfunded scholarship shall entitle the holder to the following award, as appropriate:
 - a. An undergraduate Virginia student may receive an annual remission of an amount not to exceed the cost of tuition and mandatory fees;
 - b. An undergraduate non-Virginia student may receive an annual remission not to exceed the amount of the out-of-state tuition differential required to be paid by the student for tuition and mandatory fees;
 - c. A qualified graduate student may receive an annual remission of an amount not to exceed the cost of tuition and mandatory fees; and
 - d. A teacher serving as clinical faculty may receive an award as determined by the governing board of the institution.
 8. Notwithstanding the limitations on the awards of unfunded scholarships to undergraduate students pursuant to subdivision A 7, an institution may award unfunded scholarships to visiting foreign exchange students as long as the number of such awards in any fiscal year does not exceed one quarter of one percent of the total institutional headcount enrollment.
- B. No public institution of higher education shall remit any tuition or mandatory fees to any student at such institution except as authorized in this section. Each such institution shall make a report to the Council, upon request, showing the

number and value of scholarships awarded under this section according to each student classification.

C. Nothing in this section shall be construed to prevent or limit in any way the admission of state cadets at Virginia Military Institute or to affect the remission of tuition, mandatory fees, or other charges to such state cadets as permitted under existing law.

D. Nothing in this section shall be construed to affect or limit in any way the control of the governing boards of the respective institutions over (i) any other scholarships, (ii) any gifts or donations made to such institutions for scholarships or other special purposes, (iii) any funds provided by the federal government or otherwise for the purpose of career and technical education or vocational rehabilitation in the Commonwealth, or (iv) any funds derived from endowment or appropriations from the federal government for instruction in agriculture and mechanic arts at land-grant universities.

E. Nothing in this section shall be construed to prevent the governing board of any public institution of higher education from fixing a tuition charge for Virginia students reasonably lower than that for non-Virginia students.

F. Nothing in this section or any other provision of law shall prohibit the awarding of 10 full tuition unfunded scholarships each year by Old Dominion University under the terms and conditions provided for in a deed conveying certain property in Norfolk known as the Old Larchmont School made July 5, 1930, between the City of Norfolk and The College of William and Mary in Virginia.

G. Nothing in this section shall be construed to limit other financial aid programs provided pursuant to state law.

Code 1919, § 993; 1936, p. 447, § 23-31; 1952, c. 139; 1964, c. 440; 1966, c. 621; 1974, c. 317; 1975, c. 397; 1976, c. 189; 1977, cc. 296, 319; 1979, cc. 136, 145, 730; 1990, c. 447; 1992, c. 103; 1996, c. 103; 1999, cc. 424, 437; 2001, c. 483; 2002, cc. 158, 257; 2004, cc. 58, 176, 195, 739; 2014, c. 594; 2016, c. 588.

Virginia State University

Unfunded Scholarship Request

For 2021-2022

Request: Utilize up to \$1,500,000 in unfunded scholarships for in-state and out-of-state students.

Year	In-State Recipients	Amount	Out-of-State Recipients	Amount	Total Students	Total Amount
2016-2017	60	\$ 158,613	81	\$ 338,272	141	\$ 496,885
2017-2018	108	\$ 287,835	210	\$ 784,835	319	\$ 1,055,176
2018-2019	54	\$ 152,084	81	\$ 355,510	135	\$ 477,084
2019-2020	N/A	N/A	N/A	N/A	N/A	N/A
2020-2021	30	\$ 104,556	101	\$ 395,444	131	\$ 500,000
Max Requested 2021-2022	110	\$1,200,000	40	\$400,000	150	\$ 1,500,000

Note(s):

1. Over the past several years, the unfunded category has been used as the “Registration Grant” to assist students in bridging the gap of the cost of attendance and financial aid awarded.
2. Proposed usage of Unfunded Scholarships for 2021-2022 is for scholarships and financial supports/incentives for incoming freshmen and transfer students in Computer Science and Computer Engineering.

**VIRGINIA STATE UNIVERSITY
BOARD OF VISITORS**

**RESOLUTION TO APPROVE UNFUNDED SCHOLARSHIPS
April 23, 2021**

WHEREAS, Virginia State University (“VSU” or “University”) utilizes unfunded scholarships to support students with financial need who might not otherwise be able to attend the University for financial reasons; and

WHEREAS, unfunded scholarships support VSU’s mission and its strategic plan by providing students *affordable access to an excellent education*, which is also an initiative of the Governor and the Commonwealth of Virginia; and

WHEREAS, pursuant to § 23.1-612 of *Code of Virginia*, unfunded scholarships are applied exclusively to the remission, in whole or in part, of tuition and mandatory fees; and

WHEREAS, an undergraduate Virginia student may receive an annual remission of an amount not to exceed the cost of tuition and mandatory fees. An undergraduate non-Virginia student may receive an annual remission not to exceed the amount of the out-of-state tuition differential required to be paid by the student for tuition and mandatory fees; and

WHEREAS, the governing board determines the number of unfunded scholarships annually awarded to undergraduate Virginia students and non-Virginia students, and the total value of all such scholarships annually awarded to undergraduate Virginia students shall not exceed the amount of the applicable sum of undergraduate tuition and mandatory fees multiplied by 20 percent of the enrollment of undergraduate Virginia students during the preceding academic year; and

WHEREAS, the total value of all such scholarships annually awarded to undergraduate non-Virginia students shall not exceed the amount of the applicable per capita out-of-state tuition differential paid by undergraduate non-Virginia students for tuition and mandatory fees multiplied by 20 percent of the enrollment of undergraduate non-Virginia students during the preceding academic year; and

WHEREAS, in April 2021, the University’s FY 2021-2022 approved budget includes a total allocation of \$1,500,000 for unfunded scholarships for Virginia students and non-Virginia students, respectively.

THEREFORE, BE IT RESOLVED, that the Board approves the University’s plan to award a maximum of 200 unfunded scholarships to Virginia students and a maximum of 400 unfunded scholarships to non-Virginia students in fall 2022 and that the total of these combined categories of unfunded scholarships shall not exceed \$1,500,000.

BE IT FURTHER RESOLVED, that the Board will review and determine the amount of unfunded scholarships annually during the development of its operating budget which typically occurs in April of each year.

