

**MEETING OF THE BOARD OF TRUSTEES
March 7, 2020**

**UNIVERSITY OF THE VIRGIN ISLANDS
Administration and Conference Center
ST. THOMAS CAMPUS
9:00A.M.**

CONSENT AGENDA

Academic, Research & Student Affairs Committee..... Dr. Yvonne E. L.Thraen

Provost's Report

The Provost's Report included an extensive update on the activities and initiatives in the Provost's Component during the period of August through December 2019. The report highlighted several unit achievements, public service and community outreach activities; and an extensive number of student and faculty achievements, including publications, presentations, and other scholarship activities. Updates were also provided on spring 2020 enrollment and the UVI Passport to the World Travel-Learning Program.

Building and Grounds.....Mr. Alexander A. Moorhead

A. Campus Projects Update

- a. Albert A. Sheen St. Croix Campus Reports:
 - i. Campus Projects Updates and Campus Restoration
 - Library Flooring Upgrade – 85% completed
 - Northwest Wing Roof Repairs – 10% completed; projected completion April 2020
 - Childcare Facility Renovation -- 30% completed
 - Fleet Replacement -- 100% completed
 - AES Tractor & Equipment Storage Structure – 15% completed
 - Fire Hydrant Replacement – 100% completed
 - ii. Medical School Simulation Center Construction Update

Site work on the one-story 21,332 square foot structure, **UVI Medical School Simulation Center** is moving forward. The core and shell of the Simulation Center is 99% completed. The contractor is coordinating with WAPA for the electrical transformer and the water connection in order to complete Phase 2.

The operations of the medical school is expected to begin Summer 2020, now that the director is hired. The director is currently on a 3-month training at the University's partner institution at CAMLS, Tampa, FL.

Immediate operation is anticipated once the training is completed and the director has returned.

iii. Update on FEMA Funding of Hurricane Damaged Facilities – UVI RTPark Demolition and Reconstruction Project:

The demolition of the wing roof and the freestanding wall was completed by April 18, 2019, allowing for the roof repairs on the building to begin. Completion of all roof repairs is expected by February 28, 2020.

The major outstanding items, to complete the reconstruction include the following: the modernization of the elevator, installation of the drop ceiling on the canopy roof, the painting of the building exterior, and the resurfacing of the concrete floors. The project is 85% completed.

Status Update: College of Science and Mathematics: The project is scheduled to be completed, including the installation of all furniture, within 8-10 weeks. Scheduled completion is April 2020.

b. St. Thomas Campus Reports

i. Update on FEMA Funding of Hurricane Damaged Facilities:

UVI is working closely with FEMA on the various guidelines provided. To date, UVI's expenditures amount to \$9,610,931.94.

ii. Campus Projects Updates & Campus Restoration – Hurricane Repairs Update:

- Administration & Conference Center (ACC) Building: Exterior shell repair and gutter repairs are 100% completed
- Sports and Fitness Center: Roof repairs – in progress - scheduled completion February 2020
 - Steel Framing & Metal Sheathing – in progress – scheduled completion February 2020
 - Replacement Generator – in progress - scheduled completion February 2020
- Basketball & Tennis Court Projects - Fencing: -- Completed January 2020
 - Resurfacing Project: -- Completed January 2020
 - Lighting Upgrade: -- In progress – scheduled completion April 2020
- Academic Building Gutter Repairs: Completed February 2020
- Campus Signage: in progress – scheduled completion March 2020
- Campus Temporary Storage Systems: As the restoration process continues, there became a need for storage containers, restrooms and office space at various sites on campus. The containers are on an annual lease contract with Storage on Site, LLC.

- ADA Compliant Accessible Lifts: The following buildings are still in the installation phase: -- the Nursing Building, Teacher's Education Building, Science & Mathematics Building and the Business Education Building. Scheduled completion is March 2020.
- Exterior Painting/Staining –The following buildings on campus were in need of exterior painting and staining due to hurricane deterioration: South Hall, RMP Library, Music Building, North hall and Middle Hall -- in progress.
- John Brewers Beach Restroom Repairs: in progress – scheduled completion March 2020.
- Library Gutter Repairs: Completed January 2020
- Reichhold Center: In progress. Design of the Reichhold roof would remain the same; however, the material for reconstruction would most likely be changed.
- President's Guest House: in progress – schedule completion March 2020.
- Faculty West #9 -- St. Thomas Campus: in progress – scheduled completion March 2020.
- West Residence Hall: in progress -- scheduled completion February 2020.
- The following facilities are in various stages of design and construction bidding processes:
 - CMES Annex
 - School of Business
 - Quarters B
 - MacLean Marine Science Center
 - Reichhold Center

iii. Medical School Classroom Construction Update:

The construction of the Classroom Building of the Medical School is in its final phase. The administration continues to evaluate the status of the project with the financial records supplied by Springboard as the mediation process between UVI and Springboard continues. Within this reporting period, 80% of the hurricane repair items which were funded with proceeds from the Builder's Risk Insurance was completed. Focus is now on the finishes which should be completed June 2020.

iv. Other Updates:

- Mold remediation would be re-addressed in the WUVI radio station building due to continuous complaints from the occupants. Previous cleaning and confirmation of acceptable Indoor Air Quality (IAQ) results were received from the experts. However, every effort is being made to ensure a safe and healthy work environment. Acoustical engineers are expected to be contracted, and carpet removal and replacement, though costly, are being explored as additional corrective measures.

