

RADFORD UNIVERSITY
BOARD OF VISITORS
BUSINESS AFFAIRS & MARKETING COMMITTEE MEETING

May 3, 2012, 12:00 noon
Board Room, Martin Hall
Radford University

APPROVED

MINUTES

COMMITTEE MEMBERS PRESENT:

The Honorable J. Brandon Bell, Chair
Mr. Mark R. Pace, Vice Chair
Mr. Stephan Q. Cassaday
Mr. Darius A. Johnson
Mr. Ronald R. Wesley
Ms. Linda K. Whitley-Taylor

BOARD MEMBERS PRESENT:

Mr. Stephen A. Musselwhite, Rector
Ms. Nancy E. Artis
Mr. Matthew B. Crisp
Mr. Rene Fonseca
Mr. Thomas E. Fraim, Jr.
Mr. Milton C. Johns
Ms. Megan A. Rhodes (non-voting advisory student representative)
Dr. Richard A. Roth (non-voting advisory faculty representative)

OTHERS PRESENT:

President Penelope W. Kyle
Mr. Richard Alvarez, Vice President for Finance & Administration and Chief Financial Officer
Mr. Danny Kemp, Vice President for Information Technology and Chief Information Officer
Dr. Sam Minner, Provost and Vice President for Academic Affairs
Dr. Mark Shanley, Vice President for Student Affairs
Dr. Dennie Templeton, Emergency Preparedness Director
Dr. Bill Kennan, Vice Provost for Academic Affairs
Ms. Margaret McManus, University Auditor
Ms. Lisa Ridpath, Associate Vice President for Finance & Administration
Mr. Ron Forehand, Senior Assistant Attorney General
Ms. Christy Jackson, University Relations
Faculty, staff, guests and media

CALL TO ORDER

The Honorable J. Brandon Bell, Business Affairs & Marketing Committee Chair, formally called the meeting to order at 12:05 p.m. on May 3, 2012.

APPROVAL OF AGENDA

The Honorable J. Brandon Bell, Chair, asked for a motion to approve the May 3, 2012, meeting Agenda as published prior to the meeting. Mr. Ronald Wesley made the motion; Mr. Mark Pace seconded the motion, and the motion carried unanimously.

APPROVAL OF MINUTES

The Honorable J. Brandon Bell, Chair, asked for a motion to approve the minutes of the February 7, 2012, meeting of the Business Affairs & Marketing Committee, as distributed. Mr. Darius Johnson made the motion, Mr. Mark Pace seconded the motion, and the motion carried unanimously.

REPORTS/UPDATES

University Auditor's Report

Ms. Margaret McManus, University Auditor, presented an oral report on the University Discretionary Fund review for the quarter ended March 31, 2012. She reported that one hundred percent of expenditures were reviewed and all were found in compliance with the Board of Visitors' guidelines. Ms. McManus also presented a follow-up audit status report, which is attached hereto as Attachment A.

Write-Off Report

Ms. Lisa Ridpath, Associate Vice President for Finance & Administration, discussed the annual report for write-off of uncollected accounts for each quarter of 2011, compared to total write-offs for 2010 and 2009. The report documents compliance with the delegated authority to write-off up to \$25,000 per quarter. A copy of the write-off report is attached hereto as Attachment B.

General Assembly Update

Mr. Richard Alvarez, Vice President for Finance & Administration, provided information regarding legislation considered during the 2012 General Assembly Session. He included a summary of the proposed budget and a listing of bills and resolutions that may have an impact on institutions of higher education.

A handout of approved actions was provided at the committee meeting and is attached hereto as Attachment C.

ACTION ITEMS

Resolution Approving the Crisis and Emergency Operations Plan

The Business Affairs & Marketing Committee reviewed and discussed the adoption of a resolution approving the Radford University Crisis and Emergency Operations Plan dated April 15, 2012. Mr. Alvarez reported that the first Radford University Emergency Operations Plan (EOP) was adopted by the Radford University Board of Visitors on September 4, 2008, and that the *Code of Virginia* requires each institution of higher education to conduct a comprehensive review and revision of its crisis and emergency management plan every four years to ensure that the plan remains current.

