

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS**

**Meeting of the  
Finance Committee**

**June 6, 2025**

## **FINANCE COMMITTEE**

**Friday, June 6, 2025  
8:30 a.m. – 10:00 a.m.  
Board Room, The Rotunda**

### **Committee Members:**

Robert M. Blue, Chair	
Rachel W. Sheridan, Vice Chair	John L. Nau III
Carlos M. Brown	David F. Webb
The Honorable Paul C. Harris	Douglas D. Wetmore
Paul B. Manning	Robert D. Hardie, Ex-officio

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

**BOARD MEETING:** June 6, 2025

**COMMITTEE:** Finance

**AGENDA ITEM:** I.A. FY2025-2026 Operating Budget

**BACKGROUND:** In prior meetings, the Board of Visitors received reports regarding the budget assumptions and General Assembly updates for the formulation of the FY2025-2026 operating budget. In its meetings on December 8, 2023 and December 6, 2024, the Board of Visitors approved tuition and mandatory fees as well as housing and dining rates for FY2025-2026.

At its annual June meeting, the Board of Visitors considers the proposed operating budgets for the Academic Division, The University of Virginia's College at Wise (College at Wise), and the Medical Center.

**DISCUSSION:** The University proposes a \$6.5B operating budget for all three divisions. The budgets for the Academic Division, Medical Center, and the College at Wise are summarized in the following tables.

**Academic Division**

Available sources for the FY2025-2026 budget reflect recommended state appropriations, sponsored research activity, Board-approved tuition and fee increases, market growth in the endowment, and philanthropic success. The operating budget incorporates increased uses associated with research activity, auxiliary operations, salary increases (an average 3% merit pool for faculty and staff), financial aid, and general expenses. In addition, the operating budget reflects a one-time credit for in-state undergraduate tuition, equivalent to the 3% increase in undergraduate tuition adopted previously by the Board of Visitors in December of 2023 for FY2025-2026. Overall, the FY2025-2026 Academic Division operating expenditure budget is proposed at \$2.5B, a 5.0% increase over the prior year. The 5.0% increase is attributable to mandatory costs associated with compensation, other employment costs, contractual obligations, inflationary expenses, and new facilities coming online in this fiscal year. To achieve a balanced budget, central units were required to implement base budget cuts and forego most new budget requests; we also are continuing our work to implement pan-University efficiency and effectiveness initiatives.

The proposed budget incorporates the planned expenditure of distributions from the John Lee Pratt Fund. The Pratt distributions will 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 in accordance with the underlying gift agreement.

<i>Sources/Uses</i>	<b>2024-25 Approved</b>	<b>2025-26 Proposed</b>	<b>Change (FY25 to FY26)</b>
<b><u>Sources</u></b>			
Net Tuition and Fees	\$827.7	\$860.5	\$32.8
State Appropriations	282.0	294.4	12.4
Externally Sponsored Research	529.8	545.7	15.9
Endowment Distribution/Admin Fee	320.4	336.7	16.3
Expendable Gifts	225.9	257.0	31.1
Sales, Services, Interest, and Other	223.4	228.2	4.8
<b>Total Operating Sources*</b>	<b>\$2,409.2</b>	<b>\$2,522.4</b>	<b>\$113.2</b>
<b><u>Uses</u></b>			
Faculty and Staff Salaries	\$1,634.7	\$1,719.5	\$84.7
Internal Recoveries	(447.2)	(476.2)	(29.0)
Non-Personnel Expenses	979.1	1,024.4	45.3
Financial Aid	257.3	273.6	16.3
Debt Service, Transfers, Other	(21.1)	(19.0)	2.1
<b>Total Operating Uses*</b>	<b>\$2,402.9</b>	<b>\$2,522.2</b>	<b>\$119.3</b>

*\*Totals might not sum due to rounding.*

### **Medical Center**

The Health System Board will review the Medical Center FY2025-2026 operating and capital budgets, which includes UVA Community Health, at its June 5, 2025 meeting and will consider recommending approval of the \$3.8B operating budget, a 14.8% increase over the prior year, and the \$249M capital budget proposals. The significant budget growth is driven by multiple factors including but not limited to FY 2025 actuals running approximately \$200M more than budget, increases in demand for services, and corresponding rate increases in services. The largest driver of such increases, outside of labor costs, is the rise in pharmaceutical costs due to increased volumes and pricing, which is more than offset by rising pharmacy revenues. The budget also includes compensation increases in FY 2026 to meet market, including 3% merit increases, a market compensation pool associated with the new Medical Center compensation plan, and career ladder increases, especially in nursing. Some of these compensation cost increases are offset by reductions in contract labor expenses associated with travel nurses.

<i>Revenue/Expenses</i>	<b>2024-25 Approved</b>	<b>2025-26 Proposed</b>	<b>Change (FY25 to FY26)</b>
<b><u>Revenue</u></b>			
Net Patient Service Revenue	\$3,250.9	\$3,742.1	\$491.2
Other Revenue	117.4	117.9	0.5
<b>Annual Operating Revenue</b>	<b>\$3,368.3</b>	<b>\$3,860.0</b>	<b>\$491.7</b>
<b><u>Expense</u></b>			
Labor	1,520.7	1,708.0	187.3
Supplies, Utilities, and Other	1,515.8	1,791.4	275.6
Depreciation	205.3	228.6	23.3
Interest	40.9	40.7	(0.2)
<b>Annual Operating Expense</b>	<b>\$3,282.7</b>	<b>\$3,768.7</b>	<b>\$486.0</b>
<b>Annual Operating Income/(Loss) before Transfers</b>	<b>\$85.5</b>	<b>\$91.3</b>	<b>\$5.8</b>
<i>Health System Transfers</i>	<i>(56.1)</i>	<i>(63.9)</i>	<i>(7.8)</i>
<b>Annual Operating Income/(Loss) after Transfers</b>	<b>\$29.4</b>	<b>\$27.4</b>	<b>(\$2.0)</b>

**The University of Virginia's College at Wise**

The proposed FY2025-2026 operating expenditure budget for the College at Wise is \$77.7M, a 2.8% increase over the prior year, driven primarily by the 3% merit increase approved by the Commonwealth of Virginia for FY2026.

