Board of Visitors Finance Committee Meeting
December 7, 2017
Agenda

ACTION ITEMS
1. Tuition and Fees
2. Capital Investments in UVA Foundation
3. Capital Financing Plans

REPORTS
1. Organizational Excellence Report
   A. Research UVA
   B. Administrative Benchmarking
2. Executive Vice President’s Remarks
2018-2019 UNIVERSITY OF VIRGINIA
TUITION AND FEES PROPOSAL
2018-19 Tuition Setting Context

- Access and Affordability for Undergraduates
  - Increases below inflation for most in-state undergraduates for third consecutive year
    - 2.5% for all returning Virginians
    - 2.5% for all entering College and Curry students
  - Need Blind, 100% of Need Met, Loan Caps
    - Bicentennial Scholars Fund
  - Guaranteed Tuition Plan, Cornerstone Grants
  - Excellent Graduation Rates, Low Indebtedness at Graduation
2018-19 Tuition Setting Context

- December approval
  - Financial aid packages communicated earlier
  - Families of continuing students can better plan for the coming year
  - Potential students have better information
  - General Assembly action may require an adjustment of rates. Tuition set based on assumption that state revenue is consistent with 2017-18 level. If substantially higher or lower, we may ask Board to adjust rate accordingly.

- Tuition Requirements
  - Consistent with multi-year plan; salary adjustments to recruit and retain great faculty
  - On-going pressures on state support
  - Other needs: library collections, IT and physical security, other unavoidable costs
# 2018-19 Undergraduate Tuition Proposal
## All Returning Students

<table>
<thead>
<tr>
<th>Program</th>
<th>2nd &amp; 3rd years</th>
<th>4th years</th>
<th>2018-19</th>
<th>$ Change from 2017-18</th>
<th>% Change from 2017-18</th>
<th>2018-19</th>
<th>$ Change from 2017-18</th>
<th>% Change from 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLAS/Curry/Arch/SON</td>
<td></td>
<td>2018-19</td>
<td>$13,682</td>
<td>$334</td>
<td>2.5%</td>
<td>$44,724</td>
<td>$1,530</td>
<td>3.5%</td>
</tr>
<tr>
<td>2nd &amp; 3rd years</td>
<td></td>
<td>2018-19</td>
<td>$12,634</td>
<td>$308</td>
<td>2.5%</td>
<td>$44,724</td>
<td>$1,530</td>
<td>3.5%</td>
</tr>
<tr>
<td>SEAS</td>
<td></td>
<td>2018-19</td>
<td>$17,873</td>
<td>$437</td>
<td>2.5%</td>
<td>$48,996</td>
<td>$1,674</td>
<td>3.5%</td>
</tr>
<tr>
<td>2nd &amp; 3rd years</td>
<td></td>
<td>2018-19</td>
<td>$16,825</td>
<td>$411</td>
<td>2.5%</td>
<td>$48,996</td>
<td>$1,674</td>
<td>3.5%</td>
</tr>
<tr>
<td>Batten</td>
<td></td>
<td>2018-19</td>
<td>$17,872</td>
<td>$436</td>
<td>2.5%</td>
<td>$50,070</td>
<td>$1,712</td>
<td>3.5%</td>
</tr>
<tr>
<td>4th years</td>
<td></td>
<td>2018-19</td>
<td>$17,872</td>
<td>$436</td>
<td>2.5%</td>
<td>$50,070</td>
<td>$1,712</td>
<td>3.5%</td>
</tr>
<tr>
<td>McIntire</td>
<td></td>
<td>2018-19</td>
<td>$17,872</td>
<td>$436</td>
<td>2.5%</td>
<td>$50,070</td>
<td>$1,712</td>
<td>3.5%</td>
</tr>
</tbody>
</table>
# 2018-19 Undergraduate Tuition Proposal
## Entering Students: College of Arts & Sciences and Curry School of Education

