

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
FINANCE COMMITTEE
APRIL 4, 2003**

FINANCE COMMITTEE

Friday, April 4, 2003

8:30 - 10:00 a.m.

Board Room, The Rotunda

AGENDA

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS CONSENT AGENDA

FACULTY AND STAFF HOUSING RATES, 2003-2004: Approves rates for faculty and staff residences for 2003-2004.

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 no longer operates any faculty and staff housing. (These units were converted to student housing.) 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 4.59 percent from their 2002-2003 rates. The increase is due to both an increase in operating costs and ongoing attention to ensuring that the rates reflect market rates.

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

APPROVAL OF PROPOSED INCREASE IN FACULTY AND STAFF HOUSING RATES FOR 2003-2004

RESOLVED that the faculty and staff housing rates be approved as indicated, effective July 1, 2003. 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 2002-2003 Per Month</u>	<u>Amount Increase</u>	<u>Proposed Rents Percent Increase</u>	<u>Rents 2003-2004 Per Month</u>	<u>Utilities Paid By Occupant</u>
Piedmont Estates						
1 Bedroom Apt. (7)(F)	WS,E,G,C,T	\$532	\$26	4.89%	\$558	
2 Bedroom Apt. (16)	WS,E,G,C,T	\$648	\$27	4.17%	\$675	
3 Bedroom Houses (16)(E)	WS,C,T	\$917	\$55	6.00%	\$972	G,E
3BR Townhouses (5)(E)	WS,C,T	\$917	\$55	6.00%	\$972	G,E
Farmhouse Apt 1 (1BR)(F) ¹	WS,E,G,C,T,A/C	\$579	\$35	6.04%	\$614	
Farmhouse Apt 2 (3BR)	WS,E,G,C,T	\$498	\$36	6.02%	\$634	
Farmhouse Apt 3 (1 BR)	WS,E,G,C,T	\$498	\$27	5.42%	\$525	
Farmhouse Apt 4 (2BR)(F) ¹	WS,E,G,C,T,A/C	\$654	\$40	6.12%	\$694	

<u>Properties</u>	<u>Utilities Furnished</u>	<u>Rents</u>		<u>Proposed Rents</u>		<u>Utilities Paid By Occupant</u>
		<u>2002-2003 Per Month</u>	<u>Amount Increase</u>	<u>Percent Increase</u>	<u>2003-2004 Per Month</u>	
Sundry						
Vyssotsky Cottage (3BR) (E)	WS,T,A/C	\$739	\$34	4.60%	\$773	E,G
McGuffey Cottage (Eff)	WS,E,V,T,A/C	\$445	\$26	5.84%	\$471	
Upper Mews (1BR) (F)	WS,E,HP,C,T,A/C	\$630	\$38	6.03%	\$668	
Lower Mews (1BR) (F)	WS,E,HP,C,T,A/C	\$534	\$32	5.99%	\$566	
Monroe Hill Range (1BR) ²	WS,E,HVAC,T,V	\$640	\$77	12.03%	\$717	
Brown College Apts. (2BR)	WS,E,HVAC,T,V	\$572	\$48	8.39%	\$620	
Hereford Coll. Apts. (2BR)	WS,E,HVAC,T,V	\$687	\$48	6.99%	\$735	
Hereford Coll. Principal Residence (3BR)	WS,E,HVAC,V	\$865	\$52	6.01%	\$917	
	WS,E,G,T,HVAC,	\$645	\$39	6.05%	\$684	
102 Cresap Fac Apt. (1BR) (F)	V					
Hedge House (2BR) (F)	WS,C,T,A/C	\$691	\$38	5.50%	\$729	E,G
Orchard House (5RMS) (F)	WS,E,G,C,T,A/C	\$322	\$29	9.01%	\$351	
Carriage House (4BR)	WS,C,T	\$640	\$56	8.75%	\$696	E,G
118 Oakhurst, Upper (2BR)	WS,G,C	\$606	\$32	5.28%	\$638	E,T
118 Oakhurst, Lower (2BR)	WS,G,C	\$606	\$32	5.28%	\$638	E,T
409 Valley Rd, (2BR) (F) ³	WS,E,G,C,A/C	\$856	\$50	5.84%	\$906	T
411 Valley Rd, (2BR) (F)	WS,E,G,C,A/C	\$856	\$50	5.84%	\$906	T
503 Valley Rd, (1BR)	C	\$476	\$33	6.93%	\$509	WS,E,G,T
	WS,E,G,C,HVAC,	\$615	\$33	5.37%	\$648	
424 MLLH, (1BR) (F)	V					
	WS,E,G,C,HVAC,	\$700	\$52	7.43%	\$752	
423 MLLH, (2BR)	V					
Birdwood Properties						
Cottage (1BR) (R)	WS,C,T	\$495	\$28	5.66%	\$523	E
Garage (2BR)	WS,C,T	\$702	\$38	5.41%	\$740	E,G
Cash House (3BR) (E) ⁴	WS,C,T,A/C	\$900	\$50	5.56%	\$950	E,G
Middleton House (4BR)	WS,C,T,A/C	\$1,059	\$64	6.04%	\$1,123	E,G
Faculty Apartments – Rugby Road						
1 Bedroom Apts. (6) (E)	WS,E,G,C,T	\$467	\$0	0.0%	\$467	
2 Bedroom Apts. (4)	WS,E,G,C,T	\$570	\$0	0.0%	\$570	
Apt. 21, (Eff)	WS,E,G,C,T	\$388	\$0	0.0%	\$388	
Apt. 22, (1BR)	WS,E,G,C,T	\$448	\$0	0.0%	\$448	
Apt. 23, (Eff)	WS,E,G,C,T	\$388	\$0	0.0%	\$388	
Apt. 24, (1BR)	WS,E,G,C,T	\$448	\$0	0.0%	\$448	
2 Bedroom Apts. (4)	WS,E,G,C,T	\$507	\$0	0.0%	\$507	
E & G Properties						
Montebello, (3 BR/Garage)	WS,E,G,A/C	\$683	\$21	3.07%	\$704	C,T
Big Morea (4 BR) (F)	WS,E,G,A/C,T	\$958	\$29	3.03%	\$987	C
Little Morea (2BR) (F)	WS,E,G,A/C,T	\$736	\$23	3.13%	\$759	C
Sunnyside (4BR)	WS,E,O,A/C	\$1,524	\$46	3.02%	\$1,570	C
Monroe Hill House (4BR)	WS,E,HVAC,T,V	\$886	\$27	3.05%	\$913	C
Buckingham Palace (Eff)	WS,E,HP,A/C,T	\$327	\$10	3.06%	\$337	C
Pavilion I (5BR)	WS,E,HVAC,T,V	\$808	\$23	2.85%	\$831	C
Pavilion II (5BR)	WS,HP,T,V	\$598	\$16	2.68%	\$614	C
Pavilion III (5BR)	WS,E,HVAC,T,V	\$808	\$23	2.85%	\$831	C
Pavilion IV (5BR)	WS,HP,T,V	\$598	\$16	2.68%	\$614	C