<i>Sources/Uses</i>	<b>2024-25 Approved</b>	<b>2025-26 Proposed</b>	<b>Change (FY25 to FY26)</b>
<b><u>Sources</u></b>			
Net Tuition and Fees	\$15.4	\$15.9	\$0.5
State Appropriations	37.7	38.5	0.8
Externally Sponsored Research	10.9	10.8	(0.1)
Endowment Distribution/Admin Fee	6.1	6.4	0.3
Expendable Gifts	0.5	0.6	0.1
Sales, Services, Interest, and Other	5.0	5.5	0.5
<b>Total Operating Sources</b>	<b>\$75.6</b>	<b>\$77.7</b>	<b>\$2.1</b>
<b><u>Uses</u></b>			
Faculty and Staff Salaries	\$40.2	\$41.2	\$1.0
Internal Recoveries	(0.3)	(0.3)	0.0
Non-Personnel Expenses	15.3	15.6	0.3
Financial Aid	19.3	19.5	0.2
Debt Service, Transfers, Other	1.1	1.7	0.6
<b>Total Operating Uses</b>	<b>\$75.6</b>	<b>\$77.7</b>	<b>\$2.1</b>

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

**FY2025-2026 OPERATING BUDGET FOR THE ACADEMIC DIVISION AND ONE-TIME TUITION CREDIT FOR UNIVERSITY OF VIRGINIA IN-STATE UNDERGRADUATE STUDENTS**

RESOLVED, the 2025-2026 in-state, undergraduate tuition rates are affirmed, with a one-time credit to be provided for in-state, undergraduate students. The one-time tuition credit, equivalent to the previously approved 3% tuition increase, will result in an approximately \$6.5 million revenue impact to the University's 2025-2026 operating budget and will be funded through savings resulting from cost efficiencies, as well as additional Commonwealth funding; and

RESOLVED FURTHER, the FY2025-2026 \$2.5B operating budget for the Academic Division, including allocations from the Strategic Investment Fund and the John Lee Pratt Fund, is approved as recommended by the President and the Executive Vice President and Chief Operating Officer.

**FY2025-2026 OPERATING AND CAPITAL BUDGETS FOR THE UNIVERSITY OF VIRGINIA MEDICAL CENTER AND THE UNIVERSITY OF VIRGINIA COMMUNITY HEALTH**

RESOLVED, the 2025-2026 \$3.8B operating and \$249M capital budgets for the University of Virginia Medical Center, inclusive of University of Virginia Community Health, are approved, as recommended by the President, the Interim Executive Vice President for Health Affairs, the Executive Vice President and Chief Operating Officer of the University, and the Health System Board.

**FY2025-2026 OPERATING BUDGET FOR THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE**

RESOLVED, the 2025-2026 \$77.7M operating budget for The University of Virginia's College at Wise is approved as recommended by the President and the Executive Vice President and Chief Operating Officer.

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

**BOARD MEETING:** June 6, 2025

**COMMITTEE:** Finance

**AGENDA ITEM:** I.B. Capital Project 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) Darden Faculty Office Building:** Approved by the Board in June 2024. The Darden School of Business is proposing the renovation of the Faculty Office Building (FOB) to provide much-needed spaces that foster both individual and highly collaborative faculty work, enabled by technology that are dynamic and flexible to host outside academic speakers for seminars, to meet with students and alumni, and to engage external colleagues, executives and other business and organizational leaders. Additionally, renovation is required to accommodate the faculty growth that has occurred, particularly over the past decade, which has rendered the current faculty office building unable to further accommodate the school's needs. The estimated total project budget is \$20M and will be funded with private philanthropy. It is expected that the project will comply with the Board of Visitors policy that requires 100% of the gifts to be pledged with 50% in hand prior to the start of construction.

**(2) Main Heat Plant Fuel Conversion:** Addressing a critical continuity need for the Medical Center, the Fuel Conversion Project will replace the coal heat input with natural gas and optimize the existing plant assets for the new fuel mix (gas, electricity, and oil). The scope of this project includes the demolition of the four coal silos, removal of all the material handling equipment associated with coal and ash, optimizing the existing coal boilers for operation on gas and oil, and constructing additional fuel oil storage to increase the emergency fuel capacity. The most significant issues facing the plant are the high cost, operating complexity, sourcing, and environmental impact of coal operations. While the transition off coal will reduce our carbon footprint, the primary reason for the conversion is to reduce risk to the Medical Center continuity of operations.

The outcome of this work will result in the elimination of operational risk associated with coal sourcing, delivery, and combustion; reduction in carbon and sulfur emissions; reduction of greater than \$1.5M per year in operating and fuel costs; the reduction in staff required to operate and maintain the plant; and the avoidance of the capital cost associated with replacement of the coal conveying equipment which is near the end of its useful life.



The estimated total project budget is \$38M with construction occurring over several heating seasons without interruption of steam and hot water to Grounds. Debt will be repaid from operating cost savings.

**(3) Millmont Renovation/Transportation Administrative and Bus Service Facility:**

This project renovates and upgrades 1101 Millmont Street as the administrative and maintenance hub for the department of Parking and Transportation (P&T), which includes University Transit Service (UTS). The project will support P&T and UTS to transition to a zero-emission fleet as part of the University's 2030 Sustainability Plan.

The proposed project expands, renovates, and reorganizes P&T administrative space while also making necessary mechanical, electrical and plumbing (MEP) upgrades to extend the life of the structure and improve building function as a transit maintenance hub. The estimated total project budget is \$10M and will be paid with auxiliary reserves. P&T will remain in compliance with the Board of Visitors' reserve policies.

**(4) The Park Renovation:** The Park, located on the North Grounds, serves as a recreational hub for students, faculty, staff, and the community, but current conditions pose challenges to safety, maintenance, and usability.

The project includes demolishing the abandoned and deteriorating Athletics varsity softball park. It includes construction of a new maintenance facility/yard including a maintenance building and covered storage, and it will replace and shift softball field #1 to allow for fire truck access to the northern end of the Park. This will also allow for sufficient room to safely separate maintenance access from recreational use. The project will replace the asphalt perimeter walking path and install a perimeter fence around Park property to control access and protect against vandalism. Finally, the proposal includes the installation of lighting, cameras, and emergency phones. The estimated total project budget is \$8M with debt to be serviced and operating costs to be covered by the existing student fee revenue including an assumed annual 3% increase.

