ACTION ITEMS

1. APPROVAL OF DEMOLITION OF FACILITIES MANAGEMENT LANDSCAPE SHOP (#207-0243)
(approved by the Buildings & Grounds Committee on September 19, 2013)

WHEREAS, the Facilities Management Landscape Shop, #207-0243, is a structure in poor condition, and occupies valuable real estate which can be used for additional parking and the staging of equipment and materials; and

WHEREAS, pursuant to the Management Agreement, dated November 15, 2005, by and between the Commonwealth of Virginia and The Rector and Visitors of the University of Virginia, as amended, subject to review by the Art and Architectural Review Board and the Department of Historic Resources and compliance with such general laws as may be applicable, the Board of Visitors is authorized to approve the demolition of University buildings;

RESOLVED, the demolition of the Landscape Shop #207-0243 is approved by the Board of Visitors, pending approval by the Commonwealth’s Art and Architectural Review Board and the Department of Historic Resources, and compliance with such general laws as may be applicable; and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized, on behalf of the University, to approve and execute such documents and to take such other actions necessary and appropriate in connection with seeking required state approvals and contracting in compliance with general laws for the demolition of the Landscape Shop #207-0243.
2. **APPROVAL OF NITROGEN FOOTPRINT REDUCTION PLAN**
   (approved by the Buildings & Grounds Committee on September 19, 2013)

   WHEREAS, The Board of Visitors approved the Sustainability Commitment on June 10, 2011 which reiterated the University’s leadership role to promote sustainability; and

   WHEREAS, the University of Virginia has taken a leadership role in research and education on the impacts of reactive nitrogen on the environment;

   RESOLVED, Points 1 and 2 of the June 10, 2011 Sustainability Commitment are amended to read:

   1. The University of Virginia will undertake to reduce both annual greenhouse gas emissions and the amount of reactive nitrogen lost to the environment to levels 25% below year 2009 amounts by the year 2025.

   2. The University will utilize the highest standards of environmental stewardship and resource conservation and will address other areas of concern beyond greenhouse gas emissions and nitrogen, such as waste, water, stream and river protection, noise and light pollution, open space protection, and conservation of the historical and cultural legacy of the community.

3. **APPROVAL OF THE PROPOSAL TO ESTABLISH THE THOMAS JEFFERSON FOUNDATION MEDAL IN GLOBAL INNOVATION**
   (approved by the Educational Policy Committee on September 19, 2013)

   WHEREAS, the Thomas Jefferson Foundation and the University of Virginia established the Thomas Jefferson Foundation Medal in Architecture in 1966, the Thomas Jefferson Foundation Medal in Law in 1977, and the Thomas Jefferson Foundation Medal in Citizen Leadership in 2006; and

   WHEREAS, the Medals commemorate Thomas Jefferson’s passions and ideals by recognizing distinguished individuals in these areas; and

   WHEREAS, The Darden School of Business proposes a fourth award, the Thomas Jefferson Foundation Medal in Global Innovation, to recognize a distinguished individual who has
exemplified, in his or her work and life, Jefferson's principle that the creation of new ideas and their wide dissemination should be used to improve the lives of many around the globe; and

WHEREAS, the establishment of this Thomas Jefferson Foundation Medal in Global Innovation will broaden the global impact of the University of Virginia and the Thomas Jefferson Foundation; and

WHEREAS, the Darden Foundation will establish an endowment pursuant to an agreement with the Thomas Jefferson Foundation to support the medal; and

WHEREAS, the medalist would be chosen by a committee of five voting members, chaired by the Dean of the Darden School, including two representatives of the Thomas Jefferson Foundation, two University faculty members, both to be chosen by the Dean of the Darden School, with the president of the Thomas Jefferson Foundation serving as a non-voting advisor;

RESOLVED, the Board of Visitors approves the proposal to establish the Thomas Jefferson Foundation Medal in Global Innovation.

