



THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA

January 17, 2017

The Board of Visitors of the University of Virginia met, in open session, at 4:10 p.m. on Tuesday, January 17, 2017, in the Board Room of the Rotunda. William H. Goodwin Jr., Rector, presided.

Present: Frank M. Conner III, Elizabeth M. Cranwell, Thomas A. DePasquale, Barbara J. Fried, James B. Murray Jr., Nina J. Solenski, M.D., and Phoebe A. Willis.

Participating by telephone: Mr. Bowles participated from McGuireWoods Consulting LLC, Gateway Plaza, 800 East Canal Street, Richmond VA 23219. Mr. Clement participated from Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond VA 23219. Mr. Genovese participated from 4931 Bonita Bay Boulevard, Unit 1003, Bonita Springs FL 34134. Dr. Lateef participated from 9161 Liberia Avenue, Suite 405, Manassas VA 20110. Ms. Murphy participated from 21 East Front Street - Suite 700, Red Bank NJ 07701. Mr. Reyes participated from Reyes Holdings LLC, 3500 Fort Lincoln Drive NE, Washington DC 20018. In addition, Mr. Griffin, Mr. Fay, and Mr. Walker were unable to attend the meeting for personal reasons: all three were in the midst of traveling and could not change their plans in sufficient time to attend in person. Rector Goodwin approved their participation pursuant to University policy, which is authorized by section 2.2-3708.1 of the Code of Virginia. Mr. Griffin participated from Melbourne, Australia; Mr. Fay from Islamorada, Florida; and Mr. Walker from San Francisco, California.

Absent: L.D. Britt, M.D. and John G. Macfarlane III.

Also present were Teresa A. Sullivan, Patrick D. Hogan, Thomas C. Katsouleas, Richard P. Shannon, M.D., Melody S. Bianchetto, Susan G. Harris, W. Thomas Leback, Megan K. Lowe, David W. Martel, Debra D. Rinker, Nancy A. Rivers, Roscoe C. Roberts, Colette Sheehy, and Farnaz F. Thompson.

Following a roll call conducted by the Secretary to the Board to determine that everyone participating was present, the Rector opened the meeting and explained the first item on the agenda, a resolution to exempt the Rector on a temporary basis from federal security clearance requirements. Upon motion duly made and seconded, the Board

approved unanimously the following resolution by roll call vote of all members present and on the telephone.

TEMPORARY EXCLUSION OF RECTOR — JANUARY 2016

WHEREAS, current Department of Defense Regulations contain a provision making it mandatory that the Chair of the Board, a Senior Management Official, and a Facility Security Officer meet the requirements for eligibility for access to classified information established for a contractor facility security clearance; and

WHEREAS, the Senior Management Official and Facility Security Officer at the present time do possess the required eligibility for access to classified information and the process to obtain the requisite Personnel Security Clearance for the Rector, as Chair of the Board, has been initiated and is in process;

WHEREAS, the Defense Security Service now requires that the Rector be excluded from access to classified information until the Rector's application for clearance is fully processed; and

WHEREAS, none of the classified contracts now in place at the University require that the Rector have access to classified information;

RESOLVED, that until such time as the Defense Security Service grants the Rector's Personnel Security Clearance, the Rector, as Chair of the Board, shall not require, shall not have, and can be effectively and formally excluded from access to all CLASSIFIED information disclosed to the University and shall not affect adversely Board and University policies or practices in the performance of classified contracts for the Department of Defense or the Government contracting activities (User Agencies) of the National Industrial Security Program.

Mr. Goodwin explained the second agenda item, which is a proposal to increase the total number of in-state undergraduate students by 100, and to use Strategic Investment Fund (SIF) monies to lessen the tuition burden of in-state students with annual family incomes of less than \$125,000 through the Cornerstone Grant program. Mr. Goodwin said the proposed resolution allows a re-evaluation of the program structure and funding sources on a yearly basis; however, the Cornerstone Grant program is intended to be ongoing in order to help middle-income families in Virginia.

