

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
SPECIAL COMMITTEE ON
PLANNING**

JUNE 9, 2006

SPECIAL COMMITTEE ON PLANNING

Friday, June 9, 2006
8:00 a.m. - 12:00 noon
Lower East Oval Room, The Rotunda

Committee Members:

John O. Wynne, Chair
A. Macdonald Caputo
Susan Y. Dorsey
W. Heywood Fralin
Glynn D. Key

Lewis F. Payne
Gordon F. Rainey, Jr.
E. Darracott Vaughan, Jr., M.D.
Thomas F. Farrell, II, Ex Officio

AGENDA

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- I. PERFORMANCE MEASURES (Messrs. Sandridge, Block, Sweeney, and Ms. Sheehy) 1
- II. EXECUTIVE SESSION
- Discussion of fund-raising and gift development strategy and prospects, and related performance goals and expectations for identifiable personnel of the University in connection with the University's capital campaign, in order to plan for and sustain the continued excellence of the University of Virginia, as permitted by Section 2.2-3711 (A) (1), (6), and (8) of the Code of Virginia.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: June 9, 2006

COMMITTEE: Special Committee on Planning

AGENDA ITEM: I. Performance Measures

ACTION REQUIRED: None

BACKGROUND: At the April 6, 2006 meeting, the Special Committee on Planning was presented with performance measures in three areas: 1) state measures required by the Restructuring Act, 2) measures to track Board initiatives, and 3) measures associated with core mission outcomes of instruction, research, public service, and administrative/financial operations. A fourth area of measures, measures associated with strategic academic initiatives, will emerge from the academic planning process. The main focus of the meeting was the consideration of potential core mission and administrative measures.

DISCUSSION: The proposed performance measures are a revised, subset of core mission and administrative measures previously discussed. These measures are recommended as the primary, high-level measures the Board will monitor as indicators of institutional performance and progress. Preliminary data, where available, for selected measures will be reported at the June 9, 2006 Special Committee on Planning meeting.

Attached are brief descriptions of each performance measure and an assessment of the availability of historical, baseline data and comparative peer data. The twenty-two measures were selected from a comprehensive list and address these critical areas: research, faculty achievement, faculty recruitment and retention, student engagement, student outcomes, access, diversity, resources, revenue, financial management, facilities, and health care.

The administration will regularly report results on these selected measures to the Board. Although other performance measure data will continue to be collected to inform and guide institutional management, these secondary measures will not be reported regularly to the Board (see Attachment).

Upon Special Committee on Planning agreement on a final set of performance measures, the available, contextual trended and comparative data for each measure will be compiled and presented at the Board of Visitors' Retreat in July.

ATTACHMENT

RECOMMENDED PEER GROUP

A standard peer group is recommended for comparative benchmarking when data are available. This group represents a mix of top public and private Association of American Universities (AAU) institutions.

Cornell University
Duke University
Emory University
University of Pennsylvania
Vanderbilt University
University of California Berkeley
University of California Los Angeles
University of Michigan
University of North Carolina
University of Wisconsin

RECOMMENDED PERFORMANCE MEASURES

1. *Ranking: Annual US News and World Report (USNWR) Undergraduate Ranking* - This measure shows where UVA ranks among its peers in the USNWR undergraduate ranking of the Best National Universities. Trended data are available for the University and its peers for eight years.
2. *Research: Federal Research Expenditures Gross Amount and Per Capita* - This measure provides an evaluation of research activity as measured by federal research expenditures reported to the National Science Foundation (NSF) in an annual survey. Both the gross amount and the amount per faculty member (Integrated Postsecondary Education Data System (IPEDS) full-time instructional/research/public service faculty) will be provided. Historical and comparative data will be reported for the past five years.
3. *Faculty Achievement: Membership in National Academies and Faculty Scholarly Awards* - This achievement measure signifies a partial gauge of faculty quality based on membership in national academies and receipt of scholarly awards. The percentage of current faculty who are members of the National Academy of Science, the National Academy of Engineering, the Institute of Medicine, or the American Academy of Arts and Sciences will be trended for the past five years. The number of UVA and peer school faculty receiving awards from the Fulbright Scholar, Guggenheim

Fellowship, MacArthur Award, and National Endowment for the Humanities (NEH) will be provided for the past five years.

