

July 13, 2001

MEMORANDUM

TO: The Finance Committee:

William H. Goodwin, Jr., Chair
Thomas F. Farrell, II Thomas A. Saunders, III
Charles L. Glazer Joseph E. Wolfe
Timothy B. Robertson John P. Ackerly, III, Ex Officio

and

The Student Affairs and Athletics Committee:

Gordon F. Rainey, Jr., Chair Elsie Goodwyn Holland
Charles M. Caravati, Jr Benjamin P.A. Warthen
Thomas F. Farrell, II Sasha L. Wilson
Charles L. Glazer John P. Ackerly, III, Ex Officio

and

The Remaining Members of the Board:

Thomas J. Bliley, Jr. T. Keister Greer
William G. Crutchfield, Jr. Terence P. Ross
Elizabeth A. Twohy

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Joint Meeting of the Finance Committee
and Student Affairs and Athletics Committee on Friday,
July 13, 2001

The Finance and Student Affairs and Athletics Committees met in joint and Open Session at 10:10 am, Friday, July 13, 2001, at the offices of Troutman Sanders Mays and Valentine, 1111 East Main Street, Richmond; William H. Goodwin, Jr., Chair of the Finance Committee, presided. Gordon F. Rainey, Jr., Charles M. Caravati, Jr., M.D., Thomas F. Farrell, II, Charles L. Glazer, Mrs. Elsie Goodwyn Holland, Benjamin P.A. Warthen, Ms. Sasha L. Wilson, Thomas A. Saunders, III, and John P. Ackerly, III, Rector, were present. Timothy B. Robertson was hooked up by telephone but did not participate.

Also present were John T. Casteen, III, Leonard W. Sandridge, Jr., Alexander G. Gilliam, Jr., Paul J. Forch, Craig K. Littlepage, Ms. Patricia Lampkin, Dirk Kastr, Ms. Carolyn Callahan, Ms. Jane Miller, Keith D. Vanderbeek, Scott Jones, Ms. Amy Cronin, Gordon C. Burris, and Ms. Jeanne Flippo Bailes.

The Chair asked Mr. Rainey, Chair of the Student Affairs and Athletics Committee, to present the Agenda.

Mr. Rainey reviewed briefly the discussions of the two Committees at their joint meeting on June 4th, particularly the Joint Work Plan they adopted. He then asked Mr. Sandridge, Executive Vice President and Chief Operating Officer to discuss the work done so far in accord with the Work Plan.

Mr. Sandridge said the goals of the Athletics Department are academic excellence, athletic excellence, compliance and adequate funding. In line with this, he led a brief discussion of the Sears Cup competition 1993-2001; based on total points earned, the University ranked 16th during this period. Mr. Glazer commented that winning national championships is what drives success in the Sears competition. Some Members thought the University ought to strive to be among the top ten in the Sears ranking; others thought it was not realistic to do so.

Moving to a discussion of academic achievement among the Sears Top Ten, Mr. Sandridge said the University ranked higher than any of them in its overall graduation rate and among the top three in the graduation rate for all athletes. As for graduation rates among Division I schools, the University ranked below the top twenty.

The President, however, said the data presented was flawed in that some of the schools listed were not in Division IA, which is the University's category. Mr. Sandridge promised that the figures will be reworked.

Again comparing the University to the Sears Top Ten, Mr. Sandridge reported that the University spends approximately \$4m less per year on Olympic sports; that the University runs an efficient athletics program; that enrollment size affects fee potential; and that the funding structure for scholarships is sound. To conclude, the University doesn't spend adequately and it is not now establishing prudent reserves for the upkeep of facilities.

Mr. Goodwin suggested that a small group from the Committees be established to work on figures.

As for the goal of compliance, Mr. Sandridge said the University's profile is not unlike that of most Sears Top Ten institutions; that scholarship funding and assignment are sound; that the University must continue to monitor funding of individual sports; and that plans for continued program expansion are important. A stated compliance strategy is to proceed with plans to establish Women's Golf as a sport, and Mr. Sandridge said it is expected that the establishment of a team should be announced in the next several months.

Finally, Mr. Sandridge noted as potential funding sources student fees, tickets and ticket packaging, gifts and endowment, and licensing and marketing - which would include television.

He then listed five conclusions:

1. The University has not seen the financial crises experienced by many institutions.
2. Academic performance requires ongoing attention.
3. Compliance requires consistent and ongoing focus.
4. The University has the means to address resource needs.
5. Sound financial management is essential.

Mr. Rainey suggested the possibility of a Five Year Plan for Athletics.

The Rector noted that good athletics promotes good academics.

Dr. Caravati commended Ms. Callahan and her Task Force for their good work in studying the strengths and weaknesses of the University's athletics programs.

The Committees decided to pass a resolution on the report of Mr. Sandridge's group, a resolution which would include future actions. They elected, though, to offer it as a resolution for action by the full Board, to be presented the next day at the Board Retreat. The Secretary, accordingly, was asked to draft a resolution.

(The resolution in fact was approved by the full Board on July 14, 2001 - see the Minutes of that meeting - but it is reproduced below as a matter of record for the Committees' Minutes.

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Committee and Student Affairs
and Athletics Committee

WHEREAS, the Student Affairs and Athletics Committee and the Finance Committee, meeting in joint session on June 4, 2001, approved a joint work plan to analyze the report of the Task Force on Athletics; and

WHEREAS, the group charged with implementing the work plan presented its findings to a joint meeting of the two Committees on July 13, 2001;

RESOLVED that the Board accepts the preliminary report given by the group, requests the Executive Vice President and Chief Operating Officer to develop a five year plan which identifies any required investments in the Athletics program and proposes sources of revenue to support those investments consistent with the Board's objectives of academic excellence, athletic excellence, and compliance with NCAA and other regulations;

RESOLVED FURTHER that the Board affirms its position that there be no tiering or elimination of any sport at this time.)

On motion, the meeting was adjourned at 11:20 a.m.

AGG:jb

Copies to: Mr. John T. Casteen, III
Mr. Gene D. Block
Dr. Robert W. Cantrell
Mr. George E. Culbertson
Mr. Paul J. Forch
Mr. William W. Harmon
Mr. Craig Littlepage
Mr. Peter W. Low
Dr. Robert E. Reynolds
Ms. Yoke San L. Reynolds
Mr. Leonard W. Sandridge
Ms. Colette Sheehy
Mr. Robert D. Sweeney
Ms. Louise Dudley