

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
FINANCE COMMITTEE
JANUARY 25, 2002**

FINANCE COMMITTEE

Friday, January 25, 2002

9:30 - 11:00 a.m.

Board Room, The Rotunda

Committee Members:

William H. Goodwin, Jr., Chair

Thomas F. Farrell, II

Charles L. Glazer

Timothy B. Robertson

Thomas A. Saunders, III

Joseph E. Wolfe

John P. Ackerly, III, Ex Officio

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• Discussion or consideration of the acquisition of real property adjacent to the Medical Center to accommodate the future growth of the Medical Center and Medical School, where discussion in an open session could adversely affect the negotiating strategy of the public body, as provided for in Section 2.2-3711 (A) (3) of the <u>Code of Virginia</u> .	

BOARD OF VISITORS CONSENT AGENDA

QUASI-ENDOWMENT ACTIONS: Approves certain quasi-endowment actions, including establishments and divestments, of amounts equal to or greater than \$2,000,000.

The October 1990 and June 1996 Board of Visitors resolutions grant the Executive Vice President and Chief Operating Officer authority to approve selected quasi-endowment transactions of less than \$2,000,000.

The Law School has renovated certain offices within Withers-Brown Hall. To fund the costs of the renovation, the Law School has requested a divestment from the Roy C. Moyston Fund for \$2,000,000. The Roy C. Moyston Fund was established with the proceeds of the estate of Roy C. Moyston and is restricted for the use of the Law School.

ACTION REQUIRED: Approval by the Finance Committee

APPROVAL OF QUASI-ENDOWMENT ACTIONS

WHEREAS, the Law School has requested the divestment of \$2,000,000 of the Roy C. Moyston Fund for the purpose of funding costs for the renovation of Withers-Brown Hall.

RESOLVED by the Finance Committee of the Board of Visitors, that the divestment of \$2,000,000 from the Roy C. Moyston Fund be approved.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 25, 2002

COMMITTEE: Finance

AGENDA ITEM: II.A. Property Transfer from University of Virginia Foundation (University of Virginia Real Estate Foundation) for Emmet Street Parking Structure

BACKGROUND: In 1983, the Rector and Visitors of the University of Virginia purchased the Valentine-Massie properties, which consisted of a 7.2-acre tract on Ivy Road between the Cavalier Inn and the Dynamics Building and a 4.5-acre tract on Emmet Street between University Gardens and the Michie Buildings. In 1989 these properties were transferred to the University of Virginia Real Estate Foundation under the terms of the Appropriations Act, which authorizes the Governor of Virginia to approve transfers of real estate to an affiliated foundation of a public institution of higher education in Virginia when he finds that the property was acquired with local or private funds or by gift or grant to or for the institution.

DISCUSSION: As a part of the planning process for the new Arena, the University undertook an analysis of available property in close proximity to the Athletic Precinct for the construction of a parking garage. The parking study indicated that the "Valentine-Massie" property on Ivy Road was an ideal site since it 1) is large enough to accommodate the garage, 2) has access to two major roads, 3) is conveniently located to both the Athletic Precinct and the Central Grounds, 4) is on an existing bus route and 5) will not require the displacement of existing parking or buildings since the majority of the site is undeveloped. The Board approved the "Emmet Street Parking Structure" as part of the University's 2002-2008 Six-Year Capital Outlay Plan. Its original \$14 million budget provided sufficient funding for a four-level, 930-car parking garage.

After further evaluation of the parking requirements for the new Arts and Sciences Building on Jefferson Park Avenue, the University deemed it infeasible to put 500 cars on the same site with the building. Instead, the JPA site could accommodate parking for 300 cars and the Emmet Street Parking Garage could accommodate another 250 cars on a fifth level. An \$18.5 million

budget will support the addition of a fifth level, giving the garage a capacity of 1,180 cars. Since the new Arena and its associated parking garages will be built on existing parking lots, our plan has been to construct the Emmet Street parking structure prior to the construction of the Arena's associated parking structures so that new parking spaces will be available to accommodate individuals displaced by the Arena construction. As a result, the planning for the Emmet Street garage has been accelerated and the project will be ready for construction this coming May.

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

APPROVAL OF PROPERTY TRANSFER FROM UNIVERSITY OF VIRGINIA FOUNDATION (UNIVERSITY OF VIRGINIA REAL ESTATE FOUNDATION) FOR EMMET STREET PARKING STRUCTURE

WHEREAS, the "Valentine-Massie" properties and improvements containing a total of approximately 11.7 acres, on Ivy Road and Emmet Street in Charlottesville, were purchased by the Rector and Visitors of the University of Virginia in 1983 as part of the acquisition of properties along Ivy Road and Emmet Street; and

WHEREAS, the Board of Visitors approved the transfer of this property to the University of Virginia Real Estate Foundation at its October 1988 meeting under the terms of section 4-4.01p of the 1988 Virginia Acts of Assembly, which authorized the Governor of Virginia to approve transfers of real estate to an affiliated foundation of a public institution of higher education in Virginia when he finds that the property was acquired with local or private funds or by gift or grant to or for the institution; and

WHEREAS, an analysis of available property in close proximity to the Athletic Precinct and the Central Grounds indicates that the Ivy Road portion of this property would be an ideal site for the proposed Emmet Street Parking Structure;

RESOLVED, subject to the approval of the Governor of Virginia, that The Rector and Visitors of the University of Virginia authorizes the transfer and conveyance of 7.2 acres of said Valentine-Massie property back to the University of Virginia for the construction of the Emmet Street Parking Structure.

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer for the University of Virginia is authorized, upon securing the approval of the Governor of Virginia as aforesaid, to execute the appropriate deed or other documents approved by General Counsel necessary to effectuate the foregoing transfer and conveyance. The Executive Vice President and Chief Operating Officer is further authorized to reimburse the University of Virginia Foundation for costs incurred by the University of Virginia Foundation for improvements and management associated with the transferred portion of the Valentine-Massie property and for any costs associated with the use of the Cavalier Inn and/or adjacent property as egress from the parking garage site.

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve the transfer of the "Valentine-Massie" property from the University of Virginia Foundation (University of Virginia Real Estate Foundation) (UREF) to the University.

DESCRIPTION: The proposed transfer concerns a parcel of land held by the University of Virginia Foundation (University of Virginia Real Estate Foundation) for the benefit of the University. From 1983 until 1989 the University had possession of the property, known collectively as the "Valentine-Massie" property, but transferred it to UREF in accordance with the terms of the Appropriations Act. The University wishes to re-acquire this land in order to construct a new parking structure in support of the Arena project. The parcel is located adjacent to Ivy Road, contiguous to other properties already owned by either the University or UREF.

