



State Council of Higher Education for Virginia

FROM: The University of Virginia

DATE: July 15, 2024

RE: 2024 Updates to UVA's 2023 Six-Year Plan

To demonstrate our ongoing commitment to advancing higher education in the Commonwealth, the University of Virginia (UVA) would like to highlight several updates to our Six Year Plan (originally submitted in 2023).

We continue to focus on achieving the goals and initiatives set out in our [2030 Plan, "A Great and Good University"](#) — UVA's 10-year strategic plan.

- UVA Admission received a record 59,000 undergraduate applications (up from nearly 56,500 in 2023) for approximately 4,000 seats in the first-year undergraduate Class of 2028.
- Following national conversations on affordability and return on investment, UVA continues our commitment to limiting need-based loans for students to ensure they graduate with less debt. Access UVA, our financial aid program, meets 100% of demonstrated financial need for in-state and out-of-state undergraduate students. Beginning with the 2024-25 academic year, Virginia students with household income of \$50,000 or less (up from \$30,000) qualify for grants to cover the cost of tuition, fees, room and board. Virginia students with household income of \$100,000 or less (up from \$80,000) qualify for grants to cover the cost of tuition and fees. We also revised eligibility for \$2,000 Cornerstone grants to include those with income under \$150,000 (expanded from the initial ceiling of \$125,000). This program was especially helpful this year given the delay in FAFSA processing.
- UVA's 2023 Six-Year Plan included a pilot program to reach a wider audience of potential Virginia students who might not see themselves as future UVA students. The "All-Virginia" pilot program's goal is to encourage

and prepare more students from Virginia public schools with high rates of socioeconomic disadvantage to apply to UVA and to better champion public higher education across the Commonwealth. Fall 2024 enrollment includes 109 first-time, first-year students from the program's 40 high schools. The program has grown by 85% compared to Fall 2023 when 59 students enrolled from these same 40 high schools.

- Another notable national topic is artificial intelligence, and UVA believes Virginia can serve as a natural leader on AI-related issues and policy. As part of our efforts to use cutting-edge research to advance practical solutions to big problems, we are planning a Commonwealth-wide Artificial Intelligence (“AI”) Institute, modeled after the Commonwealth Cybersecurity Institute. It would have three goals: education and workforce development; innovation and economic development; and research and discovery. The Institute would be designed as a P4 model, a partnership between government, public higher education, private philanthropy, and private industry. UVA hopes to partner with higher education institutions across the Commonwealth to address this rapidly growing issue.
- With respect to unknowns or risks that may skew UVA's enrollment projections, we point to two additional concerns that have arisen since submission of our 2023 Six-Year Plan.
 - First, the ongoing analysis of Supreme Court decisions in Harvard and UNC cases may result in further changes in admission, recruitment, and aid practices that would limit UVA's ability to recruit and aid students.
 - Second, problems with the new Free Application for Federal Student Aid (FAFSA) may be ongoing and may deter students from lower-income households from pursuing and/or enrolling in higher education; because these problems may especially affect students who would have been more likely to enroll in Virginia community colleges, the greatest eventual effect on UVA could be on external transfer enrollment.

- Since our 2023 submission, UVA has launched several new degree programs to further align with projected workforce needs. Our new B.S. in Data Science will enroll its first students in fall 2024. We have recently received approval to offer an Ed.S. in School Psychology as well as a Ph.D. in Computational Biology. These programs leverage faculty expertise and strengths in disciplinary areas that are nationally recognized and address employment demands. We now have 32 programs that may be completed 100% online, including 12 master’s, two bachelor’s, one Ed.D. and one E.Ds.

- With the help of a consultant, UVA is currently studying space utilization in three major administrative buildings that house departments utilizing fully remote or hybrid work since the pandemic.

- UVA continues to build a team of talented research scientists and professionals for the Paul and Diane Manning Institute of Biotechnology (the “Institute”).
 - As of June 2024, the Institute has hired twenty-eight research scientists: 16 principal investigators and 12 additional research scientists who will support their laboratories. UVA has committed a total of \$35.8M in start-up support packages to the 16 principal investigators.
 - These 28 scientists were recruited to the Commonwealth of Virginia from 11 states and 15 separate institutions, including Baylor College of Medicine, Harvard Medical School, Northwestern University, Stanford University, and the University of Washington, which were ranked in the top 20 institutions receiving National Institutes of Health funding in 2023.
 - Their work spans various pioneering areas of research: breakthrough regenerative medicine research with the potential to cure diseases, repair damage, and slow aging; innovative imaging techniques offering minimally invasive early diagnosis and ultrasound-based therapeutics; T Cell immunotherapies to combat various cancer types; translational and transdisciplinary research on neurodegeneration related to aging and disease; cancer nanotherapy; and a better understanding of DNA repair to assist with personalized medicine, gene editing, and other gene therapeutics.

