



THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA

August 3-4, 2018

Members of the Board of Visitors of the University of Virginia met in retreat in open and closed session on August 3, 2018 from 12:00 – 4:30 p.m. on the 30th floor of the Darden School Sands Family Grounds facility in Arlington, Virginia. Rector Frank M. Conner III presided. Present were James B. Murray Jr., Robert M. Blue, Mark T. Bowles, L.D. Britt, M.D., Whittington W. Clement, Elizabeth M. Cranwell, Thomas A. DePasquale, Barbara J. Fried, John A. Griffin, Robert D. Hardie, Maurice A. Jones, Babur B. Lateef, M.D., C. Evans Poston Jr., James V. Reyes, Jeffrey C. Walker, Margaret F. Riley, and Brendan T. Nigro.

Tammy S. Murphy was absent.

Also participating in some or all sessions were James E. Ryan, Patrick D. Hogan, Thomas A. Katsouleas, Richard P. Shannon, M.D., Anthony de Bruyn, Kevin J. Fay, Margaret S. Grundy, Susan G. Harris, Donna P. Henry, John C. Jeffries Jr., Michael J. Lenox, David W. Martel, Debra D. Rinker, Margot Rogers, Elizabeth Magill, Jennifer J. Wagner Davis, Cecilia Williams, and Carrie Nee representing the Office of the Attorney General.

Presenters included Scott C. Beardsley, Richard P. Chait, Elizabeth K. Weymouth, and Gregory B. Fairchild.

Closed Session

After adopting the following motion, the members present plus President James E. Ryan, Margaret S. Grundy, Susan G. Harris, Carrie Nee, and Debra D. Rinker met in a closed session at 12:00 p.m.:

I move that the Board of Visitors go into closed session to discuss and consider appointment, salaries, resignations, and retirements of specific faculty and staff, specifically to discuss hiring of certain senior administrators and faculty, and the resignation and retirement plans of certain senior administrators. The relevant exemption is Section 2.2-3711(A)(1) of the Code of Virginia.

At 12:15 p.m., the Board concluded the closed session and approved the following motion unanimously by roll call vote. Voting in the affirmative: Mr. Conner, Mr. Murray, Mr. Blue, Mr. Bowles, Dr. Britt, Mr. Clement, Ms. Cranwell, Mr. DePasquale, Ms. Fried, Mr. Griffin, Mr. Hardie, Mr. Jones, Dr. Lateef, Mr. Poston, Mr. Reyes, Mr. Walker, Ms. Riley, and Mr. Nigro.

I move that we vote on and record our certification that, to the best of each member's knowledge, only public business matters lawfully exempted from open meeting

requirements and which were identified in the motion authorizing the closed session, were heard, discussed or considered in closed session.

Comments from the Rector and the President

The Rector asked for a motion to approve the following three elections. The motion was made and seconded, and the Board members present voted unanimously in the affirmative. The president announced the appointment of Mr. Hernandez as dean of the School of Continuing and Professional Studies.

ELECTION OF FACULTY MEMBER

RESOLVED, on recommendation of the President, the following person is elected to the faculty:

Mr. Alejandro Hernandez, as Professor of Continuing and Professional Studies, General Faculty, for the period September 10, 2018 through August 24, 2023, at an annual salary of \$290,000.

Sketch: Claremont McKenna College: B.A., 1996; Stanford University: M.A., 2001; M.B.A., 2001; Partner, Charter School Growth Fund: 2010-2018; Area Superintendent, Aspire Public Schools: 2007-2009; Director of School Improvement, Portland Public Schools: 2005-2006.

ELECTION OF VICE PRESIDENTS

RESOLVED, on recommendation of the President, the following persons are elected as vice presidents:

Ms. Jennifer Wagner Davis, as Executive Vice President and Chief Operating Officer, for six years, effective January 1, 2019 or earlier as mutually agreed by the President and Ms. Davis.