**(5) Research Data Center:** This project supports the faculty's computationally intensive research with the construction of a data center with a 4MW starting capacity and expandable to 16MW maximum capacity. The research data center's primary tenant, Research Computing (RC), operates on-premises High-Performance Computing (HPC) hardware that is an important element of enabling data intensive research and in recruiting/retaining faculty in this space. Robust computing resources are increasingly identified by prospective and current faculty as critical to their research programs. The power demands of modern HPC hardware are straining the capacity of the existing UVA data centers and planned investments in HPC hardware in response to demand will outgrow available facilities in 2029. Investigation of commercial cloud and co-location options demonstrates on-premises investment to be the most cost-effective solution.

A new data center at the Fontaine Research Park will provide the infrastructure needed for UVA to keep pace with advancements in computational hardware. As Research

Computing looks to replace its aging “Rivanna” system, which is exiting warranty now and is likely to begin rapidly failing by 2028, no data center on campus can house the system. Research Computing has explored improvements to the existing University Data Center (UDC) and found a path to upgrade the facility from 1.5MW to 2.5MW, but at significant cost. Even with the upgrades the UDC is not a good fit for Research Computing workloads. Unreliable power, enterprise driven maintenance schedules, and the lack of battery backup for RC’s hardware leave RC’s infrastructure particularly vulnerable to disruption. Research Computing needs to have a location ready to install its next system by no later than Q1 CY2029. The estimated total project budget is \$72M, \$3M approved previously with Institutional Funds \$37M will be funded through debt (repayment from institutional resources) and \$32M is proposed to be paid with Strategic Fund Allocations (SIF) in FY2026 and FY2027.

**(6) School of Data Science and Entrepreneurship Building:** The School of Data Science and Entrepreneurship Building provides a home that encompasses growth for the School of Data Science, an innovative hub for entrepreneurship, and a cross-disciplinary space for research. This is a collaborative effort between the School of Data Science, the Vice President of Research, and the Provost’s Office to program and design a facility that would build on existing resources in the corridor, including the School of Data Science. The proposed 62,000 GSF building will house classrooms and labs, along with high-tech computational research spaces. These spaces will accommodate student/faculty research teams at all stages of their careers, from undergraduate and graduate students to senior faculty, in a flexible and collaborative environment. The project space will allow for the development of new technologies in flexible maker-spaces and virtual reality labs. Additionally, there is a hub for entrepreneurship to house the new Tadler Chair of Entrepreneurship and provide space for connection to entrepreneurial activities across Grounds. The estimated \$77M project budget will be funded with a \$20M gift; \$15M is proposed to be paid with Strategic Fund Allocations (SIF) from the FY 2026 allocation; and \$42M debt. Debt service will be repaid by gifts and interest earnings on the School of Data Science Unrestricted Quasi-Endowment established in 2019.

**(7) Center for the Arts:** The Center for the Arts includes a 1,200-seat academic and community performing arts venue, a museums facility that co-locates the holdings and programs of UVA’s Fralin Museum and Kluge-Ruhe Gallery, and the College and Graduate School of Arts and Sciences’ music department. Having major arts units co-located and community-facing will create an integrated and powerful University identity and user experience that will distinguish UVA from its peers. In capitalizing on shared space there are benefits in building efficiencies and opportunities for interdisciplinary collaboration. For ongoing planning and design work while unallocated state funding is addressed, we are proposing an additional \$2M for planning and design to be used from the \$50M gift funding for The Center for the Arts.

**(8) UVA Health – Mail Order & Specialty Pharmacy Expansion (North Fork):** UVA Pharmacy manages a broad range of services and facilities throughout the Health System. The scope ranges from providing pharmacy personnel and expertise to affiliated Health System partners, to full service sterile compounding facilities within the Medical Center.

The rate of change impacting pharmacy services is growing at an exponential pace. With continued growth, the Mail Order & Specialty Pharmacy serves a wide group of patients providing convenient home delivery and increased access to specialty medications not otherwise readily available. This service has grown rapidly and outstripped the current rental space at North Fork; this project will expand and outfit another existing facility at North Fork. The expansion will grow the business substantially with the use of an automation prescription filling line for mail order medications. It will also support current and future prescription backfill of pharmacy retail and clinical operations which will increase overall pharmacy efficiency, improving quality control, and providing cost effective medications for patients with a timely turnaround. The estimated total project budget is \$10.5M and will be funded by Medical Center institutional funds. The capital investment is expected to be recovered within the first full year of operation.

**(9) UVA Health – Satellite Clinical Lab at Town Center IV (North Fork):** The UVA Health System began working on a highly inclusive, strategic planning effort in the fall of 2021. The plan focused on three overarching goals, cultivating healthy communities and inclusion for all, strengthening UVA's foundation, and enabling discoveries that foster better health. The plan identified the building of a robust fully integrated academic health system as a key factor in meeting future patient care modalities and paving the way for a move away from a fee-for-service model to a value-based care model. The UVA Medical Center Clinical Laboratories serve a critical function in the continuum of patient care. Lab results play a vital role in the timely diagnosis, treatment and follow-up care of the patient population. With the growth in patient volume, and advancements in the number and complexity of clinical lab testing protocols, the existing UVA clinical lab facility assets have reached and, in some locations, exceeded their operating capacity. Moreover, the infrastructure systems in most of the clinical lab facilities are at or near the end of their useful life, and as a result need replacement and/or expansion. The Health System considers this an important infrastructure project due to space constraints at the West Complex and the current, overburdened electrical and HVAC systems making it impossible to upgrade or support advanced lab testing. Without this project the Medical Center would have to increase reliance on referral labs at additional cost and time to process tests. The estimated total project budget including planning and design is \$35M and will be funded by Medical Center institutional funds.

**(10) UVA Community Health – Gainesville Cancer Center Expansion:** The Health System proposes a three-phase expansion project as the current cancer center does not have medical oncology, only radiation oncology. The plan is to build out infusion space, clinical exam rooms, laboratory and refresh the shared lobby. Phases 1 and 2 have an estimated project cost of \$6.7M with Phase 3 (at \$5.3M) to build out a compounding pharmacy and brachytherapy room. The combined estimated project cost of \$12M will be funded by Community Health operating capital.

