A regular meeting of the Board of Visitors of Virginia Commonwealth University was held on Thursday, November 14, 2002, at 9 a.m. in the University Meeting Center located at 101 North Harrison Street.

Present were Drs. Perkinson (Rector), Bersoff, Long and Romano; Messrs. Axselle, Markel, Plymale, Pyon, Rigsby, Rosenthal, Slater and Thompson; and Mesdames McMichael, Petera and Riddick. Mr. Baldacci was absent. Also present were Drs. Trani, Andrews, Brodd, Huff, Kontos, McDavis, Rhone, Self and Turner; Messrs. Broadway, Bunce, Gehring, Jez, Ohlinger, Ross and Timmreck; and Mesdames Balmer, Chinnici, Lepley and Messmer.

The Report of the Rector was presented.

A meeting with Inger Rice and the James River Advisory Council was held to discuss the art auction benefiting the Rice Property. An October date is being considered for the auction. Also, a fund-raiser was discussed for the Anderson Gallery in conjunction with the Bocock House. The two buildings are in close proximity and would be a perfect landscaping opportunity to combine the two facilities.

The Rector has attended several of the weekly Vice Presidents’ meetings as well as attending the press conference for Dr. John Fenn, Nobel Prize winner in chemistry.

The Report of the President was presented.

Dr. Christopher Kenney, student representative to the Board of Visitors, was introduced. Dr. Kenney is an alumnus, with a Master of Science in physiology and a Ph.D. in pathology from VCU and is now working on a M.D., earning his bachelor’s degree in biology from Washington and Jefferson College in Pennsylvania. Dr. Kenney is very involved in the University, including serving as President of the MCV Campus Student Government Association and serving as a trustee of the board of the MCV Alumni Association. Dr. Kenney also has served on the medical campus’ VCU Honor Council and on University Council, and as a member of several professional organizations.
For Fall 2002, VCU received 11,947 undergraduate applications. Undergraduate applications have increased 9 percent over 2001 (959 applications), and by 90 percent since 1995. Freshman applications were up 8 percent and the acceptance rate was 73 percent, down from 2001, and up from the 82 percent acceptance rate in 1996. Also, the yield rate (the percent of accepted students actually enrolled at VCU) increased from 47 percent in 2001 to 49 percent in 2002. The average SAT score of the incoming freshmen increased by 13 points. The average SAT score of the incoming freshman class was 1050, up from the Fall 2001 freshman class average of 1037, and up from 1002 in 1996. The number of incoming out-of-state enrollments increased from 2,130 students in 2000 to 2,597 in 2002, an increase of 467 students. In 2001, VCU had a total headcount enrollment of 25,001. In 2002, VCU exceeded the projected headcount enrollment of 25,415 students with an enrollment of 26,009 students.

Dr. John Fenn, a research professor in the Department of Chemistry and an affiliate professor of chemical engineering, was one of three recipients of the 2002 Nobel Prize in Chemistry. The Nobel Prize for Chemistry will be formally presented in Stockholm on December 10, 2002, the anniversary of the 1896 death of Alfred Nobel, who established the awards. Dr. and Mrs. Trani will be attending the ceremonies in Stockholm.

The 2002-2004 Budget Reduction Plan was presented. Highlights are:

As a result of the Commonwealth’s cumulative $5.3 billion revenue shortfall, the 2002-04 biennium is shaping up to be the most challenging time for VCU since the recession of the early 1990s.

The latest round of cuts for VCU calls for general fund reductions of 9.8% for 2002 and 12.0% for 2003, or $15.3 million and $18.1 million, respectively.

When added to cuts passed by the 2002 General Assembly, VCU’s taxpayer support will be reduced by a total of $33.9 million, or 19.1%, for the 2002 year and $43.3 million, or 24.4%, for 2003-04. Over the biennium, general fund reductions total $77.2 million, or 21.8% of the adjusted 2001-02 general fund base.

Additional tuition revenue from rate increases only partially offsets the general fund reductions. For example, over the 2002-04 biennium, additional revenue from tuition increases already approved by the Board of Visitors, as well as increases recommended, will replace one dollar for every two and one-half dollars in reduced taxpayer support.

After a recommended mid-year tuition increase of $300 and after other funding needs are addressed, budget cuts of about $14.5 million in each year are required. The following categories summarize the University’s budget reductions strategies:

1. Reduce personnel costs in instructional, academic support, and student programs by $2,519,647 in 2002-03 and by $3,863,277 in 2003-04. Actions include the elimination of 32.76 vacant FTE positions in the first year and 44.96 vacant positions in the second year.
2. Reduce personnel costs in institutional support areas by $1,186,033 in 2002-03 and by $1,090,165 in 2003-04. Actions include the elimination of 24.29 vacant FTE positions in the first year and 20.29 vacant positions in the second year.

