

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
FINANCE COMMITTEE
SEPTEMBER 10, 2004**

FINANCE COMMITTEE

Friday, September 10, 2004

2:00 - 4:00 p.m.

Development Office Conference Rooms A and B

Fontaine Research Park

Committee Members:

Thomas A. Saunders, III, Chair

Thomas F. Farrell, II

W. Heywood Fralin

Mark J. Kington

Warren M. Thompson

Georgia M. Willis

John O. Wynne

Gordon R. Rainey, Ex Officio

AGENDA

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BOARD OF VISITORS CONSENT AGENDA

A. TUITION RATES FOR 2005 JANUARY TERM: Approval of tuition rates for the 2005 January Term.

The January Term is a new initiative, resulting from the University's curriculum review process, to create an additional term in the calendar to be held for two weeks each January, prior to the start of the spring semester. A winter term has long been used at small liberal arts colleges as a way of providing additional flexibility for students and professors to do research, study abroad, or experiment with new curricular offerings. By offering a January Term at a major research university, undergraduates are provided with more opportunities to take advantage of the wide variety of experiences available at the University. The Educational Policy Committee will hear a more comprehensive report on the January Term at its meeting on September 18, 2004.

The January Term, to be first implemented in 2005, has been developed since the April 2004 Board of Visitors meeting when 2004-05 academic year tuition rates were approved, requiring that 2005 January Term tuition rates be presented at this time. In the future, the January Term tuition rates will be presented and approved at the same time as regular session rates.

The shorter, intensive January Term offerings will be structured in a similar manner as Summer Session offerings. Accordingly, it is proposed that the previously approved Summer 2005 tuition rates apply to the new 2005 January Term. In 2005 only currently registered University students who already have access to services funded from mandatory fees over the winter break will be eligible to enroll in the January Term. For that reason, there will be no mandatory fees charged for the 2005 January Term.

<u>APPROVAL OF TUITION RATES FOR 2005 JANUARY TERM</u>		
RESOLVED that the tuition applicable to the 2005 January Term be approved as shown below:		
	<u>Virginian</u>	<u>Non-Virginian</u>
Undergraduate Per Credit Hour	\$ 170	\$ 740
Graduate Per Credit Hour	\$ 215	\$ 660

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

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UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve the tuition schedule for the proposed 2005 January term.

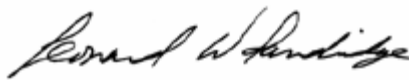
DESCRIPTION: The University will initiate a pilot program in January 2005 to provide a two-week session for students prior to the start of the second semester. The purpose of this session is to allow students additional opportunities for study, research, and other educational activities beyond those offered during the regular sessions of the University. The Finance Committee is being asked to approve the tuition schedule for this term.

FISCAL IMPACT: The fiscal impact for this proposal is negligible at this time. As a pilot program, the number of students initially participating will likely be modest. The proposed tuition rates are identical to those previously approved by the Board for the 2005 Summer Session; the underlying faculty costs are patterned on the same model as well. Registration for the January 2005 session will be limited to currently enrolled University students who have already paid the mandatory fee for the fall and spring sessions which includes services provided over the winter break, therefore no additional mandatory fee will be assessed in January 2005. Students who reside in University housing will have access to those facilities, but the University does not anticipate any noticeable increase in operation costs. Dining operations will be handled separately, but again the net effect to the University should not be significant.

At the conclusion of this pilot program in January 2005, the University will convene a follow-up review to assess the success and address any issues, including the appropriate level of future tuition and fee charges.

CONCLUSION: The Finance Committee should approve the proposed tuition schedule for the 2005 January term.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
September 10, 2004

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B. TRANSFER OF REAL PROPERTY FROM UNIVERSITY OF VIRGINIA FOUNDATION TO UNIVERSITY OF VIRGINIA RECTOR AND VISITORS IN SUPPORT OF THE NORTH GROUNDS CONNECTOR: Approves the gift of property at the northeast corner of Montesano from the University of Virginia Foundation.

This transfer supports the construction of the North Grounds Connector, which is part of the Arena project, and will link Massie Road with the Route 29/250 by-Pass. A section of roadwork and right-of-way will encroach on the northeast corner of the University of Virginia Foundation's Montesano property, which is located on Old Ivy Road. The area involved is irregularly shaped, and encompasses approximately 4,908 square feet. At its February 5, 2004 meeting, the Buildings and Grounds Committee approved an easement for this parcel. At the time, the Virginia Department of Transportation (VDOT) indicated that an easement would suffice. But a recent review by a VDOT attorney determined that the University must own the property if VDOT is to maintain the road as a part of the State's Route 302 System. The attorney's position is that VDOT cannot maintain a road on private property and that the easement is not acceptable since it leaves a portion of the road's right-of-way in private hands.

The Foundation supports this transfer, and will present it to its Board of Directors for approval. The costs associated with the transfer will be limited to survey and title costs. The Foundation views the transfer as an exchange for the easement the University granted to the Foundation for an access drive from Montesano to the North Grounds Connector.

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

APPROVAL OF THE TRANSFER OF REAL PROPERTY FROM THE UNIVERSITY OF VIRGINIA FOUNDATION TO THE UNIVERSITY OF VIRGINIA RECTOR AND VISITORS IN SUPPORT OF THE NORTH GROUNDS CONNECTOR

WHEREAS, the construction of, and right-of-way for, the North Grounds Connector will encroach on the northeast corner of the University of Virginia Foundation's Montesano property; and

WHEREAS, the Virginia Department of Transportation has determined that to maintain the road as a part of the Commonwealth's Route 302 System, the road right-of-way must fall entirely on state property; and

WHEREAS, the North Grounds Connector is needed to improve access to North Grounds facilities, and the University's costs associated with the transfer will be limited to closing costs, and will be nominal;

RESOLVED that the gift of the aforesaid property consisting of approximately 4,908 square feet, and located at the northeast corner of the Montesano property, from the University of Virginia Foundation is approved pending appropriate action by the University of Virginia Foundation Board of Directors; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer of the University of Virginia is authorized to execute any and all contracts and other documents pertaining to the transfer of the aforesaid property as he may deem necessary or appropriate.

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve the property acquisition from University of Virginia Foundation at the northeast corner of Montesano.

DESCRIPTION: The University seeks to acquire approximately 4,908 square feet of property from the UVa Foundation to support construction of the North Grounds Connector project. This road project, which will link Massie Road to the Route 29/250 by-pass, crosses a section of property currently owned by the UVa Foundation adjacent to Old Ivy Road.

This action is necessary to meet Virginia Department of Transportation guidelines concerning state maintenance. The UVa Foundation has agreed to the transfer and will provide the property in the form of a gift.

FISCAL IMPACT: Since the UVa Foundation has agreed to provide this land to the University as a gift, there is no actual cost for the acquisition; however, the University will pay for all legal and closing costs of the transaction. The total amount will be approximately \$4,000.

The alternative to this proposal, not acquiring this property, would mean that the University would have to pay to maintain this road.

CONCLUSION: The Board of Visitors should approve the acquisition of property from the UVa Foundation.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
September 10, 2004

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: September 10, 2004

COMMITTEE: Finance

AGENDA ITEM: II. 2005 Operating and Capital Amendments
to the 2004-2006 Biennial Budget

BACKGROUND: In even numbered years, the University submits its requested amendments to the biennial budget to the Department of Planning and Budget for review by the Governor for inclusion in his amended budget presented to the General Assembly in December.

DISCUSSION: Instructions for agencies to submit budget amendments are expected by mid-September, too late to finalize the amendments for inclusion in this material. Therefore, this material will focus on expected requests. The list reflects the expectation that the instructions will direct the University to consider only institution-specific items, as faculty and staff salaries, base budget adequacy, and undergraduate financial aid funding are cross-cutting issues that will be addressed for all institutions. Authorization levels for two capital project requests - the Arts Grounds Parking Garage and the Clinical Cancer Center - may change prior to the September 10, 2004 Finance Committee meeting. We will inform the Committee of any changes to the requests at the meeting. In addition, if instructions are received prior to the Finance Committee meeting, we will brief the Committee about the impact of those instructions at that time. If instructions are received subsequent to the Finance Committee meeting, we will brief the Board at its October 1, 2004 meeting about any changes resulting from the Commonwealth's instructions. Depending on the outcome of the Governor's budget process we may want to submit these amendments, and possibly others, for consideration during the legislative session in January. Any requests not included on this list that might be submitted to the Legislature will be communicated to the Board in advance of the due date with formal approval sought at the February meeting of the Board.

Operating amendments for the Academic Division (Agency 207) total \$12.71 million general funds [GF] in 2005-2006. Operating amendments for the Medical Center (Agency 209) total \$1.4 million GF and \$1.4 million non-general funds [NGF] in 2004-2006. Operating amendments for The University of Virginia's

College at Wise (Agency 246) total \$2.1 million GF in 2005-2006. Capital amendments are summarized on the table appearing on page 15.

AGENCY 207 - Academic Division:

- 1) *Provide Operations and Maintenance Funding for New Facilities (\$941,913 GF and 28 FTEs)* - Support for operations and maintenance costs of new facilities and infrastructure (Wilsdorf Hall, the Engineering/Science Chiller Plant, and the Cavalier Substation Expansion) scheduled to open in 2005-2006.
- 2) *Provide Comparable Funding for UVa Health Plan (\$3.39 million GF)* - Support to make the state's funding of the University-sponsored health care plan comparable to the state funding provided for other state-sponsored health plans, based upon 2005-2006 employer premium increases. We are requesting the full amount as GF, but expect the state to determine a split between GF and NGF.
- 3) *Invest in Research Enterprise by Improving Graduate Stipends (\$3.375 million GF)* - Support to move, over the next four years, average net stipend levels to \$12,000, an estimated total cost of \$13.5 million.
- 4) *Develop Clinical Science Scholar Program (\$5.0 million GF and 5 FTE)* - Support to attract world-renowned physicians and clinical research to the Commonwealth, bringing expertise in patient care in fields not currently well-developed in the region.
- 5) *Adjust Non-General Fund Appropriation for Educational & General Surplus Property Activity (\$120,000 in 2004-2005 and \$180,000 in 2005-2006)* - Support projected increases in educational and general surplus property sales expected at the University over the next two years.
- 6) *Adjust Non-General Fund Appropriation for Federal Sponsored Research Activity (\$8 million and 28 FTEs in 2004-2005 and \$11 million and 60 FTEs in 2005-2006)* - Support projected increases in federal sponsored research expected at the University over the next two years.
- 7) *Adjust Non-General Fund Appropriation for Auxiliary Surplus Property Activity (\$288,000 in 2004-2005 and \$548,000 in 2005-2006)* - Support projected increases in auxiliary surplus

property sales expected at the University over the next two years.

