

**FINANCE COMMITTEE
OF THE BOARD OF VISITORS
EASTERN VIRGINIA MEDICAL SCHOOL
MAY 21, 2024
Waitzer Hall Board Room – 11th Floor
9:00 A.M.**

PRESENT

Robert J. Bianchi, Rear Adm (Ret)
G. Robert Aston, Jr.
Hon. S. Chris Jones
W. Ashton Lewis, Sr.
Marta A. Ambrozewicz, MD, PhD, Faculty Senate
Bruce Waldholtz, MD, Ex-Officio (Voting)
Hon. Daun S. Hester, Ex-Officio (Non-Voting)

EX OFFICIO MEMBERS PRESENT

Alfred Z. Abuhamad, MD
Po Y. Chou

ABSENT

Timothy A. Faulkner
Guy R. Friddell, III, Esq.
Conrad M. Hall
Preston M. White

STAFF PRESENT

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

CALL TO ORDER

Admiral Robert Bianchi, Chair, opened the meeting at 9:00 a.m. by stating that the purpose of this special meeting is to review the FY 25 Preliminary Operating Budget.

APPROVAL OF MINUTES

Upon a motion made and seconded, the minutes of the March 19, 2024 Finance Committee meeting were approved as distributed.

FY 2025 PRELIMINARY OPERATING BUDGET

Mrs. Helen Heselius presented the preliminary fiscal year 2025 budget with total revenues of \$381 million noting the increase from fiscal year 2024 is due to additional support from the Commonwealth of Virginia and Sentara Healthcare. Mrs. Heselius reviewed the highlights of the budget which includes new appropriation funding from the Commonwealth of \$30 million of ongoing support and \$5 million one-time funding for the ODU Integration. The Sentara Affiliation Agreement support averages \$35 million over 10 years and \$40.4 million out of the \$54.2 million Year 1 funding is included in the FY 25 budget. Mrs. Heselius stated that the School of Health Professions budgeted tuition was adjusted to better align with the enrollment trends. She stated

that Management is recommending a 3% salary increase for faculty and staff, consistent with the Commonwealth budget. This increase will be effective July 1, 2024 to align with the Commonwealth's methodology for salary increases. Currently classified salary increases are given throughout the year on the classified employee's anniversary date. Due to this date change, there is a one-time impact of \$661,000 which will be funded by one-time sources. Mrs. Heselius reported that the budget includes \$5.2 million of additional departmental funding including reinstating a majority of the 5% reductions that were implemented several years ago. Mrs. Heselius summarized the new academic mission resources to include \$30 million from the Commonwealth and \$3 million of recurring academic mission support from Sentara offset by \$17.8 million of transition costs to Commonwealth benefits and \$9.1 million FY24 budgeted draws on reserves. The net new resources were applied to additional departmental funding, core salary increases and adjusting Health Professions.

Mrs. Heselius reviewed the major Core variances FY 24 Projected Actual to FY 25. MD tuition increases include a 2% increase for in-state and 0% for out-of-state students. School of Health Professions (SOHP) tuition increases include a 2% increase in the Physician Assistant, Surgical Assisting and Pathologists' Assistant programs for both in-state and out-of-state students. All other SOHP programs will not have an increase to begin to align with ODU credit hour rate. She stated the GME resident stipends will increase from 3% to 5%, which is necessary in order to remain competitive with the market. The number of resident FTEs is budgeted to increase from 397 actual in FY 24 to 432 budgeted in FY 25. Clinical Enterprises is forecasting a decrease compared to FY 24 Projected Actual.

In summary, the FY 25 Budget includes \$381.2 million of revenues, \$362.7 million of operating expenses and \$9.7 million of non-cash items for a total Net Excess after non-cash items of \$8.8 million. She noted that no draws on Reserves are needed and there is funding for new spending initiatives.

Mr. Po Chou presented an overview of the FY 2025 Medical Group Budget, the major areas of focus, and the actions necessary to improve the trends.

FY 2025 Salary Increases

Admiral Bianchi asked for a motion, in accordance with the authorities that were granted to the Finance Committee from the Board of Visitors at their March 2024 meeting, to approve the 3% salary increases, effective July 1, 2024 for all employees consistent with the Commonwealth. This will allow Management to move forward providing data to ODU for payroll processing in July. Upon a motion made and seconded, the Finance Committee recommends the following:

Action: Upon the recommendation of staff, the Finance Committee does hereby approve the FY 2025 Salary Increases as presented with the approval to be ratified by the Board of Visitors at their June meeting.

FINANCE REPORT

March 2024

Due to time constraints the March 2024 financials were not presented. There were no changes in trends from prior months.

NEW BUSINESS

Admiral Bianchi reminded the Finance Committee that they will be asked to vote on the FY 2025 Proposed Operating Budget at the June 11th meeting, therefore it will be very important to have a quorum present.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 10:06 a.m.

Linda S. Speers

Linda Speers
Recording Secretary

DRAFT