

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS**

**Meeting of the
Finance Committee**

June 2, 2022

REVISED

FINANCE COMMITTEE

**Thursday, June 2, 2022
3:15 – 4:30 p.m.
Board Room, The Rotunda**

Committee Members:

Robert M. Blue, Chair	
C. Evans Poston Jr., Vice Chair	Robert D. Hardie
Carlos M. Brown	James B. Murray Jr.
Frank M. Conner III	James V. Reyes
Thomas A. DePasquale	Whittington W. Clement, Ex-officio
Louis S. Haddad	Joel W. Hockensmith, Faculty Representative

AGENDA

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

BOARD MEETING: June 2, 2022

COMMITTEE: Finance

AGENDA ITEM: I.A. 2022-2023 Operating Budget

BACKGROUND: The Board of Visitors received numerous reports from UVA management regarding the budget assumptions and General Assembly updates for the formulation of the Fiscal Year 2023 operating budget. Please note the FY 2022 budget contained a Commonwealth approved salary increase and a zero-base undergraduate tuition increase placing additional pressure on the base operating budget. At a meeting on December 10, 2021, the Board approved tuition and mandatory fees as well as housing and dining rates for FY2022-2023.

At its June annual 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, inclusive of the Transitional Care Hospital.

DISCUSSION: The University proposes a \$4.78B 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 FY2022-2023 budget reflect recommended state appropriations, sponsored research activity, Board-approved tuition increases, market growth in the endowment, and philanthropic success. The operating budget incorporates increased uses associated with research activity, the resumption of hiring post-COVID, recovery of auxiliary operations, salary increases (an average 5% merit pool for staff and faculty), financial aid, and general expenses. Overall, the FY2022-2023 Academic Division operating expenditure budget is proposed at \$2.1B, a 5.4% increase over the prior year.

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>	2021-22 Approved	2022-23 Proposed	FY22 \$
<i>Sources</i>			
Net Tuition and Fees	\$ 716.4	\$ 758.9	\$ 42.4
State Appropriations	\$ 178.1	\$ 231.0	\$ 52.9
Externally Sponsored Research	\$ 434.2	\$ 473.1	\$ 38.9
Endowment Distribution/Admin Fee	\$ 249.3	\$ 270.2	\$ 20.9
Expendable Gifts	\$ 173.3	\$ 187.1	\$ 13.9
Sales, Services, Interest	\$ 173.7	\$ 211.1	\$ 37.4
Other	\$ 91.1	\$ 0.0	\$ (91.1)
Total Operating Sources	\$ 2,016.1	\$ 2,131.4	\$ 115.3
<i>Uses</i>			
Faculty and Staff Salaries	\$ 1,289.4	\$ 1,422.2	\$ 132.8
Internal Recoveries	\$ (812.5)	\$ (454.0)	\$ 358.5
Non-personnel Services Expenses	\$ 1,282.5	\$ 824.2	\$ (458.3)
Financial Aid	\$ 207.1	\$ 231.9	\$ 24.8
Internal Debt Service, Transfers, and Other	\$ 22.0	\$ 71.0	\$ 49.0
Total Operating Uses	\$ 1,988.5	\$ 2,095.4	\$ 106.9
Net Sources and Uses	\$ 27.6	\$ 36.0	\$ 8.4

Note: Other sources in FY22 included internal movement of funds as well as prior-year funds; internal movement is now fully captured in internal recoveries and transfers and prior-year funds are no longer budgeted as current-year revenue.

Strategic Investment Fund

The 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 University adopted and approved a new strategic plan, “A Great and Good University – The 2030 Plan.” To support the 2030 Plan, the Board adopted new revised guidelines. 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 September 2021, the Board of Visitors extended the SIF guidelines and allocation formula through June 30, 2025. The guidelines support the four overarching goals of the Strategic Plan and are allocated in the following manner:

- I: Strengthen our Foundation (30%)
- II: Cultivate the Most Vibrant Community (20%)
- III: Enable Discoveries that Enrich and Improve Lives (30%)
- IV: Make UVA Synonymous with Service (20%)

Today, the SIF provides funding that currently supports [64 distinct awards](#) totaling \$795M since inception. Projects are selected for funding by University executive leadership through two mechanisms: a formal proposal and review process, and by opportunistic investment to support the strategic plan. The Board of Visitors receives an annual report of projects funded through allocations from the SIF.

