

Transcript Strategic Finance Committee Meeting – April 16, 2021

0:00

To be right? It is a hard stop.

0:06

No one.

0:07

April, can you please call the order call roll?

0:16

Mr. Henry -

0:18

Yes.

0:19

Mr. Blake – Here. Mr. Dyke will be joining us later. Mr. Fulton - Here.

0:26

Mr. Griffith – Here. We have a quorum.

0:33

Good morning all, good to see everybody. Good morning Mrs. President. Doing great, doing great.

0:38

Loved to hear it. It feels great outside. So, again, I'm not going to hold us no longer than we need to be.

0:49

First item on the agenda is for us to approve the minutes from April the 18th.

1:00

I don't know if we got the minutes from the meeting on the second?

1:05

I don't think they were in.

1:09

So moved.

1:11

Good.

1:13

All Right. It's been moved and properly seconded.

1:16

Um, April, do we have to do a roll call for every single vote?

1:20

Yes. Okay. That's what I mean. Okay.

1:27

Mr. Henry – Yes. Mr. Blake – Yes. Mr. Fulton – Yes. Mr. Griffith – Yes. Good morning.

1:35

That's it. For the minutes.

1:38

All right, thank you.

1:39

Is there anyone that didn't have an opportunity to review the charter for the committee?

1:49

If we are okay with the charter, I'll entertain a motion for approval of it.

1:55

So moved.

1:55

Second. It has been moved and properly seconded. Ms. April,

2:00

please call the roll. Okay. Mr. Henry -

2:09

Yes. Mr. Blake – Yes. Mr. Fulton – Yes. Mr. Griffith - Yes. That's it.

2:20

Yeah.

2:25

Is there a delay on it?

2:28

Is that delay coming from the conference room or is that me?

2:34

It might be you mines feels like its real time. Okay. All right.

2:39

Well, sounds like that motion carries.

2:41

Moving on to the financial report. Mr. Hunter.

2:46

Good morning, thank you for being with us.

2:49

A voice

2:52

Good morning, the floor is yours.

2:53

Mr. Henry, members of the Finance Committee, the Strategic Finance Committee, it's a pleasure to be with you.

3:00

Again, this morning, if I may, just, I've got to take this mask off or something like that.

3:08

I can't operate.

3:12

Yeah, I'd like to kind of give a summary of the first three items. I know that time is of the essence this morning.

3:21

And what I wanted to share with you is that the financial report has not changed significantly from the report that we saw last month, and the reason for that is there's not been a lot of activity between March and April.

3:38

Projections are the same that we're looking to finish the year, very strong with about \$15 million dollar fund balance.

3:48

If you'll recall, when you compare that to prior years, our fund balances have been anywhere ranging from four to \$10 million dollar, so that's a strong projection for year end.

4:04

I will add that it doesn't include \$18.5 million dollars in federal funds that we received from the second allocation.

4:15

And the reason it doesn't include those funds is they may not be drawn down this fiscal year.

4:22

They may be drawn down next year, and then they will appear in our overall institutional financial projection.

4:29

So, well, I guess what I'm saying to an essence we are really more in the neighborhood of over \$30 million dollar fund balance.

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If you really wanted to take into consideration those funds.

4:41

And the reason those funds have not been drawn down is there are specific guidelines that we have to follow in order to bring the funds into the institution.

4:52

And if you have any questions on the specifics regarding those guidelines, Ms.

4:58

Karla Amaya Gordon, our University Controller is here. She is the residence expert on ensuring that we are in compliance with drawing down on those funds.

5:11

Now, I also need to add to that, is that we are still waiting?

5:16

The third allotment in federal funds.

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And if you may recall, Mr. Griffith share that we should be anticipating a pretty large allocation of those funds as well, so we're at a real strong financial position going into the end of this fiscal year, and going into next year.

5:38

And of course, what's going to be important is if that holds true as we look at our fall enrollment and the number of students that were are able to house on campus, those are really important pieces of our financial position.

5:58

Should we not?

6:00

Should we run into some trouble, we do have the reserve funds to make up for that loss revenue, which is one of the primary uses of the Federal CARES Act funds.

6:14

You may notice for example with our auxiliaries.

6:18

This year we are projecting that we are going to generate approximately \$29 million, well \$31 million, almost \$32 million... if you look at the year-end projection.

6:31

Under revenue, but you notice that the budget is \$53.2 million. Well there's a couple of things that have taken place over the course of the fiscal year.

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One is that we've dropped expenditures.

6:45

We've refinanced our debt.

6:49

On the new Res Life facility. Okay. So what it is, we partnered with the state and all of that was refinanced.

6:59

And at the same time, last but not least, we were allocated a significant amount of Federal CARES Act funds, which we can use for displaced revenue.

7:13

So, even with all of that, having to take this all into consideration.

7:18

Not factoring in the \$18.5 million, we're saying without that, we're going to be at \$15.3 million, which is a very strong position.

7:28

Hey Gerald?

7:29

Just for my own information.

7:32

So when the state entity does a refinancing of debt is there a facility that they use through the state, or is that some institution or financial institution that we go to?

7:47

Great question Mr. Henry. That all is a function of your levels.

7:52

Level threes have the ability to do finances at the individual institution level.

7:58

Level one does not. So, we have to go through.

8:02

If the VCBA, which is the Virginia College Building Authority, that's the acronym VCBA

8:12

And they oversee and actually do the refinancing for all debt for our institution at all other level one institutions, as well as level two. Level one, and level two.

8:26

So you got to get to level three to have all autonomy over your investments as it relates to capital, as well as human resources.

8:36

That's another big feature of being level three.

8:40

Okay! Thank you. You are welcome.

8:43

Okay. So are there any questions?

8:45

On these financials? We actually discuss these the last time, and I didn't know how much you want to get into it.

8:53

I mean part of the revenue shortfalls are in athletics.

9:00

Reason being is if you may recall doing the fall semester, you may what we did.

9:06

So we prorate the mandatory fee.

9:09

So we made some decisions that reduced some of our revenue because students weren't going to be on campus.

9:17

And we're not going to be able to take advantage of things that they would pay for, we wanted to make sure we aligned those appropriately.

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And then, you know, another big feature is, for the spring semester.

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You know, we're at about 50% occupancy across the board in our

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Res Life facilities which, you know, it's kind of a good news, bad news scenario.

9:42

Because the bad news is, that you lose the revenue, but the good news was that working through this covid crisis that we've been in.

9:51

It's allowed us to have good spacing strategy.

9:56

Which I believe contributed to our ability to I

9:59

Keep that the percentage of infections low on our campus compared to other campuses. That's awesome.

10:06

Um, just to check the temperature of the committee and being that most of this information we did just recently reviewed, is there anything that from a highlight standpoint that we want to know, or we can just keep pushing?

10:23

Far as I can see, everything looked to be in order and consistent with what we've seen.

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So I would, in my view, I think we are in good shape.

10:32

Just one quick question as we come out of this with the strong performance that we see, what are the plans to go forward with those funds?

10:43

Great question.

10:44

Uh, because these funds supplant foregone revenue, we're anticipating that we will have a similar dynamic to what we had this year, next year, that some of the federal funding will need to be used to make up for lost revenue.

11:14

When we get to the budget, one of the things you're going to notice, yes, despite the fact that we're only project in \$32 million in Auxiliary Enterprise, you'll notice that we retained our budget at \$53 million.

11:28

Because the formula that's used to calculate how much of the federal funds you can use is based on your budget.

11:37

So we're projecting futures shortfalls so that'll help us get access to the funding which will actually wind up in our auxiliary fund balance.

11:52

Now, Mr. Griffith, to your question specifically, we've have not finalized any decision on the use of those funds.

12:02

Certainly, that's something that I believe Dr. J, President Adam Gaston that we will talk about and consult with the Finance Committee, as we would look at some decisions, but there's a lot of things that we can do.

12:16

Once we get those funds in our auxiliary fund balance that's the beauty of.

12:21

And part of that delay will be waiting for this.

12:24

Next tranches of income from the Cares Act or what they call the different Act this time. And then we'll be able to create a holistic picture. So that's coming as soon as we know exactly what we're getting or that we've got.

12:43

But there is no take back, right?

