

TRANSCRIPT**Electronic Facilities, Finance and Audit Committee Meeting**

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Good morning Once again, everyone. It is my honor and privilege to call to order the first meeting, as chair, of Facilities, Finance, and Audit Committee. If you will allow me, I want to hold my opening comments and to after the call, but I wanted to start by thanking each of you for having confidence into my ability to serve as chair of this committee.

Obviously I didn't expect to chair the first meeting until after July 1. Already it is a daunting responsibility because of the phone calls and emails that I've received, but I'm looking forward to serving as chair. It is a privilege and I look forward to serving in this capacity because I believe from the conversations I've had with members of the board and the administration that together, we're going to be able to do what we need to do to move the university forward. So it gives me great privilege to call this meeting to order. Dr. Redd, may we have the roll call?

Good morning. Everyone.

Valerie Brown. Here.

Rector Huron Winstead. Here.

Mr. Charlie Hill. Here. We can see him. Correct.

Mr. Michael Flemming.

Mr. Raul Herrera. Here.

Mr. James Stegmaier. (No response)

Mr. Wayne Turnage (no response)

Mr. Gregory Whirley. Mr. Whirley, can you hear me? Yes.

Madam Chair, You do have a quorum.

Okay, thank you so much Dr. Redd. Before I entertain a motion for approval, the, I'd like to, you know, obviously make a few opening comments because if you look at the agenda, you can see it is very abbreviated. It is not a complete facilities, finance, an audit committee agenda. As you know, this is not a regularly scheduled meeting. This is a meeting that was a part of the approval of no budget that stipulated that we would have monthly meetings as we went forward.

Because we recognize that the budget that we approved would be that it would have a lot of changes as we continue to move closer and without reopening plans and with getting our students safely back on campus, declining enrollment, with the COVID. We knew we had a lot of issues that would impacting the budget, so this is a meeting where I have requested that we focus on what we felt was the

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most important agenda items at this point and that was the impact of all of these potential expenses on our budget. So, as I've previously said, I wasn't expecting to lead this meeting until after July, so I've only had a few days to prepare for this meeting. I've not had an opportunity to really talk to Mr. Harris, Mike Flemming, Ms. Alves only with Kevin and so I've had a limited opportunity to be prepared for the meeting and we want to be prepared for that.

Having been on the committee for the two years that I've been on the board of visitors, I'm fully aware of the many challenges that I recognize that we must acknowledge and address in a format that puts the university on a positive roadmap toward resolving concerns and issues that have been raised. Many of these concerns and issues do have the potential to have a substantial negative impact on our financial resources.

The lack of adequate financial resources has been a resounding concern for the two years that I've been on the board, and it is my understanding that it is one that has been raised for years prior to me on the board: consistent decline in enrollment, NIFA reimbursements that have already been paid and a payment that is due now and the potential for future NIFA reimbursements along with a large, outstanding accounts receivables balance that needs to be addressed, our need for advanced technology for online classes and assisting our faculty with teaching our students.

Our need to be able to hire faculty and staff in positions that have been vacant for too long, addressing internal audit findings that will position the university with a better purchasing power with the state and our need to truly cultivate new donors and raise substantial contribution have all weighed heavily on this committee. We acknowledge that time is of the essence, and we must ensure our students, faculty, administration, and donors that we take seriously our fiscal responsibility as members of the board of visitors to acknowledge the areas that require our attention and to work with administration in resolving and concerns that would negatively impact the finances of the university.

Virginia State was here long before even any of us were thought about and I'm sure it will be here long after we are all gone. I am a proud alumni of Virginia State, and it has served me well. Therefore, I take personally the responsibility to ensure it to leave Virginia State University on solid financial footing, and I'm sure I am joined in that sentiment by all of my fellow board, and the administration and staff. So, please know, that reduced and focused agenda in no way is the message that we are not aware the concerns or the need to systematically address each and every concern.

I am simply asking that as the new chair you allow me the time to work with the administration to adequately pass the baton to gather the information needed to have an informed perspective, and to present the committee answers to the questions that have been raised. Therefore, this is why you're looking at an abbreviated agenda which is through an unscheduled meeting that is addressing the most pressing issues, which are the impact of the budget based on the expenses for COVID and the reality that we have to get us students back on campus and on campus safely. So, with those opening comments, I would like to entertain a motion to accept the agenda as presented.

Can I get a motion?

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My mike was muted. So moved

Can I get a second?

So, thank you. Okay, we have a motion by Rector and a second by Mr. Hill. All in favor say, aye. Alright.

Alright, I'm new to this over new. I know we need a roll call Dr. Redd on that motion. I think I heard four. Is she there? Do I need Mr. Rector? I'm sorry.

A roll call on that agenda just yes, you do take a roll call for the record. Okay. Roll call.

Yes. Okay. We need a roll call.

Dr. Valerie Brown. Yes.

Rector Winstead. Yes. You.

Mr. Charlie Hill. He has his thumb up. He has his thumb up. Okay.

Mr. Flemming. (No response)

Mr. Herrera. Yes

Mr. Turnage. Yes

Mr. Whirley. Yes

You also had in your packet on Diligent, the previous board minutes. Are there any questions on any of the minutes?

