



VCU

**BOARD OF VISITORS
ORIENTATION AND RETREAT
AUGUST 16-17, 2018**

**MINUTES
AUGUST 16, 2018
JAMES BRANCH CABELL LIBRARY
ROOM – 303, 901 PARK AVENUE, RICHMOND, VA**

DRAFT

BOARD MEMBERS PRESENT

Ms. Phoebe P. Hall, Rector
Mr. John A. Luke Jr., Rector,
Mr. H. Benson Dendy III
Mr. Todd Haymore
Dr. Robert Holsworth (*arrived at 1:18 p.m.*)
Dr. Gopinath Jadhav
Mr. Edward L. McCoy
Mr. Ronald McFarlane
Mr. Keith Parker
Mr. Stuart Siegel
Ms. Jacquelyn Stone
Dr. Shantaram Talegaonkar
Mr. G. Richard Wagoner, Jr.

BOARD MEMBERS ABSENT

Ms. Colette W. McEachin, Secretary
Reverend Tyrone E. Nelson
Dr. Carol Shapiro

OTHERS PRESENT

President Michael Rao
Mr. Jacob Belue, Esq., *Interim University Counsel*
Mr. William Cole, *Executive Director of Audit and Compliance Services*
Ms. Karol Kain Gray, *Sr. Vice President and Chief Financial Officer*
Ms. Pamela Lepley, *Vice President for University Relations and Chief Communications Officer*
Mr. Mike Melis, Esq., *Associate University Counsel, (effective 8/25/2017 University Counsel)*
Ms. Michele N. Schumacher, J.D., *Assistant Secretary and Board Liaison*

CALL TO ORDER AND INTRODUCTIONS

Ms. Phoebe P. Hall, Rector called the meeting to order at 8:30 a.m. in the James Branch Cabell Library, Room 303, 901 Park Avenue, Richmond, Virginia.

Ms. Hall welcomed the Board and thanked them for their willingness to serve on the Board of Visitors of Virginia Commonwealth University. Ms. Hall continued that Virginia Commonwealth University (VCU) under the leadership of President Michael Rao is a mission driven university, whose students and faculty want to make a difference and who do make a difference. She noted that the Board also wants to make a difference and that is why each one of the Board members had agreed to serve on this Board. Ms. Hall concluded by stating that each member brings different talents and skills set to VCU, and over the next two days the Board will hear how it can use those talents to become more effective and engaged in assisting the President in transforming VCU.

President Rao then welcomed the new Board members, and thanked all the members of the Board for their service to VCU and in helping shape the priorities of the university. He noted that their job as board members is integral to the success of the VCU enterprise, and reiterated a statement from the Association of Governing Boards of Universities and Colleges, “A university cannot be better than its board. Effective boards take their work seriously.” He stated that the members of the Board continue to be effective leaders and strategic partners as VCU transforms to a preeminent national urban public university. President Rao reminded the Board of the global challenges faced by VCU and higher education, namely the growing skepticism about the value of higher education, the cost of higher education, and a rapidly changing society. He concluded by stating he looks forward to working with the Board as strategic partners in transforming VCU, and in addressing the global and local challenges faced by higher education.

ONE VCU – TWO BOARDS

Mr. Mike Melis, Associate University Counsel, provided an overview of the relationship between VCU and the VCU Health System Authority (VCUHS), specifically noting that VCUHS was established by the Virginia General Assembly as a separate legal entity to provide healthcare, including indigent care, as well as to serve as the principal teaching and training hospital for VCU Health Sciences. He then reviewed the powers of VCUHS as well as the shared governance of VCUHS and VCU.

Ms. Hall thanked Mr. Melis for his presentation.

CALL OF DUTY

Ms. Michele N. Schumacher, J.D., Assistant Secretary and Board Liaison, Mr. Jacob Belue, Esq., Interim University Counsel, and Mr. William Cole, Executive Director of Audit and Compliance Services gave a presentation on the duties and responsibilities of the members of the Board of Visitors. The presentation covered the fiduciary responsibilities of board members; the statutory requirements found in the Code of Virginia, including a review of the Virginia Freedom of Information Act; and an overview of the Division of Audit and Compliance Services, including a review of the ethics and compliance program and the enterprise risk management program at VCU.

Ms. Hall thanked Mr. Belue, Mr. Cole, and Ms. Schumacher for their presentations.

TAKING THE BOARD TO THE NEXT LEVEL OF EFFECTIVENESS

Dr. Peter Eckel, Senior Fellow and Director of Leadership Programs, Penn AHEAD, GSE, University of Pennsylvania, led the Board through a substantive discussion on Board effectiveness. The discussion included a review of the three types of work that a board performs: (i) oversight/accountability, which is analytic in nature; (ii) stewardship/problem-solving, which is inquisitive in nature; and (iii) strategists/problem-seeking, which is exploratory in nature. In addition, the importance of asking the right questions and the relationship between questions asked and how an issue is framed were also discussed.

