

BOARD OF VISITORS

FINANCE COMMITTEE MEETING

JUNE 2, 2023





FINANCE COMMITTEE AGENDA

2023-2024 Operating Budget

Master of Education Tuition & Fees for the College at Wise

Debt Shelf Registration

UVA Health Strategic Affiliation

Executive Vice President's Remarks



2023-2024 OPERATING BUDGET

15:1

STUDENT-FACULTY
RATIO

7,742

DEGREES AWARDED
2021-2022

97%

1-YEAR RETENTION RATE

*Stable retention rate
for first-time,
first-year students
entering*

FALL 2021

100%

FINANCIAL NEED MET

95%

6-YEAR
GRADUATION RATE



#1

**BEST-VALUE
PUBLIC COLLEGE
IN VIRGINIA
2022**
FORBES

#1

**BEST PUBLIC SCHOOL
FOR FINANCIAL AID
2023**
PRINCETON REVIEW

#2

**BEST-VALUE
PUBLIC COLLEGE
2023**
PRINCETON REVIEW

#3

**BEST PUBLIC
NATIONAL UNIVERSITY
2023**
U.S. NEWS & WORLD REPORT

#3

**BEST-VALUE
PUBLIC UNIVERSITY
2023**
MONEY MAGAZINE



#1

HOSPITAL IN VIRGINIA

2023 GUIDE

NEWSWEEK'S WORLD'S BEST HOSPITALS

COMPREHENSIVE CANCER CENTER

UVA CANCER CENTER

NATIONAL CANCER INSTITUTE

#2

HOSPITAL IN VIRGINIA

2022-23

U.S. NEWS & WORLD REPORT

MAGNET RECOGNITION

UVA HEALTH MEDICAL CENTER

NOVEMBER 2020

THE AMERICAN NURSES CREDENTIALING CENTER

#4

ONLINE RN TO BSN IN VIRGINIA

UVA WISE

2022

REGISTEREDNURSING.ORG

#8

SOCIAL MOBILITY

UVA WISE

2022

U.S. NEWS & WORLD REPORT

BEST BANG FOR YOUR BUCK

HIGHER ED INSTITUTION

UVA WISE

WASHINGTON MONTHLY

BUDGET PROCESS

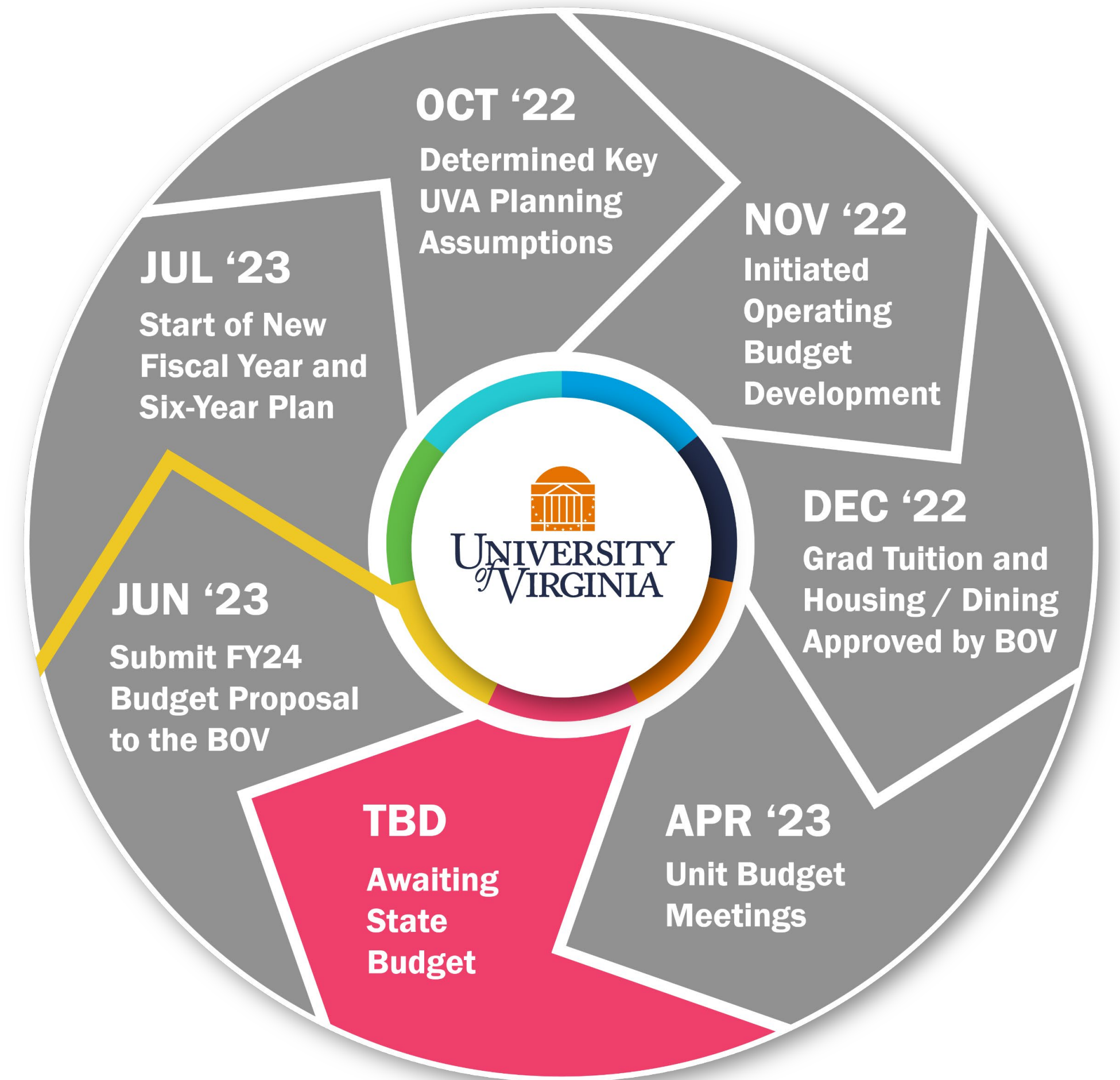


ANNUAL BUDGET DEVELOPMENT PROCESS



COMMONWEALTH BUDGET PROCESS STATUS UPDATE

- Biennial budget for fiscal years 2023 and 2024 approved in June 2022. Absent updates from the General Assembly, that budget stands for fiscal year 2024.
- Budget negotiations have not concluded as of today. Latest reports suggest decisions may not be forthcoming until mid- to late June.
- If they are unable to reach a compromise by June 30, the fiscal year 2024 budget approved in 2022, as amended by several technical amendments this year, will become effective on July 1.



COMMONWEALTH

- Commonwealth Budget
- Six Year Plan – Boston Consulting Group
- JLARC Study on Efficiency – Fall 2023