12:45

The money that we've gotten, they can't say, hey, you didn't use it by a certain time and it had to be allocated. Not necessarily. We know that they are loath to do that, but there are there are anticipated expenditure deadlines around the money. Yes, yes, that's right.

13:06

And to that point, Mr. Griffith, Mr. Henry, we take that into consideration. But once, once those funds become university funds, they fall out of the deadline.

13:18

So, the goal is, is to draw them down, spend them for the purposes that we can identify, OK? And once they do they become a part, when we lose revenue, and we cut costs, they actually increase the auxiliary fund balance.

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Those are funds that we have oversight of locally.

13:39

So, I guess what I'm saying.

13:41

To summarize it, there are a lot of different intentions.

13:45

in these funds that the HBCUs have received it. Mr. Griffith might be to speak to that a little bit more than I can, but.

13:56

I see these funds as an opportunity to strengthen the long term financial position at the institution, at the same time make some decision about some things that the institution wants to do, as the President and the Board sees fit moving forward.

14:15

So, the goal is not to lose any of these funds.

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Now, anything that we received so far, I'm confident that we can meet the got deadlines and everything, including the \$18 million.

14:26

Challenge, just got to come in, as if they give us, say, \$50 or \$60 million, or \$40 million more dollars.

14:35

And they say, you've got to spend this in a year, and then they gives us some real conservative guidelines like you can only go by mask and shields or something like that.

14:46

Then we would have to get really creative about how we are able to draw those funds down.

14:52

We might have to ask for some special concessions in terms of time in order to make the best use of those funds.

14:59

But it also depends on, we don't know what we'll cover coming up on Fall 2021.

15:06

Do we really know what Fall 2022 is going to be?

15:10

You know, how long is it going to take us to come out of this crisis that we've been financially and get back to where we were?

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So, there's a lot of moving pieces there, and this is something that you know, our financial leadership team talks about all the time.

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What we know now is, so far, it looks like you can do some planning around and anticipation of three times the amount of money.

15:39

Or so, from what you have received in the most recent allocation, and the guidelines to be pretty much around the same; in terms of the flexibility of use of the funds, anticipating that a third of it will have to go to the student emergency aid, and you know, all the other kinds of things that they put forward before.

16:01

We are, of course working to hear back from university presidents, we being Thurgood Marshall.

16:08

Now feel if understanding that the pandemic and the needs have shifted as the cycle of it has shifted and going back for those rules, as you described Gerald to be able to give some flexibility for the Federal appropriators.

16:25

But right now, you may want to do some early planning. That's what we're beginning to hear. Of course as I know more, I'll get it to you as quickly as I can.

16:34

Thank you. Mr. Griffith, do we have any concept of how long we would have to use those funds, what the outer limit. Let's say out or so, so far the language has been during the period of the pandemic which allows them of course to declare it's on or it's off If there is any unfortunate good news is that you know with the variance with still the wide amount of vaccine needed and the like. My guess is that they're going to give us the full academic year, next year

17:11

But we'll see what happens.

17:14

That's very helpful. Thank you. Sure.

17:19

Yeah.

17:20

I think if there's any takeaway from this is, you know, we're really as much as we can, you know, do due diligence and research around the use of the funds, the timing of the funds and less.

17:35

Kind of start planning through what that looks like, so that you know, they're not caught, you know, what are not truly having a plan as how we want to use those moneys and somehow it ends up expiring on us.

17:50

So that would be the last thing that we would want. You know in an odd way there is, I guess there is an embarrassment of riches too, because with the rules being very much the same. The state is also going to get an appropriation for which Norfolk State can and most likely should queue up for its portion.

18:07

So it may be that there's another tranche of funds coming on top of federal aid through the state to the institution. So, you know what would I encouraged by and Gerald and Dr. J. hit it perfectly, is preserve as much of our money as possible, and use every single cent of their money first. Yes,

yes, that's right. That's right. And get it out. Spend it down, get it out the door. Every single way that we can spend those dollars. Of course, understanding that there are some rigorous reporting requirements around it.

18:45

Don't mess with federal money. But, but, yeah, every single way that we can, we can find, man, if it's if it's to send some kids out to pick up cans on campus, get them to go. I'll go and pick up some cans too, if we need to. So we have applied for the State funds also, so, thank you. Yes.

19:07

I've got more slides, but yeah, that's everything on that topic.

19:14

OK.

19:18

This is pretty much the same.

19:20

Yeah. Yeah, so we can move, if you'd like. I'd like to move us to the second and third topics based on the time

19:28

Due to constraints while we got everyone here. The next two items are usually very complex.

19:36

I don't know why debt management is, I think we should be at the tuition fee, operating year.

19:47

Yeah, OK.

19:50

Typically, on an annual basis.

19:55

one of the things that we spend the most time as a finance committee, particularly now being expanded group, in terms of the mission of the group, is we spent a lot of time on establishing tuition and fee rates for the upcoming year, which will begin in fall, Fall 2021 for that for next year.

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The other thing that we would do, is we would have a budget that basically takes into consideration the new funding that we received from increased enrollment, if we're projecting it, as well as the new revenue that we receive from increasing tuition.

20:44

The other part that we often would be discussing at this time of the year, are the increases that we receive from state in terms of state appropriation.

20:56

And we've talked about that in our prior meetings when we talked about the legislative update.

21:04

And then we will be talking and speaking on the other side about any increases that we would see in Auxiliary Enterprises, it would be a function of increasing the mandatory fee as well as increases in our business operations; particularly if we bring on any new operations, like a new Res Life facility. We opened up a new dining facility.

21:28

We would anticipate additional revenue. What if we opened and created, and brought on a convenience store. Those would increase our auxiliary revenues.

21:42

The last area there we would be focusing on would be on sponsor programs, which is increasing increases in federal grants, federal, state, and local grants that we anticipate that we're going to receive, and maybe even more so than anticipate that really we pretty much have in place. And we're building into the budget for the next year.

22:10

So, to make a long story short to try to help the Committee get down the road very quickly. If you take into consideration, the state of affairs that we just discussed, relative to the financial report, OK?

22:31

We are, our enrollment is strong, but it's stable.

22:39

So, what we do is we have historically established our budget and our tuition revenue based on the prior year axis.

22:53

So, that is one of the things that we're proposing that we do for FY2022.

23:03

However, what is most important?

23:07

And this was a direction that I received from our President, President Adams-Gaston.

23:14

That we are not going to increase any tuition or fee rates at all any place in the institution.

23:21

So our tuition and fee recommendation is easy unless the committee feels otherwise.

23:31

The recommendation is to hold everything level so there only would be any action necessary on tuition and fees, if this committee felt strongly that we needed to do it.

23:43

And I might also share that most of our sister institutions, around the state are holding their in-state undergraduate tuition costs, because you may recall, we receive funding from the state for not increasing, are in-state undergraduate tuition, and you notice I'm emphasizing in-state undergraduate tuition.

24:13

Because that is what they have that's the prior priority for the legislatures, legislators in terms of holding the cost of education affordable for in-state students.

24:26

Now there is the possibility that and you'll see some other institutions that will increase out of state tuition; for example, the University of Virginia. William and Mary may do that.

24:41

JMU may do that.

24:44

Uh, but for the most part, and for our institution, you may recall we have not been increasing state tuition or graduate tuition because our students from out of state have difficulty affording coming to Norfolk State University.

25:07

And the interesting thing about that, the ripple effect of that, goes through everything that we do, because the greatest demand for our institution right now is from out of state students.

25:19

And they typically are high needs students.

25:23

Many cases, they have high abilities because often times they're eligible for the President and Provost scholarships.

25:31

What we do is we package them up, give them the full amount of federal aid they can get, give them the most loans that they can get.

25:40

Freshman year, then you're still looking at what about a \$5000 gap on a freshmen student.

25:50

So, what happens is we try to work with Foundation first to get access to funding that they will have to try to close the gap, which we know from our conversations recently.

26:03

There's really not much available on that side.

26:07

So, what we do is scramble internally and find resources to bring those students in.

26:16

Now one of the things that Dr. J. has challenged me with, I haven't forgotten Dr. J, is the funding that we have identified as growing in our auxiliary fund balance.

26:33

Dr. J has asked me to look at how we use those funds to address those issues with our students.

