

VIRGINIA MILITARY INSTITUTE
Lexington, Virginia
Minutes
BOARD OF VISITORS MEETING
18-19 September 2012

A meeting of the VMI Board of Visitors was held in Lexington, Virginia in the Turman Room of Preston Library at VMI beginning at 0800, Tuesday 18 September and continuing at 0800 hours, Wednesday 19 September pursuant to notice.

Present: Mr. Paul D. Fraim '71, President
John C. Allen '62
Elizabeth D. Camp
George J. Collins '62
Paul E. Galanti
MG Patricia P. Hickerson
BG Janice G. Igou
General John P. Jumper '66
Kimber L. Latsha '77
MG Daniel E. Long
G. Marshall Mundy '56
George P. Ramsey III '72
W. Gregory Robertson '65
Ernesto V. Sampson, Jr. '98
Dr. H. George White, Jr. '54
John E. Dommert '13 (present on Wednesday)

Absent: P. Wesley Foster '56
Bruce C. Gottwald, Jr. '81

Tuesday, 18 September – 0800

1. Mr. Fraim presided and called the meeting to order. Colonel Michael M. Strickler '71, Secretary to the Board of Visitors, recorded the minutes.

2. At the request of Mr. Mundy, there was moment of silence for 1st Lieutenant Chase Prasnicki – son of David L. Prasnicki, Chief Financial Officer for the VMI Foundation, Inc. – who was killed in Afghanistan on 27 June 2012.

3. Mr Fraim welcomed new board members Mr. Collins, Brigadier General Igou, and Dr. White.

4. General J. H. Binford Peay III '62, VMI Superintendent, addressed the Board on the higher education environment and VMI.

a. He highlighted 36 events that have occurred since the May 2012 Board meeting and 48 events that will occur prior to the January 2013 meeting. A complete list of these events "A Look Back" and "A Look Ahead" is filed with the minutes of this meeting as **Appendix 1**.

b. Regarding state support for higher education, state revenue projections are flat and capital projects funding and a General Obligations Bond package are to be determined. There is pressure to keep tuition increases low and to use tuition revenue for financial aid. A slight increase in health insurance costs is predicted. The Joint Legislative Audit and Review Commission (JLARC) will do a study/report on efficiencies in higher education with the goal of better understanding the cost of education. The base budget adequacy formula within the Higher Education Opportunity Act (HEOA) of 2011 shows VMI at 118% of the cost of education, consequently VMI is receiving very little additional funding from this Act. The state has authorized a 3% bonus to be paid in December 2012 for all employees. VMI must pay about 60% of the cost of the bonuses. At present a 2% state pay increase is scheduled for FY 2014.

c. With a Rat Class of 508 and less attrition in the upper classes, the size of the Corps is larger than expected, 1,664 on census date.

d. There is a strong effort to keep tuition/fees affordable, and there has been an increase in the number of cadets in need of financial aid. The total number of ROTC scholarships has declined.

e. Areas of concern are the sustainability of the intercollegiate athletic program, level funding for unrestricted income from the VMI Foundation due to past market downturns, increased pressure on auxiliary fund balances and contingencies with operation and maintenance fixed costs increasing, and no faculty/staff pay raises since December 2007.

f. Excluding quartermaster charges (laundry, haircuts, and uniforms) which are out-of-pocket at other institutions, VMI ranks in the middle among eleven selected state colleges and universities...FY 2013 costs are \$18,767 (in-state), \$38,677 (out-of-state).

g. The VMI Keydet Club met its goals for scholarships and operations in FY 2012; however, athletic financials are a year-to-year operation with only a modest endowment. Costs are escalating with scholarships, salaries, operating dollars, and growth in women's sports.

h. Other aspects of the athletic picture include potential changes in the Big South Conference as many other conference affiliations are in flux; NCAA committee actions are dealing with concepts of fairness vs. competitive equity, such as paying stipends to athletes; VMI's Athletic Progress Ratings (four-year cumulative average scores) based on eligibility and retention are above the norm; and VMI is compliant with all Big South regulations.

i. The Corps make-up at census date is 1,664 (974 Virginians-59% and 690 non-Virginians-41%), 420 NCAA athletes, 32 foreign cadets, 1,497 men, 167 women, 53.45% majoring in math/science/engineering (STEM), and 46.55% major in liberal arts. Total enrollment and in-

state enrollment has grown steadily since 2003; out-of-state enrollment has grown steadily since 2007; STEM majors have increased with STEM graduates moving closer to the 50% mark; and commissioning number have increased from approximately 35% to over 50% as the norm. Forty six women matriculated in August bringing the percentage of women in the Corps over 10%.

j. The top three cadet leadership positions for 2012-2013 are Honor Court President William A. “Will” Coursey, Regimental Commander Sean P. Noll, and First Class President John E. Dommert.

k. Four years of ROTC instruction is mandatory with a migration to the Army due to Air Force regulations and more opportunities for commissioning in the Army. Current rosters show 926 cadets in Army ROTC, 325 in Air Force, 225 in Navy, and 188 in Marines. Of that number, approximately 58.7% are seeking commissions.

l. There are 350 male athletes in eleven intercollegiate sports and 72 female athletes in seven sports. There are 25 competitive club teams with 866 cadets participating of whom 76 are women.

