June 11-12, 2015 Board of Visitor Meetings

Committee Reports

Medical Center Operating Board – Transitional Care Hospital

- L.D. Britt, MD, chaired the meeting.
- Larry Fitzgerald provided the finance report for the TCH. Through April 2015, the TCH has a positive operating margin. He also presented the FY 16 operating and capital budgets. A written operations report was included in the public materials.
- Robert Powers, MD, President of the TCH Clinical Staff, provided the TCH Clinical Staff and Quality reports in Executive Session.
- The MCOB approved the FY 16 operating and capital budgets and the credentialing actions for the TCH in public session.

Medical Center Operating Board

- L.D. Britt, MD, chaired the meeting.
- Richard Shannon, MD, opened his remarks by thanking George Martin, Steve Long and Ed Miller for their excellent years of service on MCOB.
- Larry Fitzgerald reported on the FY15 financials for the Medical Center through March. The consolidated income statement includes all Health System entities, including Culpeper Hospital, but Mr. Fitzgerald provided financial data both including and excluding Culpeper for comparison. Revenues exceeded budget for this period. He noted that admissions are down at the Medical Center, as well as statewide, but that the CMI (case mix index) for the Medical Center is up.
- Mr. Fitzgerald also presented the FY 16 operating and capital budgets for the Medical Center. He indicated that our budget themes are growth in volume, continued investment in our strategic plan, and investments in infrastructure that include EPIC Phase Two, population health, and ICD-10 conversion.
- David Neuman, University Architect, presented the schematic design for the University Hospital Emergency Department, Interventional and Perioperative Program and Bed Tower Expansion, which presentation will also be made to the Buildings and Grounds Committee.
- CEO Pamela Sutton-Wallace acknowledged the Medical Center’s achievement of Nurse Magnet® designation from the American Nurses Credentialing Center for quality patient care, excellence in nursing care, and innovative nursing practices. She reported some of the positive feedback from the Magnet® appraisers. Ms. Sutton-Wallace also shared a number of other accomplishments, including US News and World Report Best Children’s Hospital recognitions and multiple program surveys that were successfully completed since the last board meeting. In addition, Ms. Sutton-Wallace provided an
update on nurse recruitment and retention. In FY 15 to date, the Medical Center has a net gain of 36 experienced nurses.

- Robert “Bo” Cofield presented the operations report, which was an overview of the planning for the next stage (Phase Two) of EPIC, the Health System’s electronic medical record. Phase Two will add certain functionality, including registration and scheduling of patients and revenue cycle (billing and collections). The plan is to go live on July 1, 2017.

- Susan Kirk, MD, the Medical Center Designated Institutional Official for Graduate Medical Education, provided her annual report on GME. The Medical Center has 71 accredited physician training programs. In addition we have 28 fellowships that do not have certification or accreditation available at this time but is expected in the future. All of our accredited programs are fully accredited by the ACGME. In FY 15 we had approximately 765 residents and fellows, with 644 of them being in accredited programs. Dr. Kirk also provided information on the cost and funding of GME. The Medical Center funds in excess of 100 residency positions over the Balance Budget Act cap. Dr. Kirk also told the MCOB that the Medical Center has developed an internal tool to help us analyze our GME programs in the event we are required to reallocate or reduce residency positions going forward.

- In Executive Session the MCOB received updates on (i) quality and patient safety initiatives, (ii) strategic Health System priorities and imperatives, including funding opportunities, (iii) strategic partnerships and initiatives, and (iv) the Medical Center Clinical Staff.

- In public session the MCOB (i) endorsed and recommended approval to the Buildings and Grounds Committee of the schematic design for the University Hospital Emergency Department, Perioperative and Interventional services and the Bed Tower, (ii) approved the FY16 operating and capital budgets for the Medical Center, (iii) approved the Medical Center credentialing actions, and (iv) adopted a resolution authorizing the Chair of the MCOB and a second voting member of the MCOB as designated by the Chair to approve appointments and reappointments of clinicians to the Clinical Staff and to grant appropriate clinical privileges to practitioners in between officially scheduled meetings of the MCOB.