**(11) UVA Community Health – Gainesville Imaging Center Renovation:** The Health System proposes a renovation of the Gainesville Imaging Center for outpatient use as there is no free-standing imaging center in the market. Modalities included are MRI, CT,

Ultrasound, Dexascan and X-Ray. The estimated project cost of \$10.4M will be funded by Community Health operating capital.

**(12) College at Wise – Darden Hall Renovation:** The Darden Hall renovation will renew one of the College’s most heavily used academic facilities, updating its outmoded and overtaxed infrastructure systems as well as presenting an opportunity for the College to grow several key academic programs with the renewed learning spaces. The Education, Computer Science, and Software Engineering programs are the primary occupants of the facility, and the academic spaces as configured and equipped today are not able to provide the robust technological environment for these types of programs. Graduate level programming in the Education department needs dedicated space and programming to grow and develop. This renovation will allow the College to pursue the leading edge of these key academic offerings, which prepare graduates to fill professional gaps both in the region and throughout the Commonwealth. The planned vehicular access improvements will assist in maintaining and operating Darden Hall, as well as Zehmer Hall, Pippin-Wyllie Hall, and the Slemple Student Center. The estimated total project budget is \$38.7M funded by state appropriation.

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

#### **MAJOR CAPITAL PROJECT FINANCIAL PLANS**

WHEREAS, the financing plan for the Darden Faculty Office Building calls for the use of \$20M funded with private gifts; and

WHEREAS, the financing plan for the Main Heat Plant Fuel Conversion project calls for the use of debt in the amount of \$38M to be repaid from operating cost savings; and

WHEREAS, the financing plan for the Millmont Renovation/Transportation Administrative and Bus Service Facility calls for the use of \$10M of Department of Parking and Transportation funds; and

WHEREAS, the financing plan for the Park Renovation calls for the use of debt of \$8M to be serviced by the existing student fee revenue including an assumed annual 3% increase; and

WHEREAS, the financing plan for the Research Data Center calls for the use of \$72M, of which \$3M approved previously with Institutional Funds; \$37M will be funded through debt (repayment from institutional resources); and \$32M is proposed to be paid with Strategic Fund Allocations (SIF) in FY2026 and FY2027; and

WHEREAS, the financing plan for the School of Data Science and Entrepreneurship Building calls for the use of \$77M with a \$20M gift; \$15M is proposed to be paid with Strategic Fund Allocations (SIF); and \$42M debt. Debt service will be repaid by gifts and

interest earnings on the School of Data Science Unrestricted Quasi-Endowment established in 2019; and

WHEREAS, the financing plan for ongoing planning and design work for the Center for the Arts is an additional \$2M to be paid from the existing \$50M gift; and

WHEREAS, the financing plan for the UVA Health: Mail Order & Specialty Pharmacy Expansion calls for the use of Medical Center institutional funds in the amount of \$10.5M; and

WHEREAS, the financing plan for the UVA Health Satellite Clinical Lab at Town Center IV calls for the use of Medical Center institutional funds in the amount of \$35M; and

WHEREAS, the financing plan for the UVA Community Health Gainesville Cancer Center Expansion calls for the use of Community Health operating funds in the amount of \$12M; and

WHEREAS, the financing plan for the UVA Community Health Gainesville Imaging Center Renovation calls for the use of Community Health operating funds in the amount of \$10.4M; and

WHEREAS, the financing plan for the College at Wise—Darden Hall Renovation calls for the use of \$38.7M to be funded by state appropriation; and

RESOLVED, the Board of Visitors approves the financial plans for the Darden Faculty Office Building; Main Heat Plant Fuel Conversion; Millmont Renovation/Transportation Administrative and Bus Service Facility; the Park Renovation; Research Data Center; School of Data Science and Entrepreneurship Building; the Center for the Arts; UVA Health: Mail Order & Specialty Pharmacy Expansion; UVA Health: Satellite Clinical Lab at Town Center IV; UVA Community Health: Gainesville Cancer Center Expansion; UVA Community Health: Gainesville Imaging Center Renovation; and, College at Wise: Darden Hall Renovation.

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

**BOARD MEETING:** June 6, 2025

**COMMITTEE:** Finance

**AGENDA ITEM:** I.C.1. Reclassification of the School of Medicine Ivy Foundation Biomedical Innovation Fund

**BACKGROUND:** In August 2006, the School of Medicine received a gift of \$45M from the Ivy Foundation to be used for three construction projects: \$25M for the Translational Research Building, \$15M for the Children’s Hospital Outpatient building, and \$5M for the Clinical Cancer building. Remaining funds after the completion of these projects were to be used at the direction of the Dean of the School of Medicine. In June 2017, the Board of Visitors approved the establishment of the Ivy Foundation Biomedical Innovation Fund, a divestible quasi-endowment in the amount of \$5M.

**DISCUSSION:** The School of Medicine is requesting to convert the Ivy Foundation Biomedical Innovation Fund from a divestible quasi-endowment – which permits divestment of principal provided (1) it has been invested in the account for at least five years; and (2) divestment is made according to the plan submitted at the time the endowment creation request was made – to a perpetual quasi-endowment – which does not permit the divestment of principal – to ensure its long-term sustainability and to preserve the impact of these funds into the future.

The funds currently support annual awards for translational research projects that address unmet clinical needs and have a realistic path to delivering improvements in health care. Perpetually endowing this account will ensure that these funds will be used in perpetuity for the purpose desired by the donor.

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

**RECLASSIFICATION OF THE IVY FOUNDATION BIOMEDICAL INNOVATION FUND**

WHEREAS, the School of Medicine of the University of Virginia wishes to reclassify the Ivy Foundation Biomedical Innovation Fund from a divestible quasi-endowment to perpetual quasi-endowment;

RESOLVED, the Board of Visitors authorizes the reclassification to the School of Medicine Ivy Foundation Biomedical Innovation Fund.

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

**BOARD MEETING:** June 6, 2025

**COMMITTEE:** Finance

**AGENDA ITEM:** I.C.2. Investment to the School of Data Science Unrestricted Quasi-Endowment Fund

**BACKGROUND:** In June 2019, a \$120M gift was received from the Quantitative Foundation to establish the School of Data Science. The gift agreement specified that \$43M of the gift funds should be used to establish an unrestricted quasi-endowment fund for building and other purposes. In June 2019, the Board of Visitors approved the establishment of the School of Data Sciences Unrestricted Quasi-Endowment Fund.