If not, I will entertain a motion to approve the previous meetings minutes.

I don't see any hands raised, so I will entertaining a motion on the previous meeting minutes.

I'll second. Alright, it's been moved and second that we would accept the previous meeting minutes. All in favor. Say, aye. All right.

No roll call needed or roll call needed.

I'm sorry I told her to give me a give me a moment. We're good. We're good. Okay.

Welcome go ahead. Dr. Redd, roll call. Okay. Okay.

Dr. Brown. Yes.

Mr. Winstead. Yes.

Mr. Hill.

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Turnage. Yes, I'm sorry. Can you hear me now?

Mr. Whirley. Yes, yeah, I can hear you. Yeah. Okay. Well, my audio been out for the last five minutes, so we voting on what, what are we voting on that?

The approval of the previous meeting's minutes. Okay. I approved.

Remarks by President Abdullah.

Okay, and I'll only have a brief remarks. I want to thank all of the members of the Board to be able to have this meeting, and I know that this is work for you and so thank you for doing great work of Virginia State. Also, I like to thank you Madam Chair for taking on the role in this very challenging time and thank you for your interactions with staff and preparation for this meeting. Last but not least Mr. Davenport who did a lot of work and had a lot of work to do last week in advance for this presentation.

I also want to recognize if you will the fluidity in in the entire summer. There's a lot of things that are kind of over us as we continue to move with the changing climate in the country where more cases are kind of happening is honestly something new. It's something that was not happening two weeks ago the last time we met, and so we are consistently watching in Virginia...paying attention to also the data and the surrounding states to make sure that we are adequately prepared and we're doing everything that we can do that is appropriate to be make sure that our students, faculty, and staff are safe and with.

Oh, and I would like to thank our Chief Medical safety officer, Nurse Christie Johnson Oliver, who you met at the last meeting. She is not here today; her husband had a doctor's appointment; She had to go. She left us with a considerable script to answer questions. Dr. Palm will be answering many of those questions, but if we reach a point where we can't necessarily answer, we will table them until she's back and ready to answer those questions, but I wanted to communicate that to everyone with that, Thank you very much, Madam Chair.

Thank you Mr. President. With this, I will turn the meeting over to Mr. Davenport.

Hi, good morning. Can everyone hear me? Yes, sir.

Is someone bringing up the sheet? While someone is putting up the sheet, I loaded two pieces of information into Diligent for your review. The first thing that I put in there was actually, and I'm not going that document...I'm go over the document that's displayed here, but the first document was the document that I presented at the last meeting. That review what that twenty six million short, for anticipated shortfall is for as a result of the Fall Opening... that twenty six million, just to refresh everyone's memory.

The meeting prior to that meeting, we actually presented a budget which there were a lot of unknowns at the time, but we felt that it was a reasonable expectation or concern that enrollment would probably be impacted in some way,

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because of the coronavirus. So we presented a budget and the board did approve a budget for ten percent enrollment reduction.

So, at twenty six million, actually includes the, the enrollment reduction of ten percent that we were are projecting, that is roughly about eight point four million. And if you recall, we also reported the new housing and everyone made their presentations. And as a part of that plan, we, at that time felt, we could only house on campus roughly about seventeen hundred students. So we calculated what the impact of that having fewer students on campus would impact on revenue and then the last piece that we had is we identified, and again, each person rolled through their plan, we identified about eleven million dollars and additional Covid related cost.

These are eleven million dollars that was not budgeted in the previous year, but they will be new expenses. So it's those three things. Ten percent enrollment option. We were looking at only seventeen hundred students, and we were looking at additional cost of about eleven million dollars. And we reported that we had this twenty six million dollars for that we needed to begin planning for. So, if you, if you go back to the other document.

And then this, this is the document, but if you go back to the other document, the financial impact. The one that was on the screen initially. Alright, this here, so if you can see starting at the top with what we were talking about the twenty six million dollars shortfall is I just went over. And then the next line is called adjusted housing plan. And what that is, as we've been able to find out more information since our last meeting, our team has gotten together. And I had looked at all about those offerings and we felt like that we could safely house a bit more students than a seventeen hundred and do it in a Safe way and do it in a manner, which we felt very comfortable. That we can still fly with the governor's social distancing mandate.

So, when staff went back and looked at that, they actually came up with roughly Twenty three fifty housing on campus and that is a combination of most of the students, as I understand, and we'll have singles are a few students will have doubles. Some students will have to share a bathroom. And there are some community bathrooms, in which there's an existing plan to reduce the number of students attending that that community restroom. The result of by including an additional students over and above the seventeen hundred, bringing that up to the twenty three fifty resulted in us being able to recognize that housing revenue again. So staff computed it. And the effect is about four point eight by increasing the number of that we have on housing.

Now, if you notice if you go back to the original form in terms of housing revenue, it was only, it was off about five eight. So, this is really bringing back a significant amount of that housing revenue because we're able to get those, our students on campus. And, in fact, that's the.

I just want to make sure that, you know, that those are all not singles. There are gonna be something double occupancies with those with those rooms as well I think you had mentioned they were singles.

