

PRESIDENTIAL WORKING PAPERS

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University of Virginia Strategic Planning Initiative
Public University Working Group

A Defining and Differentiated Vision for UVA as a Unique and Preeminent Public Institution

Executive Summary

UVA should be a leader in advocating for the value of higher education with a new model for excellence in public higher education. This model is a modern version of Thomas Jefferson advocating for the benefits of an educated citizenry, which culminated in the establishment of a public university that is among the best in the nation. The University as an economic engine yields a high return on investment, making long-term support and funding a moral and economic imperative. Guiding principles are recommended that consider a new contract between the University and the Commonwealth of Virginia.

Charge of the Public University Working Group

As part of the University's strategic planning process, the Public University Working Group was charged with the following questions: What does it mean to be a public university in the 21st century? Following the progressive collapse of state support over the past two-decade period, how do we define our public mission in an era of diminished public resources? How can we make a compelling case for re-investment in public higher education to our legislators and to the citizens of the Commonwealth?

After substantial discussion, the Working Group reframed the charge to be: **What should the University of Virginia be as a public university in the 21st century?** Our belief is that "public" may have different meanings in different contexts, and our goal is to help create a defining and differentiated vision for UVA as a unique and preeminent public institution. Given this charge, this document argues that UVA should retain a strong public orientation, but it should clearly define itself consistent with the following five values:

UVA Values:

- 1. World-Class Quality*
- 2. Premier Residential Experience*
- 3. Comprehensive University*
- 4. Intellectual and Practical Leadership in Public Service*
- 5. Strong Self-Governance*

- 1. World-Class Quality:** UVA should recruit and retain world-class faculty, staff, and students such that it offers the highest quality programs, undertakes and successfully executes research on critical issues both within and across disciplines, and provides extraordinary service to the Commonwealth, to the nation, and to the world.
- 2. A Premier Residential Experience:** Consistent with the vision of our founder, UVA students, faculty, and staff should work and live together to achieve intellectual, research, and service goals. To the extent possible, this experience should also include alumni and other relevant constituents. Although this approach does not preclude the use of technology and other forms of learning and working, we fundamentally believe that personal interaction and collaboration have significant value and impact.

3. **A Comprehensive University:** The core of UVA is a belief in the value of broad-based inquiry and learning, where the liberal arts, sciences, and humanities work in concert with the professional schools and other critical disciplines. Although the individual departments and schools need to be very strong, addressing the major issues of the 21st Century will require collaboration, multiple perspectives, and coordinated action.
4. **Intellectual and Practical Leadership in Public Service:** UVA should be a knowledge leader in public service and be recognized for active and interactive engagement of students, faculty, staff, and alumni in all forms of public service. This includes being a leading advocate for higher education in the U.S., consistent with Thomas Jefferson's belief that education is a "vital requisite" for our nation's success.
5. **Strong Self-Governance:** Consistent with the value of leadership, UVA needs to foster and to rededicate itself to the concept that self-governance among students, faculty, and staff is an important opportunity to learn and to demonstrate a common commitment to purpose. Although a professional leadership team is essential to manage a large, complex organization such as UVA, every member of the University community should play a role in determining the future of the institution.

Given these values, as well as the challenges facing public higher education, this document is essentially a call for transformative action. The University of Virginia is faced with many of the same issues confronting all of higher education, but, as a preeminent public university, **UVA has the opportunity to lead with a new model for excellence in public higher education.** Consistent with its commitment as a public university, we propose a new approach that will allow the University to be both public and professional, managing effectively and efficiently within the new realities of its economic and political environment. This document: (1) examines the context for the debate swirling around public higher education, (2) discusses the valuable role played by public universities, (3) outlines public university responses to change and challenge, (4) tells the distinctive story and contribution of the University of Virginia, and (5) proposes a set of guiding principles involving a new contract between the University and the Commonwealth of Virginia.

The Context: Issues Facing Public Higher Education

"...the long-standing dependence on state subsidies that facilitated low tuition and easy student access to public higher education is unsustainable. ...Public universities can either recognize and confront major strategic challenges or face prolonged financial stress, deteriorating quality, and eventual competitive decline. ...The necessary adjustments involve changes in the way value is measured, incentives are structured, budgets are allocated, and universities are organized and governed. ... Greater emphasis needs to be placed on financial viability and innovative, market-responsive solutions."

