

VIRGINIA MILITARY INSTITUTE  
Lexington, Virginia  
Minutes  
BOARD OF VISITORS MEETING  
18-19 January 2013

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 hours, Friday 18 January and continuing at 0800 hours, Saturday 19 January pursuant to notice.

Present: Paul D. Fraim '71, President  
John C. Allen '62  
Elizabeth D. Camp  
George J. Collins '62  
P. Wesley Foster, Jr. '56  
Paul E. Galanti  
Bruce C. Gottwald, Jr. '81  
Major General Patricia P. Hickerson  
Brigadier General Janice G. Igou  
Kimber L. Latsha '77  
Major General Daniel E. Long  
G. Marshall Mundy '56  
W. Gregory Robertson '65  
George P. Ramsey III '72  
Ernesto V. Sampson, Jr. '98  
Dr. H. George White, Jr. '54  
John E. Dommert '13 (present on Saturday)

Absent: General John P. Jumper '66

**Friday 18 January – 0800 hours**

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

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2. VMI Superintendent General J. H. Binford Peay III '62 highlighted some of the 45 principal events which have occurred at VMI since the September Board of Visitors meeting and 50 future principal events leading to commencement on 16 May 2013. Both lists of events are filed with the minutes of this meeting as **Appendix I**.

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3. General Peay briefly reviewed the legislative landscape with the overall impression that there is more optimism coming from the state finance personnel.

- a. The budget emphasis for the General Assembly session will be on shortfalls in the health and retirement systems, K-12 education, transportation, public safety, Chesapeake Bay, and government reform.
  - b. The State Council of Higher Education for Virginia (SCHEV) initiated language for the 2012 Appropriation Act which excludes resources determined to be uniquely military from the base budget adequacy funding guidelines. Due to its uniqueness, VMI currently does not fit the base budget adequacy formula, and thus VMI is considered to be at 118% of the cost of education.
  - c. State schools have been asked to reallocate 5% of their budget for STEM (Science, Technology, Engineering, Math) initiatives. Since VMI's STEM initiatives are "maxed out", this is not a cut, but will cause a shift in E&G (Education and General) funds.
  - d. The Joint Legislative Audit and Review Commission (JLARC) will visit all state supported schools. JLARC is the oversight agency of the General Assembly establishment to evaluate operations and performance of state agencies and programs.
  - e. In light of the situation at the University of Virginia, there will be additional legislation regarding Boards of Visitors.
  - f. VMI is cautiously optimistic on its key legislative initiative to obtain construction funding for the South Post project which includes the indoor Corps Physical Training Facility and renovations to Cormack Field House and Cocke Hall. The \$121 million project, for which all schematic and preliminary design work is complete, will span four years of construction.
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4. Brigadier General R. Wane Schneider, Deputy Superintendent for Academics and Dean of the Faculty, provided an academic update.

- a. He reviewed the five major academic initiatives.
  - 1. Working through the admissions process, there will be optimized enrollment by major with target implementation for the Class of 2018.
  - 2. Computer Science will break away from Math and become the Department of Computer and Information Sciences with implementation for the Class of 2017. One new faculty member will be hired for 2013-14 and one for 2014-15.
  - 3. The Modern Languages and Cultures major will include French, Spanish, Arabic, and Mandarin Chinese. German and Japanese will be eliminated. Two new French faculty will be hired this year, one to replace a retiring professor. Over the next two years, two faculty will be hired to teach Chinese with the first courses offered in Fall 2014.
  - 4. The English and Fine Arts Department will become the Department of English, Rhetoric, and Humanistic Studies with implementation in 2017.
  - 5. The Psychology Department is reviewing their curriculum with regard to the BA and BS degrees.
  - 6. *Please see Item 7 of the May 2012 Board minutes for more detailed information regarding these initiatives.*

