

*2013-2014  
Budget Summary  
All Divisions  
Revised May 21, 2013*

# UNIVERSITY OF VIRGINIA

## 2013-2014 BUDGET SUMMARY

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# UNIVERSITY OF VIRGINIA 2013-2014 CONSOLIDATED BUDGET SUMMARY

## STRATEGIC PRIORITIES

The academic program is the heart of the University of Virginia's mission. From the time of Thomas Jefferson until today, the University has aspired to define its own model for higher education, one that continues to be widely respected for its originality. The University community seeks to be distinctive in several ways. Its efforts are rooted in a set of core principles: excellence, honor and self-governance, innovation and collaboration in the pursuit of knowledge, leadership for the public good, and a vibrant breadth of academic offerings within and across schools. These defining principles were originally expressed by Mr. Jefferson and continue to serve as the guideposts for the University's future strategic development. These principles shape how U.Va. chooses its academic strategies, how it teaches students and prepares them for the future, and how it brings the knowledge, energy, and commitment developed in the University to the benefit of society through service.

U.Va.'s faculty and schools continue to be ranked among the best in the nation. For 20 consecutive years, the University's overall undergraduate program has been ranked first or second among public institutions, surpassed only by the flagship University of California institutions. The University's School of Law, the Darden School of Business, and the McIntire School of Commerce are all top fifteen schools. Rather than relying on a star system, the University has achieved its rankings through strong teams of faculty, and the whole has been greater than the sum of its parts.

Competitor public institutions are typically much larger. The University has foregone the economies of scale these institutions can achieve in favor of an emphasis on smaller courses and closer faculty/student interaction. Competitor private institutions are typically smaller, but they do not face the political pressures to grow in service to the Commonwealth that the University feels. One result of U.Va's scale is that its departments are typically smaller than those at most research universities (including private institutions). Rankings are known to correlate with size. The University's choice to remain relatively small requires collaboration across the Grounds in order to achieve a critical mass of faculty in certain important areas that is essential to ensuring continued academic recognition. The University's decision to remain relatively small may constrain some of the choices that it can make, but it underscores a commitment to prioritize quality.

### Planning the Future

The University of Virginia has reached a defining moment in its history, with stakeholders from every corner of the community coming together to re-examine and re-imagine the University as it approaches its third century. These stakeholders are working together on a strategic plan that will assess the University's strengths and weaknesses, set priorities, and chart a bold, achievable course for the University as it approaches its third century. The strategic planning process has been inclusive, bringing together faculty, staff, alumni, parents, students, and Board of Visitors members to focus on seven distinct themes within the broad effort: enhancing faculty recruitment, retention, and development; determining what it means to be a public university in the 21<sup>st</sup> century; enhancing private support and understanding the University's financial constraints; streamlining business practices; examining student life at a residential college and career services; creating synergy by identifying and aligning common interests across the University; and examining the use of technology to enhance learning and research. The University's plan for the future, a draft of which will be reviewed with the Board of Visitors in the summer and fall of 2013, will include practical, measurable steps to address the challenges confronting higher education, but it will also reflect the University's unique values.

### Investing in the Next Generation of Faculty

Faculty hiring and compensation is a critical area of emphasis. Attracting and retaining the best faculty is more than just a financial issue. Hiring the right people is the most critical resource decision the University makes. Supporting, evaluating, and rewarding the current faculty is equally important. The University projects significant retirements over the next five to ten years, with the possibility that half of the faculty who will be at the University in 2020 are not on Grounds today. Many peer schools face similar demographic challenges. To succeed in hiring the right people, the University must be vigilant in the search and recruitment process and have the resources necessary to compete with peer schools. U.Va. desires not simply to replace retiring faculty members, but to use the occasion to elevate the quality of faculty in ways that are consistent with the University's dual focus on education and research. The goal is to recruit faculty members who combine leadership in their field with a commitment to educational innovation.

### Financing Academic Excellence – A Multi-Year Financial Plan

The University is developing a multi-year financial plan and it will incorporate initiatives and activities arising from the strategic plan.

### Maintaining Access and Affordability

The University continues to examine its tuition pricing strategies together with its pioneering financial aid program, AccessUVa, in an effort to attract and retain a diverse student body of the highest caliber while also providing the appropriate level of resources for investment in programs, faculty, and staff. AccessUVa is fundamental to fulfilling the University's public mandate, yet its financial model is proving difficult to sustain as the growth in the student population qualifying for need-based aid has increased, principally as a result of the economic downturn. The percentage of in-state students qualifying for need-based aid rose from 24 percent in 2004 to 34 percent in 2013,. The University has taken steps to control the additional investment in the program from institutional resources. A more in-depth discussion of AccessUVa can be found on page 7.

### Supporting the Objectives of the Higher Education Opportunity Act of 2011

A number of the University's strategic initiatives are shaped by the Virginia Higher Education Opportunity Act of 2011 (HEOA), which committed the Commonwealth and the University to goals for degree attainment, economic opportunity, and affordable access. The overarching goal of the HEOA is to produce 100,000 more degrees by 2025, particularly in science, technology, engineering, mathematics, and health (STEM-H) fields. With a 94 percent graduation rate, the University's response to this goal is to increase the number of undergraduate students by 1,673 between 2011 and 2018. Beyond admitting more students, the University has targeted ways to increase enrollment in STEM-H programs while maintaining the strength of its liberal arts programs.

The HEOA legislation requires submission in odd-numbered years of a six-year plan by each higher education institution that outlines how the institution will respond to furthering the objectives of the Act. The first plan was prepared in 2011 and updated in 2012. The next plan will be submitted in July 2013 and not only projects efforts through 2020, but also reports on progress toward achieving the strategies outlined in the first report.

### Designing a Financial Model to Promote Excellence

This budget marks additional progress in the University's move toward a new financial model. The new model emphasizes transparent decision making, incentive-based allocations, and prudent stewardship of the University's resources. It will empower the individual academic units to be innovative and cost-efficient, and incentives will be built into the system to encourage entrepreneurialism among deans, administrative leaders, and faculty and staff members across the University. Most importantly, this new long-range planning model will enable the University to align its resources more precisely with its core

mission areas of education, research, patient care, and service. In 2013-14, the University will continue migration of its current resource allocation model to better enable multi-year academic strategic planning, incentivize cross-Grounds activities that will pull together the collective strengths of schools, and provide, to the extent possible, long-term financial stability for the University.

The 2013-14 budget for the Academic Division incorporates elements expected to be principles of the new internal financial model:

- Budget assumptions were developed with greater collaboration between administrative leadership and deans;
- Enrollment revenue associated with new students follows the activity that generates it, aligning incentives as the University grows;
- Tuition revenue associated with 1.0 percent of the base tuition increase for undergraduate students will be distributed to schools, providing resources to meet the highest priority operating needs;
- New funding provided in the 2013-14 budget is clearly tied to the University’s strategic priorities;
- Budget discussions occurred in two phases this year. The first, held in the fall, was a strategic conversation with each dean about the priorities and future direction of their school. The second meeting, held in the spring, was focused on the upcoming 2013-14 operating budget and more immediate strategies, priorities, and resource needs; and
- Effective stewardship of the University’s resources led to academic and administrative units looking within their organizations to re-allocate funds towards highest priority needs.

Two additional actions that will further implementation of the new model are scheduled to begin July 1, 2013. Graduate tuition revenue will be credited directly to the school that enrolls the student, and, at the same time, the school will be responsible for addressing the financial aid needs of its graduate students, a responsibility that up to this time has been budgeted centrally. A principle of the new model is to charge the revenue centers directly for as many central services as practical to better align cost with usage. Beginning July 1, Facilities Management will issue “memo” bills to the schools for utility charges based on metered usage. This action will provide one year of data for the schools to analyze and begin to examine ways in which they might reduce consumption and generate savings.

Reflecting the ongoing transition to a new internal financial model, this document focuses on the strategic priorities of the institution and its constituent units and service centers (beginning on page 30). Strategic direction, key trends, and budget analysis are included for each school and major administrative area.

Promoting Organizational Excellence

Academic and administrative units demonstrated during the budget process the institutional focus on productivity and effective stewardship of resources. The University remains committed to achieving organizational excellence, which encompasses sound fiscal stewardship of private and state funds and a “cost conscious” culture across all areas of the institution – administrative, academic, medical center, and auxiliary enterprises. As such, the University engages in ongoing targeted efforts to contain and reduce costs and enhance effectiveness. As part of the 2013-14 budget development process, schools and units were asked to report cost-saving and efficiency efforts implemented over the past year. They provided examples of how existing resources have been realigned to support their core mission, initiate new

activities related to their strategic focus, and address faculty retention/recruitment, curriculum enhancement, and research.

Overall, the University is committed to achieving a minimum of \$44 million in productivity savings by 2016-17. It will achieve this goal by establishing a formal, continuous, and comprehensive Organizational Excellence Program that is housed within the Executive Vice President and Chief Operating Officer (EVP/COO) portfolio. The program will be governed by a pan-institutional steering committee that includes members of senior management, academic leaders, and other stakeholders with executive sponsorship from the EVP/COO and the Executive Vice President and Provost (EVP/Provost). The steering committee will identify and assess opportunities, prioritize projects for implementation, and assure successful execution for improved quality, streamlined processes and functions, and enhanced synergies throughout the institution. Potential areas to explore include optimal space utilization, closer relationships between the University and University-related foundations, collaborations with other universities, organizational redesign, and an integrated shared services strategy. Along these lines, at the request of the EVP/COO under a program called *Paying Forward: Investing in the Future*, employees across the University have already submitted over one hundred ideas identifying untapped efficiencies, improvements, and cost-saving opportunities. These forms of continuous improvement are an increasingly critical source of supporting strategic initiatives and demonstrating efficiency and effectiveness to key constituents, such as donors or others to whom the University is accountable. Savings achieved from the Organizational Excellence Program will be redirected to strategic priorities.

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

The University of Virginia's College at Wise is equally committed to a set of core principles: insight, competence, sensitivity, and integrity necessary for living enriched lives and for enriching the lives of others. Key strategic priorities addressed through this budget cycle include increasing student retention, improving graduation rates, and focusing on STEM-H offerings. Further discussion and analysis of The College at Wise's strategic priorities and operating budget begins on page 121.

#### Medical Center

For the Medical Center, the 2013-14 fiscal plan aligns resources with strategies and goals to achieve the Health System's strategic planning goal of becoming a top decile academic medical center based on quality measures. The Medical Center's 2013-2014 fiscal plan has been developed while considering the challenge of providing patient care, teaching, and research services in an increasingly changing health care industry. The impact of the Accountable Care Act will not be fully realized for a number of years; however, many of its provisions have already taken effect. The result will be decreased reimbursements from government payors and an industry-wide erosion of pricing power with private payors. At the same time, costs associated with providing quality patient care will continue to have upward pressure due to increases in medical supply, pharmaceutical, and medical device expenses, growing administrative burden, and a shortage of health care workers. These changes require proactive fiscal planning now to ensure meeting the mission of the Health System in the future. Further discussion and analysis of the Medical Center's strategic priorities and operating budget begins on page 129.

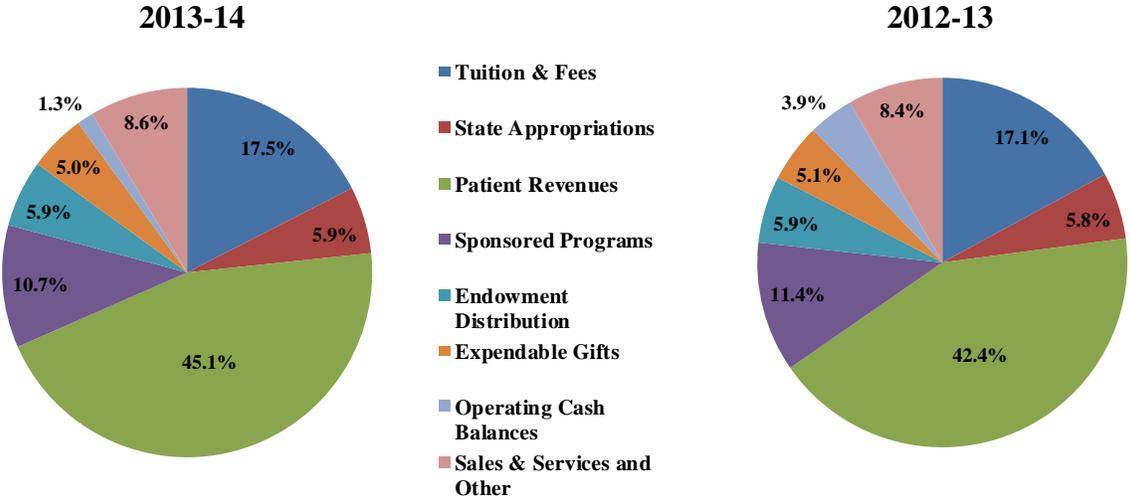
### **OPERATING BUDGET SUMMARY**

The consolidated operating expenditure budget for the period July 1, 2013 through June 30, 2014 for the University of Virginia will total \$2.7 billion, an increase of \$62.4 million or 2.4 percent compared with the 2012-13 revised projection. The consolidated budget is comprised of the Academic Division (including the schools of medicine and nursing) at \$1.4 billion or 53.0 percent, the Medical Center at \$1.2 billion or 45.6 percent, and Wise at \$38.6 million or 1.4 percent. The consolidated budget does not include capital or the activities of affiliated foundations.

<b>Operating Expenditure Budget</b>						
(in millions)						
	2013-14	2012-13	Increase	% Inc.	2012-13	2011-12
	Budget	Projection	(Decrease)	(Dec.)	Budget	Actual
Academic Division	\$ 1,412.5	\$ 1,449.2	\$ (36.7)	-2.5%	\$ 1,361.1	\$1,224.6
Medical Center	1,215.8	1,118.4	97.4	8.7%	1,150.3	1,082.0
Wise	38.6	36.9	1.7	4.6%	36.3	34.7
<b>Total</b>	<b>\$ 2,666.9</b>	<b>\$ 2,604.5</b>	<b>\$ 62.4</b>	<b>2.4%</b>	<b>\$ 2,547.7</b>	<b>\$ 2,341.3</b>

**SOURCES FOR THE OPERATING EXPENDITURE BUDGET**

As shown below, patient revenues (45.1 percent) fund the greatest proportion of the operating expenditure budget, followed by tuition and fees (17.5 percent), grants and contracts (10.7 percent), sales and services and other (including auxiliary revenue, investment income, short-term financing, and other miscellaneous revenues) (8.6 percent), endowment distributions (5.9 percent), state general funds (5.9 percent), gifts (5.0 percent), and accumulated investment balances (1.3 percent).

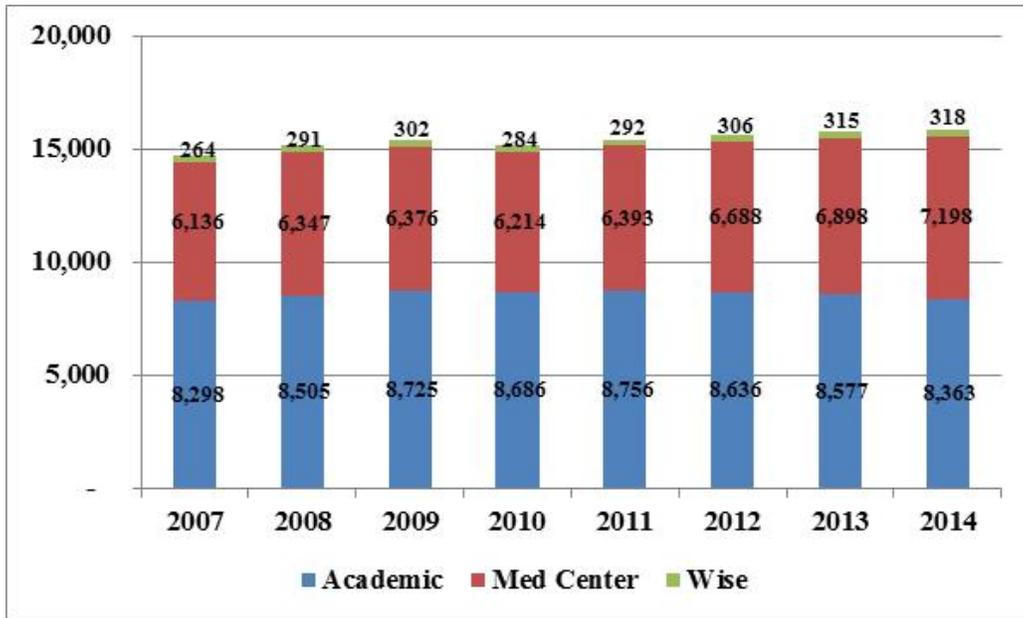


**EMPLOYMENT LEVELS – ALL DIVISIONS**

The University has planned for 15,879 full-time equivalent (FTE) positions for 2013-14, an increase of 0.6 percent or 89 FTEs over the 2012-13 revised budget levels as shown below. The Academic Division is expecting 8,363 FTEs, a decrease of 214 FTEs. This decrease is driven primarily by a reduction of personnel expenditures on sponsored research awards.

The Medical Center is projecting 7,198 FTEs, an increase of 300 FTEs over current staffing levels. Increased staffing for the Centers of Excellence and new initiatives accounts for an increase of 209 FTEs. The remainder of the growth is to support facility expansion and core program growth for existing operations, including 23 additional FTEs at the Transitional Care Hospital.

Wise plans to increase its employment by 3 FTEs to 318 FTEs, adding four self-funded positions in auxiliary enterprises and eliminating one faculty position in educational and general (E&G) programs.



**KEY INVESTMENTS**

*Competitive Compensation*

Attracting and retaining high-quality faculty and staff is critical to success in teaching, research, and service. In 2003-04, the Board of Visitors (the Board) approved a resolution to increase the compensation of the University’s faculty and staff to a competitive level. In 2004-05, the Board further refined that goal with a resolution to move the University’s teaching and research (T&R) faculty average salary to a position between the 15<sup>th</sup> and 19<sup>th</sup> rank among Association of American Universities (AAU) institutions. State-authorized salary increases, together with supplements approved by the Board, allowed the gap between the T&R faculty salary average at the University and at the institution holding the 19<sup>th</sup> position of AAU institutions to narrow from \$7,000 in 2002-03 to \$700 in 2007-08. That competitive position relative to faculty salaries eroded as a result of several years of salary freezes.

In December 2011, based on performance, the Academic Division addressed strategic faculty and University staff recruitment and retention issues with an average two percent increase across all fund sources. As a result, the University moved from the 28<sup>th</sup> position to the 26<sup>th</sup> position with an average salary that was \$4,300 below that of the institution holding the 19<sup>th</sup> position. In February 2013, the Board endorsed a goal to improve the average faculty salary at each rank to the 20<sup>th</sup> position of AAU peers. Assuming that these peers will raise their average faculty salary by three percent each year through 2016-17, the University can attain the 20<sup>th</sup> rank with annual merit-based increases for continuing faculty of 4.75 percent over the next four years. The 2013-14 budget includes the first step of this multi-year plan by incorporating the state-authorized average three percent base salary increase and adding an additional 1.75 percent for a total average increase of 4.75 percent. The University and its senior leadership are committed to performance-based implementation of compensation increases to align the use of resources with demonstrated achievement.

To approach generational faculty turnover from a position of strength, the University also will adjust the distribution of faculty across ranks. Retiring faculty, primarily full professors, will be replaced largely with assistant and associate professors at the appropriate competitive faculty salary as the University

returns to a more sustainable mix of 35 percent full professor, 40 percent associate professor, and 25 percent assistant professor.

After five years without a base salary increase, the General Assembly included in its budget for fiscal year 2013-14 a two percent salary increase for classified staff and a compression adjustment of \$65 per year of service for those employees with at least five years of service up to a maximum of 30 years of service. This budget includes an average three percent merit-based salary increase for University staff, over which the Board of Visitors has compensation authority. It is important that the University be in a position to recruit and retain talented staff to support the primary mission of teaching, research, and service.

#### *Enrollment Growth*

In February 2011 the Board approved a 1,400 student increase in prior undergraduate enrollment projections, bringing the total expected enrollment growth between fall 2011 and fall 2018 to 1,673. In fall 2013, overall undergraduate enrollment is expected to increase by 278 students.

To support this larger enrollment, the 2013-14 budget includes \$4.9 million from incremental tuition revenues and \$1.1 million in state support from the 2013 General Assembly. Representatives from the Budget Office, the Provost's Office, and the undergraduate schools collaborated to develop a funding formula to ensure that new revenues are allocated to support new faculty hires and other critical support functions. Out of the 2013-14 incremental revenue from enrollment growth, \$3.4 million is distributed to the undergraduate schools, \$1.0 million is allocated to AccessUVa to fund need-based aid for the new students, and \$593,000 is reserved for non-academic requirements.

#### *AccessUVa*

The Board of Visitors authorized AccessUVa in February 2004 to ensure that an undergraduate education at the University would be available to all students regardless of their financial circumstances. The program has been successful in increasing socioeconomic diversity, reducing student loan debt, and meeting 100 percent of need for all of the University's students. The program, as conceived in 2004, offers 100 percent of financial need to all undergraduates; provides all-grant aid to low-income students (less than 200 percent of the federal poverty level); caps need-based loans for all undergraduate students; and includes financial literacy education and debt management strategies. In fall 2011, Art & Science Group LLC was hired to conduct a full review of AccessUVa, specifically assessing the effects of financial aid on the admissions process and outcome. Last fall, an internal AccessUVa project management team utilized data from the consultants to develop possible modifications to the program in order to manage the institutional investment and slow the recent rapid escalation of costs; focus on preserving the University's premier financial aid program for students with demonstrated financial need, including an awareness of student indebtedness; and work to maintain student yield and socio-economic diversity. Certain administrative changes were made to hold the institutional investment in the program constant in 2013-14. More comprehensive recommendations based on the external study will be forthcoming in early 2013-14.

The projected 2013-14 full cost of AccessUVa will be \$95.4 million, an increase of \$3.4 million from 2012-13. The University's unrestricted contribution will remain unchanged at \$40.2 million in 2013-14. The remaining portion of the total 2013-14 AccessUVa cost, \$55.2 million, is funded from restricted gifts and endowments, athletic grants, state tax funds, outside grants, federal grants and loans, and work study.

#### *Research and Innovation*

As sequestration and federal budget cuts impact traditional research funding agencies, the University seeks to diversify its research base through collaboration across schools within the University; through

partnerships with industry; and in cooperation with institutions located throughout the nation and globally. Examples of these types of activities are described below.

Rolls-Royce Partnership: In 2007, British-based Rolls-Royce announced plans to build a new jet engine manufacturing plant in Prince George County, offering significant educational and research opportunities for the University. As part of Rolls-Royce's decision to locate its facility in Virginia, the University became part of an innovative partnership that includes Virginia Tech, Virginia State University, and the Virginia Community College System (VCCS) to collaborate with the company on a variety of fronts. The state will allocate \$40 million to the University, Virginia Tech, and the VCCS over five years as incentive for the company's location and research activities; approximately \$23.5 million will accrue to the University. In 2012-13, the University received its fourth installment, totaling \$4.8 million. The University will receive its final installment of \$4.3 million in 2013-14: \$3.8 million to establish new endowed professorships in the McIntire School of Commerce and provide graduate student support and, in the Engineering School, \$200,000 to support the new manufacturing minor and \$250,000 to match research awards from Rolls-Royce.

AstraZeneca Collaboration: Through a strategic research collaboration established in 2009, the University and AstraZeneca are working together to develop innovative treatments for cardiovascular disease. Already, over \$8 million in funding has been committed to U.Va. The partnership supports preclinical to clinical research projects that work to identify disease mechanisms and biological targets with the potential to lead to successful and commercially viable treatments. Leveraging the strengths of both partners, funded principal investigators from the University are matched with AstraZeneca researchers to accelerate the translation of research into new drugs for patient care. The alliance has the potential to greatly speed up the development of novel drugs to treat diseases in several targeted areas, taking these projects years ahead in some cases. Those targeted areas include coronary artery disease (CAD), peripheral vascular disease (PAD), myocardial infarction, atherosclerosis, and abdominal aortic aneurysms. In aggregate, these diseases account for nearly half of all deaths in the United States. Another exciting development with the AstraZeneca-U.Va. Research Alliance is that several projects that were initially started with modest seed grants have now been expanded into much larger grants.

Sustainability: U.Va. has distinctive strengths in environmental sustainability research and education distributed throughout many academic and operating units. Sustainability projects include the U.Va. Bay Game -- a large-scale participatory computer simulation of the Chesapeake Bay watershed -- a powerful tool with real-world applications and impact. It has been described by federal and state agencies, non-governmental organizations, and corporate and education leaders as "the first of its kind" and "simply the best watershed management tool that exists." U.Va. has the potential to become the global leader in shallow water coastal ecosystem research. The institution's collaborative research activities can make a difference in how decisions and policies are developed that impact the health of the world's ecosystems and associated societal and economic well-being.

Large-scale Data Analysis (Big Data): The relatively new "Big Data" initiative brings together the computational, analytic, and big data research communities at U.Va., as well as the Library, Information Technology Services, and external partners. In addition to the sciences, mathematics, and engineering units, it also includes the social sciences, business, digital humanities, arts, environmental sciences, and translational medicine to manage, mine, model, and manipulate large data sets. Over 170 faculty and the University's executive leadership have been involved in the planning stages for this emerging effort. If successful, there are major new federal funds available that may allow U.Va. to leapfrog the competition in this area. Philanthropic support would allow the University to take a commanding position nationally.

U.Va. Innovation: U.Va. Innovation manages a new set of growing programs designed to enhance the University’s ability to disseminate knowledge and know-how via commercialization and corporate partnerships. These programs support and link with school-based efforts to enhance entrepreneurship in Commerce (entrepreneurship), Darden (new I-lab), Engineering (entrepreneurship courses), and Medicine (translational medicine). The University has recently received funding for three exemplary programs supporting this effort:

- One of only seven multi-institution initiatives to win federal funding as part of the U.S. Department of Commerce’s i6 Challenge in 2012, the Virginia Innovation Partnership, led by UVa, will bring together universities, community colleges, corporations, investment capital and other resources to drive promising research discoveries forward. The Virginia Innovation Partnership is unique in the U.S. because it creates a network that links talent, ideas, and capital together across an entire state. The Virginia Innovation Partnership will receive \$1 million in federal funding over two years as part of the i6 Challenge, with additional matching funds provided by corporate participants, university partners, and other entities.
- In partnership with the Commonwealth, the University is also establishing the U.Va. Economic Development Accelerator (UVEDA), a program to enhance proof-of-concept research, promote economic development, and accelerate university innovations toward new products, services, and companies. Private, federal, and foundation contributions will match a \$1 million investment by the Commonwealth to develop the U.Va. Economic Development Accelerator (UVEDA), a public-private partnership designed to facilitate knowledge transfer and business development around University research and innovation. The public-private partnership created by the UVEDA will enable students, faculty, corporate partners, entrepreneurs, and others to experiment, collaborate, develop products and services, attract investments, build companies, and create jobs.
- OpenGrounds serves as a catalyst for creative cross-disciplinary scholarship at the University and connects the University and the global community, addressing critical challenges through collaborative engagement. OpenGrounds connects fellows, faculty, students, and partners across disciplines to collaborate in new ways, share knowledge, and inspire creative action that makes impact on the world. A new state-of-the-art studio space on the Corner was launched in March 2012 and has hosted over 241 events, to date, with diverse groups from across Grounds and the external community. The initiative has already secured significant private funding (Vonage corporate challenge on designing the future of mobile communications). Based on peer benchmarking including Stanford, Harvard, Michigan, Columbia, and others, OpenGrounds is a comprehensive university program distinguished from any other in the nation. It could be rapidly expanded to studios in other schools and other external locations nationally and internationally.

U.Va. Applied Research Institute (ARI): ARI was created to enlarge the scope of projects that University researchers can participate in with government intelligence agencies and private companies. The institute, located at the U.Va. Research Park, has secured \$1 million in contracts for projects to date and has recently hired its first full-time director. ARI leverages the University’s human and capital assets to support applied research, education, and training, with a focus on homeland security, national intelligence, and defense challenges with a particular emphasis on opportunities related to operations at Fort Belvoir’s Rivanna Station in northern Albemarle County. ARI’s mission is to create additional unique, traditional, and non-traditional research opportunities for faculty, staff, and students; develop and provide education and training programs relevant to ARI partners; foster pan-University research initiatives; provide U.Va. students unique analytical, research, and development opportunities and facilitate faculty/scientist exchanges with industry and government.

NSF ASSIST Grant: U.Va. and three other universities are partnering on a national nanotechnology research effort to create self-powered devices to help people monitor their health and better understand how their environment affects it. The National Science Foundation (NSF) Nanosystems Engineering Research Center for Advanced Self-Powered Systems of Integrated Sensors and Technologies, or ASSIST includes four partner schools plus five other affiliated universities and about 30 industry partners in its global research consortium. ASSIST is funded by an initial five-year, \$18.5 million NSF grant. ASSIST researchers are using nanomaterials and nanostructures to develop self-powered health monitoring sensors and devices that use body heat and motion as power sources. These devices could be worn on the chest like a patch, on the wrist like a watch, as a cap that fits over a tooth, or in other ways, depending on the biological system that is being monitored. New devices created from this partnership could transform health care by improving the way doctors, patients, and researchers gather and interpret uninterrupted streams of health data.

## ACADEMIC DIVISION BUDGET AND PLANNING PROCESS

As the University migrates to a new internal financial model, the Academic Division currently utilizes a hybrid budget methodology, with three primary approaches:

*Target Budgets:* This portion of the budget is managed on a centralized basis and includes most of the schools and administrative units. Revenues in this category are deposited into central accounts and include: all undergraduate and medical tuition, the state general fund appropriation, all E&G fees, some sales and services activities, most unrestricted endowments, and 28 percent of the facilities and administrative (F&A) cost recoveries. From this central revenue source, target budgets are issued to each major operating unit and cover most direct expenses of the unit. Target budgets are systematically adjusted for institutional salary and fringe benefit actions, as well as for budget reductions. Most indirect expenses, such as operations and maintenance of space, libraries, central IT systems, and administrative overhead (e.g., accounting, payroll, executive administration) are paid centrally instead of by the unit. Most operational decisions (e.g., allocation of funds within the unit, hiring, recruitment/retention packages, carry forward of year-end cash balances) are decentralized.

*Sales and Services Budgets:* This portion of the budget is managed on a decentralized basis. Revenues are deposited to units, while most direct and indirect expenses are managed by the unit. Examples of activities in this category are auxiliary units (e.g., Athletics, Housing, Dining, Student Health), self-sufficient units (Law School and Darden School of Business), portions of units with revenue-sharing arrangements (McIntire School of Commerce, School of Medicine, School of Continuing and Professional Studies (SCPS)), and graduate programs). These activities are responsible for self-funding institutional salary and fringe benefit adjustments and generally are not subject to budget reductions (since general funds are not allocated to them). Many, but not all, sales and

services activities make a contribution towards indirect administrative costs through either an overhead assessment on costs or a revenue tax.

*Summary Budgets:* This portion of the budget is not required to be budgeted at the detail level of expenditure in the University's accounting system and is incorporated into the budget only through a summary of anticipated activity from the unit. The revenues are generally generated on a decentralized basis and include gifts, endowment distribution, F&A, and intellectual property. Institutional salary and fringe benefit adjustments are self-funded in these activities, and they are not subject to budget reductions. These activities do not make a contribution towards indirect administrative costs. A sub-category of summary budgets is research grants and contracts, which are detail-budgeted in the accounting system but on a project (multi-year) basis by the Office of Sponsored Programs. Additionally, the sponsors, mostly federal agencies, generally pay an indirect cost assessment (for facilities and administration) to the institution.

### BUDGET DEVELOPMENT

The development of the 2013-14 budget had the following objectives:

- Assure that resources are aligned to advance the President's priorities of faculty retention and recruitment, curriculum enhancement, and research;
- Understand multi-year financial planning efforts occurring in the schools and major service units;
- Continue the transition to an activity-based resource allocation model; and
- Demonstrate commitment and resources available to address high-priority items emerging from the strategic planning process.

The 2013-14 budget process began in November 2012 with the development of detailed budget assumptions, which were shared internally with the deans and vice presidents, as well as with the

Board. In December, meetings were held with each school to discuss the school's strategic vision, priorities, challenges, and multi-year financial planning efforts. These meetings, which included senior University leadership, financial staff, and school representatives were a prominent example of the new internal financial model transition and demonstrated improved transparency and communication.

In December and January, targets were established for centrally-managed budgets, while units began to develop sales and services detailed budgets and to estimate summary budgets. The Budget Office projected cost increases for opening new facilities, utilities, compensation, and Board priorities. Units identified their highest priority items and re-allocated their funds to ensure that priorities were funded. The Budget Office began to model potential revenue scenarios (tuition and state general funds) to meet the requirements of the target budgets.

Revenues from incremental undergraduate enrollment projected for 2013-14 were shared with schools using the methodology developed and used for the 2012-13 budget, with budget adjustments occurring in March 2013. Several schools that have been traditionally funded through target budgets have capitalized on new tuition and fee revenue opportunities (to be discussed further in the tuition section beginning on page 18).

In March and April, budget meetings were held with vice presidents, deans, and associate deans and with each major administrative area. The individual school/unit meetings were attended by senior administration and provided an opportunity for the schools/units to demonstrate how their strategic priorities are reflected in the 2013-14 operating budget.

The 2013-14 budget reflects the state-authorized salary increases and compression adjustments, as well as supplemental salary increases authorized by the Board for faculty and University staff.

In the final step of budget development, senior

administrators reviewed additional resource needs that were identified during budget meetings and cannot be addressed within the target budgets provided. Available revenue from tuition, state general funds, and private funds were used to address the highest priority needs, some of which include costs imposed by external parties over which the University has little or no control. More information concerning the 2013-14 funding decisions are included in the unit budget reviews, which begin on page 30.

### **BUDGET AND PLANNING GUIDELINES**

The Academic Division utilized the following revenue assumptions in the development of the proposed budget:

1. Tuition: For planning purposes, schools developed plans using undergraduate tuition and fees from the incumbent four-year financial plan discussed on page 2. Actual tuition and fee charges for 2013-14 reflect rates approved by the Board of Visitors in April.
2. Research: Grant and contract revenue are based on historical spending patterns and known new awards with the presumption of no growth projected in base federal research spending together with a decrease related to one-time ARRA (stimulus) funds. The Facilities and Administrative cost rate is 58 percent for contracts awarded beginning July 1, 2012.
3. Auxiliary enterprises: Schools developed plans using student mandatory fees included in the incumbent four-year financial plan. Actual revenues and fee charges for 2013-14 are based on activity volumes and reflect rates approved by the Board of Visitors in April.
4. State appropriations: For planning purposes, schools and units assumed no growth in the state appropriations. This budget reflects the allocations from the state budget as approved by the Governor and General Assembly, including the July 2013 salary increases.

5. Endowment and interest payout: The University's approved endowment spending policy will govern the endowment distribution for 2013-14. Return on cash balances invested in the University short-term pool will reflect market-based rates as described in the University's Internal Investment Program policy.
6. Philanthropy: Estimates for annual giving are projected for each school and unit based upon estimates developed in consultation between University Advancement and school officials.

The Academic Division utilized the following expenditure assumptions in the development of the proposed budget:

1. Enrollment: Schools assumed planned enrollment growth for fall 2013 would be supported by allocating incremental revenue related to enrollment growth to those schools with additional students according to a formula that supports the cost of faculty as well as academic, student, and administrative support.
2. Financial aid: The institutional contribution to AccessUVA will remain the same in 2013-14 as in 2012-13, with savings from administrative changes used to offset other increases. The general parameters of the program remain the same.
3. Compensation:
  - a. All budgets will account for the annualized cost of the July 2013 state-authorized salary increases.
  - b. State-authorized changes are funded from unit funds for self-supporting activities. Normally, state-authorized compensation changes are provided from central funds for centrally-funded activities.
  - c. 2013-14 fringe benefit rates are estimated at:

<b>Pooled Fringe Benefit Rates</b>	<b>Projected 2013-14</b>
FT Faculty and University Staff-Executive	25.2%
FT Classified Staff; University Staff-Managerial/Professional, and University Staff Operational/Administrative	35.9%
Part-time Faculty and Staff with benefits	25.2%
Part-time Faculty and Staff without benefits and Wage employees	6.0%

4. Operations and maintenance costs: The University commits to funding operating and maintenance costs for new facilities and proactively addressing deferred maintenance. Debt service includes principle payments as well as the blended internal borrowing rate of 4.75 percent.
5. The Darden School of Business and the Law School financial self-sufficiency models and the McIntire School of Commerce and School of Continuing and Professional Studies revenue-sharing agreements continue in 2013-14.
6. Auxiliary enterprises, the Medical Center, and the University Physicians Group include a general and administrative charge on the adjusted 2011-12 expenditure base to cover their share of central services.
7. Self-supporting units will continue to comply with the Board of Visitors Capital and Operating Reserves Policy established in April 2006. Schools and units will also plan for appropriate contingency reserves.

**HIGHER EDUCATION EQUIPMENT TRUST**

The 1986 General Assembly established a statewide Higher Education Equipment Trust to meet the high-priority equipment needs of higher education. In 2013-14, the University expects to receive approximately \$13 million and will utilize the funds strategically to assist in new faculty start-up packages, purchase critical research equipment, and replace obsolete equipment. This funding comes to the University as reimbursement of purchases, so

neither the allocation nor the related purchases are included in the University's 2013-14 budget.

#### **COMPARISON OF THE OPERATING BUDGET TO AUDITED FINANCIAL RESULTS**

The annual operating budget reflects budget allocation decisions necessary to accomplish University goals and ensure physical and financial resources are appropriately preserved for the future. It is the responsibility of the University's administration to propose annual plans which keep expenditures and revenues in balance.

The University's 2013-14 operating budget serves as its financial plan and is developed on a basis that is different than the basis for preparing audited financial statements. The University prepares its financial statements in conformity with accounting principles generally accepted in the United States. As a public institution, the University adheres to standards promulgated by the Governmental Accounting Standards Board (GASB).

The Statement of Revenues, Expenses, and Changes in Net Assets from the audited financial statements most closely relates to the operating budget, but there are different rules and conventions employed. Several of these differences include:

- GASB financial statements classify general fund appropriations as non-operating income, while the operating budget classifies them as operating income.
- GASB financial statements are prepared on an accrual basis, while the operating budget is prepared on a cash basis, consistent with the state's operating budget.
- GASB financial statements recognize depreciation expense for capitalized buildings and equipment. In the Academic Division's operating budget, depreciation expense is not funded, and capital purchases of less than \$2 million are expensed rather than spread over the useful life of the capital asset. This is, in part, due to the state funding a portion of maintenance as a

capital outlay appropriation. Academic Division expenditures for major repair or renovation work occur within the reserve accounts, which are not part of the operating budget. Alternatively, the Medical Center's operating budget includes funded depreciation for buildings and equipment.

- GASB financial statements reflect actual endowment investment performance. The operating budget reflects endowment distributions – funds available for expenditure.
- GASB financial statements accrue certain pledged gifts in the year the pledge is made. The operating budget includes only cash received for gifts – again, funds available for expenditure.

Management reports on the fiscal condition of the University on a cash/budgetary basis as well as the modified GASB principles.

#### **PERFORMANCE MEASUREMENT**

Under the 2005 Restructured Higher Education Financial and Administrative Operations Act and the 2006 and 2009 Management Agreements, the University's performance on a set of pre-defined measures has been subject to review annually by the State Council of Higher Education for Virginia (SCHEV). The Higher Education Opportunity Act of 2011 (HEOA) suspended the Restructuring Act's requirement that institutions submit performance measure reports until new measures were defined in accordance with the goals and objectives of the HEOA, and further provided that any institution certified by SCHEV as having met its institutional performance benchmarks for fiscal year 2010-11 would be eligible to receive the related financial benefits in subsequent years until new measures were defined and assessed by SCHEV. Therefore, the University remains eligible in fiscal year 2013-14 for the financial benefits, including interest earned on tuition cash balances and rebates of certain procurement fees. The 2012-14 biennial budget, as amended during the 2013 Session, includes newly-defined educational-related performance measures that

will be assessed biennially by SCHEV no later than October 1 beginning in 2014.

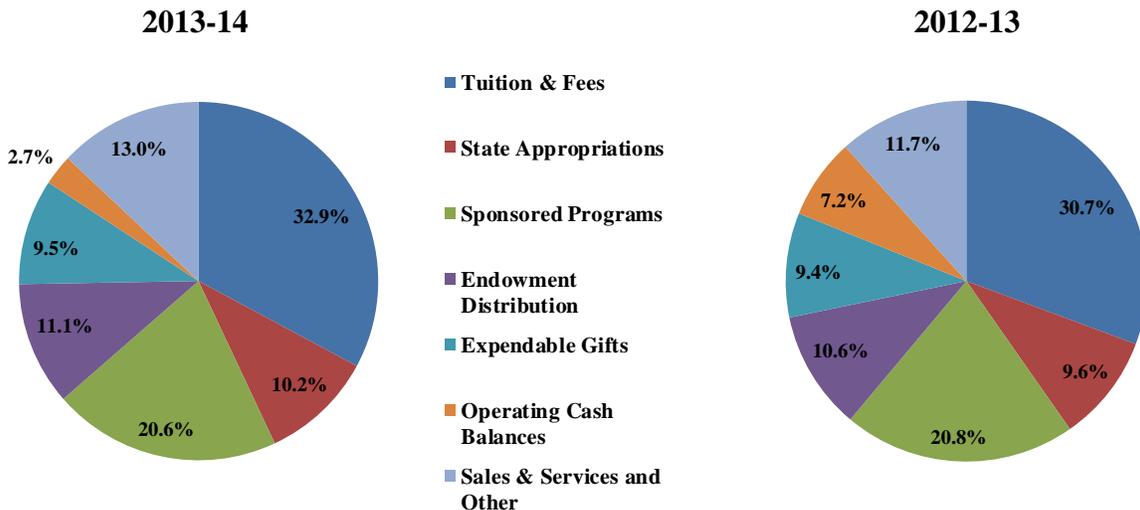
## ACADEMIC DIVISION OVERVIEW OF OPERATING SOURCES OF FUNDS

The Academic Division’s projected operating sources are summarized on the next page. This schedule provides available operating resources based on projected cash inflows from state general funds, tuition and fees, sponsored research and F&A cost recoveries, endowment distributions, gifts, sales and service revenues, and other sources.

Available resources for the operating budget are \$1.42 billion for 2013-14, a 2.2 percent decrease from the revised sources available for 2012-13 of \$1.46 billion. A more detailed discussion follows over the next few pages, but the decrease in resources primarily is related to one-time carry forward balances included in the revised 2012-13 sources and expected reduced sponsored program activity. For the most part, cash balances carried forward from one year to the next are related to purchase commitments spanning the fiscal year, multi-year strategic commitments, one-time balances used for one-time expenses such as start-up packages, and departmental contingency reserves to be used in the event of revenue shortfalls or unanticipated expenditures. The general reduction in 2013-14 sources over the prior year is partially offset by increases in tuition, state general funds, and other sales and services revenues.

As demonstrated in the 2013-14 chart below, tuition and fees (32.9 percent) provides the greatest proportion of the operating budget, followed by sponsored programs (20.6 percent), sales and service revenue and other (including auxiliary sales and services, investment income, and other miscellaneous revenues) (13.0 percent), endowment distributions (11.1 percent), state general funds (10.2 percent), gifts (9.5 percent), and operating cash balances (including carry forward balances ) (2.6 percent).

ACADEMIC DIVISION



**University of Virginia - Academic Division**  
**Projected Operating Sources**  
(\$)

FY Resources Category	Tuition and GF Appropriation	Grants & Contracts, F&A	Private Unrestricted	Private Restricted	Local Sales, Services, Other	Auxiliary	<u>Total Amount</u>
<b>2013-R</b> Appropriations: State	140,140,273						140,140,273
Tuition	436,853,058				57,001		436,910,059
Less: Tuition to Financial Aid	-62,145,586						-62,145,586
Student Fees	30,108,336				2,369,840	39,425,610	71,903,786
Sales & Services	5,887,609				10,920,116	152,406,701	169,214,426
Grants & Contracts		237,366,675					237,366,675
F&A - Cost Recoveries	16,600,000	48,800,000					65,400,000
Endowment Distribution			40,614,000	99,055,000			139,669,000
Endowment Admin Fee			15,376,000				15,376,000
Gifts				33,890,000			33,890,000
Gifts-Via Affil Fdns			315,000	102,169,604			102,484,604
Investment Income					706,876		706,876
Operating Cash Balances	59,406,186	21,471,056	17,868,919	2,512	4,977,289	1,298,537	105,024,499
<b>MBU Totals</b>	<b>626,849,877</b>	<b>307,637,731</b>	<b>74,173,919</b>	<b>235,117,116</b>	<b>19,031,122</b>	<b>193,130,848</b>	<b>1,455,940,612</b>
<b>2014-O</b> Appropriations: State	144,889,673						144,889,673
Tuition	459,170,737				57,000		459,227,737
Less: Tuition to Financial Aid	-64,193,975						-64,193,975
Student Fees	29,940,579				2,107,956	40,481,427	72,529,962
Sales & Services	12,134,298				11,836,385	159,708,321	183,679,004
Grants & Contracts		229,327,922					229,327,922
F&A - Cost Recoveries	16,600,000	46,600,000					63,200,000
Endowment Distribution			41,666,000	101,284,000			142,950,000
Endowment Admin Fee			15,472,000				15,472,000
Gifts				35,245,000			35,245,000
Gifts-Via Affil Fdns			327,000	100,243,799			100,570,799
Investment Income					1,231,638		1,231,638
Operating Cash Balances	5,244,752	18,059,556	11,582,030	1,679,190	2,630,667	2,900	39,199,095
<b>MBU Totals</b>	<b>603,786,063</b>	<b>293,987,478</b>	<b>69,047,030</b>	<b>238,451,989</b>	<b>17,863,646</b>	<b>200,192,648</b>	<b>1,423,328,854</b>

**FUNDING SOURCES**

*State General Fund Appropriation*

State general funds are tax revenues appropriated by the General Assembly to the institution. The \$144.9 million budgeted general fund appropriation for 2013-14 reflects an increase of approximately \$4.8 million over the revised 2012-13 budget of \$140.1 million. The state general fund appropriation is comprised of:

- \$123.4 million in general operating appropriation, a \$3.0 million increase over 2012-13. This increase includes base operating support, as well as funding for enrollment growth and faculty and staff salary increases;
- \$4.3 million for the Rolls-Royce Partnership;
- \$5.7 million, an increase of \$1.0 million, for bioengineering, biosciences, cancer research, and the focused ultrasound program. The new money is designated for cancer research;
- \$1.0 million for the creation of an economic development accelerator; and
- \$10.5 million for student financial aid.

The following chart shows the University’s standing among peer public institutions using the 2012-13 state appropriation for each school:

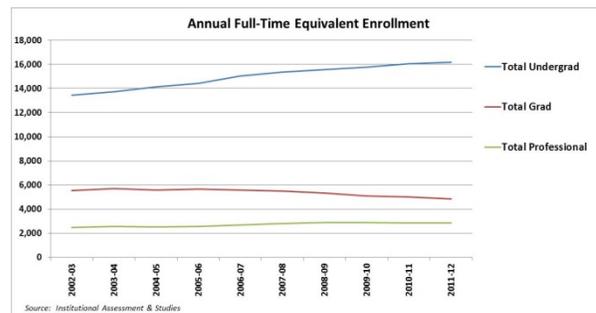
School	2012-13 General Funds per In-state Student
University of North Carolina	\$ 23,182
University of Maryland	\$17,887
University of Michigan	\$13,399
University of Virginia	\$9,129

*Tuition and Fees*

The 2013-14 tuition and fees budget was developed using the approved enrollment growth plan, which reflects a total of 21,383 on-Grounds headcount students for fall 2013. Of the 14,599 undergraduate students, it is expected that 69 percent will be Virginians. The off-Grounds enrollment projection for fall 2013 is

2,576 students.

The following chart demonstrates the trends in undergraduate, graduate, and professional (graduate programs in McIntire, Darden, Law, and the School of Medicine) enrollment.



The 2013-14 budget reflects tuition increases approved by the Board of Visitors in April:

TUITION AND E&G FEES	Out-of-State	
	In-State	Out-of-State
Undergraduate	3.9%	4.9%
Graduate	3.9%	2.3%
Graduate – Ph.D. Arts & Sciences (yrs 4-completion)	145.9%	181.2%
Graduate – Professional Master’s Degree Arts & Sciences	7.3%	4.3%
Batten MPP Post Grad Program	4.9%	11.5%
Nursing CNL Program	19.4%	19.1%
Graduate - Commerce (tuition and all fees)	1.5%-3.0%	1.5%-3.0%
Darden (includes all fees)	3.7%-4.1%	3.7%-4.0%
Law (includes all fees)	3.2%	2.9%
Medicine (includes all fees)	3.7%	3.7%

Tuition and fees revenue, net of financial aid, is expected to increase by \$20.9 million or 4.7 percent to \$467.5 million. The chart on the following page provides the detail.

Approximately \$19.6 million of the tuition and fees increase relates to increases in undergraduate, Medical School, and SCPS tuition rates. Undergraduate tuition revenues include the Board-approved \$5,000 tuition differential charged to students in the McIntire School of Commerce, expected to generate approximately \$3.5 million, and the Board-

approved \$2,000 tuition differential charged to first-year students in the School of Engineering and Applied Science, expected to generate approximately \$1.3 million. About \$2.7 million of the incremental revenue is allocable to tuition from self-supporting degree programs, including Law, Darden, McIntire graduate programs, and an Engineering executive-style graduate program.

2013-14 Tuition and Fees Revenue (in 000s)	2012-13 Revised	2013-14 Projected	% Change from 2012-13
<b>Tuition</b>			
Undergraduate – In-state	\$ 94,280	\$ 102,557	8.8%
Undergraduate – Out-of-state	154,620	164,314	6.3%
Less: Tuition to financial aid	(31,069)	(32,624)	5.0%
Net Undergraduate Tuition	217,830	234,247	7.5%
Graduate	35,353	35,353	0.0%
Less: Tuition to financial aid	(22,552)	(22,417)	-0.6%
Net Graduate Tuition	12,801	12,936	1.1%
Professional	100,416	103,123	2.7%
Less: Tuition to financial aid	(6,870)	(7,450)	8.4%
Net Professional Tuition	93,546	95,673	2.3%
Medical School	27,128	29,007	6.9%
Less: Tuition to financial aid	(510)	(510)	0.0%
Net Medical School Tuition	26,618	28,497	7.1%
Other Tuition	25,114	24,874	-1.0%
Less: Tuition to financial aid	(1,145)	(1,193)	4.2%
Net Other Tuition	23,970	23,681	-1.2%
<b>Student Fees</b>	71,904	72,530	0.9%
<b>Total Tuition and Fees</b>	<b>\$ 446,668</b>	<b>\$467,564</b>	<b>4.7%</b>

Approximately \$0.6 million of the additional revenue is related to E&G fees, application fees, program fees such as the School of Nursing and School of Medicine clinical services fees, the School of Nursing laboratory fee, and the School of Engineering and Applied Science lab fee, and mandatory student fees assessed by auxiliary (i.e., non-academic) programs such as athletics, bus services, student union, student health, and other activities.