m. Since its dedication in May of 2009, the Center for Leadership and Ethics (CLE) has held twelve major conferences with at least four more on the schedule for AY 2012-2013. One of the conferences will be a follow-up to the 5-6 March 2012 conference entitled *Lying, Cheating & Honor in America's Schools*. There was a groundswell of requests from high schools and colleges to have a second conference. The March 2013 conference is entitled *Establishing and Maintaining Honor Systems in America's Schools*. “In my opinion all programs at the CLE are maturing well ahead of schedule,” said General Peay.

n. Two major construction projects have been completed, renovation the VMI Health Center (Post Hospital) and the South Institute Hill Parking Lot. Renovations to Maury-Brooke Hall (New Science) are in full progress and are scheduled for completion in fall 2013. All schematic designs, reviews, and detailed planning have been completed for the three “connected” projects at South Post: the Corps Physical Training Facility (CPTF) and major renovations to Cormack Field House, and Cocke Hall. A majority of funding for the planning has come from an advanced funding agreement of \$3.2 million from the VMI Foundation. VMI is now positioned to request funding from the State for these projects which have an estimated cost of \$120 million. If funding is secured, construction on the CPTF will take place in 2013-2015 with renovations to Cormack Hall (2014-2015) and Cocke Hall (2015-2016).

o. The VMI Campaign is moving forward in the “Quiet Phase.” The campaign leadership structure is in place with the “The Committee,” Campaign Cabinet, and Honorary Cabinet at the top of the organizational chart. The Committee consists of the President of the Board of Visitors, the Superintendent, the Alumni Agency Presidents and CEOs, and the Campaign Chairs. The process of appointing individuals to various positions is in progress. The Campaign kickoff for the public phase is scheduled during 2014.

5. Colonel Vernon L. Beitzel '72, Director of Admissions, provided an admissions update.

a. The current Rat Class matriculated 508 with 47% out-of-state, 46 females and 51% STEM majors. The goal for the Class was a total of 480, however, only 28 dropped out over the summer, compared to an anticipated 53.

b. Applications of 2,146 (1,195 out-of-state, 951 in-state) were the second largest in history.

c. Target appointments – 621 for out-of-state and 349 for in-state compared to 614 and 354 actual – resulted in yields of 39% for out-of-state and 76% in-state. These yields were higher than the previous year by 3% increase for out-of-state and 2% for in-state, thus a class of 508 instead of 480. Appointments were less than the previous year for both in-state and out-of-state, yet the matriculation numbers were almost identical to 2011. This marked the third consecutive year that the entering Rat Classes was above 500.

d. Though the current Corps is approximately 59% Virginians, the in-state percentage in the last three entering classes has dropped from 59% to 53% and the out-of-state percentages have climbed from 41% to 47%.

e. Applications from women (246) were the third highest in history. Appointments were down from 120 to 109 resulting in 46 matriculates. The goal for women was over 50, however, it appears that screening by the admissions office has been successful with only one woman resigning to date. Both the average high school GPA (3.51) and SAT scores (1158) continue an upward trend over the last 4-5 years. The average GPA for recruited athletes is 3.2 and average SAT is 1030.

f. Other profile highlights for the Rat Class included 550 early decision applicants, 17% legacies (6% sons and daughters), cadets from 36 states and the District of Columbia, 51% STEM majors, and 104 scholarship or recruited athletes (27 of 30 recruited athletes were African Americans and 18 women were recruited athletes).

g. Mr. Collins asked if the demographics for college applications had hit the bubble. COL Beitzel said that it looks level for the next 2-3 years. Mr. Allen asked if the criteria for out-of-state applicants are the same as in-state. COL Beitzel responded in the affirmative with some consideration given in specific areas such as STEM, other majors, and commissioning. Mr. Sampson asked how VMI stands in percentage of African-Americans in the Corps compared to the service academies. General Peay responded that VMI has between 5.5%-6.0 % African Americans compared to approximately 10% at West Point and nearly 20% at the Naval Academy. He noted that VMI is planning a spring conference to focus on women and minority recruiting.

h. There was discussion regarding athlete vs. non-athlete tensions in the Corps. Both General Peay and Colonel Thomas H. Trumps '79, Commandant of Cadets, said that there is a much improved atmosphere in this area. Colonel Trumps pointed out that occasionally the five percent of athletes, who at times do not conform, hurt the overall environment.

6. Brigadier General Robert L. Green, Deputy Superintendent for Finance, Administration and Support presented a financial and government relations briefing.

a. He noted that four years ago General Peay established an admissions-financial aid task force which has become a standing committee, with broad-based membership, providing a comprehensive look at the complex picture of admissions, financial aid, cadets returning, and the overall effect on the budget.

b. Looking ahead to FY 2013-2014, planned tuition & fees will be \$22,467 (in-state, a 4.2% increase) and \$43,384 (out-of-state, a 4.4% increase). The state has proposed a 2% salary increase of which VMI's share will be \$580,000. The auxiliary fund balance will be approximately \$6 million.

c. VMI's Six-Year Plan, which is mandated by the HEOA, will be presented to the Board on Wednesday, through the AFP Committee, for approval. The plan's primary focus is on the next two fiscal years and includes academic and financial components, describes strategies for addressing HEOA objectives, and shows revised tuition revenue amounts used for financial aid.

d. BG Green briefly reviewed a capital projects update, portions of which General Peay had presented earlier (see 4. 1 of these minutes). In addition to the \$3.2 million advanced funding agreement with the Foundation for the CPTF project, VMI spent \$500,000 for pre-planning over the past three years to position itself during the 2012 legislative session to be identified for state funding. Construction funding is to be determined, however, the CPTF and the University of Virginia's Rotunda project have all preliminary planning and design work completed and "are ready to go." There is some current capital funding money which may become available, and there is consideration of a General Obligation Bonds package in the 2013-2024 time frame.

e. The following government relations initiatives were highlighted.