Huron F. Winstead, Rector

Thursa D. Crittenden, Secretary

Date

Date

Virginia State University
Budget to Actual
FY 2021 as of March 31, 2021

	Fall 2020	Spring 2021	2020 - 2021 Adjusted Budget	Actual	Variance	% of Budget
Revenue						
Educational & General (E & G)						
State General Funds (University)	\$ 38,889,330	\$ -	\$ 38,889,330	\$ 42,224,196	\$ 3,334,866	109%
State General Funds (Carry-Forward)	-	473,425	473,425	528,797	55,372	112%
State General Funds (CARES received from the State)	-	-	-	9,900,035	9,900,035	N/A
Total General Funds	<u>\$ 38,889,330</u>	<u>\$ 473,425</u>	<u>\$ 39,362,755</u>	<u>\$ 52,653,028</u>	<u>\$ 13,290,273</u>	134%
Non-General Funds						
Tuition	\$ 14,796,981	\$ 14,216,707	\$ 29,013,688	\$ 33,811,982	\$ 4,798,294	117%
Federal College Work-Study	26,299	236,692	262,991	1,674	(261,317)	1%
Technology Fee	373,780	345,027	718,807	814,583	95,776	113%
Other E&G Fees and Revenue	474,810	474,810	949,620	875,281	(74,339)	92%
Out of State Capital Outlay Fee	331,834	306,308	638,142	769,686	131,544	121%
Total Non-General Funds	<u>\$ 16,003,703</u>	<u>\$ 15,579,545</u>	<u>\$ 31,583,248</u>	<u>\$ 36,273,206</u>	<u>\$ 4,689,958</u>	115%
Total Educational & General	<u>\$ 54,893,033</u>	<u>\$ 16,052,970</u>	<u>\$ 70,946,003</u>	<u>\$ 88,926,234</u>	<u>\$ 17,980,231</u>	125%
Auxiliary Enterprises (Schedule I)						
Sponsored Programs	\$ 6,211,371	\$ 16,709,323	\$ 22,920,694	\$ 19,227,770	\$ (3,692,924)	84%
CARES Stimulus Funds - Institution	14,792,761	13,654,856	28,447,617	21,982,358	(6,465,259)	77%
CARES Stimulus Funds - MSI	496,801	496,801	993,601	-	(993,601)	0%
CARES Stimulus Funds - Students	4,901,566	4,901,566	9,803,132	-	(9,803,132)	0%
State Student Financial Assistance General Funds	-	-	-	90,384	90,384	N/A
Local Funds	9,506,879	-	9,506,879	13,183,929	3,677,050	139%
Cooperative Extension and Agricultural Research Services (Schedule II)	1,262,813	1,262,813	2,525,625	31,798,321	29,272,696	1259%
Total Revenue	<u>\$ 100,529,671</u>	<u>\$ 55,690,159</u>	<u>\$ 156,219,830</u>	<u>\$ 188,571,001</u>	<u>\$ 32,351,171</u>	121%
Expenditures						
Educational & General (E & G)						
Instruction	\$ 20,078,875	\$ 17,805,794	\$ 37,884,669	\$ 27,707,598	\$ 10,177,071	73%
Research	717,093	478,062	1,195,155	728,293	466,862	61%
Public Service	2,312	43,924	46,236	5,544	40,692	12%
Academic Support	2,925,230	2,032,787	4,958,017	3,607,357	1,350,660	73%
Student Support	2,597,429	2,125,169	4,722,598	3,284,240	1,438,358	70%
Institutional Support	6,893,018	3,711,625	10,604,643	13,304,781	(2,700,138)	125%
Operation and Maintenance of Plant	2,633,891	2,741,397	5,375,288	4,666,514	708,774	87%
Total Educational & General	<u>\$ 35,847,847</u>	<u>\$ 28,938,759</u>	<u>\$ 64,786,606</u>	<u>\$ 53,304,327</u>	<u>\$ 11,482,279</u>	82%
Auxiliary Enterprises (Schedule I)						
Sponsored Programs	\$ 11,959,359	\$ 10,961,335	\$ 22,920,694	\$ 19,227,770	\$ 3,692,924	84%
COVID 19 Expenses	14,792,761	13,654,856	28,447,617	21,603,123	6,844,494	76%
CARES Stimulus Funds - Students	4,980,002	4,980,002	9,960,003	-	9,960,003	0%
CARES received from the State	-	-	-	90,384	(90,384)	N/A
Student Financial Assistance	-	-	-	6,957,572	(6,957,572)	N/A
Local Funds	8,251,503	8,251,503	16,503,006	13,773,881	2,729,125	83%
Cooperative Extension and Agricultural Research Services (Schedule II)	1,262,813	1,262,813	2,525,625	1,557,261	968,364	62%
Total Expenditures	<u>\$ 82,546,678</u>	<u>\$ 73,673,152</u>	<u>\$ 156,219,830</u>	<u>\$ 125,502,168</u>	<u>\$ 30,717,662</u>	80%
Revenue Over/(Under) Expenditures	<u>\$ 17,982,993</u>	<u>\$ (17,982,993)</u>	<u>\$ -</u>	<u>\$ 63,068,833</u>	<u>\$ 63,068,833</u>	

Schedule I
Auxiliary Enterprise Operating Budget
Budget to Actual
FY 2021 as of March 31, 2021

	Fall 2020	Spring 2021	2020 - 2021 Adjusted Budget	Actual	Variance	% of Budget
REVENUES						
Student Fees						
Residence Life	\$ -	\$ 6,189,157	\$ 6,189,157	\$ 3,469,591	\$ (2,719,566)	56%
Comprehensive Fee	4,673,542	4,314,039	8,987,581	10,355,197	1,367,616	115%
Food Service	-	4,211,073	4,211,073	2,250,371	(1,960,702)	53%
Trojan Advance Course Fee	624,000	576,000	1,200,000	933,270	(266,730)	78%
Campus Improvement Fee	783,150	722,908	1,506,058	1,728,765	222,707	115%
<i>Subtotal - Student Fees</i>	<u>\$ 6,080,692</u>	<u>\$ 16,013,177</u>	<u>\$ 22,093,869</u>	<u>\$ 18,737,194</u>	<u>\$ (3,356,675)</u>	<u>85%</u>
Other Revenues						
Sales and Services ⁽¹⁾	\$ -	\$ 58,000	\$ 58,000	\$ 6,149	\$ (51,851)	11%
Miscellaneous ⁽²⁾	89,679	497,109	586,788	103,429	(483,359)	18%
Bookstore Commissions	40,000	60,000	100,000	345,740	245,740	346%
Parking Fees / Fines	-	58,037	58,037	6,861	(51,176)	12%
Misc. Fees ⁽³⁾	1,000	23,000	24,000	28,397	4,397	118%
<i>Subtotal - Other Revenues</i>	<u>\$ 130,679</u>	<u>\$ 696,146</u>	<u>\$ 826,825</u>	<u>\$ 490,576</u>	<u>\$ (336,249)</u>	<u>59%</u>
Total Revenues	<u>\$ 6,211,371</u>	<u>\$ 16,709,323</u>	<u>\$ 22,920,694</u>	<u>\$ 19,227,770</u>	<u>\$ (3,692,924)</u>	<u>84%</u>

EXPENDITURES AND RESERVES

Program Expenditures

Food Services	\$ 1,202,501	\$ 3,607,503	\$ 4,810,004	\$ 2,582,616	\$ 2,227,388	54%
Conference Services	112,500	112,500	225,000	156,537	68,463	70%
Residential Facilities	2,145,297	5,005,692	7,150,989	4,104,283	3,046,706	57%
Athletics	1,252,988	3,758,963	5,011,951	3,415,768	1,596,183	68%
Student Activities	404,295	1,212,886	1,617,181	534,453	1,082,728	33%
Security	824,444	929,692	1,754,136	938,480	815,656	54%
Radio Station	133,921	170,445	304,366	36,210	268,156	12%
Foster Hall	141,747	166,398	308,145	138,378	169,767	45%
Administrative Auxiliary Personnel	370,826	370,826	741,652	372,720	368,932	50%
Student Health Services	753,850	850,086	1,603,936	862,143	741,793	54%
COVID 19	750,000	750,000	1,500,000	-	1,500,000	0%
Campus Card Operations (student)	71,657	133,077	204,734	159,473	45,261	78%
Work-study	27,679	249,109	276,788	124	276,664	0%
Transportation	9,815	55,616	65,430	-	65,430	0%
Parking	120,100	180,150	300,250	112,614	187,636	38%
Bookstore	40,000	60,000	100,000	18,180	81,820	18%
Trojan Advance Course Operations	624,000	576,000	1,200,000	776,079	423,921	65%
MPC Auxiliary Operations	135,083	135,083	270,166	169,579	100,587	63%
Auxiliary recoveries	(43,500)	(246,500)	(290,000)	161,982	(451,982)	-56%
<i>Subtotal - Program Expenditures</i>	<u>\$ 9,077,201</u>	<u>\$ 18,077,527</u>	<u>\$ 27,154,728</u>	<u>\$ 14,539,619</u>	<u>\$ 12,615,109</u>	<u>54%</u>