<u>Properties</u>	<u>Utilities Furnished</u>	<u>Rents</u>	<u>Proposed Rents</u>		<u>2003-2004 Per Month</u>	<u>Utilities Paid By Occupant</u>
		<u>2002-2003 Per Month</u>	<u>Amount Increase</u>	<u>Percent Increase</u>		
Pavilion V (5BR)	WS,E,HVAC,T,V	\$808	\$23	2.85%	\$831	C
Pavilion VI (5BR)	WS,E,HVAC,T,V	\$808	\$23	2.85%	\$831	C
Pavilion VIII Upper (3BR)	WS,E,HVAC,T,V	\$520	\$14	2.69%	\$534	C
Pavilion VIII Lower (1BR)	WS,E,HVAC,T,V	\$273	\$8	2.93%	\$281	C
Pavilion IX (5BR)	WS,E,HVAC,T,V	\$808	\$23	2.85%	\$831	C
Pavilion X (5BR)	WS,E,HP,T,V	\$598	\$16	2.68%	\$614	C
Blandy Farm						
Curator's House	WS	\$0	\$0	0.0%	\$0	E,O
Green Farm House	WS	\$65	\$0	0.0%	\$65	E,O
Notes:						
¹ The Provost Office took over the assignment of 121-1 and 121-4 Mimosa Dr. in 2002-2003; the rental rate increase coincided with the addition of furniture.						
² Voice included in rental rate. In addition, major renovations were completed.						
³ Rental rate increase in 2002-2003 coincided with the addition of furniture.						
⁴ Rental rate brought to market in 2002-2003.						
“E” designates enhanced 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).						

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 4, 2003

COMMITTEE: Finance

AGENDA ITEM: II.A. Contract Rates for Dining Services,
2003-2004

BACKGROUND: The University provides a variety of contract meal plans for students, ranging from unlimited dining to three banquets per semester. 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 2003-2004 range from 0 percent to 4.2 percent, with an average increase of 3.44 percent. In 2002-2003, approximately 6,600 University students purchased contract meal plans.

The College at Wise meal plans are proposed to increase by 4.0 percent to reflect increases in operating costs, including a 3.0 percent increase from the service provider (Chartwells). The University's College at Wise serves approximately 550 students on contract meal plans.

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

APPROVAL OF PROPOSED CONTRACT RATES FOR DINING SERVICES FOR 2003-2004 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 2003-2004 session:

ACADEMIC DIVISION

	<u>Actual 2002-2003</u>	<u>Amount of Increase</u>	<u>Percent Increase</u>	<u>Proposed 2003-2004</u>
Regular (1,2)				
Unlimited Entry w/ \$150 Plus Dollars	\$2,780	\$100	3.6%	\$2,880
15 Meals per week w/ \$400 Plus Dollars	2,780	100	3.6%	2,880
13 Meals per week w/ \$500 Plus Dollars	2,780	100	3.6%	2,880

	<u>Actual 2002-2003</u>	<u>Amount of Increase</u>	<u>Percent Increase</u>	<u>Proposed 2003-2004</u>
10 Meals per week (first year) w/ \$780 Plus Dollars	\$2,780	100	3.6%	\$2,880
10 Meals per week (upperclass) w/ \$350 Plus Dollars	2,350	90	3.8%	2,440
100 Meals per semester w/ \$350 Plus Dollars	1,580	60	3.8%	1,640
80 Meals per semester w/ \$350 Plus Dollars	1,370	50	3.6%	1,420
50 Meals per semester w/ \$390 Plus Dollars	1,040	40	3.8%	1,080
<u>Residential Colleges/Language Houses (1,2,3)</u>				
Unlimited Entry w/ \$150 Plus Dollars	\$2,890	\$100	3.5%	\$2,990
15 Meals per week w/ \$400 Plus Dollars	2,890	100	3.5%	2,990
13 Meals per week w/ \$500 Plus Dollars	2,890	100	3.5%	2,990
10 Meals per week (first year) w/ \$780 Plus Dollars	2,890	100	3.5%	2,990
10 Meals per week (upperclass) w/ \$350 Plus Dollars	2,460	90	3.7%	2,550
100 Meals per semester w/ \$350 Plus Dollars	1,690	60	3.6%	1,750
80 Meals per semester w/ \$350 Plus Dollars	1,480	50	3.4%	1,530
50 Meals per semester w/ \$390 Plus Dollars	1,150	40	3.5%	1,190
<u>Athletics</u>				
Unlimited Entry w/ \$150 Plus Dollars	\$2,890	\$100	3.5%	\$2,990
15 Meals per week w/ \$400 Plus Dollars	2,890	100	3.5%	2,990
13 Meals per week w/ \$500 Plus Dollars	2,890	100	3.5%	2,990
10 Meals per week (first year) w/ \$780 Plus Dollars	2,890	100	3.5%	2,990
10 Meals per week (upperclass) w/ \$350 Plus Dollars	2,460	90	3.7%	2,550
100 Meals per semester w/ \$350 Plus Dollars	1,690	60	3.6%	1,750
80 Meals per semester w/ \$350 Plus Dollars	1,480	50	3.4%	1,530
<u>Other</u>				
Lawn Meal Plan (3)	\$120	\$5	4.2%	\$125
Law School Meal Plan	400	0	0.0%	400
<u>THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE</u>				
19 Meal Plan	\$2,387	\$95	4.0%	\$2,482
12 Meal Plan	2,146	86	4.0%	2,232
<u>NOTES:</u>				
(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 10-meal plan with \$780 Plus Dollars.				
(3) Residents of the Lawn, residential colleges and language houses with dining facilities have a dining requirement as part of their program.				

