

Business Affairs and Audit Committee

April 2022

RADFORD UNIVERSITY

Board of Visitors

RADFORD UNIVERSITY

Board of Visitors

BUSINESS AFFAIRS AND AUDIT COMMITTEE MEETING

12.30 P.M.**

APRIL 28, 2022

MARY ANN JENNINGS HOVIS MEMORIAL BOARD ROOM

THIRD FLOOR, MARTIN HALL, RADFORD, VA

DRAFT **AGENDA**

- **CALL TO ORDER** Dr. Debra K. McMahon, *Chair*
- **APPROVAL OF AGENDA** Dr. Debra K. McMahon, *Chair*
- **APPROVAL OF MINUTES** Dr. Debra K. McMahon, *Chair*
 - February 10, 2022
- **REPORTS**
 - Report from the Auditor of Public Accounts Mr. Zachary Borgerding, *Audit Director, Reporting & Standards, and Radford University Project Manager*
 - University Auditor's Report Ms. Margaret McManus, *University Auditor*
 - Capital Projects and Information Technology Update Ms. Stephanie J. Jennelle, *Interim Vice President for Finance and Administration and Chief Financial Officer*
 - Discussion of 2022-2023 Tuition and Fees Ms. Stephanie J. Jennelle, *Interim Vice President for Finance and Administration and Chief Financial Officer*
- **RECOMMENDATIONS AND ACTION ITEMS**
 - Recommendation for Approval of Administrative And Professional Faculty Handbook Revision, 1.11.14 Parental Leave Ms. Stephanie J. Jennelle, *Interim Vice President for Finance and Administration and Chief Financial Officer*
 - Recommendation for Approval of 401(a) Supplemental Retirement Plan Ms. Stephanie J. Jennelle, *Interim Vice President for Finance and Administration and Chief Financial Officer*
 - Recommendation for Approval of New River Valley Passenger Rail Station Authority Agreement Ms. Stephanie J. Jennelle, *Interim Vice President for Finance and Administration and Chief Financial Officer*

- Recommendation for Approval to Continue Level II Delegated Administrative Authority

Ms. Stephanie J. Jennelle, *Interim Vice President for Finance and Administration and Chief Financial Officer*

- **OTHER BUSINESS**

Dr. Debra K. McMahon, *Chair*

- **ADJOURNMENT**

Dr. Debra K. McMahon, *Chair*

****All start times for committees are approximate only. Meetings may begin either before or after the listed approximate start time as committee are ready to proceed**

COMMITTEE MEMBERS

Dr. Debra K. McMahon, *Chair*

Mr. Mark S. Lawrence, *Vice Chair*

Dr. Susan Whealler Johnston

Mr. Marquett Smith

Ms. Nancy Angland Rice

April 2022 Meeting Materials

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Office of Audit and Advisory Services

FOLLOW-UP AUDIT STATUS REPORT BUSINESS AFFAIRS AND AUDIT COMMITTEE APRIL 2022

Audit: Financial Aid - Enrollment Reporting			
Business Issue	Planned Action	Completion Date	Status
1.2 Improvements are needed in the unofficial withdrawals process to help ensure accuracy and efficiency. Specifically, the unofficial withdrawals process, which involves multiple employees, was unnecessarily performed on approximately 25 students who did not receive federal aid.	1.2 The Office of Financial Aid has updated the desktop procedures for evaluating unofficial withdrawals to clarify that the process pertains only to students receiving federal financial aid. Additionally, data points were added to the unofficial withdrawals report to indicate the types of federal aid that each student on the report received. These updated procedures will be used for Fall 2021.	March 31, 2022	Complete
2.1 Improvements are needed in the processes for specific data elements to help ensure accurate reporting. Specifically, in our sample of 40 students, we noted the following: For five students (13%), the effective date reported at the NSLDS Campus Level was correct, but the effective date reported at the Program Level was incorrect. This appeared to be due to a process run for students that transitioned directly to Radford University from the Jefferson College of Health Sciences as part of the merger. The process appeared to be incorrectly modifying those effective dates for students with status changes after the merger.	2.1 The Registrar's Office has worked with Information Technology Services to find the error in the script used in this process. The script has been adjusted, and it will be implemented for the next data submission to the National Student Clearinghouse.	December 10, 2021	Complete

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Office of Audit and Advisory Services

FOLLOW-UP AUDIT STATUS REPORT BUSINESS AFFAIRS AND AUDIT COMMITTEE APRIL 2022

Audit: Financial Aid - Enrollment Reporting (Continued)			
Business Issue	Planned Action	Completion Date	Status
<p>2.2 Improvements are needed in the processes for specific data elements to help ensure accurate reporting. Specifically, in our sample of 40 students, we noted the following:</p> <p>For two students (5%), although the students' status appeared to be correct in Banner, the status in NSLDS was incorrect. Management noted that the information being reported in the University's file to the National Student Clearinghouse (which transmits the data to NSLDS) agreed with the NLSDS status. However, it was unclear why the incorrect status was in the University's file.</p>	<p>2.2 The Registrar's Office has worked with Information Technology Services and determined that a table in Banner had an incorrect code for ¾ time students. The table has been updated and the time status for students has been updated accordingly. This updated information will be reflected in the next data file submission to the National Student Clearinghouse.</p>	December 10, 2021	Complete
<p>2.3 Improvements are needed in the processes for specific data elements to help ensure accurate reporting. Specifically, in our sample of 40 students, we noted the following:</p> <p>For one student (3%), although the student's status was reported correctly in NSLDS, the status was listed incorrectly in Banner. This appeared to be due to the student being dually enrolled in the University and a community college. However, Banner had not been updated to reflect the dual enrollment.</p>	<p>2.3 The Office of Financial Aid has developed a process to monitor all students who are requesting dual enrollment verification for financial aid purposes. The process also includes providing the appropriate information to the Registrar's Office each semester to help ensure that Banner is updated accordingly. This new process will be used for Spring 2022.</p>	March 31, 2022	Follow-up review is in process

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Office of Audit and Advisory Services

FOLLOW-UP AUDIT STATUS REPORT BUSINESS AFFAIRS AND AUDIT COMMITTEE APRIL 2022

Audit: Sponsored Programs Grant Management			
Business Issue	Planned Action	Completion Date	Status
1.3 One PR-40 form (the form that is used to authorize supplemental pay) documented a 50% allocation to the ASSET grant, but the payments were allocated 100% to the grant. After further inquiry, we determined that management completed the form incorrectly, and the charge to the grant was deemed to be in accordance with the original intent. However, because the form on file wasn't corrected, it gives the appearance of unallowable activity. Furthermore, the form contained numerous mark-outs, revisions, and hand-written notes, making it difficult to determine the intent of the personnel action.	1.2 To improve upon existing PR-40 business practices, Human Resources will develop procedures/guidelines for proper completion of the PR-40 form. The new procedures/guidelines will be communicated campus-wide.	March 31, 2021 Revised to March 31, 2022 Revised to June 30, 2022	In Process

Business Affairs and Audit Committee

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Capital and Information Technology Services Update

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Center for Adaptive Innovation and Creativity

View from East Main Street



Tyler and Norwood



Tyler Hall



Norwood Hall

The Highlander Hotel

View from Tyler Avenue



Information Technology Services Update

Banner ERP Cloud Migration

- March 21, 2022 project kickoff
- Twelve month anticipated timeline with completion estimated spring 2023

Single Sign-On Cloud Migration

- Migration began January 2022
- Testing under way with planned go-live May 2022

IT Security Operational Update

- Office 365 setting change
- Annual Cybersecurity Awareness Training launched April 1, 2022 due May 16, 2022

2022-23 Tuition and Fee Future Considerations

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Fiscal Priorities

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2022-23 Strategic Budgeting Priorities

Student Affordability



Strategic Vision



2022-23 Strategic Budgeting Factors



Economic Outlook



Mandatory Cost Increases



Legislative Actions



Enrollment



Programmatic Priorities



Market Pricing

Economic Outlook

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Economic Outlook

- Virginia economy is rebounding from the pandemic and conditions are favorable as the country transitions into an endemic phase
- Commonwealth's unemployment rate was 3.2% (national average was 3.6%) - lowest since March 2020
- Strong state revenue forecast
- Inflationary impacts on goods and services as well as supply chain disruption

Legislation Actions

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Legislative Actions

Item	Executive Budget Proposal	House Amendments	Senate Amendments
Base Operation and Student Financial Aid			
Affordable Access	\$2.7M in 2023	\$2.7M in Governor's Budget plus \$1.4M in 2023	\$2.7M in 2023
Increase undergraduate financial aid	\$1.5M in 2023 and \$8.3M in 2024	\$3.8M	No change
Increase graduate student financial assistance	\$175K in 2023 and \$87,300 in 2024	No change	No change
Personnel, Fringe Benefits, and Central Systems			
Salary Increases	Five percent salary increase	Four percent salary increase one percent bonus	Five percent salary increase and \$1,000 bonus
Min Wage Increase	January 1, 2023 to \$12.00/hour	No change	No change
Employer Health Insurance Premiums	Two percent increase 2023	No increase to premiums in 2023	No change
VaLORS VRS Employer Contribution	Increase in the required employer contribution rates	No change	No change
Other Central System Charges	Increase in VITA Bill (\$2K), decrease in Cardinal (-\$170K), decrease in PMIS (\$10K), decrease in PBS (\$2K), increase in property premium charges (\$69K)	No change	No change

Strategic Plan

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Programmatic Priorities

2018-2023 Strategic Plan: *"Embracing the Tradition and Envisioning the Future"*

- The plan contains a total of six areas of focus (see below), 22 goals, and a number of strategies for achieving the University's mission and vision.

Academic Excellence and Research

Philanthropic Giving and Alumni Engagement

Brand Identity

Strategic Enrollment Growth

Economic Development and Community Partnerships

Student Success

Mandatory Cost Increases



Mandatory Cost Increases

In addition to state mandated items, the University must also address mandatory cost pressures including:

- Contractual operating commitments
- State central cost allocations
- Operation and maintenance of new and existing facilities
- Contractual escalators for technology and maintenance contracts
- Escalating utilities
- Committed cost for previously approved projects
- Teaching and Research Faculty promotion and tenure contractual commitments

Enrollment

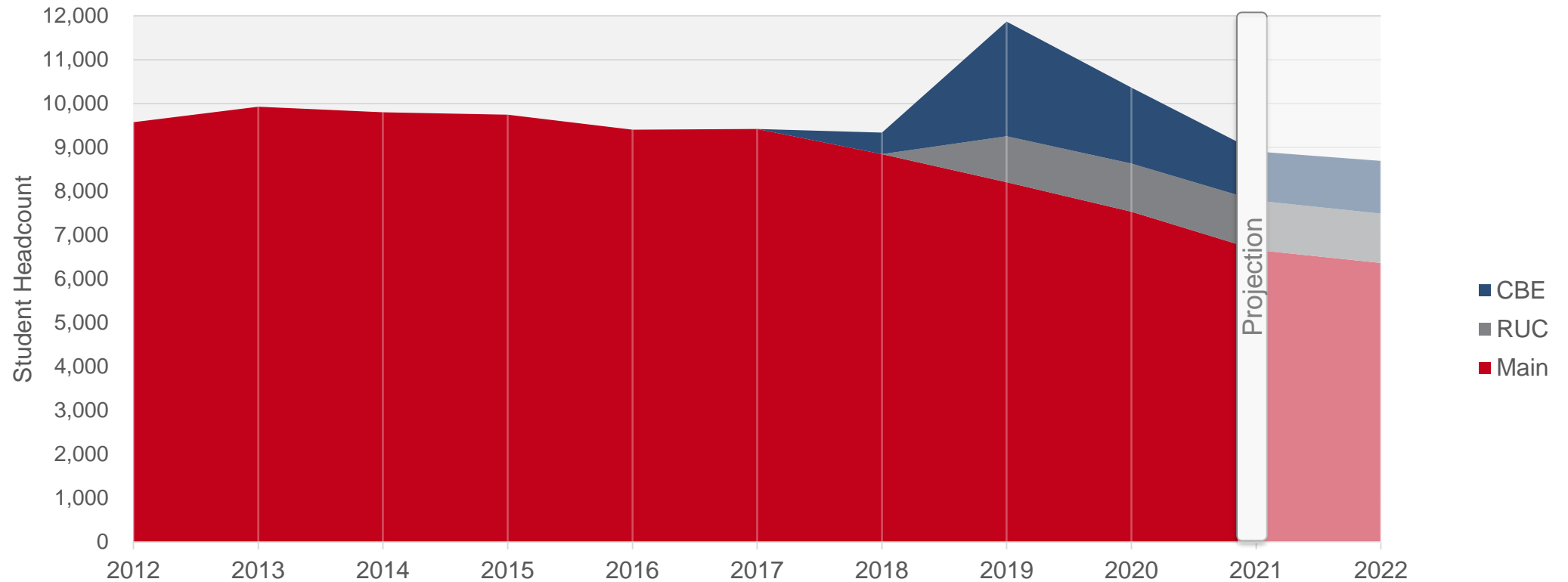
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Enrollment Projections

As Non-General Fund support becomes a larger portion of the University budget, enrollment projections greatly impact the fiscal plan. The following student composition factors are critical when projecting enrollment:

- In-State
- Main Campus
- Undergraduate
- On-Campus
- Online
- Out of State
- Radford University Carilion
- Graduate
- Off-Campus
- Seat based