4. *Faculty Recruitment and Retention: Yield on Offers and Retention Rate* - This measure has two components to evaluate our ability to attract and retain faculty: 1) the annual percentage yield on offers for tenure-track positions, and 2) the retention rate ten years later of faculty awarded tenure. Historical data for the annual percentage yield will be reported for the past five years and trended data for retention of faculty awarded tenure during the five-year period, 1991 - 1995, will be reported.
5. *Student Engagement/Satisfaction: National Survey of Student Engagement* - This measure reflects the University's results from the National Survey of Student Engagement (NSSE). NSSE results are reported in five composite indices of engagement to measure how students spend their time at different colleges and universities and what they gain from their experiences. The indices include Level of Academic Challenge, Active and Collaborative Learning, Student Interactions with Faculty, Enriching Educational Experiences, and Supportive Campus Environment. Three years of average scores for UVA students in 2000, 2002, and 2005 are available, and comparative data are available for AAU public peers. The survey will continue to be administered every three years in the future.
6. *Student Learning Outcomes: Writing and Critical Thinking Assessment Tests* - This measure evaluates value added in the areas of critical thinking and writing for undergraduate students between their first and fourth years. Outcomes measures and assessment plans will be developed during the 2006-2007 academic year and will begin to be administered during the 2007-2008 academic year. Competency measures in writing, from 2001-2002, and critical thinking, from 2005-2006 are available. Data for first-year and fourth-year students, albeit from different cohorts, will be available after the 2007-2008 academic year. The initial evaluation of true value-added results, however, will first be available in 2010-2011, when the same cohort is assessed in the first and fourth year.
7. *Student Outcome: Alumni Preparedness for Life and Career* - This measure portrays the level of alumni satisfaction with how their UVA experience prepared them for life and career. A 2003 alumni survey will be repeated at five-year

intervals. A set of questions (a "satisfaction index") from the 2003 survey will be included in subsequent surveys. The 2003 data point serves as the baseline, with additional data available in the succeeding five-year periods. The second data point will be available in 2008. These data can only be trended internally; there is no peer comparative data.

8. *Student Access: Percentage of Students Eligible for Need-based Financial Aid* - This measure reveals the University's socio-economic diversity. This percentage reflects the number of undergraduate students eligible for need-based financial aid as determined by Student Financial Services, upon review of the student's financial information and calculated according to the Department of Education methodology. University trended data are available beginning with the 1992-1993 academic year. Peer comparative data are available for the two most recent academic years.
9. *Diversity: Student, Staff, and Faculty Demographics* - This measure denotes the diversity of the University community in terms of gender and race/ethnic origin. Percentages by gender and race/ethnic origin will be provided for each of three populations: faculty, staff, and students. Trended UVA and peer data over the past ten years are available and will assist with the identification of growth patterns, which are caused by a combination of recruitment and retention efforts.
10. *Diversity: Small, Women and Minority Business (SWAM) Spend as a Percentage of Discretionary Expenditures* - This measure reflects the University's commitment to the promotion of small, women-owned and minority-owned business participation in the University's procurement activities. The measure is calculated by adding direct spend and sub-contractor spend for the three classes of businesses included in the definition of SWAM firms. Historical data are available beginning in 2004-2005.
11. *Resources: Student Investment per Enrolled Student* - This measure represents the financial resources - from all sources - that the University invests per enrolled student; it is based upon the USNWR's measure of financial resources per student. All expenditures for direct instruction, academic support, student services, institutional support, operations and maintenance of plant are included, as well as a percentage of research and public services expenditures.

The resulting "educational expenditures" are divided by full-time equivalent enrolled students. Ten years of historical data will be provided. To evaluate the University's performance versus peers, the financial resources numerical ranking from USNWR will be compared to each of the peer institution's financial resources numerical ranking for the past eight years.

12. *Resources: Tuition and GF Resources per Student* - This measure provides an analysis of non-philanthropic resources available per student. Five years of historical data are available to include the tuition charge plus general fund allocation per full-time equivalent in-state student for public peers and the University, the out-of-state tuition charge for public peers and the University, and the tuition charge for private peers.
13. *Revenue: Annual Alumni Philanthropic Gross Cash Flow and Per Capita Alumni of Record* - This measure provides an evaluation of annual philanthropic resources received for the benefit of University activities. Ten years of annual giving for the University and its related foundations will be provided, including giving from alumni, friends, foundations, and corporations. Peer data are available for comparison purposes. Additionally, the per capita calculation will result from the division of the annual giving total by the number of alumni of record, defined as living alumni with good addresses. The per capita measure accounts for the size of alumni populations. Since non-alumni giving is included in the numerator, the result will not yield an average alumni gift.
14. *Revenue: Endowment Per Student* - This measure is a partial measure of the financial strength of the institution to support current students. It consists of a calculation of investment resources per the current number of students. Historical data and comparable peer group data are available for the last ten years.
15. *Financial Management: Endowment Performance* - This is a quantitative measure of the results of investment activities from the endowment assets. Historical data and comparable peer group data are available for the last ten years.
16. *Financial Management: Percentage Change in Net Assets* - This change is a partial reflection of financial strength of the institution. Historical data are available for three

years due to the required implementation of a new reporting model for governmental colleges and universities in 2002. Comparable public institution peer data are available for the last three years.