FISCAL IMPACT: Since the transfer of the property in 1989 from the University to UREF was recorded as a gift, the proposed transaction will not entail a sales price to re-acquire the property; however, the University will pay UREF for certain expenses in accordance with the Asset Management Agreement dated July, 2001:

1. Negative Income Balances: To the extent that the Foundation has incurred negative income as a result of managing and holding this property, the University agrees to compensate them for this deficit. At the time of transfer the estimated negative balance to be reimbursed is \$50,000.
2. Transfer Fee: The University has agreed to pay the Foundation a 1.0 percent transfer fee on disposition, based on fair market value of the property. For this transaction the fee will be \$15,540.
3. Capital Improvements: UREF financed streetscape improvements (sidewalk, curb and gutter, etc.) affecting several properties at the Ivy Road/Emmet Street intersection. It is estimated the subject property's portion of this total is \$120,000 and the University must compensate UREF for this amount.

CONCLUSION: The Board should approve the transfer of the Valentine-Massie property from UREF back to the University so that the latter can construct a large parking facility. As noted, this parking facility will support the Arena project, a major thrust of the Virginia 2020 plan for Athletics.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
January 25, 2002

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 25, 2002

COMMITTEE: Finance

AGENDA ITEM: II.B. Student Housing Rates, 2002-2003

BACKGROUND: The Board considers student housing rates at this time each year. The University's student housing rates were increased by 5.8 percent in 2001-2002 (3.3 percent base plus 2.5 percent for a \$50 fee for maintenance reserve), and by 3.8 percent in 2000-2001. The University of Virginia's College at Wise student housing rates were increased 2.8 percent in 2001-2002 and 2.8 percent in 2000-2001.

The average double room rate at Virginia public colleges and universities in 2001-2002 is \$2,920. The comparable average at the University is \$2,260. The College at Wise charges an average of \$2,738. The University's pricing policy requires that the University's and the College's charges for room and board not exceed the average of amounts charged at other Virginia public institutions. Both institutions meet this requirement.

DISCUSSION: The University proposes housing rates to increase by approximately 6.2 percent in 2002-2003, as compared to 5.8 percent in 2001-2002. This proposed increase would raise the University's average housing rate to \$2,401 for 2002-2003, below the 2001-2002 statewide average. Of the proposed 6.2 percent, 2.2 percent is proposed as a \$50 fee to specifically fund replacement and renovation reserves for anticipated major renovations, such as the Alderman Road houses. The fee is to be increased by \$50 in each of the three years, adding about \$1 million to the annual budget for renovations and replacement for a total of approximately \$4 million. This is the second year of the three-year plan.

The remaining approximately 4 percent of the 6.2 percent increase will, similar to last year's increase, cover rising University operating costs, most notably contractual service costs for utilities and trash collection, a debt service increase for the new Monroe Lane Language House, an increase in building and content insurance, and the implementation of an employee reward and recognition program. This increase is

calculated on the basis prescribed by the state in the current Appropriations Act.

The University of Virginia's College at Wise proposes a 2.8 percent room rate increase for each of its two housing rates. The 2002-03 weighted average is \$2,815, an increase of 2.8 percent over the 2001-02 weighted average.

The proposed resolution also addresses summer 2002 housing and dining rates for the Mountain Lake Biological Station.

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

APPROVAL OF STUDENT HOUSING RATES FOR 2002-2003

RESOLVED that rental increases for student housing facilities be approved as shown below, effective beginning with the 2002-2003 session:

<u>Facility</u>	<u>Actual 2001-2002 Per Student Per Session</u>	<u>Amount of Increase</u>	<u>% Increase Before Improvement Fee</u>	<u>Student Housing Improvement Fund Fee</u>	<u>Total Percent Increase</u>	<u>Proposed 2002-2003 Per Student Per Session</u>
<u>ACADEMIC DIVISION</u>						
<u>DORMITORIES</u>						
<u>Alderman/Observatory Houses</u>						
Double Room	\$2,230	\$90	4.04%	\$50	6.28%	\$2,370
<u>Brown College</u>						
Double Room	\$2,790	\$110	3.94%	\$50	5.73%	\$2,950
<u>McCormick Road</u>						
Double Room	\$2,130	\$90	4.23%	\$50	6.57%	\$2,270
Small Double Room	\$1,940	\$80	4.12%	\$50	6.70%	\$2,070
Single	\$2,240	\$90	4.02%	\$50	6.25%	\$2,380
<u>Lawn</u>						
Small Single	\$2,650	\$110	4.15%	\$50	6.04%	\$2,810
Regular Single	\$2,650	\$110	4.15%	\$50	6.04%	\$2,810
Small Single (no fireplace)	\$2,580	\$100	3.88%	\$50	5.81%	\$2,730
<u>Range</u>						
Regular Single	\$2,650	\$110	4.15%	\$50	6.04%	\$2,810
<u>Crackerbox</u>						
Single Room	\$2,650	\$110	4.15%	\$50	6.04%	\$2,810
<u>Mary Munford/Roberta Gwathmey</u>						
Double Room	\$2,230	\$90	4.04%	\$50	6.28%	\$2,370
Single Room	\$2,650	\$110	4.15%	\$50	6.04%	\$2,810

<u>Facility</u>	<u>Actual</u> <u>2001-2002</u> <u>Per Student</u> <u>Per Session</u>	<u>Amount</u> <u>of</u> <u>Increase</u>	<u>% Increase</u> <u>Before</u> <u>Improvement</u> <u>Fee</u>	<u>Student</u> <u>Housing</u> <u>Improvement</u> <u>Fund Fee</u>	<u>Total</u> <u>Percent</u> <u>Increase</u>	<u>Proposed</u> <u>2002-2003</u> <u>Per Student</u> <u>Per Session</u>
<u>Sprigg (Lewis/Hoxton)</u>						
Double Room	\$2,540	\$100	3.94%	\$50	5.91%	\$2,690
Single Room	\$2,830	\$110	3.89%	\$50	5.65%	\$2,990
Single Room w/bath	\$2,970	\$120	4.04%	\$50	5.72%	\$3,140
<u>Gooch/Dillard</u>						
Double Room	\$2,540	\$100	3.94%	\$50	5.91%	\$2,690
Single Room	\$2,830	\$110	3.89%	\$50	5.65%	\$2,990
<u>Twelve Month Rate:</u>						
Single Room	\$3,990	\$160	4.01%	\$50	5.26%	\$4,200
<u>Hereford College</u>						
Double Room	\$2,550	\$90	3.53%	\$50	5.49%	\$2,690
Single Room	\$2,790	\$110	3.94%	\$50	5.73%	\$2,950
<u>French House</u>						
Triple Room	\$2,400	\$100	4.17%	\$50	6.25%	\$2,550
Double Room	\$2,540	\$100	3.94%	\$50	5.91%	\$2,690
Single Room	\$2,880	\$120	4.17%	\$50	5.90%	\$3,050
<u>German House</u>						
Single Room	\$2,580	\$100	3.88%	\$50	5.81%	\$2,730
<u>Russia House</u>						
Double Room	\$2,450	\$100	4.08%	\$50	6.12%	\$2,600
Single Room	\$2,820	\$110	3.90%	\$50	5.67%	\$2,980
<u>Spanish House</u>						
Double Room	\$2,580	\$100	3.88%	\$50	5.81%	\$2,730
Single Room	\$2,880	\$120	4.17%	\$50	5.90%	\$3,050
<u>Monroe Lane House</u>						
Double Room	\$0					\$2,690
Single Room	\$0					\$3,050
APARTMENTS - SINGLE STUDENT						
<u>Copeley Hill III,IV,Lambeth Field</u>						
Two Bedroom (double occupancy)	\$2,570	\$100	3.89%	\$50	5.84%	\$2,720
Three Bedroom (double occupancy)	\$2,470	\$100	4.05%	\$50	6.07%	\$2,620
<u>Bice House</u>						
Two Bedroom (double occupancy)	\$2,570	\$100	3.89%	\$50	5.84%	\$2,720
Three Bedroom (double occupancy)	\$2,470	\$100	4.05%	\$50	6.07%	\$2,620