4. **APPROVAL OF NEW DEGREE PROGRAM: BACHELOR OF SCIENCE IN EDUCATION IN YOUTH AND SOCIAL INNOVATION**
   (approved by the Educational Policy Committee on September 19, 2013)

RESOLVED, subject to approval by the State Council of Higher Education for Virginia, the Bachelor of Science in Education in Youth and Social Innovation is established in the Curry School of Education.

5. **ROLLS-ROYCE COMMONWEALTH PROFESSORSHIPS IN COMMERCE AND ENGINEERING**
   (approved by the Educational Policy Committee on September 19, 2013)

WHEREAS, Rolls-Royce plc has major businesses in civil aerospace, marine propulsion, and energy, with 40,000 employees worldwide, and opened a jet engine manufacturing plant in Virginia; and
WHEREAS, as part of a strategic education and research partnership among Rolls-Royce, the Commonwealth, the University of Virginia, Virginia Tech, Virginia State University, and the Virginia Community College System, the Commonwealth created nine endowed professorships distributed equally among the University's School of Engineering and Applied Science and McIntire School of Commerce, and Virginia Tech's College of Engineering; and

WHEREAS, the professorships in the McIntire School of Commerce and the School of Engineering serve to enhance the curriculum in areas of interest to Rolls-Royce and the Commonwealth;

RESOLVED, the Board of Visitors changes the name of the three Commerce Commonwealth Professorships to Rolls-Royce Commonwealth Professorships in Commerce and the three Rolls-Royce Professorships in Engineering to Rolls-Royce Commonwealth Professorships in Engineering; and

RESOLVED FURTHER, the Board thanks Rolls-Royce and the Commonwealth of Virginia for making these professorships possible.

(approved by the Finance Committee on September 20, 2013 and the Committee on The University of Virginia’s College at Wise on September 20, 2013)

WHEREAS, the proposed biennial budget requests represent the highest priority initiatives and are aligned with the six-year plan submitted to the Commonwealth on July 1, 2013;

RESOLVED, the Board of Visitors of the University of Virginia approves the 2014-2016 biennial budget requests accompanying this resolution; and

RESOLVED FURTHER, the Board of Visitors understands that to the extent these initiatives are not included in the Governor's 2014-2016 biennial budget, the University may want to pursue similar requests to the Legislature; and

RESOLVED FURTHER, the President or her designee 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.

7. **APPROVAL OF 2014-2020 STATE REQUIRED SIX-YEAR INSTITUTIONAL PLAN**
   (approved by the Finance Committee on September 20, 2013)

   WHEREAS, §23-38.87:17 of the Virginia Higher Education Opportunity Act of 2011 requires the governing boards of all public institutions of higher education to develop and adopt biennially an institutional six-year plan and submit that plan to the State Council of Higher Education (SCHEV), the Governor, and the Chairs of the House Committee on Appropriations and the Senate Committee on Finance; and

   WHEREAS, the University submitted its preliminary plan for the Academic Division as required on July 1, outlining general strategies to advance the objectives of the Act and to enhance teaching, research, and service; and

   WHEREAS, final institutional plans must be approved by the Board of Visitors and submitted to SCHEV, the Governor, and the Chairs of the House Committee on Appropriations and the Senate Committee on Finance no later than October 1;

   RESOLVED, the Board of Visitors approves the 2014-20 six-year institutional plan for the Academic Division; and

   RESOLVED FURTHER, the President is authorized to transmit the six-year plan to SCHEV, the Governor, and the chairs of the House Committee on Appropriations and the Senate Committee on Finance.