3. Reduce or eliminate current services in instructional, academic support, and student programs by $2,443,608 in 2002-03 and by $2,398,183 in 2003-04. Actions include layoffs for 38.80 FTE positions and the elimination of 10.72 vacant FTE positions in 2002-03 and layoffs for 31.93 FTE positions and the elimination of 3.99 vacant FTE positions in the second year.

4. Reduce support for the Family Practice Residency Program by $739,454 in 2002-03 and by $1,872,551 in 2003-04.

5. Eliminate the Autism Center and the Center for the Advancement of Generalist Medicine for savings of $795,365 in 2003-04. The action will require layoffs for 1.30 FTE positions.

6. Reduce or eliminate current services in institutional support areas by $1,854,969 in 2002-03 and by $2,525,270 in 2003-04. Actions include layoffs for 30.05 FTE positions and the elimination of 2.00 vacant FTE positions in 2002-03 and layoffs for 29.60 FTE positions and the elimination of 4.00 vacant FTE positions in the second year.

7. Defer discretionary expenditures for savings of $2,390,253 in 2002-03 and $957,018 in 2003-04. The action includes the elimination of 2.00 vacant FTE positions.

8. Use alternative revenue sources to offset the reductions of $3,332,874 in 2002-03 and $1,002,777 in 2003-04.

On motion made and seconded, the Board approved the budget reduction strategies for 2002-2003 and 2002-2004, the approval of the 2002-3003 mid-year tuition increase of $300, the approval of a $95 per semester increase in the Arts Majors Fee and the approval of an optional GRTC ridership pass at $50 per semester.

Mrs. Petera reported for the Academic and Health Affairs Policy Committee. The Academic and Health Affairs Policy Committee met with the members of the Faculty Senate Executive Committee. Dr. Robert Andrews, President, distributed a handout regarding the Board appointing a faculty representative to serve as a non-voting member
of the Board of Visitors. Mrs. Petera thanked the members of the Faculty Senate for the input and for the on-going communication between the faculty and the Board.

Ms. Shivani Gupta, SGA President for the Academic Campus, discussed the students’ thoughts on the proposed tuition increase. Ms. Gupta distributed a handout listing the pros and cons for the increase and read a letter supporting the faculty’s amendment to the tuition increase bringing the proposed increase to $300.

The Faculty Alternative Severance Option was presented. The VCU’s Faculty Alternative Severance Option (FASO) is a management tool to assist departments in restructuring business operations to achieve strategic budget reductions, program modifications, and/or the elimination of positions. FASO is not an early retirement or contract “buy-out” program. Teaching and research faculty and administrative and professional faculty participating in the Optional Retirement Plan or the Virginia Retirement System are eligible for FASO benefits upon resignation or retirement from VCU. Faculty funded from 100 percent sponsored programs are not eligible for FASO benefits. Only faculty in schools that provide approved business plans of restructuring and cost-saving efforts are eligible to apply for FASO benefits. Eligible participants may receive severance benefits (four to 36 weeks) or, in some instances, enhanced VRS benefits. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the Faculty Alternative Severance Option.

The proposal to rename the Department of Biochemistry and Molecular Biophysics, School of Medicine, to the Department of Biochemistry was presented. The change would restore the original name of the department and is more reflective of the direction of departmental development that is proceeding under the chair’s management.
The inclusion of the phrase, “Molecular Biophysics,” does not provide a meaningful description of the broad expertise of the department and is somewhat misleading to prospective students. In addition, the rankings of departments by federal agencies such as the National Institutes of Health fail to include the Department in rankings of Biochemistry departments nationally as a consequence of the appearance of the term “Biophysics” in the nomenclature. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the proposal to rename the Department of Biochemistry and Molecular Biophysics, School of Medicine, to the Department of Biochemistry.

The proposal to change the name of the M.S. in Recreation, Parks, and Tourism to the M.S. in Recreation, Parks, and Sport Leadership was presented. Changing the degree title to Recreation, Parks and Sport Leadership reflects the change in program track offerings from travel and tourism to sport leadership and will provide greater visibility for the sport leadership program. The program has received national exposure as a unique and innovative program for the preparation of individuals for careers in sport business. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the proposal to change the name of the M.S. in Recreation, Parks, and Tourism to the M.S. in Recreation, Parks, and Sport Leadership.

The proposal to change the name of the M.S. in Physical Education to an M.S. in Health and Movement Sciences was presented. The proposal reflects the current philosophy of the Health, Physical Education and Recreation Division to move toward a health and science emphasis in the advanced program of study. Students graduating with the M.S. in Health and Movement Sciences will pursue careers in the rehabilitation of
both physically active and disabled populations, in the development and supervision of
health and exercise science intervention programs for both apparently healthy and
individuals at risk for chronic diseases and in laboratory research in health and movement
sciences. The Academic and Health Affairs Policy Committee recommended to the full
Board the approval of the proposal to change the name of the M.S. in Physical Education
to an M.S. in Health and Movement Sciences.