	Fall 2020	Spring 2021	2020 - 2021 Adjusted Budget	Actual	Variance	% of Budget
Other Expenditures						
Debt Service ⁽⁴⁾	\$ 2,433,983	\$ 7,301,949	\$ 9,735,932	\$ 2,306,945	\$ 7,428,987	24%
Facilities Maintenance Reserve	98,174	252,448	350,622	246,319	104,303	70%
Scholarships ⁽⁵⁾	350,000	350,000	700,000	402,732	297,269	58%
Other Campus Initiatives ⁽⁶⁾	-	-	-	169,066	(169,066)	N/A
Subtotal - Other Expenditures	\$ 2,882,157	\$ 7,904,397	\$ 10,786,554	\$ 3,125,061	\$ 7,661,493	29%
Total Expenditures	\$ 11,959,359	\$ 25,981,923	\$ 37,941,282	\$ 17,664,680	\$ 20,276,602	47%
Contribution to/from Reserves	\$ -	\$ (15,020,588)	\$ (15,020,588)	\$ 1,563,090	\$ (13,457,498)	-10%
Total Expenditures and Reserve Change	\$ 11,959,359	\$ 10,961,335	\$ 22,920,694	\$ 19,227,770	\$ (3,692,924)	84%
Notes:						
(1) Sales and Services Revenue						
Residential Facilities (Laundry and Commissions)	\$ -	\$ 8,000	\$ 8,000	\$ 5,508	\$ (2,492)	69%
Conference Services	-	50,000	50,000	-	(50,000)	0%
Food Service Commissions	-	-	-	641	641	N/A
Total Sales and Services Revenue	\$ -	\$ 58,000	\$ 58,000	\$ 6,149	\$ (51,851)	11%
(2) Misc. Revenue						
Interest Earned on Auxiliary Funds	\$ 62,000	\$ 248,000	\$ 310,000	\$ 103,305	\$ (206,695)	33%
Work-study	27,679	249,109	276,788	124	(276,664)	0%
Total Miscellaneous Revenue	\$ 89,679	\$ 497,109	\$ 586,788	\$ 103,429	\$ (483,359)	18%
(3) Misc. Fee Revenue						
Student Health Services	\$ -	\$ 2,500	\$ 2,500	\$ 1,650	\$ (850)	66%
Residence Life	-	-	-	-	-	N/A
Student Activities	-	4,000	4,000	425	(3,575)	11%
VSU One Card	1,000	9,000	10,000	3,624	(6,376)	36%
Athletics	-	7,500	7,500	22,698	15,198	303%
Total Misc. Fees	\$ 1,000	\$ 23,000	\$ 24,000	\$ 28,397	\$ 4,397	118%
(4) Debt Service Expenses						
Residence Life	\$ 2,159,898	\$ 6,479,693	\$ 8,639,591	\$ 1,528,150	\$ 7,111,441	18%
Food Services	86,010	258,031	344,041	37,271	306,770	11%
Other Auxiliary Debt	188,075	564,225	752,300	741,524	10,776	99%
Total Debt	\$ 2,433,983	\$ 7,301,949	\$ 9,735,932	\$ 2,306,945	\$ 7,428,987	24%
(5) Scholarship Expenses						
Bookstore	\$ 50,000	\$ 50,000	\$ 100,000	\$ 100,000	\$ -	100%
Auxiliary Scholarships	300,000	300,000	600,000	302,732	297,269	50%
Total Scholarships	\$ 350,000	\$ 350,000	\$ 700,000	\$ 402,732	\$ 297,269	58%
(6) Other Campus Initiatives						
Copier and Graphic Services	\$ -	\$ -	\$ -	\$ 116,769	\$ (116,769)	N/A
MPC charges for Crater Road Vaccination site	-	-	-	3,800	(3,800)	N/A
Replace Demolish Daniel's Gym/Harris Hall	-	-	-	26,261	(26,261)	N/A
Admissions move to Singleton Hall	-	-	-	20,028	(20,028)	N/A

Flag and solar light at the Library	-	-	-	2,208	(2,208)	N/A
Total Other Campus Initiatives	\$ -	\$ -	\$ -	\$ 169,066	\$ (169,066)	N/A

Schedule II
Cooperative Extension and Agricultural Research Services (CEARS)
Budget to Actual
FY 2021 as of March 31, 2021

	Fall 2020	Spring 2021	2020 - 2021 Adjusted Budget	Actual	Variance	% of Budget
Revenue						
Educational & General (E & G)						
State General Funds	\$ 5,634,963	\$ -	\$ 5,634,963	\$ 7,126,822	\$ 1,491,859	126%
State General Funds (Carry-Forward)	-	-	-	1,624,513	1,624,513	N/A
Total General Funds	<u>\$ 5,634,963</u>	<u>\$ -</u>	<u>\$ 5,634,963</u>	<u>\$ 8,751,335</u>	<u>\$ 3,116,372</u>	155%
Non-General Funds						
E & G Sponsored Programs (CEARS)	\$ 2,829,484	\$ 2,611,832	\$ 5,441,316	\$ 4,610,670	\$ (830,646)	85%
Total Non-General Funds	<u>\$ 2,829,484</u>	<u>\$ 2,611,832</u>	<u>\$ 5,441,316</u>	<u>\$ 4,610,670</u>	<u>\$ (830,646)</u>	85%
Total Revenue	<u>\$ 8,464,447</u>	<u>\$ 2,611,832</u>	<u>\$ 11,076,279</u>	<u>\$ 13,362,005</u>	<u>\$ 2,285,726</u>	121%
Expenditures						
Educational & General (E & G)						
Research	\$ 2,440,403	\$ 2,440,403	\$ 4,880,806	\$ 4,769,688	\$ 111,118	98%
Public Service	2,778,369	2,669,414	5,447,783	4,185,265	1,262,518	77%
Institutional Support	19,665	14,835	34,500	15,435	19,065	45%
Operation and Maintenance of Plant	213,957	499,233	713,190	17,462	695,728	2%
Total Expenditures	<u>\$ 5,452,394</u>	<u>\$ 5,623,885</u>	<u>\$ 11,076,279</u>	<u>\$ 8,987,850</u>	<u>\$ 2,088,429</u>	81%
Revenue Over/Under Expenditures	<u>\$ 3,012,053</u>	<u>\$ (3,012,053)</u>	<u>\$ -</u>	<u>\$ 4,374,155</u>	<u>\$ 4,374,155</u>	

