RESOLUTIONS ADOPTED BY THE BOARD OF VISITORS
August 2-3, 2019

Approval of “A Great and Good University--The 2030 Plan” 11123
Approval of Strategic Investment Fund Revised Guidelines 2019-2020 11128
Naming of the Collins Wing in the Medical Center West Complex 11129
Members of the Board of Visitors of the University of Virginia met in retreat in open and closed session on August 2, 2019 from 12:00 p.m. to 5:00 p.m. in the Meeting Barn at Morven Farm. Rector James B. Murray Jr. presided. Present were Whittington W. Clement, Robert M. Blue, Mark T. Bowles, L.D. Brit, M.D., Frank M. Conner III, Elizabeth M. Cranwell, Thomas A. DePasquale, Barbara J. Fried, John A. Griffin, Louis S. Haddad, Robert D. Hardie, Maurice A. Jones, Babur B. Lateef, M.D., C. Evans Poston Jr., James V. Reyes, Peter C. Brunjes, and Derrick Wang.

Angela Hucles Mangano was absent.

Also participating in some or all sessions were James E. Ryan, Jennifer Wagner Davis, M. Elizabeth Magill, Pamela M. Sutton-Wallace, Margaret S. Grundy, Susan G. Harris, Donna P. Henry, John C. Jeffries Jr., Mark M. Luellen, David W. Martel, Melur K. Ramasubramanian, and Debra D. Rinker.

Presenters included Alex Hernandez, Michael J. Lenox, and Margot Rogers.

**Comments from the Rector**

The Rector thanked Stewart Gamage for extending Morven’s Meeting Barn as the retreat location. The Board retreat was Ms. Gamage’s last official event before she retires. He thanked Ms. Gamage for her dedication to Morven and for everything else she has done over the past years including organizing the Global Women’s Leadership Forum and the First Lady’s Food Lab honoring Dorothy McAuliffe and focused on food sustainability. He said Ms. Gamage has boundless energy and enthusiasm and he hopes she will continue to stay engaged.

He introduced a new Board member, Louis Haddad, President and CEO of Armada Hoffler, a commercial real estate development and holding company in Virginia. He said Mr. Haddad and his wife have been very active in the Hampton Roads area, particularly benefitting special needs and at-risk children through their foundation, the Mary C. Henninger and Louis S. Haddad Foundation.

He said the other new Board member, Angela Hucles Mangano, was unable to join the retreat. She is a graduate of the College and a former UVA soccer player; she brings the student athlete perspective to the Board. Ms. Mangano was inducted into the UVA sports Hall of Fame in...
2015, and she is a two-time Olympic gold medalist and two-time World Cup bronze medalist as a member of the U.S. women’s national team. Ms. Mangano does sports analysis for FOX Sports, and she provided color commentary for several of this summer’s Women’s World Cup games. She has served as president of the Women’s Sports Foundation, and founded Empowerment Through Sport, a leadership organization for women college and elite athletes moving into the working world. She is a real estate professional with Berkshire Hathaway Home Services in Beverly Hills, California, where she resides.

Mr. Murray said this is faculty representative Peter Brunjes’ first official meeting in his position; he presented last year as the chair of the Faculty Senate and so members of the Board know him. Mr. Brunjes is an Assistant Professor of Psychology and Commonwealth Chair of Psychology. His research focuses on the development of the forebrain.

Mr. Murray gave a brief preview of the retreat and then turned the meeting over to President Ryan to make initial comments and launch the Strategic Plan discussion.

President Ryan said the biggest goal is to get the Board’s formal approval of the Strategic Plan, “A Great and Good University—the 2030 Plan.” Mr. Ryan explained how feedback was incorporated into the draft plan, and then moved into the ways they are approaching implementing, financing, and tracking progress for the plan.

Strategic Planning – Implementing the Plan

Mr. Ryan said the planning team broke down initiatives into action items and assigned an owner, potential funding sources, and a timeframe for each project. This is a 10-year plan and not everything will be done all at once. He showed a dashboard that will be presented annually to the Board, along with an annual budget. All initiatives are subject to funding availability. The dashboard is a conceptual framework of how they will go about implementing the plan. There are 42 or 43 separate projects; some are finite and others are ongoing/continuous and do not have specific end dates.

Ms. Davis gave the example of housing second-year students. The project has layers of complexity.

Members of the Board asked questions about the dashboard items and indicated general approval of the approach to implementing the plan.

Ms. Magill and Mr. Ramasubramanian provided details about how the five research priorities in the Strategic Plan (Democracy, Environmental Resilience and Sustainability, Precision Medicine, the Brain and Neuroscience, and Digital Technology and Society) were determined; they cited some examples in the Brain and Neuroscience area, specifically Dr. Kipnis’ work on the lymph system in the brain, and the work by Dr. Elias and others on uses of focused ultrasound technology. All of these priorities allow for collaboration across schools and disciplines, and are either areas of strength now or we are well-situated to be strong, and the research can make a societal impact.

How do we measure success? Research is an area where a discovery made today could have implications that are not understood for 15 years. Therefore, in order to measure success it is necessary to develop proxies rather than rely on direct measures in the early years. Proxies and metrics might include sponsored research, philanthropic support, peer recognition, prizes,
publications, translation of discovery including commercialization, and collaboration. In answer to a question about the University Financial Model and incentives for collaboration, Ms. Magill said there are disincentives to collaboration because of the way overhead is distributed; a central research enterprise can encourage and incentivize collaboration. Many federal funding agencies require collaboration in order to win an award. Mr. Ramasubramanian’s office is important in this regard.

