UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
FULL BOARD

REPORT OF THE
SPECIAL COMMITTEE ON
PLANNING

JULY 28, 2006
FULL BOARD

Friday, July 28, 2006
10:00 a.m. - 2:00 p.m.
Williamsburg, Virginia

AGENDA

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<td>• 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, and confer with the General Counsel with regard to the management of related foundations, 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), (7), and (8) of the Code of Virginia.</td>
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In June 2005, the Rector appointed the Special Committee on Planning to complete a ten-year plan for the University. Mr. Wynne was named Chair, and the chairs of the standing Board of Visitors Committees were named as members. The Special Committee met prior to the Board of Visitors' 2005 Retreat. In November 2005, Messrs. Wynne and Farrell gave their charge and concept for the conduct of the planning process. At the November 2005 meeting, it was established that the refinement of the ten-year strategic plan would continue through February 2007, and that the Committee would focus on the importance of having a meaningful document for the Board's use at its 2006 Retreat as a predicate for the launching of the Capital Campaign in September 2006.

The overall objectives of the ten-year planning process are to improve the University's national ranking; focus academic priorities on areas of excellence, strength, and potential; and positively position the University to be at a strategic advantage relative to its public and private competitors through sound planning.

The work of the Special Committee was envisioned to occur in two phases. The first phase, intended to be completed in time for the Board's 2006 Retreat, included the development of the following components:

1. Preliminary ten-year financial plan - An expansion of the Board-approved six-year plan developed under the requirements of the Restructuring Act 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. The plan includes the necessary financial resources over the ten-year period to ensure that we are on track to meet Board commitments related to Access UVa, research enhancement, diversity, maintenance of
facilities, international programs, alumni engagement, compensation, and the student information system. 

**Status:** This plan was reviewed with the Special Committee at its February and June 2006 meetings. It will be refined throughout the fall and winter and finalized in conjunction with the academic plan in February 2007.

2. "Top 15" (*US News and World Report*) gap analysis to determine what resources are needed based on the information available to us from the *US News* data, the University’s preliminary ten-year financial plan and known priorities to achieve a “Top 15” status within ten years. 

**Status:** The Special Committee heard the gap analysis at the February 2006 meeting. The results of the gap analysis will be reviewed at the Retreat.

3. **External analysis** to maintain comprehensive information on external assessments of the University of Virginia (*US News*, National Research Council, and World University Rankings, etc.) to guide the institution through a long-term strategy that is effective in allowing the University to realize its aspirations. 

**Status:** Ranking information was presented to the Special Committee on Planning at its February (*US News*), April (Research Rankings) and May meetings. Rankings were analyzed in an effort to understand how to improve in key evaluation categories. The results of the external assessment will be reviewed at the Retreat, in conjunction with the top 15 gap analysis.

4. **Situation analysis** that addresses the external environment, threats, opportunities, and strategies of other major research universities (public and private). 

**Status:** A preliminary situation analysis was conducted and presented at the February 2006 Special Committee on Planning meeting. A consultant will retained after the Retreat 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. This work will be driven by administrators, will incorporate the benefit of outside expertise, and will be shared with the Board in the fall.

5. **Performance metrics and measures** which ensure accountability by tracking success and improvement on a historical and comparative basis. 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.

Status: The Special Committee on Planning reviewed the proposed measures at the February, April, and June 2006 meetings. The performance measures are presented as an accompanying report with this book, and will be reviewed at the Retreat. 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.

6. **Assessment of the University's significant financial policies and their adequacy to sustain existing and potential initiatives to include a review of the 20-25 most significant financial policies and preparation of new policies as appropriate.**

Status: This work included identification and examination of each policy’s purpose, its adequacy to sustain the intended purpose, and the need for revision. New/revised policies for debt, interest rate risk management, as well as operating, maintenance, and replacement and renewal reserves were developed and presented to the Board for approval at its April meeting. The results of the policy review will be reviewed at the Retreat.

7. **Undergraduate Experience** – Incorporate into the preliminary ten-year financial plan appropriate strategies identified by the Educational Policy Committee as a result of its work on the undergraduate experience.

