VIRGINIA MILITARY INSTITUTE

Lexington, Virginia Minutes BOARD OF VISITORS MEETING 3-4 May 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 3 May and continuing at 0800 hours, Saturday 4 May pursuant to notice.

Present: Paul. D. Fraim '71, President

John C. Allen '62 Elizabeth D. Camp P. Wesley Foster, Jr. '56

Paul E. Galanti

Bruce C. Gottwald, Jr. '81

Brigadier General Janice G. Igou General John P. Jumper '66 Major General Daniel E. Long, Jr.

G. Marshall Mundy '56 George P. Ramsey III '72 W. Gregory Robertson '65 Ernesto V. Sampson '98 Dr. H. George White, Jr. '54

Cadet John E. Dommert '13 (present on Saturday)

Absent: George J. Collins '62

Major General Patricia P. Hickerson

Kimber L. Latsha '77

Friday 3 May- 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.

2. A motion to approve the Board of Visitors Resolutions for the following members of the VMI faculty and staff, retiring this spring or at the end of the fiscal year, was made by General Jumper, and seconded by Mr. Mundy: Commander Jon L. Baca, Colonel Thomas S. Baur '75, Colonel Floyd H. Duncan '64, Brigadier General Alan F. Farrell, Colonel A. Cash Koeniger, Captain Brian L. Quisenberry '81, and Colonel Michael M. Strickler '71. The motion passed. The resolutions are filed with the minutes of this meeting as **Appendix I**.

3. General J. H. Binford Peay III '62, Superintendent, introduced Colonel James P. "Jamie" Inman '86, who will be VMI's new Chief-of-Staff.

4. The Communications and Marketing Department showed a short video of various locations on Post taken by a small drone.

5. General Peay briefly reviewed a "Look Back" at 37 principal events which have occurred at VMI since the January Board of Visitors meeting and a "Look Ahead" at the 47 principal events that will occur between the May and September Board meetings. The Look Back/Look Ahead read-out is filed with the minutes of this meeting as **Appendix II**.

- 6. Brigadier General Robert L. Green, Deputy Superintendent for Finance, Administration, and Support and Lieutenant Colonel Kimberly C. Parker, Government Relations Director, provided a report on government relations activities.
- a. Prior to the 2013 General Assembly (GA) session, General Peay visited the following key legislators and staff: Senator Tommy Norment '68, Delegates Lacy Putney, Kirk Cox, and Chris Jones, Secretary of Finance Ric Brown, and Secretary of Education Laura Fornash. In addition the Senate Finance Subcommittee met at VMI in the fall and was given a tour of the Post. Other visits to the Post included Rich Sliwoski, Director of the Department of General Services (DGS); April Keys, a member of the Senate Finance Committee staff; and Michael Maul and Thomas Bernadas from the Department of Planning and Budget (DPB).
- b. The 2013 GA Session, second year of the biennium, was 45 days "short session." VMI had a full-time presence in Richmond with LTC Parker there on a daily basis, attending committee and sub-committee meetings and monitoring all legislation, with assistance from McGuire Woods Consulting. General Peay made three primary trips to Richmond with over 30 office calls on legislators and key staff. The annual VMI legislative reception was held 12 February, and 30 cadets spent the entire day in Richmond visiting legislators.
- c. VMI positioned itself well for the Corps Physical Training Facilities (CPTF) funding, Phases I and II (new indoor physical training facility and renovations to Cormack Field House and Cocke Hall). The Director of DGS assigned the CPTF a Bureau of Capital Outlay Management confidence rating of nine on a scale of ten. VMI met its 1 October deadline for submitting detailed plans for the CPTF and General Peay submitted a letter to the Secretary of Finance that VMI was ready to begin the project. The Governor proposed \$260 million in capital projects funding, and the House and Senate approved bond programs of no more than \$250 million per year in debt issued in each of the next four years. Forty-seven capital projects are in the pool to include CPTF Phases I & II. The Directors of DPB and DGS provide the Virginia College Building Authority with the list of projects to be financed. Each institution submitted cash flow requirements. In response to questions from Mr. Allen and Dr. White, General Peay responded that he was optimistic that VMI would obtain full funding, approximately \$121 million. If approved, construction will start in February 2014 with completion of both projects in approximately 4½ years.
- d. The FY 2014 state budget includes a 3% faculty & staff salary increase and a 2% + compression funding formula for classified employees. Funding for VMI includes an increase in

the base of \$118,099, financial aid increase of \$36,448, and increased Unique Military Activities (UMA) of \$275,000. A small capital projects non-General Funds Budget Amendment of \$4 million was approved for projects to include the swimming pool, football stadium, and Old and New Barracks parapets and turrets.