Discussion ensued about the research priorities and how they will be implemented and measured. Different disciplines would have different metrics. Some research might be measured by return on investment (ROI), whereas if ROI is viewed as a dollar return, that would be an inappropriate measure for other types of research. It does depend on how ROI is defined, but certainly with these research priorities in place, University resources will be focused on the priorities. Resources include not only funding but also space allocation. Mr. Ramasubramanian said some research brings UVA national or international pre-eminence, but does not provide direct big dollar returns.

Mr. Griffin mentioned the work of Brian Nosek on reproducibility of research findings. He said UVA has standing in this area and could be a leader in questioning research findings that cannot be reproduced.

Mr. Ryan wrapped up the discussion by commending Ms. Magill and Mr. Ramasubramanian for their work on the research priorities. It is not easy, and goes against the general academic inclination to “let a thousand flowers bloom.” This is the beginning of focusing investments in these broad areas, and there will be a need to make choices even within these areas. There will be a point where we have animating, challenging questions that will motivate the research; these are some of the most important areas of research in our time. This does not mean that the University will not allow faculty to pursue research on a question they want to answer; we would not want to tell faculty they may not pursue a particular avenue of research because this curiosity drives innovation.

**Strategic Planning – Financing the Plan**

Ms. Davis spoke about financing the Strategic Plan. It is a “work in progress,” but importantly the University is coming from a position of strength. This is a 10-year plan so not everything will be implemented all at once. Net assets of the University are $8.6 billion, with a AAA bond rating, a diverse revenue base, and a strong philanthropic tradition. Academic Division revenues are $1.9 billion with net resources directed toward operating and capital reserves, capital infrastructure, and strategic initiatives.

The Board engaged in discussion about the University’s debt capacity. Leveraging debt is an important revenue opportunity, especially with the very favorable rates available currently.

Ms. Davis focused on three of the major initiatives in the Strategic Plan as examples of the financing plan: the Open Grounds at Emmet-Ivy, the Good Neighbor Program, and Citizen Leaders for the 21st Century. Plans are underway for a School of Data Science in the Emmet-Ivy corridor with completion in mid-2023. A hotel and conference center is also in the planning phase, with 220,000 square feet at a cost of about $105 million. The hotel and conference center is intended to be a revenue generator and occupancy is expected by May 2023.

The Good Neighbor Program has multiple goals and sub-goals under it. UVA will implement a living wage for the full-time workforce by the end of the year, and is now looking at ways to move
contractors to do the same for their workforce. Affordable housing is also in the early stages of discussion. A working group is looking at sustainability goals and these will be presented in more detail at the September meeting.

Within the Citizen Leaders for the 21st Century initiative, the goal of housing all first and second year students and providing a meaningful residential experience is being actively pursued. The cost is more than $350 million for construction. A working group is taking a look from all perspectives; there are a number of possible financing options.

Next steps include refining the sequencing and financing plan, engaging in discussions with state government around the Six Year Plan and capital financing, optimizing the structure of and executing a debt issuance this fall, and enhancing financial metrics.

Ms. Davis spoke briefly about the Strategic Investment Fund (SIF) review that was completed in the spring. She said of the 4,000+ accounts in the SIF, several accounts should be walled off and not included going forward. In the next couple of years, the University should be more conservative in awards, limiting awards to about $60-75 million per year. Additional fiscal discipline will include putting returns through an endowment spending policy.

Mr. Murray said the revised guidelines for SIF were distributed to the Board in advance of the meeting. He asked Mr. Conner to explain the thought behind developing new guidelines. Mr. Conner said the revisions were contemplated when the Board created the SIF. He explained how the income from some of the underlying accounts are available for SIF expenditures. He said the current Board and administration owe a great deal to predecessors who generated the underlying funds over at least a decade if not two or three decades. This is a unique financing device in higher education, and other institutions have expressed interest in replicating it.

The original SIF guidelines established a very cumbersome and time-consuming process to review and analyze all of the grant proposals. Those involved in the original review process learned some lessons, including that there was a great deal of energy developed around the process and a great deal of disappointment; there was no correlation or coordination with the strategic priorities of the University; the Board had little or no ability to evaluate research projects; and the process was so unwieldy it was unsustainable. They realized they needed a better approach that provided the new president more discretion over how the funds are allocated and expended to support a new strategic plan. Last year, SIF funding was suspended for the most part until the new strategic plan was developed. The new guidelines are intended to be a charter for the SIF program. One of the most fundamental original principles is not using the SIF to replace operating funds, and each of the grants is for three years, and those will remain. Originally, every initiative was to be transformational; that has changed somewhat to a standard of being meaningful for the academic development of the University.

Ms. Magill reviewed the revised guidelines and led an in-depth discussion with the Board. Under these guidelines the management team will ask the Board to approve allocation percentages among the goals and key initiatives in the Strategic Plan, and then management will make individual allocations within the parameters of the allocation percentages. There is no further Board action required unless there is a decision to reallocate funds among the goals and key initiatives, or dollar expenditures exceed the limits in the guidelines. Ms. Fried proposed adding a statement to the guidelines requiring procedures for monitoring and reporting on projects to be approved by the Board. A show of hands supported amending the guidelines with the provision suggested by Ms.
Fried. Mr. Murray told members they would have some time for final review of the amended guidelines before a final vote is taken to approve.

