Committee Minutes
FINANCE AND RESOURCE MANAGEMENT COMMITTEE
Room G102 A/B, Fralin Biomedical Research Institute
August 29, 2023

Open Session

Board members present: Janice Austin – A/P Faculty Representative, Ed Baine, LaTawnya Burleson – Staff Representative, Carrie Chenery, Anna James, Tish Long, John Rocovich

University personnel and guests: Callan Bartel, Lynsay Belshe, Leanna Blevins, Eric Brooks, Bob Broyden, Brock Burroughs, Cyril Clarke, Al Cooper, Corey Earles, Jeff Earley, Ron Fricker, Rebekah Gunn, Luisa Havens Gerardo, Kay Heidbreder, Tim Hodge, Anne Keeler, Sharon Kurek, Rob Mann, Randy Marchany, Elizabeth McClanahan, Nancy Meacham, Ken Miller, Kim O’Rourke, Mark Owczarski, Charlie Phlegar, David Raymond, Paul Richter, Julie Ross, Tim Sands, Amy Sebring, Cliff Shaffer, Brennan Shepard, Dan Sui, Aimee Surprenant, Don Taylor, Melinda West

1. Motion for Open Session

2. Welcome and Opening Remarks

3. Consent Agenda: The Committee considered for approval and acceptance the items listed on the Consent Agenda.

   a. Approval of Items Discussed in Closed Session

   b. Approval of Minutes of the June 6, 2023 Meeting

   The Committee approved the items on the Consent Agenda.

4. Comprehensive Update on Advancement: Charlie Phlegar, senior vice president for advancement, provided a comprehensive report on Advancement’s fiscal year 2023 giving results and giving trends since the launch of the Advancement Model. Virginia Tech was recently invited to be a member of CASE 50. CASE 50 represents the top 75 Advancement institutions globally, based on a five-year rolling average of cash, new gifts and commitments, and peer recommendations. Congratulations to Advancement and Virginia Tech for this recognition. The report also included an update on the philanthropic participation rate and overviews of the Boundless...
Impact Campaign, Top 100 Global Research University initiative, Virginia Tech Advantage, and VT Alumni Association.

5. **Report on Gramm-Leach-Bliley Act Compliance and IT Security:** The Committee received for acceptance a report on Gramm-Leach-Bliley Act (GLBA) compliance and associated IT security processes needed to meet the annual reporting requirement established by the Standards for Safeguarding Customer Information Rule, which was effective June 9, 2023. Melinda West, associate vice president for finance and university controller, and Randy Marchany, chief information technology security officer, provided an overview of Virginia Tech’s compliance with the act which regulates the collection and disclosure of nonpublic information by financial institutions.

6. **EVPCOO Update and Discussion:** The Committee received an update from Amy Sebring, the executive vice president and chief operating officer, which included a discussion on financial results of fiscal year 2023, the university’s credit rating, the 2024-2030 Six-Year Plan, and state budget negotiations. It also included an overview of reallocation strategies and an update on the search for the new vice president for information technology and chief information officer.

7. **Update on the 2024-2030 Six-Year Plan:** The Committee received an update on the 2024-2030 Six-Year Plan. Tim Hodge, associate vice president for finance, provided the timeline and overview of the six-year planning process and the budget processes related to the university’s strategic priorities, including the Top 100 Global Research University initiative, the Virginia Tech Advantage, and the Virginia Tech-Carilion School of Medicine.

8. **Approval of Year-to-Date Financial Performance Report (July 1, 2022 – June 30, 2023):** The Committee reviewed for approval the Year-to-Date Financial Performance Report for July 1, 2022 to June 30, 2023. For the fourth quarter, budget adjustments were made to reflect revisions to projected revenues and expenditures. The report shows the actual revenues and expenses compared to the budgets and the overall status and expenditures of ongoing capital projects.

The Committee recommended the Year-to-Date Financial Performance Report to the full Board for approval.

9. **Discussion of Future Agenda Topics and Closing Remarks:** The Committee discussed possible topics for future meetings and other topics as needed.
1. Ratification of the Capital Outlay Plan for 2024-2030: For first item on the joint open session agenda, the Committees reviewed for ratification the Capital Outlay Plan for 2024-2030.

At the March 2023 meeting, the Board approved a resolution for the university's 2024-2030 Capital Outlay Plan, and since that time, the state issued the instructions for preparation and submission. The final plan was updated in accordance with guidelines from the state and submitted on June 22, 2023.

Bob Broyden, associate vice president for campus planning and capital financing, updated the committee on changes to the plan since the March 2023 approval.

The Committees recommended the Capital Outlay Plan for 2024-2030 to the full Board for ratification.

2. Approval of Resolution to Amend a Long-term Lease for Children’s National Hospital: The Committees reviewed for approval a Resolution to Amend a Long-term Lease for Children’s National Hospital. This request is for authorization to amend the university’s existing lease with the Children’s National Research Center to include an additional 12,350 rentable square feet for furthering research.
The Committees recommended the Resolution to Amend a Long-term Lease for Children’s National Hospital to the full Board for approval.

