

**VIRGINIA STATE UNIVERSITY BOARD OF
VISITORS COMMITTEE ON FACILITIES & FINANCE
11:00 A.M.; THURSDAY, FEBRUARY 6, 2025
Gateway Dining & Event Center, 2nd Floor**

AGENDA

CALL TO ORDER Ms. Daphne Meeks, Chair

ROLL CALL

INVOCATION ((*Pastor Seth Gooden, Director of Campus Ministries*))

APPROVAL OF AGENDA

APPROVAL OF PREVIOUS MEETING MINUTES (if any)

- November 14, 2024, Committee Meeting

PRESIDENT'S REMARKS Dr. Makola M. Abdullah

CLOSED SESSION

DIVISION OF FINANCE.....Mr. Kevin Davenport, Senior Vice President/CFO

REPORTS AND RECOMMENDATIONS

- Presentation re: Proposed Tuition & Fees for Academic Year 2025-2026
- Public Comment Period on the Proposed Tuition & Fees for 2025-2026
Speakers' remarks must be relevant to the proposed increase and adhere to the 3-minute time limit.
- Information Items
 - Finance & Facilities Overview
 - Statement of Sources and Uses for Quarter Ending December 31, 2024
 - Comparative Cash Reserves for the Quarter Ending December 31, 2024
 - Capital Project Update for Quarter Ending December 31, 2024

OTHER BUSINESS

ADJOURNMENT

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
COMMITTEE ON FACILITIES & FINANCE
THURSDAY, FEBRUARY 6, 2025**

CALL TO ORDER

Ms. Daphne Meeks, Chair, called the Facilities & Finance Committee meeting to order at approximately 11:11 a.m.

ROLL CALL

A quorum was present.

COMMITTEE MEMBERS PRESENT:

Ms. Daphne Meeks (Chair)
Dr. Valerie K. Brown (Ex-Officio)
Mr. Thomas Cosgrove
Mr. Peter McPherson

BOARD APPOINTEES:

Professor Tracy Jackson, Faculty Representative
Mr. Yousif Omer, Student Representative

OTHER MEMBERS PRESENT:

Mr. Victor Branch
Mr. Joseph A. F. Chase, Jr.
Dr. Robert Denton, Jr.
Dr. Harold Green, Jr.
Dr. Leonard Haynes, III (*Virtual due to inclement weather*)
Mr. Edward Owens
Ms. Verndell Robinson
Mr. Robert Thompson

ADMINISTRATION PRESENT:

Dr. Makola M. Abdullah, President
Dr. Tia Minnis, Provost/Vice President for Academic and Student Affairs
Ms. Tonya S. Hall, Vice President for Advancement and External Engagement
Mr. Kevin Davenport, Senior Vice President for Finance & Administration/CFO
Ms. Shawri King-Casey, Vice President for Institutional Integrity & Compliance
Dr. Alexis Brooks-Walter, Vice President for Student Affairs/Enrollment Management
Dr. Annie C. Redd, Chief of Staff/Director, Board Operations & Relations

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INVOCATION

The Chair called Pastor Seth Ahmad-McQueen, to deliver the invocation.

APPROVAL OF AGENDA

The Committee approved the agenda by voice vote.

APPROVAL OF PREVIOUS MEETING MINUTES

The Committee approved the minutes from the meeting on November 15, 2024, by voice vote.

PRESIDENT'S REMARKS

Dr. Abdullah expressed gratitude to the Board members for their commitment and thanked everyone for attending.

REPORTS & RECOMMENDATIONS

The Chair called a start to the meeting, highlighting that there would be a public comment period for the proposed tuition and fee increase.

Mr. Davenport opened by presenting a statement on the proposed increases to tuition and fees. He stated that the proposed increases of 3-5% address inflationary pressures, as well as public safety and technology. He outlined the process for approval, including informational sessions, posting a notice of the public comment period, a public comment meeting, and the full board of visitors' vote.

