

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
SPECIAL COMMITTEE ON
PLANNING
SEPTEMBER 11, 2006**

SPECIAL COMMITTEE ON PLANNING

Monday, September 11, 2006

9:00 - 11:00 a.m.

Byrd Seminar Room, Room 318

Harrison Institute

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

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: September 11, 2006

COMMITTEE: Special Committee on Planning

AGENDA ITEM: I. Report on the Situation Analysis

ACTION REQUIRED: None

Review of Peer Analysis

BACKGROUND: An internal and peer assessment has been anticipated since the inception of the ten-year plan. The purpose of this assessment is to make note of the University's strengths, weaknesses, and opportunities - as well as threats to the University - in the context of aspirational peers, and to use these data to inform strategic decision-making.

DISCUSSION: Mr. Block will present a summary of peer analysis performed by the Schools. Each of the deans was asked to discuss ten innovative programs/initiatives at leading universities. The deans' reports summarize the programs, with brief comparison, where possible, with programs at the University of Virginia. In many instances, we do not have similar programs and this analysis provides information to compare our plans and opportunities.

Situation Analysis Consultant

BACKGROUND: A situation analysis that addresses the external environment, threats, opportunities, and strategies of other major research universities (public and private) is integral to the ten-year planning process. A preliminary situation analysis was conducted and presented at the meeting of the Special Committee on Planning last February.

At the Board Retreat last month, the Special Committee on Planning reported that a consultant would be retained after the Retreat to extend this preliminary analysis. The consultant will be asked to assess constituents' and competitors' perceptions of the University relative to its strengths, weaknesses, unique opportunities, and threats.

DISCUSSION: The President will discuss plans to provide an overview of higher education trends and the University's market position, and an update on the consultant being considered to conduct the situation analysis. The consultant will also help us review and refine the strategic alternatives/big ideas associated with the ten-year academic plan.

Science and Engineering Consultant

BACKGROUND: The Report of the 2020 Commission on Science and Technology identified the need for the University to improve "significantly ... the quality of its science and engineering programs, both in teaching and in research. The ability to create programs competitive with those at the best universities in the nation will only sustain and enhance the University's stature." (*Report of the 2020 Commission on Science and Technology*, April, 2001, page 3.) To that end, the University has retained the Washington Advisory Group in order to obtain a third-party, expert, objective assessment of its plans to improve the sciences and engineering.

DISCUSSION: At the September 11 meeting, the Provost will discuss the planned activities of the Washington Advisory Group consultants, one of whom is a former Director of the National Science Foundation. Over August 20-21, the consultants visited Charlottesville to initiate a six-month review of the University's long-term plans to improve the sciences and engineering.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: September 11, 2006

COMMITTEE: Special Committee on Planning

AGENDA ITEM: II. Description of the Phase II Work Components

ACTION REQUIRED: None

BACKGROUND: At the Retreat in July, the Board of Visitors reviewed the overall objectives and progress of the of the ten-year planning process to date. The work of the Special Committee was designed to occur in two phases. The first phase, included the development of the following components: a preliminary ten-year financial plan, a "top 15" (*US News and World Report*) gap analysis, an external rankings analysis, a preliminary situation analysis, the development of performance metrics and measures, the assessment of the University's significant financial policies, and a discussion and definition of the undergraduate experience. Not originally included in Phase I, but completed this fiscal year, were an enterprise risk analysis and a preliminary identification of financing alternatives for the strategic alternatives/big ideas.

DISCUSSION: The steps in Phase I, as well as the enterprise risk analysis and the preliminary identification of financing alternatives were completed prior to the Board's Retreat. After the Retreat and continuing through February 2007, Phase II of the planning process is designed to build upon the foundation of considerable data and context built during Phase I.

The work components of Phase II include the development of an academic plan and strategic alternatives/big ideas, a comprehensive situation analysis, a cost-benefit analysis of various alternatives for rankings maximization, a more extensive enterprise risk analysis, financing options for the strategic alternatives/big ideas, refined performance measures, and the presentation of a final report. Each step in this process is described in further detail below.

