

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
COMMITTEE OF THE WHOLE
OCTOBER 3, 2008**

BOARD MEETING AS A
COMMITTEE OF THE WHOLE

Friday, October 3, 2008

8:00 - 11:00 a.m.

Board Room, The Rotunda

AGENDA

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I. CONSENT AGENDA (Mr. Sandridge)	
• Renewal of the Management Agreement with the Commonwealth	1
II. EXECUTIVE SESSION	
• Discussion of gift development and funding strategy, donor prospects and employee performance benchmarking necessary for the University sustaining excellence and furthering the goals and aspirations of its Commission on the Future of the University, as permitted by Section 2.2-3711 (A) (1), (6), and (8) of the Code of Virginia.	
III. REPORTS	
• Commission on the Future of the University	3

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 3, 2008

COMMITTEE: Committee of the Whole

AGENDA ITEM: I. Renewal of the Management Agreement
with the Commonwealth

BACKGROUND: The University seeks to renew its management agreement with the Commonwealth. The Restructured Higher Education Financial and Administrative Operations Act provides that an institution capable of successfully managing administrative and financial operations without jeopardizing financial integrity and stability may obtain greater levels of authority over its operations by negotiating a management agreement with the Commonwealth. The University demonstrated its ability to manage operations and successfully negotiated a management agreement with Governor Warner in 2005, which was subsequently approved by the General Assembly and became effective on July 1, 2006.

DISCUSSION: Pursuant to the Restructuring Act, specifically subdivision D 3 of § 23-38.88 of the Code of Virginia, an "initial management agreement with an institution shall remain in effect for three years." The Code further states that "if an existing agreement is not renewed or a new agreement executed prior to the expiration of the three-year or five-year term, as applicable, the existing agreement shall remain in effect on a provisional basis for a period not to exceed one year." The Management Agreement passed by the General Assembly in 2006 includes an expiration date of June 30, 2010. Despite the later expiration date in the Management Agreement itself, the University's administration recommends renewal of the agreement in the 2009 legislative session for a term of five years.

Renewing the agreement now will allow the University to collaborate with the current Governor and his administration throughout the process. If the University postpones the renewal of the agreement until 2010, the initial terms will be negotiated with the current Governor, but the resulting legislation will be subject to review and approval by the next administration.

At this time the University does not anticipate substantive changes to the currently effective agreement. The

Board of Visitors will be updated about any proposed changes to the agreement and the current status of the negotiations between the University and the Governor.

ACTION REQUIRED: Approval by the Board of Visitors

RENEWAL OF THE MANAGEMENT AGREEMENT WITH THE COMMONWEALTH

WHEREAS, the University of Virginia entered into a management agreement with the Commonwealth on July 1, 2006, in accordance with the provisions of the Restructured Higher Education Financial and Administrative Operations Act; and

WHEREAS, subdivision D 3 of § 23-38.88 of the Code of Virginia provides that "each initial management agreement with an institution shall remain in effect for three years"; and

WHEREAS, Section 4.3 of the current management agreement is a later piece of legislation and provides that the agreement shall expire on June 30, 2010; and

WHEREAS, the University of Virginia believes it is in its best interests to renew the management agreement for a five-year term effective July 1, 2009;

RESOLVED, that it is the sense of the Board of Visitors that the University of Virginia remains qualified, and should continue, to operate at the highest level of autonomy prescribed by the provisions of the Restructured Higher Education Financial and Administrative Operations Act; and

RESOLVED FURTHER, the Board of Visitors authorizes the President and Executive Vice President and Chief Operating Officer, with the concurrence of the Rector, to continue negotiations with the Governor to renew the management agreement for an additional five-year term, effective July 1, 2009.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 3, 2008

COMMITTEE: Committee of the Whole

AGENDA ITEM: III. Commission on the Future of the
University

BACKGROUND: In March 2007, President Casteen convened the Commission on the Future of the University, and asked its members to carry forward and complete the prior work of the Board of Visitors' Special Committee on Planning by proposing strategies to distinguish UVA from its peers in the next decade and beyond. Committee members included vice presidents, deans, faculty members, staff, students, and others with valuable expertise. Their deliberations have synthesized and built on previous planning efforts, including the Virginia 2020 retreats, Envision discussions, the Diversity and Equity Commission report, a Faculty Senate study of graduate students and programs, a comprehensive ten-year academic needs assessment, and consultants' environmental scans and studies. The commission has met as a body of the whole and as separate committees to frame recommendations for new directions. Its members have consulted the Faculty Senate, individual faculty members, students, alumni, Board of Visitors Members and committees, higher education consultants, and others. They have drawn upon their collective knowledge and expertise to evaluate strategic directions and recommend those judged to be the most advantageous.

We face now several years during which one generation's leaders will retire and new leaders will have to be developed, recruited, selected, and vested with appropriate responsibilities and points of accountability. The rising generation of new University leaders and a Board of Visitors whose membership is constantly renewed will need a guiding instrument, a compass, to direct their work in the years ahead to ensure the University's continued effectiveness and to position the institution for preeminence.

DISCUSSION: In ten years, the University will be a substantially different institution than it is today. Our broad vision is to sustain core traditions and historic strengths, address areas needing improvement, and make the University a more globally oriented institution. Broadly stated, the

University will strategically increase its size and diversity, increase the percentage of scientists and engineers among the faculty, attract and retain the best graduate students, build much needed academic research and teaching facilities, increase the quantity and quality of international partnerships, and claim the University's primacy in service to the public good.

The commission proposed, and the Board of Visitors approved, a set of core institutional values and three overarching priorities at the February 2008 Meeting: Student Experience; Science and Technology; and Global Education. At the current meeting, the Provost will update the Board of Visitors on planning completed since the February meeting, present initiatives intended to distinguish the University from its peers, and request resources to seed these new initiatives.

ACTION REQUIRED: Approval by the Board of Visitors

APPROVAL OF ALLOCATION OF FUNDS TO SUPPORT PHASE ONE
INITIATIVES OF THE PRESIDENT'S COMMISSION ON THE FUTURE OF THE
UNIVERSITY

WHEREAS, the President's Commission on the Future of the University has engaged faculty, students, staff, and alumni in naming strategic priorities and core values; and,

WHEREAS, the President's Commission on the Future of the University presented the Board of Visitors with the first phase of plans for the future of the University; and,

WHEREAS, the Vice President for Research and the Vice Provost for International Programs are developing plans for the second phase of recommendations from the President's Commission on the Future of University;

RESOLVED, the Board of Visitors accepts the initial plans of the President's Commission on the Future of the University and will allocate funds requested to support these initiatives once a plan has been reviewed and approved by the Rector and Vice Rector; and,

RESOLVED FURTHER, the Board of Visitors requests the chairs of the President's Commission on the Future of the University draft a budget, implementation plans and timelines, and measures of success for research buildings, graduate student support, and growth of the faculty for presentation and consideration by the Board of Visitors at its Fall 2009 meeting; and

RESOLVED FURTHER, the Executive Vice President and Provost and the Executive Vice President and Chief Operating Officer shall provide reports to the Board of Visitors on an annual basis describing progress on the implementation of the recommendations of the President's Commission on the Future of the University.