- Investment in the Institute is positioning UVA to become a hub for some of the most innovative research being done in these fields.
 - Additionally, 59 new jobs have been created to directly support the research work of these scientists. The Institute also is in the final stages of the interview process for an executive director; the search has employed a strategic recruitment process aimed at capturing the very best pool of candidates that meet the overall needs of the Institute.
- In 2023, UVA launched a pan-University entrepreneurship initiative to connect and build the entrepreneurial ecosystem across the University and throughout the region. Over the next several years, UVA seeks to further bring together students, faculty, staff, alumni, and the broader community to identify new solutions to societal problems, accelerate the commercialization of innovative technologies, expand innovation pathways for students and alumni, and create and grow successful new ventures through entrepreneurship.

In addition to the developments described above, UVA wishes to provide the following information in response to the specific questions posed by the Op-Six:

1) How have you used the Fact Pack data provided last year with the public, your governing board, students, faculty, etc.?

Fact Pack data was provided to the University of Virginia Board of Visitors in fall 2023 and provided the basis for several discussions. Additionally, several slides from the Fact Pack have been incorporated into Board of Visitors presentations in the past year, including when the Board of Visitors approved 2024-25 and 2025-26 tuition and fees and when they approved the fiscal year 2025 budget.

2) Have you experienced changes in admissions, enrollment, and retention due to disruptions of the new FAFSA form, and what is your plan to mitigate the impact?

We do not currently expect significant immediate changes in admission, enrollments, or retention as a result of problems with the new FAFSA, thanks to the persistence of our admitted and current students and their families and thanks to the extraordinary work of the colleagues who support them, especially in Student Financial Services (SFS) and the Virginia College Advising Corps (VCAC).

SFS's mitigation efforts began with careful planning in the fall 2023 semester and have been repeatedly adjusted and amplified as the breadth and depth of the FAFSA problems have been revealed. These efforts have included expanded print, email, and text communications to admitted and current students, as well as their parents and guardians; increased individualized support for admitted students during open-house events; and reengineering of the processes that package preliminary and final aid. These efforts allowed us to provide preliminary aid packages to all but a few dozen newly admitted students by their deadline to accept or decline their offers of admission, which we extended from May 1 to May 15.

VCAC's mitigation efforts have included dedicated financial aid advising for the 14,000 graduating high-school seniors in VCAC's partner high schools, as well as a new initiative, supported by the Pell Initiative for Virginia, to offer virtual appointments to any high-school senior in Virginia who needs help with the FAFSA.

These positive steps notwithstanding, we have additional significant FAFSA-imposed hurdles to clear before federal aid can be disbursed, and the timeline for clearing these hurdles narrows day by day. Further technical problems with federal processes could delay the delivery of aid and create hardships for students, families, and UVA.

Moreover, based on current information, we believe problems with the FAFSA will persist throughout 2024 and into 2025. We are concerned about the compounded effects these extended problems will have on students and families. We also are worried about the administrative burden on our colleagues

in SFS, especially given their role in meeting reporting requirements under the new gainful employment and financial value transparency rule.

In addition, with FAFSA-completion rates among current high-school seniors down by 15 or more percentage points compared to last year, there is a risk that fewer students will enroll in higher education, including Virginia community colleges, than would otherwise have been the case. As noted above, such a decline – especially among VCCS students – could affect our future enrollments of external transfer students.

3) Explain any changes in the “Key Metrics at a Glance” and other changes to your Fact Pack you feel are important to highlight.

The UVA Fact Pack shared with us has numerous edits/corrections needed. We are attaching a detailed document citing necessary corrections.

4) Please include detailed updates on your cost control measures as noted in the Six-Year Plan follow up including new/ongoing initiatives and where your per student overall expenditure and institutional/administrative expenditures are trending as a result of your efforts.

Please see Appendix A, which describes several operational efficiency measures and enhancements across various functional areas. These measures were submitted to JLARC using the collection instrument provided for its higher education cost efficiency study.