<table>
<thead>
<tr>
<th></th>
<th>In-State</th>
<th></th>
<th>Out-of-State</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018-19</td>
<td>$ Change from 2017-18</td>
<td>% Change from 2017-18</td>
<td>2018-19</td>
</tr>
<tr>
<td>2018 First years</td>
<td>$13,682</td>
<td>$334</td>
<td>2.5%</td>
<td>$44,724</td>
</tr>
<tr>
<td>Optional Four-year Guarantee</td>
<td>$14,670</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The above table represents the tuition changes for entering students in the College of Arts & Sciences and Curry School of Education for the 2018-19 academic year, comparing changes from 2017-18.
In-State Undergraduate Tuition

Historical Rate Increases

*Denotes year of a General Fund Reduction
## 2018-19 Undergraduate Tuition Proposal
### Entering Students: School of Architecture

<table>
<thead>
<tr>
<th></th>
<th>In-State</th>
<th>Out-of-State</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018-19</td>
<td>2018-19</td>
</tr>
<tr>
<td></td>
<td>$ Change from 2017-18</td>
<td>$ Change from 2017-18</td>
</tr>
<tr>
<td></td>
<td>% Change from 2017-18</td>
<td>% Change from 2017-18</td>
</tr>
<tr>
<td>Fall 2018 First years</td>
<td>$14,682 $1,334 10.0%</td>
<td>$45,724 $2,530 5.9%</td>
</tr>
</tbody>
</table>

- Replaces the current $500 international fee for entering first years; net increase of 6.2% and 4.7% for in-state and out-of-state students respectively
- Addresses increased cost of studio-based teaching
# 2018-19 Undergraduate Tuition Proposal

## Entering Students: School of Nursing

<table>
<thead>
<tr>
<th></th>
<th>In-State</th>
<th>Out-of-State</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19</td>
<td>$15,682</td>
<td>$46,724</td>
</tr>
<tr>
<td>$ Change from 2017-18</td>
<td>$2,334</td>
<td>$3,530</td>
</tr>
<tr>
<td>% Change from 2017-18</td>
<td>17.5%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

- 1st year of 3 year plan: $2,000 more than returning students; in 2nd and 3rd year, $1,000 more than returning students
- Addresses clinical requirements and affiliated instructional needs
## 2018-19 Undergraduate Tuition Proposal

### Entering Students: School of Engineering & Applied Sciences

<table>
<thead>
<tr>
<th></th>
<th>In-State</th>
<th>Out-of-State</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018-19</td>
<td>$ Change from 2017-18</td>
</tr>
<tr>
<td>Fall 2018 First years</td>
<td>$18,873</td>
<td>$1,437</td>
</tr>
</tbody>
</table>

- 1st year of 5 year plan: $1,000 more than returning SEAS students each year
- School recruits and retains top faculty and continue to invest in student labs
## 2018-19 Undergraduate Tuition Proposal

**Entering Students: Batten School of Leadership & Public Policy**

<table>
<thead>
<tr>
<th></th>
<th>In-State</th>
<th>Out-of-State</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018-19</td>
<td>$ Change from 2017-18</td>
</tr>
<tr>
<td>Fall 2018 Third years</td>
<td>$20,586</td>
<td>$2,128</td>
</tr>
</tbody>
</table>

- 1<sup>st</sup> year of 3 year plan: $1,667 more than returning Batten students each year
- School continues to deliver small class setting and specialized career services
### 2018-19 Undergraduate Tuition Proposal

**Entering Students: McIntire School of Commerce**

<table>
<thead>
<tr>
<th></th>
<th>In-State</th>
<th>Out-of-State</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018-19</td>
<td>$ Change from 2017-18</td>
</tr>
<tr>
<td>Fall 2018 Third years</td>
<td>$21,420</td>
<td>$2,962</td>
</tr>
</tbody>
</table>

- 1st year of two-year plan: $2,500 more than for returning students each year
- School recruits and retains top faculty
2017-18 National Peer Comparison
First Year Undergraduate Tuition

[Bar chart showing tuition costs for various universities, differentiated by ownership (Private, Public-Out of State, Public-In State).]
2017-18 Virginia Public Comparison
Weighted Average Undergraduate In-State Tuition
Proposed 2018-19 Comparison by School vs. William and Mary

