

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
FINANCE COMMITTEE
APRIL 6, 2001**

Updated: March 29, 2001

FINANCE COMMITTEE

Friday, April 6, 2001
9:00 - 10:30 a.m.
Board Room, The Rotunda

AGENDA

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS CONSENT AGENDA

A. FACULTY AND STAFF HOUSING RATES, 2001-2002: Approves rates for faculty and staff residences for 2001-2002.

The University operates 111 faculty and staff housing units, including individual houses, cottages, Lawn Pavilions, townhouses and apartments. The University of Virginia's College at Wise operates nine units, consisting of six individual houses and three apartments. State policy requires that rents charged by the University for faculty and staff housing reflect the market rate for similarly sized and equipped properties.

University faculty and staff housing rates are proposed to increase by an average of 4.8 percent. The University of Virginia's College at Wise proposes an average increase of 3.5 percent to its 2000-01 faculty and staff housing rates.

ACTION REQUIRED: Approval by the Finance Committee and the Board of Visitors

APPROVAL OF PROPOSED INCREASE IN FACULTY AND STAFF HOUSING RATES FOR 2001-02 FOR THE ACADEMIC DIVISION AND THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

RESOLVED that the faculty and staff housing rates be approved as indicated, effective July 1, 2001. The Executive Vice President and Chief Operating Officer is authorized to increase the rates to market level when a property is vacated.

ACADEMIC DIVISION

<u>Properties</u>	<u>Utilities Furnished</u>	<u>Rents 2000-2001 Per Month</u>	<u>Amount Increase</u>	<u>Proposed Rents Percent Increase</u>	<u>2001-2002 Per Month</u>	<u>Utilities Paid By Occupant</u>
Piedmont Estates						
1 Bedroom Apt. (7)(F)	WS,E,G,C,T	\$484	\$24	5.0%	\$508	
2 Bedroom Apt. (16)	WS,E,G,C,T	\$587	\$23	3.9%	\$610	
3 Bedroom Houses (2)	WS,C,T	\$653	\$26	4.0%	\$679	G,E
3 Bedroom Houses (14)(R)	WS,C,T	\$818	\$42	5.1%	\$860	G,E
3BR Townhouses (5)(R)	WS,C,T	\$818	\$42	5.1%	\$860	G,E
121 Mimosa (Farmhouse)						
Apt. 1, 1 Bedroom	WS,E,G,C,T	\$451	\$25	5.5%	\$476	
Apt. 2, 3 Bedroom	WS,E,G,C,T	\$520	\$41	7.9%	\$561	
Apt. 3, 1 Bedroom	WS,E,G,C,T	\$451	\$25	5.5%	\$476	
Apt. 4, 2 Bedroom	WS,E,G,C,T	\$482	\$54	11.2%	\$536	

<u>Properties</u>	<u>Utilities Furnished</u>	<u>Rents 2000-2001 Per Month</u>	<u>Amount Increase</u>	<u>Proposed Rents Percent Increase</u>	<u>Rents 2001-2002 Per Month</u>	<u>Utilities Paid By Occupant</u>
Sundry						
Vyssotsky Cottage (3BR)(R)	WS,T	\$670	\$36	5.4%	\$706	E,G
Upper Alden (3BR)	WS,T,G,A/C	\$681	\$57	8.4%	\$738	
Lower Alden (2BR)	WS,T,G,V,A/C	\$616	\$50	8.1%	\$666	
McGuffey Cottage (Eff)	WS,E,T,V,A/C	\$401	\$16	4.0%	\$417	
Upper Mews (1BR)(F)	WS,E,HP,C,T,A/C	\$563	\$28	5.0%	\$591	
Lower Mews (1BR)(F)	WS,E,HP,C,T,A/C	\$478	\$23	4.8%	\$501	
Brown Coll. Range (2BR)	WS,C,HP,T,V,A/C	\$577	\$23	4.0%	\$600	
Brown College Apt. (2BR)	WS,E,HVAC,T,V	\$515	\$21	4.1%	\$536	
Hereford Fac. Apts. (2BR)	WS,E,HVAC,T,V	\$619	\$25	4.0%	\$644	
Hereford Principal (3BR)	WS,E,HVAC,T,V	\$780	\$31	4.0%	\$811	
102 Cresap Fac. Apt.(F)	WS,E,HVAC,G,T,V	\$582	\$23	4.0%	\$605	
Birdwood Properties						
Cottage (1BR) (R)	WS,C,T	\$455	\$18	4.0%	\$473	E
Garage (2BR)	WS,C,T	\$645	\$26	4.0%	\$671	E,G
Cash House (3BR)	WS,C,T	\$674	\$27	4.0%	\$701	E,G
Birdwood House (4BR)	WS,C,T	\$955	\$38	4.0%	\$993	E,G
Faulkner Properties						
Hedge House (2BR)(F,R)	WS,C,T,A/C	\$635	\$25	3.9%	\$660	E,G
Orchard House (5RMS)(F)	WS,E,G,C,T,A/C	\$296	\$12	4.0%	\$308	
Carriage House (4BR)	WS,C,T	\$577	\$23	4.0%	\$600	E,G
118 Oakhurst,Upper (2BR)	WS,G,C	\$551	\$22	4.0%	\$573	E,T
118 Oakhurst,Lower (2BR)	WS,G,C	\$557	\$22	4.0%	\$579	E,T
409 Valley Road, (2BR)	WS,E,G,C,AC	\$624	\$130	20.8%	\$754	T
411 Valley Road, (2BR)	WS,E,G,C,AC	\$624	\$194	31.1%	\$818	T
503 Valley Road, (1BR)	C	\$408	\$16	3.9%	\$424	WS,E,G,T
Faculty Apartments						
Apt. 11, (2BR)	WS,E,G,C,T	\$522	\$23	4.4%	\$545	
Apt. 12, (2BR)	WS,E,G,C,T	\$522	\$23	4.4%	\$545	
Apt. 14, (2BR)	WS,E,G,C,T	\$522	\$23	4.4%	\$545	
Apt. 15, (2BR)	WS,E,G,C,T	\$522	\$23	4.4%	\$545	
Apt. 21 (Eff)	WS,E,G,C,T	\$355	\$16	4.5%	\$371	
Apt. 22 (1BR)	WS,E,G,C,T	\$406	\$22	5.4%	\$428	
Apt. 23 (Eff)	WS,E,G,C,T	\$355	\$16	4.5%	\$371	
Apt. 24, (1BR)	WS,E,G,C,T	\$406	\$22	5.4%	\$428	
Apt. 25, (1BR)	WS,E,G,C,T	\$428	\$18	4.2%	\$446	
Apt. 26, (1BR)	WS,E,G,C,T	\$428	\$18	4.2%	\$446	
Apt. 27, (1BR)	WS,E,G,C,T	\$428	\$18	4.2%	\$446	
Apt. 28, (1BR)	WS,E,G,C,T	\$428	\$18	4.2%	\$446	
Apt. 31, (1BR)	WS,E,G,C,T	\$428	\$18	4.2%	\$446	
Apt. 32, (1BR)	WS,E,G,C,T	\$428	\$18	4.2%	\$446	
Apt. 33, (2BR)	WS,E,G,C,T	\$462	\$22	4.8%	\$484	
Apt. 34, (2BR)	WS,E,G,C,T	\$462	\$22	4.8%	\$484	
Apt. 35, (2BR)	WS,E,G,C,T	\$462	\$22	4.8%	\$484	

<u>Properties</u>	<u>Utilities Furnished</u>	<u>Rents 2000-2001 Per Month</u>	<u>Amount Increase</u>	<u>Proposed Rents Percent Increase</u>	<u>2001-2002 Per Month</u>	<u>Utilities Paid By Occupant</u>
Apt. 36, (2BR)	WS,E,G,C,T	\$462	\$22	4.8%	\$484	
E & G Properties						
Montebello, (3 BR/Garage)	WS,E,O,A/C	\$645	\$18	2.8%	\$663	C,T
Big Morea (4 BR) (F)	WS,E,O,A/C,T	\$904	\$26	2.9%	\$930	C
Little Morea (2BR) (F)	WS,E,O,A/C,T	\$695	\$20	2.9%	\$715	C
Sunnyside (4BR)	WS,E,O,A/C	\$1,438	\$42	2.9%	\$1,480	C
Brown College House(4 BR)	WS,E,HVAC,T,V	\$836	\$24	2.9%	\$860	C
Buckingham Palace	WS,E,HP,A/C,T	\$309	\$8	2.6%	\$317	C
Pavilion I (5BR)	WS,E,HVAC,T,V	\$763	\$22	2.9%	\$785	
Pavilion II (5BR)	WS,HP,T,V	\$565	\$16	2.8%	\$581	E
Pavilion III (5BR)	WS,E,HVAC,T,V	\$763	\$22	2.9%	\$785	
Pavilion IV (5BR)	WS,HP,T,V	\$565	\$16	2.8%	\$581	E
Pavilion V (5BR)	WS,E,HVAC,T,V	\$763	\$22	2.9%	\$785	
Pavilion VI (5BR)	WS,E,HVAC,T,V	\$763	\$22	2.9%	\$785	
Pavilion VIII Lower (1BR)	WS,E,HVAC,T,V	\$258	\$7	2.7%	\$265	
Pavilion VIII Upper (3BR)	WS,E,HVAC,T,V	\$491	\$13	2.7%	\$504	
Pavilion IX (5BR)	WS,E,HVAC,T,V	\$763	\$22	2.9%	\$785	
Pavilion X (5BR)	WS,HP,T,V	\$565	\$16	2.8%	\$581	E
Blandy Farm						
Curator's House	WS	\$0	\$0	0.0%	\$0	E,O
Green Farm House	WS	\$65	\$0	0.0%	\$65	E,O
<u>THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE</u>						
Houses (6)	WS	\$463	\$16	3.5%	\$479	G,E
2 Bedroom Apt (2)	WS,G	\$458	\$16	3.5%	\$474	E
1 Bedroom Apt (1)	WS,G	\$430	\$15	3.5%	\$445	E
"R" designates renovated properties; "F" designates furnished properties. Utility abbreviations: WS (water, sewer), E (electric), G (gas), O (oil), HP (heating plant), HVAC (heating, venting, and air conditioning system, A/C (window air conditioning), C (cable TV), V (voice and data) and T (trash removal).						

