

**FINANCE COMMITTEE
OF THE BOARD OF VISITORS
EASTERN VIRGINIA MEDICAL SCHOOL
MAY 18, 2021
ELECTRONIC MEETING VIA ZOOM
VIDEOCONFERENCING PLATFORM
9:00 A.M.**

Due to the COVID-19 pandemic, the meeting was held by electronic communication means in accordance with Va. Code §2.2-3708.2, Chapter 1283 of the 2020 Acts of the Virginia General Assembly, and Governor Northam's Executive Order 51 dated March 12, 2020.

PARTICIPATED VIA ZOOM

Robert J. Bianchi, Rear Adm (Ret), SC, USN, Chair
Betty B. Bibbins, MD
Sarah M. Bishop
Theresa S. Emory, MD
Chester M. Hart, Jr.
W. Ashton Lewis, Sr.
T. Richard Litton, Jr.
Alan L. Wagner, MD
Marcus L. Martin, MD (NON-VOTING)
Helen S. Heselius (EX OFFICIO)
Camille L. Endres (STAFF)
Linda S. Speers (STAFF)

ABSENT

Tina L. Mohr, JD
Frank A. Lattanzio, Ph.D.

EX OFFICIO AND STAFF PRESENT – Waitzer 11th Floor Board Room, EVMS

Brant M. Cox (EX OFFICIO)
Richard V. Homan, MD (EX OFFICIO)
Kurt E. Stauder, DPH (EX OFFICIO)
Tammy A. Chrisman (STAFF)
David E. Huband (STAFF)
Brian T. Mansfield (STAFF)

CALL TO ORDER

Admiral Robert Bianchi, Chair, opened the electronic meeting of the Finance Committee at 9:00 a.m. after noting a quorum was present.

APPROVAL OF MINUTES

Upon a motion made and seconded, the minutes of the March 16, 2021 Finance Committee meeting were unanimously approved as distributed by roll call vote: Rear Admiral Robert Bianchi – Yes; Dr. Betty Bibbins – Yes; Ms. Sarah Bishop – Yes; Dr. Terri Emory – Yes; Mr. Chester Hart – Yes; Mr. Ashton Lewis – Yes; Mr. T. Richard Litton – Yes; and Dr. Alan Wagner - Yes.

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FINANCE REPORT

March 2021

Mrs. Camille Endres gave a brief update on the results through March 2021. The Core net excess was \$5.7 million, mostly due to salary savings from vacant positions, and the operating margins for the practice plans are more than budgeted.

FY 2021 ESTIMATED YEAR END CORE NET EXCESS

Mrs. Endres reviewed the Proposed Use of Projected Core Net Excess schedule. She stated that due to the strong bottom line, Management is projecting to transfer \$5.5 million into the EVMS Reserves to be used for future appropriations as deemed appropriate by the President/Dean.

FY 2022 PRELIMINARY OPERATING BUDGET

Admiral Bianchi reminded the Committee that no action was required at this meeting and the budget would be brought for approval at the June meeting to allow the Committee more time to review before approving.

Mrs. Helen Heselius reviewed the FY 2022 Preliminary Operating Budget by Mission, highlighting some of the major variances between FY 2021 projected actual and FY 2022 budget in each of the EVMS missions. The total budget is \$278 million, an increase over projected actual of \$9 million.

Core:

Mrs. Heselius stated the break-even Core budget includes \$1.1 million of one-time funds that can be used as needed for various initiatives during the year, and a contingency reserve of \$169,000. She informed the Committee that there will be a 2% tuition increase for both in-state and out-of-state MD students. She reported that the Physician Assistant tuition will increase 2% for in-state and 0% for out-of-state students. Most other Health Professions programs will have tuition increases of 2% and 4% for in-state and out-of-state students respectively.

Mrs. Heselius reported a State Appropriations Core variance of \$245,000 due to indigent care reallocation between EVMS and EVMS Medical Group in FY 2021 noting there was no change in the amount received. She stated additional State funding was requested but we received a small cut of \$244.

Mrs. Heselius stated that the Facilities and Administrative Cost Recoveries increase of \$1 million is mostly due to CONRAD receiving some new funding in FY 2021 mid-year. It is offset by \$316,000 increase for cost-matching and seed-funding. She reported there are small increases in non-CONRAD programs.

Mrs. Heselius reported a net decrease in Auxiliary Enterprises Income. The parking revenues increased by \$250,000 and are offset by an increase in parking operating expenses. The Hague Club Apartments has a budgeted decrease of \$683,000 due to closing apartments for renovations in January 2022. Funding for the project has been set aside in department reserves and it will be used to offset the decrease so there is not a net impact to our Core operations.

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Mrs. Heselius reported that the FY 2022 Clinical 20% Support budget is \$138,000 higher than the FY 2021 budget but a \$461,000 decrease from FY 21 projected actual. That is mostly due to FY 2021 being a record high year. Salary and fringes for vacant positions are being budgeted next year so if those positions are not filled for the entire year, the clinical margin may be better than what was budgeted. The budget also includes reduction in indigent care allocation.

Mrs. Heselius reported an increase in Other Sources due to resuming activities that were halted in FY 21 due to COVID-19.

The budget includes a 3% employee raise and a minimal increase of 2% for employee health insurance. Mrs. Heselius noted budgeted increases in Travel and Meals related to resuming activities to amounts that are more reflective of pre-pandemic expenses. She also reviewed budgeted transfers to Core from EVMS Reserves.

GME: Mrs. Heselius reported a 2% resident stipend increase in the budget that has been negotiated with and funded by the affiliated hospitals. The number of budgeted residents will increase from 360 in FY 2021 to 387 in FY 2022.

Clinical Enterprises: Mrs. Heselius reported the projected actual Clinical Enterprises operating margin is an increase of \$2.2 million from the FY 21 budget. A decrease from the projected actual of \$3.4 million is due to how well they are doing this year. The budget also includes salary and fringes for vacant positions, a decrease in PSPP revenue, and reduced indigent care allocation that was offset in Core.

Sponsored Research: Mrs. Heselius stated the increase of \$3.2 million in direct expenses includes \$2.1 million for the CONRAD program and \$1.1 million for all other awards. She noted that only awards already received are included in the budget.

Department Reserves: Mrs. Heselius reported a budgeted net excess of \$1.1 million in FY 2022. She noted that as of March 2021, there is \$75.5 million available in Department Reserves. These funds have already committed.

EVMS Reserves: Mrs. Heselius reported the total institutional uncommitted reserves are projected to be \$54.2 million at the end of FY 2021 and \$56.9 million at the end of FY 2022.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 9:50 a.m. The next meeting will be held on Tuesday, June 15, 2021. The time and location of this meeting will be announced at a later date. The FY 2022 Proposed Operating Budget will be voted on at that meeting.

Linda S. Speers

Linda Speers
Recording Secretary