<u>Facility</u>	<u>Actual</u> <u>2001-2002</u> <u>Per Student</u> <u>Per Session</u>	<u>Amount</u> <u>of</u> <u>Increase</u>	<u>% Increase</u> <u>Before</u> <u>Improvement</u> <u>Fee</u>	<u>Student</u> <u>Housing</u> <u>Improvement</u> <u>Fund Fee</u>	<u>Total</u> <u>Percent</u> <u>Increase</u>	<u>Proposed</u> <u>2002-2003</u> <u>Per Student</u> <u>Per Session</u>
<u>Faulkner (Hench, Mitchell, Younger)</u>						
Single	\$2,870	\$120	4.18%	\$50	5.92%	\$3,040
Large Single	\$3,500	\$140	4.00%	\$50	5.43%	\$3,690
APARTMENTS - FAMILY (per month)						
<u>Copeley Hill I & II</u>						
One Bedroom (furnished)	\$541	\$22	4.00%	\$5	4.99%	\$568
One Bedroom (unfurnished)	\$512	\$20	4.00%	\$5	4.88%	\$537
Two Bedroom (furnished)	\$596	\$24	4.00%	\$5	4.87%	\$625
Two Bedroom (unfurnished)	\$567	\$23	4.00%	\$5	4.94%	\$595
Three Bedroom (furnished)	\$646	\$26	4.00%	\$5	4.80%	\$677
Three Bedroom (unfurnished)	\$617	\$25	4.00%	\$5	4.86%	\$647
<u>University Gardens</u>						
One Bedroom (furnished)	\$524	\$21	4.00%	\$5	5.15%	\$551
One Bedroom (unfurnished)	\$495	\$20	4.00%	\$5	5.25%	\$521
Two Bedroom (furnished)	\$566	\$23	4.00%	\$5	5.12%	\$595
Two Bedroom (unfurnished)	\$537	\$22	4.00%	\$5	5.21%	\$565
<u>Other Housing Rates</u>						
Graduate Housing	\$25	\$5	20.00%	\$-0-	20.00%	\$30
Late Stay - Early Arrival	\$10	\$2	20.00%	\$-0-	20.00%	\$12
<u>COLLEGE AT WISE</u>						
McCrary, Martha Randolph	\$2,538	\$71	2.80%	\$-0-	2.80%	\$2,609
Asbury, Thompson, Henson, Townhouses	\$2,932	\$82	2.80%	\$-0-	2.80%	\$3,014

Notes:

- The rates for Copeley Hill I & II and University Gardens include utility charges, cable TV, and post office box rental.
- A new rate for furnished apartments will go into effect as the units turn over.
- The University Gardens proposed total monthly rate includes an additional \$1.05 to recover the monthly cost of providing data ports.
- The rate for a double room used as a single is 135% of the double rate.
- The rate for a double room used as a triple is 85% of the double rate.

MOUNTAIN LAKE BIOLOGICAL STATION PROPOSED RATES

	<u>Actual 2001</u>	<u>Proposed 2002 Rate</u>	<u>Percent Increase</u>
BOARD RATES PER TERM (4 weeks)			
Persons 17 years & older	\$500.00	\$513.00	2.60%
Persons 10-16 years old	\$300.00	\$308.00	2.67%
Persons 9 yrs & younger	\$160.00	\$164.00	2.50%
SUMMER HOUSING RATES PER TERM (4 weeks)			
CABINS	\$168.00	\$172.00	2.38%
LAING APTS	\$128.00	\$131.00	2.34%
DORMS/SINGLES	\$91.00	\$93.00	2.20%
NEW DORM:			
Apts (2 rooms)	\$147.00	\$151.00	2.72%
2nd bedroom (family)	\$47.00	\$48.00	2.13%
Singles	\$104.00	\$107.00	2.88%
PRESEASON RATES (2 week May session)			
Communities:			
Food	\$225.00	\$245.00	8.89%
Rent	\$92.50	\$95.00	2.70%
Van	\$55.00	\$55.00	0.00%
Insurance	\$15.00	\$7.79	-51.93%
OFF SEASON RATES			
Singles/Guests:			
Night	\$10.50	\$11.00	4.76%
Week	\$52.50	\$54.00	2.86%
Month	\$210.00	\$216.00	2.86%
Family:			
Night	\$14.00	\$14.50	3.57%
Week	\$70.00	\$72.00	2.86%
Month	\$280.00	\$288.00	2.86%
GROUP USE FEES (OFF-SEASON)			
Classroom/day	\$30.00	\$30.00	0.00%
Dining Hall/day	\$55.00	\$55.00	0.00%
New Dorm Kitchen/day	\$30.00	\$30.00	0.00%
Auditorium/day	\$30.00	\$30.00	0.00%
Pavilion only	No charge		
Computer Lab/day	\$ 0.00	\$50.00	

Cabins: Hariot, Leconte, Catesby, Banister, Gattinger, Holbrook, Mitchell, Maphis, Schoew, Rafinesque, Burns, Michaux, Clayton, Hentz-Mohr and Washington.

Laing Apartments: Laing South, North, Center, Northwest and West.

Dorms/Singles: Chapman, Elliott, DeSchweinitz, Audubon, Laing Singles, Laundry and other cottages when used as dorms.

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UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Increase student housing rates by an average of 6.2 percent for the University of Virginia for the 2002-2003 school year.


DESCRIPTION: The proposed housing rates for the University of Virginia consist of two parts: a 4.0 percent increase from last year's average rate to pay for operating expense increases and typical reserve requirements coupled with a \$50 per occupant surcharge to provide additional funds for capital reserve purposes. The \$50 surcharge will be used for major renovations to the Alderman Road houses and other facilities. The total increase from 2001-2002 is \$141 or approximately 6.2 percent, resulting in an average charge of \$2,401.

