Finance Committee Report
Tuesday, March 24, 2015

The Finance Committee considered and approved seven action items at its meeting on Tuesday, March 24, 2015:

1. Enrollment Projections: The Finance Committee approved the University’s proposed enrollment projections for Fall 2015 through Fall 2022, which continue the undergraduate enrollment growth plan that began in Fall 2011. The proposal represents a slight decrease in projected graduate student growth and a significant reduction in off-Grounds students. The Finance Committee also approved enrollment projections for the College at Wise, where enrollment growth is projected to be approximately 7% in total headcount and in student FTE by Fall 2021. Specific enrollment projections for each agency can be found on pages 4 and 7 of the following material: http://www.virginia.edu/bov/meetings/'15Mar/March%202015%20Finance%20Book.Final.pdf

2. 2015-2016 Tuition and Required Fees for Undergraduate, Graduate, Professional and Special Programs: The Finance Committee approved 2015-2016 tuition and fee rates for all programs at this meeting. The price of education (tuition, required fees, housing and dining, and estimated books, travel, and other) for a Virginian first-year undergraduate student will increase $895, or 3.3%, over 2014-2015. The price of education (tuition, required fees, housing and dining, and estimated books, travel, and other) for a non-Virginian first-year undergraduate student will increase $1,985, or 3.5%, over 2014-2015.

   The 2015-16 tuition and fees proposal included a 3.9% increase in base tuition for all undergraduate students, bringing Virginian tuition to $10,892, and non-Virginian tuition to $40,506. 2015-16 tuition and fees for a Virginian undergraduate will be $13,468, an increase of 3.6%. 2015-16 tuition and fees for a non-Virginian undergraduate will be $43,764, an increase of 3.7%.

   The differential tuition charged to students in the School of Engineering and Applied Science (SEAS) will increase by $2,000, for a total of $4,000 over the base tuition. The Board approved the Batten School of Public Policy and Leadership’s proposed tuition differential of $5,000 phased in over two years. Starting in 2015-16, Batten School students concurrently enrolled in a B.A./B.S. degree program will pay $2,500 more than
the base tuition and fee rate. The McIntire School of Commerce tuition differential remains unchanged at $5,000 over base tuition.

Specific University of Virginia graduate program increases are outlined in the Finance Committee material on pages 9-16: http://www.virginia.edu/bov/meetings/'15Mar/March%202015%20Finance%20Book.Final.pdf

For 2015-2016, the Finance Committee approved the University of Virginia's College at Wise recommendation of a $352 (4.0%) increase in tuition and mandatory fees to $9,220 for Virginians. The Finance Committee also approved the College’s recommendation of a $952 (3.9%) increase in tuition and mandatory fees to $25,454 for non-Virginians. The College Advisory Board met March 20, 2015 and approved the tuition and fees proposal.

3. Faculty, Staff and Student Housing Rates 2015-2016: The Finance Committee approved University faculty and staff housing rates, which increased by an average of 3.3% from the 2014-2015 rates. The Finance Committee also approved student housing rates for both the University of Virginia and the College at Wise, which increased by of 3.4% for the University of Virginia and by an average of 3.5% for the College at Wise.

4. Contract Rates for Dining Services 2015-2016: The Finance Committee approved University and College at Wise meal plan rate increases for 2015-2016. For the University, contract dining rate increases range from 0 - 4.1% with an average increase of 3.5% to reflect increases in food costs, personnel costs, and other operating expenses. For the College at Wise, meal plan rate increases range from 0-2.1% and reflect increases in food and operating costs.

5. Capital Project Approvals: The Finance Committee approved three capital project actions.

- Newcomb Road Chiller Plant: The Board approved this project in 2013, at an estimated cost at $11.64 million. Unanticipated higher equipment costs and new technologies increased the total project cost by $3.16 million. The University expects new energy-saving technologies to provide greater operational reliability and reduce future operational and utility costs by up to 20%. The Finance Committee approved the total revised
project cost of $14.8 million, which will be funded by debt ($3.18 million) and cash ($11.62 million).

• Electrical Grid Reliability Project: UVa and Dominion Virginia Power have partnered to install an underground electrical duct bank designed to improve power reliability by 90%. The Finance Committee approved the project, with a total cost of $10.0 - $15.0 million to be funded by debt, with repayment from internal utility rates.

• University Hospital Emergency Department/Interventional Program/Bed Tower Expansion: This expansion and renovation of the Emergency Department includes an increase in perioperative and interventional service, along with the construction of a six-story tower (build out of three stories and a shell for three stories). The project accommodates future demand/growth, improves the patient experience, consolidates interventional services, right-sizes pre-operative and recovery areas, and converts semi-private rooms to single patient rooms. The Finance Committee approved the project, with a total cost estimated at $322.0 - $394.0 million to be funded by debt.

6. Medical Center Quasi-Endowment - Extension of Delegated Authority: In 2008, the Medical Center established an $87 million quasi-endowment for future acquisition or construction of capital assets. Over the following three years, the Board authorized additional investments up to $300 million without further approval. The Medical Center would like to continue depositing the semi-annual endowment distribution into the quasi-endowment, which exceeds the delegated $2 million investment limit. The Finance Committee approved a delegation of authority to the Executive Vice President and Chief Operating Officer for re-investment of future endowment distributions into the Quasi-Endowment.

7. Endowment Spending Rate: Based on policy and due to recent strong performance, the FY16 endowment distribution will be at 4.22% of endowment, near the low end of the 4-6% band. The Finance Subcommittee on Affordable Excellence reviewed UVIMCO sensitivity analysis this summer during its review of the University’s financial position. Taking the Finance Subcommittee’s recommendation, the Finance Committee approved an increase to the endowment spending rate by 40 basis points, resetting it at 4.62% for FY16.