**Strategic Planning – Measuring Success**

Mr. Ryan opened the discussion of metrics for the Strategic Plan. The hypothesis is that if the University implements the Strategic Plan we should see longer term growth across a number of measures. Mr. Ryan introduced Margot Rogers, Senior Advisor to the President on Strategic Initiatives, and Michael Lennox, Murphy Professor of Business and Senior Associate Dean, the co-chairs of the Strategic Plan steering committee, and thanked them for the hundreds of hours of work on the project.

Ms. Rogers outlined her presentation on measuring success. She said an implementation dashboard will be updated annually to show progress on the 10 key initiatives. The second kind of metrics are those used for management purposes—the tracking that will be done all over the University by deans and administrators and others. They will be looking at various kinds of data for various purposes. The third kind are long-term metrics: pick those very special things that will tell us if we have made the right big bets in the Strategic Plan. We should see long-term growth in a few key areas.

Mr. Lenox said it is difficult to determine the right number of metrics. They started by thinking about what an overarching framework would look like using the goals as a starting point. A series of dashboards were created around each of the goals. With a great deal of input from the University community, they developed a set of higher-level objectives for each goal. These will continue to be reviewed and refined. For instance, five adjectives describe the goal of Strengthening Our Foundation: “Excellent”, “Diverse”, “Respectful”, “Innovative”, and “Efficient”. These were pulled from the descriptions of the goal. He showed a slide of the objectives for all four goals.

Ms. Rogers said these objectives are color-coded in three colors to show that the data exists (white), the data will be developed by surveying the community (red), or the objective requires a major effort to assemble the information (blue). Each objective has designated metrics. The implementation metrics will come back to the Board every year, although some will not move from year to year. On some, it may be three or more years before there is movement on the metric.

Board members asked questions and commented on the dashboards and proposed metrics. Mr. Murray said this information is very preliminary and merely an outline of where we are headed. He said he hoped they could produce a single dashboard once a quarter that shows movement on key metrics.

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.

**APPROVAL OF “A GREAT AND GOOD UNIVERSITY--THE 2030 PLAN”**

WHEREAS, in articulating his goals for his first year in office, President Ryan stated that developing a strategic plan was one of his top priorities; and
WHEREAS, in October 2018, President Ryan appointed a University-wide committee to begin the strategic planning process by gathering feedback, analyzing options, and framing decisions for University leaders; and

WHEREAS, more than 2,600 faculty, students, staff, alumni, parents, and friends of the University provided their comments and ideas through the strategic planning process; and

WHEREAS, the strategic planning committee completed its work in May 2019, yielding a draft Strategic Plan which was reviewed with the Board at the June meeting; and

WHEREAS, at the June meeting, the Board affirmed the direction of the draft Strategic Plan, and over the summer Visitors and others provided feedback on specific aspects of the plan to President Ryan and the committee, which were considered in developing a revised draft for the Board’s consideration; and

WHEREAS, at the August retreat, the Board reviewed revisions to the plan and discussed a framework for implementing the plan, financing the work, and measuring progress;

RESOLVED, the Board of Visitors approves “A Great and Good University—The 2030 Plan,” including its strategic goals, and authorizes the President to implement key initiatives articulated in the plan.

**Spotlight: SCPS and Our Work on Degree Completion**

Ms. Magill introduced the Dean of the School of Continuing and Professional Studies (SCPS) Alex Hernandez, who has been in place for less than a year. She said they found a gem in recruiting Mr. Hernandez.

Mr. Hernandez spoke about how higher education has made a significant impact on his family with the help of others who built ladders for people such as his father. He said SCPS had fallen behind in serving the community, and in the past year he has undertaken a restructuring to modernize recruitment and enrollment and to reset their strategy. SCPS has the opportunity to be a bridge to the community/Commonwealth by building ladders for working adults to finish their degrees. The B.A. is the mightiest of degrees—needed for not all, but most, good jobs and advancement. Many adults, especially minorities, are shut out of the higher education system. Mr. Hernandez provided some examples of working adults who advanced by completing their degrees. Many of the programs are online, which provides flexibility for students. There are 1.1 million Virginians with some college credit and no degree. SCPS serves 200 students in their degree completion program now, but they would like to double that number with the goal across Virginia of impacting 10,000 students over time in bachelor's degree completion. There is a great opportunity for SCPS to be a unifying force, and so they are pursuing a number of partnerships.

A discussion ensued with members of the Board. Mr. Hernandez said improving their retention rate is one of the areas they are working on. The focus is on helping those with 30 to 60 college credits to complete their degrees. Accessibility is important, but SCPS is already a good deal; they are very affordable compared to others in Virginia.

Mr. Hernandez said it is an exciting and innovative time for lifelong learning. He spoke about various programs that aid professional advancement, which include not only bachelor’s
completion but also last-mile training and re-skilling on demand such as certificates and badges. This is training in areas that are different from the student’s field of study. Certificates are three to six courses that are bundled together into a credential. This can be for-credit or non-credit. The certificate programs are small right now, but this is a growth area.

The session ended at 5:00 p.m.

Reception and Dinner

At 6:00 p.m., Rector Murray hosted a reception and dinner at his home for the Board and senior leadership.

Saturday, August 3

At 8:45 a.m., the Retreat resumed in the Meeting Barn at Morven Farm; all members of the Board were present except L.D. Britt, M.D. and Angela Hucles Mangano. Rector James B. Murray Jr. presided.

Presenters included Gregory B. Fairchild and Cathy Trower.

