

**MEETING OF THE BOARD OF TRUSTEES  
October 24, 2020**

**UNIVERSITY OF THE VIRGIN ISLANDS  
BY ZOOM  
9:00A.M.**

**CONSENT AGENDA**

**ACADEMIC, RESEARCH AND STUDENT AFFAIRS.....Dr. Yvonne E. L. Thraen**

The Provost's Report included an extensive update on the Provost's Component's activities and initiatives during May through August 2020. The report highlighted summer programs, student outreach activities; several public service and community outreach activities; and an extensive number of student and faculty achievements, including publications, presentations, and other scholarly activities. As part of the Provost's report, Vice Provost for Access and Enrollment Services, Mr. David Wuinee, provided an analysis of the Fall 2020 registration and enrollment status.

**AUDIT COMMITTEE.....Henry C. Smock**

The Audit Committee received an update on the status of the 2019 Audit. It also received an update on the 2020 Audit as well a briefing on the switch from BDO-PR to BDO-USA as the university's auditing agency.

**BUILDINGS AND GROUNDS.....Henry C. Smock**

**1. AAS Campus Projects Update**

**a. Albert A. Sheen St. Croix Campus Reports**

- Replace and Upgrade Radio Communication System –20% completed -
- Library Flooring Upgrade -- 95% completed.
- Hurricane Maria repairs: Northwest Wing Roofing Repairs: 90% completed.
- Porch Roofs & Gutter Replacements – Nursing Complex & Building E – 95% completed – scheduled completion October 2020.
- Childcare Facility Renovation (Phase 1) 75% completed -- schedule completion October 2020.
- AES Tractor & Equipment Storage Structure: -- 91% completed – scheduled completion November 2020
- Replacement of Pad Mounted Switchgears: -- 5% completed – scheduled completion – January 2021

b. UVI MEDICAL SCHOOL SIMULATION CENTER – AAS CAMPUS:

**PHASE 3: Interior Build-Out Status:** Grant funding of \$14.1 million was awarded by the U.S. Economic Development Administration (EDA) in October 2019 for the interior build-out of the Simulation Center. The grant total includes all equipment needed.

EDA approved Springline Architect, LLC as the architectural and engineering (A&E) firm to complete the design of the interior build-out of the Simulation Center and to maintain the integrity of the original design. An RFP was issued. Mobilization is scheduled to begin October 2020.

c. UVI RESEARCH & TECHNOLOGY PARK: (Reconstruction Process):

**STATUS:** The UVIRTPark Project is approximately 99% completed. The contractor and architect are working on completing the punch list items. All major repairs are also completed. Minor details are projected to be completed by October 15, 2020.

d. **COLLEGE OF SCIENCE & MATHEMATICS (Furniture Replacement Project):**

**STATUS:** Installation of the replacement furniture for the College of Science & Mathematics was completed June 2020 including all punch list items. A final walkthrough with the contractor was completed during the week of August 31, 2020. Minor air-conditioning adjustments are still needed on the units.

e. **UVI STX WIND RETROFIT-HMGP PHASE I:**

This project entails a wind retrofit of the Delta M. Jackson Dorsch Complex, Student Center and server room at UVI's Albert A. Sheen Campus. The purpose is to harden the facilities to meet the requirements of the 180 mph Design Wind Speed. Enhancement to the facilities will reduce damages in future wind events and thereby improve the capacity to shelter-in-place.

**AWARD STATUS:** The Federal Emergency Management Agency (FEMA), through the Hazard Mitigation Grant Program (HMGP), awarded PHASE I funding for the Project, for \$350,601 on April 28, 2020. Scheduled completion December 2020

2. **ST. THOMAS CAMPUS FACILITIES UPDATE:**

The restoration of the St. Thomas Campus following the devastation of hurricanes Irma and Maria continues with focus on FEMA's guidelines and

processes to ensure that all projects are in compliance. The administration has embraced the Hazardous Mitigation Proposals (HMP) to mitigate the structural deficiencies and initiate improvements. The services of a Certified Structural Engineer were engaged to assess the facilities and review all proposed HMP's, ensuring that the University's submittals cover all areas with respect to the restoration of the facilities. Following are updates for the reporting period regarding various projects:

a. CAMPUS RESTORATION PROJECTS -- STT CAMPUS

- Reichhold Center Roof Replacement Project: scheduled completion – early 2021
- School of Business Renovation Project: Scheduled completion – December 2020
- School of Nursing Complete Renovation Project: Scheduled completion -- December 2020
- Marine Science Center Complete Renovation Project: Scheduled completion – March 2021
- CMES Annex: Final selection of the successful bidder for the project is pending
- Quarters B Architectural/Engineering Services: Scheduled completion – November 2020
- Sports & Fitness Center Generator replacement: -- September 2020
- Sports & Fitness Center Replacement of Automatic Transfer Switch - September 2020
- Administration & Conference Center – Generator & Chiller Fencing: Completed August 2020
- Dining Pavilion/Walk-in Freezer & cooler installation: Completed - September 2020
- Gordon House HVAC Project: Completed August 2020
- John Brewers Beach-house Interior/Exterior Painting: Completed July 2020
- Security gate repairs: Completed June 2020
- Tennis Court Lighting Project: Completed July 2020

b. OTHER CAMPUS PROJECTS:

- ADA Compliant Accessible Lifts: Teacher's Education and Science and Mathematics buildings installation completed. Business and Nursing buildings installation - pending completion of building construction.
- Asbestos Abatement – CMES Annex: Completed June 2020
- Campus signage: Completed June 2020
- Exterior painting/staining – Residence Halls, Music Building and RMP Library were completed May 2020
- Manhole cover replacements – completed September 2020

c. HURRICANE RESTORATION ARCHITECTURAL & ENGINEERING UPDATE:

- Faculty West #9: Redesign and construction development – Completed May 2020
- Residence Halls: Upgrade of exterior façade and ADA accessibility – Completed May 2020
- President’s Guest House: A/E Services -- Completed May 2020

d. MEDICAL SCHOOL CLASSROOM BUILDING PROJECT:

The University of the Virgin Islands was awarded a grant from the Economic Development Association (EDA) of \$14 million for the upgrade and completion of the Medical School facilities. Caribbean Professional Consultants was contracted to develop a comprehensive Scope of Work (SOW) for the completion of the Medical Training and Research Center project. The SOW would be vetted through the EDA for approval to proceed regarding the solicitation and selection of a successful bidder for the completion of the facility. The project is presently in the Architectural and Engineering (A&E) phase.

e. UPDATE ON ACQUISITION OF WEST BAY FACILITY:

The administration engaged the services of Mr. Blaize, architect, regarding the redesign of the West Bay Facilities to meet the needs of the intended purpose. The facility is being redesigned to include a mini-floor between the main floor and the regular second floor to accommodate additional activities. On the main floor, a collaborative space is being explored for students, businesses and researchers to work in the same space to generate creative ideas. The Innovation Center would be moved from the library and the Creative Lab would now have a home and would serve as anchors in creativity and innovation. Office space would be available for the RTPark and other research centers.

**FINANCE AND BUDGET.....Oran C. Roebuck**

**2. Update on the Local Government Appropriation – Fiscal Year 2020**

The University’s Fiscal Year 2020 local government appropriation was approved for \$33,629,059. Under the miscellaneous section the University’s total appropriated amount is \$1,045,654 and under the Internal Revenue Matching Fund section the University has been appropriated \$4,000,000. This brings the University’s combined total appropriation from the Government of the Virgin Islands to \$38,674,713 for Fiscal Year 2020.

On April 23, 2020, the University received correspondence from the Office of Management and Budget advising of a reduction in allotments of \$3,363,039. Therefore, the University's revised appropriation is \$35,311,674.

As of August 21, 2020, the University received a total of \$30,181,700.33 in allotments from the V.I. Government for Fiscal Year 2020. This represents 85% of the revised allotments of \$35,311,674 for the fiscal year. Currently, the university is awaiting the receipt of September allotment.

