

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS**

**Meeting of the  
Finance Committee**

**June 7, 2019**

**FINANCE COMMITTEE**  
**Friday, June 7, 2019**  
**8:45 – 10:00 a.m.**  
**Board Room, The Rotunda**

**Board Members:**

James B. Murray Jr., Chair	Robert D. Hardie
Robert M. Blue, Vice Chair	Maurice A. Jones
Thomas A. DePasquale	Jeffrey C. Walker
John A. Griffin	Frank M. Conner III, Ex-officio

**AGENDA**

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**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS CONSENT AGENDA**

**I.A.1. DISPOSITION OF REAL PROPERTY: WILLIS F. ABBEY ESTATE:** Approves the disposition of properties associated with the Willis F. Abbey estate and authorizes the University's Executive Vice President & Chief Operating Officer to execute documents and consummate the sale of the properties and distribution of the University's interest.

The Last Will and Testament of Willis Foster Abbey named the University of Virginia Children's Hospital as one of the residuary beneficiaries of the estate. The University has a vested 25% interest in two properties, subject to payments associated with the expenses for maintenance, evaluation, and sale of the properties: (1) a residence located at 2503 Woodhurst Road in Charlottesville, Virginia assessed at a gross price of \$385,900; and (2) 55.4 acres of forested land in Granville, Massachusetts. The property in Massachusetts has been assessed at a gross price of \$5,400 under Chapter 61 (Land Use under Forrestral District); if the property is removed from Chapter 61, the property value increases to a total of \$140,620, but there may be back taxes owed, depending on any change in use. The executor was not directed by the will to sell the property and distribute the proceeds, so the sale of the property requires approval by the Board of Visitors. The University and the other beneficiaries have agreed to hire a realtor or other agent to assist with the maintenance, evaluation, and sale of the properties.

**ACTION REQUIRED:** Approval by the Finance Committee and by the Board of Visitors

**DISPOSITION OF REAL PROPERTY: WILLIS F. ABBEY ESTATE**

WHEREAS, The University of Virginia Children's Hospital is a residuary beneficiary of the Estate of Willis Foster Abbey and owns a 25% share of that property described as residential property located at 2503 Woodhurst Road in Charlottesville, Virginia and 55.4 acres of forested land in Granville, Massachusetts; and

WHEREAS, the Board of Visitors finds it to be in the best interest of the University for such property to be sold;

RESOLVED, the Board of Visitors hereby approves the sale of the foregoing property; and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized, on behalf of the University, to approve the sale of the property for such price and in such manner as she may deem reasonable; to approve and execute all agreements, deeds, affidavits, and other documents related to the maintenance, evaluation, and sale of the subject real estate; to incur reasonable and customary expenses; to approve such reasonable and customary expenses, if any, as have may been incurred by the executor or administrator of the estate in connection with the maintenance, evaluation, and sale of the

property; and to take such other actions as deemed necessary and appropriate to consummate the sale of the property and distribution of the University's interest therein; and

RESOLVED FURTHER, all prior acts performed by the Executive Vice President and Chief Operating Officer and other officers and agents of the University, in connection with such maintenance, evaluation, and sale of the property and administration and distribution of the University's interest in same, are in all respects approved, ratified, and confirmed.

**I.A.2. DISPOSITION OF REAL PROPERTY: L. STERLING PHIPPS ESTATE:** Approves the disposition of property associated with the L. Sterling Phipps estate and authorizes the University's Executive Vice President & Chief Operating Officer to execute documents and consummate the sale of the property and distribution of the University's interest.

The Last Will and Testament of L. Sterling Phipps named The Rector and Visitors of the University of Virginia as one of the residuary beneficiaries of the estate. The University has a vested 25% interest in a 975 square foot single-family home located at 1520 Seton Drive, Wilmington, Delaware, subject to payment of the costs and expenses for maintenance, evaluation, and sale of the property. The executor of the Estate, Linn Carpenter, acting through his attorneys and having the power to sell any property of the estate, has requested that the University approve the sale of its interest in the real estate by the executor or an agent chosen by the executor, and execute a power of attorney authorizing such sale. The executor further requests that the University approve the actions he has taken and the costs, fees, and expenses he has incurred, and shall incur, in maintaining, evaluating, and selling the property and distributing the proceeds.

The property will be listed for the gross price of \$155,000 based upon the appraisal of the property and will be sold "as-is." There is an outstanding mortgage on the property that will be paid by the liquid assets in Mr. Phipps's Estate. There are no known liability issues related to the property. The executor and the real estate agent have walked through the property to ensure that it is in good, habitable condition. Insurance policy payments on the property are being paid through the escrow account associated with the mortgage.

**ACTION REQUIRED:** Approval by the Finance Committee and by the Board of Visitors

**DISPOSITION OF REAL PROPERTY - L. STERLING PHIPPS ESTATE**

WHEREAS, The Rector and Visitors of the University of Virginia is a residuary beneficiary of the Estate of L. Sterling Phipps and owns a 25% share of that property described as a single-family home located at 1520 Seton Drive, Wilmington, Delaware; and

WHEREAS, the Board of Visitors finds it to be in the best interest of the University for interest in such property to be sold;

RESOLVED, the Board of Visitors hereby approves the sale of the foregoing property; and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized, on behalf of the University, to approve the sale of the property for such price and in such manner as she may deem reasonable; to approve and execute all agreements, deeds, affidavits, and other documents related to the maintenance, evaluation, and sale of the subject real estate; to incur reasonable and customary expenses; to approve such reasonable and customary expenses, if any, as have been incurred by the executor or administrator of the estate in connection with the maintenance, evaluation and sale of the property; and to take such other actions as deemed necessary and appropriate to consummate the sale of the property and distribution of the University's interest therein; and

RESOLVED FURTHER, all prior acts performed by the Executive Vice President and Chief Operating Officer, and other officers and agents of the University, in connection with such maintenance, evaluation, and sale of the property and administration and distribution of the University's interest in same, are in all respects approved, ratified, and confirmed.

**I.B. QUASI-ENDOWMENT ACTION: SCHOOL OF CONTINUING AND PROFESSIONAL**

**STUDIES:** Creation of the School of Continuing and Professional Studies Facility and Operations Quasi-Endowment from proceeds of the sale of the Northern Virginia Graduate Center.