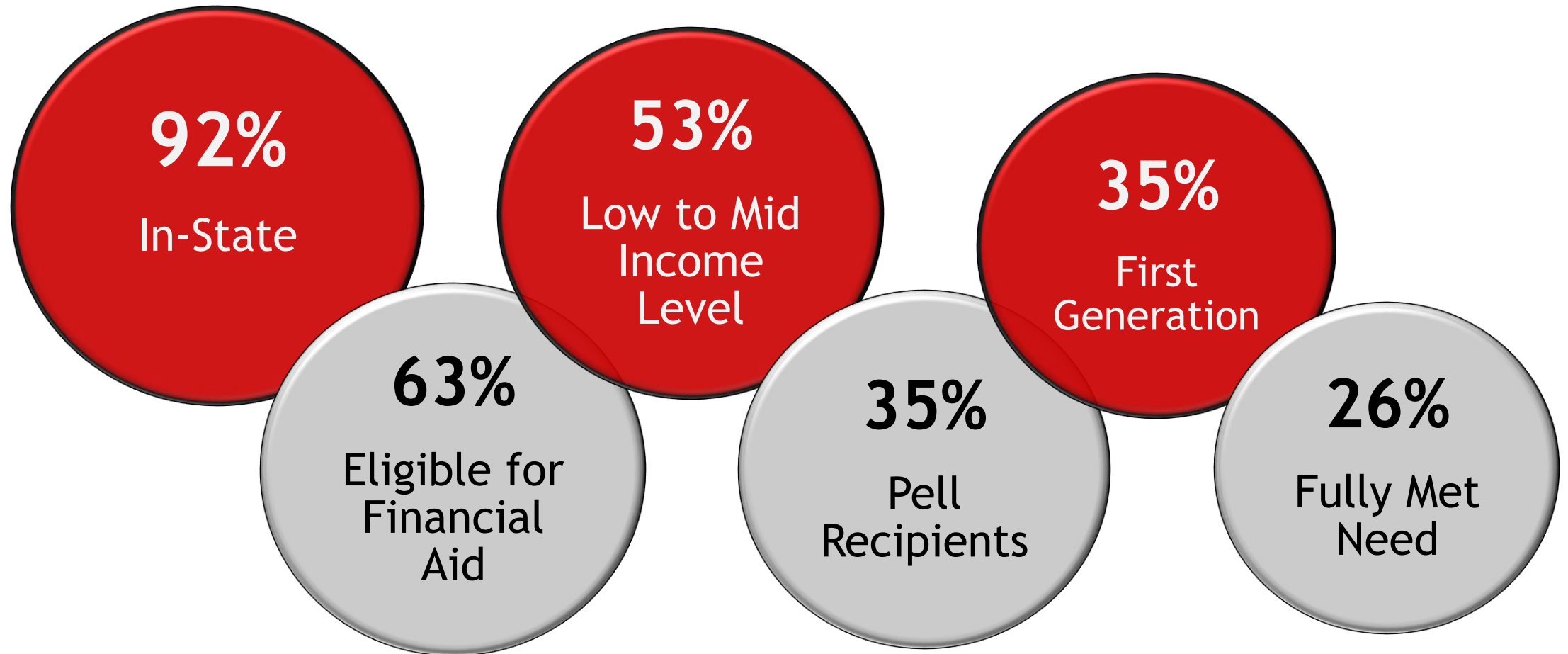
Fall Enrollment Outlook



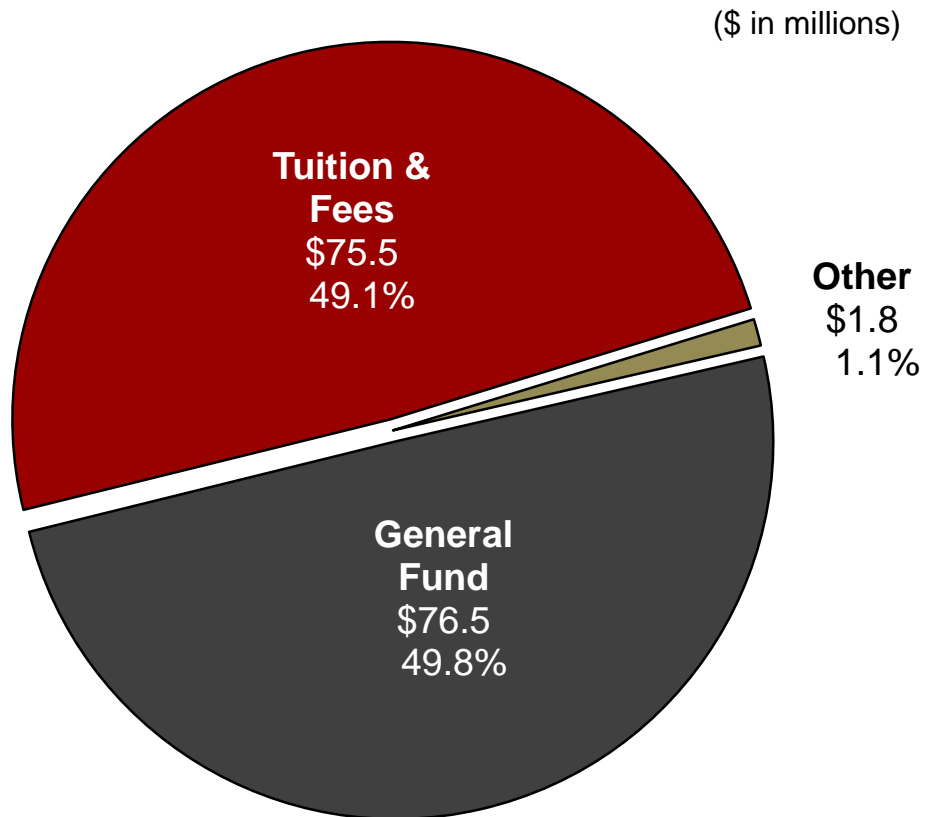
Market Pricing

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Student Demographics



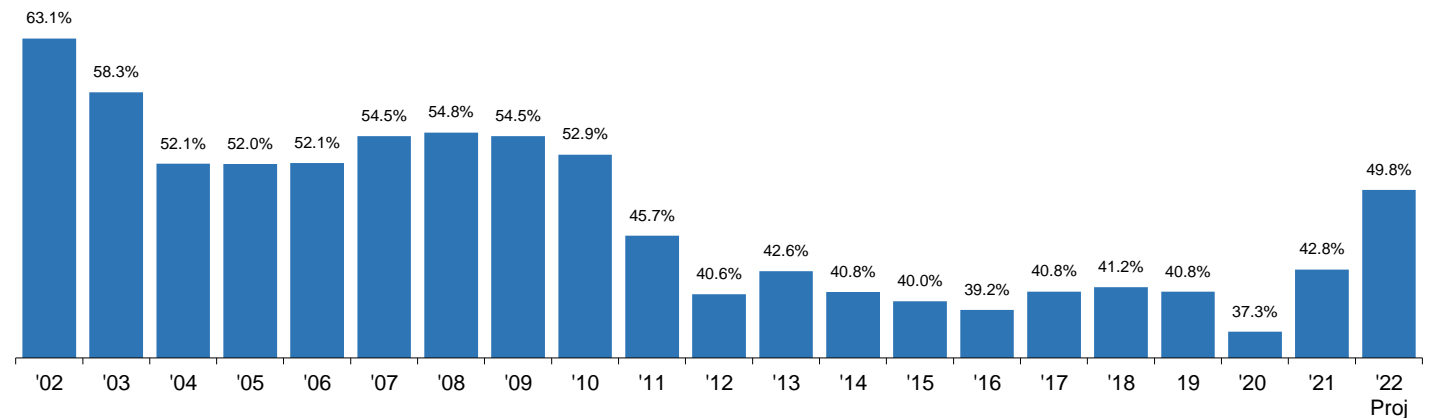
E&G Revenue by Fund Source



Public Higher Education utilizes a shared cost model where both the state and student contribute.

Higher Education is not a mandated state budget item, but state policy seeks to contribute **67%** share of the cost of education.

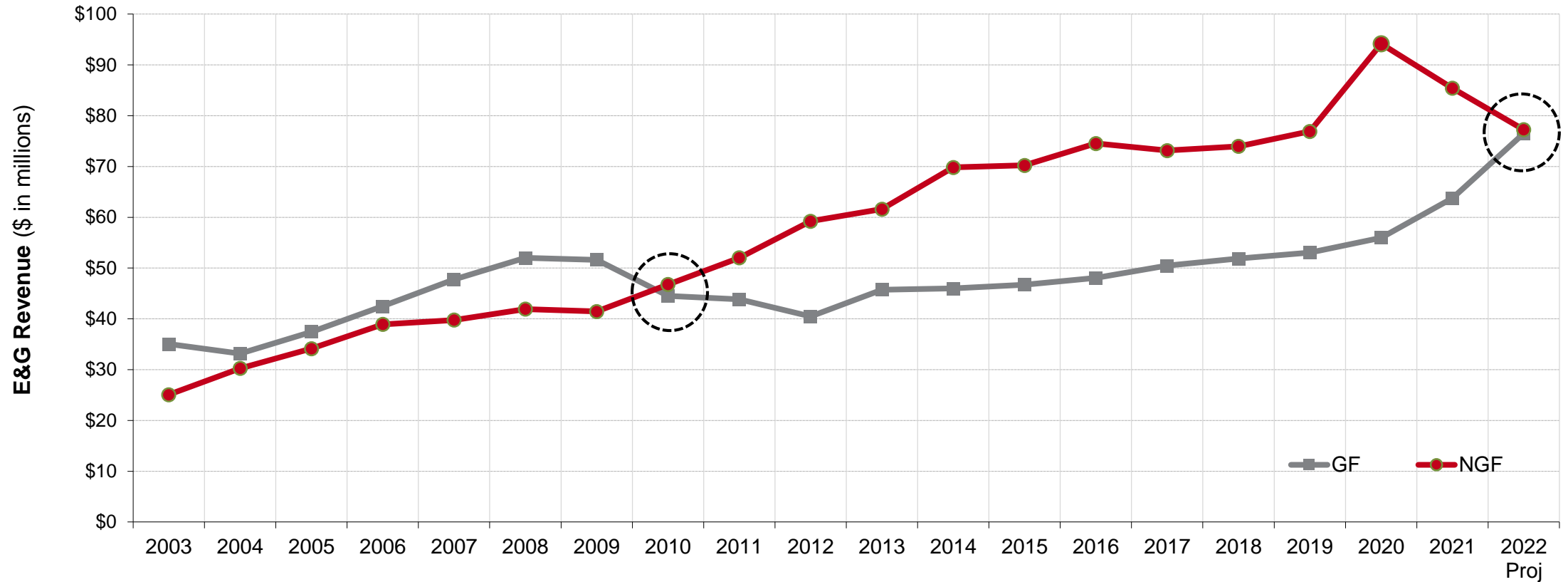
GF Percent (%) of E&G Revenue



*2021-22 Projected

Shift in Higher Education Funding

Radford University E&G Funding Trend



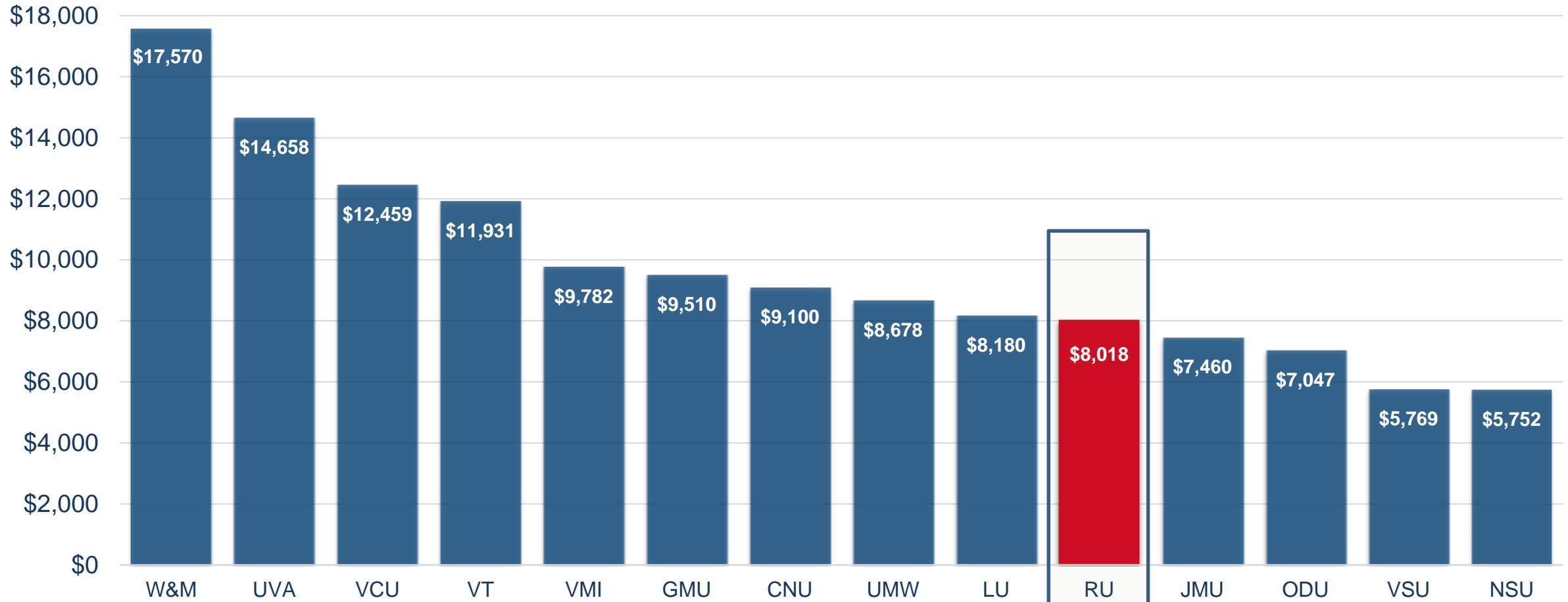
Tuition and Fee Rates

	2021-22 Tuition and Fee Summary			
	Undergraduate		Graduate	
	In-State	Out-of-State	In-State	Out-of-State
Tuition	\$7,922	\$19,557	\$8,915	\$17,441
Mandatory Technology Fee	96	96	96	96
Mandatory Capital Fee	N/A	447	N/A	447
Tuition & Mandatory E&G Fees	8,018	20,100	9,011	17,984
Mandatory Comprehensive Fee	3,524	3,524	3,524	3,524
Subtotal Total Tuition and Fees	11,542	23,624	12,535	21,508
Room - Standard Double	5,660	5,660	N/A	N/A
Board - 19 Meal Plan	4,487	4,487	N/A	N/A
Additional On-Campus Charges	10,147	10,147	N/A	N/A
Total ("Sticker") Price	\$21,689	\$33,771	\$12,535	\$21,508

According to SCHEV, in 2020-21 the average cost to educate a student at Radford University is **\$14,910**

Therefore, for example, In-State Undergraduates Tuition and Fees only comprise **53.8%** of the total cost

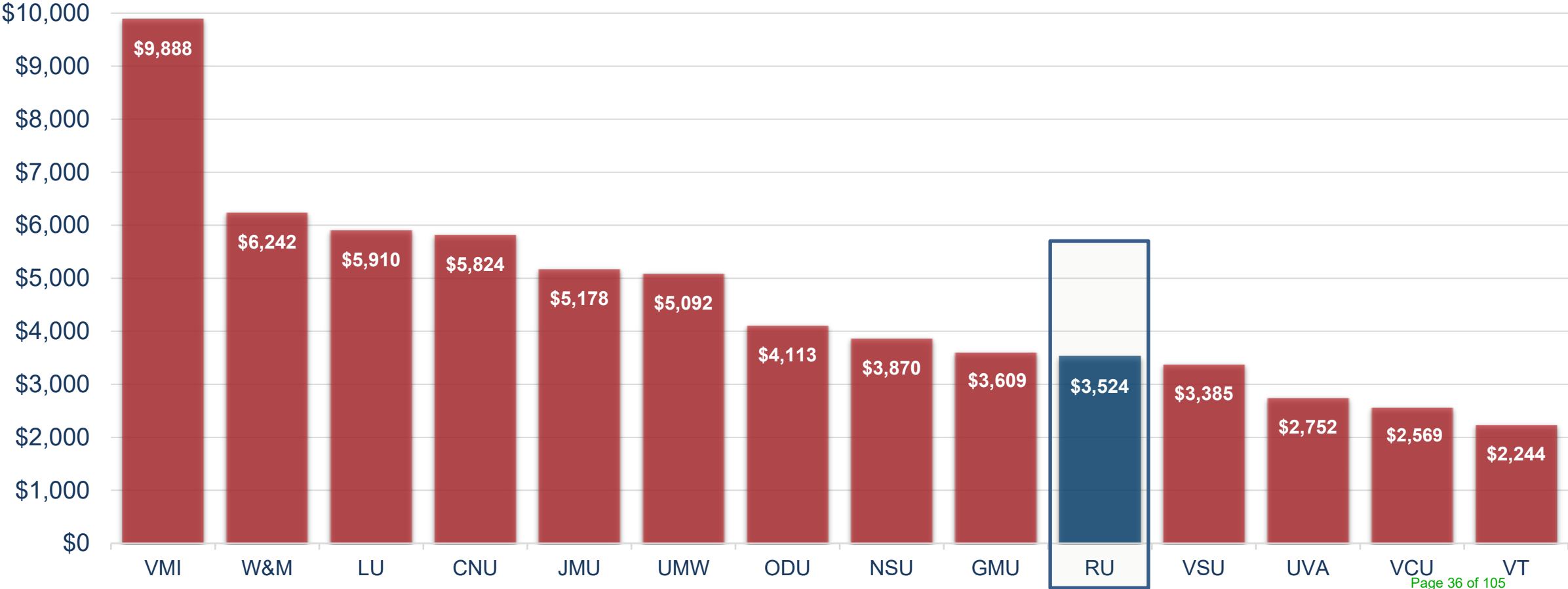
VA Public Higher Education In-State Tuition & Mandatory E&G Fee Rates