- CMES Annex - removal of asbestos tiles that were discovered is being addressed
- Gordon House – mold removal was conducted

B. Solar Energy Proposal Update:

The administration is still committed to acquiring solar energy for the institution. The administration met with another solar company that is currently working with the Virgin Islands Housing Authority, on the Island of St. Croix. The administration also met with Mr. Lawrence Kupfer, Executive Director of WAPA, based on advisement, to collaborate on efforts regarding Solar Energy. A meeting is pending, to include WAPA’s Energy Office, the Governor’s Chief of Staff and UVI. Overall, there seems to be greater interest from this WAPA administration.

C. Update on Acquisition of West Bay Facility:

UVI’s legal counsel is working diligently with attorneys from the Virgin Islands Port Authority to schedule a closing for the acquisition of the West Bay Facility. However, the University’s administration was informed of some potential delays which are being addressed by legal counsel.

Development Committee.....Rev. Dr. Wesley S. Williams, Jr.

Status Report on Annual Fund

Total contributions to date for fiscal year 2020 (October 1, 2019 – February 7, 2020)
\$440,663.23

Vice President Mitchell Neaves provided a summary of the contributions received to date in FY2020, comprehensive overview on the efforts of the Development Office staff in securing major gifts, and strategy for organizing the Alumni Affairs Office. President David Hall reinforced many of the talking points presented by VP Neaves and stressed the impact the RTPark program will have on the UVI Annual Fund Campaign by the end of the current fiscal year. President Hall also provided an update on the renewed focus to secure funding for the UVI School of Medicine.

Finance and Budget Committee.....Ms. Oran C. Roebuck

A. Update on the Local Government Appropriation – Fiscal Year 2020

The University’s Fiscal Year 2020 local government appropriation was approved for \$33,629,059 as authorized by Act No. 8242 (Bill No. 33-0184). Thus, the

University's monthly allotment request is \$2,802,309 from the Office of Management and Budget and the Department of Finance. The University was also appropriated a total of \$1,045,654 for programs in the Miscellaneous Section of the Government of the Virgin Islands' (GVI) Executive Budget and \$1M for the Medical School Debt Service and \$3M for the Higher Education Scholarship Program also known as the Free Tuition program from the Internal Revenue Matching Fund. This brings the total to \$38,674,713 of funds appropriated to the University for Fiscal Year 2020.

As of January 28, 2020, the University received a total of \$8,668,340.50 in allotments from the V.I. Government for Fiscal Year 2020. This represents 22% of the \$38,674,713 approved for the fiscal year.

I. (a) Review of Unrestricted Operating Budget to Actual Performance through December 31, 2019

Total actual revenues through the period ended December 31, 2019 was \$12,017,849 representing 90% of the budgeted amount of \$13,309,102. Actual expenditures of \$10,688,752 represent approximately 85% of the amount budgeted of \$12,630,922. The University's Net Operating Position (NOP), which is the difference between year-to-date revenues and year-to-date expenditures at the end of December 2019, was \$1,329,097 as shown in Exhibit A on page 3. Auxiliary enterprises realized 75% of the budgeted revenues. While there was a slight uptick in room and board revenues, other auxiliary enterprises, such as the bookstore and facility rentals did not meet budgeted expectations.

The reported expenses of \$853K in Academic Support include expenses of about \$55K for software maintenance and support for Academic Computing; the expended amount of \$55K represents about 93 percent of the budgeted amount. Accordingly, nearly all of the budgeted amounts in categories for Other Contracted Services and Miscellaneous Expenses were expensed in the first quarter of FY 2020.

The reported expenses of \$1.03 million in Student Services includes \$276K for electricity expenses associated with the Sports and Fitness Center, of which about \$200K is for FY 2019. Removing the \$200K in prior year expenses reduces the actual FY 2020 expenses to about \$826K, making the actual expenses about 96 percent of the budgeted amount.

(b) Review of Unrestricted Operating Actual to Actual Performance through December 31, 2019

Total actual revenues and total actual expenditures were \$11,017,869 and \$8,677,533, respectively, for the period ended December 31, 2018. Total revenues increased by approximately 9% from the prior year and total expenditures increased by 23% compared to the same period of the year before.