Virginia State University
Actual to Actual
As of March 31, 2021

	FY 2021 March	FY 2020 March	Variance	% Variance
Revenue				
Educational & General (E & G)				
State General Funds (University)	\$ 42,224,196	\$ 40,314,216	\$ 1,909,980	5%
State General Funds (Carry-Forward)	528,797	902,835	(374,038)	-41%
State General Funds (CARES received from the State)	9,900,035	-	9,900,035	N/A
Total General Funds	<u>\$ 52,653,028</u>	<u>\$ 41,217,051</u>	<u>\$ 11,435,977</u>	28%
Non-General Funds				
Tuition	\$ 33,811,982	\$ 36,177,161	\$ (2,365,179)	-7%
Federal College Work-Study	1,674	221,629	(219,955)	-99%
Technology Fee	814,583	895,316	(80,733)	-9%
Other E&G Fees and Revenue	875,281	803,091	72,190	9%
Out of State Capital Outlay Fee	769,686	824,424	(54,738)	-7%
Total Non-General Funds	<u>\$ 36,273,206</u>	<u>\$ 38,921,621</u>	<u>\$ (2,648,415)</u>	-7%
Total Educational & General	<u>\$ 88,926,234</u>	<u>\$ 80,138,672</u>	<u>\$ 8,787,562</u>	11%
Auxiliary Enterprises (Schedule I)	\$ 19,227,770	\$ 47,828,788	\$ (28,601,018)	-60%
Sponsored Programs	21,982,358	24,914,791	(2,932,433)	-12%
CARES Stimulus Funds - Institution	-	-	-	N/A
CARES Stimulus Funds - MSI	-	-	-	N/A
CARES Stimulus Funds - Students	90,384	-	90,384	N/A
State Student Financial Assistance General Funds	13,183,929	9,581,689	3,602,240	38%
Local Funds	31,798,321	3,183,415	28,614,906	899%
Cooperative Extension and Agricultural Research Services (Schedule II)	13,362,005	10,860,819	2,501,186	23%
Total Revenue	<u>\$ 188,571,001</u>	<u>\$ 176,508,174</u>	<u>\$ 12,062,827</u>	7%
Expenditures				
Educational & General (E & G)				
Instruction	\$ 27,707,598	\$ 29,055,217	\$ (1,347,619)	-5%
Research	728,293	649,995	78,298	12%
Public Services	5,544	11,019	(5,475)	-50%
Academic Support	3,607,357	4,247,884	(640,527)	-15%
Student Support	3,284,240	4,060,421	(776,181)	-19%
Institutional Support	13,304,781	12,483,192	821,589	7%
Operation and Maintenance of Plant	4,666,514	5,650,907	(984,393)	-17%
Total Educational & General (University)	<u>\$ 53,304,327</u>	<u>\$ 56,158,636</u>	<u>\$ (2,854,309)</u>	-5%
Auxiliary Enterprises (Schedule I)	\$ 19,227,770	\$ 47,828,788	\$ (28,601,018)	-60%
Sponsored Programs	21,603,123	24,497,503	(2,894,380)	-12%
COVID 19 Expenses	-	-	-	N/A
CARES Stimulus Funds - Students	90,384	-	90,384	N/A
CARES received from the State	6,957,572	-	6,957,572	N/A
Student Financial Assistance	13,773,881	15,812,295	(2,038,414)	-13%
Local Funds	1,557,261	2,843,827	(1,286,566)	-45%
Cooperative Extension and Agricultural Research Services (Schedule II)	8,987,850	8,122,122	865,728	11%
Total Expenditures	<u>\$ 125,502,168</u>	<u>\$ 155,263,171</u>	<u>\$ (29,761,003)</u>	-19%
Revenue Over Expenditures	<u>\$ 63,068,833</u>	<u>\$ 21,245,003</u>	<u>\$ 41,823,830</u>	197%

Auxiliary Enterprises
Actual to Actual
As of March 31, 2021
Schedule I

	FY 2021	FY 2020	Variance	%
	March	March		Variance
REVENUES				
Student Fees				
Residence Life	\$ 3,469,591	\$ 19,034,301	\$ (15,564,710)	-82%
Comprehensive Fee	10,355,197	11,362,970	(1,007,773)	-9%
Food Service	2,250,371	12,828,028	(10,577,657)	-82%
Trojan Advance Course Fees	933,270	1,186,311	(253,041)	-21%
Campus Improvement Fee	1,728,765	1,900,078	(171,313)	-9%
<i>Subtotal - Student Fees</i>	<u>\$ 18,737,194</u>	<u>\$ 46,311,687</u>	<u>\$ (27,574,493)</u>	<u>-60%</u>
Other Revenues				
Sales and Services ⁽¹⁾	\$ 6,149	\$ 279,011	\$ (272,862)	-98%
Miscellaneous ⁽²⁾	103,429	457,931	(354,502)	-77%
Bookstore Commissions	345,740	127,907	217,833	170%
Parking Fees / Fines	6,861	268,792	(261,931)	-97%
Misc. Fees ⁽³⁾	28,397	383,460	(355,063)	-93%
<i>Subtotal - Other Revenues</i>	<u>\$ 490,576</u>	<u>\$ 1,517,101</u>	<u>\$ (1,026,525)</u>	<u>-68%</u>
Total Revenues	<u>\$ 19,227,770</u>	<u>\$ 47,828,788</u>	<u>\$ (28,601,018)</u>	<u>-60%</u>
EXPENDITURES AND RESERVES				
Program Expenditures				
Food Services	\$ 2,582,616	\$ 8,036,475	\$ (5,453,859)	-68%
Conference Services	156,537	150,613	5,924	4%
Residential Facilities	4,104,283	6,056,207	(1,951,924)	-32%
Athletics	3,415,768	4,555,682	(1,139,914)	-25%
Student Activities	534,453	1,088,291	(553,838)	-51%
Security	938,480	1,308,223	(369,743)	-28%
Radio Station	36,210	160,549	(124,339)	-77%
Foster Hall	138,378	205,206	(66,828)	-33%
Administrative Auxiliary Personnel	372,720	452,995	(80,275)	-18%
Student Health Services	862,143	950,195	(88,052)	-9%
COVID 19	-	-	0	N/A
Campus Card Operations (student)	159,473	238,960	(79,487)	-33%
Work-study	124	193,796	(193,672)	-100%
Transportation	-	30,206	(30,206)	-100%
Parking	112,614	232,816	(120,202)	-52%
Bookstore	18,180	32,901	(14,721)	-45%
Trojan Advance Course Operations	776,079	1,270,563	(494,484)	-39%
MPC Operating Loss	169,579	226,522	(56,943)	-25%
Auxiliary recoveries	161,982	(135,889)	297,871	-219%
<i>Subtotal - Program Expenditures</i>	<u>\$ 14,539,619</u>	<u>\$ 25,054,313</u>	<u>\$ (10,514,694)</u>	<u>-42%</u>