An outline and specific notations addressing proposed changes, upgrades, and modifications to the original RU Emergency Operations Plan since its 2008 adoption were presented (Attachment D). This plan must be adopted formally by the University's Board of Visitors and will be certified in writing to the Department of Emergency Management. The next review of the EOP will be required in 2016.

Mr. Bell called for the recommendation of a Resolution (included in Attachment D) approving adoption of the Radford University Emergency Operations Plan dated April 15, 2012, as presented to the Business Affairs & Marketing Committee to include plans and procedures for both peace time and war-caused disasters. On a motion by Mr. Darius Johnson and seconded by Mr. Ronald Wesley, the recommendation was approved.

Resolution of Commitment to Continue Level II Authority

Mr. Richard Alvarez explained that currently, the renewal date for all Level II organizations differs based upon the timing each institution completed the appropriate documentation. In order to have a unified renewal date for all Memoranda of Understanding (MOUs), Radford worked collaboratively with the other Level II institutions (GMU, JMU, Longwood, ODU, VCCS, and VMI) to propose renewal MOU's that are consistent in format and content. Each institution submitted their respective MOUs to the Secretary of Finance on December 14, 2011, for consideration. The Secretary of Finance coordinated the renewal process with the other Secretaries as appropriate.

Mr. Alvarez stated that 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. Upon such action, the Level II MOUs will become effective, whereby the President and designated Vice Presidents are granted full continuation of the authority and responsibility of management of the information technology and procurement functions of the University. This renewal is for a five-year period.

Mr. Bell called for the recommendation of a Resolution (Attachment E) reaffirming the Board of Visitor's sense that Radford University is qualified to be, and should be, governed by Level II Memoranda of Understanding. On a motion by Mr. Ronald Wesley and seconded by Mark Pace, the recommendation was approved.

Resolution Declaring the Intentions to Issue 9(d) Bonds in 2012 for the Construction of the Student Fitness and Wellness Center

Ms. Lisa Ridpath, Associate Vice President for Finance & Administration, reported that the Student Fitness and Wellness Center capital project had been authorized to be financed for up to \$32,000,000, plus amounts needed to fund issuance costs, reserve funds, and other financing expenses. She also explained that the Virginia Department of Treasury requires a Resolution to be passed by the participating governing body each time an institution participates in a Virginia College Building Authority (VCBA) 9(d) bond sale. In response to a question, Ms. Ridpath stated that the total debt service is projected to be \$2.4 million, which has been taken into consideration with the university's fee structure.

Mr. Bell called for the recommendation of a Resolution (Attachment F) declaring the intention to participate in the 2012 bond issue for the Construct Student Fitness and Wellness Center, Capital Outlay Project #17563, through the Virginia College Building Authority Pooled Bond Program. On a motion by Mr. Darius Johnson and seconded by Mr. Ron Wesley, the recommendation was approved.

Resolution Declaring the Intentions to Issue 9(c) Bonds in 2012 for the Renovation of Washington Hall

Ms. Lisa Ridpath, Associate Vice President for Finance and Administration, reported that the Renovate Washington Hall capital project had been authorized to be financed for up to \$5,410,000, plus amounts needed to fund issuance costs, reserve funds, and other financing expenses. She further explained that the Virginia Department of Treasury requires a Resolution to be passed by the participating governing body prior to the Commonwealth's sale of the revenue bonds, typically scheduled for late fall.

Mr. Bell called for the recommendation of a Resolution (Attachment G) declaring the intention to issue 9(c) bonds for the "Renovate Washington Hall, Capital Outlay Project #17948" through the Higher Education General Obligation (GO) Pooled Bond Program.

On a motion by Ms. Linda Whitley-Taylor and seconded by Mr. Ronald Wesley, the recommendation was approved.