The highlights in the period to period comparison include:

Revenue Highlights

1. **Miscellaneous** – This category represents the recording of revenue for Federal indirect cost recovery and private grants and contracts. The difference in reported revenues is due to a delay in recording amounts associated with indirect cost recovery in FY 2019.
2. **Auxiliary Enterprises** – The approximate 5 percent increase in FY 2020 student enrollment caused revenues attributable to the Auxiliary Enterprises to increase from the prior reporting period.

Expenditure Highlights:

1. **Research** – The difference in reported expenditure amounts for Research for FY 20 and FY 19 is primarily attributable to increased labor costs for FY 20. Specifically, labor costs in FY 20 totaled \$214K while labor costs in FY 19 totaled \$104K. For example, there were increases in staffing and/or the filling of vacant positions for professional staff at the Center for Marine and Environmental Services, temporary support staff for Research Publications, and administrators in the Sponsored Programs Office.
2. **Public Service** – The difference in reported expenditure amounts for Public Service for FY 20 and FY 19 is attributable to \$30K in additional expenses in FY 20 for a higher education software platform for the University's Center for Excellence in Leadership Learning (UVI CELL).
3. **Academic Support** – The difference in reported expenditure amounts for Academic Support for FY 20 and FY 19 is primarily attributable to increased labor costs for FY 20. Specifically, labor costs in FY 20 totaled \$791K while labor costs in FY 19 totaled \$327K. For example, there were increases in staffing and/or the filling of vacant positions for professional staff in Libraries Administration and Academic Computing, as well as for administrators and academic administrators in the Office of the Provost.
4. **Student Services** – The difference in reported expenditure amounts for Student Services for FY 20 and FY 19 is attributable to increased labor and electricity costs for FY 20. Specifically, labor costs in FY 20 totaled \$584K while labor costs in FY 19 totaled \$212K. For example, there were increases in staffing and/or the filling of vacant positions for administrators and professional staff in Enrollment Management, Financial Aid, Admissions, and Dean of Students, as well as an increase to temporary employees in Intercollegiate Athletics. In addition, there was an electricity charge recorded to the Sports and Fitness Center for FY 20, totaling \$276K, of which \$200K was for FY 19.
5. **Institutional Support** - The difference in reported expenditure amounts for Institutional Support for FY 20 and FY 19 is attributable to increased labor and information technology-related costs for FY 20. Specifically, labor costs in FY 20 totaled \$1 million while labor costs in FY 19 totaled \$540K. For example, there were increases in staffing and/or the filling of vacant

positions in the Office of the President, Administrative Computing, and Office of the Controller. In addition, the Office of the Chief Information Officer paid about \$35K to a non-profit IT consulting firm in FY 20, that was not included in the FY2019 expenses.

6. **Auxiliary Services** - The difference in reported expenditure amounts for Auxiliary Services for FY 20 and FY 19 is attributable to increased labor costs and goods purchased for resale for FY 20. Specifically, labor costs in FY 20 totaled \$482K while labor costs in FY 19 totaled \$62K. For example, there were increases in temporary staffing for administrative, clerical, and service personnel positions for food services on the St. Thomas campus; and there were increased expenditures for textbooks and computer supplies purchased for resale at the bookstore on the Albert Sheen Campus.

B. Review of Restricted Current Funds Expenditures through December 31, 2019

For the period October 1, 2019 through December 31, 2019, the University's restricted current funds performed as follows:

Category	October 1, 2019 Fund Balance	Revenues	Expenditures	December 31, 2019 Fund Balance
Federal Grants	\$2,824,316	\$8,486,471	\$4,478,258	\$6,832,529
Local Grants and Contracts	\$880,889	\$725,005	\$215,247	\$1,390,647
VI Legislature	\$5,181,632	\$4,521,396	\$616,261	\$9,086,767
Private Grants and Contracts	\$3,436,514	\$783,962	\$230,310	\$3,990,166
Other	-\$1,118,539	\$6,989,460	\$1,937,229	\$3,933,692
Total	\$11,204,812	\$21,506,294	\$7,477,305	\$25,233,801

C. Review of CELL Budget to Actual Performance through December 31, 2019

Among CELL's selected revenue generators for the reporting period are: Emergency Medical Responder Training with VI Fire Service, Department of Human Services Senior Citizens Affairs Gerontology Program, Taxi and Tourism Training, Department of Education VI History and Culture Course and H. Lavity Stoutt Consultancy. Some of the accomplishments include: Director Darrow-Magras' appointment to the VI Board of Career and Technical Education, VI State Apprenticeship Council, and participation on the Workforce Development Board, Certified Public Manager Program, Microsoft Excel with Public Works, Terminex Pesticide Exposure Training, STT and STX and Anti-Money Laundering and Financial Crimes Certification. Revenues totaling \$78,981 and expenditures

totaling \$124,686 were generated in the Unrestricted Fund creating an operating deficit of -\$45,705. The restricted programs funded primarily through OSHA and VI Government performed positively during the reporting period resulting in a surplus of \$20,303. CELL is continuing to seek new and creative ways to generate revenues to end the fiscal year in a positive net operating position.