The five-year SIF budget (FY2020-FY2025) is \$495.0 million. \$23.6 million was awarded of the FY20 allocation. \$73.8 million was awarded of the FY21 allocation. In FY22, the following six projects were awarded:

<u>Project</u>	<u>Total Funding Awarded</u>
NoVA Academic and Research Opportunities	\$10,368,354
UVA Online	\$3,700,000
UVA Racial Equity Task Force Support	\$350,000 *
Summer Advancement Program	\$328,530 *
Licensing and Venture Group Seed Fund	\$10,000,000 *
Additional Bicentennial Scholarships	<u>\$50,000,000</u>
Total	\$74,746,884
Funding from other sources	<u>\$4,678,530</u>
Net SIF Allocations	\$70,068,354

* The UVA Racial Equity Task Force Support and the Summer Advancement Program awards were funded with the balance remaining from an older SIF award, SIF156 Bridge Project. The Medical Center funds \$4 million of the \$10 million LVG Seed Fund award. Therefore, \$70.1 million of the FY22 awards derive from the FY22 SIF allocation.

Along with additional commitments of \$216.7 million, this leaves \$110.8 million remaining to allocate in FY2023-2025. In order to resume the pace of implementing the 2030 Plan, the University asks the Board of Visitors to delegate approval to the President and the Executive Vice President and Chief Operating Officer to direct up to \$100M of the gains on the unrestricted endowment to the SIF (up to \$35M annually for FY2023, FY2024, and FY2025, respectively) to further support the priorities of the UVA 2030 Strategic Plan in accordance with current SIF guidelines.

Medical Center

The Health System Board will consider the Medical Center FY2022-2023 operating and capital budgets, which include UVA Community Health and the Transitional Care Hospital, at its June 2, 2022 meeting and are anticipated to recommend approval of the \$2.7B operating budget, a 10.9% increase over the prior year, and the \$168M capital budget proposals.

	2021-22 <i>Approved *</i>	2022-23 <i>Proposed</i>	Change (FY22 to FY23)
Revenue			
Net Patient Service Revenue	\$ 2,378.8	\$ 2,600.5	\$ 221.6
Other Revenue	71.3	80.7	9.4
Annual Operating Revenue	2,450.2	2,681.2	231.0
Expense			
Labor	1,046.4	1,163.3	117.0
Supplies, Utilities, and Other	1,151.6	1,244.9	93.3
Depreciation	161.0	166.4	5.4
Interest	35.9	41.2	5.3
Annual Operating Expense	2,394.8	2,615.8	221.0
Annual Operating Income/(Loss) before Transfers	55.3	65.4	10.0
Health System Transfers	(40.9)	(43.6)	(2.7)
Annual Operating Income/(Loss) after Transfers	\$ 14.4	\$ 21.7	\$ 7.3
<i>One-Time Community Health Integration</i>	-	40.0	40.0
FY23 Operating Expense, including one-time	2,394.8	2,655.8	261.0

Note: FY22 includes full ownership of UVA Community Health. Full ownership acquired after FY22 budget approval.

The University of Virginia's College at Wise

The proposed FY2022-2023 operating expenditure budget for the College at Wise is \$71.3M, a 26.7% increase over the prior year.

<i>Sources/Uses</i>	2021-22 Approved	2022-23 Proposed	FY22 Approved vs FY23 Proposed \$
Sources			
Net Tuition and Fees	\$ 10.1	\$ 10.5	\$ 0.4
State Appropriations	\$ 25.2	\$ 34.4	\$ 9.2
Externally Sponsored Research	\$ 8.2	\$ 13.7	\$ 5.5
Endowment Distribution/Admin Fee	\$ 4.4	\$ 5.6	\$ 1.2
Expendable Gifts	\$ 0.4	\$ 0.5	\$ 0.0
Sales, Services, Interest	\$ 7.8	\$ 7.7	\$ (0.2)
Other	\$ 0.2	\$ -	\$ (0.2)
Total Operating Sources	\$ 56.3	\$ 72.3	\$ 16.0
Uses			
Faculty and Staff Salaries	\$ 28.7	\$ 30.3	\$ 1.7
Internal Recoveries	\$ (0.4)	\$ (0.3)	\$ 0.1
Non-personnel Services Expenses	\$ 20.8	\$ 24.5	\$ 3.7
Financial Aid	\$ 7.2	\$ 16.3	\$ 9.1
Internal Debt Service, Transfers, and Other	\$ 0.0	\$ 0.5	\$ 0.5
Total Operating Uses	\$ 56.3	\$ 71.3	\$ 15.0
Net Sources and Uses	\$ 0.0	\$ 1.0	\$ 1.0

Note: Financial Aid uses in FY23 includes federal financial aid not budgeted in previous years.