There being no further business, the meeting adjourned at 11:23 a.m.
Closed Session Agenda
FINANCE AND RESOURCE MANAGEMENT COMMITTEE
Room 102 A/B, Fralin Biomedical Research Institute
8:45 a.m.
August 29, 2023

Agenda Item                     Reporting Responsibility

1. Motion for Closed Session    Committee Member

* 2. Ratification of Personnel Changes Report    Ken Miller

* Requires full Board approval
# Discusses Enterprise Risk Management topic(s)
+ Discusses Strategic Investment Priorities topic(s)
Open Session Agenda

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

Room G102 A/B, Fralin Biomedical Research Institute

To begin immediately following the Finance and Resource Management Committee Closed Session

August 29, 2023

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Reporting Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Motion to Reconvene in Open Session</td>
<td>Committee Member</td>
</tr>
<tr>
<td>2. Welcome and Opening Remarks</td>
<td>Anna James</td>
</tr>
<tr>
<td>3. Consent Agenda</td>
<td>Anna James</td>
</tr>
<tr>
<td>a. Approval of Items Discussed in Closed Session</td>
<td>Anna James</td>
</tr>
<tr>
<td>b. Approval of Minutes of the June 6, 2023 Meeting</td>
<td>Anna James</td>
</tr>
<tr>
<td>#+ 4. Comprehensive Update on Advancement</td>
<td>Charlie Phlegar</td>
</tr>
<tr>
<td>5. Report on Gramm-Leach-Bliley Act Compliance and IT Security</td>
<td>Randy Marchany</td>
</tr>
<tr>
<td></td>
<td>Melinda West</td>
</tr>
<tr>
<td>6. EVP COO Update and Discussion</td>
<td>Amy Sebring</td>
</tr>
<tr>
<td>+ 7. Update on the 2024-2030 Six-Year Plan</td>
<td>Tim Hodge</td>
</tr>
<tr>
<td>* 8. Approval of Year-to-Date Financial Performance Report (July 1, 2022</td>
<td>Tim Hodge</td>
</tr>
<tr>
<td>– June 30, 2023)</td>
<td>Bob Broyden</td>
</tr>
<tr>
<td>9. Discussion of Future Agenda Topics and Closing Remarks</td>
<td>Anna James</td>
</tr>
</tbody>
</table>
## Open Joint Session Agenda

**FINANCE AND RESOURCE MANAGEMENT COMMITTEE**  
**AND BUILDINGS AND GROUNDS COMMITTEE**

Room G102 A/B, Fralin Biomedical Research Institute  
10:45 a.m.  
August 29, 2023

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Reporting Responsibility</th>
</tr>
</thead>
</table>
| *## 1. Ratification of the Capital Outlay Plan for 2024-2030 | Ken Miller  
Chris Kiwus  
Bob Broyden |
| * 2. Approval of Resolution to Amend a Long-term Lease for Children’s National Hospital | Ken Miller  
Chris Kiwus  
Bob Broyden |
CONSENT AGENDA

a. Approval of Items Discussed in Closed Session

b. Approval of Minutes of the June 6, 2023 Meeting
Committee Minutes

FINANCE AND RESOURCE MANAGEMENT COMMITTEE
New Classroom Building
June 5-6, 2023

Joint Open Session with the Buildings and Grounds Committee
June 5, 2023

Board members present: Ed Baine, Shelley Barlow, Anna Buhle – Graduate and Professional Student Representative, Dave Calhoun, Carrie Chenery, Sandra Davis, Holli Drewry – Administrative and Professional Faculty Representative, Greta Harris, C.T. Hill, Brad Hobbs, Anna James, Tish Long, Sharon Martin, Melissa Nelson, Jeff Veatch, Robert Weiss – Faculty Representative, Serena Young – Staff Representative

University personnel and guests: Janice Austin, Mac Babb, Callan Bartel, Lynsay Belshe, Eric Brooks, Bob Broyden, Brock Burroughs, Cyril Clarke, Al Cooper, Corey Earles, Jeff Earley, Alisha Ebert, Ted Faulkner, Mark Gess, Kay Heidbreder, Tim Hodge, Elizabeth Hooper, Frances Keene, Chris Kiwus, Sharon Kurek, Rob Mann, Elizabeth McClanahan, Nancy Meacham, Ken Miller, Jeff Mitchell, Heidi Myers, Justin Noble, Kim O’Rourke, Charlie Phlegar, Menah Pratt, Paul Richter, Tim Sands, Amy Sebring, Brennan Shepard, John Tarter, Dwyn Taylor, Jon Clark Teglas, Rob Viers, Tracy Vosburgh, Mike Walsh, Danny White, Chris Wise, Nick Woods, Chris Yanilos, and guests

1. Motion for Joint Open Session

2. Approval of Items Discussed in Joint Closed Session: The Committees reviewed for approval the items discussed in joint closed session.