- 8) *Supplement MR-6 (\$9.9 million NGF)* - Supplement the existing bond authorization for construction of a new research building to allow the University to complete the fit-out of the entire building shell including the vivarium spaces.
- 9) *Supplement Fayerweather Hall (\$2.3 million GF)* - Supplement to accommodate a substantial, unforeseen spike in prices for key materials and components, including steel.
- 10) *Supplement Ruffin Hall (Studio Art) (\$4.2 million GF)* - Supplement to accommodate an expected substantial, unforeseen spike in prices for key materials and components, including steel, as well as additional design features.
- 11) *Supplement Rouss/Commerce Project (\$8.0 million NGF)* - Supplement for additional square footage to accommodate programmatic enhancements, as well as expected price increases.
- 12) *Add to McLeod Hall (\$6.0 million NGF)* - Authorize NGF contribution to accompany GF authorization provided in 2004 General Assembly Session.
- 13) *Construct North Parking Garage (\$21.6 million NGF)* - Bond authorization to construct a new 1,200 car parking deck with pedestrian bridge to replace parking garage to be demolished in conjunction with the Medical Center's Clinical Cancer Center.
- 14) *Enclose Football Practice Field (\$1.8 million NGF)* - Authorization to enclose football practice field.
- 15) *Construct Arts Grounds Parking Garage (estimated \$8.0 million NGF)* - Authorization to construct new parking garage in the vicinity of the new arts precinct.
- 16) *Construct Arts Center (\$91 million NGF)* - Authorization to replace previously approved projects for the Performing Arts Center (\$47 million) and the UVa Art Museum (\$30 million) with new \$91 million authorization for a consolidated and expanded Arts Center.
- 17) *Construct New Curry School of Education Facility (\$32 million NGF)* - Authorization to construct a new education school

facility which will consolidate academic and research programs in one facility with advanced technology capabilities that will meet state and national standards.

AGENCY 209 - Medical Center:

- 1) *Adjust Indigent Care Reimbursement (\$680,000 GF and \$680,000 NGF in 2004-05 and \$714,000 GF and \$714,000 NGF in 2005-06) - Increase reimbursement for healthcare provided at the Virginia Ambulatory Surgery Center, newly acquired by the Medical Center, for Medicaid and qualified indigent patients.*
- 2) *Construct Clinical Cancer Center (estimated \$63.7 million NGF) - Authorization (including \$38 million in bond authorization) to develop a new facility to consolidate cancer services, to replace outdated radiation oncology operations with a state-of-the art facility, and to meet increasing demand for cancer services as the population ages.*
- 3) *Acquire Core Lab Facility (\$8.1 million NGF) - Authorization to purchase newly constructed core lab facility which relocates lab services out of the main hospital facility to allow room for direct patient care operations.*
- 4) *Acquire Virginia Ambulatory Surgery Center (VASC) (\$7 million NGF) - Request authorization to purchase VASC from the Health Services Foundation to consolidate all surgical facilities and better coordinate inpatient and outpatient surgery activities.*

AGENCY 246 - University of Virginia's College at Wise:

- 1) *Support Student Enrollment Growth (\$1,269,225 GF and 30 FTE) - Support for five additional faculty and 25 additional classified staff to allow the College to support the student enrollment increases of 21 percent over the past five years and physical plant growth of 40 percent over the past seven years. The faculty will be added in the areas of teacher education, nursing and business where enrollment increases have stretched departments limiting diversity in course offerings and impeding the ability to fill critical core academic positions. Prior to recent growth, the College was already at the lowest employment ratio for Virginia four-year institutions. The additional classified positions will allow the College to improve service and support for facilities and to faculty and students, handling operational growth and addressing historical shortfalls in staffing.*

- 2) *Develop Computer Science and Engineering Program (\$808,550 GF and 9 FTE)* - To complement a regional goal of technology-based employment growth, the College has conducted a feasibility study which demonstrated the viability of adding an accredited Computer Science and Software Engineering program. Development of this program will allow the College to serve a regional need and significantly aid the area economy.

- 3) *Supplement Residence Hall (\$785,000 NGF)* - Supplement to bond authorization to accommodate a substantial, unforeseen spike in prices for key materials and components, including steel.

- 4) *Acquire Buffer Properties (\$1.1 million GF)* - Request funds to acquire three buffer properties (approximately 20 acres) adjacent to the College that will provide suitable land for future expansion potential for the College. The College's original request for this project was for the acquisition of two properties with a budget of \$799,000 funded by general funds. The project was awarded during the 2004 session by the General Assembly, but in conference changed to non-general fund authorization from general fund funding. Non-general fund funding is not available.

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

APPROVAL OF THE 2005 AMENDMENTS TO THE 2004-2006 BIENNIAL BUDGET FOR THE ACADEMIC DIVISION, THE MEDICAL CENTER, AND THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

WHEREAS, the instructions for submitting budget amendments to the Governor have not yet been issued; and

WHEREAS, the expected 2005 operating and capital budget amendments have been carefully reviewed; and

WHEREAS, the expected budget amendments represent the highest priority initiatives and are aligned with the mission of the institution;

RESOLVED that the Board of Visitors of the University of Virginia endorses and supports the proposed amendments to the 2004-2006 biennial budget; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to transmit the final biennial budget amendments to the Governor as long as there are no material differences from the items already endorsed by the Board of Visitors; and

RESOLVED FURTHER that the Board of Visitors understands that to the extent these initiatives are not included in the Governor's revised 2004-2006 biennial budget, the Academic Division, the Medical Center, and The University of Virginia's College at Wise may want to pursue similar requests to the legislature; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to transmit to the General Assembly any request not funded by the Governor as long as there are no material differences from the items already endorsed by the Board of Visitors.

University of Virginia
2005 Expected Capital Budget Amendments

Projects	Current Authorization	Requested Amount	New Authorization	Fund Source
Academic Division				
MR-6	\$ 60,800,000	\$ 9,900,000	\$ 70,700,000	Bonds
Fayerweather Hall	\$ 5,400,000	\$ 2,300,000	\$ 7,700,000	State General Funds
Ruffin Hall (Studio Art)	\$ 12,500,000	\$ 4,200,000	\$ 16,700,000	State General Funds
Rouss/Commerce Project	\$ 43,000,000	\$ 8,000,000	\$ 51,000,000	Gifts / Grants
McLeod Hall	\$ 6,000,000	\$ 6,000,000	\$ 12,000,000	GF / Gifts / Grants
North Parking Garage	\$ -	\$ 21,600,000	\$ 21,600,000	Bonds
Football Practice Field	\$ -	\$ 1,800,000	\$ 1,800,000	Gifts / Grants
Arts Grounds Parking Garage*	\$ -	\$ 8,000,000	\$ 8,000,000	Bonds
Performing Arts Center	\$ 47,000,000	(\$ 47,000,000)	\$ -	Bonds / Gifts
UVa Art Museum	\$ 30,000,000	(\$ 30,000,000)	\$ -	Bonds / Gifts
Arts Center	\$ -	\$ 91,000,000	\$ 91,000,000	Bonds / Gifts
New Curry School of Education Building	\$ -	\$ 32,000,000	\$ 32,000,000	Gifts / Grants
Academic Division Total	\$204,700,000	\$107,800,000	\$312,500,000	
Medical Center				
Clinical Cancer Center*	\$ -	\$ 63,700,000	\$ 63,700,000	Bonds / Other
Core Lab Acquisition	\$ -	\$ 8,100,000	\$ 8,100,000	Other
VASC Acquisition	\$ -	\$ 7,000,000	\$ 7,000,000	Other
Medical Center Total	\$ -	\$ 78,800,000	\$ 78,800,000	
College at Wise				
Residence Hall	\$ 6,400,000	\$ 785,000	\$ 7,185,000	Bonds
Acquire Buffer Properties	\$ -	\$ 1,100,000	\$ 1,100,000	State General Funds
Wise Total	\$ 6,400,000	\$ 1,885,000	\$ 8,285,000	
Total All Agencies	\$211,100,000	\$188,485,000	\$399,585,000	

*Amounts subject to change.

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**UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT**

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve the 2005 operating and capital amendments to the 2004-2006 biennial budget.

DESCRIPTION: The University has proposed the following operating amendments to the biennial budget:

	FY 2006		
	State Funds	University	Total Request
	GF	NGF	
Academic Division			
O & M Funding for New Facilities	\$ 941,913		\$ 941,913
Funding for UVa Health Plan	\$3,390,000		\$ 3,390,000
Graduate Student Stipends	\$3,375,000		\$ 3,375,000
Clinical Science Scholar Program	\$5,000,000		\$5,000,000
NGF for E&G Surplus Property (\$120,000 NGF in 2004-2005)	-	\$ 180,000	\$ 180,000
NGF for Federal Research (\$8 million NGF in 2004-2005)	-	\$11,000,000	\$11,000,000
NGF for Auxiliary Surplus Property (\$288,000 NGF in 2004-2005)	-	\$ 548,000	\$ 548,000
Academic Division Total	\$12,706,913	\$11,728,000	\$24,434,913
Medical Center			
Medicaid and Indigent Care (\$680,000 GF and \$680,000 NGF also requested for 2004-05.)	\$ 714,000	\$ 714,000	\$1,428,000
Medical Center Total	\$ 714,000	\$ 714,000	\$1,428,000
College at Wise			
Classified Staff Support	\$ 903,125		\$ 903,125
Student Enrollment Growth	\$ 366,100		\$ 366,100
CS and Engineering Program	\$ 808,550		\$ 808,550
College at Wise Total	\$2,077,775	\$ -	\$2,077,775
Total All Agencies	\$15,498,688	\$12,442,000	\$27,940,688

In addition, the following table summarizes the capital amendment requests to be submitted by the University:

	State Funds	University Funds			Total
	GF	Bonds	Gifts/Grants	Other	Request
Academic Div. Total	\$6,500,000	\$ 39,500,000	\$61,800,000		\$107,800,000
Medical Center Total		\$ 37,994,450		\$40,805,550	\$ 78,800,000
College at Wise Total	\$1,100,000	\$ 785,000			\$ 1,885,000
Total All Agencies	\$7,600,000	\$ 78,279,450	\$61,800,000	\$40,805,550	\$188,485,000

FISCAL IMPACT: If the General Assembly acts on all requests, the proposed operating amendments would augment University resources available for specific programs. However, if the General Assembly declines to fund these items, the University will have to allocate its own resources for unavoidable costs, such as allocating new tuition revenues for items such as operations and maintenance costs for new buildings, healthcare premiums, and allocating patient revenues to fund healthcare services for indigent patients. Any tuition impact will be determined later and included in the tuition and fee proposal presented to the Board next spring.

The proposed capital amendments represent key components of the University's infrastructure, space, and program plans. The significant investment requests total \$188.5 million, funded largely by bonds and gifts. Requests for state general funds total only \$7.6 million. The combined bond component of the funding equals \$78.3 million of the total amount. Depending on the timing of issuance, the new debt burden may not cause the University's financial ratios to exceed the established guidelines; however this will be closely monitored. In the event that project funding needs and available debt capacity become problematic, the University will inform the Board about alternatives and suggested courses of action.