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 4, 2003

COMMITTEE: Finance

AGENDA ITEM: II.B. Tuition and Required Fees, 2003-2004
Academic Year and 2004 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.

In October 2002, you approved in concept a mandatory surcharge on tuition for the second semester of the 2002-03 academic year. In November, the Executive Vice President and Chief Operating Officer recommended and the Rector and Chair of the Finance Committee approved a \$385 mandatory second semester surcharge on all categories of students. For in-state undergraduate students, the amended 2002-2004 Appropriations Act that has been forwarded to the Governor for his signature allows the University to (1) annualize the surcharge enacted in the second semester of 2002-2003, (2) apply a five percent increase on the revised 2002-2003 tuition base and (3) increase tuition an additional amount in order to fund the University's share of salary and benefit increases. For institutions where the mid-year tuition increase was less than \$225 (as at the College at Wise), the institution can increase the base annualized tuition up to \$450 before applying the 5 percent increase.

The 2002-2004 Appropriations Act under consideration by the Governor also allows the Board of Visitors retains authority to set graduate, professional and out-of-state undergraduate tuition and fees. However, for out-of-state students, the language requires they be charged a capital fee to support the debt service payments of the General Obligation Bond Bill passed by the voters in the fall. Tuition rates for all graduate and professional students are encouraged to be set at market rates. Increases in mandatory non-E&G fees will be limited to five percent plus increases needed to fund proposed salary and benefit increases. Increases required for student health

operations and debt service on auxiliary capital projects are exempt from these limitations.

The tuition proposal will be finalized after the Reconvened Session of the General Assembly on April 2, and presented to the Board for consideration at its meeting on April 4.

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

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 4, 2003

COMMITTEE: Finance

AGENDA ITEM: II.C. 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 2004-2005 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 plan has been revised five times. In June 1993, the State Council of Higher Education in Virginia (SCHEV) asked the University to begin an increase in enrollment in 1994-1995, 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 2004-2005 remained essentially the same.

In 1994-1995, 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 2004-2005 was increased by about 250 students to 12,900 and was extended to 13,000 for 2006-2007. The graduate total was reduced to 4,170, or about 1,000 fewer than the original plan. The total projected enrollment for 2006-2007 stood at 19,185 on-Grounds students.

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 2006-2007 that maintained the undergraduate student population, decreased the first-professional student population by 47, and increased on-Grounds Continuing Education students by 266 headcount to reflect the new Bachelor of Interdisciplinary Studies program. The total student enrollment target increased to 19,301, or approximately 120 more on-Grounds students than approved in 1997.

In April 2001, the Board approved a plan for 2006-2007 that would increase the number of undergraduates by 100 between 2004-2005 and 2006-2007. It also incorporated an increase in graduate enrollment - approximately 250 more graduate students than projected in 1999. Approximately half of the graduate increase reflected the increase in the size of the entering class in the Darden School. The level of first-professional students remained steady. The on-Grounds Continuing and Professional Studies component decreased by 236 students, reflecting reduced estimates of the size of the Bachelor of Interdisciplinary Studies program. Total on-Grounds enrollment was projected at 19,318 in 2006-2007, essentially the same as the Board approved in 1999.

DISCUSSION: The proposed enrollment projections are brought to the Board in the spring of odd-numbered years, to coincide with SCHEV submissions. The proposal before the Board extends the enrollment projection from 2006-2007 to 2007-2008.

Comparison to 2001 Enrollment Projections: With guidance from SCHEV, the proposal updates projections approved by the Board in April 2001 through 2006-2007. Up to 2006-2007, the main variance in the proposed projections from the version approved by the Board in 2001 is an increase in the 2003-2004 graduate student projection by 240 students. The graduate student projection increases by 20 for each year thereafter. In 2007-2008, also in response to projected demand predicted by SCHEV, the proposal includes an increase of 70 undergraduate students (60 new and 10 returning) and 20 graduate students. The proposal projects no increase in enrollment in Continuing and Professional Studies or first-professional programs between 2003-2004 and 2007-2008.

Proposed 2003 Enrollment Projections: As a result of a slight increase in the retention rate and the 60 new undergraduate students added in 2007-2008, undergraduate enrollment is projected to increase from today's 12,748 students to 13,070 students in 2007-2008, an increase of about 322 students.