FISCAL IMPACT: The proposed rate increase will create additional revenues of \$1,214,000 versus the original budget for 2001-2002. The following chart summarizes how these funds will be utilized:

	Original Budget 2001-2002	Proposed Budget 2002-2003	Increase/ (Decrease)	Percent of Total Increase	Proposed Rate Increase
Expenditures					
Personal Services	\$5,620,000	\$5,694,000	\$74,000	5.97%	0.37%
G&A Cost	\$676,000	\$696,000	\$20,000	1.61%	0.10%
Reserves	\$6,195,000	\$7,224,000	\$1,029,000	82.98%	5.15%
Total Other Costs	\$6,397,000	\$6,514,000	\$117,000	9.44%	0.59%
Total	\$18,888,000	\$20,128,000	\$1,240,000	100.00%	6.20%

CONCLUSION: The University of Virginia should increase the average housing rate charge at the University of Virginia by 6.2 percent.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
January 25, 2002

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Increase student housing rates by 2.8 percent for The University of Virginia's College at Wise for the 2002-2003 school year.

DESCRIPTION: The proposed weighted-average room rate for next year is \$2,815 versus \$2,738 in the current year. At the beginning of the 2001-2002 school year the College at Wise brought a new housing facility on line (netting an additional 76 beds), which because of the rate structure significantly altered the average housing rate from two years ago. The current increase is commensurate with past practices.

FISCAL IMPACT: The proposed rates generate sufficient revenue to cover operating expenses and a significant portion of the total debt service on housing facilities. In 1998 the Board agreed to provide a cumulative subsidy not to exceed \$700,000 to fund the remaining portion of the debt service. Projections indicate that the College at Wise's housing system is still on target with its approved pro forma, and financial self-sufficiency should begin in fiscal year 2005.

CONCLUSION: The Board of Visitors should approve the proposed 2.8 percent student housing rate increase for the College at Wise.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
January 25, 2002

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve the proposed rate increases for Mountain Lake Biological Station.

DESCRIPTION: The Mountain Lake Biological Station has recommended rate changes commensurate with expected inflation increases rounded to a logical dollar figure. In most instances these increases are less than 3.0 percent.

FISCAL IMPACT: For most rate categories the proposed increases result in a modest per person charge of only a few dollars. These figures were derived using average attendance history for the past few summers coupled with anticipated costs; the rate increases are not expected to cause further deterioration in attendance.

CONCLUSION: The Board of Visitors should approve the proposed rates for Mountain Lake Biological Station.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
January 25, 2002

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 25, 2002

COMMITTEE: Finance

AGENDA ITEM: III.A. Vice President's Remarks

ACTION REQUIRED: None

Governor's Budget

BACKGROUND: On December 18, 2001, Governor Gilmore presented to the legislature his 2002-2004 biennial budget. The General Assembly will consider the Governor's budget during its 60-day session, which began January 9, 2002. The University and The University of Virginia's College at Wise submitted requests for the Governor's consideration in October 2001. By January 18, 2002, the University and the University of Virginia's College at Wise will have submitted amendments to the Governor's budget for consideration by the General Assembly.

DISCUSSION: Governor Gilmore's budget for higher education includes \$15.8 million in 2002-2003 and \$29.2 million in 2003-2004 to fund a two percent across-the-board increase for faculty and \$4.7 million in 2002-2003 and \$6.6 million in 2003-2004 to fund operations and maintenance of new Educational and General (E&G) buildings. The Governor's budget reduces general fund support by \$76.6 million in each year for E&G programs through a six percent across-the board cut effectively eliminating the general fund replacement dollars received in exchange for the 20 percent tuition rollback in 1999-2000. The Governor's budget further reduces general fund support by \$43.1 million in 2002-2003 and \$90.1 million in 2003-2004 based upon the assumption that institutions can replace this general fund support through tuition increases on all students (including in-state undergraduates). The Governor's budget also cuts the allocation from the Higher Education Equipment Trust Fund by \$25 million, or 50 percent, maintains state support for maintenance reserve at the 2001-2002 level of \$50 million (which was a \$25 million, or 50 percent, reduction from 2000-2001), reduces funding for the Virtual Library Project and reduces by six percent the matching funds for the eminent scholars program.

For higher education's capital needs, the Governor's budget includes \$170.7 million in state support or general obligation debt to supplant funds that were frozen this past spring. Additionally, the Governor has proposed a general obligation bond (GOB) package to include \$603 million for new construction, renovation, equipment and infrastructure projects.

The Governor has recommended that the base salary of full-time state employees be increased by an average of 2.0 percent on November 25, 2002, under the guidelines of the new performance based compensation system. As mentioned above, the Governor has included funding for a two percent across-the-board increase for full-time instructional faculty effective November 25, 2002, at the University and at The University's College at Wise. No classified or faculty salary increases have been included for the second year of the biennium. The University is currently at the 46th percentile of our benchmark salary group. With no increase in 2001-2002, it is projected that the University will fall to approximately 36th percentile. It is further projected that the two percent increase in 2002-2003 will move us to the 32nd percentile. Professional and administrative faculty, part-time instructional faculty and graduate teaching assistants will also receive an across-the-board salary increase of two percent.

In each year of the biennium, the six percent across-the-board budget cut amounts to \$9.5 million for the University, while the general fund reversion related to tuition increases will total \$8.7 million in 2002-2003 and \$18.0 million in 2003-2004. Raising this revenue requires a 6.5 percent increase for in-state undergraduate students and a 6.0 percent increase for all other students. The University will see a decrease of \$3.9 million in Higher Education Equipment Trust Fund proceeds and a decrease of \$3.4 million in maintenance reserve. The Governor's new funding includes general funds of \$100,000 in each year for the Center for Politics and \$85,078 in 2002-2003 and \$105,496 in 2003-2004 for student financial aid.

Capital projects of \$336.6 million (\$62.0 million general funds, \$274.6 million non-general funds) are recommended for the Academic Division in 2002-2004 as reflected in Appendix A on page 37.

The Medical Center received its requested non-general fund adjustment to bring its appropriation in line with actual expenditures, but did not receive funds to retain the interest earnings on its operating balances. The Governor's budget also

includes recommendations for \$78.4 million in non-general fund capital projects for the Medical Center. These initiatives are listed in detail in Appendix A on page 37.

For The University's College at Wise, the six percent across-the-board budget cut amounts to \$613,000 in each year of the biennium, while the general fund reversion related to tuition will be \$144,000 in 2002-2003 and \$301,000 in 2003-2004. The College at Wise will experience an \$85,000 decrease in Higher Education Equipment Trust Fund allocations and a \$134,000 decrease in maintenance reserve support. The Governor's new funding includes general funds of \$108,410 in 2002-2003 and \$134,429 in 2003-2004 for student financial aid. The Governor's budget also includes \$2.7 million in general fund capital projects for the College at Wise. Appendix A (page 37) itemizes these recommendations.

2002 Legislative Amendments

BACKGROUND: Operating and capital budget requests will be submitted to the legislature by January 18, 2002. The Board of Visitors authorized the Executive Vice President and Chief Operating Officer to submit amendments to the General Assembly for items not funded by the Governor as long as they did not materially differ from those items approved by the Board in October 2001. The final list of amendments will be reviewed with the Board at the January meeting.