The proposal to change the name of the M.Ed. in Adult Education to the M.Ed. in
Adult Education and Human Resource Development was presented. A name change to
M.Ed. in Adult Education and Human Resource Development was proposed to reflect the
increasing emphasis in the field on corporate and community based workplace training.
The new name was supported by the faculty in Human Resource Management in VCU’s
School of Business and approved by the Graduate Council. The Academic and Health
Affairs Policy Committee recommended to the full Board the approval of the proposal to
change the name of the M.Ed. in Adult Education to the M.Ed. in Adult Education and
Human Resource Development.

The request to discontinue the M.Ed. Program in Special Education – Early
Childhood Handicapped was presented. The M.Ed. in Early Childhood Handicapped
degree was approved by SCHEV in 1980. The program began accepting students in 1982
and continued doing so until the early 1990s when the School of Education gained
approval to initiate the M.Ed. in Special Education: Early Childhood Special Education.
The new program name reflected a national movement to eliminate the use of
“handicapped” as a descriptor. During the School of Graduate Studies audit, the auditor
indicated the Board of Visitors and SCHEV had not approved the discontinuance of the
M.Ed. program in Special Education – Early Childhood Handicapped. The School of Education requests the M.Ed. Program in Special Education - Early Childhood Handicapped degree be discontinued. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the request to discontinue the M.Ed. Program in Special Education - Early Childhood Handicapped.

The proposal to initiate an M.S. Degree Program in Information Systems in the School of Business was presented. The School of Business proposes the establishment of a 30-credit Master of Science program in Information Systems. The program now exists as a track in the Master of Science in Business Program. The new program will offer the same curriculum as the current program offers. The program is designed to prepare students for leadership positions in information systems and information technology. The program has both a management and technical focus. Graduates are expected to take significant roles in planning, organizing, managing, designing, configuring and implementing Enterprise Information Systems using state-of-the-art technologies within organizations. The initiation of the program will serve Richmond, the surrounding community, and the state by providing a source of highly skilled information technology workers that will move into leadership positions in the industry. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the proposal to initiate an M.S. Degree Program in Information Systems in the School of Business.

The proposal to initiate a B.S. Degree Program in Computer Engineering in the School of Engineering was presented. The School of Engineering requests approval for the establishment of a B.S. degree in Computer Engineering, “spun off” from the existing
Computer Engineering “track” with the B.S. program in Electrical Engineering. The School of Engineering currently offers two ABET (Accreditation Board for Engineering and Technology) accredited undergraduate programs with the B.S. in electrical engineering, one in electrical engineering (EE) and the second in computer engineering (CpE). While two tracks are currently available, only one degree is offered, a B.S in Electrical Engineering. The proposal requests the creation of a separate degree, the B.S. in Computer Engineering. The proposed B.S. in Computer Engineering adds options for engineering students while efficiently using the resources within the School of Engineering. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the proposal to initiate a B.S. Degree Program in Computer Engineering in the School of Engineering.


The Assessment Report for 2001-2002, the Virginia Commonwealth University Health System Financial Statement Summary Fiscal Year 2003 – Two Months ending August 31, 2002, and a report on the School of Pharmacy were presented for information.

Mr. Plymale reported for the Advancement and External Relations Committee. Mr. Plymale announced that at the full Board meeting the Board will be voting on a name change for the Committee. The name of the Advancement and External Relations Committee would be changed to External Relations Committee.
The Federal, State, Local and Community Relations Report was presented for information. The General Obligation Bond passed with 72% of the vote. VCU is setting up a meeting with Tom Scully, the head of the Center for Medicare and Medicaid Services. Dr. Steve Long has invited Dr. Scully to visit the campus in January, and VCU will use the opportunity to discuss Medicaid/Medicare funding generally as well as safety net issues.

A one-page outline designating areas of responsibility for members of the staff in the Governmental and Community Relations office was distributed for information.

The Marketing and Media Relations Report was presented for information. VCU received unprecedented positive news coverage during August 2002 and October 2002, fueled by the announcement of VCU’s Nobel Laureate, Dr. John Fenn, and the life-saving treatment of the Ashland sniper victim at the VCU Health System’s MCV Hospitals by Dr. Rao Ivatury and his team. A video of the media coverage of Dr. Fenn and Dr. Ivatury was shown to the Committee. “VCU in the News” was distributed to the Committee.