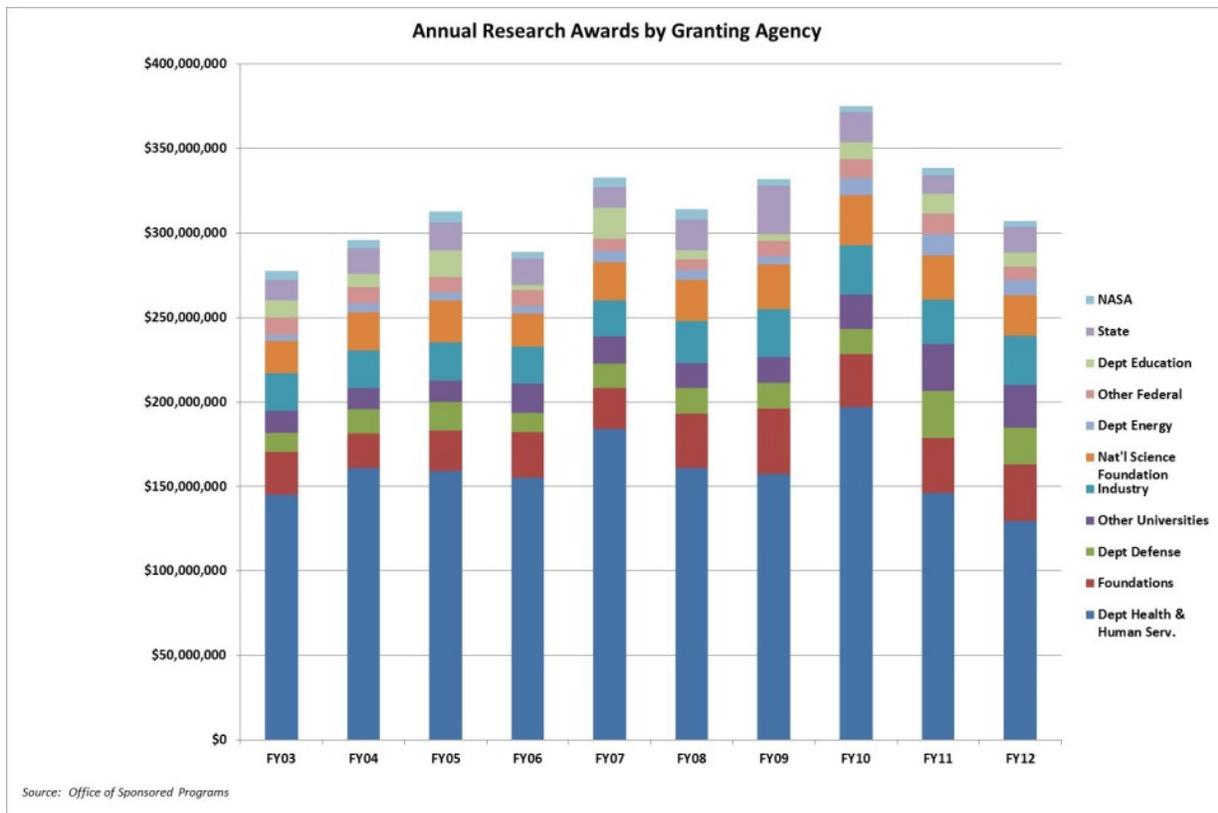
In 2013-14, \$64.2 million, 14.0 percent of tuition revenue, will be applied to undergraduate, graduate, and professional financial aid. The University re-allocates tuition revenues to support financial aid through the following programs:

- \$32.6 million to support AccessUVa.
- \$12.3 million to fund the cost of in-state tuition and fees and a healthcare voucher for eligible graduate teaching assistants.
- \$5.6 million to provide the differential between in-state and out-of-state tuition and fees for out-of-state graduate students employed in a significant academic capacity and earning at least \$5,000 annually.
- \$12.5 million for graduate fellowships, including Law and Darden students.
- \$1.2 million for summer session, January term, study abroad, and academic transition.

#### *Grants, Contracts, and F&A Recoveries*

Direct expenditures reimbursed from grants and contracts are expected to be \$229.3 million, a decrease of \$8.0 million or 3.4 percent as compared to the 2012-13 revised budget. This decrease is based on the spend down of research grants funded under the American Recovery and Reinvestment Act of 2009 (ARRA) and concerns about future federal investment in research and the impact of sequestration, as evidenced by a real decline in new sponsored program awards during the period July 2012 through March 2013 in comparison to July 2011 through March 2012.

The following graph demonstrates the trend in research awards for the University, including the temporary impact of ARRA research awards in fiscal years 2010-2012.



In conjunction with the decrease in expected grants and contracts, the budget includes a \$2.2 million or 3.4 percent decrease in the reimbursement of indirect costs by grants and contracts. The percentage decrease in F&A recoveries mirrors that for grants and contracts despite the increase in the University's F&A rate effective July 2012. The University successfully renegotiated the F&A rate to 58 percent, which is applied to new contracts awarded after July 2012. Because the higher rate only gets implemented as new contracts are awarded, it is anticipated that the benefit of the new rate will take several years to impact recoveries. F&A recoveries are expected to comprise \$63.2 million of the 2013-14 funding sources.

#### *Endowment Income and Gifts*

The endowment spending policy adopted by the Board allows the endowment spending distribution to increase each year by an inflationary factor, as long as the resulting distribution falls between four and six percent of the preceding June 30 market value of the endowment.

In 2012-13, the spending rate was increased by an inflationary measure of 3.8 percent, based on the five-year average of the Higher Education Price Index. The 2012-13 distribution is made in two installments in January 2013 and June 2013.

Through March 2013, the endowment return has been 10.8 percent. Per the Board of Visitors policy, the 2013-14 endowment distribution will increase by 2.4 percent, which was reflected in the budget assumptions reviewed with the Board in November 2012. The 2013-14 distribution will be made in two installments (July 2013 and January 2014) and is expected to provide \$143.0 million to the 2013-14 budget, an increase of 2.3 percent over 2012-13.

A 0.5 percent administrative fee (based on the endowment's June 30 market value for the preceding fiscal year) will be assessed to each endowment. One-half of the assessment will be held centrally, while the other half will be returned as unrestricted funds to the schools and units that hold the endowment accounts. The 2013-14 fee will be based on the endowment

market value as of June 30, 2013 and is expected to provide \$15.5 million to the 2013-14 budget, an increase of 0.6 percent over 2012-13.

Total gifts from annual giving and transferred from foundations available for the operating budget is projected at \$135.8 million, a \$0.6 million decrease over revised 2012-13. This projection excludes philanthropic cash flow that will not be available for the operating budget (i.e., it is deposited with University affiliated foundations, invested in the endowment, transferred to capital projects, or made in the form of non-cash gifts-in-kind).

*Sales and Services and Other Sources of Funds*  
Remaining sources of funds for the 2013-14 operating budget include sales and services (\$183.7 million), operating cash balances (\$39.2 million), and investment income (\$1.2 million).

Sales and services includes revenues generated from housing rents, dining contracts and retail sales, bookstore sales, parking permits and fines, athletic conference revenues and gate receipts, and other activities. Sales and services revenue is expected to increase by 15.3 percent over 2012-13. The change is driven by an increase of

\$7.0 million in the Medical Center's shared funding of medical education.

The \$39.2 million in operating cash balances for 2013-14 includes \$11.6 million in accumulated investment earnings to meet expenditure commitments made from unrestricted institutional private funds. The accumulated investment earnings were the result of a Board action years ago to invest a portion of current funds in the pooled endowment fund.

The revised 2012-13 operating budget includes operating cash balances of \$105.0 million. This reflects unexpended funds carried forward from 2011-12 and available for expenditure during 2012-13. For the most part, cash balances that carry forward from year to year are related to purchase commitments that span fiscal years, multi-year strategic commitments, one-time balances used for such things as start-up packages, vacancy and turnover savings, and departmental contingency reserves to be used in the event of revenue shortfalls or to meet unanticipated expenditures.

## ACADEMIC DIVISION OVERVIEW OF OPERATING USES

This Budget Summary document includes two views of the Academic Division's projected operating uses by fund source: by expenditure category on page 25, which summarizes expenditures for personal services, other than personal services (OTPS), and financial aid, and by activity on page 27, which summarizes total expenditures by instruction, research, administration, and so forth. The projected operating uses are net of revenues and recoveries that internal service providers (such as Printing and Copying Services and Facilities Management) receive from other University departments to offset their expenses, as well as funds that are transferred to reserves.

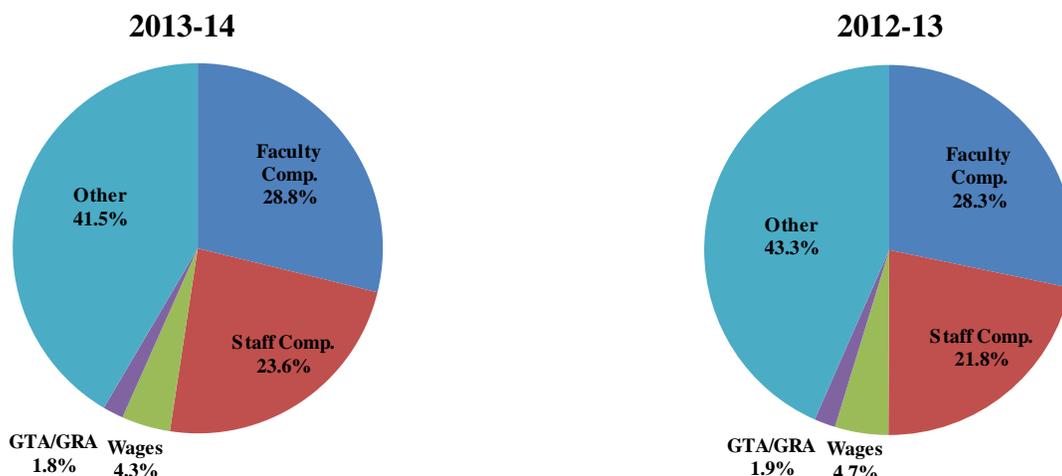
The Academic Division's projected spending plan comes to \$1.41 billion for 2013-14, a decrease of \$36.7 million or 2.5 percent as compared to the revised 2012-13 budget. This overall decrease is due to a reduction of expenditures from sponsored research awards and one-time carry forward balances included in the revised 2012-13 uses. As compared to the projected available sources of \$1.42 billion, the 2013-14 operating plan generates a surplus of \$10.8 million. The surplus is comprised of operating cash reserves set aside for future years and restricted gifts and endowment income not expected to be expended in 2013-14.

The spending plan includes several funds held in a central account for specific strategic needs, which will be allocated during the 2013-14 fiscal year, and for unexpected contingencies. Additionally, each vice president and dean manages reserves related to anticipated vacancies and contingencies. The central reserves include:

\$ 9,708,000	Strategic needs
\$14,400,000	Funds for July compensation adjustments
\$ 8,790,000	Reserve related to unanticipated tuition shortfalls, weather-related utility usage, and other contingencies

## OPERATING USES BY EXPENDITURE CATEGORY

As the pie chart below indicates, 58.5 percent of the Academic Division’s total operating budget will be expended on personal services. When financial aid and auxiliary operations are excluded, 69.1 percent of educational expenditures are for the compensation (including fringe benefits) of faculty, staff, wage employees, and graduate teaching and research assistants.



### Compensation

Compensation, as shown in the above pie charts, includes both salaries and a fringe benefit assessment. Salary expenses are burdened with a fringe rate, which is collected in a pooled fringe account that covers expenses for the employer share of FICA/Medicare; retirement (whether VRS or Optional Retirement Plan); health, dental, disability, and life insurance; unemployment insurance; supplemental benefit credit for University staff paid \$42,000 or less; the faculty and employee assistance program; WorkMed (occupational health); and employee professional development.

Fringe benefit rates must be approved by the Department of Health and Human Services (DHHS) in order to be assessed to salary expenditures from grant sources. Fringe rates used in this Budget Summary are outlined in the following chart. The “Approved 2012-13” rates have been approved by DHHS and are reflected in the 2012-13 revised budgets. The “Projected 2013-14” rates were used by sales and services units when developing their 2013-14 budgets. Revised fringe benefit rates are expected to be submitted to DHHS later this spring.

Pooled Fringe Benefit Rates	Approved 2012-13	Projected 2013-14
FT Faculty and University Staff-Executive	26.3%	25.2%
FT Classified Staff; University Staff-Managerial/Professional, and University Staff Operational/Administrative	35.6%	35.9%
Part-time Faculty and Staff with benefits	26.3%	25.2%
Part-time Faculty and Staff without benefits and Wage employees	5.5%	6.0%

In the 2012-14 Appropriation Act, there is a provision for a 3.0 percent faculty salary increase and a 2.0 percent staff salary increase, as well as a staff compression adjustment, in July 2013, provided certain financial benchmarks are achieved at the state level by June 30, 2013.

This budget includes provision for the following salary increases effective in July 2013:

- 4.75% of salary budgets authorized for merit increases for T&R Faculty;
- 3% of salary budgets authorized for merit increases for Administrative and

Professional Faculty, Graduate Teaching and Research Assistants, and University Staff; and

- 2% base pay increase for Classified Staff with a rating of meets expectations or better, plus longevity/compression base pay increase (\$65 per year of service from 5 to 30 years of service).

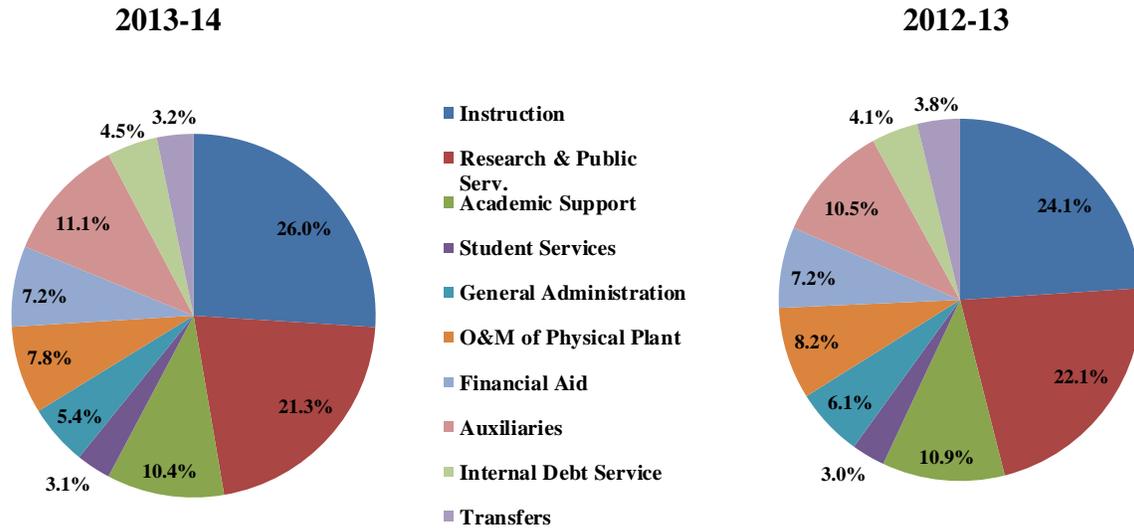
Under the University's Restructuring Agreement with the Commonwealth, the Board may authorize compensation adjustments for faculty and University staff. However, the Board is not authorized to grant base salary increases for classified staff; only the General Assembly may do so.

**University of Virginia - Academic Division  
Projected Operating Uses - By Expenditure Category**

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	1,779.0	240,727,410	801.6	80,002,202	84.9	11,766,313	403.9	61,393,448	30.0	3,444,230	107.7	12,457,900	3,207.1	409,791,503
	Staff Salaries and benefits	3,000.2	193,156,252	604.4	42,112,370	198.5	14,916,640	333.2	21,317,383	154.9	9,166,787	570.8	35,078,387	4,862.0	315,747,819
	Wages and benefits	0.0	26,888,681	0.0	15,516,332		1,374,519	0.0	13,268,305		1,297,254		9,399,040	0.0	67,744,131
	GTA/GRA	168.1	10,895,643	310.2	14,461,709	1.0	51,222	27.9	1,430,935	0.7	31,364			507.8	26,870,873
	<b>Subtotal</b>	<b>4,947.3</b>	<b>471,667,986</b>	<b>1,716.1</b>	<b>152,092,613</b>	<b>284.5</b>	<b>28,108,694</b>	<b>765.0</b>	<b>97,410,071</b>	<b>185.6</b>	<b>13,939,635</b>	<b>678.4</b>	<b>56,935,327</b>	<b>8,576.8</b>	<b>820,154,326</b>
	OTPS	0.0	680,141,372	0.0	112,802,107	0.0	30,559,590	0.0	45,982,309		18,001,459		106,907,269	0.0	994,394,106
	Financial Aid		9,518,199	0.0	25,658,596		13,903,763	0.0	55,106,964		19,325			0.0	104,206,846
	Central Assessment		0												0
	Recoveries		-550,124,058	0.0	-2,804,425		-2,496,193				-13,474,786		-15,882,994	0.0	-584,782,455
	Internal Debt Service		8,370,580	0.0	14,233,444		700,760	0.0	20,209,762				16,459,265	0.0	59,973,811
	Transfers		6,390,952		5,655,396		3,139,954		13,438,551		4,849		26,637,218		55,266,920
	<b>Subtotal</b>	<b>0.0</b>	<b>154,297,045</b>	<b>0.0</b>	<b>155,545,118</b>	<b>0.0</b>	<b>45,807,874</b>	<b>0.0</b>	<b>134,737,586</b>		<b>4,550,847</b>		<b>134,120,758</b>	<b>0.0</b>	<b>629,059,229</b>
	<b>MBU Totals</b>	<b>4,947.3</b>	<b>625,965,031</b>	<b>1,716.1</b>	<b>307,637,731</b>	<b>284.5</b>	<b>73,916,567</b>	<b>765.0</b>	<b>232,147,657</b>	<b>185.6</b>	<b>18,490,483</b>	<b>678.4</b>	<b>191,056,085</b>	<b>8,576.8</b>	<b>1,449,213,555</b>
2014-O	Faculty Salaries and benefits	1,716.1	243,537,858	640.2	70,639,166	75.0	12,115,968	412.4	65,394,672	28.8	3,355,087	97.7	12,039,313	2,970.0	407,082,064
	Staff Salaries and benefits	3,061.5	206,196,981	622.5	40,726,551	210.1	16,839,094	340.3	23,215,580	154.2	9,367,575	563.2	36,939,881	4,951.7	333,285,663
	Wages and benefits	0.0	26,977,395	0.0	12,620,606	0.0	548,262	0.0	9,477,998	0.0	1,299,523	0.0	9,207,317	0.0	60,131,101
	GTA/GRA	174.6	11,764,956	240.8	12,591,763	1.0	13,000	24.1	1,093,340	0.9	61,998			441.3	25,525,057
	<b>Subtotal</b>	<b>4,952.1</b>	<b>488,477,189</b>	<b>1,503.5</b>	<b>136,578,086</b>	<b>286.0</b>	<b>29,516,324</b>	<b>776.7</b>	<b>99,181,590</b>	<b>183.8</b>	<b>14,084,183</b>	<b>660.8</b>	<b>58,186,512</b>	<b>8,363.0</b>	<b>826,023,885</b>
	OTPS	0.0	649,580,825	0.0	118,962,694	0.0	22,383,891	0.0	47,779,815	0.0	16,586,727	0.0	108,736,469	0.0	964,030,420
	Financial Aid	0.0	11,054,364	0.0	22,931,617	0.0	11,450,734	0.0	56,938,239		15,000			0.0	102,389,954
	Central Assessment	0.0	0											0.0	0
	Recoveries	0.0	-552,460,542	0.0	-3,398,482	0.0	-2,891,977			0.0	-14,239,110	0.0	-15,994,833	0.0	-588,984,943
	Internal Debt Service		7,665,879	0.0	15,137,829		700,760	0.0	19,349,419		135,100		20,209,510	0.0	63,198,497
	Transfers		-1,029,617		3,775,734		3,640,864		12,463,425		-97,500		27,076,327		45,829,233
	<b>Subtotal</b>	<b>0.0</b>	<b>114,810,909</b>	<b>0.0</b>	<b>157,409,392</b>	<b>0.0</b>	<b>35,284,272</b>	<b>0.0</b>	<b>136,530,898</b>	<b>0.0</b>	<b>2,400,217</b>	<b>0.0</b>	<b>140,027,473</b>	<b>0.0</b>	<b>586,463,161</b>
	<b>MBU Totals</b>	<b>4,952.1</b>	<b>603,288,099</b>	<b>1,503.5</b>	<b>293,987,478</b>	<b>286.0</b>	<b>64,800,595</b>	<b>776.7</b>	<b>235,712,488</b>	<b>183.8</b>	<b>16,484,400</b>	<b>660.8</b>	<b>198,213,985</b>	<b>8,363.0</b>	<b>1,412,487,045</b>

**OPERATING USES BY ACTIVITY**

The schedule of the Academic Division’s projected operating uses by activity on page 27 summarizes total expenditures by program: direct instruction, research, public service, academic support, student services, general administration, O&M of physical plant, scholarships and fellowships, and auxiliary/self-supporting. The following charts show the percentage of the total operating budget dedicated to each major activity:



**E&G BUDGET**

E&G is a term used to describe operations that are directly related to the University's educational objectives, including the programs of direct instruction, research, public service, academic support, student services, general administration, and O&M of physical plant.

*Direct Instruction*

Instruction includes the teaching faculty, support staff, instructional equipment, and operating costs directly related to instruction, as well as departmental research. The 2013-14 direct instruction budget is \$367.3 million, a \$19.9 million or 5.7 percent increase over the 2012-13 revised forecast.

The increased budget results from additional investments funded from tuition rate increases, incremental enrollments, the McIntire differential rate increase, the new first-year differential in the School of Engineering and Applied Science, and differential tuition for several graduate programs, as well as funds reserved to be deployed toward supporting direct instruction activities. The schools all expect to

utilize the incremental funds to invest in faculty and direct instructional support.

The University recommends the use of the Pratt Fund, a gift from John Lee Pratt that is intended “to supplement salaries of the professors of the Departments of Biology, Chemistry, Mathematics and Physics, to purchase equipment for these departments as suggested by the heads of the departments and approved by the President and the Board of Visitors, and to provide for scholarships in these departments for outstanding students." Mr. Pratt’s will provides further that these funds could be used "to support research in the School of Medicine and to provide scholarships for medical students." The will stipulates that the Pratt endowment reverts to Washington and Lee University if the University of Virginia does not comply with the provisions of the will. The original Pratt endowment has been split into two equal endowments, with 50 percent of the original principal assigned to the College of Arts and Sciences and the remaining 50 percent assigned to the School of Medicine.

**University of Virginia - Academic Division  
Projected Operating Uses - By Activity**

FY	Program Name	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total-Fte	Total-Amount
		Fte	Amount	Fte	Amount	Fte	Amount	Fte	Amount	Fte	Amount	Fte	Amount		
2013-R	Direct Instruction	1,858.3	276,747,088	23.4	3,177,366	27.2	8,291,297	314.2	57,883,137	2.6	1,367,114			2,225.7	347,466,002
	Research	85.9	24,350,103	1,473.9	222,681,242	8.9	2,438,838	182.9	35,549,036	31.2	1,408,251			1,782.9	286,427,469
	Public Service	44.3	5,705,004	66.4	10,251,170	1.0	846,193	72.3	11,333,416	28.9	5,176,645			212.9	33,312,428
	Academic Support	898.2	106,951,992	100.1	16,776,861	25.9	7,879,826	120.0	23,642,414	85.7	3,227,190			1,229.9	158,478,283
	Student Services	300.4	35,389,052		17,003	17.5	3,401,179	12.3	2,323,942	6.4	2,072,512			336.6	43,203,687
	General Administration	351.5	39,904,104	42.2	6,215,001	197.9	31,231,737	42.8	6,351,413	28.5	5,052,937			662.8	88,755,191
	O&M of Physical Plant	1,408.7	111,662,124	10.1	2,971,652	6.0	2,589,982	4.5	1,583,792	2.3	152,560			1,431.6	118,960,110
	<b>E&amp;G Programs Total</b>	<b>4,947.3</b>	<b>600,709,465</b>	<b>1,716.1</b>	<b>262,090,295</b>	<b>284.5</b>	<b>56,679,051</b>	<b>749.0</b>	<b>138,667,149</b>	<b>185.6</b>	<b>18,457,209</b>			<b>7,882.4</b>	<b>1,076,603,169</b>
	Scholarships & Fellowships		10,494,034	0.0	25,658,596		13,396,802	0.0	55,096,964		28,425			0.0	104,674,821
	<b>Student Financial Aid Total</b>		<b>10,494,034</b>	<b>0.0</b>	<b>25,658,596</b>		<b>13,396,802</b>	<b>0.0</b>	<b>55,096,964</b>		<b>28,425</b>			<b>0.0</b>	<b>104,674,821</b>
	Auxiliary/Self-Supporting							16.0	4,735,231			678.4	147,959,602	694.4	152,694,833
	<b>Auxiliary Enterprises Total</b>							<b>16.0</b>	<b>4,735,231</b>			<b>678.4</b>	<b>147,959,602</b>	<b>694.4</b>	<b>152,694,833</b>
	Internal Debt Service		8,370,580	0.0	14,233,444		700,760	0.0	20,209,762				16,459,265	0.0	59,973,811
Transfers		6,390,952		5,655,396		3,139,954		13,438,551		4,849		26,637,218		55,266,920	
<b>Transfers Total</b>		<b>14,761,532</b>	<b>0.0</b>	<b>19,888,840</b>		<b>3,840,714</b>	<b>0.0</b>	<b>33,648,313</b>		<b>4,849</b>		<b>43,096,483</b>	<b>0.0</b>	<b>115,240,731</b>	
<b>MBU Totals</b>	<b>4,947.3</b>	<b>625,965,031</b>	<b>1,716.1</b>	<b>307,637,731</b>	<b>284.5</b>	<b>73,916,567</b>	<b>765.0</b>	<b>232,147,657</b>	<b>185.6</b>	<b>18,490,483</b>	<b>678.4</b>	<b>191,056,085</b>	<b>8,576.8</b>	<b>1,449,213,555</b>	
2014-O	Direct Instruction	1,849.7	293,495,584	23.1	3,256,197	28.7	10,378,025	315.1	59,145,063	1.6	1,068,434			2,218.1	367,343,303
	Research	90.2	17,755,548	1,284.7	213,937,245	9.6	1,534,270	185.2	34,778,376	35.2	1,415,874			1,604.8	269,421,313
	Public Service	40.3	4,819,282	57.3	9,440,479	1.0	405,761	80.7	12,090,527	31.7	4,763,225			211.0	31,519,274
	Academic Support	887.1	98,437,898	82.9	15,839,057	21.7	4,982,110	117.4	25,195,226	80.7	2,860,453			1,189.8	147,314,744
	Student Services	317.0	35,822,720		17,003	15.3	3,215,853	12.4	2,211,169	6.0	2,052,360			350.7	43,319,105
	General Administration	344.8	32,645,201	45.5	6,785,945	203.9	26,223,371	42.9	6,385,388	26.7	4,215,695			663.7	76,255,600
	O&M of Physical Plant	1,423.0	103,119,238	10.1	2,866,372	6.0	2,618,847	4.1	1,585,488	2.0	70,759			1,445.1	110,260,704
	<b>E&amp;G Programs Total</b>	<b>4,952.1</b>	<b>586,095,472</b>	<b>1,503.5</b>	<b>252,142,298</b>	<b>286.0</b>	<b>49,358,237</b>	<b>757.7</b>	<b>141,391,237</b>	<b>183.8</b>	<b>16,446,800</b>			<b>7,683.2</b>	<b>1,045,434,044</b>
	Scholarships & Fellowships	0.0	10,556,365	0.0	22,931,617		11,100,734	0.0	56,928,239					0.0	101,516,955
	<b>Student Financial Aid Total</b>	<b>0.0</b>	<b>10,556,365</b>	<b>0.0</b>	<b>22,931,617</b>		<b>11,100,734</b>	<b>0.0</b>	<b>56,928,239</b>					<b>0.0</b>	<b>101,516,955</b>
	Auxiliary/Self-Supporting							19.0	5,580,168			660.8	150,928,148	679.8	156,508,316
	<b>Auxiliary Enterprises Total</b>							<b>19.0</b>	<b>5,580,168</b>			<b>660.8</b>	<b>150,928,148</b>	<b>679.8</b>	<b>156,508,316</b>
	Internal Debt Service		7,665,879	0.0	15,137,829		700,760	0.0	19,349,419		135,100		20,209,510	0.0	63,198,497
Transfers		-1,029,617		3,775,734		3,640,864		12,463,425		-97,500		27,076,327		45,829,233	
<b>Transfers Total</b>		<b>6,636,262</b>	<b>0.0</b>	<b>18,913,563</b>		<b>4,341,624</b>	<b>0.0</b>	<b>31,812,844</b>		<b>37,600</b>		<b>47,285,837</b>	<b>0.0</b>	<b>109,027,730</b>	
<b>MBU Totals</b>	<b>4,952.1</b>	<b>603,288,099</b>	<b>1,503.5</b>	<b>293,987,478</b>	<b>286.0</b>	<b>64,800,595</b>	<b>776.7</b>	<b>235,712,488</b>	<b>183.8</b>	<b>16,484,400</b>	<b>660.8</b>	<b>198,213,985</b>	<b>8,363.0</b>	<b>1,412,487,045</b>	

For 2013-14, \$3.8 million is recommended for the School of Medicine to provide direct research support. For the College of Arts and Sciences, \$3.44 million will support the departments of Biology, Chemistry, Mathematics, and Physics in compliance with the terms of Mr. Pratt's will.

#### *Research and Public Service*

The 2013-14 research and public service budget will decrease by \$18.8 million or 5.9 percent as compared to the revised 2012-13 budget. This category includes both University and externally-funded research and public service. University-funded research and public service includes support for research faculty, as well as the Center for Public Service, the Center for Advanced Studies, the Center for Politics, the Institute of Nuclear and Particle Physics, the Virginia Center for Diabetes Professional Education, the Virginia Foundation for the Humanities, the Institute of Government, the Women's Center, the Virginia Film Festival, Blandy Farm, and non-credit course offerings.

The Commonwealth's expected investment in research of \$6.7 million in 2013-14 is included in this program. Of this amount, \$1.6 million has been set aside for the University's highest science and technology priorities, \$3.4 million has been allocated for cancer research in the School of Medicine, \$1.0 million has been earmarked for the creation of an economic development accelerator, and \$0.75 million has been allocated for focused ultrasound research. The 2012-13 revised budget includes nearly \$6.5 million of unexpended funds carried forward from 2011-12. These represent one-time funds that are not repeated in the original 2013-14 budget.

#### *Academic Support*

The academic support program encompasses the libraries, academic computing, and academic administration. The \$147.3 million budget for 2013-14 is a decrease of \$11.2 million or 7.0 percent, primarily related to the inclusion of \$8.0 million of carry forward balances in the revised 2012-13 budget. The \$1.8 million reserve related to administrative fees withheld from incremental revenue resulting from enrollment,

new fees, and differential tuition is held in this program.

#### *Student Services*

The student services program includes those activities whose primary purpose is to contribute to the students' emotional and physical well-being and to their intellectual, cultural, and social development outside of the classroom. The 2013-14 student services budget is \$43.3 million, which is an increase of \$0.1 million or 0.3 percent from the revised 2012-13 budget.

#### *General Administration*

This category includes executive, financial, administrative, logistical, and fundraising activities. The 2013-14 general administration budget is \$76.3 million, which represents a decrease of \$12.5 million or 14.1 percent in 2013-14, primarily due to carry forward balances included in administrative reserves in the 2012-13 revised budget that do not occur in the original 2013-14 budget. When adjusted for the one-time carry forward balance, the 2013-14 budget is 0.1 percent less than the 2012-13 revised budget in this program.

#### *O&M of Physical Plant*

The O&M program category includes all expenditures for maintaining and operating facilities, leasing space, and police and security, net of amounts charged to auxiliary enterprises and the Medical Center. The 2013-14 O&M budget of \$110.3 million, including items held in reserve, is projected to decrease \$8.7 million or 7.3 percent as compared to the 2012-13 revised budget. The decrease is attributable to the inclusion of carry forward balances in the 2012-13 revised budget.

#### **STUDENT FINANCIAL AID**

The student financial aid budget, \$101.5 million in 2013-14, includes graduate and undergraduate student scholarships, fellowships, and other forms of student assistance supported from state general funds, endowment income, gifts, and federal sources. This budget excludes loans, or aid provided directly to students by third parties. Aid funded from tuition is presented as a discount to tuition revenues earlier in this document.

Financial aid awards to undergraduate students primarily are based on current federal methodology and packaged according to the principles of AccessUVa. For graduate students, the University is committed to working with schools to improve the flexibility and attractiveness of the University's graduate support packages in order to become more competitive in attracting top graduate students. Support to graduate students is based upon both employment as a graduate teaching or research assistant and merit.

The 2013-14 financial aid budget includes funding of \$7.6 million for AccessUVa from local funds and central unrestricted private resources. Additionally, the budget includes funding from central unrestricted private resources of \$2.5 million for an undergraduate merit scholarship program, the University Achievement Awards.

#### AUXILIARY ENTERPRISES

An auxiliary enterprise is an entity that exists to furnish goods or services to students, faculty, or staff and charges a fee to recover the cost of the service. Auxiliary enterprises are expected to be self-supporting, with revenues fully supporting the operating and capital expenditures of the enterprise. Emphasis is placed on providing safe, effective, and efficient enterprises that are compatible with, and facilitate the accomplishment of, the University's primary mission. The Commonwealth requires that auxiliaries be charged an overhead rate to support the general and administrative services provided by E&G operations. In 2013-14, the auxiliaries will be charged an average of 6.2 percent of their operating expenditures. A total of \$6.1 million will be recovered by central administration. In return, auxiliaries are credited with interest earned on their cash balances.

Disbursements from auxiliaries are expected to total \$213.8 million, including amounts to be transferred to reserves for renewal, replacement, and debt service. The University continues to place emphasis on the maintenance of prudent reserves for the rational and systematic renewal and replacement of equipment and facilities. Detailed budget information, including projected

expenditures from reserves, for the major auxiliary enterprise units is included in the following sections.

#### INTERNAL DEBT SERVICE

The internal debt service category reflects debt service payments made by schools/units related to borrowings from the University's internal bank. The 2013-14 budget includes internal debt service payments of \$63.2 million, an increase of 5.4 percent over the revised 2012-13 budget of \$60.0 million. This increase is primarily attributed to Housing and Residence Life, whose debt service payments will grow to accommodate the three new buildings opening in August 2013 (Lile-Maupin House, Tuttle-Dunnington House, and Shannon House).

#### STAFFING

The Academic Division projects a decrease of 214 FTE positions to 8,363 in 2013-14. An increase of 5 FTEs is expected from state and tuition sources.

With decreasing federal research dollars, a decrease of 12.4 percent is expected in positions funded from grants and contracts. Positions funded from private sources are expected to increase by 0.9 percent, while positions funded from auxiliaries are expected to decrease by 2.6 percent. Of the 8,363 positions budgeted, 48 percent (4,034 positions) are involved directly in the primary programs of instruction, research, and public service.

(rounded to nearest FTE)	State	Grants & Contracts	Private	Auxiliary	Total
2012-13 Revised	4,947	1,716	1,235	678	8,577
2013-14	4,952	1,504	1,247	661	8,363
Change	5	(212)	12	(17)	(214)
% Chng	0.1%	(12.4%)	0.9%	(2.6%)	(2.5%)

## MAJOR ACADEMIC AND ADMINISTRATIVE BUDGET OVERVIEWS

The following pages (through page 120) provide an overview of each school and administrative/service center area. The overview includes a description of the unit's operations and strategic direction; an explanation of the 2013-14 budget; and a summary of projects currently on the capital plan, as well as any anticipated changes.

### EXECUTIVE VICE PRESIDENT AND PROVOST

#### Overview of Operations

The Executive Vice President and Provost (EVPP) is the chief academic officer of the University of Virginia and is charged with overseeing the education, research, and public service activities of the schools of the University, the University's libraries and museums, and a number of other academically-related units. In addition to the eleven schools and University Libraries, the EVPP has responsibility for Undergraduate Admissions, the Center for Liberal Arts, the Center for Politics, the Virginia Foundation for the Humanities, the Weldon Cooper Center for Public Service, the University Press, and the Shannon Center for Advanced Studies.

The EVPP's major responsibilities include:

- Appointing deans and overseeing their evaluations;
- Working with deans and directors to maintain excellence and realize the academic aspirations of the individual schools and of the University as a whole;
- Serving as the chief personnel officer for faculty;
- Managing the University's academic budget, in cooperation with the president and the chief operating officer;
- Promoting interdisciplinary and innovative approaches to education and research, as well as fostering diversity of faculty, students, and staff;
- Developing and implementing a thoughtful vision for the future of the University and its relationship to other societal, governmental, and economic institutions, and to society at large;
- Overseeing global academic activities, including foreign study, Semester at Sea, Universitas 21, international exchange of scholars, and the promotion of international study; and

- Overseeing academic planning, building on current strategies for advancing academic programs and efficient resource allocations, and nurturing innovations in all programs.

#### Strategic Direction

The major goals for the EVPP in 2013-14 include:

1. Recruit, retain, and develop academic personnel. Conduct or oversee searches for senior academic leaders and advise the University president on appointments. Strengthen faculty recruitment and advancement with particular attention to recruiting, promoting, and retaining high-quality faculty from diverse backgrounds who demonstrate potential as outstanding scholars and who share a commitment to the University's goals.
2. Work with senior leaders to set the University's academic priorities and align resources and technologies in service to the University's Statement of Purpose and Goals. Academic program and curriculum review is integral to this work.
3. Advance the University's core functions of teaching, research, and service by supporting the work of the deans and fostering collaboration across schools and academic units, especially as related to the arts, international programs, science, and research.
4. Develop and sustain the infrastructure necessary to support the University's academic mission, including management of data and data systems in service to faculty and students, effective use of academic space, and compliance with the Commonwealth's higher education coordinating body and the University's regional accrediting agency. Through the deans, supervise the work of personnel responsible for preparing (in collaboration with the Executive Vice President

and Chief Operating Officer) all academic revenue and expenditure budgets.

The EVPP has oversight of all initiatives emanating from the 2007 strategic planning effort. Three of the six initiatives established are administered by the EVPP, who manages each respective program budget and is responsible for coordinating and advancing these priorities and affiliated core values. The following are overviews of those three initiatives.

*Jefferson Public Citizens (JPC) and the Student Experience:* JPC is a comprehensive academic public service program that integrates students' service and research experiences throughout their time at the University. The program deepens student learning by integrating academic and public service experiences and seeks to inspire students to act as engaged citizens through community partnerships, research service projects, and scholarly reflection. The program prepares students to work with local, national, and international communities to effect positive change in the world. Objectives are attained through development of University courses and undergraduate research initiatives that promote community-based projects and engagement.

*Institute for Faculty Advancement and Academic Leadership* includes the following components:

1. The Leadership in Academic Matters Program, which prepares faculty to become the next generation of department heads, directors, and other University administrative leaders;
2. The Professors as Writers Program, conducted by the Teaching Resource Center, provides support to faculty in their academic and professional writing;
3. Program support for the Vice Provost for Faculty Advancement to sponsor a faculty advancement lecture series and workshops;
4. The Institute for Leadership Excellence in Academic Departments, which targets faculty serving as department chairs or directors of academic centers, provides workshops and other programs to facilitate discussion of common cross-departmental issues, and encourages progress towards a diverse faculty and staff; and
5. The Teaching Technology Support Partners Program, which provides the opportunity for qualified graduate students to work with faculty

to foster integration of technology and innovation into their teaching.

*Global Affairs:* The Office of Global Affairs advances U.Va.'s international research, learning, and outreach to prepare students, the University, and the Commonwealth to thrive in an interconnected world. Global Affairs anticipates support for several new initiatives in 2013-14 including:

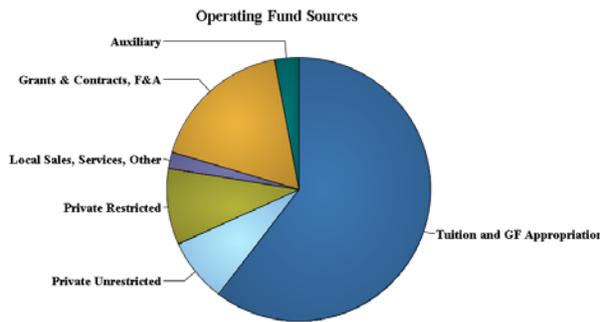
1. Creating a new cross-school Global Studies major that will enhance international teaching, learning, and research.
2. Establishing a full time University representative in China to help manage new programs, admissions, development, engagement with alumni and friends, and serve as a potential base for distance learning programs.
3. Identifying and nurturing a small number of programs of outstanding cross-disciplinary or cross-school international research that are areas of excellence for the University. Funding would be used to build synergy and prime exceptional projects and grants. These programs, chosen in an internal and competitive request for proposals, would be anchors for a revitalized center for international research.
4. Developing an international internship program that significantly expands opportunities for experiential learning abroad, particularly by drawing on the support of alumni and parents.

The Center for International Studies will continue to serve as a focal point for University-wide global research and education. Critical to the Center's mission is the formation of interdisciplinary faculty efforts. The Center supports: research initiatives, working groups, and seminars that address significant international issues; development of new courses with a significant international/global perspective or which develop "global classrooms" involving collaboration with similar courses at universities abroad; visiting international scholars and practitioners whose presence on Grounds will contribute to the promotion of research and learning; and individual faculty and graduate student projects that require supplemental aid because of their international scope.

#### 2013–14 Operating Budget

The EVPP is currently funded through a traditional centralized budget target, as well as self-generated private resources, grants and contracts, and sales and services activities for the University Press.

As shown on the pie chart below, excluding the schools and the library, for 2013–14, 60 percent of the EVPP’s operating budget is from tuition and state general funds. Private funds (endowment distributions and gifts) represent 18 percent of funding. Grants, contracts, and F&A constitute 17 percent, while sales and services make-up 5 percent.



Excluding the schools and the library, the EVPP’s 2013-14 operating budget (see the following page) is \$54 million, primarily allocated to faculty and staff compensation (62 percent) and academic support activities.

The University proposes to allocate \$48,800 to augment the ROTC program base budget. Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

Including the schools and the library, the operating budget for all areas reporting to the EVPP will be \$877.7 million in 2013–14.

Capital Plan

Capital projects under the EVPP area which are not directly related to the schools or the library include: 1) the Fralin Art Museum Addition (\$28 million in gifts), for which a concept design and fundraising package is being prepared, and 2) the Contemplative Sciences Center (\$13.68 million in gifts), which has been proposed for donor gift funding.

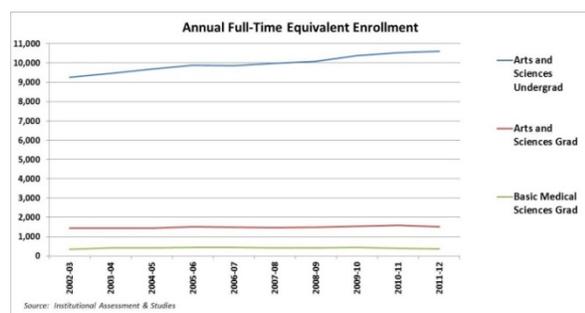
**University of Virginia - MBU Summary**  
**Exec Level: R1380 VP: PV-VP/Provost, Mbu Level: <All>**  
**Excluding Schools & Library**

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	98.0	11,292,303	22.5	1,919,084	11.0	1,326,142	10.3	1,358,621	6.1	602,934	0.3	32,740	148.2	16,531,824
	Staff Salaries and benefits	138.5	8,744,779	24.4	1,685,951	8.7	582,700	13.0	889,271	5.5	306,387	13.0	721,152	203.1	12,930,240
	Wages and benefits	-	3,838,069	0.0	1,124,637	-	123,399	0.0	508,016	-	9,000	-	11,082	0.0	5,614,203
	GTA/GRA	9.5	55,550	2.2	49,777	1.0	34,175	0.1	11,066	-	-	-	-	12.8	150,568
	<b>Subtotal</b>	<b>245.9</b>	<b>23,930,701</b>	<b>49.1</b>	<b>4,779,449</b>	<b>20.7</b>	<b>2,066,416</b>	<b>23.4</b>	<b>2,766,974</b>	<b>11.6</b>	<b>918,321</b>	<b>13.3</b>	<b>764,974</b>	<b>364.1</b>	<b>35,226,835</b>
	OTPS	-	17,202,572	0.0	2,084,229	-	7,307,127	0.0	2,564,477	-	658,879	-	1,036,930	0.0	30,854,215
	Financial Aid	-	16,700	0.0	64,667	-	514,161	0.0	400,386	-	10,000	-	-	0.0	1,005,914
	Recoveries	-	-	-	-	-	-	-	-	-	-520,200	-	-	-	-520,200
	Internal Debt Service	-	-	-	3,259,159	-	-	-	-	-	-	-	-	-	3,259,159
	Transfers	-	90,084	-	-	-	-	-	-	-	-	-	-	-	90,084
<b>Subtotal</b>		<b>17,309,356</b>	<b>0.0</b>	<b>5,408,055</b>		<b>7,821,288</b>	<b>0.0</b>	<b>2,964,863</b>		<b>148,679</b>		<b>1,036,930</b>	<b>0.0</b>	<b>34,689,171</b>	
<b>MBU Totals</b>		<b>245.9</b>	<b>41,240,058</b>	<b>49.1</b>	<b>10,187,504</b>	<b>20.7</b>	<b>9,887,704</b>	<b>23.4</b>	<b>5,731,837</b>	<b>11.6</b>	<b>1,067,000</b>	<b>13.3</b>	<b>1,801,904</b>	<b>364.1</b>	<b>69,916,007</b>
2014-O	Faculty Salaries and benefits	96.3	9,774,500	19.8	1,726,954	11.2	1,330,399	6.8	1,155,235	5.8	478,000	0.4	38,953	140.3	14,504,041
	Staff Salaries and benefits	143.3	8,792,747	17.5	1,418,939	7.7	538,148	15.1	1,045,006	6.3	363,846	10.6	594,271	200.4	12,752,957
	Wages and benefits	0.0	4,167,718	-	741,531	0.0	62,000	-	370,163	-	61,000	0.0	11,677	0.0	5,414,089
	GTA/GRA	10.5	619,850	2.3	60,000	1.0	13,000	0.1	4,770	-	-	-	-	13.8	697,620
	<b>Subtotal</b>	<b>250.1</b>	<b>23,354,815</b>	<b>39.5</b>	<b>3,947,424</b>	<b>19.9</b>	<b>1,943,547</b>	<b>22.1</b>	<b>2,575,174</b>	<b>12.0</b>	<b>902,846</b>	<b>11.0</b>	<b>644,901</b>	<b>354.5</b>	<b>33,368,707</b>
	OTPS	0.0	9,078,360	-	1,301,060	0.0	1,933,349	0.0	2,219,070	0.0	678,254	0.0	962,017	0.0	16,172,111
	Financial Aid	0.0	12,000	-	50,785	0.0	352,200	0.0	440,800	-	15,000	-	-	0.0	870,785
	Central Assessment	-	197,590	-	-	-	-	-	-	-	-	-	-	-	197,590
	Recoveries	-	-	-	-	-	-	-	-	0.0	-507,000	-	-	0.0	-507,000
	Internal Debt Service	-	-	-	4,155,522	-	-	-	-	-	-	-	-	-	4,155,522
Transfers	-	-72,334	-	-	-	-	-	-	-	-	-	-	-	-72,334	
<b>Subtotal</b>	<b>0.0</b>	<b>9,215,616</b>		<b>5,507,367</b>	<b>0.0</b>	<b>2,285,549</b>	<b>0.0</b>	<b>2,659,870</b>	<b>0.0</b>	<b>186,254</b>	<b>0.0</b>	<b>962,017</b>	<b>0.0</b>	<b>20,816,674</b>	
<b>MBU Totals</b>	<b>250.1</b>	<b>32,570,431</b>	<b>39.5</b>	<b>9,454,791</b>	<b>19.9</b>	<b>4,229,096</b>	<b>22.1</b>	<b>5,235,044</b>	<b>12.0</b>	<b>1,089,100</b>	<b>11.0</b>	<b>1,606,919</b>	<b>354.5</b>	<b>54,185,381</b>	

## COLLEGE AND GRADUATE SCHOOL OF ARTS & SCIENCES

### Overview of Operations

The College and Graduate School of Arts & Sciences is the largest of the University of Virginia's eleven schools and is the institution's intellectual core. Offering more than 50 undergraduate majors and concentrations and more than two dozen graduate programs, Arts & Sciences spans the liberal arts, stretching from the study of the birth of the universe to the latest scientific and technological advances and encompassing the literatures and languages, history and arts, economics, and politics of the world's cultures. The College and Graduate School comprise more than 11,000 students and approximately 700 full-time regular faculty members.



### Strategic Direction

The six strategic directions described below, while comprehensive in scope, present specific guidance and focus for the allocation of resources, faculty and staff hiring priorities, and fundraising energies over the next five to seven years, as well as a framework through which to organize fundraising opportunities. The actions proposed here are intended as attainable initial steps nested within a 10 to 15-year repositioning of the College as an eminent research institution also widely acknowledged for the excellence of its undergraduate teaching.

1. *Maintain core excellence in undergraduate education.* The College has long been distinguished in offering undergraduates an intimate, rigorous, and broad undergraduate experience amidst the benefits and energy of a major research university. The breadth of the undergraduate offerings and the commitment of faculty to creating genuine, life-altering relationships with their students define the traditional core of the College's excellence. Preserving the University's standing as a major research university that takes undergraduate

education seriously requires that students continue to interact with senior faculty, take smaller courses, and explore and connect within a broad array of curricular offerings. Key areas of focus by the College include the establishment of the new Pavilion Seminars for undergraduates; opportunities for undergraduate students to engage in meaningful research; increasing undergraduate participation to take advantage of the substantial improvements to arts-related facilities; and bolstering collaborative research and exchange opportunities with other universities around the world. The College began a comprehensive review of its general education curriculum in 2012-13.

2. *Enable faculty growth.* Although the need is broad, the College must focus resources on faculty to realize progress and innovation across the disciplines by protecting established strengths in selected programs, building up the sciences, and supporting emerging cross-disciplinary clusters of faculty distinction. Doing so both protects and enhances the core of the College's mission: the excellence and rigor of the undergraduate educational experience and the eminence and research productivity of the faculty. Academic year 2012-13 marks the low point in a multi-year reduction in the size of the tenured and tenure-track faculty, at 536. Faculty size will begin recovering in 2013-14, with a plan to add at least 60 lines by 2018-19 in addition to regular replacements for retirements and other departures.
3. *Establish and expand collaborative and multidisciplinary research in targeted areas well positioned to distinguish the College.* Targeted areas include global environmental challenges; life sciences in the post-genomic era; human life span development; cosmic origins and astrochemistry; the Institute for Global Humanities; and quantitative collaborative. The College is also exploring initiatives in the computational sciences. These focus areas will continue to serve as an important factor in the strategic allocation of faculty lines and other resources in the years ahead.
4. *Secure sufficient and regular funding to provide appropriate start-up packages to new faculty to attract the strongest candidates and enable them*

to mount aggressive research programs. The expansion of the size of the faculty, as well as the need to replace growing numbers of retiring faculty, entails substantial financial costs in terms of start-up packages, which often exceed \$750,000 per faculty member in the sciences, and the need for expanded laboratory space to support emerging research programs. Start-up packages often involve lab renovations, equipment purchases, funding for graduate and postdoctoral positions, and summer salary support. Such investment is an essential prerequisite to the College's priority goal of enhancing the stature of the sciences at the University, but it also has the potential of returning resources to the College in the future as faculty research programs develop and begin competing for federal and other sponsored research awards, which will increase overhead returns to the University, the College, and its departments.