DISCUSSION: The operating and capital budget requests submitted to the legislature will be distributed in summary form at the January 25, 2002, Finance Committee meeting. In addition to requests that impact the budget bill, the University has submitted two legislative proposals to the Governor. One proposal involves Medical Center interest, the other deals with investment options for gifts and endowment income. The Board approved submission of these proposals at its July 13, 2001, meeting.

The hospital interest proposal would require the Medical Center to be credited with the imputed interest on its non-general operating cash balances (primarily patient care revenues) on deposit with the State Treasurer. Senator Wampler and Delegate Callahan have agreed to sponsor the bill in the legislative session.

The University has private funds (primarily endowment income and gift accounts) that exceed its liquidity needs. The

average balance in these accounts is in excess of \$160 million. A higher rate of return consistent with the longer investment time frame could be earned on these funds if equity-type securities could be utilized. The proposed legislation would remove the Investment of Public Funds Act as the governing law and would include gift and endowment income monies under the Code of Virginia Section 23-76.1 (the Code section currently governing the investment of the University's endowment). The investment of these funds would be subject to guidelines adopted by the Board of Visitors. Senator Stosch and Delegate Tata will sponsor this legislation on our behalf.

Preliminary 2002-2003 Budget Assumptions

BACKGROUND: Each year at this time, we develop preliminary budget assumptions that will be used to formulate the target budget for the subsequent fiscal year.

DISCUSSION: The 2001-2002 Academic Division budget was developed using the old budget system, while the 2002-2003 Academic Division budget will be developed using the new budget system developed with Oracle. Some changes in the structure and format of the budget reports will be apparent in the budget presented in June. The following budget assumptions will be used in developing the 2002-2003 budget, which will be presented to the Board of Visitors for action in June 2002:

1. Initial targets distributed to vice presidents will reflect the six percent general fund budget reduction included in the Governor's introduced budget. Any further actions by the General Assembly will be reflected in the budget presented to the Board of Visitors in June.
2. Anticipated tuition increases will reflect the following as discussed at the October 2001 Board meeting:
 - In-state undergraduate tuition and mandatory E&G fees will be based upon the provisions included in the 2002-2004 Appropriations Act.
 - Actions by the Governor and General Assembly will impact the extent to which the University will need to increase out-of-state undergraduate tuition.
 - Graduate tuition will be set based on state budget actions and the results of evaluating the in-state versus out-of-state tuition differential.

- The Darden School anticipates normal tuition increases for out-of-state students plus a \$1,500 surcharge on incoming out-of-state students to move the school closer to market-based tuition. In-state tuition will continue to be \$5,000 less than out-of-state tuition.
 - The Law School's in-state tuition plan will include a surcharge on incoming in-state students in order to move to a level of in-state tuition \$5,000 less than out-of-state tuition by 2005-2006. Out-of-state tuition will increase at a rate to reflect movement to approach the level of peers.
 - The School of Medicine plans to continue its multi-year plan to raise its tuition rates for in-state and out-of-state students, and will consider a plan to place in-state tuition at a set differential from out-of-state tuition.
 - The current tuition surcharges used for financial aid will continue in 2002-2003.
4. Available resources will be used to meet unavoidable cost increases and to protect academic programs.
 5. Vice presidents may reallocate existing funding and positions among units within their areas of responsibility.
 6. Implementation of a financial self-sufficiency model, as finalized in 2001-2002, for the Darden School and the School of Law will continue in 2002-2003.
 7. The 2002-2003 state educational and general budget will reflect the following:
 - A six-percent budget reduction, as proposed by the Governor, will be allocated across state targets. This amount may be adjusted as the General Assembly acts upon the Governor's proposed 2002-2004 budget.
 - Faculty salary, faculty wage, classified salary and graduate teaching assistant base budgets (including fringe benefits) will be increased to fund the annual cost of any salary increases for the 2001-2002 fiscal year that may be granted through amendments to the 2000-2002 Appropriation in the 2002 General Assembly session.

- State and local targets will be adjusted to reflect any changes in the fringe benefit rates in 2001-2002.
 - Reserves will be budgeted to fund any classified and faculty salary increases based on the approved 2002-2004 Appropriation Act.
 - Other Than Personal Services base budgets will not be increased for inflation.
 - Recoveries and transfer budgets will be adjusted by varying amounts, depending on the budget assumptions applied to the items being recovered or transferred.
8. Revenue from endowment income is budgeted based on the 2001-2002 distribution rates approved by the Board of Visitors. Related expenditures are based on historical spending patterns and emphasize institutional and school priorities.
 9. Revenue and related expenditures from private gifts and other sales and services are budgeted based on historical spending patterns and emphasize institutional and school priorities.
 10. Revenue and related expenditures from sponsored programs are budgeted based on prior year sponsored program awards.
 11. Revenue and related expenditures from auxiliaries are budgeted based on fees approved by the Board in January (housing) and April (dining and mandatory student fees) and anticipated activity.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 25, 2002

COMMITTEE: Finance

AGENDA ITEM: III.B. Investment Matters

ACTION REQUIRED: None

Market Value and Performance as of December 31, 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 hitting a three-year low during September, the S&P 500 rebounded nicely in October, November and December. The S&P 500, which had been a negative 14.7 percent for the first quarter of the fiscal year, rallied significantly from that low to post a negative 5.6 percent for the six-month period. The return on the endowment fiscal year to date is a modestly positive .8 percent. The target benchmark returned a negative 1.4 percent.

Within the portfolio, the hedge funds continued to post a positive return being up 5.2 percent for the fiscal year to date. We are continuing to add to these positions. As of December 31, hedge funds represented 46.5 percent of the portfolio. Fixed income and real assets were the only other asset classes that posted positive returns for the period. Despite the recent rally in stocks, we continue to remain cautious and are focusing our efforts on increasing our hedge fund and private equity portfolios when we uncover opportunities to invest with exceptional managers.

Details of the returns on the endowment through December 31, 2001, are reported in the following Investment Report.

INSERT INVESTMENT REPORT.

Actions of the Investment Management Company, December 13, 2001

BACKGROUND: The University of Virginia Investment Management Company (UVIMCO) Board meets regularly and reports all of its activities at the following meeting of the Finance Committee.

DISCUSSION: The UVIMCO Board held a meeting on December 13, 2001, in Richmond. The UVIMCO Board approved investments of \$25 million with ABRY Partners, \$85 million with Adage Capital Management, \$50 million with Claiborne Capital Group, \$50 million with SAB Capital Management, \$25 million with TOSCA, \$50 million in Catequil Asset Management, \$25 million with Argus Partners, and \$25 million with Glenview Capital Management; and sales of BGI Value (\$37 million), John W. Bristol (\$58 million), Marsico Capital Management (\$40 million), Andor Capital Management (\$45 million) and ten percent of Maverick Capital Management position.