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

2022-2023 OPERATING BUDGET FOR THE ACADEMIC DIVISION

RESOLVED, the 2022-2023 \$2.1B 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; and

RESOLVED FURTHER, the Board of Visitors delegates authority to the President and the Executive Vice President and Chief Operating Officer to direct up to \$100M to the Strategic Investment Fund from the gains earned on the University Unrestricted Endowment through June 30, 2021.

2022-2023 OPERATING AND CAPITAL BUDGETS FOR THE UNIVERSITY OF VIRGINIA MEDICAL CENTER, UNIVERSITY OF VIRGINIA COMMUNITY HEALTH, AND THE UNIVERSITY OF VIRGINIA TRANSITIONAL CARE HOSPITAL

RESOLVED, the 2022-2023 \$2.7B operating and \$168M capital budgets for the University of Virginia Medical Center, inclusive of University of Virginia Community Health and the University of Virginia Transitional Care Hospital, are approved, as recommended by the President, the Executive Vice President for Health Affairs, the Executive Vice President and Chief Operating Officer of the University, and the Health System Board.

2022-2023 OPERATING BUDGET FOR THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

RESOLVED, the 2022-2023 \$71.3M operating budget for The University of Virginia's College at Wise is approved as recommended by the President and the Chief Operating Officer.

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

BOARD MEETING: June 3, 2022

COMMITTEE: Finance

AGENDA ITEM: I.B. 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: The 2022 Major Capital Plan updates the plan approved by the Board in June 2021 to include current cost estimates, add new projects, and remove projects no longer planned within the next six years. A summary table of the 2022 Plan is included in the appendix.

The University's leadership has reviewed the preliminary financial plans for the projects expected to be initiated within the next year, including private funding assessments and strategies; the repayment of debt service; and the required funding of incremental operating and maintenance costs. Several of the proposed projects are dependent upon external fund sources (e.g., state general funds, private fundraising/gifts); if these funds are not realized, the projects will not proceed unless other funds are identified.

The University has conducted an assessment to evaluate the impact of projects to be debt-funded on the University's key debt ratios as outlined in the Board of Visitors approved debt policy. Based on the historical rate of capital draws, we have concluded that there is sufficient capacity for the debt required, for projects expected to begin by 2024.

Should there be an acceleration of the rate at which draws occur, the debt capacity analysis will be updated. Treasury will conduct a project-specific creditworthiness check prior to initiating debt for any project. By accepting the debt assessment, the Board of Visitors does not authorize the issuance of debt or any other long-term financial obligation; rather, the Board of Visitors approves the inclusion of these debt-funded projects as a part of the 2022 Major Capital Program.

UVA Academic Division

Project	Budget*	State GF	Gifts	Debt	Cash
Football Operations Center	\$80.0		\$24.7	\$31.0	\$24.3
Institute for Biotechnology	\$350.0	\$175.0	\$100.0	\$75.0	
Ivy Corridor Landscape & Infrastructure Phase IIA	\$11.8				\$11.8
Memorial Gym Infrastructure & Accessibility Renewal	\$20.5			\$20.5	
Monroe Hall Addition HVAC Renewal	\$9.0			\$4.5	\$4.5
Physics Building Classrooms	\$7.0				\$7.0
Pinn Hall Integrated Spatial Biology Core Consortium	\$8.5		\$8.0		\$0.5
UVA Hotel and Conference Center	\$167.9		\$3.0	\$144.9	\$20.0

* High end of project budget range; all numbers in millions.

UVA Health

Project	Budget*	State GF	Gifts	Debt	Cash
Focused Ultrasound Expansion	\$16.5				\$16.5

* High end of project budget range; all numbers in millions.

A brief description of each of the projects above is included in the appendix. Financial plans for all other projects in the multi-year program have been previously approved by the Board of Visitors or will be brought to the Board for review and approval at a later meeting.

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

MAJOR CAPITAL PROJECTS FINANCIAL PLANS

WHEREAS, in accordance with the University’s capital planning process, major capital projects are vetted by the Space Leadership Committee and executive leadership, as well as by appropriate committees of the Board of Visitors, to ensure alignment with institutional priorities; and

WHEREAS, the Executive Vice President and Chief Operating Officer will confirm that appropriate funding is in place before any project commences construction;

RESOLVED, the Board of Visitors approves the financing plans for the following major capital projects: Football Operations Center, Institute for Biotechnology, Ivy Corridor Landscape & Infrastructure Phase IIA, Memorial Gym Infrastructure & Accessibility Renewal, Monroe Hall Addition HVAC Renewal, Physics Building Classrooms, Pinn Hall Integrated Spatial Biology Core Consortium, UVA Hotel and Conference Center, and Focused Ultrasound Expansion.