The Medical Center will devote \$40.8 million of its available resources towards its proposed projects totaling \$78.8 million. The remainder will be funded by bonds.

None of the capital projects listed as amendments have advanced to the construction stage, with the exception of Fayerweather Hall. Before any individual project can commence, the University has stipulated that each must present a viable funding plan that addresses not only project costs, but also

annual outflows for operations, maintenance, or any other outlay such as debt service. Moreover, if a project envisions gift funding as a component, the school or unit must demonstrate that it has raised pledges equal to 100 percent of the needed gift amount and that it has received payments on those pledges totaling 50 percent of the needed amount before the University will allow actual construction to begin.

CONCLUSION: The Finance Committee should approve the 2005 operating and capital budget amendments.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
September 10, 2004

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: September 10, 2004

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: September 10, 2004

COMMITTEE: Finance

AGENDA ITEM: III.B. Spending Policy

ACTION REQUIRED: None

BACKGROUND: In April 2001, the Board adopted a new spending policy for annual distributions from our endowment. This policy, "4.5 percent of a twelve-quarter moving average of the market value of the Pooled Endowment Fund", was applied to the distributions for fiscal year 2002-2003 and fiscal year 2003-2004. Prior to the adoption of this policy, the University's spending policy was to increase the payout every year by four percent from the prior year's payout, as long as that was not below 3.5 percent or above 5.5 percent of the market value of the Pooled Endowment Fund. When the four percent growth would fall outside of that specified band, the Board would approve a specific alternative spending rate. It is timely to re-examine whether our current spending policy should be retained or revised.

DISCUSSION: Various spending policies will be presented to the Finance Committee, along with their impact on both the endowment market value and the resources available to support programs. Data will be provided from the latest NACUBO endowment study, with over 650 universities and colleges reporting. In addition to this national survey, we will also discuss various scenarios using the University's specific endowment characteristics.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: September 10, 2004

COMMITTEE: Finance

AGENDA ITEM: III.C. Annual Report on the UVa Health Plan

ACTION REQUIRED: None

BACKGROUND: The Board has asked that the Executive Vice President and Chief Operating Officer report regularly on the status of the University's self-insured health care plan.

DISCUSSION: The University, in discussion with fringe benefit consultants, regularly monitors its health insurance claims and premiums, the adequacy of its reserves, and the outlook for future health care costs. It is anticipated that health care costs will increase by 18 percent in the year ahead, driven largely by increased claims costs, increased coverage of dependents, and the loss of house staff from the plan.

The UVa Health Plan will increase its premiums effective January 2005. Rates will be set to cover projected claims costs and to keep the reserve at an appropriate level based on projected costs.

A detailed report will be provided during the September 10 Finance Committee meeting.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: September 10, 2004

COMMITTEE: Finance

AGENDA ITEM: III.D. Endowment Report

ACTION REQUIRED: None

Market Value and Performance as of July 31, 2004

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: After closing the fiscal year ending June 30, 2004 with a total return of 12.7 percent, the Pooled Endowment Fund started the new fiscal year with a slight loss, down 0.3 percent in July. The Fund's allocation to alternative assets (hedge funds, private equity, and real assets), which comprised 70 percent of the fund as of July 31, helps to buffer the performance of the fund from the impact of the return of the broad equity markets. During fiscal year 2004, this impact would have been welcome. The U.S. equity market returned 20.5 percent as measured by the Russell 3000 index, and international equity markets performed even better, up 32.5 percent, as measured by the MSCI AC World ex-U.S. index. In July the buffering was welcome, with equity markets down sharply, -3.8 percent in the U.S. and -2.9 percent internationally, according to the same indexes. Hedge funds and private equity underperformed the equity markets in fiscal year 2004 and outperformed in July. The fund's more modest allocations to long only domestic and international equities outpaced the strong market returns in fiscal year 2004. In July, these portfolios fell slightly less than the markets. This pattern of returns is in line with our expectations for each of these portfolios. Please see the following Investment Report for detailed performance.

The UVIMCO Board will meet on September 15-16, 2004 to review performance.

UNIVERSITY OF VIRGINIA INVESTMENT REPORT
SUMMARY PERFORMANCE REPORT - July 31, 2004

MKT VAL* (\$000's)	Asset Allocation		Current				Historical			Annualized		
	Fund	Target	MO	3MO	FYTD	CYTD	FY04	FY03	FY02	3Y	5Y	10Y
148,464	6.4%	5.0%	(3.2)	0.5	(3.2)	2.4	24.0	4.0	(12.0)	3.5	2.5	11.0
<i>Russell 3000</i>			(3.8)	(0.4)	(3.8)	(0.3)	20.5	0.8	(17.2)	(0.6)	(1.2)	10.9

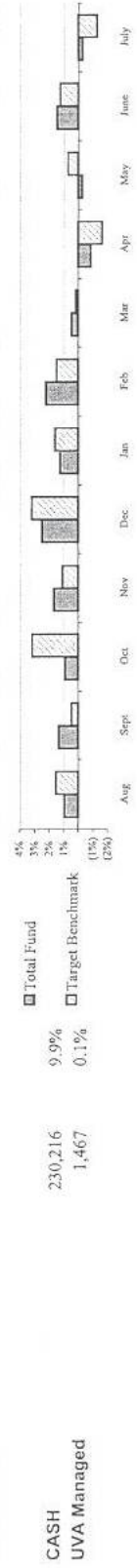
INTERNATIONAL EQUITY	200,977	8.6%	10.0%	(1.3)	(4.5)	(1.3)	(3.3)	35.1	7.6	(7.7)	11.7	5.4	6.0
EMERGING MARKETS	200,977	8.6%	10.0%	(1.3)	(4.5)	(1.3)	(3.3)	35.1	7.6	12.5	20.4	11.4	4.6
<i>MSCI AC World Free Ex-US</i>				(2.9)	(0.5)	(2.9)	1.1	32.5	(4.2)	(8.2)	5.0	(0.1)	3.9
<i>MSCI Emerging Markets Free</i>				(1.8)	(3.3)	(1.8)	(2.5)	33.5	7.0	1.3	14.9	3.5	0.4

HEDGE FUNDS	1,288,335	55.3%	57.5%	(0.7)	(1.1)	(0.7)	3.8	10.8	9.8	7.7	8.9	12.7	11.4
LONG/SHORT	982,592	42.2%		(0.8)	(1.4)	(0.8)	4.0	--	--	--	--	--	--
INTERNATIONAL	60,097	2.6%		(0.5)	0.9	(0.5)	1.7	--	--	--	--	--	--
MACRO	159,775	6.9%		(0.5)	(0.4)	(0.5)	3.2	--	--	--	--	--	--
ABSOLUTE RETURN	85,870	3.7%		(0.4)	(0.6)	(0.4)	3.8	--	--	--	--	--	--
<i>Uva Hedge Fund Blended Index †</i>				(0.6)	1.4	(0.6)	3.5	12.4	4.1	(5.9)	3.3	3.3	10.3

PRIVATE EQUITY (1)(2)	275,485	11.8%	19.5%	(0.3)	8.8	(0.3)	8.7	16.0	11.1	(10.7)	5.0	24.2	23.6
DOMESTIC BUYOUTS	157,830	6.8%	12.0%	(0.7)	11.4	(0.7)	14.2	25.5	37.3	(0.5)	19.2	16.1	10.7
INTERNATIONAL BUYOUTS	49,209	2.1%	2.5%	(1.3)	12.7	(1.3)	1.0	11.0	1.8	21.5	5.8	--	--
VENTURE CAPITAL	68,446	2.9%	5.0%	1.7	(1.6)	1.7	(2.3)	(5.9)	(27.9)	(27.6)	(19.5)	14.7	30.5
<i>Uva Private Equity Blended Index †</i>				(3.1)	0.7	(3.1)	2.0	26.7	3.7	(11.5)	4.5	3.0	13.5
<i>Russell 3000 + 400 bp</i>				(3.4)	0.6	(3.4)	2.0	24.5	4.8	(13.2)	3.5	2.8	14.9
<i>MSCI AC World ex. U.S. Free + 400 bp</i>				(2.6)	0.5	(2.6)	3.4	36.0	(0.6)	(4.4)	8.7	3.6	7.6

REAL ASSETS (1)(2)	67,306	2.9%	3.0%	10.3	20.6	10.3	29.5	27.0	(8.2)	(12.6)	3.5	5.6	10.8
REAL ESTATE/TIMBER	67,306	2.9%	3.0%	10.3	20.6	10.3	29.5	27.0	(8.2)	(19.4)	0.8	3.9	9.9
<i>91 Day T Bills + 500 bp</i>				0.5	1.5	0.5	3.5	6.0	6.6	7.6	6.7	8.3	9.3

FIXED INCOME	115,541	5.0%	5.0%	0.4	2.4	0.4	1.7	2.9	17.1	10.4	8.7	8.8	7.9
<i>ML 7-10 Yr Govt</i>				1.3	1.3	1.3	0.9	(2.5)	14.0	9.7	6.3	7.5	7.6



CASH	230,216	9.9%											
UVA Managed	1,467	0.1%											
TOTAL FUND	2,327,791	100%		(0.3)	1.0	(0.3)	4.1	12.7	9.2	(0.1)	6.9	12.8	14.2
<i>Target Benchmark</i>				(1.2)	0.7	(1.2)	2.3	15.2	4.2	(6.2)	3.8	3.7	8.9
<i>Spending + Inflation</i>				0.6	0.4	0.6	6.7	8.5	7.0	5.6	7.2	7.4	7.2

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MISCELLANEOUS FINANCIAL REPORTS
Finance Committee
University of Virginia
September 10, 2004

ACADEMIC DIVISION

FINANCIAL REPORT

ACCOUNTS AND LOANS RECEIVABLE AS OF JUNE 30, 2004

Summary of Accounts Receivable:

The University's Academic Division's total accounts receivable at June 30, 2004 were \$14,911,000, as compared to \$16,895,000 at March 31, 2004. The major sources of receivables at June 30, 2004, were sponsored programs of \$8,332,000 and student receivables of \$4,253,000.

The past due receivables over 120 days old were \$1,062,000 at June 30, 2004, or 7.12 percent of total receivables, which is 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	\$4,253,000	\$8,332,000	\$2,326,000	\$14,911,000
Less: Allowance for Doubtful Accounts	<u>75,000</u>	<u>550,000</u>	<u>230,000</u>	<u>855,000</u>
Net Accounts Receivable	<u>\$4,178,000</u>	<u>\$7,782,000</u>	<u>\$2,096,000</u>	<u>\$14,056,000</u>
Accounts Receivable Greater than 120 Days Past Due	<u>\$226,000</u>	<u>\$556,000</u>	<u>\$280,000</u>	<u>\$1,062,000</u>

SOURCE: Revenue and Collections
DATE: August 26, 2004

ACADEMIC DIVISION

FINANCIAL REPORT

ACCOUNTS AND LOANS RECEIVABLE AS OF JUNE 30, 2004

Summary of Loans Receivable:

The default rate for the Perkins Student Loan Program decreased by 0.26 percent to 6.58 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 percent. The Nursing Undergraduate Student Loan Program default rate decreased by 0.20 percent to 1.93 percent. Both medical loan programs are well below the five percent federal threshold. The University Loan Program default rate increased by 0.19 percent to 4.87 percent.