Northern Virginia Update

Mr. Murray introduced Isidore Horween Research Associate Professor of Business Administration Gregory Fairchild, who is Director of Northern Virginia Operations. Mr. Fairchild gave an overview of the University’s strategy for a presence in northern Virginia. He said the University brand in the region is very strong; the northern Virginia population is highly educated and UVA has many alumni and friends in the region who are eager to share their expertise, and they are a great resource for the University.

Mr. Fairchild emphasized that the strategy is all about “one University” with coordination across units; the assembled parts are greater than the individual pieces. He showed a slide to illustrate his point. Plans include building out various facilities where the work would cut across schools and may include co-locating with corporate or government entities. This initiative is market-facing with revenue-producing activities that will be immediate and a longer-term strategy to expand degree programs and develop research facilities and programs serving corporate and government clients.

Mr. Fairchild’s remarks were followed by questions and comments from members of the Board.

Closed Session

After adopting the following motion made by Mr. Griffin, the members present plus James E. Ryan, Jennifer Wagner Davis, M. Elizabeth Magill, Pamela M. Sutton-Wallace, Margaret S. Grundy, Susan G. Harris, Donna P. Henry, John C. Jeffries Jr., Mark M. Luellen, David W. Martel, Melur K. Ramasubramanian, and Debra D. Rinker met in a closed session at 9:20 a.m.
I move that the Board of Visitors go into closed session to discuss a matter that includes discussing the potential investment of public funds where competition and bargaining is involved and the financial interests of the University could be affected if disclosed publicly; and proprietary, business related information concerning a potential joint venture of the Medical Center where disclosure would adversely affect the competitive position of the Medical Center, as authorized by sections 2.2-3711 A (6) and (22) of the Code of Virginia.

At 10:15 a.m., the Board concluded the closed session and approved the following motion unanimously by roll call vote. Voting in the affirmative: Mr. Murray, Mr. Clement, Mr. Blue, Mr. Conner, Mr. Bowles, Mr. Conner, Ms. Cranwell, Mr. DePasquale, Ms. Fried, Mr. Griffin, Mr. Haddad, Mr. Hardie, Mr. Jones, Dr. Lateef, Mr. Poston, Mr. Reyes, Mr. Brunjes, and Mr. Wang.

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

Preview of the 2019-2020 Academic Year

President Ryan previewed very briefly his priorities for the next year:

- DACA students will be awarded financial aid similarly to the current AccessUVA students, with the University meeting full need. At the current enrollment, the cost of this change will be $1 million a year.

- Community working group: the UVA-Community Working Group will become the President’s Advisory Council on UVA-Community Partnership this fall. Their function will be similar to the Executive Council that they recommended in their report, but rather than advising a Vice President for Community Partnership, they will advise the president. Mr. Ryan is also exploring the idea of establishing a “front door” for the University at a location that will make it easily accessible to community members.

- Launching the Honor the Future Campaign: 2019 was a record year for philanthropy. A weekend of events around the campaign launch will be October 11 through October 13.

- EVP for Health Affairs search: Ms. Magill is leading the search for a new EVP for Health Affairs; the members of the search committee were announced publicly in May.

- A blueprint for admissions/enrollment management.

- New leadership onboarding.
• **Emmet/Ivy Corridor**
  
  o The University is in the process of selecting architects for the UVA Hotel and Conference Center and the School of Data Science facility.

  o The Data Science facility is scheduled to begin construction in early to mid-2020 and be completed in early to mid-2023.

  o The University is developing a plan for walking paths and corridors to connect the property with other parts of the University.

  o Construction of the Hotel & Conference Center is scheduled to begin in early/mid 2021 with occupancy planned for May 2023.

• **Finalize plans for Northern Virginia.**

• **College at Wise Task Force:** J.J. Davis and Donna Henry are executive sponsors for the newly-formed UVA and UVA-Wise Task Force charged with developing a plan for the continued growth and sustainability of UVA-Wise. The task force will deliver a list of recommendations, as well as a plan of action for implementing those recommendations, to senior leaders in the fall and winter of this year.

• **Conversations with the Commonwealth about the IPPA and operating and capital budgets:** UVA and the College at Wise submitted draft 6-Year Plans to SCHEV on July 1, which include a proposed Institutional Partnership Performance Agreement (IPPA). The IPPA details a commitment to 1) create a robust talent development pipeline framework—beginning with K-12 education and extending beyond traditional four-year and graduate degrees to include reskilling and upskilling programs, and 2) increase access to and affordability of higher education. The University will request some additional flexibility in certain areas including enrollment and admission.

• **Continue and strengthen the momentum and sense of optimism from the first year.**

**Governance: Board Self-Evaluation and Discussion**

Mr. Murray introduced Dr. Cathy Trower, the governance consultant from Trower and Trower. In preparation for this session, Ms. Trower had interviewed all members of the Board who had served for a year or more and asked each person a series of questions. She summarized their comments in written form which was shared with the Board.
Ms. Trower led a discussion about the competencies and qualities of good board members and effective board governance. She said a culture of inquiry, dialogue, debate, listening, learning, and leadership is important. She illustrated a number of impediments to great governance with cartoons and photographs. Impediments include lack of preparation by members of the board; deadly powerpoints; agenda overload; jerks, bullies, and rogues; everyone wants to call the shots; and too many people in the room. She then reviewed a list of qualities of great boards. She emphasized that great boards ask thoughtful questions and engage in meaningful dialogue, and work hand-in-hand with administrative leadership. Great boards see themselves as accountable with the president for co-determined outcomes.