Ms. Mary Elizabeth Magill, as Executive Vice President and Provost, for six years, effective July 1, 2019 or earlier as mutually agreed by the President and Ms. Magill.

APPOINTMENT

The President will announce the following appointment:

Mr. Alejandro Hernandez, as Dean, School of Continuing and Professional Studies, for the period September 10, 2018 through August 24, 2023.

Following a brief lunch break, the Rector introduced the new Board member, Evans Poston, and the presenters. President Ryan made brief remarks about the newly-elected executive vice presidents and the dean of the School of Continuing and Professional Studies, and thanked Mr.

Katsouleas, Mr. Hogan, and interim dean Stephen Laymon for their work. He also mentioned the appointment of Marc Short as a Senior Fellow at the Miller Center and acknowledged that although it has caused controversy, he is supportive of the appointment because the Miller Center focuses on the U.S. presidency and it is important to study President Trump's presidency.

Mr. Ryan began his University presidency on August 1, 2018, and so this was his third day in office. He told the Board about the first day, and his foci for the next 100 days, which include planning for the events of August 11 and 12, on-boarding new team members, determining where additional investments should be made, the Emmet/Ivy corridor demolition and future plans, the inauguration on October 19, conducting a few more searches to fill positions, and meeting and listening to as many people as possible. He pointed out that since the last Board meeting in June, there have been 14 hires in key administrative and professional positions:

- Carla Williams—Director of Athletics
- Robert Durden—Chief Executive Officer and Chief Investment Officer, UVIMCO
- Margaret Grundy—Chief of Staff
- John Jeffries—Senior Vice President, Advancement
- Gloria Graham—AVP for Safety and Security
- Kyle O'Connor—Senior Assistant to the President and Speechwriter
- Matt Weber—Senior Assistant to the President for Digital Communications
- Heidi Johnson —Assistant to the President and Carr's Hill Manager
- Maite Brandt-Pearce—Vice Provost for Faculty Affairs
- Steve Mull—Vice Provost for Global Affairs
- Tommye Sutton—Chief of Police
- Alex Hernandez—Dean, School of Continuing and Professional Studies
- Elizabeth Magill—Provost
- Jennifer J. Wagner Davis—EVP/COO

President Ryan answered questions from members of the Board.

Darden Northern Virginia Strategy

Dean Scott Beardsley introduced Greg Fairchild, Darden Associate Dean for Washington, D.C. Area Initiatives and Academic Director of Public Policy and Entrepreneurship, Elizabeth Weymouth, chair of the Darden School Foundation board, and Frank Sands Jr., whose family was instrumental in providing support for the programming and facilities in Rosslyn. The facility is named the Darden School Sands Family Grounds.

Dean Beardsley explained in broad terms the Darden School strategic plan, "Darden Worldwide 2026". The strategic priorities are five, focused on attracting the best students through an accessible global education experience; attracting, retaining, and developing diverse, world-class faculty and staff; advancing scholarly research and thought leadership; expanding the competitive infrastructure with the focus on a global brand and network; and expanding Darden's resources via executive education, advancement, technology, and innovation.

Darden is working with other schools at the University on a number of collaborations, including the McIntire School of Commerce. Dean Beardsley said living on the Lawn has helped because he is a neighbor of many of the deans.

Fundraising has been strong this year at Darden; however, the cost of an education is a concern at \$90,000 per year for tuition, room and board. Dean Beardsley said Darden is the most indebted public business school. The Bicentennial Scholars matching program has been an important catalyst to raising financial aid.

Dean Beardsley focused much of his presentation on the reasons for opening a center in northern Virginia, across the river from Washington, D.C. He cited easy transportation access and market demand for executive education, as well as the strong brand because of the large number of UVA alumni in the area. The facility allows Darden to offer an additional executive MBA section along with the one in Charlottesville. Next year they plan to have 200 students educated in the Rosslyn facility, including a contingent in the Master of Science in Business Analytics, a joint program with the McIntire School. All of this would not have been possible without the support of the Sands family.

