



THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA

December 2, 2021

The Board of Visitors of the University of Virginia held an in-person and electronic meeting at 3:00 p.m. on Wednesday, December 2, 2021 to conduct an educational workshop and to hear public comment on the proposal for undergraduate tuition and fee increases for academic years 2022-2023 and 2023-2024. Whittington W. Clement, Rector, presided.

Participants were James B. Murray Jr., Robert M. Blue, Barbara J. Fried, L.F. Payne, and Robert D. Hardie. Student and faculty representatives Sarita Mehta and Joel Hockensmith also participated.

Also present were M. Elizabeth Magill, Jennifer Wagner Davis, Donna P. Henry (by Zoom), Melody S. Bianchetto, Susan G. Harris, Jasmine Yoon, Colette Sheehy, Penelope Cabaniss, Megan K. Lowe, and Debra D. Rinker.

There were no speakers for the public comment session.

Educational Workshop

Rector Clement opened the meeting and welcomed the participants. He said the University has held similar meetings over the past few years to solicit input on tuition and fees decisions. One of the most important issues the Board of Visitors considers every year is setting tuition. He introduced the other members of the Board and the workshop speakers Ms. Davis, Ms. Magill, and Ms. Henry.

Mr. Clement said setting tuition is one of the most important duties of the Board of Visitors. It is the last lever the board wishes to pull to fund the university's operations.

He gave some background on the process for this year, explaining the role of the Finance Subcommittee on Tuition. Last summer, the subcommittee studied undergraduate tuition policy, including the tuition-setting process and timing of decisions. The subcommittee met throughout the summer and made recommendations to the Board in September on actions to take to improve the transparency and predictability of tuition setting. Two key elements of their recommendations: 1) tuition should be set in December; and 2) tuition should be set on a two-year basis. Reasons include that a December decision aligns with admissions decisions dates, streamlines student financial services internal processes and reduces the number of times a financial aid application has to be reviewed, improves planning processes for schools and units, and allows for earlier and more frequent engagement with diverse stakeholders and leadership. Most importantly, setting tuition for two years gives families crucial financial information early so they can plan for two years instead of one.

Mr. Clement said the proposal that will go to the Board this month includes tuition for 2022-23 and 2023-24. The proposal will assume that the General Assembly will provide the same amount of general funds as in the past. If, during the upcoming session, the Governor and the General Assembly increase state support significantly, the Board could decrease tuition rates in the spring.

He said the tuition subcommittee also recommended improved transparency by communicating changes in tuition to students and their families with a focus on timely, accurate information about net price and total cost of attendance, the overall picture of the operating budget realities of what tuition increases will fund, and the value proposition of a UVA education.

He also addressed recent comments about the endowment returns and why the University doesn't freeze tuition and use the returns to finance the university. That may seem logical from a macro view, but there are reasons why this would not be prudent or fiscally responsible for the long term because most endowment accounts are restricted by donors for certain purposes and cannot be diverted to other purposes. One restriction for endowment funds is scholarships, and endowment funds are one of the primary ways UVA can provide free tuition for in-state families with less than \$80,000 in family income, and free tuition, room, and board for in-state families with less than \$30,000 of family income. UVA caps loans for low-income Virginians to \$4,000 and for all other Virginians with need, loans are capped at \$18,000. For non-Virginians with need, loans are capped at \$28,000, and this is for all four years.

Another group of restricted funds in the endowment is for professorships, which allow the University to engage some of the best and brightest faculty in the nation. Without these funds, UVA would not be able to compete with many peers on compensation.

In conclusion, he said the endowment provides important funding for many areas that are not supported through tuition and state support.

Ms. Magill spoke about the value proposition of a UVA education. She explained the goals in the 2030 Plan, and tuition is one way of accomplishing the goals. UVA attracts talented students and faculty and has a 96.8% one-year retention rate. UVA is one of the very few public universities that covers 100% of financial need for its undergraduate students and prioritizes affordability, accessibility, and maintaining high quality. Access UVA statistics show 36% of undergraduate students have need, and 100% of need is met through grants and loans.

Increased tuition has not kept pace with declining state support, and Ms. Magill noted that in-state tuition now accounts for more than state support per in-state student. Over 30 years, the combined investment from students and the state is less than 1990-91 in inflation adjusted dollars. There is a gap of \$4,141 per in-state student in 2021-2022 that must be covered by sources other than tuition, fees, and state support. Differential tuition, increases in out-of-state tuition, endowment, and philanthropy, supply these funds.

Ms. Davis explained, using a dollar bill graph, how tuition and state funds are spent to educate students. She also explained the role of inflation, represented in the Higher Education Price Index (HEPI). If we followed the Board policy of HEPI+1% every year since 2016, we would have raised \$49M more. The gap is about \$4,207 per in-state student.

Ms. Davis said the administration also focuses on cutting costs. She showed a slide on cost cutting and process improvements. She then moved on to uses of the endowment, which provides long-term sustainability for the University as well as a protection against inflation. Specifically, it is used to supplement base tuition and appropriations including funding strategic priorities in the 2030 Plan, recruiting world class faculty and researchers, funding the best undergraduate financial aid program among publics, and matching state contributions for capital projects such as the Health and Wellness Center, Data Science, the Democracy Institute, and many others. She showed a dollar bill divided by how endowment dollars are used.