Ms. Hall thanked Mr. Eckel for his presentation and facilitating the discussions.

ALIGNING THE WORK OF THE BOARD AND ADMINISTRATION

Mr. John Luke, Jr., Vice Rector provided a brief presentation on how boards can align the work of the board with the administration. He noted that a board generally has three roles or responsibilities: (i) to bring external views but not to manage, (ii) fiduciary responsibilities, and (iii) strategic responsibilities. He continued that that a board needs to stay focused on priority issues of the institution and to do so requires board members to listen and be active learners. Mr. Luke concluded that thinking strategically requires a board to ask questions such as:

- What is the current status? Where are we today?
- What is the vision objective / goal? What result do we want?
- Are the strategies aligned with the institution's mission?
- Are the goals achievable? What is the timeframe to achieve the objective?
- What resources are needed to achieve the objectives? Are the resources budgeted? If not what else is needed?
- How can we measure and track the achievements to know we are succeeding?

Ms. Hall thanked Mr. Luke for this excellent discussion.

ADVANCING VCU - PART 1

The President's vision for taking VCU's distinction to the next level

President Rao began his presentation by providing a brief history of VCU noting it was 50 years ago that the Medical College of Virginia and the Richmond Professional Institute merged to create VCU. He continued that in those 50 years VCU has transformed into a national urban public research university and has become a destination research university and academic health center. He went on to describe the VCU community noting that VCU is an accessible university and has one of the most diverse student bodies in the Commonwealth. He explained that VCU students are deeply engaged, they are entrepreneurial, they are shaping the innovation environment both on and off campus, and one-third of the student body are first-generation college students. He informed the Board that 4600 freshman entered VCU for the fall semester 2018, the largest entering class in VCU history. President Rao continued that the VCU community also includes the faculty and noted that VCU faculty are deeply committed, they are student-centered, and support a culture of

innovation and cooperation. President Rao concluded that VCU's transformation to preeminence would be driven by our passion to deliver the highest quality experience and outcomes to our students and patients. President Rao then reviewed his four priorities for academic year 2018-2019, specifically strengthen student access and excellence, strengthen teaching and research faculty compensation, integrated institution-wide commitment to the research mission, and the Make It Real Campaign.

Ms. Hall thanked President Rao for his presentation.

ADVANCING VCU – PART 2

What does success look like, how will we measure it and how will we work as strategic partners to take VCU to the next level?

Using the priorities as set forth by the president, the board then had a substantive discussion as to what it needed and what it could do to be a strategic partner with the president and the institution to transform VCU to preeminence.

Mr. Keith Parker provided a summary of the afternoon session noting that the board is much more focused on strategy, and highlighted the importance for both the Board and the administration to prioritize the President's vision. He concluded that VCU has a great story to tell and we need to do a better job of telling that story.

RECESS

With no further business to come before the Board, Ms. Phoebe Hall, Rector recessed the meeting at 3:30 p.m., noting that the meeting would continue tomorrow morning, August 17, 2018, at VCU's Rice Rivers Center in Charles City, Virginia.

**AUGUST 17, 2018
VCU RICE RIVERS CENTER
3701 JOHN TYLER MEMORIAL HIGHWAY, CHARLES CITY, VA**

BOARD MEMBERS PRESENT

Ms. Phoebe P. Hall, Rector
Mr. John A. Luke Jr., Rector,
Ms. Colette W. McEachin, Secretary
Mr. Todd Haymore
Dr. Gopinath Jadhav
Mr. Edward L. McCoy
Mr. Ronald McFarlane
Mr. Keith Parker
Dr. Carol Shapiro
Mr. Stuart Siegel
Ms. Jacquelyn Stone

Dr. Shantaram Talegaonkar
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President Michael Rao
Mr. Jacob Belue, Esq., *Interim University Counsel*
Mr. William Cole, *Executive Director of Audit and Compliance Services*
Mr. Matthew Conrad, *Executive Director of Government Relations*
Mr. Jay Davenport, *Vice President for Development and Alumni Affairs*
Ms. Karol Kain Gray, *Sr. Vice President and Chief Financial Officer*
Dr. Gail Hackett, *Sr. Vice President and Provost*
Ms. Pamela Lepley, *Vice President for University Relations and Chief Communications Officer*
Mr. Mike Melis, Esq., *Associate University Counsel, (effective 8/25/2017 University Counsel)*
Ms. Michele N. Schumacher, J.D., *Assistant Secretary and Board Liaison*
Dr. Meredith Weiss, *Vice President for Administration*

CALL TO ORDER AND INTRODUCTIONS

Ms. Phoebe P. Hall, Rector called the meeting to order at 9:00 a.m. in the conference room at VCU's Rice Rivers Center, 3701 John Tyler Memorial Highway, Charles City, Virginia.

