



# Board of Visitors Finance Committee Meeting

December 10, 2021



# Meeting Agenda

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## **ACTION ITEMS:**

1. Undergraduate and Graduate Tuition and Fees, 2022-2024
2. Housing and Dining Services Rates, 2022-2023
3. Major Capital Project Financing Plans
4. Quasi-Endowment Action

## **REPORTS:**

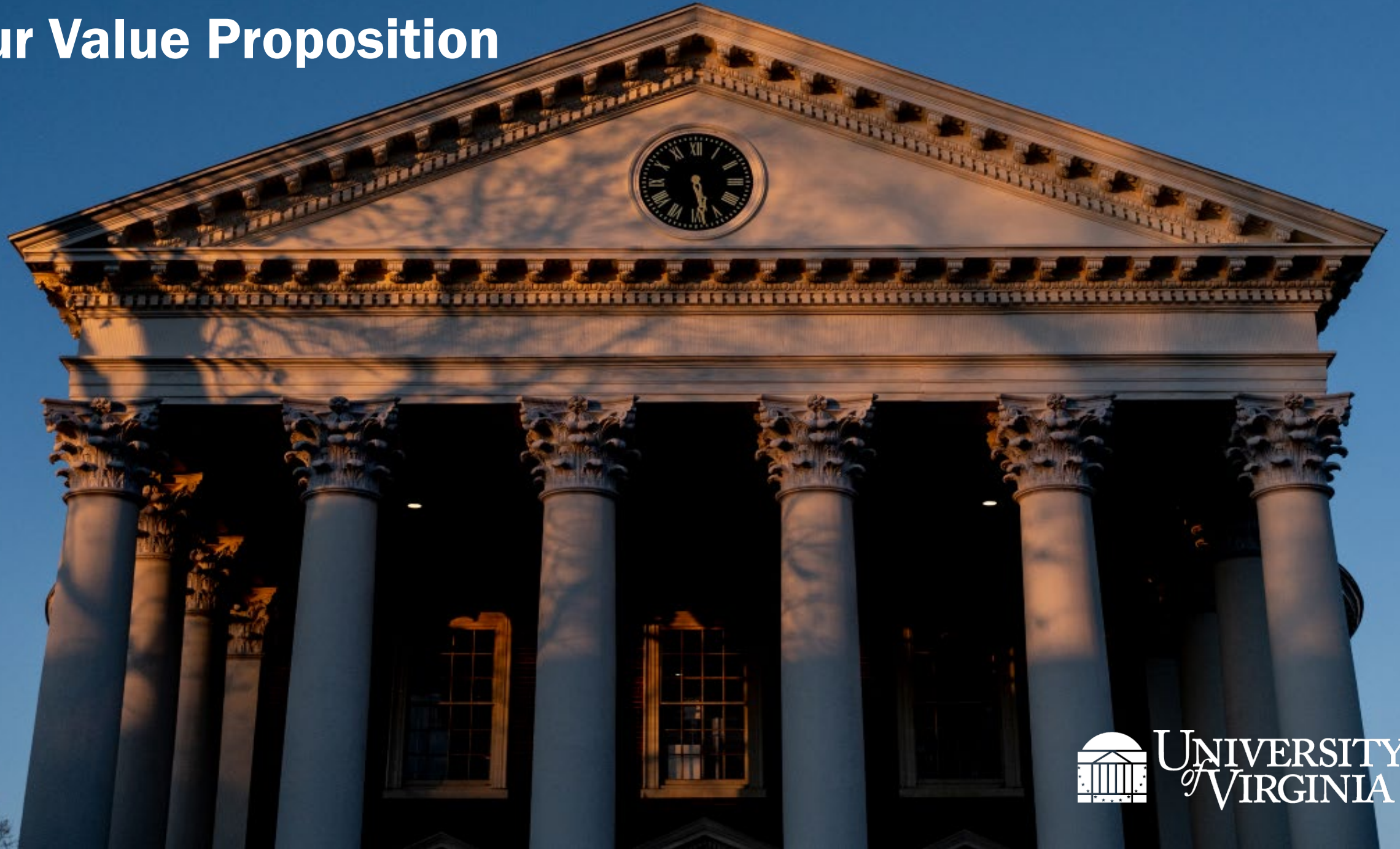
1. Strategic Investment Fund Interim Update
2. Executive Vice President's Remarks

# Tuition Presentation

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- Introduction
- Our Value Proposition
- State Support for Our Mission
- Tuition Increases and Inflation
- Peer Benchmarks
- Tuition and Fee Process
- 2022-24 Tuition and Fee Proposals
- UVA College at Wise 2022-24 Tuition and Fee Proposals

# Our Value Proposition



# A Great and Good University

## The 2030 Plan: Strategic Goals

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### STRATEGIC GOALS

- Strengthen Our Foundation
- Cultivate the Most Vibrant Community in Higher Education
- Enable Discoveries That Enrich and Improve Lives
- Make UVA Synonymous with Service

# University of Virginia Value Proposition

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**14:1**

Student-Faculty  
Ratio

**7,421**

Degrees Awarded  
2020-2021

**96.8%**

1-Year Retention Rate  
Stable retention rate for first-time,  
first-year students entering  
FALL 2020

**100%**

Financial Need Met

# Tuition Philosophy

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- Prioritize Affordability, Accessibility, and Maintaining High Quality
  - **Metrics** – graduation rates, job and graduate school placement, minimal tuition increases
  - **AccessUVA** meets 100% of demonstrated need and limits debt
- Tuition is last resort; look to other revenues and savings

**#4**

Best Public  
National University  
2022  
*U.S. NEWS & WORLD REPORT*

**#1**

Best-Value Public  
College in Virginia  
2021  
*FORBES*

**#1**

Best Public School for  
Financial Aid  
2021  
*PRINCETON REVIEW*

**#2**

Best-Value  
Public College  
2021  
*PRINCETON REVIEW*

**#3**

Best-Value  
Public University  
2022  
*U.S. NEWS & WORLD REPORT*

**#2**

Best-Value  
Public University  
2020  
*MONEY MAGAZINE*

# AccessUVA

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**Grants cover tuition, fees, room, and board**

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**Grants cover tuition and fees**



*Virginia families receive*

Income Under \$30K

Income Under \$80K

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Low-Income Virginians	\$4K
Other Virginians	\$18K
Non-Virginians	\$28K

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Loan Caps Over Four Years

**36%**

Students With Need

**100%**

Need Met For All Undergraduates

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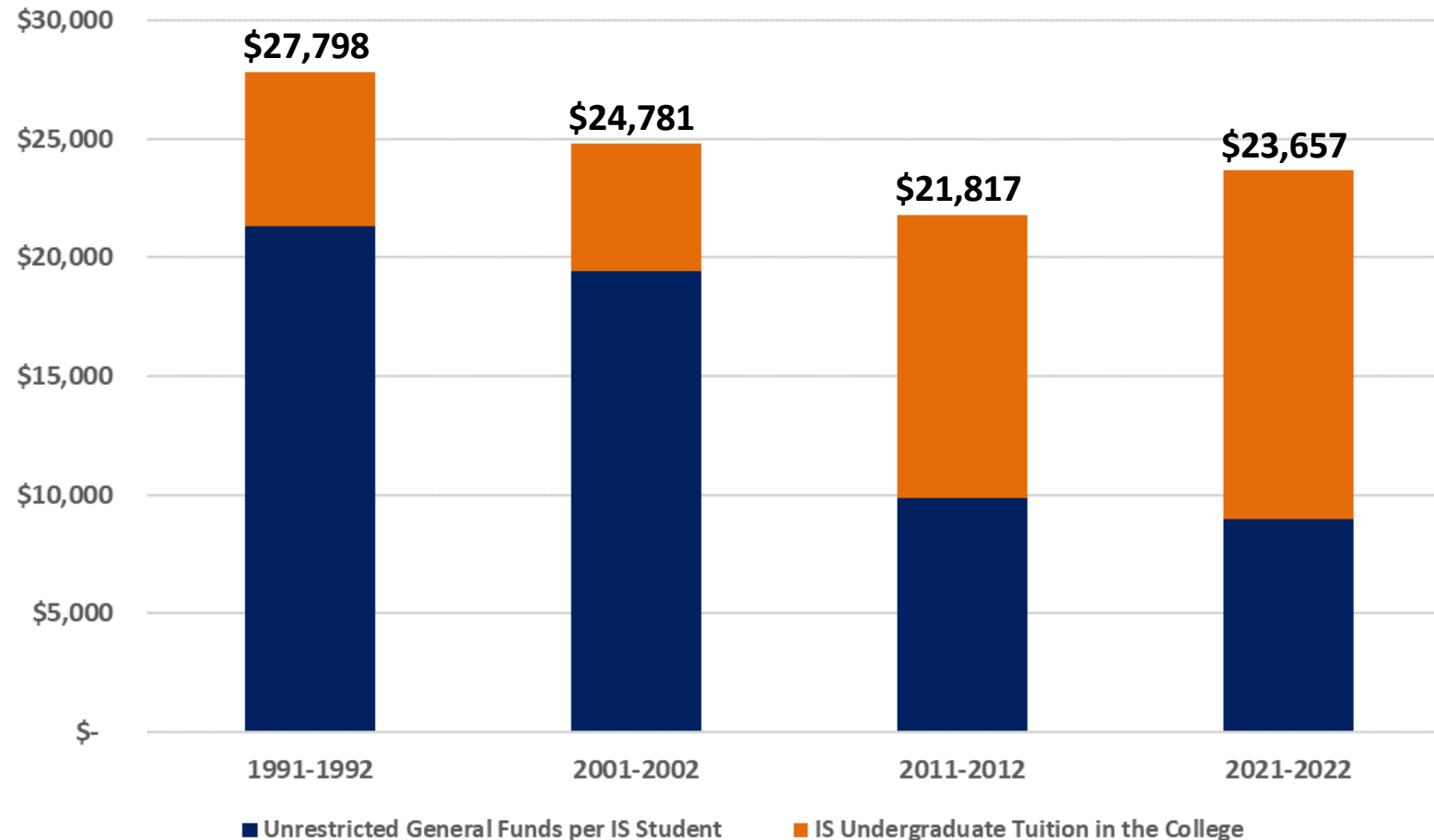