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MISCELLANEOUS FINANCIAL REPORTS
Finance Committee
University of Virginia

January 25, 2002

ACADEMIC DIVISION

ACCOUNTS AND LOANS RECEIVABLE AS OF SEPTEMBER 30, 2001

Summary of Accounts Receivable:

The University's Academic Division's total accounts receivable at September 30, 2001, were \$15,700,000 as compared to \$12,701,000 at June 30, 2000. The major sources of receivables at September 30, 2001, were sponsored programs of \$7,811,000.

The past due receivables over 120 days old were \$923,000 at September 30, 2001, or 5.88 percent of total receivables, well below the Commonwealth's management standard of ten percent.

	<u>Student Accounts</u>	<u>Sponsored Programs</u>	<u>Other Receivables</u>	<u>Total</u>
Gross Accounts Receivable	\$2,883,000	\$7,811,000	\$5,006,000	\$15,700,000
Less: Allowance for Doubtful Accounts	<u>105,000</u>	<u>160,000</u>	<u>259,000</u>	<u>524,000</u>
Net Accounts Receivable	<u>\$2,778,000</u>	<u>\$7,651,000</u>	<u>\$4,747,000</u>	<u>\$15,176,000</u>
Accounts Receivable Greater than 120 Days Past Due	<u>\$39,000</u>	<u>\$766,000</u>	<u>\$118,000</u>	<u>\$923,000</u>

SOURCE: Bursar's Office
DATE: December 18, 2001

ACADEMIC DIVISION

ACCOUNTS AND LOANS RECEIVABLE AS OF SEPTEMBER 30, 2001

Summary of Loans Receivable:

The default rate for the Perkins Student Loan Program decreased by 5.3 percent to 1.31 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 remained the same at 0.00 percent. The Nursing Undergraduate Student Loan Program default rate decreased by .30 percent to 1.90 percent. All medical loan programs are well below the five-percent federal threshold. The University Loan Program default rate increased by 0.14 percent to 3.27 percent.

	<u>Gross Loans Receivable</u>	<u>Current Default Rate</u>	<u>Inc./ (Dec.) From Last Quarter</u>
Perkins Student Loans	\$17,874,000	1.31%	(5.30)%
Health Professions Loans	983,000	0.00%	(0.00%)
Undergraduate Nursing Loans	606,000	1.90%	(0.30%)
University Loans	<u>11,864,000</u>	3.27%	0.14%
Total Student Loans Outstanding	<u>\$31,327,000</u>		

SOURCE: Bursar's Office
DATE: December 18, 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 is in the midst of the Phase 2 implementation of the Oracle Human Resources, Payroll and Fixed Assets applications, as well as managing the Oracle applications that are now in production.

The first implementation for Phase 2 took place on November 5, when Oracle Training Administration (OTA) and Oracle Employee Self Service went live. All Oracle training is now administered using this application. Employees register using Oracle Employee Self Service, which feeds the information to OTA. Eventually, up to ten University units that offer training will use OTA for their training administration needs.

The Human Resources Management, Payroll and Time Management applications have been through their first conference room pilots. The application design is complete and the build-and-test phase has begun. Instructional designers are in the early stages of developing course materials based on the new Oracle responsibilities.

Project management has begun presentations to introduce future users to the new applications. The project is also working closely with the Human Resources Division of Training to schedule training, which begins in April.

The first conference room pilots for the Fixed Assets application are getting underway.

Production Management

The Application Support Center (ASC) monitors the system's performance and oversees revisions and enhancements. It is increasingly involved in coordinating testing of the financial applications with the phase 2 applications.

The Applications Management Board is composed of University administrators and is charged with sponsoring and prioritizing recommendations for changes to the system.

The Division of Training works closely with the ASC and ISP, as it is responsible for staffing and managing the Integrated System Customer Support Center (help desk), maintenance training, administering user's access to Oracle, workflow and table maintenance.

The project will migrate to a new version of the Oracle database in January, at which time the Oracle applications will become fully compliant with the Windows 2000 operating system.

SOURCE: ISP Office
DATE: December 11, 2001

INTERNAL LOANS TO UNIVERSITY DEPARTMENTS AND ACTIVITIES
As of November 30, 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 Operating Officer)

PROJECT	PURPOSE (INT PROJECT)	DATE OF LOAN	INTEREST RATE	ORIGINAL LOAN AMOUNT	PRINCIPAL PAYMENTS MADE TO DATE	OUTSTANDING PRINCIPAL	APPROXIMATE FINAL PAYMENT
103807	CVC Football Facility (102331)	12/22/98	Fed. Funds+60 pts.	3,000,000.00	900,310.55	2,099,689.45	Dec 2009
100391	Mail Services (100391)	05/14/98	Fed. Funds+60 pts.	150,000.00	131,250.00	18,750.00	May 2002
100384	Parking & Trans. (100381)	03/25/98	Fed. Funds+60 pts.	1,000,000.00	875,000.00	125,000.00	Mar 2002
103947	WTJU(102005)	06/01/00	Fed. Funds+60 pts.	120,000.00	24,000.00	96,000.00	May 2005
103842	Scott Stadium(103243)	06/26/01	Fed. Funds+60 pts.	11,287,349.16	-	11,287,349.16	Apr 2006
GRAND TOTAL INTERFUND BORROWING				15,557,349.16	\$1,930,560.55	\$13,626,788.61	

- NOTES: 1. This report does not include all uses of interfund borrowings, only those formal loan agreements which 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.
3. The Scott Stadium Loan should not count against the \$10 million BOV limit.

SOURCE: Financial Administration
DATE: December 3, 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 Operating Officer authorization to approve the write-off of bad debts and free service for the Medical Center.)

INDIGENT CARE:

Indigent care charges totaling \$13.8 million for the first quarter of fiscal year 2001 have been written off. Recoveries during this period amounted to \$.5 million, or 3.6 percent of the amount written off, and occurred primarily through Medicaid payments.

The estimated cost of indigent care in fiscal year 2000-2001 amounted to \$31.5 million all of which was funded through the Medicaid special disproportionate share payments. The cost of indigent care for fiscal year 2001-2002 is estimated to be \$42.0 million, of which 97 percent will be funded through the Medicaid special disproportionate share payments.

BAD DEBT:

Bad debt charges totaling \$5.0 million (including \$230,886 because of noncompliance with insurance information requirements) for the period July 1, 2001 through September 30, 2001 have been written off. During this same period, \$2.3 million was recovered through suits, collection agencies and Virginia refund set-off.