D. Review of Reichhold Center Budget to Actual Performance through December 31, 2019

The Reichhold Center is reporting revenues at and exceeding projections in the categories of Foundation grant, individual gifts (Reichhold Circle) and facility and equipment rentals for the reporting period. The Center applied for a \$10,000 grant from the Virgin Islands Council on the Arts for the continuation of the Culture Pop-Up series and expenses associated with the restoration of the African Art collection. Revenues collected for facility and equipment rental were for production services rendered to the Sports and Fitness Center for the Dean's List Reception.

Of the \$62,500 budgeted for the period, a total of \$35,474.30 was expended on salaries and benefits and direct expenditures. Currently there are five employees of which three are temporary and compensated on a "call as needed basis" for assistance with larger events and projects. The differential between the budgeted and actual salaries and expenditures is due to the loss of a full-time employee during the reporting period.

The Net Operating Position for RCA for the period October 1, 2019 through December 31, 2019 is \$29,215.71.

E. Quarterly Report of Proposals Submitted and Awards Received for the period October 1, 2019 through December 31, 2019

The Office of Sponsored Programs reports that **12** extramural proposals, requesting a total of \$29,473,116 were submitted to external agencies by UVI faculty/staff members during the first quarter of Fiscal Year 2020 and **18** extramural awards and incremental funding modifications, totaling \$31,213,305 were received during the same period. Compared to the corresponding period of the previous fiscal year, seventeen (17) proposals, amounting to a decrease of 5, were submitted and the dollar volume of grants awarded also increased by \$27,567,502. The University was awarded \$28,600,000 by the US Economic Development Administration (EDA) for the completion of the Medical Research and Training Center on the St. Thomas campus and the Medical Simulation Center on the Albert A Sheen St. Croix campus.

F. Quasi-Endowment Fund Balance as of December 31, 2019

Endowment Funds
Comparison Periods Ended December 31, 2019 and August 31, 2019

Description	December 2019	August 2019	Variance
Seslia Title III Endowment	\$ 240,509.89	\$ 234,587.18	\$ 5,922.71
Common Fund Term Endowment	\$ 416,900.94	\$ 387,783.00	\$ 29,117.94
Common Fund National Guard Assistance	\$ 403,406.40	\$ 373,342.58	\$ 30,063.82
Common Fund Veterans Tuition Assistance	\$ 750,881.37	\$ 699,229.89	\$ 51,651.48
Common Fund Scholarship fund	\$ 180,685.09	\$ 168,210.06	\$ 12,475.03
Common Fund Quasi Endowment	\$ 5,968,231.62	\$ 5,729,863.57	\$ 238,368.05
Common Fund School of Medicine Endowment	\$ 25,890,770.81	\$ 24,381,685.38	\$ 1,509,085.43
Common Fund Sustainability Fund I	\$ 7,235,636.08	\$ 7,218,631.14	\$ 17,004.94
Common Fund Sustainability Fund II	\$ 517,518.60	\$ 514,506.53	\$ 3,012.07
Total	\$ 41,604,540.80	\$ 39,707,839.33	\$ 1,896,701.47

All variances represent gains on investments. On November 29, 2019, a redemption to the School of Medicine Endowment, totaling \$330,990, was made to service the Medical School construction loan.

G. Status of Audited Financial Statements for the year ended September 30, 2019

The audit of the University's Financial Statements, Reports and Schedules required by the Uniform Guidance for the year ended September 30, 2019 commenced in November 2019. The University is currently in the process of providing the auditors with the requested items, necessary for the successful completion of the audit. The audit is on schedule and expected to be issued by the University's deadline of March 31, 2020.

H. HBCU Loan Update

The University closed on a \$47M loan with the US Department of Education HBCU Capital Financing Program in November 2019. The loan proceeds are to finance the restructuring

of old debt, acquisition of the West Bay facility and matching funds for completing the construction of the UVI Medical School facilities.

I. EDA Grant Update

The University was awarded \$28.6M grant from the US Economic Development Administration in October 2019 for the final construction phases of the UVI Medical School facilities. A total of \$14.1M has been allocated to the Simulation Center on the St. Croix campus to complete the final phase of construction and outfit the facility with state-of-the-art high fidelity medical simulation equipment. Through an allocation of \$14.5M, the original design of the facility on the St. Thomas campus, the Medical Training and Research Center, will be completely constructed and expanded to include a significant research component.