1. Governor McDonnell has accepted VMI's invitation to be the May 2013 graduation speaker.
2. The Director of the Department of General Services and key staffers with the Department of Planning and Budget have visited the Post. The Secretary of Education will speak at VMI's STEM conference in October and meet with General Peay. General Peay made an office call on the Secretary of Finance.
3. VMI will host the Education Subcommittee of the Senate Finance Committee on 23 October.
4. Office calls have been made with members of the House Appropriations Committee and key staffers from that committee.
5. General Peay, BG Green, Lieutenant Colonel Kimberly C. Parker, Government Relations Director, and several key VMI alumni attended the Virginia Business Higher Education Council Higher Education Summit on 10 September in Richmond.
6. Institute officials are in constant contact with key personnel at the State Council of Higher Education in Virginia (SCHEV).
7. General Peay and BG Green attended the annual Buena Vista Labor Day Parade, and they will make office calls with key legislators on 25 September.

f. In response to a question from Mr. Latsha, BG Green said that the amount of tuition earmarked for financial aid could be as high as 8% for FY 2013.

g. Mr. Ramsey asked if VMI is meeting 100% of the need for Virginia cadets. VMI was unable to meet 100% this year with grants alone, so a small percentage of the need has been met with loans.

7. Colonel Jeffrey H. Curtis '79, Chief of Staff, provided a briefing on control, accountability, and best practices.

a. VMI faces certain external realities which have occurred in other location and colleges such as the shootings in Aurora, Colorado and at Virginia Tech, the cheating scandal at the Air Force Academy, the DoD recruit training scandal, and The Citadel molestation case.

b. Internally, cadets have numerous pressure points all of which can affect them: Cadet daily schedule, family issues, financial pressures (approximately 15 upper-class cadets did not return this year because they could not afford to), mental health issues, alumni expectations, academic/military/athletic, ROTC requirements, and fitness requirements – both VMI and ROTC.

c. Many factions have their “eyes” on cadets for support, control, and accountability to include the Commandant’s staff, academic advisors and tutors, faculty, ROTC, coaches, guard team, dykes, Post police, and other cadets.

d. There are several organizations which provide services and oversight for cadets, one of which is the Cadet Review Committee. This committee, composed of representatives from the Registrar’s office, Miller Academic Center, Cadet Counseling, Commandant’s staff, and the Institute Physician, meets once a month to identify cadets who might need academic and other counseling assistance. Other oversight offices are the Chaplain, Inspector General, the Violence Prevention Committee, Threat Assessment Team, and cadet counselors.

e. Cadet government oversight includes the General Committee (GC), composed of the Class officers of the upper three classes, which handles class privileges and cadet conduct issues; the Officer of the Guard Association (OGA) which investigates cadet conduct infractions and oversees the Cadre and the Rat Disciplinary Committee (RDC); and the Cadet Equity Association (CEA), which provides education on equity issues and investigates equity complaints. The GC, OGA, and RDC are supervised through the Commandant’s Office while the CEA is supervised by the Inspector General. The “Rainbow” books cover procedures: the Blue Book for cadet regulations, the White Book covering procedures for cadet government operations, and the Green Book for club and extracurricular activities.

f. Among the potential points of vulnerability are youth summer camps, Admission Open House events, athletic recruiting visits, summer school and the Summer Transition Program (STP), open campus with many visitors, special events, and Host Family/Adopt-A-Rat-Program.

g. Measures of control and accountability come from the Superintendent's letter and Parents Council Support, Emergency Preparedness Committee, Campus Safety & Security Committee, the Continuity of Operations Plan, the Violence Prevention Committee, and Threat Assessment Team, and review and oversight by the Institute Planning Committee.

h. VMI's approach is to educate and train, conduct risk assessment, research and develop best practices, conduct systematic and detailed reviews of policies, and have close coordination with the State Office of the Attorney General. Ongoing actions include consideration of hiring another summer, night barracks supervisor, more emphasis by the guard team in enforcing regulations and being more alert to conduct issues, security review and enhancements, and annual training and education. VMI is vulnerable and constant vigilance is critical.

8. Brigadier General R. Wane Schneider, Deputy Superintendent for Academics and Dean of the Faculty, provided an academic program update.

a. VMI's fifth-year abbreviated compliance certification was sent to SACS (Southern Association of Colleges and Schools) yesterday. It included 17 standards to confirm mid ten-year compliance and the Institute's QEP (Quality Enhancement Program) report on the Core Curriculum.

b. The process included staff points of contact drafting responses for the 17 compliance standards. The standards and QEP report were reviewed internally by the Dean, the Director of Assessment and Institutional Research, the Institute Planning Committee, the Academic Board, and the Superintendent. Externally, the report was reviewed by an institutional effectiveness director at a peer institution (Assessment Director at the University of Richmond). VMI received intermittent feedback from the SACS Vice-President assigned to VMI.

c. VMI will be notified in December regarding its report. Outcome possibilities are: 1) no additional report required (VMI's expectation) 2) monitoring of the report with a limited monitoring period 3) sanctions with a monitoring report...The link to the 5th Year Report is: <http://www.vmi.edu/sacs5year>.

d. Progress reports on the new academic initiatives are due on 15 November (please see Item 7, May 2012 BOV minutes).

