UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
JOINT MEETING OF THE
ADVANCEMENT AND COMMUNICATIONS
AND
FINANCE COMMITTEES
JUNE 6, 2014
Friday, June 6, 2014
8:45 – 10:30 a.m.
Auditorium of the Albert & Shirley Small Special Collections Library, Harrison Institute

Advancement & Communications Committee Members:
John L. Nau III, Chair
Hunter E. Craig
Allison Cryor DiNardo
Helen E. Dragas
Kevin J. Fay
Frank E. Genovese

Bobbie G. Kilberg, Vice Chair
William H. Goodwin Jr.
George Keith Martin, Ex-officio
Christopher P. Holstege, M.D.,
Faculty Consulting Member
Jeffrey C. Walker, Consulting Member

Finance Committee Members:
Victoria D. Harker, Chair
Frank B. Atkinson
Marvin W. Gilliam Jr.
Stephen P. Long, M.D.
Edward D. Miller, M.D.
John A. Griffin, Vice Chair
Linwood H. Rose
George Keith Martin, Ex-officio
Daniel M. Meyers, Consulting Member
Martin N. Davidson, Faculty Consulting Member

AGENDA

I. REPORTS (Mr. Hogan)
   • Status of the 2014-2016 State Budget (Mr. Hogan to introduce Ms. Colette Sheehy; Ms. Sheehy to report)

II. ACTION ITEM (Mr. Hogan)
   • 2014-2015 Operating and Capital Budgets (Mr. Hogan to introduce Ms. Teresa Sullivan and Mr. Larry Fitzgerald; President Sullivan, Mr. Hogan, Ms. Sheehy and Mr. Fitzgerald to report)
      A. Strategic Plan
         1. Progress - 2013-2014
      B. Academic Division
      C. Pratt Fund
      D. Annual Renovation and Infrastructure Plan
      E. The University of Virginia’s College at Wise
      F. Medical Center
      G. Transitional Care Hospital
III. NAMINGS REPORT (Written Report) (Mr. Sweeney)

IV. APPENDIX
- 2014-2015 Pratt Fund Allocations
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 6, 2014

COMMITTEE: Advancement & Communications and Finance

AGENDA ITEM: I. Status of the 2014-2016 State Budget

ACTION REQUIRED: None

BACKGROUND: The General Assembly adjourned the 2014 Regular Session without reaching agreement on the 2014-2016 biennial budget. Governor McAuliffe convened a special session on March 24 for the sole purpose of considering the 2014-2016 budget which will become effective on July 1, 2014. The House of Delegates passed its version of the budget (HB5002) on March 25, and the Senate passed its version (SB5003) on April 8. As of this writing, no further action has been taken on HB5002 or SB5003, and both houses are currently in recess until reconvened by the leadership.

DISCUSSION: The Vice President for Management and Budget will review the status of activity by the General Assembly with regard to the 2014-2016 state budget.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 6, 2014

COMMITTEE: Advancement & Communications and Finance

AGENDA ITEM: II. 2014-2015 Operating and Capital Budgets

BACKGROUND: At its June meeting, the Board of Visitors considers the proposed operating budgets for the Academic Division, The University of Virginia’s College at Wise, the Medical Center, and the Transitional Care Hospital. At its February and April meetings, the Board of Visitors approved tuition, mandatory fees, housing, and dining rates for 2014-2015, which comprise significant revenue sources for the Academic Division operating budget. During this fiscal year, the Board of Visitors has heard reports on the University’s budget requests to the state and the preliminary budget assumptions for the 2014-2015 operating budget. As of this writing, the General Assembly has not passed the 2014-2016 biennial budget. Therefore, the state appropriation proposed in the 2014-2015 operating budget is based on the Governor’s introduced 2014-2016 state budget.

DISCUSSION: The 2014-2015 expenditure budget proposal for all divisions of the University totals $2.79 billion, a 3.7% increase compared with the projected 2013-2014 budget. Of this amount, $1.47 billion relates to the Academic Division, $1.28 billion to the Medical Center, and $41.5 million to The University of Virginia’s College at Wise.