26:42

If you look at our financial aid across the board for instate students, it's, I mean, we're in a great position, as it relates to our ability to cover the instate student needs, but the out of state student needs is where the challenge is.

27:01

Interestingly enough that is where our greatest growth opportunities currently are and may continue to be, as well as we began to, or continue to try to increase our in-state presence.

27:19

If I may, just a minute give you some background on the logic that I have been using, and we have been working on together. It really is about our community and what is possible and available to our communities. We all know, I've done this, and you know unfortunately at other institutions where we've had to hold tuition and fees.

27:45

Constant for three years and it's, it's hard on an institution. We have been in an enviable position because we have these other funds that allow us some breathing room that you normally would not have in these situations, but we know that our community has been most heavily impacted

by Covid19. We've lost the most jobs, we've lost the most businesses. We've had the most people.

28:09

In terms of evictions. Our students are bright, talented minds who need an opportunity whether they are from a state or they are external.

28:21

Why do you have external students who are external to Virginia? one is because you want the diversity. You want our students to get a sense.

28:31

Others, and others, to have a sense of us, but more importantly, there is a cliff that we are seeing in terms of the number of students that are going to be available to us, and so we really need to look at ourselves as a national institution, if we're going to continue to even be stable, but certainly, to grow.

28:51

So, we are really looking at something that you would normally not want to have to do, but if you are invested in the success of these students, they can't make it. I can't tell you how many students come across my desk and then come across my office who are just unable to close the gap and would have to leave. That relates to our retention and our graduation rates. We've got to do better. We've got to do better.

29:18

It's not that our students are failing out, it that they are being pushed out because they can't meet that, the, the requirements to be here, we can't increase at a time of crisis.

29:32

That is my um, that's my logic, that's my view and that's what Gerald and I have be working on.

29:41

So, Dr. J and Gerald, thanks for that.

29:44

If I were to summarize, the recommendation coming from you guys to the committee is to, no tuition increases right across the board, no tuition, no fees.

29:59

And primarily based on the fact of the supplementary funds that we already receive from the state. In addition to the position that we're in, based on our financial position. After this, this year based on the funds and how the budget has be formed, and then finally our mission as an institution, and then just the profile of our students and how they're impacted. And then, just how we're trying to be truly a valuable and economical choice.

30:32

For the students of our programs, right? If I can summarize that. And your recommendation is that that there are no raises. Perfect summary. Thanks

30:43

Okay, so that is one of the action item that the Committee is going to take, and I know it's down the line but I think as we go through the items, I rather just go ahead and vote on them as a recommendations to take back to Board.

31:02

Yeah. Okay. Okay. What's wrong?

31:07

Nope, that's perfect.

31:10

Yes, so we'll entertain a motion from the Committee, if anyone wants to raise that motion on tuition and fees.

31:23

Dewayne, you're muted Dewayne.

31:28

I move that the tuition and fees be held consistent with a recommendation from Dr. Adams-Gaston and the team and an enthusiastic second.

31:39

Enthusiastic second, I love it.

31:43

April can you call the roll?

31:45

Mr. Henry?

31:47

Yes, that's the way. Yes, Mr. Fulton. Yes.

31:52

Mr. Griffin. Yes.

31:54

That's it.

31:56

All right this will be recommended to the Board of Visitors that there'll be no tuition and fees increases. Mr. Hunter do you want to go to your operating budget? Absolutely, thank you. Mr. Henry.

32:11

Again, as I was sharing and closely linked to the recommendation for tuition and fees is the operating budget.

32:21

One of the things that we are doing is we are recommending, that for FY22, that the University operating budget increase from \$196,478,511 to an FY 22, \$220,311,926.

32:45

The increase in the budget is \$23,833,415 million dollars; and if I may, I'd like to speak very quickly about what is included in the increase, because that is a huge jump.

33:04

But what that is, it's reflective of the increased support that we've received from the state, so if you highlight on the increases, we will take those.

33:17

Yes.

33:17

So, what you've got is a \$6.5 million dollar increase in the general fund, which there's a schedule on three pages back, which includes \$4.5 million for connected campus.

33:33

The \$2.5 million for the school of health, and we receive \$2 million in tuition affordability, that was \$1 million we were actually supposed to receive last year.

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So what it is, they've caught up.

33:49

And then we received an additional \$1 million dollars. So, that's \$2 million.

33:53

And then for student financial assistance, we received approximately \$6.5 million dollars increase there.

34:05

Everything else is, is pretty steady.

34:08

In terms of sponsor programs, which is research, we're holding that budget level, and as you know, you only receive what you draw it. And so, that's going to be passed. And essentially Auxiliary Enterprise actually works the same way.

34:27

So again, as I shared with you that while we are only projecting that we're going to generate \$31 million this year, we are retaining.

34:38

The recommendation is that we retain the auxiliary budget at \$53.2 million, which will allow us to take advantage of the Cares Acts Fund that are available. If you drop that to where you are, then you lose your ability to do that.

34:54

Hey Gerald, real quick, just to make sure I'm clear on that \$53 million.

34:59

So, you mentioned earlier that there was a formula for creating, or for deriving that number.

35:04

So using that formula, in terms of assumptions for enrollment, and the like, I guess, goes into that calculation, so there would be no pushback that we would be subject to.

35:15

In essence, but, you know, using sticking with this \$53 million that, you know, you guys know that your enrollment is going to be down, so you're using the number that's artificially joust make sure we're not, you know opening ourselves up for that type of criticism.

35:31

That's a great question. I actually had a wrestling match with the senior financial team about that very topic.

35:39

And now, what I feel very strongly is that Mr. Blake, \$53 million is what it takes for us to do business on the auxiliary side and, no, yes.

35:54

Things were to turn out the way we hope they turnout for Fall of 21.

36:00

Then we would be at 50, we will be at this number. It would only be in the event that things.

36:06

Don't turnout, the way we want them to be.

36:09

Because this is not really so much enrollment driven, as much as it is, selection, driven by the number of students that select to live on campus, And we've already made financial commitments in terms of debt and operating to be prepared to accommodate them.

36:26

So we've already been direct it by President Adams-Gaston is to prepare to be open for business in the fall and that's what this budget reflects.

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The reasons why Duane yesterday, the conversation about Will we require students to be vaccinated, how do we get as many of them back to campus as possible?

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How do we take advantage of the infrastructure that has been built around online learning?

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You know how do we drive that total enrollment number up? But also, the on campus piece, becomes a critical point. And so, the strategies that most institutions are using, particularly around the Covid Acts Funds, and the federal funds, are, that they are anticipating that they will be back to full operation in the fall.

37:21

And as long as you can point back to the pre call the period, we're your full operation, plus any new enrollment would drive those numbers those anticipated. There shouldn't be any pushback from the folks who are going to do the analysis of the numbers.

37:42

Excellent. Thanks.

37:44

Thank you. That's a great question.

37:46

So, Gerald, Yes, you may not have an answer

37:49

Right now.

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But the question was posed yesterday, and I think this is a good question, but piggy backing on that spirit, just at some point the number for the university too, balance, right? And break, even, if you will. What does that number of students enroll?

38:12

And, what is that number of students enrolled and what is the number of student in the residential facilities that we would be able to have.

38:21

We know that number, Mr. Henry, and I'll make sure I'll double check with the experts behind me, but the number that and this is Gerald number. We got to get Dr. J's number. What's your number Dr. J for enrollment? I think we've talked about this yesterday. I think we've always: We've been using 5400 hundred.

38:41

Yeah, I remember a lot.

38:44

Yes, I remember. The general is 5400, yes.

38:48

That's the breakeven point. Yes, are you speaking aspirational where we are as an institution, he's asking per year. We are budgeted at 54, 57?

39:00

which was the actual from this prior fall, we always go back to the prior year actual fall so new but that's the FTE exploiting actual head count, but that's what the finances are calculated based on that because your head count.

39:24

Okay, so then the can of course this, what's the right mix?

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Yes, Yes. Right, in-state verses out of state, but also full-time, versus part-time. And then graduate versus undergraduate.

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Yes, yes, that's right.

39:38

And we always spend a lot of time kind of discussing it, particularly since we're seeing such significant growth in our not been our out of state students relative to our in-state students.

39:51

So, that's really had a huge impact on our tuition revenue growth.

39:59

It's the increase in out of state students.