1. A major reason for these initiatives is that seven of VMI's 14 majors account for 83% of the cadets causing problems with resources, planning, and interaction with cadets.
2. Reviewing enrollment and admissions is underway.
3. Faculty searches for two French professors who will begin in 2013-14 are also underway, and there will be searches for two Chinese professors to begin instruction in 2014-2015. Spanish, Arabic, Chinese, and French will be VMI's languages with German and Japanese being eliminated. The psychology curriculum is being reviewed with particular emphasis to the BS vs. BA degree.
4. The English curriculum will be broadened to rhetoric and humanistic studies. There will be prerequisites requiring a course of study to achieve a body of knowledge within the department. The draft curriculum includes required courses in Rhetoric Traditions,

British and American Literary Traditions, The Language of Art, Ethics, Rhetoric and Public Address, and Civic Discourse. Electives will likely include the areas of digital and cultural rhetoric, teaching and professional writing, language and style, technical communications, genre studies in poetry, fiction, & non-fiction, and visual arts studio.

5. Computer Science will be separated from Math, becoming a major in Computer and Information Sciences. The draft curriculum has required courses in Programming, Networking, Information & Cyber Security, Human-Computer Interactions, Database & Information Retrieval, Software Engineering, Information Systems & Services, and Information Management. Planned electives are in the areas of computer forensics, systems administration, advanced web design, mobile computing, usability analysis, information retrieval, and human resource management.

e. With a budget of \$200,000, the Summer Undergraduate Research Initiative (SURI), which pairs cadets with faculty mentors, provided 32 cadet scholarships (6 off-post) and 30 faculty stipends. Forty-eight proposals were initiated: 32 in engineering and natural sciences, 12 in the arts, humanities, & social sciences, and 4 interdisciplinary & service oriented.

f. Cadets participated in 58 reported summer internships both job related and service. A sampling of the organizations and companies involved include the City of Danville, Institute for World Politics, Dominion Corporation, U.S. Supreme Court, Owens and Minor Skanska Corporation, Shepherd Poverty Program, JP Morgan Chase, and New Market Group, and Kansas City Medical Center.

g. The first session of summer school was attended by 325 cadets with 30% taking STEM courses; 250 cadets attended second session with 39% taking STEM courses. There were 267 prospective cadets who attended STP (53% of the Rat Class). Seventy eight of 134 academic at risk cadets attended summer school and 91% cleared deficiencies. All forty-seven athletes facing eligibility issues attended summer school with 77% clearing their deficiencies.

h. Ninety cadets attended faculty-led summer international programs in Morocco, Ecuador, Germany, England, Taiwan, Jordan, Georgia, Spain, and Bolivia. Six cadets attended programs not affiliated through VMI in Canada, Taiwan, Czech Republic, Argentina, Sweden, and Ireland.

i. Cadets participating in ROTC and military training numbered 240 (Army), 69 (Marine Corps), 30 (Navy), and 23 (Air Force). In new programs for the faculty, five faculty members attended sessions at the Army's Warrior Forge Educator and Center of Influence at Fort Lewis, Washington, and two faculty members visited the first session of Marine OCS at Quantico, Virginia.

9. Colonel Thomas H. Trumps '79, Commandant of Cadets, reported on areas of his operation.

a. The current Corps has the largest upper-class cohort in VMI history, approximately 1200, which impacts Barracks and stoop configuration. There are 400 first-classmen and 48 fifth-year cadets, with six concourse rooms now in use.

- b. There is one BRC formation, with the third-class eating on the second level of Crozet Hall, and there is also one SRC formation. Because of athletic teams and “grazing” in the Crozet Hall being allowed from 1700-1845, cadets can have SRC at the same time.
 - c. The Rat Battalion was eliminated in favor of rat platoons within each company, so Rats are in company formation at BRC and SRC...the Commandant and regimental staff are expecting higher standards from the Old Corps. There are no corporals at Rat tables in the Mess Hall; while Rats eat at attention, it is not rigid attention to allow for proper nutrition.
 - d. Over 350 cadre returned to assist with the nine-day Rat training period, including all 13 company corporals. Both battalions focused on training sergeants and corporals in preparation for 9-day cadre period. The two, newly hired NCOs were particularly effective. Rat training was task oriented and professional culminating in a team-building crucible event. Attrition for the cadre periods was 20 cadets compared to the last three-average of 21. The New Market Oath Ceremony continues to be very popular for Rat families, with approximately 2,000 people in attendance.
 - e. The Corps trip will be to Annapolis on 22-23 September for the football game with the Naval Academy. Approximately 1,556 cadets will attend. The Regimental staff has been charged with planning this event.
 - f. Colonel Trumps briefly reviewed the nine-day cadre training schedule showing a PowerPoint slide depicting all daily scheduling blocks. The typical day began at 0600 and ended with taps and lights out at 2230. The PowerPoint slide is filed with the minutes of this meeting at **Appendix II.**
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10. Director of Intercollegiate Athletics Mr. Donald T. White '65 briefed the Board on athletic conference changes, the fall sports outlook, and athletic revenue and expense dollars with snapshots of 2005, 2009, and 2013.