Ms. Davis said the operating challenges and opportunities for FY 2023 include inflation, a 3% merit increase for all faculty and staff, minimum wage increases and increased pay for front-line workers, increasing utilities costs, and library collections costs. The tuition increases have been modest in the past few years, with no increase this year. An increase is needed next year, assuming the state appropriation will stay at the same level.

Chancellor Donna Henry gave an overview of the College at Wise. The value proposition revolves around service to students in the Commonwealth and in the Appalachian region. The College at Wise serves students from lower socioeconomic areas who might not have access to affordable higher education. The College at Wise was awarded a “most bang for the buck” designation from *Washington Monthly* magazine, and ranked nationally on the U.S. News & World Report Social Mobility Index. The College at Wise’s software engineering program is recognized nationally for its accessibility to students.

Chancellor Henry explained the goals and values of the College at Wise. They include a public liberal arts identity, affordability and accessibility, a commitment to the individual, and engagement with the community. The new strategic plan was just approved which reimagines the core curriculum, provides for guided pathways and a student success collaborative, and focuses on experiential learning and a high impact hub. She mentioned the Center for Educational Excellence and Innovation for faculty and staff development, and the development of a peer education network of students helping other students. Two College at Wise students, Telena Turner ’20 and Robert Powers ’19, were mentioned regarding their experiences.

Ms. Henry said the tuition philosophy is to look to tuition as a last resort with a focus on affordability and accessibility. They have also contained costs through a hiring freeze, an early retirement program, restructured auxiliary debt, a college-wide zero-based budget exercise, and other reductions.

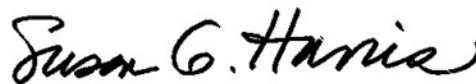
Ms. Henry said the proposal would increase in-state undergraduate tuition 3.0% per year for the next two years, institute mandatory fees of \$161 in-state and \$180 out-of -state in FY2023 and a slight increase in FY 2024, and 2% and 4% room and board increases per year respectively.

Public Comment

Mr. Clement outlined ground rules for public comment and asked Ms. Harris to announce each speaker. No one signed up to speak either in person or by Zoom.

The meeting was adjourned at 3:36 p.m.

Respectfully submitted,



Susan G. Harris
Secretary

SGH:ddr

Attachment: Written Comments Spreadsheet

These minutes have been posted to the University of Virginia Board of Visitors website.

<http://bov.virginia.edu/public-minutes>

ATTACHMENT

Summary Written Responses Submitted on FY23 and FY24 Tuition Proposal

Subject	Date/Time Opened	Contact Name	Contact: Email	Case Number	Description
Increases and Fees	11/29/2021 18:16	Heather Gilley	hng8ew@uvawise.edu	00657980	Hello, I do hope that you're having a great day. My comment is concern on how increases will impact the local communities, especially in still financially unstable times for many and a still unsure future. There are still those that aid doesn't cover for various reason, and who are locals. How does this help cultivate the interactions within the classrooms- the past decade enrollment seems to be on average around two thousand people. Beyond adding more teachers for more classes for those students to grow from, aiding in what they need for their jobs, maintaining the buildings, where else and who else do these funds need to go to and why. I'll understand if it's paying for the teachers, but my understanding stops there and holds no love for higher administration using it as they please. Every penny needs to be fully explained and all reasons behind it, when it comes to anything other than paying professors salaries, to the students and the community. Which I hope will be what is occurring during the meeting- a meeting that should be sent to the whole student body after the meeting has concluded for those that cannot attend. Thank you and have a great rest of your day
Fwd: Tuition Increase as per DP 12/1/21	12/1/2021 11:56	Katherine Slaughter	katherineslaughter61@gmail.com	00659130	RESENT TO CORRECTED EMAIL ADDRESS Re Budget Work Session Dec 2 Dear Rector Clement and Board of Visitors: UVa needs to find a creative way to reduce and/or eliminate tuition increases. This is especially true over the next several years as people climb out of the pandemic economic hole. If you would freeze tuition increases for two years instead of raising them, you could look at programs that don't need expansion at this time. You could appeal to donors who wish to start new institutes, programs, or departments (all of which have occurred in recent years), and recognize them instead for investing in a new innovative program called "No New Student Debt" (or something more evocative). In this way, you could prevent additional increased student debt for the immediate future, and its emotional and financial hardship on students and their families so pressed during these still uncertain times. If you persist with the tuition increase proposal, some students will be unable to continue despite scholarships and loans. Another option: You can appeal to the incoming Governor about his willingness to expend a portion of surplus state funds expressly for this EDUCATIONAL purpose. You could look to other innovative programs across the country, several of which are sponsored by financially stressed HBCUs. UVA should be governed in a fiscally responsible manner, but that does not mean applying a corporate model that raises consumer price to meet costs. Please reconsider, and use your creativity to develop a different model. Sincerely, Kay Slaughter UVA Law 1986 Charlottesville VA -- Kay Slaughter -- Kay Slaughter
Proposed tuition increase	12/1/2021 17:16	Karen Mawyer	ksmawyer@gmail.com	submitted to Susan Harris; not through Salesforce	Dear Rector Clement and Board of Visitors: As an alumna of the University (College 1974, Law School 1977) and the mother of an alumnus (College 1997), I was disappointed and dismayed to learn that Uva is seriously considering a significant tuition increase in these difficult and challenging times. It's next to impossible to believe that moving forward with a tuition increase will not lead to worry, financial hardship, and impossible choices for many students. prospective students, and their families. I would ask that you not pursue a tuition increase at this time, and consider other ways of meeting important University priorities. Sincerely, Karen S Mawyer