Yeah, singles, but there are some doubles in there as well, too. Yeah, so that's the, the, the four point eight is bringing into housing back into play.

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When you subtract that from the twenty six million that we were talking about that leaves us with that new projected shortfall of about twenty one million. From there, you see, the next line is targeted reductions and I'll go out over our methodology of how we kind of...it's not magic number...we came up with eight million, but we, we felt like that was the, the, the most prudent number to put on the place, on a table in terms of bringing down expenditures that are reoccurring every year.

So, when we look at the eight million, the first, the first thing we looked at was the original budget that we just had approve...that original budget had a short fall of about eight point four million. So, we definitely wanted to address that shortfall.

We wanted to address that shortfall in a very meaning way as well. Meaning, we did not want to put one time stimulus fund in short funds towards that. We didn't want to put reserves to it or anything like that. We really wanted to bring down the cost structure about eight million to at least account for that Ten percent enrollment production.

The second thing we wanted to consider, we did know that we're getting a lot of these one-time monies. We did want to, you know, actually factor that in. So, if you look at the thirteen million on line ten is the remaining shortfall now. It's real clear there. I show some, some of the one-time sources that we were looking toward putting towards that Thirteen a million, and if you look back at the one time sources, it leaves a small net surplus you can say, but of those amounts that first on line thirteen, it's a nine point Eight million that says CARES stimulus for minority serving institutions. Now some of you may have heard of that referred to as the HBCU money that is from the original federal stimulus money, CARES money. There was a certain portion that was broken off from that it was just given specifically to minority serving institutions, Virginia State, we faired extremely well.

We're actually due to receive nine point eight million of the minority serving money and I, I can tell you, I mean, that's pretty good compared to the other schools. And a note on the side, but that money can actually be used for covid related costs, like, displaced students, instruction, you know, a lot of things related to covid. But in addition that money gives us a little more flexibility. We can actually use it for lost revenues as well. So we have a lot of flexibility with that nine point eight. We've already been approved for the nine point eight. We haven't received it. We would receive it once we identify those expenditures that we want to put to it. We would then notify the federal government of those expenditures and then we can draw down the funds.

The line Fourteen...That second line item is the projected prior year carry forward. This is actually the year that we are currently in right now. We've done very well this year. Our cash balances up. We anticipate reasonably finishing the year with a three million dollar in excess cash. A lot of that excess money came from when you're able to shut down the University, we were able to realize a lot of efficiencies primarily in utilities, but another ways as well. We kinda cut down expenditures people. We had the freeze. All of those things impacted and and cause us to really end the year in a pretty good position. And actually our year in closing is actually, tomorrow is is June thirty. So I feel good about that.

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And then the last pieces that eight twenty one. That is the remaining amount of funds from from the CARES funds. If you recall from the CARES, we got six point eight million in total, and of that six point eight million, recall We had to take half of that. The Federal government was very specific and saying we had to distribute that money and put it directly into the hands of students. If you recall, we've already done that a lot of schools are still working through that process, still trying to disperse those funds. We have dispersed those funds. So our students are the majority of them have been dispersed. If you recall, we held back a little about ten percent. I think that is almost completely dispersed as well too. So, that was the first half with the CARES, the three point four.

But then there was another half of the CARES that the institution could use. So we did get approval for the other three point four. We've said...we made a decision to reimburse our reserves for the room and board refunds that we had to do in the spring, and that was roughly about two point six million. We thought it was going to be a little higher than that; it actually worked out to be about two point six. So, if you take that from our three point four allocation, that's the balance that I'm showing here of eight hundred and Twenty-one thousand. Those funds are operated under the same as the CARES of minority serving institutions funds meaning that we already approved for them. Once we identify the appropriate expenditures to go to that we would submit them and what would be reimbursed. So if you look all of the, the one-time sources, again, they're sufficient to cover our remaining shortfall.

And if you could scroll down a bit. And the last thing that we considered, we were bringing forth that eight million dollar reduction in specifically, E&G we wanted to look at is our reserves. And I think we've talked about this as a board quite extensively. At some point in the year, I believe it's December, we bring forth like a revised methodology on our reserves. We put this methodology in place several years ago when Dr. Abdullah started, and actually I went through the state and they chimed in with some things as well to that reserve methodology suggest that in a very reasonable and responsible way that Virginia State should at least have in its reserves At least about twenty one million dollars per year. And those reserve balances fluctuate all throughout the year. Typically, when I'm looking at on that twenty one is always look at the lowest balance that we have.

The lowest balance that we typically have is right around June, June thirtieth, as we're completing the year and rolling into the summer. So we anticipate that or twenty one million. We've done very well this year with our reserves. We're gonna be up about about to, about two million. So I, I show that here. That's an estimated amount of what the reserves will be at the end of the year, but I feel really, really comfortable about them. And again, I think we did really well. So that I'll kinda pause here before I go to the next state statement, but that's kind of an overview of the twenty six million, you know, how we're planning to we're working on that twenty six million. The other piece that I'd like to go through a specifically the eight million dollar reductions, but I'll kind of pause here to see if there's any questions.

Are there Other questions to the...yes?