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

BOARD MEETING: June 2, 2022

COMMITTEE: Finance

AGENDA ITEM: I.C. Transfer of Real Property to the University of Virginia Foundation

BACKGROUND: The University has established a ten-year goal to support the development of 1,000 to 1,500 affordable housing units on land in Charlottesville and/or Albemarle County that is owned by the University or the University of Virginia Foundation (UVAF).

DISCUSSION: To date, three initial sites have been identified for development of affordable housing: (1) portions of North Fork, a UVA Discovery Park, located in Albemarle County and owned by UVAF, (2) the current location of the University’s Piedmont Housing, located in Albemarle County and owned by the University, and (3) the corner of Wertland and 10th Street, located in the City of Charlottesville, a portion of which is owned by the University and the remainder by UVAF.

It is intended that UVAF will execute one or more long-term ground leases with developer(s) selected to develop the property and construct affordable housing projects. Given the current ownership, it is appropriate that the University transfer its property at the designated sites to UVAF so UVAF may execute and manage the ground leases as the landlord. While the exact acreage to be developed and transferred is yet undetermined, the specific acreage and boundaries of the development sites will be determined as developers propose various site plans and densities for consideration. It is anticipated that the specifics of the resulting affordable housing projects, including financing and capital structure, density, required income levels, amenities, and other permitted uses of the sites, will be determined through a Request for Proposals process.

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

TRANSFER OF REAL PROPERTY TO THE UNIVERSITY OF VIRGINIA FOUNDATION

WHEREAS, The Rector and Visitors of the University of Virginia (the “University”) is committed to strengthening the relationship between the University and the surrounding Charlottesville and Albemarle County communities, and is committed to supporting economic development and social advancement in those communities, through an affordable housing initiative; and

WHEREAS, the Board of Visitors supports the development of 1,000 to 1,500 affordable housing units over the next 10 years with the University of Virginia Foundation assisting with the development and management of such affordable housing; and

WHEREAS, the Board of Visitors has identified two sites owned by the University for the affordable housing initiative (collectively, the "Property"): (1) Tax Parcels 07600-00-00-00800 and 07600-00-00-00500 in Albemarle County, and as depicted in Exhibit A attached hereto, which is the current location of the University's Piedmont Housing and (2) a portion of Tax Parcel 100053000 in the City of Charlottesville, and as depicted in Exhibit B attached hereto;

RESOLVED, the Board of Visitors, for the purpose of developing affordable housing and other compatible or supporting uses (the "Development"), approves the transfer of all or a portion of the Property to the University of Virginia Foundation or an affiliated entity, as determined by the Executive Vice President and Chief Operating Officer of the University (the "Transfer"); and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized, on behalf of the University, to determine whether all or a portion of the Property will be transferred; to approve the Transfer on such terms and in such manner as he or she may deem reasonable; to execute all deeds, documents, and agreements as he or she may deem necessary and appropriate for the Transfer and the Development; to approve such reasonable and customary expenses, if any, as may have been or may be incurred by the University related to the Transfer; and to take such other actions as he or she may deem necessary and appropriate to consummate the Transfer and the Development; and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized, on behalf of the University, to approve and execute agreements with the University of Virginia Foundation and other third parties to provide services and perform other actions on the University's behalf, and to execute and file such applications, documents, and other instruments, and to take such other actions as he or she deems necessary and appropriate in connection with the Transfer and the Development; and

RESOLVED FURTHER, all prior acts performed by the Executive Vice President and Chief Operating Officer and other officers and agents of the University, in connection with the Transfer and the Development, are in all respects approved, ratified, and confirmed.

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

BOARD MEETING: June 2, 2022

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 2, 2022

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 a number of 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 10, 2022, Mr. Robert Blue met 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 follow.

Minutes

University of Virginia
Board of Visitors Finance Committee Appointees on Retirement Program Oversight
May 10, 2022, 10:45 a.m.
Meeting held via Zoom

Board of Visitors Finance Committee Appointees:

Robert Blue
James Murray

In Attendance:

Retirement Administrative Committee Members:
John Kosky - Chief Human Resources Officer

Others:

JJ Davis – Executive Vice President and Chief Operating Officer (EVP-COO)
David King – Sr. Specialist Retirement Plan
Megan Lowe – Assistant Vice President and Chief of Staff to the EVP-COO
Barry Schmitt – CAPTRUST Financial Advisors
Fran Slacum – CAPTRUST Financial Advisors

The RAC meets quarterly to review investment performance with CAPTRUST and to evaluate the overall success of the University's retirement program offerings. Mr. Robert Blue, as Finance Committee Chair, and Mr. James Murray, Finance Committee member, work with the Retirement Administrative Committee to oversee the retirement program and report back to the Finance Committee on an annual basis.