B. DEFINED CONTRIBUTION PLAN FOR COMMUNITY MEDICINE GROUP

PRACTICE: Adopts a qualified defined contribution retirement plan for Community Medicine physicians and delegates authority to the Executive Vice President, with the concurrence of the General Counsel, to execute any documents relating to the establishment of this plan, as well as any amendments that must be made to existing plans.

At its November 2000 meeting, the Executive Committee approved the establishment of Community Medicine, LLC. As part of the compensation package for the physicians who will join Community Medicine, the University agreed to provide physicians with health, welfare, and retirement benefits that are

substantially similar to what they enjoy today as joint employees of the University and the Health Services Foundation ("HSF").

Currently, HSF provides a retirement program with a defined contribution element and a defined benefit element. It was agreed that the defined benefit aspects of the HSF plan could not be duplicated because of the complex legal requirements related to the maintenance of a qualified defined benefit pension plan and the expense associated with it, especially for such a small group of employees. Instead, the University proposed to match the economic benefits of the HSF retirement plan as closely as possible (using reasonable assumptions) within the University's defined contribution environment. As a result, the University proposed that the Medical Center establish a new retirement plan using the authority granted to it by Virginia Code Section 51.1-126.3 that will replace the Faculty Retirement Plan for these physicians, and that the new plan's contribution rate be set 1.5 percent higher than what is currently offered in the Faculty Retirement Plan.

ACTION REQUIRED: Approval by the Finance Committee and the Board of Visitors

QUALIFIED DEFINED CONTRIBUTION RETIREMENT PLAN FOR COMMUNITY MEDICINE, LLC PHYSICIANS

WHEREAS, the University of Virginia wishes to jointly employ physicians with Community Medicine, a wholly-owned corporate subsidiary of the University; and

WHEREAS, the University wishes the physicians so employed to enjoy retirement benefits that are substantially similar to those offered to physicians who are employed by the Health Services Foundation; and

WHEREAS, the Medical Center has the authority to establish a retirement plan for certain of its employees under Virginia Code Section 51.1-126.3 of the *Code of Virginia*; and

WHEREAS, Section 51.1-126.3 requires that the Board of Visitors establish the effective date and contribution rate for such a plan;

WHEREAS, it is anticipated that in the future Community Medicine will fully fund the costs of a retirement plan for its employees.

RESOLVED that the Board of Visitors approves a qualified defined contribution retirement plan for Community Medicine physicians, effective July 1, 2001; and

RESOLVED FURTHER that contributions to the plan shall equal the greater of \$12,500 or 11.9 percent of salary annually; and

RESOLVED FURTHER that the Executive Vice President, with the concurrence of the General Counsel, has the authority to execute any documents relating to the establishment of this plan, as well as any amendments that must be made to existing plans in order to accommodate the intentions set forth in this resolution.

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UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

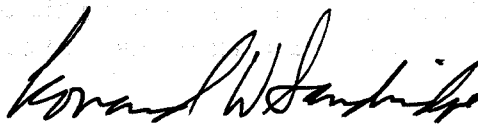
PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve the proposed defined contribution plan for Community Medicine Group Practice

DESCRIPTION: Under this proposal the University will contribute \$12,500 or 11.9 percent, whichever is greater, to the new physicians' defined contribution plan. The plan would provide the equivalent economic benefits of the University Faculty Retirement Plan and the Health Services Foundation Plan. The current rate for the Faculty Retirement Plan is 10.4 percent, while the HSF Plan provides a defined contribution rate of 10.4 percent or \$12,500 (whichever is greater) and a defined benefit. At present, the Community Medicine Group Practice has four physicians, and this number may grow in the future.

FISCAL IMPACT: The costs associated with establishing this new plan include approximately \$10,000 in set-up fees and the 1.5 percent differential on the contribution rates. In today's dollars, this difference amounts to \$11,226 in Year 1 for the four physicians. Each subsequent physician, to the extent that they receive an "average" salary, will cost an incremental \$1,800 (also in today's dollars). It is expected that Community Medicine Group Practice will begin to fully fund these contributions within four years.

CONCLUSION: The Board should approve the proposed defined contribution plan.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
April 6, 2001

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 6, 2001

COMMITTEE: Finance

AGENDA ITEM: II.A. Tuition and Required Fees, 2001-2002 -
Academic Year and 2002 Summer Session

BACKGROUND: At its April meeting, the Board of Visitors sets regular and summer session tuition and fee schedules for the following year for the Academic Division and The University of Virginia's College at Wise. The resolution covers academic year and summer session tuition rates for undergraduate, graduate and first professional students; a required comprehensive fee; continuing education tuition rates; and various school- and activity-specific fees.

The 2000 Appropriations Act continues the prohibition against increases in tuition and required educational and general (E&G) fees for undergraduate Virginians. The 2000 Appropriations Act limits increases in mandatory non-E&G fees to no more than the rate of inflation on non-personal services and no more than the increase in salaries and wages on personal services. Fees required for debt service on auxiliary capital projects are exempt from these limitations. The Board of Visitors retains authority to set graduate, professional and out-of-state undergraduate tuition and fees.

DISCUSSION: In accordance with the tuition policy approved by the 2000 General Assembly, we recommend no increase in tuition and required E&G fees for in-state, undergraduate students and a 2 percent increase in tuition and required E&G fees for in-state graduate students. We propose a 4.8 percent increase in out-of-state tuition and no increase in E&G fees for out-of-state undergraduate and graduate students. Two percent of the 2001-02 tuition increase is to be applied to the institution's share of the November 25, 2000 faculty and classified staff salary increases.

After holding 2000-01 in-state Law increases to the rate of increase in the Consumer Price Index, we propose a tuition and fee increase of 6.9 percent for resident Law students and 6.9 percent for out-of-state Law students. As described in October 2000, the Law School will return to a model whereby in-state tuition for Law students is approximately 70 percent of out-of-

state tuition. In order to achieve this, we propose a surcharge on entering in-state students. In October, we had estimated to you that this surcharge would be approximately \$1,000. Given the market realities, we have revised our estimate and propose that the surcharge be \$1,200. Over the next three years, the surcharge will phase through the three classes of students at the Law School.

Last Spring, you approved Darden School tuition to implement a \$5,000 differential between entering in-state and out-of-state tuition. As we described in October 2000, the 2001-02 tuition proposal extends this differential to all students. The proposal includes a base increase of 6.5 percent for out-of-state Darden students, as well as a \$1,500 surcharge on entering students to move Darden's out-of-state rate closer to that of its peers. In-state tuition for entering and returning students is \$5,000 less than the out-of-state tuition for entering and returning students.

Incremental revenue generated by these tuition increases will be used to meet salary increase requirements, additional financial aid and general inflationary cost increases. These figures are consistent with the long-term plan for the financial self-sufficiency of these schools, as reported originally to the Board in November 1995.

As described in October 2000, entering, second and third year in-state Medical School students will pay a \$2,000 surcharge, and fourth year Medical School students will continue to pay a \$1,000 surcharge. This is a continuation of the surcharge previously approved by the Board that will raise in-state tuition to a level comparable to the other state-supported medical schools. For 2000-01, the Medical College of Virginia charges resident students \$13,092 in tuition and fees, compared with the University's \$13,541 for first year medical students. Tuition at the Medical College of Hampton Roads is substantially higher at \$19,461. In October we also stated that if the state did not continue the level of funding provided for medical education/physician's indigent care support, additional increases may be necessary. This \$4.2 million of support is not being continued in 2001-02. Accordingly, we propose a second round of a \$1,000 surcharge for entering in-state Medical School students. This incremental tuition will be directed to enhance undergraduate medical education. The base tuition and fee increase for in-state and out-of-state Medical School students is recommended at 6.0 percent.

The University maintains one of the lowest required fee schedules among Virginia colleges and universities. The University proposes a \$76 increase. Twenty-six dollars, or 2.6 percent of the 2000-01 required fee, is to address commitments and inflationary increases in University Transit, Recreational Facilities, Student Health, and Newcomb Hall. Fifty dollars, or 4.9 percent of the 2000-01 required fee, is allocated towards Athletics in accordance with the recommendation of the Athletics 2020 Commission. Additionally, we request that the Board of Visitors delegate authority to the Executive Vice President and Chief Operating Officer to approve an E&G fee to be directed towards operations and maintenance of plant, if such fee is approved by the Governor and General Assembly. (This fee was proposed by the House of Delegates in February, but has not yet been approved or proposed by the Governor).

When the required fees are combined with tuition and room and board increases, the cost of education for in-state students will increase by 3.2 percent in 2001-02 while the cost for out-of-state students will increase by 4.8 percent.

In keeping with state policy, the University of Virginia's College at Wise recommends no increase in tuition and required E&G fees for in-state, undergraduate students. Out-of-state tuition and E&G fees are recommended to rise by 6.5 percent. This adjustment is required to move the College toward the state's expectation that out-of-state students pay at least 100 percent of the cost of education. Funds generated by these increases will cover the institution's share of salary increases authorized in 2000 and increases in fringe benefit costs. The required auxiliary fees at the College will increase by \$140, or 10 percent. Of this amount, \$16 will be earmarked for debt service on the new student activity center, \$50 will be used for debt service on the football stadium, and \$74 will be used to support athletics operations.

For the 2002 summer session, the University recommends no increase for in-state students and a 4.8 percent increase for non-resident students. An increase of \$6, or 3.7 percent, in the special session comprehensive fee is proposed. The comprehensive fee includes increases for University Transit, Recreational Facilities, Student Health, and Newcomb Hall. These increases are similar to the inflationary increases recommended for regular session students.