40:02

So, but one of the things that we have done with this budget is we create reserves so that when there are any fluctuations, you know, in the enrollment, we've got some flexibility there too.

40:18

Address anything that might come, might be a shortfall. But what we've seen with this practice of budgeting on the prior year's actual, every year since I've been here, I don't think it has anything to do with me, but we've just been fortunate enough to generate revenue above budget with this practice.

40:40

I get, I get the practice, I'm just.

40:44

Let's, lets at the next meeting.

40:46

Let's have the conversation just around, you know what that mix looks like because at some point we would like as a Committee, as a Board just have a frame of reference.

40:56

If we see numbers, you know, we see, you know, 5000... is that very bad?

41:03

Is that going to hurt us? If it's 6000, wow, that looks really good.

41:07

We should have, you know, a nice surplus just so we'll have a frame of reference when to be worried or if there's no some time to clap our hands.

41:19

Hmm.

41:21

I understand, well, Mr. Chairman, just a quick, given the fact that we've got some folks who are going to be dropping here shortly, make sure we get the real critical items before we lose this whole thing.

41:39

So, if I may, Mr. Chairman, make a recommendation that the Strategic Finance Committee approve this budget.

41:49

That it be moved forward for consideration by the full board, and if there are any questions or any changes that this committee or the board determines are necessary, we can always make those adjustments.

42:06

This budget is a moving target. Totally agree.

42:11

Look, what's the flavor of the Committee?

42:19

Hum, so motion. I move that the budget be move forward to the full board as recommended by President Gaston and her team.

42:35

Move that second! April, please call the roll.

42:38

Mr. Henry - Yes. Mr. Blake – Yes. Mr. Fulton - Yes. Mr. Griffith - Yes.

42:47

All right. Motion carries.

42:49

We will present this operating budget to the Board. It makes sense.

42:53

I understand where you were, the increases are and will work on those other specific items, you know, offline and a little later. Um, Gerald are you handling the deed, not the deed but the debt management policy?

43:09

Mr. Henry, we actually we have Ms.

43:12

Karla Amaya Gordon who is the Assistant Vice President for Finance and University Controller to speak to this briefly. Okay.

43:24

Hey, as she prepares to do that, do we have the motion for closed session prepared?

43:32

Let me get it. We e-mail that to you, Mr. Henry. April can you e-mail it to Dewayne?

43:45

Please.

43:48

April can you go back two slides, please?

43:54

Thank you. Good morning. As Mr. Hunter stated, I'm just going to talk to you guys very briefly concerning the debt management compliance.

44:01

So we have two ratio that are monitor annually to ensure that we are in compliance with the debt management policy that is set forth by the BOV. So, the first ratio is that our debt burden, and what that is intended to make sure that we as a University, that we maintain our long-term operating flexibility to finance any existing requirements and any new initiatives.

44:28

So, that ratio look at our annual debt service as a percentage of total operating expenses.

44:36

The threshold that we are required not to exceed is 7% for 2020 our ratio was 5.2% and in 2019, it was 3. 29%. So we are in compliance with the policy, and the second ratio looks at our debt service coverage ratio, that's greater than two times. And what this is intended to do is make sure that we have sufficient revenue to cover our debt service requirement, and that our debt service doesn't consume too much of our revenues.

45:13

For 2020 our debt service coverage ratio was 2. 32 and for 2019 it was 3. 08.

45:22

So we are in compliance with the BOV board, the debt management compliance. And so, annually we do have to report to the state that we have performed the calculations.

45:34

And that we remain in compliance, I'm sorry. Tell me your name again.

45:39

Yes, I'm Karla Amaya Gordon.

45:41

Okay. Quick, quick question on in the document here, but there's 2019 and 2019.

45:49

Again, there is a typo it should say 2020.

45:54

The University 2020 debt service ratio was 2.32. Okay. And the threshold is not seven for that one, is it? No, it's actually two. We have to be two times our revenue, so we are down 2.32.

46:11

All right, thank you.

46:13

You welcome. If there aren't any questions, then yes, thank you. Thank you, Karla and, you want to back up.

46:23

No, I was just saying great presentation. Oh, you're welcome, Thank you. Yes, Mr. Henry?

46:31

I think I would ask for the Board to consider a motion entertaining the certification and authorization of the recommendation to the Board.

46:45

So, just as a little guidance from Legal, the ask is that the Committee certify that the ratios have been met.

46:57

Is that something that we do as a Committee? No.

47:02

You can make a recommendation to the full board as you have been doing. Right? It has to gets done. Okay...you're certifying excuse me.

47:14

If I may, you are certifying that the administration pass provided an update of the institution's performance relative to the policies, and you're starting to find that we have presented to you the results and what the results are.

47:36

So, if we didn't. If I gave you information that wasn't correct, then it would be our responsibility and not necessarily yours, I believe, and you are just certifying that you have provided you with this information. And, it also understand that the committee is only part of the board, and that's what you've been doing as a Committee is making a recommendation. The Committee is making a recommendation to the full board, you can't act alone. So, this is just so that it makes things a little more efficient when the full board of 13 get together.

48:19

So, right now, everything you do is just the recommendation to the full board.

48:26

The only body they can work otherwise is the Executive Committee, which has the authority between meetings.

48:34

I've got all, I understand everything and authority.

48:39

I just want to make sure wording wise, certifying, I mean obviously we can't certify, I guess.

48:46

We're just confirming that the debt ratio is in line with the within the management policy number 11.

49:02

Yes, yes, that's it, because it's okay. All right.

49:07

The Chair entertain a motion.

49:13

I just want to say, so moved? You said?

49:25

Um, Larry, you want to take a stab at all?

49:32

I move that consistent with the University Board of Visitors, approve Debt Management policy, number 11, that the Strategic Finance Committee move to the full board for consideration of approval for the policy.

49:51

Second.

49:52

Second back?

49:54

Alright, moving and properly second, Ms.

49:56

April, please take the roll well.

49:58

Mr. Henry?

50:00

Yes. Mr. Blake - Yes. Mr. Fulton – Yes. Mr. Griffith - Yes.

50:08

Motion carries. Thank you so much. Who's handling the deed of easement?

50:13

Mr. Anton Kashiri, Associate Vice President for Facilities Management. He promises he will be brief. I'm going to be brief. Good morning.

50:24

Good morning. What we're doing is we're trying to do some improvements on our infrastructure.

50:32

University has the transformers that are provided by Dominion Energy.

50:37

With the exception of the one, that supplies power to Madison Hall. The repairs we need to do in that building.

50:47

But we cannot turn off the power in that building with the work of Virginia Power

50:52

Dominion Power will not touch any transformer that doesn't belong to them.

50:57

So what we are trying to is replace the only transformer that we own.

51:03

With the one supplied by Dominion Power.

51:07

For that to happen, we have to give them an easement from Bozeman Building to Madison.

51:15

So we've been going through the processes, they provided the documents and we sent those documents to Drees... and they have reviewed them. They sent them back to the Dominion Power for their signature.

51:31

Once that's done, those documents are sent back to AG Office for final approval.

51:39

Then they are sent back to us for signature.

51:46

But for us to do that, we need to grant.

51:50

Dominion Energy the easement?

51:54

Timing is of the essence because it's going to also affect the building return for opening

52:02

So timing is of the essence, as well.

52:05

Excellent presentation.

52:07

And I think this is par for the course of what we typically do. The Chair.

52:11

Entertain a motion for the approval of the easement to Dominion.

52:21

I'll move.

52:22

It can be a flag.

52:26

Moves and, probably, second, call.

52:29

Excuse me. Mr. Henry, legal counsel has made a suggestion on how we should proceed with procedure.

52:38

But you know, what we have is, from my understanding there's a need to take this action and we want to make it so that there's a recommendation that the Board would grant the authority to the Rector to be able to sign the document. .

52:58

53:07

The authority and the rationale for it, the request for the delegation is that there are still that, the, the action is not final. It's still working its way between all the offices.

53:21

And what we need to be able to do is, once it gets finalized, Fol, vector would do it.

53:32

Yeah, the rec. Yeah, OK.

53:36

The record signal? Yes. So, the motion is for the approval?

53:45

Or the recommendation for a deed of easement for the right away, and that the board would provide the authority or allow?