In April 2025, the School of Data Science received \$7M of a \$20M pledge. The school expects to receive an additional \$6.5M in March of 2026 and another \$6.5M in March 2027.

**DISCUSSION:** The School of Data Science is requesting to invest the additional Quantitative Foundation gift, both the current amount received of \$7M and the future \$13M, into the School of Data Science Unrestricted Quasi-Endowment Fund.

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

**INVESTMENT OF GIFT FUNDS TO THE SCHOOL OF DATA SCIENCE UNRESTRICTED  
QUASI-ENDOWMENT FUND**

WHEREAS, the School of Data Science of the University of Virginia wishes to invest \$20 million of gift funds in its Unrestricted Quasi-Endowment Fund;

RESOLVED, the Board of Visitors authorizes the requested investment in the School of Data Science Unrestricted Quasi-Endowment Fund.

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

**BOARD MEETING:** June 6, 2025

**COMMITTEE:** Finance

**AGENDA ITEM:** I.D.1. 2025-2026 Student Housing Rate Addition for the College at Wise

**BACKGROUND:** The College at Wise provides 605 beds available on campus, with a variety of accommodation styles – traditional, apartment, and suite. The fall 2024 occupancy rate was at 100%, up from 94.3% in fall 2023. The recent growth experienced at the College requires more available beds for the fall of 2025.

**DISCUSSION:** Beginning in the 2025-2026 academic year, the College at Wise plans to add 32 additional beds located one mile off its main campus through a management agreement with Land Star. These townhouses, named Clinch Valley Townhouses, will be managed as a 12-month rental for students, offering a more modern living experience, as well as a reduced meal plan as each unit has its own kitchen. The College is requesting an addition to the Student Housing Rates previously approved by the Board of Visitors on December 6, 2024 (Appendix A).

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

**2025-2026 STUDENT MEAL PLAN ADDITIONS FOR THE COLLEGE AT WISE**

WHEREAS, the Board seeks to provide affordable student housing facilities; and

WHEREAS, the College at Wise desires to add additional capacity to support its growing residential community;

RESOLVED, rental rates for the College at Wise's requested additional student housing are approved as shown below, effective July 1, 2025.

**Student Housing Rental Rates**

	<b><u>2024-25</u></b>	<b><u>2025-26</u></b>	<b><u>% Increase</u></b>
Clinch Valley Townhouses *per academic year	N/A	\$8,535*	0%



<b>Student Housing Fees</b>			
	<b><u>2024-25</u></b>	<b><u>2025-26</u></b>	<b><u>% Increase</u></b>
Improper Checkout	N/A	\$ 100	0%
Housing Cancellation – prior to Move-In Day	N/A	\$ 100	0%
Improper Room Switch	N/A	\$ 75	0%
Semester Buy Out Fee	N/A	\$1,000	0%
Health & Safety Fine	N/A	\$ 50	0%
Re-Key Fee	N/A	\$ 75	0%
Lockout Fee – any lockout past 5:00 PM	N/A	\$ 15	0%

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

**BOARD MEETING:** June 6, 2025

**COMMITTEE:** Finance

**AGENDA ITEM:** I.D.2. 2025-2026 Student Meal Plan Additions for the College at Wise

**BACKGROUND:** The College at Wise provides a variety of contract meal plans for students, ranging from unlimited dining to a declining balance spending account. Revenues received from contract dining, retail operations, vending, and catering must cover all operating costs, including food, labor, capital, and indirect costs. The College at Wise contracts with Chartwells Dining Services, a division of Compass Group.

**DISCUSSION:** The College at Wise is requesting to add a new board plan as well as a Summer Block Plan to those plans that were previously approved by the Board on December 6, 2024 (Appendix B). The College is adding additional residential space through a management agreement with Land Star that will be located one mile off its main campus. With the addition of these spaces, the College plans to offer students a new, apartment-style meal plan consisting of 105 meals that can be used in any dining location, plus \$100 bonus dollars. The College would like to offer this meal plan to students who live in apartment-style housing where each unit has its own kitchen.

The College also plans to offer a new Summer Block Plan to support students who remain in Wise for the summer. This new block plan would offer 40 meals for brunch and dinner services.

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

**2025-2026 STUDENT MEAL PLAN ADDITIONS FOR THE COLLEGE AT WISE**

WHEREAS, the Board seeks to provide affordable meal options to students desiring to utilize the dining services on campus; and

WHEREAS, the College at Wise desires to add new block and board plans to provide a meal service option to students who live in apartment-style housing, and to those who remain in Wise during the summer;

RESOLVED, the meal rates for the College at Wise's requested food service additions are approved as shown below, effective July 1, 2025.

### Meal Plan & Casual Rates

#### **Student Meal Plans**

	<b><u>2024-25</u></b>	<b><u>2025-26</u></b>	<b><u>% Increase</u></b>
105 Meal Block & \$100/Semester	N/A	\$4,753*	0%

#### **Summer Block Plan**

	<b><u>2024-25</u></b>	<b><u>2025-26</u></b>	<b><u>% Increase</u></b>
40 Block Plan	N/A	\$480	0%

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

**BOARD MEETING:** June 6, 2025

**COMMITTEE:** Finance

**AGENDA ITEM:** I.E.1. Signatory Authority for Medical Center Contracts

**BACKGROUND:** The Board of Visitors is required to approve the execution of any agreement or amendment where the annual spend exceeds \$5M.

**DISCUSSION:** The University seeks approval from the Board of Visitors to allow the Medical Center to contract with the following companies for goods and services which will exceed \$5M in spend per year:

- Baxter Healthcare Corporation for Intravenous (IV) Solutions/Fluids, Nutrition & Drug Delivery
- Abbott Laboratories Inc. for Chemistry and Immunochemistry Analyzers, Reagents, Consumables and Service
- Partners & Simons d/b/a MERGE for annual media services

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 BAXTER HEALTHCARE CORPORATION, ABBOTT LABORATORIES INC., AND PARTNERS & SIMONS d/b/a MERGE**

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 Baxter Healthcare Corporation for intravenous (IV) solutions and fluids as well as nutrition & drug delivery; Abbott Laboratories Inc. for chemistry and immunochemistry analyzers, reagents, consumables, and services; and, Partners & Simons d/b/a MERGE for annual media services.