* 3. Approval of Resolution for the Football Locker Room Renovation Project: The Committees reviewed for approval a Resolution for the Football Locker Room Renovation Project. This 4,200 square-foot renovation project provides a state-of-the-art hydrotherapy suite and renovations to the players’ restrooms and shower facilities within the Jamerson Athletic Facility. The $5.9 million total project cost will be funded with private gifts.

The Committees recommended the Resolution for the Football Locker Room Renovation Project to the full Board for approval.

* 4. Approval of Resolution for Student Life Village, Phase I Planning Authorization: The Committees reviewed for approval a Resolution for Student

* Requires full Board approval
# Discusses Enterprise Risk Management topic(s)
+ Discusses Strategic Investment Priorities topic(s)
Life Village, Phase I Planning Authorization. This $19.4 million planning authorization, funded with auxiliary revenues designated for facility improvements, includes preliminary designs for: sitework; landscaping; utilities; residential, dining, and recreation structures; roads; and pathways.

The Committees recommended the Resolution for Student Life Village, Phase I Planning Authorization to the full Board for approval.

There being no further business, the meeting adjourned at 5:49 p.m.

Open Session
June 6, 2023

Board members present: Ed Baine, Anna Buhle – Graduate and Professional Student Representative, Dave Calhoun, Carrie Chenery, Sandra Davis, Greta Harris, Brad Hobbs, Anna James, Tish Long, Sharon Martin, Melissa Nelson, Robert Weiss – Faculty Representative, Serena Young – Staff Representative


1. Motion for Open Session

2. Welcome and Opening Remarks

3. Consent Agenda: The Committee considered for approval and acceptance the items listed on the Consent Agenda.
   
   a. Approval of Items Discussed in Closed Session
   
   b. Approval of Minutes of the March 20, 2023 Meeting

* Requires full Board approval
# Discusses Enterprise Risk Management topic(s)
+ Discusses Strategic Investment Priorities topic(s)
c. Approval of 2023-24 Hotel Roanoke Conference Center Commission Budget: The Committee reviewed for approval the 2023-24 Hotel Roanoke Conference Center Commission budget. The Hotel Roanoke Conference Center Commission was established by resolutions adopted by Virginia Tech and the City of Roanoke, under Commonwealth of Virginia enabling legislation. The enabling legislation provided that the Commission shall annually prepare and submit to both the City of Roanoke and Virginia Tech a proposed operating budget showing its estimated revenues and expenses for the forthcoming fiscal year. If the estimated expenses exceed the estimated revenues, the portion of the unfunded balance is to be borne by each participating party for the operation of the conference center, if needed. Traditionally, the university has contributed $80,000 to support the operations, and this will continue for the fiscal year 2023-24 and will come from the Fralin endowment, which was established to assist this program.

d. Approval of Resolution to Appoint University Commissioner to the Hotel Roanoke Conference Center Commission: The Committee reviewed for approval a resolution to appoint the Executive Vice President and Chief Operating Officer as a representative of the university on the Hotel Roanoke Conference Center Commission.

e. Notification of Provisions of the Appropriation Act Relating to Indebtedness of State Agencies: The Committee reviewed for approval the notification of provisions of the Appropriation Act relating to indebtedness of state agencies. This is the university’s annual notification to the Board of Visitors detailing the provisions of the Appropriation Act relating to indebtedness of state agencies, or unauthorized deficits.

The Committee approved the items on the Consent Agenda and recommended the 2023-24 Hotel Roanoke Conference Center Commission budget, the Resolution to Appoint University Commissioner to the Hotel Roanoke Conference Center Commission, and the Notification of Provisions of the Appropriation Act Relating to Indebtedness of State Agencies to the full Board for approval.

4. Update on Advancement: Charlie Phlegar provided a report on Advancement’s fundraising efforts including a campaign update, the most recent numbers for New Gifts and Commitments and Cash, and an overview of the top issues currently facing Advancement. In addition, Charlie shared that the 22 percent alumni participation rate goal was met again this year.
5. **Approval of Resolution Delegating Authority for Pratt Funds**: The Committee reviewed for approval a resolution delegating authority for the management of the Pratt Fund payouts to the Dean of the College of Agriculture and Life Sciences and the Dean of the College of Engineering. The university has more than met the terms and conditions specified in Mr. John Lee Pratt’s 1975 will, and has demonstrated prudent and excellent stewardship of these funds. Because of this, the university is requesting the discontinuation of Board of Visitors approval for the budgeting and spending of these funds. The university will continue to spend the funds in accordance with the programmatic restrictions specified in the Pratt will.

The Committee recommended the Resolution Delegating Authority for Pratt Funds to the full Board for approval.

6. **Update on the Development of the 2024-2030 Six-Year Plan and Approval of Related Strategies**: The Committee received an update on the development of the 2024-2030 Six-Year Plan and will review for approval related strategies under consideration for inclusion in the plans that would advance shared goals. The Six-Year Plan proposals will be submitted to the state on July 17 with final plan submission on October 1 and will primarily inform state funding requests for fiscal years 2025 and 2026.

The Committee recommended the Strategies Related to the Development of the 2024-2030 Six-Year Plan to the full Board for approval.