8. **APPROVAL OF THE FINANCIAL PLAN FOR THE RENOVATION OF THE RUGBY ROAD OFFICE BUILDING**
   (approved by the Finance Committee on September 20, 2013)

   RESOLVED, the Board of Visitors endorses the financial plan for the renovation of the Rugby Road Office Building with an expected budget of $8.1 million to $10.0 million to be financed with $1-2 million in deferred maintenance funds and $7.1-8.0 million in University bonds.
9. **AUTHORIZATION OF AND INTENT TO ISSUE TAX-EXEMPT DEBT**
   (approved by the Finance Committee on September 20, 2013)

   WHEREAS, the University intends to undertake certain capital projects identified below (the "Project"), and to finance the Project through the issuance of tax-exempt debt, in the maximum principal amount stated below for the Project:

   **ACADEMIC DIVISION**
   - North Grounds Mechanical Plant - $334,000
   - Alderman Road Residence Area Replacement Housing, Phase 4, Building 6 - $6,200,000
   - Facilities Management Shop Support/Office Building - $5,000,000
   - Rugby Road Office Building - $10,000,000

   **MEDICAL CENTER**
   - Ambulatory Practice Space - $6,910,000
   - Education Resource Center - $25,400,000; and

   WHEREAS, the University further intends to expend funds on the Project and to reimburse such expenditures from the proceeds of the tax-exempt debt; and

   WHEREAS, to comply with the Internal Revenue Code of 1986, as amended, and Section 1.150-2 of the Income Tax Regulations (the "Regulations"), it is necessary, in order to reimburse such expenditures incurred prior to the issuance of the tax-exempt debt with the proceeds of such debt, that the University declare its official intent to make such a reimbursement of expenditures; and

   WHEREAS, prior to the issuance of long-term debt, the Board of Visitors will be asked to consider a separate issuance resolution;

   RESOLVED, short-term debt may be issued for the Project, but only if the following conditions are met:

   1. A comprehensive and detailed financial plan for the Project is submitted to and approved by the Capital Outlay Executive Review Committee; and
2. A school or unit shall remain responsible for repaying any debt obligation incurred regardless of the status of such school’s or unit’s Project; and

RESOLVED FURTHER, the Board of Visitors of the University of Virginia declares its intent to expend funds on the Project and to reimburse such expenditures from the proceeds of tax-exempt debt, in accordance with the following:

1. This resolution is a declaration of official intent for purposes of Section 1.150-2 of the Regulations; and

2. The University reasonably expects to issue tax-exempt debt for the Project in the maximum principal amount stated in the recitals above.

10. APPROVAL OF THE STATE REQUIRED SIX-YEAR PLAN FOR FY14-16
(approved by the Committee on The University of Virginia’s College at Wise on September 20, 2013)

RESOLVED, the Six-Year Plan for FY14-16 for The University of Virginia’s College at Wise is approved as presented.

11. APPROVAL OF THE UNIVERSITY OF VIRGINIA’S COLLEGE AT WISE COMMITTEE GOALS FOR 2013-2014
(approved by the Committee on The University of Virginia’s College at Wise on September 20, 2013)

RESOLVED, The University of Virginia’s College at Wise Committee goals for 2013-2014 are approved as presented.

12. APPROVAL OF THE SUMMARY OF AUDIT AND COMPLIANCE FINDINGS
(approved by the Audit and Compliance Committee on September 20, 2013)

RESOLVED, the Summary of Audit Findings for the period February 1, 2013 through August 15, 2013, as presented by the Chief Audit Executive, and Compliance Projects for the period of January 1, 2013 through June 30, 2013, as presented by the Corporate Compliance Officer, is approved as recommended by the Audit and Compliance Committee.

RESOLVED, Section 3.28 of the Manual of the Board of Visitors of the University of Virginia is amended to add the Executive Vice President for Health Affairs as a non-voting advisory member of the Medical Center Operating Board, and to change the title of the Vice President and Dean of the School of Medicine to the Dean of the School of Medicine.
STATE OPERATING BUDGET AMENDMENTS FOR THE
2014-16 BIENNium

AGENCY 207 – Academic Division:

Fund Enrollment Growth – ($427,000 GF in year one and $2,076,000 GF in year two) – The University requests general fund support, at $8,415 per student from the October 2012 calculation of the base budget adequacy formula, to educate 179 additional Virginia undergraduates in fall 2014 and 196 additional Virginia undergraduates in fall 2015. The request for general funds in year one takes into account the funds the University received from the Commonwealth in previous years to support enrollment growth that did not materialize. Total enrollment growth targets were met, however, the mix of in-state and out-of-state students in the entering classes did not match the targets. The University remains committed to meeting the in-state enrollment growth target approved by the Board of Visitors in 2011 and will make the necessary adjustments going forward.