Academic Division

The proposed Academic Division operating expenditure budget will increase by 0.3% to $1.47 billion. The increase in the operating budget is driven by state mandated increases in the employer contribution rate to the Virginia Retirement System, increases in the cost of health benefits, planned increases to faculty and staff salaries, and investments in the University’s Cornerstone Plan. These expenditure increases are offset by operating savings, a projected decrease in research grants and contracts, and by expenditures originally planned for 2012-2013 that were not incurred until 2013-2014. In 2014-2015, net tuition and fees (36.4%) provides the greatest proportion of the operating budget, followed by research grants and contracts.
(19.3%); sales and services and investment income (12.5%); endowment distributions (10.7%); state general funds (10.3%); gifts (8.7%); and other (2.1%).

Personnel costs comprise 59.3% of total operating expenditures in the Academic Division. The proposed budget provides for an average 4.75% merit-based faculty salary pool and a 3% merit-based University staff pool. While the state has not passed a budget for the 2014-2016 biennium, the proposed budget assumes, based on the Governor’s introduced budget, that the state will authorize a 2% bonus for classified staff employees who meet expectations on their most recent performance evaluation, and an additional 1% bonus for those classified staff who receive an exceptional evaluation.

The 2014-2015 budget development cycle for the Academic Division incorporates elements that will be principles in the University financial model:

- Budget assumptions were developed with greater collaboration between administrative leadership and deans;
- New funding provided in the 2014-2015 budget is clearly tied to the University’s strategic priorities as identified in the pillars of the Cornerstone Plan, approved by the Board in November 2013;
- Effective stewardship of the University’s resources led to academic and administrative units looking within their organizations to reallocate funds towards highest priority needs; and
- The proposed budget was constructed in a manner that will allow it to be converted to the new University financial model in July 2014.

In addition to addressing compensation for faculty and staff, the budget provides investments to help implement the Cornerstone Plan initiatives; to respond to the goals of the Virginia Higher Education Opportunity Act of 2011, including funding for undergraduate enrollment growth reaffirmed by the Board in February 2014; and, to fund ongoing investment in AccessUVa to attract and retain a high-quality, diverse student body.
Pratt Fund

In April 1976, the University received funds, designated in the will of John Lee Pratt, to be used "to supplement salaries of the professors of the Departments of Biology, Chemistry, Mathematics and Physics, to purchase equipment for these departments as suggested by the heads of the departments and approved by the President and the Board of Visitors, and to provide for scholarships in these departments for outstanding students." Mr. Pratt's will provides further that these funds could be used "to support research in the School of Medicine and to provide scholarships for medical students." The will stipulates that the Pratt endowment reverts to Washington and Lee University if the University of Virginia does not comply with the provisions of the will. The original Pratt endowment has been split into two equal endowments, with 50% of the original principal assigned to the College of Arts & Sciences and the remaining 50% assigned to the School of Medicine.

The market value of the total Pratt endowment is $134.3 million as of March 31, 2014. In 2014-2015, a distribution of $3.58 million from the College of Arts & Sciences endowment and $5.053 million from the School of Medicine endowment, for a total of $8.633 million, is recommended. Additionally, the College of Arts & Sciences plans to use in 2014-2015 approximately $51,617 in funds that were allocated in 2013-2014 but will remain uncommitted by the end of fiscal year 2013-2014. Committees in each of the schools developed the proposal to spend the distribution, which is included as an appendix to this document.

Each dean, the Vice President for Research, the Executive Vice President and Provost, and the President are required to indicate their support of the planned Pratt Fund allocations. The table below shows aggregate allocations; the appendix describes the specific allocations.
## 2014-2015 Pratt Fund Allocation

