

RADFORD UNIVERSITY

Board of Visitors

BUSINESS AFFAIRS AND AUDIT COMMITTEE

12:30 P.M.

APRIL 28, 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. Jay A. Brown
Ms. Krisha Chachra
Ms. Charlene A. Curtis
Dr. Rachel D. Fowlkes
Ms. Lisa W. Pompa
Mr. David A. Smith
Ms. Georgia Anne Snyder-Falkinham
Ms. Lisa Throckmorton

OTHERS PRESENT:

Dr. Carolyn R. Lepre, Interim President
Dr. Bret S. Danilowicz, President-elect
Ms. Sharon Barrett, Assistant Vice President for Planning, Budget and Reporting
Mr. Zachary Borgerding, Audit Director, Auditor of Public Accounts
Ms. Karen Castelee, Secretary to the Board of Visitors and Special Assistant to the President
Mr. Jorge Coartney, Associate Vice President, Facilities Management
Mr. Craig W. Cornell, Vice President for Enrollment Management
Ms. Meghan Finney, Audit In-Charge, Auditor of Public Accounts
Ms. Stephanie J. Jennelle, Interim Vice President for Finance and Administration and Chief Financial Officer

Dr. Angela Joyner, Interim Chief of Staff
Ms. Margaret McManus, University Auditor
Mr. Mike F. Melis, Senior Assistant Attorney General, Commonwealth of Virginia
Ms. Heather Miano, Executive Director of Administration
Mr. Ed Oakes, Associate Vice President for Information Technology and Chief Information Officer
Dr. J. Orion Rogers, Interim Provost and Vice President for Academic Affairs
Dr. Susan Trageser, Vice President for Student Affairs

CALL TO ORDER

Dr. Debra K. McMahan, Chair, formally called the meeting to order at 12:30 p.m. in the Mary Ann Jennings Hovis Memorial Board Room. Dr. McMahan welcomed everyone to the April meeting of the Business Affairs and Audit Committee.

APPROVAL OF AGENDA

Dr. McMahan asked for a motion to approve the April 28, 2022 meeting agenda, as published. Mr. Mark S. Lawrence so moved, Mr. Marquett Smith seconded, and the motion carried unanimously.

APPROVAL OF MINUTES

Dr. McMahan asked for a motion to approve the minutes of the February 10, 2022 meeting of the Business Affairs and Audit Committee, as published. Mr. Lawrence 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 provided a status report on the audit of the University's FY 2021 financial statements. He noted that, when completed, the final report will be provided directly to Board members via email.

University Auditor's Report

University Auditor Margaret McManus presented an oral report on the review of University Discretionary Fund expenditures for the quarter ended March 31, 2022. 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 and Information Technology Update

Interim Vice President for Finance and Administration and Chief Financial Officer Stephanie J. Jennelle provided an update on capital projects currently in progress. These projects included the Artis Center for Adaptive Innovation and Creativity, Tyler and Norwood Halls, as well as the Highlander Hotel, a Radford University Foundation project. Additionally, Ms. Jennelle presented an update for Information Technology Services operations as well as significant projects underway. The information discussed included the Banner ERP Cloud Migration, the Single Sign-On Cloud Migration, and IT Security Operational updates.

2022-23 Discussion of Tuition and Fees

Ms. Jennelle discussed the University's fiscal priorities and presented the Committee with the impact of proposed legislation and other cost drivers to the University's 2022-23 operating budget. This item is

traditionally an action item that approves the tuition and fee structure for the upcoming academic year; however, given the state budget is pending finalization, any consideration to 2022-23 tuition and fee changes will be deferred. The University remains committed to student affordability and meeting strategic initiatives. A future meeting will be called by the Rector to finalize outstanding tuition and fee rates.

ACTION ITEMS:

Recommendation for Approval of the Radford University Administrative and Professional Faculty Handbook Revision

Ms. Jennelle discussed the University's revision to the Radford University Administrative and Professional (AP) Faculty Handbook 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. Dr. McMahon asked for a motion to recommend the Resolution approving the revision of the Administrative and Professional Faculty Handbook, as presented, to the full Board for approval. Ms. Nancy Angland Rice so moved, Mr. Lawrence seconded the motion, 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 the Radford University Supplemental Defined Benefit Plan for Faculty

Ms. Jennelle provided information on the defined benefit plan that will provide participants of the Faculty Early Retirement Program (FERP) a tax advantageous distribution. This program is administered in accordance with the Code of Virginia requirement for the Voluntary Early Retirement Incentive Program and authorized by the Code of Virginia § 23.1-1302. Dr. McMahon, Chair, asked for a motion to recommend the Resolution approving the Radford University Supplemental Defined Benefit Plan for Faculty, as presented, to the full Board for approval. Mr. Smith so moved, Mr. Lawrence seconded the motion, and the motion carried unanimously. A copy of the proposed resolution is attached hereto as *Attachment B* and is made a part hereof.

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

Ms. Jennelle discussed plans for the creation of a regional passenger rail station authority, which will be named the New River Valley Passenger Rail Station Authority. Joining the Authority will create economic growth and development to the overall region. The University has been invited to join 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. Dr. McMahon asked for a motion to recommend the Resolution approving the New River Valley Passenger Rail Station Authority and Agreement, as presented, to the full Board for approval. Ms. Rice so moved, Mr. Marquett Smith seconded the motion, and the motion carried unanimously. A copy of the proposed resolution is attached hereto as *Attachment C* and is made a part hereof.

Recommendation for Approval to Continue Level II Authority

Ms. Jennelle discussed the University's Level II Delegated Authority in Procurement and Information Technology and the requirements to maintain such authority. The current memoranda of understanding ends June 30, 2022. Continuation requires approval by the Board of Visitors to extend the authority to June 30, 2027. Dr. McMahon asked for a motion to recommend the Resolution approving for Radford University to continue Level II Authority as presented, to the full Board for approval. Mr. Marquett Smith

so moved, Mr. Lawrence seconded the motion, and the motion carried unanimously. A copy of the proposed resolution is attached hereto as *Attachment D* and is made a part hereof.

ADJOURNMENT

With no further business to come before the committee, Dr. McMahon adjourned the meeting at 1:42 p.m.

Respectfully submitted,

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

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 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.

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.