5. *Support research and teaching capacity through staffing, instrumentation, and facilities.* Achieving success in the College's strategic priorities requires investment in facilities, equipment and instruments, and technical and administrative support. Ensuring access to research instrumentation and lab facilities in the sciences, as well as studio and performance space in the arts, presents a critical prerequisite to recruiting excellent faculty and students to College programs and making progress toward strategic initiatives. This strategic initiative also entails re-envisioning some of the College's classroom, laboratory, and common space to optimize opportunities to integrate technology into learning. Securing adequate funding for the renovation of Gilmer Hall and the Chemistry Building are critical near-term priorities.
6. *Strengthen graduate education.* Graduate students work at the vanguard of research and innovation in the twenty-first century university. Their laboratory work and dissertations form the backbone of research innovation around the world. Talented graduate students come to the University brimming with new energy and new ideas, assisting faculty in their scholarly efforts, and emerging as distinguished scholars themselves.

Achieving these aims requires that the College balance aspirations with core foundational needs, such as:

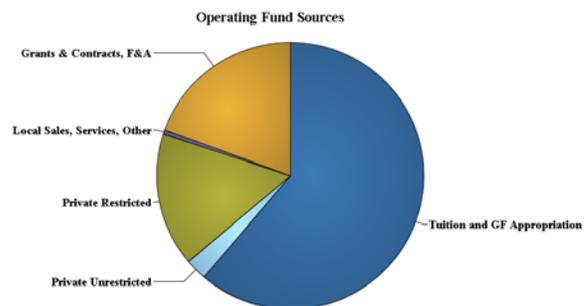
- Managing undergraduate enrollment growth effectively to ensure the continued excellence of the undergraduate experience;
- Achieving competitive levels for faculty salaries;
- Transitioning through the anticipated retirements of a number of eminent faculty to maintain and enhance the strength of the faculty; and
- Ensuring the right amount, quality, and types of classroom, laboratory, and office space to support planned growth and educational initiatives.

The faculty growth due to planned enrollment growth, along with heightened retirement turnover and the normal turnover associated with departures, may require more than 200 faculty searches in the next seven years. This volume of hiring over a relatively brief period presents both challenge and opportunity, and such hiring will transform the College's faculty and set the tone and foundation for decades.

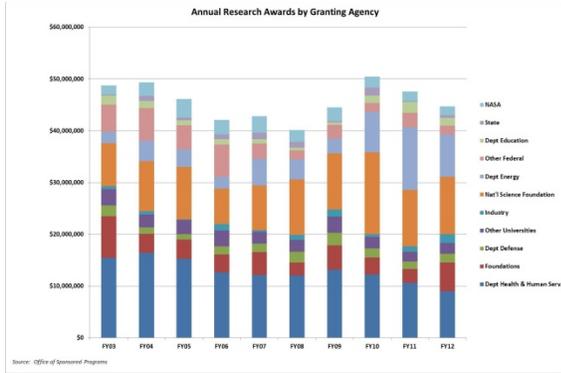
2013-14 Operating Budget

The College is funded through a traditional centralized budget target and self-generated grants, contracts, and private resources.

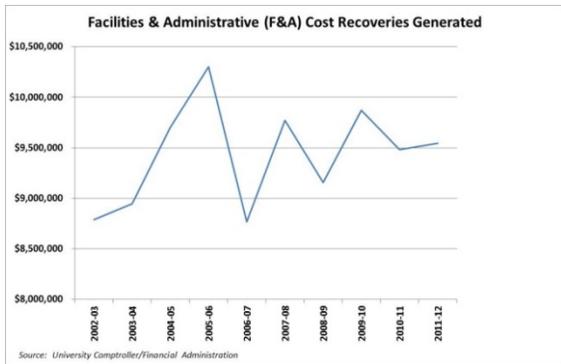
For 2013-14, 61 percent of the College's operating budget is from tuition and state general funds, while grants, contracts, and F&A recoveries constitute 20 percent and provide an important source of revenue for the College. Private funds (endowment distributions, gifts, and transfers from the College Foundation) represent 19 percent of funding.



The following graph demonstrates the trend in grant support, as well as the diversity of sponsors.



The following graph shows a similar trend in F&A cost recoveries generated by the school.



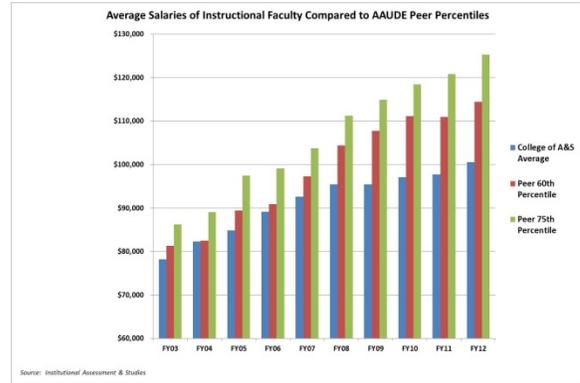
The College's 2013-14 operating budget (see page 38) is \$185.0 million, with compensation and graduate fellowships accounting for 85 percent of the budget, including faculty compensation (50 percent), GTA/GRA stipends and graduate fellowship support (20 percent), and staff salaries and wages (15 percent). The College's budget is allocated almost entirely toward academic core activities (teaching, research, and service), with very little toward administrative services. The majority of administrative services are incurred in the central University budgets.

The College's 2013-14 operating budget includes an allocation of \$1.5 million related to fall 2013 enrollment growth. Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

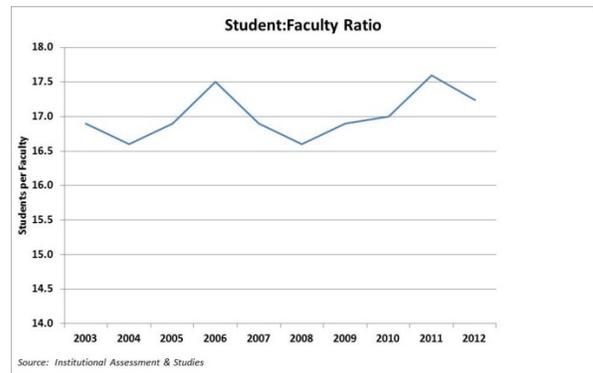
The College's 2012-13 revised operating budget includes \$3.5 million of "deep contingency reserve" for the College plus \$4.4 million of other non-base reserves related to future initiatives and commitments. These funds are not reflected in the 2013-14 operating budget per University practice, but the College expects the reserves stated above to carry forward into 2013-14 at

similar amounts and be reflected in the 2013-14 revised operating budget.

Recruiting and retaining faculty will be a continued emphasis, requiring additional investments in compensation and start-up packages. The following graph demonstrates the average College faculty salary compared to the 60<sup>th</sup> and 75<sup>th</sup> percentile of AAU peers.



The following chart provides the student:faculty ratio over the past several years.



Capital Plan

Construction is ongoing for the New Cabell Hall Renovation, to be completed in two phases by September 2014.

Currently, the highest priority project not in construction is the renovation of Gilmer Hall and the Chemistry Building, the College's longstanding workhorse buildings in the sciences. The renovations are on the Major Capital Projects Plan at \$134 million, proposed to be funded in full from state general funds. The 2013 General Assembly provided \$1.8 million for pre-planning (programming and concept design phase) of this critical project.

Projects on the long-term capital program include the construction of a new music building (\$59.5 million); construction of a drama building addition (\$25.5 million); renewal of Old Cabell Hall (\$65), expansion of the Anheuser-Busch Coastal Research Center (\$6 million); and a Science and Engineering Teaching and Research Facility shared with the School of Engineering and Applied Science (\$147.3 million).

University of Virginia - MBU Summary  
 Exec Level: R1380 VP: PV-VP/Provost, Mbu Level: R2010 MBU: AS-College of Arts & Sciences

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	628.1	72,868,899	93.6	8,929,439	15.1	2,061,113	113.4	11,503,465	0.9	55,000	-	-	851.1	95,417,916
	Staff Salaries and benefits	176.3	11,249,951	44.6	2,348,395	17.0	851,754	59.9	2,995,282	0.7	34,000	-	-	298.6	17,479,382
	Wages and benefits	-	5,465,251	-	4,639,820	-	466	-	1,313,636	-	1,600	-	-	-	11,420,773
	GTA/GRA	115.9	8,440,613	47.6	3,283,683	-	-	2.0	135,656	0.3	19,863	-	-	165.7	11,879,815
	<b>Subtotal</b>	<b>920.3</b>	<b>98,024,714</b>	<b>185.8</b>	<b>19,201,337</b>	<b>32.1</b>	<b>2,913,333</b>	<b>175.3</b>	<b>15,948,039</b>	<b>1.9</b>	<b>110,463</b>			<b>1,315.4</b>	<b>136,197,886</b>
	OTPS	-	9,850,535	-	13,204,125	-	1,597,663	-	5,955,930	-	1,922,753	-	-	-	32,531,006
	Financial Aid	-	14,169,629	-	3,493,179	-	1,659,995	-	6,396,562	-	3,200	-	-	-	25,722,565
	Recoveries	-	-231,000	-	-	-	-	-	-	-	-775,253	-	-	-	-1,006,253
	Transfers	-	13,000	-	-	-	-	-	-	-	-	-	-	-	13,000
	<b>Subtotal</b>		<b>23,802,164</b>		<b>16,697,304</b>		<b>3,257,658</b>		<b>12,352,492</b>		<b>1,150,700</b>				<b>57,260,318</b>
<b>MBU Totals</b>		<b>920.3</b>	<b>121,826,878</b>	<b>185.8</b>	<b>35,898,641</b>	<b>32.1</b>	<b>6,170,991</b>	<b>175.3</b>	<b>28,300,531</b>	<b>1.9</b>	<b>1,261,163</b>			<b>1,315.4</b>	<b>193,458,204</b>
2014-O	Faculty Salaries and benefits	621.6	68,024,323	95.0	9,053,720	13.9	2,105,166	127.8	13,039,950	0.2	11,000	-	-	858.5	92,234,159
	Staff Salaries and benefits	183.0	11,814,075	44.9	2,365,400	20.6	1,028,214	64.8	3,240,155	-	55,927	-	-	313.3	18,503,771
	Wages and benefits	-	2,908,361	-	4,618,801	-	-	-	1,302,521	-	65,407	-	-	-	8,895,090
	GTA/GRA	115.0	8,360,657	46.8	3,269,400	-	-	2.1	146,428	0.1	6,000	-	-	164.0	11,782,485
	<b>Subtotal</b>	<b>919.7</b>	<b>91,107,416</b>	<b>186.6</b>	<b>19,307,321</b>	<b>34.4</b>	<b>3,133,380</b>	<b>194.8</b>	<b>17,729,054</b>	<b>0.3</b>	<b>138,334</b>			<b>1,335.8</b>	<b>131,415,505</b>
	OTPS	-	6,608,618	-	13,204,000	-	779,644	-	6,478,297	-	1,586,592	-	-	-	28,657,151
	Financial Aid	-	15,757,224	-	3,493,000	-	910,000	-	5,776,924	-	-	-	-	-	25,937,148
	Recoveries	-	-221,854	-	-	-	-	-	-	-	-770,364	-	-	-	-992,218
	Transfers	-	19,000	-	-	-	-	-	-	-	-	-	-	-	19,000
	<b>Subtotal</b>		<b>22,162,988</b>		<b>16,697,000</b>		<b>1,689,644</b>		<b>12,255,221</b>		<b>816,228</b>				<b>53,621,081</b>
<b>MBU Totals</b>		<b>919.7</b>	<b>113,270,404</b>	<b>186.6</b>	<b>36,004,321</b>	<b>34.4</b>	<b>4,823,024</b>	<b>194.8</b>	<b>29,984,275</b>	<b>0.3</b>	<b>954,562</b>			<b>1,335.8</b>	<b>185,036,586</b>

## CURRY SCHOOL OF EDUCATION

### Overview of Operations

For the Curry School of Education, the past six years have been a time of transition, consolidation, and investment that positions the School well for the coming years. Since 2007, Curry has, among many other things:

- Established three new research centers and become host to a national association;
- Restructured its doctoral programs to better prepare graduates for faculty and research careers;
- Consolidated programs and limited graduate admissions to be more selective and competitive for top graduate students;
- Strengthened interdisciplinary partnerships with the Darden School, the Batten School, the College of Arts & Sciences, and others;
- Converted one of its two undergraduate programs to a four-year, direct-admit program;
- Begun growing its undergraduate programs with a goal of having more balanced enrollments across all degree levels;
- Begun offering online courses to select groups of students;
- Reinstated and refined its faculty governance model to ensure that the academic interests of the School are the foremost consideration in planning and decision making; and
- Begun an annual faculty-driven process of developing academic and resource plans that form the basis of school-wide enrollment management, budget development, and faculty hiring plans.

Curry has benefitted from these changes, jumping nearly 10 positions – from 31<sup>st</sup> to 22<sup>st</sup> – in national rankings, adding to the number of its top-ranked graduate programs, recruiting and hiring the very top faculty candidates, and driving the recognition of the University as one of the top three institutions in the nation that influence education policy.

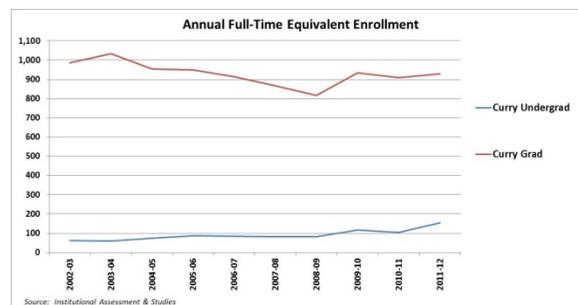
### Strategic Direction

Last year, Curry set out four strategic foci for the years 2012-17: enrollment, research, innovation, and resources. As evidenced below, the School's strategic direction supports the University's strategic direction as outlined by President Sullivan's goals and the preliminary work of the University's efforts to develop a new strategic plan. In developing and refining its strategic direction, Curry has paid close attention to the needs of the University and to the Commonwealth as it strives to meet its obligations under the Higher Education Restructuring Act as outlined in SCHEV's institutional performance standards and the goals of the 2011 Higher Education Opportunity Act.

### *Enrollment*

Curry began the 2012-13 academic year with its first class of directly admitted first-year undergraduate students, its first fully-online graduate programs, its first dual-degree program with another professional school (Darden), and its full ownership of Curry courses and degree and certificate programs at off-Grounds sites.

Enrollment trends through 2011-12 are shown below.



For the first time ever, Curry's students now span the full range of student experiences from first-year undergraduates to Ph.D. candidates and from full-time students in residence in Charlottesville to adult professional learners throughout the Commonwealth and, increasingly, the world.

Over the next five years, Curry will:

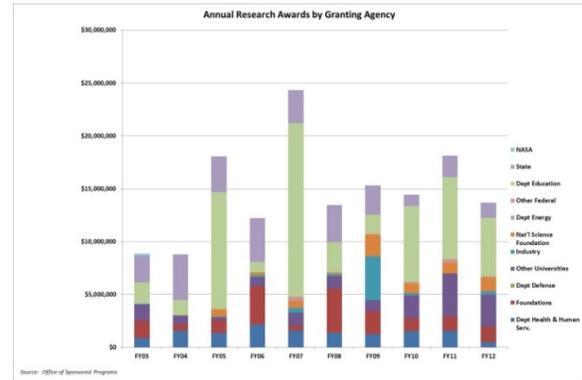
- Ensure the School has adequate faculty expertise and administrative infrastructure to support high-quality programs, both on- and off-Grounds;
- Develop student marketing, recruitment, and advising expertise to enroll top students at all levels;

- Refine and expand faculty-driven academic planning processes to ensure that multi-year enrollment and academic plans can drive decision making and resource allocation within the School and in its interactions with others.
- Develop functions and processes that ensure course sizes and schedules, as well as faculty workloads, are high quality, efficient, and interdisciplinary;
- Launch a direct-admit undergraduate program in youth and social change;
- Work with other schools of the University to anchor a Grounds-wide collaboration in STEM education at U.Va., in preK-12 schools and school divisions, and in community colleges;
- Develop more courses and programs for delivery to select audiences online;
- Update Curry’s largest and most highly regarded program, Teacher Education, to be more evidence-based and innovative and competitive for top students;
- Streamline master’s degree programs while maintaining their rigor and quality so that undergraduates earn master’s degrees in the “3+1” model, and postgraduate students can complete them in as little as 12 months;
- Increase capacity to respond to requests for expertise in teacher preparation and professional development across preK-12 education;
- Coordinate enrollment growth to ensure that the experiences of students are not compromised and that growth can be supported and sustained;
- Work with the Law School to create and launch a dual MEd/JD degree program; and
- Revise expectations regarding doctoral students to include an increased role in instruction to support enrollment growth and provide doctoral students valuable teaching experiences.

*Research*

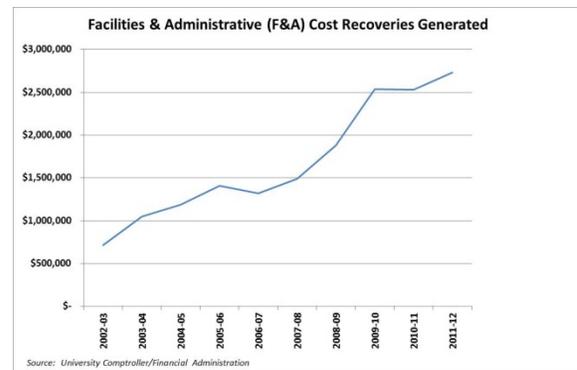
As demonstrated in the following graph, Curry has had great success over the past five years in growing its research base. Between 2005-06 and 2011-12, Curry has increased its research support by over 30 percent and has been able to add approximately 30

FTE faculty and staff, the majority of whom are supported by external funding.



As previously noted, Curry has established three new research centers within the past five years and has restructured its doctoral programs to be more research-focused. Curry also consolidated its four clinical centers into a comprehensive clinical enterprise that addresses a wide range of client needs, from reading remediation to speech and hearing disorders and autism spectrum disorder.

Curry faces enormous challenges in sustaining and growing its research base and integrating its research into academic programs and faculty innovation, as much of the research Curry performs occurs at off-Grounds sites, away from most faculty and students, and at reduced F&A rates. Overall F&A cost recoveries generated by Curry over the past 10 years are shown below.



Competitive start-up packages for new faculty are becoming more expensive. Curry must update the infrastructure for research administration to ensure that faculty are not encumbered by bureaucracy when proposing and conducting research and that research activities are in compliance with federal law and sponsors’ regulations. Finally, Curry must better coordinate its various research activities, particularly

those with other schools and other institutions, to ensure that its research program is comprehensive, well-planned, appropriately resourced, and of consistently high quality; that faculty, particularly new hires, have adequate opportunity to develop their individual portfolios; and that all of the School's research is represented in Curry's various doctoral programs.

Over the next five years, Curry will:

- Develop a school-wide research center under the lead of Curry's new Associate Dean for Research and Faculty Development, and consolidate and add to existing research administrators to better coordinate Curry's various research activities;
- Shift the oversight of research administration from departments to research centers (including the new school-wide center) and flow F&A returns to the centers to support research administration needs;
- In collaboration with the University Library and other schools, continue to develop an initiative to establish U.Va. as a model of providing advanced data services and mentoring related to research in the social sciences;
- Collaborate to identify space for research activities to take place on-Grounds, in closer proximity to faculty and students, and to develop a multi-year research space plan;
- Develop a multi-year plan for the use of indirect cost recoveries to fund school- and department-level research administration and infrastructure and to create investment and incentive funds; and
- Identify funding for research centers to become self-sustaining.

#### *Innovation*

Curry has long recognized that much of the good work of its faculty and students languishes on shelves, in file cabinets, and on hard drives, while the problems of society that could be addressed by this work are allowed to persist and grow. As such, it is not different than any other school of education. Changing this status quo is an opportunity to lead and to distinguish the University. This shift to impact and scale requires a capacity for innovation, networking, and technology transfer that serves education markets and constituencies.

Curry will make the innovation process for faculty easier and more transparent and will grow an entrepreneurial spirit throughout its and the University's faculty ranks as Curry implements the following key initiatives over the next five years:

- Establish and grow an auxiliary sales and services unit to foster, incubate, develop, and market innovations with the potential to have broad and significant impact in addressing problems in education;
- In collaboration with University partners, create a working model for how best to streamline technology transfer and commercialization processes to more easily allow faculty to develop, test, and market their innovations;
- Develop business plans that support and structure innovation in a way that is consistent with Curry's and the University's mission and strategic vision;
- Work with the Curry School Foundation and venture philanthropists to create a system of investments and incentives that provide start-up funds for innovation and that incent faculty to move their work from discovery to creation and to meaningful and significant change; and
- Support a network of education reform innovators from the public and private sectors that serves to stream new ideas and tools into education systems in need of solutions and the support to implement with fidelity, and that establishes the Charlottesville region as a center for education innovation.

#### *Resources*

As has been demonstrated over the last five years – a period of time when Curry's all-funds budget has grown from \$25 million to \$35 million despite years of general fund budget reductions – Curry is capable of generating additional revenue to support its strategic vision. Curry has great potential to expand enrollment-related revenues both in on-Grounds undergraduate and master's courses and programs and in off-Grounds and online degree and certificate programs; to grow research and clinical revenues and revenues from existing and new sales and services activities such as summer camps, professional conferences, and professional development workshops; and to create entirely new revenue streams from faculty innovations that are brought to market.

Curry must balance these opportunities with a realistic analysis of sustainability, opportunity cost, and fidelity to mission, along with the need to be accountable to the University for the full cost of its operations.

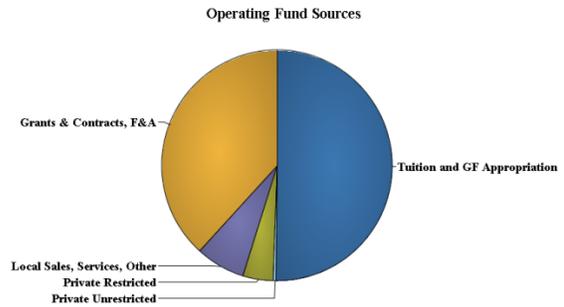
While much of what Curry plans to do with regard to resources is woven throughout the initiatives already listed above, Curry will also:

- Continue to develop and refine administrative infrastructure and expertise for working in an activity-based environment to best optimize Curry’s potential to meet its mission and to be a responsible and significant part of fulfilling the University’s mission and strategic direction;
- Continue to develop and refine a comprehensive system of multi-year planning to effectively manage and coordinate existing and new revenue streams and cost structures with the goal of achieving financial self-sufficiency, increasing quality, and maintaining appropriate levels of reserves;
- Continue phasing in plans to move all sales and services units to a “full-cost” model of operations through increases in rates, a three-year phase-in of G&A recoveries, and a five-year phase in of project reserves;
- Work with central administrators and other schools to ensure that Curry has, and will continue to have, enough space to meet teaching and service missions along with its research mission; and
- Serve as a model for the rest of the University of a faculty-driven approach to resource planning that works cohesively and proactively with faculty-driven academic planning.

**2013-14 Operating Budget**

Curry is funded through a traditional centralized target budget, as well as self-generated grants, contracts, and private resources.

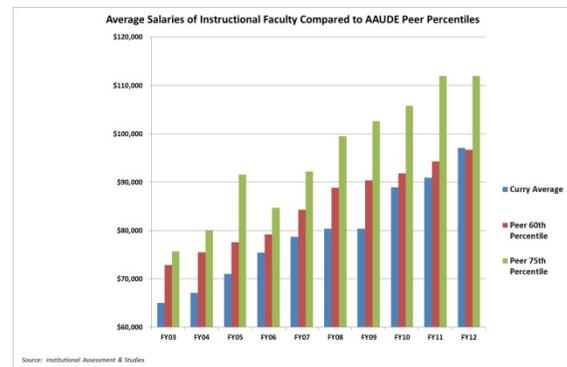
For 2013-14, 52 percent of Curry’s operating budget is from tuition and state general funds. Grants, contracts, and F&A constitute 36 percent. Private funds (endowment distribution, gifts, and transfers from the Curry Foundation) represent 6 percent of funding.



The School’s 2013-14 operating budget (see page 44) is \$38.3 million. The primary spending initiatives are faculty compensation (41 percent), staff salaries and wages (23 percent), and GTA/ GRA stipends and graduate fellowship support (14 percent).

Curry’s 2013-14 operating budget includes an allocation of \$638,810 related to fall 2013 enrollment growth and a target allocation of \$305,029 related to transfer of the SCPS summer education programs. Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

The below graph demonstrates the average Curry faculty salary as compared to the 60<sup>th</sup> and 75<sup>th</sup> percentile of AAU peers.



**Capital Plan**

Curry’s only project on the Major Capital Projects Plan is the \$23.7 million renovation of Ruffner Hall, which is financed by the state and which began construction in January 2013. Completion is expected in the summer of 2014 with the building available for full use before fall semester 2014.

Curry continues to engage central administrators in a conversation about building on-Grounds, general-purpose research space that can be shared by “dry-lab” researchers throughout the University. Should this not be a possibility, Curry would like to continue discussions of taking over the “Dell Buildings”

proximate to Ruffner Hall after the New Cabell Hall and Ruffner Hall renovations are complete, to use for research space.

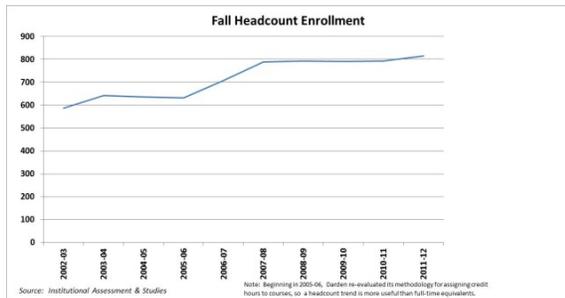
University of Virginia - MBU Summary  
 Exec Level: R1380 VP: PV-VP/Provost, Mbu Level: R1640 MBU: CU-Curry School

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	83.5	9,643,372	53.0	5,148,002	0.3	190,073	4.9	826,080	3.4	410,510	-	-	145.1	16,218,037
	Staff Salaries and benefits	48.3	3,276,486	23.5	1,595,499	0.7	123,970	-	-	3.5	186,914	-	-	76.0	5,182,869
	Wages and benefits	-	1,317,075	-	1,221,301	-	9,574	-	48,000	-	581,390	-	-	-	3,177,340
	GTA/GRA	12.5	482,399	8.1	451,599	-	17,047	-	-	-	-	-	-	20.6	951,045
	<b>Subtotal</b>	<b>144.3</b>	<b>14,719,332</b>	<b>84.6</b>	<b>8,416,401</b>	<b>1.0</b>	<b>340,664</b>	<b>4.9</b>	<b>874,080</b>	<b>6.9</b>	<b>1,178,814</b>			<b>241.7</b>	<b>25,529,291</b>
	OTPS	-	2,738,617	-	5,375,800	-	366,461	-	191,386	-	1,344,216	-	-	-	10,016,480
	Financial Aid	-	2,679,552	-	1,026,300	-	-	-	518,889	-	-	-	-	-	4,224,741
	Central Assessment	-	14,442	-	-	-	-	-	-	-	-	-	-	-	14,442
	Recoveries	-	-150,300	-	-	-	-	-	-	-	-118,400	-	-	-	-268,700
	Internal Debt Service	-	-	-	-	-	-	-	208,500	-	-	-	-	-	208,500
<b>Subtotal</b>		<b>5,282,311</b>		<b>6,402,100</b>		<b>366,461</b>		<b>918,775</b>		<b>1,225,816</b>				<b>14,195,463</b>	
<b>MBU Totals</b>		<b>144.3</b>	<b>20,001,643</b>	<b>84.6</b>	<b>14,818,501</b>	<b>1.0</b>	<b>707,125</b>	<b>4.9</b>	<b>1,792,855</b>	<b>6.9</b>	<b>2,404,630</b>			<b>241.7</b>	<b>39,724,754</b>
2014-O	Faculty Salaries and benefits	89.6	9,279,275	49.5	4,803,701	2.6	268,346	4.8	815,311	4.4	492,088	-	-	150.7	15,658,721
	Staff Salaries and benefits	52.3	3,582,369	23.8	1,567,801	-	-	2.7	184,501	3.2	206,555	-	-	81.9	5,541,226
	Wages and benefits	0.0	1,694,792	-	1,101,101	-	-	-	39,000	0.0	513,493	-	-	0.0	3,348,386
	GTA/GRA	12.3	470,999	7.5	417,700	-	-	-	-	0.8	55,998	-	-	20.5	944,697
	<b>Subtotal</b>	<b>154.1</b>	<b>15,027,435</b>	<b>80.7</b>	<b>7,890,303</b>	<b>2.6</b>	<b>268,346</b>	<b>7.5</b>	<b>1,038,812</b>	<b>8.3</b>	<b>1,268,134</b>			<b>253.1</b>	<b>25,493,030</b>
	OTPS	0.0	2,119,307	-	4,909,401	0.0	4,144	0.0	202,000	0.0	1,286,885	-	-	0.0	8,521,737
	Financial Aid	0.0	2,687,807	-	985,500	-	-	0.0	598,000	-	-	-	-	0.0	4,271,307
	Central Assessment	0.0	15,215	-	-	-	-	-	-	-	-	-	-	0.0	15,215
	Recoveries	0.0	-150,300	-	-	-	-	-	-	0.0	-105,000	-	-	0.0	-255,300
	Internal Debt Service	-	-	-	-	-	-	-	208,500	-	-	-	-	-	208,500
<b>Subtotal</b>	<b>0.0</b>	<b>4,672,029</b>		<b>5,894,901</b>	<b>0.0</b>	<b>4,144</b>	<b>0.0</b>	<b>1,008,500</b>	<b>0.0</b>	<b>1,181,885</b>			<b>0.0</b>	<b>12,761,459</b>	
<b>MBU Totals</b>	<b>154.1</b>	<b>19,699,464</b>	<b>80.7</b>	<b>13,785,204</b>	<b>2.6</b>	<b>272,490</b>	<b>7.5</b>	<b>2,047,312</b>	<b>8.3</b>	<b>2,450,019</b>			<b>253.1</b>	<b>38,254,489</b>	

## DARDEN SCHOOL OF BUSINESS

### Overview of Operations

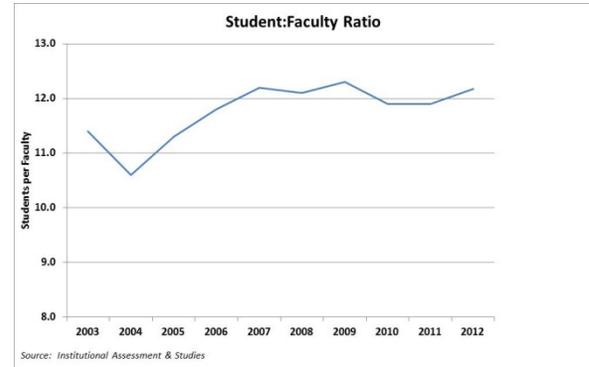
The Darden School of Business improves the world by developing and inspiring responsible leaders and by advancing knowledge. Darden follows a three-pronged approach to achieving its mission: student-centered learning, thought leadership, and active engagement with the business community. The school offers a Master of Business Administration (MBA) in three formats: a traditional residency-based program (638 students anticipated in 2013-14), an Executive MBA (118 students anticipated in 2013-14), and a Global Executive MBA (59 students anticipated in 2013-14). In addition, Darden has a small cohort of PhD students (6 students anticipated in 2013-14). The overall trend in headcount enrollment is shown below. The school also offers executive education programs through the Darden School Foundation.



### Strategic Direction

Darden's goals for the next year continue to build on the school's "Six Pillars" strategy: Top Students, Top Programs, Top Faculty/Staff, Top Infrastructure, Top Brand, and Top Resources, with emphasis on the globalization initiative. Darden believes that becoming a more globally relevant school is critical to sustain its top standing as a graduate business school. During the 2011-12 academic year, Darden launched a Global Executive MBA program. In the 2013-14 academic year, the school's goal is to grow this program, continuing the development of a globally relevant curriculum and increasing Darden's international standing through branding and outreach. In 2012-13, Darden also launched two MOOCs (Massive Open Online Courses). Pending the successful outcomes of the courses, Darden plans to continue to offer future courses in this format. Additionally, Darden is in the process of recruiting several academic faculty to manage faculty retirements and transitions.

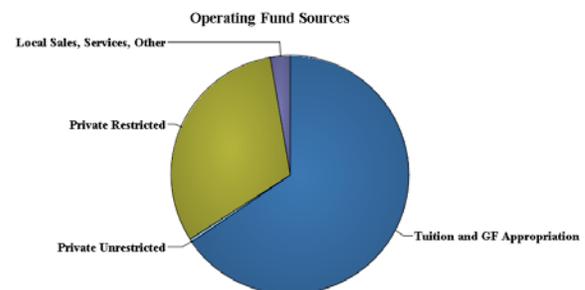
The following graph shows the trend in student: faculty ratio at Darden.



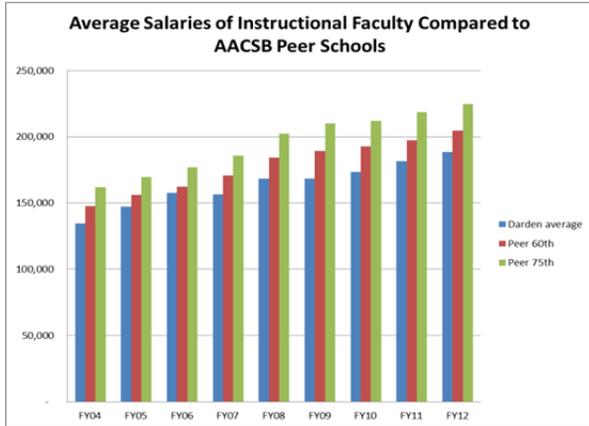
### 2013-14 Operating Budget

Financial self-sufficiency was first endorsed by the Board of Visitors in 1995 and formalized by memorandum of understanding in 2001. As a financially self-sufficient school, Darden retains its tuition revenues, receives a subsidy for each in-state student of \$2,500 (which represents 50 percent of the differential between in-state and out-of-state tuition), and is responsible for generating sufficient revenues to cover all of its operating and capital expenditures. Under self-sufficiency, other than the in-state student subsidy (\$273,000 in the 2013-14 budget), the only central allocations to Darden are \$65,000 from state general funds for financial aid to in-state students and \$40,000 from private funds for financial aid.

Approximately 66 percent of the school's operating budget is funded from tuition; 32 percent from endowment distributions, gifts, and transfers from the Darden School Foundation; and the remainder from other sources.



Darden's 2013-14 operating budget (see the following page) is \$74.0 million, with approximately 52 percent spent on faculty and staff compensation. The 2013-14 budget provides for a 4.75 percent average increase for teaching faculty and a 3.0 percent average salary increase for administrative faculty and staff. Darden continues to face competitive pressures among its peers with regards to faculty and staff compensation, as demonstrated on the below graph showing the average Darden salary versus the 60<sup>th</sup> and 75<sup>th</sup> percentile of AACSB peers.



The challenge is compounded by the wave of faculty retirements Darden anticipates in the next five years, as the average cost of replacement faculty members is expected to be higher. Darden continues to explore phased retirement arrangements.

Student financial aid and scholarships comprise approximately 11 percent of budgeted expenditures in 2013-14. Darden will continue to invest in scholarships to attract top students, hire four new faculty to fill vacant and retiring faculty positions, and sustain investments related to the newly launched Global Executive MBA program. Darden is proposing three new staff, but will not pursue these hires until there is greater certainty about the school's economic outlook for 2013-14.

Under the self-sufficiency agreement, Darden is directly responsible for building maintenance and utilities. In addition, the School returns 10 percent of tuition and fees (\$4.1 million in the 2013-14 budget) to the University to cover overhead expenses. Remaining budgeted expenses include library collections, equipment, and travel.

Capital Plan

Darden does not have any capital projects on the Major Capital Projects Plan.

As a self-supporting school, Darden is required by the Board of Visitors *Capital and Operating Reserves Policy* to have operating reserves equivalent to three months of operating expenses. Per the same policy, Darden must demonstrate annual capital expenditures or contributions to capital reserves of at least 1.5 percent of replacement value of buildings and equipment. Darden meets both requirements.

**University of Virginia - MBU Summary**  
**Exec Level: R1380 VP: PV-VP/Provost, Mbu Level: R1825 MBU: DA-Darden School**

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	80.0	17,247,878	-	-	1.0	266,284	22.0	4,336,808	1.0	167,045	-	-	104.0	22,018,015
	Staff Salaries and benefits	105.0	7,972,788	-	-	-	-	11.0	896,855	15.0	910,966	-	-	131.0	9,780,609
	Wages and benefits	-	1,773,136	-	-	-	11,421	-	1,546,546	-	15,900	-	-	-	3,347,003
	<b>Subtotal</b>	<b>185.0</b>	<b>26,993,802</b>			<b>1.0</b>	<b>277,705</b>	<b>33.0</b>	<b>6,780,209</b>	<b>16.0</b>	<b>1,093,911</b>			<b>235.0</b>	<b>35,145,627</b>
	OTPS	-	10,860,766	-	2,000	-	4,800	-	4,332,263	-	593,647	-	-	-	15,793,476
	Financial Aid	-	765,250	-	-	-	-	-	5,763,499	-	-	-	-	-	6,528,749
	Internal Debt Service	-	-	-	-	-	-	-	5,950,169	-	-	-	-	-	5,950,169
	Transfers	-	5,186,025	-	-	-	-	-	-	-	-	-	-	-	5,186,025
	<b>Subtotal</b>		<b>16,812,041</b>		<b>2,000</b>		<b>4,800</b>		<b>16,045,931</b>		<b>593,647</b>				<b>33,458,419</b>
	<b>MBU Totals</b>	<b>185.0</b>	<b>43,805,843</b>		<b>2,000</b>	<b>1.0</b>	<b>282,505</b>	<b>33.0</b>	<b>22,826,140</b>	<b>16.0</b>	<b>1,687,558</b>			<b>235.0</b>	<b>68,604,046</b>
2014-O	Faculty Salaries and benefits	79.0	17,192,320	-	-	1.0	277,705	27.0	5,465,087	1.0	164,032	-	-	108.0	23,099,144
	Staff Salaries and benefits	105.4	8,299,778	-	-	-	-	11.0	985,057	15.0	926,434	-	-	131.4	10,211,269
	Wages and benefits	-	4,548,215	-	-	-	-	-	344,885	-	26,712	-	-	-	4,919,812
	<b>Subtotal</b>	<b>184.4</b>	<b>30,040,313</b>			<b>1.0</b>	<b>277,705</b>	<b>38.0</b>	<b>6,795,029</b>	<b>16.0</b>	<b>1,117,178</b>			<b>239.4</b>	<b>38,230,225</b>
	OTPS	-	12,084,267	-	-	-	4,800	-	3,363,589	-	829,883	-	-	-	16,282,539
	Financial Aid	-	970,399	-	-	-	-	-	7,188,349	-	-	-	-	-	8,158,748
	Central Assessment	0.0	4,180,102	-	-	-	-	-	-	-	-	-	-	0.0	4,180,102
	Internal Debt Service	-	-	-	-	-	-	-	5,960,764	-	-	-	-	-	5,960,764
	Transfers	-	1,227,500	-	-	-	-	-	-	-	-	-	-	-	1,227,500
	<b>Subtotal</b>	<b>0.0</b>	<b>18,462,268</b>				<b>4,800</b>		<b>16,512,702</b>		<b>829,883</b>			<b>0.0</b>	<b>35,809,653</b>
<b>MBU Totals</b>	<b>184.4</b>	<b>48,502,581</b>			<b>1.0</b>	<b>282,505</b>	<b>38.0</b>	<b>23,307,731</b>	<b>16.0</b>	<b>1,947,061</b>			<b>239.4</b>	<b>74,039,878</b>	

## FRANK BATTEN SCHOOL OF LEADERSHIP AND PUBLIC POLICY

### Overview of Operations

The University of Virginia established the Frank Batten School of Leadership and Public Policy in 2007 as part of its strategic plan and as an expression of its Jeffersonian heritage. Through its instructional, research, and outreach programs, the Batten School contributes in important ways to public understanding and deliberation of the great domestic and international issues of each age. The Batten School's mission is to generate useful knowledge and educate leaders who are prepared to serve communities of all sizes and lead necessary and sustainable change. The Batten School trains students in critical leadership skills and in the analytics and substance of policy. Its programs inspire students to act vigorously, effectively, and ethically on behalf of the common good. Faculty are committed to teaching the use of rigorous analysis; the subtle understanding of political, social and economic context; and the exercise of creative personal and organizational leadership to initiate change in an increasingly diverse world.

May 2013 will mark the end of the Batten School's sixth year of existence. The School's academic offerings continue to grow and mature. In May 2013, the first cohort of two-year Master of Public Policy (MPP) students will graduate. Enrollments in both the accelerated and two-year MPP programs continue to grow, and the second class of undergraduate students will matriculate in the new undergraduate degree program in Public Policy and Leadership in fall 2013. For the first time in the School's brief history, all three of the planned academic programs will have students enrolled in both the first and second years of the respective curricula.

### Strategic Direction

The Batten School's strategic initiatives for 2013-14 are to:

1. Conduct, publish, and teach groundbreaking collaborative research on leadership;
2. Offer a unique and innovative student experience for undergraduates enrolled in the public policy and leadership major;
3. Strategically expand its reach by offering revenue generating, non-degree granting programs focused on leadership and public policy. The Batten School is particularly interested in developing an offering that

straddles and challenges traditional boundaries between the public and private sectors;

4. Globalize the MPP program with both curricular and co-curricular innovations;
5. Take a leadership role in the University's cross-Grounds initiative on social entrepreneurship; and
6. Incorporate the full range of policy interests on vertical (local, state, national, global) and horizontal (for-profit, not-for-profit, government) dimensions into the curriculum.

An enduring University of Virginia core value is to train students to exercise leadership responsibilities in a democratic society. Carrying forward this Jeffersonian tradition, the Batten School takes an expansive approach to public policy education -- one that prepares students to be effective, ethical, and enlightened leaders not only in government, but also in their professions and local communities.

The School will strengthen the student experience by featuring capstone experiences as a key component of the undergraduate and graduate programs. These capstones inspire students to become engaged citizens who take on significant challenges through academic projects and scholarly reflection. The graduate capstone projects occur within real-world organizations in public policy arenas. The School furthers the idea that students must see connections between academic learning and public service by requiring MPP students to complete summer internships. Many undergraduates will seek internships as well.

The Batten School continues to build a strong faculty with diverse interests and backgrounds. Four new hires began appointments in fall 2012 and have already made significant teaching and research contributions. One new faculty member's teaching and research on conflicts and cooperation at both the individual and group levels have enriched the leadership curriculum. Another's research, a thorough cost-benefit analysis of DNA profiling, garnered national attention in academic, judicial, and popular media circles. A third new faculty member's international research on environmental issues in developing countries has furthered the School's efforts to globalize across the curriculum. The fourth new faculty member's timely research on Head Start

programs provides insights about what early childhood investments are most likely to improve the lives of disadvantaged children. It was cited in President Obama’s State of the Union address. The School will continue to build an eclectic faculty in pursuit of a multi-disciplinary curriculum and research agenda that is relevant and forward-looking.

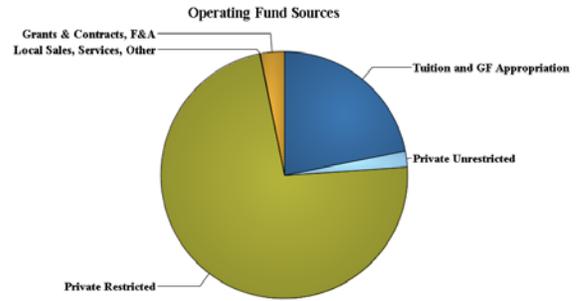
The School promotes the University’s objective of expediting degree completion by offering an accelerated BA/ MPP program, which allows University undergraduates to receive both a bachelor’s degree and the MPP degree in one year less than is normally required to earn both degrees. Batten accepts approximately 40 students per year into this program, and already student demand is high. Most students complete the two degrees in five years (rather than the normal six), but some students are able to earn the degrees in four years. In addition, Batten has recently launched new dual degree graduate programs including MPP/JD, MPP/MBA, MPP/Master of Public Health, and MPP/Master of Urban and Environmental Planning. These programs train future professionals for leadership and analytic careers in the legal, health care, business, and environmental sectors. All of the programs allow students to pursue two graduate degrees in an expedited manner, typically saving a year of study.

Finally, the Batten School expanded its commitment to the University’s efforts to diversify research to include the promotion of economic growth. The continuing partnership with the Curry School of Education that supports the joint Center on Education Policy and Workforce Competitiveness has proven successful. Last year, Batten entered into a similar partnership with the School of Medicine’s Department of Public Health Services to establish the University of Virginia Center for Health Policy.

2013-14 Operating Budget

The Batten School has a hybrid budget model, with the majority of its budget coming from a decentralized source – the endowment funded from the original gift that established the School. The School receives an allocation of tuition generated, net of a 15 percent assessment and a share of undergraduate financial aid.

Gifts and endowments provide 75 percent of the 2013-14 operational budget, with 22 percent from tuition and the remainder from grants and contracts and F&A.



The Batten School’s 2013-14 operating budget (see the following page) is \$8.97 million. The primary spending initiatives are faculty compensation (47 percent), staff salaries (14 percent), wages (6 percent), OTPS (13 percent), debt service (6 percent), and student fellowships (12 percent).

The school’s 2013-14 operating budget includes an allocation of \$363,604 related to fall 2013 enrollment growth. Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

The School will continue to fill its planned faculty positions, add academic programs, and build the infrastructure required to aggressively search for and identify new markets and diverse revenue streams.

Capital Plan

No additions, deletions, or modifications for the next update of the Major Capital Projects Plan are planned.

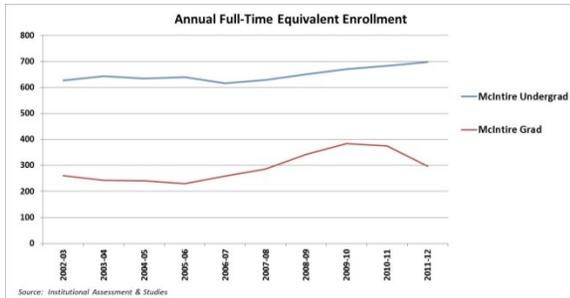
University of Virginia - MBU Summary  
 Exec Level: R1380 VP: PV-VP/Provost, Mbu Level: R1361 MBU: BA-Frank Batten School

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	6.8	1,027,513	0.2	52,300	-	-	15.8	2,430,117	-	-	-	-	22.7	3,509,930
	Staff Salaries and benefits	2.8	173,568	-	-	-	-	9.0	755,000	-	-	-	-	11.8	928,568
	Wages and benefits	-	211,185	-	112,300	-	87,800	-	444,701	-	-	-	-	-	855,986
	GTA/GRA	1.0	113,600	0.3	21,000	-	-	0.1	5,400	-	-	-	-	1.4	140,000
	<b>Subtotal</b>	<b>10.5</b>	<b>1,525,865</b>	<b>0.5</b>	<b>185,600</b>		<b>87,800</b>	<b>24.9</b>	<b>3,635,218</b>					<b>35.9</b>	<b>5,434,483</b>
	OTPS	-	15,300	-	15,500	-	55,800	-	760,700	-	5,250	-	-	-	852,550
	Financial Aid	-	78,140	-	10,500	-	-	-	700,000	-	-	-	-	-	788,640
	Internal Debt Service	-	-	-	-	-	-	0.0	913,697	-	-	-	-	0.0	913,697
	<b>Subtotal</b>		<b>93,440</b>		<b>26,000</b>		<b>55,800</b>	<b>0.0</b>	<b>2,374,397</b>		<b>5,250</b>			<b>0.0</b>	<b>2,554,887</b>
<b>MBU Totals</b>	<b>10.5</b>	<b>1,619,305</b>	<b>0.5</b>	<b>211,600</b>		<b>143,600</b>	<b>24.9</b>	<b>6,009,615</b>		<b>5,250</b>			<b>35.9</b>	<b>7,989,370</b>	
2014-O	Faculty Salaries and benefits	7.6	1,335,800	0.2	25,898	-	-	13.5	2,849,200	-	-	-	-	21.3	4,210,898
	Staff Salaries and benefits	3.5	323,254	1.3	71,300	-	-	8.9	840,150	-	-	-	-	13.8	1,234,704
	Wages and benefits	0.0	78,400	-	99,900	-	114,278	-	237,640	-	-	-	-	0.0	530,218
	GTA/GRA	1.6	130,000	0.3	20,000	-	-	-	-	-	-	-	-	1.9	150,000
	<b>Subtotal</b>	<b>12.7</b>	<b>1,867,454</b>	<b>1.7</b>	<b>217,098</b>		<b>114,278</b>	<b>22.5</b>	<b>3,926,990</b>					<b>36.9</b>	<b>6,125,820</b>
	OTPS	0.0	12,584	-	31,550	-	71,500	-	1,051,810	0.0	7,560	-	-	0.0	1,175,004
	Financial Aid	0.0	78,140	-	30,000	-	-	-	991,860	-	-	-	-	0.0	1,100,000
	Internal Debt Service	-	-	-	-	-	-	0.0	565,511	-	-	-	-	0.0	565,511
	<b>Subtotal</b>	<b>0.0</b>	<b>90,724</b>		<b>61,550</b>		<b>71,500</b>	<b>0.0</b>	<b>2,609,181</b>	<b>0.0</b>	<b>7,560</b>			<b>0.0</b>	<b>2,840,515</b>
<b>MBU Totals</b>	<b>12.7</b>	<b>1,958,178</b>	<b>1.7</b>	<b>278,648</b>		<b>185,778</b>	<b>22.5</b>	<b>6,536,171</b>	<b>0.0</b>	<b>7,560</b>			<b>36.9</b>	<b>8,966,335</b>	

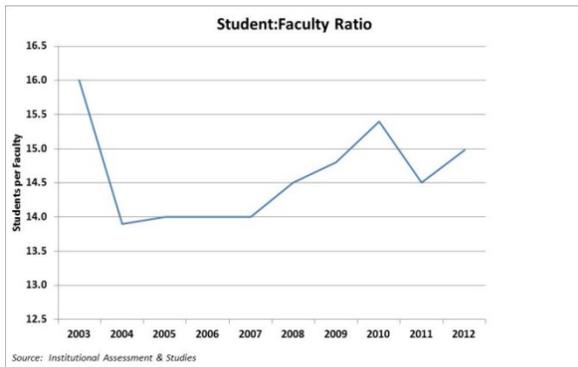
## MCINTIRE SCHOOL OF COMMERCE

### Overview of Operations

Established in 1921 through a gift from Paul Goodloe McIntire, the McIntire School of Commerce offers an undergraduate degree (686 students in 2012-13) and three Master of Science graduate degrees (243 students in 2012-13) in Commerce, Management of Information Technology, and Accounting. McIntire's projected 2013-14 enrollment is 690 undergraduate and 240 graduate students.



The below graph shows how the school's student:faculty ratio has changed over time.



In addition to its degree programs and through its McIntire School of Commerce Foundation, the School offers the McIntire Business Institute, a non-degree, general business certificate program in the summer and during the academic year, as well as other custom-designed, executive education programs.