Status: The Educational Policy Committee has reviewed student demographics, how students learn, and faculty demographic trends. The Provost has conducted information sessions on program rankings, working students, increasing science and math majors, and readiness for growth. Improvements identified have been incorporated into the preliminary academic plan, included in capital campaign fundraising goals, or addressed using existing resources. Informed by the work sessions, the Educational Policy Committee and the Provost will continue to work to define 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:
• **Enterprise risk analyses** – the development of mitigation strategies to address significant institutional and marketplace risks.
  
  **Status**: A summary of the pilot program of enterprise risk assessment which focused on prototypes of four non-academic areas will be presented at the Retreat. The results of the enterprise risk assessment prototypes are summarized on page 7 of this book.

• **Financing alternatives** – At this meeting, the Board of Visitors will review the preliminary academic plan, which contains major initiatives, or “big ideas”, that may serve as strategic advantages for the University in the future. These initiatives require resources beyond those identified in the preliminary ten-year financial plan or in the current Capital Campaign goal.
  
  **Status**: The Special Committee on Planning and University administrators have begun to identify alternative financial strategies to support these initiatives. These alternative financial strategies were discussed on a preliminary basis by the Committee at its May and June meetings. The work of the Special Committee on Planning will continue to focus on this preliminary assessment of financial options that may be available to fund these initiatives.

The aforementioned components were designed to create a financial and strategic ten-year plan on as timely a basis as practicable. The work of the Committee has been aggressively tracked via an administrative work plan, which has been updated regularly and shared with the Special Committee on a monthly basis. The steps in Phase I, as well as the enterprise risk analysis and the preliminary identification of financing alternatives have been completed prior to the Board’s Retreat. The work of the Special Committee on Planning is on track to date, and indeed ahead of schedule. The summary of the results of each of these components is included in this book, and will be highlighted at the Retreat. (The academic plan will be the cornerstone of the presentation at the Retreat.)

After the Retreat and continuing through February 2007, Phase II of the planning process has been designed to build on the foundation of considerable data and context built during Phase I in order to complete the ten-year planning process by:
a. employing a consultant to continue the examination of the University's strengths, weaknesses, opportunities, and threats;
b. proposing and selecting steps to strategically position and further strengthen the University based on an in-depth assessment of existing strengths, opportunities, and threats, as well as known strategies of appropriate elite universities;
c. ensuring the capital campaign case statement and the academic plan are complementary;
d. continuing the review of relevant financial policies; and,
e. securing input on the academic plan from appropriate faculty and administrative committees.

As mentioned above, the work to refine the performance measures, the ten-year financial plan, and financing alternatives will also continue based on the evolution of the academic plan and major strategic initiatives, or "big ideas." The objectives for the period immediately following the Retreat and continuing until February 2007 will be further discussed at the conclusion of this meeting.
BOARD MEETING: July 28, 2006

COMMITTEE: Full Board

AGENDA ITEM: I.B. Performance Measures Annual Report

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. The fourth area of measures, measures associated with strategic academic initiatives, will emerge from the academic planning process.

DISCUSSION: The proposed performance measures which accompany this book as a separate report 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.

The accompanying report includes brief descriptions of each performance measure with trended and comparative peer data when available. The twenty-four measures were selected from a comprehensive list of measures and address critical areas of academic quality, financial and physical resources, diversity, and the Medical Center.

The Board will receive regular reports on the results of these selected measures. While 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. These secondary measures are available in an appendix included in the accompanying report.
UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: July 28, 2006

COMMITTEE: Full Board

AGENDA ITEM: I.C. Enterprise Risk Analyses Prototypes

ACTION REQUIRED: None

BACKGROUND: Enterprise Risk Management (ERM) is a process, applied in strategy setting and across an organization, designed to identify potential events and manage risk in order to provide reasonable assurance regarding the achievement of organizational objectives and mission.