5) Describe the anticipated impact of any new federal or state legislative or regulatory requirements on the institution's finances (e.g., Financial Value Transparency and Title IX regulations).

The Financial Value Transparency and Gainful Employment (FVT/GE) Reporting Requirements are scheduled to begin October 1, 2024. However, any impacts from this new reporting will not take effect until July 1, 2026. Our understanding at this point in time is that *if* UVA had a failing rate, it’s possible that prospective students would see this information and decide not to apply or

matriculate. We believe the probability of this occurring is very low. There will be an administrative burden in complying with this new reporting requirement, which the Department of Education has estimated will be about 400 hours to comply with the October 1 deadline. Our professional organizations (such as NASFAA) have urged the Department of Education to postpone the reporting deadline to July 1, 2025.

UVA is appreciative of the General Assembly's effort to address legislative and budget concerns related to the Commonwealth's Virginia Military Survivors' and Dependents' Education Program (VMSDEP). State support is requested as this critically important program has experienced significant growth in recent years and is expected to continue to grow. The requested amount reflects the estimated cost of FY24 actual foregone revenue. This amount has not been adjusted for any one-time state support resulting from the 2024 Special Session pending final action and allocations by the State Council of Higher Education for Virginia. The University is committed to partnering with the Commonwealth to bolster the long-term sustainability of this program.

APPENDIX A: Cost-Cutting and Operational Efficiency Measures

Institutional Support

Institutional support initiatives may include but are not limited to: human resources, business & financial services, legal services, facilities and facility management, and information technology.

Type of initiative	Brief Description	Anticipated/Realized efficiency gains and estimated monetary savings or cost avoidance (where applicable)	Approximate Timeframe (Start/End Dates)
Software and staffing Efficiencies	Information Technology Services (ITS) has retired old systems, transitioned to lower maintenance systems, and implemented new software, such as DocuSign and a new anti-malware solution which led to greater efficiencies and cost savings. ITS also has started using student workers for Tier 1 support at lower wages than highly skilled IT professionals. Realized savings will offset required salary increases and any increased software contract costs.	Indeterminate, but at least \$2 million in annual savings	Started fiscal year 24
Procurement	Facilities Management (FM) moved its uniform order services from paper to Workday, changed custodial products providers, and installed self-performing controls on new capital construction for cost savings. The Workday implementation has reduced the need for fiscal technician roles.	One time savings of \$550,000 for self-performing controls Total annual savings of approximately \$400K for Automation of Uniform Ordering/ Custodial Products Change /Elimination of fiscal technician positions	Started fiscal year 24
Sustainability	UVA FM's Building Efficiency Program performs projects in buildings that lead to reduced energy. Based on actual CY23 savings in Bavaro, Clemons Library, Newcomb, Olsson, Rouss/Robertson, and Thornton the savings are \$1,040,000 per year. The Sustainable Labs Program constructs projects in laboratories that lead to reduced energy consumption and enhanced safety of the lab. The FY24 savings is \$500,000 and	Indeterminate, but at approximately \$2M per year, and growing	Started in 2023

	each year after is projected to be \$875,000 in annual savings. The new Sustainable Clinics program is underway and will also lead to reduced energy costs. These programs move UVA towards our Carbon Neutrality Goals and reduce departments' energy and utility costs.		
Sustainability	UVA Energy & Utilities is transitioning from steam and high-temperature heating water utilizing fossil fuels to hot water production from the heat recovery chiller. Energy & Utilities is also reducing energy losses and maintenance costs by eliminating steam lines west of Hospital Drive.	Approximately \$1M per year	FY24
Reallocating office space	In response to a more flexible work environment, UVA has been able to consolidate and/or reallocate work locations of individual units across Grounds. Even when accounting for significant building renovation costs, these efforts have led to significant savings and will yield cost avoidances going forward.	Approximately \$20 million in savings to date, with an additional \$19-22 million in cost avoidance projected	Started approximately fiscal year 2022
Structural or Organizational Change	Human Resources (HR) undertook an initiative to improve processes and gain efficiencies across HR and was able to eliminate manual processes and reduce manhours. Office of University Counsel (OUC) reallocated funds from various position vacancies to others to increase FOIA/Subpoena response efficiencies, and also reduce the burden on more experienced attorneys, while reducing annual salaries.	Indeterminate, but at least \$200,000	Started fiscal year 23
Procurement	Implemented Amazon Business instead of utilizing multiple department-level Amazon accounts. Through Amazon Business purchases are tax exempt, average of 3-5% lower pricing than regular Amazon purchases, rebates are realistically attainable, it is easier to search for local, SWaM, or sustainability status, and Office of Procurement and Supplier Diversity Services has better visibility into Amazon purchases.	Indeterminate	Started May 2024

Academic Affairs

Academic affairs initiatives may include but are not limited to: instruction, academic support, curriculum and program development & organization, libraries, faculty workloads, and research.

