

April 14, 2000

MEMORANDUM

TO: The Finance Committee:

William H. Goodwin, Jr., Chair  
Charles L. Glazer  
Timothy B. Robertson  
Walter F. Walker  
James C. Wheat, III  
Joseph E. Wolfe  
John P. Ackerly, III, Ex Officio

and

The Remaining Members of the Board:

Thomas J. Bliley, Jr.	Gordon F. Rainey, Jr.
Charles M. Caravati Jr., M.D.	Terence P. Ross
William G. Crutchfield, Jr.	Robert G. Schoenvogel
T. Keister Greer	Elizabeth A. Twohy
Elsie Goodwyn Holland	Benjamin P.A. Warthen

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Finance Committee  
on April 14, 2000

The Finance Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 10:10 a.m., Friday, April 14, 2000, in the East Oval Room of the Rotunda; William H. Goodwin, Jr., Chair, presided. Charles L. Glazer, Timothy B. Robertson, James C. Wheat, III, Joseph E. Wolfe, and John P. Ackerly, III, Rector, were present.

Also present were Thomas J. Bliley, Jr., Charles M. Caravati, Jr., M.D., William G. Crutchfield, Jr., T. Keister Greer, Mrs. Elsie Goodwyn Holland, Gordon F. Rainey, Jr.,

Terence P. Ross, Ms. Elizabeth A. Twohy, and Robert G. Schoenvogel.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Ms. Colette Sheehy, Robert W. Cantrell, M.D., Peter W. Low, Ernest H. Ern, Robert E. Reynolds, M.D., Gene D. Block, Ms. Alice W. Handy, L. Jay Lemons, and Ms. Jeanne Flippo Bailes.

The Chair asked Mr. Sandridge, Executive Vice President and Chief Operating Officer, to present the Agenda.

The first two items, Mr. Sandridge said, were Consent Agenda items: the setting of faculty and staff housing rates for 2000-01 at the University and at The University's College at Wise, and a delegation of authority to amend faculty and Medical Center retirement plans.

Mr. Sandridge proposed rises in housing rates of 4% at the University and 2.9% at Wise; these reflect market rates in Charlottesville and in Wise. The proposed delegation of authority would give the Executive Vice President and Chief Operating Officer the authority to make certain technical changes to retirement plans: Mr. Sandridge explained that he envisioned this as a way of relieving the Board of unnecessary bother, and that changes of any substance would continue to require Board approval.

The Committee approved the necessary resolutions and recommended them to the full Board for consideration (see Minutes of the meeting of the Board of Visitors, April 15, 2000.)

Turning to the regular Action Agenda, Mr. Sandridge began the discussion of the resolution proposing the tuition and required fees for the 2000-2001 Academic Session and the 2001 Summer Session, by saying that he and the President had met with the Governor during the previous week to discuss the money needed for the Peabody Hall renovations, together with the increased admissions application fee. In return for lowering the fee to its previous level, the Governor promised to do what he can to provide the money necessary for the renovations.

Mr. Sandridge and Ms. Sheehy, Vice President for Management and Budget, then presented the proposed tuition and fees. There will be no increase in tuition and required fees for undergraduate Virginians and a 2% rise for graduate Virginians. A 5% increase in tuition was proposed for out-of-state undergraduates and graduate students. The tuition increase for law students who are Virginians is pegged to the increase in the Consumer Price Index for the most recent twelve month period: for the year ending February 29<sup>th</sup>, the CPI increase was 3.2%. The proposed rise for out-of-state law students was 9.1%.

As for Darden students, according to previously agreed to policy, the rise proposed for Virginians is 6.3%, with a tuition adjustment of \$1,206 for students entering the Darden School next fall. There will be an increase of 6.8% for out-of-state students.

Again according to a previously agreed to policy, entering and second-year medical students from Virginia will pay a \$2,000 surcharge and third-year students will continue to pay a \$1,000 surcharge. The base tuition and fee increases for Virginians was recommended at 4.8% and for non-Virginians, 4.9%.

The University's required fee schedule is one of the lowest among Virginia schools. An increase of \$30 or 2.9% was recommended.

Ms. Sheehy said that when required fees are combined with tuition and room and board increases, the cost of education for Virginians will rise by 2.4% and by 4.7% for out-of-state students.

As for the College at Wise, no increase was recommended in tuition and required E&G fees for Virginians; a rise of 5% was recommended for out-of-state students. The required auxiliary fees at the College will be increased by \$138, of which \$100 will be used for debt service on the new student activity center. This represents a rise of 10.9%.

Ms. Sheehy explained the proposed increases in summer session tuition and fees for 2001.

On motion, the Committee adopted resolutions approving tuition and fees, and recommended it to the full Board for consideration (see Minutes of the meeting of the Board of Visitors, April 15, 2000).

The next resolution dealt with contract rates for dining services at the University and at Wise. Meal plan rate increases at the University for 2000-2001 ranged from 3.6% to 4.1%, with an average increase of 3.9%. Meal plans at Wise would increase by 3%.

On motion, the Committee adopted the necessary resolution and recommended it to the full Board for approval (see Minutes of the meeting of the Board of Visitors, April 15, 2000).

Mr. Sandridge then explained the proposed salary adjustments for Medical Center employees. The Committee approved the necessary resolution and recommended it to the full Board for approval (see Minutes of the meeting of the Board of Visitors, April 15, 2000).

The Chair asked Ms. Handy to give a report on the Endowment; Ms. Handy explained that her figures were current as of March 31<sup>st</sup>.

It has been a good year for the Endowment, Ms. Handy said. At the end of the previous fiscal year, June 30<sup>th</sup>, 1999, the Endowment stood at \$1,250.6million; on March 31<sup>st</sup> it was \$1,688.6million. She then described the University's portfolio in some detail.

The Chair reported on actions taken by the Board of the University of Virginia Investment Management Company (UVIMCO), of which he is also Chair, at its meeting on March 22<sup>nd</sup>. At that meeting, the UVIMCO Board approved:

The investment of \$25million in Sloane Robinson  
The investment of \$15million in Battery Ventures V  
The investment of \$25million with Spectrum Equity Investors IV  
The investment of \$25million with Welsh, Carson, Anderson & Stowe  
The investment of \$25million each with a large cap and a small cap growth manager  
Deutsche Bank, AG, as the agent for a securities lending program.

Referring to a report Ms. Sheehy sent to the Board on March 23<sup>rd</sup>, Mr. Sandridge offered to answer any questions on the General Assembly Session of 2000, which ended on March 11<sup>th</sup>.

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On motion, the meeting was adjourned at 11:00 a.m.

AGG:lah

- Copies to: Mr. John T. Casteen, III  
Mr. Gene D. Block  
Dr. Robert W. Cantrell  
Ms. Louise Dudley  
Mr. Ernest H. Ern  
Mr. Paul J. Forch  
Mr. William W. Harmon  
Mr. Terry Holland  
Mr. L. Jay Lemons  
Mr. Peter W. Low  
Dr. Robert E. Reynolds  
Mr. Leonard W. Sandridge  
Ms. Colette Sheehy  
Mr. Robert D. Sweeney  
Ms. Alice W. Handy