

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS**

**Meeting of the
Finance Committee**

March 1, 2024

FINANCE COMMITTEE

**Friday, March 1, 2024
8:30 a.m. – 9:45 a.m.
Board Room, The Rotunda**

Committee Members:

Robert M. Blue, Chair
James B. Murray Jr., Vice Chair
Carlos M. Brown
Thomas A. DePasquale
Paul B. Manning

John L. Nau III
Rachel W. Sheridan
Douglas D. Wetmore
Robert D. Hardie, Ex-officio

AGENDA

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

I. THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE CENTER FOR TEACHING

EXCELLENCE TUITION REDUCTION: The College at Wise wishes to reduce its Center for Teaching Excellence 2024-25 and 2025-26 academic year cost per credit hour for the K-12 Educators licensure and recertification.

The Board of Visitors sets undergraduate, graduate, professional, and special program tuition and fees for the Academic Division and for The University of Virginia's College at Wise (the College at Wise). The College at Wise Center for Teaching Excellence provides undergraduate-level courses that meet the needs of teachers with 1) a provisional teaching license who are seeking full licensure as well as those with 2) full teaching licenses seeking recertification. The College at Wise presented tuition and fee rates for two academic years for undergraduate tuition and fees to the College at Wise Board in November 2023, and the Board of Visitors in December 2023.

In the interest of affordability and program competitiveness, the College at Wise recommends reducing the cost of the Center for Teaching Excellence's licensure courses to \$199 per credit hour and its recertification courses to \$116 per credit hour. This recommendation allows the Center to remain competitive with local and regional providers who have created similar programs, as well as online programs such as iTeach who are working to penetrate the Virginia market. The College at Wise Board approved this reduction at its February 2 meeting.

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

**THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE CENTER FOR TEACHING
EXCELLENCE TUITION**

WHEREAS, the Board of Visitors sets undergraduate, graduate, professional, and special program tuition and fees for the Academic Division and for The University of Virginia's College at Wise; and

WHEREAS, the Board of Visitors seeks to keep tuition and fee rates at an affordable level while continuing to meet 100% of financial need, and to offer affordable programming to teachers across the Commonwealth; and

WHEREAS, the College at Wise desires to reduce the cost per credit hour for the licensure and recertification courses in the Center for Teaching Excellence, in order to remain competitive with local, regional, and online providers with similar programs;

RESOLVED, rates for the College at Wise cost per credit hour for K-12 educators Licensure and Recertification are approved as shown below, effective July 1, 2024, and July 1, 2025.

UVA Wise Center for Teaching Excellence Tuition Rate (Undergraduate, In-State & Out-of-State)	2023-2024 Approved	2024-2026 Proposed	Change	Percent Change
K-12 Educators, Licensure (per credit hour)	\$224	\$199	\$-25	-12.6%
K-12 Educators, Recertification (per credit hour)	\$133	\$116	\$-17	-14.7%

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

BOARD MEETING: March 1, 2024

COMMITTEE: Finance

AGENDA ITEM: I.A. Major Capital Projects Financial Plans

BACKGROUND: The revised multi-year major capital plan is presented annually to the Board of Visitors for review in March and approval in June. The Buildings and Grounds Committee determines whether a project should be added to the Major Capital Plan, and the Finance Committee evaluates whether there is a sound financing plan to pay for the estimated project cost and additional operating costs expected once a project is complete.

DISCUSSION:

(1) Institute of Biotechnology: To advance UVA's longstanding reputation for conducting quality, fundamental biomedical research and its earned national and international acclaim for innovations in cancer, cardiovascular disease, infectious disease, bioengineering, and neurosciences, the University has established the Institute of Biotechnology, a state-of-the-art and first-of-its-kind translational research program in the Commonwealth that will create an environment that inspires, supports, accelerates, and promotes cutting-edge and out-of-the box discoveries and translates these from the research laboratory to clinical care. The ultimate outcome is to ensure that no Virginian needs to leave the Commonwealth to obtain high-quality health care.

The Institute of Biotechnology building, located at the Fontaine Research Park, will be a highly efficient, state-of-the-art facility that will provide modern, flexible laboratory space to accommodate a wide range of disciplines. The five-story, 350,000 GSF facility will include research laboratory space, expanded animal research facilities, core facilities, and a cGMP/viral vector facility for researchers and partnering biotechnology companies. In addition, the facility will provide amenities for the Fontaine Research Park including a café and conference center. The building will encourage impactful collaboration among researchers within the park and across Grounds. The estimated total project budget is \$350M and will be funded by private philanthropy (\$100M) and debt (\$250M). Debt will be repaid from a combination of Commonwealth funds, use of the Strategic Investment Fund (SIF), operating funds from the University Fund, and potential additional sources including, but not limited to, philanthropic gifts and future financial and administrative (F&A) costs.

(2) Hereford Residential College HVAC Upgrade: The proposed project will upgrade the existing HVAC in the Hereford Residential College from a two-pipe to four-pipe system, as well as replace the existing fan coil units which have been discontinued and are difficult to maintain. Aligned with the 2030 Plan, this project will enhance the student experience by

improving the quality of residential living, allowing residents the ability to control their desired comfort levels by switching between heating and cooling in their rooms and addressing humidification issues in the facilities. In addition, the project will increase overall building efficiency and extend the useful life of these facilities. The estimated total project budget is \$11.4M and will be funded by housing cash reserves.