# State Support for Our Mission

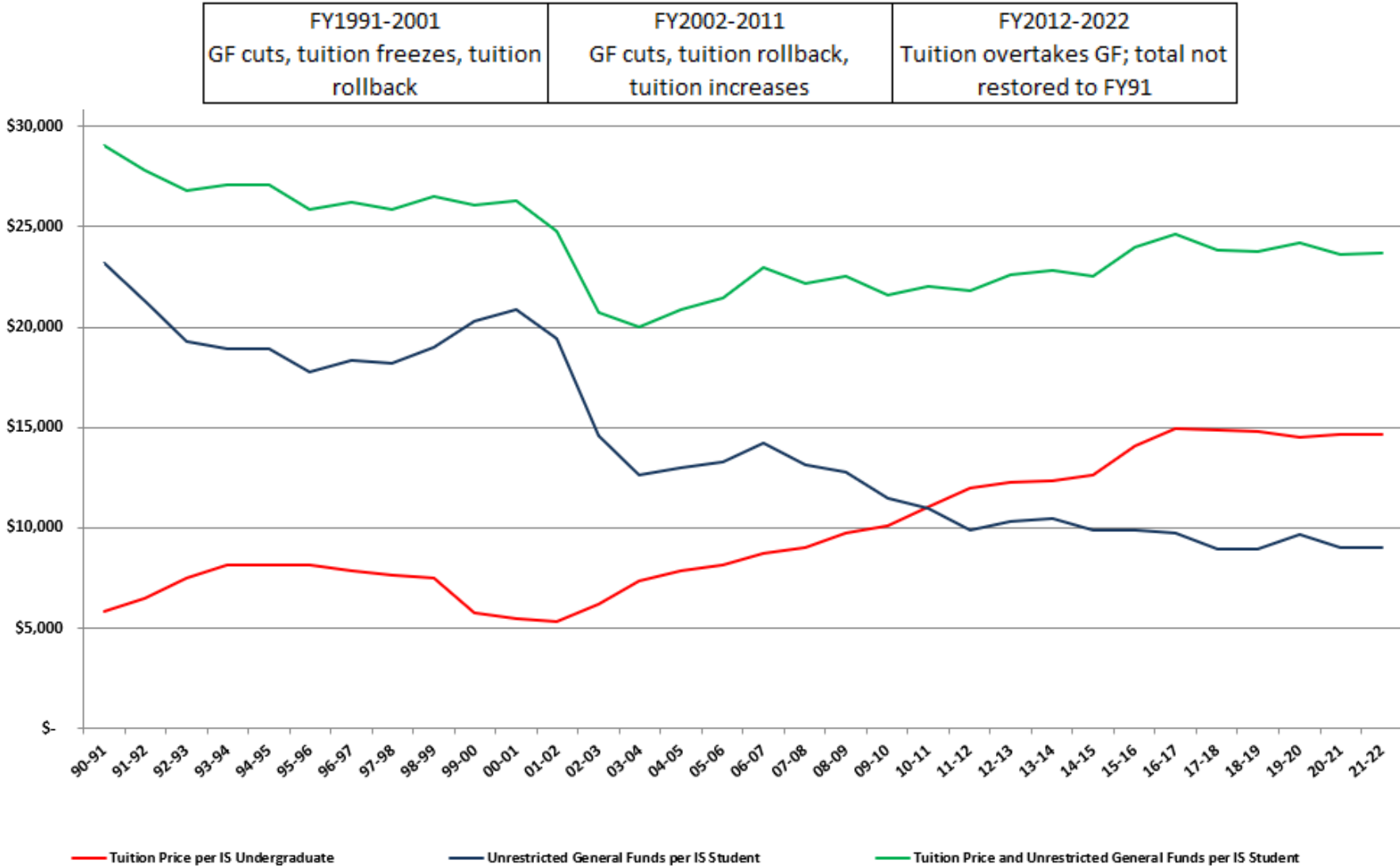


UNIVERSITY  
*of* VIRGINIA

# Changing Relationship Between State Appropriation and Tuition In Funding Educational Costs *(in FY2022 dollars)*



# Thirty Years of State Appropriation and In-State Undergrad Tuition (in 2022 dollars)



Note: Tuition used is the in-state, undergraduate A&S rate



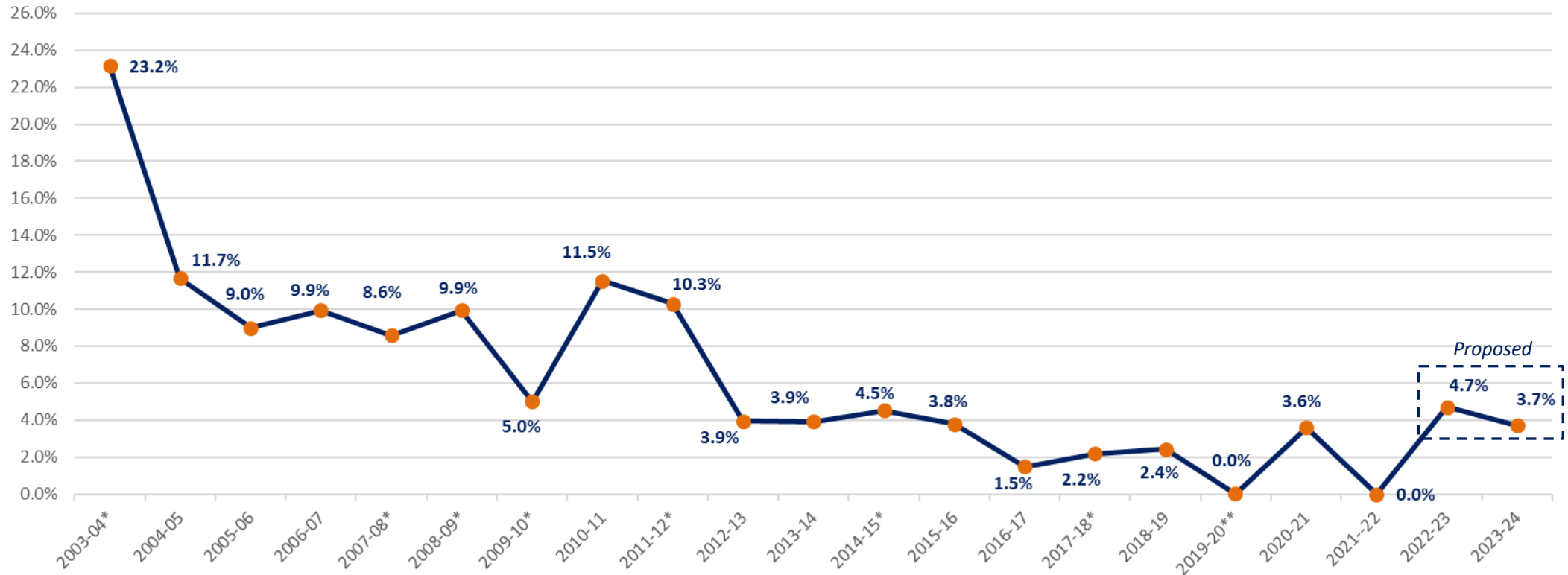


# Tuition Increases and Inflation



# Tuition History

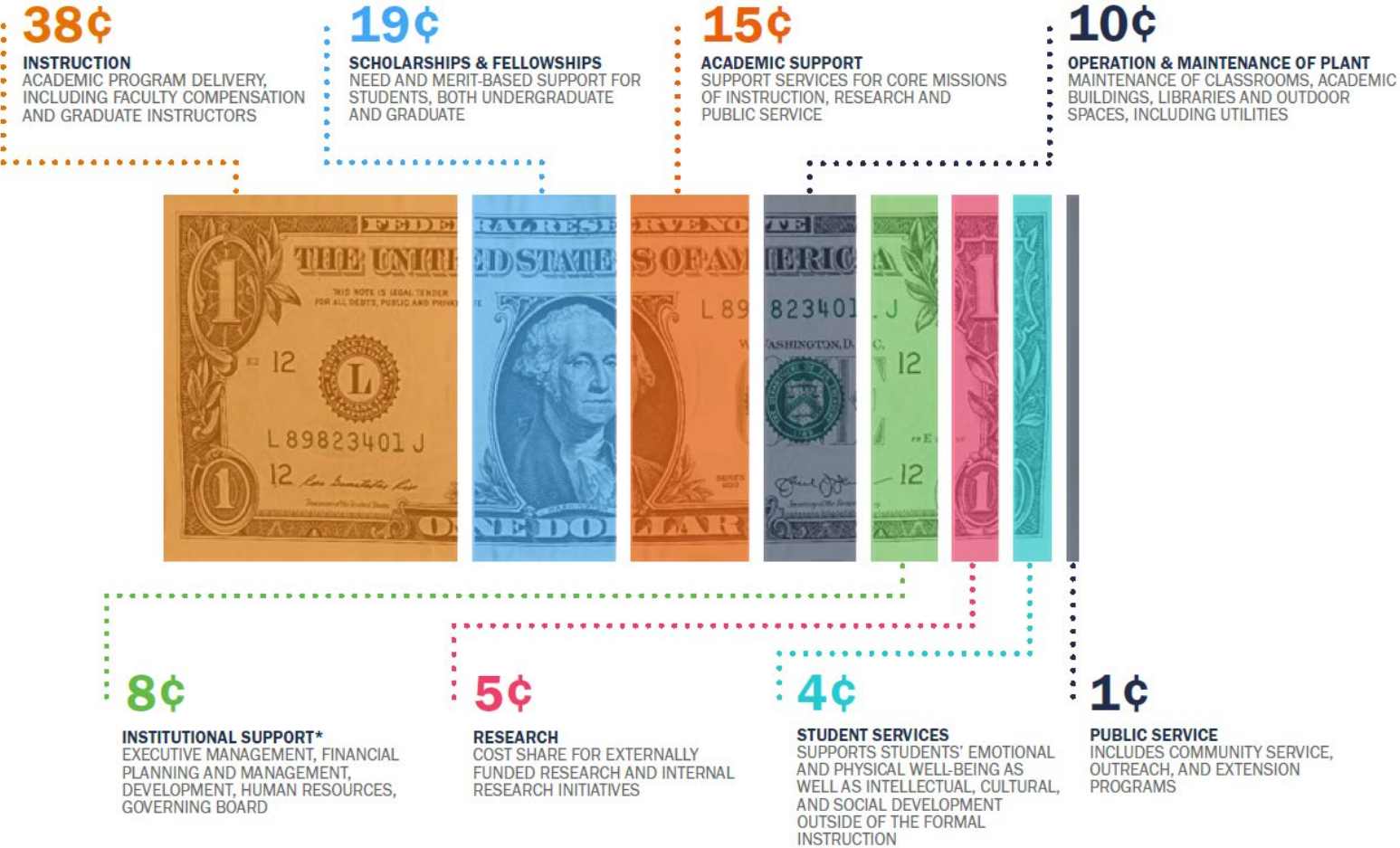
## In-State Base Undergraduate Tuition and E&G Fee Historical Rate Increases



\*Denotes year of a general fund decrease.

\*\*The state provided a base \$5.52 million in general funds to offset the 2019-20 tuition freeze.

# How We Spend Tuition and State Funds to Educate Students



*\*Institutional Support includes police and emergency preparedness as well as compliance with state and federal regulations including Title IX, the Clery Act, FERPA, the Americans with Disabilities Act, the Equal Opportunity Act, the Fair Labor Standards Act, the Federal Information Security Management Act, and other federal mandates.*

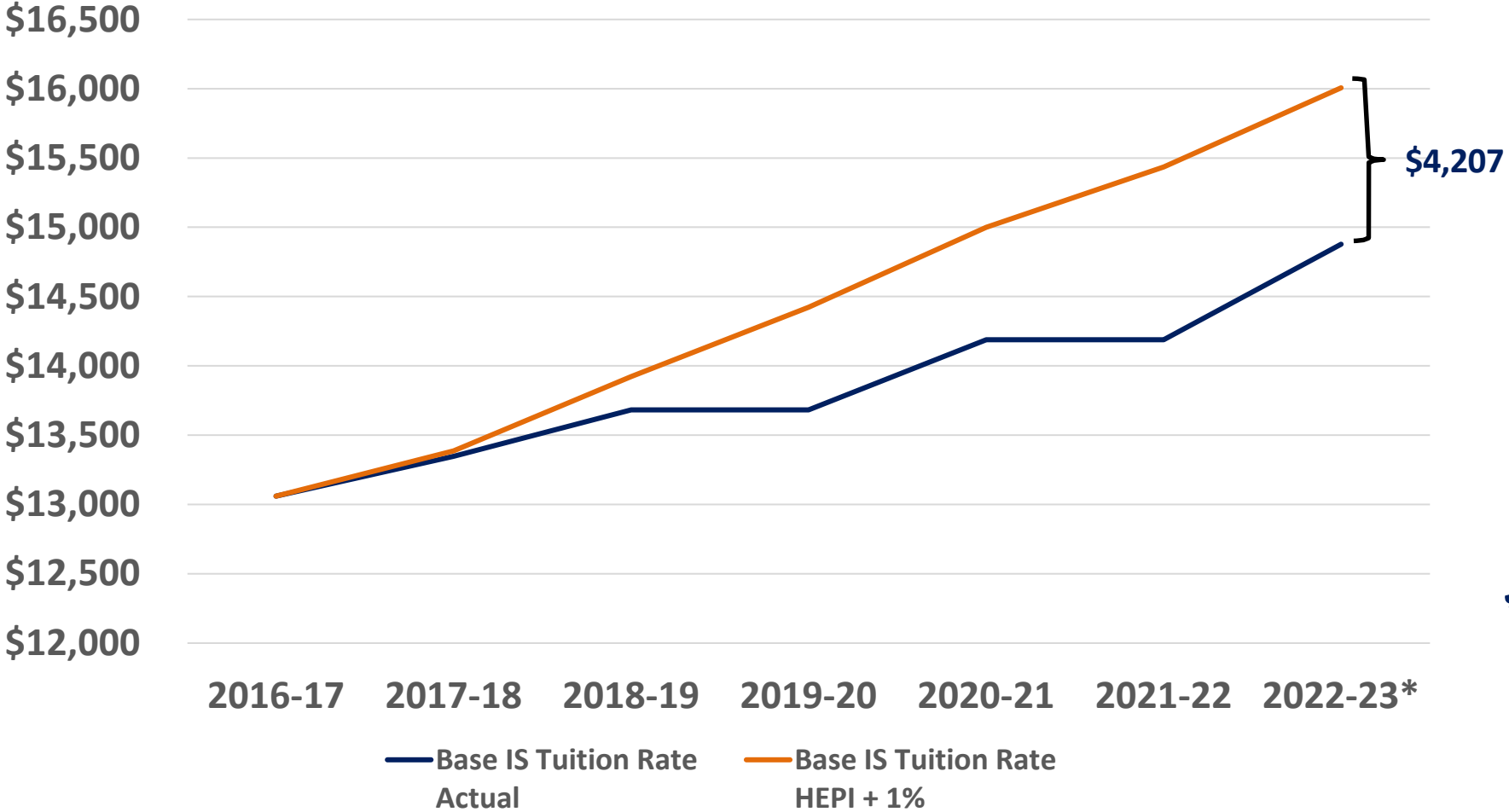
# Base In-State Undergraduate Tuition vs. HEPI + 1%

