

GENERAL J. H. BINFORD PEAY, III
SUPERINTENDENT

Remarks at Institute Society Dinner
11 November 2014

Ladies and gentlemen, members of the Institute Society and guests.

I also welcome you to this annual gala gathering of friends and supporters of the Institute. This year is especially notable in the life of VMI, for not only is it the 40th anniversary of the creation of the Institute Society, but it marks the 150th anniversary of the Battle of New Market, and the 175th anniversary of the founding of the Institute. Earlier today, at the Founders Day Convocation, we celebrated that anniversary and welcomed Virginia's 72nd Governor, the Honorable Terry McAuliffe, who spoke to the VMI community gathered in Cameron Hall...and to no surprise...he declared amnesty for the Corps of Cadets. We followed that with the "Corps on Parade". How can any of us not be proud and stand tall watching the future of America pass by; it certainly gives me strength and great confidence in the Institute's and our nation's future.

In my welcoming celebration convocation remarks this morning, I mentioned that the Institute was officially created two years before it actually began operations on 11 November 1839. The opening of the Institute had to be "postponed", because of the economic panic of that year – America's first depression -- a financial downturn that strongly resembled what this nation has just endured. Undeterred, the Virginia General Assembly and the Institute's Founders – members of our first Board of Visitors along with Smith, Crozet, and Preston – did not give in or give up, but persevered and succeeded. And the Institute has lived on, through many other financial crises, the Civil War, the Great Depression of the 1930s, two World Wars, and other difficult times. Looking back over these eventful years and remarkable generations, we can truly say, that the Institute has had a glorious past and I think in the years ahead...a brilliant future..., for "VMI is truly a national treasure".

For over a century and a half, VMI has provided leaders in science and engineering, education, the law, business, medicine, and the military. The Institute has fulfilled "an uncommon purpose." VMI fosters in its graduates values and capabilities for an expanding and extraordinarily complex world. Today, as we look at the Institute, we see a splendid academic program; a robust building plan to accommodate today's needs and tomorrow's opportunities; an athletic program that develops leaders -- true student-athletes with integrity; and a strong, vibrant, disciplined, and honorable Corps of Cadets.

Like conditions at the founding of the Institute, however, economic reality presses hard on VMI. Declining state revenues have forced budget reductions “equally” in all the state colleges and universities across the Commonwealth. VMI’s reductions have perhaps been felt greater than the average due mainly to its small size, compounded by VMI’s significant growth in in-state enrollment, thereby limiting higher-paying out of state numbers. The growth in Virginia cadets ideally would have been accompanied by an increase in State general funds, but the State has lagged behind because of the two recessions which have occurred during the past decade.

The situation is troubling... and there is, in my view after 12 years of working the halls of the Virginia legislature along with corporate business leaders who are equally concerned with an educated workforce for top jobs..., little hope that things will “quickly” get better. Our state elected VMI friends have been incredibly helpful, particularly as regards construction resources. The lesson we have learned is that VMI cannot depend on State support in operational dollars for higher education, principally because of the decline in State revenues tied to reduced defense spending impacting Northern Virginia and the Hampton Roads – Norfolk areas. We must not continue to increase the cost of a VMI education for cadets and their families. It is not in our tradition, nor favorable to the kinds of young men and women we want to enter Jackson Arch as our future graduates.

Understanding the decade long record of State budget reductions, we -- the Institute -- need to be in the position that insures every qualified cadet that we accept to VMI, should receive some form of need-based financial support or other merit scholarship tuition assistance. This is among the priorities of the new VMI Campaign..., a “comprehensive campaign”...which focuses on significant support for: academics; Corps life; athletics; preserving the Institute’s growing historical activities; and, importantly “unrestricted” annual and endowment support. These combinations will provide a “value-based” education, the very best in America.

There will be numerous campaigns at VMI before the Institute reaches its 200th birthday in 2039. We should set, stretch, and achieve a VMI Foundation endowment goal in 2039 of \$2.0 billion dollars as we celebrate that Founders Day event. We can do that! We must do that! This campaign announcement this evening is a “wonderful first step” along that path that ensures our destiny and supports that 2039 goal.

We are justifiably proud of the Institute’s academic program and its talented faculty. We have limited degrees and they are all challenging. Greater than 50 percent of the Corps major in math, science, or engineering. All of our full-time faculty hold the Ph.D. degree, and all of our faculty teach. We have small classes and an excellent ratio of one faculty member to 12 cadets. We have partnerships with the best graduate schools in the nation; we are

nationally ranked and have excellent high-tech classrooms and facilities. Our cadet athletes are student athletes, setting a standard for America. One result, of many, is that 98 percent of our cadets annually have jobs at graduation, an unheard achievement in these economic times. All of this and more makes VMI distinctive and highly successful. And all of this comes with high costs that increase with each year. Excellence costs! But, the return on the investment is more than justified, as the splendid record of our alumni abundantly testifies....leaders of the Commonwealth and our nation...disproportionate to any in the nation.

VMI graduates are trusted. Unfailing. They hone their sharpness through a rigorous military system, strong academics, and a robust athletic program. The VMI experience prepares them for the life ahead: a life of strength, honor, and integrity.

The VMI Spirit – that combination of purposefulness, loyalty, and perseverance – is the common bond of these true citizen-soldiers who, in the military or as civilians, serve the nation in times of peace and of deepest peril.

In the coming weeks and months, you will hear a lot about this VMI Campaign, and I believe you will be proud of what we will announce this evening. It is truly a team effort and I commend the staffs and volunteers of the VMI Foundation, the Keydet Club, the Alumni Association, our Parents Council, and the Campaign Cabinet for their dedication to the campaign's success.

I express my heartfelt appreciation to all of our donors, past and present, who have made possible so much that has allowed VMI to thrive through its long history. And, I express my special thanks to all of you gathered here tonight. The Institute Society has made an enormous difference in the life of VMI, not only through your generosity, but your commitment to the mission of the Institute and your faith in its brilliant future.

It is my pleasure, as we launch our next campaign, to introduce the gentleman who leads this important fund-raising effort: Mr. Donald M. Wilkinson, Jr. He is a graduate of the Institute and a graduate of the Darden School of Business at the University of Virginia. He served as an officer in the U.S. Army during the Cold War, and then founded Wilkinson O'Grady, a New York-based global investment-management firm where he is Chariman and Chief Investment Officer today. He has given more than three decades of service to VMI, beginning with his volunteer work with VMI's capital campaign, *The Sesquicentennial Challenge*. Mr. Wilkinson served as a Trustee of the VMI Foundation from 1989 to 1997, and from 2000 to 2005, he participated in VMI's last capital campaign, *Reveille: A Call to Excel*, as its Vice Chairman. In 2002, he helped establish the *Jackson-Hope Fund*, an academic advancement fund at VMI, and he remains a member of the Fund's Board of Overseers. Mr.

Wilkinson also served on VMI's Board of Visitors from 1999 to 2007, as Vice President of the Board from 2005 to 2007, and as the Chairman of its Academic Affairs Committee for four years.

In 2010, Mr. Wilkinson was presented the VMI Foundation's prestigious Distinguished Service Award.

Please join me in welcoming the gentleman whose past performance, support and service to VMI has, indeed, insured that the Institute will continue to be "Heard from Today"... The VMI Campaign Committee Chairman - - Mr. Donald M. Wilkinson, Jr., VMI Class of 1961.