

**WVSOM Board of Governors
Finance and Audit Committee
Thursday, January 30, 2025
Minutes**

Attendees:

Ms. Sharon Hall, Committee Chair	Leslie Bicksler	Dr. Drema Hill
Dr. Randall Belt	Dr. Linda Boyd	Brian Lutz
Dr. Ryan Fitzwater	Stephanie Braham	David Meadows
Dr. Michael Muscari	Stella Dodrill	Mary Paige Nemcik
	Daniel Hamrick	Dr. James Nemitz

The January Finance Committee meeting was called to order by Sharon Hall at 8:30 am with Dr. Randall Belt, Dr. Ryan Fitzwater (virtual), and Dr. Michael Muscari in attendance.

Dr. Muscari motioned to approve the November 1, 2024 meeting minutes, and Dr. Belt seconded the approval.

Committee Items

FY 2024-2025 Financial Status as of December 31, 2024 (*Meadows*)

Mr. Meadows noted that WVSOM is financially sound, with approximately 50% of estimated recurring revenues received, and the school is currently hitting all budgeted expenditure marks. The budget does reflect an isolation of the \$29 million state general revenue funding for the WVSOM Science Building renovation and new construction and the \$13.6 million state appropriation funds for deferred maintenance repairs. This separation of funding will allow better transparency as these funds are utilized for the appropriate projects.

The committee requested that Mr. Meadows review and account for possible increases in costs (e.g., labor, maintenance, technology, operational utilities, etc.) that WVSOM may incur at the completion of the renovation/construction project of the Science Building.

Due to the federal freeze on grants, there is some concern about how the freeze will affect WVSOM's current and future grant requests. WVSOM will continue to monitor the situation.

FY 2025-2026 Draft Operating Budget Status (*Meadows*)

Mr. Meadows will present a balanced budget at the March Board of Governors meeting. There are several impacts on the budget that Mr. Meadows' team is currently working to resolve, including the impact of year 2 for services directly attributed to RCBC's Practice Plan and operating expenses. Mr. Meadows is working with WVSOM spending unit managers to control strategic costs and vendor inflation-related increases.

Mr. Meadows will not request a tuition increase for FY 25-26, but is recommending increasing specific student fees.

Dr. Nemitz noted that PEIA increases will also affect the FY 25-26 budget. Last year, former Governor Justice did authorize one-time support to help offset the PEIA increase, but WVSOM is not suspected to receive assistance for the PEIA increase this fiscal year. Mr. Meadows noted that WVSOM will face a PEIA \$1.3 million increase in FY25-26.

Ms. Hall and the committee recommended WVSOM create a 5-year budget forecast to allow alignment with strategic planning and input into annual goal setting. The Committee also recommended that the CFO provide a state-of-the-state report of WVSOM's financial health. Meadows was requested to put together a report showing the overall revenue effect of an increase in tuition over the next five years. The committee also requested a tuition/fee comparison to the other WV medical schools.

Ms. Hall mentioned HEPC information showing WVSOM students are graduating with significantly more debt than the other two medical schools. Dr. Nemitz and Dr. Boyd noted that this is due to several factors: socioeconomic differences of students; higher out-of-state tuition; older students with families who have to borrow more; WVSOM does not have as much scholarship funding as the other schools.

Recommended Student Fee Increases for FY 2025-2026

Mr. Meadows received an endorsement from the committee to increase student fees for the Technology Fee, Master of Science in Biomedical Sciences Anatomy Lab Fee, and Master of Science in Biomedical Sciences Application/Deposit Fee to the full Board. Dr. Muscari made the motion regarding an increase in the deposit, anatomy lab fees, and technology fees, as discussed by Mr. Meadows. The committee passed the motion.

Mr. Meadows was requested to research the true cost of student technology's rate of increase over the next few years and to provide a new fee based on the actual costs through an evaluation of the market price.

Mr. Meadows will research the number of students who paid the accepted deposit for the MSBS and DO programs but decided not to attend WVSOM. Mr. Meadows will also research a deposit fee comparison to other COM schools and WV state schools.

Robert C. Byrd Clinic Operational and Financial Discussion (*Nemcik/Hill*)

Mary Page Nemcik presented an update on RCBC and noted several positive improvements that RCBC has accomplished in FY2024. Ms. Nemcik noted RCBC's continued dedication to bolstering work to enhance value-based care incentives and cut costs. RCBC's HRSA grant is potentially in jeopardy due to President Trump's freeze on federal grant funding, which would impact their FQHC request status. RCBC is looking for alternative plans if this federal freeze continues. RCBC will also be facing a 16% increase for PEIA for their employees in FY26.

Ms. Nemcik will schedule a meeting with Dr. Muscari to discuss patient encounters, and improving the clinic's culture which will impact the learning environment for students.

Ms. Nemcik is working with the WVSOM CFO to create a master facility plan RFP.

Ms. Nemcik expects RCBC to start paying back on the Practice Plan by 2026-2027. Dr. Hill noted that RCBC needs to renegotiate the practice plan with WVSOM to include a truer look at the numbers for work being done by WVSOM faculty members. Dr. Hill also suggested that RCBC should be included in the school's interview process if a faculty member is expected to have RCBC clinic hours.

The committee agreed that Ms. Hall would give an abbreviated RCBC financial summary and updates during the full board meeting.

Additional Updates (*Meadows*)

Mr. Meadows noted that WVSOM did not receive a \$3 million non-federal West Virginia match, but this does not affect the current Science Building Project.

Mr. Meadows informed the committee of three contracts that will be presented to the full board for approval: Mecklenburg Roofing and Sheet Metal (\$358,000) for the roof replacement for the Main Building C Wing and Osteopathic Clinical Skills Lab; Mason and Barry HVAC maintenance and preventative maintenance contract; ZMM Teaching Kitchen architectural remodeling project at the Alumni Building.

Mr. Meadows will review with his staff if WVSOM can take over part of the filter contract.

Mr. Meadows will discuss his WVSOM Financial Health Strategy at the next committee meeting in March.

Next Committee Meeting Date: Friday, March 28, 2025 (Conference Center, located in the WVSOM Student Center)

Adjournment: Ms. Hall made a motion to adjourn the meeting at 9:56 am, which was supported by Dr. Muscari and then seconded by Dr. Belt.

Approved on March 28, 2025

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Sharon Hall, Chair