Mr. Sands said he and his father are Darden graduates and they run a global investment company, Sands Capital, located in the adjacent building. He said the University will see a great return on this investment in the northern Virginia market.

Elizabeth Weymouth spoke briefly about the vision of Darden as a globally-recognized business school. The first step is the northern Virginia facility. She pointed out that the Darden Foundation runs the Sands Family Grounds.

Greg Fairchild remarked that Washington is the third largest city for executive MBAs after New York and San Francisco, and advantages include being able to use thought leaders located in Washington as a resource.

Dean Beardsley spoke about growth of the programs and the ongoing assessment of the percentage of class hours that are in-person versus online. They are assessing what fits within their culture and values, but it is a delicate balance. The demographics of students in the northern Virginia MBA program are somewhat different from the Charlottesville program: one-third military, many living farther away, older with a wide distribution of ages, and many from Virginia, Maryland, and Washington D.C.

Dean Beardsley elaborated on the high cost of the programs, and said one way to cut costs is to use more technology. Tom Katsouleas pointed out that the return on investment is second only to a law school education.

Northern Virginia Strategy for Other Academic Initiatives

Greg Fairchild spoke about the strategy around a northern Virginia presence. It is a “metropolitan college town” with many good universities, a global gateway with 1/3 of the residents foreign born, and a corporate nexus as the seat of the federal government and the seventh largest metropolitan area for corporate and public headquarters. Also, there is a large contingent of UVA alumni and a number of thought leaders in the area. The northern Virginia area is a key region for national and state economic output.

The Curry School, the Data Science Institute, the Medical School, the Law School, the McIntire School of Commerce, and the School of Continuing and Professional Studies, all have programs in the region. Mr. Fairchild said there are opportunities for expanding current programs and adding new ones, in, for instance, health policy and public safety. Non-degree programs out of

the Miller Center and the Democracy Initiative would be logical additions. He said a cross-Grounds committee of 10 people are looking at opportunities. They will conduct their work collaboratively, using data, being accretive-minded, and considering new business models and funding sources.

Elements of Effective Governance

Mr. Richard Chait, Professor Emeritus of Higher Education at the Harvard Graduate School of Education, spoke about the necessary elements of effective governance.

He said there are nine lessons for “extending the honeymoon” and assuring a successful presidency:

1. Clarify mutual expectations:
 - a. Create the right image: the president & board are playing doubles on the same side of the net.
 - b. Ask, what do we need for each other to succeed?
 - c. Determine how to decide and who decides various issues.
 - d. Set out expectations about communication, consultation, diligence, availability, respect, trust, candor, and confidentiality.
 - e. Plan for performance feedback (both ways).
2. Get the questions right: ask the president what he is learning and finding puzzling rather than what he is doing.
3. Be patient: the president should not be under pressure to declare a position prematurely.
4. Avoid individual pleas to the president. A whisper from a board member is a scream in the first year. Any communication of preferences should be funneled through the rector.
5. Coordinate social activities with the president through the rector. The president cannot attend social events of 17 members of the Board.
6. Provide start-up packages so the president can succeed, and front-load philanthropy for the same reason.
7. Avoid comparisons to prior presidents.
8. Pay attention to the health and welfare of the president and be the president’s coach. In a session he held, the most common word presidents used to characterize their experience is “joyless”.
9. Attend to the board’s performance just as you attend to the president’s performance; if you want a world-class president, be a world-class board.

Mr. Chait said the best boards engage in consistently constructive, consequential governance. Key ideas for accomplishing this include:

1. Understand the president’s responsibilities and think long-term: “The role of the board is to protect the university of the future from the actions of the present” (David Riesman).
2. Think about what is the indispensable function of the board and focus on that (just as a president has to think about the indispensable function of the president and spend time on that.)
3. Focus on the main things (four to six main things) and do not let urgency eclipse this.
4. Share ownership of challenges in partnership with the president.
5. Foster a healthy culture.