- a. Changes abound with the FBS Conferences in 2013 such West Virginia and Texas Christian in the Big 12; Syracuse, Pittsburg, and Notre Dame (except for football) in the ACC; Texas A&M and Missouri in the SEC; eight new schools in the Big East; and six new schools in Conference USA including Old Dominion.
- b. At the VMI level (FCS/I-AA), Stony Brook leaves the Big South for the CAA; Old Dominion, Georgia State, VCU & UMASS (football) leave the CAA – Georgia State joins the Sun Belt and UMASS the MAC; Liberty, Appalachian State, and George Southern are considering jumps to FBS; the College of Charleston may move from the Southern to the Colonial; and Hofstra and Northeastern have dropped football. In non-revenue sports VMI's current conference affiliations are Metro Atlantic Athletic Conference for both women's Water Polo and men's Lacrosse, Southern Conference for Wrestling, and Coastal Collegiate Swimming Association for men's and women's swimming.

c. Head Football Coach Phillip P. “Sparky” Woods is in his fifth year. Five starters return on offense with a veteran quarterback and solid receiving corps, while Jeff Farrington takes over as defensive coordinator with experience on the line and at outside linebacker. In spite of decreasing scholarship dollars, Men’s Soccer Coach Richie Rose fields a competitive team. Women’s Soccer Coach Bryan Williams is in his eighth season and with solid recruiting classes the last two years, the team will improve as the season progresses. Women’s Cross Country has a new coach, Jennifer Fazioli. Both men’s and women’s teams are expected to finish in the top 3 in the Big South.

d. Regarding the football program and in line with recommendations from groups which met in January 2012:

1. Nine of the coaching staff was retained from 2011.
2. VMI met its 50% goal for out-of-state scholarships and summer school dollars.
3. Improvements to the Ratline included eliminating morning workouts and Mess Hall protocol (see 9 c. of these minutes)
4. Three of the four players, eligible for a ninth semester, returned.
5. Future schedules are being formatted for success with the formula of two games in which VMI is favored, two toss ups, and one revenue game, in addition to the Conference games. Upcoming revenue games include Virginia (\$325,000), Bowling Green (\$320,000), and Navy (\$285,000).
6. Colonel Eric D. Hutchings ’77, Deputy Athletic Director, is educating cadet athletes to insure they are in synch with Corps standards.
7. Pep rallies with the Head Coach in attendance and Rats meeting the team bus upon return from away games are creating more spirit.
8. Excellent pre-game and halftime programs with Corps support have been planned.

e. Athletic Department revenues have risen from approximately \$6.0 million in 2005 to an estimated \$8.2 million for FY 2013. The majority of revenue is generated from Keydet Club support for scholarships and operations (over 40%), student fees (approximately 27%), and 12%-13% each from endowments and generated income (ticket sales, guarantees, & promotions). Expenses have risen from \$6 million in 2005 to approximately \$8.9 million for FY 2013. The majority of expenses come from scholarships (over 39%), men’s sports (approximately 32.5%), administration and support (nearly 15%), and women’s sports (11%).

11. General Peay briefly noted four miscellaneous items: a) Planning is underway for VMI’s 175th anniversary of its founding and the 150th anniversary of the Battle of New Market, both in 2014. b) He met with Tom Ferrell, CEO of Dominion Resources, and Hollywood producers this past week regarding the feature motion picture highlighting the Battle of New Market. Though some money must still be raised, plans are well underway. Ferrell, who wrote the original script, has been involved this project since its beginning. c) The Institute is working with the Alumni Association regarding alumni in the Barracks and security issues; alumni will be given a card with five or six rules when they sign in to Barracks. d) From a safety and danger standpoint, there is no place in the VMI system for a “Rat Riot.” Parents have been notified and the upper-classes are telling the Rats that this will not be tolerated.

12. The meeting was adjourned at 1010 hours to reconvene Wednesday, 19 September at 0800 hours.

Wednesday, 19 September – 0800 hours

13. Mr. Fraim called the meeting to order. Attendance was the same as on Tuesday.

14. A motion was made by Mrs. Camp, seconded by Mr. Ramsey, to approve the minutes of the 4-5 May 2012 meeting of the Board of Visitors. The motion passed.

15. Mr. Fraim reported that, during the summer, the Executive Committee approved the final agreement for advanced funding of \$3.2 million from the VMI Foundation for planning money for the CPTF. The Board authorized the Executive Committee to finalize the agreement at its May 2012 meeting (please see 22 h. of the minutes of that meeting).

16. First Class President John E. Dommert, Regimental Commander Sean P. Noll, and Honor Court President William A. Coursey were introduced and made brief statements to the Board regarding their particular areas within the Corps of Cadets.

a. Mr. Dommert said that he and his officers are focusing on the Ratline, the Corps, and the class. They have been stressing to the Rats that they will not tolerate a “Rat Riot,” and that they should bond in a more positive way. He noted the Rats organized a “9-11” formation as a bonding experience. The Rats are also being quizzed on Ratline knowledge. The Corps is being educated on the internal and external implications regarding social media postings. There is a new position in the OGA, Social Chair, to plan class unity events for the First Class throughout the year. The First Class has already begun to work with the VMI Foundation on its Class gift and has selected its Class Agent.

b. Mr. Noll said that his staff is focusing on communications both up and down the chain-of-command. The breakfast and supper formations have been configured in an L shape to streamline the march-down. Having the Third Class eat upstairs for breakfast in Crozet Hall has also helped the traffic flow. To date the cadre has run an efficient and professional Ratline with only minimal problems. The Regimental staff has been tasked with preparations for the Corps trip to Annapolis, and is also working to enhance spirit for all football games. One other area of emphasis is improving Corps behavior (better attention and no sleeping) during convocations and speaking events.

c. Mr. Coursey noted three areas of emphasis for the Honor Court: approachability, education, and transparency. The Court conducted education sessions on three consecutive days during the nine-day cadre training period, providing overviews and breaking down into small-group sessions for more details and questions and answers. They are stressing honor as a lifestyle with everyday use beyond VMI and the importance of the dyke system in perpetuating the Honor

Code. Working with the Commandant's Office and educating the Old Corps on permits is ongoing. Members of the Court are working with the Center for Leadership and Ethics to plan a follow-up Honor Conference in the spring of 2013 with a focus on honor systems in secondary schools. Court members are also travelling to Annapolis before the Corps trip to discuss honor issues with members of the Naval Academy Honor Court.