Type of initiative	Brief Description	Anticipated/Realized efficiency gains and estimated monetary savings or cost avoidance (where applicable)	Approximate Timeframe (Start/End Dates)
Structural or Organizational Change	Several colleges/schools reviewed vacant positions and decided to leave positions unfilled to realize savings. Schools also have begun sharing software between departments for annual cost savings, and others have reallocated/shared positions for enhanced cost savings.	Approximately \$1.6 million annually	Started fiscal year 24
Cost Avoidance	The School of Education is winding down several programs with one-time gifts or grant funding to avoid ongoing operating funding costs.	Approximately \$6.2 million annually	FY24
Revenue Enhancement	The College of Arts and Sciences reviewed restricted fund balances for opportunities to use funds to underwrite operating budget or reinvest endowment fund balances to build future revenue. All planned vacant professorships for FY2024 or 2025 are planned for reinvestment. This is expected to help grow endowments to offset existing expenditure commitments and will help reduce number of requests for incremental support.	Indeterminate, but approximately \$1.8 million annually	Started fiscal year 24

Student Services

Student services initiatives may include but are not limited to: student affairs, enrollment management & financial aid, and student health services.

Type of initiative	Brief Description	Anticipated/Realized efficiency gains and estimated monetary savings or cost avoidance (where applicable)	Approximate Timeframe (Start/End Dates)
Structural or Organizational Change	Enrollment reallocated funding and positions based on efficiencies in transaction processing and financial reporting, also scaled back long-time employees looking to retire from full-time to part-time and began succession planning.	Approximately \$900,000 in savings annually	Started fiscal year 24
Structural or Organizational Change	Orientation and New Student Programs reorganized its office leading to savings. Some savings will be used to pilot programs for the Second-Year program.	Approximately \$115,000 in savings annually	Started fiscal year 24

Auxiliaries

Auxiliary initiatives may include but are not limited to: dining operations, student housing, student recreation, intercollegiate athletics, parking services, transportation, bookstores, and student unions.

Type of initiative	Brief Description	Anticipated/Realized efficiency gains and estimated monetary savings or cost avoidance (where applicable)	Approximate Timeframe (Start/End Dates)
Structural or Organizational Change	Residential Life and Housing were combined into a single fiscal entity to reduce internal billings and transfers, while increasing collaboration and efficiencies. The combined office reorganized and reallocated job responsibilities of Associate Director of Operations, which allows the operations team to function optimally without backfilling roles. The office optimized routine cleaning and inspection schedules in traditional residence halls to	Approximately \$600,000 in savings annually.	Started fiscal year 24

	increase efficiency without decreasing quality and expanded in house HVAC maintenance. Realized savings will prevent or offset increases in student costs/fees.		
Revenue Enhancement	University Communications transformed its athletic licensing program fueled by better strategy, new deals, and one-time sign-on bonuses.	Increase of 140% in licensing revenues, or approximately \$2 million.	Started January 2022
Revenue Enhancement	UVA Recreation has increased its use of facility rentals and has modified its approach to University staff memberships, which has led to less reliance on mandatory student auxiliary fees to support its programs.	From FY2021 to FY2023, the other revenue generating items, such as facility rentals and staff memberships, have increased by more than 300 percent.	Started fiscal year 21
Process Redesign	UVA Recreation began auditing payroll to maximize work-study program funding and purchased software to enable the department to monitor use and location of all department vehicles to minimize misuse and theft. UVA Recreation also paid off debt early and will use savings to pay down additional debt early.	Indeterminate, but at least \$65,000	Started fiscal year 24
Process Redesign	Past policy had been to keep supplies stocked for access control inventory (door handles, wiring, and replacement parts) rather than have vendor supply as needed. Stopped stocking inventory.	Savings of \$654,000	Started fiscal year 24
Process Redesign	Parking and Transportation moved from both paper hang tag permits and electronic permits to exclusively electronic parking permits using license plate recognition software.	Savings of \$93,300	Started fiscal year 24