6. Be the exemplar of what you want to see in leadership: open-minded, self-reflective, following best practices, and data driven.
7. Think and work in three different modes: fiduciary oversight, strategic foresight, and reflective insight.
8. Find, frame, focus: decide what to decide and develop a 12-18 month work plan.
9. Know what keeps the president up at night.
10. Organize to do the work by aligning the board's work and UVA's priorities and ensuring strategy drives structure, including that the board drives committees and not vice-versa.
11. Make meetings meaningful:
 - a. Highlight questions, stakes, and opportunities to add value.
 - b. Flip the boardroom by assuming that all board members have done the pre-reading and use the meeting time for real-time feedback, including having the chair summarize key take-aways at the end of the committee meetings.
12. Practice Accountability:
 - a. Develop a set of board responsibilities that all members sign on to.
 - b. Seek management perspectives on board performance.

The session ended at 4:30 p.m.

Reception and Dinner

At 6:00 p.m., Board member Thomas A. DePasquale hosted a reception and dinner at his home for all participants in the Friday session.

Saturday, August 5

At 8:45 a.m., the Retreat resumed at the Inova ICPH Conference Center in Fairfax, Virginia; all members of the Board were present except Whittington W. Clement and Tammy S. Murphy. Rector Frank M. Conner III presided.

Presenters were Stephen Jones, M.D., Todd Stottlemeyer, John E. Niederhuber, M.D., Tom McDuffie, Michael J. Lenox, and Gloria S. Graham.

Tour of ICPH Facility

Dr. Jones, Mr. Stottlemeyer, and Dr. Niederhuber led a tour of the Inova Center for Personalized Health.

Inova Joint Venture

Dr. Shannon spoke about plans for programs at Inova. The first class of medical students will start rotations at Inova in March 2021—40 3rd years and 40 4th years. This is important for UVA because clinical experience is limited in Charlottesville and the UVA Medical Center doesn't do the "bread and butter" procedures that are performed at Inova Fairfax.

The Genomics and Bioinformatics Research Institute is another initiative of the joint venture. This is the frontier of medicine and still in the experimental phase. This will be a joint effort of UVA and Inova, with other partners including VCU. UVA is approaching \$430 million in

research but there is a lack of research space in Charlottesville. Inova has 200,000 square feet of research space. If we tried to replicate this in Charlottesville, we would be looking at 2023 and beyond to do this.

Dr. Shannon said part of the Biocomplexity Initiative, led by Chris Barrett, will be housed at Inova, and in addition the joint venture makes it possible for UVA to attain Comprehensive Cancer Center (CCC) designation because UVA is too small to conduct the therapeutic trials necessary to achieve CCC designation. This would be the first CCC in Virginia.

Dr. Shannon pointed out that research space at Inova will be grade A+ space, whereas much of the research space in Charlottesville is grade C. Other advantages include close proximity to the National Institutes of Health and other important research and healthcare organizations, and the region has a large and diverse patient population.

Dr. Jones, Dr. Niederhuber, and Mr. Stottlemeyer spoke about building a global life science, research, clinical, and commercial ecosystem on the Inova campus that will include commercial partners. The site is 117 acres and only partially developed. They reviewed, along with Tom McDuffie, the President of Inova Realty, some ideas about creating a UVA educational campus, hotel, residential and retail space, and space for technology and creative startups, around the research and clinical-oriented anchor. They are in discussions with Fairfax County on zoning, proposing five million square feet of space.

Strategic Planning Process

Darden Professor Michael Lenox spoke about the process for developing, and elements of, a strategic plan. He said a starting point is to articulate a succinct statement of the purpose of the organization and its core values, which distinguish the organization from others. Out of this should be a set of hypotheses for achieving the vision, including funding models. A listening tour is an early element of developing a strategic plan, but a committee should not develop the plan; ultimately, it is the responsibility of the senior leadership team. Planning is only the beginning of the strategic process, which is a continual process of reflection and renewal. It is important to constantly monitor progress and environment, possibly by setting up a strategy “war room”. Actions should be viewed as hypotheses to be tested, and the various elements of the strategy will vary in life-span. Mr. Lenox gave concrete suggestions about creating a vision and then developing strategic priorities.