- e. Over 90 bills were introduced impacting higher education with 42 bills passed and signed by the Governor. The VMI legislative team tracks all legislation, confers with legislators on language and after discussion with General Peay determines VMI's position.
- f. Legislation dealing with the State Council of Higher Education in Virginia (SCHEV) alters the composition of the Council, adding a former college president, the Superintendent of Virginia schools, and the Executive Director of the Virginia Economic Development Partnership as ex-officio member. The term of Mr. G. Gilmer Minor III '63 on the Council expires this year, however, it is hoped that he will be reappointed. The Governor is expected to issue an Executive Directive requiring SCHEV to conduct self-assessments. Secretary Fornash will convene a Task Force of Presidents to review findings of the self-assessment. General Peay has been nominated to serve on the Task Force.
- g. VMI's overall Institutional Six Year Plan is due to SCHEV by 1 July. Over the next two months, SCHEV's Review Committee will analyze the plan and make comments to VMI by 1 September. The plan will be finalized for Board approval at its September meeting and submitted to SCHEV by 1 October.

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- 7. BG Green provided a briefing on the 2014 budget.
- a. State General Funds (17% of the budget) increase by \$1.1 million to \$13.48 million with the majority of that increase funding the state portion of the employee salary increases. Education and General (E&G) accounts for 67%, UMA 27%, and financial aid 6%.
- b. Cadet tuition & fees (53% of the budget) and other revenue increase by \$3.4 million to \$46.654 million. The E&G portion accounts for 43% with the auxiliary portion accounting for 38%.
- c. There is a \$715,000 increase in private funds (23% of the budget) from \$16.916 million to \$17.631 million. The three primary areas of funding are VMI Foundation restricted funds (57%), VMI Keydet Club (20%), and Foundation unrestricted funds (12%). The Foundation is also providing \$2.6 million in debt service.
- d. Other revenue to include athletics, Center for Leadership & Ethics, Museum Programs, fund balances, and Federal grants account for the other 7% of revenues.
- e. Cadet financial assistance increases by \$677,000 from \$12.148 million to \$12.825 million. Private-restricted funds provide the majority of financial aid (64%), with tuition & fees (14%) and Federal funds (9%) the other two primary sources.

- f. Expenses increase by \$5.9 million from \$84.658 million to \$90.590 million. Almost half of the increase is due to personnel services, to include salaries, health insurance premiums, and new personnel). The three primary areas of expense are E&G (49%), Auxiliary Operations (23%), and Financial Aid (14%).
- g. The budgeted enrollment figure used for FY 2014 is 1,695 cadets with an average enrollment estimated at 1,618. In-state enrollment is estimated to be 58.1%.
- h. In-state tuition will increase 2.9% and out-of-state 4.5%. Fees will increase 4.9%. Total instate costs will be \$22,492 (4.3% increase) and out-of-state costs will be \$43,480 (4.7% increase). These fees include room, board, medical, cadet activities/facilities, athletic, laundry/pressing, haircuts, and UMA activities. Many of these expenses are out-of-pocket at civilian colleges.
- i. Salaries and fringe benefits increase from \$43.6 million to \$46.2 million, over half of the total budget. Faculty account for 30%, staff (28%), classified (32%), and part-time (10%).
- j. The projected Auxiliary Fund Balance is 6.942 million for the current fiscal year and 5.798 million for FY 2014. VMI's goal is to maintain the fund balance between 6 7 million.
- k. Both General Peay and Mr. Fraim said that VMI's tuition and fees increases are in the satisfactory range, and they did not believe there would be any "pushback." Mr. Robertson asked if there was any fallout from the out-of-state increases which have been about \$2,000 annually in the last few years. Peay said that there was an occasional case of a cadet who said he or she could not return because of the cost. Mr Sampson asked if VMI highlights the unique nature of some of VMI's expenses. Peay responded that VMI takes out expenses for uniforms, laundry, and haircuts when comparing tuition & fees with other school.