Auxiliary Comprehensive Fee

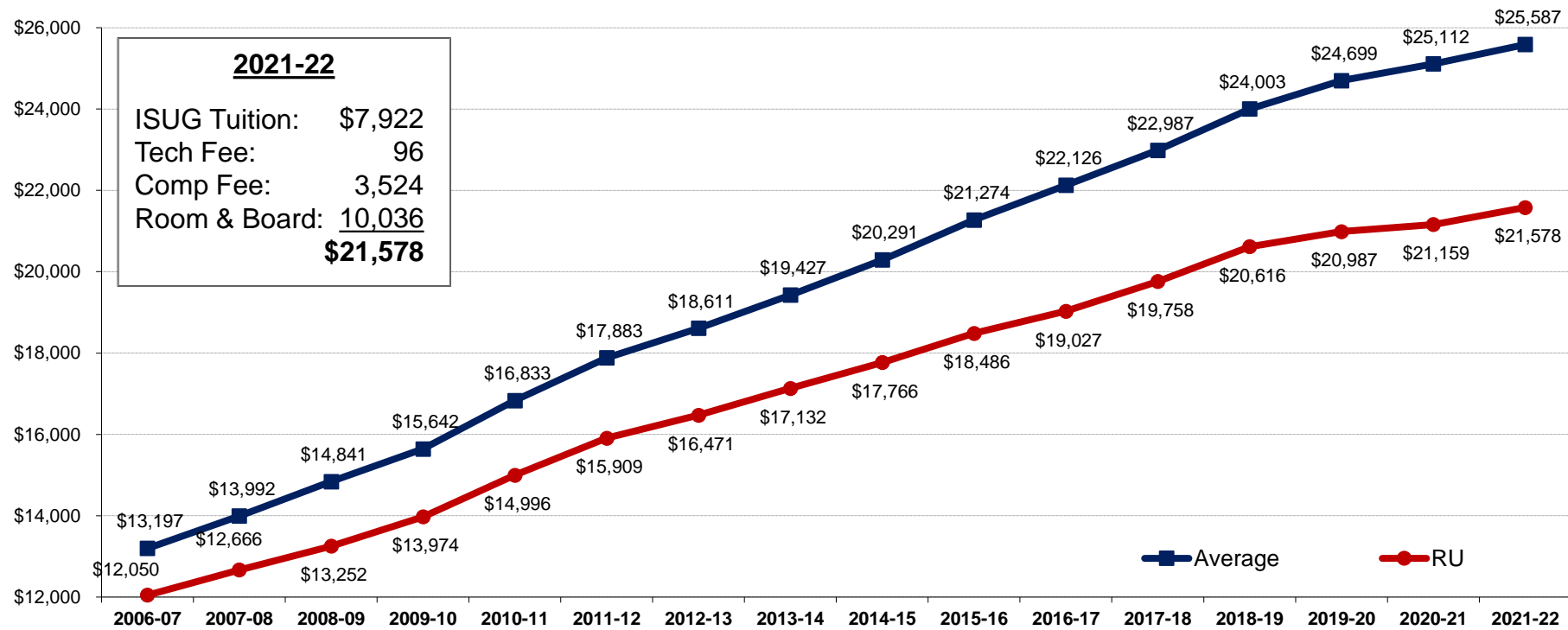
	2021-22 Rates	Percent of Total
Mandatory Comprehensive Fee		
Athletics	\$1,299	36.86%
Auxiliary Building/Facilities	272	7.72%
Auxiliary Support	243	6.91%
Debt Service	305	8.65%
Recreation	319	9.05%
Student Activities	152	4.31%
Student Health	361	10.24%
Student Services	103	2.92%
Student Union	320	9.08%
Transit	150	4.26%
Total Comprehensive Fee	\$3,524	100.0%

VA Public Higher Education Mandatory Non-E&G Comprehensive Fee Rates



Main Campus Total Cost: Affordable Provider

Comparison, In-State Undergraduate
RU and Average 4-year VA Public Institutions of Higher Education



Rank	Inst.	2021-22
1	CWM	\$37,414
2	VMI	\$30,032
3	UVA	\$29,786
4	CNU	\$26,684
5	VCU	\$26,643
6	LU	\$26,231
7	GM	\$25,749
8	UWM	\$24,852
9	JMU	\$24,188
10	VT	\$24,051
11	UVA-W	\$22,754
12	ODU	\$22,683
13	RU	\$21,578
14	VSU	\$20,698
15	NSU	\$20,466

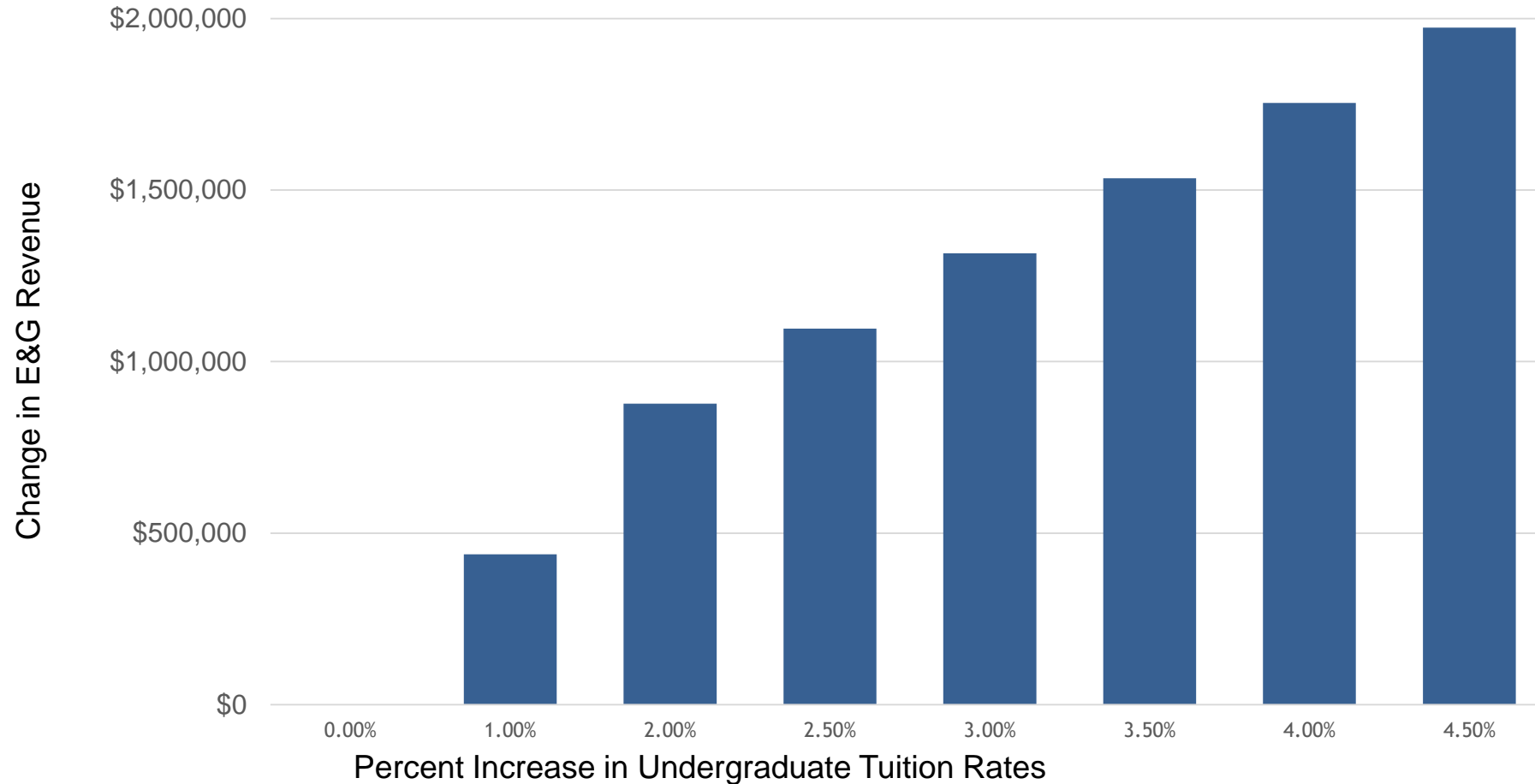
Average = **\$25,587**

FY2023 Analysis of Potential Tuition Rate Changes

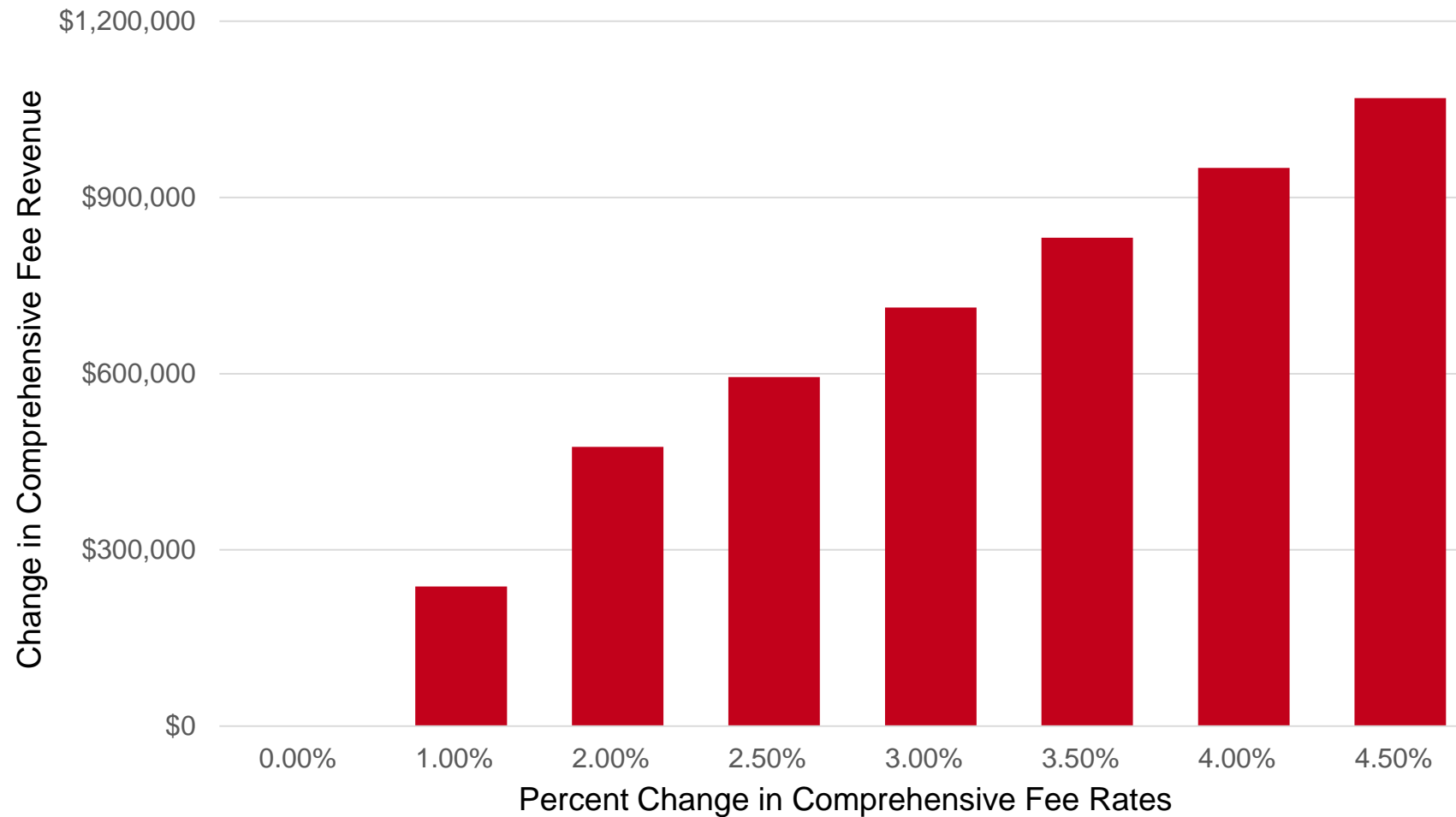
Potential FY2023 Tuition Rate Increase	0.00%	1.00%	2.00%	2.50%	3.00%	3.50%	4.00%	4.50%
FY2023 Projected Revenue Change								
Tuition and Enrollment Change	(\$5,335)	(\$4,801)	(\$4,266)	(\$3,999)	(\$3,732)	(\$3,464)	(\$3,197)	(\$2,930)
General Fund Change (from Governor's Budget)	7,006	7,006	7,006	7,006	7,006	7,006	7,006	7,006
Total Revenue Change	\$1,670	\$2,205	\$2,740	\$3,007	\$3,274	\$3,541	\$3,809	\$4,076
FY2023 Projected Expense Change								
Operating Expense Change (including 5% Salary Incr)	\$4,025	\$4,025	\$4,025	\$4,025	\$4,025	\$4,025	\$4,025	\$4,025
Total Expense Change	\$4,025	\$4,025	\$4,025	\$4,025	\$4,025	\$4,025	\$4,025	\$4,025
Recurring Surplus/(Deficit)	(2,354)	(1,820)	(1,285)	(1,018)	(751)	(484)	(216)	51
One-time Funding	2,354	1,820	1,285	1,018	751	484	216	(51)
Total Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

* dollars in thousands

Impact of Tuition Changes



Impact of Comprehensive Fee Changes



Administrative and Professional Faculty Handbook Revision

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Addition of Parental Leave

Recognizes the benefits to employees and their families of meaningful bonding time

- Newborn Child
- Adoption or Custody of minor child

Paid Parental Leave

- 8 weeks of paid leave
- Utilize within 6 months of qualifying event

Supplemental Defined Benefit Plan for Faculty

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Supplemental Defined Benefit Plan for Faculty

- Plan administers distributions to retirees participating in the Faculty Early Retirement Program (FERP)
- Qualified plan under Section 401(a) of IRS Code
- Plan funded through a Trust in accordance with qualification requirements of the code

New River Valley Passenger Rail Station Agreement

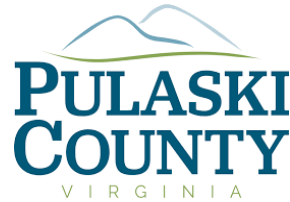
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New River Valley Passenger Rail Station (NRV-PRSA) Overview

§ 33.2-38, of the Code of Virginia, created the regional passenger rail station authority on March 25, 2021

- Enable the members to cost share an economic development asset that is not affordable to individual members
- Directly benefit and enhance the economic base of the members by allowing the development, ownership, and operation of a facility on a cooperative basis
- Governing bodies of any three or more members within a region may, by ordinance, create a regional passenger rail station authority

NRV-PRSA - Members



NRV-PRSA



- Requires compliance with the provisions of the Code of Virginia
- Creates economic growth and development for the University and NRV
- Members may commit resources, procure services, and enter into agreements that further the progress of the formation and operation of the authority
- Requires appointment of two representatives per member to serve four (4) year terms on the Board

Level II Renewal Authority

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Level II Renewal Authority

Eligibility for Restructured Financial and Administrative Operational Authority and Financial Benefits

- Provides operational authority of higher education agencies
- Requires the institutions maintain the ability to manage its operations in the particular area

Radford University currently has Level II Authority for Information Technology and Procurement

- Authority first received on July 6, 2009
- Renewals require Board approval by at least 2/3 of the Visitors expressing the sense the institution is qualified for such authority

Discussion

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs and Audit Committee
April 28, 2022

Information Item
Capital Projects and Information Technology Services Update

Item 1: Facilities Planning and Construction update on capital projects.