President Ryan said he had provided the members of the Board with a draft mission and vision statement and he asked for their feedback. He said the mission statement of the University is outward-facing. Advancing the common good is a theme that resonates as part of the DNA of the University. He asked if we should embrace the concept of being “the nation’s public university” or is it arrogant? Does it encompass our international aspirations? There was discussion around “public” and a sentiment that “public” has different meanings and does not resonate internationally.

President Ryan reviewed his proposed themes of “community, discovery, and service” and asked if members thought there should be other or more themes. Following a discussion of possible additions, he showed a slide of the two phases of developing a strategic plan. The first phase is developing the vision, and the second is setting the strategic priorities. He plans to complete phase one this fall, and phase 2 in spring 2019. The strategic planning session powerpoint is attached to these Minutes.

Issues Before the Board, including Committee Reports/Work Plans for 2018-2019

Closed Session

After adopting the following motion, the members present plus Carrie Nee, David Martel, Elizabeth Magill, Jennifer J. Wagner Davis, Patrick Hogan, Thomas Katsouleas, Richard Shannon, M.D., Anthony de Bruyn, Susan Harris, and Debra D. Rinker met in closed session at 1:00 p.m.:

I move that the Board of Visitors go into closed session: 1. to discuss fundraising activities, specifically fundraising strategy around the cultivation of certain donors; 2. to discuss plans to protect public safety where discussion in an open meeting would jeopardize the safety and security of facilities, specifically, to discuss plans for security of the central Grounds and the safety of persons using and occupying the central Grounds during events; and 3. to discuss propriety, business-related information pertaining to the University of Virginia Medical Center where disclosure would adversely affect the competitive position of the Medical Center, specifically, to discuss confidential business development information about a joint venture with another entity for the delivery of health care. The closed session is authorized by Code of Virginia sections 2.2-3711 (A) (9), (19) and (22).

At 1:50 p.m., the Board concluded the closed session and approved the following motion unanimously by roll call vote. Voting in the affirmative: Mr. Conner, Mr. Murray, Mr. Blue, Mr. Bowles, Dr. Britt, Ms. Cranwell, Mr. DePasquale, Ms. Fried, Mr. Griffin, Mr. Hardie, Mr. Jones, Dr. Lateef, Mr. Poston, Mr. Reyes, Mr. Walker, Ms. Riley, and Mr. Nigro.

I move that we vote on and record our certification that, to the best of each member's knowledge, only public business matters lawfully exempted from open meeting requirements and which were identified in the motion authorizing the closed session, were heard, discussed or considered in closed session.

Open Session

The Rector asked for a motion to approve the following resolution, which was made and seconded. The Board approved the resolution by unanimous voice vote.

ACQUISITION OF THE MEADOW CREEK CORPORATION FROM THE UVA FOUNDATION

WHEREAS, the Board of Visitors seeks to redevelop the Ivy/Emmet intersection for the Ivy Corridor project, including the parcels of land currently owned and operated by the Meadow Creek Corporation of the University of Virginia Foundation; and