Fund Start-up Packages for Faculty – ($7.0 million GF in year one and $14.0 million GF in year two) – The University requests the establishment of a multi-year fund for start-up packages necessary to recruit new faculty, particularly in the science, technology, engineering, and math (STEM) disciplines, to support expected enrollment growth and anticipated retirements over the next several years. The fund will provide critical resources for laboratory renovations, equipment, summer wages for nine-month faculty, and other support for 70 new faculty in these fields in the 2014-16 biennium. The start-up packages will average $650,000 per faculty to be paid out over three years as the new faculty establish their research programs at the University. The start-up packages will not include base salary support or signing bonuses for new faculty.

Fund Medical Translational Research – ($4.0 million GF in year one and year two) – In 2013-14, UVa received incremental funds of $1 million from the Commonwealth to support cancer research and to enhance access to care and breakthrough clinical trials, bringing the Commonwealth’s direct appropriation to $3.4 million. Assuming the continuation of the current appropriation, UVa requests additional state support of $4.0 million in 2014-15 and 2015-16 to leverage these assets to accelerate research and to improve the health of its patients.
and the Commonwealth’s economy. Additional state support will expand medical translational research so that laboratory discoveries are converted into new methods to diagnose and treat illness and augment cancer outreach and prevention activities.

**Fund Economic Development Accelerator** – ($4.0 million GF in year one and year two) – In 2013, UVa submitted a proposal to create the UVa Economic Development Accelerator (UVEDA) with $25 million of state support over five years to be matched with private contributions. The General Assembly appropriated $1 million to establish the UVEDA in 2013-14. Beginning in 2014-15, UVa requests an additional $4 million general funds per year for four years and $3 million in a fifth year, or $19 million incremental funding, bringing the Commonwealth’s total investment to $25 million over six years. The University will match with private contributions the Commonwealth’s commitment. The UVEDA is a public-private partnership designed to facilitate knowledge transfer and business development around university research and innovation (including a proof-of-concept fund).

**Fund Operations and Maintenance Costs for New Facilities** – ($871,500 GF in year one and $903,600 GF in year two) – The University requests ongoing support for increased operations and maintenance costs related to the following core educational and general capital projects that are scheduled to be fully online in 2014-16 – Drama Education Addition, Facilities Management Landscape Shop, Acquisition of 560 Ray C. Hunt Drive, Facilities Management Shop Building, 2023 Ivy Road (Cary’s Camera), Lacy Hall, and New Cabell Hall (renovation of existing space with new systems having incremental value).

**Fund Health Insurance Premiums** – ($226,600 GF in year one and year two) – The Commonwealth provides funding to cover the state share of the increases in employer premiums for state employees participating in the University's health care plan. The University’s funding request is based on health plan rates that will be effective on January 1, 2014.

**Add Appropriation Act Language to Administer Salary Increases for University Staff (Language Only)** – The University proposes language that authorizes it to administer salary increases for employees not subject to the Virginia Personnel Act (i.e., University Staff) on the basis of merit rather than across-the-board. In 2013, the General Assembly passed, and the Governor approved, a similar authorization for all higher education
institutions with employees not subject to the Virginia Personnel Act for the salary increases effective July 2013.

**Add Appropriation Act Language to Administer Salary Increases for Classified Staff (Language Only)** – The University proposes language that authorizes it to administer all state-authorized salary increases for classified employees of the University (i.e., employees subject to the Virginia Personnel Act) on the basis of merit rather than across-the-board.

**Modify Appropriation Act Language to Eliminate Line Items for Center for Diabetes and Center for Politics (Language Only)** – The University proposes to eliminate from the current Appropriation Act the specific line item language related to the Virginia Center for Diabetes Professional Education and the Center for Politics. This action will not change the overall appropriation, but will simply remove the language calling these centers out separately.