7. **Intercollegiate Athletics Programs Report for Year Ended June 30, 2022**: The Committee received a report on the Auditor of Public Accounts (APA) Intercollegiate Athletics Program review for fiscal year 2022. The APA performed certain agreed-upon procedures to evaluate whether the Schedule of Revenues and Expenses of the Intercollegiate Athletics Program for fiscal year ended June 30, 2022, is in compliance with the National Collegiate Athletic Association (NCAA) bylaws.

8. **Approval of Year-to-Date Financial Performance Report (July 1, 2022 – March 31, 2023)**: The Committee reviewed for approval the Year-to-Date Financial Performance Report for July 1, 2022 to March 31, 2023. For the third quarter, budget adjustments were made to reflect revisions to projected revenues and expenditures. The report shows the actual revenues and expenses compared to the budgets and the overall status and expenditures of ongoing capital projects.

The Committee recommended the Year-to-Date Financial Performance Report to the full Board for approval.

* Requires full Board approval

# Discusses Enterprise Risk Management topic(s)

+ Discusses Strategic Investment Priorities topic(s)
9. **Financial Actions for Staff Compensation:** The Committee received an overview of financial actions related to staff compensation. The 2022 General Assembly approved a biennial budget with compensation actions for Classified and University Staff. The university implemented a 5.0 percent across-the-board increase for Classified Staff, and an average of 5.0 percent increase for University Staff, comprised of a 3.0 percent base increase and 2.0 percent variable merit-based increase.

* 10. **Approval of 2023-24 Faculty Compensation Plan:** The Committee reviewed for approval the 2023-24 Faculty Compensation Plan. Based on the university’s understanding of the state budget, a five percent faculty salary increase, effective June 10, 2023, has been planned.

The university traditionally implements such state increases differentially on the basis of merit. In anticipation of this program, merit recommendations were developed during the spring of 2023, consistent with the proposed 2022-23 Faculty Compensation Plan. Results of this process were shared with the Board in a separate resolution. Implementation of this increase is subject to Board approval and finalization of the state budget.

To maintain and improve upon the university’s standing relative to the 50th percentile of the Top 20 Land Grant peers, the higher levels of competing offers offered to key faculty, and to minimize the high cost of turnover, the university will continue to explore opportunities to improve the competitiveness of Virginia Tech faculty compensation.

The Committee recommended the 2023-24 Faculty Compensation Plan to the full Board for approval.

* 11. **Approval of 2023-24 Compensation for Graduate Assistants:** The Committee reviewed for approval the proposed 2023-24 schedule of stipends and support for the health insurance program for graduate students. The university proposes a 5.0 percent increase in the stipend scale and the establishment of a minimum stipend of $2,420 per month.

Pending final action by the General Assembly, the Board will authorize the president to modify the increase for graduate assistant compensation to match the statewide employee compensation program.

The Committee recommended the 2023-24 Compensation for Graduate Assistants to the full Board for approval.
12. **Approval of 2023-24 University Operating and Capital Budgets:** The Committee reviewed for approval the proposed university operating and capital budgets for 2023-24.

The Operating Budget for the 2023-24 fiscal year has a recommended internal budget for all operations of $2.1 billion. This is an increase of $144.5 million, approximately 7.5 percent, over the adjusted budget for last year. The operating budget assumes the commonwealth’s “Skinny Budget”, tuition and fee rates approved by the Board in April, $4 million of reallocations, and $12 million for strategic initiatives.

The university’s total General Fund allocation is estimated to be approximately $397.3 million, an increase of $22.1 million over last year’s adjusted budget. General Fund revenues will provide $360.1 million in support for the instructional, research, and extension programs, $33.6 million for student financial assistance, and $3.6 million for the Unique Military Activities program. The increase in the General Fund will primarily be used to fund the salary increases included in the State budget.

The overall change in the budget includes an increase of $60.8 million attributable to the Educational and General programs and $39.1 million of projected growth in Auxiliary Enterprises. The Auxiliary Enterprise budget includes the budgets of four Auxiliary Systems; the Dormitory and Dining Hall System, the Electric Service Utility System, the University Services System, and, the Athletic Facilities System, in accordance with the resolutions authorizing and securing revenue bonds. The university’s Educational and General budget will be $1.11 billion and the Auxiliary Enterprise revenue budget is $452.7 million for fiscal year 2023-24. The projected annual budget for Sponsored Programs is $435.3 million, an increase of $45.3 million or 11.6 percent higher than the adjusted budget for last year.

Understanding that strategic investments will not be realized solely through incremental new revenue, the university is planning for $25 million of reallocations over the next 5 years to support a portion of the multi-year initiative vision. The current FY24 budget already requires $4 million to fund mandatory and unavoidable cost increases based on the tuition rates approved in April.

The Capital Budget capital outlay program for 2023-24 is comprised of 13 Educational and General projects and 5 Auxiliary Enterprise projects for a total of...
18 projects. The total multi-year capital program for 2023-24 includes approximately $1.18 billion of authorizations with an annual expenditure budget of approximately $220 million for 2023-24.