**BACKGROUND:** In June of 1996, the Board of Visitors authorized the Executive Vice President and Chief Operating Officer to approve individual quasi-endowment transactions, including establishments and divestments that are less than \$2 million. Individual quasi-endowment transactions of \$2 million or more require the approval of the Board of Visitors.

The Northern Virginia Graduate Center (the "Center") located at 7054 Haycock Road in Falls Church, Virginia is jointly owned by the University of Virginia, having a 40% interest, and Virginia Tech, having a 60% interest. The Center provided space needed by both institutions for educational outreach in the Northern Virginia market. The University's use of the Center was primarily for programs conducted by the School of Continuing and Professional Studies (SCPS) and the Curry School of Education and Human Development.

In light of changing educational delivery methods and Virginia Tech's interest in acquiring full ownership of the Center, the Board of Visitors approved the sale to Virginia Tech of the University of Virginia's 40% interest in the Center by resolution adopted at its

March 1 meeting. The sale of the Center is currently pending, with closing expected during the summer of 2019.

**DISCUSSION:** The School of Continuing and Professional Studies wishes to deploy a portion of the sale proceeds (\$6,300,000) be used for the establishment of a new quasi-endowment to be called the School of Continuing and Professional Studies Facility and Operations Quasi-Endowment. Earnings from the quasi-endowment will be used for SCPS facility and operating costs.

**ACTION REQUIRED:** Approval by the Finance Committee and by the Board of Visitors

**CREATION OF THE SCHOOL OF CONTINUING AND PROFESSIONAL STUDIES FACILITY AND OPERATIONS QUASI-ENDOWMENT**

WHEREAS, the School of Continuing and Professional Studies wishes to establish the School of Continuing and Professional Studies Facility and Operations Quasi-Endowment using \$6,300,000 in proceeds from the sale of the University of Virginia's interest in the Northern Virginia Graduate Center;

RESOLVED, the Board of Visitors authorizes the establishment of the School of Continuing and Professional Studies Facility and Operations Quasi-Endowment.

**I.C. DELEGATION OF SIGNATORY AUTHORITY FOR MEDICAL CENTER PROCUREMENT OF BLOOD SERVICES AND PRODUCTS:** Authorizes the Acting Executive Vice President for Health Affairs to execute a contract for blood services and products on behalf of the Medical Center with the American National Red Cross.

**BACKGROUND:** The Board of Visitors is required to approve the execution of any contract where the amount per year is in excess of \$5 million.

**DISCUSSION:** In accordance with Medical Center procurement policy, the contract listed below exceeds \$5 million in spend per year, and therefore, exceeds the signatory authority of the Acting Executive Vice President for Health Affairs.

- The American National Red Cross, Biomedical Services – Mid-Atlantic Region, for blood services

The expense for goods and services purchased through this contract is reflected in the Medical Center's Operating Budget.

**ACTION REQUIRED:** Approval by the Health System Board, the Finance Committee, and by the Board of Visitors

**DELEGATION OF SIGNATORY AUTHORITY FOR MEDICAL CENTER PROCUREMENT  
OF BLOOD SERVICES AND PRODUCT**

RESOLVED, the Board of Visitors authorizes the Acting Executive Vice President for Health Affairs to execute the contract on behalf of the Medical Center with The American National Red Cross, Biomedical Services – Mid-Atlantic Region.

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** June 7, 2019

**COMMITTEE:** Finance

**AGENDA ITEM:** II.A. 2019 Multi-Year Major Capital Plan Financial Plans

**BACKGROUND:** The revised multi-year capital plan is presented annually to the Board of Visitors for approval in June. The Buildings and Grounds Committee determines whether a project should be added to the Major Capital Projects Program and the Finance Committee evaluates whether there is a sound financing plan to pay for the estimated project cost and additional operating costs that are expected once a project is complete. The revised 2019 Major Capital Plan was reviewed with the Buildings and Grounds Committee at the February 2019 meeting. No projects have been added to the Plan since that meeting. Key changes since February include updating/refining cost estimates for the proposed projects.

**DISCUSSION:** The revised 2019 Capital Plan updates the plan approved by the Board in June 2018 with current cost estimates, adds new projects, and removes projects no longer planned within the period. The proposed Plan adds eight new projects to the Academic Division plan and three to the Health System plan; there are no proposed additions to the plan for UVA's College at Wise. A summary table of the Plan is in Appendix A.

The University's leadership has reviewed the preliminary financial plans for the projects expected to be initiated within the next year, including private funding assessments and strategies; the repayment of debt service; and the required funding of incremental operating and maintenance costs. Several of the proposed projects are dependent upon external fund sources (e.g., state general funds, private fundraising/gifts); if these funds are not realized, the projects will not proceed unless other fund sources are identified.

**Overall Debt Assessment**

The University has conducted an assessment to evaluate the impact of projects to be debt-funded on the University's key debt ratios as outlined in the Board of Visitors approved debt policy. Based on the historical rate of capital draws, we have concluded that there is sufficient capacity for the debt required, for projects expected to begin by 2021.

Should there be an acceleration of the rate at which draws occur, the debt capacity analysis will be updated. Treasury will conduct a project-specific creditworthiness check prior to initiating debt for any project. By accepting the debt assessment, the Board of Visitors does not authorize the issuance of debt or any other long-term financial obligation; rather, the Board of Visitors approves the inclusion of these debt-funded projects as a part of the 2019 Major Capital Program.



## Overall Private Funding Assessment

The University's Vice President for Advancement has assessed the ability to meet the philanthropic requirements as outlined in the project financial plans. It is the University's assessment that the total private funding component sought for new projects proposed in the plan, while perhaps a stretch goal for some project sponsors, is consistent with current private fundraising objectives and opportunities.

It is the University's policy that the design phase of a project may begin only after design funding is in-hand in a University account. Further, the construction phase for gift-funded projects may begin only if: (1) 50% of philanthropy is received and deposited into a University account with the remaining 50% committed via written enforceable pledges; and (2) 100% of the written enforceable pledges will be collected prior to the project's completion, or the project sponsor is prepared to use short-term financing to bridge cash collections of pledges.