	In-State Tuition Increase	HEPI	HEPI + 1%
<b>2022-23*</b>	4.7%	2.7%	3.7%
<b>2021-22</b>	0.0%	1.9%	2.9%
<b>2020-21</b>	3.6%	3.0%	4.0%
<b>2019-20</b>	0.0%	2.6%	3.6%
<b>2018-19</b>	2.4%	3.0%	4.0%
<b>2017-18</b>	2.2%	1.5%	2.5%
<b>2016-17</b>	1.5%	2.0%	3.0%
Total over 7 yrs	14.4%	16.7%	23.7%
<b><i>Average Increase</i></b>	<b>2.1%</b>	<b>2.4%</b>	<b>3.4%</b>

\*Preliminary HEPI as of August 2021; rate is proposed



# In-State Base Undergraduate Tuition vs. Policy (Inflation + 1%)



**# of In-State Students**  
**11,754**

**Unrealized In-State Revenue**  
**\$49 million\*\***

\*Reflects proposed tuition increase for 2022-23.  
 \*\*The state provided a base \$5.52 million in general funds to offset the 2019-20 tuition freeze.





# Operational Efficiencies

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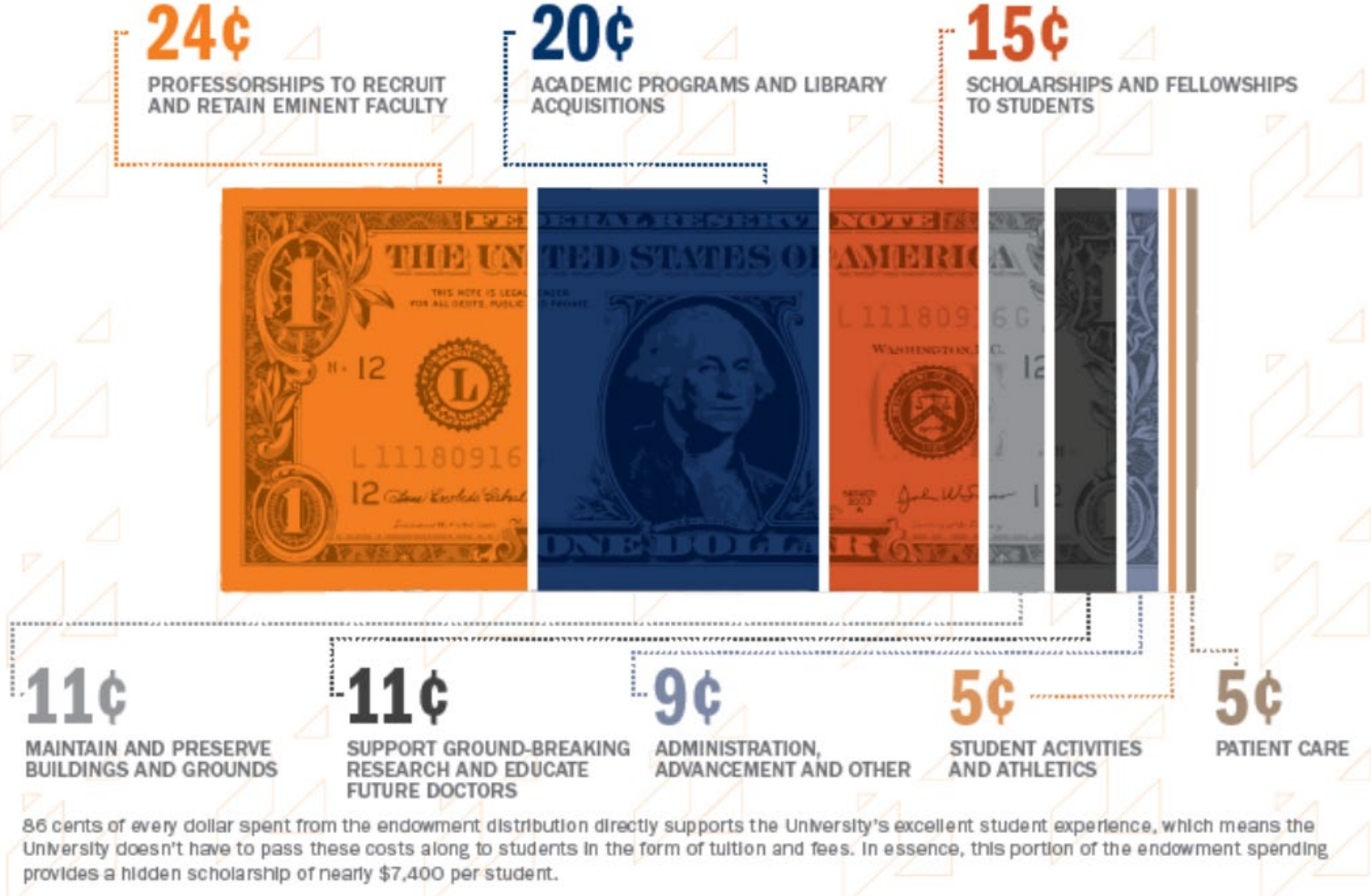
- **Health insurance: No premium increase for two years**
- **Operations and physical plant**
- **Procurement & IT: cost savings through contract renegotiations**
- **Optimization of IT infrastructure through equipment replacements, modernization, and cost-effective services**
- **Process automation/improvement in support of COVID-related management and tracking**
- **Emphasis on sustainability, including elimination of single-use plastics**
- **Ongoing efforts to evaluate centrally versus unit-provided services**
- **Reallocation of existing funding toward new initiatives**

# The Role of an Endowment

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- Long-term sustainability, as well as protect against inflation
- Supplement base tuition and appropriations enabling UVA to remain excellent:
  - Fund strategic priorities outlined in *Great and Good: The 2030 Plan*
  - Recruit world class faculty and researchers
  - Fund the best undergraduate financial aid program among publics
  - Match state contributions to capital, as well as fund premier facilities (Health & Wellness, Contemplative Sciences, Data Science, Democracy Institute) that are not funded from the state

# How The Rector & Visitors Endowment Distribution Is Used



# 2022-2023 Operating Challenges and Opportunities

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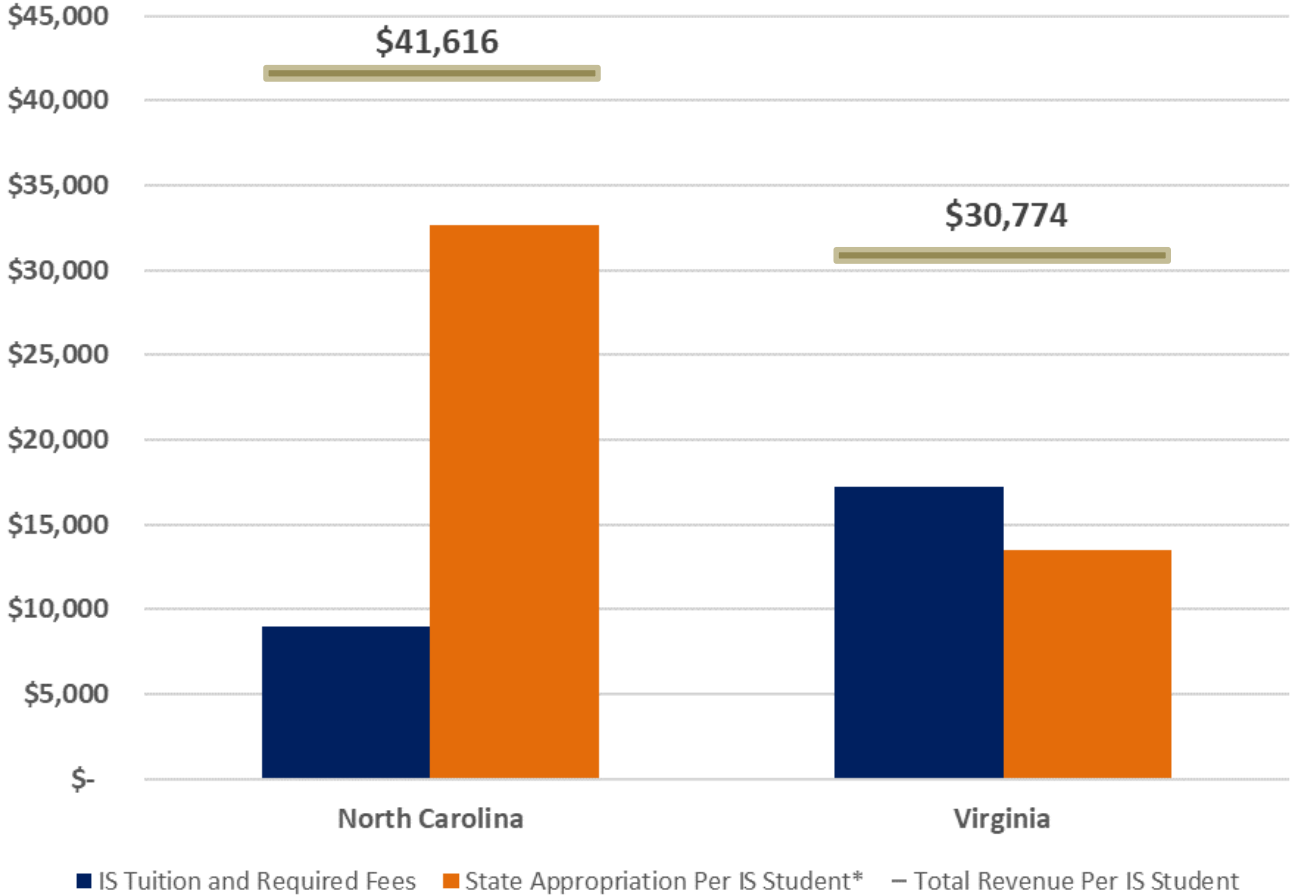
- What does base tuition increase generate (net)?
  - 1.0%: \$3.0M
  - 3.5%: \$10.5M
  - 4.9%: \$14.7M
- What cost increases are we facing?
  - Inflation (HEPI)
  - 3% merit increase for all Faculty/Staff: \$28.5M
  - Minimum wage increases and increased pay for front-line workers
  - Utilities
  - Library collections