The Committee recommended the 2023-24 University Operating and Capital Budgets to the full Board for approval.

13. **Discussion of Future Agenda Topics and Closing Remarks**: The Committee discussed future agenda topics. This included potential adjustments to tuition and fee rates and budget amendments based on the final outcome of the state budget, approval of the 2024-2030 Six-Year Plan, potential actions related to the results of the Graduate Student Assistantship Support Task Force, and progress on budget reallocations.

There being no further business, the meeting adjourned at 11:52 a.m.
COMPREHENSIVE UPDATE ON ADVANCEMENT

CHARLIE PHLEGAR
SENIOR VICE PRESIDENT FOR ADVANCEMENT

August 29, 2023
YEAR-END GIVING RESULTS for the period July 1, 2022 – June 30, 2023

• New Gifts & Commitments
  • $225,077,009
    • Increased from $100,419,843 in 2016

• Cash
  • $200,809,071
    • Increased from $101,451,931 in 2016

• CASE 50 – represents the top 75 Advancement institutions globally based on a five-year rolling average of cash, new gifts and commitments, and peer recommendations as reported through VSE

• Three-year New Gifts & Commitments average of over $231 million
• Five-year New Gifts & Commitments average of $212 million
Note: Tracking of New Gifts and Commitments began in FY2016; prior years reflect cash amounts.
YEAR-END GIVING RESULTS
for the period July 1, 2022 – June 30, 2023

• Boundless Impact Campaign
  • $1.419 billion raised toward a $1.872 billion goal

• Undergraduate Alumni Participation
  • Sustained participation from FY22
  • Class of 2023: 46% participation rate
  • Additional $1 billion over the next 20 years due to alumni base growth

• More than 66,000 total donors
A COMING WAVE OF ALUMNI WILL SOON ENTER THEIR PRIME GIVING YEARS

Average Gift Size by Alumni Class year Decade & Alumni of Record by Class Year Decade

<table>
<thead>
<tr>
<th>Decade</th>
<th>Alumni of Record (thousands)</th>
<th>Average Gift</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010s and later</td>
<td>37,717</td>
<td>$35,548</td>
</tr>
<tr>
<td>2000s (11-20 yrs)</td>
<td>34,930</td>
<td>$33,695</td>
</tr>
<tr>
<td>1990s (21-30 yrs)</td>
<td>34,930</td>
<td>$33,695</td>
</tr>
<tr>
<td>1980s (31-40 yrs)</td>
<td>23,084</td>
<td>$2,232</td>
</tr>
<tr>
<td>1970s (41-50 yrs)</td>
<td>7,761</td>
<td>$2,665</td>
</tr>
<tr>
<td>1960s (51-60 yrs)</td>
<td>2,407</td>
<td>$3,174</td>
</tr>
<tr>
<td>1950s and earlier (61+ yrs)</td>
<td>2,407</td>
<td>$3,174</td>
</tr>
</tbody>
</table>

New Gifts and Commitments

- 1950s and earlier (61+ yrs): $3,174
- 1960s (51-60 yrs): $2,665
- 1970s (41-50 yrs): $2,232
- 1980s (31-40 yrs): $1,827
- 1990s (21-30 yrs): $962
- 2000s (11-20 yrs): $273
- 2010s and later (0-10 yrs): $76
NEAR-TERM FOCUS AREAS

• Virginia Tech Advantage metrics and timeline
• Top Global 100 initiative metrics and timeline
• VT Alumni Association
  • Alignment with Advancement, supporting and advocating university strategic priorities
  • Vision for Board alignment across the university
DISCUSSION
Report on Gramm-Leach-Bliley Act Compliance and IT Security
FINANCE AND RESOURCE MANAGEMENT COMMITTEE
July 26, 2023

Background:

The Gramm-Leach-Bliley Act (GLBA), introduced as the Financial Services Modernization Act, was signed into law in late 1999. One objective of the act was to enhance consumer privacy and data security by imposing obligations on financial institutions that handle nonpublic personal information (NPI) in the offering of consumer financial products. GLBA mandates compliance with privacy and security rules related to student financial records because the university engages in the application, award and disbursement of student loans. The university agreed in the Program Participation Agreement for Federal student financial aid programs to comply with the GLBA.

To achieve compliance, the university augmented existing information technology policies and standards with program, policies and training to accomplish the following:

a. Ensure the security and confidentiality of customer nonpublic personal financial information records.

b. Protect against any anticipated threats or hazards to the security or integrity of such records.

c. Protect against the unauthorized access to or use of such records or information that could result in substantial harm or inconvenience to customers.

Empowered by the GLBA, the Federal Trade Commission (FTC) issued Part 314 – Standards for Safeguarding Customer Information (Standards) to regulate the collection and disclosure of NPI by financial institutions. To formally comply with these regulations, the university implemented Policy 7025, Safeguarding Nonpublic Customer Information in 2004.