Graduate enrollment is projected to increase from 4,459 to 4,610 in the same period, an increase of 151 students. Combined with minor projected changes in the numbers of first professional and Continuing and Professional Studies (net decrease of 15 students), the proposal results in a total on-Grounds enrollment of 19,655 in 2007-2008, an increase of 458 students over the next five years.

On March 14, the University submitted for SCHEV's consideration the proposed enrollment projections through 2007-2008. The President and selected administrators will meet with SCHEV leadership on April 23, 2003, to review the University's submission and convey the Board's position on these enrollment projections.

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

APPROVAL OF REVISED ENROLLMENT PROJECTIONS

WHEREAS, the University's existing enrollment plan, approved by the Board of Visitors in May 2001, must be revised to reflect projected increases in the undergraduate and graduate enrollment levels; and

WHEREAS, there is no projected change in enrollment in the Continuing and Professional Studies and first professional student populations between 2003-2004 and 2007-2008; and

WHEREAS, the revised enrollment projections for 2003-2004 through 2007-2008 were submitted to the State Council of Higher Education in Virginia on March 14, 2003;

RESOLVED that, compared with the 2001 plan, the undergraduate student population increase by 70 in the extended period between 2007-2008; the graduate student population increase by 290; the first-professional student population decrease by 23 students; and the Continuing and Professional Studies student population on the Grounds hold steady, resulting in a total student enrollment target of approximately 337 more on-Grounds students than was approved in 2001. The total enrollment in 2007 will be 19,655 students, 1,745 more than in the 1989-1990 base year; and

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

University of Virginia
Proposed Fall Census Headcount Enrollment Plans

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	Base Yr	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Undergraduate	1,199	11,304	11,306	11,371	11,392	11,502	11,949	12,040	12,296	12,440	12,463
1st-Year	2,574	2,568	2,539	2,802	2,675	2,761	2,876	2,827	2,908	2,907	2,924
New Transfers	505	539	486	469	454	479	577	558	535	577	540
Graduate	4,551	4,665	4,615	4,565	4,633	4,505	4,403	4,220	4,155	4,110	3,998
1st-Professional	1,694	1,693	1,685	1,668	1,683	1,697	1,703	1,699	1,680	1,652	1,645
Cont & Prof Studies	466	475	400	412	365	307	343	320	286	261	240
On Grounds Total	17,910	18,137	18,006	18,016	18,073	18,011	18,398	18,279	18,417	18,463	18,346
Off-Grounds	2,969	2,973	3,335	3,519	3,321	3,410	3,330	3,209	3,525	3,636	4,087
	2000	2001	2002		2003	2004	2005	2006	2007		
	Actual	Actual	Projected	Actual	Projected	Projected	Projected	Projected	Projected	Projected	
Undergraduate	12,489	12,595	12,620	12,748	12,775	12,875	12,950	13,000	13,070		
1st-Year	2,927	2,981	2,985	2,999	3,040	3,040	3,040	3,040	3,100		
New Transfers	494	541	525	508	530	535	540	540	545		
Graduate	4,160	4,301	4,220	4,459	4,530	4,550	4,570	4,590	4,610		
1st-Professional	1,607	1,608	1,620	1,608	1,620	1,625	1,625	1,625	1,625		
Cont & Prof Studies	294	344	342	382	350	350	350	350	350		
On Grounds Total	18,550	18,848	18,802	19,197	19,275	19,400	19,495	19,565	19,655		
Off-Grounds	3,861	3,891	3,800	3,947	3,850	3,850	3,850	3,850	3,850		

Note: The 1st-Year and New Transfer counts are included in the Undergraduate totals.

SOURCE: Institutional Assessment and Studies
DATE: March 11, 2003

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UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve the revised enrollment projections through academic year 2007-2008.

DESCRIPTION: In April 2001, the Board approved enrollment projections through 2006-2007. The revised enrollment projections contain estimates through 2007-2008 in accordance with the information requested by the State Council of Higher Education (SCHEV). Further discussions with SCHEV will take place on April 23, 2003. A synopsis of the current update includes the following, however, these figures may change:

Total Undergraduates: The projection for total undergraduates has changed little since the adoption of the 2001 figures. In the proposed version, by 2007-2008 the University expects 13,070 enrolled undergraduates on Grounds, an increase of 70 over the previous projection. This represents an average annual increase of approximately 65 students each of the next five years.

Graduate: In 2003-2004, the current projection shows an increase of 240 students versus the 2001 version. This increase is driven largely by the growing demand for graduate programs. Each year thereafter the total graduate figure rises by 20 students. By the 2007-2008, the University anticipates 4,610 on-Grounds graduate students.

First Professional: The updated figure shows a decrease from the 2001 projection of 23 students. The total of 1,625 first professional students shown in 2004-2005 remains constant through 2007-2008.

On-Grounds Continuing and Professional Studies: There has been essentially no change since the prior projection, nor are the total enrollments expected to increase through 2007-2008.

On-Grounds Total: According to current projections, the University will add approximately 92 students each year through 2007-2008. As noted, the largest difference with the prior projection concerns the additional graduate students; other revisions versus the 2001 projection have been more modest.

Off-Grounds Total: This figure has increased by 50 students since the 2001 version was adopted. The total of 3,850 is expected to remain constant through 2007-2008.

FISCAL IMPACT: The following chart summarizes the effect of the increased enrollment as shown in the 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 (academic year 2002-2003 annualized); and 2) the distributions among in-state/out-of-state, schools and fee class are also held constant.