There were three agenda items for this meeting: industry overview and annual review of performance, update of FY22 activities, and future initiatives under consideration.

I. Industry Overview and December 31st, 2021 Annual Performance

Barry Schmitt discussed CAPTRUST's December 31, 2021 Industry and Market Update and Performance Review, reminding the appointees that the RAC meets quarterly with CAPTRUST to monitor fund performance and once per year each of the vendors is invited to the RAC to present on their participant activity and fund performance. The details of the report are available in the UVA 4Q2021 Investment Review. 2022 began with modest declines across major asset classes. Only commodities were propelled higher during the quarter, accelerated by supply shocks stemming from the Russian invasion of Ukraine. The bond markets were rattled by inflation fears and the beginning of a Federal Reserve tightening campaign. U.S. large-cap stocks declined 4.6% during the first quarter despite a strong March rally, as the S&P 500 delivered its first quarterly decline since the first quarter of 2020. International stocks fared worse amid fears of energy and commodities shortages. Developed market stocks slipped by 5.8%, while emerging

markets stocks dropped by 6.9%. Bond prices retreated as interest rates rose, leading to a 5.9% decline in the first quarter, the largest quarterly loss for the Bloomberg U.S. Aggregate Bond Index in more than 40 years. The only major category to post gains during the quarter was commodities, as prices for a wide range of inputs—from food to energy and basic materials—surged higher, resulting in best quarter for commodities since 1990. An industry update on SECURE Act 2.0, Plan litigation, DOL updates and fiduciary training were also highlighted.

II. Update of FY22 Activities

John Kosky provided an overview of the retirement programs. The University is the plan sponsor of nine qualified retirement plans. The two largest are the Defined Contribution Retirement Plan for the General Faculty, Executive, Senior Administrative, Managerial, and Professional University Staff of the University of Virginia and the Defined Contribution Retirement Plan for Employees of the University of Virginia Medical Center.

TIAA Group Contracts and Retirement Plan Loans

In April of 2021, UVA completed a migration from TIAA individual contracts to TIAA's Retirement Choice/Retirement Choice Plus Contracts. The new contracts are institutionally owned, remove required investment options, provide increased employer mappability for TIAA and CREF accounts, and allow for fee leveling and small-balance withdrawals in annuities. Collateralized loans were replaced with the newer Retirement plan loans at TIAA.

Plan Fees

Fidelity reduced their fee from 6.25 basis points to 3.75 bps in a fixed fee arrangement TIAA reduced their fee from 4.3 basis points to 2.1 bps

De-Minimis Balance Distributions

There were approximately 5,300 rollover IRAs opened at Millennium Trust for terminated participants of UVA with Fidelity and TIAA account balances below \$5,000.

Lead/Sole Recordkeeper

The Committee will continue to explore lead recordkeeper/sole recordkeeper options. The analysis will include comparison of an asset based vs. per head fee under current state, lead recordkeeper, and sole recordkeeper options.

RAC Membership

Two new members were added to the RAC – Anne Kromkowski and Michael R. Marquardt. CAPTRUST conducted Fiduciary Training for the new members in August 2021.

Investment Policy Document

The RAC re-affirmed the Investment Policy Document in May 2021.

A breakdown of the UVA mandatory retirement plan enrollment follows:

<u>Retirement Plan Category</u>	<u>Count</u>
Medical Center Retirement Plan (MCRP, all options)	6,378
Optional Retirement Program (ORP, all options)	4,757
VA Retirement System (VRS, all options)	5,780
Community Medicine (all options)	7

APPENDICES

Major Capital Project Descriptions

UVA PROJECTS

Football Operations Center	\$24.7M (gifts)
	\$31.0M (debt)
	<u>\$24.3M (cash)</u>
	\$80.0M (total)

The Football Operations Center (FOC) is the next phase of the UVA Athletics Complex which will redefine how UVA educates student-athletes by improving the facilities and support provided for students to achieve academic excellence, develop the necessary skills to become citizen leaders for tomorrow, and train to compete for championships. When fully realized, the Athletics Complex will include the new FOC and an Olympic Sports Center which together will support the 750 student-athletes competing in 27 varsity sports. The 88,000 SF state-of-the art FOC will include strength and conditioning areas, locker room and players' lounge, sports medicine and hydrotherapy pool areas, offices for coaches and staff, conference and meeting rooms, recruiting areas, sports nutrition area, building support spaces, and a loading dock to service the building. The project site sits along Massie Road, adjacent to the existing Dr. Frank C. McCue Center, the George Welsh Indoor Football Practice Facility, and the new football outdoor grass practice fields.