<table>
<thead>
<tr>
<th></th>
<th>Equipment</th>
<th>Faculty Salaries</th>
<th>Fellowships</th>
<th>Research</th>
<th>Total 2014-15 Allocation</th>
<th>Anticipated Carryforward of 2013-14 Funds</th>
<th>Total Funds Available for 2014-15</th>
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<tr>
<td>Biology</td>
<td>$ -</td>
<td>$ 66,542</td>
<td>$ 183,458</td>
<td>$ -</td>
<td>$ 250,000</td>
<td>$ 5,687</td>
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<td>Chemistry</td>
<td>-</td>
<td>59,689</td>
<td>190,311</td>
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<td>250,000</td>
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<td>Mathematics</td>
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<td>129,977</td>
<td>20,023</td>
<td>-</td>
<td>150,000</td>
<td>45,930</td>
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<td>Physics</td>
<td>-</td>
<td>61,786</td>
<td>188,214</td>
<td>-</td>
<td>250,000</td>
<td>-</td>
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<tr>
<td>New Faculty Start-up Fund and Other Significant Initiatives</td>
<td>893,333</td>
<td>893,334</td>
<td>893,333</td>
<td>-</td>
<td>$ 2,680,000</td>
<td>-</td>
<td>$2,680,000</td>
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<tr>
<td>Arts &amp; Sciences Subtotal</td>
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<td>$1,211,328</td>
<td>$1,475,339</td>
<td>$ -</td>
<td>$ 3,580,000</td>
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<td>$3,631,617</td>
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<tr>
<td>School of Medicine</td>
<td>$ -</td>
<td>$ -</td>
<td>$1,220,500</td>
<td>$3,832,500</td>
<td>$ 5,053,000</td>
<td>-</td>
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<tr>
<td>TOTAL</td>
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<td>$2,695,839</td>
<td>$3,832,500</td>
<td>$ 8,633,000</td>
<td>$ 51,617</td>
<td>$8,684,617</td>
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</table>

## Annual Renovation and Infrastructure Plan (ARIP)

Under Restructuring, the Board of Visitors has delegated authority to approve all capital projects (acquisitions, capital leases, or new construction or renovation projects costing more than $2 million and impacting more than 5,000 gross square feet) funded with non-general funds. To facilitate the consideration of certain projects with no exterior impact, the Board of Visitors considers the Annual Renovation and Infrastructure Plan each year.

In the 2014-2015 Budget Summary, the Academic Division and the Medical Center present a detailed list of renovation and infrastructure projects, each expected to cost between $2 million and $5 million, to be funded with non-general fund cash (no debt) and expected to be initiated within the next fiscal year. This shorter, annual approval process allows these smaller projects to be planned in a more appropriate timeline based on the nature of the project. For example, renovating a lab for a new scientist is a project for which the need will arise during recruitment, and which must be completed before the scientist joins the faculty.

The Academic Division’s ARIP Plan approximates $12.8 million and addresses Brown College bathroom renovations; Faulkner kitchen and bathroom renovations, flooring, air handling, and fire detection improvements; Jordan Hall Lab renovation for Histology; and an increase to the previously authorized ARIP for the JPJ Arena water intrusion project. All of the projects will be funded from maintenance cash reserves.
The Medical Center’s 2014-2015 ARIP Plan adds one project for the renovation of the Primary Care Center with a budget range of $2.7 million to $3.3 million. This project will be funded from Medical Center operating funds. The Medical Center is authorized to substitute a new project costing between $2 million and $5 million for a project included on the approved ARIP, provided that the total capital budget as approved by the Board is not exceeded and that a report is provided at each Board meeting listing the changes made to the original project list.

The University of Virginia's College at Wise

The proposed operating expenditure budget for The University of Virginia's College at Wise will increase by $1.7 million, or 4.3%, in 2014-2015. State general funds are projected to increase by 0.6% as compared to the projected 2013-2014 budget, which includes general funds provided for state-authorized salary increases during 2013-2014. Net tuition revenues are increasing by 12.1% (when taking into account both tuition and enrollment increases), and grants and contracts will decrease by 3.8%. Sales and services, including auxiliary sales and services revenues, will increase by 0.4% from increased housing rents and increased meal plan rates as a result of implementing new meal plan options for students. Key strategic priorities addressed through this budget cycle are supporting the early intervention and identification of first-time at-risk students through the Summer Bridge Program; implementing a STEM Early College Academy Pilot Program; and supporting teaching and research faculty merit increases to recruit and retain high-quality faculty.