### Strategic Direction

McIntire's strategic plan is focused on:

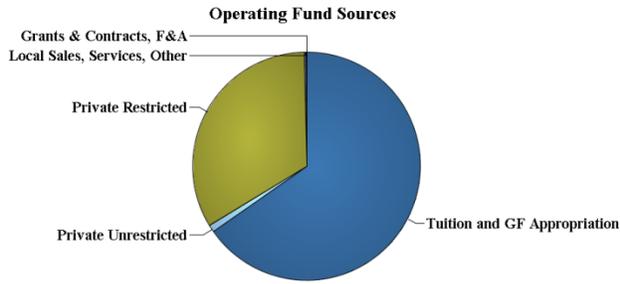
1. Maintaining and enhancing high-quality programs which build a world-class faculty, maintain highly-competitive admissions requirements, and develop innovative global programming;
2. Increasing competitive support for faculty by identifying funding in support of research and teaching, encouraging faculty innovation and participation, and developing adequate funding sources to retain faculty and recruit new faculty;
3. Investing in revenue-generating programs, examining options to expand existing programs and launch new programs, and hiring and retaining the necessary professional staff ; and
4. Providing value-added student services by expanding use of technology, providing the highest levels of student and career services, and collaborating with students to establish new student organizations and areas of interest.

McIntire raises funds and offers programs through its research centers as a way to enhance the intellectual capital of faculty, students, business professionals, and corporate partners. Throughout the year, McIntire research centers sponsor popular symposia, panels, and other programs for faculty, practitioners, and students, discussing both hot topics in business and the very best of practice.

### 2013-14 Operating Budget

The McIntire School operates within a hybrid funding model, with the undergraduate programs funded through a traditional centralized budget target plus an allocation of differential undergraduate tuition generated, net of a 10 percent assessment and a share of undergraduate financial aid. The graduate programs operate on a revenue-sharing basis. Under the revenue sharing agreement established in 1990, the McIntire School retains its graduate tuition revenues, less a 15 percent assessment (\$1.1 million in the 2013-14 budget) to the University to cover overhead expenses.

Approximately 65 percent of the school's operating budget is funded from tuition, while 35 percent is funded from endowment distributions, gifts, and transfers from the McIntire School Foundation.

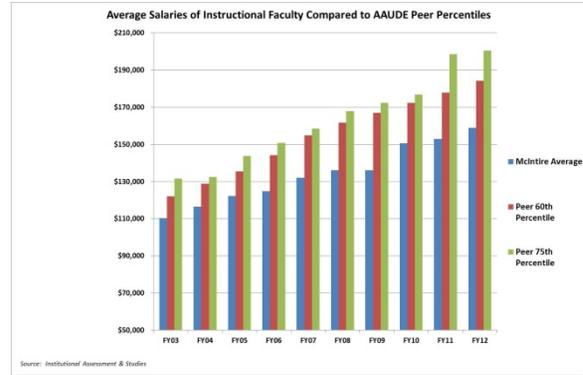


In 2013-14, full-time McIntire undergraduate students will pay a tuition rate that is \$5,000 higher than full-time undergraduate tuition. The differential tuition rate represents the third year of a three-year plan to generate funds that are critical in the areas of faculty compensation and retention; student services, career services, and technology; and building and enhancing programs. Tuition and fees charges for McIntire graduate programs will increase by 1.0-3.0 percent in 2013-14.

McIntire’s 2013-14 operating budget (see the following page) is \$29.6 million, with approximately 70 percent spent on faculty and staff compensation, 12 percent on debt service for the renovation and expansion of Rouss Hall, and 4 percent on student financial aid.

McIntire’s 2013-14 operating budget includes an allocation of \$276,000 related to fall 2011 and 2012 enrollment growth and \$35,000 related to projected fall 2013 enrollment growth. The University has allocated \$495,000 to McIntire related to the anticipated additional revenue generated by the increase in the School’s tuition differential. Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

McIntire anticipates hiring two new faculty in 2013-14 along with replacing five existing positions. McIntire faces stiff competition from peers to retain the best, most productive faculty and recruit new faculty at competitive compensation levels. The following graph shows the average McIntire salary as compared to the 60<sup>th</sup> and 75<sup>th</sup> percentile of AAU peers:



In the short-term, McIntire has obtained additional private support to address faculty compensation issues; however, it is critical that a sustainable source of revenue be identified.

Capital Plan

McIntire currently does not have any capital projects on the Major Capital Projects Plan. Through its Foundation, McIntire maintains sufficient operating reserves to meet the Board of Visitors *Capital and Operating Reserves Policy* requirement that self-supporting schools/departments maintain operating reserves equivalent to three months of operating expenses.

University of Virginia - MBU Summary  
 Exec Level: R1380 VP: PV-VP/Provost, Mbu Level: R2375 MBU: MC-McIntire School

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	56.6	11,463,739	-	-	2.1	302,708	17.7	3,148,477	-	-	-	-	76.3	14,914,924
	Staff Salaries and benefits	40.4	2,855,756	-	-	-	-	3.4	219,500	-	-	-	-	43.8	3,075,256
	Wages and benefits	-	990,525	-	36,180	-	-	-	1,165,500	-	-	-	-	-	2,192,205
	<b>Subtotal</b>	<b>97.0</b>	<b>15,310,020</b>		<b>36,180</b>	<b>2.1</b>	<b>302,708</b>	<b>21.1</b>	<b>4,533,477</b>					<b>120.1</b>	<b>20,182,385</b>
	OTPS	-	1,721,683	-	-	-	-	-	870,000	-	71,950	-	-	-	2,663,633
	Financial Aid	-	609,115	-	-	-	-	-	608,759	-	-	-	-	-	1,217,874
	Internal Debt Service	-	-	-	-	-	-	-	3,595,035	-	-	-	-	-	3,595,035
	Transfers	-	1,104,355	-	-	-	-	-	-	-	-	-	-	-	1,104,355
	<b>Subtotal</b>		<b>3,435,153</b>						<b>5,073,794</b>		<b>71,950</b>				<b>8,580,897</b>
	<b>MBU Totals</b>		<b>97.0</b>	<b>18,745,173</b>		<b>36,180</b>	<b>2.1</b>	<b>302,708</b>	<b>21.1</b>	<b>9,607,271</b>		<b>71,950</b>			<b>120.1</b>
2014-O	Faculty Salaries and benefits	59.6	12,123,659	-	-	1.8	289,962	15.2	3,090,073	-	-	-	-	76.6	15,503,694
	Staff Salaries and benefits	37.9	3,057,653	-	-	-	-	3.2	238,749	-	-	-	-	41.1	3,296,402
	Wages and benefits	0.0	990,080	-	23,904	-	-	-	905,550	-	-	-	-	0.0	1,919,534
	<b>Subtotal</b>	<b>97.5</b>	<b>16,171,392</b>		<b>23,904</b>	<b>1.8</b>	<b>289,962</b>	<b>18.3</b>	<b>4,234,372</b>					<b>117.7</b>	<b>20,719,630</b>
	OTPS	0.0	1,469,777	-	-	-	-	-	1,430,000	0.0	74,520	-	-	0.0	2,974,297
	Financial Aid	0.0	556,824	-	-	-	-	0.0	632,148	-	-	-	-	0.0	1,188,972
	Central Assessment	0.0	1,127,993	-	-	-	-	-	-	-	-	-	-	0.0	1,127,993
	Internal Debt Service	-	-	-	-	-	-	-	3,595,035	-	-	-	-	-	3,595,035
	Transfers	-	0	-	-	-	-	-	-	-	-	-	-	-	0
	<b>Subtotal</b>	<b>0.0</b>	<b>3,154,594</b>					<b>0.0</b>	<b>5,657,183</b>	<b>0.0</b>	<b>74,520</b>			<b>0.0</b>	<b>8,886,297</b>
<b>MBU Totals</b>		<b>97.5</b>	<b>19,325,986</b>		<b>23,904</b>	<b>1.8</b>	<b>289,962</b>	<b>18.3</b>	<b>9,891,555</b>	<b>0.0</b>	<b>74,520</b>			<b>117.7</b>	<b>29,605,927</b>

## SCHOOL OF ARCHITECTURE

### Overview of Operations

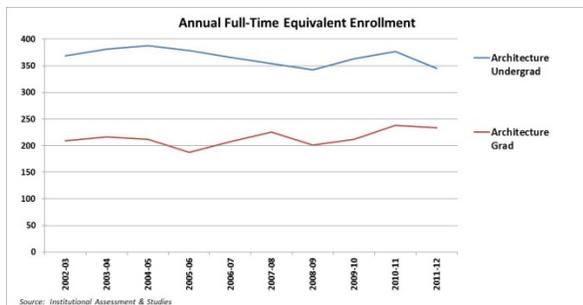
The School of Architecture is considered among the top comprehensive environmental design schools in the nation. Each of its four disciplines—architecture, landscape architecture, architectural history, and urban and environmental planning—is ranked among the top 10 percent nationally, while collectively the School is known for its faculty’s and students’ interdisciplinary design, scholarly, and planning efforts. Graduates of the programs are frequent national award winners and populate or lead many of the best professional offices around the world.

For the past 20 years, the School of Architecture has been a recognized leader in sustainability in the built environment. In the past three years, the School collaboratively has sought to refine this important distinction by selecting six interdisciplinary research themes, considered to be six ways to sustainability:

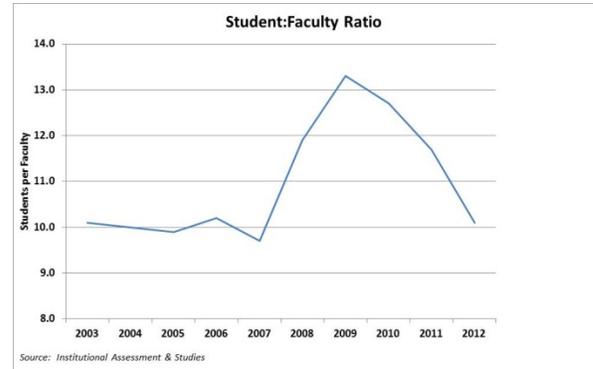
1. Design and Health;
2. Design and community engagement;
3. Regenerate: cultural preservation and sustainability;
4. Design representation and material practices;
5. Adaptive infrastructures; and
6. Global Cultures and the Constructed Environment

Each theme includes faculty members from across the School and has been opened to the larger University community. These themes provide focus to faculty and student recruiting, organize school-wide symposia and publications, and fine tune research proposals and philanthropic requests. These themes seek to organize knowledge into fields of action rather than into an exhaustive taxonomy.

The School has a full-time faculty of approximately 45, teaching about 480 students each year across four disciplines. Approximately two-thirds of its students are undergraduates, and approximately two-thirds are architecture students. The most recent enrollment trends are displayed below.



The student:faculty ratio over time is provided on the graph below.



The School of Architecture has hosted study abroad programs in northern Italy and China for 35 and 20 years, respectively, making these among the longest-running such programs nationally. In recent years, offerings have been expanded to a summer program in Falmouth, Jamaica; Ghana; and New Delhi, India.

### Strategic Direction

The School of Architecture’s strategic direction includes:

1. Support and formalize the School’s six research themes described earlier. The Center for Design and Health, one of the six themes, has been created; a \$2 million endowment has been established for a professorship. The Center’s co-directors are establishing an advisory board and fellows program and are seeking additional research funding. Additionally, the Community Design and Research Center was established this year to support the design and community engagement theme. Faculty are working collaboratively on other research themes at different paces to create symposia, exhibits, and classes and to further their independent scholarship. The School will continue to support these faculty and student efforts through funding.
2. Create an interdisciplinary Ph.D. program. The School includes best-in-class designers and scholars. To deepen their efforts and allow them to contribute to a new generation of researchers, the School is creating its first Ph.D., an interdisciplinary degree in the Constructed Environment. This program will align the School with national peers in having a Ph.D. program and will perhaps make the School

among the first to offer a newly-conceived Ph.D. for the 21st century.

3. Develop a school-wide curriculum in Practical Imagination, drawing on strengths from across the University. This curriculum will affirm an important but unnamed path to an undergraduate degree in the School by developing an interdisciplinary undergraduate focus described as the Curriculum in Practical Imagination. The degree is listed as B.S. Architecture with a concentration in design thinking. It will include a range of existing core courses as well as electives focused on design thinking, entrepreneurship, arts administration, innovation, and other subjects.
4. Streamline existing academic and administrative processes. The School's leadership is methodically working to understand these processes and subsequently revise them, with the goals of fairness, efficiency, and transparency. The processes will be based, when possible, on national best practices.
5. Enhance the School's teaching and research offerings internationally by extending and concentrating international efforts in the Mediterranean basin, Asia, and Africa in diaspora. To this end, a faculty member was appointed to the Weedon Chair in Asian Architecture, reinforcing efforts in Asia, specifically China. In addition, a visiting faculty member from New Delhi served as the Shure Professor. His exhibit, Golconde, demonstrated the power of early modernism in an Indian context. Following this extended effort, he has agreed to host a studio in New Dehli for the next several years.

The School of Architecture contributes to the three major goals of the Commission on the Future of the University -- the student experience, focus on science and technology, and global education.

As one of the University's smallest schools, and given the studio tradition, Architecture students form deep, life-long bonds with each other and with their professors during their time at the University. In the School of Architecture, many students work around the clock to accomplish demanding comprehensive assignments, and faculty and staff work to honor their commitment. Students often arrive with a passion to serve, and courses organized around community engagement, such as the recent all-school Rivanna River competition, satisfy this desire. Alumni

outreach is robust, and the School's alumni are fully engaged in supporting each other and young graduates.

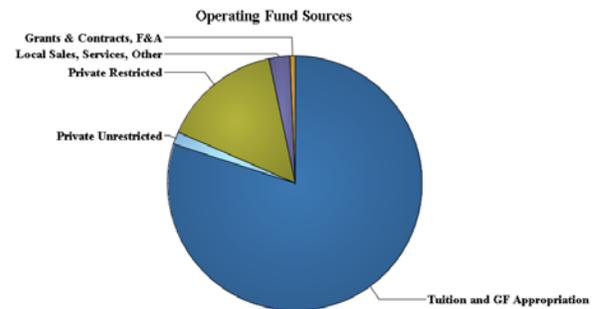
All the disciplines housed in the School of Architecture are considered STEM [science, technology, engineering, and mathematics] subjects, and the School works to advance this understanding of applied technology through traditional coursework and hands-on projects such as those done in the Elmaleh Fabrications Lab or as part of the ECO-Mod, ReCOVER, and Learning Barge projects.

The School of Architecture has a long history of providing global education. In recent years, efforts have resulted in faculty hired from China, Austria, the Netherlands, and Spain, and faculty visiting from Australia, Romania, and Egypt. Funded student travel in this 12-month period includes trips to China, New Dehli, and Barcelona. In addition, recent symposia have introduced students to scholars from every continent but Antarctica.

#### 2013-14 Operating Budget

The School of Architecture is funded through a traditional centralized target budget and self-generated grants, contracts, and private resources.

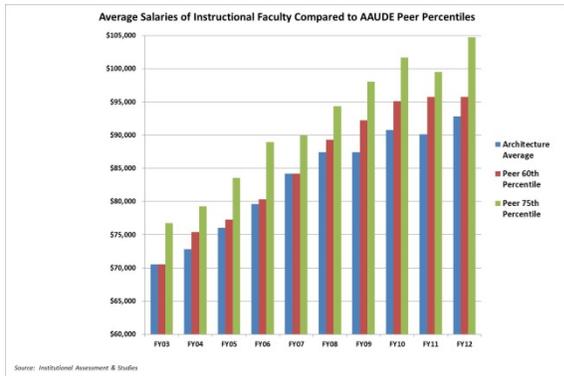
For 2013-14, 80 percent of the School's operating budget is from tuition and state general funds. Private funds (endowment distribution, gifts, and transfers from the School of Architecture Foundation) represent 17 percent of funding, while grants, contracts, and F&A constitute 1 percent.



The School of Architecture's 2013-14 operating budget (see page 57) is \$9.8 million, with the primary spending initiatives being faculty compensation (53 percent), staff salaries and wages (21 percent), and GTA/ GRA stipends and graduate fellowship support (13 percent).

Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

The below graph demonstrates the average Architecture faculty salary as compared to the 60<sup>th</sup> and 75<sup>th</sup> percentile of AAU peers.



In 2013-14, the School will examine how to streamline current processes to maximize available resources to meet the research and instructional goals outlined above. Additionally, the School will be evaluating new revenue sources and improving recruitment efforts to increase enrollment. The Center for Design and Health hopes to hire the Deshong Professor in Design and Health and will be moving forward with expanding the curriculum. The School will continue to devote the efforts of faculty and staff towards the establishment of the Architecture Ph.D. program.

Capital Plan

The School of Architecture has no current or upcoming capital projects planned.

University of Virginia - MBU Summary  
 Exec Level: R1380 VP: PV-VP/Provost, Mbu Level: R1565 MBU: AR-Architecture School

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	39.8	4,686,455	0.1	10,800	1.0	103,796	3.4	529,995	-	-	-	-	44.3	5,331,046
	Staff Salaries and benefits	18.9	1,291,087	-	-	-	-	2.0	152,801	0.1	1,100	-	-	21.0	1,444,988
	Wages and benefits	-	450,210	-	74,201	-	-	-	-	-	20,000	-	-	-	544,411
	GTA/GRA	1.3	-	-	-	-	-	-	-	-	-	-	-	1.3	-
	<b>Subtotal</b>	<b>59.9</b>	<b>6,427,752</b>	<b>0.1</b>	<b>85,001</b>	<b>1.0</b>	<b>103,796</b>	<b>5.4</b>	<b>682,796</b>	<b>0.1</b>	<b>21,100</b>	-	-	<b>66.5</b>	<b>7,320,445</b>
	OTPS	-	1,556,236	-	84,700	-	46,749	-	159,130	-	287,054	-	-	-	2,133,869
	Financial Aid	-	705,657	-	-	-	4,000	-	530,650	-	-	-	-	-	1,240,307
<b>Subtotal</b>		<b>2,261,893</b>		<b>84,700</b>		<b>50,749</b>		<b>689,780</b>		<b>287,054</b>				<b>3,374,176</b>	
<b>MBU Totals</b>		<b>59.9</b>	<b>8,689,645</b>	<b>0.1</b>	<b>169,701</b>	<b>1.0</b>	<b>154,545</b>	<b>5.4</b>	<b>1,372,576</b>	<b>0.1</b>	<b>308,154</b>			<b>66.5</b>	<b>10,694,621</b>
2014-O	Faculty Salaries and benefits	39.4	4,512,569	0.1	10,800	0.8	103,227	5.1	555,133	-	-	-	-	45.4	5,181,729
	Staff Salaries and benefits	18.9	1,428,385	-	-	-	-	2.0	152,801	0.1	5,550	-	-	21.0	1,586,736
	Wages and benefits	-	487,723	-	5,800	-	-	-	-	-	5,400	-	-	-	498,923
	<b>Subtotal</b>	<b>58.3</b>	<b>6,428,677</b>	<b>0.1</b>	<b>16,600</b>	<b>0.8</b>	<b>103,227</b>	<b>7.1</b>	<b>707,934</b>	<b>0.1</b>	<b>10,950</b>	-	-	<b>66.4</b>	<b>7,267,388</b>
	OTPS	-	657,159	-	46,200	-	47,471	-	236,000	-	250,369	-	-	-	1,237,199
	Financial Aid	-	720,538	-	-	-	4,000	-	530,650	-	-	-	-	-	1,255,188
	<b>Subtotal</b>		<b>1,377,697</b>		<b>46,200</b>		<b>51,471</b>		<b>766,650</b>		<b>250,369</b>				<b>2,492,387</b>
<b>MBU Totals</b>		<b>58.3</b>	<b>7,806,374</b>	<b>0.1</b>	<b>62,800</b>	<b>0.8</b>	<b>154,698</b>	<b>7.1</b>	<b>1,474,584</b>	<b>0.1</b>	<b>261,319</b>			<b>66.4</b>	<b>9,759,775</b>

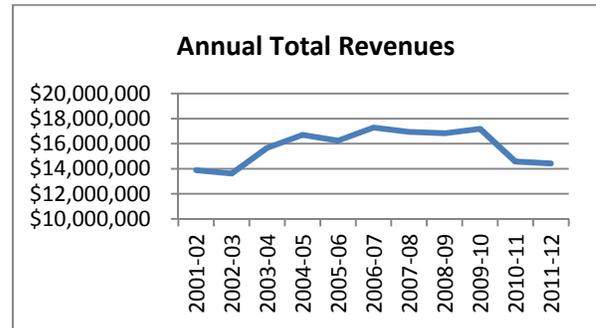
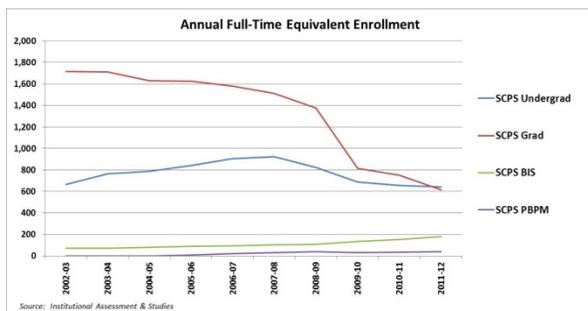
## SCHOOL OF CONTINUING AND PROFESSIONAL STUDIES

### Overview of Operations

The School of Continuing and Professional Studies (SCPS) responds to the academic and professional needs of adult learners for useful knowledge. SCPS operates seven regional outreach centers located throughout the Commonwealth of Virginia. Each of these centers offers noncredit and credit professional development and certificate programs. Additionally, SCPS offers a part-time Bachelor of Interdisciplinary Studies (BIS) degree program in Charlottesville, as well as other sites, in partnership with Tidewater Community College and Northern Virginia Community College (NVCC). In 2012-13, SCPS expanded the BIS program to NVCC's Loudoun campus and to the residents of the Greater Richmond region.

SCPS serves nearly 10,000 students (unduplicated headcount) each fiscal year. Over the past decade, an increasing number of public, private, and for-profit schools have entered into the academic outreach market to serve K-12 educators. This increased competition has contributed to a continuous decline in SCPS's off-Grounds credit enrollments; also contributing to the decline in enrollments are budget cuts to SCPS and the Curry School of Education and eroding local support for K-12 educators seeking graduate degrees. As of fall 2013, SCPS no longer administers Curry degree programs or courses. However, SCPS continues to deliver a small portfolio of academic programs for K-12 educators that are requested by the K-12 market but not offered through Curry. Although SCPS has experienced declines in credit registrations, these declines generally have been offset by increases in non-credit programming and tuition rates.

The following graphs show the trends in SCPS's annual enrollment and total revenues.



In addition to academic offerings, SCPS operates a conference center, a satellite uplink facility, and a television studio.

### Strategic Direction

SCPS has implemented a six-year strategic plan that is driving its resource allocations. The three priorities of this plan are academic quality, growth in enrollment, and fiscal stability.

SCPS has developed and implemented a multi-year program review calendar, which enables SCPS to evaluate the curriculum, courses, and faculty of its programs and, ultimately, to identify strategic priorities and drive resource allocations. In order to effectively complete the program reviews and improve decision-making, processes and systems have been implemented to become more data driven.

Data is analyzed from the enrollment funnel, including data associated with inquiries, prospects, applicants, enrolled students, matriculated students, students on leave, and so forth. SCPS also analyzes (1) student retention rates for existing programs; (2) assessments of marketing activities and investments; and (3) fiscal reporting by program.

An integral part of SCPS' strategic planning has been the implementation of cross-functional teams during fall 2012 to complete program analyses for about 20 academic programs. The results of these reviews have enhanced curriculum, will drive resource allocations and reallocations in 2013-14 and 2014-15, and allowed SCPS to classify its "brand-building" academic programs as Tier 1, Tier 2, or Tier 3 programs. Resources will be allocated accordingly amongst these priorities and in a manner that will increase enrollment growth through allocation of marketing resources, administrative support of the programs, program delivery changes, academic

content changes, etc. As a result of these program reviews, up to four programs have been identified for sun-setting, which will allow resources to be reallocated to grow enrollments in Tier 1 and Tier 2 programs and/or to develop new or emerging programs over the next several years. SCPS' program review is a multi-year effort and will involve review of additional programs and reassessment of recommendations and results during 2013-14, 2014-15, and beyond.

Key programs that will be supported from additional resources reallocated through these efforts include support for the proposed Bachelor in Professional Studies (Health Sciences) undergraduate degree program, Business and Professional graduate and undergraduate certificate programs, the Analyst Boot Camp delivered in collaboration with the Advanced Technical Intelligence Center (ATIC), and continuance of professional education programs in a variety of fields (Finance, Arts and Culture, News Media, K12, and Higher Education) for Chinese professionals through the Triway International Group.

SCPS' Strategic Marketing Plan encompasses tactical efforts that continue to build upon the SCPS web presence, as well as commitments to publications, engagement communications, and recruitment advertising. The plan focuses on both single-year and multi-year approaches that allow for ongoing tactics that continue to demonstrate return on investments, while allowing for the introduction of new efforts that can be tested and evaluated before further expenditure investments are made. Performance metrics for the marketing and communications efforts include: web analytics, due to a robust set-up of Google Analytics; tracking of all print and electronic recruitment advertising; measuring click-thru rates of electronic marketing and communications efforts; and survey data from prospective and current students.

Another data collection and analysis initiative to support strategic decision-making has been the recent development and implementation of an Outreach and Contracts Database system. This is the system of record for tracking and reporting of contacts and opportunities with SCPS' clients and is used to generate and track the status of revenue contracts. When fully implemented, this system will assist SCPS in providing reports of revenues as well as clients and students served.

Also supporting strategic planning and program initiatives is the new Chart of Accounts, which will

provide financial information and reporting by program, program area, and location. The expenditure portion was implemented in July 2012, and the revenue portion will be implemented as of summer 2013 Term.

SCPS is uniquely poised to assist the University in contributing to the Higher Education Opportunity Act of 2011 goal to award an additional 100,000 degrees over the next fifteen years through expanding its BIS degree program. Beginning fall 2012, SCPS expanded delivery of the BIS program to the Richmond metropolitan area and its partnership with NVCC by delivering the program to students at the NVCC Loudoun campus. SCPS has begun discussions to continue to expand the BIS offering at others areas within the state, including responding to interest from Thomas Nelson Community College to bring the BIS degree program to its adult students in the Williamsburg area once academic approvals are completed.

SCPS is responding to the Medical Center's demand for bachelor-credentialed health science professionals by developing a new Bachelor of Professional Studies (BPS) in Health Sciences degree program in conjunction with Piedmont Virginia Community College (PVCC) and other community colleges throughout the Commonwealth. Initial program enrollments will be accepted for fall 2014. This program will support the Higher Education Opportunity Act and the University's six-year plan.

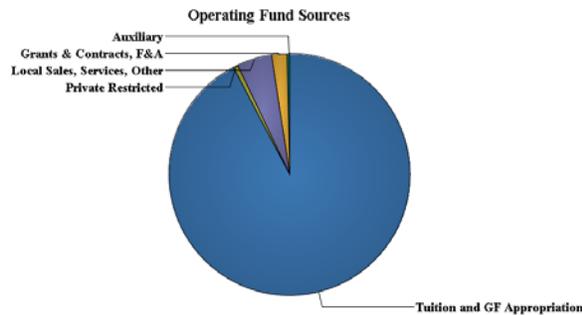
SCPS continues to offer noncredit, customized education programs and professional training at its seven regional outreach centers, including its center at the Southwest Virginia Higher Education Center. Furthermore, SCPS is expanding its strategic partnership with China to provide customized professional development programs for visiting higher education faculty and working professionals.

#### 2013-14 Operating Budget

SCPS's primary revenue source is the tuition and fees generated by its regional outreach centers. The School has a hybrid budget model, with a portion of funds allocated from the University and a portion directly related to tuition revenues generated, as governed by a revenue-sharing agreement that has been in place since 1998. Under the agreement, SCPS shares in 90 percent of revenues collected in excess of budget and also returns to the University 90 percent of any revenue shortfall.

Approximately 92 percent of the School's operating budget is funded from tuition and state general funds.

Five percent of the operating budget is funded from local sales and services, with the remainder from grants and contracts, private funds, and auxiliary activities.



SCPS’s 2013-14 operating budget (see the following page) totals \$13.9 million, of which approximately 80 percent relates to faculty and staff compensation. SCPS has unique costs due to its statewide operation, which include lease payments for regional outreach centers and travel costs to provide services at each of the seven centers.

Primary spending initiatives for 2013-14 represent the direct educational costs of SCPS programs and the supporting administrative costs for these programs and the school. The 2013-14 budget includes additional resources to support outreach staff and the new facility in Newport News; enrollment growth in the BIS degree program; additional resources to grow Business, Technology, and Leadership academic programs; and development of online versions of current courses in order to provide additional opportunities for adult learners across the entire state. These additional investments are critical to fund SCPS’s strategic priorities and to expand SCPS’s academic portfolio. The budget reflects support to the development of the BPS program in Health Sciences in partnership between the UVA Medical Center, PVCC, and other community colleges throughout the Commonwealth.

Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

Due to previous budget reductions, unfunded increases in maintenance and operating costs, and declining off-Grounds enrollments and fee revenues, SCPS anticipates using approximately \$395,000 in operating cash balances to cover a portion of the Northern Virginia facility costs that were previously covered through fee revenue. In addition, up to

\$393,000 of advertising and media expenses will be paid from non-recurring funds.

Capital Plan

SCPS currently does not have any capital projects on the Major Capital Projects Plan. The school maintains a reserve associated with its satellite transmission auxiliary; this reserve has been established as a replacement fund for the future maintenance and/or replacement of satellite technology. The operating reserve for the satellite transmission auxiliary is projected to have a balance at June 30, 2013 of \$1,000,000, which exceeds the requirement of the Board of Visitors *Capital and Operating Reserves Policy*.

**University of Virginia - MBU Summary**  
**Exec Level: R1380 VP: PV-VP/Provost, Mbu Level: R1915 MBU: CP-School of Cont/Prof Studies**

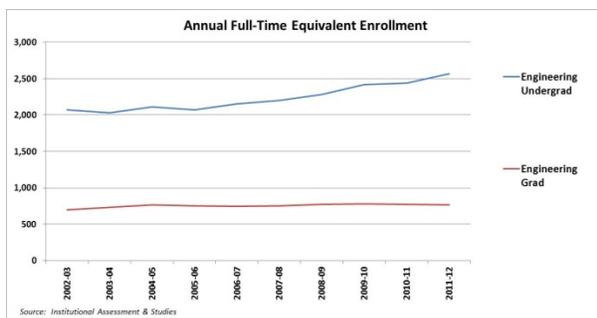
FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	28.2	3,217,069	0.4	29,700	-	-	-	-	1.3	281,010	-	-	29.9	3,527,779
	Staff Salaries and benefits	71.0	4,292,320	0.6	29,900	-	-	-	-	1.8	110,242	0.3	17,933	73.6	4,450,395
	Wages and benefits	-	3,038,132	-	91,500	-	-	-	-	-	502,406	-	-	-	3,632,038
	GTA/GRA	-	1,400	-	-	-	-	-	-	-	-	-	-	-	1,400
	<b>Subtotal</b>	<b>99.2</b>	<b>10,548,921</b>	<b>1.0</b>	<b>151,100</b>					<b>3.0</b>	<b>893,658</b>	<b>0.3</b>	<b>17,933</b>	<b>103.4</b>	<b>11,611,612</b>
	OTPS	-	4,462,988	-	224,400	-	76,440	-	1,000	-	210,478	-	47,270	-	5,022,576
	Financial Aid	-	183,518	-	55,900	-	-	-	82,000	-	-	-	-	-	321,418
	Recoveries	-	-160,402	-	-	-	-	-	-	-	-45,000	-	-7,000	-	-212,402
	Transfers	-	137,034	-	-	-	-	-	-	-	-	-	-	-	137,034
	<b>Subtotal</b>		<b>4,623,138</b>		<b>280,300</b>		<b>76,440</b>		<b>83,000</b>		<b>165,478</b>		<b>40,270</b>		<b>5,268,626</b>
<b>MBU Totals</b>		<b>99.2</b>	<b>15,172,059</b>	<b>1.0</b>	<b>431,400</b>		<b>76,440</b>		<b>83,000</b>	<b>3.0</b>	<b>1,059,136</b>	<b>0.3</b>	<b>58,203</b>	<b>103.4</b>	<b>16,880,238</b>
2014-O	Faculty Salaries and benefits	23.1	2,776,150	0.4	27,770	-	-	-	-	1.0	116,060	-	-	24.5	2,919,981
	Staff Salaries and benefits	67.5	4,836,697	0.3	13,171	-	-	-	-	1.6	102,422	0.3	18,516	69.5	4,970,806
	Wages and benefits	-	2,775,442	-	96,157	-	-	-	-	-	341,070	-	-	-	3,212,669
	GTA/GRA	-	1,400	-	-	-	-	-	-	-	-	-	-	-	1,400
	<b>Subtotal</b>	<b>90.6</b>	<b>10,389,689</b>	<b>0.6</b>	<b>137,098</b>					<b>2.6</b>	<b>559,552</b>	<b>0.3</b>	<b>18,516</b>	<b>94.0</b>	<b>11,104,856</b>
	OTPS	-	3,142,608	-	137,852	-	-	-	1,000	-	135,524	-	38,271	-	3,455,255
	Financial Aid	-	79,518	-	8,400	-	-	-	82,000	-	-	-	-	-	169,918
	Recoveries	-	-753,889	-	-	-	-	-	-	-	-45,000	-	-7,000	-	-805,889
	<b>Subtotal</b>		<b>2,468,238</b>		<b>146,252</b>				<b>83,000</b>		<b>90,524</b>		<b>31,271</b>		<b>2,819,285</b>
	<b>MBU Totals</b>		<b>90.6</b>	<b>12,857,927</b>	<b>0.6</b>	<b>283,350</b>			<b>83,000</b>	<b>2.6</b>	<b>650,076</b>	<b>0.3</b>	<b>49,787</b>	<b>94.0</b>	<b>13,924,141</b>

## SCHOOL OF ENGINEERING AND APPLIED SCIENCE

### Overview of Operations

Founded in 1836, the University of Virginia School of Engineering and Applied Science (SEAS) combines excellence in undergraduate and graduate education in a robust research institution with educational opportunities in nine academic departments. These departments include biomedical engineering; chemical engineering; civil and environmental engineering; computer science; electrical and computer engineering; engineering and society; materials science and engineering; mechanical and aerospace engineering; and systems and information engineering. The undergraduate program offers courses in engineering, ethics, mathematics, the sciences, business, entrepreneurship, and the humanities. The program also places great emphasis on leadership and service. Faculty and graduate student research addresses societal challenges, including creation of a sustainable future, improved health, cyber and physical infrastructure, and personal and societal security. This research is often conducted in collaboration with the University's other schools.

The SEAS has 135 tenured and tenure-track faculty, 44 non-tenure-track faculty, 85 research professionals, a professional staff of 120, and an on-grounds and off-grounds student body of 2,478 undergraduates and 673 graduate students.



The SEAS is ranked by *U.S. News & World Report* in the top 40 among engineering schools in the U.S. overall and in the top 25 among engineering schools within public institutions.

### Strategic Direction

A new strategic plan for the SEAS was developed during 2010-11 to guide the School in the coming years as it continues to become a major research institution. Over the next decade, faculty size (both

tenured and non-tenure-track) and productivity will increase to offer larger, more effective educational programs at both the undergraduate and graduate levels. The SEAS will also continue to expand collaborative research programs of significant benefit to society.

Specifically, the SEAS's strategic plan includes six interrelated goals:

1. Graduates prepared for leadership,
2. Research with impact,
3. Expansion of the School's outreach,
4. Faculty and staff success,
5. Operational excellence, and
6. Resources for the future.

The SEAS advances many of the University's strategic objectives and supports the objectives of the Higher Education Opportunity Act. The SEAS is highly committed to a student education that includes hands-on learning, global experiences, the opportunity to engage in collaborative and self-directed research, and the ability to broaden one's education.

### *High-Impact Experiential Programs*

The SEAS aspires to offer every undergraduate student the opportunity to participate in a sustained, high-impact experience before they graduate. This will enable students to do such things as conduct independent research in tissue engineering, undertake a service project related to water and sanitation in South Africa, or study engineering in Madrid. These experiences improve student learning, retention, and engagement. They expand students' understanding of how technical problem solving relates to, impacts, and is influenced by, societal needs and cultural norms.

### *International Experiences*

Engineering is a global activity; there is a good chance that all engineering school graduates will be employed with a global company or will be involved with people of other nations and cultures. The SEAS's Office of International Programs is engaged with developing all types of international experiences such as study abroad programs, summer internships, January Term programs, and other special programs. Approximately 20 percent of the undergraduate student body uses the resources of the International Office.

### *Undergraduate Student Participation in Research*

The opportunity for undergraduate students to participate in research is a requirement for top-ranked engineering schools. Although not required, all SEAS students are encouraged to conduct research either independently or as part of a research program of a faculty member at some point during the student's undergraduate experience. The opportunity for participating in a research experience is enhanced because of the undergraduate thesis requirement of every SEAS student. This thesis requirement contains all of the attributes of a good research experience including a proposal, a background study, a technical paper, presentations, and the actual conduct of experiments. It has been determined by experience that the best mechanism for an undergraduate student to get into a top graduate school is for the student to participate in the research program of a SEAS faculty member.

### *Graduate Student Experience*

The SEAS is committed to a larger graduate student body and an outstanding graduate student experience. For its graduate students to lead in their chosen field, whether in academia or industry, the School must provide a thriving, competitive environment that values and encourages internationally-recognized scholarship. The environment should stimulate connections across the SEAS, the University, and beyond. A larger, better connected, and more productive graduate student body will increase the School's research and scholarly productivity, provide support for its undergraduate program, and enhance the visibility and reputation of the School.

### *Faculty and Staff Experience*

Success of the SEAS depends largely on the creativity and energy of its people. The School is working to develop the best possible group of people to maximize their potential and advance the mission. Ongoing or planned key actions include:

1. Ensuring that policies and incentives encourage a culture of excellence;
2. Clarifying roles and responsibilities and implementing transparent decision-making and reporting processes;
3. Expanding leadership and professional development programs for faculty and staff;
4. Developing and fully utilizing an integrated performance management system aligned with compensation and reward systems; and

5. Developing effective support staff capabilities for administrative, technical, and research activities.

### *Science and Collaborative Research*

The SEAS recently opened Rice Hall, a state-of-the-art, 100,000-square foot instructional and research facility. Rice Hall will serve collaborative researchers throughout the SEAS and across Grounds as the nexus of information technology engineering activity. The building will facilitate research in areas such as high-performance computing, computer visualization, information assurance, computer security, energy conservation, wireless communications, telemedicine, virtual reality, distributed multimedia, and distance learning.

The Rolls-Royce partnership achieved a major milestone by completing the occupancy and full functionality of the Commonwealth Center for Advanced Manufacturing in the summer of 2012. The Commonwealth Center for Advanced Logistics Systems (CCALS), a partnership with Longwood University, Virginia State University, and others, has been funded and is operating. The research focus of the CCALS will be on the integrated logistics system and its economic cost and dependability. The Applied Research Institute was designed to expand the research opportunities for the SEAS and the University in the areas of applied corporate research and development and federal classified research. The facility has the capabilities for secure research activities, and the University can hold security clearances for faculty and staff.

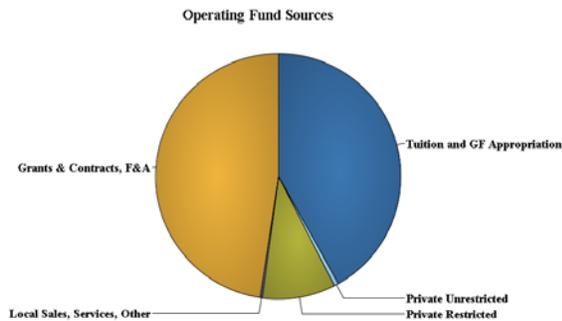
The Curry School of Education-SEAS Engineering Education Initiative works to stimulate regular dialogue between the Engineering School and the Curry School. The Curry-SEAS Initiative sponsors speakers, brown-bag seminars, and working groups to discuss topics of mutual interest ranging from research funding opportunities to cooperative training and instructional pursuits. These meetings focus around engineering education at the PK-12 levels, the undergraduate experience, and informal and continuing educational contexts.

Through the generosity of external donors, the SEAS has created a fund to provide seed and match funding to support new research collaborations within the School. Each \$50,000 award supports a graduate student and comes through an annual call for proposals. Two proposals in each of the past two years have received awards, each supporting collaborative research across departments.

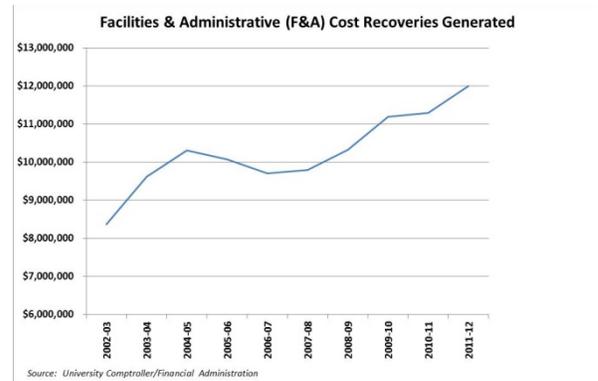
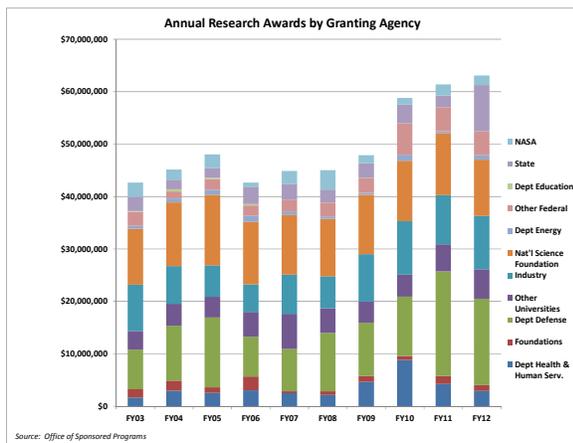
### 2013-14 Operating Budget

The SEAS is funded through a traditional centralized budget target and self-generated grants, contracts, and private resources.

For 2013-14, 47 percent of the School's operating budget is funded from grants, contracts, and F&A distributions. Approximately 42 percent is provided from tuition and state general funds, while private funds (endowment distribution, gifts, and funds transferred from the Engineering Foundation) represent 10 percent of the budget.



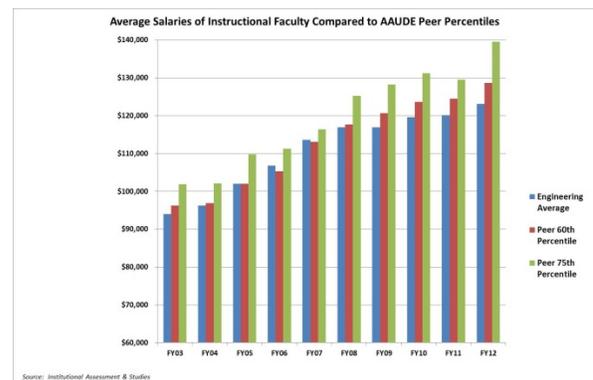
Funding nearly half of the School's operations, grants and contracts, along with the accompanying return of F&A cost recoveries, are a critical source. The following graphs demonstrate the increase in grant and F&A support to the SEAS, as well as the diversity of sponsors.



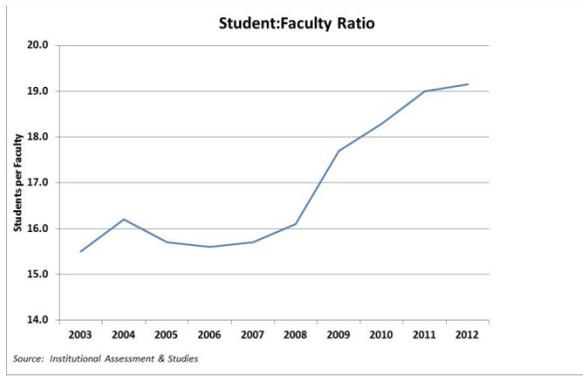
The School's 2013-14 operating budget (see page 66) is \$90.1 million; the primary spending initiatives are faculty compensation (39 percent), GTA/ GRA stipends and graduate fellowship support (19 percent), and staff salaries and wages (13 percent).

The School's 2013-14 operating budget includes an allocation of \$714,315 related to fall 2013 enrollment growth. The School's budget also includes an allocation of \$318,000 to support the hiring of two new faculty in accordance with the Rolls-Royce partnership agreement, as well as an allocation of \$318,000 to support the hiring of two new faculty, which was committed as a part of the dean's re-appointment. Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

Recruiting and retaining faculty will be a continued emphasis, in compensation as well as start-up packages. The below graph demonstrates the average SEAS faculty salary as compared to the 60<sup>th</sup> and 75<sup>th</sup> percentile of AAU peers.



The following graph illustrates the School's student:faculty ratio over the past several years.



### Capital Plan

Construction has been completed for the SEAS Student Projects Facility, Lacy Hall (shared with Facilities Management shop space), and will be fully occupied by students in the fall of 2013. Lacy Hall will expand opportunities for hands-on learning.

Currently, projects on the long term Capital Program include the renovations of Thornton Hall D-Wing and B-Wing (\$27 million) and a placeholder for a new lab building possibly shared with the College of Arts & Sciences (\$147 million). All projects on the long-term plan are proposed to be funded from state general funds or a combination of state general funds and gifts.

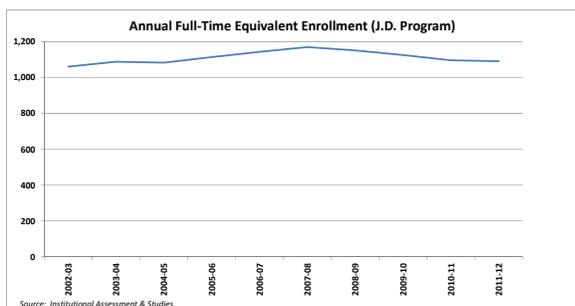
University of Virginia - MBU Summary  
 Exec Level: R1380 VP: PV-VP/Provost, Mbu Level: R1665 MBU: EN-Engr School

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	149.3	20,291,364	103.9	11,086,163	0.1	311,441	15.8	2,747,748	-	-	-	-	269.0	34,436,716
	Staff Salaries and benefits	68.9	4,353,575	54.5	2,610,693	-	-	4.9	234,680	0.2	6,922	-	-	128.4	7,205,870
	Wages and benefits	-	927,738	-	2,948,091	-	-	-	540,863	-	-	-	-	-	4,416,692
	GTA/GRA	17.2	1,264,602	100.7	6,049,281	-	-	8.2	489,397	-	-	-	-	126.1	7,803,280
	<b>Subtotal</b>	<b>235.4</b>	<b>26,837,279</b>	<b>259.0</b>	<b>22,694,228</b>	<b>0.1</b>	<b>311,441</b>	<b>28.8</b>	<b>4,012,688</b>	<b>0.2</b>	<b>6,922</b>			<b>523.5</b>	<b>53,862,558</b>
	OTPS	-	6,332,487	-	22,479,314	-	174,930	-	2,060,241	-	769,959	-	-	-	31,816,931
	Financial Aid	-	4,777,134	-	3,230,001	-	-	-	1,439,353	-	-	-	-	-	9,446,488
	Central Assessment	-	568,968	-	-	-	-	-	-	-	-	-	-	-	568,968
	Internal Debt Service	-	-	-	-	-	-	-	950,000	-	-	-	-	-	950,000
	Transfers	-	-	-	-	-	-	-	-	-	0	-	-	-	0
<b>Subtotal</b>		<b>11,678,589</b>		<b>25,709,315</b>		<b>174,930</b>		<b>4,449,594</b>		<b>769,959</b>				<b>42,782,386</b>	
<b>MBU Totals</b>		<b>235.4</b>	<b>38,515,868</b>	<b>259.0</b>	<b>48,403,543</b>	<b>0.1</b>	<b>486,371</b>	<b>28.8</b>	<b>8,462,282</b>	<b>0.2</b>	<b>776,881</b>			<b>523.5</b>	<b>96,644,945</b>
2014-O	Faculty Salaries and benefits	153.3	20,924,611	103.9	11,300,387	0.1	309,502	15.8	2,856,715	-	-	-	-	273.0	35,391,215
	Staff Salaries and benefits	67.8	4,731,677	54.5	2,623,311	-	-	4.9	239,375	0.2	7,060	-	-	127.4	7,601,423
	Wages and benefits	-	980,500	-	2,896,179	-	-	-	540,863	-	-	-	-	-	4,417,542
	GTA/GRA	17.2	1,345,600	100.7	5,934,481	-	-	8.2	489,397	-	-	-	-	126.1	7,769,478
	<b>Subtotal</b>	<b>238.4</b>	<b>27,982,388</b>	<b>259.0</b>	<b>22,754,358</b>	<b>0.1</b>	<b>309,502</b>	<b>28.8</b>	<b>4,126,350</b>	<b>0.2</b>	<b>7,060</b>			<b>526.5</b>	<b>55,179,658</b>
	OTPS	-	4,594,116	-	16,694,014	-	226,822	-	2,060,241	-	272,562	-	-	-	23,847,755
	Financial Aid	-	4,635,071	-	3,167,193	-	-	-	1,441,956	-	-	-	-	-	9,244,220
	Central Assessment	0.0	837,455	-	-	-	-	-	-	-	-	-	-	0.0	837,455
	Internal Debt Service	-	66,420	-	-	-	-	-	950,000	-	-	-	-	-	1,016,420
	<b>Subtotal</b>	<b>0.0</b>	<b>10,133,062</b>		<b>19,861,207</b>		<b>226,822</b>		<b>4,452,197</b>		<b>272,562</b>			<b>0.0</b>	<b>34,945,850</b>
<b>MBU Totals</b>		<b>238.4</b>	<b>38,115,450</b>	<b>259.0</b>	<b>42,615,565</b>	<b>0.1</b>	<b>536,324</b>	<b>28.8</b>	<b>8,578,547</b>	<b>0.2</b>	<b>279,622</b>			<b>526.5</b>	<b>90,125,508</b>

## SCHOOL OF LAW

### Overview of Operations

Founded by Thomas Jefferson in 1819, the University of Virginia School of Law is a world-renowned training ground for distinguished lawyers and public servants. Consistently ranked among the top law schools in the nation, the Law School enrolls approximately 1,080 students in a three-year J.D. program, approximately 45 students in a one-year L.L.M. program, and approximately 5 students in an S.J.D. program. The following graph shows the Law School's enrollment trend for the J.D. program.



The Law School instills in its students a commitment to leadership, integrity, and community service. The Law School is known for its collegial environment that bonds students and faculty, and student satisfaction is consistently cited as among the highest in American law schools. At the University, law students share their experiences in a cooperative spirit, both in and out of the classroom, and build a network that lasts well beyond their time at the University.

### Strategic Direction

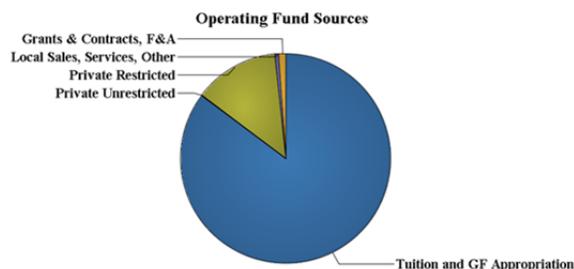
The Law School's strategic goals for 2013-14 include:

1. Maintaining the quality and diversity of its student body;
2. Increasing faculty quality, including providing faculty salaries that are more competitive with those of peer institutions;
3. Continuing to refine and improve the placement services provided to students through the Career Services and Public Service offices; and
4. Expanding its externship program, which allows students to earn academic credit while working for a government or non-profit organization under the supervision of a practicing attorney and a Law School faculty member.