- b. The Committee on Faculty Compensation is reviewing the current Oklahoma Model in light of surveys and comparisons with other colleges within the Commonwealth and out-of-state. The committee's report is due in May. Please see Item 19 f. of the September 2012 Board minutes for further details.
  - c. Another committee is reviewing the addition of a plus/minus grading scale. The committee is receiving reports, will discuss, and take the matter to the Academic Board. A decision is expected in early spring.
  - d. The desirability and feasibility of on-line courses are being discussed in committee. Initial feedback is that on-line courses are not feasible for VMI faculty to cadets. The topic has been sent back to committee for a second look.
  - e. There are 20 Academic Partnership Agreements for graduate study, and VMI is waiting on the return of the signed contract for #21. A list of these Partnerships is filed with the minutes of this meeting as **Appendix II**.
  - f. For the current academic year, 136 cadets will have traveled to 24 countries through 36 different programs.
  - g. A program to encourage faculty to interact with cadets during the Spring FTX is in progress.
  - h. VMI's mid-term (Fifth Year) report was submitted to the Southern Association of Colleges and Schools (SACS) on 15 September 2012. The report included updates on 14 areas of compliance and the Quality Enhancement Plan impact report regarding the Core Curriculum. The process to prepare the submission began 31 October 2011. SACS completed its review in December and VMI has received no feedback to date.
  - i. ABET (Accreditation Board for Engineering and Technology) accreditation occurs on a 6-year cycle for VMI's three engineering departments. The ABET on-site visitation occurred this Fall, and initial feedback was very positive. Review, comments, and findings will take place from January to August 2013 with final notification due in August.
  - j. Dr. Mohamed Taifi, professor of Modern Languages (Arabic) was a 2013 Finalist for the SCHEV Outstanding Faculty Awards. Colonel Sam Ratcliffe '74, Director of Career Services, has been elected the next president of the National Association of Colleges and Employers, an 8,000 member international organization. Caroline D. "Carrie" Wortham '12, recipient of the Cincinnati Medal at graduation last May, was a finalist for the Rhodes Scholarship.
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5. General Peay provided the Board information on the transfer of the George C. Marshall Library building to VMI. In order for VMI to include a budget amendment (for state approval) for the current session of the General Assembly, the Executive Committee of the Board approved the transfer through a Conference call on 13 December 2012. The Board had given the Executive Committee the authority at its September meeting. The Museum portion, which will be incorporated into VMI Museum programs, will serve as a Welcome Center for

VMI with a “Marshall” wing and a “VMI Today” wing. The Marshall Foundation will have a reduced footprint working with some national and international programs. The building will also be used for classrooms and in conjunction with programs of the Center for Leadership and Ethics (CLE). Many of the Marshall artifacts will be given to VMI while the Marshall Foundation will retain some. The Marshall name will be perpetuated throughout the building and in the CLE.

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6. Captain Susan J. Rabern, Director of the Center for Leadership and Ethics, provided highlights of the CLE program.

a. There have been 15 major conferences held at the CLE since its dedication in May 2009. A list of these conferences with dates is filed with the minutes of this meeting as **Appendix III**.

b. The STEM conference, entitled Mathematics as a Gateway to STEM (1-3 October 2012) drew 600 attendees. The model used included inviting teachers and students from other colleges and high schools to foster discussion and build relationships with VMI faculty and cadets. This unique mode, not in use at other STEM related conferences, was very well received. The CLE will host “STEM II,” 8-10 October 2013, which will focus on Science.

c. The Honor Conference, entitled Lying, Cheating & Honor in America’s schools (5-6 March 2012) was such a success that participants asked that VMI and the CLE host a follow up conference. The 5-6 March 2013 conference, Honor in America’s Schools – Establishing & Administering Honor Systems, will host Virginia high schools, the Service Academies, and Senior Military Colleges. The number of participants will be smaller than last year to take advantage of workshop sessions. The first day will include VMI Honor Court vignettes with workshop discussion groups while the second day will focus on legal implications of Honor Codes particularly at the high school level. Mr. Latsha, Thomas G. Slater, Jr. ’66, immediate Past President of the Board of Visitors, and Jake Belue, VMI’s contact with the State Attorney General’s Office, will participate in the conference.

d. Two other conferences which will be held this spring are the Virginia State Science and Engineering Fair, the first in a three year series, 5-6 April and the 24<sup>th</sup> Annual Environment Virginia Symposium, 9-11 April which will feature Mr. Fraim.

e. Other CLE projects underway include: 1) Cadet Leadership Opportunity Inventory – a spiral bound book which includes a synopsis of the many leadership opportunities available and afforded to cadets during their four-year experience. A copy of the book will be distributed to each cadet room, mailed to parents of cadets, and made available to faculty, staff, and alumni. 2) Professional Development program for faculty and staff 3) Cadet Leader Development System based on *Vision 2039*.

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7. Brigadier General Robert L. Green ’67, Deputy Superintendent for Finance, Administration and Support, reviewed the current General Assembly session, information related to SCHEV action, Capital projects, and the FY 2014 Budget.

a. This year is the short session for the General Assembly which convened on 9 January. Budget amendments were filed on 11 January, “Crossover” is 5 February, VMI’s legislative reception is 12 February – with cadet visits to the General Assembly that day, and the session adjourns on 23 February.