Madam Chair, this is Greg Whirley. Okay. I have a question on the housing.

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If you could give me a perspective on how many students were on in housing before we had this pandemic. And then how many students will now be on campus in the fall.

Yeah, and you know, that's a great question. And you really, as I noted, you know, when we bought when they brought it up to the twenty three fifty, that was very close to what we had last year. We actually had the number, the actual number of students on campus last year was twenty five fifty but what, if you recall, we were over budget. We'd only budget it by twenty four, seventy five so that twenty three fifty is only about a hundred and twenty five students away from what what's previously budgeted in a in a prior year. I think one of the things that kind of caused that is if you recall like over the last three or four years, we've had this strategy as we looked at enrollment. We had excess capacity, we had already converted a number of our spaces over to singles already. But to answer your question, we are about this this new revised number, Mr. Whirley, this twenty three Fifty is a hundred and twenty five students less than what was budgeted last year.

So, is there something that changed in our thinking process that now...Why It would be safe to Go back to the two thousand three fifty level versus what we presented to the board on June twelve?

Well, I'll let Dr. Palm get into it, but I will just say that we felt like my understanding that, I mean, they worked with the nurse and worked with all the other responsible people as a group and they felt that this could be done in a safe way. But Dr. Palm, Can you address that?

Yes, yes. Thank you. Mr. Whirley.

Residence life as well as our Health center actually looked at some best practices with the American College of Health Association as well as the associated the Association of College and University Housing Officers International and again taking those into consideration and also taking into consideration the double occupancy how we can really best service our students to make sure that they're safe setting up the rooms in a very safe way.

They feel very confident that we can now take a closer look and we did take a closer look at the double occupancy to address some of these issues and so the major thing is really We're gonna set the rooms up in a way that it will actually force the students to have that six feet social distancing as well as making sure that for those rooms That also have bathrooms in them That they'll make sure that students are trained to actually disinfect and, know, know, know how to clean up after them as well. They feel pretty good. They also are looking at other institutions and how they doing it as well that were able to open up to some of these double occupancies for our students.

Thank you Madam Chair. I, I also have a question on the carry forward and that question would be do we have approval from the controller's office or dpb or department of planning and budgets that we can use this carry forward from f. Y. twenty because in the years when the general fund has been under financial stress, A lot of times they pull those carry forward funds back General funding that, and will not allow agencies to keep those balances. Do we have approval from the from department planning and budget to utilize that carry forward an f. Y. twenty one.

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We don't have any written approval, but they certainly are aware. We talked to them quite a bit. They are aware that we have these excess funds. I certainly know the position we're in. they, so they're aware of it, but we probably will be looking with these, As we typically do it, I think most colleges and universities probably use the excess funds and probably do some Pre paying. There's always a number of bills at the end of the year. You know, and we Some of those, like insurance and going to prepaid insurance as opposed to there but even if the cash is left there, I have received a verbal commitment. No, they're not looking at picking up cash balances.

Oh, okay. I just have some concerns with that, Madam Chair, because based upon experience any carry forward general funds, sometimes they'll go back to the general coffers of the state, particularly since We know that at the state level we Missed our revenue mark by six hundred, seven hundred million dollars. So, I would be very cautious and planning on for that carry forward money for twenty one.

Thank you. Mr. Whirley. Any other questions that so noted, that is so noted. Any other questions.

Alright. Mr. Davenport you want to continue?

Yeah, I wanted to go to the second tab the target in reductions and again, this is the eight million we identified that we really wanted to bring down a year spending on. It is the next tab there, at the bottom.

Mr. Harris? Mr. Harris are you there?

I am. Where do you want to go, Kevin?

The next tab down at the bottom to targeted reductions tab.

Thank you. So so this is Targeted reductions. Can you scroll down just. You can see all of these non academic piece. The entire amount is not displayed, but the top part is the non academic areas and then the bottom part is the academic areas.

Now, go, I'll just kind of walk through the nonacademic areas first starting up at the top line Seven, that's facilities we talked about that in a little bit more detail than last time. We have a contract with ABS to provide facilities, upkeep and grounds and various services. We feel like we've carved out about six hundred thousand dollars of contracts for maintenance grounds, or motors motor repairs. The multi-purpose center that's another pretty significant contract for the University, it's with spectrum management. We, they, there are several phases to that plan. We've already initiated several plans to reduce that cost down contract appropriately. From our standpoint we are not thinking that we're going to be having very large events in the multi-purpose center anytime soon. This is a lot of like, tickets, you know, people responsible for tickets and promoting shows and different things of that nature.

Facilities we were looking at additional reductions in facilities particularly in the nonpersonal services. We really think there's a tremendous opportunity

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to here to reduce our utilities and comes from several different things again, setting the controls and the monitoring, doing more monitoring but the, the The reopening plan actually calls for our students to leave right after Thanksgiving and not return until after the first of the year. We believe we can get a lot of savings, you know, with that as well too. What kind of closing down are some of the dormitories and reducing utilities. Facilities there was a vacancy you're gonna see throughout here our Approaches obviously we try to look at those things that we could impact quite quickly. You know, we, we felt like we needed to matter in a very quick and decisive manner. So we really looked at vacancies. We looked at large contracts. We have we looked at people that we have on contract that we can actually do something.