-from Public No More: A New Path to Excellence for America's Public Universities

These quotes capture many of the core issues facing public higher education and provide a sobering context for the work of the University of Virginia's strategic planning initiative. This decade is a watershed moment for higher education, especially public higher education. The longstanding public compact that public higher education is part of the public good and a cornerstone of an informed democracy appears to be breaking down. Public higher education is being viewed through a variety of ideological lenses, and a serious and heated debate has emerged that questions the purpose and value associated with public higher education, particularly in terms of price, cost, access, and the return on investment from both public and private sources.

Without question, transformational forces are at work, including:

- Significant, sustained, and permanent decreases in federal and state funding
- A growing division of wealth, with stagnant or declining incomes at the bottom and middle of the socioeconomic hierarchy and unprecedented increases at the top
- Strong and increasing political resistance to redistribution of wealth in any form
- Confusion regarding the price and the cost of public higher education
- Mounting criticism of the perceived cost and financial value associated with higher education
- Political and public concerns about access and financial assistance in all forms
- Revolutionizing impact of IT on knowledge acquisition and the rise of online learning options
- Pressures to operate as a more business-oriented, market-driven institution
- New competitive challenges from for-profit institutions and new delivery systems
- Concerns about the return on investment associated with academic research
- The rising and substantial costs and investments required for academic medical centers, involving patient care, teaching health care professionals, and research

This controversy and the fundamental disagreements are resulting too often in bureaucratic paralysis, short-term solutions, and reductionist thinking and measures. State governments, as well as their appointed

Universities are trapped in a dynamic where the micro is managing the macro.

governing bodies, are attempting to exert more influence on decisions previously made by university leaders. Survival and maintenance goals are replacing long-term strategy and mission-driven decisions and programs. As noted by former Governor Gerald Baliles, “Universities are trapped in a dynamic where the micro is managing the macro.” In addition, like many industries and institutions facing these forces and pressures, public higher education is also experiencing turmoil in university leadership, with presidents, chancellors, provosts, deans, and other senior administrators facing more serious scrutiny and potential forced turnover. Even public university governing boards are the focus of government and public review and criticism.

The financial challenge for universities is daunting. Most states are disinvesting in higher education with respect to both operations and capital projects. At the same time, they are often trying to control tuition decisions and increases, giving limited latitude to individual institutions, even those who can demonstrate market conditions favorable to price increases. Similarly, this effort to manage price is typically irrespective of a student’s and parent’s ability to pay, particularly for in-state students. This situation is compounded by the weak economy placing pressure on non-tuition sources of support, while exerting intense financial stresses on state governments because of reduced revenue. Securing long-term philanthropic support is proving more difficult, and endowments face uncertain and inconsistent performance. Some state governments also allocate appropriations based on performance metrics such as retention and degree completion, sometimes without consideration of complicating factors such as the socioeconomic characteristics of enrolled students.

Nationally, efforts are underway to limit the use of state resources for programs that provide greater access for lower-income, underrepresented-minority populations, and political pressures are increasing to reduce or even eliminate financial aid from tuition revenues. Consistent with this trend, a shift in the balance of state financial aid resources is continuing from need-base to merit-based awards. State governments are also cutting funding or prohibiting university-level remedial education, and governors and legislators are setting curriculum and research agendas, often linking them to the employment and economic development needs of state. Pressures are mounting from all sides for more efficient delivery of teaching and learning and improved utilization of expensive human and physical resources, often through increased workloads, competency-based online courses and degrees, and other technology-based solutions.

Without question, many college-bound students face intense financial pressures, especially those from lower-income, disadvantaged, and first-generation families. Public universities, in particular, are experiencing a

shift in the socio-economic and racial composition of the college-going population toward less affluent families with lower levels of educational socialization. As a result, some observers argue that universities are facing a decline in the college-readiness of high school students.