**Special Committee on Governance**

The Committee agenda consisted of three discussion topics.

1. The first dealt with the committee’s future. The Chair noted that this would be last committee meeting and that Board needed to decide whether 1) to continue the committee as a special committee, 2) to establish it as a standing committee, or 3) to assign its responsibilities to another committee.
During the discussion, it was noted that a number of universities have standing governance committees and that a standing committee is recommended by Richard Chait. President Sullivan noted that a governance committee would not have to meet at each full board meeting and perhaps would only meet once or twice a year. There was also a discussion about the role of a governance committee and of the option of tasking the executive committee with governance responsibilities.

2. The second and third discussion topics focused on conducting surveys of both Board meetings and committee meetings to evaluate their effectiveness.

The discussion focused on survey drafts that Mr. Nau had distributed to the committee members prior to the meeting. It was noted that conducting meeting surveys is a common corporate practice. They are proactive, and can gather input that may not be offered unsolicited by committee members. It was noted that the drafts consisted of a number of questions requiring written responses and that the survey should consist primarily of multiple choice options. Ms. Harker agreed to revise the drafts. Mr. Goodwin asked the Board Office to see if William and Mary and Virginia Tech conduct surveys. It was suggested that the surveys initially be distributed at the end of each meeting for a year to establish a good baseline assessment. After the first year, surveys would probably only need to be conducted once or twice a year.

3. The committee agreed to recommend the following to the Board:

a. Consideration be given to establishing Governance as a standing committee or assigning its responsibilities to another committee.

b. Surveys be conducted of Board and committee meetings.

**Buildings and Grounds Committee**

The Building and Grounds Committee met on Thursday, June 11 at 2:30 p.m. in the Auditorium of the Albert & Shirley Small Special Collections Library.

**Report from the Vice President for Management and Budget**

- Ms. Sheehy's report consisted of two items.

- First, she addressed the letter received by the Board from the Garden Club of Virginia expressing concern about the condition of the Pavilion gardens. Acknowledging that the gardens need greater attention, the administration has increased staffing of groundskeepers to maintain the gardens, and is also working to develop, prioritize, and execute a list of projects that will enhance the condition of the gardens. They are committed to dedicate the needed resources to ensure the proper maintenance of the gardens in the future.
Second, at the request of the Committee at the March meeting, Ms. Sheehy provided additional information on and discussed the primary benefits of the proposed ductbank project that will interconnect Dominion Virginia Power's (DVP) transmission substation with the University's distribution substations:

- Pan-University need to reduce power surges
- Increased reliability via the installation of an underground power source dedicated to the University
- Limited exposure to outages and disruptions caused in lines serving other customers
- UVa is primary beneficiary of DVP’s investment

The proposed project is included in the 2016-22 Multi-Year Capital Program Update.

**Action Items**

- There were several action items on the agenda.

  - **First**, the Committee approved the naming of the Rugby Road Office Building that came online earlier this month as O’Neil Hall. The naming honors Robert M. O’Neil who served as the University’s sixth president from 1985 until 1990. During his presidency, Mr. O’Neil is credited with many significant accomplishments many of which focused on improving the status of underrepresented populations at the University and cultivating relationships with the community.

  - The Committee briefly discussed the process for naming buildings and recommended that a member of the Buildings and Grounds Committee be appointed to the Committee on Names.

  - **Second**, the Committee conditionally approved the schematic design for the University Hospital Emergency Department/Interventional Program/Bed Tower Expansion project that was endorsed earlier in the day by the Medical Center Operating Board. The Committee requested the administration to provide additional information to the Co-Chairs about the options to fully enclose the mechanical floor level between the surgery center and the bed tower in order to maximize the efficient use of the space.

  - The Committee also recommended that the University consider options for meeting long-term parking needs of both employees and patients.
• Third, the Committee approved the 2016-22 Multi-Year Capital Program which updates the previously approved plan with current cost estimates, adds new projects, and removes projects no longer planned within the next six years.