	2002-2003 Actual	2007-2008 Projected	Increase 2002-2003 vs. 2007-2008	Weighted Average Tuition & Fees	Dollar Increase at Current Rates
Undergraduate	12,748	13,070	322	\$10,650	\$3,429,139
Graduate	4,459	4,610	151	\$24,707	\$3,730,816
1st-Professional	1,608	1,625	17	\$23,809	\$404,753
Cont & Prof Studies	382	350	(32)	\$1,887	(\$60,384)
On Grounds Total	19,197	19,655	458		<u>\$7,504,324</u>

Under these conditions, the University nets approximately \$7.5 million in additional revenue from increased enrollment. Future Board actions, particularly with respect to tuition and fee levels, will amend this figure.

In addition to increased tuition and fee revenues, a larger student population may also result in increased costs pertaining to faculty and support personnel, student support systems outside the classroom, financial aid, physical space for classrooms, housing and dining facilities and student activity and recreational space. Many factors will influence these outcomes -- additional analysis and direction will be necessary before a comprehensive financial assessment can be presented.

CONCLUSION: The Board should approve the proposed enrollment projections.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
April 4, 2003

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 4, 2003

COMMITTEE: Finance

AGENDA ITEM: II.D. Expansion of the Internal Loan Pool

BACKGROUND: Under current guidelines approved by the Board of Visitors, the University has access to a \$10.0 million pool of funds for internal loan purposes. These available monies may provide funding for a variety of projects and initiatives where income streams are known and/or expected but where short-term timing issues related to costs would otherwise cause a problem with cash flow or postponement of activity. Because of funding needs associated with two current capital projects, the University seeks to expand this pool by \$5.0 million.

As of January 2003, the University had outstanding commitments for \$8.1 million of the available revolving internal loan pool of \$10.0 million.

DISCUSSION: The Board has authorized two capital projects that will require additional funding arrangements to bridge the timing gap between expected revenue receipts and the incursion of project expenses. These two are the construction of the new Student Center at The University of Virginia's College at Wise and the renovation and addition to Clark Hall. In October, 2002 the Board authorized the creation of a temporary \$35 million internal loan pool to fund capital projects; however these two projects cannot repay the entire amount of the borrowed funds needed by June 30, 2003, the scheduled termination date of this temporary pool. The projects, therefore, cannot benefit from these monies. The Wise Student Center and the Clark Hall projects also cannot participate in the commercial paper program the Board established in January 2003 for short-term loan purposes, because doing so would require additional authorization from the General Assembly. State guidelines do permit the University to extend internal loans to these projects without any additional authorization. For this reason, it is requested that the Board consider expanding the existing revolving internal loan pool from \$10.0 million to \$15.0 million to accommodate the funding needs of these two projects.

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

APPROVAL OF EXPANDING THE POOL OF AVAILABLE INTERNAL FUNDS BY \$5.0 MILLION

WHEREAS, the Board of Visitors has assented to construct a new student center at the University of Virginia's College at Wise and to renovate and expand Clark Hall; and

WHEREAS, these two projects are substantially under construction; and

WHEREAS, each will experience cash flow requirements for expenses incurred in advance of receiving the proceeds from expected funding sources; and

WHEREAS, controlling the cash flows by delaying further construction until funding is received would result in significantly higher costs later and cause other dislocations related to the efficient and optimal management of these projects; and

WHEREAS, the University already has in place a funding mechanism authorized by the Board of Visitors to address such short-term project needs; and

WHEREAS, other funding solutions are proscribed or impractical to implement; and

WHEREAS, the pro forma analyses prepared for each of these projects indicate that the short-term financing, if approved, can be satisfactorily repaid under terms customarily granted, including provisions for term and interest rate.

RESOLVED that the permanent revolving internal loan pool is expanded from its current level of \$10.0 million to \$15.0 million; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to administer this expanded pool in accordance with present practices and guidelines, and execute such documents as may be necessary to effect the transactions.

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve the expansion of the permanent revolving internal loan pool from \$10.0 million to \$15.0 million.

DESCRIPTION: At present, the University has two projects under construction that will experience cash flow issues between outlays for project costs and receipts for expected revenues. These two projects are the new student center at The University of Virginia's College at Wise and the expansion and renovation of Clark Hall. These projects respectively require an additional \$1.8 million and \$3.0 million to complement their existing financing and revenues. The existing permanent internal loan pool has a cap of \$10.0 million and outstanding commitments of \$8.1 million. As a result, the available funding under this pool is insufficient to cover both of these projects' needs.

Two other financing possibilities, use of the University's temporary internal loan pool or its recently established commercial paper pool, are not viable options. The former expires on June 30, 2003, and neither project can repay its needed borrowings by that time. The latter is prohibited because the use of commercial paper would require each to obtain General Assembly approval to switch gift funding to bond funding. This would not take place until the spring of 2004, at the earliest.

For these reasons the University has requested an increase in the internal loan pool by \$5.0 million.

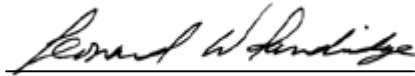
FISCAL IMPACT: The additional \$1.8 million requested for the new student center at The University of Virginia's College at Wise will be repaid over four years. The pro forma assumes a rate of 5.0 percent, resulting in an annual debt service payment of \$499,476. Funding for this additional debt service and other project expenses will come from gifts, annual revenues and existing student union fees. These income sources appear stable and have a high probability of receipt.

Clark Hall's requirement for an additional \$3.0 million will be repaid in less than three years and assumes a 5.0 percent interest rate. Interest will be paid on the principal balance outstanding. Annual gift payments from one donor will

provide the primary funding source for this loan. As these funds are received, they will be applied to principal and any accrued interest. The Department of Environmental Science will provide the balance of funds due from interest payments through a reduction in the final project scope. The final amount needed from the Department ranges from approximately \$40,000 to \$110,000 and will be determined by the period over which the gift monies are received.

