

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: November 7, 2005

COMMITTEE: Executive Committee

AGENDA ITEM: Approval of the Management Agreement,  
Policies, and Performance Measures

BACKGROUND: The Restructured Higher Education Financial and Administrative Operations Act passed by the 2005 General Assembly establishes a framework to reduce bureaucracy and to enhance the ability of Virginia's public institutions of higher education to manage their operations more efficiently and plan for the future. The legislation grants institutions additional authority over financial and administrative operations, but only after they make certain commitments to the State and only with appropriate accountability. The University's six-year institutional plan, previously approved by the Board, was submitted to the State on October 1, 2005 as required by the Restructuring Act.

The Act also provides for application as a "Covered Institution," allowing for a greater degree of administrative authority within the context of a management agreement that is negotiated with the state.

DISCUSSION: The University, together with Virginia Tech and the College of William and Mary, is nearing completion of its negotiations with the Governor's administration on a management agreement that will provide increased authority over operations in the areas of information technology, human resources, capital outlay and leases, procurement, and financial operations. Performance measures have been developed to assess the outcomes of additional autonomy requested in each functional area.

We will discuss the management agreement, the accompanying Board policies, and the performance measures with the Committee, although it is possible that the Governor will not have given his final approval to the documents by the date of the meeting. The resolution we will ask the Committee to approve permits the President, and or the Executive Vice President and Chief Operating Officer, with the concurrence of the Rector, to make any

required changes to the documents between the date of the Committee's approval and the effective date of the management agreement, reporting the changes to the Board.

ACTION REQUIRED: Approval by the Executive Committee

APPROVAL OF MANAGEMENT AGREEMENT, POLICIES, AND PERFORMANCE MEASURES

WHEREAS, the Restructured Higher Education Financial and Administrative Operations Act includes a provision entitled Subchapter 3, Alternative Authority for Covered Institutions (Va. Code 23-38.91 et. seq.), which sets forth the requirements for a public university or college of this Commonwealth to gain additional authority with concomitant responsibility subject to certain accountability, audit and reporting measures specified by the General Assembly; and

WHEREAS, the Board of Visitors has by resolution committed the University to the state goals set forth in Va. Code 23-38.88B, and by resolution determined that the University is qualified to be, and should be, governed by the authorizations and requirements set forth in said Subchapter 3 and as otherwise prescribed by law; and, furthermore, attested to the ability of the University to successfully manage its administrative and financial operations in accordance with the requirements of Subchapter 3, accordingly authorizing its President and Executive Vice President and Chief Operating Officer to enter into negotiations to finalize the Management Agreement required by the said Act; and

WHEREAS, the Management Agreement has been approved by the Cabinet Secretary or Secretaries designated by the Governor of Virginia, and approved by the University's President and Executive Vice President and Chief Operating Officer;

RESOLVED, the Board of Visitors, by its Executive Committee as authorized and empowered by state law (Va. Code 23-75), adopts the said approved Management Agreement including its appended policies in the operational areas of capital projects, leases, information technology, procurement, human resources, and finance and accounting, as well as the Performance Measures, and accordingly authorizes the President and/or Executive Vice President and Chief Operating Officer to execute the foregoing on

behalf of the University and its Board of Visitors. In the event of subsequent changes or amendments as may be desired by the Governor or the General Assembly, and if the Executive Committee is unable because of exigent and other circumstances to properly convene in a timely manner, the President and/or Executive Vice President and Chief Operating Officer, with the concurrence of the Rector, is empowered to approve any subsequent changes or amendments which he determines to be in the best interests of the University and that are desired or required by the Governor or the General Assembly between the date of this Resolution and the effective date of the aforesaid Management Agreement, Policies and Performance Measures; provided, the President shall notify the Board of Visitors as soon as practicable of the changes or amendments.