

**RADFORD UNIVERSITY BOARD OF VISITORS
BUSINESS AFFAIRS & MARKETING COMMITTEE
September 15, 2011**

MINUTES

APPROVED

Committee Members Present:

The Honorable J. Brandon Bell, Chair
Mr. Ronald R. Wesley, Vice Chair
Ms. Wendy S. Tepper
Ms. Linda Whitley-Taylor
Mr. Stephen A. Musselwhite, Rector (ad hoc)
Mr. Mark R. Pace, Vice Rector (ad hoc)

Board Members Present:

Ms. Nancy E. Artis
Mr. Stephan Q. Cassaday
Mr. Matthew B. Crisp
Ms. Sandra C. Davis
Mr. Thomas E. Fraim
Mr. Milton C. Johns
Dr. Richard Roth (non-voting advisory faculty representative)

Others Present:

Mr. Richard Alvarez, Vice President for Finance & Administration and Chief Financial Officer
Mr. Don Appiarius, Associate Vice President and Dean of Students
Ms. Deanne Estrada, University Relations
Mr. Ron Forehand, Senior Assistant Attorney General
Ms. Christy Jackson, University Relations
Mr. Danny Kemp, Vice President for Information Technology and Chief Information Officer
Ms. Penelope W. Kyle, President
Ms. Margaret McManus, University Auditor
Dr. Sam Minner, Provost and Vice President for Academic Affairs
Dr. Steven Nape, Vice Provost/Enrollment Planning & Management
Ms. Lisa Ridpath, Assistant Vice President for Budget & Planning
Dr. Mark Shanley, Vice President for Student Affairs
Faculty, staff, and guests

Call to Order:

The Honorable J. Brandon Bell, Committee Chair, called the meeting to order at 9:00 a.m. President Kyle introduced Dr. Richard Roth, the faculty representative to the Board of Visitors, as well as Ms. Sandra Cupp Davis, newly appointed member of the Board of Visitors.

On a motion by Ronald Wesley and seconded by Mark Pace, the committee agenda was approved as distributed.

On a motion by Linda Whitley-Taylor and seconded by Ronald Wesley, the minutes of the May 5, 2011, meeting were approved.

Discussion:

Ms. Margaret McManus presented a report on the University Discretionary Fund review for the quarter ended June 30, 2011. She reported that one hundred percent of expenditures were reviewed and all were found in compliance with the Board of Visitors' guidelines. Ms. McManus also presented the FY2011 Activity Report and the FY2012 Audit Plan for the Office of Audit and Advisory Services, and reviewed a follow-up audit status report- ***Attachment A***. Also reviewed were the FY2011 Financial and Staffing Summary and the FY2012 Financial and Staffing Plan.

Ms. Lisa Ridpath provided a preliminary financial statement review by major programs for the year ending June 30, 2011. Revenue and expenditures were at expected levels for fiscal year 2011- ***Attachment B***.

Action Items:

Resolution requesting approval of the 2011-12 Operating Budget

The Business Affairs & Marketing Committee reviewed and discussed the adoption of a resolution approving the 2011-12 operating budget. Mr. Alvarez provided an overview of the recommended budget by major program (E&G, auxiliary, etc.) and discussed the impact of one-time federal stimulus (ARRA) funding. As presented, the proposed 2011-12 operating budget totals \$175.1 million for revenues and \$163.8 million for expenditures. The difference of \$11.3 million represents funds contributed to support auxiliary reserve requirements for operations, equipment renewal and replacement, and future capital projects.

When looking at total tuition, comprehensive fees, and room and board fees for in-state, undergraduate students, Mr. Alvarez pointed out that Radford University is certainly a "best buy". When compared to other state institutions, Radford University has the 2nd lowest cost in the state.

There was discussion regarding the E&G General Fund Trend (percentage funded FY 2002-2012). It was noted that in FY 2002, 63.1% of the University's budget was funded by the state compared to only 39.7% in FY 2012. It was discussed that in order to reverse this trend, increased support by the legislature would be needed. It was discussed that other strategies for increasing revenue could include admitting more students and increasing tuition. President Kyle commented that it might be helpful to put a group together to work with the Board of Visitors on this issue between the quarterly meetings.

(Mr. Stephan Cassaday arrived during this discussion.)

In response to questions regarding Sponsored Programs, Provost Sam Minner stated that these funds support programs in allied health, education, and other areas. The primary sources at this time are private foundations and state and federal agencies. Provost Minner also stated that one of his goals is to increase funding in this area.

Mr. Bell called for the adoption of a resolution -***Attachment C*** -to approve Radford University's 2011-12 Operating Budget. On a motion by Wendy Tepper and seconded by Linda Whitley-Taylor, the resolution was adopted.

