

November 7, 1997

MEMORANDUM

TO: The External Affairs Committee:

Henry L. Valentine, II, Chair
John P. Ackerly, III
Charles M. Caravati, Jr., M.D.
T. Keister Greer
Elsie Goodwyn Holland
Terence P. Ross
Albert H. Small
Elizabeth A. Twohy
Hovey S. Dabney, Ex Officio

and

The Remaining Members of the Board:

Franklin K. Birckhead	Kristine L. LaLonde
Champ Clark	C. Wilson McNeely, II
William G. Crutchfield, Jr.	Walter F. Walker
William H. Goodwin	James C. Wheat, III

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the External Affairs Committee
on November 7, 1997

The External Affairs Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 10:25 a.m., Friday, November 7, 1997, in the East Oval Room of the Rotunda; Henry L. Valentine, II, Chair, presided. John P. Ackerly, III, Charles M. Caravati, Jr., Mrs. Elsie Goodwyn Holland, Terence P. Ross, Albert H. Small, Ms. Elizabeth A.

Twohy and Hovey S. Dabney, Rector, were present. Also present were Franklin K. Birkhead, William H. Goodwin, Jr., C. Wilson McNeely, III, Walter F. Walker, and James C. Wheat, III; as well as John T. Casteen, III, Alexander G. Gilliam, Jr., Paul J. Forch, Robert D. Sweeney, Leonard W. Sandridge, Jr., Peter W. Low, Ernest H. Ern, Ms. Colette Capone, William W. Harmon, Ms. Polley Ann McClure, Don E. Detmer, Charles Fitzgerald, and Wayne Smith.

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

Mr. Sweeney first proposed a resolution, as a Consent Agenda Item, approving the Board's representatives to the governing boards of University-related foundations. He and Mr. Sandridge, Executive Vice President and Chief Financial Officer, explained that this resolution is an annual ratification of appointments made by the Rector.

On motion, the Committee adopted the resolution approving the appointment of Board of Visitors representatives to the boards of University-related foundations, and recommended it to the full Board for approval (see Minutes of the meeting of the Board of Visitors, November 8, 1997).

Mr. Sweeney then asked Mr. Fitzgerald, Associate Vice President and Director of Development, to lead the discussion of the proposed revisions of the Campaign Gift Crediting and Valuation Policy.

Mr. Fitzgerald explained that the Gift Crediting and Valuation Policy was devised in 1992; now that a separate goal for Future Support has been established as part of the Campaign, revisions to the Policy are being made to bring it into line with current practice.

After a brief discussion, the Committee, on motion, adopted a resolution approving the revised Policy and recommended it to the full Board for approval (see Minutes of the meeting of the Board of Visitors, November 8, 1997).

Mr. Sweeney then gave a miscellany of reports about the Campaign and the Development Office. In doing this, he referred Members to two documents, previously distributed: "Benchmarking Fund-Raising Excellence. The University of

Virginia Compared with Public Research Universities," and "University of Virginia. University Development Office, Assessment of FY-97 Objectives and Summary of Objectives for FY-98."

The past Fiscal Year, he said, was marked by momentum and change. Some \$123m was raised, for an average of \$10.2m per month; this exceeded the goal for the year of \$80m. By June 30th, \$550m in total had been raised in the Campaign which, Mr. Sweeney said, means that \$800 should be raised by the end of the Campaign and that the total amount could easily exceed \$900m.

Mr. Sweeney reminded the Committee that the Development Office had set three goals at the beginning of the Campaign: that there would be \$100m in annual cash flow by the year 2000, that there would be a successful Campaign, and that by the end of the Campaign, the University's Development program would be the best in public higher education.

During the past year, the University was ranked 11th among public institutions in cash flow and 14th among the 25 best public and private institutions. The University now ranks first in per alumnus, per student and per faculty giving, and second only to the University of Michigan among public institutions in total money raised from alumni. The latter statistic is even more astounding when one considers that the University raised \$44m in this category, \$3m less than Michigan, and that the University of Michigan got this from 363,000 alumni solicited while the University of Virginia solicited 128,000 alumni.

In other rankings, the University ranked second to the University of California at Los Angeles, among public institutions, in the total number of planned gifts received, and ranked first in nine different categories.

By September 30th, 584m had been raised, which is 78% of the goal against 61% of time elapsed in the Campaign. Some 63% of the money raised in the Campaign has been in cash. There have been 726 gifts of \$100,000 or more, but there are 174 potential donors of \$1m or more to be solicited successfully.

In response to a question, Mr. Sweeney said the cost of the Campaign has been about 12 cents for each dollar raised. This is a "competitive" figure and puts the University about mid-way among both public and private institutions.

In reply to a question about the feasibility of raising the Campaign goal - or extending the Campaign - Mr. Sweeney said the Development staff right now probably would say "go for it" and raise the goal to \$1billion. The Chair remarked that there are ongoing discussions about raising the goal. The President said that as long as the stock market is doing well, the logic is that the Campaign would extend; fatigue among fund raisers, however, is an issue. The important thing, though, is that the University after the Campaign must expect to be self-sufficient.

Mr. Sweeney asked Mr. Terry Holland, Director of Athletics, to report on fund raising for the expansion of Scott Stadium. Mr. Holland spoke to the benefits of the Stadium expansion for the athletics program at the University: income from the additional seats alone will double the budgets of the non-revenue sports.

Mr. Holland introduced Mr. Wayne Smith, who is in charge of raising money for the project. Mr. Smith reported briefly on the progress of the campaign to date and told the Committee that his "team" consists of Allison Cryor, Barry Parkhill, Gordon Burris (Messrs. Parkhill and Burris will devote 50% of their time to the campaign), Dirk Kastrer and Wood Selig.

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On motion, the meeting was adjourned at 11:10 a.m.

AGG:lh

- Copies to:
- Mr. John T. Casteen, III
 - Mr. Paul J. Forch
 - Dr. Robert W. Cantrell
 - Mr. Peter W. Low
 - Mr. Leonard W. Sandridge, Jr.
 - Mr. Robert D. Sweeney
 - Mr. Ernest H. Ern
 - Mr. William W. Harmon
 - Ms. Colette Capone
 - Ms. Polley Ann McClure
 - Dr. Don E. Detmer
 - Mr. L. Jay Lemons
 - Mr. Terry Holland
 - Ms. Louise Dudley