**Revisions to previously approved financial plans:**

<b>Project</b>	<b>Budget<sup>1</sup></b>	<b>State GF</b>	<b>Gifts</b>	<b>Debt</b>	<b>Cash</b>	<b>Notes</b>
Brandon Avenue Residence Hall Phase II	\$ 95.0			\$ 91.0	\$ 4.0	Increase budget by \$25.0M (change in project scope)
Gilmer Hall/Chemistry Building Renovation	\$197.0	\$146.7		\$ 42.5	\$ 7.8	Increase budget by \$10.2M and debt authorization by \$2.6M. \$7.6M cash from state.
Low Temperature Hot Water Conversion	\$ 35.0			\$ 35.0		Increase budget by \$15.0M (change in project scope)
Physics Building Renewal	\$ 50.0	\$ 50.0				Increase budget by \$15.0M based on better cost estimates after planning
Softball Stadium	\$ 25.5		\$ 4.0	\$ 21.5		Increase project cost by \$5.5M based on actual construction bids
Student Health and Wellness Center	\$100.0		\$ 70.0	\$ 30.0		Change fund source from cash to debt for \$30.0M

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**Financial plans for proposed projects:**

<b>Project</b>	<b>Budget<sup>1</sup></b>	<b>State GF</b>	<b>Gifts</b>	<b>Debt</b>	<b>Cash</b>	<b>Annual incremental operating costs</b>
Athletics Complex Phase I	\$ 20.0		\$ 18.0		\$ 2.0	\$ 0.15
Athletics/North Grounds Parking Garage	\$ 35.0			\$ 35.0		\$ 0.25
Data Science Facility	\$ 43.0		\$ 43.0			\$ 0.74
Fontaine Infrastructure & Parking Garage	\$ 87.0			\$ 87.0		\$ 0.30
JPJ Arena Performance Center Renovation	\$ 8.0		\$ 8.0			N/A
Virginia Autonomous Systems Testing Facility (SEAS)	\$ 10.0	\$ 5.0	\$ 4.0	\$ 1.0		\$ 0.24
Ambulatory Clinic (tenant fit out)	\$ 15.0				\$ 15.0	\$ 0.35
Biocomplexity Institute	\$ 12.9				\$ 12.9	\$ 0.86
Cancer Center MRI Linac	\$ 8.0				\$ 8.0	N/A

<sup>1</sup> High-end of project budget range; all numbers in millions

Financial plans for all other projects in the multi-year program have been previously approved by the Board of Visitors or will be brought to the Board for review and approval at a later meeting.

**ACTION REQUIRED:** Approval by the Finance Committee and by the Board of Visitors

**FINANCIAL PLANS FOR THE 2019 MULTI-YEAR MAJOR CAPITAL PLAN**

WHEREAS, major capital projects are vetted by the Space Leadership Committee and executive leadership, as well as by appropriate committees of the Board of Visitors, to ensure alignment with institutional priorities; and

WHEREAS, the Executive Vice President and Chief Operating Officer will confirm that appropriate funding is in place before any project commences construction;

RESOLVED, the financial plans for the following capital projects in the 2019 Multi-Year Major Capital Plan are complete and approved: Brandon Avenue Residence Hall Phase II (revised); Gilmer Hall/Chemistry Building Renovation (revised); Low Temperature Hot Water Conversion (revised); Physics Building Renewal (revised); Softball Stadium (revised); Student Health and Wellness Center (revised); Athletics Complex; Athletics/North Grounds Parking Garage; Data Science Facility; Environmental Health & Safety Facility; Fontaine Infrastructure & Parking Garage; John Paul Jones 1<sup>st</sup> Floor Renovation; Virginia Autonomous Systems Testing (VAST) Facility; Ambulatory Clinic (tenant fit-out); Biocomplexity Institute; and Cancer Center MRI Linac.

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** June 7, 2019

**COMMITTEE:** Finance

**AGENDA ITEM:** II.B. Extension of Debt Shelf Registration

**BACKGROUND:** For over three decades, the University has issued long-term bonds to provide external financing for capital projects. In 2002, the University developed a debt portfolio management program to manage debt by optimizing debt structure and providing stability to internal borrowing units. In order to further provide the University with flexibility to move more nimbly to seek debt funding when market conditions are optimal, the University established a 12-month debt shelf registration in 2017 to expedite borrowing for capital projects up to \$500 million.

**DISCUSSION:** As the University anticipates a long-term debt issuance in the next year and as the capital program grows, the University proposes to seek a new shelf capital financing program registration to provide flexibility in the timing and structure of an upcoming debt issuance. These actions are in accordance with the Debt Policy approved in 2013.

As with the 2017 and 2018 debt issuances under the 2017 authorized shelf registration program, the University will issue a base offering document that outlines the mechanics and security features applicable to all debt issued under the program. In conjunction with this base offering document, the University will issue subsequent supplemental documents for each specific debt issue made under the shelf. The supplemental documents will address the specific features of each debt issue made under the shelf program.

The University seeks approval of a new debt shelf registration in the amount of \$500 million to streamline future bond issuances and enable the University to react more advantageously in the best market conditions.

**ACTION REQUIRED:** Approval by the Finance Committee and by the Board of Visitors

**EXTENSION OF DEBT SHELF REGISTRATION**

WHEREAS, Chapter 22, Title 23.1 of the Code of Virginia of 1950, as amended (the "Virginia Code"), establishes a public corporation under the name and style of The Rector and Visitors of the University of Virginia (the "University") which is governed by a Board of Visitors (the "Board"); and

WHEREAS, Title 23.1 of the Virginia Code classifies the University as an educational institution of the Commonwealth of Virginia; and

WHEREAS, by Chapter 10, Title 23.1 of the Virginia Code (as amended, the "Act"), the University entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 3 of Chapter 933 of the 2006 Virginia Acts of Assembly; and

WHEREAS, by the resolution adopted September 15, 2017 (the "Initial Authorizing Resolution"), the Board authorized a multi-year capital project financing program (the "Program") that is used by the University from time to time to finance or refinance the costs of capital and other projects, including capitalized interest, financing costs, working capital, general corporate purposes, and the refunding of prior obligations of the University (collectively, the "Projects"), subject to the limitations and parameters set forth in the Initial Authorizing Resolution and in one or more subsequent resolutions of the Board; and

WHEREAS, under the authority of the Initial Authorizing Resolution, the University entered into a Master Bond Resolution (Multi-Year Capital Program) dated September 28, 2017 (as supplemented and amended, the "Program Resolution"); and