1. VMI’s legislative team includes General Peay, BG Green, Lieutenant Colonel Kimberly C. Parker, Director of Government Relations who lives in Richmond full-time during the session, and McGuire Woods Consulting.
2. Key session topics will be limiting in-state tuition increases, Boards of Visitors, State Inspector General Audit, Virginia/non-Virginia enrollment percentage, mental health memoranda of understanding, and SCHEV reorganization.

b. Pending legislation regarding SCHEV includes Council composition, staff changes, best practices, and Council of President’s (Presidents of state-supported colleges) role. With specific regard to VMI, Item 218.E of the Appropriations Act reads: “Resources determined by SCHEV to be uniquely military shall be excluded from the base budget adequacy funding guidelines.” SCHEV staff identified 20% of VMI E&G resources, or about \$6.8 million, that are tied directly to VMI’s mission. Also see Item 3 b. of these minutes.

c. The Bureau of Capital Outlay Management has ranked VMI’s Corps Physical Training Facilities (CPTF) project highest among the projects in its category. The CPTF is eligible for funding with all detailed planning completed. The VMI Foundation provided a \$3.2 million advance to fund the planning.

d. Highlights and key assumptions for the preliminary FY 2014 budget include:

1. An increase in Virginia tuition of 3.9%, with a total in-state increase in tuition & fees of 4.4% and an out-of-state tuition and fees increase of 4.6%...The Governor may want to hold Virginia tuition to the Consumer Price Index, with models showing 1.9% – 2.9%.
2. Census date enrollment of 1,666 with 57.9% in-state cadets (54% Virginians projected for the Class of 2017) – average cadet enrollment for the year of 1,573
3. State General Funds revenue for E&G programs is projected to be \$8.63 million and cadet tuition income at \$27.64 million. Combined these two categories represent a 3.7% increase.
4. Unique Military Activities (UMA) revenues are projected at \$7.19 million, unrestricted local funds from the VMI Foundation at \$2.6 million (last year of the level funding agreement), contingencies budgeted at \$1.7 million, and a year-end auxiliary fund balance of \$5.82 million, down from this year’s projected balance of \$6.76 million.

e. Additional notes and assumptions in the FY 2014 budget process follow:

1. The Governor’s proposed budget amendments include \$66,127 in increased state funding, a reallocation of 5% (\$370,000) of E&G funds for STEM initiatives, level funding for both Equipment Trust Funds (\$714,250) and Maintenance Reserve Funds (\$790,123), and a 2% salary increase in August for all employees.
2. Employer health insurance premiums are expected to increase significantly.
3. An increase of 9.9% for the E&G utilities and insurance budget to \$3.9 million

4. Cadet financial aid assistance of \$2.6 million, an increase of 19%, with \$2.1 million coming from tuition revenue, a \$460,000 increase
  5. The Auxiliary Fund Balance (AFB) will provide \$1.7 million for small capital projects to include repairs/improvements to Foster Stadium, Marshall Hall, and others; and the AFB will provide \$0.5 million to the Athletics Recovery Program. The Auxiliary program will also fund debt service of \$4.0 million in Virginia College Building Authority bonds beginning in 2014 for projects to include Barracks/turret repairs, Crozet Hall replacement, and Cocke Hall Pool and Education Resource Center improvements. The AFB is projected to be \$5.8 million at the close of FY 2014 with state guidelines recommending the balance should be \$7.5 million.
  6. The level funding agreement for local unrestricted funds with the VMI Foundation expires; however, the amount of this funding is undetermined for FY 2015 due to reimbursement for the \$3.2 million advance for CPTF detailed planning. The local unrestricted fund balance projected at \$337,000 is expected to be depleted in FY 2015.
  7. The athletic program budget assumes donations of \$3.5 million to the Keydet Club for operations and scholarships.
  8. The CLE is proposing two new full-time positions due to increased activity.
  9. Start-up costs for the Marshall Research Library are expected to be approximately \$400,000 with an annual operating cost of about \$130,000.
  10. The Governor proposed \$263 million, with addition dollars funding possible, for higher education capital projects. VMI is eligible to receive funding for the CPTF project totaling \$121 million.
  11. The new Federal Health Care Act may have an impact on the hours that part-time employees can work as the State tries to hold down the cost of health insurance for full-time employees.
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8. General Peay briefly referred to the Vision 2039 Simplified Descriptors and the “stoplight chart,” included in the Board’s notebook, associated with numerous goals of each Descriptor, a total of 181. The status of each Descriptor and each individual goal is shown in green (complete), amber (still in progress), and red (incomplete). Due to the dynamics of some goals, the status can change from green to amber over time. The “stoplight chart” is reported out each year and forms the basis of the Superintendent’s MBOs (Management by Objective). The stoplight chart is included with the minutes of this meeting as **Appendix IV**.