Artis Center for Adaptive Innovation and Creativity

Project Budget ----- \$101,651,000
Architect/Engineer Firm----- Hord Coplan and Macht
Construction Manager----- Skanska

The Artis Center for Adaptive Innovation and Creativity (Center) will address an array of significant existing programmatic and building deficiencies across a number of academic colleges. The approximately 178,000-square-foot multi-story building will include state-of-the-art instruction, laboratory, maker, studio, computer, and collaborative spaces that integrate the arts and health sciences, along with office and other academic support functions. Specialty spaces will include an instructional auditorium and support spaces, health science clinical lab spaces, painting and drawing studio spaces, and music and dance studio spaces. The project will be located in a prominent area of campus directly adjacent to East Main Street, and will respond aesthetically to the existing buildings along this important campus corridor.

The project scope will generally provide for demolition of the existing Porterfield East and West Halls and McGuffey Hall and construction of the new building and building systems and components including HVAC, plumbing, electrical, fire alarm and detection, fire suppression, lightning protection, and elevators. The project will replace existing facilities and building systems that are fifty years old and are inadequate for today’s learning environment and technologies. Significant utility impacts will be accommodated, along with erosion/sediment control and stormwater management requirements. The University is also aggressively pursuing sustainable design features leading to certification through the US Green Building Council’s LEED program.

The Capital Budget Request for the project was submitted in June 2019, and was included in the approved 2021-22 biennial budget bond package. Due to extenuating circumstances related to the effects of COVID-19, such as supply chain disruptions and limited workforce availability in southwest Virginia, the project is currently projecting a shortfall in funding. Through efforts by The Department of Planning and Budget and University Administration, additional funding for this project was identified in the introduced Governor’s Budget to supplement current project appropriations. The 2022-2024 Biennial Budget is still under negotiations.

Demolition of Porterfield and McGuffey Halls was completed in August 2021. Site grading began in August 2021 and is currently ninety-five percent complete with underground utility work approximately forty percent complete. Construction of the concrete foundations and foundation walls began October 2021 and is approximately thirty percent complete. The full building construction package was submitted to the Division of Engineering and Buildings (DEB) and the building permit

was issued in April 2022. Structural steel erection is scheduled to begin mid-April 2022. The current construction schedule will facilitate project completion and move-in for classes in fall 2024.

Renovation of Tyler and Norwood Halls

Project Budget ----- \$17,000,000

Architect/Engineer Firm----- Hanbury (HEVW)

The Master Plan identifies Norwood Hall and Tyler Hall as the next on-campus residence halls to be renovated. The renovation scope will provide for the replacement of plumbing piping, fixtures, HVAC systems, fire alarm systems, electrical upgrades, accessibility improvements, and asbestos abatement, similar to the renovation scopes recently completed for the Moffett Quad residence halls in 2016. The renovations will also include significant improvements to the first floor building entries, student support areas (i.e. lounges, kitchen, study spaces), along with activating the porch areas for student gathering space. These renovations will give vibrant new life to these buildings built in the 1930’s.

Selection of an architect and engineering (AE) design firm is complete. HEVW completed the pre-planning services to determine final project renovation scope. Final design will be complete in early 2023. This timeline will allow bidding in the spring of 2023, with construction getting underway in May 2023 and project completion in August 2024. The total project budget, originally anticipated at \$17.0 million, is currently being analyzed for potential escalators. The authority to initiate for design services was approved in February 2022 and the AE contract was awarded in March 2022. The AE is in the process of developing preliminary design documents which will be submitted to DEB for review this fall. The Environmental Impact Report was submitted to Department of Environmental Quality in April 2022.

River Campus

The Master Plan identified development of the River Campus on University and City of Radford (City) properties adjacent to the New River. Stakeholder meetings have taken place, including academic and student affairs, and an initial visioning document has been compiled. The visioning document will serve to identify initial projects for execution, and planning and prioritization of further River Campus development projects.

The overall River Campus development includes zones for higher density public activities such as an amphitheater, event space, food and beverage areas, and associated support spaces; for quieter academic and passive recreation spaces; and for highly active recreation and student engagement areas.

An initial project was completed in Summer 2021 that included the greenway extension on University property adjacent to parking Lot Z and the New River. This project will also ultimately include outdoor seating, event areas, and spaces designed to accommodate informal gatherings. The design for a second phase in coordination with the City to link the University greenway to the City greenway is complete. Construction of the trail connector is in progress and anticipated to be complete mid-June 2022.

Further development projects include more significant public projects such as an amphitheater and food services, along with more recreation-based projects such as access to the river for people and boats, climbing walls and bouldering, and zip lines and ropes courses. An architect-engineer firm, hired by the University, has performed a feasibility study for the preferred location for an amphitheater that is

currently being evaluated for next steps.

The City has developed construction documents to rehabilitate the University Drive bridge across the Norfolk Southern tracks adjacent to East Main Street. As part of this project, the University has agreed to fund the replacement of the fencing and the addition of street lighting along the bridge. This project will serve as a significant improvement to the entry to the northern section of campus, and help highlight future River Campus development projects. A preconstruction meeting was held in February 2022 and construction on the bridge began in March 2022 by Fairfield Echols, the City's contractor, to replace/repair expansion joints. Bridge upgrades are anticipated to be completed in fall 2022.

The development of the River Campus will continue to be carefully executed in conjunction with the City, and will also need to be coordinated with all regulatory and permit requirements.

Renovate McConnell Library

The footprint that forms the McConnell Library consists of an original 14,000 square foot building built in 1931, a 47,500 square foot addition built in 1965, and a 46,444 square foot addition built in 1995. Both the 1965 addition and the 1995 addition, which represent approximately ninety percent of the library's square footage and operations, remain in their original configuration with building systems and equipment that have far exceeded their expected useful life. The original 1931 section of the building has been renovated for aesthetic improvements and space upfits, but still relies on end-of-life utility systems and components. Total renovation cost is expected to be \$49.5 million.

The renovation will replace all of the aged and inefficient building systems and equipment with modern efficient solutions. Additionally, the renovation will also incorporate repurposing and space changes to provide amenities found in and expected within modern libraries. With the increasing move to electronic resources and purging of print collections, the University plans to repurpose print storage space for alternative configurations. The purging and relocation of existing collections will also create the necessary space for the Radford University Innovation Lab (RU iLab). Reflective of current library trends, this space will include learning commons, breakout rooms, interdisciplinary presentation spaces and classrooms, and multiple maker-spaces. This move will rebrand the library as a hub for innovation and productivity. In particular, the RU iLab will create the infrastructure for students to engage in collaborative, interdisciplinary thinking to confront present-day needs and pressing future problems. The renovated space will also include student support areas for group study; provide technology-emphasized rooms for both instruction and information retrieval; incorporate student service functions such as tutoring and writing instruction; and incorporate the RU iLab.

The introduced Governor's 2022-24 Biennial Budget included planning funding for this project.

Combined Heat and Power/Co-Generation Facility

This project would convert an existing building into a combined heat and power (CHP) facility for the overall campus. The conversion of the facility to CHP would consist of one or two 4.4-megawatt natural gas fired reciprocating engines. The engines would generate electricity for campus utilization while the waste heat generated from the equipment would supplement the University steam plant generation. The overall project costs for construction are approximately \$16.0 million for the twin unit option. The project is estimated to save the University \$2.0 million in annual operating cost. The Interconnect Agreement was submitted to the City of Radford for review and comment in March 2022.

The introduced Governor's 2022-24 Biennial Budget included \$11.2 million in general funds and \$4.8 million in non-general funds for this project.

The Highlander (Hotel and Conference Center)

Radford University Foundation collaborated with Jones Lang LaSalle, a commercial real estate firm, for a hotel and conference center located at the corner of Tyler Avenue and Lawrence/Calhoun Streets. The Highlander is planned to have approximately 125 rooms; street level restaurant, coffee shop, and business center; rooftop lounge and exercise center; conference center with meeting spaces; and adjacent parking. S.B. Ballard Construction Company, Virginia Beach, serves as the contractor to complete the development, has completed demolition of the existing structures and is well underway on sitework and utilities. With a construction schedule of approximately eighteen (18) months, the hotel and conference center is anticipated to open in late 2022. As a reminder, this is a project of the Radford University Foundation and is included for reference purposes.

Item 2: Information Technology Services (ITS) update on operations.

Banner ERP Cloud Migration

In December 2021, Radford University committed to moving the Ellucian Banner environment from an on-premise University managed system to a managed cloud service hosted by Ellucian with planned go-live in early 2023.

Radford University has partnered with Ellucian, utilizing Banner as the University's Enterprise Resource Planning (ERP) system since 2009. Banner serves as the system of record for student records, financial aid, finance and human resources. This system is currently maintained via on-premise hardware and software. ITS staff dedicate significant time and resources to maintain more than forty (40) on-premise servers in support of Banner. Ellucian has offered managed cloud service for several years and has matured this service through the Amazon Web Services (AWS) hosting platform. This maturity is evident due to the number of universities now leveraging this service from Ellucian.

Operating Banner as a managed cloud system will allow for quicker upgrades and access to the latest features and functionality. With this transition, ITS staff will be able to focus on data management, data integrity, and user experience enhancements that add value rather than simply keeping the system operational. Moving to a managed cloud environment will remove our dependency on a small number of Banner IT experts and thus reduce our risk during staff turnover. The Ellucian managed cloud environment also reduces the level of risk associated with this system by relying on Ellucian's breadth of expertise for system baselines, backups, disaster recovery and security. Once completed, ITS staff will be able to focus more effort on modernizing other campus systems and enhancing integrations between systems.

On March 21, 2022, a project kickoff meeting with Ellucian and the ITS team was held to begin the technical configurations of the cloud environment. ITS staff are currently establishing secure network connectivity between campus and the Ellucian cloud which will enable secure data transfers. The initial database backup of the current Banner environment will be provided to Ellucian in April 2022 for an initial mock restore and to better determine the full scope of the migration project. A twelve (12) month timeline is anticipated for configuration, testing, data migration and validation prior to a final cutover targeted for spring 2023.

Single-Sign-On Cloud Migration

In January 2022, ITS began a project to migrate the on-premise Shibboleth single-sign-on system to a cloud service.

The Shibboleth single-sign-on system provides a platform for authenticating users to both on-premise and cloud systems. Because this system is hosted on premise, it is a single point of failure for many cloud services that would otherwise still be available in the event of a campus outage.

ITS staff currently maintain four (4) servers in the campus data centers as part of this environment. This transition will provide a greater level of availability with a vendor that can quickly transition this service to another region, if needed. The vendor will also be responsible for setup and configuration of new authentications reducing the amount of time ITS staff spend setting up authentication for new applications.

The ITS team has been working closely with the vendor to migrate our current Shibboleth configuration to a cloud based staging environment. Testing is currently underway in this staging environment. Once the staging environment is validated the vendor will move this configuration to production with planned go-live in May 2022.

IT Security Operational Update

Cybersecurity and evolving security threats continue to serve as one of the key areas of focus for ITS. In February 2022, a setting was changed in the Office 365 environment to further strengthen account security which has greatly reduced the number of accounts being targeted for attack.

The ITS security team launched the annual Cybersecurity Awareness Training program on April 1, 2022. This online training provides faculty and staff with updated information on the latest cybersecurity threats. Employees will be required to complete this training by May 16, 2022. In order to ensure compliance, Radford accounts will be disabled for those users who have not yet completed the training.

Action: None. Informational only.

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs and Audit Committee
April 28, 2022

Action Item

Approval of the Radford University Administrative and Professional Faculty Handbook Revision

Item:

Board of Visitors approval of the Radford University Administrative and Professional (AP) Faculty Handbook Revisions.

Summary:

The AP Faculty Handbook requires updating to incorporate Parental Leave language for AP faculty consistent with Virginia Code § 2.2-1210 and Virginia Department of Human Resource Management Policy 4.21. Parental Leave establishes paid parental leave, to eligible employees, that recognizes the benefits to employees and their families of meaningful bonding time upon the birth or placement of a child. The paid Parental Leave Policy is in addition to other leave benefits available to Commonwealth employees, such as Virginia Sickness and Disability Program leave (VSDP), sick leave, annual leave, and leave under the federal Family Medical Leave Act (29 U.S.C. § 2601-2654).

The Parental Leave revision to the AP Faculty Handbook is now being submitted to the Board of Visitors for consideration and final approval. The AP Faculty Senate has recommended the revision, legal counsel has reviewed the revision, and the President's Cabinet has approved the revision.

The following proposed language represents an insertion of the Parental Leave section of the Administrative and Professional Faculty Leave portion of the AP Faculty Handbook.

1.11.14 Parental Leave

AP members may be eligible for up to eight (8) weeks (320 hours) of paid Parental Leave to be used within six (6) months of the birth/placement of a child for any one or more of the following reasons:

- To give birth to, care for, and bond with a newborn child.
- To care for and bond with a minor child placed with the employee through adoption or foster care or a legal custodial arrangement.
- To supplement reduced income replacement disability benefits following the birth of an infant.