WHEREAS, the bonds issued under the Program Resolution (the "Bonds") are secured by a general revenue pledge of the University and are not in any way a debt of the Commonwealth of Virginia (the "Commonwealth") and do not create or constitute any indebtedness or obligation of the Commonwealth, either legal, moral, or otherwise; and

WHEREAS, the University has previously issued two series of bonds under the Program Resolution; and

WHEREAS, the Board desires to authorize additional financing under the Program of up to \$500,000,000 of taxable or tax-exempt Bonds that may be issued by the University from time to time to finance one or more Projects, all subject to the limitations and parameters described (1) below, (2) in the Program Resolution, and (3) in the applicable Series Resolution (as defined below);

RESOLVED, the Board hereby implements the plan of finance described in the recitals hereto by authorizing the issuance, from time to time, of one or more series of Bonds for the financing of the Projects, and providing for the terms thereof, by adopting one or more resolutions that supplement and amend (as needed) the Program Resolution (each a "Series Resolution"), which shall provide the final terms of the Bonds and such other matters as may be necessary or desirable; and

RESOLVED FURTHER, the President of the University or the Executive Vice President and Chief Operating Officer of the University, in consultation with the Chair of the Finance Committee, is authorized to approve the final terms of each series of Bonds, including, without limitation, their original principal amounts and series, the specific Projects to be financed, their maturity dates and amounts, redemption provisions, prices and interest rates, tax status of interest on each series of bonds, provided that (i) the maximum aggregate principal amount of all bonds to be issued hereunder shall not exceed

\$500,000,000; (ii) the Bonds shall be issued at fixed or variable rates with a maximum yield on any fixed rate series, and the maximum initial yield on any variable rate series, not to exceed 6.00% per annum; and (iii) the final maturity of all bonds shall not exceed 101 years beyond issuance date; and

RESOLVED FURTHER, the President of the University or the Executive Vice President and Chief Operating Officer of the University are each hereby authorized to negotiate, execute and deliver certain documents related to the Bonds, including a Series Resolution for each series of Bonds; and

RESOLVED FURTHER, all officers of the University are authorized and directed to take all such further actions, including without limitation the designation of underwriters, paying agents, remarketing agents, solicitation agents, trustees, and liquidity providers for the bonds, and to execute all such instruments, agreements, documents, and certificates as they shall deem necessary or desirable to carry out the terms of the financing plans presented to this meeting, including without limitation any liquidity facilities, swap, or other interest rate management agreements associated with the bonds; and

RESOLVED FURTHER, pursuant to the Section 147(f) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder, the University designates the Executive Vice President and Chief Operating Officer of the University as the public hearing officer to hold any public hearings required in order to ensure the tax-exempt status of interest on all or a portion of the bonds; and

RESOLVED FURTHER all acts of all officers of the University which are in conformity with the purposes and intent of this Resolution and in carrying out the financing plans presented to this meeting are ratified, approved, and affirmed; and

RESOLVED FURTHER, upon approval, this action shall take effect immediately.

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** June 7, 2019

**COMMITTEE:** Finance

**AGENDA ITEM:** II.C. Expansion of Commercial Paper Program Capacity

**BACKGROUND:** For over three decades, the University has issued long-term bonds to provide external financing for capital projects. In 2002, the University developed a debt portfolio management program to manage debt by optimizing debt structure and providing stability to internal borrowing units. As a feature of the program, the University launched a commercial paper program in 2003 to provide interim financing, flexibility in the timing of long-term debt issuance, and, occasionally, to meet short term cash flow needs. The initial issuance of \$175 million was expanded to \$300 million in 2006.

**DISCUSSION:** As the University anticipates a long-term debt issuance in the next year and as the capital program grows, the administration proposes to expand the commercial paper program to provide flexibility in the timing and structure of an upcoming debt issuance. These actions are all in accordance with the University of Virginia Debt Policy approved by the Board of Visitors on February 22, 2013.

This commercial paper program issuance will include an extendable mode in addition to the existing tax-exempt and taxable mode. This option provides the benefits and attributes of traditional commercial paper without the need for liquidity after the traditional commercial paper maturity date.

The University seeks approval to expand the commercial paper program from \$300 million to \$500 million to support a growing capital program and enable the University to react more advantageously in best market conditions.

**ACTION REQUIRED:** Approval by the Finance Committee and by the Board of Visitors

**EXPANSION OF COMMERCIAL PAPER PROGRAM CAPACITY**

WHEREAS, Chapter 22, Title 23.1 of the Code of Virginia of 1950, as amended (the "Virginia Code"), establishes a public corporation under the name and style of The Rector and Visitors of the University of Virginia (the "University") which is governed by a Board of Visitors (the "Board"); and

WHEREAS, Title 23.1 of the Virginia Code classifies the University as an educational institution of the Commonwealth of Virginia; and

WHEREAS, by Chapter 10, Title 23.1 of the Virginia Code (as amended, the "Act"), the University entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 3 of Chapter 933 of the 2006 Virginia Acts of Assembly; and

WHEREAS, the Board has previously determined to facilitate the financing or refinancing from time to time of costs associated with capital projects of the University approved by the Board or other utilization of funds by the University which is permitted by law (including, without limitation, capitalized interest, financing costs, and working capital consistent with the University's debt policy) on a short-term basis through the issuance of commercial paper in an aggregate outstanding principal amount not to exceed \$300,000,000 (the "Commercial Paper Program"), and hereby determines that the maximum aggregate outstanding principal amount of the Commercial Paper Program at any time should be increased to \$500,000,000;

RESOLVED the University's Commercial Paper Program is expanded from a maximum outstanding principal amount of \$300,000,000 to a maximum outstanding principal amount of \$500,000,000; and

RESOLVED FURTHER, the Commercial Paper Program shall include extendable modes in addition to the existing tax-exempt and taxable modes; and

RESOLVED FURTHER, all officers of the University are authorized and directed to take all such further actions, including without limitation, the designation of broker-dealers, paying agents, remarketing agents, trustees, and liquidity providers for the Commercial Paper Program, and to execute all such instruments, agreements, documents, and certificates related to the same, as they deem necessary or desirable to carry out the Commercial Paper Program; and

RESOLVED FURTHER, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder, the University designates the Executive Vice President and Chief Operating Officer of the University as the public hearing officer to hold any public hearings required to ensure the tax-exempt status of any portion of the Commercial Paper Program; and

RESOLVED FURTHER, all acts of all officers of the University which are in conformity with the purposes and intent of this Resolution and in carrying out the financing plans presented to this meeting are ratified, approved, and affirmed; and

RESOLVED FURTHER, upon approval, this action shall take effect immediately.