	<u>Gross Loans Receivable</u>	<u>Current Default Rate</u>	<u>Inc./ (Dec) From Last Quarter</u>
Perkins Student Loans	\$17,096,000	6.58%	(0.26)%
Health Professions Loans	334,000	0.00%	0.00%
Undergraduate Nursing Loans	647,000	1.93%	(0.20)%
University Loans	8,365,000	4.87%	0.19%
Total Student Loan Outstanding	<u>\$26,442,000</u>		

SOURCE: Student Financial Services

DATE: August 26, 2004

**EXPENDITURE OF FUNDS FROM PRATT ESTATE
For Year Ended June 30, 2004**

	07/01/03 Unexpended Balance ¹	FY 03-04 Net Allocations ²	FY 03-04 Expenditures	06/30/04 Unexpended Balance
Arts & Sciences				
Biology				
Student Support	\$ 47,781.88	\$ 226,069.00	\$ 254,095.41	\$ 19,755.47
Faculty Salary Support	3,446.11	18,931.00	30,281.33	-7,904.22
Research & Equipment*	217,160.73	0.00	18,659.81	198,500.92
	<u>268,388.72</u>	<u>245,000.00</u>	<u>303,036.55</u>	<u>210,352.17</u>
Chemistry				
Student Support	80,645.89	90,000.00	72,228.20	98,417.69
Faculty Salary Support	-3,447.12	65,000.00	52,746.21	8,806.67
Research & Equipment	-63,034.11	100,000.00	74,543.96	-37,578.07
	<u>14,164.66</u>	<u>255,000.00</u>	<u>199,518.37</u>	<u>69,646.29</u>
Mathematics				
Student Support	281,239.41	64,600.00	30,731.00	315,108.41
Faculty Salary Support	-15,675.52	200,400.00	138,048.39	46,676.09
Research & Equipment	89,146.98	20,000.00	18,257.31	90,889.67
	<u>354,710.87</u>	<u>285,000.00</u>	<u>187,036.70</u>	<u>452,674.17</u>
Physics				
Student Support	28,845.84	175,000.00	266,615.00	-62,769.16
Faculty Salary Support	233,155.64	49,820.00	30,861.09	252,114.55
Research & Equipment	998,758.68	60,180.00	2,094.50	1,056,844.18
	<u>1,260,760.16</u>	<u>285,000.00</u>	<u>299,570.59</u>	<u>1,246,189.57</u>
Presidential Science Initiative	641,778.29	230,000.00	450,085.86	421,692.43
Science & Tech Initiative (FEST)	600,821.49	0.00	258,665.67	342,155.82
Provost Faculty Start-Ups	1,398,519.85	500,000.00	107,884.50	1,790,635.35
Morphogenesis & Regen. - A&S	1,165,000.00	0.00	0.00	1,165,000.00
Total Arts and Sciences	<u>5,704,144.04</u>	<u>1,800,000.00</u>	<u>1,805,798.24</u>	<u>5,698,345.80</u>
School of Medicine				
Student Support	97,026.41	207,676.00	289,073.45	15,628.96
Research & Equipment	813,783.34	1,232,450.00	1,005,432.96	1,040,800.38
Science & Tech Initiative (FEST)	467,623.42	0.00	275,509.84	192,113.58
Special Distribution	400,000.00	200,000.00	0.00	600,000.00
Morphogenesis & Regen. - Med	1,165,000.00	0.00	0.00	1,165,000.00
Decade Plan	0.00	4,000,000.00	142,817.76	3,857,182.24
Pratt Master - To be Allocated	199,067.00	-140,126.00	0.00	58,941.00
Total School of Medicine	<u>3,142,500.17</u>	<u>5,500,000.00</u>	<u>1,712,834.01</u>	<u>6,929,666.16</u>
TOTALS	<u>\$ 8,846,644.21</u>	<u>\$ 7,300,000.00</u>	<u>\$ 3,518,632.25</u>	<u>\$12,628,011.96</u>

NOTES: 1. Beginning balances have been restated to conform to 2004 classifications.
2. Allocations include amounts approved by the Board of Visitors for 2003-04 and \$140,126.00 carryforward amount from prior year allocation.

SOURCE: Financial Analysis
DATE: August 26, 2004

**INTERNAL LOANS TO UNIVERSITY DEPARTMENTS AND ACTIVITIES
As of June 30, 2004**

PROJECT #	PURPOSE	DATE OF LOAN	INTEREST RATE	ORIGINAL LOAN AMOUNT	PRINCIPAL PAYMENTS MADE TO DATE	OUTSTANDING PRINCIPAL	APPROXIMATE FINAL PAYMENT
120651	Wise Student System	04/21/04	Blended borrowing rate (4.75%)	200,000.00	-	200,000.00	July 2007
120561	ITC Mainframe	03/16/04	Blended borrowing rate (4.75%)	300,000.00	100,000.00	200,000.00	July 2006
103812/ 118780	Wise Student Center	11/30/03	Blended borrowing rate (4.75%)	2,000,000.00	500,000.00	1,500,000.00	June 2007
103792	Clark Hall	11/01/03	Blended borrowing rate (4.75%)	2,575,000.00	1,500,000.00	1,075,000.00	January 2006
118600	Columbarium	10/30/03	Blended borrowing rate (4.75%)	85,000.00	-	85,000.00	October 2008
115024	Baseball Stadium	06/14/02	Fed. Funds+60 pts.	1,525,000.00	1,441,935.23	83,064.77	June 2005
115608	ITC-Disk Hardware	02/01/02	Fed. Funds+60 pts.	130,000.00	130,000.00	-	July 2004
115567	ITC-Cincom	02/01/02	Fed. Funds+60 pts.	950,000.00	712,500.00	237,500.00	July 2005
107202	Keck Center	06/22/01	Fed. Funds+60 pts.	50,000.00	25,000.00	25,000.00	June 2005
103869	Gilmer Hall	06/22/01	Fed. Funds+60 pts.	45,147.96	25,000.00	20,147.96	June 2005
103947	WTJU	06/01/00	Fed. Funds+60 pts.	120,000.00	96,000.00	24,000.00	May 2005
N/A	UVA Medical Center	07/10/02	Fed. Funds+60 pts.	3,982,201.94	2,018,914.63	1,963,287.31	June 2006
103807	CVC Football Facility	12/22/98	Fed. Funds+60 pts.	3,000,000.00	1,285,772.18	1,714,227.82	June 2009
Total Internal Loans Subject to \$15M Limit Established by BOV¹				\$14,962,349.90	\$7,835,122.04	\$7,127,227.86	
Other Internal Loan:							
103842	Scott Stadium Internal Construction Loan ²	04/26/01	Fed. Funds+60 pts.	10,338,494.75	10,338,494.75	-	April 2006

NOTES: 1. Per January 1990 Board of Visitors resolution establishing the internal loan pool at \$10 million and per April 2003 Board of Visitors resolution approving the expansion of the internal loan pool from \$10 million to \$15 million. All internal loans are subject to the approval of the Executive Vice President and Chief Operating Officer.

2. Per April 2001 Board of Visitors resolution approving a short-term construction loan of up to \$13 million.

SOURCE: Investment and Tax Services
DATE: August 26, 2004

QUARTERLY BUDGET REPORT

As of June 30, 2004

This report compares the actual results for the sources and uses of the approved Academic Division annual budget (excluding the Medical Center and The University of Virginia's College at Wise). At the end of fiscal year 2003-2004, 99.2 percent of the budget has been collected due to the collection of tuition and fees, the allotment of general fund appropriations at the beginning of each semester, the collection of sales, investment and other income, and the auxiliary enterprise collections. The remaining sources of available funds are recognized as expended. For the fiscal year end, 97.9 percent of the budget has been expended.

The operating budget is developed using differing rules and conventions from the audited financial statements, which are developed in accordance with generally accepted accounting principles (GAAP). In some cases, similar descriptions are used in both reports even though the precise definitions and the specific amounts are not identical. However, both sets of figures are accurate for their particular purposes, and both are drawn from the University's financial applications. Outlined below are several of the differing conventions used in the operating budget and the actual results presented on the accompanying statement:

- The operating budget is prepared on a cash basis.
- The operating budget presents tuition and fees as gross income and the full amount of student aid as an expense.
- In the operating budget, depreciation is not funded and non-capital outlay purchases are recognized as expended rather than spread over the useful life of the purchase. Debt service, major repair, or renovation expenditures occur within the capital outlay accounts - and off the operating budget; however, the operating budget does include the annual transfers from auxiliary enterprise operations to the capital outlay accounts and reserves.
- In the operating budget, the source of expenditures is shown rather than actual revenues recognized. Unrestricted income, including gifts and indirect cost recoveries, is shown only as it is to be expended. Endowment

distributions are included only to the extent that expenditures are anticipated.

- Direct lending is excluded from the operating budget.
- Fringe benefit expenditures are included in the operating budget using pooled benefit rates.

A definition of terms is included to explain the categories for the sources and uses of funds.

SOURCE: Budget Office
DATE: August 27, 2004

University of Virginia Academic Division
2003-2004 Operating Budget vs. Actual Results
As of June 30, 2004
(in thousands)

	2003-04 Revised Budget	6/30/04 Actual Results	Variance	6/30/04 Percentage of Budget
Sources of Available Funds				
Tuition & Fees	\$239,231	\$240,059	(\$828)	100.3%
State General Fund Appropriation	121,643	121,310	333	99.7%
Sponsored Research Direct & Indirect Costs	274,859	255,867	18,992	93.1%
Endowment Distributions Expended	68,438	53,119	15,319	77.6%
Private Gifts Expended	66,045	69,054	(3,009)	104.6%
Sales, Investment & Other Revenues Expended	24,986	33,582	(8,596)	134.4%
Auxiliary Enterprises	135,161	149,537	(14,376)	110.6%
Total Sources of Available Funds	\$930,363	\$922,528	\$7,835	99.2%
Uses of Available Funds				
Direct Instruction	\$228,932	\$208,756	\$20,176	91.2%
Research and Public Service	256,681	233,248	23,433	90.9%
Library, Information Tech., & Academic Administration	103,098	109,655	(6,557)	106.4%
Student Services	18,811	19,460	(649)	103.5%
General Administration	58,949	52,769	6,180	89.5%
Operation & Maintenance of Physical Plant	41,139	49,981	(8,842)	121.5%
Scholarships, Fellowships, and Other Graduate Support	87,592	89,260	(1,668)	100.7%
Total Educational & General and Student Aid	795,202	763,129	32,073	96.0%
Auxiliary Enterprises				
Athletics	24,179	27,591	(3,412)	114.1%
University Bookstores	28,604	31,167	(2,563)	109.0%
Housing	14,695	14,536	159	98.9%
Other Auxiliary Enterprises	41,505	44,932	(3,427)	108.3%
Total Auxiliary Operating Uses	108,983	118,226	(9,243)	108.5%
Transfers to reserves for renewal, replacement and debt	25,460	28,750	(3,290)	112.9%
Total Auxiliary Enterprises	134,443	146,976	(12,533)	109.3%
Total Uses of Available Funds	\$929,645	\$910,105	\$19,540	97.9%
Surplus	\$718	\$12,423	(\$11,705)	n/a

DEFINITION OF TERMS

Sponsored Research Direct and Indirect Costs - primarily research projects, but also includes activities restricted to institutional and service programs.

