

April 12, 2007

MEMORANDUM

TO: The Finance Committee:

W. Heywood Fralin, Chair
A. Macdonald Caputo
The Hon. Alan A. Diamonstein
G. Slaughter Fitz-Hugh, Jr.
Warren M. Thompson
John O. Wynne
Thomas F. Farrell, II, Ex Officio

and

The Remaining Members of the Board:

Daniel R. Abramson	The Hon. Lewis F. Payne
Susan Y. Dorsey	Don R. Pippin
Glynn D. Key	Gordon F. Rainey, Jr.
Austin Ligon	E. Darracott Vaughan, Jr., M.D.
Vincent J. Mastracco, Jr.	Carey J. Mignerey

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Finance Committee Meeting on
April 12, 2007

The Finance Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 1:55 p.m., Thursday, April 12, 2007, in the Board Room of the Rotunda; W. Heywood Fralin, Chair and Vice Rector, presided.

Present were A. Macdonald Caputo, the Honorable Alan A. Diamonstein, G. Slaughter Fitz-Hugh, Jr., John O. Wynne, and Thomas F. Farrell, II, Rector.

Warren M. Thompson participated by telephone.

Also present were Daniel R. Abramson, Ms. Susan Y. Dorsey, Austin Ligon, and E. Darracott Vaughan, Jr., M.D.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., Arthur Garson, Jr., M.D., James L. Hilton, R. Edward Howell, Ms. Patricia M. Lampkin, Ms. Yoke San L. Reynolds, Ms. Colette Sheehy, David J. Prior, Ms.

Melody S. Bianchetto, Richard A. Kovatch, Christopher J. Brightman, and Ms. Jeanne Flippo Bailes.

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

Consent Agenda - Faculty and Staff Housing Rates, 2007-2008

The first item on the Agenda, Mr. Sandridge told the Committee, was the setting of faculty and staff housing rates for 2007-2008. The proposed increase was, on average, a 4.43% rise from the 2006-2007 rates.

On motion, the Committee approved the following resolution and recommended it to the full Board for approval:

APPROVAL OF PROPOSED INCREASE IN FACULTY AND STAFF HOUSING RATES FOR 2007-2008

RESOLVED that the faculty and staff housing rates be approved as indicated, effective July 1, 2007. The Executive Vice President and Chief Operating Officer is authorized to increase the rates to market level when a property is vacated.

ACADEMIC DIVISION

Properties	Utilities Furnished	Rents 2006-07 Per Month	Amount of Increase	Percent of Increase	Prop. Rents 2007-08 Per Month	Utilities Paid By Occupant
<u>Piedmont Estates</u>						
1 Bedroom Apt. (7)(F)	WS,E,G,C,T	\$635	\$32	5.04%	\$667	
2 Bedroom Apt. (16)(UF)	WS,E,G,C,T	\$772	\$40	5.18%	\$812	
Houses (3BR) (16)(UF)	WS,C,T	\$1,113	\$33	2.96%	\$1,146	E, G
Townhouses (3BR)(5)(UF)	WS,C,T	\$1,080	\$0		\$1,080	E, G
Farmhouse Apt. 1 (1BR)(F)	WS,E,G,C,T,AC	\$709	\$25	3.53%	\$734	
Farmhouse Apt. 2 (3BR)(UF)	WS,E,G,C,T	\$721	\$38	5.27%	\$759	
Farmhouse Apt. 3 (1 BR)(F)	WS,E,G,C,T,AC	\$709	\$25	3.53%	\$734	
Farmhouse Apt. 4 (2 BR)(F)	WS,E,G,C,T,AC	\$792	\$40	5.05%	\$832	
<u>Sundry</u>						
Vyssotsky Cottage (3BR)(UF)	WS,T, AC	\$900	\$45	5.00%	\$945	E,G
McGuffey Cottage (Eff)(UF)	WS,E,V,T,AC,D	\$548	\$2	0.36%	\$550	
Upper Mews (1BR)(F)	WS,E,HP,C,T,AC,D	\$743	\$32	4.31%	\$775	
Lower Mews (1BR)(F)	WS,E,HP,C,T,AC,D	\$663	\$34	5.13%	\$697	
Monroe Hill Range (1BR)(UF)	WS,E,HVAC,T,V,D,C	\$842	\$43	5.11%	\$885	
Brown College Apts. (2) (2BR)(UF)	WS,E,HVAC,T,V,D,C,D	\$723	\$48	6.64%	\$771	
Hereford Coll. Apts.(2) (2BR) (UF)	WS,E,HVAC,T,V,D,C	\$836	\$54	6.46%	\$890	
Hereford Coll.Princ.Res. (3BR)(UF)	WS,E,HVAC,T,V,D,C	\$1,049	\$105	10.01%	\$1,154	