• Ms. Sheehy reviewed the new projects proposed in the plan for the Academic Division, the Medical Center, and the College at Wise, as well as several projects currently being studied but not yet ready to be brought before the Committee for approval: Frank Batten School of Leadership and Public Policy, McIntire School of Commerce, Center for Politics, Elson Student Health Center, and Football Operations Center.

• The Committee discussed the need to develop a process for bringing projects to the Committee and the full Board for approval and to prioritize capital projects in alignment with the University’s strategic priorities.

• Mr. Goodwin recommended that this be a topic of discussion at the Board Retreat later this summer.

**Consent Agenda**

• The Committee then approved three items on the consent agenda granting or accepting easements for the following projects:
  
  o DVP ductbank project for the installation of the ductbank and associated electrical equipment
  
  o Milton Public Safety Training Facility for utilities
  
  o 911 Center for the installation of redundant fiber optic cable and associated equipment

• With no further business before the Committee, the meeting adjourned at 3:45 p.m.

**Educational Policy Committee**

The following action items were passed by the Education Policy committee on June 11, 2015.

1. Naming of the John L. Nau, III Center for Civil War History in the College of Arts and Sciences

2. Establishment of the Stephenson Chair of Data Science

3. Establishment of the John G. Macfarlane Family Professorship in Business Administration
4. Renaming the John L. Colley, Jr. Research Professorship in Business Administration to the John L. Colley, Jr. Professorship in Business Administration

5. New Degree Program: Master of Science in Global Commerce in the McIntire School of Commerce

Reports included:

1. Ian Baucom, Dean of the College and Graduate School of Arts & Sciences, reporting on the strategic planning process undertaken in 2014-15 academic year. He discussed the intersection of planning for the generational turnover of the faculty, the reaffirmation of its the core values and purpose of a liberal arts education while pioneering teaching and advanced research in a wide array of enduring and newly emerging fields. The primary areas of focus for that strategic planning include a reform of the general education requirements for students in the College; the development of a multi-year faculty hiring plan balancing investments in enduring disciplines and emerging cross-disciplinary research and teaching fields; a commitment to increasing the diversity of the faculty, significant advancement of Arts & Sciences’ position at the frontiers of research across all fields (with particular emphasis in the Sciences); the development of global research and teaching initiatives; and the strengthening of the Graduate School.

2. Maurie McInnis, Vice Provost for Academic Affairs, reported on the progress in defining the QEP topic as part of the University’s SACS decennial reaffirmation. The University’s QEP is due February 2017. In 2014-15, the provost’s office has worked with the schools and the Academic Affairs committee of the faculty senate to solicit ideas for the QEP topic. Written communication emerged as the most frequently cited topic. In the next academic year, a faculty and student committee will work to develop a detailed plan.

3. The committee received written notice of the creation of a dual degree program between the School of Engineering and Applied Science and the Curry School of Education. Students enrolled in the program may obtain both the Bachelor of Science (BS) in Engineering Science and the Master of Teaching (MT) in five years instead of the six years that would be required if each degree were taken separately. The dual degree program has been approved by the deans and the requisite faculty bodies in each school.

Diversity and Inclusion Committee

The Diversity and Inclusion Committee met Thursday, June 11th 2015 between 3:45pm and 5:00pm. The co-chairs, Allison DiNardo and Rusty Conner, opened the meeting by introducing Dr. Marcus Martin, Vice President and Chief Officer for Diversity and Equity. Dr. Martin serves as staff for the Diversity and Inclusion Committee. Dr. Martin stated that there were several agenda items to discuss. He gave background information on the items for discussion, including the President’s Ad Hoc Group on University Climate and Culture, which was established in December 2014 by President Sullivan and created to explore...
policies, practices, and organizational structure, and to serve as an advisory body to the President. The ultimate goal of the President’s Ad Hoc Group is to ensure the safety and well-being of students, while providing an outstanding education. Those appointed to the Ad Hoc Group included students, faculty, staff, alumni, parents, and two BOV members, Ms. DiNardo and Mr. Conner.