**Add Appropriation Act Language to Continue Operation of Hampton Roads Center (Language Only)** – The University relocated its Hampton Roads Regional Center to Newport News. The State Council of Higher Education for Virginia (SCHEV) conditionally approved the continued operations of the center for a period of one year and further provided that UVa must receive final approval from the Governor and the General Assembly to continue operating the site beyond the 2013-14 academic year. The proposed language authorizes the continued operation of the center, now operating as the University of Virginia Hampton Roads Center.

**AGENCY 209 – Medical Center:**

**Restore Medicaid Reimbursement to 100% - ($10.4 million GF in year one and $10.9 million GF in year two)** – The Medical Center requests an increase to Medicaid prospective payment rates in order to meet the need of an increasing number of Medicaid enrollees and Virginia residents who fall within the state of Virginia indigent criteria. The Medical Center requests that state funding be restored from the current approximately 95% of cost to the original 100% of the costs to care for Medicaid and state-defined indigent patients, as previously received in fiscal years 2007 and 2008 and as established by policy in 2004. If the state does not return to the practice of fully reimbursing the University for the care it provides to Medicaid and indigent care patients, the Medical Center will have to provide free medical care to these Virginia residents.
Add Appropriation Act Language to Clarify Existing Law Related to Compensation of Medical Center Employees – (Language Only) – The Medical Center proposes language to clarify that the Medical Center is exempt from any state actions regarding compensation of state employees in accordance with the codified autonomy granted to the Medical Center in 1996. The human resources system established by the Medical Center and approved by the Board of Visitors better aligns with standard practices of the health care industry and assists in the recruitment and retention of nurses and other health care professionals.

AGENCY 246 – University of Virginia’s College at Wise:

Fund STEM Early College Academy – ($260,383 GF in year one and $866,001 GF in year two) – The College at Wise requests general funds to develop a one-year residential STEM Early College Academy for high-achieving high school seniors, with no direct cost to the student. Students residing within the southwest Virginia corridor will be offered admission into this highly selective program based upon their high school academic credentials, writing and verbal skills, and the completion of the application process and personal interview with the selection committee. The planned curriculum will have a strong science and math component, with courses in calculus, chemistry, and biology. The liberal arts mission of the College will enhance the Academy through courses in composition and writing, while providing opportunities for students to engage in theatre, art, music, lectures and student life, and extracurricular programs. Forty students will be offered admission in fall 2015. Three new positions would be filled in 2014-2015 for a director, recruiter, and support staff. In 2015-2016, four Teaching and Research faculty positions would be filled.

Fund High-Need Degrees – ($69,108 GF in year one and year two) – The College at Wise requests general funds to support the continuance of programs dedicated to increasing degrees in STEM-H disciplines, including: 1) enhancing marketing efforts in STEM-H disciplines to include the college website and social media, 2) developing an online RN-to-BSN program, 3) increasing the engagement of teaching faculty in the recruitment of students enrolling in STEM-H disciplines, 4) exploring the feasibility of developing collaborative masters level programs in STEM-H disciplines, and 5) creating a full-time professional position focusing on internship/externship development and career counseling in STEM-H fields.
Fund Appalachian Prosperity Project – ($300,000 GF in year one and year two) – The College at Wise requests general funds to support its investment in the Appalachian Prosperity Project (APP) by staffing full-time leadership and administrative support personnel to move APP to the next level of excellence and capacity in continued service to Southwest Virginia.

Through a collaborative partnership among UVA-Wise, UVa, the Virginia Coalfield Coalition, and numerous state, regional, and community partners, the APP is a university-community-industry partnership that uses a systems approach to simultaneously advance education (Appalachians Building Capacity), health (Healthy Appalachia Institute), and prosperity (Appalachian Ventures) in Southwest Virginia. Born in 2007 as a result of the Higher Education Restructuring Act, APP has grown into an impactful, well-respected, and powerful initiative, making a difference in a region experiencing even greater challenges with the recent decline in coal-related jobs.