53:57

You're going to recommend that the Board delegate the authority to sign off on it? With the record, you give that authority to Rector?

54:07

Yeah. Okay. Friendly amendment to the motion. Second, accepted.

54:20

Accept that all right.

54:22

So, we're voting on that friendly amendment motion.

54:26

Ms. April please do roll call.

54:28

Mr. Henry -

54:30

Yes. Mr. Blake - Yes. Mr. Fulton – Yes. Mr. Griffith - Yes.

54:37

That's it.

54:38

Motion, so we've got two more items that are going to need a vote.

54:49

One is the MOU for the BOV and

54:53

Foundation and then the other is the naming, right?

55:00

All right.

55:04

Mr. Chairman?

55:06

Yes. I just wanted to recommend that the MOU is actually has just finished being reviewed by the Foundation, so we also need to have that reviewed officially on the University side. So we'd like to remove that item from the agenda, which we just talked about, so just informational.

55:26

Okay, so we'll table that, then we'll come back to, let's go into closed session, because then that's the last item that we need to discuss, that we can vote on and then we'll come back and get to the last few items for presentation.

55:39

Mr. Chairman, I move that we adjourn and reconvene in closed meeting pursuant to section 2.2-3711A 4, 8, and 9 of the Code of Virginia.

55:52

For the following purposes, pursuant to the Notice sub sections for the protection of the privacy, independent of individuals and personnel matters, not related to business.

56:03

And to answer in an eight consultation with legal counsel regarding specific legal matters, requiring the provision of legal advice and nine for discussion or consideration of matters relating

to gifts, requests, and fundraising activities. And further that President Adams-Gaston, University Counsel and senior AG, Pamela Boston and Clifford Porter VP for University Advancement.

56:30

And that any non-committee member of the Board of Visitors who would like to listen but not submit a vote are invited to the closed meeting.

56:39

Okay, thank you for that motion. Is there a second?

56:47

Second. Okay. Roll Call, please.

56:51

Mr. Henry - Yes. Mr. Blake - Yes. Mr. Fulton – Yes. Mr. Griffith - Yes.

57:02

All right.

57:03

Having reconvened in open meeting we will now take a “Roll Call Vote,” on certification, that one, only public business matters lawfully exempted from open meeting requirements. And two only such public business matters as were identified in the motion by which the closed meeting was convened.

57:17

Were heard, discussed or considered in a meeting by the committee, Meeting a member of the Committee who believed that there was a departure from the requirements, as stated above, shall so state prior to the vote, indicating the substance of the departure that in his, or her judgement has taken place.

57:32

Ms. April do you need to call the roll again?

57:34

Yes. Mr. Henry – I so certify. Mr. Blake – I so certify. Mr. Fulton – I so certify. Mr. Griffith is absent from the vote.

57:42

Thank you.

57:45

Thank you.

57:47

Thank you.

57:48

As always.

57:52

Is it Pam here?

57:54

Pam.

57:55

We are waiting for Pam to come back into the room.

58:02

That’s all the votes we got today.

58:03

Correct? This is the last one. Exactly. Right. Okay, thank you, thank you for your patience recently.

58:17

All right, so the motion for the Strategic Finance Committee having met in closed meeting to discuss and consider a matter relating to a gift and for fundraising activity, a move that this committee recommend to the full Board of Visitors and Meeting the naming opportunity discussed in closed session. Okay.

58:41

All right, it's been moved and probably seconded. April will you please call the roll, please. Mr. Henry -

58:47

Yes. Mr. Blake -

58:49

Yes. Mr. Fulton - Yes.

58:53

Motion carries. We did it. All right, so.

58:59

Okay. The Honorable James W. Dyke is present.

59:06

How I got a lot of action items for you, we're going to send them to you later allow. You to get tagged with a lot of stuff.

59:20

Right so we'll show you where we are.

59:25

Team, in the agenda we're at the portion where we're going to discuss Advancement, but I do know that we have a couple of committee members that need to do breakout? So, Jim, your timing is impeccable.

59:45

You'll still be here with me.

59:47

And we'll allow order Mr. Porter to take the range from here and give us an update on presentational events.

59:56

OK. Alright, I appreciate it. It's a good way to go.

1:00:04

Alright, have a good weekend too.

1:00:11

All right, Mr. Porter, showing you a brief list clip.

1:00:18

So expeditious today I want to dispense with a lot of the things but I will just highlight the product.

1:00:28

Cool.

1:00:35

They have tips to make them so, can they, can they get to know it?

1:00:42

Yes, that's OK.

1:00:43

Then they'll have a call, I mean if they want to just talk the talk, but it won't be reading. Well, we can have a quorum? We just don't. We're not voting on anything. So, the purpose of rushing through was to get the items that need to be voted for recommendation to the board. That's why we took those items up.

1:01:07

First, presentation wise, we can we don't need a quorum to two yeah be what you're really doing is just talking some Yeah, you only need a quorum for you take an action on something.

1:01:22

They're open right now and we've done all the item tonight.

1:01:31

So, the question is to go ahead, April, Yes, you need three members on the . . . , Yes.

1:01:42

So, you can't do it with just two, because you have to have your committee still to meet.

1:01:49

Yes.

1:01:51

You're still in a meeting, you all just, yeah, they want to come out and just be chatting back.

1:02:01

Think you probably need to check them here.

1:02:05

Real quick, yeah, I think there's an actionable item that needs to be moved, that we've all wet and this is more or less you think for us to. Pull it up.

1:02:25

I do know that since I've been here, people have always had a quorum in order to have a committee meet.

1:02:35

I don't know if that was right. On the old way.

1:02:41

I'm sorry, I missed that to do it. I mean, I'm sorry. I'm sorry. I've got a fine.

1:02:47

No nitrogen so, you need it quorum to commence the meeting and to take action on items. Once the meeting is started.

1:02:55

The meeting right now, so, got to continue the meeting.

1:02:59

You don't take, can we just kind of take any more action?

1:03:02

Okay, I was just looking to see if there was a call that m. d. l.

1:03:06

for the foyer, that's all I'm trying to double-check.

1:03:11

I would say, go ahead right now. I'll look by a lot of time. We're going to keep going if that's okay with everyone. Yeah.

1:03:24

Good morning of Chair, members of the Committee. What I'll do is I will kind of go forward.

1:03:29

Drew the presentation, too, just really the meat of it.

1:03:33

And if we could go to the third slide, which would give financial update, yet, right here. And so, I wanted to give you an overview of where we are.

1:03:44

As of December 31st, total endowment portfolio at that time was \$39.1 million. I think that is OK. See. You come up, OK.

1:03:58

Turned out point one million. And you will also look to see that we have on auditing contributions for the year of 2020, which is \$43,305,677.

1:04:12

That includes the \$40 million we received from Mackenzie Scott, in addition to the other cash contributions that we've received through the years.

1:04:21

So, on our next slide, we wanted to give you an update on too well, that comparison of 2019 and 2020. So, for 2020 cash and pledges total \$6,020,370, compared to \$4,697,371 million for 2019.

1:04:43

And you will notice, that we did have a drop in the number of dollars, but our average gift amount increased. In particular, you'll see that on our corporations and Foundations, specifically, because we've had a marked increase in our contributions to the foundation through our fundraising efforts.

1:05:03

Plan giving is something that I plan to really work on developing. You'll notice that in 2019, we received \$396,000.

1:05:11

And what happened there is that some folks included foundation in their wheels, in their state. We don't have a person, is specifically assigned to cultivate those type gifts.

1:05:23

So, we have, I think, an excellent opportunity to have more growth revenue back on our next slide. We wanted to give you an update as to where we are fundraising for this calendar year.

1:05:35

At February 15th of 2020, we were at \$271,085 dollar in cash. You'll notice that this year, as of March 30th, we're at \$1,001,018 million. That number has increased significantly over the last few weeks and right now we're at about \$1.5 million with additional monies coming in.

1:06:03

So, that's kind of a year over year comparison. We are really pushing.

1:06:08

And I'm pushing that team that cash is keen.

1:06:12

Pledges are nice, but we really are pushing to get the attribute is to give us the money right there so that those gifts come in and we can use those to grow our down. And then I'll let me give you a little bit of update on the next slide.

1:06:26

Or our capital campaign.

