

June 15, 2001

MEMORANDUM

TO: The Finance Committee:

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

and

The Remaining Members of the Board:

Thomas J. Bliley, Jr.	Gordon F. Rainey, Jr.
Charles M. Caravati, Jr.	Terence P. Ross
William G. Crutchfield, Jr.	Elizabeth A. Twohy
T. Keister Greer	Benjamin P.A. Warthen
Elsie Goodwyn Holland	Sasha L. Wilson

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Finance Committee on  
June 15 2001

The Finance Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 9:35 a.m., Friday, June 15, 2001, in the Board Room of the Rotunda; William H. Goodwin, Jr., Chair, presided. Thomas F. Farrell, II, Charles L. Glazer, Timothy B. Robertson, Thomas A. Saunders, III, Joseph E. Wolfe, and John P. Ackerly, III, Rector, were present.

Also present were Thomas J. Bliley, Jr., Charles M. Caravati, Jr., M.D., William G. Crutchfield, Jr., T. Keister Greer, Terence P. Ross, Ms. Elizabeth A. Twohy, and Benjamin P.A. Warthen.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Jr., Alexander G. Gilliam, Jr., Paul J. Forch, Ms. Colette Sheehy, Ms. Yoke San Reynolds, Peter W. Low, Gene D.

Block, Ms. Alice W. Handy, Ms. Yvonne Hubbard, George E. Culbertson, Steven H. Kaplan, and Ms. Jeanne Flippo Bailes.

Ms. Abby Fifer, President of Student Council, was present by special invitation.

The Chair asked Mr. Sandridge, Executive Vice President and Chief Operating Officer, to present the Agenda.

The first two items on the Agenda were consent items: The approval of a new signatory policy (which is authority delegated by the Board to certain University officials to execute documents on behalf of the University) and the reappointment of Mr. Matthew G. Thompson of Richmond as a public member of the Board of the University of Virginia Investment Management Company (UVIMCO) - Mr. Thompson's term is to be for four years, beginning July 1, 2001.

On motion, the Committee adopted the two resolutions and recommended them to the full Board for approval at the Board of Visitors meeting of June 16, 2001 (see Minutes of the Board of Visitors meeting of that date).

Following the procedure outlined in Section 2.37 of the Board Manual, the Chair requested permission to add an item to the Docket. The necessary vote was taken and approval was given. Mr. Sandridge, accordingly, asked for the approval of a resolution granting the authority to approve certain capital outlay projects as well as increases in the size and scope of current projects.

The Committee adopted the necessary resolution and recommended it to the full Board for approval at the Board of Visitors meeting on June 16, 2001. (See the Minutes of the Board of Visitors meeting of that date.)

Ms. Handy gave her customary report on the Endowment. She first introduced Mr. Michael Bill, a new member of her staff; Mr. Bill has been appointed Chief Investment Officer. Continuing with her report, Ms. Handy said the University's Endowment stands (as of May 31<sup>st</sup>) at \$1,723.1 billion, which is \$16.7million less than the total of June 30<sup>th</sup> of last year. The loss is related to losses in the market. She discussed in some detail the different portions of the Endowment portfolio and how those investments had performed during the fiscal year just ending.

Responding to a request made at a previous meeting of the Committee, Ms. Handy reported on the endowments held by five University foundations: the Alumni Association, the Darden

School Foundation, the Law School Foundation, the Medical School Foundation, and the Virginia Student Aid Foundation. Reflecting on the performance of these portfolios relative to the performance of the Endowment, Mr. Ross and others wondered why these foundations do not have more of their funds managed by the Endowment.

Finally, Ms. Handy reported on actions taken at the May 31<sup>st</sup> meeting of the Board of the University of Virginia Investment Management Company (UVIMCO). (See the Minutes of the meeting of the Board of Visitors of June 16, 2001, for a listing of these actions.)

Mr. Sandridge then introduced Ms. Yvonne Hubbard, Director of Student Financial Aid; Ms. Hubbard gave a general report on financial aid in response to questions raised by Members at an earlier meeting.

Ms. Hubbard began discussion by stating the goals of Student Financial Aid - to provide access to the University for every student offered admission, regardless of the family's ability to pay; and to provide aid based on need-blind admissions and need-based financial aid. The neat calculation of financial aid needed, she said, is "need calculation less expected family contribution which equals financial aid need." She then cited examples of financial need based on varying family incomes.

There was a lengthy discussion of financial aid questions, with several Members expressing serious concerns about the amount of debt incurred by students. Mr. Ross proposed that there be an extensive consideration of student debt at a future meeting, perhaps in the Educational Policy Committee. The Chair agreed to the need for such a discussion but suggested instead that it be done in the Finance Committee.

Mr. Sandridge then introduced Ms. Yoke San L. Reynolds, who recently assumed her duties as Vice President for Finance. Ms. Reynolds gave the Committee a brief description of her goals.

On motion, the meeting was adjourned at 10:30 a.m.

AGG:jb

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