ACTION REQUIRED: Approval by the Finance Committee and the Board of Visitors

APPROVAL OF INCREASE IN TUITION AND REQUIRED FEES AND OTHER CHARGES FOR THE ACADEMIC DIVISION

RESOLVED that the tuition and required fees and other charges applicable to the Academic Division be approved as shown below, effective July 1, 2001;

	Virginian				Non-Virginian			
	<u>Actual</u> <u>2000-01</u>	<u>Amount of</u> <u>Change</u>	<u>Percent of</u> <u>Change</u>	<u>Proposed</u> <u>2001-02</u>	<u>Actual</u> <u>2000-01</u>	<u>Amount of</u> <u>Increase</u>	<u>Percent of</u> <u>Increase</u>	<u>Proposed</u> <u>2001-02</u>
REGULAR SESSION:								
Undergraduate School:								
Tuition and Required E&G Fees	\$3,144	\$0	0.0%	\$3,144	\$16,393	\$783	4.8%	\$17,176
Auxiliary Fees	\$977	\$76	7.8%	\$1,053	\$977	\$76	7.8%	\$1,053
Total Tuition and Required Fees	\$4,121	\$76	1.8%	\$4,197	\$17,370	\$859	4.9%	\$18,229
Graduate School:								
Tuition and Required E&G Fees	\$4,007	\$79	2.0%	\$4,086	\$16,393	\$783	4.8%	\$17,176
Auxiliary Fees	\$977	\$76	7.8%	\$1,053	\$977	\$76	7.8%	\$1,053
Total Tuition and Required Fees	\$4,984	\$155	3.1%	\$5,139	\$17,370	\$859	4.9%	\$18,229
Colgate Darden Graduate School of Business Administration (Tuition & Required Fees):								
Students Entering Fall 2001	n/a	n/a	n/a	\$22,189	n/a	n/a	n/a	\$27,189
Students Entering Fall 2000	\$19,114	\$1,575	8.2%	\$20,689	\$24,114	\$1,575	6.5%	\$25,689
School of Law (Tuition & Required Fees):								
Students Entering Fall 2001	n/a	n/a	n/a	\$18,017	n/a	n/a	n/a	\$25,243
Students Entering Fall 2000	\$15,730	\$1,087	6.9%	\$16,817	\$23,611	\$1,632	6.9%	\$25,243
Students Entering Fall 1999	\$15,730	\$1,087	6.9%	\$16,817	\$23,611	\$1,632	6.9%	\$25,243
School of Medicine (Tuition & Required Fees):								
Students Entering Fall 2001	n/a	n/a	n/a	\$15,305	n/a	n/a	n/a	\$27,805
Students Entering Fall 2000	\$13,541	\$764	5.6%	\$14,305	\$26,221	\$1,584	6.0%	\$27,805
Students Entering Fall 1999	\$13,541	\$764	5.6%	\$14,305	\$26,221	\$1,584	6.0%	\$27,805
Students Entering Fall 1998	\$12,541	\$764	6.1%	\$13,305	\$26,221	\$1,584	6.0%	\$27,805
McIntire School of Commerce Executive Master of Science Programs (MIS and Accounting)								
Annual Tuition and Fees - MIS	\$27,950	\$850	3.0%	\$28,800	\$32,700	\$1,100	3.4%	\$33,800
Annual Tuition and Fees – Accounting	n/a	n/a	n/a	\$24,800	n/a	n/a	n/a	\$29,800
(Price includes tuition, fees, room, board, technology costs, computer lease, books, local transportation and miscellaneous expenses. \$10,000 of the MIS charges are fees and \$6,000 of the Accounting charges are fees.)								
Other Charges:								
Application Fee – Undergraduate	\$40	\$0	0.0%	\$40	\$40	\$0	0.0%	\$40
Application Fee – Graduate	\$40	\$0	0.0%	\$40	\$40	\$0	0.0%	\$40
Application Fee – Law	\$65	\$0	0.0%	\$65	\$65	\$0	0.0%	\$65
Application Fee – Darden	\$140	\$0	0.0%	\$140	\$140	\$0	0.0%	\$140
Application Fee – Medicine	\$60	\$0	0.0%	\$60	\$60	\$0	0.0%	\$60
Activity Fee – All Full-time Students	\$39	\$0	0.0%	\$39	\$39	\$0	0.0%	\$39
Activity Fee – All Part-time Students	\$12	\$0	0.0%	\$12	\$12	\$0	0.0%	\$12
Activity Fee – Arts & Sciences	\$4	\$0	0.0%	\$4	\$4	\$0	0.0%	\$4
Activity Fee – Architecture	\$46	\$0	0.0%	\$46	\$46	\$0	0.0%	\$46
Activity Fee – Commerce	\$10	\$0	0.0%	\$10	\$10	\$0	0.0%	\$10
Activity Fee – Darden	\$55	\$0	0.0%	\$55	\$55	\$0	0.0%	\$55
Activity Fee – Education	\$10	\$0	0.0%	\$10	\$10	\$0	0.0%	\$10
Activity Fee – Engineering	\$10	\$0	0.0%	\$10	\$10	\$0	0.0%	\$10

	Virginian				Non-Virginian			
	<u>Actual 2000-01</u>	<u>Amount of Change</u>	<u>Percent of Change</u>	<u>Proposed 2001-02</u>	<u>Actual 2000-01</u>	<u>Amount of Increase</u>	<u>Percent of Increase</u>	<u>Proposed 2001-02</u>
Activity Fee – Grad. Arts & Sciences	\$10	\$0	0.0%	\$10	\$10	\$0	0.0%	\$10
Activity Fee – Law School	\$34	\$0	0.0%	\$34	\$34	\$0	0.0%	\$34
Activity Fee – Medicine	\$106	\$0	0.0%	\$106	\$106	\$0	0.0%	\$106
Activity Fee – Nursing	\$50	\$5	10.0%	\$55	\$50	\$5	10.0%	\$55
Residential College Fee – Hereford	\$100	\$0	0.0%	\$100	\$100	\$0	0.0%	\$100
Residential College Fee – Brown	\$120	\$0	0.0%	\$120	\$120	\$0	0.0%	\$120
Residential College Fee – International	n/a	n/a	n/a	\$120	n/a	n/a	n/a	\$120
Residential College Fee – Mosaic	\$100	\$0	0.0%	\$100	\$100	\$0	0.0%	\$100
Residential College Fee – French	\$100	\$0	0.0%	\$100	\$100	\$0	0.0%	\$100
Residential College Fee – Spanish	\$100	\$0	0.0%	\$100	\$100	\$0	0.0%	\$100
School of Continuing and Professional Studies (SCPS):								
Bachelor of Interdisciplinary Studies (BIS) Per Semester								
1-3 hours	\$635	\$0	0.0%	\$635	\$2,697	\$149	5.5%	\$2,846
4-8 hours	\$1,287	\$0	0.0%	\$1,287	\$5,456	\$236	4.3%	\$5,692
9 or more hours	\$1,916	\$0	0.0%	\$1,916	\$8,148	\$391	4.8%	\$8,539
Non-Degree Programs Per Hour								
Undergraduate	\$113	\$0	0.0%	\$113	\$249	\$12	4.8%	\$261
Graduate	\$144	\$3	2.1%	\$147	\$249	\$12	4.8%	\$261
K-12 Educators	\$133	\$0	0.0%	\$133	\$227	\$11	4.8%	\$238
Professional Programs Per Hour								
Northern Virginia	\$160	\$3	1.9%	\$163	\$258	\$12	4.7%	\$270
All Other Centers	\$154	\$3	1.9%	\$157	\$252	\$12	4.8%	\$264
Special Students Registered through SCPS in On-Grounds Courses Per Hour								
	\$211	\$0	0.0%	\$211	\$901	\$43	4.8%	\$944
Graduate Degree Programs Per Hour								
Northern Virginia	\$205	\$4	2.0%	\$209	\$317	\$15	4.7%	\$332
All Other Centers	\$200	\$4	2.0%	\$204	\$311	\$15	4.8%	\$326
Graduate Televised Engineering Per Hour								
Northern Virginia	\$267	\$5	1.9%	\$272	\$500	\$24	4.8%	\$524
All Other Centers	\$262	\$5	1.9%	\$267	\$492	\$24	4.9%	\$516
Application Fee								
Certificate and Special Programs	\$25	\$0	0.0%	\$25	\$25	\$0	0.0%	\$25
Bachelor of Interdisciplinary Studies	\$40	\$0	0.0%	\$40	\$40	\$0	0.0%	\$40
No. Va. Center Facilities Fee Per Hour	\$10	\$0	0.0%	\$10	\$10	\$0	0.0%	\$10
Technology Fee	\$20	\$0	0.0%	\$20	\$20	\$0	0.0%	\$20
Other Miscellaneous Fees as established to recover expenses such as laboratory, materials, etc., on a basis of estimated cost.								
2002 Summer Session and Mt. Lake Biological Station:								
Undergraduate Per Semester Hour	\$109	\$0	0.0%	\$109	\$571	\$27	4.7%	\$598
Graduate Per Semester Hour	\$109	\$2	1.8%	\$111	\$571	\$27	4.7%	\$598
Thesis/Dissertation Research	\$455	\$9	2.0%	\$464	\$455	\$9	2.0%	\$464

	Virginian				Non-Virginian			
	<u>Actual</u> <u>2000-01</u>	<u>Amount of</u> <u>Change</u>	<u>Percent of</u> <u>Change</u>	<u>Proposed</u> <u>2001-02</u>	<u>Actual</u> <u>2000-01</u>	<u>Amount of</u> <u>Increase</u>	<u>Percent of</u> <u>Increase</u>	<u>Proposed</u> <u>2001-02</u>
Appellate Judges Program	\$1,248	\$25	2.0%	\$1,273	\$1,285	\$62	4.8%	\$1,347
Non-Resident Fee	\$66	\$2	3.0%	\$68	\$66	\$2	3.0%	\$68
Summer Foreign Language Institute Fee	\$40	\$0	0.0%	\$40	\$40	\$0	0.0%	\$40
Mt. Lake Laboratory Use Fee	\$79	\$3	3.8%	\$82	\$79	\$3	3.8%	\$82
Mt. Lake Non-UVa Researcher (per week):								
Senior Investigators	\$230	\$8	3.5%	\$238	\$230	\$8	3.5%	\$238
Co-Investigators	\$60	\$2	3.3%	\$62	\$60	\$2	3.3%	\$62
Graduate Students	\$60	\$2	3.3%	\$62	\$60	\$2	3.3%	\$62
2002 New Student Orientation:								
Orientation Fee	\$180	\$5	2.8%	\$185	\$180	\$5	2.8%	\$185
(The Orientation Fee will be rolled into the total tuition and fee bill for first year and transfer students in the first year of enrollment.)								
OTHER:								
Other contracted course and cooperative program tuition and required fee rates, including tuition for specialized graduate and professional credit courses, approved on a basis consistent with University contracting policies and procedures by the Executive Vice President and Chief Operating Officer.								