Eligible hours will be determined on a pro-rated basis corresponding to the percentage of hours the AP member is normally scheduled to work.

To meet eligibility criteria for Parental Leave, AP members must be eligible for Family and Medical Leave for the same birth/placement. If Parental Leave at Radford University is available to both parents and both meet eligibility criteria, each is entitled to up to 320 hours of Parental Leave. Eligibility determinations are made as of the date that the child is born or placed via adoption or foster or custodial care. An AP member who is not eligible for Parental Leave on the date of the birth or placement may become eligible during the following six (6) months and access Parental Leave once the AP member meets eligibility requirements.

Parental Leave shall be in addition to other leave benefits available to AP members, including Sick Leave, Annual Leave, and Family Medical Leave and shall not be counted against leave under such programs. Parental Leave shall run concurrently with any leave provided to an eligible AP member under the Family and Medical Leave Act. Parental Leave may run concurrently or sequentially with leave provided under the Virginia Sickness and Disability Program if an AP member is eligible for such leave.

Parental Leave may be taken in one continuous period of time or intermittently subject to supervisor approval. The 320 hours of Parental Leave may be used only once per child and only once within a twelve (12) month period.

AP members should submit a written request for Parental Leave at least thirty (30) calendar days prior to the anticipated leave begin date or as soon as practicable to the Department of Human Resources and the immediate supervisor. AP members must comply with Radford University leave request procedures, absent unusual circumstances. Failure to do so may be grounds for delaying or denying an AP member's approval for Parental Leave.

The Department of Human Resources may require an AP member to show documentation of the birth or placement in order to approve Parental Leave. Official documents for consideration include, but not limited to: a report of birth, a birth certificate, an order of parentage, an adoption order, certified DNA test results, a custody order, and a foster care placement agreement. Documents provided should show date of birth and date of placement, if placement was other than the date of birth.

Parental Leave provided to AP members terminates upon separation from employment with Radford University, if an AP member transfers to a non-covered position, or at the conclusion of the foster or custodial care placement or within six (6) months of the birth/placement, whichever comes first. Upon termination, unused Parental Leave is not compensable to an AP member.

AP members should consult with the Department of Human Resources in advance of requesting Parental Leave for additional information regarding applicability and usage.

Action:

Radford University Board of Visitors approval of the revision regarding Parental Leave to the AP Faculty Handbook.

RADFORD UNIVERSITY BOARD OF VISITORS

**Resolution
April 29, 2022**

Approval of the Radford University AP Faculty Handbook Revision

BE IT RESOLVED, the Radford University Board of Visitors approves the Administrative and Professional (AP) Faculty Handbook revision regarding Parental Leave as presented within the proposed action item.

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs and Audit Committee
April 28, 2022

Action Item

Approval of the Radford University Supplemental Defined Benefit Plan for Faculty

Item:

Approval of the Radford University Supplemental Defined Benefit Plan for Faculty (Plan) in accordance with Section 401(a) of the Internal Revenue Code (Code).

Background:

The Faculty Early Retirement Program (FERP) provides special benefits to tenured faculty who voluntarily retire from Radford University employment. This program is administered in accordance with the Code of Virginia requirements for the Voluntary Early Retirement Incentive Program. This program is authorized by the Code of Virginia §23.1-1302 and represents one of several transitional workforce programs supported by the Commonwealth.

The Radford University Supplemental Defined Benefit Plan for Faculty, included as Attachment A, is a defined benefit plan qualified under Section 401(a) of the Internal Revenue Code to which the FERP's incentive payments will be paid so participants in the FERP can receive the payments in a tax-advantaged manner. The Plan is a governmental plan within the meaning of Code Section 414(d) and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended (ERISA). As a governmental plan, ERISA does not apply. The Plan is funded through a Trust in accordance with the qualification requirements of the Code.

Action:

Radford University Board of Visitors approval of the Radford University Supplemental Defined Benefit Plan for Faculty, as presented.

RADFORD UNIVERSITY BOARD OF VISITORS

**Resolution
April 29, 2022**

Approval of the Radford University Supplemental Defined Benefit Plan for Faculty

Approval of the Radford University Supplemental Defined Benefit Plan for Faculty;

WHEREAS, retirement incentives are recognized as a pivotal component to an overall strategy for achieving operational and organizational efficiencies; and

WHEREAS, the *Code of Virginia § 23.1-1302* states that the governing board of each public institution of higher education may establish a compensation plan designed to provide incentives for voluntary early retirement of teaching and research staff employed in non-classified, faculty positions; and

WHEREAS, the Radford University Faculty Early Retirement Program ("FERP") has been established in compliance with the Code of Virginia to provide reasonable incentives to retire that consider the needs of those individuals who may be interested in voluntarily retiring as well as the needs of the University; and

WHEREAS, the Radford University Supplemental Defined Benefit Plan for Faculty is a defined benefit plan qualified under Section 401(a) of the Internal Revenue Code to which the FERP's incentive payments will be paid so that participants in the FERP can receive the payments in a tax-advantaged manner;

NOW THEREFORE, BE IT RESOLVED that the Radford University Board of Visitors does hereby approve and establish the Radford University Supplemental Defined Benefit Plan for Faculty under Section 401(a) of the Internal Revenue Code, effective January 1, 2022, to provide incentive payments for eligible employees who participate in the Radford University Faculty Early Retirement Program.

**RADFORD UNIVERSITY
SUPPLEMENTAL DEFINED BENEFIT PLAN FOR FACULTY**

Effective January 1, 2022

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**RADFORD UNIVERSITY
SUPPLEMENTAL DEFINED BENEFIT PLAN FOR FACULTY**

**ARTICLE I.
ESTABLISHMENT OF PLAN**

Section 1.01. Plan Establishment.

(a) The Board of Visitors of Radford University ("Board") hereby establishes the Radford University Supplemental Defined Benefit Plan for Faculty ("Plan"), effective January 1, 2022, to provide retirement benefits for eligible employees who participate in the Radford University Faculty Early Retirement Program ("FERP").

(b) The Plan is, and is intended to remain, a defined benefit plan qualified under Section 401(a) of the Internal Revenue Code ("Code"). The Plan is a governmental plan within the meaning of Code Section 414(d) and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). As a governmental plan, ERISA does not apply.

Section 1.02. Plan Funding. The Plan is funded through a Trust in accordance with the qualification requirements of the Code.

**ARTICLE II.
RULES OF CONSTRUCTION AND DEFINITIONS**

Section 2.01. Rules of Construction and Governing Law.

(a) This Plan shall be interpreted, enforced and administered in accordance with the Code and, when not inconsistent with the Code, or expressly provided otherwise herein, the laws of the Commonwealth of Virginia without regard to conflict of law principles.

(b) Words used herein in the masculine gender shall be construed to include the feminine gender where appropriate, and *vice versa*, and words used herein in the singular or plural shall be construed as being in the plural or singular where appropriate, and *vice versa*.

(c) The headings and subheadings in the Plan are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Plan.

(d) If any provision of the Plan shall be held to violate the Code or be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise impair or affect the Plan.

(e) In resolving any conflict between provisions of the Plan and in resolving any other uncertainty as to the meaning or intention of any provision of the Plan, the interpretation that causes the Plan to (i) constitute a qualified plan under the provisions of Code Section 401 with the earnings of the Trust exempt from income tax under Code Section 501, (ii) be a governmental plan as defined in ERISA Section 3(32) and Code Section 414(d), and (iii) comply with all applicable requirements of the Code, shall prevail over any different interpretation.

Section 2.02. Definitions. When the initial letter of a word or phrase is capitalized herein, the meaning of such word or phrase shall be as follows:

(a) "Administrator" means the University; provided, however, that to the extent that the University has delegated any of its responsibilities as Administrator to any other person or persons, the term Administrator shall be deemed to refer to that person or persons.

(b) "Annuity Starting Date" means the date as of which an annuity payment under the Plan begins.

(c) "Applicable Form" means the appropriate form as designated and furnished by the Administrator to make the election or provide the notice required by the Plan. In those circumstances where a written election or consent is not required by the Plan or the Code, the Administrator may prescribe an electronic or telephonic form in lieu of or in addition to a written form.

(d) "Base Annual Salary" means the Eligible Employee's base annual salary for the academic year in which he or she retires, and shall not include any bonuses, awards, stipends, imputed income, incentive pay, summer pay, or any other supplemental compensation.

(e) "Beneficiary" means the person, company, trustee, or estate designated by the Participant on the Applicable Form to receive any benefits payable under the Plan in the event of the Participant's death. If the designated Beneficiary does not survive the Participant or there is no Beneficiary designated, the Participant's Spouse shall be the Beneficiary or, if there is no surviving Spouse, the Participant's estate shall be the Beneficiary.

(f) "Benefit" means the Participant's total benefit under the Plan, which shall be an amount equal to 105% of the Participant's Base Annual Salary.

(g) "Board" means the Board of Visitors of the University.

(h) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(i) "Cost of Living Adjustment" means the cost of living adjustment prescribed by the Secretary of the Treasury under Code Section 415(d) or 401(a)(17), for any applicable year.

(j) "Disabled" or "Disability" means that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months. The Participant shall not be considered Disabled unless he or she furnishes proof in a form satisfactory to the Administrator.

(k) "Eligible Employee" means an Employee who has signed a FERP Agreement that has become effective and irrevocable.

(l) "Employee" means a tenured faculty member of the University.

(m) "FERP" means the Radford University Faculty Early Retirement Program.

(n) "FERP Agreement" means a FERP Retirement and Release Agreement pursuant to which an Employee agrees to terminate employment with the University on the Retirement Date.

(o) "FERP Application" means the application that an Employee must submit to the University, and which must be approved by the University, in order for the Employee to participate in the FERP.

(p) "Normal Retirement Age" means age 65.

(q) "Normal Retirement Date" means the first day of the month coincident with or next following the date on which a Participant has reached Normal Retirement Age and has a Severance from Employment.

(r) "Participant" means any Eligible Employee who is or may become eligible to receive a benefit of any type under the Plan. A Participant shall also mean, when appropriate to the context, a former Eligible Employee who is eligible to receive a benefit of any type under the Plan.

(s) "Plan" means the Radford University Supplemental Defined Benefit Plan for Faculty, as amended from time to time.

(t) "Plan Year" means the calendar year.

(u) "Related Employer" means any entity which is under common control with the University under Code Section 414(b), (c), (m), or (o). The Administrator shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under IRS Notice 89-23, 1989-1 C.B. 6.

(v) "Retirement Date" means the date set forth in a Participant's FERP Application on which the Participant relinquishes tenure and terminates employment from the University under the FERP.

(w) "Severance from Employment" means the complete termination of the employment relationship between the Employee and the University and any Related Employer for any reason.

(x) "Single Life Annuity" means a level monthly annuity payable to the Participant for his or her life.

(y) "Spouse" means the person to whom the Participant is married as of the relevant date, determined in accordance with applicable local law.

(z) "Trust" means (i) the Radford University Retirement Benefit Trust, (ii) a custodial account treated as a qualified trust under Code Section 401(f), and/or (iii) an annuity contract treated as a qualified trust under Code Section 401(f), established under the Plan to hold Plan assets.

(aa) "Trust Fund" means the assets of the Plan held pursuant to the terms of the Plan and Trust.

(bb) "Trustee" means the trustee or any successor trustee designated and appointed pursuant to the terms of the Radford University Retirement Benefit Restated Trust Agreement, as amended from time to time, and/or the entity or person(s) holding the assets of a custodial account or holding an annuity contract in accordance with Code Section 401(f).

(cc) "University" means Radford University.

(dd) "Vested" means the interest of the Participant in his or her Benefit that is unconditional, legally enforceable, and nonforfeitable.

ARTICLE III. **ELIGIBILITY AND PARTICIPATION**

Section 3.01. Participation. An Employee shall become a Participant on the date that he or she becomes an Eligible Employee.

Section 3.02. Completion of Forms. An Eligible Employee must complete the Applicable Form(s) and return them to the Administrator.

Section 3.03. Cessation of Participation. A Participant shall cease to be a Participant in the Plan when all benefits to which he or she is due under the Plan have either been distributed from the Plan or forfeited.

ARTICLE IV. **BENEFITS**

Section 4.01. Normal Form of Benefit. A Participant is entitled to an annuity providing an annual benefit equal to 20% of the Vested Benefit for a period of five years.

Section 4.02. Optional Form of Benefit. Notwithstanding Section 4.01, a Participant may instead elect to receive his or her Vested Benefit in equal installments for a period of two years.

Section 4.03. Limitation on Benefits.

(a) To the extent required by Code Section 415(b), as applicable to a governmental plan within the meaning of Code Section 414(d), in no event shall the aggregate Annual Benefit provided under all defined benefit plans of the Affiliated Employers for any Participant exceed the dollar amount specified in Code Section 415(b)(1)(A), as increased by the Cost of Living Adjustment; provided, however, if the Participant has fewer than ten years of participation in the Plan, such amount shall be multiplied by a fraction (not greater than one), the numerator of which is the Participant's number of years (or part thereof) of participation in the Plan, and the denominator of which is ten.

(b) Benefits payable in a form other than an Annual Benefit shall be adjusted to an actuarially equivalent annual benefit (as defined in Code Section 415(b)(2)(A)) before applying the limitations of Subsection (a).

(1) To determine actuarial equivalence for purposes of this Subsection where the benefit is not subject to Code Section 417(e)(3), the actuarially equivalent Annual Benefit shall be the greater of:

(i) the annual amount of a straight life annuity (if any) payable to the Participant under the Plan commencing as of the same Annuity Starting Date as the form of benefit payable to the Participant; or

(ii) the annual amount of the straight life annuity commencing as of the same Annuity Starting Date that has the same present actuarial present value as the form of benefit payable to the Participant, computed using a 5% interest assumption and the applicable mortality table described in Section 1.417(e)-1(d)(2) of the Treasury Regulations for that Annuity Starting Date.

(2) To determine actuarial equivalence for purposes of this Subsection where the benefit is subject to Code Section 417(e)(3), the actuarially equivalent Annual Benefit is the greatest of:

(i) the annual amount of a straight life annuity commencing as of the Annuity Starting Date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table specified in the Plan for such actuarial equivalence;

(ii) the amount of a straight life annuity commencing as of the Annuity Starting Date that has the same actuarial present value as the particular form of payment payable, computed using a 5.5% interest assumption and the applicable mortality table for the distribution under Section 1.417(e)-1(d)(2) of the Treasury Regulations for that distribution; or

(iii) the amount of a straight life annuity commencing as of the Annuity Starting Date that has the same actuarial present value as the particular form of benefit payable (computed using the applicable interest rate for distribution under Section 1.417(e)-1(d)(3) of the Treasury Regulations and the applicable mortality table for the distributions under the Section 1.417(e)-1(d)(2) of the Treasury Regulations), divided by 1.05.