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.

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

Research - includes expenditures for activities such as support for research faculty and 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 School of Medicine's clinical physicians' salaries and fringe benefits related to patient care.

Library, Information Technology and Academic Administration - 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 students' emotional and physical well-being and to their intellectual, cultural, and social development outside the classroom.

General Administration - includes the financial, administrative, logistical, and development activities of the University.

Operation and Maintenance of Physical 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.

UNIVERSITY OF VIRGINIA
QUASI-ENDOWMENT ACTIONS

April 1, 2004 - June 30, 2004

(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, less than \$2,000,000.)

Per the delegated authority from the Executive Vice President and Chief Operating Officer, the Vice President for Management and Budget has approved the additions, divestments, and capitalizations of the quasi-endowments listed below.

<u>Additions</u>	<u>Amount</u>
Cohen, William B. Memorial Scholarship Fund ¹	\$300,000.00
Marching Band Quasi-Endowment	700,000.00
Pediatrics Operational Quasi-Endowment Fund	26,950.00
Pristo, Lori Ann Award	8,150.00
UVA Bookstore Quasi-Endowment for Excellence	300,000.00
UVAW Foreign Travel Endowment	100.00
University Quasi Endowment Fund ²	<u>437,774.64</u>
Total Additions to Quasi Endowments	\$1,772,974.64
 <u>Divestments</u> 	
Plastic Surgery Quasi-Endowment Fund	\$460,000.00
Thaler, Myles H. Quasi-Endowment for HIV Research	<u>9,057.00</u>
Total Divestments from Quasi Endowments	\$469,057.00
 <u>Endowment Income Capitalizations</u> 	
Antrim, Lottie C. Income Capitalization	\$2,297.84
Athletics General Operations Quasi-Endowment	65,760.36
Bogges, Margaret F. Memorial Fund	12,425.28
Bristol Laboratories Quasi Endowment - Hecht	3,368.80
Chrysler, W.P. Fund for Engineering Library	922.50
Class Of 1955 Fund	780.32
Class Of 1956 Fund	2,656.43
Class Of 1957 Fund	2,065.26
Class Of 1958 Fund	2,625.66
Class Of 1959 Fund	3,069.45
Class Of 1960 Fund	2,587.27
Class Of 1961 Fund	2,336.83

Class Of 1962 Fund	3,410.72
Class Of 1963 Fund	1,055.51
Class Of 1964 Fund	2,077.51
Class Of 1965 Fund	634.11
Dean's Adenosine Patent Quasi-Unrestricted Income	91,159.97
Dermatology General Investment Fund	12,479.17
Hecht-Cruachem Chemistry Quasi Endowment	3,847.73
Hecht-Cruachem Chemistry Quasi Endowment #2	3,481.31
Hecht-Cruachem Chemistry Quasi Endowment #3	1,460.52
Horton, Charles E. Professorship in International Plastic Surgery Quasi-Endowment	5,935.97
Honor System Quasi-Unrestricted Endowment Fund	5,906.66
Hughes Endowment Income Capitalization Quasi- Endowment	1,643.04
Jordan, Harvey E. Lectureship	478.91
McIntire, Howard Quasi Endowment In Neurology	10,333.11
Miller, Mae W. Cancer Research Quasi Endowment	2,421.98
Moyston Quasi-Endowment for Ophthalmology	10,050.96
Pediatrics Operational Quasi-Endowment Fund	23,121.11
Phase II Chemistry Building Unrestricted Quasi Endowment	20,178.24
Plastic Surgery Quasi-Endowment Fund	20,073.95
Radiology Fund Special Diagnostic	1,758.71
School Of Medicine Quasi Endowment	32,418.76
Swortzel, Thelma R. Research Quasi-Endowment	6,903.94
Taylor, Henry N. Fund	129.53
Virginia Quarterly Review Anonymous	<u>223.87</u>
Total Endowment Income Capitalizations	\$362,081.29

NOTES:

1. Quasi-endowment newly established or originally funded since April 1, 2004.
2. Includes current unrestricted gifts to the University that, under a standing Board of Visitors resolution, are required to be added to the University's Unrestricted Endowment Fund.

SOURCE: Financial Administration
DATE: August 26, 2004

ENDOWMENT/INVESTMENTS FOR UVA AND RELATED FOUNDATIONS*
June 30, 2004
(In Thousands)

	R&V Funds Invested by UVIMCO	Related Foundation Funds Invested by UVIMCO	Fiscal Year Perf. of Funds Invested by UVIMCO	Related Foundation Funds Invested by Direction of Foundation Board	Fiscal Year Perf. of Funds Invested by Direction of Foundation Board	Funds Invested by Alumni Association	Fiscal Year Perf. of Funds Invested by Alumni Association	Total
UVA Medical School and related foundations	\$471,526	\$ 5,282	12.7%	\$20,313	14.7%	\$3,631	7.5%	\$500,752
Darden School and related foundation	80,363	47,277	12.7%	133,038	15.5%	0		260,678
College of Arts and Sciences and related foundations	224,200	9,112	12.7%	10,858	1.1%	11,366	7.5%	255,536
UVA Law School and related foundation	31,220	84,937	12.7%	96,907	13.4%	0		213,064
School of Engineering and related foundation	55,251	0	12.7%	2,193		2,109	7.5%	59,553
McIntire School of Commerce and related foundation	27,079	0	12.7%	297	10.3-13.0%	25,174	7.5%	52,550
Graduate School of Arts and Sciences	31,966	0	12.7%	0		0		31,966
School of Nursing	23,745	0	12.7%	0		1,557	7.5%	25,302
UVA's College at Wise and related foundation	19,627	522	12.7%	470		1,705	7.5%	22,324
Curry School of Education and related foundation	8,890	5,331	12.7%	64		0		14,285
School of Architecture	11,311	0	12.7%	0		333	7.5%	11,644
School of Continuing and Professional Studies	53	0	12.7%	0		0		53
Alumni Association**	0	0		0		215,346	7.5%	215,346
Athletics and related foundation	29,690	18,981	12.7%	20,585		291	7.5%	69,547
Miller Center and related foundation	38,253	2,147	12.7%	0		1	7.5%	40,401
Alumni Board of Trustees	0	0		29,615	15.3%	8,565	7.5%	38,180
UVA Foundation and related entities	0	35,461	12.7%	0		0		35,461
UVA Medical Center and related foundation	101,675	2,822	12.7%	0		0		104,497
All Other	826,425	15,661	12.7%	0		0		842,0896
	\$1,981,274	\$227,533		\$314,340		\$270,078		\$2,793,228

Notes: * Where available.

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

SOURCE: Financial Administration
DATE: August 31, 2004

UNIVERSITY OF VIRGINIA

SALARY AND COMPENSATION FOR FULL-TIME FACULTY

AT AAU AND SCHEV PEER GROUP INSTITUTIONS

These reports provide average compensation and salary figures for institutions included in the Association of American Universities (AAU), and average salary figures for the University's peer institutions, as established by the State Council of Higher Education in Virginia (SCHEV). These figures include instructional faculty paid on a full-time basis; all medical faculty have been excluded. Salary figures for those faculty with eleven- or twelve-month duties have been converted to nine-month figures by multiplying the total salaries by 9/11. The source for these figures is "The Annual Report on the Economic Status of the Profession, 2003-2004," Academe, March-April, 2004, the bulletin of the American Association of University Professors.

SOURCE: Institutional Assessment and Studies
DATE: August 6, 2004

UNIVERSITY OF VIRGINIA FACULTY SALARY AVERAGES

Salary at AAU Institutions

- AAU salary data includes all sources of funds.
- The 60 institutions included in this year's rankings are only the U.S. institutions. Two Canadian institutions, the University of Toronto and McGill University, have been excluded.
- The UVa average in each of the years displayed represents the salary average as of December 1 of that year and reflects the merit increase of that date. The 1996-97 average does not include the increases from endowment funds that were made in early 1997 retroactive to December 1996. That retroactive increase from the endowment, along with the December 1997 installment from the endowment and five percent increase from the state, are represented in the 1997-98 figures.
- The UVa percentage increase between 2002-03 and 2003-04 was 4.33 percent. This was well above the median for the AAU (2.87 percent) causing the University's rank position of 30th in 2002-03 to rise to 24th in 2003-04.
- In 1989-90, before the first round of the Wilder budget cuts, UVa ranked 18th (69th percentile) in the AAU. Since then our ranking has varied, never rising above 18th, dropping as low as 32nd in 1996-97, and now stands at 24th (61st percentile) in 2003-04. During that 14-year period the University's average salary increased from \$54,100 in 1989-90 to \$86,700 in 2003-04 (a total increase of 60 percent, which is the equivalent of a 3.43 percent increase each year).

Compensation at AAU Institutions

- As in the case of the average salary, average compensation was reported as of December 1 of those years.
- The UVa percentage increase between 2002-03 and 2003-04 was 6.60 percent. This also was well above the median for the AAU (3.14 percent) and resulted in a six-position rise in our compensation ranking (from 33rd to 27th). The percentage increase in compensation was significantly higher than the increase in salary because of the large increase in the

cost of health insurance and the corresponding increase in the health insurance benefit.

- In 1989-90 UVa ranked 20th (65th percentile) in compensation. Since then our ranking has varied, never rising above 20th, and now stands at 27th (56th percentile) in 2003-04. During that 14-year period our average compensation increased from \$66,800 in 1989-90 to \$108,200 in 2003-04 (a total increase of 62 percent, which is the equivalent of a 3.50 percent increase each year).

State Salary at SCHEV Peer Institutions

- In the spring of 1997, SCHEV approved a new sample of peer institutions for the University. Again, the UVa state salary average represents the salary average as of December 1 each year. The UVa state salary average excludes all endowment funds.
- The UVa percentage increase in State salary between 2002-03 and 2003-04 was 2.25 percent. The mean increase for the peer group was 2.18 percent, which resulted in no change in ranking (17th).
- In 1989-90, UVa ranked 10th in our previous state peer group of 25. In the newly constituted group, the University began in 1996-97 at position 16 (27th percentile), and has eventually dropped to position 17 (the 28th percentile) by 2003-04.