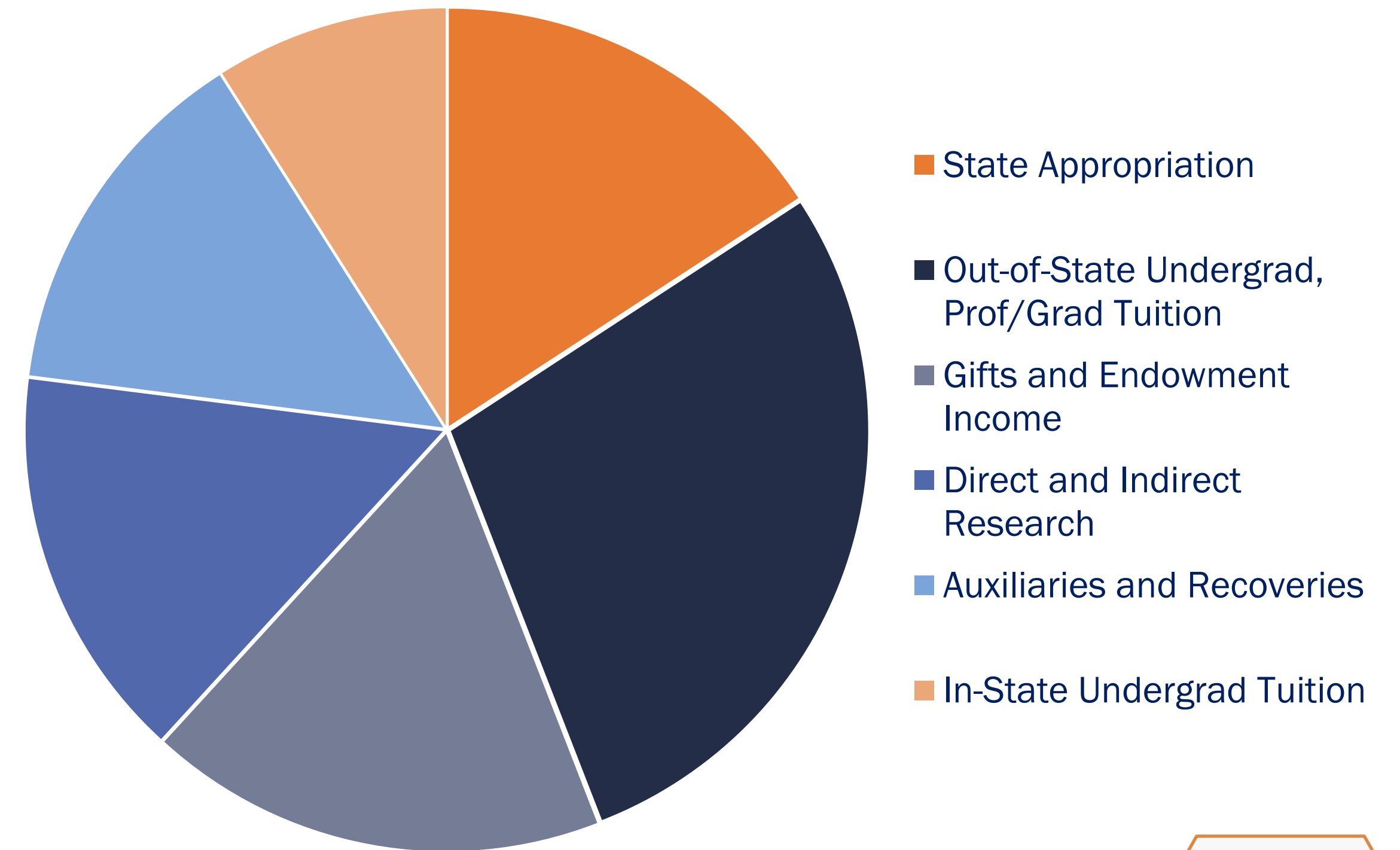


CURRENT CONDITIONS



COMPENSATION INCREASES FOR FY22, FY23, AND FY24

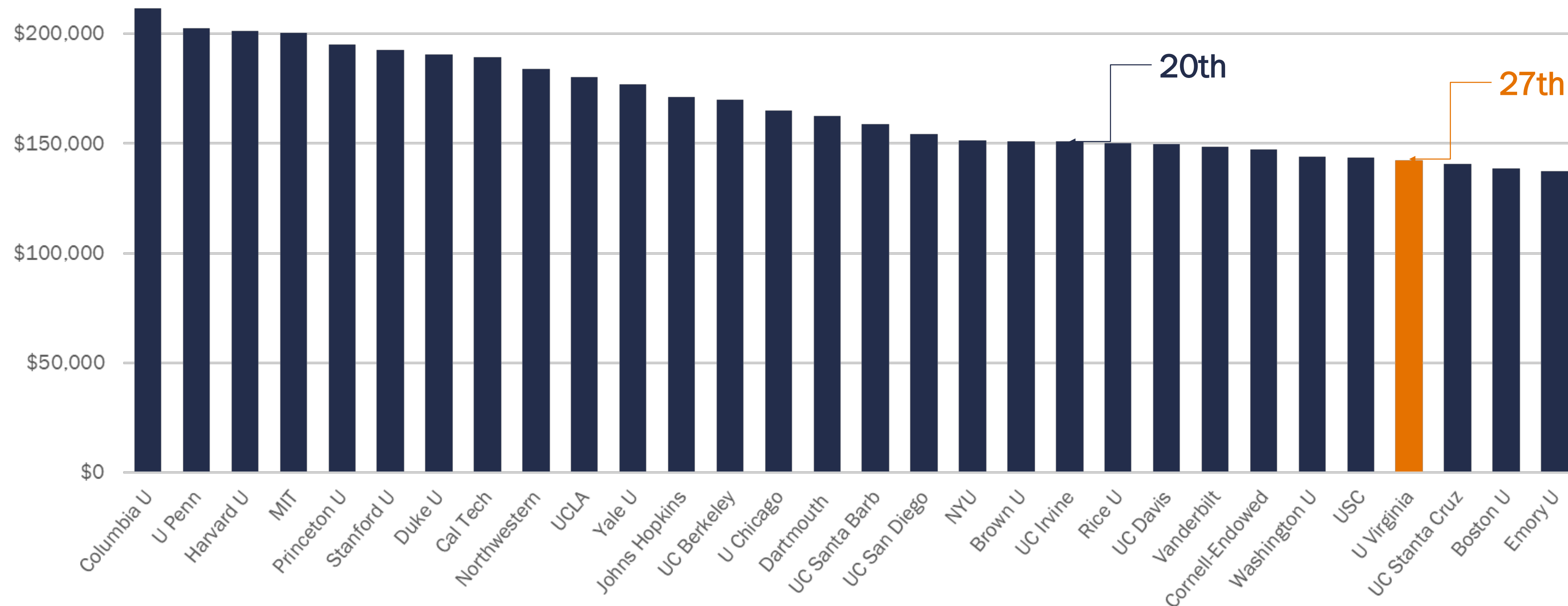
- We are in a people-driven industry.
- Our compensation is below market – both for faculty and staff.
- We appreciate the state-authorized salary increase and the state’s contribution of a proportional share.
- With three years of 5% annual base compensation increases, we anticipate nearly \$30M from the state by the third year. The total obligation is approximately \$180M of which approximately \$150M is expected to come from UVA using other funding sources.



Faculty & Staff Recruitment & Retention

FACULTY COMPENSATION PEER RANKING

- Our compensation is below market.
 - In February 2013, the Board approved a resolution aspiring to achieve a top 20 AAU faculty salary ranking by June 2017.
 - In FY22, the University ranked 27th.



Faculty & Staff Recruitment & Retention

Source: Average Salary for Full-Time Instructional Faculty at AAU Institutions, 2021-22

FINANCIAL PRESSURES

- Inflationary cost increases over the last two years have put pressure on budgets that were cut during COVID
- Student affordability: continuing to meet full need with AccessUVA
- Increasing cost of construction
- Rising interest rate environment
- Unfunded mandates



Inflationary
Cost
Increases

Volatility in
Supply Chain

ACCESSUVA

Grants cover tuition, fees, room, and board

Grants cover tuition and fees

\$2,000 Cornerstone grant

*Qualifying
Virginia
families
receive*

Income Under \$30K

Income Under \$80K

Income Under \$125K

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

Loan Caps Over Four Years

36%

Students With Need

100%

Need Met For All Undergraduates

Excellence,
Access, and
Affordability

UVA Financial Outlook: Financial Risks

KNOWN RISKS:

- **Recruitment and retention challenges**
- **Below-market compensation**
- **Contract labor**
- **CPI inflators on contracts**
- **Revenues not keeping up with inflation**
- **UVA Health competition, reimbursement rates, and regulatory environment**
- **Emergency events**
- **Increasing cost of capital**

UVA Financial Outlook: Financial Risks

PROSPECTIVE RECESSIONARY RISKS:

- **Reduction in state appropriations**
- **Increase in student need**
- **Reliance on contract labor**
- **Research funding outlook**
- **Decline in market value**
- **Reduced philanthropy**



UVA Financial Outlook:

STRONG FINANCIAL POSITION

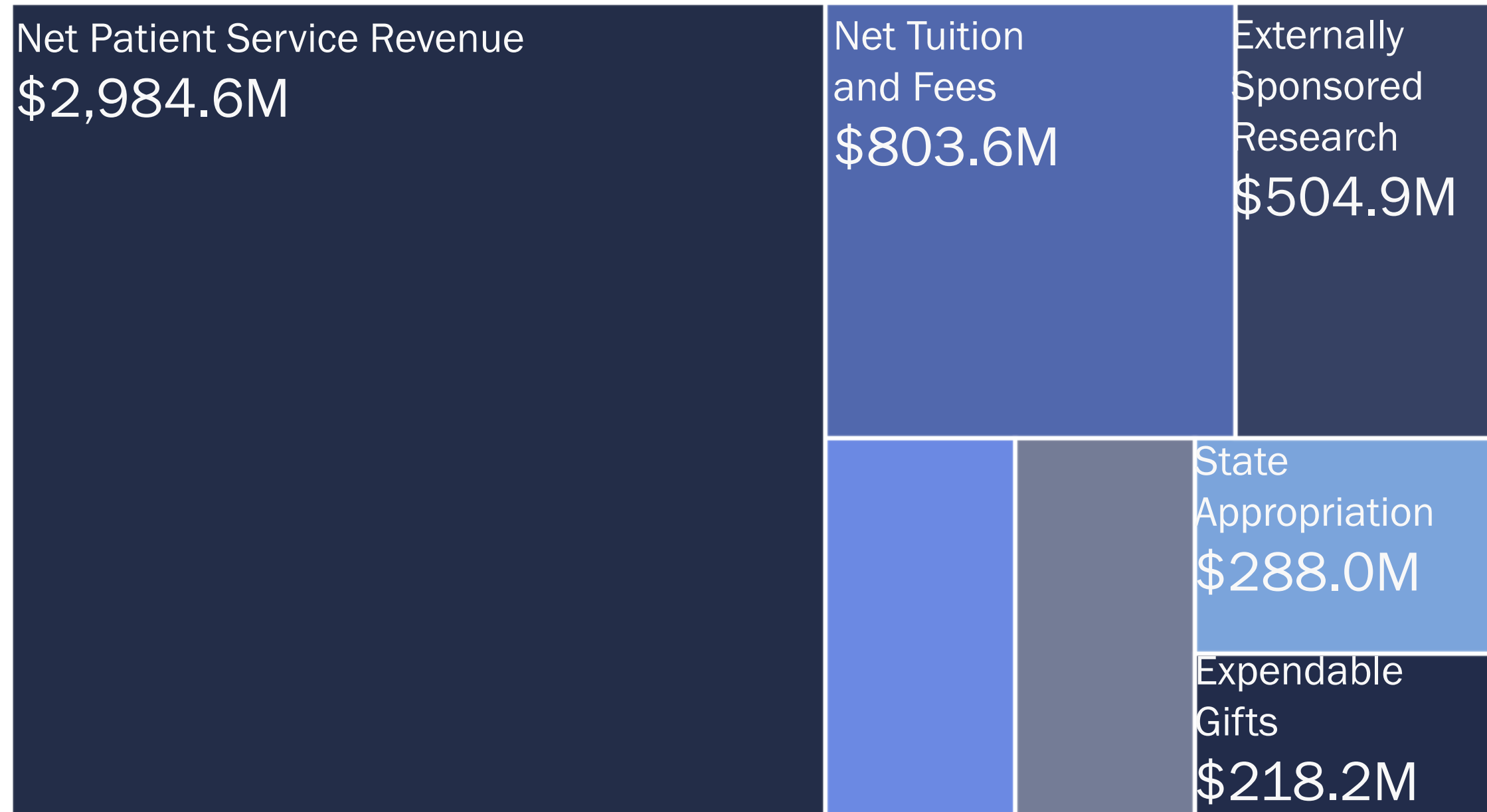
- **AAA bond rating**
- **Diversity of revenues**
- **Strong long-term endowment performance**
- **Optimized debt portfolio**
- **Stable enrollment**
- **Exceptional student demand**
- **Successful fundraising**
- **Recent state re-investment**
- **UVA Health in growth mode**

2023-24 PROPOSED OPERATING BUDGET



CONSOLIDATED FINANCIAL FRAMEWORK: PROPOSED FY24

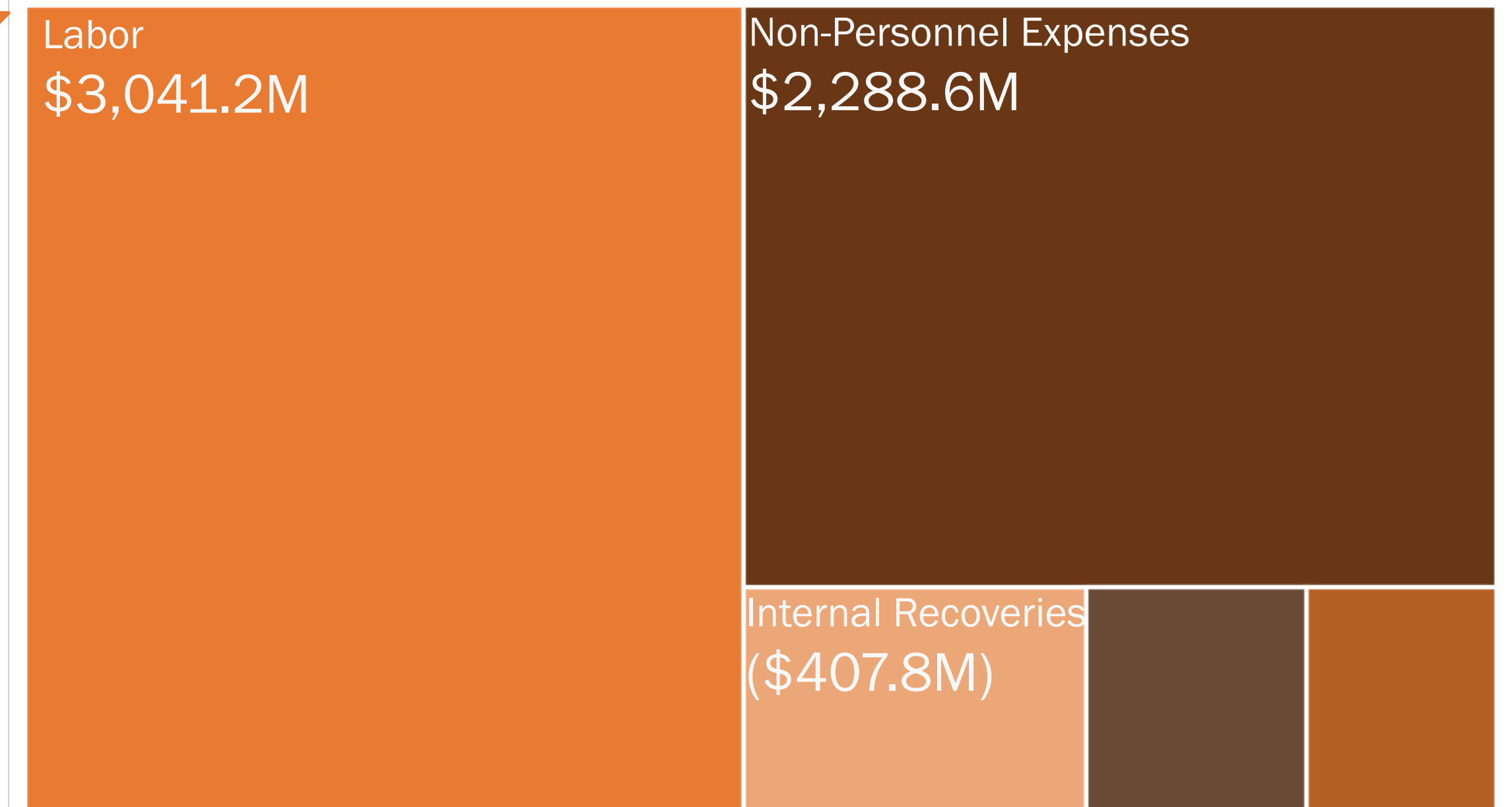
\$5.4B Sources



Sales, Services, Interest and Other
\$321.3M

Endowment Distribution/Admin Fee
\$303.9M

\$5.4B Uses & Transfers



Financial Aid
\$261.7M

Internal Debt Service, Transfers, and Other
\$226.7M

Net Resources Directed Toward:

Operating & Capital Reserves

Capital Infrastructure

Strategic Initiatives

2023-24 PROPOSED OPERATING BUDGET

ACADEMIC DIVISION

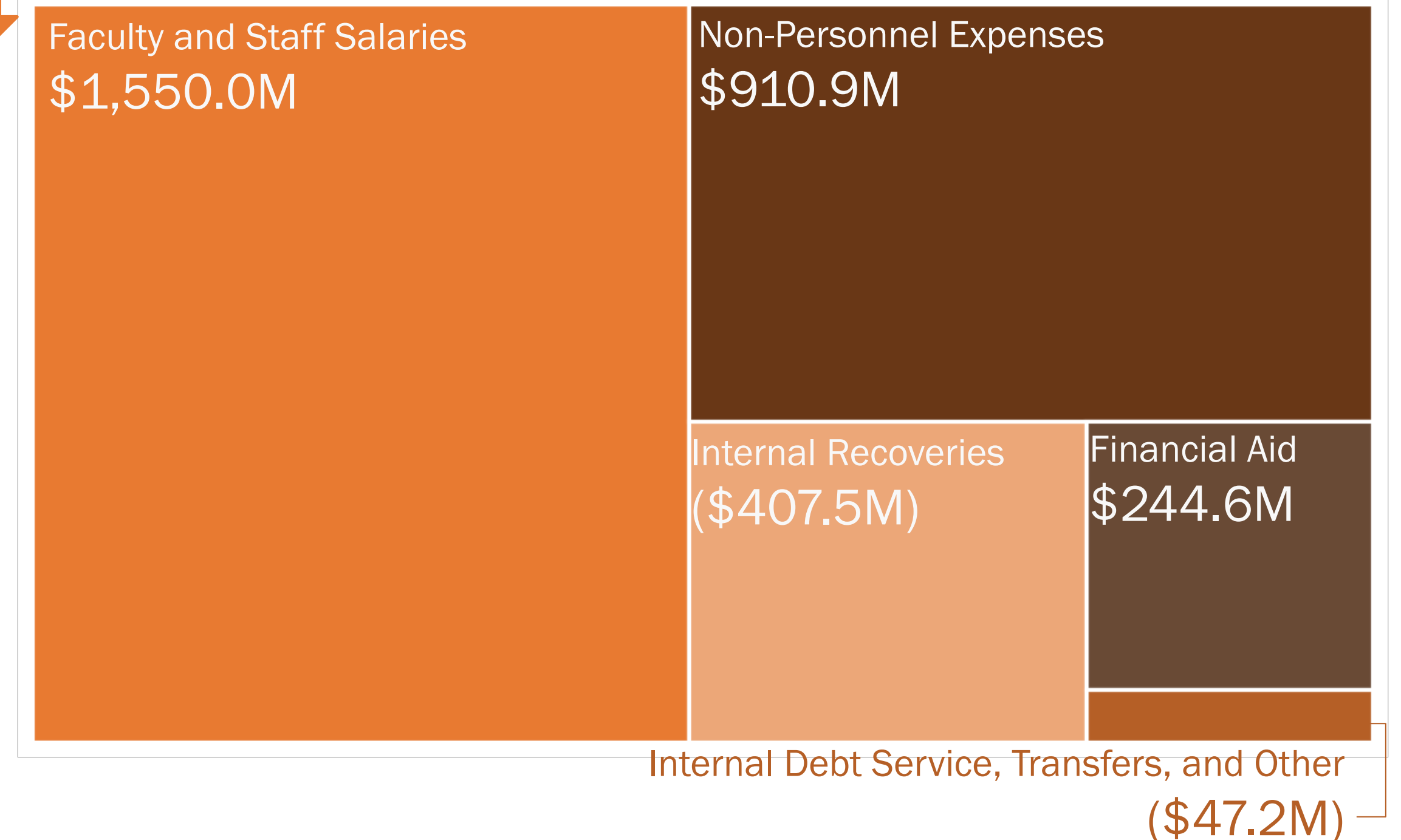


ACADEMIC DIVISION PROPOSED OPERATING BUDGET FY24

\$2.3B Sources



\$2.3B Uses & Transfers



Net Resources Directed Toward:

Operating & Capital Reserves

Capital Infrastructure

Strategic Initiatives

COMMONWEALTH APPROPRIATIONS – ACADEMIC DIVISION

FY24 Budgeted Appropriations: \$229.4M *(pending updates from the 2023 General Assembly)*

- \$11.0M projected for 5% merit increase
- \$1.5M in additional undergraduate financial aid
- \$1.2M in additional graduate financial aid

INTERNAL REALLOCATIONS ENABLE INVESTMENT

Budget process begins at the unit level based on University-approved assumptions

Units evaluate their activities in the context of available resources

Units consider reallocation possibilities first to invest in their mission

- Requests can be brought forward to leadership when unit funding is insufficient

- Unavoidable costs are prioritized first (compensation, infrastructure, safety, etc.)

- Leadership evaluates remaining requests in the context of needs versus wants, our strategic plan, and available resources

Investment
in Strategic
Plan

ACADEMIC

REALLOCATIONS + EFFICIENCIES



ADMINISTRATIVE REALLOCATIONS + EFFICIENCIES

Outsource Gift Processing	Contract Renegotiations	Transit Need Optimization
Collaboration with Other State Agencies	Building Efficiencies	Computing Infrastructure

2023-24 PROPOSED OPERATING BUDGET

MEDICAL CENTER



HEALTH SYSTEM FINANCIAL FRAMEWORK: PROPOSED FY24

\$3.1B Sources

Net Patient Service Revenue
\$2,984.6M

Other Revenue
\$102.3M

\$3.1B Uses & Transfers

Labor
\$1,453.9M

Supplies, Utilities, and Other
\$1,361.1M

Depreciation
\$182.7M

Health System Transfers
\$51.0M

Interest
\$34.2M

One-Time Community Health Integration
\$5.0M

Net Resources Directed Toward:

Operating &
Capital Reserves

Capital
Infrastructure

Strategic
Initiatives

HEALTH SYSTEM REALLOCATIONS + EFFICIENCIES

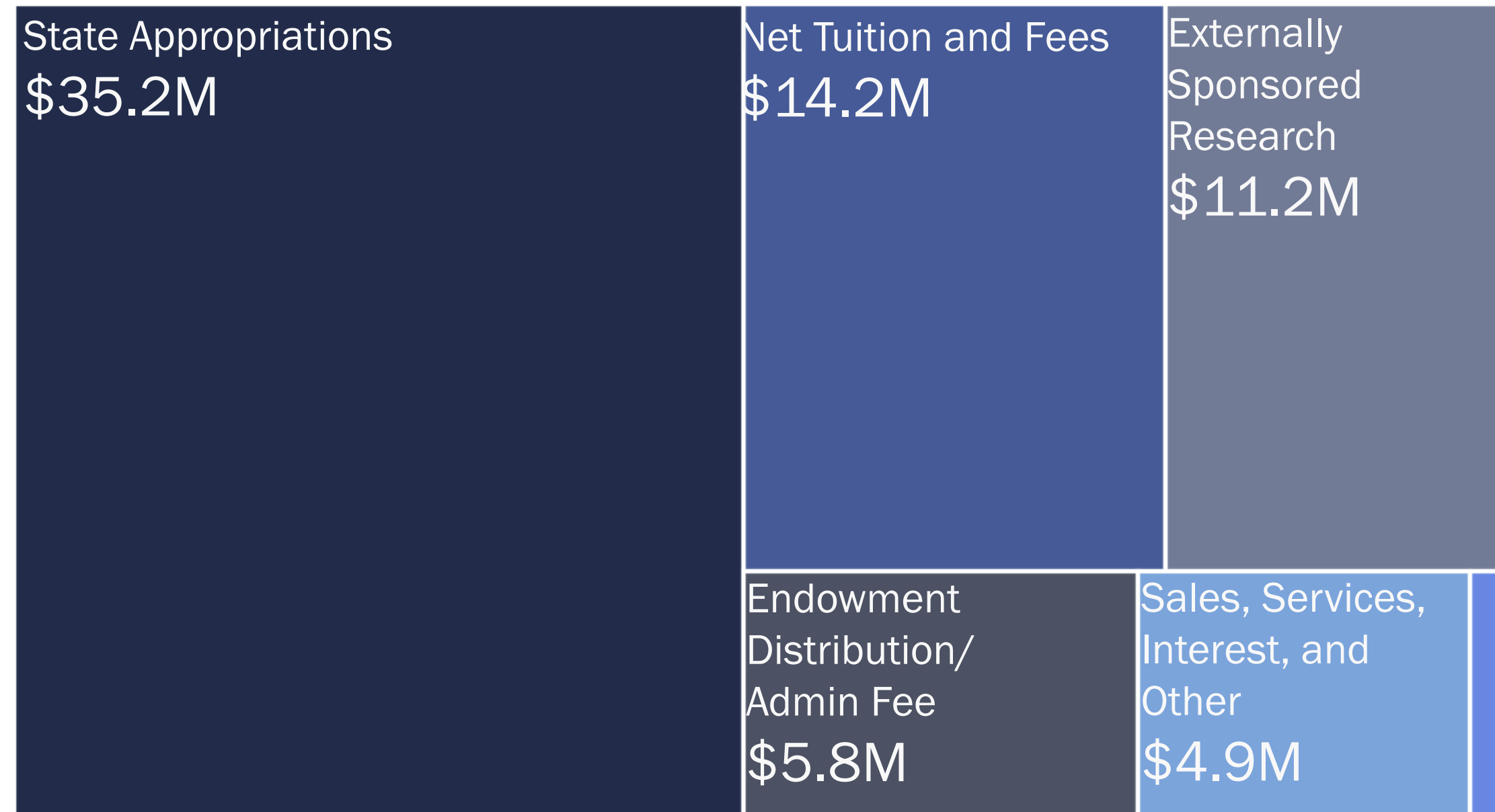




2023-24 PROPOSED OPERATING BUDGET
COLLEGE AT WISE

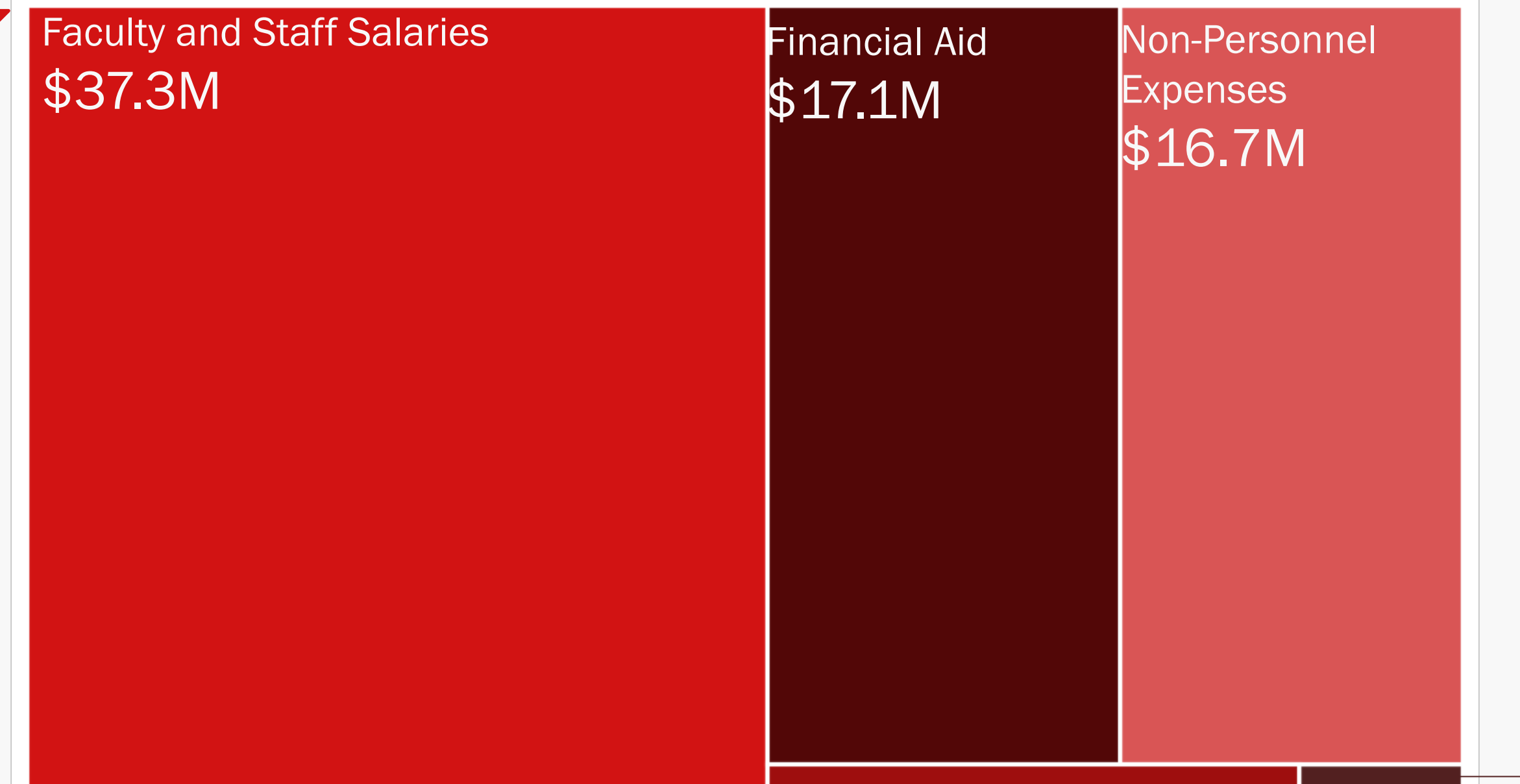
COLLEGE AT WISE FINANCIAL FRAMEWORK: PROPOSED FY24

\$71.7M Sources



Expendable Gifts
\$0.5M

\$71.7M Uses & Transfers



Internal Debt Service, Transfers, and Other
\$1.0M

Internal Recoveries
(\$0.3M)

Net Resources Directed Toward:

Operating &
Capital Reserves

Capital
Infrastructure

Strategic
Initiatives

COMMONWEALTH APPROPRIATIONS – UVA WISE

FY24 Budgeted Appropriations: \$35.2M *(pending updates from the 2023 General Assembly)*

- \$300K in additional operating funds for Center for Teaching Excellence
- \$900K projected for 5% merit
- \$1.3M in additional undergraduate financial aid
- (\$1.6M) reduction from FY23 due to the elimination of one-time funding for program expansion
- (\$716K) reduction from FY23 due to the completion of the master equipment lease program

UVA WISE

REALLOCATIONS + EFFICIENCIES





STRATEGIC INVESTMENT FUND

STRATEGIC INVESTMENT FUND FINANCIAL OVERVIEW

\$495.0 M
(\$385.3 M)

SIF Allocation Available
for FY20-25

Awards Allocated FY20-23

\$109.7 M

Additional Commitments and Remaining
SIF funding available for FY24-25

<https://sif.virginia.edu/funded-projects>
<https://research.virginia.edu/Grand-challenges>



STRATEGIC INVESTMENT FUND BY CATEGORY

**STRENGTHENING OUR
FOUNDATION**

Awarded
\$134.4M

**ENABLING DISCOVERIES THAT
ENRICH AND IMPROVE LIVES**

Awarded
\$83.8M

**CULTIVATING THE MOST
VIBRANT COMMUNITY IN HIGHER ED**

Awarded
\$85.7M

**MAKE UVA SYNONYMOUS WITH
SERVICE**

Awarded
\$81.4M

Investment
in Strategic
Plan

STRATEGIC INVESTMENT FUND OVERSIGHT COMMITTEE

- Repurposed de-obligated funds from closed/modified accounts
- Established path forward to align target balance by SIF category
- Confirmed that all prior awards are being monitored
- Decided to focus on award ROI during fall SOC meeting



Investment
in Strategic
Plan

STRATEGIC INVESTMENT FUND IMPACTS

Brain and Neuroscience Grand Challenge

- Autism Center of Excellence grant—\$12.7M, NIH
- 2 new faculty experts in Alzheimer's Disease research
- 11 brain and neuroscience faculty searches under way
- Brain research grants up 32%; philanthropy doubled



Investment
in Strategic
Plan

STRATEGIC INVESTMENT FUND IMPACTS

Environmental Resilience and Sustainability Grand Challenge

- 2 climate adaptation research grants—\$5M each, NSF
- 5 new faculty—water, landscape, climate, catalysis
- 400 applications for 20 community and national partner internships



Investment
in Strategic
Plan

STRATEGIC INVESTMENT FUND IMPACTS

Bicentennial Scholarships and Professorships

- 90 endowed funds supporting 124 professorships
- \$282M in donor funds matched by \$191M from SIF
- 570 endowed funds supporting 400 need-based awards
- \$347M in donor funds matched by \$245M from SIF



Investment
in Strategic
Plan

A scenic view of a university campus featuring a large pond with a central fountain. In the background, there are several brick buildings, including a prominent multi-story structure. The sky is filled with large, white, fluffy clouds. The water in the pond reflects the buildings and the sky.

College at Wise Graduate Tuition

Master in Education, 2023-2024



UVA WISE

COLLEGE AT WISE

GRADUATE TUITION AND REQUIRED FEES

Master of Education*:

Tuition	\$388
Required E&G Fees	8
Required Auxiliary Fees	68
TOTAL	\$464

*All rates are assessed per credit hour



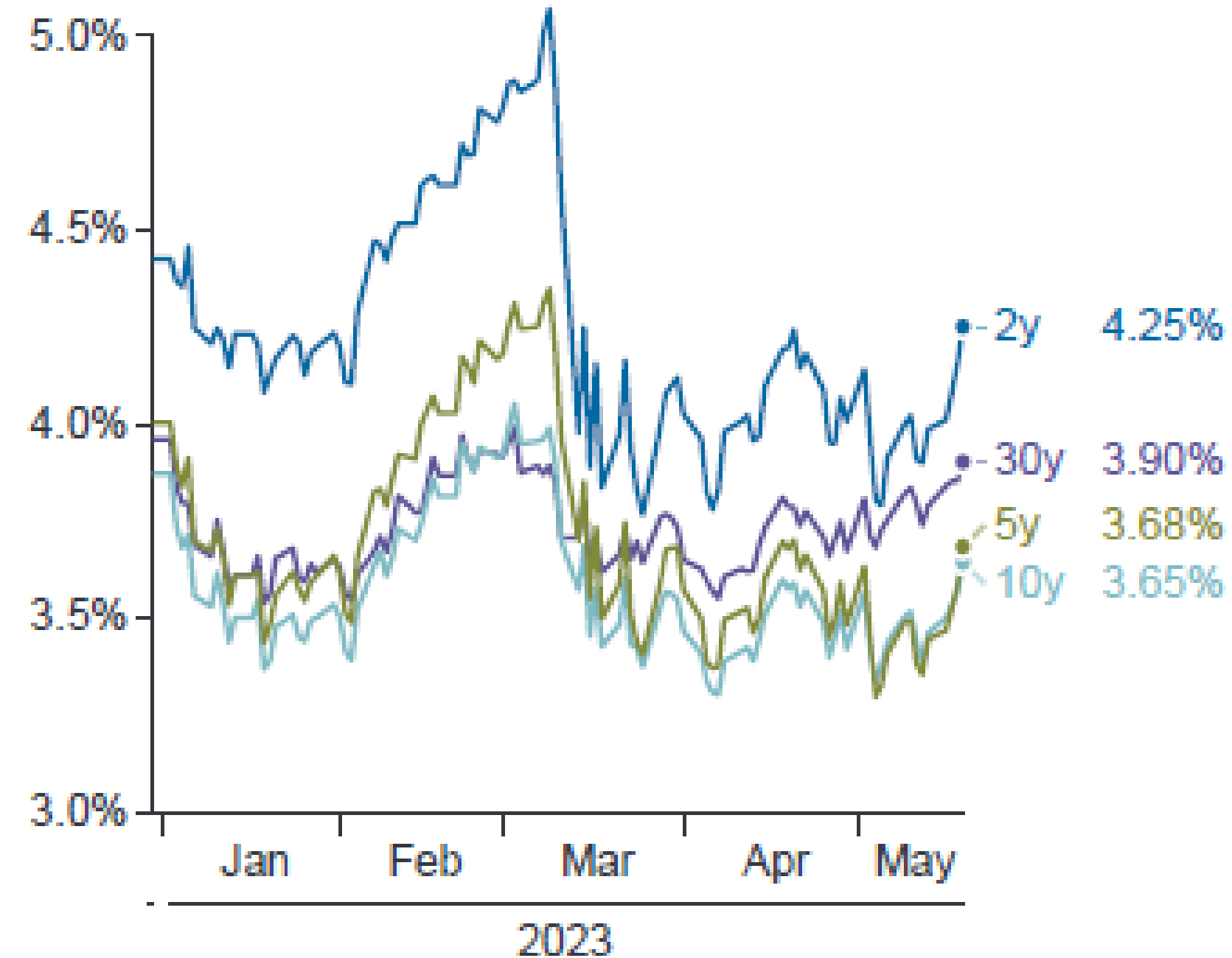
 **UVA WISE**



DEBT SHELF REGISTRATION

FINANCIAL MARKET UPDATE

TREASURY YIELDS



Volatile Times

- Fickle market backdrop
- Rising rates
- Bond yields rising across the curve
- Mixed muni bond fund flows & supply
- High inflation continues
- Recent bond market rally, perceived to undermine Fed Policy with lower yields acting as a de facto rate cut

PREVIOUS DEBT SHELF REGISTRATIONS

2019 Shelf Authorization

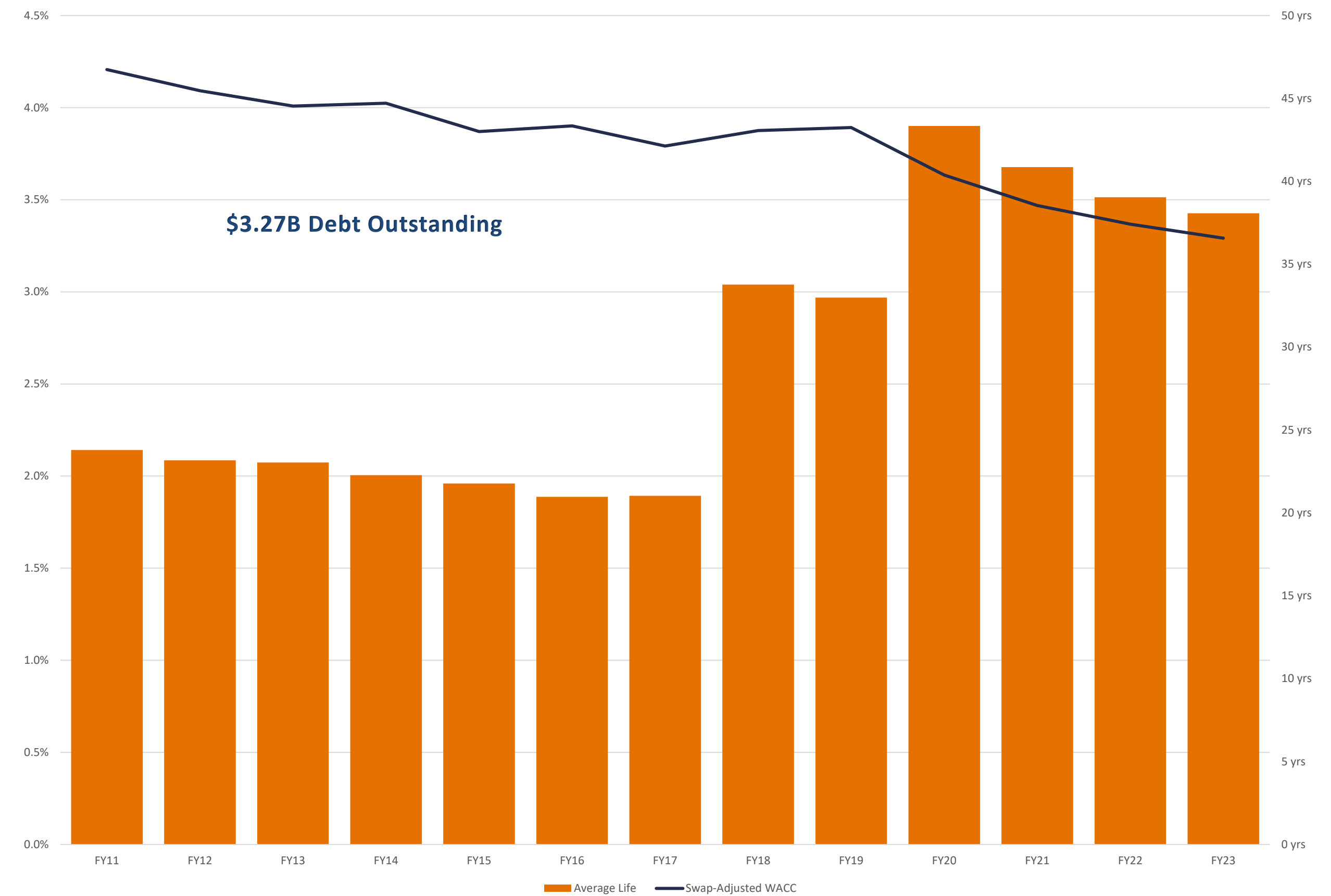
- \$600M authorized
- Multiple modes permitted
- Issued Under Shelf
 - \$600M in 07/2020

2020 Shelf Authorization

- \$400M authorized
- Multiple modes permitted
- Issued Under Shelf
 - \$400M in 07/2021

RESULTS OF PREVIOUS DEBT SHELF REGISTRATIONS

- Weighted Average Cost of Capital (WACC) has decreased by 91bps over the past 13 years to 3.3%.
- The Average Life of the Portfolio has increased by 14 years over the same time period to 38 years.
- The \$600M issued in FY21, priced at 2.256% for 30-years, setting the record for the lowest rate of Higher Ed issuances under a Muni CUSIP
- The \$100M issued in FY22, achieved the lowest TE yield-to-maturity (2.180%)





INVESTMENT IN UVA HEALTH
JOINT VENTURE

UVA MEDICAL CENTER STRATEGIC AFFILIATION

- Signed a nonbinding Letter of Intent
- Completing due diligence
- Requesting delegation of authority by the Board to the EVP-COO to negotiate terms and execute an agreement for a strategic affiliation with a health system
- UVA Health Strategy Taskforce recommending approval by the Health System Board, the Finance Committee, and the Board of Visitors



EXECUTIVE VICE PRESIDENT'S REMARKS

AWARDS & ACHIEVEMENTS



Records and Information Management Office

Program Excellence Award, National Association of Government Archives and Records Administrators