Mr. Goodwin asked for comments from members of the Board and many members expressed their views. Mr. Murray pointed out that with this program, the Board will have authorized using about one-third of available SIF funds for access and affordability initiatives, and therefore there is approximately \$70 million for the SIF initiatives that fall into the other three categories: research, academic excellence, and research infrastructure. He said the Board is spending every penny it can for access and affordability. Ms. Sullivan said the numbers in the resolution are rough estimates of the

cost of the program; the University does not gather income information for students who do not apply for financial aid. Following a discussion about future funding of the grant program through private gifts as well as other sources, Mr. Griffin assured the members that there is a great deal of donor interest in this program and it will not cannibalize other giving.

On motion duly made and seconded, the members of the Board who were present and those participating by telephone approved the following resolution unanimously by roll call vote.

CORNERSTONE GRANT AND ENROLLMENT OF 100 ADDITIONAL VIRGINIANS IN 2017-2018:

WHEREAS, the Board of Visitors created the Strategic Investment Fund on February 19, 2016 to fund investments that support the vision and aspirations of the highest levels of excellence in the University's academic, research, and healthcare missions and have the potential to transform research, research infrastructure, the academic experience, and access and affordability for Virginians; and

WHEREAS, the University of Virginia is committed to enhance access and affordability for in-state families; and

WHEREAS, with respect to access and affordability, the Board of Visitors has been assessing the various financial aid and merit scholarship programs available at the University, in particular AccessUVA, as well as various proposals to further improve access and affordability for middle-income Virginians; and

WHEREAS, at its December meeting the Board of Visitors established a permanent endowment to fund the Bicentennial Scholars program, providing need- and merit-based financial aid for University (including UVA Wise) students, funded by up to \$100 million from the investment earnings of the Strategic Investment Fund over a five-year period, and \$200 million of philanthropic gifts;

RESOLVED, the Board of Visitors authorizes the investment estimated at \$13.5 million in Strategic Investment Fund earnings over three years to establish the Cornerstone Grant, beginning in Academic Year 2017-18. To be eligible to receive a Cornerstone Grant, a qualifying student requesting such grant must satisfy certain criteria to be developed by the University and approved by the Rector and Vice Rector, including having annual family income from all sources of less than \$125,000. In Fall 2017, qualifying first-year and second-year Virginians will be eligible to receive a \$2,000 Cornerstone Grant. Qualifying third-year students will be eligible to receive a \$1,000 grant. In future years, qualifying new and continuing in-state students will be eligible for the new grant; and

RESOLVED FURTHER, the Board of Visitors authorizes the investment of \$1.5 million over three years to support the enrollment of an additional 100 Virginians in the

2017-18 academic year, at least half of whom will be first-year students with an admission preference to applicants to the School of Architecture and the School of Engineering and Applied Science; and

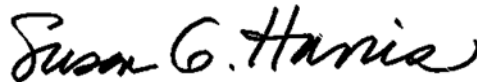
RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer will develop annual estimates for Fiscal Years 2018-19 and 2019-20, based on the previous year's experience, for the Board's review and approval which will reflect anticipated actual funding requirements from the earnings of the Strategic Investment Fund for those years; and

RESOLVED FURTHER, the Board of Visitors authorizes the Executive Vice President and Chief Operating Officer to use an estimated \$15.0 million in earnings on the Strategic Investment Fund over three years to support the aforementioned proposals for 1) the Cornerstone Grant and 2) increased enrollment of Virginians; and

RESOLVED FURTHER, after the initial three years, the funding to sustain the Cornerstone Grant program and the enrollment of 100 additional Virginians will be incorporated into the annual operating budget, to be funded by a combination of operational savings, private philanthropy, and/or other private revenue sources.

On motion, the Rector adjourned the meeting at 4:40 p.m.

Respectfully submitted,



Susan G. Harris
Secretary

SGH:ddr

These minutes have been posted to the University of Virginia's Board of Visitors website.
<http://www.virginia.edu/bov/publicminutes.html>