Academic Plan and Strategic Alternatives/Big Ideas

The ten-year academic plan, a preliminary draft of which was shared with the Board of Visitors at its Retreat, is designed to guide the University in focusing its academic priorities on areas of excellence, strength, and potential. The strategic alternatives/big ideas are a key component of the academic plan, enabling the University to follow a long-term strategy to pursue areas of excellence and market position and ultimately, to positively differentiate itself from its public and private competitors through sound planning.

Moving Forward: Work will continue to identify the strategic alternatives/big ideas in the context of the peer and situation analysis. Crucial to the process of developing and refining the academic plan, the Provost will work with appropriate faculty and administrative committees to further define the preliminary academic plan. The results of this effort will be reported to the Special Committee on Planning at its November meeting. In February 2007, the Provost and the Executive Vice President will present a final ten-year academic and financial plan, having identified funds for the initiatives included therein.

Situation Analysis

The situation analysis addresses the external environment, threats, opportunities, and strategies of other major research universities (public and private).

Moving Forward: A preliminary situation analysis was conducted and presented at the February 2006 Special Committee on Planning meeting. A consultant will be retained to extend this analysis and to include an assessment of how the University is perceived by constituents and competitors relative to its strengths, weaknesses, unique opportunities, and threats. Driven by administrators, this work will incorporate the benefit of outside expertise, and will be shared with the Board.

Rankings Plan

Throughout 2006, the Special Committee on Planning discussed the University's position within various ranking mechanisms. Specifically, the Committee focused on actions the University could take to improve our placement within the *US News and World Report* rankings. At its Retreat, the Board of Visitors reviewed both the gap analysis and the specific

strategies to maintain or advance the University's position in the *US News and World Report* rankings.

Moving Forward: A revised report will be presented this fall to include the trended costs of improving our rankings, including a projection of how our peers will perform on various ranking indices over a five-year period. Specifically, the discussion will include detail of how our academic plan will position us within our peers' projected performance, and the resulting impact on overall rankings.

Enterprise Risk Analysis

Enterprise Risk Analyses involves the development of mitigation strategies to address significant institutional and marketplace risks. A pilot program of enterprise risk assessment was developed which focused on prototypes of four non-academic areas.

Moving Forward: Based on the success of the four prototypes, we will expand the program to include other areas.

Financing Strategic Alternatives/Big Ideas

We have begun the process of identifying financing alternatives with resources beyond those identified in the preliminary ten-year financial plan or in the current Capital Campaign goal to support "big ideas."

Moving Forward: The work of the Special Committee on Planning will continue to focus on this preliminary assessment of funding options. This assessment is a key element of the Finance Committee for 2006-2007.

Performance Measures

Performance measures intended to ensure accountability by tracking success and improvement on a historical and comparative basis were presented at the Board of Visitors Retreat. The primary measures address critical areas of academic quality, financial and physical resources, diversity, and the Medical Center. Additional measures include state measures required by the Restructuring Act and Management Agreement.

Moving Forward: The measures will be further refined as the academic plan is finalized. The Board will continue to receive updates on the implementation of Restructuring, including the

performance metrics associated with each state goal, and each of the six core functional areas. One Board meeting each year will be designated to report on performance against all the metrics.

Final Report

The Final Ten-Year Plan Report will be presented to the Board of Visitors at the end of February 2007. The report will include the components of the work reviewed by the Special Committee on Planning in the following preliminary outline.

1. Ten-Year Academic Plan and Strategic Initiatives/Big Ideas
2. Ten-Year Financial Plan (including reference to financing mechanisms for the strategic alternatives/big ideas)
3. Discussion of Future Activities and Annual Monitoring
 - a. Performance Measures
 - b. Capital Campaign Case Statement
4. Appendices
 - a. Situation Analysis
 - b. Rankings Plan
 - c. Undergraduate Experience
 - d. Enterprise Risk Analysis