

June 16, 2000

MEMORANDUM

TO: The External Affairs Committee:

Timothy B. Robertson, Chair  
Thomas J. Bliley, Jr.  
Charles M. Caravati, Jr., M.D.  
Elsie Goodwyn Holland  
Gordon F. Rainey, Jr.  
Terence P. Ross  
John P. Ackerly, III, Ex Officio

and

The Remaining Members of the Board:

William G. Crutchfield, Jr.	Walter F. Walker
Charles L. Glazer	Benjamin P.A. Warthen
William H. Goodwin, Jr.	James C. Wheat, III
T. Keister Greer	Joseph E. Wolfe
Elizabeth A. Twohy	Stephen S. Phelan, Jr.

FROM: Alexander G. Gilliam, Jr.

RE: Minutes of the Meeting of the External Affairs  
Committee on June 16, 2000

The External Affairs Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 8:45 a.m., Friday, June 16, 2000, in the East Oval Room of the Rotunda; Timothy B. Robertson, Chair, presided. Thomas J. Bliley, Jr., Charles M. Caravati, Jr., M.D., Gordon F. Rainey, Jr., Terence P. Ross, and John P. Ackerly, III, Rector, were present. Also present were William G. Crutchfield, Jr., Charles L. Glazer, Ms. Elizabeth A. Twohy, Walter F. Walker, Benjamin P.A. Warthen, James C. Wheat, III, Joseph E. Wolfe, and Stephen S. Phelan, Jr.

John T. Casteen, III, Leonard W. Sandridge, Jr., Alexander G. Gilliam, Jr., Paul J. Forch, Robert D. Sweeney, Peter W. Low, Robert W. Cantrell, M.D., William W. Harmon, Ms. Colette Sheehy, Robert E. Reynolds, M.D., Gene D. Block, Terry Holland, L. Jay Lemons, and Ms. Jeanne Flippo Bailes were present as well.

The Chair asked Mr. Sandridge, Executive Vice President and Chief Operating Officer, to present the first item on the Agenda, a report on University-Related Foundations.

Mr. Sandridge described the relationship between the University-Related Foundations and the Board of Visitors, a relationship agreed to in 1993. Foundations, he said, may be created only by the Board. One member of the board of each foundation is appointed by the Board of Visitors and one by the President. One of these two members must serve on the audit committee and one must serve on the executive committee of his or her board. At its fall meeting, the Board of Visitors elects or re-elects its members to the foundation boards; at its winter meeting, it hears a report on each foundation's compliance with the terms of its formal agreement with the Board of Visitors. Major matters - such as new initiatives or programs or business ventures - considered by the foundation boards must be approved by the Board of Visitors.

Mr. Goodwin suggested that someone should be hired to act as a kind of coordinator of all the foundations. Mr. Crutchfield went a step further and suggested setting up an office to coordinate the foundations and to provide necessary assistance and support. Mr. Ross said the Board's appointees to the foundation boards were most effective when they were actually Members of the Board of Visitors. At the very least, he said, the Board's appointees should be sensitive to the concerns of the Board of Visitors. Mr. Bliley suggested that the Board's appointees to the foundation boards be asked to make annual written reports to the Board of Visitors.

Mr. Glazer asked for a listing of the assets of each of the foundations, the number of their employees, how much each foundation has raised and how much each has

distributed. Mr. Sandridge promised to provide this information in a report at the October Board of Visitors meeting.

The Chair asked Mr. Sweeney, Vice President for Development, to continue with the Agenda.

Mr. Sweeney lead the discussion of a proposal to create an Arts & Sciences Foundation. The proposal, he said has the unanimous support of the College Board of Trustees. He pointed out some of the advantages and disadvantages of a foundation and observed that like it or not, we live in a "foundation culture" where raising money is concerned. The alumni of the College constitute the largest single block of alumni of the University, but only the College and the School of Architecture lack foundations. Mr. Ross raised objections and proposed that the Board delay creating the foundation until \$20 million in pledges has been received.

The Committee nonetheless approved the resolution creating a University-Related Foundation for the College and Graduate School of Arts and Sciences. (See Minutes of the meeting of the Board of Visitors, June 17, 2000.)

Mr. Sweeney next discussed the notion of an advisory committee to explore collaborations between the University Development Office and the several University-Related Foundations. At the recommendation of the Chair of the External Affairs Committee and the Rector, he will create such an advisory committee this summer. He will also work with Mr. Sandridge in the oversight of the Foundations. Referring to the discussion on the Foundations that took place earlier in the meeting, several Members suggested that the advisory committee be expanded in concept to a coordinating office.

Mr. Sweeney then made a general report on the Campaign, on development efforts and on the general position of the University.

As of April 30<sup>th</sup>, Campaign commitments and cash flow for this fiscal year exceeds giving for any full fiscal year in the history of the University. There were

commitments last year for \$162 million; this year it is expected that commitments will reach more than \$200. The University reached the \$1 billion goal in December, which included both outright and future support goals; by April, we reached \$1 billion in outright support.

Mr. Sweeney emphasized that the Campaign has not been "just a Law/Darden/Athletics campaign," but has received enthusiastic support from alumni and supporters of all the schools. Individual gifts, as opposed to gifts from corporations and foundations, have amounted to 65% of the total; and half of the Campaign gifts have come from alumni.

Cash flow this fiscal year is expected to exceed \$185 million. Last year, the University ranked 60<sup>th</sup> in annual cash flow among all philanthropies in the United States. Based on the competition's performance last year, the University's projected numbers this year would rank it 35<sup>th</sup> in the country among all philanthropic organizations, 15<sup>th</sup> among all universities, and among the top 5 of all public universities.

Mr. Sweeney emphasized that the extraordinary success of the Campaign has been measured not just in dollars contributed, but "in the belief in the University and a buy-in to its future."

In July, Mr. Sweeney said, he will attend the CASE International Assembly in Toronto to accept the Circle of Excellence Award for Overall Performance in Educational Fund-Raising. This year, 13 research universities will receive this award from CASE. This is the fourth consecutive year the University has received this award, the only institution that can make this claim. The University has shared the award with Princeton and the University of California at Berkeley for three years running, but they dropped out of the rankings this year.

Mr. Sweeney then referred Members to the document, previously distributed, "Strategic Positioning for the University of Virginia." He spoke of the University as "an American ideal for higher education," and outlined some of the themes in the document, e.g.: the Jeffersonian concept

of the University as the "bulwark of the human mind in the Western Hemisphere," the University's core values, the student experience, the University's commitment to service, and so on. In this millennium year, he said, "we are now better positioned to achieve Thomas Jefferson's vision for the institution than any time in our history."

Mr. Goodwin said the University has a lot of people to thank for the success of the Campaign - donors, alumni, volunteers.

The Rector introduced Ms. Christine Gustafson, Chair of the Board of Trustees of the College, and four of her colleagues who had attended the meeting of the Committee.

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On motion, the meeting was adjourned at 10:00 a.m.

AGG:jb

- Copies to: Mr. John T. Casteen, III  
Mr. Gene D. Block  
Dr. Robert W. Cantrell  
Mr. Ernest H. Ern  
Mr. Paul J. Forch  
Mr. William W. Harmon  
Mr. Terry Holland  
Mr. L. Jay Lemons  
Mr. Peter W. Low  
Dr. Robert E. Reynolds  
Mr. Leonard W. Sandridge  
Ms. Colette Sheehy  
Mr. Robert D. Sweeney  
Ms. Louise Dudley