ACADEMIC DIVISION

<u>Properties</u>	<u>Utilities Furnished</u>	<u>Rents 2006-07 Per Month</u>	<u>Amount of Increase</u>	<u>Prop. Rents Percent of Increase</u>	<u>2007-08 Per Month</u>	<u>Utilities Paid By Occupant</u>
102 Cresap Fac. Apt. (1BR)(F)	WS,E,G,T,HVAC,V,D,C	\$794	\$31	3.90%	\$825	
Hedge House (2BR)(F)	WS,C,T,AC	\$832	\$28	3.37%	\$860	E,G
Orchard House (5RMS)(F)	WS,E,G,C,T,AC	\$398	\$27	6.78%	\$425	
118 Oakhurst, Upper (2BR) (UF)	WS,G,C, AC	\$733	\$37	5.05%	\$770	E,T
118 Oakhurst, Lower (2BR) (UF)	WS,G,C, AC	\$733	\$37	5.05%	\$770	E,T
409 Valley Road, (2BR)(F)	WS,E,G,C,AC	\$1,043				T
411 Valley Road, (2BR)(F)	WS,E,G,C,AC	\$1,043				T
503 Valley Road, (1BR)(UF)	C	\$587				WS,E,G,T
424 MLLH, (1BR)(UF)	WS,E,G,C,HVAC,V,D	\$768	\$51	6.64%	\$819	
423 MLLH, (2BR)(UF)	WS,E,G,C,HVAC,V,D	\$888	\$57	6.42%	\$945	
004 Lewis, (1BR)(UF)	WS,E,G,C,HVAC,V,D	\$768	\$51	6.64%	\$819	
<u>Birdwood Properties</u>						
Cottage (1BR)(UF)	WS,C,T	\$591	\$49	8.29%	\$640	E
Garage Apt.(2BR)(UF)	WS,C,T	\$863	\$37	4.29%	\$900	E,G
Cash House (3BR)(UF)	WS,C,T,AC	\$1,106	\$0		\$1,106	E,G
Middleton House (4BR)(UF)	WS,C,T,AC	\$1,293	\$65	5.03%	\$1,358	E,G
<u>E & G Properties</u>						
Montebello (3BR/Garage)	WS,E,G,AC	\$815	\$39	4.79%	\$854	C,T
Big Morea (4BR)	WS,E,G,AC,T	\$1,130	\$48	4.25%	\$1,178	C
Little Morea (2BR)	WS,E,G,AC,T	\$865	\$40	4.62%	\$905	C
Sunnyside (4BR)	WS,E,O,AC	\$1,752	\$67	3.82%	\$1,819	C
Monroe Hill House (4BR)	WS,E,HVAC,T,V,D	\$1,047	\$46	4.39%	\$1,093	C
Pavilion I (5BR)	WS,E,HVAC,T,V	\$956	\$43	4.50%	\$999	C
Pavilion II (5BR)	WS,E,HP,T,V	\$714	\$36	5.04%	\$750	C
Pavilion III (5BR)	WS,E,HVAC,T,V	\$956	\$43	4.50%	\$999	C
Pavilion IV (5BR)	WS,E,HP,T,V	\$714	\$36	5.04%	\$750	C
Pavilion V (5BR)	WS,E,HVAC,T,V	\$956	\$43	4.50%	\$999	C
Pavilion VI (5BR)	WS,E,HVAC,T,V	\$956	\$43	4.50%	\$999	C
Pavilion VIII Upper (3BR)	WS,E,HVAC,T,V	\$626	\$33	5.27%	\$659	C
Pavilion VIII Lower (1BR)	WS,E,HVAC,T,V	\$326	\$16	4.91%	\$342	C
Pavilion IX (5BR)	WS,E,HVAC,T,V	\$956	\$43	4.50%	\$999	C
Pavilion X (5BR)	WS,E,HP,T,V	\$714	\$36	5.04%	\$750	C
<u>Blandy Farm</u>						
Curator's House	WS	\$0	\$0	0.00%	\$0	E,O
Green Farm House	WS	\$65	\$0	0.00%	\$65	E,O

Notes:

- *Italicized 2006-07 rents* indicate that a \$20 credit was granted for non-availability of high speed data service.
- In total sixteen properties (the 2-bedroom Piedmont apartments) were brought to market this budget year.
- The (F) designates properties that are furnished. The (UF) designates properties that are unfurnished.
- Utility abbreviations are as follows: WS (water, sewer), E (electric), G (gas), O (oil), HP (heating plant), HVAC (heating, ventilating, and air conditioning), AC (window air conditioning), C (cable TV), V (voice), T (trash), and D (data).

Consent Agenda - Use of and Intent to Issue Tax Exempt Debt for
Rouss Hall Renovation and Expansion

Rouss Hall, at the south end of the Lawn, is being renovated and expanded to house the McIntire School. The budget for the project is \$62million, of which \$5.3million is to come from higher education operating funds, \$13.35million from gifts, and \$43.4million from University debt. It is proposed that \$11.845million in gifts be replaced with University debt; the main reason for this is to maximize University cash management.

Mr. Sandridge explained that under federal tax regulations, the Board must pass an intent-to-issue resolution before the University can issue tax-exempt debt.

The Committee adopted the following resolution and recommended it to the full Board for approval:

APPROVAL OF USE AND INTENT TO ISSUE TAX EXEMPT DEBT - ROUSS HALL

WHEREAS, the University seeks to replace gifts with tax-exempt debt as a funding source in the renovation and expansion of Rouss Hall; and

WHEREAS, the United States Department of the Treasury has promulgated final regulations in Section 1.150-2 of the Treasury Regulations governing when the allocation of bond proceeds to reimburse expenditures previously made by a borrower shall be treated as an expenditure of the bond proceeds; and

WHEREAS, the Regulations require a declaration of official intent by a borrower to provide evidence that the borrower intended to reimburse such expenditures with proceeds of its debt; and

WHEREAS, the Board of Visitors of the University of Virginia desires to make such a declaration of official intent as required by the Regulations; and