President Sullivan gave an update on the progress of the Ad Hoc Group on University Climate and Culture. There were more than 80 suggestions compiled by the Ad Hoc Group. President Sullivan spoke about ongoing efforts to curb sexual misconduct at the University, including a number of suggestions for education related to healthy relationships, consent, and bystander intervention. A training module is being developed which will be mandatory for undergraduate and graduate students starting this upcoming academic year. This program will provide a baseline of information for all students. An online training module will be customized for the University. The University is also hiring a full-time Title IX Coordinator to address issues related to compliance with federal anti-discrimination law. President Sullivan also discussed the potential for alternative social events at the University.

President Sullivan also reported on her response to the U.Va. Alumni for Change letter that she received during Black Alumni Weekend April 2015, as well as her response to the Black Student Alliance concerns expressed in a 27-page report “Towards a Better University.” President Sullivan addressed a number of the concerns in letters to both groups. In addition, President Sullivan, other administrators, Board members Ms. DiNardo and Mr. Conner, Dr. Martin and others met with Black student leaders to better understand and address their concerns. Ms. Dinardo and Mr. Conner summarized concerns they heard from Black student leaders. Several were legacy students who felt that experiences may have been better for their parents at U.Va than for themselves. Several Black students explained how they feel isolated as minorities at U.Va. and rarely have a Black faculty member as a professor due to low numbers of Black faculty at the University. President Sullivan discussed the following recommendations collectively from the Black Student Alliance and U.Va. Alumni for Change:

- Increase black student enrollment
- Increase number of black faculty
- Expand and deepen efforts to educate students on the University history
- Increase support for the Carter G. Woodson Institute and the Office of African American Affairs
- Require public comment at meetings of the Board
- Initiate a capital campaign to benefit a memorial for enslaved laborers
- Address concerns with law enforcement
- Address living wage concerns
- Establish a President’s advisory council for Black alumni

In all cases, the Institution is taking positive steps to address these recommendations and concerns.
Greg Roberts, Dean of Undergraduate Admission, reported on undergraduate admission diversity. Attached are tables on first year diversity, years 2012 through 2015. Dean Roberts discussed the number of completed applications, offers, those enrolled (yield rate), and a percentage of those enrolled as low-income, African American, and other minority students. Of note, the percentage of first year entering African American inclusive of multiracial (partially) African American students increased as follows: 7.1% in 2012, 7.5% in 2013, 8.2% in 2014, and 8.3% in 2015.

Next, Archie Holmes, Vice Provost for Educational Innovation and Interdisciplinary Studies and Professor of Electrical and Computer Engineering reported on faculty recruitment efforts. Archie emphasized U.Va.’s generational turnover and opportunity to hire more diverse faculty. He indicated the pipeline is very different than it was 30 or 40 years ago and we have real opportunities to increase the number of women and minorities on faculty at the University. A diverse faculty is important for research and scholarly productivity, and recruiting and educating the best students. Archie discussed our historical record related to minority and women faculty and where we stand compared to AAU peers. Institutional commitment is important and critical to set the stage for our recruitment efforts and transparency including unit-level ownership and accountability is important. A Diversity Data Dashboard was created by the Office for Diversity and Equity to monitor progress. Faculty search seminars are already in place at the University of Virginia and additional ideas for program and approaches include active ongoing recruitment, creation of institution-wide post-doctoral programs as a pipeline, cluster hiring, target of opportunity hiring, and more support for dual career couples.

**Advancement and Communications Committee**

The Advancement and Communications Committee meeting on Thursday, June 11, 2015 featured student presentations as a part of recent initiatives intended to increase communication and engagement between students and the Board of Visitors, as well as an action item to establish a University-related foundation for the Frank Batten School of Leadership & Public Policy. The Committee additionally heard regular reports on communications, fundraising, and the Council of Foundations.