APPROVAL OF ALLOCATION OF REQUIRED FEES FOR 2001-2002 FOR THE ACADEMIC DIVISION

RESOLVED that the fee component of the tuition and required fees be established, effective July 1, 2001, in the amount of \$1,151; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer may adjust the required fees if the 2000 Appropriations Act is amended to allow a fee for the Operations and Maintenance of Plant; and

RESOLVED FURTHER that the fee component be allocated for the 2001-02 Session as follows:

	<u>Actual</u> <u>2000-01</u>	<u>Amount of</u> <u>Inc./(Decr.)</u>	<u>Percent</u> <u>Inc./(Decr.)</u>	<u>Proposed</u> <u>2001-02</u>
University Transit	\$88	\$4	4.5%	\$92
Recreational Facilities	\$67	\$6	9.0%	\$73
Auxiliary Debt Service	\$187	\$0	0.0%	\$187
Athletics	\$238	\$50	21.0%	\$288
Student Health	\$284	\$8	2.8%	\$292
Newcomb Hall Operating	\$98	\$8	8.2%	\$106
Student Programming	\$26	\$0	0.0%	\$26
WTJU	\$6	\$0	0.0%	\$6
Capital Renewal Fee	\$24	\$0	0.0%	\$24
Arts Fee	\$12	\$0	0.0%	\$12
Technology Fee	\$45	\$0	0.0%	\$45
TOTAL FOR ALL STUDENTS	\$1,075	\$76	7.1%	\$1,151

APPROVAL OF SPECIAL SESSION FEE RATE:

RESOLVED that the special session fees for the Academic Division be increased as follows, effective beginning with the fall session of 2001:

University Transit	\$17	\$1	5.9%	\$18
Recreational Facilities	\$18	\$1	5.6%	\$19
Student Health (Summer Session only)	\$93	\$2	2.2%	\$95
Newcomb Hall Operating	\$18	\$2	11.1%	\$20
Classroom Renewal Fee	\$6	\$0	0.0%	\$6
Technology Fee	\$5	\$0	0.0%	\$5
Arts Fee	\$6	\$0	0.0%	\$6
SPECIAL SESSION TOTAL	\$163	\$6	3.7%	\$169

APPROVAL OF PROPOSED INCREASE IN TUITION AND REQUIRED FEES AND OTHER CHARGES FOR THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

RESOLVED that the tuition and required fees and other charges applicable to The University of Virginia's College at Wise be approved as shown below, effective July 1, 2001:

	Virginian				Non-Virginian			
	Actual 2000-01	Amount of Increase	Percent of Increase	Proposed 2001-2002	Actual 2000-01	Amount of Increase	Percent of Increase	Proposed 2001-2002
<u>Tuition and Required E&G Fees</u>								
Full-time Students (12 hours or more per semester) Session Rate	\$1,930	\$0	0.0%	\$1,930	\$8,424	\$544	6.5%	\$8,968
Auxiliary Fees	\$1,400	\$140	10.0%	\$1,540	\$1,400	\$140	10.0%	\$1,540
Total Tuition and Required Fees	\$3,330	\$140	4.2%	\$3,470	\$9,824	\$684	7.0%	\$10,508
Students taking more than 18 credit hours per semester must pay for the additional hours at the tuition rates listed below:								
Part-time Students (less than 12 hrs. per semester) per semester hr.	\$77	\$0	0.0%	\$77	\$346	\$22	6.4%	\$368
Off-Campus Instruction Credit Courses per hour	\$77	\$0	0.0%	\$77	\$242	\$16	6.6%	\$258
Non-Credit Courses per CEU	\$34	\$0	0.0%	\$34	\$108	\$4	3.7%	\$112
Other Fees:								
Application Fee	\$15	\$0	0.0%	\$15	\$15	\$0	0.0%	\$15
Graduation Fee	\$50	\$0	0.0%	\$50	\$50	\$0	0.0%	\$50

A Registration Fee for part-time students will be \$5 per semester hour.

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to approve reduced tuition rates for residents of Kentucky who live in counties that are within a 50-mile radius of The University of Virginia's College at Wise and who are enrolled at the College in accordance with Section 23-7.2:1.B of the Code of Virginia.

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Increase tuition and required fees for the 2001-2002 Academic Year and 2002 Summer Session.

DESCRIPTION: The following tuition and fee increases have been proposed:

University of Virginia:

	In-State	Out-Of-State
Regular Session Tuition		
Undergraduate	1.8%	4.9%
Graduate	3.1%	4.9%
Law ¹	6.9%	6.9%
Darden, ²	8.2%	6.5%
Medicine ³	5.6%	6.0%
Summer Session Tuition	0.0%	4.6%
School of Continuing and Professional Studies		
Undergraduate Programs	0.0%	4.5%
Graduate Programs	2.0%	4.5%
Required Fees, Full-Time	7.1%	7.1%
Required Fees, Part-Time	4.2%	4.2%

¹ In-state students pay a \$1,200 surcharge. In-state tuition is set at 70% of out-of-state tuition.

² Entering Darden students will pay an additional surcharge of \$1,500. In-state tuition is set at \$5,000 less than out-of-state tuition. These actions are consistent with the long-term self-sufficiency plan.

³ Entering, second and third year students pay a \$2,000 surcharge. Fourth year students pay a \$1,000 surcharge.

University of Virginia's College at Wise (Regular Session):

	In-State	Out-Of-State
Undergraduate Tuition and Required Fees	0.0%	6.5%
Auxiliary Fees	10.0%	10.0%

FISCAL IMPACT: Incremental revenue for the Academic Division in 2001-02 equals \$9.20 million and is derived from these sources:

Source	Amount
Fees	\$1.39
Law	\$0.80
Darden	\$0.70

Source	Amount
Medicine	\$0.50
Committed by General Assembly, Salary Increases	\$2.40
2000-01 Revenue Reserve	\$1.00
Other Tuition Increases	\$2.41

Total (millions) \$9.20

The following table summarizes the University's current and estimated ranking among seventy peer institutions (public and private) with respect to published tuition and mandatory fees. Note that Law, Darden, and Medicine each expect changes in their pricing rankings.

University of Virginia:

	In-State		Out-of-State	
	Current Ranking	Estimated Ranking	Current Ranking	Estimated Ranking
Undergraduate ¹	43 rd	43 rd	32 nd	32 nd
Graduate	45 th	45 th	31 st	31 st
Law	22 nd	21 st	19 th	15 th
Darden	22 nd	22 nd	19 th	15 th
Medicine	29 th	27 th	31 st	26 th

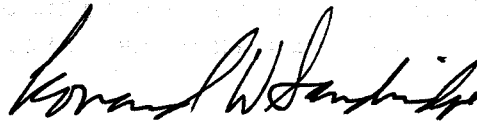
¹ - Undergraduate rankings with respect to publics only:

In-State: 14th Out-of-State: 3rd

These rankings should not change as a result of the proposed increases.

CONCLUSION: The University of Virginia should adopt the above schedule of tuition and fee increases.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge

April 6, 2001

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 6, 2001

COMMITTEE: Finance

AGENDA ITEM: II.B. Contract Rates for Dining Services,
2001-02

BACKGROUND: The University provides a variety of contract meal plans for students, ranging from unlimited dining to six meals per semester. The University's pricing policy calls for room and board rates to be lower than the average of the rates charged by all public colleges and universities in Virginia. The University charged \$253 less than the statewide average for room and board in 2000-2001. During the same time period, The University of Virginia's College at Wise charged \$200 less than the statewide average for room and board. Revenues received from contract dining, retail operations, vending, concessions and catering must cover all operating costs, including food, labor, capital and indirect costs. The University contracts with ARAMARK for dining services. The College at Wise contracts with Chartwells for these services.

DISCUSSION: Proposed University meal plan rate increases for 2001-02 range from 2.8 percent to 3.3 percent, with an average increase of 3.0 percent. No new plans have been added to those presented last year. In 2000-2001, approximately 6,400 University students purchased contract meal plans.

The College at Wise meal plans are proposed to increase by 3.0 percent to cover cost increases passed along by the vendor and renovation costs incurred in the dining hall. The College serves approximately 450 students on contract meal plans.

ACTION REQUIRED: Approval by the Finance Committee and the Board of Visitors

APPROVAL OF PROPOSED CONTRACT RATES FOR DINING SERVICES FOR 2001-2002 FOR THE ACADEMIC DIVISION AND THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

RESOLVED that the student contract rates for dining services be approved as shown below, effective beginning with the 2001-2002 session:

ACADEMIC DIVISION

	<u>Actual 2000-2001</u>	<u>Amount of Increase</u>	<u>Percent Increase</u>	<u>Proposed 2001-2002</u>
<u>Dining Service Contract (1,2)</u>				
Unlimited Entry w/ \$150 Plus Dollars	\$2,630	\$80	3.0%	\$2,710
15 Meals per week w/ \$400 Plus Dollars	2,630	80	3.0%	2,710
13 Meals per week w/ \$500 Plus Dollars	2,630	80	3.0%	2,710
10 Meals per week (first year) w/ \$780 Plus Dollars	2,630	80	3.0%	2,710
10 Meals per week (upperclass) w/ \$350 Plus Dollars	2,150	70	6.0%	2,280*
100 Meals per semester w/ \$350 Plus Dollars	1,530	50	3.3%	1,580
80 Meals per semester w/ \$350 Plus Dollars	1,330	40	3.0%	1,370
50 Meals per semester w/ \$350 Plus Dollars	1,010	30	3.0%	1,040
<u>Residential Colleges/Language Houses (1,2,3)</u>				
Unlimited Entry w/ \$150 Plus Dollars	\$2,740	\$80	2.9%	\$2,820
15 Meals per week w/ \$400 Plus Dollars	2,740	80	2.9%	2,820
13 Meals per week w/ \$500 Plus Dollars	2,740	80	2.9%	2,820
10 Meals per week (first year) w/ \$780 Plus Dollars	2,740	80	2.9%	2,820
10 Meals per week (upperclass) w/ \$350 Plus Dollars	2,260	70	5.8%	2,390*
100 Meals per semester w/ \$350 Plus Dollars	1,640	50	3.0%	1,690
80 Meals per semester w/ \$350 Plus Dollars	1,440	40	2.8%	1,480
<u>Athletics (1)</u>				
Unlimited Entry w/ \$150 Plus Dollars	\$2,740	\$80	2.9%	\$2,820
15 Meals per week w/ \$400 Plus Dollars	2,740	80	2.9%	2,820
13 Meals per week w/ \$500 Plus Dollars	2,740	80	2.9%	2,820
10 Meals per week (first year) w/ \$780 Plus Dollars	2,740	80	2.9%	2,820
10 Meals per week (upperclass) w/ \$350 Plus Dollars	2,260	70	5.8%	2,390*
100 Meals per semester w/ \$350 Plus Dollars	1,640	50	3.0%	1,690
80 Meals per semester w/ \$350 Plus Dollars	1,440	40	2.8%	1,480

* New rate includes a \$60 adjustment for underpricing in prior years.

THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

19 Meal Plan	\$2,228	\$67	3.0%	\$2,295
12 Meal Plan	\$2,004	\$60	3.0%	\$2,064

- (1) Plus Dollars are credited to a student's identification card and may be used in the same manner as cash at any board dining hall and/or retail operation.
- (2) First-year students are required to purchase a 13, 15, or unlimited meal plan during their first semester. During their second semester they may switch to the ten-meal plan with \$780 Plus Dollars.
- (3) Residents of the Lawn, residential colleges and language houses with dining facilities are required to purchase a meal plan.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 6, 2001

COMMITTEE: Finance

AGENDA ITEM: II.C. Carl Smith Center/Scott Stadium
Project Short-term Construction Loan

BACKGROUND: Construction of the Carl Smith Center/Scott Stadium expansion project is essentially complete. The majority of gifts received through the Athletic Department's fundraising campaign have been deposited to a quasi-endowment account. The timing between receipt of gifts and other revenue and the project expenses has created a cash flow issue.

DISCUSSION: The University has two options of addressing the cash flow: 1) disinvest from the Athletic Department quasi-endowment; or 2) extend a short-term construction loan to carry project expenses until the majority of the remaining pledges are received. The latter option is recommended because it is assumed that the annual interest rate (currently 6.88 percent) on the short-term financing will be less than the investment returns that the Athletic Department could receive by keeping its funds invested in the quasi-endowment. The proposed term is five years.

ACTION REQUIRED: Approval by the Finance Committee and the Board of Visitors

APPROVAL OF A SHORT TERM CONSTRUCTION LOAN OF \$13.0 MILLION FOR THE CARL SMITH CENTER/SCOTT STADIUM EXPANSION

WHEREAS, the University of Virginia's Athletic Department has a cash flow problem matching project expenses against receipt of private donations and other revenue for the expansion of the Carl Smith Center/Scott Stadium; and

WHEREAS, Athletic Department fundraising has resulted in a principal balance invested in a quasi-endowment account in excess of \$20 million; and

WHEREAS, a short-term loan to cover project expenses will permit the continued long-term investment of the quasi-endowment.

RESOLVED that the Board of Visitors hereby approves a short-term construction loan of up to \$13.0 million to the Athletic Department for a five year term; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to execute all necessary documents to effect the loan.

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

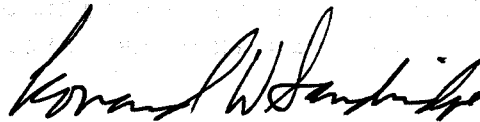
PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve an internal loan of \$13 million to fund expenses related to the Scott Stadium expansion project.

DESCRIPTION: The stadium expansion project has performed better than the projections indicated in the initial business case. This result stems from a higher level of gifts and pledges, revenues from the additional luxury boxes, and better than expected investment returns on the quasi-endowment. The University decided to increase the scope of the project and retain more gifts in endowment due to superior returns. These decisions altered the business case's schedule of cash flows. The University can address this issue in one of two ways: 1) disinvest the Athletic Department quasi-endowment or 2) issue an internal loan. The latter option is recommended because the expected returns the Athletic Department could receive by keeping its funds invested exceed the short term financing costs associated with the loan.

FISCAL IMPACT: The proposed \$13 million loan will pay all remaining project expenses, the second half of a scheduled bond payment due in May, 2001, and other related costs. The alternative, disinvesting the needed funds up front to cover the project deficit, creates a significantly lower amount in the quasi-endowment than the loan option.

CONCLUSION: The Board of Visitors should approve the \$13 million internal loan.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
April 6, 2001

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 6, 2001

COMMITTEE: Finance

AGENDA ITEM: II.D. College at Wise Stadium Project
Internal Loan

BACKGROUND: The University of Virginia's College at Wise began construction on a new \$3.55 million football stadium in 1998 in anticipation of financing this project through philanthropic donations. To enable this project to commence, the Board authorized a \$3.0 million internal loan to pay for project costs until all funds were collected. Under terms of this agreement, interest would accrue at approximately 6.0 percent annually on the outstanding principal balance and the College would pay down this amount as monies became available. Annual interest payments would be made on a scheduled basis. In addition, the College was granted a four-year period in which to satisfy this debt in full; it was expected that the final payment would be made by December 31, 2002.

DISCUSSION: The College will be unable to meet the deadline imposed by the current terms of the loan because philanthropic receipts will occur over a much longer time period than originally envisioned. For this reason, the College requests an extension of the loan deadline until Fiscal Year 2009, at which time all funds from the Carl Smith gift will have been collected. In addition to the Smith gift the College will apply other gifts pledged to the Stadium, a portion of annual giving, and the revenue from a \$50 student fee increase to retire the remaining principal balance.

ACTION REQUIRED: Approval by the Finance Committee and the Board of Visitors

APPROVAL TO EXTEND THE MATURITY TO FISCAL YEAR 2009 FOR THE \$3.0 MILLION INTERNAL LOAN FOR THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE STADIUM PROJECT

WHEREAS, the University of Virginia's College at Wise began construction of a new stadium anticipating timely receipt of philanthropic donations; and

WHEREAS, the identified philanthropic donations are insufficient to satisfy the outstanding indebtedness in full by the original terms of the loan agreement; and

WHEREAS, the College has developed a coherent plan to repay this obligation given their known sources of income.

RESOLVED that the Board of Visitors hereby approves amending the terms of the existing loan to allow the College until fiscal year 2009 to pay off the entire principal balance and accrued interest; and

RESOLVED FURTHER that all other terms of the original agreement remain in effect.

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve an extension of the existing loan for the football stadium at University of Virginia's College at Wise.

DESCRIPTION: The University of Virginia's College at Wise construction of a football stadium is partially funded by an internal loan of \$3,000,000. The current terms require that this obligation be satisfied in full by December 31, 2002; however, the College's available resources are insufficient to meet this deadline, largely due to the timing of expected inflows. This proposal suggests extending the loan terms until fiscal year 2009 when cash flows from known philanthropic sources, student fees and other funds will be realized and applied to the loan.

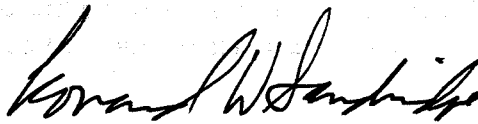
FISCAL IMPACT: At the conclusion of the existing loan term, the outstanding indebtedness will equal approximately \$1.5 million. Even this level assumes the following will occur:

1. Proceeds from the sale of the Cohen house of \$32,000 (FY01)
2. Proceeds from the sale of the Smith house of \$250,000 (FY02)
3. Income from the Fuller Gift of \$100,000 (FY01)
4. An annual supplement from the College of \$30,000 (beginning FY01)
5. An increase in the student fees of \$140 in FY02, with \$49.60 of that amount applied to the stadium financing

The first three items listed above are one-time events. The latter two will continue at the projected level through fiscal year 2009. The College does expect to receive additional donations, gifts and pledges over the suggested time period, and some may be very significant. Because these cannot be quantified or guaranteed they have been excluded from this analysis.

CONCLUSION: The Board should approve the revisions to the loan term for the University of Virginia's College at Wise loan term.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
April 6, 2001

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 6, 2001

COMMITTEE: Finance

AGENDA ITEM: II.E. Endowment Income Distribution and
Spending Policy

BACKGROUND: Each spring the Finance Committee approves the proposed spending rate for the upcoming fiscal year.

DISCUSSION: The current spending policy calls for a 4 percent increase in spending from endowment each year unless such increase causes the spending rate as a percentage of the share value on the endowment to fall outside of a range defined as 3.5 percent on the low end and 5.5 percent on the high end for Class A shares and 5.5 percent on the low end and 6.5 percent on the high end for Class B shares. If outside of these ranges, the Finance Committee can recommend either raising or lowering the rate of increase. This policy is perceived to be complicated and several Finance Committee members asked staff to review the policy and to suggest alternatives. Staff has concluded that moving to the policy most commonly used by university endowments, a percentage of a three-year rolling average of the market value of the endowment, would address both shortfalls of the current policy.

A second, but no less important issue, was the plan to move towards one spending rate in the future. Since the inception of the Eminent Scholar Fund, the University has had a 5.75 percent to 6 percent spending rate for those monies and a 4 percent to 4.5 percent rate for the rest of the endowment. Several years ago the Eminent Scholar category was expanded to include unrestricted funds to meet the challenges of the faculty salary initiative. It was our intent, at the time of the broadening of this pool, to work towards a single rate over time. The lower 4 percent to 4.5 percent is considered to be sustainable and will not cause an invasion of principal in the long term. The proposed policy calls for a lowering of the 5.75 percent target by .25 percent annually until the rate is 4.5 percent, unless the lowering of the rate would cause spending to be lower than the previous year in which case the percentage would remain the same for that year.

Because of the large increase in the spending rate last year as the result of the significant increase in the market value of

the endowment, the proposed spending policy incorporates a delay in enacting the new spending formula for one year. The new policy calls for the spending rate to increase 4 percent next year; thereafter, the new methodology applying a percentage to the three-year rolling average of the market value of the endowment will be in effect.

ACTION REQUIRED: Approval by the Finance Committee and the Board of Visitors

APPROVAL OF ENDOWMENT SPENDING POLICY

RESOLVED by the Finance Committee of the Board of Visitors of the University of Virginia that the Spending Policy for the Endowment Fund shall be as follows:

Class A Shares: For fiscal 2001-2002, the distribution will increase 4 percent. Thereafter distributions will be equal to 4.5 percent of a twelve-quarter moving average of the market value of the Pooled Endowment Fund for the period ending on the previous December 31.

Class B Shares: For fiscal 2001-2002, the distribution will increase 4 percent. Thereafter distributions will be calculated on a twelve-quarter moving average of market values for the period ending on the previous December 31. The rate shall be 5.75 percent of the twelve-quarter moving average of the market value of the Pooled Endowment Fund for the period ending on the previous December 31. The rate shall be 5.75 percent of the moving average in 2002-2003 and shall decrease by .25 percent each year until the rate reaches 4.5 percent, so long as the decrease does not cause the payout to fall below the level of the previous year. In such case, the payout level shall remain at the level of the previous year, and the .25 percent rate reduction shall resume the next year.