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9. **Entered into Closed Session:** A motion was made by Mr. Ramsey, seconded by BG Igou, to enter into a Closed Meeting. The motion passed and the Board entered into Closed Session at 0915 hours to discuss:

**Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected (pursuant to 2.2-3711 (A) 6) and discussion of the award of a public contract**

**involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body (pursuant to 2.2-3711 (A) 29) regarding a potential athletic contract.**

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10. **Return to Open Meeting:** *At 1017 hours, a motion was made by MG Hickerson, seconded by Mr. Latsha, certifying the Closed Meeting.* The motion passed.

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11. The meeting was adjourned at 1018 hours to reconvene Saturday, 19 January at 0800 hours.

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**Saturday, 19 January 2013 – 0800 hours**

12. Mr. Fraim called the meeting to order. General Jumper was absent.

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13. *A motion was made by Mr. Ramsey, seconded by Mrs. Camp, to approve the minutes of the 18-19 September 2012 meeting of the Board of Visitors.* The motion passed.

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

a. Cadet Dommert said that, with only a few weeks remaining in the Ratline, the First Class accomplished a key goal of preventing a “Rat Riot.” There was Corps unity on this issue. To date, no major conduct issues have been adjudicated by the General or Executive Committees. The Rat Disciplinary Committee has a detailed plan for “Break-Out” with much symbolism, tradition, and physical activity. The First Class is planning for the transition of the Rats to the Old Corps. The process for selecting class officers for the Class of 2016 will begin at the end of March.

b. Cadet Noll reported that the Corps trip to the Navy football game was well coordinated, and the Corps march on was outstanding. He also highlighted the accomplishment of no Rat Riot. The Rat Class conducted a fund-raising effort for “wounded warriors” called the Boot Campaign and collected \$25,000. The Corps has been practicing constantly since its return from Christmas furlough for the Presidential Inaugural Parade. The Regimental staff is working with the RDC and First Class on “Break-out,” and planning for the implementation of India Company to the Corps which will occur after spring break.

c. Cadet Coursey stated that the Rats had taken two Honor Court quizzes to date and had done extremely well. Another “stoop talk” and quiz are scheduled before “Breakout.” The Court has stressed openness and approachability with the upper classes, and they continue to provide updates to the Corps through e-mail. Almost 85% of the “Old Corps” have taken advantage of tours of the Honor Court area and briefings on the trial process. The Court will be heavily engaged in the follow-up Honor Conference in March. The final two selections of second class HC members took place in the Fall, and they are being assimilated into the Court. In response to a question from Mr. Robertson regarding officer selection for the HC, Cadet Coursey said that each year the Second Class members write essays which are reviewed by the current First Class members, who make recommendations to the Superintendent’s representatives. After discussion with the cadets, they take the recommendations to General Peay for final review and selection.

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15. The Board received remarks from representatives of the Alumni Agencies: Mr. Robert A. Heely ’69, President of the VMI Alumni Association; Major General Stephen H. Sewell, Jr. ’60, Vice-President for Administration of the VMI Foundation; and Mr. J. Robert Crumpler ’07, Vice-President of the VMI Keydet Club.

a. Mr. Heely reported that the Alumni Association is in close coordination with VMI regarding nominations for the Board of Visitors appointments. A 1 March Alumni Forum will focus on having more African Americans on the Alumni Association Board of Directors. African American alumni are active in chapters, but there have been few on the Board. The focus of his administration is to enhance chapter activity which will provide more support in a variety of ways to the Institute. There are 14 regional directors who are working to increase chapter activity. The Association will host both Class Agents and Chapter leaders in a joint conference on 19-20 April.