WHEREAS, the University may be required to provide short-term financing to the project prior to issuing long-term debt in order to implement an efficient and timely construction schedule; and

WHEREAS, the University has funding mechanisms to accommodate short-term financing needs, defined as a period of less than sixty months; and

WHEREAS, the authority for the University to enter into financing arrangements exceeding sixty months in maturity for this project is not included in this resolution; and

WHEREAS, if the University arranges short-term financing for the project, and if the project is not ultimately completed, or if the project utilizes funding sources other than debt, then the school or unit remains responsible for refunding the short-term obligation;

RESOLVED, that the Board of Visitors of the University of Virginia approves the replacement of gift funding with University debt in the Rouss Hall Renovation and Expansion Project;

RESOLVED FURTHER that, pursuant to the terms of the Treasury Regulations, the University of Virginia declares its intent to reimburse expenditures in accordance with the following:

1. The University reasonably expects to reimburse expenditures from the issuance of tax-exempt debt to be issued by the University incurred for the project;
2. This resolution is a declaration of official intent under Section 1.150-2 of the Regulations;
3. The maximum principal amount of debt expected to be issued for the purpose of reimbursing expenditures relating to the Renovation and Expansion of Rouss Hall is \$11,845,000 (total of all requests = \$55,245,000);

RESOLVED FURTHER, funds may be borrowed for the project on a short-term basis, but only if the following conditions are met:

1. The Board of Visitors approves the current resolution;
2. A comprehensive and detailed financial plan for the school project is submitted;
3. Short-term financing shall not exceed sixty months in maturity; and
4. The school remains responsible for any debt obligation incurred regardless of the status of the capital project or whether or not a debt issuance actually occurs.

Action Agenda - Contract Rates for Dining Services, 2007-2008

At Mr. Sandridge's request, Mr. Richard Kovatch, Associate Vice President for Business Operations, presented the proposed rates for contract dining services for the academic year 2007-2008. The meal plan increases would range from 3% to 5.4%, with an average increase of 4.5%. The increase, Mr. Kovatch explained, is necessary to cover increases in personal services, food costs, and other operating expenses.

Rate increases for contract meal plans at The University of Virginia's College at Wise are proposed at 5%.

On motion, the Committee adopted the following resolution and recommended it to the full Board for approval:

APPROVAL OF PROPOSED CONTRACT RATES FOR DINING SERVICES FOR 2007-2008 FOR THE ACADEMIC DIVISION AND THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

RESOLVED that the student contract rates for dining services are approved as shown below, effective beginning with the 2007-08 session:

ACADEMIC DIVISION

	<u>Actual</u> <u>2006-07</u>	<u>Amount of</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>	<u>Proposed</u> <u>2007-08</u>
<u>Regular Meal Plans (1,2)</u>				
Unlimited Entry w/\$150 Plus Dollars	\$3,270	\$150	4.6%	\$3,420
15 Meals per week w/\$400 Plus Dollars	3,270	150	4.6%	3,420
13 Meals per week w/\$500 Plus Dollars	3,270	150	4.6%	3,420
10 Meals per week (first year) w/\$820 Plus Dollars	3,270	150	4.6%	3,420
10 Meals per week (upperclass) w/\$330 Plus Dollars	2,800	130	4.6%	2,930
100 Meals per semester w/\$350 Plus Dollars	1,860	100	5.4%	1,960
80 Meals per semester w/\$350 Plus Dollars	1,620	80	4.9%	1,700
50 Meals per semester w/\$390 Plus Dollars	1,230	40	3.3%	1,270
<u>Residential College/Language House Meal Plans (1,2,3)</u>				
Unlimited Entry w/\$150 Plus Dollars	\$3,380	\$150	4.4%	\$3,530
15 Meals per week w/\$400 Plus Dollars	3,380	150	4.4%	3,530
13 Meals per week w/\$500 Plus Dollars	3,380	150	4.4%	3,530
10 Meals per week (first year) w/\$820 Plus Dollars	3,380	150	4.4%	3,530
10 Meals per week (upperclass) w/\$330 Plus Dollars	2,910	130	4.5%	3,040
100 Meals per semester w/\$350 Plus Dollars	1,970	100	5.1%	2,070
80 Meals per semester w/\$350 Plus Dollars	1,730	80	4.6%	1,810
50 Meals per semester w/\$390 Plus Dollars	1,340	40	3.0%	1,380

	<u>Actual</u> <u>2006-07</u>	<u>Amount of</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>	<u>Proposed</u> <u>2007-08</u>
<u>Athletic Meal Plans</u>				
Unlimited Entry w/\$150 Plus Dollars	\$3,380	\$150	4.4%	\$3,530
15 Meals per week w/\$400 Plus Dollars	3,380	150	4.4%	3,530
13 Meals per week w/\$500 Plus Dollars	3,380	150	4.4%	3,530
10 Meals per week (first year) w/\$820 Plus Dollars	3,380	150	4.4%	3,530
10 Meals per week (upperclass) w/\$330 Plus Dollars	2,910	130	4.5%	3,040
100 Meals per semester w/\$350 Plus Dollars	1,970	100	5.1%	2,070
80 Meals per semester w/\$350 Plus Dollars	1,730	80	4.6%	1,810
<u>Other</u>				
Law School Meal Plan (4)	\$200	\$0		\$200
<u>THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE</u>				
19 Meal Plan	\$2,848	\$142	5.0%	\$2,990
12 Meal Plan	2,560	128	5.0%	2,688

(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 a 10 meal plan with \$820 Plus Dollars.