* Assumes 3% fee increase
2018-19 Tuition Proposal
For Graduate, Professional, and Special Programs

Graduate Programs
– Range from 3% - 6% for in-state and 3% - 11% for out-of-state

School of Medicine
– 0.2% for both in-state and out-of-state

School of Law
– 4.1% for in-state and 3.9% for out-of-state

Darden School of Business
– Full-time MBA students: 4.1% for in-state and 3.8% for out-of-state
– Executive and PhD students: Range from 1.9% - 3.3%
## 2018-2019 Required Fee Proposal

### E&G Fee Increase:

- **$4** - Arts

### Auxiliary Fee Increase:

- **$101** - Student Health
- **$3** - Newcomb Hall
- **$2** - University Transit

<table>
<thead>
<tr>
<th>Category</th>
<th>Virginian</th>
<th>Non-Virginian</th>
</tr>
</thead>
<tbody>
<tr>
<td>OOS Debt Service - Capital Outlay and ETF</td>
<td>$ -</td>
<td>$ 682</td>
</tr>
<tr>
<td>Technology</td>
<td>175</td>
<td>175</td>
</tr>
<tr>
<td>E&amp;G Facilities Construction and Renovation</td>
<td>190</td>
<td>190</td>
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<tr>
<td>Classroom Renewal</td>
<td>42</td>
<td>42</td>
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<tr>
<td>Arts</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Academic Credentialing</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td><strong>Allocation to Education &amp; General Activities</strong></td>
<td><strong>$466</strong></td>
<td><strong>$1,148</strong></td>
</tr>
<tr>
<td>Athletics</td>
<td>$657</td>
<td>$657</td>
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<tr>
<td>Student Health</td>
<td>624</td>
<td>624</td>
</tr>
<tr>
<td>Recreational Facilities</td>
<td>421</td>
<td>421</td>
</tr>
<tr>
<td>Newcomb Hall and Other Student Activities</td>
<td>242</td>
<td>242</td>
</tr>
<tr>
<td>University Transit</td>
<td>188</td>
<td>188</td>
</tr>
<tr>
<td>Auxiliary Debt Service</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>Student Programming</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>Data Center</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Safe Ride</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Microsoft Licensing</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td><strong>Allocation to Auxiliary Activities</strong></td>
<td><strong>$2,314</strong></td>
<td><strong>$2,314</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,780</strong></td>
<td><strong>$3,462</strong></td>
</tr>
</tbody>
</table>

4.1% 3.3%
CAPITAL INVESTMENTS IN UVA FOUNDATION
Investments through the UVa Foundation

In the past, the BOV has authorized advances to the UVa Foundation for the acquisition of and development of real estate:

- October 1986: advance up to $30 million
- January 1990: increased advance limit to $33 million
- April 2002: $3 million for Blue Ridge Hospital site restoration
- January 2010: an additional $1.8 million for Blue Ridge Hospital
Investments through the UVa Foundation

• Since January 2010, the UVa Foundation has acquired and developed other properties using its own funding sources

• Many of these properties support the needs of UVa (e.g., Brandon Avenue, Emmet/Ivy corridor, North Research Park, Ivy Gardens Apartments)

• UVa Foundation’s ability to continue to finance estate investments is limited due to financing capacity restrictions

• The University expects the UVa Foundation to continue to invest in real estate in the future
Investments through the UVa Foundation

• Authorize investments not to exceed $100 million to support real estate acquisition and development that supports the needs of the University

• Supersedes prior advances and creates additional capacity for future activities

• Investment will be evidenced by an agreement or agreements between the parties

• Investment to be authorized by the University’s EVP-COO
Capital financing plans
Capital Financing Plan
Student Health and Wellness Center

• Revised scope:
  • Increased from 100,000 GSF to 160,000 GSF building to meet projected needs through 2030 and accommodate synergistic programs in high demand in this new student-centered neighborhood
  • Additional programming may include retail pharmacy (expansion of current operation), café, recreation space

