

**FINANCE COMMITTEE
OF THE BOARD OF VISITORS
EASTERN VIRGINIA MEDICAL SCHOOL
May 23, 2023
Waitzer Hall Board Room – 11th Floor
9:00 A.M.**

PRESENT

Robert J. Bianchi, Rear Adm (Ret), SC, USN, Chair
G. Robert Aston, Jr.
Hon. Daun S. Hester
W. Ashton Lewis, Sr.
Bruce D. Waldholtz, MD, Ex-officio

ABSENT

Guy R. Friddell, III, Esq.
Conrad M. Hall
Hon. S. Chris Jones
T. Richard Litton, Jr., Esq.
Keith H. Newby, Sr., MD
Mary C. Rubino, MD
Preston D. White

EX OFFICIO MEMBERS PRESENT (NON-VOTING)

Alfred Z. Abuhamad, MD

STAFF PRESENT

Tammy A. Chrisman
Brant M. Cox
Victoria C. Dean
Helen S. Heselius
Brian T. Mansfield
Linda S. Speers
Joel B. Hilton

CALL TO ORDER

Admiral Robert Bianchi, Chair, opened the meeting at 9:00 a.m.

APPROVAL OF MINUTES

Due to not having a quorum, the minutes of the March 21, 2023 Finance Committee meeting were not presented for approval. They will be voted on for approval at the June 20, 2023 Finance Committee meeting.

FINANCE REPORT

March 2023

Mrs. Tammy Chrisman reported that through March 31, 2023 there is an overall net excess of \$19.5 million. She stated this is in line with previous reports, with a couple of exceptions including funding from the sale of Smith Rogers Hall and partial funding from the academic affiliation agreement for the period February 2023 – January 2024.

Mrs. Chrisman reported that the Core net excess is \$500,000, mainly due to salary and fringe savings from vacant positions. The salary savings negated the need for all of the budgeted Core operating transfer from EVMS Reserves. She reported a positive variance of almost \$1.9 million in Investment Income. The Clinical Enterprise 20% Support is down by \$739,000. The Clinical Enterprises operating margin is \$8.8 million which is \$3.4 million less than budget due to reasons discussed during previous meetings.

Mrs. Chrisman reported that all bond covenant were met.

FY 2024 PRELIMINARY OPERATING BUDGET

Admiral Bianchi reminded the Committee that this meeting is to present the first draft of the FY 2024 operating budget to allow members to review and ask questions before final approval. The final proposed budget will be presented on June 20, 2023 to the Finance Committee for approval and recommendation to the Board of Visitors for their approval at their meeting later that day.

Mrs. Helen Heselius stated that this budget represents the full year. If the integration takes place mid-year, a budget amendment will be brought to the Committee for the changes that would be applicable for that portion of the year.

Mrs. Heselius reviewed the FY 2023 Preliminary Operating Budget by Mission, highlighting some of the major changes between FY 2023 projected actual to FY 2024 budget in each of the EVMS missions including proposed merit increases for employees and tuition increases for students. Ms. Heselius also reviewed the Sentara affiliation agreement as reflected in the FY24 budget. Other revenue increases noted include facilities and administrative cost recoveries, apartment rental income and municipal support.

Mrs. Heselius reported that the break-even Core budget includes \$9.1 million operating support from EVMS Reserves which is partially offset by unrestricted discretionary funding from the Sentara affiliation agreement for a net decrease in EVMS Reserves of \$5 million. Uncommitted reserves are expected to be \$55.6 million at June 30, 2023 and \$50.6 million at June 30, 2024. Management reduced the draw on EVMS Reserves by securing affiliation funding through January 2024, continuing to reduce departmental discretionary spending by 5% and limiting departmental requests and growth in FY 24. Management is also continuing to seek additional long-term funding from its hospital partner and the Commonwealth.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 9:40 a.m. The next meeting will be held on Tuesday, June 20, 2023. The FY 2024 Proposed Operating Budget will be voted on at that meeting.

Linda S. Speers

Linda Speers
Recording Secretary