(3) Some residential colleges and language houses have a dining requirement as part of their program.

(4) Law School students are allowed to deposit a minimum \$200 per academic year into a dining spending account.

Action Agenda - Tuition and Required Fees, 2007-2008 Academic Year and 2008 Summer Session

Mr. Sandridge asked Ms. Melody Bianchetto, Assistant Vice President for Budget and Financial Planning, to review the proposed tuition and required fees for the University, as well as for the College at Wise, for the 2008 Summer Session and the 2007-2008 academic year.

Ms. Bianchetto outlined, in some detail, the process followed in setting the proposed tuitions and fees.

She reminded the Committee that the University, in its October, 2005 Six Year Plan, given to the state, developed a long-range tuition plan.

Ms. Bianchetto told the Committee that the proposed 2007-2008 tuition and E&G for undergraduates from Virginia is \$6,821, which is an increase of 8.6%, or \$539, over last year.. The "price of education" - which is the sum of tuition, required fees, housing and dining - for an undergraduate Virginian will therefore increase by \$1,181, or 7.9%.

For undergraduate non-Virginians, the proposed tuition and educational and general fees would be \$26,071, an increase of 6.9%, or \$1,689. The price of education for a non-Virginian will increase \$2,331, or 7.1%.

For both in-state and out-of-state graduate students, an increase of \$690, or 6.5%, in tuition and fees is proposed. For students in the McIntire School's Graduate Accounting Program, an increase of \$800 (3.4%) for Virginians and \$1,000 (3.4%) for non-Virginians is recommended.

A differential of \$10,000 between first year Virginians and non-Virginians was established in 2005-2006 for the Medical School. To maintain that differential, an increase of \$1,205 in tuition and required fees is proposed for all medical students - this would mean a 4% increase for Virginians and a 3% increase for non-Virginians.

An increase of \$2,500 in tuition and required fees is recommended for all Darden students, which would be a 6.3% rise for non-Virginians and 7.1% for Virginians - thus maintaining a \$5,000 differential between in-state and out-of-state.

Ms. Bianchetto proposed an increase of \$2,800 in tuition and required fees for all Law students; this represents a 7.8% rise for out-of-state students and 9.1% for Virginians.

Increases of \$40 in the mandatory educational and general fee for full-time in-state students and \$99 for full-time out-of-state students are proposed. The fee for Virginians and \$40 of the fee for out-of-state students will help finance several building projects, including the South Lawn and Rouss Hall. The additional \$59 for non-Virginians is a fee levied by the General Assembly to go to the Commonwealth to support debt incurred by the state for E&G facilities.

An increase of \$116 in the mandatory non-educational and general fee for full-time students is proposed; this would bring the total to \$1,632, which is higher than the \$1,570 projected in the Six Year Plan. The increase is primarily related to Board initiatives to address deferred maintenance and to increase reserve balances.

Ms. Bianchetto gave the Committee data comparing the proposed tuition and fee levels with those at other institutions, within Virginia and among the University's peers outside the state.

The University of Virginia's College at Wise proposes an increase of \$173, or 5.2%, (to \$3,485) in tuition and mandatory educational and general fees for Virginians, and \$801, or 5.6%, (to \$15,149) for out-of-state students. The required auxiliary fees will increase by \$286, or 12%, to \$2,666.

There was considerable discussion of the proposed increases, with questions from Members about the availability of financial aid to compensate for the increases, and assurances were given that financial aid indeed would be available.

On motion, the Committee approved the following resolutions and recommended them to the full Board for approval:

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

WHEREAS in October 2005, the University of Virginia submitted a six year financial plan to the Commonwealth, which included a projection of a 2007-08 in-state tuition and educational and general (E&G) fee increase of 9.9 percent to \$6,906;

WHEREAS in the 2007 General Assembly session, the Commonwealth instituted a Tuition Incentive Fund to encourage colleges and universities to increase in-state undergraduate tuition and E&G fees by no more than six percent for educational and general purposes;

WHEREAS the Tuition Incentive Fund allows for tuition and E&G fee increases in excess of six percent, but limited to the projection in the Six Year Plan, provided the incremental revenues are allocated to increasing in-state undergraduate financial aid over the level funded in 2006-2007;

RESOLVED that the tuition and required fees and other charges applicable to the Academic Division be approved as shown below, effective July 1, 2007.

RESOLVED FURTHER that \$1.5 million, the incremental revenue generated by a 8.6 percent in-state undergraduate tuition and E&G fee increase versus a six percent in-state undergraduate tuition and E&G fee increase, be allocated to increase financial aid for in-state undergraduates above the 2006-2007 level.