SOURCE: Institutional Assessment and Studies
DATE: August 6, 2004

Average Salary for Full-Time Instructional Faculty at AAU Institutions, 1992-93 to 2003-04

Rank	1992-93	93-94	94-95	1995-96	96-97	97-98	1998-99	99-00	00-01	2001-02	2002-03	2003-04	Rank	
1	Cal Tech	84,100	Cal Tech	92,500	Cal Tech	104,400	Harvard U	114,800	Harvard U	119,700	Harvard U	124,600	4.09%	1
2	Stanford	79,000	Stanford U	88,500	Stanford U	99,500	Stanford U	111,200	Stanford U	116,700	Stanford U	121,300	3.94%	2
3	Harvard	74,800	Harvard U	85,400	Harvard U	98,200	Cal Tech ²	108,500	Cal Tech	111,800	U Penn	115,300	3.32%	3
4	MIT	72,700	U Penn	80,800	U Penn	92,000	U Penn	107,500	U Penn	111,600	Cal Tech	112,900	0.98%	4
5	U Chicago	72,500	MIT	80,400	Princeton U	90,900	Princeton U	103,000	Princeton U	107,000	Princeton U	112,700	5.33%	5
6	U Penn	72,000	U Chicago	80,000	U Chicago	88,700	MIT	100,800	MIT	105,300	MIT	111,100	5.51%	6
7	Princeton	71,100	Princeton U	78,200	MIT	88,300	Northwestern	100,600	Northwestern	105,200	Northwestern	108,500	3.14%	7
8	Duke	68,200	Northwestern	77,100	Northwestern	87,300	Columbia U	98,300	Duke U	101,700	Columbia U	104,100	4.20%	8
9	Northwestern	68,000	Yale U	76,000	UC Berkeley	87,100	Duke U	97,300	Yale U	100,400	Duke U	103,900	2.16%	9
10	Yale U	67,900	Duke U	75,200	Yale U	86,200	U Chicago	97,200	Columbia U	99,900	U Chicago	103,200	3.82%	10
11	UC Berkeley	67,900	Rice U	74,600	Columbia U	84,800	UC Berkeley	96,500	U Chicago	99,400	Yale U	102,300	1.89%	11
12	NYU	66,200	NYU	74,000	Duke U	84,300	Yale U	96,200	UC Berkeley	98,600	UC Berkeley	101,900	3.35%	12
13	Columbia U	66,000	Columbia U	73,800	NYU	82,900	UCLA	92,800	Cornell-Endow	94,700	Cornell-Endow	99,700	5.28%	13
14	CMU	64,800	CMU	73,500	UCLA	81,700	CMU	92,300	Washington U	94,700	Washington U	98,500	4.01%	14
15	Rice U	64,400	Rutgers U	71,900	CMU	81,500	NYU	92,000	UCLA	94,600	UCLA	98,300	3.91%	15
16	Rutgers U	62,600	UC Berkeley	71,900	UC San Diego	80,600	Washington U	91,200	Emory U	93,900	Emory U	96,900	3.19%	16
17	UCLA	62,100	UCLA	68,100	Rice U	79,300	Rice U	90,300	NYU	93,100	Brown U	93,900	4.22%	17
18	UCSD	61,500	Washington U	67,500	Washington U	77,900	Emory U	90,200	Rice U	91,400	NYU	92,200	-0.97%	18
19	USC	61,200	Emory U	67,300	Emory U	75,600	Cornell-Endow	88,500	Brown U	90,100	Rice U	92,000	0.68%	19
20	U Rochester	60,900	UC San Diego	67,300	UC Santa Barb	75,300	UC San Diego	87,700	UC San Diego	89,600	CMU ⁴	90,400	5.36%	20
21	Cornell-Endow	60,800	USC	67,100	UC Irvine	74,800	Brown U	83,500	CMU ⁵	85,800	UC San Diego	90,100	0.56%	21
22	Brown U	59,800	Brown U	66,600	Cornell-Endow	74,600	UC Santa Barb	83,000	Rutgers U	84,800	USC	87,800	4.28%	22
23	Vanderbilt	58,400	Cornell-Endow	65,700	U Virginia	74,500	U Virginia	82,700	Vanderbilt	84,700	Rutgers U	87,400	3.07%	23
24	Washington U	58,300	U Michigan	65,700	USC	74,200	UC Davis	81,500	U Rochester	84,400	U Virginia	86,700	4.33%	24
25	U Michigan	57,500	U Rochester	64,600	UC Davis	73,800	U Illinois	81,500	UC Santa Barb	84,200	UC Santa Barb	86,600	2.85%	25
26	U Virginia	57,400	Vanderbilt	64,500	Rutgers U	73,500	U Maryland	81,200	USC	84,200	U Michigan	86,500	3.10%	26
27	Johns Hopkins	57,300	Case Western	63,700	U Rochester	73,500	UC Irvine	81,100	UC Davis	84,000	UC Davis	86,400	2.86%	27
28	SUNY Buffalo	57,300	U Virginia	63,700	Brown U	73,400	USC	81,000	U Michigan	83,900	Vanderbilt	85,800	1.30%	28
29	U Iowa	57,000	UC Santa Barb	63,700	Vanderbilt	73,300	U Rochester	81,000	U Minnesota	83,800	U Rochester	85,500	1.30%	29
30	U Illinois	56,100	U Illinois	62,600	U Michigan	72,700	UNC	80,800	U Virginia	83,100	U Illinois	85,100	4.55%	30
31	Case Western	56,100	Johns Hopkins	62,500	U Minnesota	72,400	U Michigan	80,800	U Wisconsin	83,100	U Maryland	84,300	1.69%	31
32	U Wisconsin	56,000	U Minnesota	61,700	UNC	72,100	U Minnesota	80,600	U Maryland	82,900	U Wisconsin	83,600	0.60%	32
33	U Minnesota	55,900	SUNY Buffalo	61,500	U Illinois	71,700	U Wisconsin	79,900	UC Irvine	81,900	U Minnesota	83,400	-0.48%	33
34	U Texas	55,600	UNC	61,500	Case Western	69,900	Vanderbilt	79,500	UNC	81,600	UC Irvine	83,300	1.71%	34
35	Tulane U	55,200	U Iowa	61,400	U Iowa	68,200	Rutgers U	79,100	U Illinois	81,400	Case Western	83,300	2.84%	35
36	Brandeis U	54,300	U Wisconsin	61,300	U Wisconsin	68,200	Case Western	77,600	Case Western	81,000	Ohio State	82,700	4.95%	36
37	U Washington	54,100	Tulane U	60,800	Johns Hopkins	67,500	U Iowa	77,000	U Iowa	80,000	Johns Hopkins	81,800	4.60%	37
38	U Colorado	53,900	U Texas	60,300	SUNY Buffalo	67,200	SUNY Buffalo	75,700	SUNY StonyBrk	79,100	UNC	81,700	0.12%	38
39	UNC	53,800	Ohio State	59,800	Ohio State	66,700	Ohio State	74,800	Ohio State	78,800	U Iowa	81,100	1.37%	39
40	Purdue U	53,700	U Maryland	59,400	Tulane U	66,300	Johns Hopkins	74,600	Johns Hopkins	78,200	SUNY StonyBrk	79,600	0.63%	40
41	Ohio State	53,500	Purdue U	59,300	Iowa State	65,100	Indiana U	74,200	SUNY Buffalo	77,700	Mich St U	79,100	2.06%	41
42	U Pittsburgh	53,400	Iowa State	59,200	Mich St U	64,900	U Texas	73,800	Mich St U	77,500	SUNY Buffalo	79,000	1.67%	42
43	U Maryland	53,400	Mich St U	58,800	Purdue U	64,900	U Texas	73,100	U Texas	76,500	Brandeis U	78,200	3.71%	43
44	Mich State	52,800	U Arizona	58,600	U Maryland	64,900	Tulane U	72,500	Indiana U	76,300	Purdue U	77,600	6.01%	44
45	Iowa State	52,600	U Washington	58,000	U Arizona	64,500	U Washington	72,500	Brandeis U	75,400	Indiana U	77,300	1.31%	45
46	Clark U	52,500	U Colorado	57,900	U Texas	64,500	U Arizona	72,000	Tulane U	75,200	U Texas	77,000	0.65%	46
47	Indiana U	52,200	Indiana U	57,600	Brandeis U	63,400	Brandeis U	71,600	U Pittsburgh	74,700	U Pittsburgh	76,800	2.81%	47
48	Syracuse U	51,200	Brandeis U	57,400	U Colorado	63,200	Purdue U	71,200	U Arizona	74,600	U Arizona	75,800	1.61%	48
49	U Nebraska	50,600	U Pittsburgh	56,800	Indiana U	62,500	U Florida	71,100	U Colorado	74,400	U Washington	75,200	3.01%	49
50	Penn State	49,600	U Nebraska	55,700	U Florida	62,400	Iowa State	70,900	Purdue U	73,200	U Colorado	75,100	0.94%	50
51	U Florida	48,000	Syracuse U	55,300	U Pittsburgh	62,300	U Colorado	69,900	U Washington	73,000	U Florida	74,800	2.89%	51
52	U Kansas	47,300	U Missouri	55,300	U Missouri	62,100	U Pittsburgh	69,800	U Florida	72,700	Tulane U	74,500	-0.93%	52
53	U Arizona	47,200	Penn State	55,200	U Washington	61,800	Penn State	68,500	U Nebraska	72,600	Penn State	73,800	3.94%	53
54	Catholic U	46,600	Clark U	54,900	Clark U	61,300	U Nebraska	68,500	Penn State	71,000	Syracuse U	73,200	4.87%	54
55	U Missouri	45,400	U Florida	54,500	Penn State	60,700	U Kansas	68,100	Texas A&M	70,000	Texas A&M	73,100	4.43%	55
56	U Oregon	44,100	U Kansas	52,600	Syracuse U	59,300	Syracuse U	67,000	Syracuse U	69,800	U Nebraska	72,400	-0.28%	56
			Catholic U	51,200	U Nebraska	58,900	U Missouri	66,500	Iowa State	69,500	Iowa State	70,900	2.01%	57
			U Oregon	46,800	U Kansas	58,100	Catholic U	61,000	U Kansas	68,300	U Kansas	70,000	2.49%	58
					Catholic U	57,100	U Oregon	57,600	U Missouri ³	65,800	U Missouri	68,700	4.41%	59
					U Oregon	52,500			U Oregon	59,800	U Oregon	61,000	2.01%	60

Median Increase 3.63% Median Increase 3.82% Median Increase 2.87%

Average Salary for Full-Time Instructional Faculty at AAU Institutions, 1992-93 to 2003-04

Page 2 of 2

UVa Percentile Ranking 61%

Notes: All medical faculty are excluded from the above salary averages. Only faculty who are 50% or more instructional are included. Only U.S. institutions are included above. The University of Toronto and McGill University, although members of AAU, are not included. Beginning in 1992, at the University of Virginia, salary increases were given on December 1 of each year. The above averages for UVa include the December 1 increases each year.
In 1995, Emory U. and UC Santa Barbara were added to the AAU and to the above list of institutions.
In 1996, UC Davis and UC Irvine were added to the AAU and to the above list of institutions.
In 1999, Clark University withdrew from the AAU and was deleted from the above list of institutions.
In 2001, Texas A&M and SUNY StonyBrook were added to the AAU and to the above list of institutions.
In 2002, Catholic University withdrew from the AAU and was deleted from the above list of institutions.