**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** June 7, 2019

**COMMITTEE:** Finance

**AGENDA ITEM:** II.D. 2019-2020 Operating Budget

**BACKGROUND:** During this fiscal year, the Board of Visitors received reports on the General Assembly session, as well as budget assumptions for the 2019-2020 operating budget. At its December, March, and April meetings, the Board of Visitors approved tuition and mandatory fees for 2019-2020. The Board of Visitors approved housing and dining rates for 2019-2020 at its December meeting.

At its June meeting, the Board of Visitors considers the proposed operating budgets and the non-base budget investment for the Academic Division, The University of Virginia's College at Wise, and the Medical Center, inclusive of the Transitional Care Hospital.

**DISCUSSION:** For 2019-2020, the University of Virginia proposes a \$3.7 billion operating budget for all three divisions.

**Academic Division**

Available sources for the 2019-2020 budget reflect Board-approved tuition increases (in-state undergraduate tuition remains constant from 2018-19), sponsored research awards, and philanthropic success. On the expenditure side, the operating budget incorporates increased research activity, salary increases (an average 3% merit pool for staff and faculty), and strategic investments. Overall, the 2019-2020 Academic Division operating expenditure budget is proposed at \$1.9 billion, a 5.5% increase over prior year.

In addition to the base 2019-2020 operating budget, the University proposes to invest \$128.6 million to meet critical needs for non-recurring infrastructure, faculty and dean retention and recruitment activities.

**Pratt Fund**

In April 1976, the University received funds, designated in the will of John Lee Pratt, to be used to supplement the Academic Division budget to support 1) faculty salaries and equipment in the Departments of Biology, Chemistry, Mathematics, and Physics and 2) research and scholarships in the School of Medicine. The Pratt Fund is proposed to be allocated as detailed in Appendix B.

## The University of Virginia's College at Wise

The proposed 2019-2020 operating expenditure budget for The University of Virginia's College at Wise is \$50.5 million, an 11.7% increase over the prior year.

### Medical Center and the Translational Care Hospital

The Health System Board will consider the Medical Center 2019-2020 operating and capital budgets, which include the Transitional Care Hospital, at its June 6, 2019 meeting and will recommend approval of the \$1.8 billion operating budget and the \$129.0 million capital budget proposals.

**ACTION REQUIRED:** Approval by the Finance Committee and by the Board of Visitors

#### **2019-2020 OPERATING BUDGET FOR THE ACADEMIC DIVISION**

RESOLVED, the 2019-2020 \$1.9 billion operating budget for the Academic Division is approved as recommended by the President and the Chief Operating Officer; and

RESOLVED FURTHER, \$128.6 million in non-recurring investments between 2019-2020 and 2023-2024 to meet critical infrastructure, safety and security, and strategic activities are approved as recommended by the President and the Chief Operating Officer.

#### **2019-2020 PRATT FUND DISTRIBUTION**

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 \$13,284,088 for 2019-2020, 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.

#### **2019-2020 OPERATING BUDGET FOR THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE**

RESOLVED, the 2019-2020 \$50.5 million operating budget for The University of Virginia's College at Wise is approved as recommended by the President and the Chief Operating Officer.

**2019-2020 OPERATING AND CAPITAL BUDGETS FOR THE UNIVERSITY OF VIRGINIA  
MEDICAL CENTER AND THE UNIVERSITY OF VIRGINIA TRANSITIONAL CARE  
HOSPITAL**

RESOLVED, the 2019-2020 \$1.8 billion operating and \$129.0 million capital budget for the University of Virginia Medical Center, inclusive of the University of Virginia Transitional Care Hospital, are approved as recommended by the President, the Acting Executive Vice President for Health Affairs, the Chief Operating Officer, and the Health System Board.

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** June 7, 2019

**COMMITTEE:** Finance

**AGENDA ITEM:** III.A. Executive Vice President's Remarks

**ACTION REQUIRED:** None

**BACKGROUND:** The Executive Vice President and Chief Operating Officer will inform the Board of Visitors of other recent events that do not require formal action, but of which it should be made aware.

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** June 7, 2019

**COMMITTEE:** Finance

**AGENDA ITEM:** III.B. Defined Contribution Retirement Program: Written Report of the Retirement Administrative Committee

**ACTION REQUIRED:** None

**BACKGROUND:** The University is the plan sponsor of a number of defined contribution retirement plans including the Optional Retirement Plan for Employees of the University of Virginia and the Optional Retirement Plan for Employees of the University of Virginia Medical Center.

At its June 2, 2007 meeting, the Finance Committee of the Board of Visitors approved a revised Retirement Program Policy. The revised policy established the role of the Finance Committee of the Board of Visitors to provide oversight of the retirement plans and to report annually to the Board.

On May 30, 2019, Mr. James Murray, Finance Committee Chair, and Mr. Robert Blue, Finance Committee Vice Chair, met with the Executive Vice President and Chief Operating Officer and representatives of the Retirement Administrative Committee to review the Plans' annual performance and to discuss the administration of the program. Minutes of that meeting will be provided at the June 7 Finance Committee meeting.