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Change the payout policy on the endowment from a percentage of the previous year's share price to a fixed rate of the average market value of the Pooled Endowment Fund as calculated by using data from the most recent twelve quarters.

DESCRIPTION: This proposal seeks to accomplish two objectives:

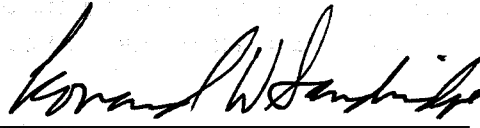
1. Adopt a more simple, rational spending policy
2. Eliminate the rate payout differential between Class A and Class B shares

This proposal specifies adopting this methodology in two steps. For fiscal year 2001-2002 the current policy will remain in place, with Class A and Class B shares increasing by 4.0 percent. In fiscal year 2002-2003, the new policy will be implemented. Class A shares will receive a payout equal to 4.5 percent of the average market value (a rolling average using twelve quarters' worth of data) and Class B shares will receive 5.75 percent. In each subsequent year, this latter category of shares will receive .25 percent less until the rate is equal to Class A shares at 4.5 percent. The proposal stipulates suspending the yearly reduction in Class B shares in the event that the resulting payout would fall below the level of the previous year. The reductions would resume the following year.

FISCAL IMPACT: From a practical standpoint, the fiscal impact is negligible. It is estimated that the current and proposed policies would have produced very similar results for much of the last decade. Moreover, as evidenced by the significant increase in the per share values last year, under the current policy the Board has amended or modified the payout rate to suit market conditions. It is assumed the Board would take similar appropriate actions in the event of market value decreases. This proposal accomplishes the same objective by using a codified mechanism linking the payout directly to market performance.

CONCLUSION: The Board should adopt the proposed spending policy for the Pooled Endowment Fund.

RECOMMEND APPROVAL OF BOARD ACTION:

A handwritten signature in cursive script, appearing to read "Leonard W. Sandridge". The signature is written in black ink on a white background.

Leonard W. Sandridge
April 6, 2001

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 6, 2001

COMMITTEE: Finance

AGENDA ITEM: II.F. Enrollment Projections

BACKGROUND: In 1990, the Board of Visitors approved a phased enrollment growth plan for the next 15 years. The planned increase of 1,486 in-state undergraduates and 550 graduate students was to begin in the fall of 1997. The total on-Grounds enrollment approved by the Board for the 2004-05 academic year was 20,170: 12,685 undergraduate students, 5,185 graduate students, 1,700 first-professional students (law and medicine) and 600 students enrolled through Continuing Education.

Since 1990, the Board has revised that plan three times. In June 1993, the State Council of Higher Education in Virginia (SCHEV) asked the University to begin an increase in enrollment in fall 1994, earlier than planned and without additional funding, to accommodate rising numbers of high school graduates. The agreement included a stipulation that the undergraduate growth be composed of 65 percent in-state and 35 percent out-of-state students. The total projected enrollment for 2004-05 remained essentially the same.

In fall 1994, the University's restructuring report to the General Assembly and SCHEV called for a 5 percent reduction in graduate Arts and Sciences enrollment in order to devote more faculty resources to undergraduate teaching. This resulted in a decrease in the long-range graduate projections.

In February 1997, to reflect a declining number of applications to graduate Arts and Sciences and graduate Engineering, as well as increased undergraduate demand, the Board approved a further revision of the enrollment projections. The undergraduate total enrollment for 2004-05 was increased by about 250 students to 12,900 and was extended to 13,000 for 2006-07. The graduate total was reduced to 4,170, or about 1,000 fewer than the original plan. This decrease resulted in a lower total projection of 19,185 on-Grounds students in 2006.

In May 1999, the Board again revised enrollment projections to account for reductions in graduate applications in Arts and Sciences, Engineering and Education, and slightly lower-than-projected total on-Grounds enrollment. The Board approved a plan

for 2006 that held the undergraduate student population at the same level, decreased the first-professional (Law and Medicine) student population by 47, and increased the number of on-Grounds Continuing Education students by 266 headcount to reflect the new Bachelors of Interdisciplinary Studies program. Combined, these actions resulted in a total student enrollment target of 19,301, or 117 more on-Grounds students than approved in 1997.

DISCUSSION: The proposal before the Board extends the period of the projections from 2006 to 2008. It includes an additional increase of 100 undergraduates between 2006 and 2008 over the level approved by the Board in May 1999. It incorporates an increase in graduate enrollment - 253 more graduate students than projected in 1999. Approximately half of the graduate increase reflects the increase in the size of the entering class in the Darden School. The proposal maintains the level of first-professional students.

The revision also calls for a decrease of 236 students by 2006 in the on-Grounds Continuing and Professional Studies component, which reflects reduced estimates of the size of the Bachelor of Interdisciplinary Studies program. The proposal calls for a total on-Grounds enrollment of 19,318 in 2006, essentially the same as the Board approved in 1999. It also calls for an additional increase of 100 students between 2006 and 2008.

On March 15, the University submitted for SCHEV's consideration the proposal revised enrollment projections for 2000 through 2008.

ACTION REQUIRED: Approval by the Finance Committee and the Board of Visitors

APPROVAL OF REVISED ENROLLMENT PROJECTIONS FOR 2000-2008:

WHEREAS, the University's existing enrollment plan, approved by the Board of Visitors in May 1999, must be revised to reflect projected increases in the undergraduate and graduate enrollment levels; and

WHEREAS, the Bachelor of Interdisciplinary Studies program enrollment is expected to decline by 236 from original projections;

WHEREAS, the revised enrollment projections for 2000-2008 have been submitted to the State Council of Higher Education in Virginia in March 2001.

RESOLVED that, compared with the 1999 plan, the undergraduate student population increase by 100 in the extended period between 2006 and 2008; the graduate student population increase by 253; the first-professional student population stay at the same level; and on-Grounds Continuing and Professional Studies students decrease by 236, resulting in a total student enrollment target of 117 more on-Grounds students than was approved in 1999. The total enrollment in 2008 will be 19,418, or 1,508 more students than in the 1989-90 base year; and

RESOLVED FURTHER that all undergraduate growth maintain the current mix of in-state and out-of-state students.

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve the revised enrollment projections through Fiscal Year 2008-09.

DESCRIPTION: The previous enrollment projections through Fiscal Year 2006-07 were approved May 1999. The revised enrollment projections contain estimates through Fiscal Year 2008-09. A synopsis of the update includes the following:

Total Undergraduates: The total undergraduate projection for 2001 will be 45 fewer than was originally approved but, by 2006, will once again achieve the 13,000 mark approved in May 1999. This figure will grow to 13,100 by 2008.

Graduate: The new projection for fall 2001 anticipates 83 more graduate students than the May 1999 version. In 2002 and 2003 Darden will add an additional 60 students each year (120 total). Other graduate programs will increase by 10 students per year for the next five years after that. As a result, in 2006 the new projection is 253 greater than the original.

First Professional: The Law School entering class will be 350 in 2001 and 360 each year after that. The total first-professional target for 2001 is 28 students lower than originally approved but will increase back to the original level (1,648 - 1,100 for Law, 548 for Medicine) by 2005.

On-Grounds CPS: The 2001 target was lowered by 168 students and the 2006 projection was lowered by 236 because of the reduced estimates of the size of the BIS program. The new projections plan for 12 new students in the BIS program each fall and spring term and 6 new in the summer.

Off-Grounds: The 2001 target was increased from 3,600 to 3,800 to account for existing growth. It remains at this level through 2008.

Grand Total: The new grand total projections vary from being 17 to 117 more than was approved in May 1999. The projections never fall below the level originally approved.

FISCAL IMPACT: The following chart summarizes the changes between the two enrollment projections. There are two key assumptions about the financial estimates embedded in these calculations: 1) Tuition rates and fees are held constant at the

current level; 2) the distributions among in-state/out-of-state, schools and fee class are also held constant.

		Undergraduate Students	Graduate Students - 1	Est. Revenue Difference From Prior Year - 2
May, 1999 Projection	2001	12,580	3,364	
	2002	12,685	3,360	\$898,440
	2003	12,795	3,354	\$941,226
	2004	12,900	3,354	\$898,440
	2005	12,955	3,354	\$470,611
	2006	13,000	3,354	\$385,052
	2007			
	2008			

		Undergraduate Students	Graduate Students - 1	Est. Revenue Difference From Prior Year - 2	Est. Revenue Difference to May, 1999 Version - 2
Revised Enrollment Projections	2001	12,535	3,447		\$271,861
	2002	12,620	3,447	\$727,315	\$100,736
	2003	12,755	3,457	\$1,155,138	\$314,648
	2004	12,865	3,467	\$941,224	\$357,432
	2005	12,930	3,477	\$556,176	\$442,997
	2006	13,000	3,487	\$598,963	\$656,908
	2007	13,050	3,487	\$427,827	
	2008	13,100	3,487	\$427,830	

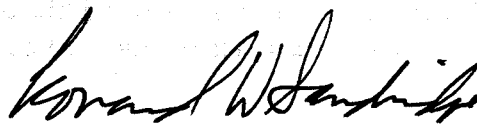
1 - Excludes Law, Darden and Medicine

2 - Includes differences related to Undergraduates only. Law and Darden are adopting self-sufficiency models. Incremental Graduate students in other schools are difficult to assess financially due to tuition abatements and other aid; for this reason they are considered revenue-neutral.

In addition to the figures shown above, the increase in headcount targets for the School of Continuing and Professional Studies will generate an additional \$117,000 per year versus the May 1999 projection.

CONCLUSION: The Board should approve the revised enrollment projections.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
April 6, 2001

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 6, 2001

COMMITTEE: Finance

AGENDA ITEM: III.A. Endowment Report

ACTION REQUIRED: None

Market Value and Performance as of February 28, 2001

BACKGROUND: The Rector and Visitors of the University, particularly the University of Virginia Investment Management Company (UVIMCO), oversees the major component of the endowment that benefits the University. A report on the endowment is made at each Board of Visitors meeting.

DISCUSSION: Since June 30, 2000, the endowment grew by \$19 million to \$1.76 billion. Most of the growth in endowment is attributable to the appreciation of the Pooled Endowment Fund, the main investment pool for the endowment, representing 97 percent of total endowment investments.

Fiscal year-to-date, the Pooled Endowment Fund returned 4.6 percent, versus -3.7 percent on the target benchmark and -14.1 percent on stocks as measured by the S&P 500 and 11.2 percent on bonds as measured by the Merrill Lynch 7-10 Year Government Bond Index.