(3) UVA Hospital South Tower Fit-Out: This project will fit-out three shell floors of the UVA Hospital South Tower (floors 6, 7, and 8). Once complete, the three floors will provide additional beds to accommodate increased demand for acute oncology services, a neonatal intensive care unit (NICU), and an adult intensive care unit (ICU). The estimated total project budget is \$120M and will be funded by Medical Center operating cash (\$55.1M) and Medical Center strategic funds (\$64.9M).

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

MAJOR CAPITAL PROJECT FINANCIAL PLANS

WHEREAS, the financing plan for the Institute of Biotechnology calls for the use of gifts in the amount of \$100.0M and debt in the amount of \$250.0M; and

WHEREAS, the financing plan for the Hereford Residential College HVAC Upgrade calls for the use of housing cash reserves in the amount of \$11.4M; and

WHEREAS, the financing plan for the UVA Hospital South Tower Fit-Out calls for the use of Medical Center operating cash in the amount of \$55.1M and strategic funds in the amount of \$64.9M.

RESOLVED, the Board of Visitors approves the financial plans for the Institute of Biotechnology, the Hereford Residential College HVAC Upgrade, and the UVA Hospital South Tower Fit-out.

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

BOARD MEETING: March 1, 2024

COMMITTEE: Finance

AGENDA ITEM: I.B. Signatory Authority for Academic Division Contracts

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

DISCUSSION: The University seeks approval to allow the Academic Division to award contracts to firms associated with the following requests for proposals (RFPs), whose contracts for goods and/or services annual spend are expected to exceed \$5M per year:

- Awardee(s) associated with the RFP for the provision of custodial services for a portion of the University's buildings; and
- Awardee(s) associated with the RFP for the provision of technology solutions, including, but not limited to, desktops, laptops, tablets, peripherals, high-performance computing, and related services sourced from original equipment manufacturers.

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

**SIGNATORY AUTHORITY FOR CONTRACTS FOR BUILDING MAINTENANCE AND
WITH QUALIFIED ORIGINAL EQUIPMENT MANUFACTURERS OF COMPUTING
TECHNOLOGY AND SERVICES**

RESOLVED, the Board of Visitors authorizes the Executive Vice President and Chief Operating Officer to execute the contracts with awardee(s) associated with 1) the RFP for the provision of custodial services for a portion of the University's buildings, and 2) the RFP for the provision of technology solutions, including but not limited to desktops, laptops, tablets, peripherals, high-performance computing, and related services sourced from original equipment manufacturers.

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

BOARD MEETING: March 1, 2024

COMMITTEE: Finance

AGENDA ITEM: I.C. Signatory Authority for Medical Center Contracts

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

DISCUSSION: The University seeks approval from the Board of Visitors to allow the Medical Center to contract with the following companies, whose contracts for services annual spend exceed \$5M per year:

- Cardinal Health 105, LLC, for CAR T-cell therapies
- Health Carousel, LLC d/b/a Passport USA for international staffing

The expense for goods and services purchased through these contracts are 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

SIGNATORY AUTHORITY FOR MEDICAL CENTER CONTRACTS WITH CARDINAL HEALTH 105, LLC AND HEALTH CAROUSEL, LLC D/B/A PASSPORT USA

RESOLVED, the Board of Visitors authorizes the Executive Vice President and Chief Operating Officer to execute the contracts on behalf of the Medical Center with Cardinal Health 105, LLC for CAR T-cell therapies, and Health Carousel, LLC d/b/a Passport USA for international staffing.

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

BOARD MEETING: March 1, 2024

COMMITTEE: Finance

AGENDA ITEM: II.A. 2024 General Assembly Report

ACTION REQUIRED: None

BACKGROUND: The 2024 Session of the Virginia General Assembly convened on Wednesday, January 10, 2025, and is scheduled to complete action on all legislation, including the 2024-2026 biennial budget, on Saturday, March 9, 2024. This report will provide the status of key legislation, including items of interest to the University, the Medical Center, and the College at Wise included in the 2024–2026 biennial budget.

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

BOARD MEETING: March 1, 2024

COMMITTEE: Finance

AGENDA ITEM: II.B. Endowment Report: Market Value and Performance as of December 31, 2023

ACTION REQUIRED: None

BACKGROUND: The University of Virginia Investment Management Company (UVIMCO) provides investment management services to the Rector and Visitors of the University of Virginia and its related foundations. Assets deposited in UVIMCO are held in the custody and control of UVIMCO on behalf of the University and Foundations within a long-term, co- mingled investment pool.

UVIMCO's primary objective in managing the investment pool is to maximize long-term real return commensurate with the risk tolerance of the University. To achieve this objective, UVIMCO actively manages the investment pool to achieve returns that consistently exceed the returns on a passively managed benchmark with similar asset allocation and risk. Recognizing that the University must attract outstanding students, faculty, and staff and provide them appropriate resources, UVIMCO attempts to manage pool assets to provide long-term real returns that compare favorably with the returns of endowments of other outstanding schools. UVIMCO does not set spending rates; UVIMCO communicates the investment pool's risk and return estimates to the University and foundations for their consideration in setting spending rates.

DISCUSSION: UVIMCO's chief executive officer, Mr. Robert Durden, will provide an overview of the current market environment and the asset allocation, performance, and liquidity position of the Long-Term Pool as of December 31, 2023, and address questions from the committee.

**UNIVERSITY OF VIRGINIA
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BOARD MEETING: March 1, 2024

COMMITTEE: Finance

AGENDA ITEM: II.C. Executive Vice President's Remarks

ACTION REQUIRED: None

BACKGROUND: The Executive Vice President and Chief Operating Officer will inform the committee members of recent events that do not require formal action, but of which they should be made aware.