FINANCE SUBCOMMITTEE

Friday, June 27, 2014
11:00 a.m. – 3:00 p.m.
Private Dining Room, Hyatt Dulles

Committee Members:
John A. Griffin, Chair
Frank B. Atkinson
Kevin J. Fay
Victoria D. Harker
John G. Macfarlane III
George Keith Martin, Ex-officio

AGENDA

I. INTRODUCTION AND COMMENTS FROM CHAIR 1

II. DISCUSSION REGARDING THE WORK OF THE SUBCOMMITTEE 2

III. BACKGROUND AND CONTEXT 4
   A. Overview of Tuition/Financial Aid Pricing Models
   B. Cost of Education
   C. AccessUVa Overview
   D. Endowment Overview

IV. DISCUSSION AND NEXT STEPS 5
BOARD MEETING: June 27, 2014

COMMITTEE: Finance Subcommittee

AGENDA ITEM: I. Introduction and Comments from the Chair

ACTION REQUIRED: None

BACKGROUND: The Chair, John A. Griffin, will welcome the subcommittee members and explain what he hopes to accomplish at this meeting.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 27, 2014

COMMITTEE: Finance Subcommittee

AGENDA ITEM: II. Discussion Regarding the Work of the Subcommittee

ACTION REQUIRED: None

BACKGROUND: The Finance Subcommittee was formed in May of 2014. During the April 2014 tuition setting process, a need for an updated long-range financial plan as well as a need to address funding for the “Affordable Excellence” component of the Cornerstone Plan was identified. This subcommittee will form recommendations regarding the “Affordable Excellence” component of the strategic plan. These recommendations should be ready for Board deliberation later this year, in time to guide the next (2015) round of budget actions, tuition decisions, and related matters.

The “Affordable Excellence” strategy under Pillar 5 envisions “a financial model that generates adequate resources to sustain AccessUVa and additional measures envisioned in the Commonwealth of Virginia’s recent higher education legislation, thus promoting academic excellence, diversity, and financial predictability and affordability.” In addition, the “Operational Excellence” strategy calls for “resource alignment and optimization to enable academic excellence and affordable access.”

DISCUSSION:

The strategies referenced above will provide a general guide for the work of the subcommittee. The Finance Subcommittee shall develop a financial/pricing model (including a long term financial plan) that, to the extent possible, accomplishes the following objectives simultaneously:

1. Advances the goals of the 2011 “TJ21” state legislation related to improving affordability for low-income and middle-income students and their families. (Note that the TJ21 legislation declares it is state policy to “provide need-based financial aid for low-income and middle-income students and families,” and the advisory committee created by the
legislation has since defined "middle income" as up to 400% of the federal poverty level. The Board was advised last year that this represents approximately 80% of Virginia households).

2. Increases the predictability of tuition and fee costs and offsetting financial aid during an undergraduate student’s four-year course of study at the University.

3. Aligns in a sustainable way the student financial aid necessary to achieve these affordability and predictability goals and the resources available to AccessUVa from all sources.

4. Provides the sustained instructional funding necessary to preserve and enhance academic excellence in all schools, including the College of Arts and Sciences.

5. Advances the objectives of the Board related to enhancing the University’s diversity and inclusiveness objectives.

During this meeting, we will begin to develop a plan to accomplish these objectives along with a timeline for completion.
BACKGROUND: The Executive Vice President and Chief Operating Officer, Pat Hogan, and members of his team will provide some background and context on several key topics around which the subcommittee’s work will focus, including an overview of tuition/financial aid pricing models, the cost of education, the AccessUVa program, and the endowment.
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BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 27, 2014

COMMITTEE: Finance Subcommittee

AGENDA ITEM: IV. Discussion and Next Steps

ACTION REQUIRED: None

BACKGROUND: The Finance Subcommittee members will discuss the work of the Subcommittee and next steps.