The Fund is diversified across a broad spectrum of assets, with a targeted allocation of 55 percent to domestic equities, 12.5 percent to international equities, 7.5 percent to real assets, 12.5 percent to fixed income, and 12.5 percent to opportunistic strategies.

Within the domestic market, the endowment's allocations to long-only managers and to hedge funds have held up well during the market downturn, with the long-only managers up 2.6 percent and domestic hedge managers up 21.4 percent through February, in a stock market that was down 14.1 percent. The endowment's allocation to fixed income, which is up 11.3 percent for the period, also helped buy returns in a very difficult global equity market environment. Details of the returns on the endowment through February 28, 2001, are reported on the following Investment Report.

Actions of the Investment Management Company

BACKGROUND: The University of Virginia Investment Management Company (UVIMCO) and its committees meet regularly and report their activities at the following meeting of the Finance Committee.

DISCUSSION: The domestic equity committee approved of a \$30 million investment in the Galleon Healthcare Offshore Fund, Ltd. and a \$20 million investment in the Galleon Life Sciences Offshore Fund, Ltd. to be invested on March 1, 2001, and up to \$30 million to be invested with Intrepid Capital Management, a hedge fund that focuses its investments within the technology sector. The domestic and international committees approved of an investment of up to \$25 million with Discovery Capital Management, a hedge fund that invests in the securities of companies and countries of the emerging markets.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 6, 2001

COMMITTEE: Finance

AGENDA ITEM: III.B. 2001 General Assembly Report

BACKGROUND: The General Assembly adjourned the 2001 Session without approving any amendments to the 2000 Appropriations Act. The Governor then had the option of calling a special session to come to develop a new budget or to work within the Appropriations Act approved in April 2000. In accordance with law, the Governor has balanced the existing budget through freezing general fund capital projects, limiting maintenance reserve in the second year of the bienium and by decreasing the state's contribution to the Virginia Retirement System. The existing Appropriation Act does not include any salary increases for faculty or classified employees in 2001-02.

The Governor has informed the University that funding will be delayed on the following general fund capital projects: 2001-02 Maintenance Reserve (\$3.3 million), Studio Art Building (\$7.8 million), Special Collections Library (\$7 million), Campbell Hall Chillers (\$119,000), and the East Precinct Chiller (\$20,000). Additionally, since no amendments were made to the 2000 Appropriations Act, we have not received authorization for any non-general fund projects submitted by the University and the Medical Center in October 2000.

At this time it does not appear likely that the Governor will call a special session. The Governor has implied that salary increases for 2001-02 will be addressed at a later time, possibly next fall when he introduces his 2002-03 Budget Bill.

DISCUSSION: Ms. Sheehy will use this portion of the Finance Committee meeting to inform the Board of any further developments in regards to the Appropriations Act.

MISCELLANEOUS FINANCIAL REPORTS

Finance Committee
University of Virginia

April 6, 2001

ACADEMIC DIVISION

FINANCIAL REPORT

ACCOUNTS AND LOANS RECEIVABLE AS OF DECEMBER 31, 2000

Summary of Accounts Receivable:

The University's Academic Division's total accounts receivable at December 31, 2000 were \$45,030,000 as compared to \$19,091,000 at September 30, 2000. The major sources of receivables at December 31, 2000 are student accounts of \$31,248,000 and sponsored programs of \$10,976,000.

The past due receivables over 120 days old are \$1,088,000 at December 31, 2000 or 2.42 percent of total receivables, below the Commonwealth's management standard of 10 percent.

	<u>Student Accounts</u>	<u>Sponsored Programs</u>	<u>Other Receivables</u>	<u>Total</u>
Gross Accounts Receivable	\$31,248,000	\$10,976,000	\$2,806,000	\$45,030,000
Less: Allowance for Doubtful Accounts	<u>937,000</u>	<u>0</u>	<u>176,000</u>	<u>1,113,000</u>
Net Accounts Receivable	<u>\$30,311,000</u>	<u>\$10,976,000</u>	<u>\$2,630,000</u>	<u>\$43,917,000</u>
Accounts Receivable Greater than 120 Days Past Due	<u>\$57,000</u>	<u>\$816,000</u>	<u>\$215,000</u>	<u>\$1,088,000</u>

SOURCE: Bursar's Office
DATE: February 28, 2001

ACADEMIC DIVISION

FINANCIAL REPORT

ACCOUNTS AND LOANS RECEIVABLE AS OF DECEMBER 31, 2000

Summary of Loans Receivable:

The default rate for the Perkins Student Loan Program increased by 5.345 percent to 7.16 percent. This is based on the cohort default rate calculation and is well below the 15 percent threshold set by federal regulations. The Health Professions Loan Program default rate increased by .56 percent. The Nursing Undergraduate Student Loan Program default rate decreased by .22 percent to 1.91 percent. All medical loan programs are well below the 5 percent federal threshold. The University Loan Program default rate increased by .26 percent to 2.95 percent.

	<u>Gross Loans Receivable</u>	<u>Current Default Rate</u>	<u>Inc./ (Dec) From Last Quarter</u>
Perkins Student Loans	\$16,325,000	7.16%	5.34%
Health Professions Loans	1,174,000	0.56%	0.56%
Undergraduate Nursing Loans	525,000	1.91%	0.22%
University Loans	<u>10,926,000</u>	2.95%	.26%
Total Student Loan Outstanding	<u>\$28,950,000</u>		

SOURCE: Bursar's Office
DATE: February 28, 2001

CAPITAL CAMPAIGN GIFT REPORT

**Cash and Pledges as of 12/31/00 -- In Millions
All Units**

	Expendable	Endowment	Future Support	Total
Pledges	179.4	38.1	0.0	217.5
Deferred Gifts	30.5	31.6	0.0	62.1
Cash & Securities	449.6	286.2	0.0	735.8
Private Grants	104.4	0.0	0.0	104.4
Gifts in Kind	89.6	0.0	0.0	89.6
Future Support	0.0	0.0	218.5	218.5
Subtotal	853.5	355.9	218.5	1427.9
Additional Amounts To Be Raised	-353.5	44.1	-118.5	-427.9
Total	500.0	400.0	100.0	1000.0

**Cash and Pledges as of 12/31/00 -- In Millions
Rector and Visitors ONLY**

	Expendable	Endowment	Future Support	Total
Pledges	116.3	14.5	0.0	130.8
Deferred Gifts	20.0	19.4	0.0	39.4
Cash & Securities	246.1	107.3	0.0	353.4
Private Grants	104.1	0.0	0.0	104.1
Gifts in Kind	82.1	0.0	0.0	82.1
Future Support	0.0	0.0	108.9	108.9
Subtotal	568.6	141.2	108.9	818.7
Add'l Amounts To Be Raised	-218.6	137.8	-8.9	-89.7
Total	350.0	279.0	100.0	729.0

**SOURCE: Development Office
DATE: March 1, 2001**

UNIVERSITY OF VIRGINIA
INTEGRATED SYSTEMS PROJECT IMPLEMENTATION STATUS

(Per October 1999 Board of Visitors resolution requesting that the Executive Vice President provide reports to the Finance Committee not less frequently than semi-annually describing progress on the project and compliance with the business plan.)

BACKGROUND: The Board approved the initiation of the Integrated Systems Project at the October 1999 meeting. The Board requested that progress reports be provided at each subsequent meeting.

DISCUSSION: The Integrated Systems Project has completed its second set of conference room pilots (CRPs), testing the integration of applications, as well as selected modifications and reports. Future process owners in the areas of financial administration, human resources, and purchasing will certify that the system will do the work of the University, or indicate what additional steps are required for them to so certify.

All accounts have been converted from the current FAS system to the Oracle account structure. All future users of the system have been assigned their Oracle responsibilities, received overview and navigation training, and are beginning responsibility-based training in the applications.

A deployment plan is in place, assuring that cutover steps are scheduled and performed. The ISP Executive Committee has approved a post-implementation applications support environment, addressing business process support, end-user support, applications functional development and support, applications technical development and support, applications tuning and systems administration, and technical infrastructure.

Production hardware has been installed. The production instance of the Oracle database will be loaded in early April so that labor scheduling can be accomplished before the first payroll period post go-live.

ISP staff has been working with University foundations and internal service providers to assure that they will be able to interface with the Oracle account structure. Interfaces with the human resources and student information legacy systems have been built and continue to be tested.

The GartnerGroup review of the ISP build and test phase on December 2000 states that the project continues to progress according to plan and within budget.

SOURCE: ISP Office
DATE: March 1, 2001

**INTERNAL LOANS TO UNIVERSITY DEPARTMENTS AND ACTIVITIES
for the month of February 2001**

(Per January 1990 Board of Visitors resolution changing Current Funds Guidelines to include investments in internal loans and the June 1994 Board of Visitors resolution authorizing internal loans to be made in the discretionary collateral account lending program [security lending program], both subject to approval by the Executive Vice President and Chief Financial Officer.)

<u>LIAB ACCT</u>	<u>PURPOSE</u>	<u>INTEREST ACCT</u>	<u>DATE OF LOAN</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>PRINCIPAL PAYMENTS TO DATE</u>	<u>OUTSTANDING PRINCIPAL</u>	<u>APPROX. FINAL PAYMENT</u>
0-70828	CVC Football Facility	6-40404	12/22/98	3,000,000.00	768,385.24	2,231,614.76	12/2002
0-71380	Intramurals & Rec. Sports	7-71380	06/21/96	451,000.00	210,000.00	241,000.00	06/2001
0-19272	Mail Services (3-31043)	3-31043	05/14/98	150,000.00	103,125.00	46,875.00	05/2002
0-70224	McCue Center	7-72570	06/29/98	332,000.00	249,000.00	83,000.00	09/2001
0-70015	NRAO Addition	7-70015	Various	692,276.71		692,276.71	04/2001
0-19231	Parking & Transportation	3-21015	03/25/98	1,000,000.00	687,500.00	312,500.00	03/2002
0-19026	Va. Neurological Inst. (1-91746)	1-91746	05/28/97	600,000.00	150,000.00	450,000.00	05/2001
0-71122	WTJU	6-41116	06/01/00	120,000.00		120,000.00	05/2005
GRAND TOTAL INTERFUND BORROWINGS APPLIED TO \$10MM BOV LIMIT (NOT TO EXCEED FIVE YEARS)				<u>\$6,345,276.71</u>	<u>\$2,168,010.24</u>	<u>\$4,177,266.47</u>	

Notes: 1. This report does not include all uses of interfund borrowings, only those formal loan agreements that are approved by the Budget Office and administered by Investment and Tax Services.