**Peer Benchmarks**



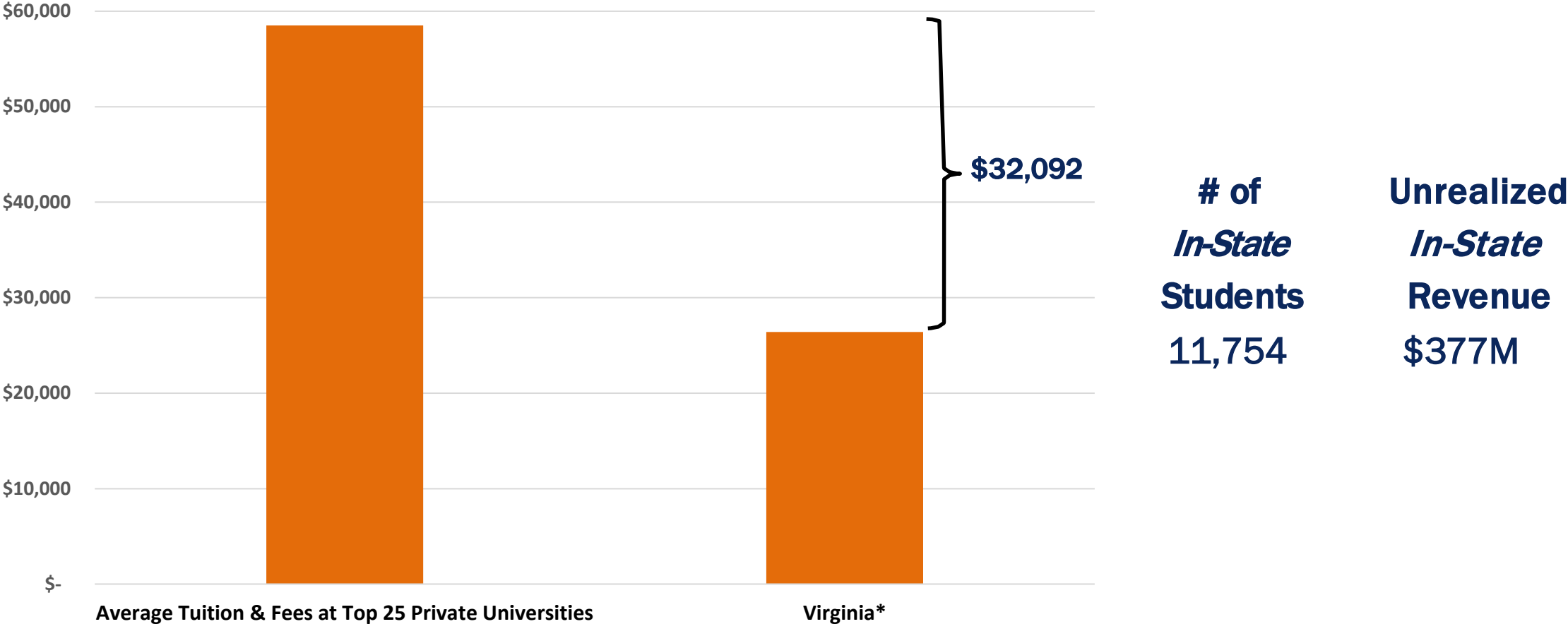
# 2020-21 Tuition and Required Fees vs. State Appropriation Per In-State Student Benchmark



\*State appropriation values sourced from institutional websites pending release of audited financial statements.



# 2021-22 Private University Tuition & Fees (Top 25 USNWR) vs. UVA In-State Tuition, Fees, and General Funds



\*Base in-state undergraduate tuition and fees + general funds/student



# October 2013

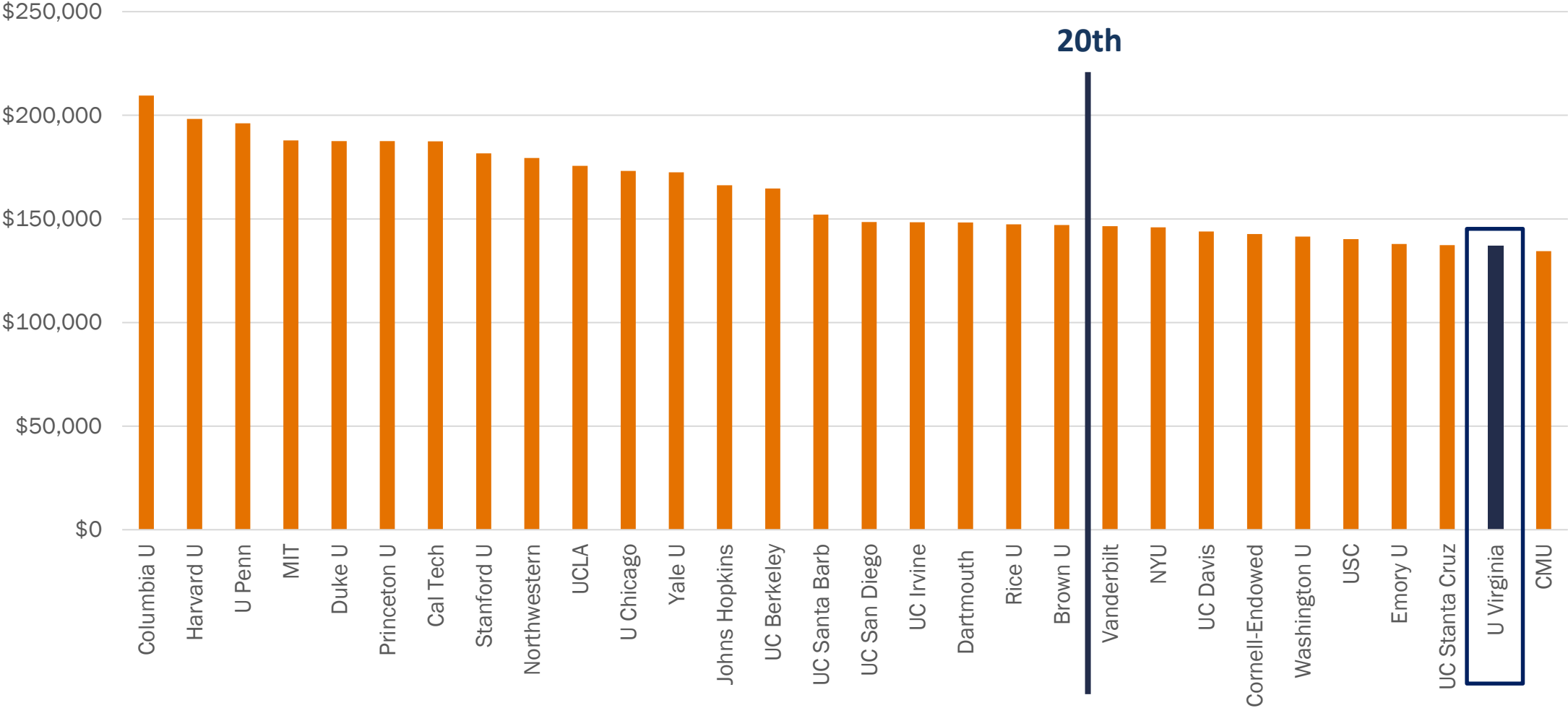
## BOV Resolution to Pay Nationally Competitive Faculty Salaries

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- The University historically measures its average faculty salary as compared to AAU peers.
- In 2012-13, the University ranked 34<sup>th</sup> among its AAU peers.
- In February 2013, the Board approved a resolution aspiring to achieve a top 20 AAU faculty salary ranking by June 2017.
- By 2016-17, the University ranked 27<sup>th</sup> among its AAU peers.
- The AAU peer ranking was 29<sup>th</sup> in 2020-21.



# 2020-21 UVA Faculty Salary vs. Top 30 AAU Peers





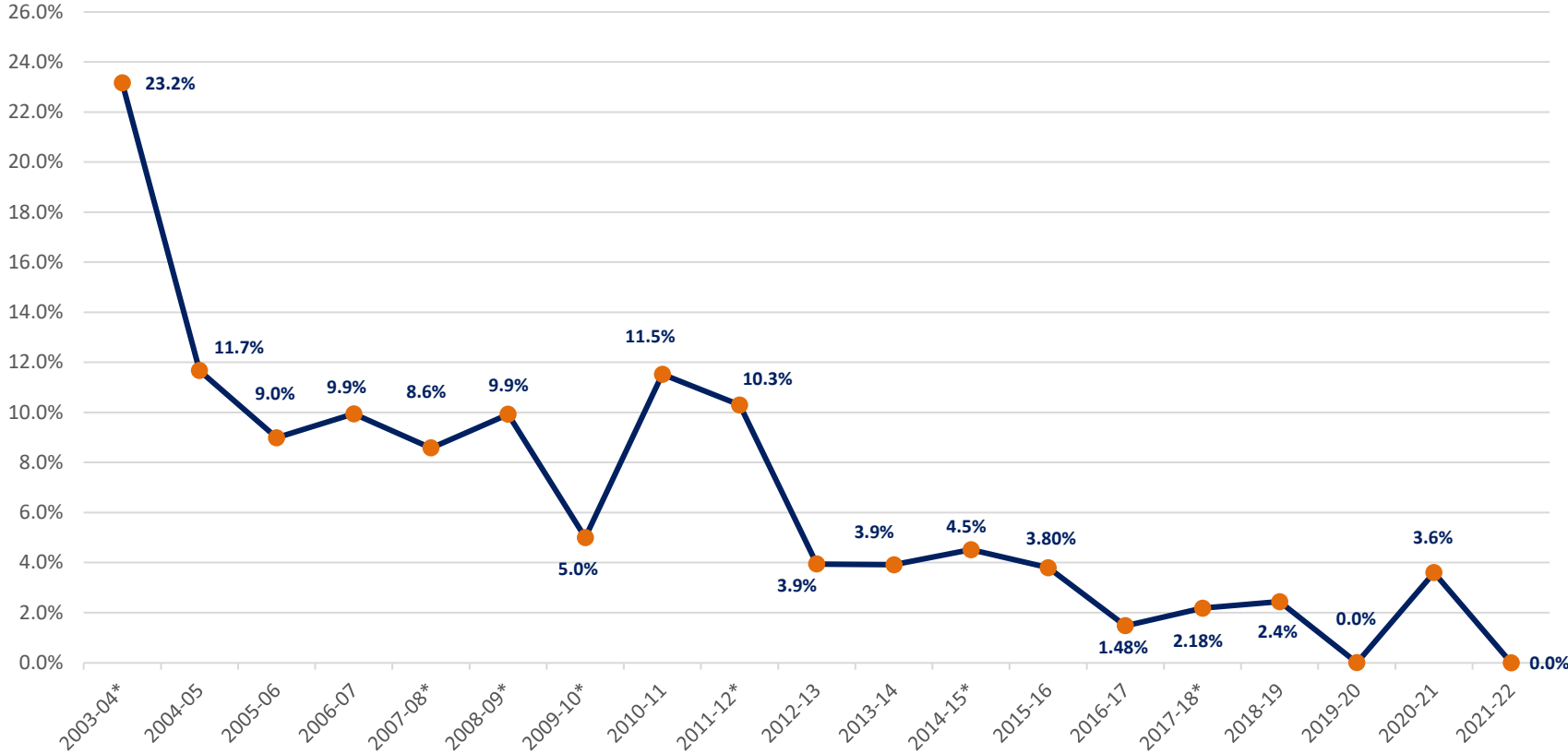
# 2022-24 Tuition and Fee Proposals



UNIVERSITY  
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# Tuition History

## In-State Base Undergraduate Tuition and E&G Fee Historical Rate Increases



\*Denotes year of a general fund decrease.

\*\*The state provided a base \$5.52 million in general funds to offset the 2019-20 tuition freeze.



# Tuition & Fee Engagement

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- Summer BOV Finance Subcommittee on Tuition
- Engagement with students
  - Meetings with Student Tuition and Fee Committees
    - October: Presentation about tuition and budget process
    - November: Presentation and discussed of tuition and fee ranges
  - Presentation at November Student Council General Body Meeting
- Discussed with PERT for feedback on tuition and fee ranges and proposals
- Reviewed proposals at the Deans' Meeting
- Issued public notice with expected range of increases in tuition and fees in December
- Held public comment session in December
- Posted final December BOV Finance Committee materials

# Tuition and Fee Increases

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**Undergraduate  
Tuition**

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2022-23: **4.7%**  
2023-24: **3.7%**

**Mandatory Fees**

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2022-23: **\$128**  
2023-24: **\$134**

**Room**

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2022-23: **3.6%**

**Board**

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2022-23: **4.3%**

# Additional Undergraduate Tuition Increases

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- SEAS: Final year of the approved \$1,000 step increases for entering first year students. This was *previously* approved by the Board of Visitors in December 2017.
- A&S: No new increase, but *previously* approved third- and fourth-year differential will be in its second year and therefore fully applied.
- Nursing: This *new increase* will create a differential of \$2,000 for the RN to BSN program, phased in over two years (\$1,000 in 2022-23 and another \$1,000 in 2023-24). AccessUVA fully applies to these tuition increases.