b. MG Sewell reported that the Foundation board met in November in conjunction with Founders Day (held Friday, 9 November) and presented Mr. Thomas G. Slater, Jr. ’66 the Distinguished Service Award. A new VMI video, featuring cadets, alumni, and the importance of giving to VMI, was unveiled at the Institute Society Dinner. The Foundation endowment was \$316 million at the end of the calendar year compared to \$250 million in 2008. Noting the effects of the “quiet phase of the campaign,” cash receipts totaled \$12 million on 31 December compared to \$6 million in 2011. Total commitments were \$36 million compared to \$10 million in 2011. Graduate participation for the first six months of the fiscal year was 20.77%, down slightly from a year ago. The Campaign Cabinet is composed of Co-chairs Conrad M. Hall ’65 and James E. Rogers ’67, General John P. Jumper ’66, William A. Paulette ’69, Walter C. Perrin II ’62, Mr. Slater, and Donald M. Wilkinson, Jr. ’61. Gifts and commitments to date during the campaign’s quiet phase total \$127 million with a significant number of “asks” which have been made and others to be made. The next step in the quiet phase is to solicit all Alumni Agency Board members and Board of Visitor’s members.

c. Mr. Crumpler reported Keydet Club fund-raising as of 31 December was down about 9% (\$120,000), however, two major gifts were pending. Contributions to individual team funds have proved very effective with football, basketball, and baseball realizing significant increases. Albert “Al” E. Fiorini ’64 has given a \$1 million pledge spread over three years with 90%



earmarked for endowment. It is the largest individual donation in the Keydet Club's history; the all-weather turf practice field was dedicated in his honor at the Citadel football game. The guest speaker at the Fall KC Scholarship dinner was Captain William E. Lyles III '02, a former scholarship baseball player, who lost both legs to an IED in Afghanistan. Mr. Crumpler showed a four-minute video clip of Captain Lyles' speech. Over \$18,000 from 44 donors has been raised to date for the Willie Lyles '02 Scholarship. The Keydet Club Board will hold its next meeting at Myrtle Beach, South Carolina in conjunction with the Big South Basketball Tournament. As an initiative to increase young alumni giving and participation, the KC will introduce the Young Alumni March Madness Challenge with the 16 youngest classes placed in brackets and competing with other classes based on the most cumulative \$50 contributors. The KC will sponsor a class party for the winning class after a football game next fall. The KC is also sponsoring a shoot-out at home basketball games to create excitement and to increase game-day attendance, with random cadets selected to shoot for dollars during halftime or at timeouts.

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16. Colonel Sam Ratcliffe '74, Director of Career Services, provided a summary of the jobs' survey for Academic Year 2011-2012 entitled First Destinations of VMI Graduates.

a. This annual survey, with a census date of 31 October, investigates the job status of graduates receiving degrees during the previous 12 months. The target population was 298 graduates awarded degrees between December 2011 and September 2012. The status of 286 graduates was determined, reflecting a contact rate of 96%.

b. Of the 298 graduates 46% (137) commissioned, 37% (112) were employed, 4% (11) were in graduate school, 3% (10) were seeking employment, 4% (12) were unknown, and 6% (18) had alternative plans such as admission to graduate school in 2013, certification courses pending, waiting on background checks, and applying for Officer Candidate School. Sixty-six percent reported salaries above the norm for their majors. Career Services works with those seeking employment, and this week two of those seeking employment reported that they secured jobs.

c. Commissioning increased from 39% in 2003 to 54% in 2011 with 46% in 2012. There has been a slight decrease in those attending graduate school immediately after graduation...this is to be expected with the upward trend in commissioning.

d. Since 2007, 25 VMI graduates have attended one of the 20 schools with which VMI has established partnerships.

e. Mr. Mundy asked how Career Services works with cadets regarding the job search. Colonel Ratcliffe noted the following: The department reaches out to every First Classman to ascertain their job plans; helps with refinement of resumes, interview skills, and all aspects of the search process; assists with Linked-In profiles and Skype interviews; and helps them tap into the alumni network.