Her interviews of members of the Board indicated that much is going well. Board members are smart, dedicated, and well-intentioned. They respect President Ryan and want to see him succeed. They are excited about the Strategic Plan and the way Mr. Ryan engaged the Board around the plan. They are focused on the right issues at the right time. She also pointed out some areas that could be better, including enhancing communication and information flow around critical decisions. Board members would like even more time on critical issues, more generative discussions, and still less data, long Board books, and presentations.

Dr. Trower engaged members in a discussion about the essential ingredients of a great partnership with the president. Mutual respect, trust, open communication, and a collaborative mindset were mentioned. Boards govern as a collective, and not as individuals. The goal is oversight without overreach. She offered that the administration can help Board members prepare by pointing out the critical questions on the matters before them and being as transparent as possible with the Board about difficult issues facing University leadership.

Members engaged in an extensive discussion about working together as a board. Former Rector Rusty Conner said one of the hardest parts of being rector is the expectation that the rector is responsible for keeping all the members engaged. Dr. Trower pointed out that committee chairs are essential to engaging members and drawing out their thoughts in committee meetings.

Dr. Trower’s presentation is attached to these Minutes.

Issues Before the Board, Including Committee Reports/Work Plans for 2019-2020, Laws Affecting Board Members, Strategic Investment Fund Update, Affordable Housing Discussion, and Discussion of a Potential Gift to the University

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

APPROVAL OF STRATEGIC INVESTMENT FUND REVISED GUIDELINES 2019-2020

WHEREAS, in 2016, the Board of Visitors created the Strategic Investment Fund by aggregating operating and capital reserves and accounts that had been set aside and separately administered by divisions of the University, and invested those reserves and accounts in the University of Virginia Investment Management Company long-term pool; and

WHEREAS, the higher rate of investment has been used as a source of funding for major strategic initiatives which have the potential of meaningfully and materially
enhancing critical areas of knowledge pursuant to the “Guiding Principles of the University of Virginia Strategic Investment Fund 2017-2019” (“Original Guidelines”); and

WHEREAS, the Original Guidelines contemplated that when the University developed a new strategic plan, deference should be given in the awards process to the new strategic plan and the President’s priorities expressed in the new strategic plan; and

WHEREAS, in August 2019, the Board of Visitors approved a new strategic plan: “A Great and Good University – the 2030 Plan” (the “2030 Plan”); and

WHEREAS, the University drafted the attached Strategic Investment Fund Revised Guidelines 2019-2020 to support the 2030 Plan (the "Revised Guidelines");

RESOLVED, the Board of Visitors approves the Strategic Investment Fund Revised Guidelines 2019-2020; and

RESOLVED FURTHER, solely for expenditures from the Strategic Investment Fund authorized under the Revised Guidelines, the delegation of signature authority contained in the Revised Guidelines supersedes the University’s Policy on Signatory Authority (BOV-014).

NAMING OF THE COLLINS WING IN THE MEDICAL CENTER WEST COMPLEX

WHEREAS, Francis S. Collins earned a Bachelor of Science in chemistry from the University of Virginia in 1970; and

WHEREAS, after earning additional degrees in chemistry and medicine from Yale University and the University of North Carolina, Dr. Collins embarked on a long and eminent career in scientific and medical research; and

WHEREAS, since 2009, Dr. Collins has served as the director of the National Institutes of Health, prior to which he was the director of the National Human Genome Research Institute, where he led the international Human Genome Project, which culminated in completion of a finished sequence of the human DNA instruction book; and

WHEREAS, Dr. Collins has been a strong advocate for protecting the privacy of genetic information and has led efforts to prohibit gene-based discrimination in insurance; and

WHEREAS, the University wishes to pay tribute to the spirit of forward-looking scientific discovery and principled leadership embodied in the work of Dr. Francis Collins;

RESOLVED, the Board of Visitors renames the Barringer Wing in the Medical Center West Complex the Collins Wing.

Closed Session

After adopting the following motion, the members present plus President James E. Ryan, Jennifer Wagner Davis, M. Elizabeth Magill, Pamela M. Sutton-Wallace, Margaret S. Grundy, Susan G. 11129
Harris, Donna P. Henry, John C. Jeffries Jr., Mark M. Luellen, David W. Martel, Melur K. Ramasubramanian, Robert Tyler, and Debra D. Rinker met in a closed session at 12:50 p.m.:

I move that the Board of Visitors go into closed session to discuss: the evaluation of a program including evaluating the performance of certain administrators; a potential request for proposal that will involve the investment of public funds in a public/private partnership where competition is involved and public disclosure would adversely affect the University; potential disposition of real property where public disclosure would adversely affect the bargaining position of the University; matters involving the receipt and disposition of specific charitable gifts and activities that may affect fundraising; and legal advice concerning the laws governing the Board of Visitors, as authorized by Sections 2.2-3711 A (1), (3), (6), (8) and(9) of the Code of Virginia.

At 2:00 p.m., the Board concluded the closed session and approved the following motion unanimously by roll call vote. Voting in the affirmative: Mr. Murray, Mr. Clement, Mr. Blue, Mr. Conner, Mr. Bowles, Mr. Conner, Ms. Cranwell, Mr. DePasquale, Ms. Fried, Mr. Griffin, Mr. Haddad, Mr. Hardie, Mr. Jones, Dr. Lateef, Mr. Poston, Mr. Reyes, Mr. Brunjes, and Mr. Wang.

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 provided some thoughts on his plans for the year. He would like to have dinners where the Board has an opportunity to talk with and get to know each other, and he plans to invite distinguished speakers to address the Board from time-to-time, for new ideas and perspectives.