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

**BOARD MEETING:** June 6, 2025

**COMMITTEE:** Finance

**AGENDA ITEM:** I.E.2 Signatory Authority for Academic Division Contracts

**BACKGROUND:** The Board of Visitors is required to approve the execution of any agreement or amendment where the annual spend exceeds \$5M.

The University seeks to create and maintain a safe and healthy environment in which students can live and learn. All University of Virginia students charged the full comprehensive fees with their tuition are required to have health insurance coverage and are enrolled in the Aetna Student Health plan unless they show proof of coverage by another health insurance provider. The following resolution covers proposed selection and transition of the UVA's student health insurance carrier for the 2025-2026 Plan Year to UnitedHealthcare Student Resources.

**DISCUSSION:** Since 2008, UVA has partnered with Aetna to provide student health insurance. As student needs continue to evolve, the Student Health Insurance Committee (SHIC) has explored opportunities to enhance service, innovation, and responsiveness. To ensure the best possible coverage and experience for students, SHIC has completed a review of alternative carriers, and voted to transition from Aetna to UnitedHealthcare Student Resources for the 2025–2026 plan year.

The University seeks approval from the Board of Visitors to allow the Academic Division to contract with UnitedHealthcare Student Resources for the provision of comprehensive student health insurance for students enrolled at the University in Virginia, expected to exceed \$5M in University-paid premiums annually.

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

**SIGNATORY AUTHORITY FOR ACADEMIC DIVISION CONTRACT WITH  
UNITEDHEALTHCARE STUDENT RESOURCES**

RESOLVED, the Board of Visitors authorizes the Executive Vice President and Chief Operating Officer to execute a contract with UnitedHealthcare Student Resources to obtain comprehensive student health insurance for students enrolled at the University in Virginia, expected to exceed \$5M in University-paid premiums annually.

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

**BOARD MEETING:** June 6, 2025

**COMMITTEE:** Finance

**AGENDA ITEM:** I.F. Strategic Investment Fund Spending Guidelines and Award

**BACKGROUND:** The University of Virginia’s Board of Visitors established the Strategic Investment Fund (SIF) in 2016 to serve as a funding source for initiatives that have the potential to transform a critical area of knowledge or operation of the University in our continuous pursuit of excellence. In 2019, the Board of Visitors adopted revised spending guidelines for the Strategic Investment Fund to support the University’s Strategic Plan, “A Great and Good University – the 2030 Plan” (the “2030 Plan”). The guidelines, along with an allocation formula, were approved by the Board of Visitors for an initial three-year term, ending June 30, 2022. In 2021, the Board approved an extension of the guidelines for a second-year term, through June 30, 2025.

In December 2024, the Board of Visitors approved, for the duration of the current capital campaign – *Honor the Future*, slated to last until June 30, 2025 – that the President may commit FY2026 awards of up to \$65M to match scholarships, professorships, or large philanthropic gifts with the prior concurrence of the Rector and the Chair of the Finance Committee. Any additional awards would be brought before the Board of Visitors for approval. The Board of Visitors also agreed to work with the administration to revise the Strategic Investment Fund Spending Guidelines to require Board of Visitors’ approval of all future Strategic Investment Fund awards, bringing recommendations back to a future meeting.

**DISCUSSION:** The Executive Vice President and Chief Operating Officer will present a proposal 1) to support the proposed High Performing Computing/Data Center capital project with awards of \$15M in FY2026 and \$17M in FY2027 from the Strategic Investment Fund allocation; and 2) to revise the SIF Spending Guidelines (attached as Appendix C) to reflect approval of awards by the Board of Visitors (or if time-sensitive, by the Rector and the Chair of the Finance Committee); a revised allocation formula; and, a triennial audit of the SIF awards to be conducted by the Chief Audit Executive.

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

**STRATEGIC INVESTMENT FUND SPENDING GUIDELINES**

WHEREAS, in 2016, the Board of Visitors created the Strategic Investment Fund by aggregating operating and capital reserves and accounts that had been set aside and separately administered by divisions of the University, and invested those reserves and

accounts in the University of Virginia Investment Management Company long-term pool; and

WHEREAS, the higher rate of investment has been used as a source of funding for major strategic initiatives which have the potential of meaningfully and materially enhancing critical areas of knowledge pursuant to the “Guiding Principles of the University of Virginia Strategic Investment Fund 2017-2019” (“Original Guidelines”); and

WHEREAS, in 2019, the Board of Visitors approved a new strategic plan: “A Great and Good University – the 2030 Plan” (the “2030 Plan”); and

WHEREAS, in 2019 the Board of Visitors also approved the Strategic Investment Fund Spending Guidelines to fund each of the four main goals of the 2030 Plan; and

WHEREAS, in December 2024, the Board of Visitors approved, for the duration of the current capital campaign – Honor the Future – slated to last until June 30, 2025, that the President may commit FY2026 funds of up to \$65M to match scholarships, professorships, or large philanthropic gifts with the prior concurrence of the Rector and the Chair of the Finance Committee; and

WHEREAS, in December 2024, the Board of Visitors also agreed to work with the administration to revise the Strategic Investment Fund Spending Guidelines to require Board of Visitors approval of all future Strategic Investment Fund awards, bringing recommendations back to a future meeting; and

WHEREAS, the Strategic Investment Fund Spending Guidelines have been revised and enhanced to reflect 1) approval of awards by the Board of Visitors (or if time-sensitive, by the Rector and the Chair of the Finance Committee); 2) a revised allocation formula; and, 3) a triennial audit of the SIF awards to be conducted by the Chief Audit Executive;

RESOLVED, the Board of Visitors approves awards from the Strategic Investment Fund allocation to support the High Performing Computing/Data Center capital project of \$15M in FY2026 and \$17M in FY2027; and

RESOLVED FURTHER, the Board of Visitors approves the revised Strategic Investment Fund Spending Guidelines (attached as Appendix C).

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

**BOARD MEETING:** June 6, 2025

**COMMITTEE:** Finance

**AGENDA ITEM:** I.G. Recognition of Senior Vice President for Operations and State Government Relations Colette Sheehy

**BACKGROUND:** After nearly 43 years working in critical budget and operational roles with increasing levels of responsibility, Senior Vice President for Operations and State Government Relations Colette Sheehy will retire from the University of Virginia on July 1, 2025.