	FY 2021	FY 2020	Variance	% Variance
Other Expenditures				
Debt Service ⁽⁴⁾	\$ 2,306,945	\$ 2,314,232	\$ (7,287)	0%
Facilities Maintenance Reserve	246,319	19,472	226,847	1165%
Scholarships ⁽⁵⁾	402,732	162,111	240,621	148%
Other Campus Initiatives ⁽⁶⁾	169,066	514,451	(345,385)	-67%
Subtotal - Other Expenditures	<u>\$ 3,125,061</u>	<u>\$ 3,010,266</u>	<u>\$ 114,795</u>	4%
Total Expenditures	<u>\$ 17,664,680</u>	<u>\$ 28,064,579</u>	<u>\$ (10,399,898)</u>	-37%
Contribution to/from Reserves	\$ 1,563,090	\$ 19,764,210	\$ (18,201,120)	-92%
Total Expenditures and Reserve Change	<u>\$ 19,227,770</u>	<u>\$ 47,828,788</u>	<u>\$ (28,601,018)</u>	-60%
Notes:				
(1) Sales and Services Revenue				
Residential Facilities (Laundry and Commissions)	\$ 5,508	\$ 44,463	\$ (38,955)	-88%
Conference Services	-	162,055	(162,055)	-100%
Food Service Commissions	641	72,492	(71,851)	-99%
Total Revenue Sales and Services	<u>\$ 6,149</u>	<u>\$ 279,011</u>	<u>\$ (272,862)</u>	<u>-98%</u>
(2) Misc. Revenue				
Interest Earned on Auxiliary Funds	\$ 103,305	\$ 264,135	\$ (160,830)	-61%
Work-study	124	193,796	(193,672)	-100%
Total Miscellaneous Revenue	<u>\$ 103,429</u>	<u>\$ 457,931</u>	<u>\$ (354,502)</u>	<u>-77%</u>
(3) Misc. Fee Revenue				
Student Health Services	\$ 1,650	\$ 13,513	\$ (11,863)	-88%
Residence Life	-	97,350	(97,350)	-100%
Student Activities	425	52,051	(51,626)	-99%
VSU One Card	3,624	23,731	(20,107)	-85%
Athletics	22,698	196,815	(174,117)	-88%
Total Misc. Fees	<u>\$ 28,397</u>	<u>\$ 383,460</u>	<u>\$ (355,063)</u>	<u>-93%</u>
(4) Debt Service Expenses				
Residence Life	\$ 1,528,150	\$ 1,619,408	\$ (91,258)	-6%
Food Services	37,271	35,764	1,507.00	4%
Other Auxiliary Debt	741,524	659,060	82,464	13%
Total Debt Service Expenses	<u>\$ 2,306,945</u>	<u>\$ 2,314,232</u>	<u>\$ (7,287)</u>	<u>0%</u>
(5) Scholarship Expenses				
Bookstore	\$ 100,000	\$ 100,000	\$ -	0%
Auxiliary Scholarships	302,732	414,451	(111,720)	-27%
Total Scholarships	<u>\$ 402,732</u>	<u>\$ 514,451</u>	<u>\$ (111,720)</u>	<u>-22%</u>
(6) Other Campus Initiatives				
Copier and Graphic Services	\$ 116,769	\$ 116,751	\$ 18	0%
MPC charges for Crater Road Vaccination site	3,800	-	3,800	N/A
Replace Demolish Daniel's Gym/Harris	26,261	-	26,261	N/A
Admissions move to Singleton Hall	20,028	-	20,028	N/A
Flag and solar light at the Library	2,208	-	2,208	N/A
Jones Dining Hall Ceiling Demolition and recoating	-	39,951	(39,951)	-100%
Fence Panels on Sims Hall	-	4,900	(4,900)	-100%
VA Hall Purchasing Area-Design and Moving	-	509	(509)	-100%
Total Other Campus Initiatives	<u>\$ 169,066</u>	<u>\$ 162,111</u>	<u>\$ 6,955</u>	<u>4%</u>

Cooperative Extension and Agricultural Research Services
Actual to Actual
As of March 31, 2021
Schedule II

	FY 2021 March	FY 2020 March	Variance	% Variance
Revenue				
Educational & General (E & G)				
State General Funds	\$ 7,126,822	\$ 5,634,963	\$ 1,491,859	26%
State General Funds (Carry-Forward)	1,624,513	502,509	1,122,004	223%
Total General Funds	<u>\$ 8,751,335</u>	<u>\$ 6,137,472</u>	<u>\$ 2,613,863</u>	43%
Non-General Funds				
E & G Sponsored Programs	\$ 4,610,670	\$ 4,723,347	\$ (112,677)	-2%
Total Non-General Funds	<u>\$ 4,610,670</u>	<u>\$ 4,723,347</u>	<u>\$ (112,677)</u>	-2%
Total Revenue	<u><u>\$ 13,362,005</u></u>	<u><u>\$ 10,860,819</u></u>	<u><u>\$ 2,501,186</u></u>	23%
Expenditures				
Educational & General (E & G)				
Research	\$ 4,769,688	\$ 3,551,183	\$ 1,218,505	34%
Public Services	4,185,265	4,148,818	36,447	1%
Institutional Support	15,435	24,652	(9,217)	-37%
Operation and Maintenance of Plant	17,462	397,469	(380,007)	-96%
Total Expenditures	<u>\$ 8,987,850</u>	<u>\$ 8,122,122</u>	<u>\$ 865,728</u>	11%
Revenue Over/Under Expenditures	<u><u>\$ 4,374,155</u></u>	<u><u>\$ 2,738,697</u></u>	<u><u>\$ 1,635,458</u></u>	60%

Virginia State University
Comparative Cash and Reserve Balances as of March 31, 2021

		FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
		<u>3/31/2021</u>	<u>3/31/2020</u>	<u>3/31/2019</u>	<u>3/31/2018</u>	<u>3/31/2017</u>
Agency 212						
<u>Fund</u>	<u>Description</u>					
0100	General Funds VCAN	\$ 3,773,490	\$ -	\$ -	\$ -	\$ -
0100	General Funds	12,868,816	8,358,680	5,005,142	7,330,376	5,616,957
0300	Higher Education Operating	7,162,565	6,611,118	5,756,873	7,284,498	7,853,295
0301	Federal	1,358,584	1,452,749	125,506	326,243	434,344
0302	Grants	1,295,650	1,751,655	1,697,509	2,353,698	1,398,633
0303	Indirect Cost	49,670	202,770	98,418	214,908	307,716
0306	Auxiliary Enterprise	31,267,485	36,666,234	39,230,677	41,157,464	35,336,273
0308	Work Study	149,218	202,072	3,085	35,792	17,074
0311	Eminent Scholars	-	-	-	2,898	2,898
0316	Excess Indirect Cost Recovery	1,774,239	1,348,944	1,192,859	1,110,208	867,892
0317	Student Financial Assistance (License Plates)	290	-	8,625	2,041	1,025
0342	CARES Stimulus Funds - State General	-	-	-	-	-
0342	CARES Stimulus Funds - State General (additional CARES)	2,942,464	-	-	-	-
0337	CARES Stimulus - MSI ¹	-	-	-	-	-
0344	CARES Stimulus Funds - Students ²	-	-	-	-	-
0369	CARES Stimulus Funds - Institution ³	-	-	-	-	-
0386	Recycle Matl Sale-Non-Gen/Fed	36,661	33,526	29,128	28,724	27,261
0387	Surplus Property	196,301	196,301	209,481	208,005	207,734
0390	Insurance Recovery	464,514	318,849	686,847	379,423	383,834
07212	Trust and Agency- VSU	-	-	-	-	-
Total Agency 212		\$ 63,339,947	\$ 57,142,899	\$ 54,044,151	\$ 60,434,279	\$ 52,454,937

		<u>3/31/2021</u>	<u>3/31/2020</u>	<u>3/31/2019</u>	<u>3/31/2018</u>	<u>3/31/2017</u>
Agency 234						
<u>Fund</u>	<u>Description</u>					
0100	General Funds	\$ -	\$ -	\$ 201	\$ 29,927	\$ 17,500
0300	Higher Education Operating	4,489,094	2,651,425	2,510,319	3,678,889	2,275,515
0301	Federal	691,981	619,339	500,150	551,265	377,331
Total Agency 234		\$ 5,181,075	\$ 3,270,764	\$ 3,010,670	\$ 4,260,081	\$ 2,670,346

Notes:

CARES Stimulus - MSI 1 ¹	\$ 9,803,132
CARES Stimulus - MSI 2 ¹	11,810,707
CARES Stimulus Funds - Students ²	3,427,905
CARES Stimulus Funds - Institution ³	8,259,806
Total	<u><u>\$ 33,301,550</u></u>



VIRGINIA STATE UNIVERSITY

REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2019

Auditor of Public Accounts

Staci A. Henshaw, CPA

www.apa.virginia.gov

(804) 225-3350



AUDIT SUMMARY

We have audited the basic financial statements of Virginia State University as of and for the year ended June 30, 2019, and issued our report thereon, dated February 8, 2021. Our report is included in the University's Annual Report that it anticipates releasing in February 2021. Our audit found:

- the financial statements are presented fairly, in all material respects,
- internal control findings requiring management's attention, of which we consider one finding to be a material weakness; and
- instances of noncompliance or other matters required to be reported under Government Auditing Standards.