## **APPENDICES**

## 2019 Multi-Year Major Capital Plan

### Projects under construction

Project (\$ in millions)	Budget	State GF	Gifts	Debt	Cash
<b>Academic Division</b>					
Brandon Avenue - Green Street & Infrastructure	\$ 44.5			\$ 44.5	
Bond House	\$ 66.0			\$ 63.8	\$ 2.2
Carr's Hill Historic Rehabilitation	\$ 7.9				\$ 7.9
Gilmer Hall and Chemistry Building Renovation	\$ 197.0	\$ 146.7		\$ 42.5	\$ 7.8
Ivy Corridor Landscape and Infrastructure - Phase I	\$ 37.3			\$ 36.1	\$ 1.2
Ivy Mountain Central Utility Plant	\$ 20.0			\$ 10.6	\$ 9.4
Main Heat Plant - New Boiler (#6)	\$ 11.0			\$ 10.5	\$ 0.5
McCormick Rd Residence Halls	\$ 104.7			\$ 86.5	\$ 18.2
Memorial to Enslaved Laborers	\$ 7.0		\$ 4.5		\$ 2.5
Old Ivy Road Office Building	\$ 41.0			\$ 41.0	
Softball Stadium	\$ 25.5		\$ 4.0		\$ 21.5
Student Health and Wellness Center	\$ 100.0		\$ 70.0	\$ 30.0	
Thornton Hall Clean Room Systems Upgrades	\$ 15.2			\$ 6.2	\$ 9.1
U Hall, Cage, Onesty Hall, Sports Med Decant/Demolition	\$ 14.0			\$ 14.0	
<b>Academic Division Total</b>	<b>\$ 691.2</b>	<b>\$ 146.7</b>	<b>\$ 78.5</b>	<b>\$ 385.8</b>	<b>\$ 80.2</b>
<b>Health System</b>					
Biocomplexity Institute	\$ 12.9				\$ 12.9
Emily Couric Clinical Cancer Center 4th Floor Fit-Out	\$ 14.8				\$ 14.8
Hospital HVAC Phases III and IV; Emergency Power Phase III (Deferred Maintenance Plan)	\$ 17.9				\$ 17.9
Ivy Mountain Musculoskeletal Center	\$ 164.0			\$ 164.0	
Pinn Hall Renovation Phase I	\$ 32.0				\$ 32.0
University Hospital Expansion	\$ 391.6			\$ 376.0	\$ 15.6
<b>Health System Total</b>	<b>\$ 633.1</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 540.0</b>	<b>\$ 93.1</b>
<b>Total under Construction</b>	<b>\$ 1,324.3</b>	<b>\$ 146.7</b>	<b>\$ 78.5</b>	<b>\$ 925.8</b>	<b>\$ 173.2</b>

## 2019 Multi-Year Major Capital Plan

### Projects in planning/design

Project (\$ in millions)	Budget	State GF	Gifts	Debt	Cash
<b>Academic Division</b>					
Alderman Library Renewal	\$ 152.5	\$ 132.5	\$ 20.0		
Brandon Avenue Upper-Class Residence Hall Phase II	\$ 95.0			\$ 91.0	\$ 4.0
Contemplative Sciences Center Facility	\$ 75.0		\$ 75.0		
McIntire Academic Facility	\$ 70.3		\$ 70.3		
Physics Building Renewal	\$ 50.0	\$ 50.0			
Inn at Darden	\$ 98.0		\$ 7.0	\$ 65.0	\$ 26.0
Low Temperature Hot Water Conversion	\$ 35.0			\$ 35.0	
North Grounds Mechanical Plant & Infrastructure	\$ 13.0			\$ 13.0	
West Grounds Chilled Water Capacity	\$ 8.0			\$ 8.0	
<b>Academic Division Total</b>	<b>\$ 596.8</b>	<b>\$ 182.5</b>	<b>\$ 172.3</b>	<b>\$ 212.0</b>	<b>\$ 30.0</b>
<b>Health System</b>					
Comprehensive Breast Center	\$ 12.0				\$ 12.0
Pinn Hall Building Envelope	\$ 22.0				\$ 22.0
<b>Health System Total</b>	<b>\$ 34.0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34.0</b>
<b>Total in Planning/Design</b>	<b>\$ 630.8</b>	<b>\$ 182.5</b>	<b>\$ 172.3</b>	<b>\$ 212.0</b>	<b>\$ 64.0</b>



## 2019 Multi-Year Major Capital Plan

### Projects approved by the Board of Visitors but not yet initiated

Project (\$ in millions)	Budget	State GF	Gifts	Debt	Cash
<b>Academic Division</b>					
Drama Building Phase II South Addition	\$ 17.9		\$ 17.9		
Old Cabell Hall Renewal	\$ 41.8	\$ 41.8			
Fiske Kimball Fine Arts Library Renewal	\$ 18.7	\$ 18.7			
Batten School Academic Building	\$ 60.0		\$ 60.0		
Darden Academic Building	\$ 85.0		\$ 85.0		
Translational Research Building (planning/design)	\$ 1.0				\$ 1.0
University Hotel & Conference Center	\$ 105.0			\$ 105.0	
UVA Museum (planning)	\$ 3.0		\$ 3.0		
Center for Politics	\$ 14.0		\$ 14.0		
Pavilion VIII Renovation	\$ 7.0		\$ 1.0	\$ 6.00	
Alderman Road Residence Hall - Building 7	\$ 70.0			\$ 62.0	\$ 8.0
Upper-Class Residence Hall (site TBD)	\$ 70.0			\$ 69.5	\$ 0.5
Student Activities Building	\$ 17.0			\$ 17.0	
Athletics Complex	\$ 180.0		\$ 178.0		\$ 2.0
Science & Engineering Plant: Replace Chemistry Chillers	\$ 23.1			\$ 23.1	
<b>Academic Division Total</b>	<b>\$ 713.4</b>	<b>\$ 60.5</b>	<b>\$ 358.9</b>	<b>\$ 282.6</b>	<b>\$ 11.5</b>
<b>Health System</b>					
Eye Center	\$ 60.0				\$ 60.0
Multi-Disciplinary Ambulatory Clinic Building	\$ 155.0			\$ 77.5	\$ 77.5
Pinn Hall Nobel Laureate Gallery	\$ 12.0		\$ 12.0		
Pinn Hall Renovation Phase II	\$ 38.0			\$ 38.0	
Data Center	\$ 23.0				\$ 23.0
<b>Health System Total</b>	<b>\$ 288.0</b>	<b>\$ -</b>	<b>\$ 12.0</b>	<b>\$ 115.5</b>	<b>\$ 160.5</b>

**2019 Multi-Year Major Capital Plan**

***Projects approved by the Board of Visitors but not yet initiated (continued)***

<b>Project (\$ in millions)</b>	<b>Budget</b>	<b>State GF</b>	<b>Gifts</b>	<b>Debt</b>	<b>Cash</b>
<b>College at Wise</b>					
Wyllie Library Renovation and Conversion	\$ 12.5	\$ 12.5			
Bowers-Sturgill Hall Renovation	\$ 5.9	\$ 5.9			
Darden Hall Renovation	\$ 4.9	\$ 4.9			
Music Education Center	\$ 24.7	\$ 24.7			
Sandridge Science Center Lab Wing Renovation	\$ 41.3	\$ 41.3			
Technology Classroom Building	\$ 32.2	\$ 32.2			
Zehmer Hall Renovation	\$ 44.4	\$ 44.4			
Campus Welcome Center/Public Safety Facility	\$ 23.6	\$ 23.6			
Athletic Building	\$ 15.7		\$ 15.7		
<b>College at Wise Total</b>	<b>\$ 205.2</b>	<b>\$ 189.5</b>	<b>\$ 15.7</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Projects Approved but not Initiated</b>	<b>\$ 1,206.6</b>	<b>\$ 250.0</b>	<b>\$ 386.6</b>	<b>\$ 398.1</b>	<b>\$ 172.0</b>

