

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
SPECIAL COMMITTEE ON
PLANNING
NOVEMBER 7, 2005**

SPECIAL COMMITTEE ON PLANNING

Monday, November 7, 2005

12:00 - 3:00 p.m.

Lower East Oval Room, The Rotunda

Committee Members:

John O. Wynne, Chair

Susan Y. Dorsey

W. Heywood Fralin

Glynn D. Key

Mark J. Kington

Lewis F. Payne

Gordon F. Rainey, Jr.

E. Darracott Vaughan, Jr., M.D.

Thomas F. Farrell, II, Ex Officio

AGENDA

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: November 7, 2005

COMMITTEE: Special Committee on Planning

AGENDA ITEM: I. Discussion of the Scope of Financial and Strategic Planning and of the Approach to the Work of the Committee

ACTION REQUIRED: None

BACKGROUND: The Rector appointed the Special Committee to complete a ten-year plan for the University. The Committee has been asked to complete a financial plan by the Board's Retreat in July 2006 based on the recently completed six-year Restructuring plan and with substantial input from the Educational Policy and Finance Committees.

DISCUSSION: During the meeting, Messrs. Wynne and Farrell will give their charge and concept for the conduct of the planning process. The importance of addressing academic priorities and achieving the overall objective stated in the "Key Planning Objectives" will be explained. The purpose of this discussion with the Committee and, indeed, the discussions which follow is to engage the members of the Committee in an assessment of the plan and the content of the key areas of focus for the Committee's work.

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BOARD MEETING: November 7, 2005

COMMITTEE: Special Committee on Planning

AGENDA ITEM: II. Review of the Key Planning Strategies

ACTION REQUIRED: None

BACKGROUND: The Rector, the Chair of the Committee, and Mr. Sandridge, have identified proposed key steps in a process designed to create a financial and strategic ten-year plan on as timely a basis as practicable. A draft of the proposed Key Planning Strategies is provided on the next page with the idea that in the discussion, the entire Committee will have an opportunity to react to, amend and add to the draft. The key strategies and the work of the Committee will depend significantly on the work of other Board committees and the Administration.

DISCUSSION: During the meeting, a draft set of planning strategies will be reviewed. Messrs. Wynne, Farrell, and Sandridge will facilitate the discussion with Board members. The purpose of the discussion will be to examine the appropriateness of the individual strategies, add or remove strategies and review the reasonableness of the schedule for accomplishing the work related to the individual steps. While work on details and refinement of the ten-year strategic plan will continue through February 2007, it is important that the Committee focus on the importance of having a meaningful document for the Board's use at the retreat next summer, and as a predicate for the launching of the Capital Campaign in September 2006.

Overall Objectives: Improve the University's national ranking; focus academic priorities on areas of excellence, strength and potential; and positively differentiate the University from its public and private competitors through sound planning in two phases:

- Develop a) a preliminary ten-year financial plan, b) conduct a "Top 15" (*US News*) gap analysis, c) assess the University's significant financial policies and their adequacy to sustain existing and potential initiatives, d) incorporate into the preliminary ten-year financial plan appropriate strategies that may be identified by the Educational Policy Committee as a result of its current year's work on the undergraduate experience, e) complete situation analyses and sensitivity studies, and f) develop a discipline of accountability through effective metrics and measures in time for discussion at the Board of Visitors 2006 Retreat.

- Beginning as soon as practicable and continuing through February 2007, complete an Administration driven process to a) examine opportunities and threats in public and private higher education, b) propose steps to differentiate and further strengthen the University based on an in-depth assessment of these opportunities and threats, c) investigate and understand the strategies of appropriate elite universities, d) consider options to focus academic priorities on existing strengths, and e) differentiate the University from its public and private peers with input from appropriate faculty and administrative committees. It is understood that this added study and examination to elevate the reality and perception of the excellence of the University among identified constituencies may require that the preliminary ten-year financial plan be revised.

Guiding Principles/Assumptions: The work of the Special Committee on Planning will be guided by these underlying principals/assumptions:

Phase I - Items to be completed before the 2006 Board of Visitors Retreat:

- Preliminary ten-year financial plan
- Case Statement based on the preliminary financial plan and other existing and developing work, such as the 2020 plan
- "Top 15" gap analysis
- "Situation analysis" or environmental assessment

Phase II; i.e., the Strategic Phase - Items to be completed before the end of February 2007:

- Reexamination of existing planning documents
- Engagement of faculty/administration in the planning process
- Development of strategies to differentiate the University based on a fresh look at alternatives, recognizing that the 2020 plan will continue to have strong relevance
- Completion of a ten-year Strategic Plan

Description of Key Planning Strategies:

1. Expand the Board-approved six-year plan into a ten-year plan by including all University resources and applying at least the same level of sophistication as used in the development of the six-year plan.

Suggested Timeframe: Review a draft preliminary ten-year plan in February 2006. Include subsequent work of the Special Committee, Educational Policy Committee and other committees during the spring of 2006, and complete the report prior to the Board of Visitors 2006 Retreat.