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

- a. A motion was made by Mrs. Camp, seconded by Mr. Mundy, that the Academic Affairs Committee has considered the Changes in Faculty and Staff, dated 10 January 2013 and recommends that the Board of Visitors approve these changes. The motion passed.
- b. Mrs. Camp made the following motion, seconded by Mr. Ramsey: The Academic Affairs Committee has considered the Graduation List, dated 19 December 2012, for January 2013 graduates. The Committee recommends the Board of Visitors approve this preliminary list of graduates (Attachment 1). 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 15 September 2012 graduates (Memorandum #13, dated 17 September 2012- Attachment 2) and 19 December 2012 graduates (Memorandum #23, dated 19 December 2012 – Attachment 3) be accepted and filed with the minutes of this meeting. The motion passed. Attachments 1, 2, and 3 are filed with the minutes of this meeting as **Appendix V**.
- c. Mrs. Camp made the following motion, seconded by Mr. Collins: The Academic Affairs Committee has considered the “Faculty Handbook, January 2013” and recommends that the Board of Visitors approve the “Faculty Handbook, January 2013” and that the changes to the Handbook be filed with the minutes of this meeting. The motion passed. The change to the “Faculty Handbook, January 2013 is filed with the minutes of this meeting as **Appendix VI**.
- d. A motion was made by Mrs. Camp, seconded by MG Hickerson, that the Academic Affairs Committee has considered the Recommended Entrance Rates for Faculty Salaries for the 2013-2014 academic year, dated 10 January 2013 and recommends that the Board of Visitors approve these Entrance Rates. Mr. Robertson noted that, from his group’s department visit to the Psychology and Philosophy Department on Friday, it appears there is an unfilled faculty positions in the department, and he asked BG Schneider about that. BG Schneider replied that there is an open position for a combination Psychologist who will also teach the Leadership Course. VMI has been unable to find someone at the current salary level to fill the position, so VMI is advertising the position as non-tenure track to teach the Leadership Course. With no further discussion, the motion passed. The Recommended Entrance Rates for Faculty Salaries for the 2012-2013 academic year are filed with the minutes of this meeting as **Appendix VII**.
- e. A motion was made by Mrs. Camp, seconded Mr. Ramsey, that the Academic Affairs Committee has considered the recommended Curricula Changes dated 10 January 2013 and recommends that the Board of Visitors approve these changes. The motion passed. The memorandum accompanying this motion is filed with the minutes of this meeting as **Appendix VIII**.
- f. The Dean provided the committee highlights of the academic program. A summary report on the initiative to increase alumni on the faculty has been prepared for review by General Peay, General Jumper, and Mrs. Camp. The initiative is to identify cadets and young alumni who are qualified and may be interested in teaching on the higher education level. VMI faculty and staff would mentor them, and VMI would provide some financial assistance with the goal of having these young academicians return to VMI to teach. The current percentage of alumni on the full-

time faculty is 12.4% with higher representation in the sciences. Mr. Fraim stressed that this is an on-going concern of the Board and that the Dean has been tasked to provide the Board a detailed report about the proposal at its May meeting.

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18. 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. Foster, that the Board of Visitors approve VMI's unaudited financial statements for the fiscal year ended 30 June 2012. The motion passed. The FY 2012 unaudited financial statements are on file in the Office of the Comptroller.

b. A motion was made by Mr. Ramsey, seconded by Mr. Latsha, that the Board of Visitors approve the updated Post Facilities Master Plan dated January 2013. The motion passed. The 2013 Post Facilities Master Plan is on file in the Office of the Deputy Superintendent for Finance, Administration, and Support.

c. A motion was made by Mr. Ramsey, seconded by Dr. White, that the Board of Visitors adopt the attached resolution requesting VDOT to assume maintenance responsibility of Saunders Drive. The motion passed. The aforementioned resolution with accompanying map is filed with the minutes of this meeting as **Appendix IX**.

d. A motion was made by Mr. Ramsey, seconded by Mr. Robertson, that the Board of Visitors approve the 2012-2013 SWaM Plan (small, women-owned and minority-owned) businesses as outlined in Attachment A. The memorandum with this motion and Attachment A are filed with the minutes of this meeting as **Appendix X**.

e. A motion was made by Mr. Ramsey, seconded by Mr. Allen, that the Board of Visitors approve 1) the financing of up to \$4.0 million of small capital projects as described in the memorandum through the Virginia College Building Authority (VCBA) in FY 2014; and 2) authorize the Superintendent or his designee to take all necessary actions to affect the financing of these projects through the VCBA. The motion passed. The memorandum accompanying this motion is filed with the minutes of this meeting as **Appendix XI**.

f. Colonel Thomas F. Hopkins, Director of Information Technology, reported that VMI is linked with the Rockbridge Network Authority which reduces cost for Internet band-width. The new contract with RICOH for printers and copy machines has reduced costs by approximately 20%.

g. Highlights of the six month budget report included a 3% bonus for all employees (VMI's share was \$626,000), an Auxiliary Fund Balance of \$6.8 million on 30 June 2012, project a \$6,000 deficit for Museum Programs, and noted that the Intercollegiate Athletic budget is on the "watch list."

h. The committee will provide VMI's annual debt report at the May Board meeting.