We did not perform audit work related to the prior audit findings entitled "Improve Reporting to National Student Loan Data System" and "Improve Reporting to the Common Origination and Disbursement System" because the University was in the process of implementing corrective action during our audit period. We will follow up on these findings during the fiscal year 2020 audit. The University has taken adequate corrective action with respect to the remaining audit findings reported in the prior year that are not repeated in this report.

– TABLE OF CONTENTS –

	<u>Pages</u>
AUDIT SUMMARY	
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS	1-4
INTERNAL CONTROL AND COMPLIANCE FINDINGS AND RECOMMENDATIONS	5-7
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS	8-10
UNIVERSITY RESPONSE	11-12
UNIVERSITY OFFICIALS	13

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Improve Documentation of Sole Source Procurement

Type: Internal Control

Severity: Significant Deficiency

Repeat: Partial (first issued in fiscal year 2017)

Prior Title: Improve Documentation of Emergency and Sole Source Procurement

The Virginia State University (University) Office of Procurement Services (Procurement Services) did not provide documentation to verify that noncompetitive negotiations occurred for 16 of the 23 sole source contracts procured during fiscal year 2019. Section 8.2 of the Agency Procurement and Surplus Property Manual (Procurement Manual) states that sole source procurements must include documentation of efforts made to negotiate a contract that is in the best interest of the Commonwealth. Chapter 16 Section 6 of the Virginia IT Agency Information Technology Procurement Manual (VITA manual) states that it is the agency's responsibility to negotiate a contract that is in the Commonwealth's best interest and written documentation of the negotiations shall be included in the procurement file.

Procurement Services revised the sole source procurement checklist and discussed the revisions and requirements with purchasing officers in June 2018. It does not appear that purchasing officers are utilizing the revised checklist to ensure that sole source contracts are documented in accordance with the Procurement and VITA manuals. Without retaining documentation, purchasing officers cannot provide evidence that sole source contracts were properly procured.

Procurement Services should ensure that all sole source procurements follow the Procurement and VITA Manual guidelines. Documentation should be retained in contract files and should have sufficient detail to support the contract award decisions.

Improve Internal Controls Over Financial Reporting for Capital Assets

Type: Internal Control

Severity: Significant Deficiency

Repeat: Partial (first issued in fiscal year 2018)

Prior Title: Strengthen Internal Controls over Capital Assets

The Controller's Office and Capital Outlay Office are not properly capitalizing projects for financial reporting purposes in accordance with the Commonwealth's Accounting Policies and Procedures (CAPP) Manual. Additionally, the Controller's Office and Capital Outlay Office are not adequately tracking and evaluating all project costs to determine if projects meet internal capitalization thresholds. Our audit identified the following deficiencies:

- Two completed construction projects totaling approximately \$13 million remained in construction in progress (CIP). This required adjustments to ensure proper reporting of these assets and associated depreciation.

- The University did not adequately evaluate demolition and subsequent site improvement costs of approximately \$450,000 to determine if the project met University capitalization thresholds. Additionally, total project costs could not be validated for completeness because the University manually compiles total costs charged to a project and does not track costs by sub-project code in its financial system.

CAPP Manual Topics 30310 “Asset Categorization,” 30205 “Acquisition Method,” and 30405 “Additions, Renovations, and Repairs” provide policies and procedures for the evaluation and categorization of assets. CAPP Manual Topic 30205 states that constructed assets are transferred from the CIP account to the related building, infrastructure, or equipment accounts when they become operational. Constructed buildings are assumed to be operational when an authorization to occupy the building is issued, regardless of whether final payments have been made on all the construction contracts. CAPP Manual Topic 30405 states that transactions must be reviewed to determine which ones increase the economic benefits to be derived from the asset versus those which are merely repairs and maintenance. If the cost incurred increases the future economic benefits, it is a capital expenditure instead of a current period expense. Further, the CAPP Manual states that upon completion of a project, the total accumulated cost in CIP must be transferred to the appropriate asset category. Without identifying and evaluating all projects for completeness and capitalization, management cannot ensure that projects are appropriately capitalized and that the University’s financial statements are free from material misstatement.

The Controller’s office relies on quarterly meetings and notification from the Capital Outlay Office regarding project completion and capitalization for financial reporting purposes. Quarterly meetings between the two offices did not occur during fiscal year 2019, as designed. Although one project was substantially complete and the University had received a Certificate of Occupancy during fiscal year 2019, the project remained in CIP. This was due to the Capital Outlay Office waiting to formally close the project until final payments for the purchase of equipment were processed. Additionally, the University did not evaluate the costs of the demolition and site improvement for one project because maintenance reserve funds financed the project.

Management should properly evaluate and capitalize all projects for financial reporting purposes in accordance with the CAPP Manual requirements. Additionally, management should adequately track all costs associated with projects, regardless of funding source, and evaluate against capitalization thresholds.

Improve Processes for Employment Eligibility

Type: Internal Control and Compliance

Severity: Significant Deficiency

Repeat: Yes (first issued in fiscal year 2018)

Our prior audit noted that the Human Resources Department (Human Resources) did not accurately document and/or retain documentation related to employment eligibility verification. The Immigration Reform and Control Act of 1986 requires all employees hired after November 6, 1986, to

have a Form I-9 completed to verify both employment eligibility and identity. This requirement ensures that employers hire only individuals who may legally work in the United States. Additionally, per the Handbook for Employers M-274, issued by the U.S. Citizenship and Immigration Services, the employer must retain Forms I-9 for a period of at least three years from the date of hire, or for one year after the employee is no longer employed, whichever is longer. Failure to comply with the federal requirements could result in monetary fines.

We recommended that Human Resources ensure that staff are informed of, and adequately trained on, the U.S. Department of Homeland Security's guidelines. Furthermore, Human Resources should periodically review employment eligibility documentation to ensure that employees and staff are completing and properly retaining employment eligibility documentation. Due to the timing of our last audit, Human Resources was unable to implement corrective action for fiscal year 2019. As of December 2019, Human Resources has updated internal policies and procedures to ensure that staff understand how to complete employment eligibility documentation. We will review the implementation of management's corrective actions during our next audit.

Improve Processes over Payroll and Human Resources Reconciliations

Type: Internal Control

Severity: Significant Deficiency

Repeat: Partial (first issued in fiscal year 2018)

Our prior audit included a review of various payroll reconciliations, and based on our audit procedures, we identified the following:

- Payroll performs the Report 10 to Report 33 reconciliation quarterly, rather than monthly.
- As part of the retirement benefits system reconciliation process, Human Resources is not reconciling creditable compensation from the retirement benefits system to the human resource system.