Institute for Biotechnology	\$175.0M (state GF)
	\$100.0M (gifts)
	<u>\$75.0M (debt)</u>
	\$350.0M (total)

UVA seeks to establish an Institute for 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. Establishing the UVA Institute for Biotechnology will require construction of a 350,000 GSF facility that will include a 20,000 SF current good manufacturing practice (cGMP)/viral vector unit that will have the capacity to manufacture both cell and protein-based investigational therapies, as well as viral vectors for researchers and partnering biotechnology companies. The proposed new facility will enable the University to catalyze innovative research capable of creating new and innovative clinical therapies and of making Virginia a national leader in research discovery, translation, and clinical care.

Ivy Corridor Landscape & Infrastructure Phase IIA	\$11.8M (cash)
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The 2019 Ivy Corridor Landscape Framework Plan guides the redevelopment of the four-block, 14.5-acre parcel located between Ivy Road and the railroad tracks. The eastern corner at the intersection of Emmet Street (Route 29) and Ivy Road (Route 250) presents an opportunity of symbolic importance to the University. Given the size of the parcel and

other factors, the redevelopment was divided into two phases. Phase I includes all property east of Cameron Road and is currently under construction. Phase IIA will support the redevelopment of a sizable portion of the remainder of the Ivy Corridor site including the demolition of existing facilities and grading, utilities, infrastructure, landscaping, and stormwater management necessary to support future buildout of the site including the Karsh Institute of Democracy. To complete this work, the University must also purchase certain parcels of land from the UVA Foundation.

Memorial Gym Infrastructure & Accessibility Renewal **\$20.5M (debt)**

In operation for nearly 100 years, the 83,000 SF Memorial Gymnasium (Mem Gym) has several significant deferred maintenance needs. In 2017, the University replaced the slate roof on the center portion of the building, and in 2018, installed air conditioning in the main gymnasium space. The brick exterior is currently undergoing an extensive renovation. Significant work is required to address the outdated and deficient mechanical, electrical, and fire suppression systems, as well as the building's lack of accessibility. This project will upgrade deteriorating building systems and extend Mem Gym's long history of supporting academic course work and University community activities.

Monroe Hall Addition HVAC Renewal **\$4.5M (debt)**
\$4.5M (cash)
\$9.0M (total)

The addition to Monroe Hall was completed in the mid-1980s. The HVAC system installed in the addition is nearing the end of its useful life and was designed in a way that causes high indoor humidity during mid-summer weather. The HVAC renewal project will replace the aging HVAC components, improve the system's ability to dehumidify in mid-summer, and improve the system's ability to respond to variable heating/cooling needs during the transitional weather of the spring and fall. This project will provide more comfortable teaching and faculty office spaces and will incorporate energy recovery aligning with the University's sustainability goals.

Physics Building Classrooms **\$7.0M (cash)**

When the Physics Building renewal project was originally designed, the Physics department was not planning to shift away from core lecture-style courses, so the project did not include renovating the two nested and steeply tiered traditional lecture halls. Since that time, however, core courses in chemistry, calculus, and statistics have been redesigned to be conducted in an active learning environment, and courses in biology, psychology, and physics will be redesigned in a similar way. Given the instructional method redesign, lecture-style auditoria have become obsolete, and the University needs to increase the number of active-learning classrooms. This project will redesign the second and third floors of the west end of the building. A new second floor structure will be constructed and fitted with systems, finishes, equipment, and furniture; and will house one 3,900 SF flat floor classroom that will accommodate 126 students. The third floor will house one 1,250

SF flat floor classroom for 36 students and one 2,600 SF wide-tier hybrid auditorium for 120 students.