Medical Center

Total Medical Center operating revenues in 2014-2015 are expected to total $1.34 billion, up from $1.25 billion projected for 2013-2014. The Medical Center operating expenditure budget is proposed to increase by $93.4 million, or 7.9%, to $1.28 billion during 2014-2015. The operating margin is expected to be $59.2 million or 4.4%.

The budget includes a proposal to increase hospital room rates and ancillary service charges between 5.0% and 7.0% and to enhance personnel compensation packages. The pay-for-performance pool has been established at $8.0 million, which
includes the impact on benefit costs and is based on a 3.0% salary adjustment with an October implementation date. Other salary adjustments, such as market and compensation design adjustments, total $4.0 million, including the impact on benefit costs. The Transitional Care Hospital’s operating expenditure ($20.8 million in 2014-2015) and capital ($66,500 in 2014-2015) budgets are consolidated with the Medical Center’s budget.

For the Medical Center, the 2014-2015 operating plan was developed through a priority-based budget process to align resource allocations with Medical Center strategies and goals to achieve the Health System strategic planning goal to become a top decile academic medical center based on quality measures. The operating plan was developed while considering the challenges of providing patient care, teaching, and research services in an increasingly changing health care industry. The full impact of the Affordable Care Act will not be realized for a number of years; however, many of its provisions have already been effectuated. The result will be decreased reimbursements from government payors and an industry-wide erosion of pricing power with private payors. Nationally and locally there has been downward pressure on inpatient utilization and growth in demand for outpatient services. At the same time, costs associated with providing quality patient care will continue to have upward pressure due to increases in medical supply, pharmaceutical, and medical device expenses, and a shortage of health care workers. These changes require proactive fiscal planning now to ensure meeting the mission of the Health System in the future.

From the operating margin and from the capital reinvestment plan, the Medical Center has set aside a total of $50.8 million for the Strategic Investment Pool to be used to fund future proposals that best align the allocation of resources with Medical Center strategies and goals, including $12.3 million for capital initiatives.

For a full discussion of the budget proposal, as well as comparative revenue and expenditure data for the Academic Division, The College at Wise, and the Medical Center, please refer to the budget summary, which accompanies this book.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors
2014-2015 OPERATING BUDGET AND ANNUAL RENOVATION AND INFRASTRUCTURE PLAN FOR THE ACADEMIC DIVISION

RESOLVED, the 2014-2015 Operating Budget and Annual Renovation and Infrastructure Plan for the Academic Division is approved as recommended by the President and the Chief Operating Officer subject to any necessary revisions when a final state budget is approved by the General Assembly and the Governor.

PRATT FUND DISTRIBUTION FOR 2014-2015

RESOLVED, the budget for the expenditure of funds from the Estate of John Lee Pratt is approved to supplement appropriations made by the Commonwealth of Virginia for the School of Medicine and the Departments of Biology, Chemistry, Mathematics, and Physics in the College of Arts and Sciences. Departmental allocations, not to exceed $8,633,000 for 2014-2015, are suggested by the department chairs and recommended by the dean of each school; the disbursement of each allotment will be authorized by the Executive Vice President and Provost. To the extent the annual income from the endowment is not adequate to meet the recommended distribution, the principal of the endowment will be disinvested to provide funds for the approved budgets.

2014-2015 OPERATING BUDGET FOR THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

RESOLVED, the 2014-2015 Operating Budget for The University of Virginia's College at Wise is approved as recommended by the President and the Chief Operating Officer subject to any necessary revisions when a final state budget is approved by the General Assembly and the Governor.

2014-2015 OPERATING AND CAPITAL BUDGETS AND ANNUAL RENOVATION AND INFRASTRUCTURE PLAN FOR THE UNIVERSITY OF VIRGINIA MEDICAL CENTER

RESOLVED, the 2014-2015 Operating and Capital Budgets and the Annual Renovation and Infrastructure Plan for the University of Virginia Medical Center is approved as recommended by the President, the Chief Operating Officer, and the Medical Center Operating Board.
RESOLVED, the 2014-2015 Operating and Capital Budgets for the University of Virginia Transitional Care Hospital, presented as a component of the Medical Center Operating Budget, is approved as recommended by the President, Chief Operating Officer, and the Medical Center Operating Board.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 6, 2014

COMMITTEE: Advancement & Communications and Finance

AGENDA ITEM: III. Namings Report (Written Report)

ACTION REQUIRED: None

BACKGROUND: The following namings do not require Board action; they are enumerated below as a matter of record.