17. Mr. Frank A. Trice III '86 addressed the Board during the opportunity for public comment, which is available at the first Board meeting of each academic year. His comments regarding VMI's Intercollegiate Athletic Program were broken into three parts.

- a. Observation – Due to its superb academic program, increased commissioning numbers, and capital improvements on the Post, VMI's reputation is soaring. The momentum and timing is perfect to capitalize financially on these strengths, going forward.
 - b. Suggestion – Over the last two decades, the third leg (athletics) of the three legged-stool (academics & military being the other two legs) has weakened. VMI must do better in all sports, and losing on the field equates to losing off the field. Improvements must start strategically with the Board of Visitors.
 - c. Request – The Board of Visitors formally identify intercollegiate athletics as a priority and agree to a professional, independent review of the overall program and its finances.
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18. The Board received remarks from representatives of the Alumni Agencies: Mr. Robert A. Heely '69, President, VMI Alumni Association; Walton M. Jeffress, Jr. '68, President, VMI Foundation; and Mr. Gregory M. Cavallaro '84, CEO, VMI Keydet Club.

- a. Mr. Heely reminded the Board that the Alumni Association's mission is to organize the alumni, unify them as a common body, keep their memories alive so that they will support the athletic, academic, and leadership of VMI. The AA Board had its fall meeting last week, and he has placed an emphasis on Chapter leadership. A chapter leaders' forum, comprised of Chapter Presidents and Regional Directors, will meet at each Board meeting to assess best practices and organize their areas. New cadet recruiting will continue to be a major emphasis. Richmond and Northern Virginia Chapters will host the first two new cadet recruiting events of the year on 1 October. For the first reunion weekend on 14-15 September, 565 alumni and guests attended.
- b. Mr. Jeffress reported the Foundation received \$26.5 million in gifts and commitments in FY 2012. There was a 4.3% increase in donors to 33.27% of alumni, and unrestricted giving rose 2.8%. As of 31 August, the VMI Foundation's endowment was \$307.3 million, with an annualized rate of return at 10.1% since 2009. At the summer retreat meeting in Hilton Head, S.C., the Board of Trustees focused on the Campaign, an orientation for new trustees, and received a report from the investment team at Cliffwater LLC. The Campaign is moving ahead in the "quiet phase" with a target of reaching 50% of the overall goal. The kickoff for the "public phase" is scheduled during calendar year 2014. The comprehensive Campaign plan is constantly

being reviewed, improved, and update. The Class of 1987 raised \$1.3 million dollars for its 25th reunion and the Class of 1962 raised \$20 million for its 50th reunion.

c. Mr. Cavallaro reported that the Keydet Club raised over \$3.2 million for scholarships and operations in FY 2012. He stressed the importance of increasing the Keydet Club's endowment. Albert E. Fiorini '64 endowed the Fiorini Football Scholarship with a \$1 million commitment, the largest individual endowment gift to the KC in history. An endowed scholarship in memory of the 1st Lieutenant Chase Prasnicki (please see Item #2 of these minutes) has been established with gifts to date totaling \$120,000 – priorities for this scholarship will be football or lacrosse, residence in Rockbridge County, and for a cadet/athlete who plans to commission. The remainder of the Giles H. Miller, Jr. '24 charitable trust includes \$780,000 for athletic endowment. The Keydet Club Board will meet 20 October, and the KC Scholarship banquet will be held that evening with an expected attendance of more than 600. Guest speaker will be Captain William E. "Willie" Lyles III '02. Andrew C. Deal '12 has joined the Keydet Club staff as a Development Officer and will engage alumni who have graduated in the past five years.

19. Mrs. Camp, Chair of Academic Affairs, reported on the meeting of her committee.

a. The committee reviewed the new academic program initiatives (please see Item 8 d. of these minutes). Computer and Information Sciences will become a new major, breaking away from Mathematics. Plans for the new English curriculum include the integration of literature, fine arts, public speaking, rhetoric, and philosophy. One of the primary goals of the initiatives is to increase undersubscribed majors by making them more robust.

b. A motion was made by Mrs. Camp, seconded by Mr. Ramsey, that the Academic Affairs Committee has considered the Changes in Faculty and Staff, dated 10 September 2012 and recommends that the Board of Visitors approve these changes. The motion passed.

c. Mrs. Camp made the following motion, seconded by General Jumper: The Academic Affairs Committee has considered the Graduation List for September 2012 graduates, dated 31 August 2012. The Committee recommends the Board of Visitors approve this preliminary list of graduates. The Board of Visitors grant to the Deputy Superintendent for Academics and Dean of the Faculty the authority to delete names of cadets who do not meet the requirements for graduation from VMI and to add the names of graduates who may fulfill the requirements for graduation. The Committee further recommends that the final list of May 2012 graduates be filed with the minutes of this meeting. The motion passed. The final list of May 2012 graduates (Memorandum #46, dated 16 May 2012) is filed with the minutes of this meeting as **Appendix III**.

