A. 2015 Amendments to the 2014-2016 Biennial Budget
B. Amended 2014-2020 State-Required Six-Year Plan
C. Capital Project Approvals
D. Addition to the 2014-2015 Annual Renovation and Infrastructure Plan
E. Property Transactions
F. Establishment of Quasi-Endowments
G. Approval of Signatory Authority for Medical Center, Procurement of Food and Nutrition Services
2015 Amendments to the 2014-2016 Biennial Budget

COLETTE SHEEHY
VICE PRESIDENT FOR MANAGEMENT AND BUDGET
## 2015 General Fund Amendments to the 2014-2016 Biennial Budget

### Academic Division

<table>
<thead>
<tr>
<th>Operating Amendments</th>
<th>FY2014-15 Request</th>
<th>FY2015-16 Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate Enrollment Growth (GF)</td>
<td>$778,232</td>
<td>$1,411,080</td>
</tr>
<tr>
<td>STEM-H Faculty Start-up Packages (ETF)</td>
<td>0</td>
<td>5,400,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$778,232</strong></td>
<td><strong>$6,811,080</strong></td>
</tr>
</tbody>
</table>

### College at Wise

<table>
<thead>
<tr>
<th>Operating Amendments</th>
<th>FY2015-16 GF Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Retention Management Intake Model</td>
<td>$445,824</td>
</tr>
<tr>
<td>Compliance with Federal Mandates and SACS Requirements</td>
<td>286,942</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$732,766</strong></td>
</tr>
</tbody>
</table>
Amended 2014-2020 State-Required Six-Year Plan

Colette Sheehy
Vice President for Management and Budget
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2013</td>
<td>Submitted final 2014-20 plan to State</td>
</tr>
<tr>
<td>August 4</td>
<td>Submitted revised/updated plan to State</td>
</tr>
<tr>
<td>August 29</td>
<td>Received comments from the State</td>
</tr>
<tr>
<td>September 11</td>
<td>Action by Board of Visitors</td>
</tr>
<tr>
<td>October 1</td>
<td>Submit final revised plan to state</td>
</tr>
</tbody>
</table>
State Six-Year Plan: Academic Division Overview

• Advances objectives of the Higher Education Opportunity Act (HEOA, TJ-21)

• Enhances quality of education, research, and service

• Aligns with Cornerstone Plan
State Six-Year Plan: Academic Division Priorities

- Enrollment Growth
- Faculty and Staff Compensation
- Faculty Start-up Packages
- AccessUVa
- Student Success: Total Advising, Student-Faculty Engagement, Technology-Enhanced Instruction, Veteran’s Consortium
- Research and Economic Development: Pan-University Priorities, Cancer Research, Economic Development Accelerator, Appalachian Prosperity Project
- Collaboration with the VCCS
- Efficiency and Continuous Improvement
State Six-Year Plan: 
Academic Division 2014 Updates

• No changes in priorities/strategies
  • Updated costs of some priorities

• Updates the 2014-2016 financial plan to reflect
  • FY2014-15 Board approved budget
  • State approved General Fund appropriation
Six-Year Plan: College at Wise Overview

• June 2013 – Chancellor and Senior Staff begin preparation of 2013 Six-Year Plan
• September 10, 2013 – 2013 Six-Year Plan approved by College Board Executive Committee
• September 20, 2013 – 2013 Six-Year Plan approved by Board of Visitors
• August 4, 2014 – 2014 Revised Six-Year Plan submitted to SCHEV
• August 8, 2014 – 2014 Revised Six-Year Plan approved by College Board Executive Committee
2014 Six-Year Plan: College at Wise Priorities

- Priority One – Retention and Graduation (new priority)
- Priority Two – Federal Mandate: SACS-Clery-Title IX-VAWA Compliance (new priority)
- Priority Three – STEM Early College Academy
- Priority Four – Early Alert Program for Identifying At-Risk Students
- Priority Five – High Need Degrees
- Priority Six – Science Consortium
- Priority Seven – Appalachian Prosperity Project (APP)
- Priority Eight – Improve K-12 Teaching and Learning Through the Center for Teaching Excellence and Other Outreach
- Priority Nine – Expand Scope of Summer Programs
- Priority Ten – Undergraduate Research Initiatives
2014-2016 Financial Plan: College at Wise Revisions

Revised Funding For:

• Pilot non-residential STEM-Academy Program - Fall 2014 – Priority 3
• Launched Summer Bridge Program for first-time at-risk Students – fifteen participants - fourteen Enrolling for Fall 2014 – Priority 4
• Healthy Appalachia Institute (HAI) Program Manager to support the Appalachian Prosperity Project – Priority 7
• Increased T & R faculty wage for enhanced curriculum – Summer College – Priority 9
• New funding to support undergraduate research – Priority 10
• Continue merit based salary increases for T & R Faculty
CAPITAL PROJECT APPROVALS