None of this really factors in any classified employees or laying off classified employees. These only things that we thought we could really do, and we had been planning for some of these things as well. On a facility side There was a, a vacancy. So we, we took that vacancy. I think it was over in a power plant. Print management. A contract reductions for a number of printers I talked about using printers on campus. That's another big contract.

In finance, there's twenty five percent across the board a reduction non-personal services as well as some, some other things. Collections, there was one vacancy in the collections area. Controller's area, there were four vacancies for a total three, sixty, two and budget there was one vacancy. In HR, there was four vacancies. In internal audit, there was one vacancy. In development, there was one, they were actually more vacancies. That we want vacancy is on here that that represents an administrative assistant in development office. There were some reductions to the non-personal services with planning fewer events and reduce printing. President's office. I, I believe that actually should say two there. I apologize but they were some contract positions.

Technology, there were Positions that do not relate to what we're trying to do, What Mr. Harris is trying to do on a covid side. On student affairs, there were three vacancies as well as some non-personal service reductions, and in enrollment management and financial aid, I think they both had some, a few more vacancies, but the ones here there, they were one vacancy for financial aid, and one over enrollment manager. So, and that's for total, again, these are the nonacademic units of three point six million that that represent three point six million of the eight million.

Scroll down. Here's on the academic side so the College of Agriculture had one vacancy twenty five percent across the board reduction and Non-personal services. College of business had five vacancies and the twenty five percent reduction on Non-personal side.

College of Education had four contracts and the four means there were four positions that were eliminated and the twenty five percent, non-personal services reduction. The College of engineering and technology two vacancies twenty five percent reduction. You see five contracts. College of humanities seven vacancies Twenty five percent personal service reduction. Some hourlies and five contracts.

College of natural and health sciences one vacancy, twenty five percent reduction two contracts. And then the last two there, they're real non

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instruction, but they're still considered academic, library, hourly, twenty reduction. And then the Provost eight contract positions and that is so on the non academic so you can see right above that one line Twenty five is three point six million of identified reductions and on the academic side, you can see on line thirty six Four point three million for a total of right there at eight million, a little bit and excess.

Thank you, Mr. Davenport. Questions.

Mr. Herrera, So, my question is, when I'm looking at these, some reflecting vacancies, what we're looking at is simply not filling vacancies Or is it the determining redundancies and therefore, actually reducing current staff.

A little bit of both. We are definitely looking at not Filling those vacancies and reassigning that work to other people in department, or to rebalance those responsibilities and we're trying to do it as much as we can and they try to be as strategic as we can, but we're not looking and bringing back up the vacancies. We looking at trying to divide it up and spreading the work between the remaining persons that would be there.

Thank you, Mr. Davenport. Are you terminating staff or simply not filling vacancies. You said it's both of them. I'm just curious, of the total number of vacancies, how many represent not filling vacancies versus terminating staff?

Yeah, I out of the total vacancies I would say that's probably about maybe twenty to thirty academic vacancies that are still Maybe twenty to thirty nine vacancies are left. In terms of Staff yeah, we look heavily on the vacancies. We didn't touch any classified staff, the staff classified. But the ones that are identified as contract throughout the report, those are the ones laid off.

Contract yes, thank you very much. And that was the question and comment is just I know this is a very, very difficult process exercise and I noted the present comments at the out.

I'm sure that this will be very welcomed and within the University team, and again applaud the work that you've done. Thank you.

Madam Chair.

I thought I heard Dr. Spencer.

Is that you Dr. Spencer? Yes, ma'am. I'm not sure if I was able to to speak. I wasn't. I, don't usually attend the finance committee but do I have your permission to speak?

Yes ma'am.

So the faculty is very concerned about the academic cuts and to answer board member's Herrera's question a little more thoroughly and this was one of problems that we had upon reviewing the budget, especially as it relates to academics, is that the vacancies and the contracts represent vacancies that have not been filled and then the contracts represent term contracts that are not being renewed on the academic side.

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And I wanted to reiterate to the board of visitors that in two thousand and eighteen, during one of the our meetings I presented a report in which I talked about our concern that our faculty positions were not being replaced, and so we have had to use the term positions in order to replace our tenure track positions that were not being filled. So this total represents a thirty two academic positions that are not going to be filled. The twenty five percent NPS reduction represents a reduction in departmental budgets that were already waning. So we're extremely concerned about the impact that these thirty two positions, and this twenty five percent reduction to have on our ability, not even at this point to be able to provide a quality education and quality instruction for our students, but really to be able to function. So, I am for the record, I just wanna posit the faculty senate's concern about these reductions and the impact that it's going to have on academic function. Thank you.

Thank you, Dr. Spencer. So noted. Thank you.

Madam Chair, This is Greg Whirley.

I am concerned with the level of cuts I cannot speak to the detail because I don't have it, but and our last meeting, I thought Dr. Paul indicated that we would have he was proposing an additional two million dollars on the academics to address faculty and to address online teaching. And I think the breakdown was somewhere around one point seven million dollars for faculty and about a five million for online instruction.