### 2013-14 Operating Budget

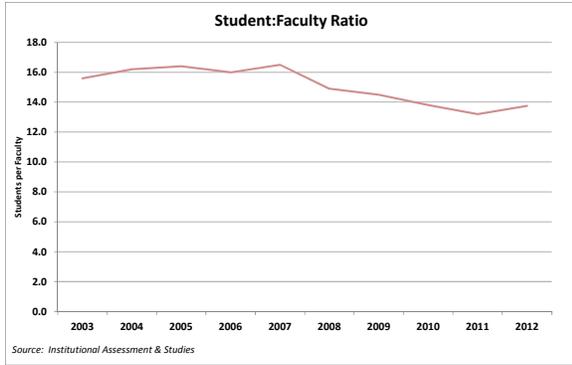
Financial self-sufficiency was first endorsed by the Board of Visitors in 1995 and formalized by memorandum of understanding in 2002. As a financially self-sufficient school, the Law School retains its tuition revenues, receives a subsidy for each in-state student of \$2,500 (the University and the Law School split the cost of the \$5,000 differential between in-state and out-of-state tuition), and is responsible for generating sufficient revenues to cover all of its operating and capital expenditures. Under self-sufficiency, other than the in-state student subsidy (\$781,000 in the 2013-14 budget), the only central allocations to the Law School are \$97,000 from state general funds for financial aid to in-state students and \$130,000 from private funds for financial aid.

Approximately 85 percent of the School's operating budget is funded from tuition, 13 percent from gift and endowment distributions (including transfers from the Law School Foundation), and the remainder from grants and contracts and other sources.

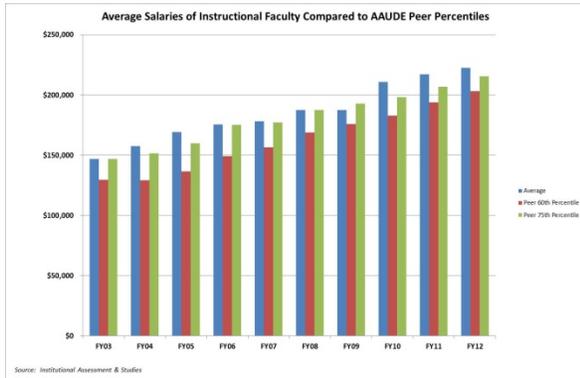


The Law School's net tuition revenue is projected to grow by 1.9 percent in 2013-14. Tuition and fees for non-residents will increase by 2.9 percent; the increase for residents will be 3.2 percent. These are the lowest increases in more than 15 years. Total enrollment is projected to decline slightly.

The Law School's 2013-14 operating budget (see page 69) is \$63.4 million, with approximately 62 percent spent on faculty and staff compensation. For several years, the Law School had been gradually increasing the size of its instructional faculty in order to improve the student:faculty ratio (see the following page), which had been at the bottom of its top ten peer group. The Law School is pleased with the progress that has been made, so the focus now is on maintaining, rather than increasing, the size of the faculty.



As a result, total faculty compensation expenditures have grown gradually. The following graph shows the average Law School salary as compared to the 60<sup>th</sup> and 75<sup>th</sup> percentile of all AAU peers, which is a broader peer group than the Law School uses internally to measure the competitiveness of its compensation.



The Law School continues to face stiff competition from its smaller group of top ten peer institutions for first-rate faculty. Pursuant to the President's plan, the Law School will be aggressive in recruiting and retaining talented faculty in the coming years.

Student financial aid and scholarships comprise approximately 17 percent of the 2013-14 operating budget.

Under the self-sufficiency agreement, the Law School is directly responsible for building maintenance and utilities. In addition, the School returns 10 percent of tuition and fees (\$5.5 million in the 2013-14 budget) to the University to cover overhead expenses. Remaining budgeted expenses include library collections, equipment, and travel.

Capital Plan

The Law School recently completed the Karsh Student Services Center project, so it has only one project on the Major Capital Projects Plan: a deferred

maintenance repair and renovation program. The Law School has chosen not to undertake this large, comprehensive program, preferring instead to tackle smaller, more focused projects on a year-to-year basis.

As a self-supporting school, the Law School is required by the Board of Visitors *Capital and Operating Reserves Policy* to have operating reserves equivalent to three months of operating expenses. Per the same policy, the Law School must demonstrate annual capital expenditures or contributions to capital reserves of at least 1.5 percent of replacement value of buildings and equipment. The Law School meets both requirements.

**University of Virginia - MBU Summary**  
**Exec Level: R1380 VP: PV-VP/Provost, Mbu Level: R1620 MBU: LW-Law School**

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	99.4	25,182,000	4.0	604,300	-	-	9.5	2,793,000	-	-	-	-	112.9	28,579,300
	Staff Salaries and benefits	64.5	4,073,066	1.0	38,070	-	-	3.0	177,100	6.0	324,000	-	-	74.5	4,612,236
	Wages and benefits	-	4,208,000	-	30,500	-	-	-	460,000	-	-	-	-	-	4,698,500
	<b>Subtotal</b>	<b>163.9</b>	<b>33,463,066</b>	<b>5.0</b>	<b>672,870</b>			<b>12.5</b>	<b>3,430,100</b>	<b>6.0</b>	<b>324,000</b>			<b>187.4</b>	<b>37,890,036</b>
	OTPS	-	8,200,400	-	43,500	-	8,000	-	465,000	-	291,138	-	-	-	9,008,038
	Financial Aid	-	6,267,082	-	-	-	-	-	4,097,944	-	-	-	-	-	10,365,026
	Recoveries	-	-	-	-	-	-	-	-	-	-224,000	-	-	-	-224,000
	Transfers	-	4,548,896	-	-	-	-	-	-	-	-	-	-	-	4,548,896
	<b>Subtotal</b>		<b>19,016,378</b>		<b>43,500</b>		<b>8,000</b>		<b>4,562,944</b>		<b>67,138</b>				<b>23,697,960</b>
<b>MBU Totals</b>		<b>163.9</b>	<b>52,479,444</b>	<b>5.0</b>	<b>716,370</b>		<b>8,000</b>	<b>12.5</b>	<b>7,993,044</b>	<b>6.0</b>	<b>391,138</b>			<b>187.4</b>	<b>61,587,996</b>
2014-O	Faculty Salaries and benefits	99.3	25,930,762	3.0	550,000	-	-	9.5	2,956,668	-	-	-	-	111.8	29,437,430
	Staff Salaries and benefits	60.0	4,247,805	1.0	40,000	-	-	3.0	200,000	6.0	361,100	-	-	70.0	4,848,905
	Wages and benefits	-	4,231,850	-	35,000	-	-	-	500,000	-	-	-	-	-	4,766,850
	<b>Subtotal</b>	<b>159.3</b>	<b>34,410,417</b>	<b>4.0</b>	<b>625,000</b>			<b>12.5</b>	<b>3,656,668</b>	<b>6.0</b>	<b>361,100</b>			<b>181.8</b>	<b>39,053,185</b>
	OTPS	-	8,311,400	-	45,000	-	8,000	-	485,000	-	245,000	-	-	-	9,094,400
	Financial Aid	-	6,654,844	-	-	-	-	-	4,145,377	-	-	-	-	-	10,800,221
	Central Assessment	0.0	5,468,430	-	-	-	-	-	-	-	-	-	-	0.0	5,468,430
	Recoveries	-	-	-	-	-	-	-	-	-	-229,100	-	-	-	-229,100
	Transfers	-	-781,075	-	-	-	-	-	-	-	-	-	-	-	-781,075
<b>Subtotal</b>	<b>0.0</b>	<b>19,653,599</b>		<b>45,000</b>		<b>8,000</b>		<b>4,630,377</b>		<b>15,900</b>			<b>0.0</b>	<b>24,352,876</b>	
<b>MBU Totals</b>	<b>159.3</b>	<b>54,064,016</b>	<b>4.0</b>	<b>670,000</b>		<b>8,000</b>	<b>12.5</b>	<b>8,287,045</b>	<b>6.0</b>	<b>377,000</b>			<b>181.8</b>	<b>63,406,061</b>	

## SCHOOL OF MEDICINE

### Overview of Operations

The School of Medicine (SOM), the tenth medical school to be established in the United States, was authorized by the Board at its first meeting in 1819. The SOM was established in 1824 as one of the University's original eight schools and opened in March 1825. The first degree offered at the University was the Doctor of Medicine in 1828. The School's primary mission mirrors that of the University – to help people achieve healthy productive lives and advance knowledge – through education, research, and public service/patient care in the medical sciences.

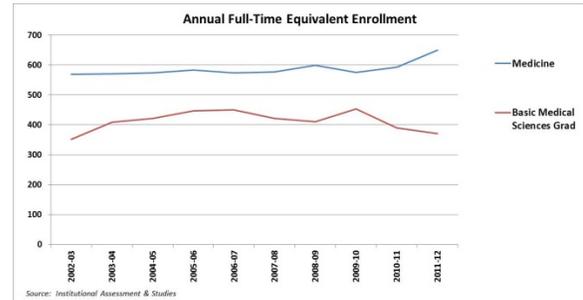
### *Education*

The SOM is changing how medicine and science are learned. Its innovative undergraduate medical education Next Generation "Cells to Society" Curriculum eschews the traditional split of basic and clinical sciences and, instead, employs an organ system learning experience in which students learn science in the context of its clinical application. The approach uses the best evidenced-based models for medical education to foster student learning. The curriculum contains a careful balance of active and experiential activities, clinical cases, problem-based learning, small group and team-based experiences, hands-on laboratories, self-directed learning, lectures, and hospital- and community-based clinical experiences. The SOM has established a developmental approach to student assessment using validated tests of student knowledge and skills to ensure readiness for graduation and residency education.

The graduate school curriculum for Ph.D. students similarly has been revamped to a more nimble and modular approach to classes and increasing opportunities to hone fundamental skills of oral and written presentations, primary data evaluation, and critique. The school's primary Ph.D. program is the Biomedical Sciences (BIMS) Graduate Program, an interdisciplinary graduate program designed to train Ph.D. candidates in becoming the next generation of scientific leaders. The first-year curriculum launches students into a "culture of learning" through highly interactive and problem-based teaching modalities. In parallel, students are offered a broad spectrum of research opportunities from which they select a thesis advisor and area of study. Throughout their tenure in the BIMS program, students are exposed to state-of-the-art technologies and collaborative science as active members of research teams. Upon completion of their degree, graduates choose traditional

postdoctoral positions in academia or industry, teach, or pursue careers in government.

The following graph shows the enrollment trend for medical students as well as basic medical sciences graduate students.



The Department of Public Health Sciences is the administrative and academic home of two degree programs granted through the University's Graduate School of Arts and Sciences: the Master in Public Health and the Master in Clinical Research.

The Master in Public Health program is a nationally accredited degree program that provides graduate public health professional training in quantitative and qualitative research methodologies; health policy, law, and ethics; and translational and community-engagement strategies. The program focuses on the competencies professionals need to improve the health of individuals and populations. The individualized and interdisciplinary curriculum includes courses in the five core areas of public health and a wide range of interdisciplinary courses. Students complete a minimum of 42 credit hours of course work: core courses, courses in a chosen track, a field placement in a community health setting, and a culminating experience project. The following dual degrees options are available: MD-MPH, JD-MPH, MBA-MPH and MPP-MPH. Graduates are prepared for a variety of positions in health care and research, community health, and health policy.

The Master of Science Program in Clinical Research (MS-CR) in the Department of Public Health Sciences is an interdisciplinary graduate degree program that provides training to health and medical professionals who desire and need quantitative and analytic skills in patient-oriented and translational research, as well as more traditional clinical investigation. Using an interdisciplinary blend of biostatistics, epidemiology, clinical trial design, medical informatics, and health services research, the

MS-CR program equips clinical researchers with the statistical and data management tools needed to conduct translational clinical and comparative effectiveness studies in medical care.

Another central activity of the school is resident education, also known as graduate medical education. This is the continued training of future physicians who have graduated from medical school but have not yet achieved independence within a specialty. The Health System has approximately 780 residents and fellows participating in 96 training programs.

The Office of Continuing Medical Education of the SOM/Health System is an ACCME (Accreditation Council for Continuing Medical Education) accredited sponsor of continuing medical education (CME) for physicians and other health professionals. U.Va.-sponsored CME programs include specialty and sub-specialty departmental conferences; special seminars; international, national, and regional meetings; activities developed with other organizations and specialty societies; mini-fellowship opportunities; and enduring materials (self-paced learning). Through the CME program and the Center for Telehealth, U.Va. offers access to educational and clinical resources for physicians, other health professionals, and patients, regardless of geographic location.

Access to knowledge, both traditional and in increasingly new forms and technologies, is essential for the research, education, and patient care missions of the Health System. The Claude Moore Health Sciences Library (HSL) monitors and seeks out potentially important trends and makes them available to the community through education, hands-on experience, or general awareness. Information about changing publication impact metrics, access to innovative education material, and data management resources are examples of expertise that librarians provide for the Health System. By forming collaborative relationships, such as providing a home for the Bioinformatics Core, the HSL becomes a nexus of knowledge-based services. The HSL plays a role in stimulating collaboration by providing useful spaces, seating, and equipment that offer a fruitful and attractive environment for reflection and interaction.

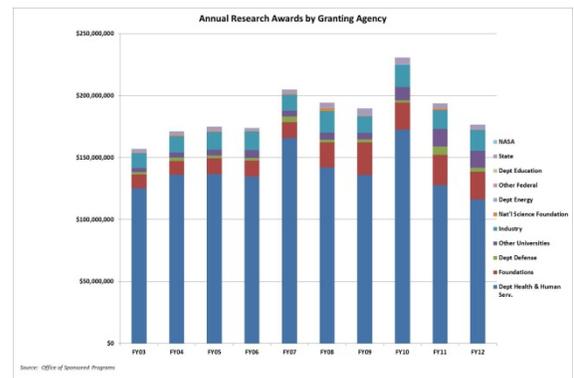
*Patient Care*

The SOM, with its partners in the Health System, provides excellence, innovation, and superlative quality in the care of patients, the training of health professionals, and the creation and sharing of health

knowledge. SOM faculty are innovators in offering new treatments to patients, bringing research breakthroughs to patient care, harnessing new technologies to reach out to underserved populations, and restructuring clinical approaches and facilities to better meet patients’ needs. Revenue from the clinical mission provides necessary support for the education and research missions – which, in turn, provide the physicians with knowledge and new and more effective treatments in the clinical arena.

*Research*

Research at the SOM is based on a collaborative model and built around multidisciplinary teams of basic and clinical scientists who are organized to answer disease- or organ-based problems. This approach builds upon the strength of the basic science departments, three of which rank among the top 10 in the nation in National Institutes of Health funding, and on several areas of research excellence within the clinical departments. The School ranks #25 in the *U.S. News & World Report* annual rankings of research medical schools.



Discoveries being made in these laboratories fuel a translational research effort aimed at bridging the gap between bench and bedside and translating promising laboratory findings rapidly into clinical applications for patients in the Medical Center and wherever medicine is practiced. As an example of this effort, last year the U.Va. Cancer Center was successful in competing for a five-year renewal of its National Cancer Institute (NCI) funding and is one of only two NCI-designated Cancer Centers in the state.

Strategic Direction

The Decade Plan is a planning effort implemented in 2002 as a collaboration of the SOM, the Medical Center, the University Physician’s Group (UPG), the HSL, and the School of Nursing. It provided the framework for “Move as One,” a consolidated initiative that focuses on Health System-wide collaboration for

development and innovation in areas such as patient service, translational research, professionalism in teaching, and service to the community.

The Decade Plan has transitioned to a strategic plan developed with a focus on advancing the care provided to patients through exceptional medical skill, the most advanced medical technology, and greater access to U.Va. health professionals through community outreach activities and increasing clinical activities on Grounds. Clinical excellence will be the driver of the virtuous cycle that encompasses the education of physicians and medical scientists and the bench-to-bedside and back-to-bench research, which, in turn, develops and differentiates the clinical enterprise.

In 2012-13, progress was noted in several important areas:

- The third year of the Next Generation curriculum was implemented.
- The graduate school curriculum for Ph.D. students was revamped and implemented as a vibrant, interdisciplinary program that integrates formal course work, independent laboratory research, and exposure to clinical and translational aspects of disease .
- The SOM collaborated with the Schools of Education, Business, Law, Nursing, Engineering, and Leadership and Public Policy, as well as individuals with scientific expertise relevant to specific products or devices, to establish the Virginia Center for Translational and Regulatory Sciences (VCTRS). The inaugural director of VCTRS, who was formerly the Vice President for Global Regulatory, Strategy, Policy and Safety of Merck & Company, was appointed in March 2013.
- The SOM, Medical Center, and UPG continue to build on outreach efforts such as the purchase of the Hematology-Oncology Patient Enterprise physician practice with the acquisitions of Culpeper Medical Associates, Albemarle Arthritis, affiliations with MedExpress and Health Grades, and the soon-to-open clinic at Zion Crossroads.
- The SOM and Medical Center are collaborating on the establishment of three Centers of Excellence in areas of focus identified by the strategic plan – Cardiovascular, Neurosciences, and Cancer. Fifteen million dollars has been allocated to fund groundbreaking clinical and

translational research that aligns with the strategy.

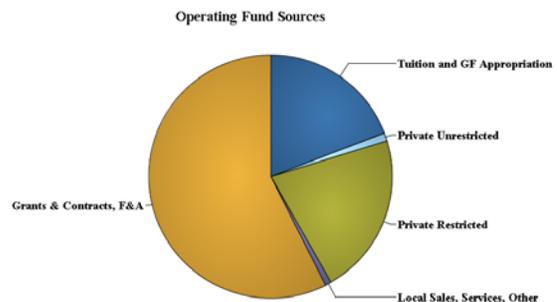
The Fund for the Future, established in 2007-08 through agreement between the Medical Center and the SOM, has provided a mechanism for the Medical Center to invest directly in the SOM. Actual and planned disbursements from the Fund through the remainder of 2012-13 and in 2013-14 include:

Microbiology chair package (\$6.7 Million)	\$5.90
Public Health Sciences chair package (\$3 Million)	\$2.20
Jordan Hall HVAC Renovation & Contingency	\$2.70
Department of Medicine Block Grant Support	\$2.50
Department of Surgery Chair Renewal	\$2.30
Radiology Research Infrastructure Support	\$1.30
Biochemistry Chair Package	\$1.10
Blake Center Renovations	\$1.00
Medical Education Building Debt Service	\$0.50
Cyclotron Renovations	\$0.30
Cyclotron/PET Operations	\$0.20
Cell Biology	\$0.20
<b>Total</b>	<b>\$20.20</b>

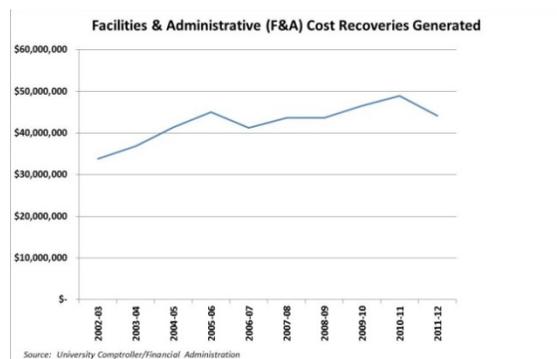
**2013-14 Operating Budget**

The SOM operating budget, which is consolidated in the University budget, excludes clinical operations and is funded through a traditional centralized budget target and self-generated grants, contracts, and private resources.

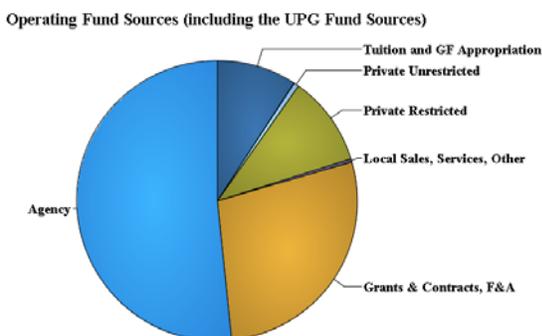
For 2013-14, 57 percent of the SOM operational budget, exclusive of clinical operations, is funded from grants, contracts, and F&A distributions. Approximately 23 percent is provided from endowment distribution and gifts, while 20 percent is from tuition and state general funds.



The recent trend in F&A generated by the School is exhibited below:



If the clinical operations of the UPG are included, the funding picture of the SOM changes dramatically. The below chart demonstrates that when clinical operations are included, clinical operations are the primary funding source of the SOM (52 percent). In this view, grants, contracts, and F&A recoveries generate 28 percent; private resources comprise 11 percent; and tuition and state general funds provide 9 percent.



Excluding the UPG clinical operations, the SOM's 2013-14 operating budget (see page 75) is \$271.3 million. The primary spending initiatives are faculty compensation (39 percent), other than personal services, net of recoveries (33 percent), staff salaries and wages (19 percent), and GTA/ GRA stipends and graduate fellowship support (6 percent).

Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state .

As part of the new clinical strategy, the SOM and Medical Center are jointly investing in the Clinical Centers of Excellence, clinical research programs, and in clinical research infrastructure. The SOM is also contributing to the recruitment package for the

new Cancer Center director to further the missions of clinical excellence and bench-to-bedside research.

The SOM's planned investments of over \$50 million in VCTRS and the Ivy translational research center support the goals to right-size its research portfolio and enhance its basic science –translational partnerships. These investments are funded primarily from endowments and restricted gifts.

The SOM plans to invest \$5 million over the next four years in clinical outreach initiatives and an additional \$1 million in the year thereafter.

The SOM is providing the Department of Medicine with \$5 million over three years beginning with fiscal year 2014, which will be matched with a contribution from the Medical Center. This strategic investment in the Department of Medicine will support the goals of expanding the School's clinical footprint.

Finally, the SOM and Medical Center faculty and staff are all committed to achieving improved quality and safety rankings. Most notably, the department chairs pledged to put their chair support funding from the School and the Medical Center at risk, contingent on the achievement of specific quality (Q17) goals by each department. The School and Medical Center have collectively pledged an additional \$1.05 million towards this initiative.

#### Capital Plan

The SOM has committed to purchase 560 Ray C. Hunt Drive in the Fontaine Research Park to house the Ivy Translational Research Program. Significant investments are planned during the upcoming fiscal year to convert the space into a premier facility for translational research. These renovations, along with the cost of the purchase, will be funded primarily from a gift from the Ivy Foundation. Additionally, the School continues to commit to renovating and optimizing current space on the primary campus; \$3 million is commitment to renovate a portion of MR-4 for a translational Biomedical Engineering/Cardiovascular Research lab.

The renovation of the Microbiology lab space in Old Jordan Hall continues and is anticipated to be completed in fiscal year 2014. The School is also committed to renovating a portion of the Old Medical School Barringer wing to create permanent space for the Clinical Research Unit and provide the Department of Neurosurgery with updated administrative space.

With a strong focus on investing in translational research, the SOM intends for these investments to provide the necessary space to foster translational research and facilitate the shift in its research portfolio towards clinical and translational programs.

**University of Virginia - MBU Summary**  
**Exec Level: R1380 VP: PV-VP/Provost, Mbu Level: R2485 MBU: MD-School of Medicine**

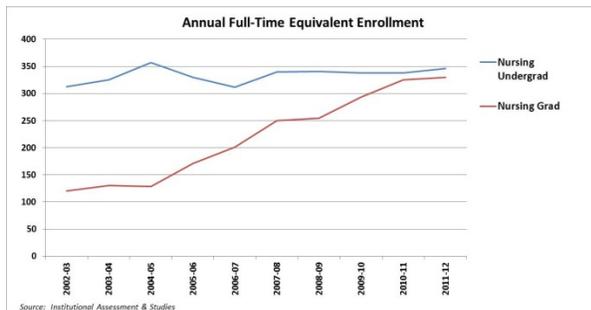
FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	281.3	36,513,333	507.0	50,307,869	10.6	949,390	139.0	23,870,854	14.8	1,479,435	-	-	952.6	113,120,881
	Staff Salaries and benefits	171.5	10,794,533	358.7	25,389,696	4.1	294,519	148.0	9,789,681	25.7	1,685,852	-	-	708.0	47,954,281
	Wages and benefits	-	176,336	-	3,432,435	-	42,073	-	2,000,157	-	19,186	-	-	-	5,670,187
	GTA/GRA	6.5	200,000	149.6	4,426,617	-	-	10.2	599,485	0.4	11,501	-	-	166.7	5,237,603
	<b>Subtotal</b>	<b>459.3</b>	<b>47,684,202</b>	<b>1,015.3</b>	<b>83,556,617</b>	<b>14.7</b>	<b>1,285,982</b>	<b>297.2</b>	<b>36,260,177</b>	<b>40.8</b>	<b>3,195,974</b>			<b>1,827.3</b>	<b>171,982,952</b>
	OTPS	0.0	28,403,430	-	58,589,067	-	700,995	-	17,757,973	-	2,439,400	-	-	0.0	107,890,864
	Financial Aid	-	1,931,175	-	8,875,809	-	137,687	-	6,656,578	-	6,125	-	-	-	17,607,374
	Recoveries	-	-10,376,085	-	-21,528	-	-	-	-	-	-3,559,945	-	-	-	-13,957,557
	Internal Debt Service	-	2,588,351	-	8,754,821	-	-	-	-	-	-	-	-	-	11,343,172
	Transfers	-	3,708,351	-	-	-	-	-	-	-	-	-	-	-	3,708,351
<b>Subtotal</b>	<b>0.0</b>	<b>26,255,222</b>		<b>76,198,169</b>		<b>838,682</b>		<b>24,414,551</b>		<b>-1,114,420</b>			<b>0.0</b>	<b>126,592,204</b>	
<b>MBU Totals</b>	<b>459.3</b>	<b>73,939,423</b>	<b>1,015.3</b>	<b>159,754,786</b>	<b>14.7</b>	<b>2,124,664</b>	<b>297.2</b>	<b>60,674,728</b>	<b>40.8</b>	<b>2,081,554</b>			<b>1,827.3</b>	<b>298,575,155</b>	
2014-O	Faculty Salaries and benefits	227.4	38,068,415	343.0	40,275,368	5.5	1,714,758	130.7	24,220,329	14.6	1,610,051	-	-	721.2	105,888,921
	Staff Salaries and benefits	183.5	12,885,918	383.8	24,644,474	5.8	539,211	141.3	9,296,014	30.9	1,670,653	-	-	745.2	49,036,270
	Wages and benefits	-	246,094	-	1,033,115	-	-	-	626,915	-	26,442	-	-	-	1,932,566
	GTA/GRA	13.8	112,650	81.6	2,725,399	-	-	4.3	244,244	-	-	-	-	99.6	3,082,293
	<b>Subtotal</b>	<b>424.6</b>	<b>51,313,077</b>	<b>808.4</b>	<b>68,678,356</b>	<b>11.3</b>	<b>2,253,969</b>	<b>276.2</b>	<b>34,387,502</b>	<b>45.5</b>	<b>3,307,146</b>			<b>1,566.0</b>	<b>159,940,050</b>
	OTPS	-	12,540,471	-	71,246,863	-	575,536	-	17,834,302	-	2,197,610	-	-	-	104,394,782
	Financial Aid	0.0	1,945,817	-	6,517,682	-	125,834	-	5,731,960	-	-	-	-	0.0	14,321,293
	Recoveries	-	-10,547,693	-	-	-	-	-	-	-	-3,245,849	-	-	-	-13,793,542
	Internal Debt Service	-	1,817,230	-	8,753,571	-	-	-	-	-	-	-	-	-	10,570,801
	Transfers	-	-4,132,840	-	-	-	-	-	-	-	-	-	-	-	-4,132,840
<b>Subtotal</b>	<b>0.0</b>	<b>1,622,985</b>		<b>86,518,116</b>		<b>701,370</b>		<b>23,566,262</b>		<b>-1,048,239</b>			<b>0.0</b>	<b>111,360,494</b>	
<b>MBU Totals</b>	<b>424.6</b>	<b>52,936,062</b>	<b>808.4</b>	<b>155,196,472</b>	<b>11.3</b>	<b>2,955,339</b>	<b>276.2</b>	<b>57,953,764</b>	<b>45.5</b>	<b>2,258,907</b>			<b>1,566.0</b>	<b>271,300,544</b>	

## SCHOOL OF NURSING

### Overview of Operations

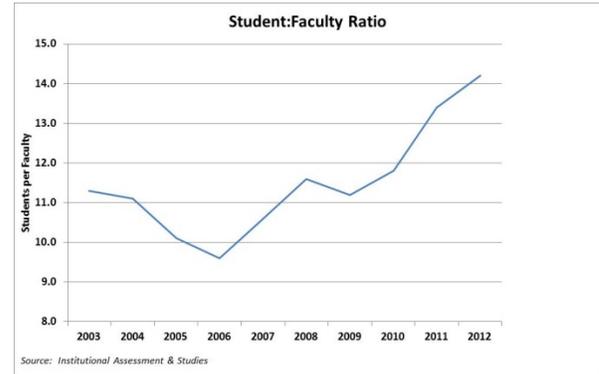
Established in 1901, the School of Nursing (SON) nurtures compassionate, empathic nurse leaders who excel independently and as members of health care teams, while understanding how to remain resilient and inspiring their peers to do so, too. Part of the University's Health System that includes the Medical Center, School of Medicine, and Claude Moore Health Sciences Library, the SON is ranked by *U.S. News & World Report* among the top two percent of nursing schools in the nation.

Enrollment for academic year 2012-2013 is 716 students: 365 undergraduates and 351 graduate students. Programs of study include the traditional Bachelor of Science in Nursing (BSN) and Registered Nurse to Bachelor of Science in Nursing (RN to BSN) undergraduate degrees, a variety of Master of Science in Nursing (MSN) degrees, several post-master's programs, and two doctoral degree programs, the Doctorate of Nursing Practice (DNP) and PhD. The SON is a pioneer in establishing new and novel programs for nurses, including the Clinical Nurse Leader (CNL) program, the first in the country and the only such program in Virginia and Washington, D.C. The CNL program is a master's entry degree program for non-nurses with bachelor's degrees in other areas. Another new degree, the DNP, was established in 2006 and offers a terminal degree for nurse-clinicians. Post-master's programs are offered in primary care, acute care, psychiatric-mental health, and wound, ostomy, and continence. Two largely online master's degree tracks include certificates in community and public health leadership and health systems management.



Among the current 95 full- and part-time faculty at the School, there are 19 American Academy of Nursing fellows, seven National Academy Fellows, and 11 endowed professorships that have attracted an internationally recognized group of scholars from a wide cross-section of disciplines. Yet, with a wave of recent and pending retirements, the SON is relying

more heavily on single-course and adjunct faculty while conducting intensive searches for additional tenure-track faculty. Recent trends are causing a swell in the student-to-faculty ratio, as shown on the following graph:



In December 2012, the SON completed a \$2.2 million renovation and expansion of the 9,200-square foot Mary Morton Parsons Clinical Simulation Learning Center (CSLC), located in McLeod Hall. The center is comprised of the Theresa A. Thomas Intensive Care Simulation Laboratory, the Reed Physical Assessment Laboratory, two procedural labs, and a mock isolation unit designed to teach students about the critical steps of infection control. The CSLC's expansion incorporates an operating room suite, a virtual reality lab with seven high fidelity patients, and a simulation research lab. The aim of the renovation was to painstakingly mimic hospital settings and acute care situations that many students will ultimately face as nursing professionals.

### Strategic Direction

The SON's Strategic Plan for 2010-2015 was developed in partnership with faculty, staff, students, and community partners. The School's goals are to:

1. Cultivate the SON's multicultural community of scholars and researchers;
2. Create innovative models of education and practice; and
3. Foster well-being and a collegial spirit in a healthy work environment.

The School also includes among its goals to be a top ten school of nursing, double external research funding, and double external funding for innovative academic programs by the year 2020.

The SON's goals are well aligned with those of the University and the Health System at large in terms of work on Grounds, at sites throughout the community, and on projects around the world. The School urges a collaborative approach, regularly tackles cross-disciplinary projects, and fosters among its students the understanding that partnerships are the best route to the delivery of sound, empathic care that is safe and of the highest quality. By expanding key program areas – including the RN to BSN program – as well as access to the CNL and doctoral-level programs, the SON, with the University as a whole, is responding in unison to the nation's need for more STEM-H graduates to address professional shortages in science, technology, engineering, math, and health care. The SON acknowledges the need for more baccalaureate-prepared nurses and nursing faculty and, accordingly, is working to assuage the national nursing shortage and the national shortage of nursing professors by interacting with and guiding the study of current and prospective students.

**COLLABORATIVE:** The SON has long been a leader in interprofessional education (IPE), an effort that enables health care practitioners – future nurses- and physicians-to-be, among others – to practice working together in a rigorous, quantifiable, and quality-controlled manner. The School's IPE program, which is regarded among the nation's best, has expanded in concept and coursework since the 2011 \$750,000 Macy grant. Fortified by that grant and the formalization of a new center, called U.Va. *ASPIRE (Academic Strategic Partnership for Interprofessional Research and Education)*, the Schools of Nursing and Medicine, along with partners in the Health Sciences Library, have committed funding, effort, and energy to bolster U.Va.'s interprofessional programs. As part of the collaboration, all third-year nursing and medical students now must demonstrate their solid understanding of core competencies of collaborative practice through a series of mock-scenarios that mimic those they'll encounter in real life. The SON has taken to heart the 2010 Institute of Medicine (IOM) mandate that team-based approaches be taught to all health care professionals, and its IPE courses are growing in strength, size, and clarity of vision.

Through the web-based platform Blackboard Collaborate, students throughout Virginia access graduate nursing content and “live classroom experiences” in their own learning environment at home. This platform not only increases access, but also generates growth in the family nurse practitioner and pediatric nurse practitioner, public health nursing leadership, health systems management, and psych-

mental health programs. The School's largely online programs, however, all require monthly in-person classroom interaction because students consider such time to be a critical ingredient to their success. Onerous as travel from afar can be, online students choose the School's program *because* of the combination of flexible online coursework and periodic face-to-face interactions.

Additionally, nursing professors offer access to courses, certifications, and professional development for veteran U.Va. Medical Center nurses. These regular interactions provide an opportunity to encourage practicing RNs to consider earning a baccalaureate degree, along with support from the Medical Center's chief nursing officer. By 2014, the School's aim is to double the size of the RN to BSN program, in full support and acknowledgement that 21<sup>st</sup> century health care requires ongoing education, while respectfully acknowledging an RN's rich on-the-job knowledge.

**RESEARCH-CENTERED:** The School offers students a multitude of opportunities to conduct research. Its undergraduate Distinguished Majors students conceive of, and carry out, research studies under the careful guidance of nursing mentors. Research opportunities for undergraduates will continue to expand, while graduate level capstone projects – a required “thesis” written during the students' last year – offer master's, post-master's, and doctoral degree students a chance to flesh out relevant research topics of their own. Given their work with people and groups at hospitals and clinics throughout the Commonwealth of Virginia, SON students have a unique vantage that enables them to ask some of the big questions in health care that need addressing. Internships and international experiences (the latter of which about 10 percent of the School's students tap into) are also unique and integral parts of the most well-rounded undergraduate and graduate study.

SON students do what they see faculty doing: meaningful, relevant nursing research. Targeted around six research “clusters” – including rural health, integrative compassionate care, nursing history, oncology, aging, and child, young adult, and family health – SON faculty members conduct a wealth of research on critical topics. With some current major external grants, topics range from novel lung cancer decision aids, interprofessional education, and Alzheimer's disease, to help for pregnant teens and tablet computers as a means of detecting domestic violence.

The newly-christened Eleanor Crowder Bjoring Center for Nursing Historical Inquiry, one of just two nurse history centers in the U.S. and four around the world, is quickly becoming a central repository for important nursing artifacts; a dynamic, often digitized collection of journals, photographs, articles; and various memorabilia that can be pored over by students, professors, and researchers for generations to come. The history center offers students, clinicians, and others a sense of what nursing programs worked in times past – and what didn't – lessons that ultimately inform today's programs and health care reform as a whole.

**COMPASSIONATE:** In a profession where burnout and “compassion fatigue” are rampant, the SON urges its students and colleagues in the Health System to learn ways to remain centered and whole, deal with grief and grieving, and, most critically, to care for themselves as a means of being a more compassionate caregiver. The School's Compassionate Care & Empathic Leadership Initiative (CCELI) brings together nursing and medical students, faculty, working nurses, chaplains, physicians, and others to discuss meaningful, concrete ways to promote compassion and nurture resilience. The CCELI video (<http://vimeo.com/54874862>) provides a platform for discussion and a call to action for departments and individuals struggling with the intense stresses and complexities of care for chronically ill patients while having less time for care. The initiative also has offered methods of coping – through deep breathing exercises, meditation, yoga and other meditative practices – to student nurses-to-be. Contemplative practices and exercises (part of the School's work with the Contemplative Sciences Center that includes retreats, keeping journals, and learning meditation) are interwoven into the curriculum at regular intervals.

**GLOBAL:** The SON boasts a revolving door to the international community, both through its diverse faculty and the tight-knit collaborations they've cultivated with those abroad. That perspective – a global understanding of health and health care – remains essential for all nursing students practicing in an increasingly diverse society. The School has expanded its international exchange sites to include Australia, China, Columbia, Denmark, Grand Bahamas Island, Guatemala, Honduras, India, New Zealand, Nicaragua, and South Africa, and has established a “virtual exchange” program with the University of Lund in Sweden and the University of Venda in South Africa. Nursing students also participate in the Semester at Sea program.

A number of PhD and DNP students focus their research on global health issues, and the School continues to host visiting scholars from Denmark, Hong Kong, Sweden, Taiwan, Thailand, and Indonesia who provide intimate knowledge of health issues abroad. Here at home, the School's undergraduates volunteer for a variety of extracurricular service projects that give them a vantage on vulnerable and underserved population at Madison House, Nursing Students without Borders, and the Remote Area Medical Clinic in Wise County, among many others.

**HEALTHY WORK ENVIRONMENT:** People often say that nurses must look and sound like those people they treat, and in that regard, diversity in nursing really matters. The SON actively recruits racially-diverse faculty and continues to cultivate more racially-diverse students to join the ranks of its profession.

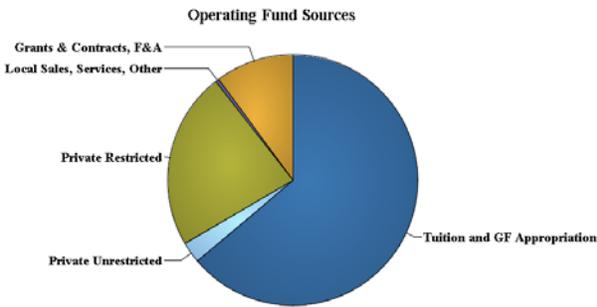
As nursing professors have grown scarcer and highly sought-after, the School continues to stress the health of its working environment. The School offers a mentoring program for junior faculty, the Roberts Scholars Program, that provides protected time and funding to develop individual research programs and areas of study. Grant development resources also are available to support the preparation of National Institutes of Health research grant proposals.

In addition to the faculty, the SON strives for its staff to be collegial, supportive, and collaborative as it works to make the School a place that is student-centered, focuses on research and practice, and serves Charlottesville, the Commonwealth, and the world. Ample opportunities for dialogue coupled with the dean's open-door policy have made the SON a work environment that is respectful, caring, and warm.

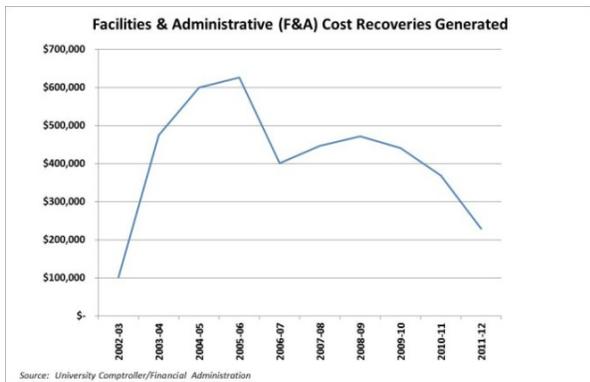
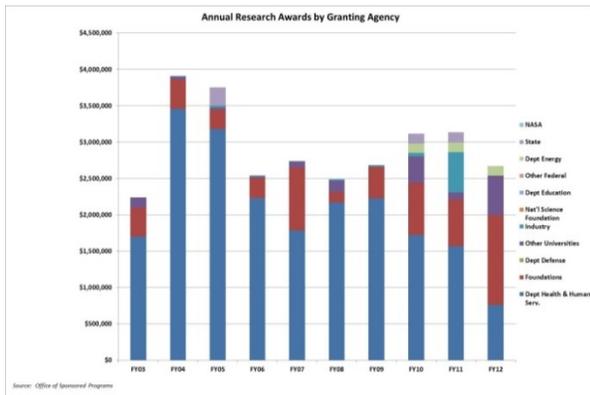
#### 2013-14 Operating Budget

The SON is funded through a traditional centralized budget target, self-generated grants, contracts, and private resources, and support from the U.Va. Medical Center.

For fiscal year 2013-14, 57 percent of the SON operating budget is from tuition and state general funds. Private funds (endowment distribution and gifts) provide 23 percent of funding, while grants, contracts, and F&A constitute 9 percent. The Medical Center supports 10 percent of total funding.



The following two charts provide the recent trend on (1) grant funding to the SON and (2) F&A generated:



The School's 2013-14 operating budget is \$11.98 million (see the following page). Excluding recoveries, the operating budget is \$13.36 million; the primary spending initiatives are faculty compensation (50 percent), staff salaries and wages (20 percent), and GTA/ GRA stipends, graduate fellowship support, and undergraduate scholarships (16 percent).

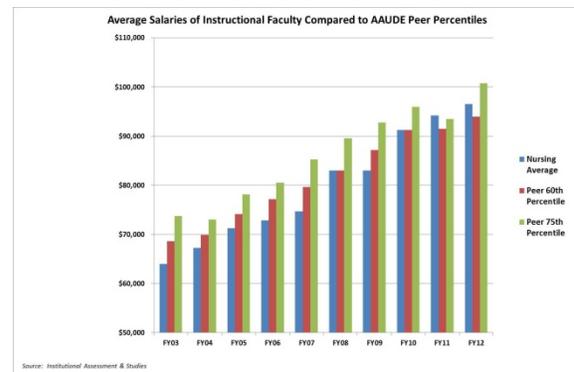
Faculty support from sponsored programs is expected to increase by 151 percent, an additional \$362,000 in 2013-14. This is a conservative estimate and includes only currently-funded projects and two small potential awards with combined budgets totaling less than \$100,000.

Expenditures for endowed professorships will increase by \$331,000 in 2013-2014, compared to revised 2012-2013, due to new appointments.

In 2012-2013, scholarships and fellowship awards were slightly reduced to resolve cash deficits in the endowment accounts. These awards will increase by \$89,000 in 2013-2014.

The School's 2013-14 operating budget includes an allocation of \$60,040 related to fall 2013 enrollment growth. The actual distribution will be made based on enrollment in the classes this fall. Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

Retirements of both faculty and staff provide an opportunity for new hires that reflect strategic priorities. The SON is recruiting key faculty by specialty with the focus on developing academic leaders and researchers. Since 2011, 12 faculty have retired or moved to other institutions. The SON has hired 10 faculty, four of whom will start in the upcoming academic year 2013-2014. The below graph demonstrates the average SON faculty salary as compared to the 60<sup>th</sup> and 75<sup>th</sup> percentile of AAU peers.



### Capital Plan

The SON has no current or upcoming capital projects planned.

**University of Virginia - MBU Summary**  
**Exec Level: R1380 VP: PV-VP/Provost, Mbu Level: R2465 MBU: NR-Nursing School**

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount			
2013-R	Faculty Salaries and benefits	44.2	4,492,394	3.1	239,746	0.5	52,960	3.4	861,975	0.4	30,700	-	-	51.6	5,677,775	
	Staff Salaries and benefits	24.9	2,474,373	1.8	105,555	3.5	286,137	3.2	89,846	-	-	-	-	33.4	2,955,911	
	Wages and benefits	-	393,621	-	175,174	-	-	-	78,464	-	-	-	-	-	-	647,259
	GTA/GRA	4.3	275,000	-	57,698	-	-	-	2,401	-	-	-	-	4.3	335,099	
	<b>Subtotal</b>	<b>73.4</b>	<b>7,635,388</b>	<b>4.9</b>	<b>578,173</b>	<b>4.0</b>	<b>339,097</b>	<b>6.6</b>	<b>1,032,686</b>	<b>0.4</b>	<b>30,700</b>			<b>89.2</b>	<b>9,616,044</b>	
	OTPS	-	1,492,799	-	410,624	-	-	-	644,381	-	38,070	-	-	-	-	2,585,874
	Financial Aid	-	936,459	-	207,045	-	-	-	808,973	-	-	-	-	-	-	1,952,477
	Central Assessment	-	92,945	-	-	-	-	-	-	-	-	-	-	-	-	92,945
	Recoveries	-	-1,372,600	-	-	-	-	-	-	-	-	-	-	-	-	-1,372,600
	<b>Subtotal</b>		<b>1,149,603</b>		<b>617,669</b>				<b>1,453,354</b>		<b>38,070</b>					<b>3,258,696</b>
<b>MBU Totals</b>		<b>73.4</b>	<b>8,784,991</b>	<b>4.9</b>	<b>1,195,842</b>	<b>4.0</b>	<b>339,097</b>	<b>6.6</b>	<b>2,486,040</b>	<b>0.4</b>	<b>68,770</b>			<b>89.2</b>	<b>12,874,740</b>	
2014-O	Faculty Salaries and benefits	47.3	4,735,163	6.2	634,759	0.7	72,526	6.6	1,192,392	0.2	23,820	-	-	60.9	6,658,660	
	Staff Salaries and benefits	27.6	1,850,656	1.0	34,645	4.0	254,034	1.6	104,746	-	-	-	-	34.2	2,244,081	
	Wages and benefits	-	366,836	-	88,120	-	-	-	37,101	-	-	-	-	-	492,057	
	GTA/GRA	4.3	275,000	-	49,783	-	-	-	-	-	-	-	-	4.3	324,783	
	<b>Subtotal</b>	<b>79.1</b>	<b>7,227,655</b>	<b>7.2</b>	<b>807,307</b>	<b>4.7</b>	<b>326,560</b>	<b>8.2</b>	<b>1,334,239</b>	<b>0.2</b>	<b>23,820</b>			<b>99.4</b>	<b>9,719,581</b>	
	OTPS	-	816,746	-	357,063	-	-	-	521,073	-	31,116	-	-	-	-	1,725,998
	Financial Aid	-	887,939	-	48,902	-	-	-	880,785	-	-	-	-	-	-	1,817,626
	Central Assessment	0.0	92,945	-	-	-	-	-	-	-	-	-	-	0.0	92,945	
	Recoveries	-	-1,376,800	-	-	-	-	-	-	-	-	-	-	-	-1,376,800	
	<b>Subtotal</b>	<b>0.0</b>	<b>420,830</b>		<b>405,965</b>				<b>1,401,858</b>		<b>31,116</b>			<b>0.0</b>	<b>2,259,769</b>	
<b>MBU Totals</b>		<b>79.1</b>	<b>7,648,485</b>	<b>7.2</b>	<b>1,213,272</b>	<b>4.7</b>	<b>326,560</b>	<b>8.2</b>	<b>2,736,097</b>	<b>0.2</b>	<b>54,936</b>			<b>99.4</b>	<b>11,979,350</b>	

## UNIVERSITY LIBRARY

### Overview of Operations

The University Library (UL) enables research, teaching, and learning through strong collections, versatile spaces, and exceptional public services in support of faculty and students. Aligning with academic priorities, the UL serves the University's faculty, undergraduates, and graduate students from all disciplines and is open to the public and to scholars worldwide. The UL is also nationally recognized as a leader in collaborations with peer institutions to solve some of the big challenges faced by all academic libraries, such as digital preservation.

### *Collections*

The UL provides access to a rich array of digital and physical scholarly materials that include archives; 5 million print and digital books; 70,000 journals; hundreds of thousands of non-text materials such as images, videos, databases, etc.; and over 16 million manuscripts. The world-class collection of rare and unique materials is exceptionally strong in American history, literature, and culture. The UL actively develops the Library's online catalog (VIRGO) to maximize the discovery and use of both physical and digital resources.

### *Spaces*

The UL's multiple libraries offer spaces for collaboration and study, discipline-specific physical collections and access to digital collections, and specialized expertise and tools for using Library resources. Undergraduates are especially heavy users of library spaces, and six libraries offer evening and weekend access, including Clemons Library, a 1,500-seat facility that closes only between midnight and early morning on Saturday and Sunday when classes are in session.

### *Services*

Library staff contribute daily to the academic endeavor, from building innovative programs for the digital humanities to answering a research question texted by a student. Library staff often collaborate with faculty on their research and teach students how best to use and evaluate collections. The Scholars' Lab, Digital Media Lab, and Data Management and Statistical Consulting groups offer specialized expertise and tools for many forms of digital scholarship including digital humanities, rich media, data-intensive research, and data services dedicated to the collaborative collection, management, use, and preservation of data. In addition to face-to-face services, the UL actively develops virtual services that maximize the use of web-accessible content and ensure the preservation of born-digital

material. The UL is nationally recognized as a leader in innovative services; examples include LEO (faculty delivery service), Hydra and Fedora (open source technologies to support repositories for digital content), and Praxis (graduate student fellowship program in the digital humanities). Contributions to born-digital content and new tools and models for digital scholarship also have brought the UL recognition.

### Strategic Direction

The UL's collections, services, and spaces directly support the core mission of the University by providing the resources necessary for faculty and student scholarship. To help position the University as a leader in the next decade, the UL priorities support University-wide objectives and align with school missions:

*Digital Scholarship programs* - Since the early 1990s, the UL has nurtured and invested in the projects, programs, and centers that establish the University as a world leader in digital humanities (DH). This field has seen explosive growth in the age of big data, as technology transforms research agendas in core liberal arts disciplines and enables new forms of interpretation and exchange. Moving outward from the Library's Scholars' Lab, with its strong emphasis on experimental humanities and methodological training for the next generation of digital scholars, the Library aims to re-energize faculty leadership in DH at the University through renewed focus on cross-Grounds research collaborations and by developing its role as crossroads and laboratory for practitioners from all areas of the University. Currently, while there are many DH initiatives underway, collaboration will enable the University to achieve distinction.

*Data-intensive scholarship* – Responding to the growth in data-intensive research across disciplines, the UL has realigned existing resources and hired new expertise to support the acquisition, use, and management of complex data sets. New services are being developed to complement the activities of related initiatives, such as the College's Quantitative Collaborative, and to expand the available corpus of data resources.

*Support for new forms of teaching and learning* - Through technology-rich spaces like the Robertson Media Center, the UL will promote innovative teaching by offering support for and training in educational technologies with the potential to transform the classroom experience. Offering new

services that improve research skills in the digital age and enable original and creative coursework in many forms of media will enhance student learning and success.

As steward of the University’s scholarship, the UL must also respond to changes in the research library landscape that affect access to scholarly resources and pursue innovative paths to ensure the preservation of important scholarship for future generations:

*Collection development* – To address the ever-rising cost of publications, especially journals, the UL is exploring partnerships with peer research libraries and experimenting with an economically sustainable model for funding the acquisition of materials to support the University’s teaching, learning, and research.

*Institutional repository for U.Va. scholarship* - The UL is expanding its efforts to provide online access and preservation of the scholarship created by the U.Va. community through Libra, the institutional repository. Electronic deposit of theses and dissertations into Libra will replace paper deposit for several University schools this year, and datasets are now accepted. Libra is also poised to grow as a repository for open-access scholarship, aligning the University with national and international trends in digital scholarship and the growing trend for funders to require open access to funded research.