CONCLUSION: The Board should approve the expansion of the permanent internal loan pool from \$10.0 million to \$15.0 million.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
April 4, 2003

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 4, 2003

COMMITTEE: Finance

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

ACTION REQUIRED: None

BACKGROUND: The Executive Vice President and Chief Operating Officer will inform the Board of recent events that do not require formal action, but of which it should be made aware.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 4, 2003

COMMITTEE: Finance

AGENDA ITEM: III.B. Investment Matters

ACTION REQUIRED: None

Market Value and Performance as of February 28, 2003

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: During the two months ending February 28, 2003 (calendar year-to-date), the Pooled Endowment Fund returned 0.1 percent. Reversing the gains of October and November, the domestic stock market lost 4.1 percent and international 5.5 percent. Private equity and real estate, reflecting quarterly revaluations as of December 31, 2002, were down significantly. Fixed income and hedge funds continued to buffer the downside in the other markets. The UVIMCO Board approved significant additions to the hedge fund portfolio, bringing it to its target of 60 percent in February. The only cash remaining in the portfolio now is attributable to reserves for private equity. The Board reconfirmed its comfort with this position again at its March 20, 2003 meeting.

ENDOWMENT REPORT

Actions of the Investment Management Company

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: Since the last Board meeting, the UVIMCO Board approved investments of \$25 million each with Natural Gas Partners, VII and Fir Tree Partners; \$50 million with Pequot Navigator; and \$3 million with Sequoia Capital, XI. The UVIMCO Board also approved an additional \$35 million investment with SAB Capital Management; an additional \$15 million each with Raptor Global, Eminence Capital, Pequot Healthcare and Discovery Capital Management; and an additional \$10 million with Intrepid Capital Management.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 4, 2003

COMMITTEE: Finance

AGENDA ITEM: III.C. 2003 General Assembly Report

ACTION REQUIRED: None

BACKGROUND: The General Assembly concluded its 2003 Session on February 22nd. The Governor has until March 24th to approve, amend or veto legislation, including budget actions in the Appropriations Act.

DISCUSSION: The General Assembly's amendments to the 2002-2004 Appropriations included \$10.9 million in additional general funds for the system of higher education. The amendments also included a 2.25 percent salary increase for faculty and classified employees in November 2003, provided the Commonwealth's 2003-2004 revenues increase as projected. The increased funding for higher education will partially fund the faculty salary increases, increase student financial aid by \$4.5 million (to be allocated by the Department of Planning and Budget and the State Council) and support operating and maintenance costs for new facilities opening in 2003-2004. These increases are offset by decreases in funding for the research and public service centers (\$2.3 million) and the Commonwealth Technology Research Fund (\$1.275 of uncommitted balances). The proposed amendments do not include any additional general funds for maintenance reserve or capital outlay.

The General Assembly also imposed tuition caps for in-state undergraduate students while allowing rates for all other students to be market based. The tuition policy will be outlined for the Board at the April meeting. The legislators also championed an expansion of decentralization in areas of capital outlay, leases, procurement, finance and personnel. The decentralization language changes provide that:

- Higher education is exempt from centralized advertising and motor vehicle purchase authorization.
- The maintenance reserve and the nongeneral fund capital project thresholds are increased to \$1 million.

- The decentralized lease program is expanded to include income leases and capital leases on a pilot basis at UVa and Virginia Tech.
- A pilot program to decentralize general fund capital outlay processes is established. For UVa this will apply to the Cocke Hall and A&S South Lawn projects.
- The decentralization accountability process is formalized, along with a formal review of the non-general fund capital outlay pilot program.
- Authority to acquire easements is delegated to UVa.
- Authority for alternative construction projects is delegated to those schools participating in the non-general fund capital outlay decentralization.

For the Academic Division, the General Assembly has approved a budget that provides general funds of \$771,000 for faculty salary increases (with an additional \$1.4 million to be funded from tuition increases), offset by further reductions to research and public service centers of \$593,000. Classified salary increases will be funded from general funds (held centrally at this time) and partially funded from tuition increases. Previous amendments from the Governor provided general funds of \$1.3 million for healthcare cost increases, with an additional \$3.5 million to be funded from tuition increases.

For the College at Wise, the General Assembly has approved a budget that provides general funds of \$57,000 for faculty salary increases.

MISCELLANEOUS FINANCIAL REPORTS

Finance Committee
University of Virginia

April 4, 2003

ACADEMIC DIVISION

FINANCIAL REPORT

ACCOUNTS AND LOANS RECEIVABLE AS OF DECEMBER 31, 2002

Summary of Accounts Receivable:

The University's Academic Division's total accounts receivable at December 31, 2002 were \$49,391,000 as compared to \$20,709,000 at September 30, 2002. The major sources of receivables at December 31, 2002 were student accounts of \$35,210,000 and sponsored programs of \$9,141,000.

The past due receivables over 120 days old are \$1,419,000 at December 31, 2002, or 2.96 percent of total receivables, 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	\$35,210,000	\$9,141,000	\$5,040,000	\$49,391,000
Less: Allowance for Doubtful Accounts	<u>1,056,000</u>	<u>64,000</u>	<u>263,000</u>	<u>1,383,000</u>
Net Accounts Receivable	<u>\$34,154,000</u>	<u>\$9,077,000</u>	<u>\$4,777,000</u>	<u>\$48,008,000</u>
Accounts Receivable Greater than 120 Days Past Due	<u>\$108,000</u>	<u>\$900,000</u>	<u>\$411,000</u>	<u>\$1,419,000</u>

SOURCE: Revenue & Collections
DATE: February 21, 2003

ACADEMIC DIVISION

FINANCIAL REPORT

ACCOUNTS AND LOANS RECEIVABLE AS OF DECEMBER 31, 2002

Summary of Loans Receivable:

The default rate for the Perkins Student Loan Program increased by 5.24 percent to 6.92 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 0.43 percent. The Nursing Undergraduate Student Loan Program default rate increased by 0.18 percent to 2.70 percent. All medical loan programs are well below the five percent federal threshold. The University Loan Program default rate increased by 0.67 percent to 4.73 percent.