	Virginian				Non-Virginian			
	2006-07 Approved	Amount of Increase	Percent of Increase	2007-08 Proposed	2006-07 Approved	Amount of Increase	Percent of Increase	2007-08 Proposed
REGULAR SESSION:								
Undergraduate School - Tuition and All Required Fees, including University Activity Fee and excluding School Activity Fee which varies by school:								
Tuition	\$ 6,129	\$ 499	8.1%	\$ 6,628	\$ 24,053	\$ 1,590	6.6%	\$ 25,643
Required E&G Fees	\$ 153	\$ 40	26.1%	\$ 193	\$ 329	\$ 99	30.1%	\$ 428
Subtotal Tuition and E&G Fees	\$ 6,282	\$ 539	8.6%	\$ 6,821	\$ 24,382	\$ 1,689	6.9%	\$ 26,071
Required Auxiliary Fees	\$ 1,516	\$ 116	7.7%	\$ 1,632	\$ 1,516	\$ 116	7.7%	\$ 1,632
Required Activity Fee	\$ 47	\$ -	0.0%	\$ 47	\$ 47	\$ -	0.0%	\$ 47
Total Tuition and Fees For All Full-time Students	\$ 7,845	\$ 655	8.3%	\$ 8,500	\$ 25,945	\$ 1,805	7.0%	\$ 27,750

	Virginian				Non-Virginian			
	2006-07 Approved	Amount of Increase	Percent of Increase	2007-08 Proposed	2006-07 Approved	Amount of Increase	Percent of Increase	2007-08 Proposed
REGULAR SESSION:								
Graduate School - Tuition and All Required Fees, including University Activity Fee and excluding School Activity Fee which varies by school:								
All Full-time Students	\$ 10,550	\$ 690	6.5%	\$ 11,240	\$ 20,550	\$ 690	3.4%	\$ 21,240
School of Commerce - Grad Accounting - Tuition and All Required Fees, including University Activity Fee and excluding School Activity Fee which varies by school:								
All Full-time Students	\$ 23,200	\$ 800	3.4%	\$ 24,000	\$ 29,000	\$ 1,000	3.4%	\$ 30,000
School of Medicine - Tuition and All Required Fees, including University and School Activity Fees:								
Full-time Students Entering Fall 2006	n/a	n/a	n/a	\$ 31,305	n/a	n/a	n/a	\$ 41,305
Full-time Students Entering Fall 2005	\$ 30,100	\$ 1,205	4.0%	\$ 31,305	\$ 40,100	\$ 1,205	3.0%	\$ 41,305
Full-time Students Entering Fall 2004	\$ 30,100	\$ 1,205	4.0%	\$ 31,305	\$ 40,100	\$ 1,205	3.0%	\$ 41,305
Full-time Students Entering Fall 2003	\$ 29,600	\$ 1,205	4.1%	\$ 30,805	\$ 40,100	\$ 1,205	3.0%	\$ 41,305
Darden Graduate School of Business Administration - Tuition and All Required Fees, including University and School Activity Fees:								
Regular Session Full-time Students	\$ 35,000	\$ 2,500	7.1%	\$ 37,500	\$ 40,000	\$ 2,500	6.3%	\$ 42,500
School of Law - Tuition and All Required Fees, including University and School Activity Fees:								
All Full-time Students	\$ 30,700	\$ 2,800	9.1%	\$ 33,500	\$ 35,700	\$ 2,800	7.8%	\$ 38,500

SPECIAL SESSION:								
School of Continuing and Professional Studies Tuition Rates:								
Bachelor of Interdisciplinary Studies (per sem.)	\$ 2,863	\$ 255	8.9%	\$ 3,118	\$ 10,650	\$ 450	4.2%	\$ 11,100
Undergraduate Per Hour	\$ 200	\$ 18	9.0%	\$ 218	\$ 350	\$ 21	6.0%	\$ 371
Graduate Per Hour	\$ 245	\$ 15	6.1%	\$ 260	\$ 385	\$ 15	3.9%	\$ 400
K-12 Educators Per Hour	\$ 210	\$ 5	2.4%	\$ 215	\$ 315	\$ 10	3.2%	\$ 325
Undergraduate Distance Learning Per Hour	\$ 245	\$ 22	9.0%	\$ 267	\$ 320	\$ 17	5.3%	\$ 337
Graduate Distance Learning Per Hour	\$ 270	\$ 15	5.6%	\$ 285	\$ 320	\$ 17	5.3%	\$ 337
Graduate Televised Engineering Per Hour	\$ 360	\$ 20	5.6%	\$ 380	\$ 630	\$ 15	2.4%	\$ 645
Special SCPS Students Per Hour	\$ 250	\$ 22	8.8%	\$ 272	\$ 1,000	\$ -	0.0%	\$ 1,000
Special SCPS Students Per Hour - High School Students	\$ 200	\$ 18	9.0%	\$ 218	\$ 350	\$ 20	5.7%	\$ 370
Study Abroad (per semester) 3-7 hours	\$ 2,310	\$ 210	9.1%	\$ 2,520	\$ 2,465	\$ 148	6.0%	\$ 2,613
Study Abroad (per semester) 8-15 hours	\$ 4,050	\$ 370	9.1%	\$ 4,420	\$ 4,200	\$ 250	6.0%	\$ 4,450
Music Lessons (13 1-hr lessons/semester)	\$ 654	\$ -	0.0%	\$ 654	\$ 654	\$ -	0.0%	\$ 654
Northern Virginia Facilities Fee Per Hour	\$ 17	\$ -	0.0%	\$ 17	\$ 17	\$ -	0.0%	\$ 17
Technology Fee (per hour)	\$ 4	\$ -	0.0%	\$ 4	\$ 4	\$ -	0.0%	\$ 4