*Preservation strategies* - In addition to preserving physical materials that are essential to research, teaching, and scholarship, the UL must be equally effective at ensuring the preservation of the growing corpus of digital scholarship and ephemera. Copyright, proprietary software, and rapidly changing formats and technologies create significant challenges for both access and authenticity of digital content. The UL will develop a strategy and implement policies to ensure preservation and access to its most valuable materials regardless of format. The UL will also collaborate with other institutions to investigate multiple solutions for preservation to prevent single points of failure.

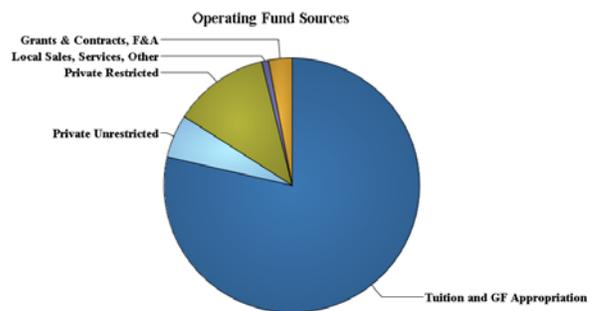
Chief among these collaborations is the Academic Preservation Trust (APTrust), a multi-institutional effort led by the UL to build an aggregate repository solution for the preservation of digital content from multiple institutions ([www.aptrust.org](http://www.aptrust.org)). Incubated in 2012-13, APTrust garnered funds and support from 11 peer institutions to build a prototype for digital preservation in the cloud and serve as a founding

node for the Digital Preservation Network (DPN), a companion effort championed by the University’s VP/CIO. In its second year, APTrust will move out of incubation into production mode, providing a secure preservation environment for digital content and laying a foundation for a new model of collaborative service development by academic institutions.

*Space renewal* - Over the next 10 years, the UL will continue to pursue funding to renew three spaces essential to its strategic goals. Renewing the aging Alderman Library will give the University an up-to-code, beautiful, and productive facility that shows the University’s commitment to sustainability and recruiting and retaining the very best scholars. A proposed University Conservation Center will pair conservation of the University’s rare and unique collections with a new teaching and learning environment for scholars and observers. Finally, renewing the Fiske Kimball Fine Arts Library will improve the learning environment in the University’s thriving Arts Grounds area to better support research, collaborative work, and the use of technology.

2013-14 Operating Budget

The UL is funded through a centralized budget target and self-generated private resources, grants, and contracts.



The UL’s 2013-14 operating budget (see page 84) is \$27.1 million, with 79 percent from tuition and state general funds. Private funds (endowment distribution, gifts) represent 18 percent of funding, while grants, contracts, and F&A constitute 3 percent. Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

Successful fundraising will continue to be essential to ensure strong collections and services while retaining the flexibility to innovate. One-half of the UL’s total budget is spent on collections and staff who select, acquire, describe, and preserve materials so they are accessible now and will remain so in the future. Strong

collections are essential to the University's standing in the scholarly community and often play a significant role in the successful recruitment and retention of faculty. Another one-third of the budget covers direct services to faculty and students, including services for digital scholarship and online access to digital content. Facility support and basic staffing for the UL's 10 spaces (physical facilities) is currently a small part of the budget. Administrative costs make up the remaining 10 percent of the budget.

### Capital Plan

There are no ongoing projects in construction or planning. Currently, projects in the capital program include the renewals of Alderman Library (\$120 million) and Fiske-Kimball Fine Arts Library (\$19 million). Both projects are contingent on state funding, with the Alderman Library slated for consideration by the 2014 General Assembly session.

University Library Expenditures	13-14 Budget (% of total)
<b>Collections</b> <ul style="list-style-type: none"> <li>• Purchase/lease of materials</li> <li>• Selection/Curation</li> <li>• Metadata</li> <li>• Digital &amp; physical storage</li> <li>• Preservation</li> </ul>	\$13,548,404 (50%)
<b>Services</b> <ul style="list-style-type: none"> <li>• Interlibrary loan and scanning services</li> <li>• Information services</li> <li>• Online services</li> <li>• Technology and research services</li> </ul>	\$7,858,075 (29%)
<b>Spaces</b> <ul style="list-style-type: none"> <li>• Staffing</li> <li>• Technology support</li> <li>• Facility support</li> </ul>	\$2,981,148 (11%)
<b>Administration</b> <ul style="list-style-type: none"> <li>• Senior leadership</li> <li>• Finance &amp; HR staff</li> <li>• Development &amp; Communications</li> </ul>	\$2,709,680 (10%)
<b>Total Library Budget</b>	<b>\$27,097,307</b>

Together, the UL and the professional school libraries (Darden, Health Sciences, and Law) spend less per full-time student than the library systems at many peer institutions, as the chart below demonstrates.

2010-11 University Library Expenditures			
University of Michigan	\$63,735,669	40,225	\$1,548.48
Cornell University	\$49,470,729	22,033	\$2,245.30
University of Pennsylvania	\$42,427,991	21,329	\$1,989.22
UNC, Chapel Hill	\$38,135,416	24,222	\$1,574.41
Duke University	\$40,714,148	14,924	\$2,728.10
Indiana University	\$33,370,911	37,609	\$887.31
Emory University	\$37,737,236	12,773	\$2,954.45
Johns Hopkins University	\$36,881,269	13,094	\$2,826.65
<i>University of Virginia*</i>	<i>\$33,795,407</i>	<i>20,950</i>	<i>\$1613.15</i>

*\*Includes libraries in Darden, Health Sciences, and Law  
Data from Association of Research Libraries 2010-11 ARL Statistics*

University of Virginia - MBU Summary  
 Exec Level: R1380 VP: PV-VP/Provost, Mbu Level: R1530 MBU: LB-Library-UVa

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	66.4	5,457,595	0.8	95,000	0.8	77,573	2.0	149,800	-	-	-	-	69.9	5,779,968
	Staff Salaries and benefits	157.6	9,026,093	7.0	728,113	1.0	92,200	3.7	283,275	1.0	82,380	-	-	170.3	10,212,061
	Wages and benefits	-	20,615	-	44,000	-	15,000	-	69,000	-	-	-	-	-	148,615
	<b>Subtotal</b>	<b>224.0</b>	<b>14,504,303</b>	<b>7.7</b>	<b>867,113</b>	<b>1.8</b>	<b>184,773</b>	<b>5.7</b>	<b>502,075</b>	<b>1.0</b>	<b>82,380</b>			<b>240.2</b>	<b>16,140,644</b>
	OTPS	-	6,921,810	-	652,821	-	1,572,684	-	1,507,800	-	391,568	-	-	-	11,046,682
	Financial Aid	-	-	-	48,000	-	-	-	60,000	-	-	-	-	-	108,000
	<b>Subtotal</b>		<b>6,921,810</b>		<b>700,821</b>		<b>1,572,684</b>		<b>1,567,800</b>		<b>391,568</b>				<b>11,154,682</b>
<b>MBU Totals</b>		<b>224.0</b>	<b>21,426,113</b>	<b>7.7</b>	<b>1,567,934</b>	<b>1.8</b>	<b>1,757,457</b>	<b>5.7</b>	<b>2,069,875</b>	<b>1.0</b>	<b>473,948</b>			<b>240.2</b>	<b>27,295,326</b>
2014-O	Faculty Salaries and benefits	60.3	5,414,000	0.1	6,048	0.5	75,073	2.0	147,330	-	-	-	-	62.8	5,642,451
	Staff Salaries and benefits	171.8	9,995,838	0.6	39,443	-	-	4.0	336,473	-	-	-	-	176.4	10,371,754
	Wages and benefits	-	-	-	4,000	-	-	-	60,000	-	-	-	-	-	64,000
	GTA/GRA	-	30,000	-	-	-	-	-	-	-	-	-	-	-	30,000
	<b>Subtotal</b>	<b>232.1</b>	<b>15,439,838</b>	<b>0.7</b>	<b>49,491</b>	<b>0.5</b>	<b>75,073</b>	<b>6.0</b>	<b>543,803</b>					<b>239.3</b>	<b>16,108,205</b>
	OTPS	-	5,850,305	-	761,349	0.0	1,399,448	-	2,660,000	-	228,000	-	-	0.0	10,899,102
	Financial Aid	-	-	-	-	-	-	-	90,000	-	-	-	-	-	90,000
<b>Subtotal</b>		<b>5,850,305</b>		<b>761,349</b>	<b>0.0</b>	<b>1,399,448</b>		<b>2,750,000</b>		<b>228,000</b>			<b>0.0</b>	<b>10,989,102</b>	
<b>MBU Totals</b>		<b>232.1</b>	<b>21,290,143</b>	<b>0.7</b>	<b>810,840</b>	<b>0.5</b>	<b>1,474,521</b>	<b>6.0</b>	<b>3,293,803</b>		<b>228,000</b>			<b>239.3</b>	<b>27,097,307</b>

## PRESIDENT

### Overview of Operations

The mission of the President's Office is to create an environment in which the time, leadership, and influence of the president, vice presidents, deans, and senior leaders are used to the greatest possible effect— with the ultimate goal of propelling the University into the top tier of universities, public and private, in the country and in the world.

This mission is best achieved by pursuing strategic goals, re-deploying resources from lower to higher priorities, and improving productivity and efficiency. Core functions include communications, external relations, event management, and strategic resource management.

The President's Office includes Federal Relations, regional business development, the Office of Equal Opportunity Programs, the Office of the Board of Visitors, General Counsel, and the Miller Center. The President's Office also includes units that provide services to the University community, such as Major Events (which oversees Fall Convocation, Graduation, and Founder's Day), ExecTech (which provides technology and computer maintenance for the President's Office and 23 other administrative areas), University Communications (which formulates and implements communication strategies), and Executive Search Group (which recruits executive leadership talent to the University).

### Strategic Direction

The mission of the President's Office is to strive for excellence and common ground while positioning U.Va. as one of the top universities in the nation and the world. Overall strategic goals include:

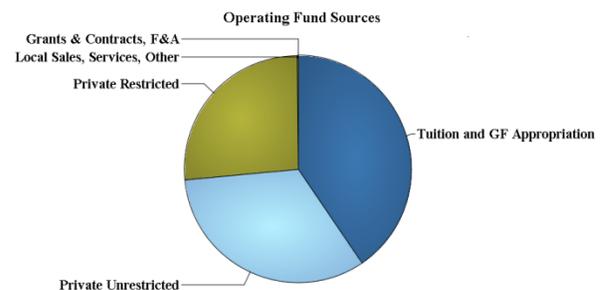
1. Using the broad University view afforded from the President's Office to make connections among units and individuals on behalf of the president and the University;
2. Positioning the University as a thought leader in higher education, nationally and globally;
3. Providing the necessary support for the University to recruit and retain top faculty who have the capacity to distinguish U.Va. in teaching, research, and scholarship;

4. Strategically allocating staff, time, and other resources to align with mission of the University and the vision of the president;
5. Advocating funding for science agencies and education toward the goal of making U.Va. one of the nation's top research universities; and
6. Using the president's home at Carr's Hill to cultivate internal and external constituents, with the home open for more than 100 events annually.

### 2013-14 Operating Budget

The President's Office and reporting areas are funded through a traditional centralized budget target, as well as self-generated private resources.

Excluding the vice presidential areas reporting directly to the president, 40 percent of the President's Office 2013-14 operating budget is from tuition and state general funds. Private restricted funds (endowment distributions and gifts) represent 33 percent of funding, while private unrestricted funds (endowment distribution and gifts) represent 26 percent.



For the President's Office and direct reporting units excluding vice presidents, the 2013-14 operating budget (see page 87) is \$17.8 million, with the primary spending on compensation (83 percent). The remaining expenditures are primarily in OTPS expenditures and include communications, equipment, special events, and travel for presidential trips and donor cultivation.

Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

For the President's Office and all reporting units including vice presidents, the 2013-14 operating budget is \$222.2 million. This includes all areas reporting to the vice presidents for Diversity and Equity, Student Affairs, Research, Information Technology Services, and University Advancement, as well as to the Director of Athletics.

The president also oversees the President's Fund for Excellence, which was authorized by the Board as an emergency measure in response to the loss of \$52 million in state general funds in 2002 and later made permanent as a means to provide one-time, short-term funding when base budget is not available for significant activities. The Fund, \$3 million annually, is allocated from the University's unrestricted endowment distribution and used at the president's discretion.

#### Capital Plan

The Miller Center retains its commitment to "Phase III" in the 2016-18 cycle, without amendment at this time. The Rotunda project has been funded by the General Assembly.

University of Virginia - MBU Summary  
 Exec Level: R0005 VP: PR-President's Office, Mbu Level: <All>

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	24.9	3,851,145	0.1	12,188	7.7	1,229,741	10.9	1,730,255	-	-	-	-	43.6	6,823,329
	Staff Salaries and benefits	39.3	3,199,423	0.3	17,719	22.1	1,612,856	21.1	1,633,082	5.5	427,250	-	-	88.2	6,890,330
	Wages and benefits	-	183,975	-	6,719	-	324,876	-	409,393	-	22,000	-	-	-	946,963
	GTA/GRA	-	-	-	-	-	-	-	241	-	-	-	-	-	241
	<b>Subtotal</b>	<b>64.2</b>	<b>7,234,543</b>	<b>0.4</b>	<b>36,626</b>	<b>29.7</b>	<b>3,167,473</b>	<b>32.0</b>	<b>3,772,971</b>	<b>5.5</b>	<b>449,250</b>			<b>131.8</b>	<b>14,660,863</b>
	OTPS	-	2,270,784	-	9,192	-	4,608,466	-	769,100	-	96,025	-	-	-	7,753,567
	Recoveries	-	-869,741	-	-	-	-	-	-	-	-472,250	-	-	-	-1,341,991
<b>Subtotal</b>		<b>1,401,043</b>		<b>9,192</b>		<b>4,608,466</b>		<b>769,100</b>		<b>-376,225</b>				<b>6,411,576</b>	
<b>MBU Totals</b>		<b>64.2</b>	<b>8,635,586</b>	<b>0.4</b>	<b>45,818</b>	<b>29.7</b>	<b>7,775,939</b>	<b>32.0</b>	<b>4,542,071</b>	<b>5.5</b>	<b>73,025</b>			<b>131.8</b>	<b>21,072,439</b>
2014-O	Faculty Salaries and benefits	24.9	3,803,472	-	292	6.4	1,038,937	12.0	1,870,871	-	-	-	-	43.2	6,713,572
	Staff Salaries and benefits	38.3	3,382,994	0.0	632	24.1	1,854,882	20.2	1,652,140	6.0	667,000	-	-	88.5	7,557,648
	Wages and benefits	0.0	35,360	-	-	0.0	253,926	-	259,876	0.0	30,000	-	-	0.0	579,162
	<b>Subtotal</b>	<b>63.1</b>	<b>7,221,826</b>	<b>0.0</b>	<b>924</b>	<b>30.5</b>	<b>3,147,745</b>	<b>32.1</b>	<b>3,782,887</b>	<b>6.0</b>	<b>697,000</b>			<b>131.7</b>	<b>14,850,382</b>
	OTPS	0.0	929,452	-	-	0.0	2,743,536	-	933,406	0.0	105,000	-	-	0.0	4,711,394
	Recoveries	0.0	-930,562	-	-	-	-	-	-	0.0	-787,000	-	-	0.0	-1,717,562
	<b>Subtotal</b>	<b>0.0</b>	<b>-1,110</b>			<b>0.0</b>	<b>2,743,536</b>		<b>933,406</b>	<b>0.0</b>	<b>-682,000</b>			<b>0.0</b>	<b>2,993,832</b>
<b>MBU Totals</b>		<b>63.1</b>	<b>7,220,716</b>	<b>0.0</b>	<b>924</b>	<b>30.5</b>	<b>5,891,281</b>	<b>32.1</b>	<b>4,716,293</b>	<b>6.0</b>	<b>15,000</b>			<b>131.7</b>	<b>17,844,214</b>

## DIRECTOR OF ATHLETIC PROGRAMS

### Overview of Operations

The Director of Athletic Programs oversees the University's Intercollegiate Athletics Programs and Intramural-Recreational Sports.

### *Athletics*

Athletics is an integral part of the University's commitment to educational excellence. Its mission is to enhance and support the intellectual purpose of the University and its exemplary academic standards and traditions. Critical to the Athletics mission are high academic achievement; nationally competitive and successful teams; comprehensive integration of student athletes within the University and local communities; a strict adherence to NCAA, ACC, and University rules and regulations; fiscal integrity, which is embodied through the generation and efficient use of resources; and the attraction and retention of the highest quality student athletes and staff, which includes equitable opportunities for women and minorities.

Athletics pursues its mission by uniting the varied constituencies of the University community through its intercollegiate and intramural programs. These programs are designed to build support for, and add value to, the academic purposes of the institution while developing students with strong values of leadership, sportsmanship, equity, citizenship, physical fitness, teamwork, and a commitment to excellence.

The operating principles of Athletics require that in pursuing its mission, it will consistently provide exemplary service to all of its internal and external constituencies. Athletics' operations support 12 intercollegiate sports for men and 13 for women, providing competition opportunities for 723 student athletes, 479 of whom receive scholarship support.

### *Intramural-Recreational Sports*

The Department of Intramural-Recreational Sports (IM-Rec Sports) addresses student and faculty life outside the classroom as it relates to health, wellness, fitness, and overall quality of life through enriching and supporting healthy lifestyles and aiding in employee recruitment/retention. IM-Rec Sports serves the diverse needs of the entire University community, fostering fellowship and meaningful interactions through high-quality programs, facilities, equipment, and personnel; this encourages ethically responsible behavior, sportsmanship, and cooperation. IM-Rec Sports educates participants in the worthy use of leisure time through development of lifetime sports skills and self-awareness in a

recreational context, while also offering meaningful opportunities for personal development and the acquisition of leadership, management, and technical skills. In addition, IM-Rec Sports programs and facilities provide the opportunity for interaction among undergraduate students, graduate students, and faculty/staff.

The University operates four venues -- the Aquatic and Fitness Center (AFC), Slaughter Recreation Center (SRC), Memorial Gym, and North Grounds Recreation Center (NGRC), which total over 300,000 square feet -- and over 30 acres of sports fields and courts for students and employee members. These locations offer a variety of equipment, multipurpose space, services, and classes.

IM-Rec Sports membership sales have been relatively flat the past two years, with slight increases expected in 2013-14. The expansion of the NGRC is expected to reduce the use burden on the AFC, as well as create new demand for lap swimming, aquatic programming, drop-in fitness, fitness programming, and squash.

### Strategic Direction

#### *Athletics*

Athletics' focus is on excellence -- in both academics and on the field or court of play -- in a fiscally responsible way. Athletics' specific ten year goals (established in 2002) include:

- Graduate 100 percent of its student athletes;
- Win 12 national championships and 70 conference championships;
- Fully endow all of its scholarships and provide operational support required to meet other stated goals;
- Build and maintain the highest quality facilities in the country, with the purpose of attracting and developing the best student athletes to the University annually;
- Attract top prospective student athletes to the University annually; and
- Fully comply with Title IX.

#### *IM-Rec Sports*

The overall strategic plan of IM-Rec Sports focuses on critical and secondary functions such as creating

student and faculty interaction outside the classroom; offering positive, alternative solutions to underage drinking and substance abuse concerns; providing leadership opportunities for student staff that teach personnel management, risk management, customer service, business operations, safety considerations, event management, and staff development; and preparing students for career opportunities.

Opportunities for collaboration with other University departments, individuals, and initiatives enable both IM-Rec Sports employees and customers to realize IM-Rec Sports does more than just play -- it provides an important community building, quality of life, and experiential educational component to the University life for students, faculty/staff, and dependents. Most importantly, IM-Rec Sports provides positive outlets to learn how to use leisure time wisely; how to stay active, healthy, well, and fit for life; and how to develop self-directed skills to maintain wellness habits and choices after graduation.

IM-Rec Sports is collaborating with the newly established Contemplative Sciences Center. The Center, underwritten by a \$12 million gift from Sonia and Paul Jones of Greenwich, Connecticut, aims to blend the work of academics from a range of fields including medicine, education, business, and religious studies. The Contemplative Sciences Center will focus on teaching, research, social engagement, and practice as they relate to all facets of the contemplative sciences. IM-Rec Sports will provide core academic support along with hands-on opportunities for practicing contemplative sciences through a variety of mind/body programs.

The McArthur Squash Center at the Boar's Head Sports Club, a ground lease property, opened for play in April 2013. This 33,000-square-foot venue will significantly expand the squash services and programs at the University, providing a new home for the sport, which is currently played at the club level. At no additional cost to U.Va. students and IM-Rec Sports members, the McArthur Squash Center will be available for informal use as well as departmental tournaments, clinics, and classes. As a collaborative venue, members of the Boar's Head Sports Club and guests of the Boar's Head Inn will also utilize the courts per Boar's Head Sports Club operational policies. Budgetary impact on IM-Rec Sports is limited, with other University funding balancing the operating costs for the facility.

Overall strategic goals for IM-Rec Sports include the following:

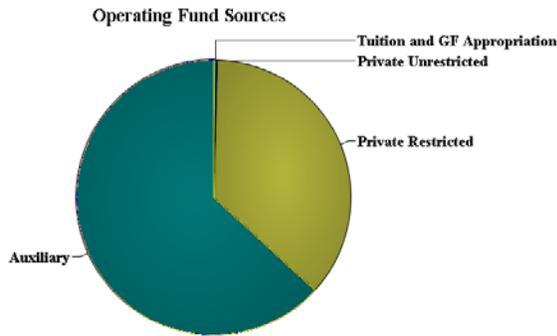
- Operate a financially successful business model while delivering excellent customer service by all departmental employees based on the core values of teamwork, accountability and uncommon integrity, and quality focus.
- Continue implementation of the findings of the facilities planning effort completed in February 2010.
- In continual collaboration with UHR, University executives, deans, department heads, and supervisors, create a culture of wellness and fitness on Grounds for University employees and students to maximize utilization of existing fitness, wellness, competitive sports, and recreation venues.

#### 2013-14 Operating Budget

Athletics and IM-Rec Sports primarily operate as a self-supporting auxiliary, with a small portion of IM-Rec Sports funded through a traditional centralized budget target. In 2012-13, the University began transitioning IM-Rec Sports to a fully self-supporting basis.

Units classified as auxiliary units (an entity that exists to furnish goods or services to students, faculty, or staff and charges a fee to recover the cost of the service) are expected to be fully self-supporting for both operating and capital purposes. An auxiliary unit, Athletics and IM-Rec Sports will retain revenues generated (student fees, conference revenue, gate receipts, and corporate sponsorships) and will be held responsible for generating sufficient revenues to cover planned expenditures. In addition, the unit is required to pay a general and administrative overhead to the University for support services; for 2013-14, that amount will be \$2.9 million for Athletics and IM-Rec Sports.

For 2013-14, 63 percent of the Athletics and IM-Rec Sports operating budget is from auxiliary sales and services. Private funds (endowment distributions, gifts, and transfers from the Virginia Athletics Foundation) represent 36 percent of funding.



The 2013-14 operating budget for Athletics and IM-Rec Sports (see the following page) is \$91.5 million, with 39 percent related to compensation, 17 percent related to athletic grants-in-aid (fully funded by Virginia Athletics Foundation gifts), 11 percent related to debt service on facilities, and 6 percent related to transfers to reserves (described in detail below). Approximately 27 percent of the budget falls into the OTPS category, which includes O&M of facilities, equipment, uniforms, and other supporting expenses.

Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

**Capital Plan**

Construction is ongoing for the expansion and renovation of the NGRC (\$17.2 million from debt and student fees), expected to be completed in November 2013. The Indoor Practice Facility (\$13 million in gifts) was completed in spring 2013, impacting increased operational costs.

Two projects on the Capital Plan for the long term represent the next phases in the IM-Rec Sports' Program Planning and Project Formulation Study, with a renovation of Memorial Gym and a renovation and expansion of the SRC.

At this time, Athletics does not have any projects on the capital plan. The Director of Athletics anticipates the possible need to update its Capital Plan; however any update to the plan for new projects will be dependent on fundraising progress.

The below schedules outline the expected activity in the Repair & Renewal (R&R) and Expansion reserves for both Athletics and IM-Rec Sports. IM-Rec Sports will meet the Board reserve policy of re-investing at least 1.5 percent of replacement value of the facilities. In addition to the transfers to reserves, Athletics also relies on the stadium endowment to meet the Board's reserve policy. The Athletics quasi-endowment principal balances are included as R&R

reserves.

Athletics (in thousands)	R&R Reserve	Expansion Reserve	Total
Projected Balance, 7/1/13	\$54,016	\$-	54,016
Plus: Transfers from Operating	2,430	-	2,430
Less: Planned Expenditures	(2,069)	-	(2,069)
Projected Balance, 6/30/14	\$54,377	\$-	\$54,377

In addition to the above balances, Athletics holds several true endowments valued at \$8.4 million as of March 2013.

Athletics plans the following expenditures from its reserves in 2013-14: \$1.7 million for financing the John Paul Jones (JPJ) Arena and \$0.4 million for the final year payments for financing of the stadium waterproofing project. Depending on the results of a study, Athletics may require financing of up to \$3.0 million to address JPJ Arena water intrusion. This financing cost is not reflected above.

IM-Rec Sports (in thousands)	R&R Reserve	Expansion Reserve	Total
Projected Balance, 7/1/13	\$2,034	\$1,613	\$3,647
Plus: Transfers from Operating	1,182	2,093	3,275
Less: Planned Expenditures	(840)	(1,622)	(2,462)
Projected Balance, 6/30/14	\$2,376	\$2,084	\$4,460

IM-Rec Sports plans for the following expenditures from the reserves in 2013-14: \$1.6 million for debt service, \$1.8 million for the remainder of the \$3.3 million HVAC project at the AFC, and \$840,000 for various facility and pool repairs and equipment replacement.

**University of Virginia - MBU Summary**  
**Exec Level: R0825 VP: AT-Athletics Department, Mbu Level: <All>**

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount			
2013-R	Faculty Salaries and benefits	7.4	494,223	-	-	-	-	7.0	706,797	-	-	71.0	7,760,480	85.4	8,961,500	
	Staff Salaries and benefits	10.5	670,134	-	-	-	-	9.0	486,109	-	-	175.0	14,462,056	194.5	15,618,299	
	Wages and benefits	-	72,568	-	-	-	-	0.0	2,396,650	-	-	-	6,527,258	0.0	8,996,476	
	<b>Subtotal</b>	<b>17.9</b>	<b>1,236,925</b>					<b>16.0</b>	<b>3,589,556</b>			<b>246.0</b>	<b>28,749,794</b>	<b>279.9</b>	<b>33,576,275</b>	
	OTPS	-	8,146	-	-	-	169,003	0.0	1,145,675	-	-	-	21,603,000	0.0	22,925,824	
	Financial Aid	-	-	-	-	-	-	-	14,639,371	-	-	-	-	-	-	14,639,371
	Recoveries	-	-	-	-	-	-	-	-	-	-	-	-152,947	-	-152,947	
	Internal Debt Service	-	-	-	-	-	-	-	8,592,361	-	-	-	2,126,033	-	10,718,394	
	Transfers	-	-	-	-	-	95,505	-	4,834,749	-	-	-	4,236,813	-	9,167,067	
	<b>Subtotal</b>		<b>8,146</b>				<b>264,508</b>	<b>0.0</b>	<b>29,212,156</b>				<b>27,812,899</b>	<b>0.0</b>	<b>57,297,709</b>	
<b>MBU Totals</b>		<b>17.9</b>	<b>1,245,071</b>			<b>264,508</b>	<b>16.0</b>	<b>32,801,712</b>			<b>246.0</b>	<b>56,562,693</b>	<b>279.9</b>	<b>90,873,984</b>		
2014-O	Faculty Salaries and benefits	8.0	473,425	-	-	-	-	6.0	640,023	-	-	63.8	7,470,720	77.8	8,584,168	
	Staff Salaries and benefits	10.5	644,883	-	-	-	-	13.0	1,809,209	-	-	173.0	15,985,916	196.5	18,440,008	
	Wages and benefits	0.0	31,800	-	-	-	-	-	1,855,848	-	-	0.0	6,546,922	0.0	8,434,570	
	<b>Subtotal</b>	<b>18.5</b>	<b>1,150,108</b>					<b>19.0</b>	<b>4,305,080</b>			<b>236.8</b>	<b>30,003,558</b>	<b>274.3</b>	<b>35,458,746</b>	
	OTPS	0.0	9,377	-	-	0.0	169,003	-	1,275,088	-	-	0.0	22,896,238	0.0	24,349,706	
	Financial Aid	-	-	-	-	-	-	-	15,590,930	-	-	-	-	-	15,590,930	
	Recoveries	-	-	-	-	-	-	-	-	-	-	-	-152,947	-	-152,947	
	Internal Debt Service	-	-	-	-	-	-	-	8,069,609	-	-	-	2,349,089	-	10,418,698	
	Transfers	-	-	-	-	-	100,011	-	460,723	-	-	-	5,277,638	-	5,838,372	
	<b>Subtotal</b>	<b>0.0</b>	<b>9,377</b>			<b>0.0</b>	<b>269,014</b>	<b>19.0</b>	<b>25,396,350</b>			<b>0.0</b>	<b>30,370,018</b>	<b>0.0</b>	<b>56,044,759</b>	
<b>MBU Totals</b>		<b>18.5</b>	<b>1,159,485</b>			<b>269,014</b>	<b>19.0</b>	<b>29,701,430</b>			<b>236.8</b>	<b>60,373,576</b>	<b>274.3</b>	<b>91,503,504</b>		

**VICE PRESIDENT AND CHIEF INFORMATION OFFICER**

Overview of Operations

The office of the Vice President and Chief Information Officer (CIO) oversees two complementary roles for information technology (IT) at the University. On the one hand, the daily activities of the University depend on having a robust and predictable IT infrastructure that is sized to capitalize on economies of scale. On the other hand, IT plays an important strategic role for the University. Accordingly, the activities that report to the CIO are organized around utility and strategic functions. On the utility side, the CIO provides central IT services including: network services, messaging services, storage, voice, data center services, administrative services, classroom support, video services, application development, help desk, and server management.

On the strategic side, the CIO seeks to leverage technologies, networks, and business practices to provide competitive advantage as the University pursues its teaching, research, and service missions. Here, the focus is on IT architecture, emerging technologies, and support for computationally intense research and scholarship in close partnership with the faculty. Activities that fall within the strategic realm include the centers to support computationally intense research (UVACSE) and scholarship (SHANTI), the 4-VA partnership, work with the library on digital preservation strategies, online learning, and participation in a variety of multi-institution network and cloud partnerships.

In 2011, the CIO completed a multi-year operational reorganization that consolidated central IT services to respond more flexibly and efficiently to the rapidly changing IT landscape. The reorganization of central IT to consolidate operations, strategy, architecture, administrative computing, high-performance computing, and security/policy under a single vice president allows the CIO to take an “all funds” approach to funding and managing central IT services. That approach has been effective. The majority of improvements that have been made over the last five years have been accomplished in the context of a steady budget and declining FTE. As a function of the reorganization, all central IT activities, goals, and metrics have been placed into four quadrants:

1. Operational efficiency;
2. IT architecture;
3. Security; and

4. Strategic investment.

A brief description of key activities and metrics within each quadrant follows:

<p><b>Operational Efficiency</b> CIO must run its services efficiently and be judged by the metrics of predictability, cost and value.</p> <ul style="list-style-type: none"> <li>• Define and validate costs of services provided by ITS, benchmarking with other universities and other industries as appropriate</li> <li>• Continue to develop Service Level targets with customers and improve mechanisms to monitor and maintain service level targets</li> <li>• Increase commitment to project and portfolio management</li> <li>• Improve communication and transparency</li> <li>• Improve management of project and service costs (through project management and Cost of Services initiatives)</li> <li>• Focus on staff training and cross-training</li> <li>• Continue working with Internet2 on cloud-based technology strategies</li> </ul>	<p><b>Security</b> CIO must learn to operate in a world where every device is potentially compromised and where people are accountable for the data that they use.</p> <ul style="list-style-type: none"> <li>• Over the next four years, double the institutional investment in enhanced IT security, records management, and compliance with particular emphasis on mobile technology, secure research DMZs, eDiscovery, intrusion detection, and data loss prevention</li> <li>• Continue to enhance network and application security</li> <li>• Continue campaign to remediate highly sensitive data and explore technologies that allow the institution to be more proactive in preventing data loss</li> <li>• Continue to monitor and respond appropriately to increased compliance requirements</li> </ul>
<p><b>Enterprise Architecture and Policy</b> In a world where users control their devices, CIO must pay increased attention to network access, identity and authorization, data management policies, and licensing/software provisioning requirements.</p> <ul style="list-style-type: none"> <li>• Modernize the University’s communication infrastructure</li> <li>• Refresh and enhance our identity management infrastructure</li> <li>• Continue to work with OGC and Procurement to deploy a set of policies, operating procedures, and training that will strike the appropriate balances between compliance and consumerization and between innovation and risk</li> </ul>	<p><b>Strategic Initiatives</b> CIO must continue to invest in areas where technology gives U.Va. competitive advantage on the teaching and research fronts.</p> <ul style="list-style-type: none"> <li>• Provide the infrastructure to support on-line and technology-enhanced learning</li> <li>• Provide an environment supporting data-intensive discovery and digital scholarship, specifically in the areas of advanced networks, big data, and digital scholarship</li> <li>• Analytics - provide a robust central reporting and analysis environment</li> <li>• Continue to work with the Library to build a multi-institutional digital preservation archive</li> <li>• Continue to work with VPR to develop U.Va. data management plans that are responsive to emerging funding agency requirements</li> </ul>

Over the last three years, the CIO has placed an increasingly sharp focus on transparency, predictability, efficiency, and assessment. The goals are to make IT operations and costs visible to the community and to hold the organization to costs and service level agreements that resonate with the community, exceed peers, and compare favorably to industry best practices.

In addition to organizational efficiency, central IT has been able to satisfy rapidly-growing demand with steady or declining funding through a combination of : 1) finding better and more efficient ways of providing services; 2) taking advantage of Moore’s Law, which provides roughly double the computer chip performance every 18 months for the same cost; and 3) moving aggressively to take advantage of “cloud” computing and the associated favorable economies of scale that characterize the networked world. The savings that we realize are then reinvested in the infrastructure.

Over the next four years, central IT will continue to leverage efficiencies and favorable technology cost strategies to meet the “normal” growth in IT service demand. From a budget perspective, the CIO will accomplish this by internally recovering and reallocating a minimum of three percent of its budget annually.

Strategic Direction

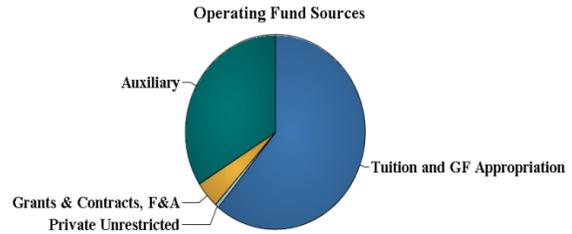
The University’s current funding for IT has allowed it to meet normal growth in IT service demand. These are not, however, normal times. Information and communication technologies are changing fundamentally the ways people teach, learn, discover, publish, and collaborate. The very fabric of inquiry is being altered by data, computation, and emerging tools of digital expression.

The University’s current resources are inadequate to meet the challenges it faces from this IT revolution and are small in comparison with its peers. A recent survey of doctoral institutions, for example, found that, on average, central IT accounted for 3 percent of the total institutional budget. For U.Va., central IT accounts for 2.4 percent of the total budget. Looking forward, central IT will need additional funds in four areas to remain competitive in the face of rapidly emerging IT needs and capabilities:

- Big Data, Computation, and Digital Scholarship
- Enhanced IT Security, Records Management, and Compliance
- Online and Technology Enhanced Learning
- Analytics

2013-14 Operating Budget

The VP/CIO and Information Technology Services (ITS) are funded in a hybrid model, with Communications Services operating as a self-supporting auxiliary. The remainder of the unit is funded through a traditional centralized budget target and a direct allocation of 2.27 percent of all generated F&A cost recoveries.



Units classified as auxiliary units (an entity that exists to furnish goods or services to students, faculty, or staff and charges a fee to recover the cost of the service) are expected to be fully self-supporting for both operating and capital purposes. An auxiliary unit, Communications Services will retain revenues generated (charges to Academic Division and Medical Center units and fee assessments to students) and will be held responsible for generating sufficient revenues to cover its planned expenditures. In addition, the unit is required to pay a general and administrative overhead to the University for support services; in 2013-14, that amount will be \$282,000.

For 2013-14, 61 percent of the CIO’s operating budget is from tuition and state general funds. Communication Services’ sales and services revenue (including student fees) will provide 34 percent, while distributions from the University’s F&A cost recoveries will provide another 4 percent.

For regular session students, the 2013-14 fees are set at \$24 for debt service related to the new data center and \$20 for the University-wide Microsoft licensing agreement.

For CIO/ITS, the 2013-14 operating budget (see page 95) is \$47.8 million, with the primary spending initiatives being compensation (55 percent), Communication Services’ non-personal services expenditures, such as equipment and licensing (21 percent), and other non-personal services and strategic initiatives (14 percent). Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

The 2013-14 budget includes \$850,000 allocated from state general funds in support of U.Va.'s participation in the 4-VA program initiative with George Mason University, James Madison University, and Virginia Tech. This funding was also received in 2011-12 and 2012-13.

In 2013-14, the VP/CIO will use student fee revenue to cover internal debt service of \$480,000 for the students' share of the new data center.

Capital Plan

In 2013-14, Communication Services plans to transfer \$2.9 million from operations into its reserve.

Using current estimates, the ten-year capital plan demonstrates that Communication Services can replace much of its most expensive system, its telephone infrastructure, for an estimated \$10.5 million, which should be well in excess of the Board of Visitors policy requiring self-supporting units to demonstrate annual capital expenditures or contributions to capital reserves of at least 1.5 percent of replacement value of equipment. The telephone infrastructure replacement project is underway, and will continue in 2013-14. Full implementation is expected to take up to two years.

<b>Communications Services (in thousands)</b>	<b>R&amp;R Reserve</b>
Projected Balance, 7/1/13	\$3,209
Plus: Transfers from Operating	2,863
Less: Planned Expenditures	4,048
Projected Balance, 6/30/14	\$2,024

University of Virginia - MBU Summary  
 Exec Level: R1250 VP: IT-VP/CIO, Mbu Level: <All>

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount			
2013-R	Faculty Salaries and benefits	16.0	2,516,203	-	-	-	40,035	-	-	-	-	-	107,100	16.0	2,663,338	
	Staff Salaries and benefits	212.3	18,548,326	4.1	416,000	3.0	291,786	-	-	-	-	46.5	2,791,891	265.9	22,048,003	
	Wages and benefits	-	364,417	-	-	-	-	-	-	-	-	-	91,225	-	455,642	
	GTA/GRA	-	47,000	-	-	-	-	-	-	-	-	-	-	-	47,000	
	<b>Subtotal</b>	<b>228.3</b>	<b>21,475,946</b>	<b>4.1</b>	<b>416,000</b>	<b>3.0</b>	<b>331,821</b>						<b>46.5</b>	<b>2,990,216</b>	<b>281.9</b>	<b>25,213,983</b>
	OTPS	-	17,465,379	-	1,700,000	-	339,432	-	-	-	-	-	11,020,763	-	30,525,574	
	Financial Aid	-	15,140	-	-	-	-	-	-	-	-	-	-	-	15,140	
	Recoveries	-	-849,379	-	-	-	-	-	-	-	-	-	-	-	-849,379	
	Internal Debt Service	-	-	-	-	-	-	-	-	-	-	-	480,823	-	480,823	
	Transfers	-	-	-	-	-	-	-	-	-	-	-	1,230,831	-	1,230,831	
<b>Subtotal</b>		<b>16,631,140</b>		<b>1,700,000</b>		<b>339,432</b>						<b>12,732,417</b>		<b>31,402,989</b>		
<b>MBU Totals</b>		<b>228.3</b>	<b>38,107,086</b>	<b>4.1</b>	<b>2,116,000</b>	<b>3.0</b>	<b>671,253</b>					<b>46.5</b>	<b>15,722,633</b>	<b>281.9</b>	<b>56,616,972</b>	
2014-O	Faculty Salaries and benefits	16.0	2,474,425	-	-	-	-	-	-	-	-	0.0	108,323	16.0	2,582,748	
	Staff Salaries and benefits	212.3	19,891,086	4.1	425,144	3.5	280,878	-	-	-	-	46.5	2,854,322	266.4	23,451,430	
	Wages and benefits	0.0	206,352	-	-	-	-	-	-	-	-	0.0	91,225	0.0	297,577	
	<b>Subtotal</b>	<b>228.3</b>	<b>22,571,863</b>	<b>4.1</b>	<b>425,144</b>	<b>3.5</b>	<b>280,878</b>						<b>46.5</b>	<b>3,053,870</b>	<b>282.4</b>	<b>26,331,755</b>
	OTPS	0.0	7,569,698	-	1,705,000	0.0	60,260	-	-	-	-	0.0	9,825,025	0.0	19,159,983	
	Financial Aid	0.0	31,021	-	-	-	-	-	-	-	-	-	-	0.0	31,021	
	Recoveries	0.0	-1,097,450	-	-	-	-	-	-	-	-	-	-	0.0	-1,097,450	
	Internal Debt Service	-	-	-	-	-	-	-	-	-	-	-	480,000	-	480,000	
	Transfers	-	-	-	-	-	-	-	-	-	-	-	2,863,267	-	2,863,267	
	<b>Subtotal</b>	<b>0.0</b>	<b>6,503,269</b>		<b>1,705,000</b>	<b>0.0</b>	<b>60,260</b>						<b>0.0</b>	<b>13,168,292</b>	<b>0.0</b>	<b>21,436,821</b>
<b>MBU Totals</b>		<b>228.3</b>	<b>29,075,132</b>	<b>4.1</b>	<b>2,130,144</b>	<b>3.5</b>	<b>341,138</b>					<b>46.5</b>	<b>16,222,162</b>	<b>282.4</b>	<b>47,768,576</b>	

**VICE PRESIDENT AND CHIEF OFFICER FOR DIVERSITY AND EQUITY**

Overview of Operations

The Office for Diversity and Equity (ODE) provides leadership, information, consultation, coordination, and assistance to the various units and constituencies within the University in an effort to embrace diversity and equity as pillars of excellence, synergize actions at all levels of the institution, and cultivate inclusiveness and mutual respect throughout the community. ODE also reaches beyond the University to establish beneficial relationships with individual and institutional partners who share mutual goals and interests.

The University is committed to a diverse and inclusive environment in which differences are welcomed and valued. Collaboration with student groups, alumni, faculty, individuals, and organizations from the local community helps to enrich the appreciation for diversity within the community. Together, an institutional infrastructure can be built that will sustain what has been set in motion and take the University to the next level.

ODE’s vision is to maximize and leverage diversity, equity, and inclusion to create welcoming, engaging, and productive learning environments for faculty, staff, students, and community.

Strategic Direction

ODE’s mission is to promote an inclusive, welcoming, and respectful environment by embracing diversity as a core value tied inextricably to the University’s priorities as addressed in the Commission on the Future of the University reports.

In 2013-14, the ODE will strive to:

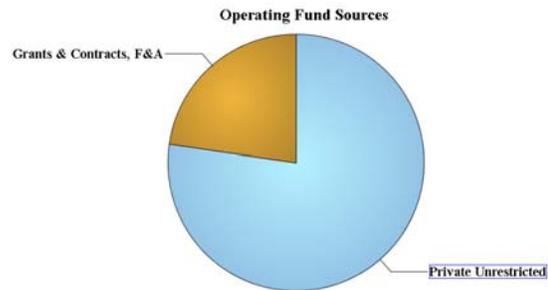
- Encourage commitment to diversity and equity in all aspects of academics, extracurricular activities, the workplace, and within the surrounding communities;
- Enhance the student experience academically and culturally;
- Enhance staff relations in collaboration with the Vice President and Chief Human Resources Officer; and
- Enhance faculty relations in collaboration with the Vice Provost for Faculty Recruitment and Retention.

The UVA IDEA (inclusion, diversity, equity, access) Fund trustees will enhance and support the Office for Diversity and Equity initiatives.

2013-14 Operating Budget

The ODE is funded through a traditional centralized budget target and self-generated grants, contracts and F&A.

For 2013-14, 77 percent of ODE’s operating budget is funded by the University’s unrestricted endowment fund, with the remaining 23 percent from the National Science Foundation’s Louis Stokes Alliances for Minority Participation grant, a five-year, \$3.5 million mid-level alliance grant awarded (1 of 9 institutions) starting September 15, 2013.



For the ODE, the 2013-14 operating budget (see the following page) is \$1.0 million, with the primary spending initiatives being compensation (73 percent), non-personal services, and strategic initiatives. OTPS expenditures include providing support for a wide range of student, faculty, and community activities. These engagements are manifestations of efforts to increase communication and interaction across lines of race, ethnicity, gender, religion, class, sexual orientation, and physical condition.

Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

Capital Plan

The ODE does not have any projects on the Major Capital Projects Plan.

University of Virginia - MBU Summary  
 Exec Level: R0061 VP: DE-VP/Diversity and Equity, Mbu Level: <All>

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	-	-	-	-	2.0	475,880	-	-	-	-	-	-	2.0	475,880
	Staff Salaries and benefits	-	-	0.1	4,967	3.0	193,733	-	-	-	-	-	-	3.1	198,700
	Wages and benefits	-	-	-	1,356	-	24,300	-	-	-	-	-	-	-	25,656
	GTA/GRA	-	-	-	4,115	-	-	-	-	-	-	-	-	-	4,115
	<b>Subtotal</b>			<b>0.1</b>	<b>10,438</b>	<b>5.0</b>	<b>693,913</b>							<b>5.1</b>	<b>704,351</b>
	OTPS	-	-	-	99,717	-	129,486	-	-	-	-	-	-	-	229,203
	<b>Subtotal</b>				<b>99,717</b>		<b>129,486</b>							<b>229,203</b>	
	<b>MBU Totals</b>			<b>0.1</b>	<b>110,155</b>	<b>5.0</b>	<b>823,399</b>							<b>5.1</b>	<b>933,554</b>
2014-O	Faculty Salaries and benefits	-	-	-	-	1.0	388,120	-	-	-	-	-	-	1.0	388,120
	Staff Salaries and benefits	-	-	1.3	61,155	4.0	299,294	-	-	-	-	-	-	5.3	360,449
	Wages and benefits	-	-	-	-	0.0	10,104	-	-	-	-	-	-	0.0	10,104
	<b>Subtotal</b>			<b>1.3</b>	<b>61,155</b>	<b>5.0</b>	<b>697,518</b>							<b>6.3</b>	<b>758,673</b>
	OTPS	-	-	-	176,845	0.0	109,982	-	-	-	-	-	-	0.0	286,827
	<b>Subtotal</b>				<b>176,845</b>	<b>0.0</b>	<b>109,982</b>							<b>0.0</b>	<b>286,827</b>
	<b>MBU Totals</b>			<b>1.3</b>	<b>238,000</b>	<b>5.0</b>	<b>807,500</b>							<b>6.3</b>	<b>1,045,500</b>

## VICE PRESIDENT FOR RESEARCH

### Overview of Operations

The Office of the Vice President for Research (VPR) supports five main ongoing strategic functions: 1) research enhancement; 2) graduate studies and postdoctoral programs; 3) research compliance; 4) U.Va. innovation, strategic partnerships, and technology commercialization; and 5) research fundraising and development.

The role of the VPR is to enhance academic excellence by creating and nurturing cross-school, multi-disciplinary research opportunities that differentiate the University and by providing service to school and non-school units. The VPR's strategic and service missions are inextricably linked and provide a unique University landscape view to explore, seed, and realize distinctive collaborative opportunities.

Offices that report to the VPR include Environmental Health and Safety (EHS), the Center for Comparative Medicine (CCM), and the Virginia Quarterly Review (VQR).

### Strategic Direction

The Office currently supports or is exploring six pan-University initiatives. Fiscal year 2013-14 goals for these initiatives outlined below will advance the President's priorities of faculty retention and recruitment, curriculum enhancement, and research to bring distinction to U.Va through collaborations and the resulting impact on the world:

#### *Sustainability*

1. Continue to develop the Global Water Games template and re-program the U.Va. Bay Game for wide distribution.
2. Submit large U.S. Department of Education proposals for curriculum development and learning assessment with the goal of mainstreaming games developed for K-12 education.
3. Establish the pre-eminent center for coastal change science and adaptation by expanding the U.Va. Coastal Reserve LTER at Oyster, VA.

#### *Quantitative Systems Biosciences*

1. Promote potentially-distinguishing areas identified jointly with deans, unit leadership, and faculty. Current areas of focus include micro biome and neuroscience.
2. Seed fund two to three initiatives under each of the above-mentioned areas of focus.

### *Energy Systems Prototyping, Research, Innovation and Translation, or ESPRIT*

1. Establish external support for a major research and innovation demonstration project enabling dramatic increases in energy system efficiencies and resilience across a major segment of U.Va. Grounds, in the Charlottesville-Albemarle community, and/or in economically-distressed regions of Virginia.
2. Acquire follow-on funding to continue to meet or exceed a 30/1 return on investment on ESPRIT seed funding.
3. Expand partnerships and faculty and student involvement across Grounds (e.g., Darden, Batten, and the Law School) and with industry.

### *U.Va. – Latin America Initiative*

In collaboration with the Executive Vice President and Provost and the Vice Provost for Global Affairs:

1. Establish external support for research and innovation between U.Va. and Brazil in key areas such as health, commerce, energy systems, sustainability, big data, and cyber security.
2. Increase U.Va.'s visibility in Latin America through projects involving World Cup 2014.
3. Attract high-quality, fully-funded Brazilian postdoctoral and graduate students to U.Va. based upon Brazil's Science Without Borders (SWB) initiative.
4. Develop opportunities for expansion in other Latin America nations beyond Brazil to distinguish U.Va. through Pan-American interdisciplinary research partnerships in science, technology, and innovation.

### *OpenGrounds*

1. Expand program offerings by attracting new externally-funded partnerships.
2. Expand network of places across Grounds and beyond with visible "hotspots" (i.e., tables facilitating both physical and virtual collaborative activity).
3. Pilot models for enhancing boundary-crossing student research with the launch of the externally-funded new scholars program in fall 2013.
4. Continue to engage in discussions with fellows and other supporters to build a sustainable funding model for the growth of future activities.
5. Expand the core studio in the Corner building to multiple bays.

*Big Data*

1. Having completed the initial planning stage for a computational modeling and data mining institute that addresses “Big Data” involving the Library, McIntire, Darden, SEAS, CLAS, SOM, Curry, Architecture, ITS, and the offices of the VPR and Provost, implement a seminar series or symposium addressing big data issues and a big data summit.
2. Institute a RFA to stimulate new cross-Grounds collaborations to bring domains together with analytics and modeling, with the plan to fund a minimum of four collaborations.
3. Hold low-cost workshops to identify needs in analytics, data handling, computation, and visualization.

*Primary goals of U.Va. Innovation for 2013-14 include:*

1. Enhance customer service by implementing the “University Engagement Framework”; providing educational opportunities for U.Va. faculty, staff and students; simplifying the invention disclosure process; and establishing event-based and open feedback channels for stakeholders.
2. Improve target pursue rates by increasing the number of strategic technology investments and investing on select technologies over the long-term; providing high-quality support for U.Va. translational research and related initiatives within and outside U.Va. Innovation; and implementing consistent diligence and invention processing timelines.
3. Strengthen business development and strategic partnerships by enhancing support of existing and potential innovation partnerships and developing technology specialization of licensing professionals.
4. Increase licensing and new venture volume leading to enhanced revenue generation.
5. Build U.Va.’s reputation and brand as a world center of innovation helping to drive the 21st century economy through its innovation and human assets.