	<u>Gross Loans Receivable</u>	<u>Current Default Rate</u>	<u>Inc./ (Dec.) From Last Quarter</u>
Perkins Student Loans	\$16,593,000	6.92%	5.24%
Health Professions Loans	606,000	0.43%	0.43%
Undergraduate Nursing Loans	612,000	2.70%	0.18%
University Loans	<u>10,434,000</u>	4.73%	0.67%
Total Student Loans Outstanding	<u>\$28,245,000</u>		

SOURCE: Student Financial Services
DATE: February 21, 2003

ENDOWMENT/INVESTMENTS FOR UVA AND RELATED FOUNDATIONS*
December 31, 2002
(In Thousands)

	R & V Funds Invested by UVIMCO	Related Foundation Funds Invested by UVIMCO	Related Foundation Funds Invested by Direction of Foundation Board	Funds Invested by Alumni Assoc	Total
University of Virginia Medical School and related foundations	\$403,584	\$6,116	\$15,741	\$4,124	\$429,565
Darden School and related foundation	72,153	30,373	126,881	0	229,407
College of Arts and Sciences and related foundations	197,264	4,920	4,315	3,613	210,112
University of Virginia Law School and related foundation	28,162	20,023	117,593	0	165,778
School of Engineering and related foundation	48,285	0	0	2,487	50,772
McIntire School of Commerce and related foundation	24,297	0	0	18,541	42,838
Graduate School of Arts and Sciences	26,999	0	0	0	26,999
School of Nursing	20,421	0	0	1,499	21,920
University of Virginia's College at Wise and related foundation	16,467	389	167	1,647	18,670
Curry School of Education and related foundation	7,726	4,700	62	17	12,505
School of Architecture	9,244	0	0	350	9,594
School of Continuing and Professional Studies	47	0	0	0	47
Alumni Association**	0	0	0	200,082	200,082
Athletics and related foundation	23,417	16,898	16,701	275	57,291
Miller Center and related foundation	34,899	2,446	0	0	37,345
Alumni Board of Trustees	0	0	29,176	0	29,176
University of Virginia Foundation and UVa Real Estate Foundation	0	18,446	0	0	18,446
All Other	840,941	13,059	0	0	854,000
	<u>\$1,753,906</u>	<u>\$117,370</u>	<u>\$310,636</u>	<u>\$232,635</u>	<u>\$2,414,547</u>

Notes: * Excludes security lending.

** Includes funds on deposit for other areas/schools not individually listed.

SOURCE: Financial Administration

DATE: February 21, 2003

UNIVERSITY OF VIRGINIA
INTEGRATED SYSTEMS PROJECT IMPLEMENTATION STATUS

(Per October 1999 Board of Visitors resolution requesting that the Executive Vice President and Chief Operating Officer 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 implementation of the Oracle Human Resources and Payroll applications on October 3, 2002, was followed by a two-month stabilization period that formally ended at the end of November. The stabilization period was extended through the end of February in order to resolve issues with W-2 processing, employee leave processing and other issues that affect users of the system and employees. Work to resolve remaining open issues is continuing.

We transferred responsibility for the application support group to the Vice President for Finance effective March 31, 2003. This marks the transition of the Integrated Systems Project team from the development stage to the operational mode. Over the next several months, we will adjust the size and focus of the support group to meet ongoing system support requirements.

There are ongoing discussions regarding the proper timing to initiate an upgrade to the new 11i technology, to include the database, the applications and the development tools.

Concurrently, the Provost's Office has formed a work group to make a recommendation on a new Student Information System for the University.

SOURCE: Integrated Systems Project
DATE: February 18, 2003

**INTERNAL LOANS TO UNIVERSITY DEPARTMENTS AND ACTIVITIES
for the month of February 2003**

(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	APPROX. FINAL PAYMENT
115024	Baseball Stadium	06/14/02	Fed. Funds+60 pts.	1,525,000.00	-	1,525,000.00	Jun 2003
115608	ITC-Disk Hardware	02/01/02	Fed. Funds+60 pts.	130,000.00	43,333.00	86,667.00	Jul 2004
115567	ITC-Cincom	02/01/02	Fed. Funds+60 pts.	950,000.00	237,500.00	712,500.00	Jul 2005
107202	Keck Center	06/22/01	Fed. Funds+60 pts.	50,000.00	-	50,000.00	Jun 2005
103869	Gilmer Hall	06/22/01	Fed. Funds+60 pts.	45,147.96	-	45,147.96	Jun 2005
103947	WTJU	06/01/00	Fed. Funds+60 pts.	120,000.00	48,000.00	72,000.00	May 2005
N/A	UVA Medical Center	07/10/02	Fed. Funds+60 pts.	3,917,206.48	992,206.48	2,925,000.00	Jun 2006
103807	CVC Football Facility	12/22/98	Fed. Funds+60 pts.	3,000,000.00	1,285,772.18	1,714,227.82	Jun 2009
Total Internal Loans Subject to \$10M Limit Established by BOV				9,737,354.44	\$2,606,811.66	\$7,130,542.78	
Other Internal Loans:							
103842	Scott Stadium Internal Construction Loan ¹	04/26/01	Fed. Funds+60 pts.	10,338,494.75	-	10,338,494.75	Apr 2006
115086	Integrated Systems Project ²	06/25/02	Fed. Funds+60 pts.	6,900,000.00	-	6,900,000.00	Jun 2010

- NOTES: 1. Per April 2001 Board of Visitors resolution approving short-term construction loans of up to \$13 million.
2. Per June 2001 Board of Visitors resolution approving short-term loans of up to \$20 million.
3. In addition to the above internal loans, in October 2002 the Board of Visitors approved an additional temporary pool up to \$35 million from existing assets to support capital projects. The University will repay the principal of this pool by June 30, 2003.