Effective June 9, 2023, updates to the Standards added elements that must be included in the university’s written information security program. One of these elements requires the university’s Qualified Individual to report in writing, regularly and at least annually, to the Board of Visitors on the overall status of the information security program, the compliance status, and material matters related information security program. The university will bring a report on the program at least annually typically to the August board meeting to meet this requirement. Management’s 2023 report on GLBA compliance follows.
University GLBA Compliance Program:

Policy 7025, Safeguarding Nonpublic Customer Information\(^1\) details the university’s compliance program. The policy is administered by the Information Technology Security Officer, therein named the university’s Qualified Individual, and the departments that comprise the GLBA working group. The group includes the Information Technology Security Office (ITSO), the Office of the University Bursar, and University Scholarships and Financial Aid. This program addresses the privacy and security of nonpublic personal information subject to the GLBA and the revised safeguards rule.

Data Compliance Measures:

The university has implemented the following measures to ensure compliance with the revised GLBA regulations:

a. Privacy Policies and Notices: Each identified department adheres to Policy 7030, Policy on Privacy Statements\(^2\) and students receive annual notices\(^3\) including specific GLBA financial records information.

b. Data Classification: ITSO has implemented a data classification\(^4\) standard to categorize data based on sensitivity and to ensure appropriate safeguards are applied to protect nonpublic personal information.

c. Data Security Safeguards: The university has implemented technical, physical, and administrative standards\(^5\) to protect nonpublic personal information from unauthorized access or disclosure. Safeguards for high-risk data\(^6\) include encryption, access controls, intrusion detection systems, staff training, and regular security assessments.

d. Vendor Management: During the procurement process, ITSO completes an initial security review of vendor services for financial solutions utilizing nonpublic personal data and student data covered in the related Family Educational Rights and Privacy Act (FERPA). Each vendor contract is assigned a contract manager at the department level who regularly assesses and monitors the data security practices of their procured third-party service providers with access to nonpublic personal information. Additionally, the contract manager obtains each vendor’s annual Service Organization Controls (SOC) report and considers identified compliance issues when deciding to renew or continue the vendors’ services.

---

\(^1\) [https://policies.vt.edu/assets/7025.pdf](https://policies.vt.edu/assets/7025.pdf)
\(^2\) [https://policies.vt.edu/7030.pdf](https://policies.vt.edu/7030.pdf)
\(^3\) [https://www.registrar.vt.edu/content/dam/registrar_vt_edu/documents/Updates/Annual-FERPA-Notification.pdf](https://www.registrar.vt.edu/content/dam/registrar_vt_edu/documents/Updates/Annual-FERPA-Notification.pdf)
\(^4\) [https://it.vt.edu/content/dam/it_vt_edu/policies/Virginia-Tech-Risk-Classifications.pdf](https://it.vt.edu/content/dam/it_vt_edu/policies/Virginia-Tech-Risk-Classifications.pdf)
\(^5\) [https://it.vt.edu/content/dam/it_vt_edu/policies/Minimum-Security-Standards.pdf](https://it.vt.edu/content/dam/it_vt_edu/policies/Minimum-Security-Standards.pdf)
\(^6\) [https://it.vt.edu/content/dam/it_vt_edu/policies/Standard-for-High-Risk-Digital-Data-Protection.pdf](https://it.vt.edu/content/dam/it_vt_edu/policies/Standard-for-High-Risk-Digital-Data-Protection.pdf)
e. **Incident Response Plans:** ITSO developed an incident response plan that outlines steps to take if a security incident or data breach occurs, which includes procedures for addressing a breach of nonpublic personal information.

### Risk Assessment:

As part of our commitment to data protection, the university conducted a comprehensive risk assessment, incorporating the data collected to identify potential threats and vulnerabilities associated with handling nonpublic personal information subject to the GBLA rules. The assessment included the following steps:

a. **Identification of Assets:** Each department has identified the assets within its information systems that contain high-risk data, including nonpublic personal information.

b. **Threat Identification:** The GLBA working group has reviewed potential threats that could compromise the confidentiality, integrity, or availability of nonpublic personal information, such as unauthorized access, pretexting, data breaches, malware attacks, or physical theft.

c. **Vulnerability Assessment:** The GLBA working group has evaluated the existing security controls and safeguards in place to identify any weaknesses or vulnerabilities that malicious parties could exploit.

d. **Risk Analysis:** ITSO has reviewed identified departmental risk assessments. The GLBA team has conducted an annual risk assessment for the university analyzing the likelihood and impact of potential risks to prioritize and determine the level of risk associated with each identified threat.

e. **Risk Mitigation:** Based on the risk analysis, the identified departments and the GLBA working group reviewed risk mitigation for the areas identified. Based on this analysis, the university is working with two identified vendors to implement multi-factor authentication as required by the safeguards rule.

### Compliance Status:

The GLBA working group through completion of the above has determined that the university is currently in compliance with the Standards. The Office of Audit, Risk, and Compliance is in the process of conducting an internal audit of the university’s program and will present any recommendations to the Board’s Compliance Audit Risk Committee when the project is complete. Management is not aware of any findings or audit recommendations at this time resulting from either the internal or external audits in progress.