17. *Research Facilities: Research Dollars per Assignable Square Feet* - This measure examines the relationship between the amount of research space and the total expenditures in research reported to IPEDS. These data will be provided for the current year for the University and the peer group.
18. *Instructional Facilities: Instructional Space per Student* - This measure indicates whether growth in the size of the student body has been accompanied by adequate increases in instructional space. Total assignable square feet of instructional space at UVa per FTE student will be provided, along with peer data for the current year.
19. *Medical Center: Operating Margin* - This is a measure of profitability as determined by the ratio of operating income (operating revenue less operating expenses) to operating revenue. Operating revenues include all patient care revenues and other operating revenues. This revenue excludes any non-operating revenue such as investment income, interest income and other gains. Operating expenses include salaries, fringe benefits, supplies, purchased services, contracts, depreciation, interest on debt and bad debt expenses. The operating margin shows what percentage of operating revenues contributes to operating income. Historical data are available for ten years, and comparative peer data are available for 2003 through 2005.
20. *Medical Center: Cost per Adjusted Discharge* - Adjusted discharge is an industry accepted standard statistic to represent the full inpatient and outpatient activity for a Medical Center. The calculation for adjusted discharges is inpatient discharges divided by the inpatient percentage of gross revenues (inpatient gross revenues divided by total gross revenues); this is a measure of efficiency of expenses relative to volume levels. Historical data are available for ten years, and comparative peer data are available for 2003 through 2005.
21. *Medical Center: Average Length of Stay (ALOS)* - ALOS is a means to measure the average number of days a patient stays in the Medical Center, total patient days for discharged patients divided by total discharges. Typically, the ALOS

will be higher to treat more sicker patients. When adjusted for acuity, this is a measure of efficiency. Historical data are available for ten years, and comparative peer data are available for 2003 through 2005.

22. *Medical Center: Case Mix Index* - This is a composite indicator of the acuity of all inpatients based on a Diagnostic Related Group (DRG) weighting system established by Centers for Medicare and Medicaid Services (CMS). The higher the index value, the more sick the patients being served. Historical data are available for ten years, and comparative peer data are available for 2003 through 2005.

SECONDARY PERFORMANCE MEASURES

AREA	PERFORMANCE MEASURES
Quality of Educational Experience	<ul style="list-style-type: none"> • Percentage of undergraduates engaged in independent research • Percentage of classes with less than 20 or more than 49 students • Student/faculty ratio • Study abroad experiences
Faculty Distinction	<ul style="list-style-type: none"> • External funding and PhDs per faculty in science and engineering disciplines • Research awards as a percentage of proposals (number and dollars) • Citations in <i>Science</i> and <i>Nature</i>, impact factor/citation analysis
Student Selectivity	<p>Quality of entering first-year students</p> <ul style="list-style-type: none"> • Average SAT • Percentage ranked in top ten percent of high school class • Number of Advanced Placement (AP) and International Baccalaureate (IB) credits from tests • Offer rate
Student Outcomes	<ul style="list-style-type: none"> • Graduate Admission tests: Graduate Record Examination (GRE), Law School Admission Test (LSAT), Graduate Management Admission Test (GMAT) Medical College Admission Test (MCAT) • Recruiter opinions of graduates (used in <i>USNWR</i>, <i>Business Week</i> rankings) • Graduation rate • Alumni leadership roles
Access and Affordability	<ul style="list-style-type: none"> • Applications from and yield of low-income students • Amount of need-based grants for undergraduate students
Faculty/Staff Resources	<ul style="list-style-type: none"> • Staff turnover percentage compared to College and University Professional Association (CUPA) benchmark • Staff internal transfers/promotions as a percent of total number of hires compared to CUPA benchmark • Employee attitudes (periodic survey)

AREA	PERFORMANCE MEASURES
Faculty/Staff Resources, continued	<p>Faculty Diversity</p> <ul style="list-style-type: none"> • Recruitment and retention • Interviews conducted • Offers made and accepted • Successful third-year review • Awards of tenure • Promotions to full professor
Resource Acquisition and Management	<p>Adequacy of State funding</p> <ul style="list-style-type: none"> • Appropriation per in-state student • Total annual appropriation • Percentage of operating budget <p>Tuition</p> <ul style="list-style-type: none"> • Percentage of operating budget <p>Grants/Contracts and Facilities and Administrative (F&A) Recoveries</p> <ul style="list-style-type: none"> • Total sponsored research expenditures • Percentage of operating budget • Patent and license revenue <p>Gifts and Endowment Income</p> <ul style="list-style-type: none"> • Percentage of alumni giving • Percentage of operating budget • Total endowment income • Distribution <p>Debt Affordability and Capacity</p> <ul style="list-style-type: none"> • Bond Rating • Debt Burden Ratio • Debt Service Coverage • Viability Ratio • Debt Capitalization Ratio <p>Physical Facilities</p> <ul style="list-style-type: none"> • Facilities Condition Index • Operating maintenance budget as a percent of facilities replacement value • Capital Additions

AREA	PERFORMANCE MEASURES
Medical Center Efficiency and Productivity	Delivery of Clinical Services <ul style="list-style-type: none"> • Full-time equivalents (FTEs)/Average occupied bed • Readmission rate • Mortality rate • Overall patient satisfaction Financial Performance <ul style="list-style-type: none"> • Net accounts receivable/average days in receivable • Debt-to-capitalization ratio • Average age of plant

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