After Committee Co-chair John Griffin opened the meeting and welcomed guests, student BOV member Daniel Judge and Student Council President Abraham Axler introduced the concept behind the BOV-student dialogue portion of the meeting. Mr. Judge explained that students were given the opportunity to submit brief videos on issues they would like to address before the Board; from those submissions, two students were selected to present to the Advancement & Communications Committee. Mr. Judge noted that the ideas expressed by the students would ideally serve as an introduction to these issues from students’ perspectives, and that this would be the beginning of future conversations. Mr. Axler remarked that the Student Council views this initiative as a way to amplify student voices, and to provide opportunities to those students who do not have formal leadership roles on Grounds to make their case to the BOV regarding important ideas or issues of concern.
Rising second-year student Kendall King-Sellars, who has been very active with the Climate Action Society and Divest UVa, joined the meeting to advocate for fossil fuel divestment by the University of Virginia. Ms. King explained that, generally, divestment is the removal of stocks, bonds, and investment funds from morally and ethically ambiguous companies. A significant example of this approach is the anti-Apartheid campaign’s successful use of divestment from financial institutions linked to the South African government.

Ms. King highlighted the tremendous momentum the fossil fuel divestment movement has gained, and emphasized the urgency of addressing climate change, as there is currently far too much carbon planned to be burned than the earth’s carbon budget will allow. She gave the local example of the sea level rise in the Hampton Roads area of Virginia, noting that sea level there is estimated to rise an additional one to four feet by the end of the century. This and other consequences of fossil fuel burning jeopardize entire communities with famine and displacement, and particularly affect those populations who are most vulnerable.

Ms. King commented that considering the University’s commitment to honor, which was upheld with U.Va. students’ participation in the South Africa and Sudan divestment movements, it is immoral for this prestigious institution to benefit from practices such as investing in the fossil fuel industry. Recognizing that the process of divestment is a very layered and complicated one, she stated that Divest UVa calls for a well-thought-out approach by the University that would involve discussion and action by many areas, including UVIMCO and the BOV Finance Committee. The group advocates in the short term for divestment from direct holdings in fossil fuel companies, as well as a longer-term strategy related to indirect investments.

In response to questions from the Committee members, Ms. King clarified that less than 1% of the University’s holdings are direct investments in the fossil fuel industry, so the impact of such a decision on the endowment and financial priorities such as need-based aid seems minimal. Additionally, one of the objectives of this type of action is to make a statement, and when larger institutions – even entire countries – participate, it sends a strong message to the industry and other investors. She further articulated that if there is a concern about potential calls for divestment on numerous other issues, the University could develop a framework for these types of decisions and perhaps assemble a committee on socially responsible investing.

Caitlin Levine, who graduated from U.Va. this May and who has been very involved with the CIO Workers and Students United for a Living Wage, came before the Committee to promote a policy ensuring that University employees and sub-contracted employees receive a living wage. Ms. Levine commented that thousands of alumni and students have supported the living wage campaign, and defined living wage as the minimum pay necessary for workers to meet basic needs. Calculated based on the cost of living in a specific location for a family of four, the current living wage for the Charlottesville area has been determined as a wage of $13.71 plus benefits.

Given that University’s base pay is $11.76 per hour, Ms. Levine observed that there must be workers whose needs are not being met. Additionally, given the status of companies with sub-contracted employees working at U.Va., we do not have reportable data on those
workers’ pay, so it is possible they are paid less. She noted that students interact with workers every day and are aware from these interactions that many of them cannot afford some basic needs; for these reasons this is an important issue for students. Ms. Levine further expressed that as one of the largest employers in Charlottesville and the surrounding area, the University’s policies have a significant effect on the region’s economic strength.

Acknowledging the recent commendable actions by U.Va. to honor those in our community whose contributions have been overlooked, and particularly the work of the President’s Commission on Slavery and the University, Ms. Levine commented that instituting a living wage policy would further add to these efforts. She articulated that the living wage campaign calls on the BOV to show its support for such a policy by creating a diverse committee to explore the issue and by requiring an audit of all contracted organizations in order to identify the needs of their workers and hold them accountable.

