

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS  
EXECUTIVE COMMITTEE  
MEETING  
JULY 14, 2000**

EXECUTIVE COMMITTEE

Friday, July 14, 2000

3:00 - 3:15 p.m.

Mr. Ackerly's Office

1111 East Main Street, Richmond

Committee Members:

John P. Ackerly, III, Chair

Charles M. Caravati, Jr., M.D.

William H. Goodwin, Jr.

Terence P. Ross

Elizabeth A. Twohy

AGENDA

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BOARD OF VISITORS CONSENT AGENDA

A. ARCHITECT SELECTION, STUDIO ART BUILDING: Approval of architect selection

The architect for the Studio Art Building will be presented for consideration by the Executive Committee. The 2000 General Assembly authorized this project, which involves the construction of a 50,000 gross square foot building in the Carr's Hill Arts Precinct on the north side of Campbell Hall. The project relocates the studio art program from Fayerweather Hall, and provides expansion space for the program. After this project has been completed, Fayerweather will be renovated for art history. The budget is \$9,000,000, and is funded by general funds. We recommend the selection of Machado & Silvetti Associates, Inc. of Boston, Massachusetts.

ACTION REQUIRED: Approval by the Executive Committee of the Board of Visitors

APPROVAL OF ARCHITECT SELECTION FOR THE STUDIO ART BUILDING

The President will propose the adoption of the following resolution:

RESOLVED that Machado & Silvetti Associates, Inc. of Boston, Massachusetts, is approved for the performance of architectural and engineering services for the Studio Art Building.

B. UNIVERSITY OF VIRGINIA MEDICAL CENTER LEGISLATIVE PROPOSALS: Approval of legislative proposals for the 2001 Session

Hospital Interest Proposal

The hospital interest proposal would require the Medical Center to be credited with the imputed interest on its non-general operating cash balances (primarily patient care revenues), on deposit with the State Treasurer. The receipt of the resulting interest earnings relates directly to the Medical Center's goal of achieving a realistic operating margin, specifically helping to offset losses resulting from the Balanced Budget Act of 1997. The Medical Center forecasts that by the year 2002, its Medicare revenues will decrease an average of more than \$25 million annually as compared to fiscal year 1997 for the same volume of services. The proposed legislation would allow the Medical Center to retain its interest on cash balances similar to the Medical College of Virginia Hospitals

Authority and to private hospitals. Retaining interest on cash balances is critical in the increasingly challenging environment of managed health care. The proposed change would modify Section 23-77.4 of the Code of Virginia.

Codified Autonomy Proposal

The Medical Center codified autonomy proposal would allow the University to request an administrative waiver exempting the Medical Center from: (i) any provision in Title 2.1 or Title 51.1, or in the Appropriation Act, governing state employee compensation or fringe benefits, and (ii) any provision of law in the Code of Virginia or the Appropriation Act specifically addressed to state agencies' procurement of goods, services, including professional services, and construction, unless the provision described in (i) or (ii) expressly and specifically applies to the Medical Center. The state agency charged with implementing the Code or Appropriation Act provision from which exemption is sought would be required to grant the waiver unless it determines that the Medical Center will not be at a competitive disadvantage without a waiver. The proposed change would require modification of Section 23-77.4 of the Code of Virginia and Section 4-11.00 of the Appropriation Act.

ACTION REQUIRED: Approval by the Executive Committee of the Board of Visitors

APPROVAL OF UNIVERSITY OF VIRGINIA MEDICAL CENTER LEGISLATIVE PROPOSALS

The President will propose the adoption of the following resolution:

WHEREAS, the Executive Committee of the Board of Visitors has reviewed proposed legislative actions related to interest earnings on Medical Center operating cash balances and increased autonomy for Medical Center employee compensation and benefits, and procurement functions in the Medical Center; and

WHEREAS, the Executive Committee concludes that the proposed changes are prudent and in the best interest of the University;

RESOLVED that the Executive Vice President and Chief Operating Officer is authorized to seek legislation accomplishing the above-described purposes.

C. DISINVESTMENT OF MILLER CENTER GENERAL ENDOWMENT: Approves a disinvestment of a quasi-endowment account, the Miller Center General Endowment.

The Miller Center General Endowment is a quasi-endowment. The market value is approximately \$2.9 million, as of May 31, 2000. The Miller Center has requested that it be allowed to apply the proceeds of the disinvestment of the quasi-endowment to the Miller Center Addition and Renovation project. The budget for the project is \$7.5 million. The entire project is to be supported by private funds (gifts and Miller Center quasi-endowment).

Action by the Executive Committee is required because the dollar amount exceeds the authority (\$2.0 million) delegated to the Executive Vice President and Chief Operating Officer to disinvest quasi-endowments.

ACTION REQUIRED: Approval by the Executive Committee of the Board of Visitors

APPROVAL OF THE DISINVESTMENT OF MILLER CENTER GENERAL ENDOWMENT

RESOLVED by the Executive Committee of the Board of Visitors that the disinvestment of the Miller Center General Endowment, a quasi-endowment, be approved and that the proceeds be applied to the Miller Center Addition and Renovation project.