Committee Accomplishments for FY 2019 and Work Plans for 2020

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: https://bov.virginia.edu/august-2-3-2019-bov-retreat

On motion, the meeting was adjourned at 2:10 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
Board Retreat

University of Virginia
August 3, 2019
Dr. Cathy A. Trower
What makes governing public university boards challenging?
What’s Unusual about University Boards

- Boards are an unusual collective
  - An orchestra that does not rehearse
  - A wealth of conductors
  - Powerful personalities
  - Uncertain rules of engagement

- Governance occurs in an unusual context
  - Familiar yet foreign culture
  - Elusive performance metrics
  - Limited time and knowledge
  - Episodic engagement
  - Full-time professionals answerable to part-time amateurs

Adapted from Richard Chait
#1 Board Complaint Voiced by Presidents

“My board is disengaged.”

“My board is engaged.”
Great governance involves the right people having the right conversations in the right way on the right issues at the right time.

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<td>Right people (board composition)</td>
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<td>Right conversations in the right way (board culture and processes)</td>
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<td>Right issues at the right time (board and committee agendas)</td>
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- **Right people (board composition)**
  - Requires people who bring the right competencies and who are thoughtful about how to bring those to bear in committees and on the board.

- **Right conversations in the right way (board culture and processes)**
  - Requires a culture of inquiry/curiosity, dialogue, debate, listening, learning, and leadership.

- **Right issues at the right time (board and committee agendas)**
  - Requires deciding what to take up, how, and when (committee and board level).
Impediments to great governance:

- Boredom
- Deadly Powerpoints
- Brain Overload
- Lack of Preparation
- Distractions
- Seductive Silver Bullet Solutions
- Weeds
- Familiar Routines and Habits
- Conflict Avoidance
- Unwritten Rules
- Agenda Overload / Other Agendas
- Smartest Person in the Room Syndrome
- Lack of Diversity and Inclusion
- Lack of Accountability Until Too Late
- Apathy
- Everyone Wants to Call the Shots
- Jerks/Bullies/Rogues
- Misaligned Expectations
- Too Many People in the Room
Great Boards

- Apply stakeholder lenses to issues
- Understand that many issues are complex, adaptive, and evolving and are open to new parameters, assumptions, and environmental changes
- Help make sense of issues and context by asking thoughtful questions and engaging in meaningful dialogue
- Spend time framing issues and in generative mode (sense-make before decision-make)
- Tap collective intelligence
- Help ensure that leadership formulates optimal approaches
- Help ensure that the president is aware of blindspots and can act against instincts, if necessary
- Spot and name potential pitfalls
- Are accountable with the president for co-determined outcomes (in it together)
- Keep the focus on adaptive challenges, not the technical problems
- Resist the temptation to “fix” adaptive challenges with technical solutions
Technical “fixes” exacerbate adaptive challenges.

- Recognize that there can be enormous pressure on CEOs to solve problems quickly and decisively—to treat adaptive challenges as if they were technical problems.
- Board and staff leaders must resist the temptation to seek authoritative and absolute “right” answers. If any are found, they are almost certainly solutions to technical problems, not adaptive challenges.

<table>
<thead>
<tr>
<th>Technical problems</th>
<th>Adaptive challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy to spot</td>
<td>Difficult to identify (easy to deny)</td>
</tr>
<tr>
<td>‘Know-how’ exists; someone has “the answer”</td>
<td>There is no right answer</td>
</tr>
<tr>
<td>Can be solved by management</td>
<td>Require different lenses/multiple stakeholders</td>
</tr>
<tr>
<td>Solutions can be implemented quickly, by edict</td>
<td>“Solutions” take time, not by edict</td>
</tr>
<tr>
<td>People are receptive to technical solutions</td>
<td>People often resist even acknowledging</td>
</tr>
<tr>
<td>Changes have simple boundaries</td>
<td>Changes cut across boundaries; complex</td>
</tr>
<tr>
<td>Can be fixed solo</td>
<td>Require collaboration and learning</td>
</tr>
<tr>
<td>Have tools and experience necessary to solve</td>
<td>Needed responses are outside repertoire</td>
</tr>
</tbody>
</table>

# Higher Education Examples

<table>
<thead>
<tr>
<th>Technical issues</th>
<th>Adaptive challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decreased enrollment</td>
<td>Value proposition</td>
</tr>
<tr>
<td>Balancing the budget</td>
<td>Business model</td>
</tr>
<tr>
<td>Faculty salaries</td>
<td>Academic culture and workplace</td>
</tr>
<tr>
<td>Racial incidents</td>
<td>Healthy and safe campus culture</td>
</tr>
<tr>
<td>Diversity</td>
<td>Inclusion</td>
</tr>
<tr>
<td>Strategic plans</td>
<td>Strategic thinking and adaptation</td>
</tr>
<tr>
<td>Master plans</td>
<td>Optimal use of space</td>
</tr>
<tr>
<td>Alumni participation</td>
<td>Alumni engagement</td>
</tr>
</tbody>
</table>
The Board gauges its performance primarily in terms of how it is fulfilling its mandate and in terms of its relationship with the President and his team.
What’s Going Well

- Smart, dedicated, well-intentioned Board members
- Collegial Board
- Respect the President and want him to succeed
- Excited about the strategic plan and the way the President engaged the Board around the plan
- Enjoy the one-on-one calls with senior team
- Enjoy fewer PPTs and more dialogue
- More diverse Board in terms of expertise and experience
- Sequential committee meetings
- Focused on the right issues at the right time
- Excited about rotating big committee issues through the Board
Develop collective understanding of the role of the Board vis-à-vis the administration; Board needs to “reset its mindset.”