The approach of "integrated" or "enterprise" risk management emerged in the 1990's in the financial services industry, and takes a broad integrated view of risks and opportunities that affect achievement of strategic institutional goals. It has been adopted since then by a wide spectrum of other industries. In higher education, the United Kingdom and Australia are significantly ahead of the United States, due in large part to government requirements in these two countries.

DISCUSSION: In the context of UVa's ten-year planning initiative, a decision was made to experiment with ERM in two parts: By July 1, 2006: Complete a pilot for emergency preparedness in the non-academic areas (report below), and as the academic plan is developed, apply the concepts of ERM to test academic initiatives that are identified. A summary of the prototype development work is presented within this report. Full detail of each report is available upon request.

EMERGENCY PREPAREDNESS PILOT

Introduction

In the aftermath of the September 11, 2001 tragedy, UVa stepped up its engagement with the local, state and federal governments to develop emergency plans. There is a regional committee co-chaired by the Executive Vice President and Chief Operating Officer for such broad-based community planning. However, there is no similar integrated planning effort for localized emergencies. UVa's senior management identified four
specific potential localized events and charged the four respective administrative areas to develop emergency preparedness plans that ensure business continuity and recovery.

The Office of Risk Management (ORM) developed for the Vice President and Chief Financial Officer a set of templates as a tool for such plans. This was accomplished by the end of March and posted on the ORM web-site, http://www.virginia.edu/riskmanagement/emergency.html (see attachment). The managers of the four areas were asked to test the set of templates for the specific potential events, evaluate its appropriateness for these incidents as well as broader emergency plans and recommend modifications to the approach.

The four potential events and the responsible managers are as follows:

1. Mumps outbreak at the University of Virginia (Jim Turner, Executive Director of Elson Student Health Center): four phases of severity were considered,
2. A fire in the offices of Payroll and Integrated System Deployment Services, 24 hours before payroll processing (Virginia Evans, Assistant VP for ISDS): this incident affects two offices, Payroll and ISDS, and potentially ITC.
3. A fire in a first-year student housing facility in the middle of the night in November (Mark Doherty, Chief Housing Officer): two different levels of severity were considered, and the Housing Office and Residential Life Office collaborated in the planning,
4. Last-minute cancellation of a Christmas show at the John Paul Jones Arena (Larry Wilson, General Manager, John Paul Jones Multipurpose Arena).

The eight templates are as follows:

1. Critical Functions Continuity Planning Tool (to identify critical functions that must be continued even if the normal site is not available, to list resources required and plan for procuring the resources)
2. Recovery Planning Tool (to identify tasks, including those pre-filled on the template, that must be performed in order to return to pre-emergency condition, and to develop a plan to complete each task)
3. Emergency Continuity and Recovery Roles and Responsibilities Tool (to assign pre-emergency and
during-emergency responsibilities for (1) and (2) to specific individuals)

4. Missing or Injured Persons Tool
5. Emergency Contact List Tool
6. Emergency Supply and Information Packet Tool
7. Department-Owned Property Inventory List Tool
8. ORM Incident Report Form (for insurance coverage)

Pilot Results

The four cases were fully developed by the responsible units. In general, the pilot group concluded that the templates, especially template #1, were helpful in stimulating thinking and discussion. Template #3 was unanimously picked as the most helpful tool, and a deliverable that can be used during the emergency.

Not every template was used for every case. The set of templates was particularly useful for areas that did not already have broader emergency plans in place. The best fit was for case #2, above, for several reasons. This case required handling a presenting incident and also business recovery, whereas cases #1 and #4 dealt with managing the incident, but recovery of facilities or operations was not relevant; thus template #2 was not used. Case #3 was handled as a sub-case of pre-existing broader emergency plans for general incidents, and therefore template #2 was not as useful a tool either. It should be noted that most administrative departments at the university are more like Payroll-ISDS (Case #2) than the other three cases, and therefore the set of templates should be very appropriate for them.

Both Student Housing and Student Health already have comprehensive emergency plans, and would find it cumbersome to retrofit these into the templates. Similarly, the JPJ Arena has been developing a comprehensive emergency plan for all types of incidents. The managers believe that the information contained in their pre-existing plans is similar to what is included in this set of templates, although the pre-existing plans do not address incidents at the level of specificity of the pilot cases.