**3. COVID-19 Financial Update and Opportunities as of September 24, 2020**

<b>Project Description</b>	<b>Amount Awarded</b>	<b>Amount Expended</b>	<b>Balance</b>
The University of the Virgin Islands CARES Act Emergency Relief Initiative - Student Portion	\$856,869.00	\$754,367.00	\$102,502.00
University of the Virgin Islands - HBCU Higher Education Emergency Relief Initiative	\$1,875,124.00	\$1,875,124.00	\$0.00
The University of the Virgin Islands CARES Act Emergency Relief Initiative - Institutional Portion	\$856,868.00	\$379,349.00	\$477,519.00
CARES Act Governor's Emergency Education Relief Fund	\$1,000,000.00	\$0.00	\$1,000,000.00
<b>TOTAL</b>	<b>\$4,588,861.00</b>	<b>\$3,008,840.00</b>	<b>\$1,580,021.00</b>

**4. (a) Review of Unrestricted Operating Budget to Actual Performance through August 31, 2020**

Total actual revenues through the period ended August 31, 2020 was \$40,531,445 representing 91% of the budgeted amount of \$44,510,208. Actual expenditures of \$38,137,541 represent 87% of the amount budgeted of \$43,881,927. 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 August 31, 2020, was \$2,393,904 as shown in Exhibit A on page 3. With respect to revenues, the University did not meet budgeted revenues due to the lower than expected Fall 2020 enrollment and restructuring of campus activities of COVID-19 which impacted auxiliaries. The enrollment decline and auxiliaries are currently under review as we prepare the FY2021 Operating Budget.

With the exception of Academic Support, which performed at 101% of budget, all other categories performed below budget. Student Aid performed at 55% due to the University's response to the COVID-19 pandemic in which students who usually would participate in work study programs were unable to do so as the employees who would normally supervise them were telecommuting. The overall expenditures were 87% of the amount budgeted.

**5. (b) Review of Unrestricted Operating Actual to Actual Performance through August 31, 2020**

Total actual revenues and total actual expenditures were \$41,840,587 and \$41,692,110, respectively, for the period ended August 31, 2019. Total revenues decreased by approximately 3% from the prior year and total expenditures decreased by 9% compared to the same period of the year before.

The highlights in the period to period comparison include:

- Local appropriations decreased as a result of the reduction in Government appropriations to the University in fiscal year 2020.
- The miscellaneous revenues increased significantly due to the receipt of CARES Act funding to maintain operations and continue support of students.
- The University experienced reduced revenues for room and board, Sports and Fitness Center rentals, and the Wellness Center, primarily due to the restructuring of campus activities as a result of COVID-19.
- In the period ending August 31, 2020, the University had a decrease in overall expenditures of 9% compared to FY 2019.
  - **Instruction** – The 9 percent decrease in Instruction expenditures is primarily due to less incurred costs for full time faculty in the Schools/Colleges of Education and Music on the St. Thomas Campus; Business Administration, Nursing, and Math and Science on the Albert Sheen Campus; and part time faculty associated with the Summer Sessions. In addition, there were less incurred contracted services costs for the PHD Program on the St. Thomas Campus.
  - **Public Service** – The 15 percent decrease in Public Service expenditures is primarily due to less executive and administrator salaries in the Office of the Vice Provost for Research, professional staff salaries in the Eastern Caribbean Center, and temporary professional salaries in Personal and Community Development.
  - **Operations/Maintenance** – The 18 percent decrease in Operations/Maintenance expenditures is primarily due to less incurred costs for electricity on the St. Thomas Campus and potable water charges on the Albert Sheen Campus. Specifically, electricity charges totaled \$1.3 million in FY 20 and \$2 million in FY 19; and potable water charges totaled \$82K in FY 20 and \$220K in FY 19.
  - **Student Aid** – The 20 percent decrease in Student Aid expenditures is due to less incurred costs for the college and institutional work-study programs. Specifically, in FY 20, incurred costs totaled \$14K and in FY 19, incurred costs totaled \$73K.

**6. Review of Restricted Current Funds Expenditures through August 31, 2020**

For the period October 1, 2019 through August 31, 2020, the University’s restricted current funds performed as follows:

Category	October 1, 2019 Fund Balance	Revenues	Expenditures	August 31, 2020 Fund Balance
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Federal Grants	\$2,824,316	\$74,881,957	\$24,615,483	\$53,090,790
Local Grants and Contracts	\$880,889	\$2,792,527	\$864,456	\$2,808,960
VI Legislature	\$5,181,632	\$4,159,971	\$2,915,679	\$6,425,924
Private Grants and Contracts	\$3,436,514	\$1,325,609	\$1,482,065	\$3,280,058
Other	-\$93,105	\$7,442,628	\$4,955,860	\$2,393,663
<b>Total</b>	<b>\$12,230,245</b>	<b>\$90,602,692</b>	<b>\$34,833,543</b>	<b>\$67,999,394</b>

## 7. Review of CELL Budget to Actual Performance through August 31, 2020

Despite COVID-19 impacts, in Q3 and Q4 CELL continued to expand partnerships and service offerings. Revenue primarily came from the following areas: Consulting, Contracting and Professional Services, OSHA 21D Consultation Program, custom workforce development and corporate training programs, online training courses, assessment center fees, Veteran's tuition assistance and American Heart Association (AHA) Training Center fees.