Becca White, Director of Parking and Transportation

2023 International Parking and Mobility Institute Lifetime Achievement Award



Virginia Evans, former VP and Chief Information Officer

UVA Center for the Management of Information Technology IT Leadership Award

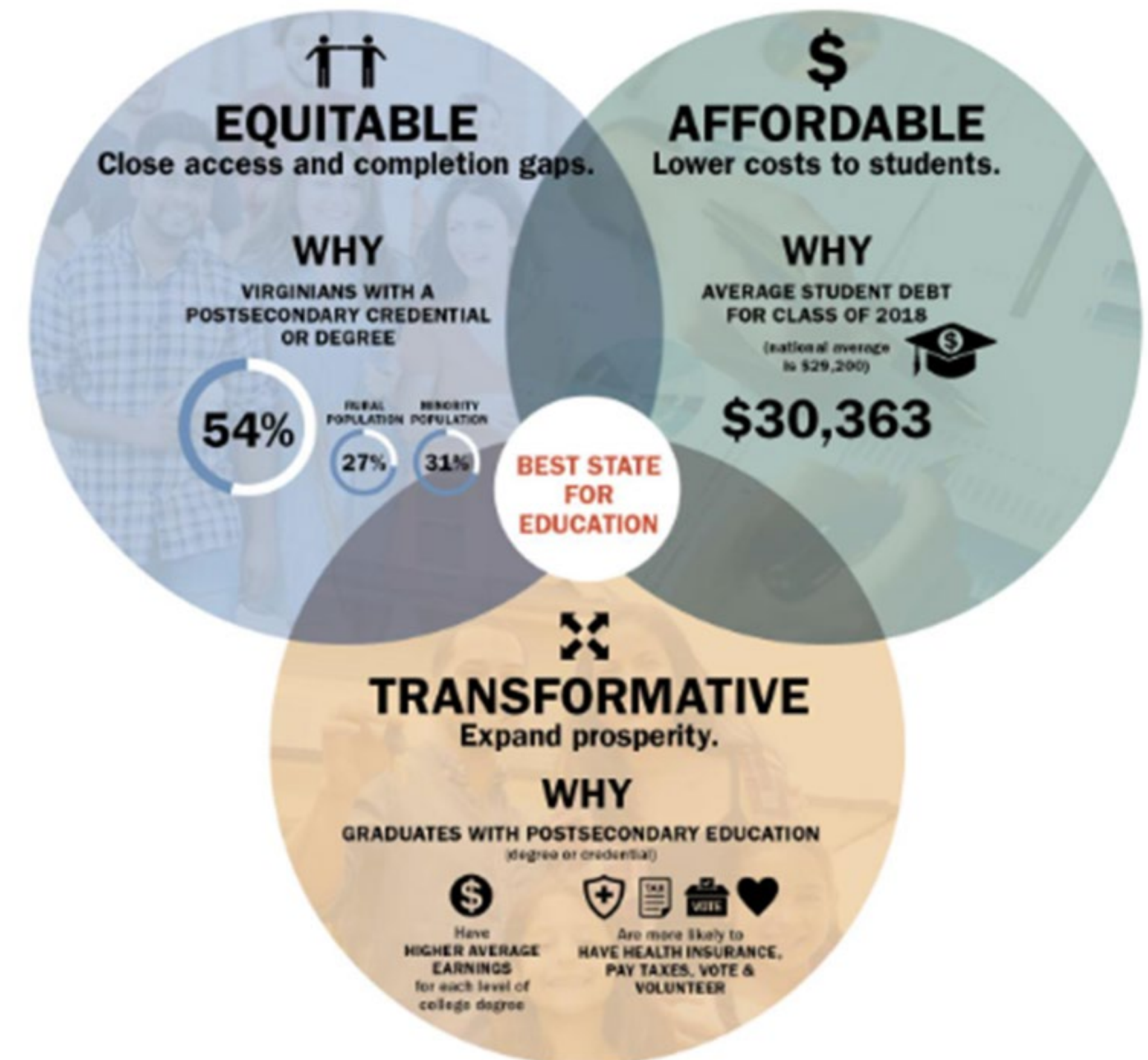


Colette Sheehy, Senior VP for Operations and State Governmental Relations

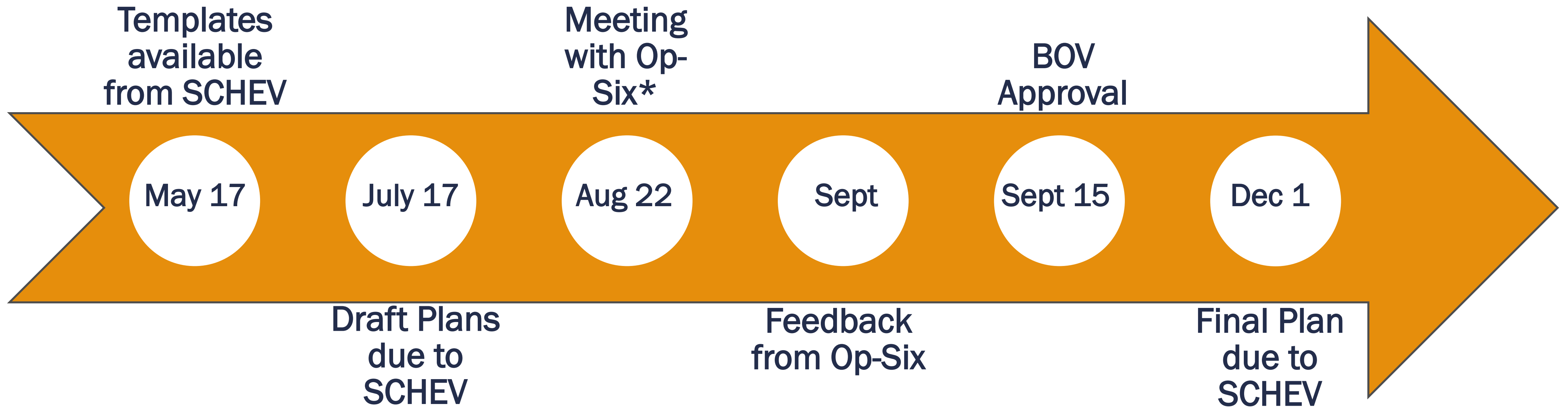
MS Society Silver Hope Award

STATE-REQUIRED SIX-YEAR PLAN

- Required by the Restructuring Act (2005) and the Higher Education Opportunity Act (2011)
- Outlines institutional academic, financial, and enrollment plans
- Advances objectives of statewide higher education strategic plan – *equitable, affordable, transformative*
 - Vision: Best State for Education
 - Target: 70% educational attainment of working-aged Virginians with focus on equity



SIX-YEAR PLAN TIMELINE

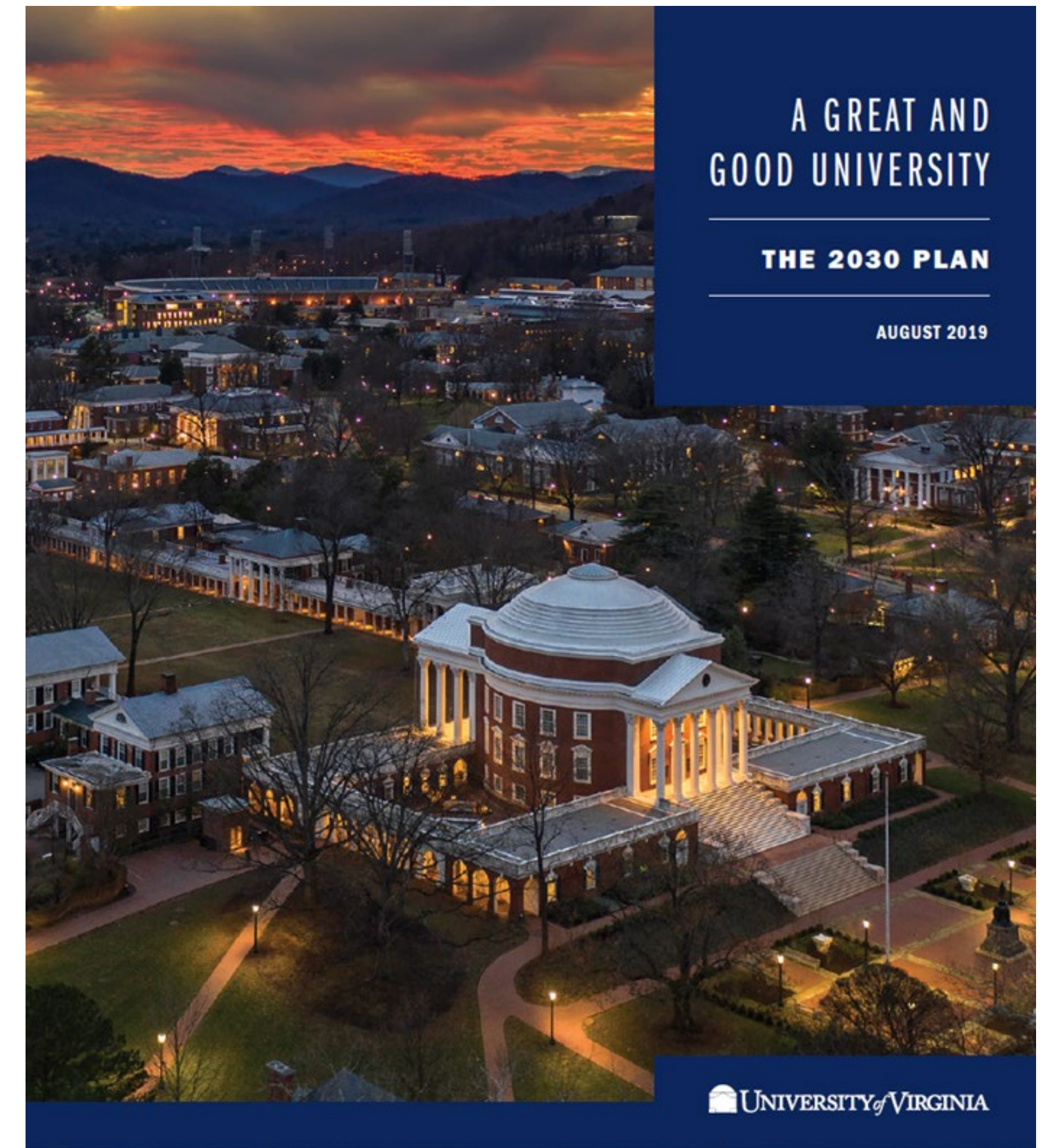


*Op-Six includes Secretary of Education, Secretary of Finance, Director of the Department of Planning & Budget (DPB), Director of SCHEV, Staff Directors of House and Senate money committees