COLETTE SHEEHY
VICE PRESIDENT FOR MANAGEMENT & BUDGET
Project Approval: McCormick Road Residence Hall Renovation

- Ten buildings housing 1,330 first year students and resident advisors

- Upgrade building systems, modernization and interior renewal, addition of 65 beds

- $85.8 – $104.7 million total cost
  - $18.2 million – Cash
  - $67.6 - $86.5 million – Debt
Project Approval: Gooch Dillard Residence Hall Renovation

- Built in 1984

- Houses 658 first-year students and resident advisors

- Modernization and interior renewal, conversion of single rooms to doubles, upgrade of building systems

- $25.0 – $32.0 million total cost
  - $9.4 - $12.0 million – Cash
  - $15.6 - $20.0 million – Debt
Project Approval: Outpatient Surgery Center Renovation

- Renovation and upgrade of 1st and 2nd floors
- New mechanical, electrical, and plumbing and life safety systems
- $10.0 - $13.0 million total cost from Hospital Operating Funds
Addition to the 2014-2015 Annual Renovation and Infrastructure Plan (ARIP)

Colette Sheehy
Vice President for Management & Budget
ARIP Addition: Clemons Library

• Interior renovation of 2nd floor of Clemons Library

• Consolidate advising and academic support services for undergraduate students

• $3.2 - $4.0 million total cost
PROPERTY TRANSACTIONS

COLETTE SHEEHY
VICE PRESIDENT FOR MANAGEMENT & BUDGET
Acquisition of Willis Property in Wise, Virginia

- Approximately 50 acre gift from Dr. Stanley Willis, 4 miles from College Campus

- Intended uses/benefits
  - Outdoor classroom
  - Expand opportunities for learning and research in natural areas
  - Science education and outreach activities through partnerships with local public schools

- Due diligence to be completed prior to finalizing acquisition
Disposition of DeShazo Property in Culpeper and Rappahannock, Virginia

- Sale of property will provide funds to the Charitable Remainder Trust for the Thomas G. and Dorothy H. DeShazo estate
  - 148.29 acre site

- Trust benefits:
  - Research professorship at the McIntire School of Commerce
  - Library Fund
  - Scholarship at the School of Nursing
Establishment of Quasi-Endowments
Establishment of Quasi-Endowments

• Murray F. Nimmo Fund – To benefit the Albert and Shirley Small Special Collections Library, income will be used for the purchase, processing, cataloging, and preservation of books, manuscripts, and other material.

• Carol P. Buchanan Fund – To benefit the College at Wise, income will be used to fund the most critical needs as determined by the Chancellor.
APPROVAL OF SIGNATORY AUTHORITY FOR MEDICAL CENTER PROCUREMENT OF FOOD AND NUTRITION SERVICES

PATRICK D. HOGAN
EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER
Approval of Signatory Authority for Medical Center Procurement of Food and Nutrition Services

• Medical Center partnered with VCU Health System on a cooperative procurement across a number of strategic joint purchasing collaborations.

• Finalizing contract to go into effect October 1, 2014, with a term of ten years – an initial term of five years and a five-year renewal option.

• Total estimated contract value will exceed $70 million, with the value in any single year exceeding $5 million.

• Delegates signatory authority to the EVP for Health Affairs to execute this multi-year contract.
June 30, 2014 Academic Division
Financial Report

• Unaudited, modified GAAP-basis Financial Statements, as compared to prior year
  Statement of Net Assets
  Statement of Revenues, Expenses, and Changes in Net Assets

• Cash-basis Operating Sources and Uses, actual results as compared to the budget plan.
# Academic Division Financial Report