The Value Proposition

Despite the intense set of forces challenging its current operating principles, funding model, and traditions, the dominant theme in response to critics must be that public higher education provides tremendous value to society. Universities are powerful economic engines and should be viewed as an investment in economic development and job creation, rather than an expense. Examples from an unofficial list compiled by UVA's Patent Foundation are listed in Table 1:

At the macro level, higher education is, in fact, a public good with a broad mission in society that supports our democracy and its institutions at many levels. An informed and skilled population is the core competitive advantage of any society and required for long-term success. At an individual level, higher education seeks to expand the mind, to maximize one's potential, and to have a positive and profound impact on the world. Faced with almost constant and revolutionary transformation, the individual must be absolutely prepared to learn, to adapt, to create, and to drive change. Otherwise, both society and the individual face inevitable decline and potential extinction.

Although some stakeholders question the value of a liberal arts education in a public university, while emphasizing the importance of technical and professional training for employment, an education that encompasses a broad and deep range of disciplines is probably more essential than ever. Many disciplines, some of which may not have an immediate and obvious job skill dimension, develop critical thinking and decision abilities, research and analytical skills, communication effectiveness, a commitment to public and community service, cultural and global awareness and understanding, the ability to integrate multiple perspectives in problem solving, and a dedication to a lifelong learning and personal growth. These attributes are even more critical given the rapid and continual metamorphosis underway in society; higher education cannot train people for jobs that do not yet exist, and it should not narrow its focus to jobs that may disappear in a few years. Many federal and state programs even recognize and support the value and impact of this public good through initiatives such as the G.I. Bill and Pell Grants.

Table 1: Economic Impact of Universities

- *The method for fortifying food with Vitamin D was developed at the University of Wisconsin in 1925.*
- *The first general-purpose electronic computer was invented at the University of Pennsylvania in 1946.*
- *Fluoride toothpaste was invented by researchers at Indiana University in 1956.*
- *The first retractable, locking seat belt for cars was invented at the University of Minnesota in 1963.*
- *Gatorade was invented at the University of Florida in 1966.*
- *Liquid Crystal Display, or LCD, which eventually would be used in digital watches and flat panel display screens, was invented at Kent State in 1967.*
- *The CAT scan was invented at Georgetown University in 1973.*
- *The Kentucky Bluegrass hybrid, which is now the turf-grass of choice throughout much of the US, was invented at Rutgers in 1977.*
- *Adenocard, the drug commonly used in emergency rooms and emergency rescue vehicles to treat patients who develop dangerously high heart rates, was invented here at UVA in 1985.*

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In a similar way, the role of research in public higher education is essential and provides extraordinary value. In addition to the tangible benefits of new and useful knowledge, as well as scientific and technological discoveries, research develops necessary process skills that can be transferred to other settings. Faculty and students engaged in research enhance their lives and the world around them, while often generating the substance for future teaching and inquiry. The research process may not always

appear efficient and cost effective, but innovation is a complex, unstructured, and often messy process. Without it, however, society and individuals would be unable to achieve broad-based advancement.

The irony is that the debate around public higher education is probably so intense because it has an impact on and engages so many and such different sets of stakeholders. Very simply, public higher education is so important to so many people that it motivates the concerns and issues currently under consideration. If it did not deliver great value and provide many individuals and groups with opportunities and benefits, then the controversy would be far more muted. So, a debate that truly focuses on the best ways to enhance, to support, and to expand public higher education is fully worth the effort, and it should be welcomed by all involved.

Response to Change and Challenge

Of course, public universities are enacting changes and new initiatives in response to both change and challenge. These responses include, but are not limited to:

- Consideration of options for privatization and/or greater independence from state control of tuition price and financial aid
- Governance structures that provide greater immunity from political interference and partisanship
- The development of cooperative relationships with key state executive and legislative leaders
- New collaborative programs that address state economic development goals and needs consistent with the university's mission and academic and research strengths, often with support from the state
- A renewed emphasis on quality and non-teaching services and infrastructure to enhance the complete student experience
- The introduction of cost reduction, streamlining, and productivity enhancement programs, such that unnecessary expenses are eliminated and funds are redirected to mission-critical activities
- Increasing private support from alumni, friends, foundations, corporations, and other private entities
- Greater investments in development staff and organization, including enhanced professionalization, new data and use of technologies, and improved productivity of foundation and fundraising organizations
- Proactive student recruitment and admissions operations that require investments in staff and outreach programs
- Increased investment in student services to provide academic and social support for a changing student population
- Collaboration with outside organizations and other universities to offer collaborative, degree and non-degree certificate programs, sometimes in other locations and around the world, especially involving the online and/or hybrid delivery of courses and programs
- Continued and substantial experimentation with MOOC's, online, and hybrid courses and programs, as well as support for the development of technology-enhanced approaches to teaching and learning, to determine if they are financially viable and an effective and high-quality means of delivery to traditional college-age students