# 2022-2023 Tuition and Required Fees Proposal (Ranges)

## SCPS and Graduate/Professional Programs

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- Architecture: Ranging from 1.9% to 4.0%
- Arts & Sciences: 3.7% to 4.0%
- Batten School of Leadership & Public Policy: 3.0% to 3.1%
- Continuing & Professional Studies: 0.0% to 10.9%
- Darden School of Business: 1.5% to 3.7%
- Data Science: 3.0% to 5.0%
- Education and Human Development: 2.4% to 3.5%
- Engineering & Applied Sciences: 2.8% to 5.3%
- Law: 2.9% to 3.2%
- McIntire: 1.0% to 6.0%
- Medicine: 0.0% to 3.8%
- Nursing: 0.0% to 4.2%



**UVA College at Wise  
2022-24 Tuition and Fee Proposals**





# Tuition Philosophy

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- Prioritize Affordability, Accessibility, and Maintaining High Quality
  - **Metrics** –job and graduate school placement, minimal tuition increases
- Tuition is last resort; look to other revenues and savings

# Recent Cost Containment Measures

## PERSONNEL ACTIONS

- Implemented a hiring freeze
- Implemented the Early Retirement Incentive Program (ERIP)

## FINANCE ACTIONS

- Restructured auxiliary debt
- Launched a college-wide zero-based budget exercise to identify and fund priorities

## OTHER ACTIONS

- Reduced discretionary spending
- Implemented a utility conservation project with VA Department of Mines, Minerals and Energy

# College at Wise Tuition and Fee Increases

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## Undergraduate Tuition

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2022-23: **3.0%**  
2023-24: **3.0%**

## Mandatory Fees (In-State/Out-of-State)

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2022-23: **\$161 / \$180**  
2023-24: **\$163 / \$185**

## Room

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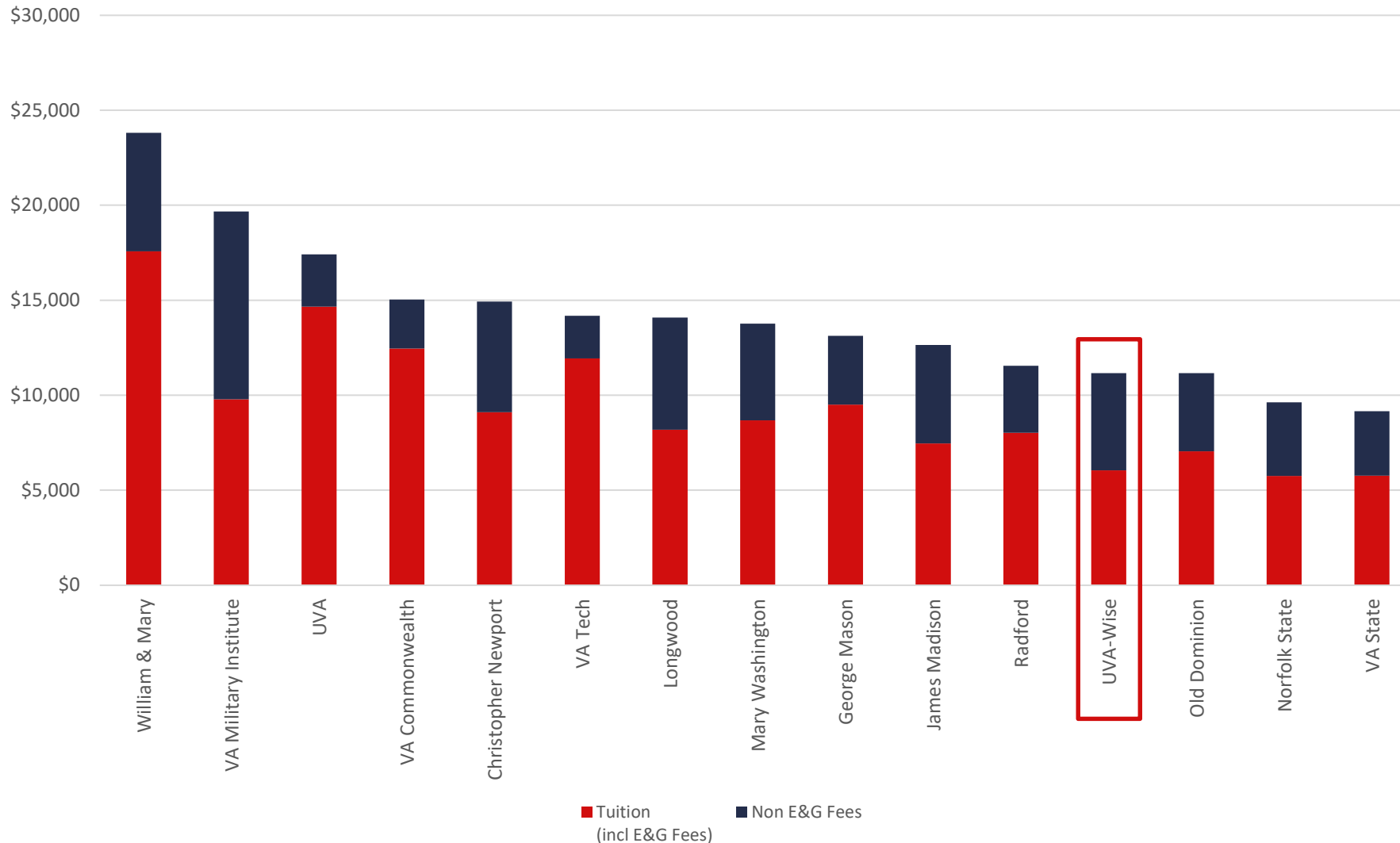
2022-23: **2.0%**

## Board

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2022-23: **4.0%**

# 2021-2022 Virginia Public Comparison Undergraduate, In-State Tuition and Fees







# Housing Rates, 2022-2023



# UVA Faculty and Staff Property Rents

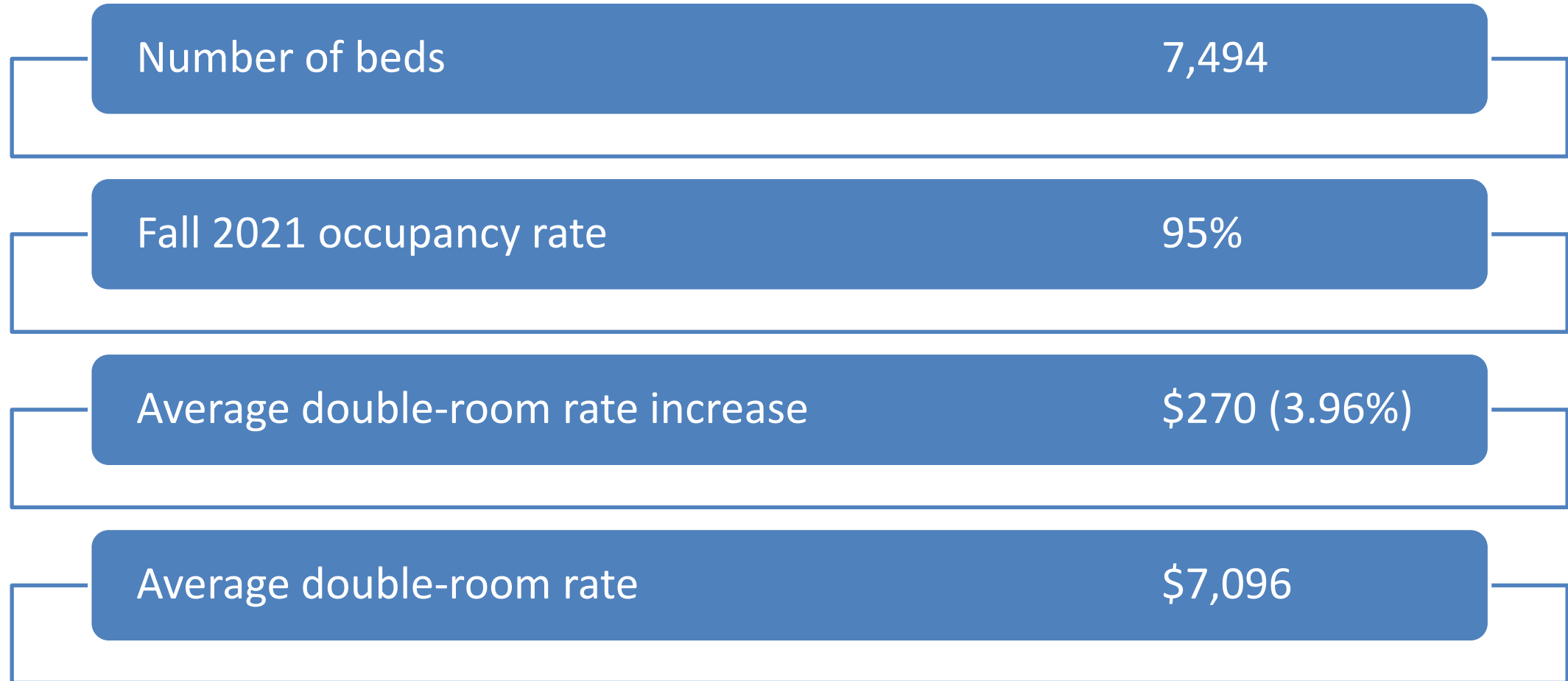
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Rents reflect market rates

80 units

4.0% Average Increase

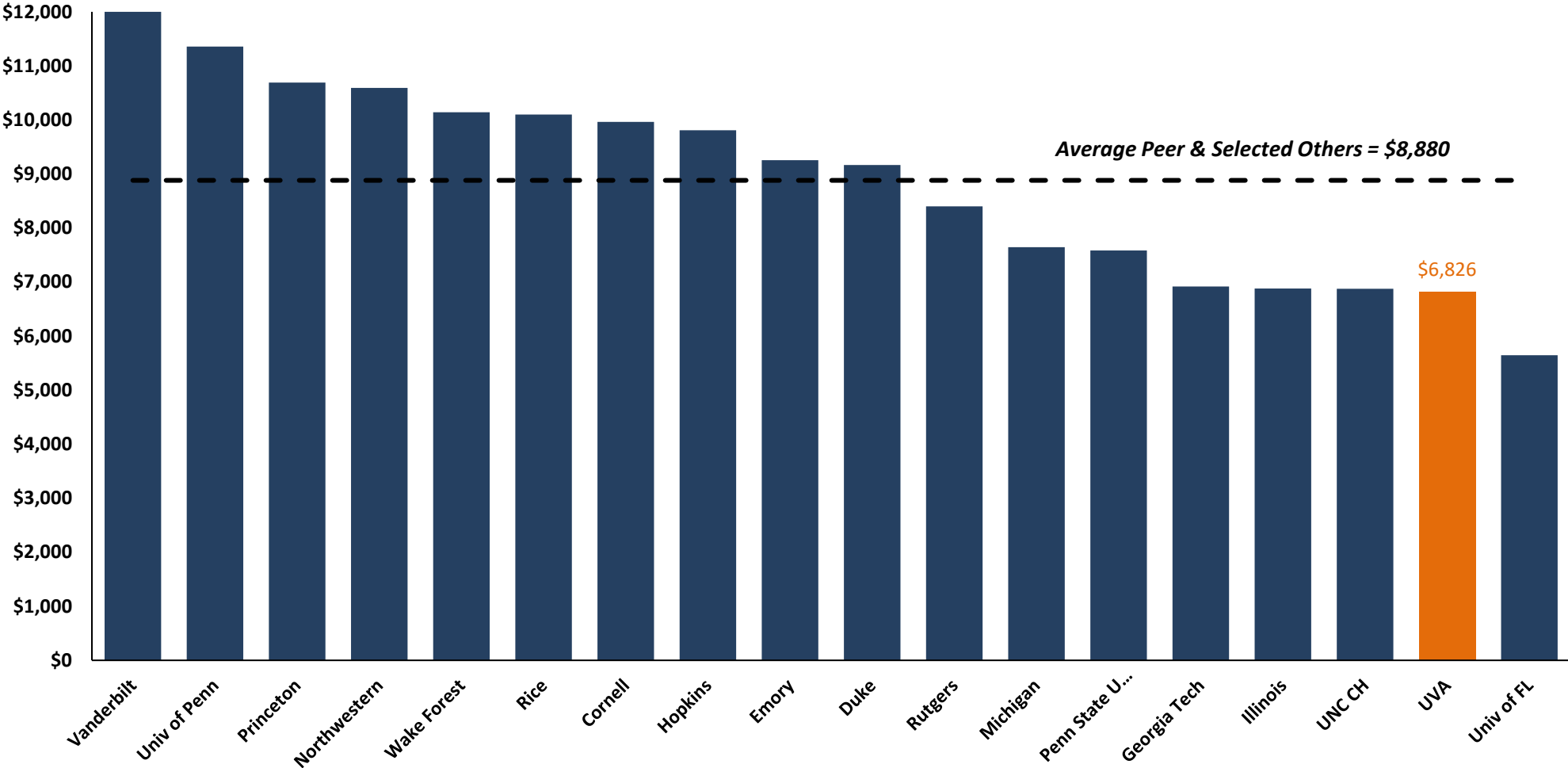
# 2022-2023 Student Housing Rates – Academic Division