1:06:28

We have completed 31 interviews with staff and volunteers for our internal assessments.

1:06:34

Just to look at our campaign, where they have made some, I've made some discussions and recommendations on our staff readiness, so I will be we have actually receive that report now, and we'll be making recommendations. We've also made them to the President already will do those cabinet next week. Next step will be to formulate the cafe strategy committee, and that committee will help us develop our statement. And then, that case statement will be basically test it publicly, with a few different groups of our constituents.

1:07:13

You'll see that committee members who have committed to help us with that effort on the app case statement will be our Foundation President, Mr. Ames, Mr. and Mrs. Stephen Ballard, Bishop Kim Brown, Dr. Jones, former member BOV.

1:07:29

Dr. Stith, who's on our Foundation Board.

1:07:32

James Squires, who's the President of Norfolk Southern Railroad, and that Dr. Ella Ward and Mayor Kenney Alexander. So, that gives us kind of a wide swath of folks within our region and across the country.

1:07:46

We believe that they will be able to help us test our campaign statement.

1:07:51

So, as we are moving forward in a public phase of the campaign probably next year, we'll have a good sense of where we are.

1:07:59

The community, as far as our standing kind of thing, is that community, community will be ready to accept, and then to help us push the university forward through the capital campaign.

1:08:10

I will say that the last Capital Campaign that happened at Norfolk State was 2002 to 2007.

1:08:17

That campaign was a \$15 million campaign, which was successful at the time.

1:08:22

They came in a little bit above \$15 million, maybe around \$17 million, but that has been, obviously almost two decades ago.

1:08:30

And so, we're going to be looking up very quickly, to identify a number.

1:08:35

For our capital campaign, This group, again, is going to help us test what that number should be Mackenzie Scott gift Wow.

1:08:43

We are so grateful for has almost placed a malaise if you will. Over many of our donors, I feel like we are, OK. Now, we don't need more money. And I will tell you that that is nothing further from the truth.

1:08:58

That kind of gets us close to where we need to be, but we still have quite a bit of room to grow, in our endowment.

1:09:05

Mr. Hunter and I have discussed.

1:09:08

what are undoubtedly should look like to not just help us maintain where we are now, but to grow, and position the institution in years to come.

1:09:18

And then, you know, that number is probably a quarter of a billion dollar. He's left the room now, but that's, that it gave me.

1:09:24

And so, we have, again, quite a bit of distance between at that point where we are today, but that camp, the capital campaign, will certainly help us move forward in that direction.

1:09:36

With that, I think, Mr. Chair, I'd like to just kind of open it up for discussion.

1:09:42

I'll talk a little bit about a few minutes about our strategy and how we looking to secure additional gifts. I think there are several questions that were put out by the Committee, and I'd like to try to address those, but I'll stop at this time. Are there any questions about this portion of the presentation?

1:09:58

Yeah, I have I have a question. Can you to how many Foundations do we have?

1:10:04

We have the Research Innovation Foundation we have the Norfolk State University Foundation and we have the Norfolk State Athletic Foundation.

1:10:12

So, we have three at this point, okay so, all three of them are going to be involved in this campaign, or yes, sir, in various ways. Okay.

1:10:22

In there, they're all independent of each other.

1:10:27

Yes.

1:10:28

They are legally independent organizations.

1:10:30

What we're trying to do is to co-ordinate their fundraising efforts under the office of Advancement so that we don't trip over each other and that has been historically a big problem.

1:10:42

Athletic boosters may go to someone and then foundation goes. It just makes us look bad. So, we want to try to coordinate that in a way. Now that makes sense for all of those.

1:10:53

Could you, could you? Oh, I'm sorry.

1:10:56

You got it, you got to know, I'm just going to ask, and could you send us a list of the board members for each of the three foundations?

1:11:05

Yes, sir. We can give it a second to question one.

1:11:12

Notice that the cache, um, the cash on hand, significantly higher and the number of donors was, was lower, but there was a huge corporate influx is the, that million dollar cash?

1:11:32

What percentage of that is, like single donors versus large corporations?

1:11:39

It is probably 95% from our corporate partners.

1:11:44

Also smaller, individual gifts.

1:11:47

But I'll be frank with you, and when I write here, one of the major differences that I saw was that we did not do a good job of doing a corporate solicitation.

1:11:56

And that was something that I am, you know, Dr. J said, we have to change that. So, that was literally the first order of business, was to increase our corporate solicitations.

1:12:11

Okay, and then secondly, I know we've been talking about the campaign and the firm, that that's involved.

1:12:19

Do we have a timeframe on when we can expect, you know, what, what the campaign is going to look like? When is this going to be presented To us?

1:12:31

Sure. So, generally, when you run a capital campaign, the first year or two really is what we call a silent phase.

1:12:38

And so, whatever our goal is, and I'm just going to use a number \$100 billion, we would be in a silo phase, until we at least get to the 50% mark, so \$50 million, in this case. So, what we will be doing over the next few months is to identify that number very quickly. Whether it's 100 or 200, whatever that number is going to be.

1:13:00

At that point, we will start to work towards getting to the public phase. I anticipate that. That will take us probably about 12 months. I will say that culvert has hampered a lot of what we would normally be doing at this point.

1:13:16

Many of the folks that we will make presentations to, quite frankly, don't want anyone to come see them right now and some of our major philanthropist in region and around the country.

1:13:26

We have attempted on multiple occasions to schedule meetings. As soon as culvert breaks.

1:13:31

Then we feel like we will have a very good run at that, securing some additional dollars to make sure that that private phase or the solid phase is as short as possible.

1:13:42

So, if I was to just give you an estimate, I would say that, around this time, next year, I would hope for us to be in the public phase And now saying that, you know, we are PH percent on our hundred laid out, though.

1:14:00

April of 22.

1:14:02

That's the plan. Yes, sir.

1:14:06

When do we start this?

1:14:08

Well, technically, the process started prior to my arrival.

1:14:11

So, back in 2018, during that Fontaine's administration, the firm was actually secured at that point. But after the firm was hired, than Dr. Fontaine announced her retirement. And so, that was a slippage. Of probably about six months between when we really got this goal. And so, once I hit the ground around, this is around October, that we really kicked this off to kind of move it forward.

1:14:40

Twitter.

1:14:42

All right.

1:14:47

With that, let me address the other two items for discussion.

1:14:54

I think I mentioned to you earlier in our session that the foundation has completed its review updates for the . . . Memorandum of Understanding. That will be going now to legal office for review. And probably at our next . . . meeting, I'm hoping to be able to present that new document to you for your review and approval.

1:15:23

That also leads into that too fast.

1:15:28

Oh, okay. Can I ask a question?

1:15:32

Go ahead, Jim.

1:15:34

Is legal also looking at the MOUs between university and the other two foundations.

1:15:41

Not at this time. But this one is actually up for review at this point.

1:15:46

I think the others have maybe another year or so before they're for review.

1:15:51

So, there's a timetable for each one of them to be reviewed. Okay. All right. Because I was just wondering if, it makes sense.

1:15:58

If we're going to do a review of we should do all of them at the same time to make sure that the, they're consistent, if the issues that we see in one may also relate to the others as well, just a thought. All right. Well, that makes sense. I think The BOP has a policy. These are all scheduled for review at a certain period of time.

1:16:19

I will say that we will take into consideration that things that are in this review as we look at the athletic foundation, I believe, is less. And the research and innovation foundation at that point is well. So, we'll carry that knowledge over from this process, and to those other two.

1:16:36

Thank you. Okay.

1:16:41

Final thing that we needed to go through with you today was the gift processing procedures and Endowment growth plan. At the March 19th meeting, the . . .

1:16:52

Actually approved hour policy 39, which is our fundraising policy. Within that policy is our gift process and procedure.

1:17:03

And so, for review, if you look at specifically pages five, and six and policy 39, it gives us the exact procedure for acceptance of gifts for, well, to the foundation, technically on behalf of the institution. And so, that has been approved. Ales reviewed legal sufficiency, and the board approve that back in March of this year last month.

1:17:30

The final thing is another just quick presentation that I wanted to share with you.

1:17:38

And I think what I'm going to do is ask this April back and just go to the very last quarter.

1:17:44

Yes, going back to reference that, that section that you just, you pointed out. So, Policy 39. And if you look at pages 5 and 6, it's talks specifically to our gift acceptance policies.