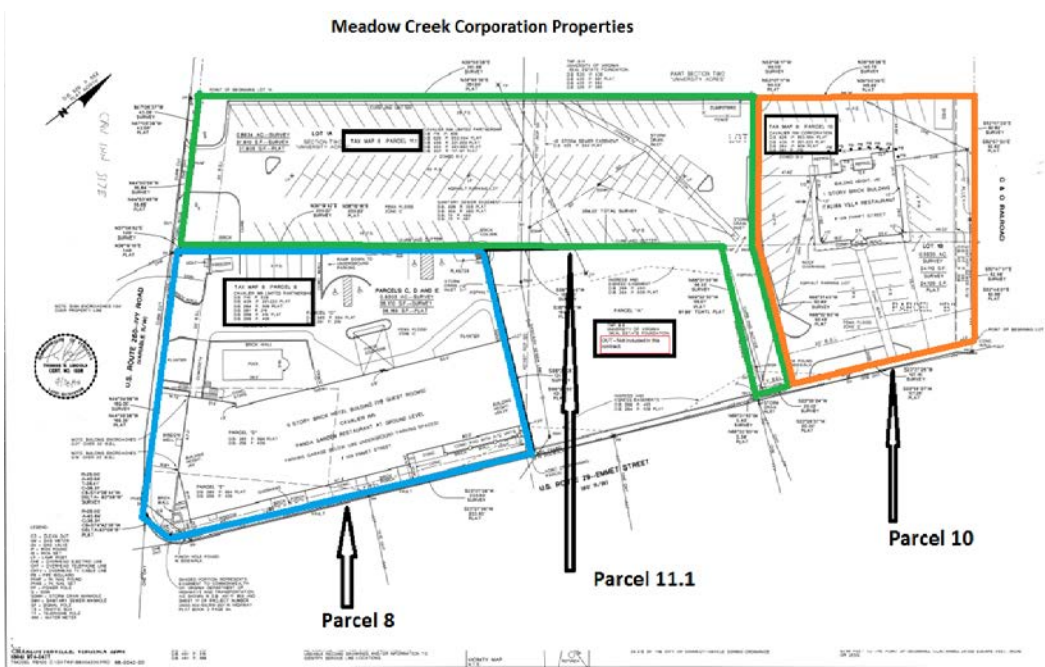
WHEREAS, pursuant to the Management Agreement dated November 15, 2005, by and between the Commonwealth of Virginia and The Rector and Visitors of the University of Virginia, the Board of Visitors is authorized to approve the demolition of buildings, subject to such other laws as may be applicable;

RESOLVED, the Board of Visitors approves the acquisition of 100% of the interest of the Foundation in the Meadow Creek Corporation at a fair market value purchase price not to exceed \$12.9 million plus incidental expenses associated with due diligence and acquisition; and

RESOLVED FURTHER, the demolition of the Cavalier Inn, Intramural Recreational Sports and the Italian Villa, tax map 8, parcels 8, 9, and 10, respectively is approved by the Board of Visitors subject to approval by the Art and Architectural Review Board and the Department of Historic Resources and in compliance with such other laws as may be applicable; and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized, on behalf of the University, to approve and execute appropriate purchase agreements and related documents, to incur reasonable and customary expenses, and to take such other actions as deemed necessary and appropriate to consummate such acquisition and subsequent demolition; and

RESOLVED FURTHER, all prior acts performed by the Executive Vice President and Chief Operating Officer, and other officers and agents of the University, in connection with such property acquisition, are in all respects approved, ratified, and confirmed.



City of Charlottesville Tax Map 8

The Rector presented the following resolution for consideration by the Board, which authorizes the use of additional funds from the Strategic Investment Fund to match donations to the Bicentennial Scholars program. The terms for matching are different from those approved for the original matching program. He also mentioned that some donors wished to make qualifying contributions to University-related foundations. These funds would be matched in parallel accounts held by the Rector and Visitors. The sense of the Board was that no Board action was required. President Ryan and Mr. Jeffries were asked to resolve the issue administratively.

On motion made and seconded, the Board approved the resolution by unanimous voice vote.

RENEWAL OF THE BICENTENNIAL SCHOLARS FUND

WHEREAS, the Board of Visitors established the Strategic Investment Fund (SIF) to fund programs within the University that have the potential to transform research, research infrastructure, the academic experience, and access and affordability for Virginians; and

WHEREAS, in December 2016 the Board committed a total of \$100 million from the Strategic Investment Fund to match new contributions of scholarship endowments, and named the program the Bicentennial Scholars Fund; and

WHEREAS, the Bicentennial Scholars Fund matching program has been very successful. It has created a powerful incentive for private donors to give money for scholarships, has encouraged them to make larger commitments, and has publicly affirmed the University's commitment to student support and access; and