SOURCE: Investment and Tax Services
DATE: February 11, 2003

QUARTERLY BUDGET REPORT

As of December 31, 2002

This report compares, on a quarterly basis, the approved annual budget with year-to-date actual revenues and expenditures for the Academic Division. Enclosed are the reports as of the second quarter ended December 31, 2002.

At the end of the second quarter of fiscal year 2002-2003, revenues collected totaled 66.7 percent of budgeted revenues; actual expenditures totaled 55.9 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: February 4, 2003

University of Virginia Academic Division
2002-2003 Revenue Budget Summary
As of December 31, 2002

	2002-2003 Original Budget	12/31/02 Actual Revenues	Uncollected Budget Balance	12/31/02 Percentage Collected
Revenue Projections				
Educational & General				
Tuition & Fees	\$179,705,357	\$109,738,864	\$ 69,966,493	61.1%
State General Fund Appropriation	136,015,517	139,921,135	(3,905,618)	102.9%
Grants, Contracts and Indirect Cost	217,123,124	130,795,541	86,327,583	60.2%
Endowment Income	56,119,146	22,256,333	33,862,813	39.7%
Gifts	27,707,599	24,501,660	3,205,939	88.4%
Sales, Services & Other	19,292,935	15,582,563	3,710,372	80.8%
Total Educational and General	635,963,678	442,796,096	193,167,582	69.6%
Student Financial Assistance				
Transfer from Tuition	24,503,252	12,176,796	12,326,456	49.7%
State General Fund Appropriation	5,550,128	2,471,035	3,079,093	44.5%
Grants, Contracts and Indirect Cost	14,475,400	8,819,239	5,656,161	60.9%
Endowment Income	12,261,910	7,223,761	5,038,149	58.9%
Gifts	13,950,347	7,614,826	6,335,521	54.6%
Investment Income and Other	451,940	213,069	238,871	47.1%
Total Student Financial Assistance	71,192,977	38,518,726	32,674,251	54.1%
Auxiliary Enterprises				
Athletics	24,879,288	14,170,932	10,708,356	57.0%
University Bookstores	28,225,300	17,164,678	11,060,622	60.8%
Housing and Conference Services	22,564,000	12,100,559	10,463,441	53.6%
Parking & Transportation	11,217,000	5,583,942	5,633,058	49.8%
Voice Communications	10,606,711	10,695,612	(88,901)	100.8%
Student Health	6,318,428	3,442,582	2,875,846	54.5%
Intramural/Recreational Sports	4,685,500	2,421,777	2,263,723	51.7%
Printing Services	4,616,600	2,112,489	2,504,111	45.8%
Newcomb Hall & Related Activities	4,140,573	2,025,868	2,114,705	48.9%
Dining Services	3,087,600	2,160,427	927,173	70.0%
Other Auxiliary Activities	8,385,070	4,108,928	4,276,142	49.0%
Total Auxiliary Enterprises	128,726,070	75,987,794	52,738,276	59.0%
Total Revenues	\$835,882,725	\$557,302,616	\$278,580,109	66.7%

University of Virginia Academic Division
 2002-2003 Expenditure Budget Summary
 As of December 31, 2002

	2002-2003 Original Budget	12/31/02 Actual Expenditures	Unexpended Budget Balance	12/31/02 Percentage Expended
Expenditure Projections				
Educational & General				
Instruction	\$224,643,538	\$111,306,841	\$ 113,336,697	49.5%
Research	27,341,626	18,326,192	9,015,434	67.0%
Public Service	11,285,592	7,748,685	3,536,907	68.7%
Academic Support	92,724,591	52,422,441	40,302,150	56.5%
Student Services	15,968,923	10,836,419	5,132,504	67.9%
Institutional Support	45,999,867	28,254,205	17,745,662	61.4%
Operation & Maintenance of Plant	50,692,541	28,931,571	21,760,970	57.1%
Grants and Contracts	167,307,000	101,266,560	66,040,440	60.5%
Total Educational and General	635,963,678	359,092,914	276,870,764	56.5%
Student Financial Assistance	71,192,977	39,968,446	31,224,531	56.1%
Auxiliary Enterprises				
Athletics	24,825,573	14,811,984	10,013,589	59.7%
University Bookstores	28,123,000	18,993,231	9,129,769	67.5%
Housing	22,422,440	10,744,137	11,678,303	47.9%
Parking & Transportation	11,182,000	4,436,012	6,745,988	39.7%
Voice Communications	10,606,711	5,836,762	4,769,949	55.0%
Student Health	6,318,428	3,475,694	2,842,734	55.0%
Intramural/Recreation Sports	4,685,500	2,466,717	2,218,783	52.6%
Printing Services	4,616,600	1,882,150	2,734,450	40.8%
Newcomb Hall & Related Activities	4,349,099	2,011,131	2,337,968	46.2%
Dining Services	3,073,900	157,789	2,916,111	5.1%
Other Auxiliary Activities	8,461,726	3,378,158	5,083,568	39.9%
Total Auxiliary Enterprises	128,664,977	68,193,765	60,471,212	53.0%
Total Expenditures	\$835,821,632	\$467,255,125	\$368,566,507	55.9%

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.

Grants, Contracts 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.