*Primary goals of the Office of Graduate Studies and Postdoctoral Programs for 2013-14 include:*

1. Enhance opportunities for interdisciplinary and problem-based research through the recently-announced Collaborative Research Connection program.
2. Increase support for graduate students with major life events.
3. Increase the number of externally-funded fellowship opportunities for graduate students.
4. Lead in the effort to develop an electronic system for tracking the career outcomes of graduate

student alumni in collaboration with the Graduate School of Arts and Sciences.

5. Enhance support for postdoctoral researchers and scholars through the creation of a University-wide postdoc environment to facilitate programming.
6. Enhance diversity in graduate programs.

*Primary goals of EHS and the research Compliance operation for 2013-14 include:*

1. Significantly expand the University’s laboratory safety program beyond those highly-regulated areas by emphasizing the better management of chemicals to ensure safe labs and compliance with the state’s fire codes; creating a group of laboratory safety consultants who will assist laboratories with reviewing their programs to make procedures safer and assist in the development of training specific to the equipment and procedures of each research group; implementing a more rigorous laboratory inspection program to meet the expectations of the State Fire Marshal; and more efficiently identifying new faculty, new programs, and new specialized equipment early in the planning stages of renovations, installations, etc. to ensure safe, efficient, and timely operations.
2. Develop software databases and procedures to bring the capabilities of the Institutional Review Boards to the same level of support as that of the Biosafety and Animal Care and Use Committees.

*CCM’s goals for 2013-14 include:*

1. Ensuring that veterinary care and animal husbandry are performed and documented in compliance with federal and Commonwealth regulations to maintain the accreditation of the University’s animal use program by the Association for the Assessment and Accreditation of Laboratory Animal Care, Intl (AAALAC), and the Animal Welfare Act (CFR 9).
2. Remain cognizant of the needs of the biomedical research community in advance of changes in requirements for research animal models.
3. Facilitate the generation of highly reproducible data from biomedical research through the provision and validation of disease-free animals.

*Primary goals of VQR for 2013-14 include:*

1. Maintain commitment to produce editorially-excellent, visually-engaging print content. To achieve this goal, a targeted direct mail campaign to attract new subscribers and to retain existing ones will be implemented together with redesigning VQR pages to increase readability while continuing VQR’s commitment to long-form journalism.
2. Continue award-winning editorial strategy by focusing VQR’s content in five areas: (1) literature, (2) long-form journalism, (3) photojournalism, (4)

commentary, and (5) multimedia. The current balance resulting from VQR's increased publication of short fiction in 2012-13 will be maintained to continue garnering top editorial honors at every level of publishing, including at the national level.

3. Engage the national audience and university community through public events to create conversations around VQR's content and to advance the goal of intellectual inquiry for societal benefit.
4. Promote the recently-created VQR digital edition which can be read on the Kindle Fire, iPad, and other tablets to maximize VQR's reach and impact through a marketing and promotion plan currently under development.
5. Develop online-only multi-media content in partnership with media organizations with larger online readership and expand VQR's mission to include content delivery into the classroom and the training and support of the rising generation of writers and photographers.
6. Expand VQR's wide online reach while simultaneously deepening reader engagement by re-structuring VQR's website.
7. Implement the recently-established new fundraising program.

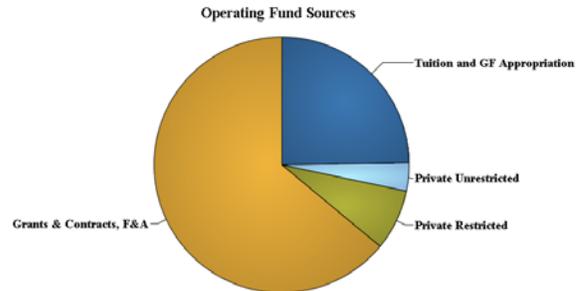
*Primary goals of Research Fundraising and Development for 2013-14 include:*

1. Continue to develop new and increased revenue streams to support all pan-University initiatives outlined above. This goal will be accomplished by proactively partnering with the President, Provost, University Advancement, and school-based and external partners by identifying new corporate, foundation, and individual prospects and deepening relationships for VPR key program leaders with alumni, parents, friends, and other partners through direct contacts, events, and printed and electronic communications.
2. Launch new crowd funding website to garner philanthropic support for proof-of-concept research. Assess the website for effectiveness and possible expansion into other development areas.

**2013-14 Operating Budget**

The Office of the VPR has a hybrid budget model; it is funded through a traditional centralized budget target, a direct allocation of 10.9 percent of all generated F&A cost recoveries, private funds (endowment distributions and gifts), and assessments and recoveries for services (including assessment of animal husbandry per diem rates and recoveries of research compliance expenditures).

For 2013-14, 65 percent of the VPR's operating budget (net of \$10.6 million in recoveries from schools for animal husbandry, veterinary care services, and research compliance) is from distributed F&A cost recoveries, while 25 percent is from tuition, state general funds, and state restricted funds. Private funds (endowment distributions and gifts) represent 11 percent of funding.



For the Office of the VPR, the 2013-14 operating budget (see the following page), net of recoveries, is \$17.4 million. Compensation is the primary expenditure category (53 percent of gross expenditure budget). Other than personal services expenditures include support of strategic and operational initiatives outlined earlier in the summary. Additionally, debt service and O&M (a total of \$1.6 million in 2013-14) will be paid for the Carter-Harrison Medical Research Building and the Sheridan G. Snyder Translational Research Building. Expenses of \$10.6 million related to animal husbandry, veterinary care services, and research compliance are reimbursed by schools, so the corresponding expenses appear in those units' budgets.

Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

**Capital Plan**

The VPR does not have any projects on the Major Capital Projects Plan.

University of Virginia - MBU Summary  
 Exec Level: R1350 VP: RS-VP/Res&Public Svc, Mbu Level: <All>

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	9.4	1,796,993	12.9	1,567,111	1.0	127,469	0.3	64,071	0.8	220,769	-	-	24.4	3,776,413
	Staff Salaries and benefits	23.1	2,124,627	52.4	4,345,206	1.9	276,133	0.1	3,143	62.4	2,767,571	-	-	139.8	9,516,680
	Wages and benefits	0.0	234,626	0.0	364,829	-	15,813	0.0	500,160	-	96,920	-	-	0.0	1,212,348
	GTA/GRA	-	-	1.9	117,939	-	-	0.0	3,788	-	-	-	-	1.9	121,727
	<b>Subtotal</b>	<b>32.5</b>	<b>4,156,246</b>	<b>67.1</b>	<b>6,395,085</b>	<b>2.9</b>	<b>419,415</b>	<b>0.4</b>	<b>571,162</b>	<b>63.2</b>	<b>3,085,260</b>			<b>166.1</b>	<b>14,627,168</b>
	OTPS	0.0	1,600,533	0.0	4,552,217	-	464,382	0.0	615,721	-	3,798,932	-	-	0.0	11,031,785
	Financial Aid	-	691,647	0.0	297,139	-	-	0.0	210,000	-	-	-	-	0.0	1,198,786
	Recoveries	-	-100,000	0.0	-2,384,415	-	-	-	-	-	-6,879,192	-	-	0.0	-9,363,607
	Internal Debt Service	-	-	0.0	1,563,400	-	-	-	-	-	-	-	-	0.0	1,563,400
	Transfers	-	-	-	0	-	-	-	-	-	-	-	-	-	0
<b>Subtotal</b>	<b>0.0</b>	<b>2,192,180</b>	<b>0.0</b>	<b>4,028,341</b>		<b>464,382</b>	<b>0.0</b>	<b>825,721</b>		<b>-3,080,260</b>			<b>0.0</b>	<b>4,430,364</b>	
<b>MBU Totals</b>	<b>32.5</b>	<b>6,348,426</b>	<b>67.1</b>	<b>10,423,426</b>	<b>2.9</b>	<b>883,797</b>	<b>0.4</b>	<b>1,396,883</b>	<b>63.2</b>	<b>5,000</b>			<b>166.1</b>	<b>19,057,532</b>	
2014-O	Faculty Salaries and benefits	5.3	1,041,099	19.1	2,222,969	1.0	124,639	0.2	42,779	0.7	324,036	-	-	26.3	3,755,522
	Staff Salaries and benefits	23.5	2,048,069	55.9	4,672,519	3.0	361,077	0.6	30,759	59.7	2,804,198	-	-	142.7	9,916,622
	Wages and benefits	0.0	26,500	0.0	334,428	0.0	8,250	-	505,000	0.0	109,540	-	-	0.0	983,718
	GTA/GRA	-	-	1.9	115,000	-	-	0.2	15,000	-	-	-	-	2.0	130,000
	<b>Subtotal</b>	<b>28.8</b>	<b>3,115,668</b>	<b>76.9</b>	<b>7,344,916</b>	<b>4.0</b>	<b>493,966</b>	<b>0.9</b>	<b>593,538</b>	<b>60.4</b>	<b>3,237,774</b>			<b>171.0</b>	<b>14,785,862</b>
	OTPS	0.0	702,994	0.0	5,085,695	0.0	128,754	0.0	531,821	0.0	4,096,500	-	-	0.0	10,545,764
	Financial Aid	0.0	625,781	-	225,400	-	-	0.0	220,000	-	-	-	-	0.0	1,071,181
	Recoveries	0.0	-90,000	-	-3,000,000	-	-	-	-	0.0	-7,489,440	-	-	0.0	-10,579,440
	Internal Debt Service	-	-	0.0	1,572,672	-	-	-	-	-	-	-	-	0.0	1,572,672
	<b>Subtotal</b>	<b>0.0</b>	<b>1,238,775</b>	<b>0.0</b>	<b>3,883,767</b>	<b>0.0</b>	<b>128,754</b>	<b>0.0</b>	<b>751,821</b>	<b>0.0</b>	<b>-3,392,940</b>			<b>0.0</b>	<b>2,610,177</b>
<b>MBU Totals</b>	<b>28.8</b>	<b>4,354,443</b>	<b>76.9</b>	<b>11,228,683</b>	<b>4.0</b>	<b>622,720</b>	<b>0.9</b>	<b>1,345,359</b>	<b>60.4</b>	<b>-155,166</b>			<b>171.0</b>	<b>17,396,039</b>	

## VICE PRESIDENT AND CHIEF STUDENT AFFAIRS OFFICER

### Overview of Operations

The Division of Student Affairs supports the University's primary goal of developing citizen leaders by promoting the intellectual, cultural, personal, and social growth of students while encouraging their physical and psychological well-being. In practice, the Division: 1) seeks to ensure all students are safe and well so that they can focus on academics; 2) promotes ways for students to apply what they learn in the classroom outside the classroom, which is exemplified by how they govern themselves and hold themselves responsible and accountable (student self-governance); and 3) provides structures and programs that support development of skills and knowledge, including those that align with career interests and that help the students forge institutional and community connections. All Student Affairs programs and services are defined by the core values that define the student experience— self-governance, academic rigor, honor, public service, health and wellness, and multiculturalism and diversity.

The Office of the Vice President and Chief Student Affairs Officer (VP&CSAO) ensures that all of the units of the Division render their programs and services in the most effective and efficient manner in support of the Student Experience and the University's overall mission. Offices reporting to the VP&CSAO include the VP Office, Dean of Students and its units (i.e., Orientation and New Student Programs, Residence Life, Newcomb Hall, Fraternity and Sorority Life), African-American Affairs, Student Health, and University Career Services.

### Strategic Direction

The Division's annual strategies (submitted as the VP&CSAO annual goals) relate to the Division's five core functions: student behavior, student climate, student involvement, health and wellness, and residence life. The VP&CSAO works closely with the major unit heads in Student Affairs to ensure planning is consonant with the Division's core functions and with the President's strategic priorities; in particular those that focus on: the unique benefits of a residential experience; the distinctiveness and strength of the U.Va. student experience, including effective integration of students' academic pursuits with career exploration and post-graduation decisions; and the benefits of collaboration across the University. Student Affairs' Divisional 2013-14 strategies will focus broadly on:

- 1) **The Pan-University Experience:** Student Affairs plays a key role in connecting the student experience across schools. Opportunities around

leadership development (partnering with schools to create a distinctive, comprehensive university leadership program) and public service (building stronger connections between curricular and co-curricular public service activities) will be targeted to maintain U.Va.'s institutional character and ensure the continued strength and distinctiveness of the U.Va. residential experience.

- 2) **Advising, Mentoring, and Career Services:** The Division will seek to mirror its success in exceptionally strong student involvement outside of the classroom with equally robust programs in advising, mentoring, and career services. Student Affairs will explore opportunities to interrelate these programs in order to introduce advising early on in a student's career (perhaps as early as orientation) and to strengthen the system that supports students throughout their tenure at the University.
- 3) **Leveraging Technology to Strengthen Relationships:** In an age of unprecedented technological growth which has changed the way students learn, collaborate, and communicate, Student Affairs will explore ways to integrate technology with the value of residential experience. How, for example, can the University leverage social media and other technologies to facilitate faculty-student connections and engage students more effectively? How can Student Affairs adapt its student experience delivery model to account for the increasing amount of time students spend in front of computers and mobile devices? The Division will seek to use technology to enhance the key elements of U.Va.'s institutional identity as a top-tier research University with an uncommon focus on the undergraduate student experience.
- 4) **Aligning Policies and Procedures with Aspirations:** Centralizing administrative services to improve coordination, reduce bureaucracy, increase flexibility, and maximize available resources is essential to eliminating barriers that hinder Student Affairs' ability to help students develop into citizen leaders. For example, current policies present challenges for the ways in which students are able to use space, particularly for their co-curricular activities. The Division will focus on using existing resources

more effectively and on simplifying policies and procedures essential to sustaining the pan-university student experience.

### 2013-14 Operating Budget

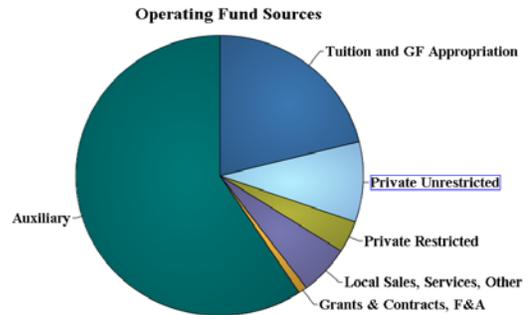
The VP&CSAO areas are funded on a hybrid model. Student Health, Newcomb Hall, and Student Programming operate as self-supporting auxiliaries, while New Student Orientation functions as a self-supporting, non-auxiliary activity. The remaining units are funded through a traditional centralized budget target and self-generated grants and contracts and private resources.

Units classified as auxiliary units (an entity that exists to furnish goods or services to students, faculty, or staff and charges a fee to recover the cost of the service) are expected to be fully self-supporting for both operating and capital purposes. As auxiliary units, Student Health, Newcomb Hall, and Student Programming retain revenues generated (primarily fee assessments to students) and are held responsible for generating sufficient revenues to cover their planned expenditures. In addition, the units are required to pay a general and administrative overhead to the University for support services; for 2013-14, that amount will total \$0.9 million.

As a self-supporting activity, New Student Orientation retains the revenues generated through student payments and is held responsible for meeting direct expenditures (including salary increases). However, the unit does not pay a general and administrative assessment.

As shown on the pie chart, 59 percent of the VP&CSAO's 2013-14 operating budget comes from student fees paid to the auxiliary activities. For regular session students, the 2013-14 fees are set at \$401 for Student Health, \$208 for Newcomb Hall, and \$27 for Student Programming.

Approximately 21 percent of the operating budget is from tuition and state general funds (including new student orientation revenues), while 13 percent is provided from endowment distributions and gifts. Approximately 6 percent of the budget is related to activity fees assessed to students and managed by students for student-initiated programs (including the student activity fee managed by Student Council and the programming fees levied by each residential college).



For the VP&CSAO, the 2013-14 operating budget (see page 105) is \$27.6 million, primarily related to compensation (58 percent of budget). OTPS expenditures include support for the strategic and operational initiatives outlined earlier in the summary. Additionally, debt service of \$1.2 million annually will be paid for the Newcomb Hall Renewal and Renovation project underway.

The University proposes to allocate \$26,600 to Residence Life in support of net increases in housing and dining rates for residence staff; \$23,600 for additional residence staff and restructured pay plan; \$15,000 to support programs and staff in the Office of African American Affairs; and \$100,000 to support new faculty hires in the residential colleges. Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

### Capital Plan

The VP&CSAO does not have any projects on the Major Capital Projects Plan.

The charts on the following page demonstrate the Repair & Renewal (R&R) activities for Newcomb Hall and Student Health. The Newcomb Hall Reserve planned expenditures includes \$1.2 million in annual debt service for the Newcomb Hall Expansion and \$1.5 million in debt service for the Central Grounds/Alderman Clemons Library Chiller.

Both units are in compliance with the Board reserve requirement for reinvesting in facilities at 1.5 percent annually:

<b>Newcomb Hall (in thousands)</b>	<b>R&amp;R Reserve</b>
Projected Balance, 7/1/13	\$2,613
Plus: Transfers from Operating	1,462
Less: Planned Expenditures	2,739
Projected Balance, 6/30/14	\$1,336

<b>Student Health (in thousands)</b>	<b>R&amp;R Reserve</b>
Projected Balance, 7/1/13	\$1,309
Plus: Transfers from Operating	125
Less: Planned Expenditures	108
Projected Balance, 6/30/14	\$1,326

University of Virginia - MBU Summary  
 Exec Level: R1140 VP: SA-VP/Student Affairs, Mbu Level: <All>

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	17.2	2,061,973	0.0	500	5.9	496,948	3.7	425,385	-	-	31.9	3,873,185	58.6	6,857,991
	Staff Salaries and benefits	30.0	1,746,103	1.0	45,000	11.5	674,162	3.0	218,758	6.0	325,413	66.0	4,101,682	117.4	7,111,118
	Wages and benefits	-	250,319	-	25,928	-	45,132	-	38,559	-	-	-	1,138,875	-	1,498,813
	GTA/GRA	-	-	-	-	-	-	0.3	13,501	-	-	-	-	0.3	13,501
	<b>Subtotal</b>	<b>47.1</b>	<b>4,058,395</b>	<b>1.0</b>	<b>71,428</b>	<b>17.4</b>	<b>1,216,242</b>	<b>6.9</b>	<b>696,203</b>	<b>6.0</b>	<b>325,413</b>	<b>97.8</b>	<b>9,113,742</b>	<b>176.2</b>	<b>15,481,422</b>
	OTPS	-	2,292,155	-	241,075	-	1,598,369	-	358,865	-	1,236,294	-	4,515,905	-	10,242,663
	Financial Aid	-	-	-	-	-	60,000	-	4,000	-	-	-	-	-	64,000
	Recoveries	-	-	-	-	-	-	-	-	-	-	-	-339,776	-	-339,776
	Internal Debt Service	-	-	-	-	-	-	-	-	-	-	-	21,000	-	21,000
	Transfers	-	-	-	-	-	-	-	-	-	-	-	2,972,822	-	2,972,822
<b>Subtotal</b>		<b>2,292,155</b>		<b>241,075</b>		<b>1,658,369</b>		<b>362,865</b>		<b>1,236,294</b>		<b>7,169,951</b>		<b>12,960,709</b>	
<b>MBU Totals</b>		<b>47.1</b>	<b>6,350,549</b>	<b>1.0</b>	<b>312,503</b>	<b>17.4</b>	<b>2,874,611</b>	<b>6.9</b>	<b>1,059,068</b>	<b>6.0</b>	<b>1,561,707</b>	<b>97.8</b>	<b>16,283,693</b>	<b>176.2</b>	<b>28,442,131</b>
2014-O	Faculty Salaries and benefits	17.2	2,139,258	0.0	500	4.1	440,903	3.6	357,576	-	-	28.9	3,740,013	53.9	6,678,249
	Staff Salaries and benefits	32.6	2,172,830	1.0	44,625	11.0	681,548	3.0	230,695	5.8	327,709	68.0	4,327,492	121.4	7,784,898
	Wages and benefits	-	185,107	-	36,003	-	86,398	-	43,240	0.0	33,630	-	1,105,139	0.0	1,489,517
	GTA/GRA	-	-	-	-	-	-	0.3	13,501	-	-	-	-	0.3	13,501
	<b>Subtotal</b>	<b>49.8</b>	<b>4,497,194</b>	<b>1.0</b>	<b>81,128</b>	<b>15.1</b>	<b>1,208,849</b>	<b>6.8</b>	<b>645,012</b>	<b>5.8</b>	<b>361,339</b>	<b>96.9</b>	<b>9,172,644</b>	<b>175.5</b>	<b>15,966,166</b>
	OTPS	0.0	1,301,941	-	188,375	-	1,441,627	-	336,958	0.0	1,210,950	-	4,431,964	0.0	8,911,814
	Financial Aid	-	-	-	-	-	-	-	6,500	-	-	-	-	-	6,500
	Recoveries	-	-	-	-	-	-	-	-	-	-	-	-319,701	-	-319,701
	Internal Debt Service	-	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000
	Transfers	-	-	-	-	-	-	-	-	-	-	-	2,996,622	-	2,996,622
<b>Subtotal</b>	<b>0.0</b>	<b>1,301,941</b>		<b>188,375</b>		<b>1,441,627</b>		<b>343,458</b>	<b>0.0</b>	<b>1,210,950</b>		<b>7,109,885</b>	<b>0.0</b>	<b>11,596,235</b>	
<b>MBU Totals</b>	<b>49.8</b>	<b>5,799,135</b>	<b>1.0</b>	<b>269,503</b>	<b>15.1</b>	<b>2,650,475</b>	<b>6.8</b>	<b>988,470</b>	<b>5.8</b>	<b>1,572,289</b>	<b>96.9</b>	<b>16,282,529</b>	<b>175.5</b>	<b>27,562,401</b>	

## EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

### Overview of Operations

The Office of the Executive Vice President and Chief Operating Officer (EVP-COO) is charged by the Board of Visitors and President with overseeing the non-academic support areas of the University, including operations of the Health System, and supporting special initiatives that have a University-wide impact.

First and foremost, the job of the EVP-COO is to lead his team, with a bias towards action, to support the University mission in an efficient, effective, and professional manner. Essential to success are strong, meaningful, and collaborative partnerships between university leadership, community stakeholders, and the entire EVP-COO team, including the following areas: Medical Center, Management and Budget, Human Resources, Finance, Treasury, Compliance and Enterprise Risk Management, Police, Emergency Preparedness, and Audit. The EVP-COO also works closely with the University of Virginia Investment Management Company, the University of Virginia Foundation, and Regional Business Development. At the conclusion of the search for an Executive Vice President for Health Affairs, oversight of the Health System will be transferred to that individual.

### Strategic Direction

The EVP-COO will work to ensure sustainable support for the desired growth and aspirations of the University and Health System by:

- Strengthening relationships with all constituent groups important to advance the University's mission, including the Board; elected officials, major agency heads, and industry and community leaders; the Provost, deans, faculty, and administrators; and alumni, students, and parents;
- Working with Board of Visitors and President to provide information as needed and to finalize a four-year operational, capital, and financial forecast – Financing Academic Excellence;
- Partnering with the Provost and others to foster strong relationships between academic and administrative areas, including the continued multi-year financial planning with a focus on addressing the generational shift in faculty, identifying a source of funds to invest in strategic priorities of the institution, and

adopting a viable, long-range tuition strategy that will ensure a strong and sustainable academic environment;

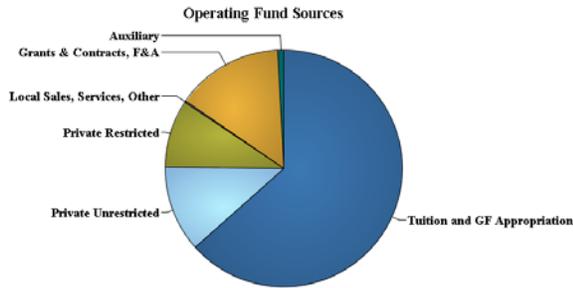
- Collaborating with Medical Center leadership in the implementation of the Health System Strategic Plan and the transition to a new organizational structure with a focus on achieving targeted improvement in health care quality and patient safety while sustaining solid financial performance in the face of many changes in the health care industry;
- Protecting the strong financial condition of the University, including but not limited to:
  - recommending and implementing adjustments to the AccessUVA program that most effectively balance an investment of University resources with preserving the premier financial aid program for undergraduates with demonstrated need;
  - overseeing a phased implementation of a new internal financial model, supported by robust financial reporting; and
  - providing innovative financial planning and balance sheet and liquidity management to generate new financial resources for the University;
- Sponsoring a program of process improvement that focuses on driving greater synergies, partnering, shared services, and efficiency across the Academic Division and Medical Center in order to re-direct operational savings to strategic priorities; and
- Providing cost-effective and high-value financial and business services to customers, including students, parents, alumni, donors, University-related foundations, research sponsors, federal and state government funders, other external stakeholders, and internal customers.

### 2013-14 Operating Budget

The EVP-COO and direct reporting areas are primarily funded through a traditional centralized budget target. Other fund sources support several areas within the EVP-COO, including Treasury Management (funded through sales and services of its internal bank and capital financing program); the Associate Vice President for Finance (funded through F&A support for work associated with grant and contract activity and F&A rate development); and

Student Financial Services (receives private funding, largely in support of scholarships and fellowships).

Excluding the vice presidential areas reporting directly to the EVP-COO, 61 percent of the 2013-14 operating budget is from tuition and state general funds, 16 percent from grants and contracts and F&A, 20 percent from private funds, and 1 percent from auxiliary activity.



For the EVP-COO and direct reporting units (excluding vice presidential areas reporting to the EVP-COO), the 2013-14 operating budget (see the following page) is \$98.4 million, with the primary spending on student financial aid (\$66.3 million) and compensation (\$24.7 million).

When consolidated with the vice presidential areas overseen by the EVP-COO, the area's 2013-14 operating budget totals \$323.5 million.

Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

#### Capital Plan

The EVP-COO does not anticipate changes to the next update of the Major Capital Projects Plan.

**University of Virginia - MBU Summary**  
**Exec Level: R0205 VP: CO-Exec VP/COO, Mbu Level: <All>**

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	17.0	2,542,083	-	-	-	-	-	-	1.0	135,000	1.0	155,020	19.0	2,832,103
	Staff Salaries and benefits	254.3	15,963,617	30.4	2,751,606	2.0	374,650	-	-	5.0	547,000	4.0	329,651	295.6	19,966,524
	Wages and benefits	-	451,073	0.0	1,187,361	-	-	-	-	-	-	-	-	0.0	1,638,434
	<b>Subtotal</b>	<b>271.3</b>	<b>18,956,773</b>	<b>30.4</b>	<b>3,938,967</b>	<b>2.0</b>	<b>374,650</b>			<b>6.0</b>	<b>682,000</b>	<b>5.0</b>	<b>484,671</b>	<b>314.6</b>	<b>24,437,061</b>
	OTPS	-	7,343,833	0.0	663,115	-	873,357	-	-	-	3,031,637	-	6,256,600	0.0	18,168,541
	Financial Aid	-	37,587,587	0.0	8,350,056	-	11,527,920	-	8,280,000	-	-	-	-	0.0	65,745,563
	Recoveries	-	-2,988,485	-	-	-	-	-	-	-	-	-	-6,472,271	-	-9,460,756
	Transfers	-	92,830	-	4,526,966	-	-	-	-	-	-979,000	-	313,606	-	3,954,402
	<b>Subtotal</b>		<b>42,035,765</b>	<b>0.0</b>	<b>13,540,137</b>		<b>12,401,277</b>		<b>8,280,000</b>		<b>2,052,637</b>		<b>97,935</b>	<b>0.0</b>	<b>78,407,750</b>
	<b>MBU Totals</b>		<b>271.3</b>	<b>60,992,538</b>	<b>30.4</b>	<b>17,479,104</b>	<b>2.0</b>	<b>12,775,927</b>		<b>8,280,000</b>	<b>6.0</b>	<b>2,734,637</b>	<b>5.0</b>	<b>582,606</b>	<b>314.6</b>
2014-O	Faculty Salaries and benefits	16.0	2,085,954	-	-	0.0	0	-	-	1.0	136,000	1.0	153,716	18.0	2,375,670
	Staff Salaries and benefits	254.3	16,499,100	31.7	2,703,992	2.7	460,850	-	-	4.0	484,000	4.0	331,008	296.6	20,478,950
	Wages and benefits	0.0	336,950	0.0	1,487,667	-	-	-	-	-	-	-	-	0.0	1,824,617
	<b>Subtotal</b>	<b>270.2</b>	<b>18,922,004</b>	<b>31.7</b>	<b>4,191,659</b>	<b>2.7</b>	<b>460,850</b>			<b>5.0</b>	<b>620,000</b>	<b>5.0</b>	<b>484,724</b>	<b>314.6</b>	<b>24,679,237</b>
	OTPS	0.0	4,859,182	0.0	806,827	0.0	280,062	-	-	0.0	1,951,500	0.0	6,265,905	0.0	14,163,476
	Financial Aid	0.0	39,355,416	0.0	8,404,755	-	10,058,700	-	8,450,000	-	-	-	-	0.0	66,268,871
	Recoveries	0.0	-2,988,485	-	-	-	-	-	-	-	-	-	-6,481,629	0.0	-9,470,114
	Transfers	-	-	-	2,603,888	-	-	-	-	-	-362,500	-	500,000	-	2,741,388
	<b>Subtotal</b>	<b>0.0</b>	<b>41,226,113</b>	<b>0.0</b>	<b>11,815,470</b>	<b>0.0</b>	<b>10,338,762</b>		<b>8,450,000</b>	<b>0.0</b>	<b>1,589,000</b>	<b>0.0</b>	<b>284,276</b>	<b>0.0</b>	<b>73,703,621</b>
	<b>MBU Totals</b>	<b>270.2</b>	<b>60,148,117</b>	<b>31.7</b>	<b>16,007,129</b>	<b>2.7</b>	<b>10,799,612</b>		<b>8,450,000</b>	<b>5.0</b>	<b>2,209,000</b>	<b>5.0</b>	<b>769,000</b>	<b>314.6</b>	<b>98,382,858</b>

## VICE PRESIDENT AND CHIEF HUMAN RESOURCES OFFICER

### Overview of Operations

University Human Resources (UHR) supports the mission of the University of Virginia by creating a work environment that attracts, develops, and retains an outstanding and diverse workforce.

UHR is responsible for all human resource (HR) functions for the Academic Division of the University, including recruitment, compensation, employee relations, employee development, benefits administration, employee wellness, payroll, recruitment and placement of temporary and wage personnel, and compliance and immigration services. The Vice President and Chief Human Resources Officer (CHRO) also has oversight responsibility for human resources at the College at Wise and for health and retirement benefits for the University's Medical Center, as well as non-academic aspects of the faculty personnel system.

### Strategic Direction

UHR strives to make the University of Virginia a place people want to work—where careers can grow, employees are passionate about contributing to the mission of the University, and employees are equipped to meet the challenges of the workplace and beyond. To do this, UHR:

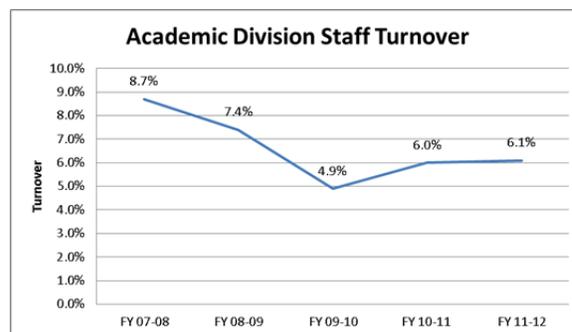
1. Provides integrated programs and services to meet the needs of the University's strategic priorities by creating a positive work environment and supporting employee development;
2. Enhances the systems and information necessary to meet the needs of employees, managers, schools, and units;
3. Fosters a culture of customer service, keeping the human in human resources;
4. Ensures that exceptional employees reflecting the diversity of our community are hired and retained; and
5. Helps ensure that the University meets its University, federal, and state compliance requirements and operates as an effective steward of University resources.

These priorities dovetail with the strategic direction President Sullivan has outlined in her goal to transform the University into a culture of leadership. Ideally, while UHR continues to provide the institutional-level functions laid out above, it is also positioned to carry out more strategic, long-term

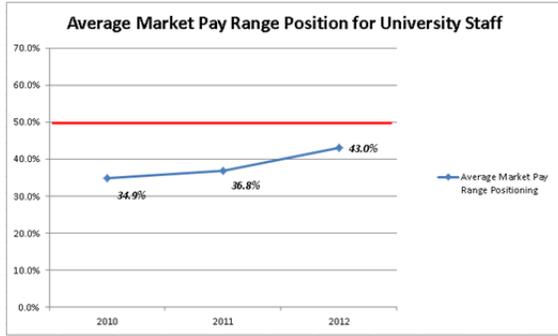
priorities that influence the culture and contribute to the success of the University. UHR's role should include developing initiatives that promote and achieve the behaviors, culture, and competencies needed to achieve organizational success. However, to do this work well requires a shift in focus from transaction processing to offering more value-added, consultative services. At this writing, UHR's customers are firmly focused on how well transactions are processed. UHR will continue to invest in infrastructure and emphasize customer service through quality assurance, assessment of HR processes, and systems upgrades.

Two critical issues that represent the most significant human resource-related financial challenges to the University are competitive staff compensation and the cost of fringe benefits.

The University's ability to maintain academic excellence is directly linked to its ability to attract and retain top quality faculty and staff. UHR closely monitor staff turnover to track the University's competitiveness in recruitment and retention.

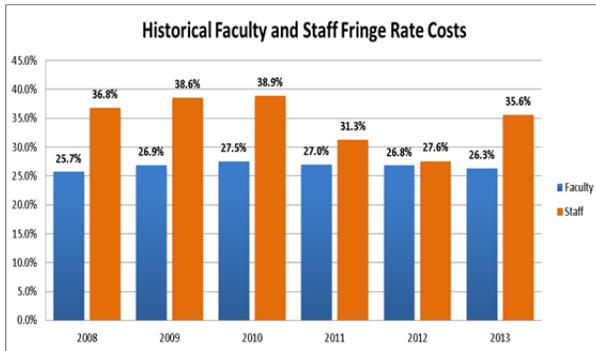


An investment in staff compensation is critical to ensure support for new initiatives in research and teaching and reverse the trend in employee dissatisfaction with pay. The graph below shows the initial goal for staff is a salary average at the 50th percentile of the market range. With the implementation of the University Staff HR Plan, which allows for market and merit pay increases, the average market range penetration for staff increased from 34.9 percent in 2010 to 36.8 percent in 2011 and is currently at 43 percent of market. As part of its strategic financial planning process, UHR has outlined an aggressive five-year staff salary plan that will continue this trend and position U.Va. competitively.



Fringe benefits represent a large institutional investment, approaching \$200 million per year. Fringe benefits also represent an essential component of faculty and staff total compensation and for many is a key consideration in making employment decisions.

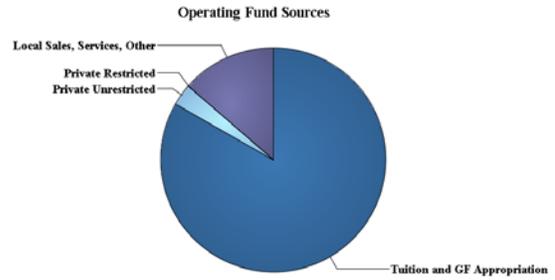
A recent study by Aon Hewitt shows that the University’s benefits are highly competitive in health, vision, and dental coverage compared to peers. At a time when employee benefits across the country are seriously eroding, the graph below shows that U.Va. has been able to improve benefits while controlling costs. This is an area of distinction for the University.



2013-14 Operating Budget

The VP/CHRO and reporting areas are funded through a traditional centralized budget target, as well as self-generated sales and services revenues.

For 2013-14, 83 percent of the VP/CHRO operating budget is from tuition and state general funds. Sales and services activities (Temporary Search Group and Compliance and Immigration Services) represent 14 percent of funding, while an allocation from the unrestricted endowment represents 3 percent of funding.



For the VP/CHRO, the 2013-14 operating budget (see the following page) is \$8.6 million, with the primary spending on compensation (97 percent). The remaining expenditures are primarily OTPS expenditures.

Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

Capital Plan

The VP/CHRO does not have any projects on the Major Capital Projects Plan.

University of Virginia - MBU Summary  
 Exec Level: R0800 VP: HR-Human Resources, Mbu Level: <All>

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	1.7	263,509	-	-	-	-	-	-	0.4	61,827	-	-	2.0	325,336
	Staff Salaries and benefits	73.6	6,918,055	-	-	-	-	-	-	16.6	1,450,790	-	-	90.3	8,368,845
	Wages and benefits	-	42,210	-	-	-	8,925	-	5,660	-	28,852	-	-	-	85,647
	<b>Subtotal</b>	<b>75.3</b>	<b>7,223,774</b>				<b>8,925</b>		<b>5,660</b>	<b>17.0</b>	<b>1,541,469</b>			<b>92.3</b>	<b>8,779,828</b>
	OTPS	-	751,299	-	-	-	261,601	-	-	-	386,912	-	-	-	1,399,812
	Recoveries	-	-201,029	-	-	-	-	-	-	-	-880,546	-	-	-	-1,081,575
	Transfers	-	-130,000	-	-	-	150,000	-	-	-	-	-	-	-	20,000
	<b>Subtotal</b>		<b>420,270</b>				<b>411,601</b>				<b>-493,634</b>				<b>338,237</b>
<b>MBU Totals</b>		<b>75.3</b>	<b>7,644,044</b>			<b>420,526</b>		<b>5,660</b>	<b>17.0</b>	<b>1,047,835</b>			<b>92.3</b>	<b>9,118,065</b>	
2014-O	Staff Salaries and benefits	76.3	6,830,465	-	-	-	-	-	-	15.7	1,385,121	-	-	92.0	8,215,586
	Wages and benefits	-	42,452	-	-	-	7,000	-	5,796	-	86,829	-	-	-	142,077
	<b>Subtotal</b>	<b>76.3</b>	<b>6,872,917</b>				<b>7,000</b>		<b>5,796</b>	<b>15.7</b>	<b>1,471,950</b>			<b>92.0</b>	<b>8,357,663</b>
	OTPS	-	713,991	-	-	-	106,942	-	-	-	760,045	-	-	-	1,580,978
	Recoveries	-	-264,548	-	-	-	-	-	-	-	-1,060,357	-	-	-	-1,324,905
	Transfers	-	-150,000	-	-	-	150,000	-	-	-	-	-	-	-	0
	<b>Subtotal</b>		<b>299,443</b>				<b>256,942</b>				<b>-300,312</b>				<b>256,073</b>
	<b>MBU Totals</b>		<b>76.3</b>	<b>7,172,360</b>			<b>263,942</b>		<b>5,796</b>	<b>15.7</b>	<b>1,171,638</b>			<b>92.0</b>	<b>8,613,736</b>

## VICE PRESIDENT FOR MANAGEMENT AND BUDGET

### Overview of Operations

The Vice President for Management and Budget portfolio includes: the Budget Office, Business Operations, Facilities Management, Office of the Architect, Process Simplification, Procurement and Supplier Diversity Services, Space and Real Estate Management, and State Governmental Relations.

Collectively, the Management and Budget service units perform the following core functions:

- Develop, implement, and monitor the annual operating budget, capital budget, and the biennial state budget;
- Provide financial planning to assist in identifying and allocating resources required to achieve strategic goals;
- Lead integrated, physical planning, including the design of new facilities, renovations, and land use for effective, efficient, and sustainable capital development and historic preservation;
- Manage the construction program for the Academic Division, Medical Center, and College at Wise, with \$200 million of construction work in place anticipated for the current fiscal year;
- Maintain and operate the academic and health system physical plant, including maintenance, utilities, custodial services, and grounds care for 16.4 million gross square feet in 557 buildings and 1,708 acres;
- Direct the purchasing of goods and services (126,000 purchase orders through the Marketplace and 84,700 p-card transactions) and accounts payable operations (236,600 payable transactions);
- Broaden and diversify the supply chain for goods and services;
- Develop and maintain effective state relations with the Executive Branch and the General Assembly in order to advance legislative, operating, and capital priorities;
- Coordinate the implementation of the provisions in the Restructuring Act, the Management

Agreement, and the Virginia Higher Education Opportunity Act of 2011;

- Develop space planning strategies and policies;
- Review and coordinate the purchase and sale of real estate and manage a portfolio of 101 expense leases and 46 income leases;
- Deliver housing, dining, transit, and other auxiliary services to support the University’s living and learning community; and
- Direct the institution’s formal business improvement effort, dedicated to improving services, simplifying processes, and optimizing the use of available resources.

### Strategic Direction

The Management and Budget vision statement is “to be a prudent steward of University resources and a valued partner in achieving teaching, research, service, and health care excellence.”

In 2013-14, Management and Budget service units will:

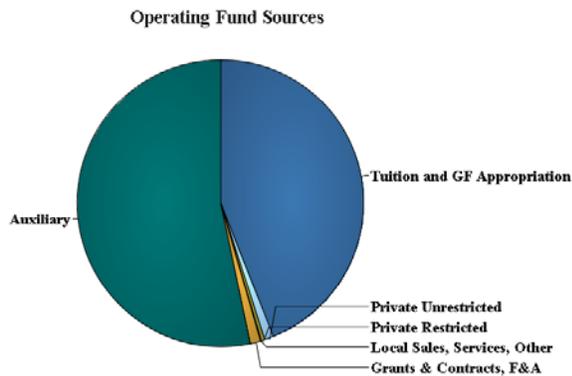
- Continue to enhance the organizational capacity for financial decision-making through robust analytics and regular reporting;
- Support multi-year financial planning by projecting cost drivers, monitoring commitments, and modeling sources and uses;
- Further the stewardship of financial, physical, and human assets through continuous improvement of business processes and the redesign of business models to achieve an improved level of service and efficiencies;
- Prepare for the implementation of the new internal financial model and the delivery of best-value and client-centered services to the University community, which includes regular measurement of performance;
- Provide innovative approaches, support services, and infrastructure to advance institutional priorities; and

- Focus on meeting the needs of customers (faculty, staff, students, and general public) with competitive, high-quality services.

### 2013-14 Operating Budget

The Management and Budget service units are primarily funded through a traditional centralized budget target, with the exception of Facilities Management and Business Operations, both of which operate on a cost recovery basis.

The operating budget (see page 116), net of recoveries from internal customers, totals \$194.7 million in 2013-14.



Auxiliary activity comprises 53.4 percent of the budget. Auxiliaries are responsible for supporting both their operating and maintenance costs, as well as meeting reserve requirements for the long-term maintenance of their facilities. Auxiliary activities include housing, dining, parking and transportation, bookstores, printing and copying, mail services, child care, management of the John Paul Jones Arena, and leasing activity related to the National Radio Astronomy Observatory and the Judge Advocate General's Legal Center and School.

With the auxiliaries making up the majority of the budget, other than personal services is the predominant expenditure category including inventory purchases, supplies, utilities, and maintenance of facilities. Within the auxiliary budgets, 32 percent is comprised of transfers in support of repair and renovation, expansion reserves, and debt service.

Forty-four percent of the budget is funded from tuition and state general funds. Facilities Management is provided with resources to fund the cost of E&G-related utilities (\$37.2 million), custodial services (\$8.7 million), and maintenance (\$29.7 million) for those E&G buildings in the Academic Division. While these numbers are

reflected in the net operating budget, a holistic picture of the scope of Facilities Management operations includes the gross activity for both the Academic Division and the Medical Center, which is projected to total \$521.6 million in 2013-14.

In 2013-14, the University proposes to allocate to Management and Budget service units: \$1.0 million for utility increases for E&G space; \$1.5 million in support of the Board-approved plan to address deferred maintenance; \$69,000 for operations and maintenance of new facilities (New Cabell Hall heating and air and Lawn Range Room sprinklers); and \$21,000 for increases in leasing costs. Funding will be allocated to the target budgets for the above items and for salary increases and compression adjustments as authorized by the state.

### Central University Reserves

The University holds reserves centrally to: 1) manage contingencies, 2) temporarily hold funds that will be allocated during the fiscal year, 3) pay debt service, 4) meet institutional expenses that are not assigned to any one operating unit, and 5) hold offsetting entries to other parts of the budget.

Examples of items held in central reserves for 2013-14 include:

- \$14.4 million for employee salary increases and associated fringe benefits, including a 3.0 percent increase for University staff paid from centrally-budgeted funds (comprised of the 2.0 percent state-authorized increase and a supplemental 1.0 percent Board-authorized increase), the state-approved compression adjustment for classified staff, and the Board-approved 4.75 percent increase for T&R faculty. The 2.0 percent classified staff increase is already reflected within the respective unit budgets;
- \$8.8 million for repayment of institutional debt related to the Student Information System, Rouss Hall, the South Lawn Project, purchase of 2400 Old Ivy Road; and the Emmet-Ivy parking garage, as well as for anticipated real estate acquisitions;
- \$4.8 million for high-priority funding requests addressed during the budget development process;
- \$3.0 million for the President's Fund for Excellence;

- \$2.6 million specifically designated by the state to fund cancer research, focused ultrasound activities, and the Virginia Foundation for the Humanities;
- \$5.4 million related to new fees and tuition rates, reflecting the distribution of 1 percent of incremental undergraduate tuition to schools, as well as a central holdback for AccessUVa and administrative services;
- \$2.6 million for O&M costs for new facilities coming on line, utility increases, and deferred maintenance investment;
- \$16.9 million of general and administrative cost recoveries from auxiliaries, the Medical Center, and the University Physician’s Group, representing payment for services provided by the University;
- \$11.9 million assessments to existing programs, representing payment for administrative services provided by the University and AccessUVa;
- \$5.7 million in fees collected from out-of-state students, required by the Commonwealth to be remitted to cover a proportionate share of capital project and Equipment Trust Fund debt service; and
- \$8.8 million reserved for general contingencies, uncollectible tuition, and unexpected cold weather and higher utility rates.

**Capital Plan**

Construction is ongoing for the East Chiller Plant and Lee Street Re-alignment (\$36.5 million from debt and Medical Center operating funds), the Rotunda Roof Repairs (\$7.2 million from state general funds and historic preservation gifts), and Facilities Management Landscape Shop (\$2.0 million from facilities management operating reserves). All projects are expected to be completed by September 2013.

Active planning is underway for the remainder of the Rotunda Renovation (\$43.5 million from state and gift funds), North Grounds Mechanical Plant (\$13.1 million in debt and utility infrastructure reserves), and Newcomb Road Chiller Plant (\$11.6 million from debt, utility infrastructure reserves, and auxiliary funding).

Work is expected to continue in 2013-14 for the Rotunda Renovations project now that the project received support from the 2013 General Assembly session (to be matched by private fundraising).

Business Operations units, as auxiliaries, manage their own capital budgets. There are several significant building projects in progress:

- Construction is ongoing for three Alderman Road Residence Halls (\$69.8 million from housing revenues and debt), which will be completed this summer prior to the start of the fall 2013 academic session.
- Active planning is occurring for the sixth new Alderman Road Residence Hall (expected to cost \$38 million from housing revenues and debt).

The below schedule outlines the expected activity in the R&R and expansion reserves for the Business Operations auxiliary units. It is expected that all units, except for Housing, will meet the Board reserve policy of re-investing at least 1.5 percent of replacement value of the facilities. Housing worked to limit rate increases for 2013-14, resulting in challenges to meet the Board’s reserve requirement.

Business Operations (in thousands)	R&R Reserve	Expansion Reserve	Total
Projected Balance, 7/1/13	\$19,926	\$16,362	\$36,288
Plus: Transfers from Operating	\$14,204	\$3,450	\$17,654
Less: Planned Expenditures	(\$11,960)	(\$5,225)	(\$17,185)
Projected Balance, 6/30/14	\$22,170	\$14,587	\$36,757

- For Housing, planned 2013-14 expenditures totaling \$9.5 million include the Alderman Road Housing renewal; Brown College roof replacement; McCormick Road renovations of Metcalf, Lefevre and Hancock; Hereford kitchen repairs of Vaughn, Malone and Weedon; and the balance toward numerous other safety and security and repair and renovation projects addressing deficiencies identified in the facilities audit.
- For Dining, planned 2013-14 expenditures include \$2.5 million earmarked for facility repairs and improvements to dining facilities, including New Cabell.
- For Parking and Transportation, planned 2013-14 expenditures from the reserves include

\$850,000 for parking lot and garage repairs, lighting upgrades, and structural analysis and \$1.1 million for garage and lot maintenance, equipment and vehicle replacement, and other needs.

- For Printing and Copying, planned 2013-14 planned reserve expenditures include \$805,000 for new vehicle, equipment, and system purchases.
- The University Bookstore's planned 2013-14 reserve expenditures include \$775,000 for the Alderman/Clemons/Newcomb chiller replacement and \$150,000 for the computer system replacement. Additionally, \$85,000 is earmarked for Bookstore and Cavalier Computers unforeseen facility repairs and improvements and equipment and computer system upgrades.
- Other repair and renovation reserves are held for the Child Development Centers, the Cemetery, Mail Services, JPJ Arena, Business Operations, and Cavalier Advantage. Planned expenditures from the reserves in 2013-14 include: Cemetery Expansion, JPJ Arena equipment and furnishing replacements, and Mail Services acquisition of vehicles.