Revenues totaling \$203,044 and expenditures totaling \$164,820 were generated in the Unrestricted Fund creating an operating surplus of \$38,224. The restricted programs funded primarily through OSHA and VI Government performed positively during the reporting period; however the ILOE account ended with an operating deficit of -\$43,431. Overall, CELL's combined net operating position as of August 31, 2020 was \$30,731. CELL is continuing to seek new and creative ways to generate revenues to end the fiscal year in a positive net operating position.

## 8. Review of Reichhold Center Budget to Actual Performance through August 31, 2020

RCA has been awarded \$141,333 up to the third quarter from the Foundation for the Reichhold Center for the Arts and \$10,000 grant from the Virgin Islands Council on the Arts (VICA) for the continuation of the Culture Pop-Up series and expenses associated with the restoration of the African Art Collection. An additional \$18,000 was received through VICA from the CARES Act Funding disseminated through the National Endowment for the Arts to support temporary employee salaries.

	BUDGETED REVENUE Oct 1-Aug 31 FY20	ACTUAL REVENUE Oct 1-Aug 31 FY20
<b>Revenues</b>		
RCA Foundation Grant	187,500.00	141,333.00
Ticket Sales	0.00	0.00
Private Grants & Corporate Sponsorship	0.00	28,000.00
Individual Gifts (Reichhold Circle)	0.00	7,015.69
Facility & Equipment Rentals	0.00	1,440.00
Concessions	0.00	0.00
Stagebill Advertising/Miscellaneous	0.00	0.00
<b>Total Revenues</b>	<b>\$187,500.00</b>	<b>\$177,788.69</b>

Of the \$187,500 budgeted for expenditures for the period, a total of \$187,816 was expended on salaries and benefits and direct expenditures. Three of the five employees are temporary and compensated on a "call as needed basis."

Expenditures	BUDGETED	ACTUAL
	EXPENDITURES	EXPENDITURES
	Oct 1-Aug 31 FY20	Oct 1-Aug 31 FY20
Salaries & Fringe Benefits	168,115.50	158,153.34
Insurance	0.00	0.00
Utilities	0.00	0.00
Direct Expenditures: Season	10,884.50	12,920.24
Direct Expenditures: Other	8,500.00	16,742.43
<b>Total Expenditures</b>	<b>\$187,500.00</b>	<b>\$187,816.01</b>

The Net Operating Position for RCA for the period October 1, 2019 through August 31, 2020 is a deficit of -\$10,027.32.

#### 9. Quarterly Report of Proposals Submitted and Awards Received for the period October 1, 2019 through August 31, 2020

The Proposal and Award metrics show a positive trend for FY2020. For Fiscal Quarters 3 (Table 1) and 4 (Table 2) UVI has increased the number of proposals submitted, number of awards received, and the award amount received compared to the corresponding quarters in the previous two fiscal years. Although during the Q3 period the amount included in the proposal submissions increased, during Q4 the amount included in the proposal submissions was lower than the corresponding quarter in the previous two fiscal years. As this report was submitted as of September 14, 2020, Q4 information does not include the data from the final weeks of Q4. The lower proposal submission amount is also due, in part, to the \$20M EPSCoR proposal submitted last fiscal year during Q4.

In the comparison to date table #3, FY 2020 numbers increased in all categories from FY2018 and in all categories, except the proposal amount as noted above, when compared to FY2019.