1:18:10

I sent a different PDF to the vessel earlier, but that's OK. I can actually just talk through it. There's no worries.

1:18:19

So, let me finally addressed the endowment growth process, and what our plans are there. I alluded to earlier that Mr. Hunter and I had discussed really what our endowments should be.

1:18:34

Our current endowment sits right now, I guess, with close to about \$70 million.

1:18:40

Considering the recent additions from the Mackenzie Scott, they'll make.

1:18:45

That really doesn't even get us to, to ground zero. And I say that and assess that.

1:18:51

Our annual requirements for scholarships are about \$4 million as of today.

1:18:58

In order to have a \$4 million payout from, I doubt it down to a minimum.

1:19:05

They have to be at \$100 million.

1:19:08

We are, again about 25, almost \$30 million short of that figure at this point.

1:19:13

And again, that is just to keep us consistent at where we are today.

1:19:19

Did you know, with any institution, you want to grow. And so, for us to really be positioned to grow our endowment, it's going to have to be I think our next step has to be around \$150 million.

1:19:33

That would, at a minimum, again, with a 4% draw, that's not counting the yield, because it will still be making money.

1:19:40

Of the 4% spend policy on \$150 million, that would give us \$6 million.

1:19:45

That can be spit out for scholarships, whether that is presidents and provosts, whether that would be four.

1:19:55

Aye.

1:20:00

Restrict, right, OK. So, let's do this, right.

1:20:03

And so, you just turned out that that the 39, the original 39 million that was that sits in our endowment prior to McKenzie stuff.

1:20:14

Those funds are restricted. So, they are not all designated for scholarships.

1:20:19

So, the 100 million figure that I give you would have to be a \$100 million scholarship endowment.

1:20:25

And so, we again are a very long way from that.

1:20:29

So, I'm hoping that over the next few years, obviously, number one, with the capital campaign, that we will start to build a capacity with a principle endowments of 100 to \$150 million so that we can generate the type of scholarship revenue that we see to not just sustain, but to grow Norfolk State.

1:20:51

It is very consistent throughout all of our data points here at the university that our students don't persist because of financial challenges, the academics, they can handle, at the end of the day, they can't pay the bill for tuition for housing for all the other fees.

1:21:08

So, this endowment is going to be imperative that we grow there so that we can grow the institution and really take that burden off of our students.

1:21:17

You know, I would love to be at Yale at Harvard.

1:21:20

You know some of the places that have billions in their endowment.

1:21:23

Unfortunately, for many of our HBCUs, we have not really invested in building down. Because, frankly, when we get money, and we need to spend, because we have not been funded, as other institutions have, but this is, kind of like playing golf. But I think you need to play the long game here.

1:21:39

It's all with our endowment growth procedures.

1:21:43

We're going to try to steer as much money as we can into the endowment over the next few years, so that we can build some long term sustainability and growth for the institution. I do have another presentation I will send to you that has some more detail on this. But based on our, I'd like to just have a stop. Now, if there are any questions or comments, I'll take those at this time.

1:22:09

Did you have anything? No. I'm good.

1:22:13

Um.

1:22:15

Um, um, back to the prices up.

1:22:21

Made sure I understand. Where are you saying that outline 5 and 6 is that what you say? Pages 5 and 6 in BOV policy number 39.

1:22:41

Alright, and I can send another copy to you, if you have a challenge, find it.

1:22:51

I think that this policy provides status, but I think that what the board has asked, Deb Love to do, and Legal to do was to make sure we gave some input on some best practices, for the past the policy focus. I think the best propaganda that's been done has been done. That's just, that's just to say, I think that that's probably going to be something that's going to have to be addressed down the road. That's probably why the Chair was saying that he wanted to get clarification. Because part of the early directive that we got bandwidth, then, let's take a look at all the staff. We come back with some suggested best practices, and correct or not.

1:23:44

So.

1:23:48

Yeah. Okay. That's, that's all. I have Mr. Chair. Okay.

1:23:53

All right, well, we'll move on. Thank you for the presentation Mr. Porter.

1:23:58

I guess we're at, um, yeah. New processing procedures.

1:24:06

We wrote.

1:24:07

We just did that and so, the IT update is where we're at.

1:24:15

Good afternoon, afternoon doing well today.

1:24:20

Just have a few updates from IT and would focus points on some things that we've talked about at our last meeting, including updates that will hopefully assist us, our increasing our IT infrastructure, but also in, are creating systems that will lead to more efficiency for some of our HR functions and just general functions around the entire institution. I have with me today, Ms. Faye Monroe Davis, our Chief Information officer, and she will present some updates with regard to these different updates, and she's been doing just a phenomenal job and leading that unit, but also just making sure these initiatives are getting completed in a timely manner.

1:25:02

So, without further ado, I will elaborate at present.

1:25:10

Good afternoon, gentlemen, again, Monroe Davis, and I just want to talk to you a little bit about the things that we are working on, that the things we're working on. This is kind of a shortlist actually, the first one is our colleague, even integration Colleague, a system of record for the University.

1:25:33

eVa is the system of record for the financial area at the at the headquarters in Richmond

1:25:41

So, uh, there's been a real push towards most schools connecting the two systems, because they work independent of each other right now. You'd have to put information in one and then put the same information in the other. This integration is one of the things that's required by data for us to go from tier one level.

1:26:04

Tier one capability where we are at a Tier two, so that's one very important function that we're working on.

1:26:11

It wasn't until just recently scheduled to finish and approximately to live, but our procurement office has decided that there are a couple of customizations that they will require, so that they are not bogged down on the colleague side of the house here at the campus. So, Ellucian, who hosts colleague is in the process of looking at those requested upgrades.

1:26:36

And so, we'll have better estimation as to when the de integration might end up, in about a week or so, while they've looked at the capabilities to make a determination of how much work it will

entail. But we still believe that by the August, September timeframe, that integration will be completed.

1:26:56

And for Human Resources, we're creating a process driven HR one form. H L one Forum has been the bane of our existence here at the University because it's A, it's a paper document that kind of gets passed around from point A to point B it gets lost, DHL.

1:27:16

Digital process will allow us to have everything electronic based and be able to move the information to the appropriate areas. Without a whole lot of guesswork as to where it is signed. It hasn't signed it. It stalls for a little bit as my Enterprise applications area, started working on other things, but we're actually hoping to hear it up here in the near future. And the reason we're doing something like that.

1:27:52

The automation of the HR one form is because we don't have a real HR module associated with our colleague system right now. That's one of the future things that we're looking at. But for the time being, we feel like creating this form in a digital format will relieve a little bit of the pain that specifically HR, But budget and other areas are suffering because they have to track this age are one. We just completed the Microsoft 365 migration, so we moved from Exchange to the windows based capability. Microsoft 365 gives us a lot more security. It will allow us to do certain things, like be able to deploy self-service applications.

1:28:38

And it'll, it will allow us to seamlessly access our data from various locations, because of the way that the data is hosted in addition to that.

1:28:53

We have Teams and OneDrive, which are capabilities, teams being a capability to allow us to meet at a distance, and OneDrive being a one gig storage capability. Those two things come with the Microsoft 365 migration.

1:29:16

And, uh, it actually came right on time because what, what occurred was we got that implementation done right around the time that covert. So, Teams was one of the capabilities that now for conferencing in addition to Zoom, and.

1:29:36

Some other capabilities that are a little less known.

1:29:40

Our phone upgrade is, we are voice-over IP right now, but we're going from voice-over IP with PRI trunks to voice-over IP with sip trunks. And we're going to achieve an economy of scale with that. because right now the PRI Toronto allow us to only have 226 concurrent lines.

1:30:02

With the sip trunks, we have the ability to adjust the number so that we can have, we can have only what we need, for example, during the summer hours where there's not a whole lot of telephone communication. And then during high usage periods, like registration, for example, We can use, we can go up beyond our 226 limit that we currently have now.

1:30:28

We feel like this migration is going to make our phone services much more efficient for the university.

1:30:37

The SQL migration currently, our pain point in, oh, I teach, and I think across the campus, because it's very hard, because it creates an integration issue. Currently, colleague, the version of college we have, has a database that unit data, which is a very old non-standard database environment.