Enhance communication and information flow around critical decisions (who, when how; informing Board in advance, to the extent possible).

Enhance transparency and openness, if possible (and in the context of FOIA).

Ensure that the administration fully appreciates the expertise on the Board, the influential relationships that Board members have, and how Board members can add value.

More dialogue and generative discussions at committee and Board on critical issues (FOIA notwithstanding).

Would like still more time on big issues: Health System, INOVA, Northern Virginia strategy/presence, technology, long-term financing (implementing the strategic plan). Some mentioned wanting to spend more time on enrollment/recruiting students, tuition, student experience, advising (realizing that some of these are more management domain than Board). Said one, “If we need more time, we should make it. Too often we get locked into unrealistic timeframes.”

Would like still less data, long Board books, and less presentation (Board members can and should read the materials in advance); still too much presentation mode at committees.

Committees should meet between Board meetings, so they are less perfunctory.

Ensure excellent committee leadership.

Ensure that everyone speaks up at meetings.

More contact with faculty, students, and physicians.
"If you want to get a good partner, the way to do it is be a good partner."
— Charlie Munger
WHAT DO WE MEAN BY BOARD-PRESIDENT PARTNERSHIP?

HOW CAN WE ENSURE A GREAT PARTNERSHIP?
OVERSIGHT WITHOUT OVERREACH

HOW DO WE STRIKE THE RIGHT BALANCE?
Checklist for Board Engagement in Decision-Making

- Statutory requirement
- Fiduciary responsibility
- Strategically critical
- Symbolically important
- Financially significant
- Potentially substantial risk
- Precedent setting
- Implicates core values
- Relevant expertise
- Legitimation, insulation

“Every board has to strike a balance between two undesirable extremes; one is undue deference and the other is undue interference. ...in the areas you think the risks are greatest, tilt in the direction of interference.”

Richard Chait
HOW CAN WE ENSURE OPEN, CANDID, TIMELY COMMUNICATION BETWEEN BOARD AND SENIOR ADMINISTRATION?
Other Thoughts
Strategic Investment Fund Revised Guidelines 2019-2020
STRATEGIC INVESTMENT FUND REVISED GUIDELINES
2019-2020

History and Purpose. In 2016, the Board of Visitors ("BOV" or the "Board") created the Strategic Investment Fund ("SIF") by aggregating operating and capital reserves and accounts that had been set aside and separately administered by different divisions of the University of Virginia (the "University"). These reserves included, among others, maintenance reserves, debt service reserves, Health System capital and the University's general working capital reserves (the "Funding Sources"). These accounts were aggregated to enable their common investment with the University of Virginia Investment Management Company ("UVIMCO"). The Board directed that the higher rate of investment return expected to result from UVIMCO's management be used as a source of funding for major strategic initiatives which would have the potential to meaningfully and materially enhance critical areas of knowledge or operations as more specifically outlined in the University's Cornerstone Plan. These funds were administered pursuant to the "Guiding Principles of the University of Virginia Strategic Investment Fund 2017-2019" (the "Original Guidelines"). The Original Guidelines provided that "should the University revise or replace the current Strategic Plan (the Cornerstone Plan), deference shall be given in the awards process to the revised plan and to the President’s priorities as expressed therein". The Original Guidelines were designed to preserve the principal of the SIF for future use according to the original intent for which these accounts were created; to fund a three year start-up cycle for each initiative (further described below); and to allocate income through a multi-stage review process that culminated in Board approval of all expenditures.

In August 2019 the University adopted and approved a new Strategic Plan: "A Great and Good University – The 2030 Plan" (the" 2030 Plan"). The plan contains four strategic goals and ten key initiatives (the “Key Initiatives”). To support the 2030 Plan the BOV has adopted these new “Revised Guidelines” to replace the Original Guidelines.

As the University embarks upon its third century, it is intended that the senior leadership of the University will propose and the BOV will approve a comprehensive financial model that will be used to implement the 2030 Plan, enabling UVA to “be the leading public university in the country in 2030 and one of the very best in the world, whether public or private.” The primary purpose of the SIF is to serve as one of the sources of funding for the Key Initiatives outlined in the 2030 Plan and the Strategic Plans of the Health System and The University of Virginia’s College at Wise. With the adoption of these Revised Guidelines the BOV is replacing the Original Guidelines to align the SIF directly with the strategic goals and Key Initiatives of the 2030 Plan, to ensure that the SIF is available to support the 2030 Plan. Importantly, the BOV is eliminating the allocation and review process provided for by the Original Guidelines and directly integrating these Revised Guidelines with the 2030 Plan.
**Governance.** As has been the case since its inception, expenditures of the income or principal (as appropriate) from the SIF are the prerogative of the BOV. However, upon the approval of the 2030 Plan, the comprehensive financial model, and these Revised Guidelines by the BOV, the President and senior leadership shall have the authority to make expenditures of income, in accordance with the 2030 Plan and pursuant to the processes defined below, without further Board approval.