**Modified GAAP-Basis Financial Statement (Unaudited)**

**Fiscal Year 2013 - 2014**

<table>
<thead>
<tr>
<th></th>
<th>Year ending 6/30/14</th>
<th>Year ending 6/30/13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance Sheet Highlights:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Net Assets</td>
<td>$ 6,337</td>
<td>$ 5,615.8</td>
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<tr>
<td><strong>Income Statement Highlights:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Net Tuition</td>
<td>$448.2</td>
<td>$423.5</td>
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<tr>
<td>Grants &amp; Contracts</td>
<td>257.6</td>
<td>304.2</td>
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<tr>
<td>State Appropriations</td>
<td>145.7</td>
<td>140.2</td>
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<tr>
<td>Gifts</td>
<td>146.1</td>
<td>146.9</td>
</tr>
<tr>
<td>Other</td>
<td>145.8</td>
<td>135.7</td>
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<tr>
<td>Operating Revenues</td>
<td>1,143.4</td>
<td>1,150.5</td>
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<tr>
<td>Operating Expenses</td>
<td>1,259.2</td>
<td>1,243.6</td>
</tr>
<tr>
<td>Net Operating Margin</td>
<td>(115.8)</td>
<td>(93.0)</td>
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<tr>
<td>Net Non-operating Contribution</td>
<td>836.9</td>
<td>563.6</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>$ 721.1</td>
<td>$ 470.6</td>
</tr>
</tbody>
</table>
## Academic Division Financial Report
### Cash-Basis Operating Sources and Uses, Budget vs. Actual
#### Fiscal Year 2013 - 2014

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>FY14 Budget</th>
<th>FY14 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Tuition and Fees</td>
<td>$ 471.1</td>
<td>$ 472.5</td>
</tr>
<tr>
<td>Grants &amp; Contracts</td>
<td>288.2</td>
<td>282.3</td>
</tr>
<tr>
<td>Endowment Distribution and Gifts</td>
<td>278.0</td>
<td>293.0</td>
</tr>
<tr>
<td>State Appropriations</td>
<td>145.5</td>
<td>145.7</td>
</tr>
<tr>
<td>Other</td>
<td>254.4</td>
<td>226.4</td>
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<tr>
<td><strong>Sources of Funds</strong></td>
<td>1,437.2</td>
<td>1,419.9</td>
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<tr>
<td>Instruction</td>
<td>368.6</td>
<td>335.3</td>
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<tr>
<td>Research and Public Service</td>
<td>310.1</td>
<td>300.7</td>
</tr>
<tr>
<td>Academic Support</td>
<td>145.4</td>
<td>137.7</td>
</tr>
<tr>
<td>Other Education and General</td>
<td>251.0</td>
<td>205.7</td>
</tr>
<tr>
<td>Financial Aid, Auxiliary, Debt, and Other</td>
<td>356.9</td>
<td>385.3</td>
</tr>
<tr>
<td><strong>Uses of Funds</strong></td>
<td>1,432.0</td>
<td>1,364.7</td>
</tr>
<tr>
<td><strong>Net Sources in Excess of Uses</strong></td>
<td>$  5.2</td>
<td>$  55.2</td>
</tr>
</tbody>
</table>
• Operationalizing the University Financial Model
• Implementing recommendations of Finance Subcommittee
  • Financing the Cornerstone Plan
  • Addressing intergenerational change in faculty
  • Developing multi-year financial plan
• Continuing to find operational efficiencies
• Developing new philanthropic relationships
• Growing and diversifying the research base
Enrollment Cost Saving Measures

- In 2013, a dependent audit was conducted.
  - **Results:** 6% of these dependents (1480) were removed saving nearly $2 million per year

- In 2014, a “working spouse provision” was implemented, limiting coverage to spouses without access to affordable coverage providing “minimum value” from their own employer.
  - **Results:** 30% of approx 6,000 spouses were removed (2,050), saving nearly $10 million per year.
Executive Vice President's Remarks
Executive Vice President’s Remarks

- Academic Division Contract for Dining Services
- State Budget Reductions
## State Budget Reductions: Academic Division

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund budget reduction</td>
<td>$6,532,891</td>
<td>$9,146,895</td>
</tr>
<tr>
<td>% of adjusted GF appropriation</td>
<td>5.00%</td>
<td>7.00%</td>
</tr>
<tr>
<td>% of GF and tuition</td>
<td>0.98%</td>
<td>1.34%</td>
</tr>
</tbody>
</table>
State Budget Reductions: Academic Division Strategies

- Continue energy conservation initiatives
- Implement strategic sourcing
- Identify turnover and vacancy savings
  - Selectively fill vacant positions
- Reduce service duplication among central and schools
- Review low priority programs and activities for closure or reduction in scope
- Determine feasibility of moving College at Wise employees from the state health plan to the UVa Health Plan
### State Budget Reductions: College at Wise

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund budget reduction</td>
<td>$680,907</td>
<td>$953,427</td>
</tr>
<tr>
<td>% of adjusted GF appropriation</td>
<td>5.00%</td>
<td>7.00%</td>
</tr>
<tr>
<td>% of GF and tuition</td>
<td>3.31%</td>
<td>4.64%</td>
</tr>
</tbody>
</table>
State Budget Reductions: College at Wise

• Identify turnover and vacancy savings
  – Selectively fill vacant positions
• Reduce facilities maintenance and housekeeping services
• Reduce non-personal services costs
  – Computers and servers
  – Training and staff development
  – Vehicle replacement