

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS  
MEETING OF THE  
EXTERNAL AFFAIRS COMMITTEE  
OCTOBER 4, 2002**

EXTERNAL AFFAIRS COMMITTEE

Friday, October 4, 2002  
12:15 - 1:00 p.m.  
Board Room, The Rotunda

Committee Members:

Thomas A. Saunders, III, Chair

Thomas J. Bliley, Jr.

Thomas F. Farrell, II

Elsie Goodwyn Holland

Mark J. Kington

Gordon F. Rainey, Jr.

John P. Ackerly, III, Ex Officio

AGENDA

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UNIVERSITY OF VIRGINIA  
CONSENT AGENDA

UNIVERSITY-RELATED FOUNDATION REPRESENTATIVES: Approves the Board of Visitors representatives to the University-Related Foundations. Each University-Related Foundation Board will include one member who serves as a Representative of the Board of Visitors as required by the Board's Policy on University-Related Foundations. The Board of Visitors will ratify new appointments of Representatives and confirm the list of existing Representatives on an annual basis.

ACTION REQUIRED: Approval by the External Affairs Committee and by the Board of Visitors

<u>APPROVAL OF THE BOARD OF VISITORS REPRESENTATIVES TO THE GOVERNING BOARDS OF UNIVERSITY-RELATED FOUNDATIONS</u>		
RESOLVED that the following persons be ratified or confirmed as representatives of the Board of Visitors to the governing boards of the following University-Related Foundations:		
<u>Foundation</u>	<u>Board of Visitors Representative</u>	<u>Term Ending</u>
Alumni Association of the University of Virginia	Gordon F. Rainey, Jr.	12/31/04
Alumni Board of Trustees of the University of Virginia Endowment Fund	Robert V. Hatcher, Jr.	12/31/04
The College Foundation of the University of Virginia	Timothy B. Robertson	12/31/04
University of Virginia's College at Wise Foundation	Joseph E. Wolfe	12/31/04
Curry School of Education Foundation	Thomas A. Saunders, III	06/30/06*
Darden School Foundation	Lemuel E. Lewis	12/31/04
Friends of the University Of Virginia's Blandy Experimental Farm	Rebecca D. Kneeder	12/31/04
Healthcare Partners, Inc.	E. Darracott Vaughan, Jr., M.D.	06/30/06
University of Virginia Health Services Foundation	Harry J.G. van Beek	12/31/04

Historic Renovation Corporation	David W. Carr	12/31/04
Law School Alumni Association and Foundation, University of Virginia	Gordon F. Rainey, Jr.	12/31/04
McIntire School of Commerce Foundation	Elizabeth A. Twohy	12/31/04
Medical School Alumni Association and Foundation, University of Virginia	Charles M. Caravati, Jr., M.D.	12/31/04
Miller Center Foundation	John P. Ackerly, III	12/31/04
Patent Foundation, University of Virginia	Mark J. Kington	06/30/06*
University of Virginia Foundation and University Real Estate Foundation	John P. Ackerly, III	12/31/04
University of Virginia Host Properties, Inc. ( <i>subsidiary of the UVA Foundation</i> )	Robert G. Butcher, Jr.	12/31/04
Virginia Ambulatory Surgery, Inc.	R. Scott Jones, M.D.	12/31/04
Virginia Engineering Foundation	James E. Ryan, Jr.	12/31/04
Virginia Urologic Foundation	William D. Steers, M.D.	12/31/04
Virginia Student Aid Foundation	Craig K. Littlepage	12/31/05
Virginia Tax Foundation, Inc.	Joseph E. Gibson	12/31/04

\* Denotes ratification required by the Board of Visitors

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING:                   October 4, 2002

COMMITTEE:                        External Affairs

AGENDA ITEM:                    II.   Creation of the University of  
  Virginia Health Foundation

BACKGROUND:   The University of Virginia Health System, including the School of Medicine, the School of Nursing, the Medical Center, and the Claude Moore Health Sciences Library, and with the support of University Development, requests the Board's approval to create a University of Virginia Health Foundation.

DISCUSSION:   During the recent capital campaign (ending December 2000) the Health System was originally challenged to raise \$125 million. That goal was later increased to \$160 million and subsequently exceeded by reaching a campaign total of \$246 million. While this was an unprecedented achievement, the goal of the next campaign is projected to be at least double that amount at \$500 million.

A major goal of the recently-concluded campaign was to pave the way for more aggressive fundraising. While state support is declining and medical reimbursements fluctuate, private dollars are essential to the Health System's ability to carry out seamlessly its mission of excellence. In order to achieve these ever increasing private funding requirements, the Health System must organize its fundraising efforts in a foundation dedicated exclusively to advancing the health mission of its four units - the School of Medicine, the School of Nursing, the Medical Center, and the Claude Moore Health Sciences Library.

In observing fundraising by other University of Virginia entities, it is clear that foundation trustees often become donors of transformational gifts. A foundation dedicated to the Health System will tie the passions of our donors directly to the needs of the Health System's faculty and programs, ensuring that the Health System remains a vital, flexible and dynamic health resource for the citizens of Virginia and beyond and will advance UVa's tripartite mission of medical research, education, and patient care.