Source: Academe, Bulletin of the American Association of University Professors

- 1 Salary data was not available for Johns Hopkins University in 2000-01, so the AAU median increase was assumed.
- 2 A drop, between 2000-01 and 2001-2002, in the mean salary reported at Cal. Tech. was caused by the inclusion, for the first time, of unranked faculty in their survey population.
- 3 Data for Missouri is suspect for 2002-03, so an estimated 1.05% decrease was used in its place.
- 4 A drop, between 2001-02 and 2002-03, in the mean salary reported at CMU was caused by a modification in CMU's reporting methodology, undertaken in order to more closely comply with AAUP definitions.

Institutional Assessment and Studies
April 26, 2004

Average Compensation for Full-Time Instructional Faculty at AAU Institutions, 1992-93 to 2003-04

Rank	1992-93	93-94	94-95	1995-96	95-97	97-98	1998-99	99-00	00-01	2001-02	2002-03	2003-04	Rank	
1	Cal Tech	104,500	Cal Tech	115,000	Cal Tech	129,600	U Penn	141,000	U Penn	147,800	Stanford U	157,100	6.58%	1
2	Stanford U	95,900	Stanford U	106,500	Harvard U	119,500	Cal Tech	131,600	Stanford U	147,400	U Penn	154,100	4.26%	2
3	Harvard U	93,300	Harvard U	105,000	Stanford U	119,500	Stanford U	129,000	Harvard U	142,200	Harvard U	153,000	7.59%	3
4	MIT	91,300	U Penn	102,800	U Penn	115,900	Harvard U	126,500	Cal Tech	136,100	MIT	139,600	5.76%	4
5	U Penn	90,900	MIT	100,900	Princeton U	111,000	UC Berkeley	123,800	UC Berkeley	132,800	Cal Tech	138,600	1.84%	5
6	U Chicago	88,900	U Chicago	98,400	UC Berkeley	110,500	Emory U	122,200	MIT	132,000	Princeton U	138,200	5.58%	6
7	Columbia U	87,400	Columbia U	98,200	MIT	110,100	Princeton U	122,000	Princeton U	130,900	Cornell-Endow	132,200	7.57%	7
8	NYU	86,800	NYU	98,000	NYU	109,100	MIT	121,800	UCLA	127,500	UC Berkeley	131,500	-0.98%	8
9	Princeton U	85,500	Princeton U	95,100	U Chicago	108,200	Northwestern	121,700	Northwestern	126,800	Northwestern	131,500	3.71%	9
10	Duke U	83,800	Northwestern	93,400	Columbia U	105,700	NYU	121,500	Duke U	126,600	Columbia U	129,300	7.84%	10
11	UC Berkeley	83,300	Duke U	93,100	Northwestern	105,700	Columbia U	120,100	Cornell-Endow	122,900	Duke U	129,200	2.05%	11
12	Yale U	82,700	Yale U	92,300	Duke U ²	104,100	U Chicago	119,100	NYU	122,900	UCLA	127,000	-0.39%	12
13	Northwestern	82,300	UC Berkeley	91,600	UCLA	103,800	UCLA	119,000	U Chicago	121,900	U Chicago	126,400	3.69%	13
14	USC	79,200	Rice U	91,000	Yale U	103,600	Duke U	118,800	Yale U	121,600	Emory U	124,300	4.28%	14
15	CMU	79,000	Rutgers U	89,400	UC San Diego	102,500	CMU	115,900	UC San Diego	120,800	Yale U	123,600	1.64%	15
16	Rutgers U	78,200	USC	89,200	Rice U	100,100	Cornell-Endow	115,500	Columbia U	119,900	NYU	121,900	-0.81%	16
17	Rice U	77,700	CMU	88,100	Emory U	98,200	Emory U	112,600	Emory U	119,200	Washington U	120,100	4.80%	17
18	Cornell-Endow	77,500	UCLA	86,900	CMU	97,800	Washington U	110,400	Washington U	114,600	USC	119,100	4.29%	18
19	UCLA	76,200	UC San Diego	85,800	Cornell-Endow	96,900	Rice U	110,000	Rice U	114,200	UC San Diego	116,700	-3.39%	19
20	Brown U	76,100	Emory U	84,800	USC	96,600	Yale U	110,000	UC Davis	113,500	Brown U	115,400	4.15%	20
21	UC San Diego	75,400	Brown U	83,600	UC Santa Barb	95,900	USC	107,600	UC Santa Barb	113,400	Rice U	113,900	0.89%	21
22	Vanderbilt	73,300	Cornell-Endow	82,600	UC Irvine	95,400	UC Santa Barb	106,800	Rice U	112,900	CMU ³	112,500	8.17%	22
23	SUNY Buffalo	72,600	U Michigan	82,100	UC Davis	94,200	UC Davis	105,700	Brown U	110,800	UC Davis	112,200	-1.15%	23
24	U Rochester	72,600	Washington U	81,800	Washington U	93,800	UC Davis	104,900	UC Irvine	110,400	UC Santa Barb	112,200	-1.06%	24
25	U Michigan	71,900	UC Santa Barb	81,300	U Minnesota	92,500	UC Irvine	104,400	U Minnesota	109,900	U Minnesota	109,800	-0.09%	25
26	U Minnesota	71,600	Vanderbilt	79,700	U Virginia	91,900	Brown U	102,600	Vanderbilt	105,800	Rutgers U	109,800	3.88%	26
27	U Virginia	71,300	U Minnesota	78,700	Rutgers U	91,400	U Michigan	101,300	Rutgers U	105,700	U Virginia	108,200	6.60%	27
28	Johns Hopkins	71,100	Case Western	78,500	Brown U	91,100	U Wisconsin	100,900	U Wisconsin	105,600	UC Irvine	108,100	-2.08%	28
29	U Iowa	70,900	U Virginia	78,400	Vanderbilt	90,200	Vanderbilt	99,000	CMU ³	104,000	Vanderbilt	107,800	1.89%	29
30	Case Western	70,600	SUNY Buffalo	78,000	U Michigan	89,700	U Rochester	98,600	Mich St U	103,400	Case Western	107,100	5.83%	30
31	U Wisconsin	70,500	Johns Hopkins	77,700	U Rochester	88,200	U Rochester	98,300	U Rochester	103,100	U Michigan	106,700	3.69%	31
32	Washington U	70,500	U Rochester	77,400	U Wisconsin	85,900	Rutgers U	98,300	U Michigan	102,900	U Wisconsin	105,700	0.09%	32
33	Mich State	69,100	U Wisconsin	77,400	Case Western	85,800	U Maryland	97,500	U Virginia	101,500	Mich St U	105,600	2.13%	33
34	Tulane U	69,100	Mich State	76,800	U Iowa	85,700	U Illinois	97,100	Case Western	101,200	U Illinois	105,000	7.03%	34
35	Purdue U	68,700	U Iowa	76,500	UNC	85,600	Mich St U	97,000	Johns Hopkins	101,100	U Rochester	104,900	1.75%	35
36	U Texas	68,500	Purdue U	75,800	SUNY Buffalo	84,600	Case Western	96,700	U Maryland	101,100	Johns Hopkins	104,700	3.56%	36
37	Syracuse U	68,400	Tulane U	73,800	Johns Hopkins	84,400	U Iowa	96,600	U Iowa	100,400	U Maryland	103,300	2.18%	37
38	Brandeis U	67,500	Ohio State	73,600	Mich State	83,100	UNC	96,300	SUNY StonyBrk	100,300	Ohio State	103,300	5.95%	38
39	U Pittsburgh	67,100	Syracuse U	73,600	U Illinois	83,100	Johns Hopkins	95,500	SUNY Buffalo	98,400	U Iowa	102,400	1.99%	39
40	U Washington	67,000	UNC	73,500	Purdue U	83,000	SUNY Buffalo	94,600	U Illinois	98,100	SUNY StonyBrk	101,900	1.60%	40
41	U Maryland	66,200	Iowa State	73,300	Ohio State	81,100	Indiana U	93,400	Ohio State	97,500	Purdue U	101,100	6.53%	41
42	Iowa State	66,000	U Maryland	73,200	Iowa State	80,700	Ohio State	92,500	Indiana U	97,400	SUNY Buffalo	100,700	2.34%	42
43	Indiana U	65,700	Indiana U	72,900	U Florida	80,700	Purdue U	91,700	UNC	97,200	Indiana U	99,200	1.85%	43
44	Ohio State	65,500	U Texas	72,900	U Maryland	79,900	U Texas	89,300	Purdue U	94,900	Brandeis U	99,100	4.65%	44
45	U Colorado	65,500	U Illinois	72,100	Tulane U	79,400	Brandeis U	89,100	Brandeis U	94,700	UNC	98,600	1.44%	45
46	Clark U	64,900	Brandeis U	71,500	Brandeis U	78,800	Iowa State	89,000	U Texas	93,000	U Pittsburgh	96,700	5.45%	46
47	U Illinois	64,800	U Washington	71,300	Syracuse U	78,600	Tulane U	88,800	Syracuse U	92,300	Syracuse U	96,200	4.23%	47
48	UNC	64,300	U Colorado	71,200	U Pittsburgh	78,000	U Washington	88,700	U Pittsburgh	91,700	U Arizona	93,700	2.63%	48
49	Penn State	61,900	U Pittsburgh	70,900	U Texas	77,400	Syracuse U	88,600	U Arizona	91,300	U Florida	93,300	3.44%	49
50	U Nebraska	61,100	U Arizona	70,200	U Colorado	77,000	U Arizona	87,200	Tulane U	91,100	U Texas	93,000	0.00%	50
51	U Arizona	58,500	Clark U	69,300	Indiana U	76,900	Indiana U	86,800	U Nebraska	90,500	U Washington	92,000	2.45%	51
52	U Kansas	58,200	Penn State	68,900	U Arizona	76,900	U Pittsburgh	86,700	U Colorado	90,400	U Colorado	91,600	1.33%	52
53	U Florida	57,700	U Nebraska	67,200	Clark U	76,500	U Kansas	84,400	U Florida	90,200	U Nebraska	90,900	0.44%	53
54	U Oregon	56,500	U Florida	66,400	U Washington	74,600	U Colorado	84,000	U Washington	89,800	Tulane U	90,500	-0.66%	54
55	Catholic U	55,100	U Missouri	65,700	Penn State	74,400	U Nebraska	84,000	Iowa State	87,400	Iowa State	90,100	3.09%	55
56	U Missouri	53,900	U Kansas	64,900	U Missouri	73,500	Penn State	83,500	Penn State	86,600	Penn State	89,700	3.58%	56
			Catholic U	60,800	U Kansas	71,400	U Kansas	78,700	U Kansas	85,400	Texas A&M	87,500	3.18%	57
			U Oregon	60,400	U Nebraska	71,400	U Oregon	75,200	Texas A&M	84,800	U Kansas	86,800	1.64%	58
					Catholic U	68,800	Catholic U	72,600	U Oregon	79,600	U Missouri	82,700	14.38%	59
					U Oregon	65,300	U Oregon		U Missouri	72,300	U Oregon	82,300	3.39%	60

Median Increase 3.35% Median Increase 4.61% Median Increase 3.14%

Average Compensation for Full-Time Instructional Faculty at AAU Institutions, 1992-93 to 2003-04

Page 2 of 2

Notes: All medical faculty are excluded from the above averages. Only faculty who are 50% or more instructional are included.