Our prior audit recommended that the Payroll and Human Resources departments implement policies to ensure that payroll and creditable compensation reconciliations are properly documented, completed, and all exceptions are clearly identified. As of December 2019, both departments have developed policies to complete reconciliations and expect to complete corrective action in spring 2020. Payroll and Human Resources should ensure that reconciliations are completed to ensure compliance with the Commonwealth Accounting Policies and Procedures (CAPP) Manual Topics 50905 and 50410. We will review the implementation of management's corrective actions during our next audit.

Establish a Process for Periodically Reviewing Stagnate Grants and Contributions

Type: Internal Control

Severity: Significant Deficiency

Repeat: Yes (first issued in fiscal year 2018)

The University continues to have significant unused grants and contributions included in the unearned revenue balance. Over \$691,000 of the University's unearned revenue balance is comprised of grants or contributions that the University has not used for extended periods of time. We identified approximately 54 grants during the audit, which the University has not used for at least six years, however, their exact nature and circumstances remain unknown. The University reports all of these grants or contributions in the University's Statement of Net Position as current liabilities. Generally accepted accounting principles define current liabilities as those obligations, which are expected to be liquidated within the shorter of a year or an operating cycle, and which are expected to be satisfied using current assets or the assumption of additional current liabilities. The presentation of the unearned revenue associated with these stagnate grants or contributions could be misleading to users of the University's financial statements.

A primary concern is whether the University is effectively deploying its resources. The likelihood of restricted grants and contributions being forgotten, and therefore unused, increases with the passage of time unless the University establishes controls to the contrary. It is possible that the grantor/contributor may be willing to ease some or all the restrictions that were initially placed upon the grant or contribution if made aware the University has not used their grant or contribution.

The University does not currently have a process in place for the periodic review of grants and contributions that are unused for extended periods of time. As of December 2019, the Grants and Contract Office was working towards clearing out or repurposing grants with grantor approval. The University should complete a review of the grants or contributions identified as stagnate during the audit and determine whether their eventual use is feasible. If the University deems any of these grants or contributions unlikely to be used within the next year, the University should consider moving their balance to the noncurrent liabilities section of the Statement of Net Position. Additionally, the University should establish a process for periodically reviewing these grants and contracts that have not been used for extended periods of time.

INTERNAL CONTROL AND COMPLIANCE FINDINGS AND RECOMMENDATIONS

Match Federal Grants with Qualifying State Expenses

Type: Internal Control and Compliance

Severity: Material Weakness

Repeat: No

The University and its Cooperative Extension and Agricultural Research Services (Cooperative Extension) have claimed \$8,588,761 in unallowable matching state expenses for two federal land grants for federal fiscal years 2015 through 2019. The unallowable expenses included salaries, indirect cost recoveries, facility maintenance, technology, and utility expenses. Although the salaries were potentially allowable, the University did not have documentation to support that the individuals performed work directly related to the land grants. The Code of Federal Regulations (CFR) 2 CFR § 200.306 Cost Sharing or Matching requires that all matching funds be verifiable from the University's records. The University cannot use indirect cost recoveries or facility maintenance as state matching funds because the federal grant does not allow it. The University included the technology and utility expenses in the indirect cost rate calculations; therefore, the University cannot also claim these expenses as direct costs. In addition, expenses related to the Center for Agricultural Research Engagement and Outreach (CAREO) are also unallowable as matching state expenses. Through CAREO, the University awarded seed grants without the prior approval of the federal awarding agency. 2 CFR § 200.308 states that recipients are required to request prior approval from the federal awarding agency for any scope or program plan revisions.

In April 2016, the National Institute of Food and Agriculture (NIFA) conducted a performance and administrative review of the University's extension and research sponsored programs for the 2014 award year and disallowed state matching expenses. The University agreed to repay the disallowed expenses and developed a corrective action plan. However, the University and the Cooperative Extension continued to claim unallowable expenses for matching through 2019 because they did not have formal, documented policies and procedures over monitoring, review, approval, or reporting of extension and research matching expenses. In addition, the expense review and approval process was inconsistent, and there was a lack of communication between the University and the Cooperative Extension.

The University has reimbursed the federal government \$1,255,592 of the unallowable costs. The remaining unallowable expenses result in additional liabilities on the University's fiscal year 2019 financial statements. The first liability of \$3,849,278 represents funds that the University must return to NIFA for the federal grant periods (2014-2017) that have already closed. By extending the time period for transactions used to match each federal award, the University eliminated the remaining liability for unallowable costs by using allowable expenses that were still within the period of performance for the 2018 and 2019 federal awards, which are still open. However, this creates a revenue recognition issue as the University is now receiving federal funds in one fiscal year and not matching state expenses until the next fiscal year. As a result of extending the time period for transactions, the University should defer the recognition of the federal revenue until the matching transactions occur. The total unearned revenue is \$5,689,428. If the University does not have enough allowable matching expenses before the grant closes, they will have to reimburse the federal government for the unmatched expenses.

The University should make several administrative and procedural changes to remedy the prior years' unallowable expenses and to prevent unallowable expenses from occurring in future periods. The University should establish a formal review and approval process for all research and extension expenses. The Cooperative Extension should implement a process to periodically review all federal and state matching expenses to ensure no expenses have been charged from outside of research and extension. If the Cooperative Extension identifies unallowable expenses, it should investigate and correct the expenses prior to year-end reporting.

The University should work with NIFA to determine the due dates for repayment of the 2015 – 2017 undermatched expenses and return all funds within the agreed upon timeframe. Finally, the University should work to get back on a cycle where the University uses current year state expenses to match the current year federal awards. To accomplish this the University needs to provide additional funds to the Cooperative Extension so that they can condense the range of transactions while still meeting the state matching requirements.

Retain Documentation to Support Transactions and Respond to Audit Inquires

Type: Internal Control

Severity: Significant Deficiency

Repeat: No

The Office of Procurement Services (Procurement Services) did not retain proper documentation and support for small purchase charge card transactions and purchase orders related to expense vouchers. Procurement Services did not provide supporting documentation for any of the 28 (100%) small purchase charge card transactions tested and 12 of the 35 (34%) purchase orders tested. Procurement Services did provide documentation related to sole source contract procurements; however, they did not provide the documentation until several months after the initial request date. The Student Accounts and Financial Aid Departments did not provide responses to questions regarding the accounting of deposits held in custody. Furthermore, the Banner Finance data owner and the Bursar did not provide responses to questions regarding Banner access roles and user access for individuals within the Bursar Office.

CAPP Manual Topic 20310: Expenditures, states that each agency must maintain copies of expenditure documentation on file for three years after the end of the state fiscal year. The Procurement Manual, Section 3.9: Documentation to Files, states that a complete file should be maintained in one place for each purchase transaction containing all the information necessary to understand the why, who, what, when, where, and how of agency transactions. The Code of Virginia § 30-135 states the auditor shall have access to records, agencies shall furnish information requested by the auditor, and agencies shall cooperate to the fullest extent. By not providing responses and maintaining proper documentation and support, the University is unable to ensure the effectiveness of internal controls, and the risk of unauthorized transactions increases.

Procurement Services was unable to provide the necessary documentation and support due to not properly maintaining the documentation or by not prioritizing audit requests. We made the majority of audit requests in or before February 2020 with multiple follow-up inquiries. By the completion of the

audit, the University did not provide the requested information and documentation. As a result, we had to perform alternative procedures in order to verify controls and substantiate financial activity reported by the University in its financial statements.

A contributing factor for the University's inability to provide documentation may be vacant positions and/or turnover. The University should work to fill the vacant positions and train new employees to ensure that departments are adequately staffed and trained. The University should ensure that all departments maintain adequate documentation for all transactions and provide documentation and responses to inquiries to the auditors in a timely manner.