Mr. Rigsby reported for the Audit Committee. The Audit Committee Charter was presented. The primary purpose of the Audit Committee is to assist the Board of Visitors in fulfilling the Board’s fiduciary responsibilities related to the oversight of the soundness of the University’s system of internal accounting controls; the integrity of the University’s financial accounting and reporting practices; and the independence and performance of the internal and external audit functions. The Charter outlines the mission of the Audit Committee. The Audit Committee recommended to the full Board the approval of the Audit Committee Charter.
The Proposed 2003 Audit Workplan was presented. The Audit Workplan outlines the Risk-based Audits, the Annual Audit Projects and the Management Services Projects scheduled for 2003 and the anticipated hours assigned to the audits. The Audit Committee recommended to the full Board the approval of the proposed 2003 Audit Workplan.

The Annual Report of Objectives, Outcomes and Contributions was presented for information.

Mr. Markel reported for the Finance, Investment and Property Committee. The Linden Street Plaza Deed of Easement was presented. Dominion Virginia Power has requested that VCU grant a utility easement on South Linden Street and in a portion of an alley which runs between Cherry Street and South Linden Street. The utility lines serve the Thalhimer Tennis Center at 5 – 7 South Linden Street. The easement is required to provide access to underground and overhead electrical utilities for repair and maintenance purposes. The utility lines provide electrical power to the Thalhimer Tennis Center. The Finance, Investment and Property Committee recommended to the full Board the approval of the Linden Street Plaza Deed of Easement.

The Faculty Alternative Severance Option was presented. The Finance, Investment and Property Committee recommended to the full Board the approval of the Faculty Alternative Severance Option.

A Resolution to approve the Rice Center Site Development Plan that was presented to the Board at the May 2002 was submitted. The Finance, Investment and Property Committee recommended to the full Board the approval of the following Resolution:
WHEREAS in May 2001, the Board of Visitors of Virginia Commonwealth University Virginia approved a major gift from Mrs. Inger V. Rice of 342 acres of property along the James River in Charles City County, Virginia, to be used as a living laboratory for environmental life sciences; and

WHEREAS in November 2001, the Board of Visitors of Virginia Commonwealth University granted approval to begin planning to establish the programmatic and physical guidelines for the use and development of the property, identified as the Inger and Walter Rice Center for Environmental Life Sciences of Virginia Commonwealth University (Rice Center); and

WHEREAS in May 2002, Virginia Commonwealth University concluded preparation of the site development plan for the Rice Center, identified as the Inger and Walter Rice Center for Environmental Life Sciences of Virginia Commonwealth University, Site Development Plan - 2002; and

WHEREAS the Rice Center Site Development Plan was presented to the May 2002 meeting of the Board of Visitors of Virginia Commonwealth University; and

WHEREAS the Board of Visitors of Virginia Commonwealth University finds the Rice Center Site Development Plan to be acceptable,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Visitors of Virginia Commonwealth University that the Inger and Walter Rice Center for Environmental Life Sciences of Virginia Commonwealth University, Site Development Plan – 2002, is hereby adopted and approved.

The Request for Qualifications and Invitation for Bids: Renovations Management Services was presented. Facilities Management wants to seek statements of qualifications and ultimate bids from qualified private construction management firms that provide Job Order Contracting (JOC) services for University and Hospital renovations work. The resulting contract will replace the current VCU Renovations Management Contract with Gilbane Building Company that has been in effect since 1995. Annually, VCU completes 500-600 small renovations projects, totaling about $4
million. Job Order Contracting is a fixed price, indefinite quantity, and long-term contract for multiple construction, renovation, repair, and alteration projects delivered on an on-call basis through delivery orders. The contractor bids a "coefficient" which is applied to the unit prices in the customer-specified Unit Price Book. The unit prices provide a basis for establishing the lump-sum fixed price for individual delivery order. Local, small subcontractors accomplish most of the work. The Finance, Investment and Property Committee recommended to the full Board the approval of the Request for Qualifications and Invitation for Bids.

The Architect Engineer Selection for the Cary Street Field Replacement was presented. The project will renovate the 116,000 square foot synthetic turf covering at the Cary Street Field. The project will include removal of the existing synthetic turf system, excavation and replacement of unsuitable soil at the existing field depressions, drainage and utility modifications, and the installation of a new synthetic turf system. The construction budget is $1,050,000, with a total budget of $1,540,495. The firm recommended was Clough Harbour & Associates. The Finance, Investment and Property Committee recommended to the full Board the approval of the firm of Clough Harbour & Associates as the architect engineer selection for the Cary Street Field Replacement.

The Architect Engineer Selection for the Sanger Hall Laboratory Renovations, Phase I, Project 1: Second Floor Laboratory was presented. The project will start the Sanger Hall Laboratory Renovation work and is a direct result of a $2,000,000 National Institute of Health matching grant. The renovations of the second floor of Sanger Hall will transform existing laboratory and office space into a modern facility housing the new Cellular and Molecular Signaling Facility for Collaborative Research and Training. The