• Project Cost: $100.0 million
  • $50.0 million private gifts
  • $50.0 million University sources
Capital Financing Plan
McIntire School of Commerce Academic Facility

• Scope:
  – Adds 105,000 GSF to McIntire School of Commerce’s existing space through renovation of Cobb Hall
  – Plan to demolish portion of original structure and 1931 addition and construct new addition
  – New landscaping will connect Cobb Hall and Rouss-Robertson

• Project Cost: $70.3 million funded with private gifts
ENDOWMENT ADMINISTRATIVE FEE
Proposed Increase in Administrative Endowment Fee: Background

- Increase endowment admin fee by 50 basis points (bps) to support the third century campaign and other needs
  - Will generate $21.7 million in FY19

- Appropriate metrics will ensure effective deployment and return on this investment into philanthropic support

- At conclusion of the campaign, re-evaluate the appropriate level of advancement support based on annual cash flow and commitment results
  - Phase reducing endowment fee back to 70 bps over three years (90 bps effective July 1, 2023, 80 bps effective July 1, 2024, and then 70 bps effective July 1, 2025)
ORGANIZATIONAL EXCELLENCE REPORT
Modernizing the infrastructure supporting UVA’s research enterprise

Facilitating sponsored program growth by:
- removing administrative burden
- making more time for research
- enabling more value-add work by administrators

FY16 $340M
FY17 $372M
FY25+ $500-600M
In terms of investment by UVA, ResearchUVA will have the highest ROI of any investment that I have seen made in my 25 years, by far, because it enables faculty to spend less time trying to figure out where their funds are and how much are left, and more time spending them wisely and generating ideas for additional funding.

Robert G. Kelly
AT&T Professor of Engineering, Co-Director of Center for Electrochemical Science and Engineering, SEAS
Developing data fluency and data-friendly business processes

Electronic development and routing of sponsored program proposals (ePRF)

Juice, ResearchUVA's data analytics and visualization platform
Juice has enabled me to answer questions with the push of a button that would have required many hours of manual searches in multiple databases previously. It’s a wonderful tool and I encourage you to invest just a little time familiarizing yourself with it very soon, as the time will be paid back generously, I promise! (This is especially true for Chairs and Center Directors).

Pamela Marie Norris
Executive Associate Dean for Research, SEAS
Facilitating integration of research-enterprise systems to support growth

Connecting ResearchUVA (pre-award) to Oracle (post-award) will:

- Increase the quality and efficiency of account setup
- Increase customer service
- Decrease administrative burden
- Create savings in the research enterprise
Benchmarking
for a Data-Informed Institution
Benchmarking is a Tool

**WHAT** - a comparison of the organization, operations, or processes against other organizations

**WHY** - to monitor performance and identify opportunities for improvement; to learn about and adopt practices as appropriate

**Scale and Scope**

**Focus:** strategy to operations

**Comparators:** higher education, other industries (corporate, government, non-profit), best-in-class

**Frequency:** periodic, trended, as needed
## Examples of Benchmarking at UVA

### LEVEL
- **Institutional, School, Dept.**
  - Rankings
  - Academic/Administrative Spend
  - Student Experience
  - Faculty Experience
- **Functions**
  - Information Technology
  - Research
  - Advancement
  - Facilities
  - Finance
  - Human Resources
- **Process**
  - Effectiveness
  - Efficiency

### DATA SOURCES
- **National Surveys**
  - IPEDS
  - SERU
  - COACHE
- **External Entity**
  - USNews & World Report
  - Forbes
  - Consultant Databases
- **Professional Associations**
  - AAU
  - APPA
  - GGA
  - NACUBO
  - EAB
  - Educause
- **Custom Collection**
AAU Comparisons: Administrative Spending per FTE Student (FY15)

Institutions shaded in purple have larger enrollment than U.Va.

$4,818
AAU Comparisons: Academic Spending per FTE Student (FY15)

Institutions shaded in purple have larger enrollment than U.Va.

$25,856
BOV Benchmarking Sources