#### 10. Quasi-Endowment Fund Balance as of August 31, 2020

University of the Virgin Islands  
Endowment Funds  
Comparison Periods Ended August 31, 2020 and March 31, 2020

Description	August 2020	March 2020	Variance
Seslia Title III Endowment	\$ 239,857.96	\$ 216,124.02	\$ 23,733.94
Common Fund Term Endowment	\$ 428,624.08	\$ 345,823.66	\$ 82,800.42



Common Fund National Guard Assistance	\$ 414,079.94	\$ 330,139.23	\$ 83,940.71
Common Fund Veterans Tuition Assistance	\$ 772,278.27	\$ 624,751.35	\$ 147,526.92
Common Fund Scholarship fund	\$ 185,817.74	\$ 150,224.87	\$ 35,592.87
Common Fund Quasi Endowment	\$ 6,250,623.71	\$ 5,384,711.45	\$ 865,912.26
Common Fund School of Medicine Endowment	\$ 25,928,230.99	\$ 21,438,623.62	\$ 4,489,607.37
Common Fund Sustainability Fund I	\$ 3,454,155.43	\$ 7,331,979.38	\$ (3,877,823.95)
Common Fund Sustainability Fund II	\$ 519,499.51	\$ 519,190.41	\$ 309.10
Common Fund TOPA Scholarship Endowment	\$ 2,291,389.45	\$ 1,854,169.57	\$ 437,219.88
Total	\$ 40,484,557.08	\$ 38,195,737.56	\$ 2,288,819.52

During the reporting period, the University withdrew \$4M from the Commonfund Sustainability Fund I (hurricane proceeds) to assist with funding hurricane restoration projects. All other variances represent gains on investments.

#### **11. Status of Audited Financial Statements for the year ended September 30, 2018 (Restated)**

The University of the Virgin Islands issued audited financial statements for the year ended September 30, 2018, on June 27, 2019. A year later, while discussing the necessary GASB entries for FY19 audit with the Department of Finance, the University was notified that the GVI required UVI and other component units to recognize their proportional share of the Other Post-Employment Benefits (OPEB), within their individual statements for the year ended September 30, 2018. As a result, the University needed to restate the audited financial statements for the year ended September 30, 2018. The statements were successfully reissued to include the proportional share of the OPEB liability on June 25, 2020. The effects of the restatement were limited to OPEB expense, deferred inflows/outflows of resources, and OPEB liability.

The audit of fiscal year 2018 resulted in three (3) findings.

#### **12. Status of Audit 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 was able to provide all requested items to the auditors prior to the COVID-19 interruptions, with the exception of the GASB 68 (Pension) and GASB 75 (Other Post-Employment Benefits -OPEB) entries and disclosures.
- The University is currently awaiting the OPEB packages from the VI Department of Finance (DOF) for the completion of our audit report.

- After following up with the DOF on the status of the reports, we concluded it was necessary to request, from all UVI stakeholders, an extension on the established deadlines for the submission of the 2019 audited statements.
- The US Office of Management and Budget also issued administrative relief for recipients of federal financial assistance, which included an automatic extension of the single audit deadline. This extension is also applicable to the US Department of Education. The University's deadline for submitting the 2019 audited financial statements is now December 31, 2020.
- The University sent official communication to the DOF, informing them of the negative impacts the delayed pension packages are having on the University's operations. This letter also shared with the DOF, the University's requirements for receiving the necessary information for the upcoming fiscal years in a timely manner, to ensure issuance of UVI's financial statements by the established deadline.
- The University is nonetheless actively following up with the DOF to ensure the audit is issued as quickly as possible.

**GOVERNANCE C OMMITTEE.....Henry C. Smock**

**A. Update on Conflict of Interest Forms**

The Committee received an update report regarding the submittal of Conflict of Interest forms which were due on September 30<sup>th</sup>. It was reported that forms were received from current members with the exception of the two newly appointed trustees which would be forthcoming.

**B. Update on New Trustees**

It was reported that since the last Board meeting held in June there are 3 new trustees and the expectation of the new student trustee shortly. There is currently 4 vacancies on the Board; three who are appointed by the Governor and one who is elected by the Board.

**C. Board Assessment and Trustee Self-Assessment Tools**

Both tools were presented and approved by the committee. The Board assessment tool will be distributed to the Board in the Fall 2020 and the trustee self-assessment will be distributed in the Spring 2021 . The results will be presented to the Governance Committee at its May 2021 meeting and to the Board at its June 2021 meeting.

**D. Update on potential nominees to be elected to the Board**

An update was provided on potential nominees to be elected by the Board of Trustees. Additional names were be submitted and researched.