# 2021-2022 UVA Student Housing Rates

## Peer & Selected Other Institutions Double Room Rate

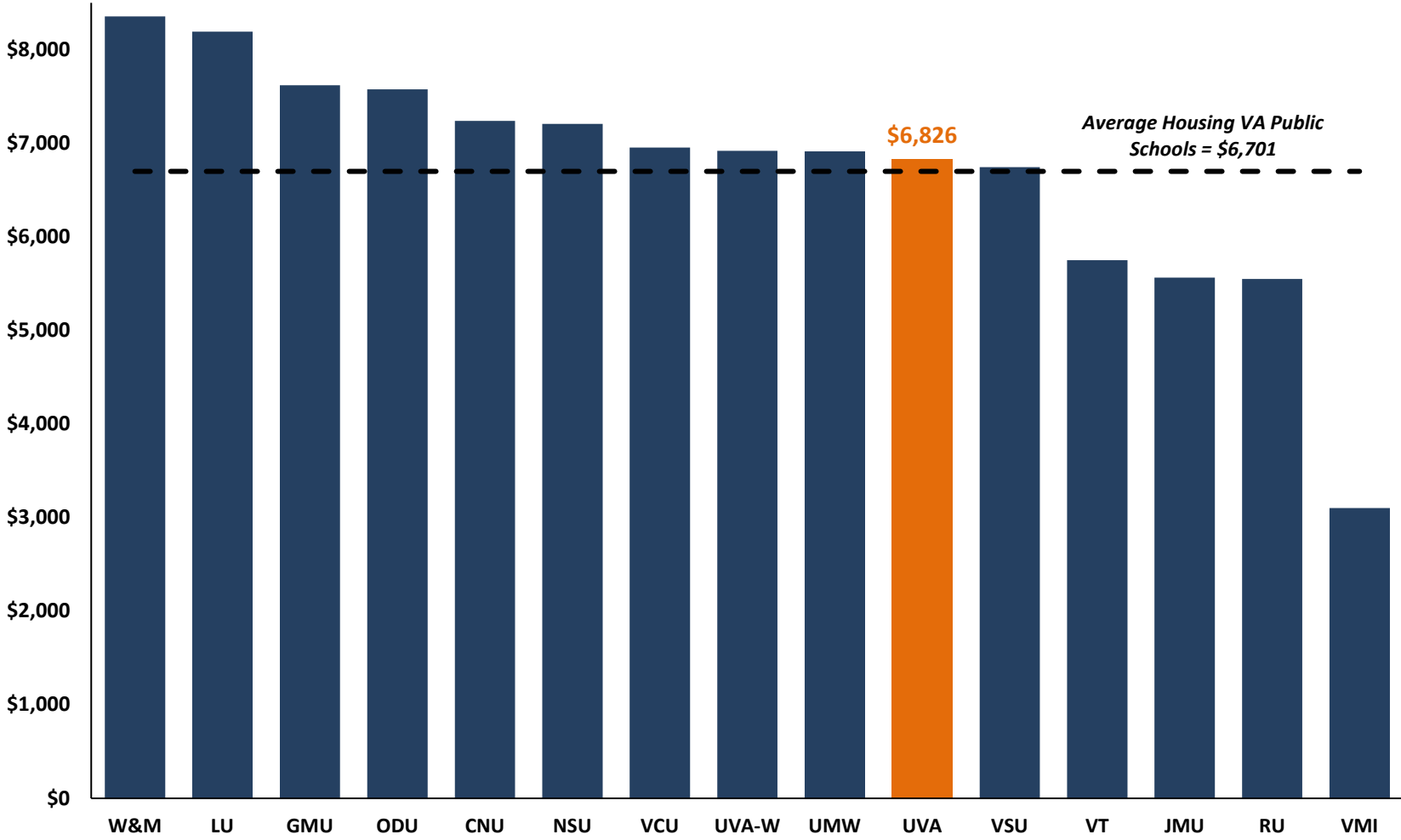


Sources: SCHEV 2021-22 Public Institutions survey & Business Operations web-based survey



# 2021-2022 UVA Student Housing Rates

## VA Public Institutions Double Room Rate



Sources: SCHEV 2021-22 Public Institutions survey & Business Operations web-based survey

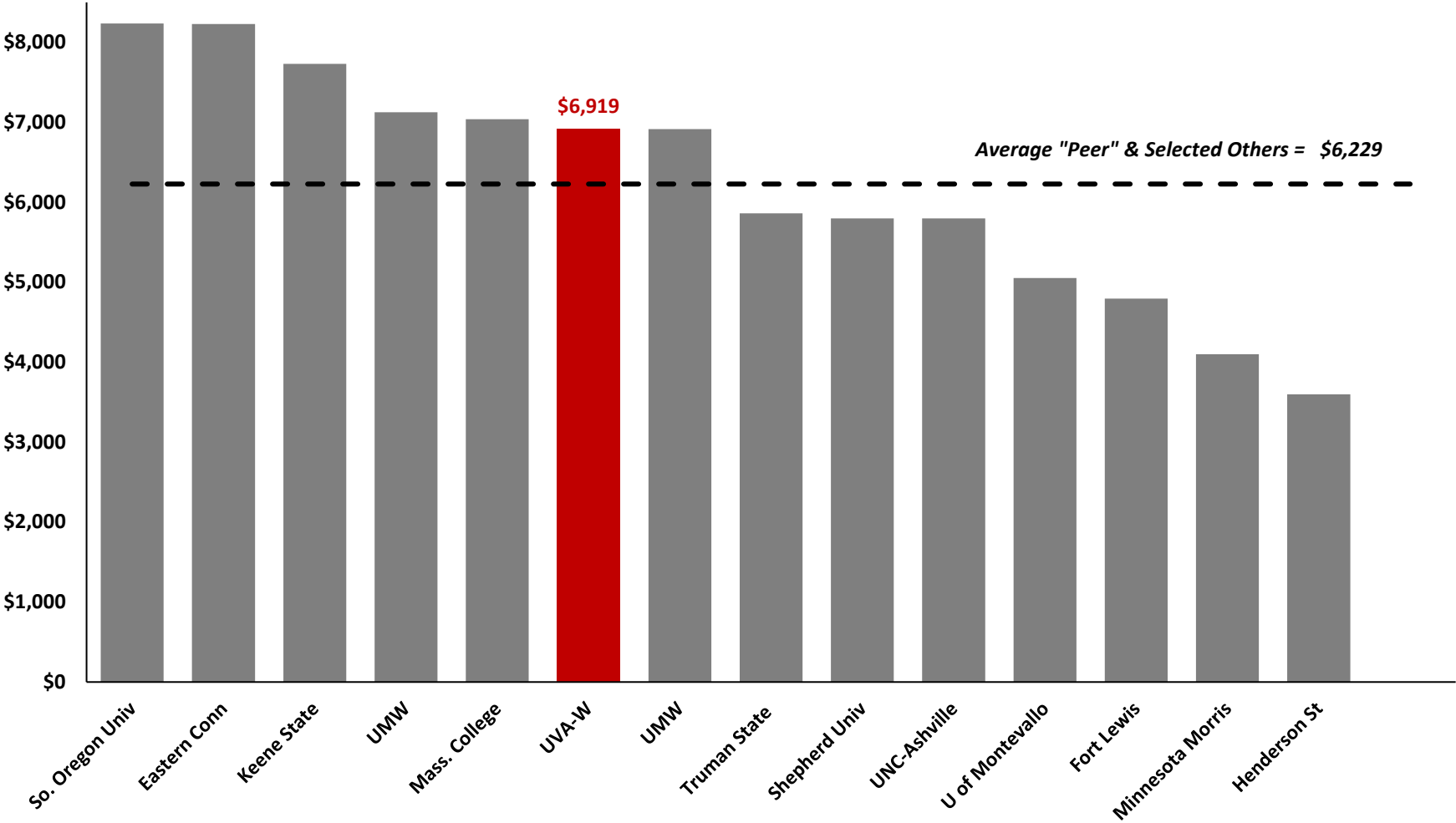


# 2022-2023 Student Housing Rates – College at Wise

Number of beds	695
Fall 2021 occupancy rate	67%
Average increase	\$139 (2.0%)
Average double-room rate	\$7,058

# 2021-2022 UVA-Wise Student Housing Rates

## Peer & Selected Other Institutions Double Room Rate

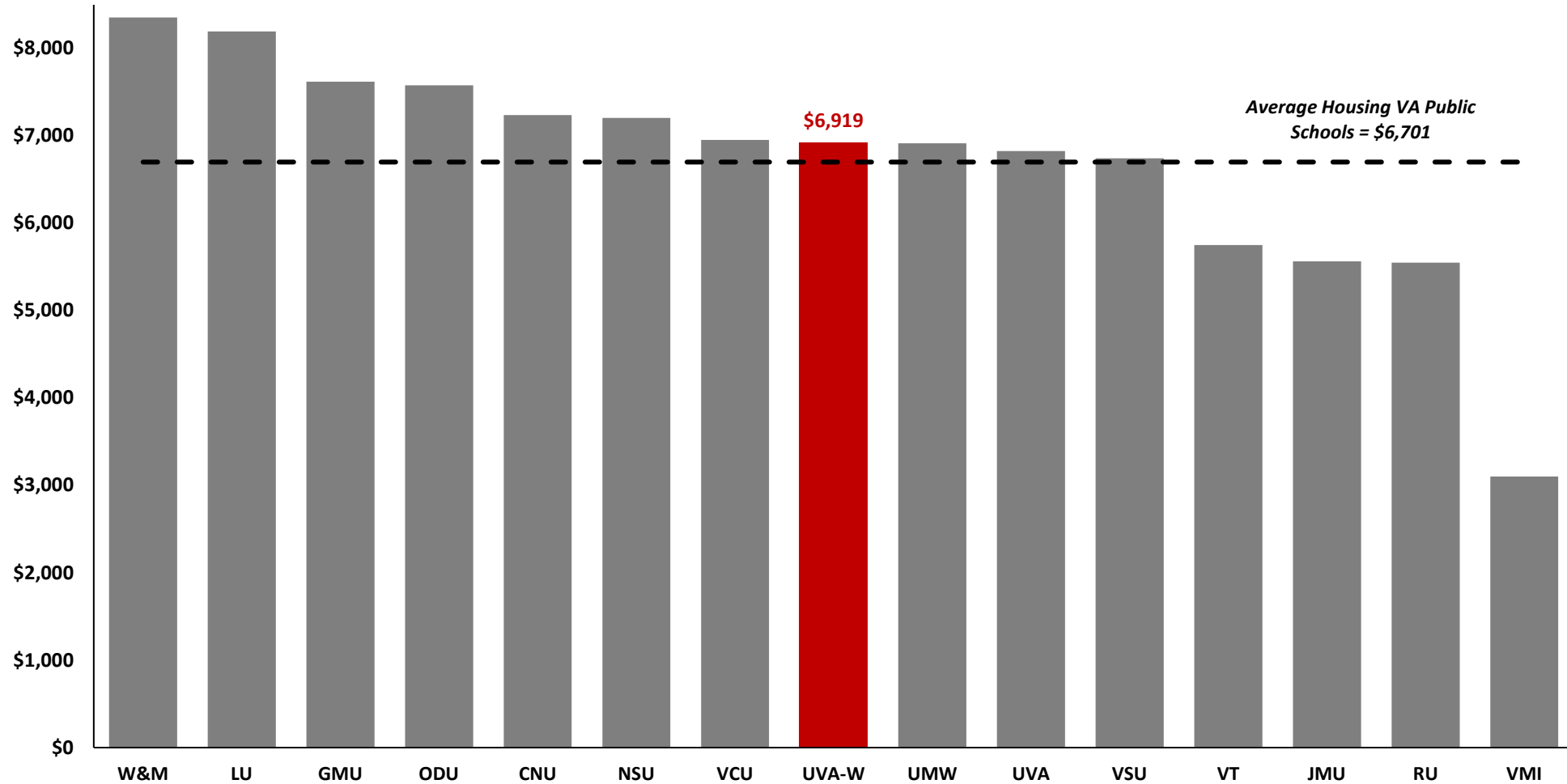


Sources: SCHEV 2021-22 Public Institutions survey & Business Operations web-based survey