## 2019 Multi-Year Major Capital Plan

### Proposed projects

Project (\$ in millions)	Budget	State GF	Gifts	Debt	Cash
<b>Academic Division</b>					
Campbell Hall Addition (planning)	\$ 3.0		\$ 3.0		
Data Science Facility	\$ 43.0		\$ 43.0		
Virginia Autonomous Systems Testing Facility (SEAS)	\$ 10.0	\$ 5.0	\$ 4.0	\$ 1.0	
Center for the Arts (planning)	\$ 16.0		\$ 16.0		
Environmental Health & Safety Facility	\$ 28.0			\$ 28.0	
John Paul Jones Arena Performance Center Renovation	\$ 8.0		\$ 8.0		
Athletics/North Grounds Parking Garage	\$ 35.0			\$ 35.0	
Fontaine Research Park Infrastructure a Parking Garage	\$ 87.0			\$ 87.0	
Fontaine Research Park Central Energy Plant & Utilities	\$ 35.0			\$ 35.0	
<b>Academic Division Total</b>	<b>\$ 265.0</b>	<b>\$ 5.0</b>	<b>\$ 74.0</b>	<b>\$ 186.0</b>	<b>\$ -</b>
<b>Health System</b>					
Cancer Center - MRI LINAC	\$ 8.0				\$ 8.0
Consumer Ambulatory Clinic (tenant fit out)	\$ 15.0				\$ 15.0
Focused Ultrasound Expansion	\$ 16.5				\$ 16.5
<b>Health System Total</b>	<b>\$ 39.5</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39.5</b>
<b>Proposed Projects Total</b>	<b>\$ 306.5</b>	<b>\$ 5.0</b>	<b>\$ 77.0</b>	<b>\$ 189.0</b>	<b>\$ 39.5</b>

## Appendix B

### 2019-2020 Pratt Fund Allocation

	<u>Equipment</u>	<u>Faculty Salaries</u>	<u>Fellowships</u>	<u>Research</u>	<u>Total 2019-20 Allocation</u>	<u>Anticipated Carryforward of Uncommitted 2018-19 Funds</u>	<u>Total Funds Available for 2019-20</u>
Biology	\$ -	\$ 80,000	\$ 170,000	\$ -	\$ 250,000	\$ 6,344	\$ 256,344
Chemistry	-	46,393	353,607	-	\$ 400,000	46,710	446,710
Mathematics	12,000	20,000	118,000	-	\$ 150,000	18,709	168,709
Physics	-	97,964	152,036	-	\$ 250,000	172,325	422,325
New Faculty Start-up Fund and Other Significant Initiatives	-	3,230,000	-	-	\$ 3,230,000	-	3,230,000
Arts & Sciences Subtotal	\$ 12,000	\$ 3,474,357	\$ 793,643	\$ -	\$ 4,280,000	\$ 244,088	\$ 4,524,088
School of Medicine	\$ -	\$ -	\$ 1,210,000	\$ 7,550,000	\$ 8,760,000	-	8,760,000
<b>TOTAL</b>	<b>\$ 12,000</b>	<b>\$ 3,474,357</b>	<b>\$ 2,003,643</b>	<b>\$ 7,550,000</b>	<b>\$13,040,000</b>	<b>\$ 244,088</b>	<b>\$13,284,088</b>

#### **ARTS & SCIENCES: \$4,280,000 allocation for 2019-2020, plus \$244,088 anticipated carryforward of remaining 2018-2019 funds**

The January 31, 2018 market value of the Pratt Bequest for the College of Arts & Sciences is \$84.7 million. The \$4,280,000 request from Arts & Sciences detailed below represents the regular endowment distribution on this amount.

*Biology* – The 2019-2020 Pratt fund allocation for Biology is \$250,000. The department proposes to allocate \$170,000 of new funds plus a carry-forward balance of \$6,344 for a total of \$176,344 in FY 2020 for fellowships for outstanding graduate students in Biology. The department proposes to allocate \$80,000 of new funds to augment the salaries of the Director and Associate Director of the Mountain Lake Biological Station (MLBS). The University has made and continues to make significant investments in the instructional and research capacity of this Appalachian mountain field research and teaching facility which provides summer session courses and a summer Research Experiences for Undergraduates (REU) program and hosts researchers from around the world every summer. MLBS serves as the central research facility for A&S faculty in ecology, evolution and conservation biology. MLBS has a very strong education function, training both graduate and undergraduate students in population and evolutionary biology, and hosting workshops in the arts and creative writing.

*Chemistry* – The 2019-2020 Pratt fund allocation for Chemistry is \$400,000. The department proposes to allocate \$353,607 of the FY 2020 allocation for support of outstanding graduate students. In addition, \$40,232 of the anticipated FY 2019 year-end

balance will also be applied to graduate support in FY 2020. Pratt funds are critical in providing competitive support to a highly recruited group of first-year graduate students. Furthermore, the department's ability to recruit and retain new faculty depends in large part upon its ability to ensure these new faculty a pool of supported graduate students to join their research programs. The department is committed to deploying built up balances in its Pratt accounts in support of a multi-year effort to include funded graduate students in the start-up packages of new hires. The department proposes to spend \$46,393 in new funds, plus a carry-forward balance of \$6,071 to provide summer wages to faculty holding key departmental administrative positions (DUP, DDI, DGS). The department also proposes to spend \$407 in carry-forward balance for equipment.

*Mathematics* – The 2019-2020 Pratt fund allocation for the Math Department is \$150,000. The Department of Mathematics proposes to allocate \$111,709 of new funds in FY 2020 in partial support of the salaries of 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 will support 40% of the academic year compensation of four Whyburn fellows in FY 2020. The department proposes to allocate \$20,000 in faculty summer wages for faculty members who serve as mentors for undergraduate students participating in the department's summer research program and for the associate chair. The department proposes to spend a total of \$25,000, including \$6,291 of new funds plus \$18,709 carry-forward balance, 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 also proposes to spend a total of \$12,000 in support of computer upgrades and related costs to facilitate the continuation of faculty research programs.