Mr. Davenport presented a chart on inflation escalation showing the consumer price index and the higher education price index values over the last 6 years. He presented a series of charts showing how VSU's tuition and fees have lagged behind inflation. The charts also demonstrated that VSU's rates have fallen behind inflation at an amount considerably greater than other public universities in Virginia. He then showed the inflationary deficit on a per-student basis. He presented a comparison of in-state tuition and fees and room and board rates compared to other in-state institutions, noting that VSU has the lowest overall tuition and fees.

Mr. Davenport showed which new costs would be covered by the revenues associated with the proposed tuition and fee increases, noting that there is still a \$1.3 million gap between the new revenues and the increased costs. He presented breakdowns of drivers of the increased costs in Residence Life as well as a summary of three, four, and five percent increase scenarios.

Dr. Abdullah asked Mr. Davenport to explain the proposed tuition and fee increases in the context of the decrease in auxiliary balances. Mr. Davenport summarized various increased costs relating to safety and security and Residence Life. He stated that these increased costs, along with some collections challenges, have resulted in a projected decrease in auxiliary reserves to

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about 10 million dollars. He emphasized that this is going to be a tough year in terms of budget reductions and that conversations with the faculty about these reductions have started. Dr. Abdullah added that getting where we want to be on the auxiliary side would necessitate a raise closer to 10 percent. However, incremental raises are being proposed to offset this deficit more gradually.

A visitor asked which areas where cost savings are expected to be attained. Dr. Abdullah stated that we expect to find some cost savings on the E&G side, but we will need to continue to use reserves until we right-size the rate. A visitor asked for specifics on where the cost savings will come from. Mr. Davenport noted various administrative processes, facility cleanings, and some students' activities that need to be evaluated. He also summarized plans to move more students house versus at housing options, such as Richard Bland College. He stated that he is confident that auxiliaries will stabilize within two to three years.

A visitor asked how the average household income of VSU families compares to those of other Virginia universities. Mr. Davenport stated that, although he does not know the exact figure, he recalls it being very low. Visitors noted that this is why the university is low in tuition, asking if we are fully utilizing our scholarship and endowment funds. Mr. Davenport stated that we are trying to leverage our endowment as much as possible without dipping into the corpus.

A visitor asked why athletic expenditures increased. Mr. Davenport noted that a few new sports were added several years ago.

A visitor asked about the increase in health insurance costs. Mr. Davenport noted that these increases come down from the state. The trustee responded that this is something the state needs to review.

A visitor stated that eighty percent of VSU students borrow money. The visitor emphasized that concerning auxiliaries, there are so many costs that are beyond our control. However, tuition increases are separate and something that we can exercise greater control over.

A visitor asked in what way's students are benefiting from the proposed increases. Mr. Davenport replied that these increases are not designed to provide anything additional but rather to maintain the things that are important to students, such as homecoming support, cleaning, CIAA attendance, and extended hours dining.

A visitor asked about the funding outlook in terms of the state legislature, noting that there is some potential good news that more funding has been devoted to higher education. Dr. Abdullah noted that in the past, the General Assembly has given tuition moderation to keep tuition low. By the time we get to the March 20th meeting, we will know whether this needs to be taken into account.

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A visitor provided a comparative context to looking at our own homes and how costs have gone up tremendously without doing anything differently. The visitor noted that an increase is needed just to accomplish basic objectives such as maintaining buildings and paying faculty. The visitor emphasized the importance of the future goal of gaining more resources to be more independent and resilient, noting the recent scare in terms of federal funding. The trustee emphasized that we cannot be good stewards while allowing the gap between rates and inflation to keep growing bigger and bigger.

PUBLIC COMMENT PERIOD

At 11:54 a.m., Dr. Redd announced that the meeting had officially entered the public comment phase. The VSU SGA president, Mr. Omer, was called by the chair. Mr. Omer complimented Mr. Davenport on his presentation. He gave some background on the budget cuts he has observed during his tenure as SGA president. Mr. Omer emphasized that the student body does understand that these increases are not about new things or more field trips, but instead about maintaining the great experience they are having now. He stated that students deserve a campus that is safe and modern, noting that other institutions to which we compare ourselves have dramatically higher rates. He continued by highlighting the importance of making reasonable financial decisions in continuing as a leader. Mr. Omer concluded by summarizing his view that this modest increase will ensure that students have the best possible learning experience. Dr. Redd concluded the public comment period at approximately 11:59 pm. She stated that the Full board is expected to vote on this increase on March 20th, explaining the means of communication by which written comments may be submitted.