Pinn Hall Integrated Spatial Biology Core Consortium **\$8.0M (grant)**
\$0.5M (cash)
\$8.5M (total)

This project will renovate and modernize 6,800 SF on the first floor of Pinn Hall and co-locate elements of the Advanced Microscopy Facility, the Biomolecular Analysis Facility, the Biorepository and Tissue Research Facility, and the Genome Analysis and Technology Core into an open, flexible workspace in which researchers are able to conduct complex spatial biology experiments. The co-location of these cores in a shared space with Office of Research Core Administration (ORCA) will allow for better interaction among staff collaborating on research projects, as well as enhanced oversight and project management. Given the complexity of these technologies, the ability for researchers to work in proximity will expedite their work in a concerted, efficacious manner. The SOM has submitted a grant proposal to National Institute of Health (NIH) to cover most of the project cost; if the grant is not funded, the project will not move forward until an alternate fund source is identified.

UVA Hotel and Conference Center **\$3.0M (gifts)**
\$144.9M (debt)
\$20.0M (cash)
\$167.9M (total)

As recommended by the 2017 Hospitality Task Force and the Emmet Ivy Task Force, and approved by the Board of Visitors in March 2019, the UVA Hotel and Conference Center (HCC) will replace the Cavalier Inn that was demolished in fall 2018. Sited adjacent to the Emmet Ivy Parking Garage along the Ivy Road Corridor, the new 223,000 SF UVA HCC will include 214 guest rooms, nearly 29,000 SF conference and meeting space, 15,000 SF food and beverage space; and more than 12,600 SF public space; and will provide UVA with central and convenient accommodations for visiting scholars and lecturers, prospective faculty and students, returning alumni, career recruiters, fans of athletics teams, and attendees at special events, among many others. The adjacency to the existing parking structure will maximize the shared-use potential of the garage. The communal spaces will encourage visitors to learn more about the University and its programs. Debt service, capital reserves, and annual operating costs will be covered by revenues from hotel operations.

UVA HEALTH PROJECT

Focused Ultrasound Expansion **\$16.5M (cash)**

The Medical Center proposes expansion of its hospital-based MRI services. The Focused Ultrasound (FUS) expansion will include a new 1.5T MRI machine located in space formally occupied by Interventional Radiology (IR). IR was relocated as part of the Hospital

Expansion Project, allowing for renovations and for MRI to expand into the vacated space which is part of the Radiology Master Plan. The needs of pediatric and cardiology patients, both of which frequently require sedation will be met by the new MRI. Patient throughput is reduced when anesthesia is required increasing overall wait times on the three existing MRIs. The new capacity this machine affords will free up time on the three existing magnets which are currently constrained by special needs of pediatric and cardiology patients requiring diagnostic imaging. The new capacity will allow FUS technology to be moved into the Hospital-based Radiology suite and make this innovative technology available to a broader patient population.

UVA PROPOSED 2022 MAJOR CAPITAL PLAN

Academic Division					
Project (\$ in millions)	Budget	State GF	Gifts	Debt	Cash
<i>Projects under construction</i>					
Alderman Library Renewal	\$ 163.90	\$ 143.90	\$ 20.00		
Brandon Avenue Upper-Class Residence Hall	\$ 114.00			\$ 63.02	\$ 50.98
Contemplative Commons	\$ 69.00		\$ 49.00	\$ 15.00	\$ 5.00
Gilmer Hall and Chemistry Building Renovation	\$ 197.03	\$ 146.70		\$ 42.53	\$ 7.80
Inn at Darden	\$ 135.00		\$ 30.00	\$ 91.50	\$ 13.50
Ivy Corridor Landscape & Infrastructure Phase I	\$ 60.00			\$ 56.00	\$ 4.00
Lambeth Field Apartments HVAC Improvements	\$ 14.50			\$ 14.50	
Low Temperature Hot Water Conversion	\$ 35.00			\$ 34.50	\$ 0.50
Massie Road Utility Extension	\$ 11.00			\$ 6.00	\$ 5.00
School of Data Science	\$ 53.50		\$ 5.50	\$ 48.00	
Smith Hall Renovation (Darden)	\$ 14.00		\$ 7.20	\$ 6.80	
West Grounds Chilled Water Capacity	\$ 8.00			\$ 8.00	
<i>Projects in planning/design</i>					
Athletics Complex Phase III - Football Operations Center	\$ 80.00		\$ 24.70	\$ 31.00	\$ 24.30
Athletics Complex Phase IV - Olympic Sports Center	\$ 65.00		\$ 35.00		\$ 30.00
Chemistry Building Fume Exhaust Renewal	\$ 8.50				\$ 8.50
Karsh Institute of Democracy (includes Batten)	\$ 80.00		\$ 5.00	\$ 75.00	
McIntire Academic Facility (Shumway Hall)	\$ 132.70		\$ 17.50	\$ 115.20	
Physics Building Renewal	\$ 62.80	\$ 60.42			\$ 2.38
Tech Talent Investment Program Phase I	\$ 3.00	\$ 3.00			
UVA Hotel & Conference Center	\$ 167.90		\$ 3.00	\$ 144.90	\$ 20.00

