

SENATE OF VIRGINIA

WILLIAM R. DESTEPH, JR.
8TH SENATORIAL DISTRICT
PART OF THE CITY OF VIRGINIA BEACH
588 CENTRAL DRIVE
VIRGINIA BEACH, VA 23454
(757) 321-8180



COMMITTEE ASSIGNMENTS:
GENERAL LAWS AND TECHNOLOGY
LOCAL GOVERNMENT
PRIVILEGES AND ELECTIONS
REHABILITATION AND SOCIAL SERVICES
TRANSPORTATION

August 8, 2016

Mr. William Goodwin
CCA Industries, Inc.
800 East Canal St #1900
Richmond, VA 23219

Ms. Teresa A. Sullivan
Office of the President
University of Virginia
Post Office Box 400224
Charlottesville, VA 22904-4224

Dear Rector Goodwin and President Sullivan:

We are in receipt of the University's consolidated response to specific inquiries raised by a significant number of members of the General Assembly. We thank you for this initial effort.

Nevertheless, the University's less-than-adequate response—much less Rector Goodwin's carefully crafted public commentary—has done nothing to alleviate our mounting concerns.

At the outset, we want to make clear that ours were not Freedom of Information Act requests. As Senator DeSteph noted in his July 22, 2016 email, ours are legislative requests pursuant to the Code of Virginia section 23-69, which provides that "the rector and Visitors of the University of Virginia shall be at all times subject to the control of the General Assembly."

As such, we require that all requested documents be produced, without claim of any allowable FOIA exemptions. Please comply with the requirement for comprehensive and un-redacted information as it relates to this and all future legislative requests, including records that might otherwise be considered exempt as presidential working papers. To date, only emails, many lacking noted attachments, seem to have been provided.

Certainly, we appreciate the scale of our legislative requests but they are commensurate with the enormity of the fund in question. Given the gravity of the matter at hand, you are not free to define or limit your responses to parameters of time, subject, or personnel that may better suit the University's interests.

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Regarding the University's initial response, then, we are hard-pressed to understand why only documentation from 2016 forward was included. As Rector Goodwin wrote in one exchange, it was clear to him—and now to us—that the University's plans for the use of \$2.3 billion in assets had been in the works for some time before the Board of Visitors was fully engaged in June, and long before the public was informed by happenstance in July.

Given these realities, we reiterate our original requests for information in every form regarding the monies that now comprise the fund, and no matter what it may have been called at any given point in time.

To say the least, we were disappointed that public relations—and not the public's interest—were on full display in exchanges between Rector Goodwin and Patrick D. Hogan, the University's executive vice-president and chief operating officer, such as one quoted in the Richmond Times-Dispatch:

"Emails released this week by the university under the state Freedom of Information Act show wordsmithing among board members and senior administrators in how the fund would be described."

"In a June 2 email, Goodwin tells Hogan to emphasize 'that these funds are to enhance the university to a level beyond what it is now, not to maintain it.'"

To put it bluntly, this superficial approach is not what we would expect from leaders entrusted with one of our state's greatest assets in service to Virginia's families. We may not be outraged quite yet, but we are more than a little disappointed to read these exchanges.

Thus, we reiterate our legislative request for a *detailed financial accounting* of how \$2.3 billion came to be. Specifically, we seek information regarding individual—not aggregate—sources, and documentation of the originally intended uses of each source of funds. And to avoid any future confusion, we now expand our request beyond a ten-year period to that point in time when the first dollar was set aside into the former "University Operating Fund" account. As well, please produce a copy of the referenced "Academic Analytics" contract.

We also find it difficult to understand why UVIMCO has been placed off-limits regarding our requests for information and documents. We observe that organization is called the University of Virginia Investment Management Company with over \$7 billion in assets, and exists solely for the benefit of the University. We also note that Mr. Hogan sits on its board and oversees a chief executive officer who appears to have earned over \$2 million managing university funds in 2014. In light of these facts, we restate and insist on full compliance with our original legislative request for records involving UVIMCO.

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We are also puzzled as to why our general and specific questions regarding tuition hikes and excessive aid to out-of-state students went unanswered, and why there were no public discussions about using the new “strategic funds” to offset or hold the line on in-state student costs or immediately increase the number of in-state slots for Virginia students. We respectfully remind you that your duty is owed not to a select few but to the 8.3 million Virginians you also serve.

Regarding the public’s knowledge of the strategic investment fund, we quote from the University’s response narrative:

“The University looked forward to announcing this accomplishment to the General Assembly. The University intended to begin publicizing the Strategic Investment Fund later in 2016, beginning with the General Assembly members. For that reason, during June, the University began to contact legislators and members of the Governor’s administration to schedule meetings for late summer and early fall.”

For our part, we would have been just as happy to read about the University’s plans in any newspaper but records produced and accounts from multiple members in the room now confirm that inappropriate closed door discussions took place and prevented any reporting. We renew our legislative requests for why that happened.

Finally, we note that our concerns are neither geographic nor partisan.

As our colleagues from Southwest Virginia have observed, budgets for many counties and towns they represent in both houses of the General Assembly pale in comparison to the resources at the University’s disposal that could be better invested to reduce the cost of in-state tuition for Virginia’s children.

We agree, and join with them in urging the Board of Visitors to rescind previously imposed tuition increases totaling 74 percent. Not next year, but now. In addition, we ask that you suspend all expenditures, transfers, and project awards from the “Strategic Investment Fund” until this matter is fully resolved.

Writing in the [Roanoke Times](#), former Delegate David Ramadan said the board’s first loyalty must always be to the Commonwealth as trustees charged with protecting public assets, not hiding them. As he so forcefully put it, they are there to serve, not to be cheerleaders, and we could not agree more. To be sure, we understand how tempting it might be to control the dialogue. But this is not the time, and certainly not the place.

Free of institutional influence and mindful of the board's first obligation, making it possible for more Virginia students to afford to attend one of America's finest universities is paramount.

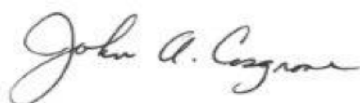
We also want to say as clearly as possible that this is not an attack on Thomas Jefferson's institution. Rather, our inquiries seek transparency in how the University is spending public funds that are entrusted to a state agency and public institution.

Indeed, that is our fiduciary responsibility to the people of Virginia. It is also a duty we take seriously, and look forward to a fulsome response to this letter and our renewed requests by August 12, 2016.

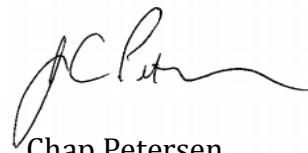
Sincerely,



Bill DeSteph
Senator, 8th District



John Cosgove
Senator, 14th District



Chap Petersen
Senator, 34th District



Bill Carrico
Senator, 40th District



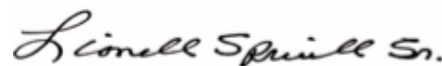
Frank Wagner
Senator, 7th District



Timothy D. Hugo
House Majority Caucus Chairman
Delegate, 40th District



Ron Villanueva
Delegate, 21st District



Lionell Spruill
Delegate, 77th District



Scott Taylor
Delegate, 85th District



Robert Bloxom
Delegate, 100th District



Jason Miyares
Delegate, 82nd District

Cc: June Jennings, State Inspector General
Martha Mavredes, Auditor of Public Accounts