**DISCUSSION:** A graduate of Bucknell University and Rutgers University's Graduate School of Management, Ms. Sheehy arrived at the University in 1996 as a budget analyst. Though demonstration of her technical expertise and passion for her work, as well as a depth of respect and trust in Richmond, Ms. Sheehy rose through the ranks to become senior vice president for operations and state government relations in 2015. Ms. Sheehy oversees a large and diverse portfolio with approximately 2,500 employees in total. In collaboration with colleagues across Grounds and across Virginia, Ms. Sheehy's contributions have touched every corner of the University and the Commonwealth.

Most recently, Ms. Sheehy has led the initiative in support of the 2030 Plan goal to house all second-year students on Grounds, including the development of Bond, Gaston, and Ramazani Houses and the current project underway to build student housing at the Ivy Corridor. In July 2025, Ms. Sheehy will retire from a long career of University service to spend more time with family, traveling, and playing golf.

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

**RECOGNITION OF SENIOR VICE PRESIDENT FOR OPERATIONS AND STATE  
GOVERNMENT RELATIONS COLETTE SHEEHY**

WHEREAS, Colette Sheehy, senior vice president for operations and state government relations at the University of Virginia, will retire on June 30, 2025, after nearly 43 years of service; and

WHEREAS, a native of Freehold, New Jersey, Colette Sheehy earned a bachelor's degree in economics from Bucknell University and a master's degree in business administration with a concentration in finance from Rutgers University's Graduate School of Management; and



WHEREAS, Colette Sheehy came to the University of Virginia (UVA) in 1982 as an entry-level budget analyst and assumed increasing responsibilities in the University's Budget Office over the next 11 years prior to being appointed vice president for management and budget in 1993; and

WHEREAS, one of the first two women appointed as vice president at the University, Colette Sheehy was promoted to senior vice president for operations and state government relations in 2015, overseeing a large and diverse portfolio composed of critical support functions essential to the University's day-to-day operations, including business services, facilities management, the Office of the Architect, the Office of the University Building Official, real estate and leasing services, and state government relations; and

WHEREAS, Colette Sheehy has partnered with colleagues across the university's grounds to support institutional priorities and the University's mission by, among many other initiatives, executing the University's capital projects; maintaining and caring for the University's physical plant, including the many historic buildings and the Academical Village, a UNESCO-designated World Heritage Site; enacting purposeful sustainability plans; and creating a roadmap to extend the University's living and learning community by nearly doubling on-Grounds student housing; and

WHEREAS, Colette Sheehy's expert diplomacy, strong sense of collegiality, collaborative spirit, and deep understanding of the dynamics between state government and higher education in the Commonwealth have earned her the respect and trust of a broad coalition in the executive and legislative branches of the government of the Commonwealth and allowed her to work across party lines to advance higher education in Virginia; and

WHEREAS, working with her colleagues across the Commonwealth, Colette Sheehy was the chief architect and negotiator of the Restructuring Act of 2005, pivotal legislation which realigned the relationship between the Commonwealth and public institutions of higher education, as well as the University's subsequent management agreement with the Commonwealth; and

WHEREAS, a respected leader in higher education across the Commonwealth, Colette Sheehy has been a longtime leading member of the Commonwealth's Council of State Senior Business Officers, including serving twice as president, and the State Council of Higher Education for Virginia's Finance Advisory Committee; and

WHEREAS, beyond her University service, Colette Sheehy has faithfully worked to enhance relationships between the local community and the University and to demonstrate the University's commitment to the health and excellence of the Commonwealth by serving on various boards and commissions, including the board of directors for the Charlottesville Regional Chamber of Commerce, Emily Couric Leadership Forum, Central Virginia Partnership for Economic Development, Virginia Retirement System, Virginia Discovery Museum, and Leadership Charlottesville Alumni Association; and

WHEREAS, in recognition of her exhaustive efforts and diligent stewardship of University and state resources, Colette Sheehy has received numerous awards over her remarkable career, including a Thomas Jefferson Award in 2021, the highest honor given to members of the University community who have exemplified the principles, ideals, and mission of the University in their character, work, and influence, and the Samuel R. Crockett Award from The University of Virginia's College at Wise in 2019; and

WHEREAS, Colette Sheehy has enriched the lives of those across the University community and beyond through her leadership, care, and conviction in the University; her generous support of colleagues and students will leave a lasting positive legacy on the University and its faculty, staff, students, alumni, and neighbors for generations to come;

RESOLVED, the Board of Visitors commends Colette Sheehy for her decades of exceptional service and committed leadership, as well as a career defined by excellence and a steadfast dedication to advancing the University of Virginia and the Commonwealth.

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

**BOARD MEETING:** June 6, 2025

**COMMITTEE:** Finance

**AGENDA ITEM:** II.A. 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.

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

**BOARD MEETING:** June 6, 2025

**COMMITTEE:** Finance

**AGENDA ITEM:** II.B. Defined Contribution Retirement Plan: Written Report of the Retirement Administrative Committee

**ACTION REQUIRED:** None

**BACKGROUND:** The University is the plan sponsor of several 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, 2025, Mr. Robert Blue and Ms. Rachel Sheridan will meet 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 to the members of the Finance Committee after the meeting.

# **APPENDICES**

**College at Wise 2025-2026 Housing Rates, approved December 2025**

<b><u>COLLEGE AT WISE HOUSING RATES</u></b>	<b>Actual 2024-2025 per Student per Session</b>	<b>Amount Increase</b>	<b>Percent Increase</b>	<b>Proposed 2025-2026 per Student per Session</b>
Double Room Rate				
Asbury, Culbertson, Henson, McCraray, Randolph, Still, Thompson	\$7,199	\$144	2.00%	\$7,343
Single Room Surcharge	\$800	\$200	25.00%	\$1,000

<b><u>SUMMER HOUSING RATES</u></b> <b><u>COLLEGE AT WISE (per term)</u></b>	<b>Actual Summer 2024</b>	<b>Amount Increase</b>	<b>Percent Increase</b>	<b>Proposed Summer 2025</b>
Summer Rate	\$584	\$12	2.05%	\$596