Ms. Levine further observed that we all want U.Va. to be admired and desirable to prospective learners and faculty, and to be an inclusive, diverse, and safe institution. She stated that instituting a living wage would help meet these goals, and called on the governing body to do everything it can to make this issue a priority. Responding to questions from the Committee particularly related to how the University's contracted organizations might address such a policy, Caitlin recognized that compromise is often a reality, but that we should also be aware of the consequences of “cutting corners.”

The Committee members were pleased to have the students join the meeting and present on topics of importance to them. Mr. Judge will follow up regarding next steps on the particular issues highlighted in this meeting, as well as how to proceed with this BOV-student dialogue initiative in the future.

Allan Stam, Dean of the Frank Batten School of Leadership & Public Policy, spoke in support of establishing a University-related foundation for the Batten School. He noted that such a foundation would strengthen the School’s fundraising efforts and help prepare Batten to be an active participant in the Bicentennial Campaign. The Committee unanimously approved the resolution to create a foundation at the Batten School.

Bill Fryer, Chair of the Council of Foundations, reported on the May 28 Council meeting, highlighting President Sullivan’s update on the planning for the Bicentennial Celebration and Campaign, as well as COO Pat Hogan’s update on resourcing the University, the Cornerstone Plan, and the Affordable Excellence plan. He expressed the Council’s support for the recent BOV actions related to the University’s financial plan.

Chief Communications Officer Dave Martel reported on the University’s communications efforts particularly related to student recruitment, as this was determined to be an area in which we could do a better job telling the University's story. He shared a number of well-executed print and video pieces, websites, and social media projects targeting admitted students and their families. Mr. Martel also presented data to demonstrate the outcomes of these efforts, highlighting the enrollment percentages across various communities. He emphasized that while the overall enrollment rate of those admitted was 41%, the rate
among those designated as Blue Ridge Scholars was 57%, which illustrates the importance of need-based aid as well as the impact of special designations such as the Blue Ridge Scholars program. Mr. Martel also shared positive results related to growth in the readership of UVA Today. The Committee thanked Mr. Martel and his team for their excellent work over the past year.

Senior Vice President for University Advancement Bob Sweeney began his remarks by highlighting a special Ten-Year Impact Report on the Office of Engagement, which was created by the BOV ten years ago following recommendations by the Alumni Relations Task Force. Mr. Sweeney emphasized the remarkable work of the Engagement team area over these past ten years, and closed by sharing positive news related to fundraising progress. He reported that reunion giving for the year had been very successful, as all classes had met their giving and participation goals. In terms of overall giving, philanthropic cash flow through April stood at $195.3 million, an increase of 17.6% over the same period last year. Mr. Sweeney noted that if we sustain that increase through May and June, this could be the University’s best fundraising year since 2008. Additionally, gift planning efforts Grounds-wide have been strengthened, and this year’s bequest total to-date is almost triple that of last year. The Committee thanked Mr. Sweeney for the excellent work of University Advancement and the advancement community.

Committee Co-chair John Nau closed the meeting by commenting that this would be his last Advancement & Communications Committee meeting, and he expressed his gratitude to the Committee members and staff for their leadership. Mr. Griffin thanked Mr. Nau in return, and noted that they looked forward to continued work with him in other ways.

**Audit, Compliance, and Risk Committee**

Ms. Carolyn Saint, Chief Audit Executive, presented an interim audit schedule for the first quarter, and Ms. Lori Strauss, the Health System’s Compliance and Privacy Officer, presented the compliance schedule for the upcoming fiscal year. Mr. Eric Sandridge, the Director of Higher Education Programs for the Auditor of Public Accounts, informed the committee of plans for the upcoming annual financial statement audit. Mr. Gary Nimax, the Assistant Vice President for Compliance and Enterprise Risk Management, provided a report on activities underway advancing the University’s enterprise risk management program. Mr. Richard Tarr of Richard Tarr and Associates met with the committee to discuss the recent external Quality Assurance Review of the Internal Audit Department and then Ms. Saint concluded the meeting with a summary of recent audit findings.