	Virginian				Non-Virginian			
	2006-07 Approved	Amount of Increase	Percent of Increase	2007-08 Proposed	2006-07 Approved	Amount of Increase	Percent of Increase	2007-08 Proposed
REGULAR SESSION:								
2008 Summer Session, 2008 January Term and Mt. Lake Biological Station:								
Undergraduate Per Semester Hour	\$ 200	\$ 18	9.0%	\$ 218	\$ 800	\$ -	0.0%	\$ 800
Graduate Per Semester Hour	\$ 230	\$ 30	13.0%	\$ 260	\$ 660	\$ -	0.0%	\$ 660
Thesis/Dissertation Research	\$ 850	\$ 70	8.2%	\$ 920	\$ 850	\$ 70	8.2%	\$ 920
Appellate Judges Program	\$ 1,400	\$ -	0.0%	\$ 1,400	\$ 1,450	\$ -	0.0%	\$ 1,450
Non-Resident Fee	\$ 115	\$ 29	25.2%	\$ 144	\$ 115	\$ 29	25.2%	\$ 144
Summer Foreign Language Institute Fee	\$ 40	\$ 2	5.0%	\$ 42	\$ 40	\$ 2	5.0%	\$ 42
Mt. Lake Laboratory Use Fee	\$ 93	\$ 4	4.3%	\$ 97	\$ 93	\$ 4	4.3%	\$ 97
Mt. Lake Non-UVa Researcher - Senior Investigators	\$ 270	n/a	n/a	n/a	\$ 270	n/a	n/a	n/a
Mt. Lake Non-UVa Researcher - Co-Investigators/Students	\$ 71	n/a	n/a	n/a	\$ 71	n/a	n/a	n/a
2007 New Student Orientation Fee	\$ 190	\$ -	0.0%	\$ 190	\$ 190	\$ -	0.0%	\$ 190

(The Orientation Fee will be rolled into the total tuition and fee bill for first year and transfer students in the first year of enrollment.)

OTHER: Other contracted course and cooperative program tuition and required fee rates, including tuition for specialized graduate and professional credit courses, approved on a basis consistent with University contracting policies and procedures by the Executive Vice President and Chief Operating Officer.

All Students

	2006-07 Approved	Amount of Increase	Percent of Increase	2007-08 Proposed
Other Charges:				
Application Fee – Undergraduate	\$ 60	\$ -	0.0%	\$ 60
Application Fee – Graduate	\$ 60	\$ -	0.0%	\$ 60
Application Fee – Law	\$ 70	\$ 5	7.1%	\$ 75
Application Fee – Darden	\$ 140	\$ 50	35.7%	\$ 190
Application Fee – Darden Executive MBA	\$ 140	\$ 50	35.7%	\$ 190
Application Fee – Medicine	\$ 75	\$ 5	6.7%	\$ 80
Application Fee - SCPS	\$ 25	\$ -	0.0%	\$ 25
Application Fee - SCPS BIS	\$ 60	\$ -	0.0%	\$ 60
Application Fee - Commerce	\$ 40	\$ -	0.0%	\$ 40
Activity Fee – All Full-time Students	\$ 47	\$ -	0.0%	\$ 47
Activity Fee – Arts & Sciences	\$ 8	\$ -	0.0%	\$ 8
Activity Fee – Architecture	\$ 60	\$ -	0.0%	\$ 60
Activity Fee – Commerce	\$ 55	\$ -	0.0%	\$ 55
Activity Fee – Darden	\$ 55	\$ -	0.0%	\$ 55
Activity Fee – Education	\$ 10	\$ -	0.0%	\$ 10
Activity Fee – Engineering	\$ 10	\$ -	0.0%	\$ 10
Activity Fee – Grad. Arts & Sciences	\$ 10	\$ -	0.0%	\$ 10
Activity Fee – Law School	\$ 40	\$ -	0.0%	\$ 40
Activity Fee – Medicine	\$ 49	\$ 2	4.1%	\$ 51
Activity Fee – Nursing	\$ 15	\$ -	0.0%	\$ 15
Residential College Fee – Hereford	\$ 120	\$ -	0.0%	\$ 120
Residential College Fee – Brown	\$ 120	\$ -	0.0%	\$ 120
Residential College Fee – International	\$ 220	\$ -	0.0%	\$ 220
Residential College Fee – Mosaic	\$ 220	\$ -	0.0%	\$ 220
Residential College Fee – French	\$ 100	\$ -	0.0%	\$ 100
Residential College Fee – Spanish	\$ 100	\$ -	0.0%	\$ 100
Residential College Fee – Monroe Lane	\$ 100	\$ -	0.0%	\$ 100
International Student Fee	\$ 100	\$ -	0.0%	\$ 100

APPROVAL OF ALLOCATION OF REQUIRED FEES FOR 2007-08 REGULAR SESSION OF THE ACADEMIC DIVISION

RESOLVED that the annual required fees for students enrolled in more than three credit hours per semester be established, effective July 1, 2007, in the amount of \$1,825 for in-state students and \$2,060 for out-of-state students; and

RESOLVED FURTHER that the full-time mandatory regular session fee be allocated for 2007-08 as follows:

	Virginian				Non-Virginian			
	2006-07 Approved	Amount of Increase	Percent of Increase	2007-08 Proposed	2006-07 Approved	Amount of Increase	Percent of Increase	2007-08 Proposed
OOS Debt Service - Capital Outlay and ETF	\$ -	\$ -	0.0%	\$ -	\$ 176	\$ 59	33.5%	\$ 235
Classroom Renewal Fee	\$ 30	\$ -	0.0%	\$ 30	\$ 30	\$ -	0.0%	\$ 30
Arts Fee	\$ 12	\$ -	0.0%	\$ 12	\$ 12	\$ -	0.0%	\$ 12
Technology Fee	\$ 45	\$ -	0.0%	\$ 45	\$ 45	\$ -	0.0%	\$ 45
E&G Facilities Construction and Renovation	\$ 66	\$ 40	60.6%	\$ 106	\$ 66	\$ 40	60.6%	\$ 106
Subtotal Required E&G Fees	\$ 153	\$ 40	26.1%	\$ 193	\$ 329	\$ 99	30.1%	\$ 428
University Transit	\$ 126	\$ 5	4.0%	\$ 131	\$ 126	\$ 5	4.0%	\$ 131
Safe Ride	\$ 4	\$ -	0.0%	\$ 4	\$ 4	\$ -	0.0%	\$ 4
Recreational Facilities	\$ 227	\$ -	0.0%	\$ 227	\$ 227	\$ -	0.0%	\$ 227
Auxiliary Debt Service	\$ 85	\$ -	0.0%	\$ 85	\$ 85	\$ -	0.0%	\$ 85
Athletics	\$ 548	\$ 59	10.8%	\$ 607	\$ 548	\$ 59	10.8%	\$ 607
Student Health	\$ 359	\$ 11	3.1%	\$ 370	\$ 359	\$ 11	3.1%	\$ 370
Newcomb Hall	\$ 133	\$ 40	30.1%	\$ 173	\$ 133	\$ 40	30.1%	\$ 173
Student Programming	\$ 28	\$ 1	3.6%	\$ 29	\$ 28	\$ 1	3.6%	\$ 29
WTJU	\$ 6	\$ -	0.0%	\$ 6	\$ 6	\$ -	0.0%	\$ 6
Subtotal Required Auxiliary Fees	\$ 1,516	\$ 116	7.7%	\$ 1,632	\$ 1,516	\$ 116	7.7%	\$ 1,632
TOTAL FOR ALL STUDENTS	\$ 1,669	\$ 156	9.3%	\$ 1,825	\$ 1,845	\$ 215	11.7%	\$ 2,060

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

RESOLVED that the tuition and required fees and other charges applicable to the University of Virginia's College at Wise be approved as shown below, effective July 1, 2007:

	Virginian				Non-Virginian			
	2006-07 Approved	Amount of Increase	Percent of Increase	2007-08 Proposed	2006-07 Approved	Amount of Increase	Percent of Increase	2007-08 Proposed
Full-time Students (12 hrs or more per semester)								
Tuition and Required E&G Fees	\$ 3,312	\$ 173	5.2%	\$ 3,485	\$ 14,348	\$ 801	5.6%	\$ 15,149
Auxiliary Fees	\$ 2,380	\$ 286	12.0%	\$ 2,666	\$ 2,380	\$ 286	12.0%	\$ 2,666
Total Tuition and Required Fees	\$ 5,692	\$ 459	8.1%	\$ 6,151	\$ 16,728	\$ 1,087	6.5%	\$ 17,815
Students taking more than 18 credit hours per semester must pay for the additional hours at the tuition rates listed below:								
Other Charges								
Off-Campus Instruction per hour	\$ 134	\$ 7	5.2%	\$ 141	\$ 587	\$ 31	5.3%	\$ 618
Non-Credit Courses per unit	\$ 59	\$ 3	5.1%	\$ 62	\$ 179	\$ 9	5.0%	\$ 188
Application Fee	\$ 25	\$ -	0.0%	\$ 25	\$ 25	\$ -	0.0%	\$ 25
Graduation Fee	\$ 100	\$ -	0.0%	\$ 100	\$ 100	\$ -	0.0%	\$ 100
Registration Fee for part-time students will be \$5 per semester hour.								

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to approve reduced tuition rates for residents of Kentucky and Tennessee who live in counties that are within a 50-mile radius of The University of Virginia's College at Wise and who are enrolled at the College in accordance with Section 23-7.4:2.F. of the Code of Virginia.

Action Agenda - Addition to the Six Year Capital Outlay Plan (2008-2014) - Financial Plans

Mr. Sandridge asked Ms. Sheehy, Vice President for Management and Budget, to present proposed additions to the Six Year Capital Outlay Plan for 2008-2014.

Ms. Sheehy proposed the addition of four projects: the renovation of New Cabell Hall, improvements to the baseball and softball facilities, expansion of the central chiller plant, and planning the construction of a new biology building.

Mr. Sandridge explained the addition of the New Cabell project: there was controversy when the South Lawn Project was first broached about what to do about New Cabell Hall. The eventual consensus was that it would be more economical to tear it down than to renovate it. The issue has been revisited and it has been concluded that it would be better to renovate it, at an approximate cost of \$80million.

Several Members declared that they agreed with the decision to renovate.

Ms. Sheehy spoke briefly to the other three projects on the list.

On motion, the Committee approved the following resolution and recommended it to the full Board for approval:

APPROVAL OF ADDITIONAL AMENDMENTS TO THE 2008-14 SIX YEAR CAPITAL OUTLAY PLAN

RESOLVED that projects to renovate New Cabell Hall, to expand the Central Chiller Plant, and to plan to construct a New Biology Building are approved as amendments to the 2008-14 Six-Year Capital Outlay Plan for the Academic Division.

Action Agenda - Project Budget Increase

In 2003, the Board of Visitors approved the construction of the Claude Moore Medical Education Building at an estimated cost of \$20.7million. A new budget, for \$30million - which reflected an increased scope and other costs - was approved by the Board in the fall of 2005. The current budget, Ms. Sheehy said, reflects cost escalation beyond that projected in 2005.