**College at Wise 2025-2026 Contract Rates for Dining Services, approved December 2025**

<b><u>The University of Virginia's College at Wise</u></b>	<b><u>Actual 2024-2025</u></b>	<b><u>Amount Increase</u></b>	<b><u>Percent Increase</u></b>	<b><u>Proposed 2025-2026</u></b>
<i><u>Residential Student Meal Plans</u></i>				
Unlimited Meals & 50 Retail Swipes/Semester (per academic year)	\$5,617	\$236	4.20%	\$5,853
175 Meals & \$50/Semester (per academic year)	\$5,617	\$236	4.20%	\$5,853
<i><u>Commuter Student Block Plans</u></i>				
80 Meals (per academic year)	\$656	\$28	4.27%	\$684
50 Meals (per academic year)	\$432	\$19	4.40%	\$451
25 Meals (per academic year)	\$226	\$9	3.98%	\$235

## STRATEGIC INVESTMENT FUND REVISED SPENDING GUIDELINES FY2027-FY2028

**Background:** The University of Virginia’s Board of Visitors established the Strategic Investment Fund (SIF) in 2016 to serve as a funding source for initiatives that have the potential to transform a critical area of knowledge or operation of the University in our continuous pursuit of excellence. In 2019, the Board of Visitors adopted revised spending guidelines for the Strategic Investment Fund to support the University’s Strategic Plan, “A Great and Good University – the 2030 Plan” (the “2030 Plan”). These spending guidelines, along with an allocation formula, were approved by the Board of Visitors for an initial three-year term, ending June 30, 2022. In 2021, the Board approved an extension of the guidelines for a second three-year term, through June 30, 2025.

In December 2024, the Board of Visitors approved, for the duration of the current capital campaign – Honor the Future, slated to last until June 30, 2025 – that the President may commit FY2026 awards of up to \$65M to match scholarships, professorships, or large philanthropic gifts with the prior concurrence of the Rector and the Chair of the Finance Committee. Awards from the FY2027 and FY2028 allocated amounts will require Board of Visitors approval.

### ***SIF Spending Guidelines***

**Award Parameters:** In making allocation and expenditure decisions, the President and senior leadership are encouraged, to the extent practicable, to apply the following principles:

1. Allocations of distributions from the SIF are not intended to replace the normal budget process or traditional methods for financing regular operating expenses. For projects that involve long-term capital commitments, funding may be allocated to cover debt service or direct capital support while other sources, such as philanthropy, are being secured;
2. Allocation from the SIF for larger scale projects should, where possible, consider a phased or incremental approach to minimize risks;
3. Allocations from the SIF should strive to leverage external funds (philanthropy, federal funding, and grants and the like);
4. Most newly funded SIF initiatives that are not capital or matching are expected to have a three-year or less incubation or startup phase, after which each should become self-sustaining. Allocations from the SIF that are expected to exceed the three-year cycle should provide for a plan for sustainable funding after such three-year period; and
5. Allocations from the SIF for the benefit of the University of Virginia’s College at Wise should align with their strategic plan as appropriate.
6. Timing and amounts of distributions from the SIF will be made in accordance with the UVIMCO Deposit and Management Agreement.



7. Awards from the allocated distributions require Board of Visitors approval, or if time-sensitive, approval by the Rector and the Chair of the Finance Committee with a report to the Full Board at its next meeting.

**Spending Discipline:** For purposes of annual allocations, the SIF will be subject to two requirements:

1. The first requirement is to follow the University's endowment spending policy established by the Board in 2008 and updated in 2021, which increases the prior-year spending level by inflation, calculated as a five-year rolling average of the Higher Education Price Index (HEPI). If that inflationary increase causes the spending rate to fall outside the range of 3.0% to 5.0% of the endowment market value, the Board may approve increasing or decreasing the spending rate in response.
2. The second requirement is to apply a discount factor based on available prospective earnings for the upcoming allocation period. This model recognizes that, unlike true endowment funds, the underlying principal accounts comprising the SIF may be spent with appropriate approvals. The Executive Vice President and Chief Operating Officer will work with UVAFinance and UVIMCO to develop a spending allocation formula for ultimate approval by the Chair of the Finance Committee, before proposing to the Full Board for ultimate approval.

**Limitations:** The principal balances of the funding sources shall not be distributed as part of the SIF distributions, and the principal balances of the funding sources shall not be used to supplement the ongoing operations of the University within the scope of the annual budgeting process, outside the original intent of the respective funds. Any use of principal balances for the original purposes for which the funding sources were created shall follow the University's customary and standard financial policies, including its Liquidity Policy, along with consideration of rating agency standards. Any unplanned or emergency use of principal for such reserve purposes must be consistent with the University's Liquidity Policy and shall be promptly reported to the Rector and Chair of the Finance Committee.

**Fund Stewardship:** The underlying assets shall continue to be managed by UVIMCO as segregated accounts for accounting purposes but otherwise managed by UVIMCO in the Short-Term and Long-Term Pools in the same manner as other University endowment funds. Allocation between the Short and Long-Term Pools shall be made consistent with the University's Liquidity Policy.

**Monitoring and Reporting:** The University's Executive Vice President and Provost, Executive Vice President for Health Affairs, Executive Vice President and Chief Operating Officer, and Chief Financial Officer shall develop post-award monitoring and reporting systems for assessing the success and progress of the investments made under these revised spending guidelines as well as to continue the assessment, evaluation, and reporting procedures for earlier SIF investments made under the original spending guidelines. Such assessment shall include, at a minimum, devising metrics for assessing the efficacy of such investments.

**Audit:** The Chief Audit Executive will conduct a triennial audit of the SIF awards and report back to the President, Executive Vice President and Provost, Executive Vice President and Chief Operating Officer, Executive Vice President of Health Affairs, Rector, Vice Rector, Finance Committee Chair, and Finance Committee Vice Chair.

**Annual Public Report:** To ensure appropriate external transparency in the implementation of the new guidelines, the Executive Vice President and Provost and the Executive Vice President and Chief Operating Officer shall publicly post all awards with information relevant to assessing each awards progress on the [SIF website](#) information referenced under “Monitoring and Reporting.”

**Amendment:** Amendments to this funding plan shall be effected by a majority vote of the members of the Board of Visitors, assuming a quorum is present.

**Guideline Provision:** While these guidelines address SIF activities for FY2027 through FY2028, prior authorization was provided to the President for philanthropic matching funds to be allocated and awarded in FY2026. All SIF activity for fiscal periods prior to December 2024 fall under the purview of prior guidelines and reporting requirements.