Public universities must become more nimble, professional, market- and decision-oriented, or they will quickly lose ground to private schools and for-profit educational organization.

In order to achieve success with these and other responses, it is essential that universities retain and/or establish significant management flexibility. Like executives in any major organization operating in a fast-paced and competitive environment, senior university leaders must have the ability to innovate and to mobilize resources quickly. They must start new programs and close programs that are no longer relevant without endless discussion and review. They cannot be unduly constrained by bureaucratic rules and approvals that limit creativity and responsiveness. These leaders must be given appropriate responsibility and authority, and then they should be held accountable over the intermediate and long term for the outcomes. Governing boards must demand strategic and operational

excellence and provide strategic oversight and support, without intrusive and stifling micromanagement. Board members must be well educated with respect to the forces and challenges facing higher education and the university that they govern, and they must become a strong advocate for public higher education and for the institution that they serve. In short, public universities must become more nimble, professional, market- and decision-oriented, or they will quickly lose ground to private schools and for-profit educational organizations. This reality suggests a new relationship or revised partnership between the public university and the state in which it is located.

The University of Virginia Story

The University of Virginia occupies a unique and distinctive place, both literally and figuratively, in American higher education. Founded by Thomas Jefferson with a clear vision of the central importance of higher education and lifelong learning for the new democracy, UVA is considered one of the premier public universities in the country and a significant competitor with respect to the top private universities. From its inception, the core values of the University have been knowledge, truth, and freedom, and the mission statement encompasses the pursuit of excellence in research, teaching, public service, and healthcare. UVA combines an outstanding undergraduate student experience and a commitment to the liberal arts with its status as a major research university, a critical point of differentiation from many other large public universities and small liberal arts schools. UVA's success in these areas leads to its reputation as a "super public" or a "public Ivy," and it is considered a model for "value" on at least four dimensions:

1. The worth and return from the investment in a UVA degree and/or program
2. The emphasis on a liberal arts education and rich student experience
3. Popular rankings for both the University and specific programs and schools
4. Retention rates (97%) and graduation rates (94%)

Beyond the immediate benefits for members of the University community, UVA has a tremendous positive impact on the Commonwealth of Virginia.¹ For example, in FY 2005, the University brought \$456 million into the state through out-of-state grants, giving, and graduate fellowships. The state appropriation from the General Fund for University operations amounted to \$132 million in the same year. On average, \$1 of state support for the University ultimately resulted in \$3.45 of new spending in Virginia. As the national and international reputation of UVA increased, the net flow of funds into the state rose dramatically.

Furthermore, a labor pool with advanced training improves Virginia's business climate, and access to needed

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scientific, technical, and business talent is probably one of the most important factors in the location of corporate headquarters, research and development, and manufacturing facilities. A specific example of this phenomenon was the recent decision by Rolls-Royce to

establish manufacturing and research centers in Virginia because of a very strong relationship with UVA, with respect to both recruiting high-quality graduates and partnering with faculty on applied research. In science and technology, creation of new knowledge through university research is strongly associated with local concentrations of industrial innovation and increased local economic growth. Programs located across the Commonwealth can be found in Figure 1.

¹ *The Economic Impact of the University of Virginia: How a major research university affects the local and state economies*; John Knapp and William Shobe, Weldon Cooper Center for Public Service, University of Virginia; June 2007.