I was expecting from the business approach I was expecting to not see it cuts in the academic side, because I thought from the previous meeting, we will be adding resources to the academic side, so if you take the the two million that I thought Dr. Paul presented, I don't have his slide where he presented that in a previous meeting but This is like a six million dollar turnaround. You've got four point three million cut versus Adding two million to the base budget. So I, I guess I would like to someone to explain that for me. How did we go from suggesting that we were going to have an investment of two million for the academic side versus now, we have the cut of four point three million. If Dr Palm or someone could explain that. I appreciate it.

I, I, I could kinda to start and then turn it over to Dr Palm. But, you know, we, we talked that as an administration a lot about that. You know, once again and it's, you know, present as well, that, you know, every time we've looked at this. We've always tried to hold instruction as harmless as possible well where This is possible. We tried to do the same this time as well, too. But there will be fewer students. And if they are fewer students, then that expense has to be addressed. For instruction, if you look at the total budget, instruction actually is about forty million dollars. And our total budget is roughly seventy one million dollars. So, instruction represents fifty-eight percent of the total budget.

If you look at on here, and you look at the instruction if you look at this four point three million, and you pull out, what is not instruction that's the provost and the Library. It only is dealing with three point three million. That three point three million represents of that total eight million dollar budget reductions of of forty two percent. So while the instruction component, when you look at the total budget, represents fifty eight percent, the

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reduction that we're proposing here is only forty two percent. It is less than like, a lot less than what that total allocation is for the entire budget.

So, it's something we were very sensitive to we've continued to be very sensitive to it and I'll just kind of pass it on to Dr. Palm to talk about it some more.

Yes. So thank you. Mr. Whirley, and to everybody on the board, that this was very difficult. One of the things we wanted to do was to make sure that we are also able to ensure we're providing the quality of instruction that we need for students as well as support our, our faculty and staff. One of the things that we did though is we went through each college Dean as well as chair went through exercise with regards to various reductions.

The major thing that I wanted them to do was to identify where the nonrenewals will be with regards to the term or contract faculty and how we will be able to continue operations as well as provide the quality instruction. And so we went through several rounds of Conversations with the deans and chairs and we feel pretty confident that we will be able to continue that level of instruction with the various types of nonrenewals.

Now, What I would tell you is that there are about Three hundred and forty eight faculty members. Of that Three hundred and Forty eight, we had sixteen term faculty members that were not renewed and that actually expands across the whole University. The other thing is that, of course, we are sensitive about the vacancies and we, I, wanna make sure that we prioritize these vacancies as we move forward with regards to reactivating them.

The major goal was to really cut down on the impact that it was gonna have on. Now, the other thing is that our term faculty members, they, they, usually teacher load about four classes and then that also includes, and sometimes up to five classes, but also includes fringe benefits with that. We will have to take a look at actually getting Actual adjuncts to actually cover those particular classes as well. So our, our chairs have a pool of adjuncts they can actually leverage to really make sure that we have continuity of operation in those particular areas.

Mr. Whirley, If I could if I could jump in To kinda help. I believe that your question was, how do we juxtapose the four point Three million on this sheet with the two point two million that we need to add to academics from a previous board member meeting. Would that be a correct?

That is correct.

Well, I mean, no, no, no, no, no, I'm sorry that.

Let me explain I, I bought into the narrative from the June twelfth meeting, maybe that we had to add Sources to the academic area, because You know, there was gonna be a heavier load on our faculty for teaching. And we had to invest in that because We've already cut them over the last two or three years, cut their budgets and that this was a recognition of that and the fact they would have a lot of pressure on them this year or extra work demand. That we were proposing additional cost of one point, seven million according to slide, and we were proposing five point five million to handle online instruction. I've

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kind of bought into that narrative and now it seems to as though it really flipped on me and so now we're saying we're going to reduce the whole budget by one point three million. Now, I get lost when you give me all the details about how many see, and percentage your percentage there.

But the bottom line is from a business perspective I thought we were gonna be investing in academics, but now we are Cutting four point three and that's the heart of our business. That's the heart and soul of what we do. So, I, I was just a little taken aback by by By that proposed cut, but Mr. President, I'm sorry. So, I wanted to make certain that I explained that.

No sir, I wanted to make certain that's your question is answered and if it if it was, then I think, you know, I think we're fine. I, I wanna make sure that you knew that the investment of that two point two million is happening and so the, the difference of the twenty six million dollars that shortfall was a combination of revenue loss plus investments that we believe we needed to make because of Covid Nineteen, and because of the new new world.

If you look at I.T., for example, earlier this particular document, There is a reduction in Staff in our I. T. department. That reduction in staff was used again for the entire university to strategically invest in those things that we need to, particularly online education, more adjunct professors to be able to move forward next semester. So, there is that investment was a part of the new expenditure strategic expenditures that we need to spend for Virginia State University.