**SIF Guidelines**

**Allocations to Support the Strategic Plan.** The available unrestricted annual distributions from the SIF (defined below under “Spending Discipline”, hereafter the “Distributions”) are to be used exclusively to support the 2030 Plan and allocated by the President and senior leadership among the Key Initiatives as established in the 2030 Plan. These Revised Guidelines shall govern a minimum three-year timeframe, beginning July 1, 2019 and continuing until June 30, 2022. To streamline administration of the funds and preserve some flexibility, the Key Initiatives will be grouped thematically into the four strategic goals of the 2030 Plan: strengthen our foundation; cultivate the most vibrant community in higher education; enable discoveries that enrich and improve lives; and make UVA synonymous with service. The President and senior leadership will, after consultation with the Rector and Vice-Rector, propose allocations for each of the four goals for the three-year funding plan. These allocations shall remain in effect for the three years ending June 30, 2022 and are expected to be renewed prior to expiration.

**Process for Modifications of Allocations.** It is recognized that throughout the three-year duration of funding cycles, there will inevitably be need to: (1) make changes to the originally allocated amounts within the scope of the four categories of Key Initiatives, (2) provide for additional funding for a certain Key Initiative either from another category or from unallocated Distributions or (3) expend such funds opportunistically on Key Initiatives not contemplated at the start of the process.

In all three cases no further approval will be required for the President and senior leadership to expend such funds so long as the amount of such expenditure, either individually or in the aggregate with any other additional amounts substantially related to such expenditure, is $5.0 million or less over the three-year duration of a particular funding cycle. To the extent such expenditure, either individually or in the aggregate, exceeds $5.0 million but does not exceed $15 million over the three-year cycle, the concurrence of the Rector and the Vice Rector will be required to authorize such expenditure. To the extent expenditures, either individually or in the aggregate, is in excess of $15 million over the three-year cycle, the approval of the BOV will be required to authorize such expenditure. In any case where reallocations or expenditures are made and approval of the BOV is not required, the President or his or her designee shall apprise the BOV of any such reallocation or expenditure at the next meeting of the BOV subsequent to such reallocation or expenditure.
In making allocation and expenditure decisions, the President and senior leadership are encouraged, to the extent practicable, to apply the following principles:

1. Allocations of Distributions from the SIF are not intended to replace the normal budget process or traditional methods for financing regular operating expenses. For projects that involve long term capital commitments, funding may be allocated to cover the initial three years of debt service while other sources of capital, such as philanthropy, are being secured;

2. Allocation of Distributions from the SIF for larger scale projects should, where possible, consider a phased or incremental approach to minimize risks;

3. Allocations of Distributions from the SIF should strive to leverage external funds (philanthropy, federal funding and grants and the like);

4. As envisioned in the Original Guidelines, most newly funded SIF initiatives are expected to have a three-year or less incubation or startup phase, after which each should become self-sustaining. Allocations of Distributions from the SIF that are expected to exceed the three-year cycle should provide for a plan for sustainable funding after such three-year period; and

5. Allocations of Distributions from the SIF for the benefit of the Health System or The University of Virginia’s College at Wise should align with the Strategic Plan of the Health System or The University of Virginia’s College at Wise, as appropriate.

**Spending Discipline.** For purposes of annual allocations, the SIF will be subject to the standard University endowment spending policy. The endowment spending rate, established by the Board in 2008, increases the prior-year spending level by inflation, calculated as a 5 year rolling average of the Higher Education Price Index (HEPI). If that inflationary increase causes the spending rate to fall outside the range of 4.0% to 6.0% of the endowment market value, the Board may recommend increasing or decreasing the spending rate in response. This endowment spending rate is designed to provide consistency in determining annual SIF distributions with two primary objectives: (1) to provide reliable, predictable, inflation-protected distributions to support strategic awards; and (2) to preserve the purchasing power of the underlying corpus to enable the University to either: (a) use the principal for its original reserve purposes in the future; or (b) fund strategic awards in perpetuity.

**Limitations.** The principal balances of the Funding Sources shall not be distributed as part of the SIF Distributions, and the principal balances of the Funding Sources shall not be used to supplement the ongoing operations of the University within the scope of the annual budgeting process, outside the original intent of the respective funds. Any use of principal balances for the original purposes for which the Funding Sources were created shall follow
the University’s customary and standard financial policies, including its Liquidity Policy, along with consideration of rating agency standards. Any unplanned or emergency use of principal for such reserve purposes must be consistent with the University’s Liquidity Policy and shall be promptly reported to the Rector and the Vice Rector.

**Funding.** The Funding Sources shall continue to be managed by UVIMCO as segregated accounts for accounting purposes, but otherwise managed by UVIMCO in the Short-Term and Long-Term pools in the same manner as other University endowment funds. Allocation between the Short and Long Term pools shall be made consistent with the University’s Liquidity Policy.

**Monitoring and Reporting.** The University’s Executive Vice President and Provost, Executive Vice President for Health Affairs, and the Executive Vice President and Chief Operating Officer shall develop post-award monitoring and reporting systems for assessing the success and progress of the investments made under these Revised Guidelines as well as to continue the assessment, evaluation, and reporting procedures for earlier SIF investments made under the Original Guidelines. Such assessment shall include, at a minimum, devising metrics for assessing the efficacy of such investments and to the extent relevant, the metrics developed for assessing the progress of the 2030 Plan. The Board will approve this monitoring and reporting plan.

**Annual Public Report.** To ensure appropriate external transparency in the implementation and progress of the 2030 Plan and the SIF, the Executive Vice President and Provost and Executive Vice President and Chief Operating Officer shall produce an annual public report with information relevant to assessing the progress of the 2030 Plan, including the information referenced under “Monitoring and Reporting”.

**Amendment.** Amendments to these Revised Guidelines shall be effected by a majority vote of the members of the BOV assuming a quorum is present.