Figure 1: UVA activities in Virginia



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|---|---|
| 1. Bland Experimental Farm | 13. Mountain Lake Biological Station (MLBS) |
| 2. Virginia College Advising Corps | 14. Center for Advanced Engineering and Research (CAER) |
| 3. 4-VA Initiative with Cisco | 15. Virginia Logistics Research Center (VLRC) |
| 4. Commonwealth Graduate Engineering Program (GCEP) | 16. Virginia Nanoelectronics Center (VINC) |
| 5. Currie Farm | 17. Commonwealth Center for Advanced Manufacturing (CCAM) |
| 6. School of Continuing and Professional Studies (SCPS) | 18. Virginia Coast Reserve Long-Term Ecological Research (VCR/LTER) |
| 7. Virginia Trout Stream Sensitivity Study (VTSSS) | 19. Tayloe Murphy Center |
| 8. Engineers PRODUCED in Virginia | 20. National Institute of Aerospace (NIA) |
| 9. Young Women Leaders Program (YWLP) | 21. Semester at Sea |
| 10. Sorensen Institute | 22. The reCOVER Program |
| 11. Morven Farm | 23. Appalachian Prosperity Project |
| 12. Fan Mountain Observatory | 24. U.Va.'s College at Wise |

In addition, UVA acts as a magnet for the best and the brightest students and faculty from other states, many of whom stay in Virginia and contribute to the economy for decades. The University also provides a top quality educational destination for outstanding students from Virginia, encouraging them to stay in the Commonwealth and build their careers while enhancing the state on many dimensions. Both Virginia residents and graduates originally from other states work for Virginia businesses, start new enterprises in Virginia, and provide valuable benefits to the Commonwealth’s economic and social fabric. Armed with a UVA degree, they are able to secure better, well-paid jobs, increasing tax revenues from higher earnings. An investment in UVA, ensuring that it remains among the best teaching, research, community service, and health care providers in the nation, is an excellent investment in the future of Virginia and its citizens, even those who have no direct affiliation with the University.

Guiding Principles

Despite its great success and undeniable value, UVA unfortunately faces many of the same challenges confronting all of public higher education. Reductions in state and federal support and stiff competition for outstanding students, faculty, and staff are a reality at UVA and placing increasing pressure on the funding model, programs, University leaders, and the Board of Visitors. The University must develop an aggressive and innovative model for public education, at least for state universities with a profile similar to UVA.

To this end, the Public University Working Group recommends a set of guiding principles involving a new contract between the University and the Commonwealth of Virginia. This new contract is not without precedent. In 2005, the Restructured Higher Education Financial and Administrative Operations Act provided UVA with modest, yet important, self-governance and flexibility through the University's Management Agreement. The guiding principles suggested here should be viewed as the logical next step in the evolution of this relationship and are intended to advance the five values stated at the beginning of this document. They are intended to provide a vision and a strategic direction for this relationship, rather than extensive detail. Many of the specifics will need to be defined as part of a political negotiation process involving senior University leaders, the Board of Visitors, alumni leadership, and the executive and legislative branches of state government in Richmond. This emergent process will take time and patience, engaging a variety of participants in a complex series of discussions. Although the process may be incremental, the results should be transformational. Without this new contract, the long-term ability of the University to compete and operate effectively and efficiently will be severely compromised.

The **guiding principles** are as follows:

1. A new contract with the Commonwealth

The University of Virginia and its supporters should initiate a process designed to **extend the previous and successful efforts focused on management restructuring to change the status of the University** from a state controlled and state supported entity to a state affiliated or state associated institution.

Another major restructuring of the relationship between the University and the Commonwealth should be undertaken, either as an individual institution or in partnership with other public universities in the Virginia. The primary implication of this change would be much greater flexibility and management discretion for the University, allowing senior leadership even more self-governance and decision-making flexibility. This change would not mean complete privatization; rather, the Commonwealth would withdraw from direct influence on many of the strategic decisions involved with running a major university in the 21st Century. The University leadership team would have substantial authority and responsibility, and it would be accountable to the Board of Visitors for mutually agreed upon outcomes and processes. In return for this self-governance, the Commonwealth would end the state appropriation to the University in its current form.