2. Conduct a "Top 15" Gap Analysis to determine what resources are needed based on the information available to us from the *U.S. News and World Report* data, the University's preliminary ten-year financial plan and known priorities to achieve a "Top 15" status within ten years.

Suggested Timeframe: The Special Committee will complete the Gap analysis at the April 2006 meeting.

3. Ensure accountability by determining a set of measures to track success/improvement. Measures will include SCHEV's Scorecard developed as part of the work required under the Restructuring legislation, selected Moody's criteria, and financial resources (endowment return, dollars raised per year, dollars per donor solicited, dollars per student, and percent participation).

Suggested Timeframe: The Special Committee on Planning will review proposed measures at the April 2006 meeting. If necessary, the measures and metrics will be updated no later than February 2007.

4. Review the 20-25 most significant financial policies and prepare new policies as appropriate. This work includes identification and examination of each policy's purpose, its adequacy to sustain the intended purpose and the need for revision. New policies for operating, maintenance, replacement and renewal reserves will be developed.

Suggested Timeframe: Staff will begin immediately to inventory, review, and propose changes to existing policies. The Finance Committee will oversee the reviews and present results to the Special Committee on Planning no later than its May 2006 meeting.

5. Complete a Situation Analysis that addresses the external environment, threats, opportunities and strategies of other major research universities (public and private). This analysis also includes an assessment of how the University is perceived by constituents and competitors relative to its strengths, weaknesses, unique opportunities and threats. This work is to be Administration driven, to incorporate the benefit of outside expertise and to be shared with the Full Board.

Suggested Timeframe: The Situation Analysis will be undertaken immediately, reviewed with the Special Committee on Planning about June 2006, and completed in time to be a discussion topic at the 2006 Board of Visitors Retreat.

6. Reconcile the Capital Campaign Case Statement with the ten-year plan. Draw on the preliminary ten-year financial plan and existing 2020 Plan as may be appropriate to complete the Case Statement. Ensure that the Case Statement is consistent with the ten-year plan and all other aspects of the University's planning efforts on an ongoing basis.

Suggested Timeframe: Update the draft Case Statement as the alumni and friends group focus sessions are conducted around the country and prepare a final Case Statement in time to support the Capital Campaign kickoff on September 30, 2006.

7. Maintain comprehensive information on external assessments of the University of Virginia (*US News and World Report*, National Research Council, and World University Rankings, etc.). Seek to understand and use information on existing rankings to guide the institution through a long-term strategy that is effective in differentiating the University. Analyze existing rankings to understand how to improve in key evaluation categories.

Suggested Timeframe is dictated by annual release of rankings, but no later than June 2006.

8. Conduct sensitivity studies to assess the feasibility of ongoing funding of existing and proposed commitments.

Suggested Timeframe: The Special Committee on Planning will discuss sensitivity studies at a February 2006 meeting, and again at its winter 2007 meeting.

9. Develop a long-term strategy for identifying areas of excellence and market position. Use the work of other Board and faculty/administrative committees to identify key academic priorities and opportunities for differentiation. The Educational Policy Committee's focus on the undergraduate experience provides a timely example. Previously developed 2020 planning strategies will be reviewed and updated as appropriate during this phase of the work.

Suggested Timeframe: The Special Committee on Planning will work with the Educational Policy Committee, and other committees, to develop the long-term strategies. This long-term, in-depth work will commence immediately and extend into the next academic year with a completion date of no later than the end of February 2007.

10. Perform enterprise risk analyses.

Suggested Timeframe: The Special Committee on Planning will develop mitigation strategies no later than February 2007, to address significant institutional and marketplace risks.

The Special Committee on Planning intends to meet four or more times during this academic year.

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BOARD MEETING: November 7, 2005

COMMITTEE: Special Committee on Planning

AGENDA ITEM: III. Key Dates/Timeline for Work of the
Special Committee on Planning

ACTION REQUIRED: None

BACKGROUND: The completion of the significant work and development of a plan before the Board's 2006 Retreat calls for a discipline of purpose as well as a timeline that will guide the work and ensure results.

DISCUSSION: Mr. Wynne will talk about key dates and the various accomplishments that will be expected at each meeting of the Special Committee on Planning. Other committee chairs will be asked to adopt the timeline to ensure that the various components of the ten-year plan come together as intended. As a result of the discussion of the draft timeline and critical path, it may be necessary to amend the timeline following this meeting.

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AGENDA ITEM: IV. Future Meeting Dates

ACTION REQUIRED: None

BACKGROUND: The Board Office has distributed the dates on which the Special Committee on Planning will meet prior to the Board's next retreat.

DISCUSSION: Mr. Wynne will review the schedule to highlight the work that must be done during a relatively few meetings and to make sure that there are no known conflicts that would prevent members from participating in the meetings. The dates previously published are:

Thursday, February 2, 2006	(12:00-5:00 p.m.)
Thursday, April 6, 2006	(12:00-5:00 p.m.)
Thursday, May 25, 2006	(1:00-5:00 p.m.)
Thursday, June 8, 2006	(12:00-5:00 p.m.)

Other dates may be suggested as a result of discussion during this meeting.