Academic Division

Project (\$ in millions)	Budget	State GF	Gifts	Debt	Cash
Projects not yet initiated (proposed projects in red text)					
Near-term initiation (2022-24)					
School of Architecture Center for Design (planning/design)	\$ 4.00		\$ 4.00		
Center for the Arts (planning/design)	\$ 11.10		\$ 11.10		
Darden Student Housing	TBD				
Engineering Academic Building (planning/design)	\$ 5.00		\$ 5.00		
Fontaine Central Energy Plant & Utilities	\$ 55.00			\$ 40.00	\$ 15.00
Fontaine Infrastructure & Parking Garage	\$ 87.00			\$ 87.00	
Institute for Biotechnology	\$ 350.00	\$ 175.00	\$ 100.00	\$ 75.00	
Ivy Corridor Landscape & Infrastructure Phase IIA	\$ 11.80				\$ 11.80
Mem Gym Infrastructure & Accessibility Renewal	\$ 20.50			\$ 20.50	
Monroe Hall Addition HVAC Renewal	\$ 9.00			\$ 4.50	\$ 4.50
Parking Garage	\$ 54.00			\$ 46.80	\$ 7.20
Physics Building Classrooms	\$ 7.00				\$ 7.00
Pinn Hall Integrated Spatial Biology Core Consortium	\$ 8.50		\$ 8.00		\$ 0.50
Mid-term initiation (2024-2026)					
Environmental Health & Safety Facility	\$ 28.00		\$ -	\$ 28.00	
Pinn Hall Renovation Phase II	\$ 38.00			\$ 38.00	
UVA Museum (planning)	\$ 3.00		\$ 3.00		
Long-term initiation (2026-beyond)					
Center for Politics	\$ 14.00		\$ 14.00		
Darden Academic Building	\$ 85.00		\$ 85.00		
Old Cabell Hall Renewal	\$ 60.00	\$ 60.00			
Student Activities Building	\$ 17.00			\$ 17.00	

Academic Division planning studies

In progress:

- Chemistry Addition Chillers Replacement
- Grounds Plan Update
- Massie Road Utility Plant Expansion
- Strategic Thermal Energy
- Tech Talent Investment Program Programming

Proposed:

- Child Development Center Feasibility Study
- School of Nursing Instructional Space

UVA Health					
Project (\$ in millions)	Budget	State GF	Gifts	Debt	Cash
<i>Project under construction</i>					
Cancer Center - MRI LINAC	\$ 8.00				\$ 8.00
<i>Project in planning/design</i>					
Consumer Ambulatory Clinic (tenant fit-out)	\$ 15.00				\$ 15.00
Focused Ultrasound Expansion	\$ 16.50				\$ 16.50
Multi-Disciplinary Ambulatory Clinic Building	\$ 155.00			\$ 77.50	\$ 77.50
UVA Encompass Rehab Hospital Renovation/Expansion	\$ 35.00				\$ 35.00
<i>Projects not yet initiated</i>					
<i>Mid-term initiation (2024-2026)</i>					
Data Center	\$ 23.00				\$ 23.00

UVA Health planning studies in progress:

- Clinic Lab Building
- Hospital Façade Replacement

College at Wise

Project (\$ in millions)	Budget	State GF	Gifts	Debt	Cash
<i>Project in planning/design</i>					
Wyllie Library Renovation and Conversion	\$ 16.60	\$ 16.60			
<i>Projects not yet initiated</i>					
<i>Near-term initiation (2022-24)</i>					
Darden Hall Renovation	\$ 31.22	\$ 31.22			
Technology Classroom Building	\$ 52.00	\$ 52.00			
<i>Mid-term initiation (2024-2026)</i>					
Sandridge Science Center Lab Wing Renovation	\$ 39.10	\$ 39.10			
<i>Long-term initiation (2026-beyond)</i>					
Athletic Building	\$ 24.70		\$ 24.70		
Bowers-Sturgill Hall Renovation	\$ 5.90	\$ 5.90			
Campus Welcome/Public Safety Facility	\$ 5.60	\$ 5.60			
Music Education Center	\$ 45.20	\$ 22.60	\$ 22.60		
Zehmer Hall Renovation	\$ 23.10	\$ 23.10			