The Buildings and Grounds Committee reviewed the budget increase at its meeting in March.

On motion, the Committee adopted the following resolution and forwarded it to the full Board for approval:

APPROVAL OF PROJECT BUDGET INCREASE IN EXCESS OF TEN PERCENT - CLAUDE MOORE MEDICAL EDUCATION BUILDING

RESOLVED that the budget for the Claude Moore Medical Education Building is increased by \$5 million, from \$30 million to \$35 million.

Action Agenda - Enrollment Projections

Mr. Sandridge reminded the Committee that in 1990, the Board approved a phased enrollment growth plan for the next 15 years. The enrollment projections have been amended periodically by the Board to assist the State Council for Higher Education in Virginia in its overall enrollment planning for the state. In 2005, projections were made through 2009-10. The State Council soon after that requested that the projections be extended through 2011-12; the projects later were extended by two years. SCHEV now requires that enrollment projections cover seven years rather than five years.

The proposed 2012-2014 projections increase undergraduate enrollment from 13,353 students to 14,125; graduate student enrollment would increase from 4,791 to 5,082. This rate of growth is consistent with the University's 2006-2014 Six Year Plan and its commitment to accommodate 1,500 new students over the next decade.

All undergraduate growth will keep to the currently projected mix of in-state and out-of-state students.

On motion, the Committee approved the following resolution and recommended it to the full Board for approval:

APPROVAL OF REVISED ENROLLMENT PROJECTIONS - THROUGH 2013-2014

WHEREAS, the University's existing enrollment plan, approved by the Board of Visitors in March 2005, must be revised to reflect projected increases in the undergraduate and graduate enrollment levels; and

WHEREAS, the Board previously discussed and approved the University's action plan relative to enrollment growth - to grow by 1,100 undergraduate students and 400 graduate students over the next decade; and

WHEREAS, the University is committed to serving the higher education needs of the Commonwealth of Virginia and the nation; and

WHEREAS, the revised enrollment projections for 2007-2008 through 2013-2014 were submitted to the State Council of Higher Education in Virginia on April 7, 2007;

RESOLVED that the Executive Vice President and Chief Operating Officer is authorized to develop plans with the State Council of Higher Education in Virginia which will keep the University on track to increase total enrollment by 1,500 students over the next decade; and

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

Remarks by the Vice President

Mr. Sandridge gave a brief progress report on the goals and work plan of the Committee, agreed to at the Board Retreat last July.

Reports - Endowment Report

Mr. Sandridge asked Mr. Brightman, Chief Executive Officer of the University of Virginia Investment Management Company (UVIMCO), to give his semi-annual report to the Committee on the Endowment. Mr. Brightman's report was based on market value and performance as of December 31, 2006.

On June 30, 2006, the Endowment stood at \$3,457million. At the end of February, 2007, it amounted to \$3,905million. Returns for the fiscal year which ended last June 30 amounted to 14.6%. Over a 20 year period, the rate of return has ranged from 10% to 14.6%. This rate of return compares very favorably with that at other institutions.

Mr. Brightman spoke briefly to asset allocation and answered a number of questions on that and on comparison of returns with those of peer institutions.

Reports - Spending Policy

Mr. Sandridge asked Ms. Reynolds, Vice President and Chief Financial Officer, to report on the University's spending policy.

Ms. Reynolds reminded the Committee that in March, 2005, the Board adopted a policy, to be effective July 1st of that year, called for an inflationary increase in the annual distribution from the endowment, provided the payout fell within a range of 3.5% to 5.5% of market value. If the payout was outside that range, the Finance Committee was to recommend either raising or lowering the rate of increase. In May, 2006, the payout for FY 2007 was projected to be below the 3.5% floor, so the Board adjusted the payout for that year to be 4% of the market value of the Pooled Endowment Fund.

Ms. Reynolds said the proposed distribution for the fiscal year beginning July 1, 2007, is 3.9% of market value.

Ms. Reynolds then gave a quick briefing on UPMIFA, the Uniform Prudent Management of Institutional Funds Act, which was passed in July, 2006. UPMIFA governs the investment, management and spending of endowment funds.

Mr. Sandridge recommended that consideration of any position the University might take on General Assembly action on UPMIFA be referred to the Board's ad-hoc committee on legislative matters.

Executive Session

On motion, the Committee went into Executive Session at 3:45 p.m., after adopting the following motion:

That the Board of Visitors go into Closed Session to discuss and consult with legal counsel on UVIMCO investing and leveraging the University's endowment through an offshore entity and borrowing of funds, where competition or bargaining is involved and where, if made public initially, the financial interest of the University would be adversely affected, as

permitted by Section 2.2-3711 (6), (7), (8) and (21) of the Code of Virginia.

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The Committee resumed in Open Session at 3:50 and adopted the following resolution certifying that its discussions in Executive Session had been conducted in accordance with the provisions of the Virginia Freedom of Information Act.

That we vote on and record our certification that, to the best of each Board member's knowledge, only public business matters lawfully exempted from open meeting requirements and which were identified in the motion(s) authorizing the closed session, were heard, discussed or considered in closed session.

On further motion, the Committee adjourned at 3:50 p.m.

AGG:jfb

These minutes have been posted to the University of Virginia's Board of Visitors website.

<http://www.virginia.edu/bov/financeminutes.html>