A cornerstone of this new model focuses on tuition. UVA should have a single base tuition rate for all students, both residents of the Commonwealth and students from outside the state. This tuition should be similar to the current non-resident tuition level. With the budget savings realized from the revised state appropriation model, the Commonwealth then has the option of providing the University with an allocation that "discounts" tuition for Virginia residents. The level of this discount could depend on ability to pay, such that the University is potentially accessible to all Virginians. Ideally, this discount plan would be set by the Commonwealth for a rolling four-year period so that the Commonwealth, the University, and the students and their families could each plan for the budget and tuition price implications of this allocation. Essentially, the Commonwealth could adjust the "price," contributing to educational quality and facilitating access for all Virginia residents through this allocation.

A tuition plan would be part of a rolling four-year, comprehensive financial plan proposed by senior University leadership, and the Board of Visitors would approve this tuition plan with targets for each year in the four-year period. Individual schools and programs would have the opportunity to propose and receive higher tuition and fees based primarily on actual costs associated with the high-quality delivery of these programs. These tuition levels would be viewed simply as the appropriate tuitions for these programs, rather than framing them as differential tuition. Senior leadership and the Board of Visitors

would continue to approve all tuition decisions, but they would do so with a time horizon appropriate for rational planning.

2. **Need for professional board members**

Under this new contract, governance and strategic management exercised by the University leadership and the Board of Visitors become even more important. With increased discretion and authority comes tremendous responsibility, and the University must continue the transition from primarily a state and political entity to a professionally managed organization. In addition to ensuring the very best leaders at the top of the institution (e.g., President, Provost, COO), the Board of Visitors assumes an even more critical role in oversight and monitoring of vision, goals, and strategy. As a result, **Board nominees should meet a defined set of selection criteria focused on their knowledge of and experience with major issues involving higher education** (i.e., industry competence), **as well as their knowledge of and experience leading and governing large, complex organizations** (i.e., management competence and financial skills). The BOV should also have an initial and ongoing educational requirement that prepares them and maintains their expertise with respect to the issues confronting both higher education and the University. **Consistent with this clear need for professional Board members, the selection process needs to change as well.** Various nomination and selection approaches could be adopted to ensure a highly skilled and competent Board, but the current practice of all nominations coming from the governor should be ended. One approach could involve an independent, expert selection panel that would develop and receive nominations for the Board from University stakeholders. The Governor would continue to nominate qualified individuals consistent with the criteria, and the University and its constituent groups, including faculty, staff, students, and alumni, could do so as well. Fundamentally, the senior leaders and the members of the Board of Visitors should be seasoned experts in governing and leading a major university and complex organization in the 21st Century.

3. **Attract the best students**

In recent years, the Commonwealth and the University have agreed that the undergraduate enrollment mix should be approximately 70% Virginia residents and 30% non-residents. Based on its Jeffersonian tradition and as part of its new contract with the Commonwealth, UVA should maintain its commitment as a public university, but **the enrollment mix should shift to ensure the University's status as a preeminent national and global university.** This shift probably involves a larger portion of non-resident students. The best and brightest Virginians would still have special access to UVA, while the tremendous benefits associated with attracting outstanding students from around the world would accrue to the Commonwealth and the University.

4. **Ensure access and provide opportunity**

Another major aspect of the new contract is the University's approach to financial aid, particularly with increased tuition for Virginia residents. University leaders need to develop a plan that will address all of the important goals associated with financial aid, ensuring **access and competitiveness for the best students, Virginia residents and non-residents alike.** The Board of Visitors should be directly involved in the review and approval of this plan because it will be an essential component of the overall

UVA Guiding Principles:

- 1. A new contract with the Commonwealth*
- 2. Need for professional board members*
- 3. Attract the best students*
- 4. Ensure access and provide opportunity*
- 5. Commitment to public service and leadership*
- 6. Strategic investment in market-based initiatives*
- 7. Premier residential undergraduate experience*

four-year financial plan, as well as a key issue in promoting a high-quality and diverse educational experience for the entire student population. The current review and analysis of AccessUVA should be incorporated into this planning process. Finally, the Commonwealth could also allocate additional funds to provide financial aid for qualified Virginia residents. In addition to the tuition “discount” discussed above, the Commonwealth could dedicate funding to ensure access for students consistent with current state goals and programs. For example, the Commonwealth may want to provide aid for Virginia students engaged in the study of the STEM disciplines as it may contribute to the Commonwealth’s economic development goals. This approach would be a great opportunity for the Commonwealth and the University to work together to achieve common goals under the new contract.