- i. In the area of compliance there were 74 instances cited, but nothing of major concern.
  - j. The transfer of the George C. Marshall building to VMI was discussed. The building will become part of VMI's Educational & General programs.
  - k. The Governor's budget amendments call for a 2% salary increase, a potential 18% increase in health premium costs, and possibly link in-state tuition increases to the CPI.
  - l. The committee had a telephone conference hook-up with the state auditors. Audited results will be presented at the May meeting.
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19. The Board held a general discussion on faculty and staff salaries.

- a. Mr. Robertson said that the faculty and staff are feeling the pinch of no salary increases in five years, and he is concerned that VMI is falling behind. In the faculty area, particularly, compensation needs to keep to pace to preserve the quality of the faculty. He asked if the Board should consider sending a letter to the Governor. Dr. White did not think this was a good idea because the Governor has too many other major items with which he is dealing.
  - b. Mr. Fraim pointed out that this is a tough issue. State supported colleges in Virginia are being asked to hold down tuition and all sources of local and state money is being reduced. He asked that the administration obtain comparative faculty and staff salary figures and present them at the May meeting.
  - c. General Peay noted that salaries are always a discussion item at the Council of Presidents meetings.
  - d. BG Schneiter said that his full salary study would be completed by the end of the semester. Please see Item 4 b. of these minutes.
  - e. Mr. Robertson added that there needs to be more emphasis on this in the fund raising campaign and with the Jackson Hope Board.
  - f. Mr. W. Reed Johnson '53, Alumni Association Representative to the Academic Affairs Committee, noted that faculty had expressed concern in the departments which he had visited the day before. As a 35 year veteran of the faculty at the University of Virginia, he expressed his pleasure that the Board was involved with this issue.
  - g. Mrs. Camp said that she would be interested in information which would explore in a larger context what is happening in this area throughout the country.
  - h. Mr. Fraim said that the Board would set aside time at the May meeting for additional discussion.
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20. Mr. Latsha, Chair of Appeals, reported on the meeting of his Committee.

a. The President of the Honor Court – Cadet Coursey, the three prosecutors – Kevin P. Curran, Kevin J. Kyle, and Harry T. Zechman IV, and one Vice-President – Robert C. Popisil met with the committee. The cadets provided a brief summary of their Corps education efforts this year, Honor Court cases to date, and the Honor Conference to be held in March. Also in attendance were the Superintendent’s Representatives to the Honor Court, Colonel Thomas S. Baur ’75, lead rep. and Lieutenant Colonel George M. “Merce” Brooke ’94, assistant rep.

b. The committee had one Closed Session item for discussion.

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

a. Mr. Donald T. White, Director of Intercollegiate Athletics, reviewed the NCAA Academic Progress Rating (APR). The APR, based on eligibility and retention, has a current base score of 925. Individual sports which do not meet this cut-off may face scholarship reductions. The current 2012 scores for football and men’s cross country are below 925; however, their four-year cumulative totals do meet the standard.

b. VMI will host the Mid-Atlantic Rifle Championship (23 February) and the Southern Conference Wrestling Championship (9 March).

c. The basketball team has reached the semifinals or finals of the Big South Tournament in three of the last four years, while the baseball team has had five winning seasons in the past seven years.

d. The lacrosse team is currently in the Metro Atlantic Athletic Conference, which will increase scholarship allocations to eight. VMI now gives the equivalent of 2 ½ scholarships. Coach Brian Anken would like for VMI to provide two more to boost the program. The team will play Army, Navy, and Virginia this year.

e. Colonel Gary R. Knick, Treasurer, discussed the athletic budget. The three largest contributors to the budget are the Keydet Club (34%), Cadet athletic fees (\$1,500 per cadet), and the Development Board (\$1.2 million). Balancing the budget is a constant concern with shortfalls occurring over the past 2-3 years. It is hoped that the fund-raising campaign, now in the “Quiet Phase,” will provide necessary endowment support.

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

a. Commissioning numbers by the end of the calendar year should reach 180 (112 Army, 14 Air Force, 32 Marines, 22 Navy). There are 986 taking Army ROTC courses, 324 in Air Force ROTC, and 404 in Navy-Marine ROTC.