Several suggestions for improving the templates and instructions were received, and will be incorporated into the materials. The Medical Center’s Emergency Preparedness Director briefed the group on the National Incident Management System standards (NIMS IS700), for a final check to ensure that the
language in our templates is consistent with the NIMS nomenclature.

Because of pre-existing emergency plans for several areas of the University, as well as for the Medical Center, and the University’s regional emergency plans with its government partners, it would not be practical to attempt to use one format for all purposes. However, this set of templates that has been tested in the pilot is believed to be applicable to the many university departments and units that currently do not have comprehensive emergency plans.

Next Steps

1. The four managers will be discussing the pilot plans with their staffs, to increase awareness and provide training.
2. The managers of cases I and III already run practice emergency drills regularly, and it is also the normal practice for the General Manager of the John Paul Jones Arena. The consensus is to run a mock incident to test each specific plan.
3. Beyond the pilot, there are several options for moving forward:
   - Disseminate information about the templates on the ORM website, and encourage departments to prepare emergency plans, or
   - Identify the high-risk departments and require that they prepare emergency plans, with their VP’s reviewing the plans, or
   - Identify the high-risk departments, and charge ORM to provide education, set timelines for completion, advise during planning, review the finished product, assist in testing the product and trigger regular updates. This option would require additional resources.

   Additionally, the templates could be considered for applicability to academic departments and a link could be provided to get to this url from the CRITICAL INCIDENT PLANNING AT THE UNIT LEVEL section of the University’s Critical Incident Management Plan at http://www.virginia.edu/emergency/plan.html.

   The University has applied for a grant for regional emergency planning (FEMA "Disaster Resistant University" grant), and it might be fruitful to postpone expanding or institutionalizing this pilot until the grant efforts are at least underway, if not completed.
University of Virginia
Emergency Continuity and Recovery Plan Development Tool
Prepared by the Office of Risk Management
Please read through this entire document before developing your plan.

Introduction
An emergency is a sudden or unplanned event that may involve great damage or loss to the University. It can also cause major disruption of the University's daily operations. With all the unrest and violence in the world today, natural catastrophes and the potential for less serious yet equally disruptive occurrences, such as fires or windstorms that can locally affect single or multiple operations, departments must be prepared to respond as quickly as possible to avoid loss of life and property. The University's response plans to address emergencies are the Critical Incident Management Plan and the Emergency Operation Plan. The Critical Incident Management Plan is a designed response plan for the University. It is available as a guide to the departments in developing a response plan for a University wide emergency situation. The incident may also involve activation of the Emergency Operation Plan (EOP), which is required by the State. The EOP is designed to facilitate a planned response for the City, County, and the University in the event of an emergency. Visit: http://www.virginia.edu/emergency/plan.html to learn more about these plans.

The Emergency Continuity and Recovery Plan is the subject of this document and is not intended to replace the Emergency Operation Plan or the Critical Incident Management Plan, but to supplement these emergency response plans with a plan for recovery and resumption of critical functions within your department after an emergency has occurred. This is a tool to be used as a guide to assist you in developing a plan that is effective for your department, and you should feel free to be flexible in creating your individual plan.

What will the plan do for my department?
Once you have finished developing your Emergency Continuity and Recovery Plan you should have the tools necessary to recover and continue business operations after an emergency. Your plan should provide you with answers to the following questions:
1. How well am I prepared to recover from an emergency?
2. What will I do if I do not have access to my current facility?
3. Do I have the resources needed to continue business operations?
4. How will I secure these resources?
5. Who will be involved in the recovery process?
6. How will I deal with the losses?
7. What communication methods will I use to keep my employees, students and others informed of important information?
8. How will I establish efficient organization after an emergency?
9. How can I limit potential losses?