# 2021-2022 UVA-Wise Student Housing Rates

## VA Public Institutions Double Room Rate



Sources: SCHEV 2021-22 Public Institutions survey & Business Operations web-based survey





# Dining Services Rates, 2022-2023



# 2022-2023 Dining Service Rates – Academic Division

Proposed 2022-23 meal plan rates

\$1,700 - \$6,260

Proposed increases in meal plan rates (over 2021-22)

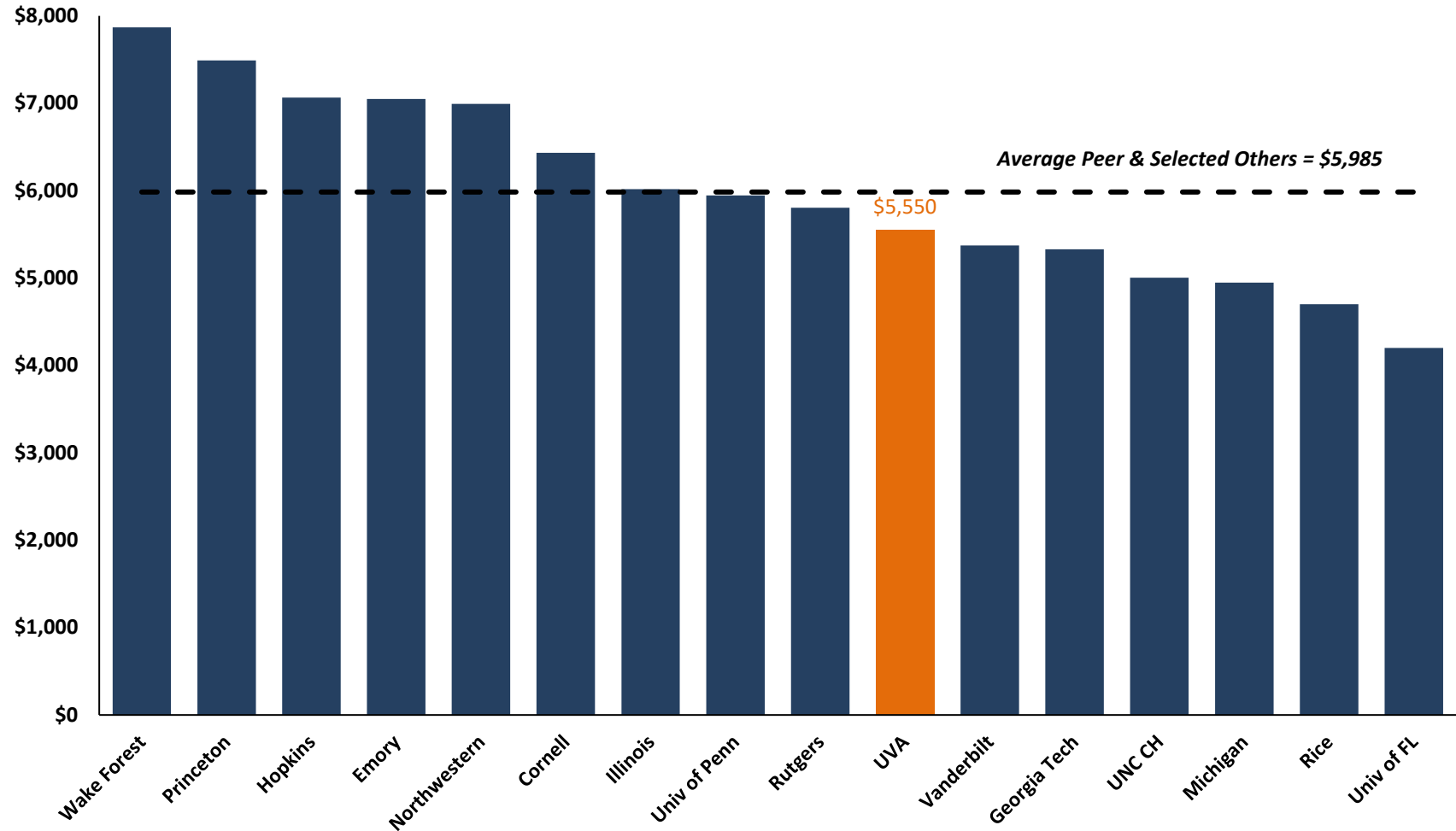
\$50 - \$300

Proposed 2022-23 meal plan rates average increase

4.3% (\$157)

# 2021-2022 UVA Dining Meal Plan Rates

## Peer & Selected Other Institutions Full Meal Plan Rate



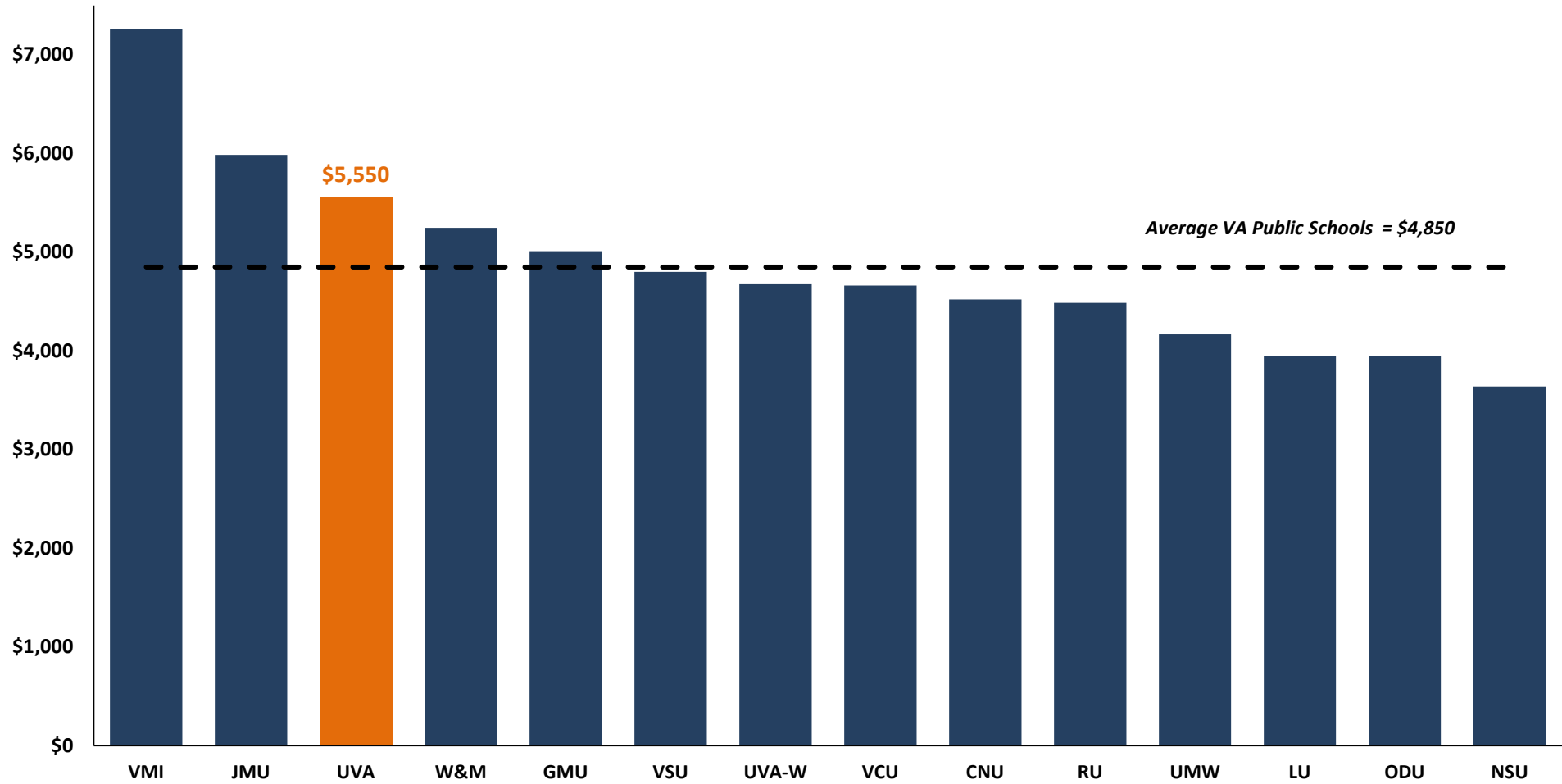
Sources: SCHEV 2021-22 Public Institutions survey & Business Operations web-based survey





# 2021-2022 UVA Dining Meal Plan Rates

## Virginia Public Institutions Full Meal Plan Rate



Sources: SCHEV 2021-22 Public Institutions survey & Business Operations web-based survey