The Facilities and Finance Committee meeting resumed with Mr. Davenport presenting the report for the quarter ending December 31st, including cash balances and comparisons of budget to actuals for sources and uses.

The Chair asked what is being done to address uncollected debt. Mr. Davenport stated that we have increased efforts to facilitate students paying their bills, including increased communications with students and encouraging them to sign up for payment plans. Dr. Abdullah added that this is a reset year in the sense that this is the first semester where students were unable to register for classes until balances were paid. He referenced the fact that there are no remaining COVID relief funds that can be directed towards paying off balances, as was the case in recent years. A trustee asked for clarification about de minimis amounts, to which Mr. Davenport confirmed the amount of \$500.

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A visitor asked about the findings related to uncollected debt. Dr. Abdullah stated that progress has been made to address the finding. But he also added the context that it is not fair for VSU to be held to the same standard for uncollected debt.

A visitor asked about the status and effects of the FAFSA changes. Dr. Abdullah stated that there has been about a 10 percent decrease in new student attendance across the board due to the FAFSA, but in the case of VSU, this decrease has only been about 4-5 percent.

A trustee asked if the enrollment drop from 5,605 to 5,238 from fall to spring is typical. Dr. Abdullah stated that this would be good, but we expect the decrease to be higher. He also added the context that a drop of this magnitude between semesters is normal. Mr. Davenport noted that we have budgeted for a 9 percent decrease and that most students are not leaving due to grades, but due to money.

A trustee asked that of the schools where rates have fallen the furthest behind inflation, how many are HBCUs? Mr. Davenport replied that VSU and Norfolk State were both among this group. The visitor emphasized that we are undercutting ourselves because we are being asked to do so. The visitor added that we are doing a disservice to ourselves by artificially decreasing our tuition, and called for a watchdog to advocate for HBCUs in this area at the governmental level.

A trustee emphasized the need to be careful about fixed cost levels because there will be future crises down the road, adding that what we have done with tuition has been remarkably in contrast to what has been done across the country.

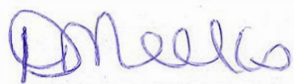
A trustee echoed the notion calling for a watchdog, emphasizing the importance of understanding the secondary and tertiary effects of legislation. The visitor cautioned against effectively supporting things that come down the pipeline simply by not being at the table.

Dr. Abdullah shed light on the persistent contradictions in the common view that college is too expensive, pointing out that there is a wide disparity in costs between colleges.

ADJOURNMENT:

With no further business, Chair Meeks called for a motion to adjourn the meeting. The motion was received and properly seconded, and the Committee voted by voice vote. The Chair adjourned the meeting at approximately 12:23 p.m.

APPROVED:



Chair



Date

Good afternoon, (introduction)

Ensuring that we not maintain but improve Safety and Quality at Virginia State University As the 2025-2026 school year approaches, is among our top priorities. It's important that we as a Student Government Association acknowledge the growing expenses associated with improving a world-class educational experience. In order to guarantee that Virginia State University can keep making investments in vital fields like technology and public safety, this suggested tuition and fee adjustment is critical. Our students are deserving of an institution that is competitive with other universities, safe, and up to date. While no one wants to see costs rise, this tuition adjustment will support the resources that keep VSU a robust and successful institution.

The reality is that inflation impacts all aspects of university operations. From classroom technology to student housing and dining services. The Student Government Association wants Virginia State University to remain a leader in higher education, we believe that VP Davenport's report has been extensive, and informative, and we thank him for the many presentations and meetings that he has taken with students, organizations, and alumni groups.

This modest increase ensures that Scholars at Virginia State University have access to the best possible learning environment while keeping VSU's tuition and fees competitive with peer institutions.

The Student Government Association supports the tuition adjustment.

With Trojan Dignity & Pride.

Yousif N. Omer, | President