Mr. Mr. Madam Chair, Mr. President, The question. I didn't bring technology up but I am glad you did. I have the same general approach of My concern is, is the same on both areas. Online instruction, we will be doing more of that than ever and including this semester. the presentation from Mr. Harris at the last meeting, which I don't have a copy of. So I can't quote the number was suggesting that we were gonna invest x X amount of money. Over and above the baseline budget. Now, I'm seeing we are reducing that Baseline budget, so, in fact that amount he was proposing is not going to be included in the budget. I don't know how we go to online instructions and not provide those resources.

I think Mr Mr. Whirley. It's kinda it's a difference between Normal operating budget in a strategic covid related, moving forward. And so what we've done is to make the to make the changes in our normal operating budget. Changing budget for next year and so those funds have been identified and we're on the previous sheet and we have begun moving forward with those strategic priorities including health online education and online education.

Madam chair, I will hold off on my question and maybe when we get into July and have the face to face meeting I can get into more detail on some of the questions. I, I just have a general concern that we are reducing the baseline budget by Four point, if I'm looking at academics and non academics, Three point six for Non academics and four point three for academics for a total of eight, eight million dollars. That's coming off of the baseline budget. But the last month presentation suggested that we had to increase that baseline budget, so I'm just struggling to understand the business approach to this and, and, and how does this translate into effective budget for the faculty, staff, and an administrators to to do their jobs. So maybe offline can be explained to me, you know.

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Thank you Mr. Whirley. So noted. I have your concerns down. We will address them and be able to come back with a more definitive answer in our July meeting.

Okay, are there any other questions?

Madam chair, This is Dr. Spencer. I have one question.

Yes, Dr. Spencer.

Mr. Davenport, Can you can you that you're taking twenty five percent from the departments. Can you tell us what the departmental budgets for each of the departments budgets are so that we can put in perspective how that twenty five percent NPS reduction is going to impact the department functioning? And then, do you have an itemization of the vacancies, the position numbers, and the salaries associated with that Because I know that You you just said that the taking off the provost and the library would leave two, three point three million, but if we divided three point, three million into the average salary for faculty that still constitutes forty four positions, and then minus the, the twenty five percent NPS reduction. So that's still a very significant impact on academics, even though it may seem insignificant.

And then also, I wanted to point out that the College of humanities, social sciences that one point, two million dollar cut for that department, which really provides a large number of the GE requirements and has the highest course in student load is very, heavy. So can you let us know what the, what the actual budgets are for each department so that we can understand the, the impact of the twenty five percent?

And I am going to let, maybe Dr. Palm has some of the information. I don't have the budgets in front of me, but we certainly did look at the budgets, particularly as it pertains and nonpersonal services to make sure we couldn't cut You know, where we couldn't realize that twenty five percent reduction, and all the vacancies I, we do have a report that I worked with Dr. Palm and his team on of all of the vacancies for each of the academic programs that were represented.

Just my recommendation as Faculty Senate Chair, I really think it is important to contextualize these general numbers. Both the Senate and the board have an appropriate amount of information to be able to determine what that impact with that financial impact would look like. Generally, it seems like it's nothing in comparison to the larger budget, but when you put it in context as to what the departmental budgets are. Department to budget, that's only sixteen thousand dollars per year. Can't really four to twenty five percent cut especially when you consider the printing and telephone costs that have to come off of the top of department to budget. So I think it would have been good to be able to contextualize what Budgets are so that we can understand what that twenty five percent looks like. Dr. Palm, I don't know if you have that information, but if you do could you share it.

Yeah, what I would tell you again we were looking at the overall college departmental, twenty, five percent and so in many cases and I'll get that information to you. I don't have it right now. But when you take a look at the

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actual college itself, when they when I asked the deans and chairs to go in, they also took into consideration that this is not gonna be a normal semester. So, there's gonna be a reduction in a number of things that are taking place as we, as we move into the semester. But again, it was overall for the college itself, not specifically for the for the particular departments itself so, in some cases, a department may have taken more of a, a reduction versus another. Just, as far as the the general college itself went.

But my major goal was really to have the deans and chairs work through it with regards to being able to continue that quality instruction as well as operating. And so we, we've had again had a number of conversations that that discussed the reductions, but also wanted to make sure that they can still deliver the instruction that is needed to make sure that our students are getting that quality education, thank you.

As we all know, Mr. Hill can hear us clearly, but he is not able to hit his sound so that we can hear him. So he has asked me for the record to share that He also has concern with us knowledge and using three million as a carry over the same concerned that Mr. Whirley had and as well, he has a concern with the cuts to the faculty, so just for the record He wants to be down as having made those comments.

Yes, Mr. Hill. I see your hand. Oh, that's good. Okay. Very good. Very good. Any other questions on what has been presented by Mr. Davenport or Mr. Palm, Dr. Palm?

Mr. Rector or President Abdullah, do you have any final comments?

Yes, I do. I echo the sentiments of the President as he thanked his the staff for the effort that they put forth in preparing reports and information for for this meeting. We know as you mentioned in your opening, that this is a, this isn't the not normal, normal season for us, to be engaged. We understand that this is this is extra. And then it, it, it takes the, the effort of the staff. So, we're, we're thankful and grateful for the efforts.