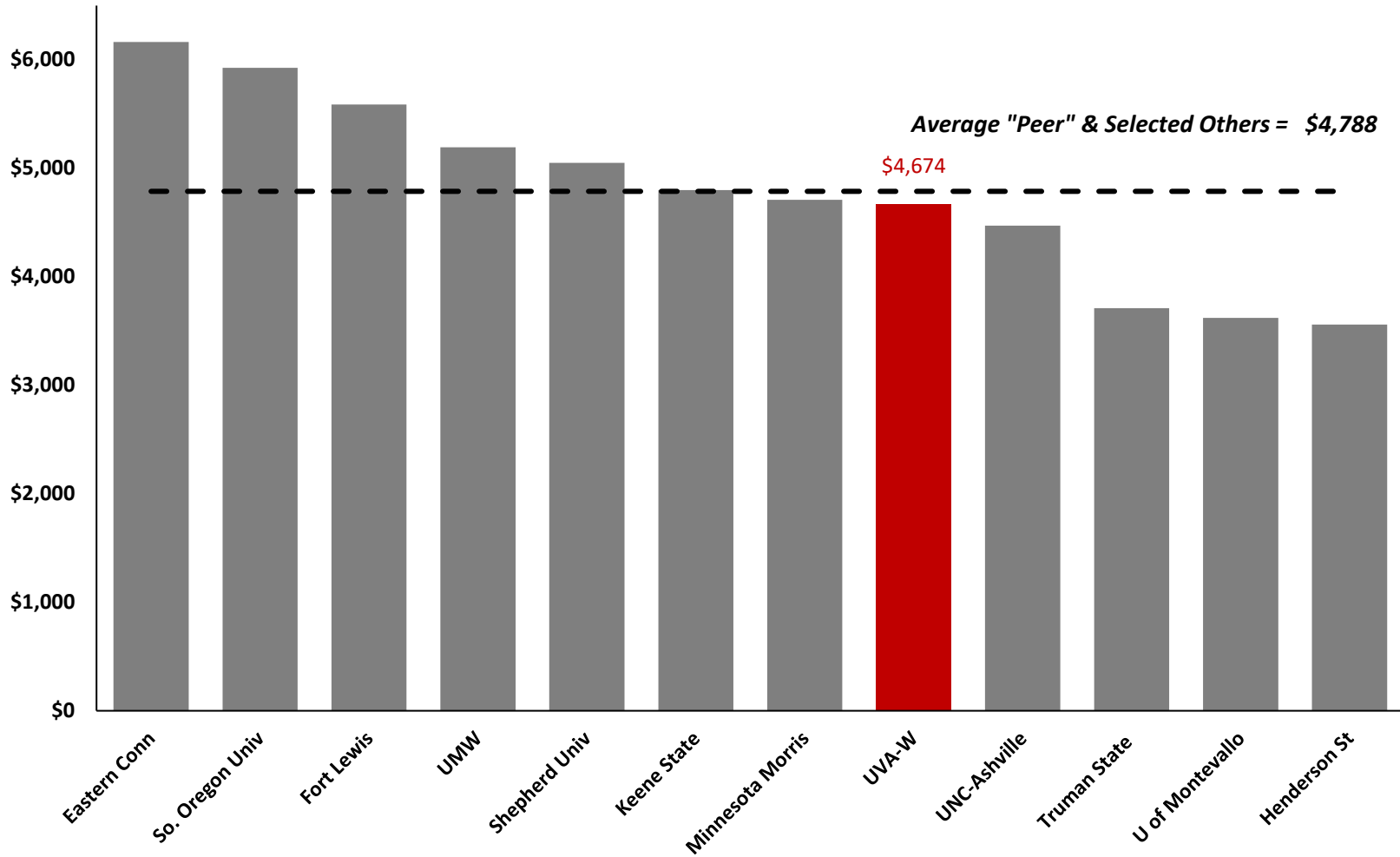


# 2022-2023 Dining Service Rates – College at Wise

Proposed 2022-23 meal plan rates	\$195 - \$4,861
Proposed increases in meal plan rates (over 2021-22)	\$8 - \$187
Proposed 2022-23 meal plan rates average increase	4.1%

# 2021-2022 UVA-Wise Dining Meal Plan Rates

## Peer & Selected Other Institutions Full Meal Plan Rate

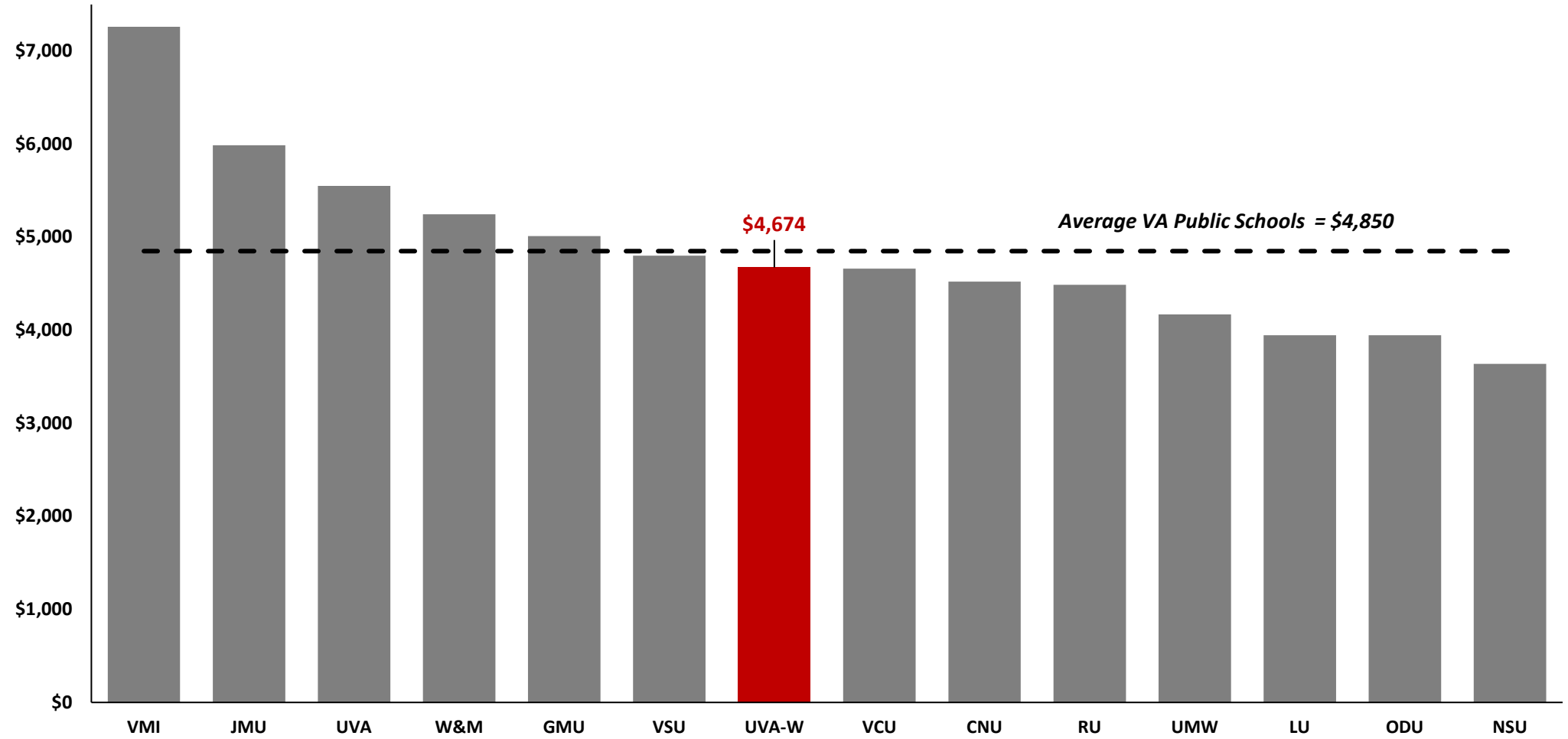


Sources: SCHEV 2021-22 Public Institutions survey & Business Operations web-based survey



# 2021-2022 UVa-Wise Dining Meal Plan Rates

## Virginia Public Institutions Full Meal Plan Rate



Sources: SCHEV 2021-22 Public Institutions survey & Business Operations web-based survey





# Major Capital Projects Financial Plans



# Financial Plan: UVA Encompass Rehabilitation Hospital

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- Renovate and expand UVA Encompass Rehabilitation Hospital at Fontaine Research Park:
  - Upgrade ~50,000 SF existing space
  - Construct 16,400 SF addition
  - Increase capacity from 50 beds in semi-private rooms to 60 beds in private rooms
- Estimated total project budget of \$35M funded by UVA-Encompass joint venture
  - UVA portion, \$17.5M, will be funded with operating cash



# Financial Plan: Karsh Institute of Democracy

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- Approved by Board of Visitors in June 2021
  - 76,000 SF facility housing the Karsh Institute of Democracy and space for the Frank Batten School of Leadership and Public Policy
- Estimated project budget of \$80M
  - \$5M in gifts
  - Up to \$75M in debt (to be repaid by gifts)





# Quasi-Endowment Action





# Quasi-Endowment Action

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## Proposed divestment:

- \$10,300,000 from the Special Gift Restricted Quasi-Endowment Fund, established to provide additional support for important athletics initiatives
- Fund construction of Football Operations Center



# Strategic Investment Fund Interim Update



# Strategic Investment Fund Financial Overview

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**FY 2020 – FY 2022** —————> **\$195.0 million**

**FY 2023 – FY 2025** —————> **\$300.0 million**

**\$495.0 million over 6 years**

## 4 Major Categories:

**FOUNDATION**

**DISCOVERIES**

**SERVICE**

**COMMUNITY**

# 2019 Strategic Investment Fund Guiding Principles

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- SIF investments **should directly advance objectives of the 2030 Plan**
- Over the long term, investments **should be balanced among the four areas of the Plan** according to the proportions approved by the BOV
- Investments **should adhere to the guidelines** and restrictions established by the BOV
- In developing processes for allocating SIF, we **should consider the appropriate balance of central direction and local initiative**

# Alignment of SIF Investments with the 2030 Plan

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- \$167M in SIF Awards made since Spring 2020, with spending projected to extend over the next 3-5 years
- Distribution by 2030 Plan Strategic Category:

• Foundation	\$67M	(40%)
• Discovery	\$19M	(11%)
• Community	\$25M	(15%)
• Service	\$56M	(34%)

# Examples of High Impact SIF Investments

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- Bicentennial Scholarships, Blue Ridge Scholars, and University Achievement Awards: \$80M
- Bicentennial Professorships and Targeted Faculty Recruitment: \$27M
- Endowing the Carter G. Woodson Institute: \$16M
- UVA-NOVA and Online: \$14M

# Examples of High Impact Research Investments

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- We recently awarded approximately \$19M to support interdisciplinary research initiatives via the “Prominence to Preeminence” STEM program
- To highlight just a few of these awards:
  - Precision Immunomedicine: \$5.5M
  - Climate Science: Bridging Global and Community Scales: \$3.8M
  - Pandemic Science and Response: \$5M

# Measuring Success: TUMI

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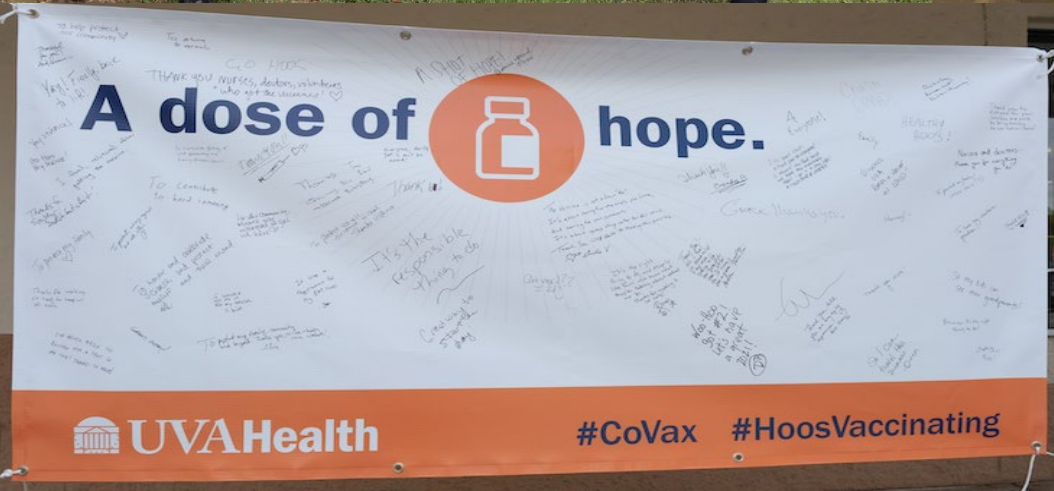
- TUMI (\$5M)
  - Three key strategic faculty hired
  - 57 external grant applications
  - Funded and supported 23 Seed Awards, secured \$15M in follow-on funding
  - Secured over \$700K in private philanthropy
  - TUMI faculty have authored 31 publications
  - Microbiome, Metabolomics, and Data Science Course launched



# Looking Ahead

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- We plan to allocate up to \$180M to support “Grand Challenges” over the next four years – a major investment to propel forward our strategic plan
- Planning investments of \$20M to \$50M in each of four strategic research areas
- For the coming year, we are focusing on two of those areas:
  - Environmental Resilience and Sustainability
  - The Brain and Neuroscience
- The following year, we will focus on two more



# Executive Vice President's Remarks



# 2022 Virginia General Assembly Session

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## Key Session Dates *(pending approval of procedural resolution)*:

- Wednesday, January 12: Session convenes
- Saturday, January 15: Inauguration
- Sunday, February 20: House Appropriations Committee and Senate Finance & Appropriations Committee complete action on Budget Bills *(by midnight)*
- Tuesday, February 22: Amendments to Budget Bills available
- Wednesday, March 2: Last day to act on Budget Bills of other house
- Thursday, March 10: Last day to act on remaining bills
- Saturday, March 12: Session adjourns
- Monday, April 11: Last day for Governor's action on legislation
- Wednesday, April 20/27: Reconvened session