2. The interest rate on all loans is the Federal Funds rate + 60 basis points.

**SOURCE: Financial Analysis
DATE: February 28, 2001**

MEDICAL CENTER

REPORT ON WRITE-OFF OF BAD DEBTS

AND INDIGENT CARE

(Per February 6, 1993, Board of Visitors resolution granting the Executive Vice President and Chief Financial Officer authorization to approve the write-off of bad debts and free service for the Medical Center.)

INDIGENT CARE:

Indigent care charges totaling \$12.4 million for the period November 1, 2000 through December 31, 2000 have been written off. For the first six months of the current fiscal year, \$26.0 million has been written off. Recoveries during this period amounted to \$.7 million.

The estimated cost of indigent care in FY 1999-00 amounted to \$34.2 million all of which was funded through the Medicaid special disproportionate share payments. The cost of indigent care for fiscal year 2000-01 is estimated to be \$46.0 million all of which will be funded through the Medicaid special disproportionate share payments.

BAD DEBT:

Bad debt charges totaling \$5.0 million for the period November 1, 2000 through December 31, 2000 have been written off. Total write offs for the first six months of FY 2000-01 amounted to \$10.1 million. During this same period, \$4.0 million was recovered through suits, collection agencies, and Virginia refund set-off.

SOURCE: Medical Center Finance

DATE: February 14, 2001

MEDICAL CENTER
 ACCOUNTS COMMITTEE REPORT
 (Dollars in Thousands)

	Year to Date	Annual Activity	
	07/01/2000 12/31/2001	Estimated 2000-01	Actual 1999-00
<u>INDIGENT CARE (IC)</u>			
Charge Write-Offs	26,037		
Recoveries	(679)		
Net Charge Write-Offs	<u>25,358</u>	69,900	58,668
% of Net Write-Offs to Revenue	7.65%	10.50%	9.85%
Net IC Charges Factored to Cost	20,089	58,730	43,549
Medicaid Unreimbursed Cost	(4,419)	(12,726)	(9,393)
Total Indigent Care (TIC) Cost	<u>15,669</u>	46,004	34,156
State Appropriation	0.00	0.00	0.00
Medicaid Special DSA Payment ¹	20,307	40,615	36,465
TIC Funding	<u>20,307</u>	40,615	36,465
TIC Funding as % of TIC Cost	130%	88%	107%
Unfunded Indigent Cost (UIC)	<u>(4,638)</u>	5,389	(2,039)

	Year to Date	Annual Activity	
	07/01/2000 12/31/2000	Estimated 2000-01	Actual 1999-00
<u>BAD DEBT</u>			
Charge Write-Offs	10,140		18,660
Recoveries	(4,008)		(9,675)
Net Charge Write-Offs	<u>6,132</u>	12,649	8,986
% of Net Write-Offs to Revenue	1.85%	1.90%	1.48%

NOTE:

1. DSA - Disproportionate Share Adjustment - The Year to Date column and the Estimated FY99-00 column includes the additional \$1.3 million payment which will be transferred to the School of Medicine. This amount has been exactly offset in the Total Indigent Care Cost line.

SOURCE: Medical Center Finance
 DATE: February 13, 2001

UNIVERSITY OF VIRGINIA
QUARTERLY BUDGET REPORT

as of December 31, 2000

This report compares, on a quarterly basis, the approved annual budget with year-to-date actual revenues and expenditures for the Academic Division. Enclosed is the report as of the second quarter ended December 31, 2000.

At the end of the second quarter of fiscal year 2000-01, revenues collected totaled 63.4 percent of budgeted revenues; actual expenditures totaled 52.8 percent of budgeted expenditures. It is important to note that revenue collections and expenditures are not evenly distributed throughout the year.

A definition of terms is included to explain the sources of revenues and the purposes of expenditures.

SOURCE: Budget Office

DATE: April 14, 2001

UNIVERSITY OF VIRGINIA ACADEMIC DIVISION
2000-2001 REVENUE BUDGET SUMMARY
As of December 31, 2000

	2000-2001 Original Budget	12/31/00 Actual Revenues	Uncollected Budget Balance	12/31/00 Percentage Collected	12/31/99 Percentage Collected
Revenue Projections					
Educational & General					
Tuition & Fees	\$150,397,018	\$93,583,654	\$56,813,364	62.2%	61.7%
State Appropriations	160,730,925	161,178,508	(447,583)	100.3%	96.0%
Endowment Income	35,760,893	9,077,750	26,683,143	25.4%	29.1%
Gifts	59,358,122	29,414,899	29,943,223	49.6%	51.3%
Spons. Pgms & Ind. Cost Recoveries	186,678,000	96,767,533	89,910,467	51.8%	52.5%
Sales, Services & Other	19,478,585	11,587,501	7,891,084	59.5%	60.6%
Total Educational and General	612,403,543	401,609,845	210,793,698	65.6%	65.3%
Student Financial Assistance					
State Appropriations	5,418,047	2,690,591	2,727,456	49.7%	52.1%
Transfer from Tuition	8,433,543	4,270,525	4,163,018	50.6%	51.9%
Spons. Pgms & Ind. Cost Recoveries	14,007,000	6,262,879	7,744,121	44.7%	37.4%
Gifts & Endowment Income	19,014,909	10,841,351	8,173,558	57.0%	45.3%
Other Income	1,422,200	785,760	636,440	55.2%	49.8%
Total Student Financial Assistance	48,295,699	24,851,106	23,444,593	51.5%	44.7%
Auxiliary Enterprises					
Athletics & Related Activities	23,126,367	15,284,816	7,841,551	66.1%	32.5%
Dining Services	3,540,000	1,196,041	2,343,959	33.8%	54.7%
Housing	19,656,500	10,091,034	9,565,466	51.3%	54.8%
Newcomb Hall & Related Activities	3,840,345	1,860,958	1,979,387	48.5%	53.3%
University Bookstores	21,410,000	13,206,141	8,203,859	61.7%	63.7%
Parking & Transportation	7,324,000	3,574,244	3,749,756	48.8%	49.0%
Student Health	6,684,038	2,874,998	3,809,040	43.0%	58.7%
Other Auxiliary Activities	6,321,045	2,635,187	3,685,858	41.7%	46.6%
Total Auxiliary Enterprises	91,902,295	50,723,419	41,178,876	55.2%	50.5%
Total Revenues	\$752,601,537	\$477,184,370	\$275,417,167	63.4%	62.0%

UNIVERSITY OF VIRGINIA ACADEMIC DIVISION
2000-2001 EXPENDITURE BUDGET SUMMARY
As of December 31, 2000

	2000-2001 Original Budget	12/31/00 Actual Expenditures	Unexpended Budget Balance	12/31/00 Percentage Expended	12/31/99 Percentage Expended
Expenditure Projections					
Educational & General					
Instruction	\$213,400,226	\$107,519,768	\$105,880,458	50.4%	51.1%
Research	16,677,773	8,205,030	8,472,743	49.2%	53.3%
Public Service	19,192,145	10,638,822	8,553,323	55.4%	61.0%
Academic Support	83,627,218	43,186,472	40,440,746	51.6%	51.7%
Student Services	15,095,193	9,171,681	5,923,512	60.8%	60.6%
Institutional Support	53,086,432	32,157,109	20,929,323	60.6%	54.2%
Operational & Mtn of Physical Plant	37,110,963	19,062,694	18,048,269	51.4%	50.2%
Spons. Pgms & Ind. Cost Recoveries	174,213,593	87,608,679	86,604,914	50.3%	48.3%
Total Educational and General	612,403,543	317,550,255	294,853,288	51.9%	51.2%
Student Financial Assistance	48,295,699	27,447,182	20,848,517	56.8%	48.5%
Auxiliary Enterprises					
Athletics & Related Activities	22,990,367	15,856,976	7,133,391	69.0%	57.4%
Dining Services	3,525,800	1,193,578	2,332,222	33.9%	39.9%
Housing	19,515,027	9,016,093	10,498,934	46.2%	55.1%
Newcomb Hall & Related Activities	3,867,180	2,000,373	1,866,807	51.7%	50.9%
University Bookstores	21,355,372	14,609,970	6,745,402	68.4%	68.6%
Parking & Transportation	7,324,000	3,117,482	4,206,518	42.6%	34.7%
Student Health	6,684,038	3,340,096	3,343,942	50.0%	55.8%
Other Auxiliary Activities	6,066,892	3,102,543	2,964,349	51.1%	(81.9%)
Total Auxiliary Enterprises	91,328,676	52,237,111	39,091,565	57.2%	46.9%
Total Expenditures	\$752,027,918	\$397,234,548	\$354,793,370	52.8%	50.5%

DEFINITION OF TERMS

Educational and General - those activities which embrace the three programs directly related to the higher education mission: (1) instruction, (2) research, and (3) public service. These activities also encompass the support programs: academic support, institutional support, and maintenance and operation of physical plant; and sponsored programs associated with instruction, research, and public service.

Student Financial Assistance - those activities which promote student accessibility to the University through scholarships and fellowships. Student loans, student wages and aid from third parties are not included.

Auxiliary Enterprises - those activities which are supported entirely through fees charged to users, such as housing, athletics, dining services, the telephone system and the bookstore.

Sponsored Programs and Indirect Cost Recoveries -- primarily research projects, but also includes activities restricted to institutional and service programs.

Instruction -- expenditures for the primary mission of the University, which includes teaching faculty, support staff, instructional equipment, and related routine operating costs.

Research -- includes expenditures for activities such as support for research faculty, but does not include sponsored research. Activities include the Center for Public Service, the State Climatologist, and the Center for Liberal Arts.

Public Service -- includes activities such as the Miller Center of Public Affairs, the Virginia Foundation for the Humanities and Public Policy, and that portion of the medical school's clinical physicians salaries and fringe benefits related to patient care.

Academic Support -- the program which encompasses the libraries, the activities of the deans of the schools, and other related expenditures.

Student Services -- activities whose primary purpose is to contribute to the students' emotional and physical well-being and to their intellectual, cultural, and social development outside the classroom.

Institutional Support -- primarily includes the financial, administrative, logistical, and development activities of the University.

Operation and Maintenance of Plant -- includes expenditures for activities related to the operation and maintenance of the physical plant, net of amounts charged to auxiliary enterprises and the Medical Center.