d. A committee has been formed to address the small percentage of alumni on the VMI faculty. The numbers in science and engineering are above 20%, however, alumni in the humanities and social sciences are underrepresented. The committee will work with the VMI Alumni Association to identify qualified alumni who may apply for current positions, and through the faculty, to identify and mentor current cadets, encouraging them to pursue teaching at the college level and consider returning to the VMI faculty. Removing financial obstacles for graduate study

is also part of the committee's charge. The Academic Affairs Committee stressed the importance of this objective and encourages the new committee's work. Mr. Fraim asked that a final report and plan for this initiative be presented at the May 2013.

e. Another committee is investigating the feasibility and desirability of developing on-line course offerings, particularly for the summer. On-line courses, in house, would improve oversight of courses and increase financial potential. Approximately 1,300 courses are transferred to VMI each year.

f. Mr. Robertson noted that the committee asked the Dean about the impact of the lack of salary increases for the faculty. BG Schneider said that VMI currently uses the Oklahoma Model, a survey of salaries among colleges and universities of VMI's type and size. A committee will review this model during the current academic year. It will consider salaries of all public colleges in Virginia by discipline and academic rank and published salary surveys from professional organizations. The committee will validate or revise the Oklahoma Model to establish benchmarks for use in bringing faculty salaries in line with the model.

20. Mr. Ramsey, Chair of Audit, Finance and Planning reported on the meeting of his committee.

a. A motion was made by Mr. Ramsey, seconded by Mr. Sampson, that the Board of Visitors approve VMI's revised Six-Year Plan. The motion passed. The memorandum accompanying this motion is filed with the minutes of this meeting as **Appendix IV**. The Six-Year Plan is on file in the Office of the Deputy Superintendent for Finance, Administration, and Support

b. A motion was made by Mr. Ramsey, seconded by Mr. Latsha, that the Board of Visitors amend VMI's 2012-2013 Operating Budget by the amount of \$3,276,000 as outlined in Attachment A. The motion passed. The memorandum accompanying this motion and Attachment A are filed with the minutes of this meeting as **Appendix V**.

c. A motion was made by Mr. Ramsey, seconded by Mr. Allen that the Board of Visitors approved and adopt the All-Hazards Emergency Operations Plan. The motion passed. The All-Hazards Emergency Operations plan is on file in the Office of the Deputy Superintendent for Finance, Administration and Support.

d. A motion was made by Mr. Ramsey, seconded by Mr. Robertson, that the Board of Visitors approve and adopt the Strategic Plan Update 2012. The motion passed. The 2012 Strategic Plan is on file in the Office of the Deputy Superintendent for Finance, Administration and Support.

e. The committee expressed their appreciation to the Foundation for the Advance Funding Agreement of \$3.3 million in planning money for the Military Leadership Training Facilities.

f. Colonel Thomas F. Hopkins, Director of Information Technology reported that VMI will be reducing broadband costs through the Rockbridge Area Network Authority, a coop arrangement with Rockbridge County and Washington & Lee. Next month VMI will host the Virginia

Alliance for Secure Computing and Network Conference for public and private colleges in the State. The Institute is outsourcing all of its copiers and printers to Ricoh which will result in a savings of approximately 20%.

g. Budget highlights showed a 7.6 million auxiliary fund balance for FY 2012. Both the VMI Museum programs and the Center for Leadership and Ethic ended the fiscal year in the black. However, intercollegiate athletics did not end in the black. The committee spent considerable time discussing athletics and was presented with a draft work in progress on future budgeting plans. Much more work will be done over the next year to address this issue.

h. The committee received a report on Agency Risk Management and Internal Control Standards (ARMICS) which insure compliance with directives from the State Comptroller.

i. VMI has had numerous conversations with SCHEV officials regarding the base budget adequacy model which shows VMI as 118% funded. VMI stresses that its unique military program should be considered to bring that model back to 100%, so that the Institute receives the same funding advantage as other state schools. Mr. Fraim and Mr. Robertson asked that General Peay provide the Board a written explanation to help the members better understand this funding formula. General Peay said that he would send the last staff-action paper (about 5-6 pages) on this subject.

j. The committee also received a briefing on the Violence Prevention and Threat Assessment Teams which meet regularly and are vigilant regarding these areas of concern.

21. Mr. Latsha, Chair of Appeals, reported that his committee had a briefing and discussion with Colonel Thomas S. Baur '75 and Lieutenant Colonel George M. "Merce" Brooke IV '94, the Superintendent's lead and assistant faculty representative, respectively, to the Honor Court, regarding the make-up of the current Honor Court and general honor system procedures.

22. Mr. Mundy, Chair of Athletics, reported on the meeting of his committee.

a. David G. Sigler, Associate Athletic Director, presented a compliance report. NCAA has changed its certification process from a self-reporting to a data base plan. There are increased eligibility standards; beginning in 2016, an incoming scholarship athlete will be required to have a 1,000 SAT score and 2.5 high school grade point average in order to compete as a freshman. The Big South conducted an on-site compliance review in February 2012, and the results are expected to be positive. VMI self-reported two minor NCAA violations, which have been resolved.

b. Colonel Eric D. Hutching '77, Athletic Department Chief of Staff, briefed the committee on his meetings with all NCAA athletes. His presentation focuses on helping them understand the VMI cultural for better integration into the Corps and buy-in to the VMI system and to know that they must "play the game" by VMI regulations.

c. The athletic budget situation is critical with a \$300,000 deficit predicted for FY 2014 and larger future deficits if changes are not made. Please see 4e. and 20 g. of these minutes.

d. The Gridiron Club provides support for football through \$100 membership contributions. Robert Crumpler '07, Keydet Club Vice-President, provides members numerous updates throughout the season.