DR BRIAN DULING MEMORIAL GARDEN

The School of Medicine named a garden area in the courtyard between Medical Research Buildings 4, 5, and 6 in honor of Dr. Brian Duling, an internationally renowned cardiovascular scientist who enjoyed a 45-year career as a physiologist at the University. As a member and the first director of the Robert M. Berne Cardiovascular Research Center, Dr. Duling dedicated his life to teaching and research, and was one of the key individuals who helped secure the funds that built MR-5. He passed away in December 2013.

DAVID MYERS RESEARCH LABORATORY

The School of Medicine named the cardiology research laboratory in room 1232 in Biomedical Research Building 1155 in memory of David Myers, son of Frances Myers Ball. Mrs. Ball was a longtime, generous supporter of the University, focused mostly on the Medical Center and the School of Medicine. She was deeply committed to memorializing her son David, who died of a rare heart condition at the age of 16, by helping to advance the field of cardiology research to find better diagnosis and treatment options for physiological problems related to the heart. Mrs. Ball requested that in recognition of a cardiology research endowment she established, a research laboratory in the Cardiology Division be named after her son, David Myers.
The Medical Center named the pediatric epilepsy monitoring unit at the Children's Hospital (the area encompassing rooms 7144, 7145, 7146, and 7147 on 7 Central of the Medical Center East Building) in honor of Randl (Randy) Shure. Randy and his wife, Allison Shure (COM '85), received care for their son at the Children's Hospital, and in appreciation they became generous benefactors and took an active role in ensuring that the Children's Hospital remains a vital resource for other families in need. Randy Shure passed away in August 2011.

Bama Works is the charitable entity that provides funding to local non-profits on behalf of the Dave Matthews Band. The Band has made several visits to the Children's Hospital to play music and interact with the children, and Bama Works is a supporter of the Children's Hospital.

Janny van Beek and friends of her late husband, Harry van Beek, made a gift to the Battle Building in honor of Harry, who was a long-time supporter of the Children's Hospital and member of the Children's Hospital Executive Committee. He was the former President and CEO of Klöckner Pentaplast, and was instrumental in getting the company involved with the Children's Hospital Telethon and Walk for Kids.
MCLemore Birdsong was the chair of the Department of Pediatrics from 1960-1964. He is being honored by his nephew, George Birdsong (Law '64); the Birdsong Corporation; his sons: Harvard, Spencer, and McLemore (A&S '64) Birdsong; and other friends and former colleagues. Dr. Birdsong was a respected physician, founder and director of the Rheumatic Fever Clinic, and co-founder of the Congenital Heart Clinic. He received the Alumni Association's Distinguished Service Award in 1975.

George Birdsong made an additional gift to honor his cousin McLemore Birdsong, Jr., for his 46 years of service to the Birdsong Corporation.

Suzanne Blair has become a supporter of the Children's Hospital since relocating to Charlottesville with her husband, Louis Blair (SEAS '61), a UVA Health Foundation Board member.

Dr. Martha Carpenter (SOM '59) retired as Associate Professor of Pediatrics in 2008, and her largest gift to the University was made in support of the Battle Building.

The Teen & Adult Health Center is named for the late Jeffrey Centini, a former patient of the Children's Hospital who was a good friend of the Donors' son. The Donors are generous benefactors of the Battle Building.
Dr. Jim Dunnington (SOM '80) is a surgical and clinical pathologist on the UVA Health Foundation Board. He and his wife, Lisa Page Dunnington, are supporters of the Battle Building and scholarships at the School of Medicine.

**PLAY & DISCOVERY ZONE IN LOVING TRIBUTE TO ELOISE DODGE GOULD**  
*Gift of Sally and David Carroll*

Sally Carroll (A&S '82) is a longtime Children’s Hospital volunteer. She co-chaired the Children’s Hospital campaign, and she and her husband, David Carroll (A&S '81), are supporters of the Battle Building. They are naming this Play & Discovery Zone in honor of Eloise Gould, who lost her battle with cancer in May 2010 after being treated at the Children’s Hospital.