UVA SIX-YEAR PLAN & 2030 PLAN

2030 Plan Key Initiatives

- SuccessUVA
- Citizen-Leaders for the 21st Century
- Third-Century Faculty Initiative
- Pathways to Research Preeminence
- Cultivating Staff Success
- Good Neighbor Program
- Bachelor's Completion & Certificate Programs
- Open Grounds at Emmet-Ivy
- Broadening our Horizons



PIPELINES & PATHWAYS

GETTING COMMUNITY MEMBERS
THROUGH THE DOOR

2023 UPDATE: JANUARY – MAY

PIPELINES & PATHWAYS PARTICIPANTS

January 1, 2023, to May 25, 2023

196

OF PROGRAM PARTICIPANTS

149

OF APPLICATIONS*

57

OF INTERVIEWS

34

OF JOB OFFERS⁺

8

in Pre-Hire Phase

21

in Hired Phase[~]

Average Starting Wage – \$20.32/hr

Example Academic Positions Participants Hired For

- Quality Assurance Inspector (Full-time - \$19.00/hour w/ \$500 sign on bonus)
- Custodial Services Worker (Full-Time - \$15.50)
- Fiscal Technician – UVA Finance Clean Up Crew (Temporary - \$25.00/hr)
- IT Multimedia Classroom Support Technician (Full-Time - \$23.08/hr)
- Lab and Research Technician 1 – (\$17.31/hr)
- Landscape Worker (Full-Time - \$15.00/hr)
- Transit Driver (Full-Time - \$19.00/hr w/ \$1,000 sign on bonus & \$1,500 bonus at 6 months)

Example Medical Center Positions Participants Hired For

- Contract Specialist – Medical Center Procurement (\$26.00/hr)
- EWYL Nurse Assistant Trainee (Full-Time - \$15.00)
- Ophthalmic Assistant (Full-Time - \$20.59)
- Patient Access Associate (Full-Time - \$15.83/hr)
- Patient Companion Wage (Staff Wage - \$15.00/hr)
- Radiology Image Management Specialist (Full-Time - \$15.76/hr)
- Sterile Processing Technician (Full-Time - \$16.31/hr w/ \$1,500 sign on bonus & \$1,500 bonus at 6 months)
- Supply Specialist (Full-Time - \$16.05/hr)
- Transporter (Full-Time - \$15.50/hr)

Example External Positions Participants Hired For

- GovSmart – Data Entry Support (\$15.00/hr)

Pipelines & Pathways

TURNING CONNECTIONS INTO CAREERS



*Most participants submit multiple applications.

⁺Some participants were offered multiple positions and only chose one or declined an offer to due situational changes.

[~] Officially started employment.

PIPELINES & PATHWAYS OUTREACH & TRAINING

OUTREACH

More than 20 Events

TRAINING

Monthly Workshops & Paid Training Programs



Join us for the UVA Pipelines & Pathways Career Building 101 Workshop Series. Through these virtual, interactive workshops, you will learn the basics for building your career and get the tools you need to obtain your dream job at UVA!

- Free and Open to the Public
- Live via Zoom in March, April & May
- Attend Multiple Workshops

Once you register, you will be emailed a Zoom meeting invitation link to access each workshop the day of the event.

UVA PIPELINES & PATHWAYS CAREER BUILDING 101 WORKSHOP SERIES

MAR 30 THE POWER OF ESSENTIAL LIFE SKILLS
THURSDAY, MARCH 30TH – 12PM-2PM
Presented by Cathy Stapleton, Cathy Stapleton & Co.

This virtual class teaches the important basics of essential life skills needed to succeed personally and professionally. This is an interactive and entertaining course that will help attendees emerge with the tools needed to present positively in any situation. Participants will explore and refine their unique communication style as they learn about critical soft skills, which will help them increase their credibility and value to employers.

APR 26 NAVIGATING YOUR CAREER PATH
WEDNESDAY, APRIL 26TH – 12PM-2PM
Presented by Kaye Monroe, KDM Coaching & Associates

This virtual workshop is designed to help individuals navigate the complexities of career exploration and gain a better understanding of their professional aspirations. Participants will explore various career paths, assess their skills and interests, and gain insight into the current job market. Through interactive exercises and group discussions, attendees will identify potential career paths at UVA and consider a personalized action plan for achieving their employment goals.

MAY 24 MAKING A LASTING IMPRESSION
WEDNESDAY, MAY 24TH – 12PM-2PM
Presented by Suzannah Herrmann Tobin, SPEAK! Language Center

This virtual workshop focuses on how a job applicant can make a lasting impression on an employer while navigating work opportunities. It will explain how to design a resume and professional profile as well as answers to job interview questions memorable to potential employers. This workshop will go in-depth on the definitions of Simple, Unexpected, Concrete, Credible, Emotional and Stories (SUCCES), which are tools that can be used for crafting your resume, professional profile, and answers to common job interview questions.

CLICK HERE TO REGISTER OR **SCAN ME**
<https://bit.ly/3JGXGez>

VISIT jobs.virginia.edu/pipelines-pathways
CALL (434) 924-7693
CONTACT uvapipelines@virginia.edu

FOLLOW US
facebook.com/uvapipelines
instagram.com/uvapipelines
linkedin.com/company/uva-pipelines-pathways

HOOS DRIVING Get Paid to Train

The HOOS Driving Training Program provides structured coursework and paid on-the-job training as a full-time, benefitted Transit Bus Driver with University Transit Service (UTS) or Charlottesville Area Transit (CAT). Upon completion of training, employees will have obtained a Class B Commercial Driver's License (CDL) permit with air brakes and passenger endorsements, be able to perform a pre-trip inspection of a bus, and have the necessary workplace skills to perform work as a transit bus driver. After training, employees will begin behind-the-wheel skills test training with UTS or CAT to obtain their permanent Class B CDL.

WHAT TRAINING WILL I RECEIVE?

- CDL Permit Written Test Training (66 hours)
- CDL Pre-Trip Inspection Training (44 hours)
- Workplace Readiness Training (34 hours)
- English Language Training (75 hours/ if applicable)

*All training is paid—\$19/hour with UTS with a \$1,000 sign-on bonus and \$1,500 retention bonus after 2 semesters of service or \$21/hour with CAT

HOW DO I APPLY?

- You are welcome to apply to both UTS and CAT, but you will only be hired by one organization as a full-time benefitted bus driver.
- For UTS, all applicants must submit an application through Workday and upload a resume.
- For CAT, all applicants must submit an application through the City's Jobs Board and upload a resume.

HOOS DRIVING PROCESS

Submit an application with resume to UTS and/or CAT using the QR codes on this flyer. (You can apply for both positions, but you will only be selected for one.)

Interview with UTS and/or CAT for a full-time, benefitted bus driver position.

If selected for a full-time, benefitted bus driver position, complete all pre-employment requirements (e.g., references, physical, background check, drug test, etc.).

Once hired, complete HOOS Driving paid training to obtain your Class B CDL permit.

After completing the HOOS Driving training program, begin work with UTS or CAT to complete behind-the-wheel training and receive your permanent Class B CDL.

QUESTIONS? NEED HELP APPLYING?

JOIN US IN THE IX PARK PARKING LOT!!!
522 2nd St., Charlottesville, VA 22902 (Look for a UTS Bus)

Tuesday, May 30th 10:00am–2:00pm

Get help with your application onsite
Bring your resume if you have one
Be ready for an on-the-spot interview

PRESENTED BY:

The University of Virginia is an equal opportunity and affirmative action employer. Race, ethnicity, gender, and persons with disabilities are encouraged to apply.

QUESTIONS?
VISIT jobs.virginia.edu/pipelines-pathways
CALL (434) 962-3996
CONTACT uvapipelines@virginia.edu

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instagram.com/uvapipelines
linkedin.com/company/uva-pipelines-pathways

Pipelines & Pathways

TURNING CONNECTIONS INTO CAREERS

PIPELINES & PATHWAYS GRAND OPENING

Monday, May 8th from 1pm to 5pm at the Jefferson School African American Heritage Center

PIPELINES & PATHWAYS: OPENING OUR DOORS TO THE COMMUNITY



**Pipelines &
Pathways**
TURNING CONNECTIONS
INTO CAREERS





CAVA
LIEB
VALLI
ERCA
ALLIE
SCAVA
LIEB

THANK YOU