Megan Rhodes joined the meeting at 12:30 p.m.

Resolution for 2012-2013 Tuition and Fees

Mr. Alvarez led a discussion and provided an overview on the recommended 2012-2013 tuition and fees. He expressed appreciation to Governor Bob McDonnell and the General Assembly for their meaningful and renewed support, and stated that these recommendations will allow Radford University to move forward with its Six-Year Plan initiatives. It was pointed out that the state budget had not received final approval from the Governor yet. The General Assembly is scheduled to reconvene on May 14.

Mr. Alvarez explained that the university must address unavoidable cost increases for state-mandated employee fringe benefit and health insurance rate increases, rising energy costs, instructional support for increased student enrollment, annual contractual increases, and essential technology infrastructure and support. The proposed tuition and fees recommendations are not

only necessary to cover these increases, but also to maintain critical instructional program support and essential student services.

He summarized the recommendation by explaining that for the 2012-13 academic year, tuition and mandatory fees will increase \$270 (3.2 percent) for in-state undergraduates, and \$682 (3.5 percent) for out-of-state undergraduates. For undergraduates living on-campus, the total cost for tuition, mandatory fees, room and board will increase \$514 (3.2 percent) for in-state undergraduates, and \$926 (3.4 percent) for out-of-state undergraduates.

Mr. Alvarez stated that the proposed in-state undergraduate rate reflects the lowest increase in eleven years for both tuition and mandatory fees, and the total cost of attendance. He further explained that when the required tuition adjustments for state-mandated fringe benefit and health insurance increases are factored, the recommended in-state undergraduate rate is 0.7 percent below the non-seasonally adjusted Consumer Price Index of 2.7 percent.

Chairman Bell reminded the Committee that the Governor had said that universities should endeavor to stay at the CPI of 2.7 percent. However, he stated that 2.7 percent is a goal to strive for but feels strongly that the Committee should decide what is appropriate to move forward.

Mr. Alvarez said it was important to note that these tuition and fee recommendations are made in consideration of legislative and funding actions approved by the General Assembly, enrollment projections, mandatory cost increases, critical programmatic needs, and institutional priorities in conjunction with economic outlook and cost drivers. Furthermore, the university had been approved to carry forward a portion of the federal stimulus (ARRA) funds into the first quarter of 2011-12, which also needed to be factored into the proposed rates.

Copies of the explanatory documentation and Resolution were included as part of the committee notebook and are attached hereto as Attachments H and I.

After some discussion, Mr. Bell called for a motion to consider approval of the recommendation of a Resolution (Attachment H) to approve tuition and fees for the 2012-2013 academic year as reflected in the Summary of Proposed 2012-2013 Tuition and Fees. On a motion by Mr. Mark Pace and seconded by Mr. Ron Wesley, the motion was approved.

At this point, Chairman Bell asked for questions and comments. The Committee discussed recommendations that other university boards had passed, which were all above the CPI of 2.7 percent. (Mr. Stephan Cassaday arrived at 1:15 p.m.) There was extensive discussion regarding ways to address the “gap” that continues to exist while still making higher education affordable. It was agreed that continuing serious conversations with members of the General Assembly is critical. The Committee discussed the importance of recruiting, enrollment, and retention, and it was noted that both undergraduate and graduate enrollment is expected to increase for Fall 2012. There was discussion that perhaps the tuition and fee recommendation should be as high as 3.7 percent.

After a thorough discussion, Chairman Bell called for a vote on the motion to approve the recommendation of a Resolution to approve tuition and fees for the 2012-2013 academic year as

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reflected in the Summary of Proposed 2012-2013 Tuition and Fees. Hearing all “ayes” with no objections, the motion passed.

ADJOURNMENT

With no further business to come before the committee, the Honorable J. Brandon Bell, Chair, adjourned the meeting at 1:58 p.m.

Respectfully Submitted,
Barbara M. Conner, Recorder