Ms. Hall thanked the board for their participation yesterday and recapped the discussions that took place. She explained the agenda for today includes a presentation from Dr. Eckel on the challenges facing higher education, the Board "rolling up its sleeves" to work on strategy and to support the President in moving VCU to the next level.

President Rao stated that Ms. Hall did an excellent job of recapping yesterday's meeting and that he wanted to thank the board for the work that was done yesterday. He noted the Board is essential in helping the university respond to the changes in higher education and helping set the overall strategic direction of the university. He concluded by stating he looks forward to working with this board as it leads VCU's transformation in partnership with the administration and the rest of the university.

TRENDS IN HIGHER EDUCATION

Dr. Eckel engaged the Board in a substantive discussion about higher education trends and issues, the implications of those trends for VCU, and how it all affects the work of the Board. It was noted that a common theme emerged from these discussion, specifically, the importance of technology and how it is changing the environment of higher education, whether it be through on-line learning,

data analytics, or the use of artificial intelligence. It was also observed that technology has also changed the way students today learn, and that universities must be proactive to ensure they are meeting the needs of all students.

INSIGHTS FROM SERVING ON HIGHER EDUCATION BOARDS

Ms. Hall introduced Mr. G. Richard Wagoner, Jr., noting that while Mr. Wagoner is currently serving on VCU's Board of Visitors, he is a Trustee Emeritus of Duke University and has served on various community boards in the Detroit area as well as the Detroit Country Day School Board of Trustees. She indicated that Mr. Wagoner has graciously agreed to speak about his board service.

Mr. Wagoner stated that good boards all have some common elements, specifically, members who are capable, informed, engaged, prepared for meetings; and an administration that appreciates board input. He continued that a board ensures that the administration develops a good strategic plan which is vetted and agreed upon by the board; ensures that there is strong leadership in the administration to execute the strategic plan; and that the university has adequate resources to execute the plan.

Mr. Wagoner also shared his observations on what does not work on a board, namely, a lack of diversity and no term limits.

He then provided examples of effective boards noting that one size does not fit all. He emphasized the importance of having all Board members voice their opinions. Mr. Wagoner concluded it is extremely important to have a good board process, effective time management, and a responsive management team, especially when meetings are held once a quarter.

Ms. Hall thanked Mr. Wagoner for his insights.

QUEST 2025 STRATEGIC PLAN FOCUS AND UPDATES

Ms. Pamela Lepley, *Vice President for University Relations and Chief Communications Officer*, provided an overview on the strategic plan and the communication focus: Make the Strategic Plan Real.

Dr. Gail Hackett, *Sr. Vice President and Provost*, reviewed strategies to decrease costs to students such as growing enrollment while maintaining standards; increasing summer and intersession enrollment; increasing retention and student success; growing online enrollment; course redesign; affordable course content; and decentralized budget decisions.

Mr. Jay Davenport, *Vice President for Development and Alumni Affairs*, provided an update on the FY 2018 Make It Real Campaign noting that 2018 was the best fundraising year in VCU history with a total of \$125 million raised. He reviewed the new alumni effort, the top 10 gifts in 2018, campaign projections and the campaign fiscal year averages. Mr. Davenport also reviewed the FY 2019 and FY2020 goals.

Dr. Meredith Weiss, *Vice President for Administration*, discussed the facilities related revenue, generation and cost savings initiatives, specifically, public private partnerships, performance contracts and energy conservation; operational efficiencies; and facility maintenance.

Mr. Matthew Conrad, *Executive Director of Government Relations*, reviewed the legislative priorities for VCU.

Ms. Karol Kain Gray, *Sr. Vice President and Chief Financial Officer*, reported on the new budget model implementation.

Ms. Hall thanked Ms. Lepley, Dr. Hackett, Mr. Davenport, Dr. Weiss, Mr. Conrad and Ms. Gray for their reports.

BOARD STRUCTURE TO ADVANCE THE STRATEGIC PLAN

Ms. Hall recapped the items that the Board reviewed and discussed over the two days of the orientation and retreat and noted that it was clear that the Board wants to do more strategic work. Dr. Eckel facilitated the Board's reexamination of the trends in higher education that are affecting the university and reviewed the various types of information the Board needs in its advisory and oversight role.

ADJOURNMENT

With no further business to come before the Board, Ms. Phoebe Hall, Rector adjourned the meeting at 2:51 p.m.