SOURCE: Medical Center Finance
DATE: December 7, 2001

**MEDICAL CENTER
ACCOUNTS COMMITTEE REPORT
(Dollars in Thousands)**

	Year to Date	<u>Annual Activity</u>	
	07/01/01 <u>9/30/01</u>	Estimated <u>2001-02</u>	Actual <u>2000-01</u>
<u>INDIGENT CARE (IC)</u>			
Charge Write-Offs	13,814		
Recoveries	<u>(519)</u>		
Net Charge Write-Off	<u>13,295</u>	59,099	55,070
% of Net Write-Offs to Revenue	6.90%	7.52%	8.12%
Net IC Charges Factored to Cost	12,176	48,018	44,903
Medicaid Unreimbursed Cost	(1,510)	(6,039)	(13,404)
Total Indigent Care (TIC) Cost	<u>10,666</u>	<u>41,979</u>	<u>31,499</u>
State Appropriation	0	0	0
Medicaid Special DSA Payment (Note 1)	<u>10,154</u>	<u>40,615</u>	<u>40,615</u>
TIC Funding	<u>10,154</u>	<u>40,615</u>	<u>40,615</u>
TIC Funding as % of TIC Cost	95%	97%	129%
Unfunded Indigent Cost (UIC)	<u>(512)</u>	<u>1,364</u>	<u>(9,116)</u>
	Year to Date	<u>Annual Activity</u>	
	07/01/01 <u>9/30/01</u>	Estimated <u>2001-02</u>	Actual <u>2000-01</u>
<u>BAD DEBT</u>			
Charge Write-Offs	4,963		21,982
Recoveries	<u>(2,349)</u>		(9,495)
Net Charge Write-Offs	<u>2,614</u>	14,932	12,487
% of Net Write-Offs to Revenue	1.36%	1.90%	1.84%

Notes:

- DSA-Disproportionate Share Adjustment
- Both years include the additional \$1.3 million payment which will be transferred to the School of Medicine and the additional \$4.15 million which was transferred to the School of Medicine. These amounts have been exactly offset in the Total Indigent Care Cost line.

SOURCE: Medical Center Finance
DATE: December 7, 2001

UNIVERSITY OF VIRGINIA
QUASI-ENDOWMENT ACTIONS

July 1, 2001 - September 30, 2001

(Per October 1990 and June 1996 Board of Visitors resolutions granting the Executive Vice President and Chief Operating Officer authority to approve selected quasi-endowment transactions, including establishments and disinvestments, of less than \$2,000,000.)

<u>Additions</u>	<u>Amount</u>
Risher, Martha Griffin Endowed Scholarship Fund	\$ 9,848.18
University Consolidated Quasi Endowment Fund (1)	<u>72,181.61</u>
Total Additions to Quasi Endowments	82,029.79

<u>Divestments</u>	
Center for Study of Complementary and Alternative Therapies Quasi Endowment	21,084.00
Emergency Medicine-Faculty Research Grants	25,500.00
Hecht-Cruachem-Chemistry-Quasi Endowment #3	5,000.00
Pratt Bequest - Arts & Science	289,502.06
Pratt Bequest - School of Medicine	<u>62,307.76</u>
Total Divestments from Quasi Endowments	403,393.82

<u>Endowment Income Capitalizations</u>	
Health Sciences Library Quasi-Endowment	<u>1,000,000.00</u>
Total Endowment Income Capitalizations	1,000,000.00

(1) Includes current unrestricted gifts to the University which, under a standing Board of Visitors resolution, are required to be added to the University's Unrestricted Endowment Fund.

SOURCE: Financial Administration
DATE: December 18, 2001

UNIVERSITY OF VIRGINIA
SUMMARY OF SPONSORED PROGRAMS RESTRICTED GRANTS & CONTRACTS

July 1, 2001 - December 31, 2001

For the six months ended December 31, 2001 the University received sponsored program awards totaling \$142.4 million. This was an approximately 28 percent increase over the December 5, 2000 total of \$111.3 million. Awards received included \$29.0 million for Facilities and Administrative (indirect) costs, a 20 percent increase over the December 5, 2000 total of \$24.0 million.

The Department of Health and Human Services continued as the University's single largest sponsor of awards, accounting for 52 percent of the total. The Medical School received approximately 60 percent of awards, followed by Arts & Sciences at 18 percent and Engineering at 14 percent.

SOURCE: Office of Sponsored Programs
DATE: January 2, 2002

RESTRICTED GRANTS & CONTRACTS FOR THE PERIOD

7/1/01-12/31/01

In Millions

SCHOOL	DE	DOD	DOE	Non Federal	DHHS	NASA	NSF	Other Federal	State	Total 01-02	Total 00-01	% Inc./ (Dec.)
Architecture				0.40					0.06	0.46	0.39	18%
Arts & Scs.	0.82	0.46	1.37	4.37	7.68	0.96	5.28	3.92	0.18	25.04	19.15	31%
Education	1.86			1.03	0.47		0.01	0.01	1.73	5.11	3.11	64%
Engineering	0.17	2.45	0.87	7.67	1.02	1.08	3.59	1.16	1.49	19.50	15.59	25%
Law				0.83						0.83	0.18	361%
Medicine		2.49	0.18	14.22	63.34	0.11	0.54	2.65	1.48	85.01	65.58	30%
Nursing				0.10	1.06					1.16	0.88	32%
Other*	2.02		0.04	1.94	0.04	0.01		0.34	0.98	5.37	6.40	-16%
Total 01-02	4.87	5.40	2.46	30.56	73.61	2.16	9.42	8.08	5.92	142.48	111.28	28%
Total 00-01	6.43	3.74	1.41	22.11	55.88	1.48	11.24	5.56	3.43	111.28		
% Inc./Dec.	-24%	44%	74%	38%	32%	46%	-16%	45%	73%	28%		

Notes: Totals may be off slightly due to rounding. Fiscal Year 2002 figures are based on a five-month period from 7/1/01 to 12/31/01, while last year's figures are based from 7/1/00 to 12/05/00.

*Includes Alderman Library, Vice President for Research and Public Service, Miller Center, Vice President and Provost, Associate Provost for Academic Support, Cooper Center for Public Service, Financial Aid, Student Health, University Police, Health Sciences Library and UVa College at Wise.

SOURCE: Office of Sponsored Programs

DATE: January 2, 2002

APPENDIX

APPENDIX A

Summary of Budget Requests and Governor's Budget Bill

	2002-2003		2003-2004	
	Request	Governor's Budget	Request	Governor's Budget
Academic Division: Operating				
Base Budget Adequacy (GF)	\$ 4,400,000	\$ -	\$ 8,800,000	\$ -
Maintain New Facilities (GF)	3,479,786	3,406,317	3,648,540	3,592,291
Improve Grad Student Support (GF)	3,505,452	-	3,505,452	-
Fund UVa Health Plan (GF)	781,500	781,500	781,500	781,500
Indigent Care for Physicians (\$2 mill GF/\$2.1 mill NGF)	4,150,239	-	4,150,239	-
Core Support for Va 2020 (GF)	5,915,393	-	5,755,393	-
Support IT Operations (GF)	1,374,250	-	1,374,250	-
Va Microelectronics Consortium (GF)	547,090	113,677	547,090	206,260
Va Foundation for Humanities (GF)	1,270,000	-	1,570,000	-
State Arboretum at Blandy Farm (GF)	160,000	-	266,000	-
NGF Appropriation (NGF)	19,950,000	9,500,000	30,400,000	9,500,000
NGF for Financial Aid (NGF)	7,000,000	7,000,000	7,500,000	7,000,000
NGF for Auxiliaries (NGF)	24,500,000	24,869,000	31,000,000	31,368,000
NGF for Sponsored Programs (NGF)	47,873,000	47,873,000	75,873,000	75,873,000
T&R Faculty Salary Increases (GF)	-	2,745,012	-	5,067,713
Student Financial Aid (GF)	-	85,078	-	105,496
Center for Politics (GF)	-	100,000	-	100,000
6% Across-the-Board Reduction (GF)	-	(9,543,738)	-	(9,543,738)
Tuition Related Reduction (GF)	-	(8,689,872)	-	(18,047,096)
NGF for Tuition Increases (NGF)	-	8,689,872	-	18,047,096
TOTAL Academic Division Operating	\$124,906,710	\$ 86,929,846	\$175,171,464	\$124,050,522