*Physics* – The 2019-2020 Pratt fund allocation for Physics is \$250,000. The department proposes to allocate a total of \$152,036 for fellowship packages. Pratt funds are a critical component of competitive fellowship packages used to attract and retain highly qualified PhD candidates to the graduate program in Physics. The fellowship packages help to provide a level of support that enables first year graduate students to participate in research groups prior to selecting a research advisor. This support is simultaneously beneficial to new faculty in developing their research programs. The department proposes to allocate a total of \$113,339, including \$97,964 of new funds for a Research Assistant Professor for the Polarized Nuclear Target group and \$15,375 carry-forward balance on summer wages for a faculty member and for a month of summer wages for the associate chair. The department will continue to draw down uncommitted reserves in the Pratt Equipment account to fund critical equipment needs, both for instruction and research, as components of start-up packages for new faculty, as cost-share on sponsored grants, and through other forms of research support to the department. The projected June 30, 2019 year-end balance of \$156,950 will be used for this purpose.

*New Faculty Start-up Fund* – A total of \$3,230,000 is requested by the College to use as components of start-up packages associated with new hires. The funds transferred to the Arts and Sciences Pratt Faculty Support account will supplement the salaries of 40 faculty

members in Biology, Chemistry, Mathematics and Physics who have been hired since FY 2010. These include the inaugural Ivy-Pratt Professor in Morphogenesis in Biology, David Parichy. His research areas build upon demonstrated strength within the department, including cell and developmental biology and neurobiology. This chair was created with \$1,500,000 of A&S Pratt Funds. Since arrival at UVA in August 2017, Parichy has secured 5 grants, total value more than \$2,000,000. Four new faculty have joined these departments in the current academic year. In conjunction with the SOM and SEAS, the College continues to pursue a Provost Cluster Hire program in the strategic area of neuroscience. The latest recruit, John Campbell, joined the department of Biology as an Assistant Professor. He comes to UVA with a prestigious American Diabetes Association Pathway award. His research in molecular neurobiology studies the complex interconnected neural processes behind appetite, digestion and metabolism. Amanda Gibson is another new hire in Biology. Her field is evolutionary biology and she studies how the evolutionary process can lead to developing defenses against infectious disease. She has received several awards for outstanding work by an early career evolutionary biologist. Two new faculty members joined Physics this academic year. Dmytro Pesin is an associate professor whose research focuses on quantum systems and condensed matter. Peter Schauss is an assistant professor in experimental quantum systems. He has perfected techniques for manipulating quantum many-body systems using ultracold atoms in an optical lattice.

#### **SCHOOL OF MEDICINE: \$8,760,000 allocation for 2019-2020**

The January 31, 2019 market value of the Pratt Bequest for the School of Medicine is \$45.4 million. The \$8,760,000 request from the School of Medicine detailed below represents the regular allocation of \$1,300,000 and a special distribution of \$7,460,000 to support graduate programs and central research efforts.

*Support and Training of Student Researchers - \$1,210,000* - 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. For the 2019-2020 fiscal year, the School of Medicine proposes to use \$210,000 of its Pratt funds allocation to support graduate research assistants. These individuals are critical in enhancing the quality of research in the PhD and MD/PhD 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.

Additionally, the School of Medicine would like to utilize \$1.0 million to support its MD/PhD students enrolled in medical school. The MD/PhD program at UVA is nationally known and extremely selective with fewer than ten students enrolled annually. For each student enrolled, all tuition and fees during the medical student years and research years are funded institutionally or through grants. By leveraging the Pratt bequest for medical student scholarships, the School is able to continue funding this high-profile program.

*Core Facility Support - \$2,870,000* – Research core facilities – including, but not limited to: the Advanced Microscopy Facility, Biomolecular Analysis Facility, Genetically Engineered

Murine Model Core, Flow Cytometry Core, Biorepository, Biomolecular Magnetic Resonance facility, Molecular Imaging Core, and the Radiochemistry 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; and, after development costs and other expenses, the core facilities average a cost recovery of 79%, with differential funded by Pratt allocations.

For the 2019-2020 fiscal year, the School of Medicine proposes to use \$2,870,000 of its Pratt funds allocation to support its research cores. These resources provide a competitive advantage to acquiring emerging technologies and 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 program.

*Center for Comparative Medicine - \$180,000* - The Center for Comparative Medicine has the mission of supporting biomedical research and teaching that utilizes laboratory animals, following policies set by the University's Institutional Animal Care and Use Committee to ensure that federal regulations and guidelines are followed on the humane care and use of laboratory animals. As the primary user of laboratory animals at UVA, the School of Medicine relies heavily on the husbandry and veterinary services from the CCM to ensure research and teaching involving animals are performed in an appropriate manner. For the 2019-2020 fiscal year, the School of Medicine proposes to use \$180,000 of its Pratt funds allocation to support its share of administrative costs for the Center for Comparative Medicine.

*Institutional Review Board-Health Sciences Research - \$2,000,000*- The IRB-HSR is responsible for reviewing all health sciences research at UVA that involves human subjects, ensuring compliance with federal regulations. The primary role of the IRB is to protect the safety and welfare of human subjects. For Clinical Trials and other research studies, the School of Medicine is the primary customer of services by the IRB-HSR to ensure compliance. For the 2019-2020 fiscal year, the School of Medicine proposes to use \$2,000,000 of its Pratt funds allocation to support its share of operational costs for the Institutional Review Board-Health Sciences Research.

*Translational Health Research Institute of Virginia (THRIV) - \$2,500,000* - The THRIV program seeks to build connections for researchers across Grounds in Charlottesville, and with partners across the state of Virginia to stimulate new research relationships, streamline and standardize research processes, and enhance discovery and innovation. THRIV supports training and development for the research workforce, including faculty researchers, staff, clinicians, and community engaged partners. For the 2019-2020 fiscal year, the School of Medicine proposes to use up to \$2,500,000 of its Pratt funds allocation to support the programmatic costs of this research initiative. Total funds used from Pratt for this initiative may be less, dependent on other funding sources identified during the year.