Establish and Maintain a Complete Contract Listing

Type: Internal Control

Severity: Significant Deficiency

Repeat: No

Procurement Services does not maintain a complete listing of all procured and/or active contracts, including revenue contracts that receive rebates, commissions, or other forms of income. The Director of Procurement Services was unable to provide a master listing of all contracts that Procurement Services procured and contracts that were active during the fiscal year under audit. To ensure proper contract administration practices, the Procurement Manual states that agencies should assemble and maintain a master listing of all contracts to include the initial period and number of renewals. As a best practice, the contract listing should also include, vendor name, contract description, procurement type, contract number, yearly spend amount, contract officer, and contract administrator.

Failure to maintain a master listing of contracts increases the risk of contract management and administration issues and it can also hinder the planning of renewal or rebidding actions. In addition, without a complete contract listing that is available to all procurement employees, procurement officers cannot efficiently make purchases for the agency because they are unaware of what contractual agreements the University already has.

The Office of Procurement Services should ensure that a master listing of all contracts, including revenue contracts, is maintained and contains information relevant to the nature of the contract. Maintaining a master contract listing will help reduce contract management and administration issues and it can also assist procurement officers in efficiently procuring items for the agency.



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

February 8, 2021

The Honorable Ralph S. Northam
Governor of Virginia

The Honorable Kenneth R. Plum
Chairman, Joint Legislative Audit
and Review Commission

Board of Visitors
Virginia State University

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the business-type activities and aggregate discretely presented component units of **Virginia State University** as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated February 2, 2021. Our report includes a reference to other auditors. We did not consider internal controls over financial reporting or test compliance with certain provisions of laws, regulations, contracts, and grant agreements for the financial statements of the component units of the University, which were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, but not in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the sections entitled “Status of Prior Year Findings and Recommendations” and “Internal Control and Compliance Findings and Recommendations,” we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency entitled “Match Federal Grants with Qualifying State Expenses,” which is described in the section titled “Internal Control and Compliance Findings and Recommendations,” to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies entitled “Improve Documentation of Sole Source Procurement,” “Improve Internal Controls Over Financial Reporting for Capital Assets,” “Improve Processes for Employment Eligibility,” “Improve Processes over Payroll and Human Resources Reconciliations,” “Establish a Process for Periodically Reviewing Stagnate Grants and Contributions,” “Retain Documentation to Support Transactions and Respond to Audit Inquires,” and “Establish and Maintain a Complete Contract Listing,” which are described in the sections titled “Status of Prior Year Findings and Recommendations” and “Internal Control and Compliance Findings and Recommendations,” to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the section titled “Status of Prior Year Findings and Recommendations” and “Internal Control and Compliance Findings and Recommendations,” in the findings and recommendations entitled “Improve Process for Employment Eligibility” and “Match Federal Grants with Qualifying State Expenses.”

The University's Response to Findings and Recommendations

We discussed this report with management at an exit conference held on February 3, 2021. The University's response to the findings and recommendations identified in our audit is described in the accompanying section titled "University Response." The University's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Status of Prior Findings and Recommendations

The University has not taken adequate corrective action with respect to the previously reported findings and recommendations "Improve Documentation of Sole Source Procurement," "Improve Internal Controls Over Financial Reporting for Capital Assets," "Improve Processes for Employment Eligibility," "Improve Processes over Payroll and Human Resources," and "Establish a Process for Periodically Reviewing Stagnate Grants and Contributions." Accordingly, we included these findings and recommendations in the section entitled "Status of Prior Year Findings and Recommendations." The University has taken adequate corrective action with respect to audit findings and recommendations reported in the prior year that are not repeated in this report.

We did not perform audit work related to the finding included in our report dated June 20, 2019, entitled "Improve Reporting to National Student Loan Data System," and "Improve Reporting to the Common Origination and Disbursement System" because the University did not implement corrective action during our audit period. We will follow up on this finding during the fiscal year 2020 audit.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Audit Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

JMR/vks



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Kevin W. Davenport
Vice President for Finance and
Chief Financial Officer

TDD (804) 524-5487

February 8, 2021

Staci Henshaw
The Auditor of Public Accounts
P. O. Box 1295
Richmond, Virginia 23218

Dear Ms. Henshaw:

Virginia State University (VSU) has reviewed the Financial Internal Control and Compliance Findings and Recommendations provided by the Auditor of Public Accounts for the year ended June 30, 2019. The University acknowledges and is in agreement with the following findings and recommendations:

Improve Documentation of Sole Source Procurement

Concur. The Office of Procurement Services will ensure that all sole source procurements follow the Procurement and VITA Manual guidelines. The documentation will be retained in the contract files and will have sufficient detail to support the contract award decisions.

Improve Internal Controls Over Financial Reporting for Capital Assets

Concur. The Controller's Office will hold periodic meetings to properly evaluate and capitalize all projects for financial reporting purposes in accordance with the CAPP Manual requirements. Additionally, management will adequately track all costs associated with projects, regardless of funding source, and evaluate against capitalization thresholds.

Improve Processes for Employment Eligibility

Concur. The Office of Human Resources will ensure staff are informed of, and adequately trained on, the US Department of Homeland Security guidelines. Also, the Office of Human Resources will periodically review employment eligibility documentation to ensure that employees and staff are completing and properly retaining employment eligibility documentation.

Improve Processes over Payroll and Human Resources Reconciliations

Concur. The Office of Human Resources and the Office of Payroll Services will implement policies to ensure that payroll and creditable compensation reconciliations are properly documents, completed and all exceptions are clearly identified.

Establish a Process for Periodically Reviewing Stagnate Grants and Contributions

Concur. The Office of Grants and Contracts will review its policies and procedures to ensure the periodic review of grants and contributions that are unused for extended periods of time. Any grants unlikely to be used will be moved to the noncurrent liabilities section of the Statement of Net Position.

Match Federal Grants with Qualifying State Expenses

Concur. The University and the College of Agriculture will establish a formal review and approval process for all research and extension expenses. The process will be implemented to periodically review all federal and state matching expenses to ensure no expenses have been charged from outside of research and extension. Additionally, the University and the College of Agriculture will work with the National Institute of Food and Administration to determine the due dates for repayment of the 2015 – 2017 under-matched expenses and return all funds within the agreed upon timeframe. The University will also work with the College of Agriculture to get back on a cycle where the University uses current year state expenses to match current year federal awards.

Retain Documentation to Support Transactions and Respond to Audit Inquiries

Concur. The Office of Procurement Services will fill vacancies and train personnel in order to meet expectations regarding providing documentation during the audit. The University will ensure all departments maintain adequate documentation for all transactions and provide documentation and responses to inquiries to the auditors in a timely manner.

Establish and Maintain a Complete Contract Listing

Concur. The Office of Procurement Services will ensure that a master listing of all contracts, including revenue contracts, is maintained and contains information relevant to the nature of the contract.

Virginia State University is committed to addressing these audit findings and recommendations. On behalf of the administration and staff at Virginia State University, please extend my gratitude to your staff for these recommendations.

Sincerely,



Kevin Davenport

Vice President for Finance and Chief Financial Officer

cc: Makola M. Abdullah, President
Atif Qarni, Secretary of Education
Mr. David Von Moll, State Comptroller
Mr. Daniel Timberlake, Director of Planning and Budget

VIRGINIA STATE UNIVERSITY

As of June 30, 2019

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