**MOLLY & ROBERT HARDIE MATERNAL & FETAL CARE CLINIC**  
*Gift of Molly and Robert Hardie*

Robert Hardie (A&S '87, Darden '95 & '99) is a former member of the Board of Visitors, and Molly Hardie (SOM '00) is a UVA Health Foundation Board member. They are sponsors of the Main Event annual gala and generous supporters of the Battle Building.

**KLÖCKNER PENTAPLAST TERRACE**  
*Gift of Klöckner Pentaplast*

Klöckner Pentaplast was a major sponsor of the Children’s Hospital Telethon for many years and continues its commitment by directing annual proceeds from the Children’s Hospital Walk for Kids.

**MAIN EVENT RECEPTION AREA / MAIN EVENT PLAY & DISCOVERY ZONE**

Through the work of an extremely dedicated group of volunteers (the Main Event Committee), the Main Event annual gala has raised tremendous support for the Children’s Hospital.
DR EUGENE & CATHERINE MCGAHREN FAMILY SPECIALTY CLINIC
Gift of Kelley MacDougall and Mike Pausic

Kelley MacDougall is a member of the UVA Health Foundation Board and the Children’s Hospital Committee. She and her husband, Mike Pausic (SEAS ’86), have sponsored the Main Event and are generous supporters of the Battle Building and the University. The Family Specialty Clinic is named in honor of Dr. Eugene McGahren (SOM ’84), Chief of the Division of Pediatric Surgery. He holds a number of leadership positions in the Health System, including participation on the Battle Building Steering Committee.

INFUSION CENTER IN HONOR OF MILDRED
Anonymous Gift

The Infusion Center is named for the Donors’ mother and mother-in-law. The Donors are generous benefactors of the Battle Building.

MLG FOUNDATION PLAY & DISCOVERY ZONE
Gift of the MLG Foundation

Michael Geismar (A&S ’94) and his wife, Ellen Geismar, are supporters of the Main Event and the Battle Building through their family foundation, the MLG Foundation.

PEGGY & FRANK QUAYLE LEARNING CENTER
Gift of Peggy and Frank Quayle

Peggy and Frank Quayle (Curry ’68) are generous supporters of the University, the Children’s Hospital, and the Battle Building. Peggy Quayle is a founding member of the Children’s Hospital Committee.
Randy Shure was a founding trustee of the UVA Health Foundation, a member of the UVA Medical Center Operating Board, and a member of the Children's Hospital Campaign Steering Committee. He led the initial fundraising campaign for the Battle Building, and together with his wife, Allison, established the Shure Professorship of Pediatric Neurology. Randy Shure passed away in August 2011.
APPENDIX
The March 31, 2014 market value of the Pratt Bequest for the College of Arts and Sciences is $78.5 million. The $3,580,000 request from Arts and Sciences detailed below represents the regular endowment distribution on this amount.

**Biology** - The 2014-2015 Pratt fund allocation for Biology is $250,000. The department proposes to allocate $183,458 for graduate fellowships: $124,765 to support outstanding graduate students and $58,693 to satisfy the department’s membership and to support one in-state student in the Biomedical Sciences Graduate Program (BIMS), an important, inter-school collaborative effort. The department proposes to use the remaining $66,542 of its 2014-2015 allocation and $5,687 from previous years’ balance to support the salaries of the Director and Associate Director of the Mountain Lake Biological Station.

**Chemistry** - The 2014-2015 Pratt fund allocation for Chemistry is $250,000. The department proposes to allocate $190,311 for graduate student support. Pratt funds are a crucial component of the total support package assembled to attract outstanding graduate students. The funds will be used to support two advanced students, one intermediate student, four to six entering students, and to provide summer support. The department proposes to use $59,689 of its allocation to provide summer wages for faculty holding key departmental administrative posts, including the graduate program director and undergraduate program director. Additionally, there is a commitment to fund one summer month of the Director of the Energy Frontiers Research Center if the grant is funded.