---

7 [https://security.vt.edu/docs/incident/incident_response.pdf](https://security.vt.edu/docs/incident/incident_response.pdf)
Ongoing Efforts:

Each department within the university’s GLBA compliance program remains committed to continuously improving data protection practices and risk management strategies. The Qualified Individual, in collaboration with ITSO, the Office of the University Bursar, and University Scholarships and Financial Aid, will continue to monitor regulatory updates, conduct regular risk assessments, enhance security measures, provide training and awareness programs, and proactively address emerging threats to maintain the privacy and security of nonpublic personal information.

RECOMMENDATION:

That the Report on Gramm-Leach-Bliley Act (GLBA) Compliance and IT be accepted by the Finance and Resource Management Committee.

August 29, 2023
REPORT ON GRAMM-LEACH-BLILEY ACT COMPLIANCE AND IT SECURITY

RANDY MARCHANY, CHIEF INFORMATION SECURITY OFFICER
MELINDA WEST, ASSOCIATE VP FOR FINANCE & UNIVERSITY CONTROLLER

August 28, 2023
GRAMM-LEACH-BLILEY ACT (GLBA)

➢ Enacted in early 2000s to control how financial institutions deal with individuals’ private information

➢ Established standards for handling of nonpublic personal information
  • Security and confidentiality
  • Protect against anticipated threats and hazards impacting security and integrity
  • Protect against unauthorized access of information resulting in substantial harm or inconvenience

FINANCIAL INSTITUTION:
Includes companies that offer consumer financial products such as loans

UNIVERSITY STATUS:
Policy issued 2004
Supported by:
University IT Policies and Standards
Family Educational Rights Privacy Act
Effective June 9, 2023, revisions in the Standards for Safeguarding Customer Information Rule 16 CFR Part 314 include:

<table>
<thead>
<tr>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual report to BOV on program</td>
<td>August 2023</td>
</tr>
<tr>
<td>Designated Qualified Individual</td>
<td>Randy Marchany, Chief Information Security Officer</td>
</tr>
<tr>
<td>Risk assessment, implementation of safeguards, testing and written program</td>
<td>Completed June 2023</td>
</tr>
<tr>
<td>Incident response plan</td>
<td>Reviewed June 2023</td>
</tr>
<tr>
<td>Service provider oversight</td>
<td>Completed annually</td>
</tr>
</tbody>
</table>
DATA COMPLIANCE MEASURES

Privacy Policies and Notices
Data Classification
Data Security Safeguards
Vendor Management
Incident Response Plans
Assets Distribution

(U) Risk Asset Classifications

- High (4536)
- Moderate (20441)
- Low (22564)

(U) High Risk Categories

- SSN (785)
- 786 (12.4%)
- Credit Card Numbers (15)
- Financial Aid Numbers (10)
- User IDs (982)
- Other (287)
- Protected Health Information (365)
- Student Records (FERPA) (307)
- Financial Account Numbers (290)
- Payment Card Numbers (195)

Critical to University (227)
PI (Military ID, Passport, Drivers License) (849)
Controlled Unclassified Information (205)
Dynamic Host Configuration Protocol (DHCP) (16)
Domain Name System (DNS) (24)
Authentication, Authorization, Accounting (239)
Email Systems (116)
RISK ASSESSMENT

- Identification of Assets
- Threat Identification
- Vulnerability Assessment
- Risk Analysis
- Risk Mitigation
REPORT ON GRAMM-LEACH-BLILEY ACT COMPLIANCE AND IT SECURITY

RECOMMENDATION

That the Report on Gramm-Leach-Bliley Act (GLBA) Compliance and IT be accepted by the Finance and Resource Management Committee.

August 29, 2023
EVPCOO UPDATE AND DISCUSSION

AMY SEBRING
EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

August 29, 2023
DISCUSSION
UPDATE ON THE 2024-2030 SIX-YEAR PLAN

TIM HODGE, ASSOCIATE VICE PRESIDENT FOR BUDGET AND FINANCIAL PLANNING
SIX-YEAR PLANNING PROCESS

Required by the Higher Education Opportunity Act of 2011
Outlines the university’s alignment with Virginia Plan for Higher Education
Positions the university to seek state support

Timeline
• May 17 – SCHEV Instructions
• June 6 – BOV Finance and Resource Management Committee Update
• July 17 – Initial Submission to State
• August 31 – OpSix presentation
• September – Feedback from OpSix
• Fall – Executive Budget Request Process
• November – BOV review and approval of final plan
OVERVIEW OF SIX-YEAR PLAN

- Top 100 Global
- Virginia Tech Advantage
- Workforce Development
- Operating Priorities
- Reallocations
Virginia Tech Research Enterprise

~$600M
RESEARCH EXPENDITURES IN FY22

#54
NATIONAL SCIENCE FOUNDATION HERD SURVEY

TOP 6%
RESEARCH EXPENDITURES

2,097
NEW AWARDS IN FY22

TOP 100 GLOBAL RESEARCH INSTITUTION

Industry Partnerships

Cutting-Edge Education

Talent Attraction

Economic Growth
Virginia Tech Research Frontiers

- Artificial Intelligence
- Health
- Security
- Quantum
THE VIRGINIA TECH ADVANTAGE

Inspired by its land-grant mission, Virginia Tech strives to extend opportunities for a high-quality educational experience to all students regardless of financial circumstances.