(c) If a Participant's Annuity Starting Date occurs before he or she reaches age 62 for a reason other than his or her Disability, the limitation under Subsection (a) shall be reduced as follows:

(1) If the Plan does not have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, to the annual amount of a benefit payable in the form of a straight life annuity commencing as the Participant's Annuity Starting Date that is the actuarial equivalent of the dollar limitation under Code Section 415, computed using a 5% interest assumption and the applicable mortality table under Section 1.417(e)-1(d)(2) of the Treasury Regulations for that Annuity Starting Date; and

(2) If the Plan has an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, to the lesser of (A) the amount determined under Paragraph (1) or (B) the product of the dollar limitation under Code Section 415, multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the plan as of the Participant's Annuity Starting Date to the annual amount of the immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of Section 415.

(d) If a Participant's Annuity Starting Date occurs after he or she reaches age 65, the limitation under Subsection (a) shall be increased as follows:

(1) If the Plan does not have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, to the annual amount of a benefit payable in the form of a straight life annuity commencing as of the Participant's Annuity Starting Date that is the actuarial equivalent of the dollar limitation under Code Section 415, with actuarial equivalence computed using a 5% interest assumption and the applicable mortality table under Section 1.417(e)-1(d)(2) of the Treasury Regulations for that Annuity Starting Date.

(2) If the Plan has an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, to the lesser of (A) the amount determined under Paragraph (1) or (B) the product of the dollar limitation under Code section 415 multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the plan as of the Participant's Annuity Starting Date to the annual amount of the immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of Code Section 415.

(e) Solely for purposes of this Article, the following terms have the following meanings:

(1) "Affiliated Employer" means the University and any other entity required to be aggregated with the University for purposes of Code Section 415.

(2) "Annual Benefit" means an annual benefit within the meaning of Code Section 415(b)(2)(A).

(3) "Limitation Year" means the Plan Year.

ARTICLE V. **VESTING OF BENEFITS**

Section 5.01. Vesting. A Participant shall be 100% Vested in his or her Benefit on his or her Retirement Date or, if earlier, the date that he or she becomes Disabled, provided that the Participant has satisfied all requirements under his or her FERP Agreement.

Section 5.02. Forfeitures. If a Participant has a Severance from Employment or dies prior to Vesting in his or her Benefit, the Benefit shall be forfeited and used to reduce future University contributions to the Plan.

ARTICLE VI.
PAYMENT OF BENEFITS

Section 6.01. General Rule. The benefits set forth in Sections 4.01 and 4.02, as applicable, shall be paid in monthly installments or in an annual lump sum, as elected by the Participant, commencing as soon as administratively practicable after the Retirement Date, but no later than his or her Normal Retirement Date.

Section 6.02. Disability Benefit. If a Participant becomes Disabled after his or her FERP Agreement becomes effective and irrevocable but before his or her Retirement Date, distribution of the Participant's Vested Benefit shall be made as provided under Sections 4.01 and 6.01.

Section 6.03. Death Benefits. If a Participant dies before the full amount of his or her Vested Benefit has been paid to him or her, the remaining portion of such Vested Benefit shall be distributed at least as rapidly as under the method of distribution being used as of the date of his or her death and no later than required under Section 6.04.

Section 6.04. Required Minimum Distributions. Notwithstanding any other provision of the Plan, the distribution of benefits under the Plan shall be made in accordance with the provisions of Code Section 401(a)(9) and Sections 1.401(a)(9)-2 through 1.401(a)(9)-9 of the Treasury Regulations, which are incorporated herein by reference. Distributions shall also comply with the incidental death benefit requirement of Code Section 401(a)(9)(G). The rules of Code Section 401(a)(9), including the incidental death benefit rule of Code Section 401(a)(9)(G), are generally set out in the following provisions of this Article.

ARTICLE VII.
ROLLOVERS FROM PLAN

Section 7.01. Application of Article. Nothing in this Article shall authorize a distribution not provided for another Article of this Plan.

Section 7.02. Definitions for this Article. For purposes of this Article, the following definitions shall apply.

(a) "Direct Rollover" means an Eligible Rollover Distribution that is paid directly to an Eligible Retirement Plan for the benefit of the Distributee.

(b) "Distributee" means a Participant, the Spouse of the Participant, and a Participant's non-Spouse Beneficiary, any of whom is eligible to receive a distribution from the Plan.

(c) "Eligible Retirement Plan," as defined under Code Section 402(c)(8)(B), means:

- (1) an individual retirement account described in Code Section 408(a);
- (2) an individual retirement annuity (other than an endowment contract) described in Code Section 408(b);
- (3) an annuity plan described in Code Section 403(a);

- (4) a plan described in Code Section 403(b);
- (5) a qualified plan described in Code Section 401(a);
- (6) a Code Section 457(b) eligible deferred compensation plan which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state;
- (7) a Roth individual retirement account described in Code Section 408A(e) provided the Distributee's adjusted gross income does not exceed any limit applicable under federal law for the tax year in which the distribution occurs; and
- (8) a simple retirement account described in Code Section 408(p)(1) following the two-year period described in Code Section 72(t)(6).

In the case of a distribution to a Participant's non-Spouse Beneficiary, an Eligible Retirement Plan shall mean the plans described in Paragraphs (1) and (2) only, to the extent consistent with the provisions of Code Section 402(c)(11) and any successor provisions thereto or additional guidance issued thereunder.

(d) "Eligible Rollover Distribution," as defined in Code Section 402(f)(2)(A), means any distribution of all or any portion of the balance to the credit of the Distributee under this Plan, except that an Eligible Rollover Distribution does not include:

(1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made over the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more;

(2) any distribution to the extent to which such distribution is required under Code Section 401(a)(9);

(3) the portion of any distribution that is not includable in gross income; provided, however, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includable in gross income, provided that such portion may be transferred only:

(i) to an individual retirement account or annuity described in Code Section 408(a) or 408(b), respectively, or to a qualified defined contribution plan described in Code Section 401(a) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includable in gross income and the portion of such distribution which is not so includable;

(ii) to a qualified defined benefit plan described in Code Section 401(a) or to an annuity contract described in Code Section 403(b), that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of the distribution that is includable in gross income and

the portion of the distribution that is not so includible; or

(iii) to a Roth IRA described in Code Section 408A;

(4) any distribution which is made upon the financial hardship of the Participant; and

(5) other items designated by regulations, or by the Commissioner in revenue rulings, notices, or other guidance, as items that do not constitute an eligible rollover distribution.

Section 7.03. Direct Transfer of Eligible Rollover Distribution. A Distributee may elect on an Applicable Form to have an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan as specified by the Distributee in a Direct Rollover, at the time and in the manner prescribed by the Administrator. An Eligible Rollover Distribution that is paid to an Eligible Retirement Plan in a Direct Rollover is excludable from the Distributee's gross income under Code Section 402; provided, however, if any portion of such Eligible Rollover Distribution is subsequently distributed from the Eligible Retirement Plan, that portion shall be included in gross income to the extent required under Code Section 402, 403, or 408.

Section 7.04. Mandatory Withholding from Eligible Rollover Distributions.

(a) If the Distributee of an Eligible Rollover Distribution does not elect to have the Eligible Rollover Distribution paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover pursuant to Code Section 401(a)(31), the Eligible Rollover Distribution shall be subject to a mandatory 20% federal income tax withholding under Code Section 3405(c). Only that portion of the Eligible Rollover Distribution that is not paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover shall be subject to the mandatory withholding requirement under Code Section 3405(e).

(b) If a Distributee elects to have an Eligible Rollover Distribution paid to the Distributee, the distribution may be excluded from gross income of the Distributee provided that said distribution is contributed to an Eligible Retirement Plan no later than the 60th day following the day on which the Distributee received the distribution.

(c) If the Plan distribution is not an Eligible Rollover Distribution, said distribution shall be subject to the elective withholding provisions of Code Section 3405(a) and (b).

Section 7.05. Explanation of Plan Distribution and Withholding Requirements. Not fewer than 30 days nor more than 180 days before an Eligible Rollover Distribution, the Administrator or designee shall provide each Distributee a written explanation as required under Code Section 402(f), which explains the rules:

(a) under which a Distributee may elect to have an Eligible Rollover Distribution paid in a Direct Rollover to an Eligible Retirement Plan;

(b) that require the withholding of tax on an Eligible Rollover Distribution if it is not paid in a Direct Rollover to an Eligible Retirement Plan;

(c) that provide that a distribution shall not be subject to tax if the distribution is rolled over to an Eligible Retirement Plan within 60 days after the date the Distribute receives the distribution; and

(d) if applicable, certain special rules regarding taxation of the distribution as described in Code Sections 402(d) and (e).

Notwithstanding the above, a distribution may begin fewer than 30 days after the notice discussed in the preceding sentence is given, provided that the Administrator clearly informs the Participant that he or she has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution and the Participant, after receiving a notice, affirmatively elects a distribution.

ARTICLE VIII. **FUNDING OF PLAN**

Section 8.01. Contributions. The University shall from time to time contribute in cash to the Trust Fund such amounts as it determines in its sole judgment are needed to fund the Plan and to comply with applicable legal requirements. Notwithstanding the preceding, the Trust shall have sufficient assets on or before any distribution date described in the Plan so that the total amount to be distributed to Participants on such date shall be available for such distribution from the Trust.

Section 8.02. Trust Fund. All contributions under the Plan shall be paid or transferred into the Trust to be held, managed, invested, and distributed in accordance with the provisions of the Plan and Trust Agreement. The Administrator shall establish a funding policy, giving consideration to the Plan's financial requirements, and an investment policy, which shall be consistent with the Plan's funding policy and the provisions of the Trust Agreement. The Administrator shall communicate these policies, and any changes therein, to the Trustee. The Administrator shall review these policies and the Plan's funding method at least annually. All benefits under the Plan shall be distributed solely from the Trust, and the University shall have no liability therefor other than the obligation to make contributions to the Trust as provided in Section 9.01 or as otherwise required by law.

Section 8.03. Non-Reversion. The Trust Fund shall be held in Trust for the exclusive benefit of Participants and Beneficiaries under the Plan in accordance with Code Section 501(a). No part of the Trust Fund shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries, and for defraying the reasonable expenses of the Plan and Trust. The Trust is exempt from tax pursuant to Code Sections 401(a) and 501(a). Notwithstanding the preceding, however:

(a) If contributions are made by the University by mistake of fact, these amounts and, if applicable, any interest earned therein, may be returned to the University within one year of the date that they were made.

(b) Contributions by the University are conditioned on the initial qualification of the Plan under the Code and the continued qualification of the Plan as a result of Plan amendment, and if the Plan does not so qualify initially or as a result of amendment, then such contributions

shall be returned to the University within one year after the date of denial of qualification of the Plan.

(c) Following termination of the Plan and the satisfaction of all benefit liabilities under the Plan, any remaining assets of the Trust may revert to the University.

ARTICLE IX.
ADMINISTRATION OF THE PLAN

Section 9.01. Authority of the Administrator. The Administrator shall have the authority to control and manage the operation and administration of the Plan. The Administrator shall have all power necessary or convenient to enable it to exercise its authority under the Plan. The Administrator may provide rules and regulations, not inconsistent with the provisions hereof, for the operation and management of the Plan, and may from time to time amend or rescind such rules or regulations. The Administrator is authorized to accept service of legal process for the Plan.

Section 9.02. Powers of the Administrator. The Administrator shall have the power and discretion to construe and interpret the Plan, including any ambiguities, to determine all questions of fact or law arising under the Plan, and to resolve any disputes arising under and all questions concerning administration of the Plan. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan in such manner and to such extent as the Administrator may deem expedient and, subject to the Plan's claim procedures, the Administrator shall be the sole and final judge of such expediency. Benefits are payable under the Plan only if the Administrator, in its sole and absolute discretion, determines the benefits are payable under the provisions the Plan.

Section 9.03. Delegation by Administrator. The Administrator may from time to time delegate in writing to a committee or any duly authorized officer certain of its fiduciary duties or other responsibilities under the Plan. Any such committee or officer delegated fiduciary duties shall be a fiduciary until the Administrator revokes such delegation. A delegation of the Administrator's duties or responsibilities may be revoked without cause or advance notice. To the extent permitted under applicable law, such committee or officer shall have the same power and authority with respect to such delegated fiduciary or other responsibilities as the Administrator has under the Plan. The Administrator shall not be liable for any act or omission of such fiduciary in carrying out such responsibilities.

Section 9.04. Employment of Consultants. The Administrator may employ one or more persons to render advice with regard to its responsibilities under the Plan.

Section 9.05. Payment of Expenses. All reasonable expenses and costs associated with the administration and investments of the Plan shall be assessed against Trust Fund, unless paid by the University.

ARTICLE X.
CLAIMS PROCEDURE

Section 10.01. Claim for Benefits. If a Participant makes a written claim for benefits under the Plan to the Administrator and the written request is denied in whole or part, the Administrator shall within 60 days provide a written denial to the Participant. It shall include the specific reasons for denial, the provisions of the Plan and/or Trust on which the denial is based, and how to apply for a review of the denied claim. Where appropriate, it shall also include a description of any material which is needed to complete or perfect a claim and why such material is necessary. If the Participant does not receive a timely denial from the Administrator, then the Participant's claim for benefits shall be deemed denied.

Section 10.02. Review of Denial. Within 60 days after the Participant receives notification of the denial, a Participant may request in writing a review of a claim denied by the Administrator and review pertinent documents and submit issues and comments in writing to the Administrator. The Participant shall receive a written decision upon such request for review of a denied claim within 60 days following receipt of the request. The decision shall set forth the specific reasons and specific Plan provisions on which the Administrator based its decision. If the Participant does not receive a timely denial from the Administrator, then the Participant's request for review of his or her claim shall be deemed denied.

ARTICLE XI.
PLAN AMENDMENT AND TERMINATION

Section 11.01. Amendment and Termination.

(a) While it is expected that the Plan shall continue indefinitely, the Board reserves the right to amend, freeze, or terminate the Plan, or to discontinue any further contributions to the Plan at any time.

(b) It is the intent of the Board that the Plan shall be and remain qualified for tax purposes under the Code. The Board may make any modifications, alterations, or amendments to the Plan necessary to obtain and retain approval of the Secretary of the Treasury as may be necessary to establish and maintain the status of the Plan as qualified under the provisions of the Code, as now in effect or hereafter enacted, and the regulations issues thereunder. Any modification, alteration, or amendment of the Plan, made in accordance with this Section, may be made retroactively, if necessary or appropriate. Any such amendment shall be effective as of the date set forth in such amendment, and the Participants, Beneficiaries, and all others having any interest in the Plan shall be bound thereby.

Section 11.02. Adverse Effects. Any amendment or termination of the Plan cannot adversely affect the benefits accrued by Participants prior to the date of amendment or termination. The Plan may not be amended in a manner that violates any provision of the Code.

Section 11.03. Distribution Upon Termination of the Plan. Upon termination of the Plan and after the satisfaction of all benefit obligations under the Plan, any remaining Trust assets may be returned to the University.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

Section 12.01. Non-Alienation.