What will the plan consist of?
Your plan will consist of a set of completed templates, either a revised copy of those provided here or a set you develop to support the needs of your department. When you are finished constructing your plan you will have identified:
1. Critical Functions
2. The resources necessary to perform those functions and methods to procure those resources
3. A team to provide support for long-term recovery as well as short-term continuity of your critical operations and the tasks each team member will be responsible for performing
4. The requirements for submitting a claim efficiently to support maximum reimbursement of your losses.

Emergency Continuity and Recovery Plan Development Tool
It is recommended that each department develop a plan to provide for recovery and continuity of operations after the initial emergency response is concluded. The plan should be prepared for activation in the event an emergency is severe enough to cause major damage or interrupt a department’s business operations.
There are two areas to address in your plan.

1. **CONTINUITY:** This refers to the resumption of critical functions. To resume operations that must continue when your normal place of business is not available, you must make decisions before an emergency has occurred, such as the possible location of an alternate operation site or how a temporary location will be selected; how to provide computer, telephone, and other services; and what other resources are required in order to operate. You will begin planning for continuing your operations by using Template #1.

2. **RECOVERY:** This refers to your department's activities to return to your pre-emergency condition both physically and financially. This includes identifying missing or injured persons; securing the site to prevent additional damage, loss of property, or injury; assessing and identifying damages; working with the Office of Risk Management on preauthorization before incurring continuity and recovery expenses; recording and reporting damages, recovery, and continuity costs; repairing or replacing damaged items; and filing a claim through the Office of Risk Management. You will begin addressing these areas in Template #2.

The templates included in this tool will address both the recovery and continuity areas described above and will form your *Emergency Continuity and Recovery Plan*. They are designed as generic templates that each department can customize to fit the needs of its operation.

Complete Templates #1, 2, and 3 in that order. Templates #4-7 can be completed in any order and are referred to in Templates #1 and 2. Template #8 should be completed and submitted to the Office of Risk Management immediately after an incident with preliminary information. Keep in mind that in the aftermath of a disaster the timely implementation of your plan is essential to minimize losses. Please note that failure to mitigate damages may result in these additional losses not being covered by insurance. In particular, time is of the essence in losses involving water damage, likewise it is important to discuss your continuity and recovery activities with the Office of Risk Management to ensure your costs will be reimbursed.

It is recommended that department heads review the *Emergency Continuity and Recovery Plan* annually and after major changes to business operations to insure all critical functions are thoroughly addressed.

**Attached Templates**
- Template #1: Critical Functions Continuity Planning Tool
- Template #2: Recovery Planning Tool
- Template #3: Emergency Continuity and Recovery Roles and Responsibilities Tool
- Template #4: Missing or Injured Persons Tool
- Template #5: Emergency Contact List Tool
- Template #6: Emergency Supply and Information Packet Tool
- Template #7: Department Owned Property Inventory List Tool
- Template #8: Incident Report Form

Maintained by: Risk Management Office
Last Modified: Wednesday, 05-Apr-2006 10:30:52 EDT
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The Full Board will review and discuss planned activities of the Special Committee on Planning for the period immediately following the 2006 Retreat until February 2007 (Phase II). The focus of this period will be to conclude the planning process with Board of Visitors input, having fully developed strategic alternatives, identified the proper support for programs, and aligned the priorities reflected in the Capital Campaign with those in the academic plan. By February 2007, the Provost and the Executive Vice President will present final ten-year academic and financial plans, having identified funds for the initiatives included therein.

Specifically, the work will include:

a. the use of a consultant to continue the examination of the University’s strengths, weaknesses, opportunities, and threats;

b. the proposal and selection of steps to strategically position and further strengthen the University based on an in-depth assessment of existing strengths, opportunities, and threats, as well as known strategies of appropriate elite universities;

c. appropriate steps to ensure the capital campaign case statement and the academic plan are complementary;

d. a continuation of the review of relevant financial policies; and,

e. the solicitation of input on the academic plan from appropriate faculty and administrative committees.

As mentioned earlier in the meeting, the work to refine the performance measures, the ten-year financial plan, and financing alternatives will also continue based on the evolution of the academic plan and major strategic initiatives, or “big ideas.”