



THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA

November 17, 2023

MEMORANDUM

TO: The Finance Committee:

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

and

The Remaining Members of the Board:

Mark T. Bowles
Elizabeth M. Cranwell
U. Bertram Ellis Jr.
The Honorable Paul C. Harris
Babur B. Lateef, M.D.

Stephen P. Long, M.D.
The Honorable L.F. Payne
Amanda L. Pillion
Patricia A. Jennings, Faculty Member
Lillian A. Rojas, Student Member

FROM: Susan G. Harris

SUBJECT: Minutes of the Meeting of the Finance Committee on November 17, 2023

The Finance Committee of the Board of Visitors of the University of Virginia met, in open session, by electronic means at 11:02 a.m. on Friday, November 17, 2023. Robert M. Blue, Chair, presided.

Committee Members present: Robert D. Hardie, Thomas A. DePasquale, Paul B. Manning, James B. Murray Jr., John L. Nau III, Rachel W. Sheridan, and Douglas D. Wetmore.

Committee Members absent: Carlos M. Brown

U. Bertram Ellis Jr., The Honorable Paul C. Harris, The Honorable L.F. Payne, Amanda L. Pillion, Patricia A. Jennings, and Lillian A. Rojas also attended.

Present as well were Ian B. Baucom, Jennifer Wagner Davis, Stephen Farmer, Susan G. Harris, Donna P. Henry, Joseph Kiser, Augie Maurelli, and Colette Sheehy.

Educational Workshop

Chairman Blue welcomed everyone and said the board members were here today to listen to feedback from the public on proposed tuition and fee ranges for UVA and the College at Wise. He provided some information around the tuition and fee proposals that were posted for public review. He said the Board is grateful for any feedback as they deliberate before determining a tuition and fee schedule at the December 7-8, 2023, Board meeting.

Chairman Blue called on Chief Operating Officer Jennifer W. Davis, who explained UVA's value proposition. She provided some context around state support, the budget setting process, and the undergraduate tuition and fee proposals for 2024-2026. The proposal is a tuition and fee increase each year between 3% and 4.4% for undergraduate students. She said they have examined all available funding sources, and they have been able to meet spending needs in FY24, including funding an average 5% merit pool for faculty and staff in the Academic Division followed by another 2% mid-year merit pool as approved by the Commonwealth, partially with one-time, nonrecurring funding. A tuition increase is needed for FY25 to allow the University to sustain those increases, as well as further compensation increases for faculty, staff, and students, including minimum wage increases. In addition, the University is facing increased competition to retain faculty and staff in the current inflationary environment. The University is committed to continuing to meet full demonstrated need as well as hardship funding for students. The long-range planning assumption is an annual increase of inflation (HEPI) + 1%, and the latest HEPI forecast was 4.4%.

Chancellor Henry spoke about the College at Wise, which is proposing 0-3% increases in both 2024-2025 and 2025-2026. She said Wise has experienced enrollment growth which provides additional tuition revenue. They have also received additional affordable access funding from the Commonwealth in the recently approved budget. Wise is in a good position to support this proposal. Housing rates are proposed to increase 1-3% in 2024-2025. With increased occupancy, there are still inflationary factors that require a small increase. Dining rates are proposed to increase 6-7% in 2024-2025. Due to the rising costs of food and labor, the increase is equivalent to CPI for Food Away from Home August 2023.

Public Comment

Chairman Blue then turned to the public comment session. One student enrolled to speak at the meeting, Nate Welz, a third-year student from the Batten School. Here are the verbatim comments from Nate Welz:

My name is Nate Welz and I am a third-year undergraduate studying in the Batten School. Thank you for giving me the opportunity to share my views with you today. I am here to discuss the proposed tuition increases for the academic years 2024-2025 and 2025-2026 at the University of Virginia.

As a student speaker, I hope my views are considered in this important decision. For some context going forward, I would like to share that I am an in-state student. I have an older brother currently enrolled at the Ohio State University. When he was deciding between attending OSU and UVA, OSU was substantially cheaper, as all out-of-state students at OSU who were in the top 20% of their graduating class and scored over a 1300 SAT automatically received a merit-based scholarship. I would like to note that most UVA students fall within this range. This compels me to

advocate for a cautious approach to the proposed tuition hikes. I believe that even higher tuition will cost UVA to lose out on well-qualified, in-state students.

At the end of the day, we are a public university. It is crucial to consider the impact on students and their families, especially if this raise in tuition discourages Virginians from attending UVA. Around Grounds, we often hear how UVA stacks up against some of the nation's premier institutions. I don't mean to dismiss this, but I think we need to contextualize UVA with other schools in Virginia and other public state schools around the country. In this context, UVA is incredibly expensive. According to US News & World Reports, UVA has the 3rd highest tuition of any public college or university in the country.

The proposed range of 3.0% to the current Higher Education Price Index (HEPI) of 4.4% for each academic year is substantial.

I urge the Board of Visitors to consider a more modest increase – as close to the 3% number as possible, instead of the proposed 4.4%. We need to strike a balance between meeting the university's financial needs and ensuring accessibility and affordability for students – the 3% option does that much better than a 4.4% raise in tuition.

In conclusion, I believe a 3% raise, instead of 4.4%, strikes a more reasonable balance between meeting the university's financial needs and ensuring students can access the education they deserve. Again, I would like to reiterate that UVA is a public, state institution. In my opinion, UVA needs to consider how this hike in tuition will change its attractiveness to college applicants in Virginia. Thank you for your time and consideration.

There being no further questions or comments, Chairman Blue adjourned the meeting at 12:30 p.m.

SGH:ddr

These minutes have been posted to the University of Virginia's Board of Visitors website: <http://bov.virginia.edu/committees/205>