(a) A Participant's benefit under the Plan shall not be liable for any debt, liability, contract, engagement, or tort of the Participant or his or her Beneficiary, nor subject to anticipation, sale, assignment, transfer, encumbrance, pledge, charge, attachment, garnishment, execution, alienation, or any other voluntarily or involuntarily alienation or other legal or equitable process, nor transferable by operation of law. The preceding sentence shall also apply to the creation, assignment, or recognition of a right to any benefit payable with respect to a Participant pursuant to a domestic relations order.

(b) Notwithstanding paragraph (a), the Plan shall offset from the benefit otherwise payable to a Participant or Beneficiary such amounts as are permitted to be offset under a court order, civil judgment, or settlement agreement in accordance with Code Section 401(a)(13)(C).

Section 12.02. Military Service.

(a) Notwithstanding any provisions of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), the Heroes Earnings Assistance and Relief Tax Act of 2008 ("HEART"), Code Section 414(u), and Code Section 401(a)(37). For purposes of this Section, "qualified military service" means any service in the uniformed services as defined in USERRA by any individual if such individual is entitled to reemployment rights under USERRA with respect to such service.

(b) If a Participant whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service under Code Section 414(u), timely resumes employment with the University in accordance with USERRA as an Eligible Employee, the University shall make the contributions that would have been made if the Participant had remained employed during the Participant's qualified military service. Contributions must be made no later than 90 days after the date of reemployment or when the contributions are normally due for the year in which the qualified military service was performed, if later.

(c) To the extent provided under Code Section 401(a)(37), in the case of a Participant whose employment is interrupted by qualified military service and who dies while performing qualified military service, the survivor of such Participant shall be entitled to any additional benefit (other than benefit accruals) provided under the Plan as if the Participant timely resumed employment in accordance with USERRA and then, on the next day, terminated employment on account of death.

(d) Differential wage payments within the meaning of Code Section 414(u)(12)(D) shall be treated as compensation under the Plan.

Section 12.03. Limitation of Rights and Obligations. Neither the establishment nor maintenance of the Plan nor any amendment thereof, nor the purchase of any insurance contract,

nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

(a) as conferring upon any Participant, Beneficiary or any other person a right or claim against the University, Trustee, Administrator, or University, except to the extent that such right or claim shall be specifically expressed and provided in the Plan;

(b) as a contract or agreement between the University and any Participant or other person; or

(c) as an agreement, consideration, or inducement of employment or as effecting in any manner or to any extent whatsoever the rights or obligations of the University or any Employee to continue or terminate the employment relationship at any time.

Section 12.04. Federal and State Taxes. It is intended that contributions under this Plan, plus any earnings thereunder, are excludable from gross income for federal and state income tax purposes until paid to Participants or Beneficiaries. However, the Administrator does not guarantee that any particular federal or state income, payroll or other tax consequence will occur as a result of participation in this Plan.

Section 12.05. Erroneous Payments. If the Administrator makes any payment that, according to the terms of the Plan and the benefits provided hereunder, should not have been made, the Administrator may recover that incorrect payment by whatever means necessary, whether or not it was made due to the error of the Administrator, from the person to whom it was made, or from any other appropriate party. For example, if any such incorrect payment is made directly to a Participant, the Administrator may deduct it when making any future payments directly to that Participant.

Section 12.06. Finality of Determination. All determinations with respect to crediting of service under the Plan are made on the basis of the records of the University, and all determinations made are final and conclusive upon Employees, former Employees, Eligible Employees, former Eligible Employees, and all other persons claiming a benefit under the Plan.

Section 12.07. Counterparts. The Plan may be executed in any number of counterparts, each of which shall be deemed to be an original. All counterparts shall constitute but one and the same instrument and shall be evidenced by any one counterpart.

IN WITNESS WHEREOF, the Board has caused this Plan to be executed by its duly authorized representative as of the date written below, but effective as of January 1, 2022.

RADFORD UNIVERSITY

By: _____

Printed Name: _____

Title: _____

Date: _____

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs and Audit Committee
April 28, 2022

Action Item
Approval of the New River Valley Passenger Rail Station Authority and Agreement

Item:

Board of Visitors approval of Radford University's participation in the New River Valley Passenger Rail Station Authority.

Summary:

Within the provisions of Chapter 38 of Title 33.2 of the Code of Virginia, 1950 as amended, the General Assembly has authorized the creation of a regional passenger rail station authority, which will be named the New River Valley Passenger Rail Station Authority (NRV-PRSA). The University has been invited to join it on an equal basis with the County of Floyd, the County of Giles, the County of Montgomery, the County of Pulaski, the City of Radford, the Town of Blacksburg, the Town of Christiansburg, the Town of Pulaski, and Virginia Tech.

Joining the authority will create economic growth and development for the University. The comfort, convenience, and welfare of the University community requires the development of facilities and the creation of the NRV-PRSA which will facilitate development of such necessary facilities.

The powers, rights and duties of the NRV-PRSA may be exercised by a Board of Directors. The governing body of each member shall appoint two representatives to serve four (4) year terms on the Board. The initial terms of office of the Board shall begin upon certification by the Secretary of the Commonwealth and the creation and constitution of the NRV-PRSA as provided in Chapter 38 of Title 33.2 of the Code of Virginia, 1950 as amended.

The contractual agreement obligates the University to participate in the establishment of the NRV-PRSA, authorizes that the University administration may commit resources, procure services, and enter into agreements that further the progress of the formation and operation of the authority, and authorizes the execution of an agreement establishing the respective rights and obligations of the members regarding the authority consistent with the provisions of the Code of Virginia.

The contractual agreement is provided in Attachment A along with additional information in Attachment B that provides a memo and presentation detailing the history of the NRV-PRSA from the New River Valley Regional Commission.

Action:

Radford University Board of Visitors approval of the University's participation in and the execution of the agreement establishing the NRV-PRSA as well as the designation of the University President to appoint representatives of the University to the Board of Directors of the NRV-PRSA.

RADFORD UNIVERSITY BOARD OF VISITORS

Resolution

April 29, 2022

Approval of the New River Valley Passenger Rail Station Authority and Agreement

BE IT RESOLVED, the Radford University Board of Visitors approves the University's participation in and the execution of the New River Valley Passenger Rail Station Authority agreement as well as the designation of the University President to appoint representatives of the University to the Board of Directors of the NRV-PRSA as presented.

**NEW RIVER VALLEY
PASSENGER RAIL STATION AUTHORITY AGREEMENT**

WHEREAS, in compliance with, Chapter 38 of Title 33.2 of the Code of Virginia, 1950 as amended (the "Act"), the undersigned governing bodies of the creating political subdivisions and institutions of higher education (the "Members") have determined that the economic growth and development of the localities and the comfort, convenience and welfare of their citizens, students, and/or faculty require the development of Facilities (as defined in the Act); and,

WHEREAS, such governing bodies have further determined that joint action through a regional passenger rail station authority will facilitate the development of the needed Facilities, and by adoption of concurrent ordinances and resolutions, as applicable, have created the New River Valley Passenger Rail Station Authority, a public body politic and corporate created pursuant to the Act.

NOW THEREFORE, the Members hereby agree to establish the respective rights and obligations of the Members regarding the Authority consistent with the Act as follows:

I. NAME

The name of the Authority is the "New River Valley Passenger Rail Station Authority," and the address of its principal office is 6580 Valley Center Dr, Suite 124, Radford, VA 24141.

II. PARTIES TO THE NEW RIVER VALLEY PASSENGER RAIL STATION AUTHORITY AGREEMENT

The initial Members of the Authority are:

The County of Floyd, Virginia	The Town of Blacksburg, Virginia
The County of Giles, Virginia	The Town of Christiansburg, Virginia
The County of Montgomery, Virginia	The Town of Pulaski, Virginia
The County of Pulaski, Virginia	Virginia Tech
The City of Radford, Virginia	Radford University

Each Member is a political subdivision of the Commonwealth of Virginia or an eligible institution of higher education, and authorized by the Act to participate in the Authority.

III. BOARD OF THE AUTHORITY

There shall be two (2) representatives appointed by each Member to serve on the Board of Directors of the Authority which shall exercise the powers of the Authority. Representatives of the Members shall be appointed, serve, and be governed by the provisions of the Act and other applicable law. The initial terms of office of such representatives shall begin on the date of the written certification from the Secretary of the Commonwealth that the ordinances and resolutions adopted by the Members for

creation of the Authority have been filed with the Secretary of the Commonwealth. Subsequent appointments shall be for terms of four years, except appointments to fill vacancies, which shall be for the unexpired terms. The terms of office of all representatives appointed to serve on the Board of Directors shall begin and end on the same date. Each representative to the Board, before entering upon the discharge of the duties of the office, shall take and subscribe to the oath prescribed in § 49-1 of the Code of Virginia, 1950, as amended.

IV. FINDINGS AND PURPOSE FOR WHICH THE AUTHORITY IS CREATED

The Members hereby agree to the following findings and purposes for which the Authority is created:

- A. The creation of a regional passenger rail station authority will enable the Members to share the costs of developing, owning and operating an economic development asset that would be cost prohibitive to individual Members.
- B. The Authority will directly benefit and enhance the economic base of the Members by allowing development, ownership, and operation of a facility on a cooperative basis.
- C. The exercise of the powers of the Authority shall be for the benefit of the inhabitants of the Commonwealth, for the increase of commerce in the geographic area of the Members, and for the promotion of the safety, health, welfare, convenience, and prosperity of the inhabitants of the geographic region included within the Members (the "Region").

V. FACILITIES

The Authority may exercise any and all powers as allowed by the Act and other applicable law, including developing Facilities.

VI. PARTICIPATION AGREEMENTS

The Authority may enter into participation agreements with one or more Members by which Facilities may be constructed and developed in the Region ("**Participation Agreements**"). Such Participation Agreements may include participation by public and private entities that are not Members.

Each Member may participate in the development of each proposed Facility (**a "Project"**) in accordance with the terms of the applicable Participation Agreement. Payment of the costs of a Project and receipt of any Project revenues by Members shall be in accordance with the terms of the Participation Agreement. The Authority may finance a Project through the issuance of "bonds" as defined in the Act ("**Bonds**"). Such Bonds shall be limited obligations of the Authority to be paid solely from revenues and receipts of that particular Project received by the Authority and from revenues that may

be received by the Authority pursuant to any Participation Agreement or other agreement related to the Project being financed (which may include financial contributions from Members who have entered into the applicable Participation Agreement), and may be secured by collateral encumbered or pledged in support of the financing ("**Project Based Financing**"). Project Based Financing is approved and consented to by the Members. Any individual Member may, at its discretion and as allowed by law, choose to enter into or not enter into a specific Participation Agreement in support of any particular Project. Any Member Locality not entering into a Participation Agreement in support of a Project shall have no monetary obligation or other duty or responsibility in relation to that Project.

VII. GENERAL OPERATIONS OF THE AUTHORITY

The general business of the Authority shall be conducted by the Board of Directors of the Authority, provided, such Board may create an executive committee and such other advisory committees as the Board may choose, including project committees. The Authority shall, from time to time, establish such fees as shall be necessary to be paid by the Members to support the general activities of the Authority. In accordance with the Act, a quorum of the Board shall exist when a majority of Members are represented by at least one representative to the Board, and the affirmative vote of a quorum of the Board, meaning a majority vote of all Members, shall be necessary for the Board to take any action. Conflicting votes cast by two (2) representatives to the Board from a single Member shall not count as a vote of such Member.

VIII. POWERS OF THE AUTHORITY

The Authority is vested with the powers of a body corporate, including the power to sue and be sued in its own name, plead and be impleaded, and adopt and use a common seal and alter the same as may be deemed expedient. The Authority shall have all rights, duties and powers provided by the provisions of the Act, as amended, including the power to issue Bonds for any valid purpose.

IN WITNESS WHEREOF, the Governing Bodies identified, by authorized action, have caused this Agreement to be executed, and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing this ____ day of _____, 2021.

SIGNATURES TO FOLLOW:

The County of Floyd, Virginia
The County of Giles, Virginia
The County of Montgomery, Virginia
The County of Pulaski, Virginia
The City of Radford, Virginia

The Town of Blacksburg, Virginia
The Town of Christiansburg, Virginia
The Town of Pulaski, Virginia
Virginia Tech
Radford University



6580 Valley Center Drive | Suite 124 | Radford, VA 24141 | 540-639-9313

N R V R C . O R G

MEMORANDUM

To: NRV Local Governments and Higher Education Institutions

From: Kevin R. Byrd, Executive Director

Date: September 24, 2021

Re: NRV Passenger Rail Station Authority Formation

Currently, local governments and higher education institutions in the New River Valley are taking action to create the New River Valley Passenger Rail Station Authority (NRV PRSA). The Authority will provide the organizational structure necessary for public bodies to jointly own and operate a passenger rail station in the region. In order to establish the NRV PRSA, members will need to adopt the ordinance and execute the agreement attached to this memo. These actions are taking place across the New River Valley during the October and November timeframe. If any potential member of the authority would like a presentation, I am available to meet with boards and councils to provide an overview and discuss questions.

Background

In 2013, a regional public-private coalition was convened by the Blacksburg Partnership with the intention of returning passenger rail service to the New River Valley. The coalition represents a unique partnership between business, government, legislative and higher education leaders with support from all corners of the region. The initial meetings of the coalition were fact-finding oriented and included presentations from leadership with the Virginia Department of Rail and Public Transit (DRPT) and leaders in Roanoke and Lynchburg that were successful in reintroducing passenger rail service in their communities. These briefings led to the development of a roadmap of information needed to make the case for passenger rail service returning to the New River Valley.

In 2015, the New River Valley Metropolitan Planning Organization (NRV MPO) funded a study performed by the New River Valley Regional Commission (NRVRC) to calculate the anticipated ridership and identify a potential station location to serve the region. The results of the study conservatively estimate ridership to be 40,000 per year, a number attractive to DRPT, which manages contracts for rail service in the Commonwealth, and Amtrak. The study process initially identified 29 potential station sites between Montgomery County, the City of Radford, and Pulaski County. Criteria was applied based on DRPT operating information, such as parking requirements, to help narrow the list down to three sites. The NRV MPO Policy Board reviewed the three sites and identified the top site at the time as a location adjacent to the Christiansburg Aquatic Center on Franklin

Strengthening the Region through Collaboration

Counties

Floyd | Giles
Montgomery | Pulaski
City
Radford

Towns

Blacksburg | Christiansburg
Floyd | Narrows | Pearisburg
Pembroke | Pulaski
Rich Creek

Higher Education

Virginia Tech
Radford University
New River Community College

Street. The ultimate station location remains to be determined given the Commonwealth’s ongoing negotiations with Norfolk & Southern which owns the rail lines.

In 2019, the NRV MPO again worked with the NRVRC on the next phase of the project, a Station Ownership and Maintenance Study. This process evaluated six organizational models that could be utilized to own and operate a passenger rail station. The organizational models included host locality ownership, host locality and public/private partners, transportation authority, limited liability company (LLC), corporation, and an authority to be enabled by the Virginia General Assembly. Through the planning process strong consensus was apparent to pursue enabling legislation to form an authority that would allow local governments and higher education institutions to jointly own and operate the facility. This would be the first authority-owned passenger rail station in Virginia and for good reason. The highest volume of ridership is not likely to originate in the host community where the station may be located, as is the case for most other stations. Given high levels of ridership expected from Virginia Tech, Blacksburg, Montgomery County, Radford University and surrounding New River Valley communities, joint ownership and operations became logical.