**University of Virginia - MBU Summary**  
**Exec Level: R0280 VP: MB-VP/Mgmt & Budget, Mbu Level: <All>**  
**Excludes MB-University Reserves and MB-General Institutional**

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	24.0	3,817,367	-	-	1.5	213,334	-	-	-	-	3.5	529,375	29.0	4,560,076
	Staff Salaries and benefits	1,268.8	73,407,592	-	-	1.0	101,889	-	-	-	-	264.1	12,517,942	1,533.8	86,027,423
	Wages and benefits	-	2,479,601	-	-	-	12,740	-	-	-	-	-	1,625,500	-	4,117,841
	GTA/GRA	-	15,479	-	-	-	-	-	-	-	-	-	-	-	15,479
	<b>Subtotal</b>	<b>1,292.8</b>	<b>79,720,039</b>			<b>2.5</b>	<b>327,963</b>					<b>267.6</b>	<b>14,672,817</b>	<b>1,562.8</b>	<b>94,720,819</b>
	OTPS	-	536,444,168	-	2,297,672	-	2,450,251	-	728,553	-	19,500	-	63,540,202	-	605,480,346
	Recoveries	-	-518,757,000	-	-	-	-	-	-	-	-	-	-8,911,000	-	-527,668,000
	Internal Debt Service	-	5,314,325	-	-	-	-	-	-	-	-	-	13,831,409	-	19,145,734
	Transfers	-	-2,869,084	-	-	-	-	-	-	-	49,400	-	17,883,146	-	15,063,462
	<b>Subtotal</b>		<b>20,132,409</b>		<b>2,297,672</b>		<b>2,450,251</b>		<b>728,553</b>		<b>68,900</b>		<b>86,343,757</b>		<b>112,021,542</b>
<b>MBU Totals</b>		<b>1,292.8</b>	<b>99,852,448</b>		<b>2,297,672</b>	<b>2.5</b>	<b>2,778,214</b>		<b>728,553</b>		<b>68,900</b>	<b>267.6</b>	<b>101,016,574</b>	<b>1,562.8</b>	<b>206,742,361</b>
2014-O	Faculty Salaries and benefits	24.0	3,565,878	-	-	0.5	105,100	-	-	-	-	3.5	527,588	28.0	4,198,566
	Staff Salaries and benefits	1,280.0	72,402,078	-	-	2.0	213,457	-	-	-	-	258.9	12,692,506	1,540.9	85,308,041
	Wages and benefits	0.0	2,636,863	-	-	0.0	6,306	-	-	-	-	0.0	1,446,355	0.0	4,089,524
	GTA/GRA	0.0	16,500	-	-	-	-	-	-	-	-	-	-	0.0	16,500
	<b>Subtotal</b>	<b>1,304.0</b>	<b>78,621,319</b>			<b>2.5</b>	<b>324,863</b>					<b>262.4</b>	<b>14,666,449</b>	<b>1,568.9</b>	<b>93,612,631</b>
	OTPS	0.0	525,774,556	-	2,205,000	0.0	1,763,460	-	750,510	0.0	20,300	0.0	65,449,399	0.0	595,963,225
	Recoveries	0.0	-518,788,632	-	-	-	-	-	-	-	-	0.0	-9,033,556	0.0	-527,822,188
	Internal Debt Service	-	5,314,325	-	-	-	-	-	-	-	135,100	-	17,379,421	-	22,828,846
	Transfers	-	-5,314,325	-	-	-	-	-	-	-	-	-	15,438,800	-	10,124,475
	<b>Subtotal</b>	<b>0.0</b>	<b>6,985,924</b>		<b>2,205,000</b>	<b>0.0</b>	<b>1,763,460</b>		<b>750,510</b>	<b>0.0</b>	<b>155,400</b>	<b>0.0</b>	<b>89,234,064</b>	<b>0.0</b>	<b>101,094,358</b>
<b>MBU Totals</b>		<b>1,304.0</b>	<b>85,607,243</b>		<b>2,205,000</b>	<b>2.5</b>	<b>2,088,323</b>		<b>750,510</b>	<b>0.0</b>	<b>155,400</b>	<b>262.4</b>	<b>103,900,513</b>	<b>1,568.9</b>	<b>194,706,989</b>

**University of Virginia - MBU Summary**  
**Exec Level: R0280 VP: MB-VP/Mgmt & Budget, Mbu Level: <All>**  
**Includes MB-University Reserves and MB-General Institutional Only**

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	-	-	-	-	-	37,890	25.0	3,910,000	-	-	-	-	25.0	3,947,890
	Staff Salaries and benefits	-	-	-	-	0.0	617,000	37.0	2,380,000	-	-	-	-	37.0	2,997,000
	Wages and benefits	-	-	-	-	-	-	0.0	1,700,000	-	-	-	-	0.0	1,700,000
	GTA/GRA	-	-	-	-	-	-	7.0	170,000	-	-	-	-	7.0	170,000
	<b>Subtotal</b>					<b>0.0</b>	<b>654,890</b>	<b>69.0</b>	<b>8,160,000</b>					<b>69.0</b>	<b>8,814,890</b>
	OTPS	0.0	12,205,452	-	-	-	717,021	0.0	4,930,000	-	-	-	-1,123,996	0.0	16,728,477
	Financial Aid	-	-61,895,586	-	-	-	-	0.0	3,910,000	-	-	-	-	0.0	-57,985,586
	Central Assessment	-	-676,355	-	-	-	-	-	-	-	-	-	-	-	-676,355
	Recoveries	-	-14,068,037	-	-398,482	-	-2,266,193	-	-	-	-	-	-	-	-16,732,712
	Internal Debt Service	-	467,904	-	656,064	-	700,760	-	-	-	-	-	-	-	1,824,728
	Transfers	-	-5,524,069	-	1,161,960	-	2,894,449	-	8,603,802	-	934,449	-	-	-	8,070,591
	<b>Subtotal</b>	<b>0.0</b>	<b>-69,490,691</b>		<b>1,419,542</b>	<b>0.0</b>	<b>2,046,037</b>	<b>0.0</b>	<b>17,443,802</b>		<b>934,449</b>		<b>-1,123,996</b>	<b>0.0</b>	<b>-48,770,857</b>
	<b>MBU Totals</b>	<b>0.0</b>	<b>-69,490,691</b>		<b>1,419,542</b>	<b>0.0</b>	<b>2,700,927</b>	<b>69.0</b>	<b>25,603,802</b>		<b>934,449</b>		<b>-1,123,996</b>	<b>69.0</b>	<b>-39,955,967</b>
2014-O	Faculty Salaries and benefits	1.0	7,862,800	-	-	0.0	74,900	26.0	4,140,000	-	-	-	-	27.0	12,077,700
	Staff Salaries and benefits	11.3	6,478,625	-	-	0.0	1,198,500	39.0	2,520,000	-	-	-	-	50.3	10,197,125
	Wages and benefits	-	-	-	-	-	-	0.0	1,800,000	-	-	-	-	0.0	1,800,000
	GTA/GRA	0.0	402,300	-	-	-	-	9.0	180,000	-	-	-	-	9.0	582,300
	<b>Subtotal</b>	<b>12.3</b>	<b>14,743,725</b>			<b>0.0</b>	<b>1,273,400</b>	<b>74.0</b>	<b>8,640,000</b>					<b>86.3</b>	<b>24,657,125</b>
	OTPS	0.0	40,433,915	-	-	0.0	4,905,992	0.0	5,220,000	-	-	0.0	-1,139,000	0.0	49,420,907
	Financial Aid	0.0	-63,943,975	-	-	-	-	0.0	4,140,000	-	-	-	-	0.0	-59,803,975
	Central Assessment	0.0	-11,919,730	-	-	-	-	-	-	-	-	-	-	0.0	-11,919,730
	Recoveries	0.0	-15,250,329	0.0	-398,482	0.0	-2,664,027	-	-	-	-	-	-	0.0	-18,312,838
	Internal Debt Service	-	467,904	-	656,064	-	700,760	-	-	-	-	-	-	-	1,824,728
	Transfers	-	8,174,457	-	1,171,846	-	3,390,853	-	12,002,702	-	265,000	-	-	-	25,004,858
	<b>Subtotal</b>	<b>0.0</b>	<b>-42,037,758</b>	<b>0.0</b>	<b>1,429,428</b>	<b>0.0</b>	<b>6,333,578</b>	<b>0.0</b>	<b>21,362,702</b>		<b>265,000</b>	<b>0.0</b>	<b>-1,139,000</b>	<b>0.0</b>	<b>-13,786,050</b>
	<b>MBU Totals</b>	<b>12.3</b>	<b>-27,294,033</b>	<b>0.0</b>	<b>1,429,428</b>	<b>0.0</b>	<b>7,606,978</b>	<b>74.0</b>	<b>30,002,702</b>		<b>265,000</b>	<b>0.0</b>	<b>-1,139,000</b>	<b>86.3</b>	<b>10,871,075</b>

**SENIOR VICE PRESIDENT FOR UNIVERSITY  
ADVANCEMENT**

Overview of Operations

The mission of University Advancement is to ensure the University’s future by engaging constituents, supporting the University’s strategic priorities, and inspiring the minds, hearts and generous support of internal (schools/units/administrators) and external (alumni, parents, and friends, including corporations and foundations) partners. University Advancement is organized into three major divisions—University Development, Engagement, and Advancement Services, including WTJU, a non-commercial radio station serving the University and surrounding communities with round-the-clock programming throughout the year.

University Advancement consists of approximately 150 full-time professionals who work in partnership with the University’s 11 schools, 15 University-related fundraising foundations, and close to 300 members of the University’s advancement community (administrators, fundraisers, communicators, and alumni relations professionals).

Strategic Direction

University Advancement’s fundraising divisions (Regional, Reunions, Annual Giving, Corporate and Foundations, Planned Giving, and Principal Gifts) provide direct support for the University’s strategic plan by soliciting gifts for identified priorities. Engagement officers share information about institutional priorities through numerous events featuring university leaders and faculty speakers. WTJU reflects the broadest educational goals of the University, serving as a communications link between the institution and surrounding community and bringing the resources of the University to its neighbors.

University Advancement’s budget for 2013-14 aligns directly with the University’s strategic focus as it reorganizes and re-deploys resources in direct support of three identified institutional priorities:

- Faculty support
- AccessUVA
- Historic Preservation and Restoration, Jefferson Grounds Initiative

University Advancement will continue to work closely with academic and volunteer leadership to collaborate in support of fundraising objectives that integrate with the priorities of the University and its

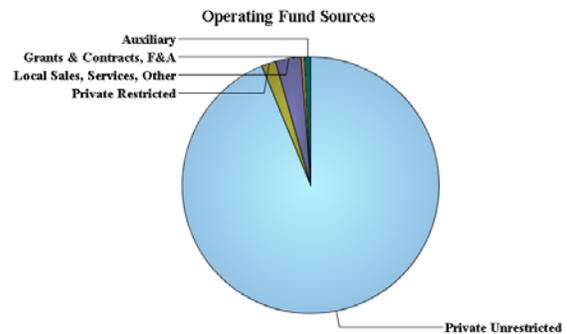
academic schools and units. Additionally, University Advancement will continue to work towards the reorganization of annual giving.

2013-14 Operating Budget

University Advancement is predominately funded through a traditional centralized budget target, with a small auxiliary operation in WTJU Radio.

Units classified as auxiliary units (an entity that exists to furnish goods or services to students, faculty, or staff and charges a fee to recover the cost of the service) are expected to be fully self-supporting for both operating and capital purposes. An auxiliary unit, WTJU will retain revenues generated (student fees) and will be held responsible for generating sufficient revenues to cover its planned expenditures. In addition, the unit is required to pay a general and administrative overhead to the University for support services; for 2013-14, WTJU will pay \$11,000.

For 2013-14, 94 percent of University Advancement’s operating budget is from private unrestricted funds (endowment fee and endowment distribution), while 6 percent is funded from other school support for Health Sciences fundraising, restricted gifts, grants, and WTJU’s student fees. All development activities are funded from non-state sources.



University Advancement’s 2013-14 operating budget (see page 120) is \$19.1 million, with the majority of spending on compensation (67 percent). The remaining expenditures are allocated around completing the present fundraising initiatives, while preparing to go further, faster, and with greater intensity in programs for all aspects of the University’s constituency (cultivation, solicitation, stewardship, and recognition).

Funding will be allocated to the target budgets for salary increases and compression adjustments as authorized by the state.

#### Capital Plan

University Advancement does not have any projects on the Major Capital Projects Plan, but plays a significant role in the fundraising needed for many projects in the Capital Plan. University Advancement's priority for Historic Preservation and Restoration, as it relates to required fundraising for both the Rotunda Renovation and the Jefferson Grounds Initiative, will be key factors for the success of both capital initiatives.

University of Virginia - MBU Summary  
 Exec Level: R0065 VP: DV-SVP University Advancement, Mbu Level: <All>

FY	Category	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total - FTE	Total - Amount
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount		
2013-R	Faculty Salaries and benefits	-	-	-	-	24.5	3,503,536	-	-	-	-	-	-	24.5	3,503,536
	Staff Salaries and benefits	-	-	-	-	119.1	8,543,151	2.0	113,000	-	-	2.0	136,080	123.1	8,792,231
	Wages and benefits	-	-	-	-	-	653,000	-	43,000	-	-	-	5,100	-	701,100
	<b>Subtotal</b>					<b>143.6</b>	<b>12,699,687</b>	<b>2.0</b>	<b>156,000</b>			<b>2.0</b>	<b>141,180</b>	<b>147.6</b>	<b>12,996,867</b>
	OTPS	-	-	-	73,039	0.0	7,036,573	-	164,114	-	407,799	-	10,595	0.0	7,692,120
	Recoveries	-	-	-	-	-	-230,000	-	-	-	-	-	-	-	-230,000
	<b>Subtotal</b>				<b>73,039</b>	<b>0.0</b>	<b>6,806,573</b>		<b>164,114</b>		<b>407,799</b>		<b>10,595</b>	<b>0.0</b>	<b>7,462,120</b>
<b>MBU Totals</b>				<b>73,039</b>	<b>143.6</b>	<b>19,506,260</b>	<b>2.0</b>	<b>320,114</b>		<b>407,799</b>	<b>2.0</b>	<b>151,775</b>	<b>147.6</b>	<b>20,458,987</b>	
2014-O	Faculty Salaries and benefits	-	-	-	-	23.8	3,396,705	-	-	-	-	-	-	23.8	3,396,705
	Staff Salaries and benefits	-	-	-	-	121.8	9,129,001	2.0	109,750	-	-	2.0	135,850	125.8	9,374,601
	Wages and benefits	-	-	-	18,900	-	-	-	43,600	-	-	-	6,000	-	68,500
	<b>Subtotal</b>				<b>18,900</b>	<b>145.6</b>	<b>12,525,706</b>	<b>2.0</b>	<b>153,350</b>			<b>2.0</b>	<b>141,850</b>	<b>149.6</b>	<b>12,839,806</b>
	OTPS	-	-	-	60,600	0.0	5,623,559	-	189,650	0.0	618,557	-	6,650	0.0	6,499,016
	Recoveries	-	-	-	-	-	-227,950	-	-	-	-	-	-	-	-227,950
	<b>Subtotal</b>				<b>60,600</b>	<b>0.0</b>	<b>5,395,609</b>		<b>189,650</b>	<b>0.0</b>	<b>618,557</b>		<b>6,650</b>	<b>0.0</b>	<b>6,271,066</b>
<b>MBU Totals</b>				<b>79,500</b>	<b>145.6</b>	<b>17,921,315</b>	<b>2.0</b>	<b>343,000</b>	<b>0.0</b>	<b>618,557</b>	<b>2.0</b>	<b>148,500</b>	<b>149.6</b>	<b>19,110,872</b>	

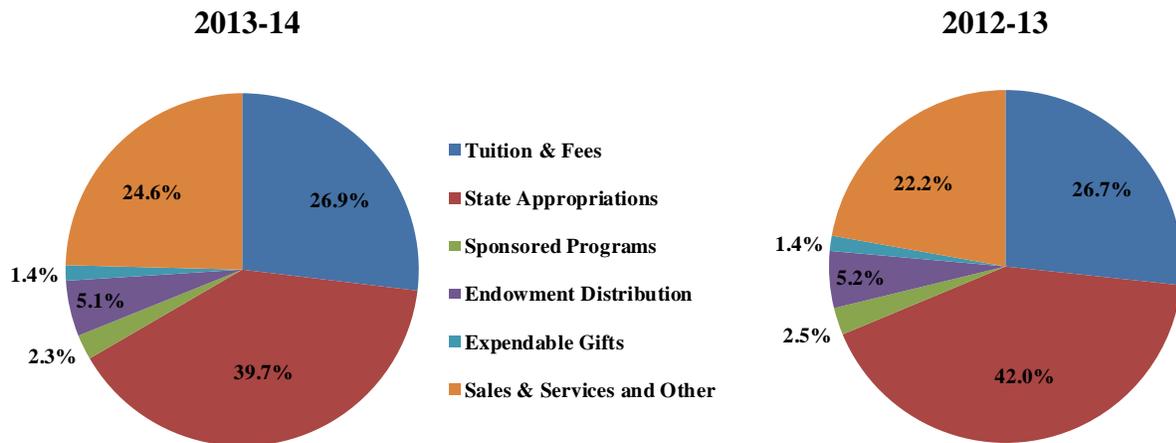
## THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE 2013-2014 OPERATING BUDGET SUMMARY

The 2013-14 operating expenditure budget for Wise is projected to total \$38.6 million, an increase of 4.6 percent as compared to the revised 2012-13 budget. The 2013 General Assembly approved an increase of \$365,871 in Wise's general fund appropriation for E&G operating programs and state financial aid. This increase includes funding for base operating support, an additional 1.0 percent faculty salary increase to bring the total faculty salary increase to 3.0 percent, expansion of the Summer College program, and additional undergraduate financial assistance.

The College at Wise Advisory Board reviewed and approved this budget on March 22, 2013.

### FUNDING SOURCES OF THE OPERATING BUDGET

Wise's operating financial plan on page 124 projects available operating resources from state general funds, tuition and fees, sponsored research and F&A cost recoveries, endowment distributions, gifts, auxiliary revenues, and other sources. Available resources for the operating budget are \$38.6 million for 2013-14, a 4.6 percent increase from the revised sources available for 2012-13 of \$36.9 million. The charts below demonstrate which operating revenues will provide the resources to fund the operating expenditure budget.



In 2013-14, the general fund appropriation (39.7 percent) will continue to provide the greatest proportion of the operating budget. Tuition and fees revenue will comprise 26.9 percent of the 2013-14 funding sources, followed by sales and services and other (including auxiliary revenues, investment income, and other miscellaneous revenue) (24.6 percent), endowment income (5.1 percent), grants and contracts (2.3 percent), and gifts (1.4 percent).

### FUNDING SOURCES

#### *State General Fund Appropriation*

The general fund appropriation for 2013-14 is projected to total \$15.3 million. This represents a decrease of 1.0 percent as compared to the revised 2012-13 budget, which included general funds provided for one-time state-authorized bonuses during 2012-13. The 2013-14 appropriation does not reflect expected incremental general funds for staff salary increases and related retirement and other fringe

benefits to result from approval of the 2013 General Assembly budget.

A general fund appropriation totaling \$195,860 for the Southwest Public Education Consortium (SVPEC) will continue in 2013-14. This appropriation is through the Virginia Department of Education. The Graduate Medical Education Consortium (GMEC) will receive reduced general fund appropriation in 2013-14 totaling \$107,530. This funding originates from the Virginia Department of Health and represents a decrease of \$103,591 as compared to the revised 2012-13 budget. Wise serves as the fiscal agent for both of these organizations. State financial aid totals \$2.1 million.

#### *Tuition and Fees*

Tuition and fees, net of \$50,000 for financial aid, are projected to total \$10.4 million in 2013-14. This represents a \$520,449 or 5.3 percent increase over revised projections and includes both E&G and auxiliary fees. Wise's continued commitment to student affordability is reflected in the recommendation of a 5.0 percent increase in tuition for in-state students and a 4.8 percent increase for out-of-state students and all foreign study courses. The Center for Teaching Excellence will continue to offer dual enrollment opportunities and professional teaching training programs. The technology fee will be \$125 in 2013-14, an increase of \$4 over 2012-13. The state-required out-of-state capital fee assessed to all non-resident students will remain at \$632 per year in 2013-14.

Planned enrollment, consistent with the Board-approved projections, continues to aid in providing incremental tuition and E&G revenue. Actual full-time equivalent enrollment for the fall 2012 semester totaled 1,707, an increase of 3.4 percent as compared to fall 2011. Strategies to improve retention, progression, and six-year graduation rates, including the early alert retention program, were implemented in 2012-13. Through the support of the entire College community, these strategies and goals have resulted in improved student success. The more selective process in the offer of provisional admission to freshman and transfer applicants

has also impacted student success. Wise continues to offer reduced tuition rates for students residing in targeted counties in Kentucky and Tennessee. Enrollment is projected at 1,714 for fall 2013, a 0.4 percent increase as compared to fall 2012.

Student fees provide operating revenue for the majority of Wise's student life programs. Activities receiving funds from student fee revenue include the student government association; student publications; intramural and outdoor recreational activities; graduation fee; student health services; athletics; student life programs; operating, maintenance, and housekeeping personnel assigned to Cantrell Hall and the Slemp Student Center; and debt service for the Slemp Student Center, Smith Dining Commons, and the football stadium. No state funds are available to support these programs and operations. Historically, Wise has been in the middle of the 15 public higher education institutions in Virginia in overall fees and has been one of the lowest in total cost of attendance in the Commonwealth. The student service fee for full-time students will increase 5.0 percent from \$3,532 in 2012-13 to \$3,708 in 2013-14.

#### *Grants, Contracts, and F&A Recoveries*

Sponsored research direct costs and indirect cost recoveries are projected to decrease by \$43,695 or 4.7 percent in 2013-14 as compared to the revised 2012-13 budget. Several grants are scheduled to end on June 30, 2013, and the PTE Clinical Faculty/Mentor grant will end September 30, 2013.

#### *Endowment Income and Gifts*

Projected endowment distributions total \$2.0 million in 2013-14, an increase of 3.5 percent as compared to 2012-13. Private gifts, including \$88,200 of athletic gift revenue, are projected to total \$534,083 in 2013-14, representing a 2.3 percent increase over the 2012-13 revised projection.

#### *Sales and Services and Other Sources of Funds*

Other sources of funds for the 2013-14 operating budget represents sales and services, which include non-academic revenues supporting

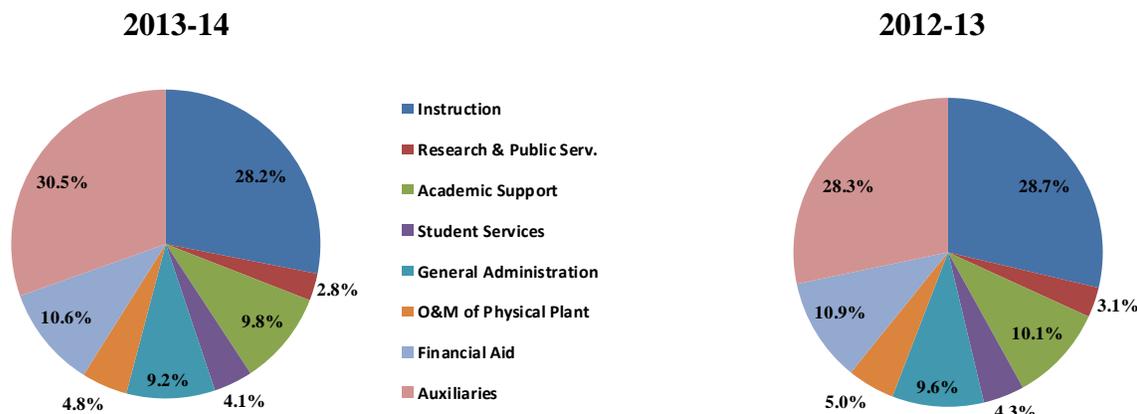
auxiliary services to students, faculty, and staff, such as housing rents, board rates, bookstore sales, parking passes and fines, athletic conference revenues and gate receipts, and other activities. Sales and services income is estimated to total \$9.5 million in 2013-14, an increase of 15.8 percent above the 2012-13 revised budget of \$8.2 million. The 2013-14 budget reflects additional revenues generated from increased housing rents, increased meal plan rates as a result of implementing new meal plan options for students, additional bookstore sales in the Prior Convocation Center and the Humphreys-Thomas Field House, and additional athletic conference revenue and gate receipts. As explained in more detail on page 127, these revenues will be used to support increased operating expenses of Wise's auxiliary enterprises.

**University of Virginia's College at Wise  
Projected Operating Sources  
(\$)**

FY Resources Category	Tuition and GF Appropriation	Grants & Contracts, F&A	Private Unrestricted	Private Restricted	Local Sales, Services, Other	Auxiliary	<u>Total-Amount</u>
<b>2013-R</b> Appropriations: State	15,489,164						15,489,164
Tuition	7,400,000						7,400,000
Less: Tuition to Financial Aid	-50,000						-50,000
Student Fees	275,791					2,242,940	2,518,731
Sales & Services	8,194				72,600	8,112,761	8,193,555
Grants & Contracts		883,082					883,082
F&A - Cost Recoveries		38,790					38,790
Endowment Distribution				1,838,354			1,838,354
Endowment Admin Fee			82,794				82,794
Gifts				522,228			522,228
<b>MBU Totals</b>	<b>23,123,149</b>	<b>921,872</b>	<b>82,794</b>	<b>2,360,582</b>	<b>72,600</b>	<b>10,355,701</b>	<b>36,916,698</b>
<b>2014-O</b> Appropriations: State	15,340,971						15,340,971
Tuition	7,896,670						7,896,670
Less: Tuition to Financial Aid	-50,000						-50,000
Student Fees	281,241					2,261,269	2,542,510
Sales & Services	2,500				72,600	9,411,124	9,486,224
Grants & Contracts		842,767					842,767
F&A - Cost Recoveries		35,410					35,410
Endowment Distribution				1,903,523			1,903,523
Endowment Admin Fee			84,415				84,415
Gifts				534,083			534,083
<b>MBU Totals</b>	<b>23,471,382</b>	<b>878,177</b>	<b>84,415</b>	<b>2,437,607</b>	<b>72,600</b>	<b>11,672,393</b>	<b>38,616,574</b>

## OPERATING USES BY ACTIVITY

The schedule of Wise’s projected operating uses by activity on page 126 summarizes total expenditures by program: direct instruction, research, public service, academic support, student services, general administration, O&M of physical plant, scholarships and fellowships, and auxiliary/self-supporting. The following charts show the percentage of the total operating budget dedicated to each major activity:



### *Direct Instruction*

Direct instruction includes teaching and research (T&R) faculty, support staff, equipment, and operating costs associated directly with teaching. The 2013-14 instruction budget totals \$10.8 million, an increase of 2.4 percent as compared to the revised 2012-13 budget. The 2013-14 instruction budget includes \$150,000 to support T&R faculty merit increases implemented in December 2012 and will continue through 2017-2018 with a net allocation of \$900,000.

Additionally, reserve funds for T&R faculty salaries will total \$200,000 in 2013-14, an increase of 22 percent as compared to the 2012-13 revised budget.

### *Research and Public Service*

The SVPEC, GMEC, the Pro-Art Association of Wise County, and the City of Norton make up the public service activities on the Wise campus. Sponsored research, both state and federal grant funded, is also included within this program. The 2013-14 operating budget for research and public service decreases by 5.6 percent to \$1.1 million, primarily as a result of the June 30, 2013 completion of various sponsored program awards and the reduced appropriation for the GMEC program.

The 2013-14 general fund appropriation for the SVPEC will total \$196,000. From this amount, \$71,849 will be allocated to the William King Regional Arts Center, a non-state agency located in Abingdon, Virginia, for the Van Gogh outreach program that serves the far southwest Virginia region. The SVPEC also approved the allocation of \$21,242 of its appropriation to the E&G budget during 2012-13.

The GMEC will receive a general fund allocation through the transfer of appropriation from the Virginia Department of Health in the amount of \$107,530, a decrease of 49 percent as compared to the revised 2012-13 budget. The GMEC mission will continue, improving access to high-quality primary care for the citizens of Virginia by forming educational partnerships between rural and underserved communities in Southwest Virginia. Funding for the Pro-Art Association of Wise County and the City of Norton will total \$19,000 in 2013-14.

**University of Virginia's College at Wise  
Projected Operating Uses - By Activity**

FY	Program Name	Tuition and GF Appropriation		Grants & Contracts, F&A		Private Unrestricted		Private Restricted		Local Sales, Services, Other		Auxiliary		Total-Fte	Total-Amount	
		Fte	Amount	Fte	Amount	Fte	Amount	Fte	Amount	Fte	Amount	Fte	Amount			
2013-R	Direct Instruction	104.5	10,019,553	2.9	337,794			1.1	235,472					108.4	10,592,819	
	Research			0.5	47,082									0.5	47,082	
	Public Service	3.9	568,961	3.1	536,996				2,500		5,000			7.0	1,113,457	
	Academic Support	41.0	3,717,118						19,654		4,500			41.0	3,741,272	
	Student Services	24.3	1,585,582								100			24.3	1,585,682	
	General Administration	52.7	3,327,163			1.0	82,794		66,925		63,000			53.7	3,539,883	
	O&M of Physical Plant	25.1	1,830,517											25.1	1,830,517	
	<b>E&amp;G Programs Total</b>	<b>251.4</b>	<b>21,048,894</b>	<b>6.5</b>	<b>921,872</b>	<b>1.0</b>	<b>82,794</b>	<b>1.1</b>	<b>324,551</b>		<b>72,600</b>			<b>260.0</b>	<b>22,450,710</b>	
	Scholarships & Fellowships		2,074,255						1,948,419							4,022,674
	<b>Student Financial Aid Total</b>		<b>2,074,255</b>						<b>1,948,419</b>							<b>4,022,674</b>
Auxiliary/Self-Supporting								87,612			54.8	10,355,701		54.8	10,443,313	
<b>Auxiliary Enterprises Total</b>								<b>87,612</b>			<b>54.8</b>	<b>10,355,701</b>		<b>54.8</b>	<b>10,443,313</b>	
<b>MBU Totals</b>	<b>251.4</b>	<b>23,123,149</b>	<b>6.5</b>	<b>921,872</b>	<b>1.0</b>	<b>82,794</b>	<b>1.1</b>	<b>2,360,582</b>		<b>72,600</b>	<b>54.8</b>	<b>10,355,701</b>		<b>314.8</b>	<b>36,916,698</b>	
2014-O	Direct Instruction	103.3	10,313,438	2.9	281,640			1.1	253,486					107.2	10,848,564	
	Research			0.5	36,410									0.5	36,410	
	Public Service	3.9	491,129	3.1	560,127				2,500		5,000			7.0	1,058,756	
	Academic Support	41.0	3,773,714						19,654		4,500			41.0	3,797,868	
	Student Services	24.3	1,577,769								100			24.3	1,577,869	
	General Administration	52.7	3,357,032			1.0	84,415		66,925		63,000			53.7	3,571,372	
	O&M of Physical Plant	25.1	1,858,362											25.1	1,858,362	
	<b>E&amp;G Programs Total</b>	<b>250.2</b>	<b>21,371,444</b>	<b>6.5</b>	<b>878,177</b>	<b>1.0</b>	<b>84,415</b>	<b>1.1</b>	<b>342,565</b>		<b>72,600</b>			<b>258.8</b>	<b>22,749,200</b>	
	Scholarships & Fellowships		2,099,938						2,006,842							4,106,780
	<b>Student Financial Aid Total</b>		<b>2,099,938</b>						<b>2,006,842</b>							<b>4,106,780</b>
Auxiliary/Self-Supporting								88,200			59.0	11,672,393		59.0	11,760,593	
<b>Auxiliary Enterprises Total</b>								<b>88,200</b>			<b>59.0</b>	<b>11,672,393</b>		<b>59.0</b>	<b>11,760,593</b>	
<b>MBU Totals</b>	<b>250.2</b>	<b>23,471,382</b>	<b>6.5</b>	<b>878,177</b>	<b>1.0</b>	<b>84,415</b>	<b>1.1</b>	<b>2,437,607</b>		<b>72,600</b>	<b>59.0</b>	<b>11,672,393</b>		<b>317.8</b>	<b>38,616,574</b>	

### *Academic Support*

Academic support includes library services, technological and computer services, and general academic services to both students and instructional faculty. Faculty development and recruitment are also included within this program. The 2013-14 academic support budget totals \$3.8 million, an increase of 1.5 percent as compared to the revised 2012-13 budget.

### *Student Services*

Student Services includes social and cultural development activities, counseling and career guidance, as well as general student affairs services. Enrollment management, financial aid services, registration services, publication costs associated with student recruitment, and programs designed to meet the guidelines of the American Disabilities Act also are part of the student services activity. The 2013-14 student services budget totals \$1.6 million, a 0.5 percent decrease as compared to the revised 2012-13 budget.

### *General Administration*

Institutional support from executive management, fiscal operations, logistical services, development, public relations, and staff training and development totals \$3.6 million in 2013-14, an increase of 0.9 percent as compared to the revised 2012-13 budget. This increase includes an allocation for College Staff merit increases totaling \$77,000 and \$200,000 of increased E&G recoveries from auxiliaries, totaling \$900,000 in 2013-14.

### *O&M of Plant*

Physical plant services in housekeeping, maintenance operations, utilities, landscaping and grounds maintenance totals \$1.9 million in 2013-14, an increase of 1.5 percent as compared to the revised 2012-13 budget.

### **Student Financial Aid**

The student financial aid budget totals \$4.1 million in 2013-14, an increase of 2.1 percent as compared to the revised 2012-13 budget. The general fund appropriation for student financial aid in 2013-14 totals \$2.1 million, reflecting increased state support of \$113,736. Student financial aid from private funds and grants totals

\$2.0 million in 2013-14, an increase of \$58,423 over the revised 2012-13 budget.

### **Auxiliary Enterprises**

The 2013-14 auxiliary enterprises operating budget totals \$11.8 million. Self-supporting activities include student housing operations, conference events, bookstore, dining services, fleet vehicle management, SWVA Tech Center conferences, printing and copying services, parking and transportation, student health services, student union operations, athletics, and debt service for residence halls, dining hall, football stadium, and student union buildings. Funded solely by revenue collected for services provided to students, faculty, staff and the general public, the auxiliary enterprises operating budget comprises 30.5 percent of Wise's total operating budget.

### *Student Housing*

Occupancy levels are projected to remain between 92 to 100 percent in 2013-14. To maintain and effectively operate Wise's residence halls, revenue must reflect the cost of operation because the Commonwealth does not provide operational funding for residence halls. Continuing to provide residence life opportunities to meet the needs and expectations of the student body will require a 7 percent increase in room rates. This increase includes the funding stream to maintain the financial model for the capital outlay program that is currently underway. The 2013-14 operating budget for residence hall programs totals \$2.7 million. The 2013-14 operating budget for conference events totals \$177,700.

### *Parking & Transportation*

The 2013-14 operating budget for parking and transportation services totals \$155,100. Services include parking management, along with associated staffing including campus police.

### *Dining Services*

Projected 2013-14 expenditures in the dining services operating budget will total \$1.9 million. To maintain and effectively operate Wise's dining services, revenue must reflect the cost of operation. To continue providing meal opportunities that meet the needs and

expectations of the student body, Wise must keep its meal revenue in line with inflationary increases and operational needs. The CPI for the out-of-home food service for 2012 was 2.7 percent. Based on negotiations with Chartwells, Wise's dining service provider, the meal plan rate for on-campus residents will increase 4 percent, with an increase of 5 percent for optional meal plan contracts for commuting students.

*Bookstore*

The 2013-14 operating budget for the bookstore will total \$1.4 million, a 7.8 percent increase as compared to revised 2012-13 projections. The additional retail areas in the David J. Prior Convocation Center and the Humphreys-Thomas Field House have resulted in increased sales in merchandise.

*Athletics*

The 2013-14 operating budget for the intercollegiate athletics program totals \$2.4 million. In July 2012, Wise was approved for the first step of a three-year process for membership in the NCAA Division II. In February 2013, the Mountain East Conference (MEC), of which Wise is a charter member, announced that its application for membership had been approved by the NCAA Division II Membership Committee. The MEC will officially become the 25<sup>th</sup> NCAA Division II conference on September 1, 2013 and immediately assume active status. To meet Title IX compliance, funding for Women's Lacrosse and Women's Golf is included in the 2013-2014 athletics budget. Merit increases for College Staff will also be allocated in 2013-14. Expenditures for intercollegiate athletic programs include all athletic team travel and meals, wages for student and part-time coaching personnel, uniforms, and equipment, as well as all expenses related to recruitment activities.

**Staffing**

FTE positions for 2013-14 have been allocated as follows and reflect an increase of three positions over revised staffing levels in 2012-13:

E&G	250.2
Auxiliary Enterprises	59.0
Sponsored Programs	6.5
Private Sources	<u>2.1</u>
<b>Total</b>	<b>317.8</b>

The 1.2 reduction in E&G FTEs as compared to the revised 2012-13 budget is due to the elimination of an unneeded T&R faculty position that was budgeted in Software Engineering and the shift in funding part of another position from E&G funds to private sources. Of the four additional auxiliary FTE positions, three have been allocated to athletics to support Women's Lacrosse, Trainer, and Strength & Conditioning. The remaining FTE has been allocated to the Russell County Conference Center.

**UNIVERSITY OF VIRGINIA MEDICAL CENTER  
2013-2014 BUDGET SUMMARY**

The Medical Center’s 2013-2014 fiscal plan has been developed while considering the challenge of providing patient care, teaching, and research services in an increasingly changing health care industry. The full impact of the Accountable Care Act will not be realized for a number of years; however, many of its provisions have already been implemented. The impact will be decreased reimbursements from government payors and an industry-wide erosion of pricing power with private payors. At the same time, costs associated with providing quality patient care will continue to have upward pressure due to increases in medical supply, pharmaceutical, and medical device expenses, growing administrative burden, and a shortage of health care workers. These changes require proactive fiscal planning now to ensure meeting the mission of the Health System in the future.

To meet these challenges, the Medical Center utilizes a priority-based budget process to align resource allocations with Medical Center strategies and goals to achieve the Health System’s strategic planning goal of becoming a top decile academic medical center based on quality measures. The Medical Center budget development process is operationally focused and highly participatory. Patient care service management, support function management, and physicians have significant roles in the budget development cycle. The budget process begins with senior management developing basic budget assumptions such as discharges, length of stay, and productivity standards which drive the number of employees.

The budget is consistent with the Long Range Financial Plan and has been prepared to move the Medical Center toward the goal of a cost structure no higher than Medicare payments by 2015-16. When the Medical Center began this process, costs exceeded Medicare payments by 14 percent. In 2012-13, the Medical Center estimates the gap will be reduced to 9 percent. The final budget provides each operating unit a cumulative operating budget that contains service demand forecasts, required full-time equivalent personnel, and non-labor expenses.

**BUDGET DEVELOPMENT ASSUMPTIONS**

*Market Conditions*

For 2013-14, discharges are budgeted to grow 2.6 percent from 2012-13 projected levels. The growth will be facilitated by improved patient flow resulting from the newly constructed 72-bed tower that increased physical inpatient bed capacity from 589 in 2012 to 661 inpatient beds in fiscal year 2013. The plan is to staff these

beds as demand grows. Inpatient and outpatient demand for healthcare services from the existing population is expected to grow by a weighted average of 4.0 percent. The Medical Center is also expected to capture additional market share in high case mix index (CMI) services by implementing the Centers of Excellence in the strategic plan. The following table includes historical and projected patient volumes:

	<b>Actual 2011-12</b>	<b>Projected 2012-13</b>	<b>Budget 2013-14</b>
Discharges - Medical Center	28,484	28,711	29,458
Discharges - Transitional Care Hospital	222	311	398
Adjusted Discharges	52,867	53,795	55,662
Average Length of Stay (ALOS) -Medical Center	5.82	5.68	5.45
ALOS - Transitional Care Hospital	27.85	26.62	28.00

	<b>Actual 2011-12</b>	<b>Projected 2012-13</b>	<b>Budget 2013-14</b>
Patient Days – Medical Center	165,746	161,300	160,546
Patient Days – Transitional Care Hospital	5,821	8,279	11,144
Clinic & Emergency Room Visits	818,871	817,505	863,550

*Revenues*

The Medical Center has seen growth in volumes over the last year, but a disproportionate share of the growth has been Medicaid and Medicare patients. One of the Medical Center’s largest challenges is the unwillingness of government payors to increase their payments commensurate with the increases in medical delivery costs. Growth in revenues will result from the impact of increasing volume and negotiated contracts that include rate increases.

*Rate Changes*

The Medical Center proposes an overall rate increase of 7.0 percent to 9.9 percent, which is commensurate with rate increases expected to be implemented in the hospital industry.

*Expenses*

Expenses from operations are projected to increase by \$97.3 million from the 2012-13 projection. Expenses per CMI weighted adjusted discharges are projected to increase, going from \$10,827 to \$11,005 (excluding the Transitional Care Hospital). The 2012-13 projection includes a reduction to expenses from the vendor settlement. If the settlement was excluded, the cost per adjusted discharge would be \$10,926. The 2013-14 expense per adjusted discharge includes \$49 for implementation of the Centers of Excellence Strategic Initiative and \$55 for ICD-10 conversion. Without the items noted above, the 2012-13 cost per adjusted discharge would be \$10,926, and 2013-14 would be \$10,901.

The Medical Center anticipates that expense per CMI weighted adjusted discharge included in the budget will be approximately equal to the academic medical center median expense as shown in the University Health System Consortium Operational Data Base.

Previous increases in capital investment will result in additional depreciation expense of \$9.4

million for 2013-14. Additionally, interest on capital investments is increasing by \$3.1 million for 2013-14. The Medical Center’s 2013-14 fiscal plan accounts for these additional expenses while preserving its goal of providing high-quality and cost-effective health care, education, and research services.

The pay-for-performance pool has been established at \$8 million, which includes the impact on benefit costs and is based on a 3.0 percent salary adjustment with an October implementation date. Other salary adjustments, such as market and compensation design adjustments, total \$4 million, including the impact on benefit costs.

*Staffing*

The Medical Center’s 2013-14 budget has been benchmarked with comparable academic medical centers. FTEs are planned at 7,198, an increase of 300 FTEs from the current fiscal year projection of 6,898 FTEs. Increased staffing for the Centers of Excellence and new initiatives accounts for an increase of 209 FTEs. The remainder of the growth is to support facility expansion and core program growth for existing operations, including 23 additional FTEs at the Transitional Care Hospital.

**OPERATING PLAN**

The operating plan is presented on page 132 and includes actual results from 2011-12, the original 2012-13 budget, the 2012-13 projection, and the 2013-14 budget. The Medical Center’s 2013-14 fiscal plan projects an operating margin of \$59.1 million or 4.6 percent. With non-operating activities contributing \$13.3 million, net income is budgeted at \$72.4 million. In comparison, it is projected that the 2012-13 operating margin will be \$60.7 million or 5.2 percent. Non-operating activities in 2012-13 are expected to contribute \$39.1 million, for a net income of \$99.9 million.

The rapidly changing health care environment will require continuous examination of budget assumptions. Management will monitor budget versus actual performance on a monthly basis and, where appropriate, make changes to operations. Also, management will continue to identify and implement process improvement strategies that will allow for operational streamlining and cost efficiencies.

The major strategic initiatives that impact next year's fiscal plan include:

- Continuous improvement in quality to achieve recognition as a top decile provider of clinical care among academic health centers;
  - Continuation of the collaborative effort between the Medical Center and the School of Medicine faculty to realize cost efficiencies on a volume-adjusted basis in preparation for future reimbursement reductions included in the Affordable Care Act;
  - Continuation of efforts to better engage employees and enhance patient satisfaction;
  - Maintaining adequate working capital to foster growth in capacity, technology, and innovation to meet the needs of healthcare in Virginia;
  - Continued investment in the capital requirements of the Medical Center with the priorities of maintaining the current patient care infrastructure, planning for the opening of the Battle Building, Emergency Department Expansion, and construction of the Education Resource Center;
  - Maintain market-driven and performance-based salaries for employees;
  - Fund the Strategic Investment Pool to grow the tri-partite mission of clinical care, education, and research; and
- Continue to develop innovative care delivery models in response to a changing reimbursement environment, including an Accountable Care Organization and expanded use of telemedicine to prevent readmissions.

The major risk factors that impact the ability to accomplish the fiscal plan include:

- Changes in healthcare reform including state participation, maintaining the timeline for Medicaid expansion, and sequestration;
- Resolution by CMS of the sustainable growth rate issue for physicians;
- ICD 10 Conversion;
- Participation in the 340b drug program;
- Maintaining and growing a superior workforce in an environment where workforce shortages are projected;
- Medicare payments at risk due to value based purchasing, electronic health record meaningful use, and hospital readmissions;
- Cuts in Graduate Medical Education, Indirect Medical Education, and Facility Fees beyond sequestration;
- Reduced Medicaid funding for Virginia's Academic Health Center type one hospitals;
- Marketplace changes create a highly competitive environment;
- Centers of Excellence failure to achieve market share and volume goals;
- Outreach objectives are not achieved; and
- Changes in market dynamics from emerging Accountable Care Organizations and Clinically Integrated Networks

**University of Virginia Medical Center**  
**Operating Financial Plan**  
**(dollars in thousands)**

	2013-14 Budget	2012-13 Projected	2012-13 Original Budget	2011-12 Actual
<b>Operating Revenues</b>				
Total Gross Charges	\$3,980,437	\$3,472,994	\$3,524,144	\$3,213,055
Less Deductions:				
Indigent Care Deduction	274,982	231,093	227,688	207,515
Bad Debt	56,830	26,638	48,220	30,942
Contractual Deduction	2,414,468	2,081,114	2,087,488	1,858,767
Total Deductions	2,746,280	2,338,845	2,363,396	2,097,224
Net Patient Revenue	1,234,157	1,134,149	1,160,748	1,115,831
Miscellaneous Revenue	40,684	44,990	48,089	43,789
<b>Total Operating Revenues</b>	<b>1,274,841</b>	<b>1,179,139</b>	<b>1,208,837</b>	<b>1,159,620</b>
<b>Operating Expenses</b>				
Compensation and Benefits	573,893	528,853	540,662	491,862
Supplies, Utilities, and Other	536,352	496,552	513,207	510,067
Depreciation and Amortization	88,026	78,603	79,781	72,937
Interest Expense	17,484	14,397	16,622	7,103
Total Operating Expenses	1,215,755	1,118,405	1,150,272	1,081,969
<b>Operating Income</b>	<b>59,086</b>	<b>60,734</b>	<b>58,565</b>	<b>77,651</b>
<b>Operating Income Percent</b>	<b>4.6%</b>	<b>5.2%</b>	<b>4.9%</b>	<b>6.7%</b>
Total Other Gains and Losses	13,335	39,134	16,273	7,857
Revenues and Gains in Excess of Expenses	72,421	99,868	74,838	85,508
Add back Depreciation and Amortization	88,026	78,603	79,781	72,937
Less Principal Payments on Debt	(26,685)	(23,003)	(23,003)	(21,050)
Cash Available for Capital and Other	133,762	155,468	131,616	137,395
Capital Funded from Operations	106,692	58,860	96,384	63,399
<b>Additions to Cash and Reserves</b>	<b>\$27,070</b>	<b>\$96,608</b>	<b>\$35,232</b>	<b>\$73,996</b>

## **CAPITAL PLAN**

Funds available to meet capital requirements are derived from operating cash flows, funded depreciation reserves, philanthropy, and interest income. The Medical Center faces many challenges regarding capital funding as continued pressures on the operating margin affect cash flow, while demand for capital has increased significantly due to space requirements, technological advances, and aging of existing equipment. Subject to funds availability, the Medical Center management recommends \$106.7 million be authorized for capital requirements, which includes \$5.0 million for contingencies and \$11.8 million for the Strategic Investment Pool.



## UNIVERSITY OF VIRGINIA ACADEMIC DIVISION AND MEDICAL CENTER ANNUAL RENOVATION AND INFRASTRUCTURE PROJECTS PLAN

Under Restructuring and the 2011 Acts of Assembly, Chapter 890, the Board has been delegated the authority to approve all capital projects (acquisitions, capital leases, or new construction or renovation projects costing more than \$2 million and impacting more than 5,000 gross square feet) funded with non-general funds. To facilitate the consideration of certain projects, the Board considers the Annual Renovation and Infrastructure Projects (ARIP) Plan each year.

With the Budget Summary presentation to the Board, the Academic Division and the Medical Center will present a detailed list of renovation and infrastructure projects expected to cost between \$2 million and \$5 million, to be funded with non-general fund cash (no debt), and expected to be initiated within the next fiscal year. This shorter, annual approval process allows these smaller projects to be planned in a more appropriate timeline based on the nature of the project. For example, renovating a lab for a new scientist is a project for which the need will arise during recruitment and which requires completion before the scientist joins the faculty. The 2013-14 ARIP Plan is shown on the following page.

The Academic Division's 2013-14 ARIP Plan incorporates projects totaling \$18.1 million to \$22.5 million and addresses Gooch and Dillard Residence Hall balcony, air handling and fire detection improvements, JPJ Arena water intrusion, and several utility upgrade projects. All of the projects will be funded from maintenance cash reserves.

The Medical Center's 2013-14 ARIP Plan includes \$6.7 million to \$7.8 million in various renovation projects and infrastructure upgrades. All projects will be funded from Medical Center operating funds. The Medical Center is authorized to substitute a new project costing between \$2 million and \$5 million for a project included on the approved ARIP, provided that the total capital budget as approved by the Board is not exceeded and that a report is provided at each Board meeting listing the changes made to the original project list.

## 2013-14 Annual Renovation and Infrastructure Projects Plan

School/ Unit	Project Description	Scope	E&G Funds	Auxiliary Reserve	Medical Center Operating	Other	Total Project Budget Range	
							Low	High

### ACADEMIC DIVISION

Housing	Gooch: Balcony repairs, air handling and duct replacement and installation of fire detection system.	67,492 gsf	\$ -	\$ 4,125,000	\$ -	\$ -	\$ 3,700,000	\$ 4,600,000
Housing	Dillard: Balcony repairs, air handling and duct replacement and installation of fire detection system.	64,983gsf	\$ -	\$ 4,100,000	\$ -		\$ 3,600,000	\$ 4,600,000
Athletics	JPJ Arena Water Intrusion		\$ -	\$ 3,000,000	\$ -	\$ -	\$ 2,700,000	\$ 3,300,000
Facilities Mgt	Heating Distribution Upgrades		\$ 4,500,000	\$ -	\$ -	\$ -	\$ 4,000,000	\$ 5,000,000
Facilities Mgt	General Utilities Distribution Upgrades		\$ 4,500,000	\$ -	\$ -	\$ -	\$ 4,100,000	\$ 5,000,000
<b>TOTAL ACADEMIC DIVISION</b>			<b>\$9,000,000</b>	<b>\$ 11,225,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,100,000</b>	<b>\$ 22,500,000</b>

### MEDICAL CENTER

Med Ctr	Conversion of support space for Vascular Operating Room	1,400 gsf	\$ -	\$ -	\$ 2,800,000	\$ -	\$ 2,500,000	\$ 3,000,000
Med Ctr	Renovation and Relocation of UVA Research Park (PRA Bldg) for support staff	80,000 gsf	\$ -	\$ -	\$ 3,200,000	\$ 1,500,000	\$ 4,200,000	\$ 4,800,000
<b>TOTAL MEDICAL CENTER</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$6,000,000</b>	<b>\$1,500,000</b>	<b>\$ 6,700,000</b>	<b>\$ 7,800,000</b>

**APPROVAL OF THE 2013-14 OPERATING BUDGET AND ANNUAL RENOVATION AND INFRASTRUCTURE PLAN FOR THE ACADEMIC DIVISION**

RESOLVED, the 2013-14 Operating Budget and Annual Renovation and Infrastructure Plan for the Academic Division is approved, as recommended by the President and the Chief Operating Officer.

**INTERIM POLICY ON APPROVAL OF STRATEGIC INVESTMENTS**

WHEREAS, the University of Virginia has a need to meet potential one-time strategic investment priorities, prior to finalization of a long-term financial and of a strategic plan;

WHEREAS, operating savings have been generated which may provide funding to meet such one-time needs;

RESOLVED, the Board of Visitors delegates to the Finance Committee Chair and Vice Chair the authority to approve any such proposed one-time strategic investment needs on an interim basis as presented by the President.

**APPROVAL OF THE 2013-14 OPERATING BUDGET FOR THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE**

RESOLVED, the 2013-14 Operating Budget for The University of Virginia's College at Wise is approved, as recommended by the President and the Chief Operating Officer.

**APPROVAL OF THE 2013-14 OPERATING AND CAPITAL BUDGETS AND ANNUAL RENOVATION AND INFRASTRUCTURE PLAN FOR THE UNIVERSITY OF VIRGINIA MEDICAL CENTER**

RESOLVED, the 2013-14 Operating and Capital Budget and Annual Renovation and Infrastructure Plan for the University of Virginia Medical Center is approved, as recommended by the President, the Chief Operating Officer, and the Medical Center Operating Board.

**APPROVAL OF PRATT FUND DISTRIBUTION FOR 2013-14**

RESOLVED, the budget for the expenditure of funds from the Estate of John Lee Pratt is approved to supplement appropriations made by the Commonwealth of Virginia for the School of Medicine and the Departments of Biology, Chemistry, Mathematics, and Physics in the College of Arts and Sciences. Departmental allocations, not to exceed \$7,240,000 for 2013-14, are suggested by the department chairs and recommended by the dean of each school; the distribution of each allotment will be authorized by the Executive Vice President and Provost. To the extent the annual income from the endowment is not adequate to meet the recommended distribution, the principal of the endowment will be disinvested to provide funds for the approved budgets.