Summary of Budget Requests and Governor's Budget Bill

	2002-2004	
	Request	Governor's Budget
Academic Division: Capital		
Maintenance Reserve (GF)	\$ 16,000,000	\$ 6,723,659
Studio Art (GF cash frozen in 01-02; funded in 00-02 Caboose with GF bonds)	8,579,454	8,579,000
Medical Research Building (MR-6) (Request: \$25 mill GF/\$21 mill NGF; Received: \$25 mill GF in GOB)	46,000,000	25,000,000
Clark Hall Supplement (GF) (funded in 00-02 Caboose)	5,000,000	5,000,000
Material Science Engineering/Nanotechnology Bldg (Request: \$7 mill GF/\$14 mill NGF; Received: \$7 mill GF in GOB)	21,000,000	7,000,000
Cavalier Substation Upgrade (GF) (funded in GOB)	4,700,000	4,700,000
Cocke Hall Renovation (GF)	6,000,000	-
Rouss Hall Renovation (GF)	7,800,000	-
Engineering/Science Chiller Plant (Request GF; Received NGF)	4,800,000	2,400,000
Fayerweather Hall Renovation (GF) (funded in GOB)	4,600,000	4,600,000
New Cabell Hall Renovation (GF)	1,500,000	-
Gilmer Hall Teaching Labs (GF) (funded in GOB)	5,700,000	5,700,000
Arts & Sciences Building (\$25 mill GF/\$20 mill NGF)	45,000,000	-
Storm Water Management (\$1.4 mill GF/\$1 mill NGF)	2,400,000	-
McLeod Hall Addition (\$5 mill GF/\$5 mill NGF)	10,000,000	-
Campbell Hall Chillers (Request \$1.7 mill GF/\$700,000 NGF; Received: \$1.7 mill GF in GOB)	2,418,873	1,719,000
Music Building (\$750,000 GF/\$750,000 NGF)	1,500,000	-
Fire & Life Safety (GF)	500,000	-
Accessibility (GF)	500,000	-
Vivarium Upgrades (NGF)	2,000,000	2,000,000
SOM Laboratories (NGF)	2,000,000	2,000,000
Art Museum (NGF)	30,000,000	30,000,000

Summary of Budget Requests and Governor's Budget Bill

	2002-2004	
	Request	Governor's Budget
Academic Division: Capital (continued)		
Alderman Residence Halls Renovations (NGF)	16,000,000	16,000,000
Emmet Street Parking Structure (NGF)	14,000,000	14,000,000
Arts & Sciences Parking Structure (NGF)	9,000,000	9,000,000
Arena & Parking (NGF)	111,000,000	111,000,000
Student Center (NGF)	15,000,000	15,000,000
Observatory Hill Dining Facility (NGF)	12,000,000	12,000,000
Hotel C Renovation (NGF)	1,500,000	1,400,000
Academic Blanket (NGF)	14,000,000	14,000,000
Auxiliary Blanket (NGF)	3,000,000	3,000,000
HS Parking Garage (NGF) (\$1 mill approved administratively)	10,800,000	9,800,000
SOM Fontaine Research Building (NGF)	17,000,000	17,000,000
SEAS Research Building (NGF)	13,000,000	13,000,000
AFC Addition (NGF)	3,000,000	3,000,000
Special Collections Library (\$4.9 mill GF cash replaced with \$4.9 mill GF bonds)	-	-
TOTAL Academic Division Capital	\$467,298,327	\$ 336,621,659

Summary of Budget Requests and Governor's Budget Bill

	2002-2003		2003-2004	
	Request	Governor's Budget	Request	Governor's Budget
Medical Center: Operating				
Interest on Operating Balances (GF)	\$ 4,400,000	\$ -	\$ 4,400,000	\$ -
NGF Increase for Operations (NGF)	90,265,000	90,265,000	180,023,000	180,023,000
TOTAL Medical Center Operating	\$ 94,665,000	\$ 90,265,000	\$184,423,000	\$180,023,000

	2002-2004	
	Request	Governor's Budget
Medical Center: Capital		
University Hospital Expansion (NGF)	\$ 54,000,000	\$54,000,000
Finance and Computing Center (NGF)	7,500,000	7,500,000
Clinical Laboratories (NGF)	5,729,000	5,729,000
Blanket (NGF)	8,000,000	8,000,000
HS Property Acquisitions (NGF)	1,250,000	1,250,000
Stacey Hall Replacement (NGF)	2,000,000	2,000,000
TOTAL Medical Center Capital	\$ 78,479,000	\$78,479,000

Summary of Budget Requests and Governor's Budget Bill

	2002-2003		2003-2004	
	Request	Governor's Budget	Request	Governor's Budget
College at Wise: Operating				
Center for Teaching Excellence (GF)	\$ 500,000	\$ -	\$ 500,000	\$ -
Integrated Systems Project (GF)	295,000	-	295,000	-
Technology Initiative (GF)	500,000	-	500,000	-
T&R Faculty Salary Increases (GF)	-	76,699	-	141,597
Student Financial Aid (GF)	-	108,410	-	134,429
Maintain New Facilities (GF)	-	130,016	-	132,128
6% Across-the-Board Reduction (GF)	-	(613,491)	-	(613,491)
Tuition Related Reduction (GF)	-	(143,583)	-	(301,008)
NGF for Tuition Increases (NGF)	-	143,583	-	301,008
TOTAL College at Wise Operating	\$ 1,295,000	\$ (298,366)	\$ 1,295,000	\$ (205,337)

	2002-2004	
	Request	Governor's Budget
College at Wise: Capital		
Maintenance Reserve (GF)	\$ 1,200,000	\$ 266,754
Crockett Hall Renovation (GF)	4,750,000	2,683,000
Drama Building Addition and Renovation (GF)	7,475,000	-
Access Road and Stormwater Management (GF)	2,000,000	-
Accessibility (GF)	541,000	-
TOTAL College at Wise Capital	\$ 15,966,000	\$ 2,949,754

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