- b. There are 130 cadets in the Simultaneous Membership Program (SMP), a National Guard program which provides scholarship money and can lead to commissioning in the National Guard and also in the regular Army.
  - c. The Army's Spring FTX will be at the National Guard Training Center (Fort Pickett, VA), 5-9 April. The Air Force FTX will be at a commercial training site near Roanoke, VA. The Marine FTX will be held at local sites, while the Air Force plans are to be determined.
  - d. There remains a concern about streamlining and financial restrictions on Air Force ROTC which impacts the number of cadets who are able to obtain scholarships and commissions.
  - e. There are 24 active club sports teams. Highlights included wins over The Citadel in both Rugby and Lacrosse, and individually Cadet John C. Rivas is ranked fourth in the world in his powerlifting weight class.
  - f. The Commandant's Office working with the Cadet Regimental S-6 operates the club sports programs while 37 active cadet extracurricular clubs and organizations are overseen by the Commandant's Office and the Regimental S-7 staff. Both programs have excellent diversity. There must be twelve active members to establish and maintain a club. The Timber Framers Club completed a 10' x 14' elevated tree house which was auctioned for \$11,000 to support Project Horizon, a local organization dedicated to reducing domestic, dating, and sexual violence. This club is also planning to participate in a Habitat for Humanity project in the spring.
  - g. The category of clubs are Performing Arts, Religious, Service, Special Interest, and Cadet Publications.
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23. Mr. Robertson, Chair of External Relations, reported on the meeting of his committee.

- a. Total attendance for the three museums (VMI, Stonewall Jackson House, and the Virginia Museum of the Civil War at the New Market Battlefield State Historical Park) is down slightly. Colonel Keith E. Gibson '77, Executive Director of VMI Museum Programs, is looking forward to integrating the museum portion of the George C. Marshall building transfer to VMI.
- b. Regarding legislative matters, LTC Parker lives in Richmond during the General Assembly session keeping VMI abreast of the landscape. VMI's annual legislative reception will be 12 February at the Library of Virginia. VMI is hoping to obtain relief on the base budget adequacy model for funding. Please see Items 3 b. and 7 b. of these minutes.
- c. Colonel Stewart D. MacInnis, Director of Communications and Marketing, provided a future outlook on admissions marketing. The number of students entering college nationwide may be plateauing and begin a slight decline over the next decade producing an even more competitive landscape. As his department continues to increase collaboration with the Admissions Office and the Alumni Agencies, it will stretch C&M's resources. He and his staff have produced a "white paper" describing the budgetary challenges C&M faces in the future as it supports new cadet

recruiting in addition to its work in many other areas, such as public relations, media relations, general marketing of the Institute and Internet web design and information. Colonel Vernon L. Beitzel '72, Director of Admissions and Mr. Heely from the Alumni Association attended the committee meeting.

d. Mrs. Camp noted that applicants are surveyed following the admissions process, and there is much positive feedback regarding the various media marketing tools employed by VMI.

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24. In General Jumper's absence, Mr. Fraim reported on the meeting of the Nominating and Governance committee.

a. By state code the Alumni Association recommends nominations, for appointments to the Board of Visitors, to the Governor each year. In the past the Alumni Association has presented a slate with two or three nominees for each vacancy. However, after discussions with the administration, the Association believes that the most effective nominating method would be to put forward only VMI's top candidate for each vacancy. In line for reappointments in 2013 are General Jumper and Mr. Latsha. Going off the Board following two, four-year terms are Mrs. Camp and Mr. Mundy.

b. The committee discussed the initiative to increase the percentage of alumni on the faculty particularly in the area of the Humanities. This is of key importance to the committee and the Board, overall. The committee is looking forward to BG Schneider's report on this issue at the May meeting.

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25. **Entered into Closed Session:** A motion was made by Mr. White, seconded by Mr. Ramsey, to enter into a Closed Meeting. The motion passed and the Board entered into Closed Session at 1025 hour 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 assignment, appointment, promotion, performance, discipline or salaries; and 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 the English Department investigation, athletic coaching review, and senior personnel changes.

4. The protection of the privacy of individuals in personal matters not related to public business (pursuant to 2.2-3711 (A) 4) regarding a VMI alumnae and Ring Figure and associated personnel issues.
5. Discussion or consideration of medical and mental health records (pursuant to 2.2-3711 (A) 15) excluded from this chapter pursuant to subdivision 1 of § 2.2-3705.5 regarding a former cadet.
6. Discussion or consideration of matters relating to gifts, bequest, and fund raising activities (pursuant to 2.2-3711 (A) 8) regarding the VMI Campaign.
7. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected (pursuant to 2.2-3711 (A) 6) and discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body pursuant to 2.2-3711 (A) 29) regarding a potential athletic contract.

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**26. Return to Open Meeting:** At 1150 hours, a motion was made by Mr. Ramsey, seconded by Mr. Gottwald, certifying the Closed Meeting. The motion passed.

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27. There being no further business to come before the Board, the meeting was adjourned at 1151 hours.

Michael M. Strickler '71  
Secretary