UVa Percentile Ranking 56%

Only U.S. institutions are included above. The University of Toronto and McGill University, although members of AAU, are not included. Beginning in 1992, at the University of Virginia, salary increases were given on December 1 of each year. The above averages for UVa include the December 1 increases each year.

In 1996-97 and 1997-98, all University of California Institutions received 5% increases on November 1 instead of at the beginning of the year.

Estimates of those increases have been included in the above figures even though they were not included in the AAUP report.

In 1995, Emory U. and UC Santa Barbara were added to the AAU and to the above list of institutions.

In 1996, UC Davis and UC Irvine were added to the AAU and to the above list of institutions.

In 1999, Clark University withdrew from the AAU and was deleted from the above list of institutions.

In 2001, Texas A&M and SUNY StonyBrook were added to the AAU and to the above list of institutions.

In 2002, Catholic University withdrew from the AAU and was deleted from the above list of institutions.

Source: Academe, Bulletin of the American Association of University Professors

- 1 Compensation data was not available for Johns Hopkins University in 2000-01, so the AAU median increase was assumed.
- 2 A compensation figure was not available for Duke in 1998-99. It was estimated using the same percent increase that occurred in their salary figures, rounded to the nearest 100 dollars.
- 3 A drop, between 2001-02 and 2002-03, in the mean compensation reported at CMU was caused by a modification in CMU's reporting methodology, undertaken in order to more closely comply with AAUP definitions.

Institutional Assessment and Studies
April 28, 2004

**SCHEV Approved Institutional Peer Group Faculty Salaries
for the University of Virginia, 1996-97 to 2003-04**

Rank	1996-97		⁹⁷⁻⁹⁸	1999-00		⁰⁰⁻⁰¹	2001-02		2002-03		2003-04		Rank		
	Salary	% Incr.	98-99	Salary	% Incr.	Salary	% Incr.	Salary	% Incr.	Salary	% Incr.				
1	U Penn	84,200		U Penn	96,600	U Penn	3.56%	107,500	U Penn	3.81%	111,600	U Penn	3.32%	115,300	1
2	Northwestern	79,500		Northwestern	91,600	Northwestern	5.23%	100,600	Northwestern	4.57%	105,200	Northwestern	3.14%	108,500	2
3	Duke U	77,400		UC Berkeley	91,000	Duke U	5.99%	97,300	Duke U	4.52%	101,700	Duke U	2.16%	103,900	3
4	UC Berkeley	76,800		Duke U	87,300	UC Berkeley	2.22%	96,500	UC Berkeley	2.18%	98,600	UC Berkeley	3.35%	101,900	4
5	U Connecticut	70,900		Washington U	83,500	Washington U	3.99%	91,200	Washington U	3.84%	94,700	Washington U	4.01%	98,500	5
6	Washington U	70,200		Emory U	81,800	Emory U	5.62%	90,200	Emory U	4.10%	93,900	Emory U	3.19%	96,900	6
7	Emory U	70,100		Vanderbilt U	76,900	U Connecticut	4.70%	82,400	U Connecticut	3.88%	85,600	USC	4.28%	87,800	7
8	USC	69,900		USC	76,500	U Illinois	4.89%	81,500	Vanderbilt U	6.54%	84,700	U Michigan	3.10%	86,500	8
9	Vanderbilt U	68,100		UNC	75,300	U Maryland	5.05%	81,200	USC	3.95%	84,200	Vanderbilt U	1.30%	85,800	9
10	U Michigan	67,900		U Connecticut	75,300	USC	1.89%	81,000	U Michigan	3.84%	83,900	U Illinois	4.55%	85,100	10
11	UNC	67,600		U Michigan	75,000	UNC	1.38%	80,800	U Wisconsin	4.01%	83,100	U Maryland	1.69%	84,300	11
12	U Illinois	65,100		U Illinois	74,600	U Michigan	4.26%	80,800	U Maryland	2.09%	82,900	U Connecticut	-2.22%	83,700	12
13	U Iowa	64,000		U Virginia	74,498	U Wisconsin	1.27%	79,900	UNC	0.99%	81,600	U Wisconsin	0.60%	83,600	13
14	U Texas	63,800		U Wisconsin	74,000	Vanderbilt U	3.11%	79,500	U Illinois	-0.12%	81,400	Ohio State	4.95%	82,700	14
15	SUNY Buffalo	62,700		U Iowa	71,300	U Virginia	0.00%	77,925	U Iowa	3.90%	80,000	UNC	0.12%	81,700	15
16	U Virginia	62,554		Ohio State	70,100	U Iowa	3.49%	77,000	Ohio State	5.35%	78,800	U Iowa	1.37%	81,100	16
17	Ohio State	62,500		Boston U	69,000	SUNY Buffalo	1.61%	75,700	U Virginia	0.00%	77,925	U Virginia	2.25%	79,678	17
18	U Wisconsin	62,400		SUNY Buffalo	68,300	Ohio State	1.22%	74,800	SUNY Buffalo	2.64%	77,700	SUNY Buffalo	1.67%	79,000	18
19	Boston U	61,800		U Maryland	68,100	Boston U	1.93%	74,000	Boston U	3.92%	76,900	Boston U	2.18%	78,600	19
19	Tulane U	61,800		U Texas	67,800	U Texas	3.80%	73,800	U Texas	3.66%	76,500	U Texas	0.65%	77,000	20
21	U Maryland	60,900		U Arizona	67,500	Tulane U	4.32%	72,500	Tulane U	3.72%	75,200	U Pittsburgh	2.81%	76,800	21
22	U Arizona	59,400		U Colorado	64,700	U Arizona	3.00%	72,000	U Pittsburgh	7.02%	74,700	U Arizona	1.61%	75,800	22
23	U Pittsburgh	58,900		U Pittsburgh	64,400	U Colorado	4.80%	69,900	U Arizona	3.61%	74,600	U Colorado	0.94%	75,100	23
24	U Colorado	58,700		Tulane U	63,900	U Pittsburgh	4.02%	69,800	U Colorado	6.44%	74,400	Tulane U	-0.93%	74,500	24
25	U Kentucky	57,000		U Kentucky	62,800	U Kentucky	2.77%	66,700	U Kentucky	0.45%	67,000	U Kentucky	4.33%	69,900	25
	Mean	66,600		Mean	74,900	Mean	3.37%	81,400	Mean	3.56%	84,300	Mean	2.18%	86,100	
	Mean Sal. (excluding UVa)	66,733			74,888			81,525			84,538			86,417	
	Std Dev (excluding UVa)	6,972			9,219			10,348			10,770			11,482	
	UVa Percentile	27%			48%			36%			27%			28%	
	60th %ile Salary	68,511			77,394			84,164			87,284			89,345	

Notes:

UVa figures represent the authorized state salary average rather than the actual average. It is intended to exclude all endowment funds.

All medical faculty have been excluded from the above salary averages.

The Boston University averages for 1996-97, 1999-00, and 2003-04 are estimates obtained by applying the sample group's average increases to Boston's average from the previous year. The 2001-02 and 2002-03 values were obtained from IPEDS SA.

In 1996-97 and 1997-98, UC Berkeley received 5% increases on November 1 instead of at the beginning of the year.

Estimates of those increases have been included in the above figures even though they were not included in the AAUP report.

Source: Academe, Bulletin of the American Association of University Professors

Institutional Assessment and Studies, 4/28/04

SPONSORED PROGRAM RESTRICTED GRANTS & CONTRACTS

July 1, 2003 - June 30, 2004

For the year ended June 30, 2004, the University received sponsored program awards totaling nearly \$296 million, representing an almost seven percent increase from the year ended June 30, 2003.

The Department of Health and Human Services continued as the University's major source of awards, accounting for 54 percent of the total. The Medical School received approximately 58 percent of fiscal year awards, followed by Arts & Sciences at 17 percent, and Engineering at 15 percent.

Awards received included \$65.2 million for Facilities & Administrative (indirect) cost, a 13 percent increase from 2002.

SOURCE: Office of Sponsored Programs
DATE: August 26, 2004

SPONSORED PROGRAM RESTRICTED GRANTS & CONTRACTS

For the period July 1, 2003 - June 30, 2004
(In \$ Millions)

<u>SCHOOL</u>	<u>DE</u>	<u>DOD</u>	<u>DOE</u>	<u>DHHS</u>	<u>NASA</u>	<u>NSF</u>	<u>Other Federal</u>	<u>Non Federal</u>	<u>State</u>	<u>Total 03-04</u>	<u>Total 02-03</u>	<u>% Inc./ Dec.</u>
Architecture								0.49	0.09	0.58	0.79	-27%
Arts & Scs.	1.38	1.21	3.95	16.42	2.65	9.67	6.29	6.81	0.99	49.37	48.75	1%
Education	1.40			1.56		0.05		1.45	4.34	8.81	8.85	0%
Engineering	0.43	10.50	0.75	2.98	1.92	12.15	1.33	13.22	1.84	45.12	42.69	6%
Law							0.16	2.19		2.35	2.30	2%
Medicine		2.73	0.59	136.04	0.24	0.80	0.27	28.46	2.05	171.18	157.21	9%
Nursing				3.46				0.45		3.91	2.22	76%
Other *	5.03		0.04	0.51	0.01		1.21	2.02	5.80	14.62	14.47	1%
Total 03-04	8.24	14.44	5.33	160.97	4.82	22.67	9.26	55.09	15.11	295.94	277.28	7%
Total 02-03	10.09	11.40	3.19	145.18	4.94	19.13	10.65	60.59	12.11	277.28		
% Inc./Dec.	-18%	27%	67%	11%	-2%	19%	-13%	-9%	25%	7%		

Note:

* Includes Associate Provost for Academic Support and Classroom Management, Vice President for Research and Graduate Studies, Vice President and Provost, Center for Liberal Arts, Vice President for Student Affairs, UVA's College at Wise, School of Continuing and Professional Studies, Financial Administration, Cooper Center for Public Service, Health Sciences Library, Miller Center, Southwest Virginia Higher Education Center, University Librarian, Student Health, University of Virginia Press, the Women's Center, and the Virginia Foundation for the Humanities.

SOURCE: Office of Sponsored Programs
DATE: August 26, 2004

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