WHEREAS, the Bicentennial Scholars matching funds have been depleted. Commitments to date, when paid, will exhaust the original program;

RESOLVED, the Board of Visitors authorizes dedicating up to \$100 million of additional funds from the investment earnings of the Strategic Investment Fund over a five-year period, to match all new scholarship endowments created on or after August 5, 2018; and

RESOLVED FURTHER, the renewed Bicentennial Scholars matching program shall adhere to the criteria established for the original program with the following revisions, which reflect a strong commitment of the Board to AccessUVA and affordability and access for undergraduates as one of the University's top priorities:

- Contributions of \$100,000 or more (\$50,000 for the College at Wise) for new scholarship endowments fully paid within five years will be matched one-for-two. This match applies to all new scholarship endowments, including need and merit-based scholarships and those for student athletes and for graduate students.
- Contributions of \$1 million or more for all new need-based undergraduate scholarship endowments fully paid within five years will be matched one-for-one; and

RESOLVED FURTHER, matching funds from the Strategic Investment Fund will be paid into the endowment as philanthropic funds are received; and

RESOLVED FURTHER, the Board of Visitors reserves the right to amend the terms of this endowment as appropriate in light of fund raising and grant experience.

A third resolution was put forth to provide matching funds from the Strategic Investment Fund for donations to the Memorial to Enslaved Laborers that are pledged before the end of calendar year 2019. On motion made and seconded, the Board approved the resolution.

MEMORIAL TO ENSLAVED LABORERS MATCHING FUND

RESOLVED, the Board of Visitors authorizes dedicating up to \$2.5 million additional funds from the investment earnings of the Strategic Investment Fund to match, one-for-one, gifts and commitments of any size for the construction of the Memorial to Enslaved Laborers that are pledged between August 7, 2018 and December 31, 2019.

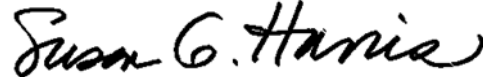
Committee Accomplishments for FY 2018 and Work Plans for 2019

In order to save time for discussion, the Rector referred the Board members to the written committee work plans which can be found in the meeting materials located at:

<http://bov.virginia.edu/august-3-4-2018-retreat>

On motion, the meeting was adjourned at 2:00 p.m.

Respectfully Submitted,



Susan G. Harris
Secretary

SGH:ddr

These minutes have been posted to the University of Virginia's Board of Visitors website.
<http://bov.virginia.edu/public-minutes>

Attachment

Strategic Plan Presentation



August 2018 BOV Retreat

Strategic Planning Discussion



A Simple Strategy Framework



Mission

A succinct statement of the purpose of the organization and its core values

Values

An articulation of an aspirational, *differentiated* position for the organization

Vision

Priorities

The integrated set of *hypotheses* for achieving the vision, including KPI's and funding models

Actions

Strategy vs. Planning

- Strategy is a continual process of reflection and renewal
- The elements of strategy vary in their life-span
- Action items should be viewed as hypotheses to be tested
- Constantly monitor progress and environment, e.g. set up a strategy “war room”
- Strategic planning should broadly engage numerous stakeholders seeking their input and ideas
- Drafting the plan, however, is ultimately the responsibility of the senior leadership team
- A written statement is critical, but only impactful if embedded into the day-to-day operations of the enterprise
- Planning is only the beginning of the strategy process

A Draft Plan for Strategic Planning at UVA

Phase 1 – Vision (Fall 2018)

- Launch a website to engage all stakeholders
- Share draft vision statement with stakeholders
- Develop a “UVA in its Third Century” case for facilitating discussions
- Engage in a series of dialogues and sessions with select stakeholders

Phase 2 – Strategic Priorities (Spring 2019)

- Solicit specific action ideas through a design thinking process
- As priorities emerge, engage designated groups to develop action plans
- Work with units to develop a financing plan for the emerging actions
- Draft and release a formal, comprehensive strategy statement
- Create a strategy “war room” function to oversee strategy and track progress