Resolution requesting approval of the *Six-Year Plan (2011)*

Mr. Alvarez gave a presentation regarding the University's Six-Year Plan. He explained that this plan was a requirement of the recently enacted legislation: "*Preparing for the Top Jobs of the 21st Century: The Virginia Higher Education Opportunity Act of 2011.*" Radford University's Six-Year Plan was submitted to the state on July 1, 2011. On August 16, University administrators met with a contingent of state officials to discuss and review the University's Six-Year Plan. The Plan reflects the mission of the University and the objectives and goals outlined in the legislation. The three components of the Six-Year Plan were: (1) Academic (2) Finance, and (3) Enrollment/Degree Projection Plans. Mr. Alvarez informed the committee that comments have been received from the State Council of Higher Education (SCHEV), and the University must now respond to those comments.

In reviewing the Academic and Support Service Strategies for the six-year period 2012-2018, Mr. Alvarez explained that the first two strategies, increasing in-state undergraduate enrollment and improving retention and graduation rates were "revenue generators.. He pointed out that the first non-revenue generating priority on the Six-Year Plan deals with addressing faculty salaries. He also stated that the Department of Planning and Budget provided instructions not to submit a decision packages for salary increases as this would be considered centrally.

The Committee engaged in extensive discussion relative to the requirements of the Six-Year Plan. Mr. Alvarez explained that some of the initiatives contained in the University's Plan may not have originally been the University's priorities, but were initiatives that were developed based on directives from the legislature and the Governor's priorities. The Committee was reminded that guidance from Richmond directed universities to focus on Science, Technology, Engineering, and Math (STEM) and health-care related programs.

Provost Minner reviewed the "Academic Plan Initiatives" and stated that these particular initiatives would enhance and build upon current program strengths as well as foster the development of new opportunities.

Mr. Bell called for the adoption of a resolution -***Attachment D*** -to approve Radford University's Six-Year Plan (2011). On a motion by Mark Pace and seconded by Ronald Wesley, the resolution was adopted.

Resolution Approving the Six-Year Capital Plan for 2012-2018

Mr. Alvarez reported on the 2012-2018 Six-Year Capital Plan. Every two years each college and university in the Commonwealth of Virginia submits a Six-Year Capital Outlay Plan to the Department of Planning & Budget. From those requests, the Executive Branch prioritizes projects that it decides to include within the Governor's Executive Budget Bill that will be presented to the General Assembly in December 2011. Mr. Alvarez stated that RU's Six-Year Capital Plan reflects the mission of the University; projects are submitted in priority order and identify the requested source of funding.

Mr. Bell called for the adoption of a Resolution -***Attachment E*** -to approve the University's Six-Year Capital Plan for 2012-2018. On a motion by Mark Pace and seconded by Ronald Wesley, the resolution was adopted.

Resolution Delegating Authority to Approve Real Property Acquisitions

Mr. Alvarez explained that Radford University must have approval to purchase real property as required in the Code of Virginia. Additionally, the By-Laws of the Radford University Board of Visitors identifies that the Board must approve the acquisition of real property. He informed the committee that the University has received approval from the state for the acquisition of real property for campus expansion from nongeneral fund sources. Therefore, in order to effectively and efficiently process acquisitions as real property becomes available, the University is requesting approval of a resolution to delegate the authority to the President to execute all necessary documents to acquire real property, within the vicinity of campus, as it becomes available. He stated that a report of the acquired real property would be provided to the Board of Visitors following acquisition.

In response to a question, Mr. Alvarez summarized the process mandated by the state in order for the University to be able to purchase real property. The University would not be allowed to pay more than the value of the land, and the real property would be generally in the vicinity of campus.

Mr. Bell called for the adoption of a resolution -*Attachment F*- to delegate authority to the President to execute all necessary documents to acquire real property, within the vicinity of campus, as it becomes available. On a motion by Stephen Musselwhite and seconded by Wendy Tepper, the resolution was adopted.

Resolution Delegating Authority to Ensure Compliance with Textbook Sales Regulations

Mr. Alvarez reviewed and discussed the adoption of a resolution delegating authority to the President to develop, implement, and approve policies, procedures, and guidelines that ensure compliance with Federal and State textbook sales regulations. Both the Code of Virginia and the Higher Education Opportunity Act (at the federal level) contain legislation addressing such issues. It was discussed that the University complies with current requirements and will document the necessary policies, procedures, and guidelines for the President's review and approval to ensure compliance with these regulations.

Mr. Bell called for the adoption of a resolution -*Attachment G* - delegating authority to the President to develop, implement, and approve policies, procedures, and guidelines that ensure compliance with Federal and State textbook sales regulations. On a motion by Stephen Musselwhite and seconded by Ronald Wesley, the resolution was adopted.

The meeting adjourned at 10:25 a.m.

Barbara M. Conner, Recorder