23. MG Hickerson, Chair of Cadet/Military Affairs reported on the meeting of her committee.

a. Commissioning in the Army and Marines is scheduled to increase this year with Navy remaining the same. Total commissions could rise from 134 in 2012 to 178 in 2013.

b. The two new ROTC Department heads attended the meeting, Colonel Patrick G. Looney (Navy-Marine) and Colonel Dean W. Lee (Air Force).

c. VMI sent 120 cadets to the Army Leader Development Assessment Course (LDAC) this summer, the most of any ROTC Detachment in the nation. The Air Force sent 24 to summer training.

d. VMI Navy ROTC is the second largest detachment – Texas A&M is first – in the nation.

e. There will be 900 Army ROTC cadets participating in the Fall Field Training Exercises in October.

f. Club Sports continue to be extremely popular with over 800 cadets participating.

g. Major cadet life events for this fall include the Corps trip to the Naval Academy, Homecoming on 6 October, and Ring Figure in November.

24. Mr. Robertson, Chair of External Relations, reported on the meeting of his committee.

a. The Communications and Marketing (C&M) Office produced a new admissions view-book for recruiting, the first redesign in six years. C&M also oversees the VMI Facebook page to which they post numerous images of VMI, and there are 7,600 “likers” of the VMI site. A cadet was hired to help them with the Facebook page.

b. Colonel Keith E. Gibson '77, Director of Museum Operations, distributed pamphlets highlighting the VMI Museum, Virginia Museum of the Civil War at the New Market Battlefield State Historical Park, and the Stonewall Jackson House. Major Troy D. Marshall, Site Director at New Market and Michael A. Lynn, Site Director at the Stonewall Jackson House also gave brief reports. Museum Operations showed a slight surplus for FY 2012.

c. In the area of government relations, VMI will host the Senate Finance Education Subcommittee meeting on 23 October. Senator Thomas K. Norment, Jr. '68 is Chairman of this subcommittee. Mr. Theodore F. Adams III '83, consultant with McGuire Woods LLC, reported that the higher education General Obligation Bond package is still under consideration, but is being "pushed to the right." Lieutenant Colonel Dallas B. Clark '99, Institute Planning Officer, continues to work closely with all elements of the City of Lexington.

d. Colonel Stewart D. MacInnis, C&M Director, attended a meeting at SCHEV regarding a report comparing salaries of graduates of Virginia's colleges and universities. He pointed out that there were limitations on the data, and these are noted by SCHEV. Mr. Fraim requested that Colonel MacInnis prepare a short explanation of the *Graduate Wage Outcome Report* and send it along with the full report to all Board members.

e. The Center for Leadership and Ethics is being used effectively to promote VMI. The Center is hosting the STEM Education Conference 1-3 October. The Secretary of Education for the Commonwealth, Ms. Laura Fornash, will attend the conference.

25. General Jumper, Chair of Nominating & Governance, reported on the meeting of his committee.

a. The feedback from the three new Board members, who attended the new member orientation presented by General Peay and his staff, was very positive.

b. The committee discussed the nomination process for new Board members for next year. The committee is working with Mr. Heely to present a common front to the Governor. Mrs. Camp and Mr. Mundy roll off the Board following two four-year terms. General Jumper and Mr. Latsha are up for reappointment. There will be progress report at the next meeting.

c. General Jumper noted that BG Schneider understands the Board's urgency regarding the initiative to bring more alumni to the VMI faculty and is to be congratulated on his efforts. Working with Mrs. Camp and General Jumper, the Dean has prepared a plan that will be led by the faculty. Going forward, the faculty will identify cadets who can successfully pursue a career in academia and encourage them in this regard. VMI will provide the necessary resources to fund the initiative (please see 19 d. of these minutes).

26. **Entered into Closed Session:** A motion was made by General Jumper, seconded by Mr. Galanti, to enter into a Closed Meeting. The motion passed and the Board entered into Closed Session at 1014 hours to discuss:

1. Consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel (pursuant to 2.2-3711 (A) 7) relating to Office of Civil Rights cases.
2. Disciplinary and other matters involving specific cadets, and individuals (pursuant to 2.2-3711 (A) 2) relating to honor court cases.

3. Personnel matters related to specific individual employees related to performance, discipline, evaluation of performance of departments of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals (pursuant to 2.2-3711 (A) 1), relating to an academic departmental investigation.
 4. The protection of the privacy of individuals in personal matters not related to public business (pursuant to 2.2-3711 (A) 4) regarding parental dissatisfaction and the VMI Ring Figure.
 5. Disciplinary and other matters involving specific cadets (pursuant to 2.2-3711 (A) 2) relating to information contained in a scholastic record regarding MEME subpoenas.
 6. Discussion or consideration of matters relating to gifts, bequest, and fundraising activities (pursuant to 2.2-3711 (A) 8) regarding the VMI Campaign.
 7. Discussion of the award of a public contract and the terms and scope of such contract where discussion in an open session would adversely affect the negotiating strategy of the public body (pursuant to 2.2-3711 (A) 29) regarding the George C. Marshall Foundation.
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27. **Return to Open Meeting:** At 1121 hours, a motion was made by Mr. Ramsey, seconded by MG Hickerson, certifying the Closed Meeting. The motion passed.

28. There being no further business to come before the Board, the meeting was adjourned at 1123 hours.

Michael M. Strickler '71
Secretary