Finally we, we were noticed that our general counsel will be leaving on July thirty to take an assignment with the attorney general's office. And so I, I would like to officially thank Ms. Ramona Taylor for her five years Service to Virginia State University. Service that that included the delivery of her time, her talent, and her guidance with with regards to the board and to the university. So, with that, we, we wish your good luck and Godspeed as she moved into this, this new season of her career in the AG's office, so thank you very much, Ms. Ramona Taylor.

And thank you.

Madam Chair. I'd like to I like to jump in first. I would like to echo the rector's remarks. I thank Ms. Taylor for her service to Virginia State University for her commitment to the students. Please also forgive me that my neighbor is cutting grass. First, I want to make sure thanks for for what she's done.

Second, I know that because we're in a public meeting, I'm more mindful of the fact that students may be listening. So I wanted to make sure that I clarify

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the residence hall situation. So, in our previous meeting, we talked about having mostly singles. We are now actually to mostly doubles in our nontraditional our newer dorms that we are double occupancy in most rooms where there was doubles before and then an actual additional single occupancy because of the community restrooms in those dorms.

And so, that brings our number to about twenty three, fifty that was quoted earlier. That is very close to the number of students that we have had in previous years. We do anticipate having a larger number of students, not just those or prioritize number of sophomores and juniors also. However, we do have actually heightened interest this year, so we, we still will have to manage that high interest but I wanted to make sure. So any of the students and with that, and thank you, Madam Chair for for the for the wonderful meeting.

Thank you. Mr. President.

I would like to have some final remarks as well...Having listened to everyone. I've recognize that the Finance Committee has a tremendous challenge in front of it. He worked very closely with me the last couple of days bringing me up to speed looking at the numbers upside down. And I want to thank him publicly for that, but I do recognize it's a hard task, not just for him and his department, but for the entire university end for us as a board. And the bottom line is this and we all know this, even looking within our own household when you have a finite amount of money. Hard decisions have to be made and unfortunately, no one ever agrees on how a finite amount of money is supposed to be spent. When the money is good there are No issues. Everybody is happy and everybody skips along and keep going.

I leave you with this this joke, it may be funny to some and maybe not to others. When I first got married, my husband thought good financial management and stewardship was if each day he had a dollar left. And he said he had managed well, he has spent all his money, but he had a dollar left, and I looked like he was crazy. And that became obviously, you know, thirty, forty years later into our marriage, he has come over to my side of the fence, because good financial management is not having a dollar left. It's being able to say, hey, because I have so much left that I can pay bills with what's been left over because I've been a better Steward of my finances. And I think that is the situation that Virginia State finds itself in right now. We have a finite amount of dollars to work with and we have to find ways to shore up our financial resources, i.e., going out and getting donors and showing our current donors that we are still a good investment, that we are still turning out great students. We have great faculty. We have a great campus. There's a lot of work for us to do, but the reality right now is we have a finite amount of dollars, and we are living right now, paycheck to paycheck or i.e., tuition to tuition.

And nobody wants to use whatever savings that they may have even in personal finances to pay current bills. The whole idea is that those reserves, are supposed to be used for emergencies that were unanticipated, but ongoing current operations should be able to be paid and managed out of your operating Funds and revenues and unfortunately for a whole lot of different reasons that we've already uncovered and some I've mentioned in my opening comments, that is not the situation and again, I want to assure everyone that we believe we are aware of, of all of those answers. And if not as time goes on, we will become aware of them and that we are not taking any of these things lightly.

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We do want to get Virginia State back on a solid financial footing, but please, for those who have concerns with cuts, the best thing I always say when you are leaving a meeting; if you have a concern with the cuts, come back with an alternative. It is always good. It's always easy to say what we shouldn't do, but if we have to cut, we have to cut somewhere.

So, I'm asking each of you to think hard on your perspective positions on the university staff and administration, if there are other areas that can be cut so that we have alternatives. But without alternatives, obviously hard decisions have to be made and no one likes to make those decisions but we only have a certain amount of money, and there are certain things that that have to be done right now. We have to consider the safety of our students, we have to get them back on campus, we have to have the technology in the online classes to continue to have them want to stay at Virginia State, and not transfer elsewhere, so when you're starting to prioritize dollars, you've got to put those dollars in places that immediately stops the bleeding, or at least gets it to a trickle, so that we, You know, aren't bleeding out. So I just asked everybody to please keep that in consideration Budget cuts and reductions that are necessary in all aspects.

But please know that as a committee, we do plan to do financial stewardship and I'm not going to ask everyone to be on the end with me where we save every single dollar, but I know there is that pendulum that we all swing somewhere in between, but I, I hope we can meet in the middle and be able to shore up the the finances of the University at the time recognizing that we know time is of the essence, and this is a concern that has been carrying over for a number of years.

But we are ready to try to do what we can to shore it up. So, with that being said, unless there are any of the questions or any of a final comments, I would entertain a motion to adjourn.

So, Charlie says he moves to adjourn, Madam Chair.

Alright, alright, we've got most of it. All in favor say, Aye.
Alright, do we need a roll call?

Thank you, Dr. Brown.

You all have a good rest of the month we have in June. We are having a meeting in July, so we will be getting that information out to you as soon as it is confirmed.

Thank you very much.

Thanks.

Thank you. Now.

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