**Mathematics** - The 2014-2015 Pratt fund allocation for the Math Department is $150,000. The Department proposes to allocate $110,930 in partial support of the salaries of four Whyburn Postdoctoral Fellows. Internationally recognized for its excellence, the Whyburn postdoctoral program brings new Ph.D. recipients in mathematics to UVa as faculty instructors for three years of teaching and research. Pratt funds support 40% of the academic year compensation plus one month of summer wages for each fellow. The department proposes to allocate $19,047 of the 2014-2015 allocation, along with a portion of the remaining balance from prior years’ allocations (approximately $15,953) for faculty support.
summer wages for faculty members serving as mentors in the summer Research Experiences for Undergraduates program and for the associate chair. The department proposes to spend $20,023 of the 2014-2015 allocation, along with a portion of the remaining balance from prior years' allocations (approximately $9,977), to provide fellowship support for students engaged in Ph.D. research. This funding allows the department to be competitive with peer institutions in attracting graduate students. The department is requesting to use $20,000 of prior years' remaining balances to replace aging computers and printers for the faculty in order to facilitate the continuation of their research programs.

Physics - The 2014-2015 Pratt fund allocation for Physics is $250,000. The department proposes to allocate $188,214 for fellowship support to outstanding graduate students. Pratt funds are crucial to the department's ability to provide competitive multi-year packages to attract the most highly qualified physics graduate students. The department also proposes to allocate $61,786 of the 2014-2015 allocation for continued support of the salary of new faculty member, Craig Group, to provide summer wages to the associate chair of the department, and for summer wages for a new faculty hire.

New Faculty Start-up Fund - A total of $2,680,000 is requested by the College to use as components of start-up packages associated with new hires, some of which are still being negotiated; for cost sharing on grants and other opportunities that may arise in the coming year; and for other strategic needs in building the programs in these four departments. It is estimated that this funding will be equally split between equipment, faculty salaries, and fellowships. This $2,680,000 is comprised of $400,000 managed by the dean and a $2.28 million Faculty Start-Up Fund, from which all allocations will be authorized by the Executive Vice President and Provost. These funds, which will be carefully allocated in accordance with the terms of Mr. Pratt's will, are critical in the recruitment of faculty members in biology, chemistry, mathematics, and physics.
SCHOOL OF MEDICINE — $5,053,000 allocation for 2014-2015

The March 31, 2014 market value of the Pratt Bequest for the School of Medicine is $55.8 million. The $5,053,000 million request from the School of Medicine detailed below represents the regular allocation of $1,300,000 and a special distribution of $1,253,000 to support graduate programs and central research efforts in addition to the planned $2,500,000 divestment to support the Decade Plan.

Support and Training of Student Researchers - $1,220,500 - Graduate students and postdoctoral fellows are central to a successful biomedical research program. A modest institutional share from the Pratt bequest supplements funds from federal government training programs and charitable foundations to attract exceptional students. These individuals are critical in enhancing the quality of research in the Ph.D. and M.D./Ph.D. programs at the University, and the success of these programs has a direct impact on the quality of faculty research at the School of Medicine.

Core Facility Support - $1,332,500 - Research core facilities, including, but not limited to: the Small Animal Multimodality Imaging Core, Advanced Microscopy Facility, Biomolecular Research Facility, Gene Targeting & Transgenic Facility, Biorepository, the BioNMR core, and the Exercise Physiology core provide access to large, expensive equipment and techniques that otherwise would not be available or cost-effective to individual investigators. These facilities operate on a fee-for-service basis. After development costs and other expenses, the core facilities average a cost recovery of 80%, with differential funded by Pratt allocations. These resources provide a competitive advantage to acquiring emerging technologies, and they are critical to the School of Medicine's success in recruitment and retention of faculty and its ability to continue to grow its externally funded research programs.

The Decade Plan - $2,500,000 - The School of Medicine proposes a special distribution to be used towards the recruitment of researchers in Nephrology, Endocrinology, and Neuroscience. This will be the fourth and last year of the special $2.5 million distributions in support of the Decade Plan.