1:30:58

We're going to be doing the migration to seek well, which will allow us to interface with certain capabilities that we weren't able to interface with before. It gives us the latitude to be able to look beyond the aleutian environment to get modules that will work. So, for example, if the HR environment decides that they don't want to use the HR capability, that migration will allow us to go out and look at other capabilities that might be more fit for purpose.

1:31:33

Student planning, implementation is the other piece that we need to achieve Level two.

1:31:39

And that's basically creating capabilities so that students can plan their career and get advisor help in an automated fashion. So, it's a self-service capability and what that will do is too currently we're rolling it out one semester at a time.

1:31:59

But that will make light and some of the load of the advisory staff. And it will also give the students the capability to just use the online capability to register for classes and and to get approval from their advisors when they do register. So, and this can be done at a distance. We don't necessarily have to have the face interaction face-to-face interaction anymore.

1:32:26

The BX rail purchase an implementation, we're in the process of doing that. It's kind of bogged down the process right now, but the VxRail is an infrastructure structure that will allow us to increase our storage. Capability are processing capability. And I remember it, capability is kind of an all in one infrastructure.

1:32:47

And that will actually give us a lot of things that we don't have. We're very limited on storage even though we have created a sand in our organization.

1:33:00

So for things like storing video for the Police Department because they're constantly reporting, this capability will allow us to segment some of our sand so that the Police Department has their own area for storage recordings. We're also hoping that you'll be able to set up repositories for students who are doing projects that need to go across several semesters, or even years, depending on the capability, or the project that they're working on. So, this VxRail

1:33:32

Purchase, I think, will give the organization a bunch of things that we're missing, bottom line being, the storage capacity and the wireless upgrade is the last thing that we need for level II acceptance.

1:33:52

The wireless up when I arrived here in 2018, I found that we had a whole lot of dark space where we, there were certain buildings where there was no wireless capability or it was substandard.

So, what we did was contacted a company, and we did a, we created a heat map to make a determination as to what wireless looked like across the campus. And, as a function of that, worked with an external company, E Plus, in order to look at the access points that we had, find all of the access points, and to tune the ones that we have to add more. So, at this point, where one building and about two weeks away from being complete, and at the point of completion, will, go back.

1:34:43

And we'll do another heat map to make sure that what we did made sense. But, so far, with the exception of the punch lists sort of items that you get.

1:34:54

When you do an installation, you have to go back and kind of whiter with them a little bit.

1:35:00

So, except for that Punch List capability. We're just working on our final building. Thank goodness.

1:35:07

And it'll be done, and I think faculty, staff, and students will be happy that, at least in the buildings where they work and live, there'll be able to get wireless. And then, moving forward, we'll look at creating some green space out in the campus area, but for the time being the pain points of the building. So, that's what we're working on.

1:35:28

There are a few other things that are going on in IT, but these are, this is hitting the high point. The only thing that I didn't mention was the connected campus capability, because it's not really, you know, IT initiative.

1:35:41

We're setting up the, uh, infrastructure environment and getting some people trained in house in order to support it, from a distribution, and from our underpinning perspective. But as we roll out the capability, it's going to be much larger than all IT, so I didn't put it on the list for that purpose. Are there any questions?

1:36:04

Yeah, I had one question on these, on the storage. If you, how long does the Police Department store all that?

1:36:14

Data, I think that they have a requirement of 30 days, depending on what it is that they're storing, but right now, they have the capability to store maybe five days.

1:36:29

So, we're working to make sure that, that we, we change that.

1:36:36

Okay. All right, well, I can keep us kind of posted on, because I'm just wondering if.

1:36:42

If that's enough.

1:36:43

I mean, given how vital most CCTV kinds of things are now and all other related data. if we have enough storage there.

1:36:54

If we need to look and having more, but that's something you can advise us on going down the road.

1:36:59

Okay. I do think the VxRail will, will ensure that we have enough space. But, right now, what they're doing is kind of downloading things that they think are critical.

1:37:12

And so, they're storing them in an external location, but this will allow them to just do continuous record and storage and so, that's, that would be the optimal capability for them. Okay. Okay. Thank you.

1:37:26

You walk.

1:37:27

Thank you so much and great presentation.

1:37:30

Monthly question and quick answer is being where we are in time yesterday.

1:37:38

We had a really good presentation about the ATP partnership and the online, um, more online degrees.

1:37:48

Is there any connection points in partnership between? Would? You know your department? Yes, yes, there are. We will be pushing data on a daily basis to the partnership.

1:38:01

And, initially, we thought it was going to be kind of a heavy lift, but we've determined that it's far simpler than we expected, and it should be kind of a drop in the bucket, as far as our capability in house is concerned. Okay. Thank you, all.

1:38:20

That's good news.

1:38:25

So, I think that's the conclusion of our agenda.

1:38:28

Dr. Moses' want to make sure you were, you were okay.

1:38:32

All I have for this meeting, will be placed in the upcoming meetings.

1:38:37

Okay. Um, and I don't know if there is somewhere, but I noticed in the presentation that there were, there were a couple of points that hit on level two, in order for us to get there.

1:38:49

Do we have a checklist or just the items that we want to kind of monitor from a progression standpoint of?

1:38:58

It's not another we need right now. Though. We do have a checklist, and in addition to that, will meet with several other schools in the near future, one meeting today and a couple of next week who have already achieved either Level two or level three to kind of get a look at the process.

So, we're going to set up milestones and a Gantt chart, the whole nine, so that we know where we are in the process.

1:39:24

Excellent.

1:39:25

Does she, the board, we really like to monitor that just to add in, just keep up that progress. You know, that's something we're very, very committed to, and everything here indicates that you're on the right path. So, just keep on doing what you're doing, OK.

1:39:40

And I just want to thank group, especially Faye and all those who worked on this. This is really our business and the university has not been able to make progress. But now we're making amazing progress. They are committed, They work together. This is a turning point itself.

1:40:00

Thank you, very. I know how hard that. But thank you very much, really big deal. As Joe, Joe Biden would say, it's a pretty big deal, I'll leave it. Watch your mouth. As opposed, Dr. J are knocked out of gas. And I'll give you any closing remarks that you want to take us away with.

1:40:25

I would only say thank you for your time. We appreciate what the Board does.

1:40:29

I want to just call out that our, our executives are doing really amazing things, and they're working with their teams to move us forward. I do want to say one thing, and he's going to be really upset that I say it, but I'm going to say it.

1:40:46

We are very strong team in terms of our academic prowess, and we have four JD's on our Executive Cabinet.

1:40:58

We have six Dr. al level individuals on our cabinet.

1:41:06

A cabinet is 10 people. We've got two people who are working towards their doctorate.

1:41:11

We get, it's 12 sorry. We got two people who are working towards their doctorate, which will round out the entire cabinet. Either being JD's or Doctoral level individuals that are on our cabinet, and our latest person who has achieved his doctorate is Mr. Gerald now, Dr. Gerald Hunter.

1:41:33

Congratulations, another big deal.

1:41:39

I am so proud of them, they are just exemplars in the rim of really pushing forward. We have become a team.

1:41:49

And I will say, the folks who are a part of why I call it the extended cabinet, which would be most of the people you saw here today. And others who are vice provost and vice president, assistant, vice presidents, et cetera, assistant vice provost, round out, the commitment that we have to this

institution, and the changes that are being made. So, I thank you all in advance, and I thank my team.

1:42:17

Amazing.

1:42:19

Very good. Excellent work, everyone.

1:42:21

And thank you for Jim and the rest of the committee for your time today.

1:42:26

I know some of us had to break off sooner, but, you know, this is part of what we do.

1:42:31

And, in the collaboration and the partnership, and that's working together to, ultimately, we think we all want to be working towards the same goal, just making all the state, the premier institution in the Commonwealth.

1:42:42

And so, I'm excited about the progress. Love the updates, and we'll, we'll be connecting as we prepare for the Board meeting next month.

1:42:54

Thank you.

1:42:55

Mr. Chairman, one quick question, if there's anything that came up during the meeting, if you need me to follow up on that I missed, you know, just let me know. Reach out to me. I'm happy to help, anyway, OK?

1:43:06

Oh, yeah. We got a list of things that you need to do. Show off The Honorable Jim Dyke to-do list. Weekend. Yeah, Thank you.