5. Commitment to public service and leadership

Once again, in keeping with the University commitment as a public university, UVA should continue to emphasize and expand both academic programs and extracurricular activities with a strong public service component. These programs are an excellent learning opportunity for students and faculty, and they provide ongoing value to the local Charlottesville community, the Commonwealth, the nation, and the world. **Students receive the type of broad-based education that will allow them to maximize their public service opportunities while in school and to operate at an advanced level that is required to meet the challenges of a rapidly changing world upon graduation.**

These programs enhance the University’s reputation and brand as a public university, and they are an extension of our history and traditions. Because they address practical issues, many of these programs will have a strong interdisciplinary focus, stimulating growth in these collaborative efforts consistent with the academic goals of the University. With the new funding model and increased management flexibility, these programs could be started and managed much more quickly and effectively, and appropriate resources could be dedicated to them to ensure access and success. These programs also should have a major fundraising component.

6. Strategic investment in new market-based initiatives

With greater self-governance as a new form of public university, UVA will be challenged to generate additional revenues beyond tuition from traditional residential students. Faced with the potential for reduced state funding, and consistent with its public mission, UVA should **develop a culture and invest in the infrastructure required to encourage and support revenue-generating program innovation.** All stakeholders, from senior University leaders through deans, department heads, faculty, and staff, should identify market opportunities, particularly in areas of academic strength, and then appropriate faculty and staff should develop and introduce high-quality degree and non-degree programs to meet these opportunities. With cost reductions in other areas, and a new approach to budgeting and revenue sharing, the University should be able to offer entrepreneurial faculty and staff the venture capital required to develop and introduce these programs. Schools and departments will be able to **use the revenues generated by these programs to invest in other programs and activities that are critical to the University’s academic mission**, but ones that may be unable to generate direct revenues. These programs may be offered in Charlottesville, in other parts of the Commonwealth, and around the nation and the world. Depending on the program and the audience, these programs may be traditional classroom experiences, hybrid programs, and/or online programs. They may be offered independently or collaboratively with other institutions and organizations. Although the University should be creative and responsive with these programs, it also must emphasize quality and the other values associated with a UVA program and education. At the same time, the University should regularly review all programs to ensure that they have sufficient demand and play an important role in the academic mission. If they do not, then the University should develop processes either to revise these programs or to eliminate them. Finally, UVA should **continue to enhance and expand a professional fundraising effort at all levels.**

With new independence for UVA, alumni, corporations, parents, and all stakeholders will need to take greater responsibility for investing in growth, innovation, and the long-term financial stability and health of the University.

7. Premier residential undergraduate education

The University should reaffirm its commitment to residential undergraduate education as part of the new vision and strategy. Although UVA should continue to explore and implement options involving the use of technology, online teaching and learning, hybrid courses and programs, and outreach efforts and programs around the world, the essence of the University of Virginia is the residential student experience both in the classroom and through extracurricular and co-curricular activities. The new contract should enable the University to enhance and expand these opportunities, to fund them properly, and to integrate them more thoughtfully and strategically into the life of students during their time in Charlottesville.

Conclusion

Now is the moment for bold, decisive, and transformative action. The University is faced with many of the same issues confronting all of higher education, but, as a world-class public university, UVA has the opportunity to be a leader in advocating for the value of higher education with a new model for excellence in public higher education. Rather than shedding its commitment as a public university, **the proposed new principles allow the University to be both public and professional, managing effectively and efficiently within the new realities of its economic and political environment.**

Without question, the path to this new contract with the Commonwealth will require skilled planning, negotiation, communication, and execution, but University leaders should rally all relevant stakeholders to participate in and support the specific formulation and implementation of this new vision and strategy. Although the political process required to arrive at this outcome will be complex and challenging, it also should be inspirational and energize all members of the University community to move UVA to a new level of prominence and success. We look forward to participating in this exciting and innovative chapter in the history of the University of Virginia.