Upon Board of Visitors' approval, Health System Development will implement steps to establish the Foundation as a Virginia non

profit, non-stock 501(c)(3) corporation which will maintain its status as a tax-exempt charitable organization under the State and Federal income tax laws and which will be a University-Related Foundation subject to the Board's Policy on University-Related Foundations. The intent is to begin work as a foundation in January, 2003, recruiting a small group of individuals - business people, medical leaders, alumni, health experts, policy makers, and philanthropists - who will be dedicated to nurturing meaningful relationships and stimulating local, national and global support for the Health System. All current Health System Development staff will have the option to remain employees of the University or become Foundation employees at an appropriate time in the future. New employees may be employed by the Foundation. The Foundation will work in collaboration with the Office of University Development.

Local funds currently deployed to the Health System Development Office will provide continuing development support. The University of Virginia Foundation will provide bookkeeping and accounting services, and will contract for the audit. Gift accounting services will be provided by the Office of University Development. Fund management will be provided by UVIMCO. The cost of these services for insurance and for a part-time bookkeeper, if needed, should amount to less than \$100,000 per year. Efforts will be made to avoid duplication of administration and service.

ACTION REQUIRED: Approval by the External Affairs Committee and the Board of Visitors.

APPROVAL OF THE CREATION OF THE UNIVERSITY OF VIRGINIA HEALTH FOUNDATION

WHEREAS, The University Policy on University-Related Foundations requires that all new University-Related Foundations receive approval of the Board of Visitors; and

WHEREAS, the Senior Vice President for Development and Public Affairs recommends that the Board of Visitors approve the creation of a University-Related Foundation for the Health System; and

WHEREAS, this new foundation will adhere to the University's Policy on University-Related Foundations;

RESOLVED that the Board of Visitors approves the creation of a University-Related Foundation for the Health System, to be called the University of Virginia Health Foundation.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 4, 2002

COMMITTEE: External Affairs

AGENDA ITEM: III.A. Vice President's Remarks

DISCUSSION: The Senior Vice President for Development and Public Affairs will report on items of interest to the Committee.

ACTION REQUIRED: None

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 4, 2002

COMMITTEE: External Affairs

AGENDA ITEM: Philanthropic Cash Flow

BACKGROUND: Cash gifts received for Fiscal Year 2002, and those booked to date for Fiscal Year 2003, will be reviewed. Emphasis will be placed on measuring performance for the Fiscal Year which ended June 30, 2002.

DISCUSSION: Despite a weakening economy, philanthropic cash flow for Fiscal Year 2002 was the largest ever realized by the University. The \$255 million in cash raised greatly surpassed the year's goal of \$190 million. Discussion will focus on comparing progress against cash flow totals for previous fiscal years, measuring the University's performance against a benchmarking group of peers, and analyzing cash flow and philanthropic trends for Fiscal Year 2003.

ACTION REQUIRED: None

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 4, 2002

COMMITTEE: External Affairs

AGENDA ITEM: III.B. Assessment and Goals

BACKGROUND: This past year was the first full fiscal year after the completion of the Campaign and a time for reorganization, transitional planning, expansion of opportunities, and continued aggressive fundraising. As is customary, the University Development Office, University Relations and the Health System Development Office have assessed their progress over the previous fiscal year in each of their departments. In addition, goals for the following year have been set.

DISCUSSION: The Senior Vice President for Development and Public Affairs will review progress and goals, highlighting statistical data as well as programs and projects. A number of new fundraising and public affairs initiatives were introduced in Fiscal Year 2002. Accomplishments for Fiscal Year 2002 and goals for the coming Fiscal Year will be discussed.

ACTION REQUIRED: None

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 4, 2002

COMMITTEE: External Affairs

AGENDA ITEM: III.C. Community Relations

BACKGROUND: The University's Community Relations Office, based in the Office of University Relations, is charged with facilitating communication between the University and the external community, as well as managing the University's Commonwealth of Virginia Campaign each year. The Community Relations Office has been especially busy recently, launching several new initiatives to address neighborhood and community concerns and to expand outreach.

DISCUSSION: Community Relations has created several new publications, programs and neighborhood community activities in the last year. The publications include an expanded, updated Community Resources Guide with information on more than 300 University outreach efforts, a guide for students in off-grounds residences; and a magnet for area residents and property owners that includes University contact information. Neighborhood advisory groups have been established, and planning committees for building-specific projects at the University, such as the multi-purpose center (Arena), now include neighborhood representation. In addition, the office is laying the ground work for a new mentoring/outreach program for local minority youth.

ACTION REQUIRED: None

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 4, 2002

COMMITTEE: External Affairs

AGENDA ITEM: III.D. Campaign Preparation

BACKGROUND: Because of concerted efforts by University leadership to maintain fundraising momentum and organizational stability during the period following the last campaign, the University is well positioned to begin the first phase of planning for the next campaign. The Senior Vice President for Development and Public Affairs will discuss the campaign planning efforts already underway and pre-campaign activities envisioned for the coming year.

DISCUSSION: A timeline for the next campaign has been drafted, with the Nucleus Fund launch planned for January 2004, and the public kickoff of the campaign in Fall 2005 or Spring 2006. The Senior Vice President will detail each phase of the campaign and timing.

Key potential campaign volunteers have been invited back to the University in mid-October to hear the case for the next campaign. These alumni will form the core of the new National Committee on University Resources as well as the future Campaign Executive Committee.

Over the next year, the following campaign initiatives will be pursued: creation of the campaign case statement, identification of major gift prospects, cultivation of Nucleus Fund prospects, and campaign budget planning.

ACTION REQUIRED: None