The Station Ownership and Maintenance Study also examined equitable cost-sharing for the participants of an authority. Several models were evaluated that took into account population, proximity to the station, and potential ridership. The preferred model is a blend of all three inputs. The potential financial obligation of authority members was modeled based on developing the station at the preferred location adjacent to the Christiansburg Aquatic Center. The approximate annual operating cost is \$360,000 which includes 30-year debt service for \$4.25M site construction, \$250,000 for furnishings, fixtures and equipment, and \$70,000 for building/grounds maintenance. The table below illustrates how the potential costs could be shared among authority members when using the financial model from the study.

Simplification-Based Scenario #1: Locally Preferred Revenue Plan									
<i>Montgomery County</i>	<i>Town of Blacksburg</i>	<i>Virginia Tech</i>	<i>Town of Christiansburg</i>	<i>Pulaski County</i>	<i>Town of Pulaski</i>	<i>City of Radford</i>	<i>Radford University</i>	<i>Giles County</i>	<i>Floyd County</i>
78.00% (19.5% per)				3.00%	1.00%	14.50% (7.25% per)		1.75%	1.75%
\$69,746.06	\$69,746.06	\$69,746.06	\$69,746.06	\$10,730.16	\$3,576.72	\$25,931.23	\$25,931.23	\$6,259.26	\$6,259.26

In 2021 Governor Northam signed the New River Valley Passenger Rail Station Authority legislation into law (VA Code 33.2-38) which enables formation of the Authority by local governments and higher education institutions in Planning District 4 also known as the New River Valley. At this time the authority can be created and begin working with state leadership to further advance reintroducing passenger rail service to the New River Valley.

It is important to note, by organizing the authority there are no financial commitments being made for capital projects such as constructing the station. Capital projects conducted through the authority will be organized through Participation Agreements that specifically identify the members committing to the project and their financial obligation. Capital projects will be determined at a later date once more information is available about the station location and the cost to construct/operate the facility.

More information about NRV Passenger Rail and progress made to date can be found at www.nrvrail2020.blacksburgpartnership.org

NRV Passenger Rail Station Authority Formation

Fall, 2021

Presentation Overview

- NRV Passenger Rail Progress to Date
- Current Stage – Authority Formation
- Next Steps






Ridership and Station Location Study

- Completed in January 2016
- Projected ridership of 40,000 per year
- Identified preferred station location
 - 29 sites ranked, narrowed to 3
 - MPO Policy Board selected site adjacent to Christiansburg Aquatic Center

Station Ownership & Maintenance Study

- Evaluated 6 Organization Models
 - Host locality; Host locality + Public/Private Partners; Transportation Authority; Limited Liability Company (LLC); Corporation; Authority.
- Strong consensus to establish an authority to own/operate a facility

Station Cost Factors

State Investment		Local Investment	
Operations	Platforms	Stations	Connectivity
<ul style="list-style-type: none"> • Amtrak staff, management, ticket services • Fuel • Food and beverage • Equipment: maintenance, cleaning • Leases • Insurance • Performance payments • Alternative transportation (during service disruptions) 	<ul style="list-style-type: none"> • Tactile strip & surfaces • ADA compliance • Stormwater treatment • Lighting • Utilities • Cleaning • Litter/garbage collection • Insurance 	<ul style="list-style-type: none"> • Maintenance • Utilities • Janitorial services • Parking • Landscaping • Insurance • Security 	<ul style="list-style-type: none"> • Land use & economic activity • Public roads, sidewalks, & bike lanes • Public transit
<h3>Capital Construction & Equipment</h3> <ul style="list-style-type: none"> • Track construction • Signal systems • Grade separations & roadway crossings • Locomotives • Traincars • Long-term track maintenance 		 	  
State Revenues		Local Revenues	
<ul style="list-style-type: none"> • Tickets • Food & beverage 	<ul style="list-style-type: none"> • State Support 	<ul style="list-style-type: none"> • Rent • Parking 	<ul style="list-style-type: none"> • Tax Revenues

Station Ownership & Maintenance Study

- Approximately \$360,000 annual operation cost
 - 30-year debt service for \$4.25M site construction
 - \$250,000 Furnishings, Fixtures & Equipment
 - \$70,000 building/grounds maintenance
- Revenue derived from authority members based on:
 - Population, ridership, proximity to station

Station Ownership & Maintenance Study

Simplification-Based Scenario #1: Locally Preferred Revenue Plan

Montgomery County	Town of Blacksburg	Virginia Tech	Town of Christiansburg	Pulaski County	Town of Pulaski	City of Radford	Radford University	Giles County	Floyd County
78.00% (19.5%)				3.00%	1.00%	14.50% (7.25%)		1.75%	1.75%
\$69,746				\$10,730	\$3,576	\$25,931		\$6,259	

NRV Passenger Rail Station Authority (NRV-PRSA)

- Enabling Legislation took effect July 1, 2021
- Allows local governments and higher education institutions in PDC 4 (New River Valley) to establish/operate authority
- Establishment through passing an ordinance and executing an agreement

NRV Passenger Rail Station Authority (NRV-PRSA)

- Potentially 10 members: 8 local government, 2 higher education
- Each member has 2 appointees to the board
- NRVRC identified as the administrative entity at start

NRV Passenger Rail Station Authority (NRV-PRSA)

- Financial Investment
 - General administrative at start
 - Shift into capital project financing + operations + administrative
- Participation Agreement Structure
 - Isolates financial liability to those opting to participate with capital project(s)

Next Steps

- Establish the NRV PRSA - members pass ordinance and execute agreement in October/November
- State leadership is working on determining station location
- Authority formation sends strong message of commitment to state leadership
- Discuss opportunities for state/federal investment in station costs

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs and Audit Committee
April 28, 2022

Action Item
Approval for Radford University to Continue Level II Authority

Item:

Adoption of a Resolution reaffirming the Board's previous actions with regard to renewing its Memoranda of Understanding (MOU) with the Commonwealth of Virginia for Level II operational authority in the functional areas of Information Technology and Procurement authorized by Chapters 824 and 829.

Background:

On July 6, 2009, Radford University received additional operational authority in the areas of information technology and procurement through two MOUs in response to Chapters 824 and 829 of the Virginia Acts of Assembly. The legislation identified the initial term of the agreements for a three year period from the date of last signature.

On March 8, 2012, the University was notified by the Secretary of Finance of the Commonwealth's decision to conditionally renew the Level II MOUs for operational authority in information technology and procurement pending confirmation that each Board of Visitors approves a resolution by an absolute two-thirds or more vote expressing the sense of the body that Radford University is qualified to be, and should be, governed by the MOUs. The subsequent renewals were set at five year increments.

Radford University renewed both Level II MOUs effective July 1, 2017, and is currently seeking approval effective July 1, 2022 for an additional five year term.

Action:

Adoption of a Resolution reaffirming the Board of Visitors sense that Radford University is qualified to be, and should be, governed by Level II Memoranda of Understanding in the functional areas of Information Technology and Procurement.

RADFORD UNIVERSITY BOARD OF VISITORS

**Resolution
April 29, 2022**

Approval for Radford University to Continue Level II Authority

WHEREAS, the 2005 Session of the General Assembly enacted Chapters 933 and 945, Acts of Assembly, known as the Restructured Higher Education Financial and Administrative Operations Act (the “Act”), originally codified at Chapter 4.10 of Title 23, Sections 23-38.88 *et seq.*, and now codified at Chapter 10 of Title 23.1, Sections 23.1-1001 *et seq.*, of the Code of Virginia (1950), as amended; and

WHEREAS, the 2008 Session for the General Assembly enacted Chapters 824 and 829, Acts of the Assembly to amend and reenact § 23-38.90 of the Code of Virginia relating to operational authority for public institutions of higher education in information technology, procurement, and capital projects excluding leases of real property, and which allows the University to enter into memoranda of understanding for additional operating authority in two, but no more than two, of these three areas; and

WHEREAS, on July 6, 2009, the University and the Commonwealth of Virginia entered into original memoranda of understanding with the appropriate Cabinet Secretaries, as designated by the Governor, granting appropriate operational authority, for the functional areas of information technology and procurement, for a period of three years. Subsequent five year renewal periods commenced July 1, 2012 and July 1, 2017.

WHEREAS, the University desires to continue the operational authority originally granted and as required must enter into subsequent memoranda of understanding with the Commonwealth. As a condition to entering into subsequent memoranda of understanding, the Board of Visitors must approve a resolution affirmed by at least two-thirds of the Visitors expressing the sense that the institution is qualified to be, and should continue to be, governed by such subsequent memoranda of understanding.

NOW THEREFORE, BE IT RESOLVED that the Radford University Board of Visitors does hereby approve that the President of the University and its Chief Financial Officer/Vice President for Finance and Administration are authorized to proceed in cooperation with the applicable Cabinet Secretaries to obtain the continuation of the additional operating authority outlined in § 23.1-1003 of the Code of Virginia relative to information technology and procurement and to take all actions deemed by them to be necessary or advisable to facilitate this understanding.

BE IT FUTHER RESOLVED, that upon approval of the subsequent memoranda of understanding, the President and Vice President for Finance and Administration are granted full continuation of the authority and responsibility of management of the information technology and procurement functions of the University.

Minutes

RADFORD UNIVERSITY

Board of Visitors

RADFORD UNIVERSITY

Board of Visitors

BUSINESS AFFAIRS AND AUDIT COMMITTEE

1:00 P.M.

FEBRUARY 10, 2022

**MARY ANN JENNINGS HOVIS MEMORIAL BOARD ROOM
MARTIN HALL, THIRD FLOOR, RADFORD, VA**

DRAFT MINUTES

COMMITTEE MEMBERS PRESENT

Dr. Debra K. McMahon, Chair
Mr. Mark S. Lawrence, Vice Chair
Ms. Nancy Angland Rice
Mr. Marquett Smith

COMMITTEE MEMBERS ABSENT

Dr. Susan Whealler Johnston

BOARD MEMBERS PRESENT

Mr. Robert A. Archer, Rector
Dr. Thomas Brewster
Dr. Rachel D. Fowlkes
Mr. David A. Smith

OTHERS PRESENT:

Dr. Carolyn R. Lepre, Interim President
Mr. Chad A. Reed, Vice President for Finance and Administration and Chief Financial Officer
Ms. Margaret McManus, University Auditor
Mr. Zachary Borgerding, Audit Director, Auditor of Public Accounts
Ms. Meghan Finney, Audit In-Charge, Auditor of Public Accounts
Mr. Ed Oakes, Associate Vice President for Information Technology and Chief Information Officer
Ms. Karen Castele, Secretary to the Board of Visitors and Special Assistant to the President
Mr. Jorge Coartney, Associate Vice President for Facilities Management
Mr. Craig W. Cornell, Vice President for Enrollment Management
Ms. Stephanie Jennelle, Associate Vice President for Finance and University Controller
Dr. Angela Joyner, Interim Chief of Staff
Mr. Mike F. Melis, Senior Assistant Attorney General, Commonwealth of Virginia
Dr. Orion Rogers, Interim Provost and Vice President for Academic Affairs
Mr. Donnie Wimmer, Information Security Officer

CALL TO ORDER

Dr. Debra K. McMahon, Chair, formally called the meeting to order at 1:00 p.m. in the Mary Ann Jennings Hovis Memorial Board Room.

APPROVAL OF AGENDA

Dr. McMahon asked for a motion to approve the February 10, 2022 meeting agenda, as published. Mr. Marquett Smith so moved, Ms. Nancy Angland Rice seconded, and the motion carried unanimously.

APPROVAL OF MINUTES

Dr. McMahon asked for a motion to approve the minutes of the December 2, 2021 meeting of the Business Affairs and Audit Committee, as published. Ms. Rice so moved, Mr. Marquett Smith seconded, and the motion carried unanimously.

REPORTS

Report from the Auditor of Public Accounts

Mr. Zachary Borgerding with the Auditor of Public Accounts presented information regarding the ongoing audit of the University's FY 2021 financial statements. He discussed the responsibilities of the auditors and management, as well as the planned scope and timeline of the audit.

University Auditor's Report

University Auditor Margaret McManus presented an oral report on the review of University Discretionary Fund expenditures for the quarter ended December 31, 2021. One hundred percent of the fund's expenditures were reviewed, and all were found in compliance with the Board of Visitors' guidelines. Ms. McManus also presented a follow-up audit status report.

Capital Projects Update

Vice President for Finance and Administration and Chief Financial Officer Chad A. Reed provided an update on capital projects currently in progress or in planning. These projects included the Artis Center for Adaptive Innovation and Creativity, as well as projects included in the Governor's capital budget to include a campus infrastructure project, the Combined Heating and Power Cogeneration Facility and planning funds for the McConnell Library renovation.

Information Technology Services Update

Associate Vice President for Information Technology and Chief Information Officer Ed Oakes presented an update for Information Technology Services operations as well as significant projects underway. These projects include the transition of the Ellucian Banner environment from an on-premise University managed system to a managed cloud service hosted by Ellucian as well as the web presence cloud migration. Mr. Oakes also provided a cybersecurity and audit update.

ACTION ITEMS:

Recommendation for Approval of a Resolution Certifying Compliance with the Radford University Debt Management Policy

Associate Vice President for Finance and University Controller Stephanie Jennelle explained that the Secretary of Finance requires annual certification of debt compliance as part of Institutional Performance reporting standards. Ms. Jennelle provided documentation demonstrating the University is in compliance with its Debt Management Policy. Dr. McMahon asked for a motion to recommend the Resolution

Certifying Compliance with the Radford University Debt Management Policy, as presented, to the full Board for approval. Ms. Rice so moved, Mr. Marquett Smith seconded, and the motion carried unanimously. A copy of the proposed resolution is attached hereto as *Attachment A* and is made a part hereof.

Recommendation for Approval of Resolution of Third Quarter 2021-2022 University Operating Budget Adjustment

Vice President Reed reviewed the proposed Resolution of the Third Quarter 2021-2022 University Operating Budget Adjustment. He reported the adjustments were recommended to align revised revenue forecasts with authorized expenditure levels. Dr. McMahon asked for a motion to recommend the Resolution of Third Quarter 2021-22 Operating Budget Adjustment, as presented, to the full Board for approval. Mr. Marquett Smith so moved, Ms. Rice seconded, and the motion carried unanimously. A copy of the proposed resolution is attached hereto as *Attachment B* and is made a part hereof.

ADJOURNMENT

With no further business to come before the committee, Dr. McMahon adjourned the meeting at 2:20 p.m.

Respectfully submitted,

Pamela Fitchett
Administrative Assistant to the
Vice President for Finance and Administration
and Chief Financial Officer

End of Board of Visitors Materials