University-wide, multiyear commitment that will leverage institutional, state, and private funds, and a portion of university planned reallocations.

Affordability

• Close net price gap with peers
• Reduce financial precarity to maintain progress toward degree.
• Remove financial barriers through scholarships and emergency funds.

Student Success

• Provide a holistic approach to student success, including enhanced advising programs that bolster retention and reduce time-to-degree.
• Emphasis living-learning communities and degree-embedded experiential learning.
VIRGINIA TECH PRODUCES
THE MOST STEM-H DEGREES

STEM-H Degrees 2022
Top 5 Public Universities in VA

- 5,728 VT
- 4,184 GMU
- 3,224 UVA
- 2,924 VCU
- 2,289 ODU
First Year Experiences – Career and Professional Development faculty guide students through career exploration in their first year.

Bridge Experiences – Curriculum and course redesign initiative to building transcriptable, career-related experience into every Virginia Tech degree.

Experiential Learning:
VTOP – continued engagement with Virginia employers who can offer meaningful work-based learning experiences.
Undergraduate Research – engages students in problem solving, including experience with emerging technologies like drones, AI, and machine learning.
Virginia Tech Transportation Institute Intern Hub – allows students to work on high-tech automotive projects during academic year and complete a summer internship with industry partner.
The Virginia Tech Advantage will provide greater flexibility for students to pursue paid internships and other professional experience opportunities.
Current conditions:

- Physicians shortages forecast for the Commonwealth; shortfall more acute in rural areas
- VTCSOM currently receives no operating support from the Commonwealth for medical education
- No differential tuition for in-state students

Future state investment would:

- Nearly 100% match in residency programs
- Screens over 7,000 applicants for 49 positions
- Increase class size
- Allow for reduced in-state tuition
- Provide financial aid to reduce student borrowing
OPERATING PRIORITIES

To enable the university to make progress towards the strategic initiatives, many operational costs must be managed.

FACULTY & STAFF COMPENSATION
A priority to ensure a talented workforce, VT will make limited progress towards market compensation using self-generated revenue coupled with state programs to elevate market standing.

O&M OF NEW FACILITIES
Several critical academic facilities will come on-line during the 2024-26 biennium, requiring O&M support to ensure full benefits of the facility.

CURRENT OPERATIONS
Uncontrollable cost increases associated with leases, employee benefits like health insurance and retirement, and inflationary contracts.

LIBRARY AND UTILITY INFLATION
Journal, software, data source subscriptions, electricity, and other inflationary costs.
STRATEGIC REALLOCATION

• Limited resources require Virginia Tech to prioritize initiatives for funding.

• Strategic Reallocations allow for:
  
  Multi-year planning
  
  Process redesign and technology upgrades to facilitate work
  
  Programmatic focus and alignment

• The university is planning $25 million reallocation program implemented over a 5-year time period.
<table>
<thead>
<tr>
<th>Request</th>
<th>2024-25</th>
<th>2025-26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate In-State Tuition Increases</td>
<td>$5.8M</td>
<td>$11.7M</td>
</tr>
<tr>
<td>Increase Need-Based Financial Aid</td>
<td>$6.5M</td>
<td>$13.0M</td>
</tr>
<tr>
<td>Expand Medical Education</td>
<td>$10.1M</td>
<td>$15.6M</td>
</tr>
<tr>
<td>Advance Research Frontiers</td>
<td>$3.8M</td>
<td>$7.5M</td>
</tr>
<tr>
<td>Unique Military Activities</td>
<td>$0.4M</td>
<td>$0.7M</td>
</tr>
<tr>
<td>O&amp;M of New Facilities</td>
<td>$3.2M</td>
<td>$3.4M</td>
</tr>
</tbody>
</table>
COOPERATIVE EXTENSION/AGRICULTURAL EXPERIMENT STATION
GENERAL FUND REQUESTS

<table>
<thead>
<tr>
<th>2024-25</th>
<th>2025-26</th>
</tr>
</thead>
</table>

### Agricultural Innovation and Community Resource Development
- $0.7M
- $1.4M
- Specialized agents and specialists for opportunities in precision agriculture, automation & connectivity, data analytics, and controlled environment agriculture.

### Advanced Equipment
- $0.7M
- $0.7M
- Technology and equipment is needed to ensure innovative leadership for the Virginia's agribusiness industry.

### Maintain Level of Service
- $1.1M
- $2.2M
- Support NGF share of state cost assignments and utility cost increases.
NEXT STEPS

• August 31 – OpSix meeting
• September – Feedback from the state
• October 1 – University response to feedback
• Fall – Executive Budget Request
• November - BOV review and approval of final plan