MEMORANDUM

TO: The Finance Subcommittee:

John A. Griffin, Chair
Frank B. Atkinson
Kevin J. Fay
Victoria D. Harker
Linwood H. Rose
George Keith Martin, Ex Officio

and

The Remaining Members of the Board and Senior Advisor:

Hunter E. Craig Bobbie G. Kilberg
Allison Cryor DiNardo Stephen P. Long, M.D.
Helen E. Dragas Edward D. Miller, M.D.
Frank E. Genovese John L. Nau III
Marvin W. Gilliam Jr. Timothy B. Robertson
William H. Goodwin Jr. Margaret N. Gould

Leonard W. Sandridge Jr.

FROM: Susan G. Harris

SUBJECT: Minutes of the Finance Subcommittee Meeting on June 5, 2014

The Finance Subcommittee of the Board of Visitors of the University of Virginia met, in Open Session, at 4:35 p.m. on Thursday, June 5, 2014, in the Byrd Room of the Harrison Institute; John A. Griffin, Chair, presided.

Present were subcommittee members Frank B. Atkinson, Kevin J. Fay, Victoria D. Harker, and Linwood H. Rose. Helen E. Dragas, Stephen P. Long, M.D., Margaret N. Gould, and Leonard W. Sandridge Jr. also attended.

Present as well were Teresa A. Sullivan, Patrick D. Hogan, Paul J. Forch, Melody S. Bianchetto, Blake E. Blaze, Susan G. Harris, W. Thomas Leback, Megan K. Lowe, Nancy A. Rivers, and Colette Sheehy.
Mr. Griffin began the subcommittee's first meeting by noting that the goal is to develop ideas, and perhaps recommendations, for consideration by the Board. The first steps in the plan of operation will include interviews with Board members, former rectors, and other institutions, and the compilation of comprehensive financial data. The committee is on a tight schedule. A number of meetings will be needed. Mr. Griffin will also check in weekly with subcommittee members. During the meeting, it was noted that the subcommittee's work will have to be coordinated with the pricing effort that is underway for the Cornerstone Plan.

Mr. Griffin proposed that the interviews be divided among subcommittee members and that individual subcommittee members investigate key areas that need to be researched. For example, he has started to look into the William and Mary Promise. He asked Mr. Atkinson if he would look into revenue options. Mr. Fay volunteered to focus on AccessUVA. Other key areas identified during the meeting include: 1) the Virginia Higher Education Opportunity Act of 2011; 2) the benchmarking of financial aid programs at other institutions; and 3) VCU's cost per credit hour approach.

The subcommittee also identified a number of issues that could be addressed.

- What constitutes affordability? Is it the net cost after financial aid, or is it the amount of debt upon graduation? Should the amount of the state tuition subsidy vary depending on income?

- Is a differential tuition program based on means testing feasible?

- What are the right net tuition amounts for in-state and out-of-state students?

- What can be done to improve the predictability of cost increases for students and their families?

- How does the University break the cycle of tuition increases that are twice the rate of inflation?

- Are there new initiatives that could generate additional revenues without diluting the University's brand or detracting from the goal of strengthening the University's distinct residential culture? For example, some institutions offer overseas credentialing programs to meet the international demand for U.S. college credentials.

- Would a state bond program for financial aid be possible? Such a plan could benefit all state institutions of higher education.
• What are the investment options for a permanent financial aid endowment?

• What is the outlook for state funding?

The Chair adjourned the Finance Subcommittee meeting at 5:35 p.m.

SGH:wtl
These minutes have been posted to the University of Virginia’s Board of Visitors website:
http://www.virginia.edu/bov/financesubcommitteeminutes.html