- 8. BG Green presented a further look at the FY 2014 budget as it relates to intercollegiate athletics.
- a. The athletic budget is one of the Institute's most pressing issues. Beginning with FY 2014 the athletic budget brings down the use of auxiliary funds and the percentage of Development Board funding while making in-state athletic scholarships more prevalent.
- b. The total operations budget will be \$5.662 million (\$4.013 million in mostly cadet fees and guarantees and \$1.649 million in Keydet Club and other support). The scholarship budget is \$3.8 million with funding sources from the Keydet Club and the Development Board. The Total budget is \$9.5 million which is over 10% of VMI's total operating budget.
- c. Key issues in projecting balanced budgets for FY 2014 FY 2018 were increases in cadet athletic fees, Development Board income, the impact on Auxiliary Fund Balances, the VMI Foundation level funding agreement, Keydet Club income, scholarship expenses (balance of instate/out-of-state), contingencies, indirect cost payments, Conference affiliations, and small capital projects.

- d. Finances for VMI's Division I intercollegiate program with 11 men's sports and 7 women's sports continues to be on the financial "watch list." The state's Joint Legislative Audit and Review Commission (JLARC) study on cost efficiencies in higher education includes NCAA athletics. An adequate endowment is critical to the athletic program; there is an athletic component in the new fundraising campaign.
- e. Mr. Robertson expressed a concern that football may be causing a drag on the athletic program and asked if "we are pushing water up the hill." General Peay acknowledged that football needs to be more competitive; however, dropping to another NCAA division in football would drop the other sports to that level as well. General Peay said that Division I athletics is inherent to VMI. Mr. Robertson noted that VMI has not had much luck with creating a significant athletic endowment. General Peay said that VMI can make an impact in that area with the new campaign. Mr. Donald T. White '65, Director of Intercollegiate Athletics, said that a "white paper" on the importance of Division I athletics is almost complete. Mr. Fraim said that Division I athletics is intrinsic to "what we are," and VMI must work the issue. Mr. Mundy asked if limiting the number of out-of-state scholarships would hamstring football. General Peay responded that there needs to be a mindset change of recruiting in Virginia. There was additional Board discussion regarding the football program and the in-state/out-of-state scholarship mix.

- 9. Brigadier General R. Wane Schneiter, Deputy Superintendent for Academics and Dean of the Faculty reported on the Faculty Compensation Study.
- a. In the spring of 2012 the Faculty Compensation Committee was charged to complete the following during AY 2012-13.
 - 1. Evaluate the adequacy of the current VMI compensation model Oklahoma State, which has been used for 20 years.
 - 2. Compare VMI salaries to other Virginia colleges and universities, professional discipline indices, and peer groups.
 - 3. Provide recommendations.
- b. The committee searched numerous data bases of the College and University Professional Association for Human Resources (CUPA-HR) Virginia public four-year institutions (14), SCHEV peer group (24), Combined VA four-year and SCHEV peer group institutions (38), national liberal arts institutions (59), the Carnegie 2010 baccalaureate institutions (708), engineering institutions (60), and combined national liberal arts and engineering institutions (119).
- c. VMI's profile is a difficult fit with national liberal arts, accredited Engineering and Business, and scholarship/research/professional certification expectations. Using CUPA-HR data based on institutional profiles, the committee chose a hybrid of 119 institutions: 60 schools of which all 60 are accredited by ABET (Accrediting Board for Engineering and Technology) and 56 are accredited by AACSB (Association to Advance Collegiate Schools of Business), and 59 national liberal arts institutions among the national liberal arts rankings which are closest to fitting VMI's profile. None of these are ABET accredited and six are AACSB accredited. If VMI faculty

salaries were benchmarked at 60% of the CUPA-HR 119 institutions (proposed target salaries), VMI faculty salaries would rank 8 of 29 among VA public and private institutions, 6 of 14 among VA public institutions, 13 of 23 SCHEV peer institutions, and 88% of the salaries at Washington & Lee.

- d. Currently, VMI faculty salaries compared to the proposed target salaries of the CUPA-HR 119 institutions show the following:
 - 1. 13.5% are more than 30% below the proposed target salaries.
 - 2. 60% are between 20% and 30% below the proposed target salaries.
 - 3. 22.5% are between 10% and 20% below the proposed target salaries.
 - 4. Less than 5% are within 10% or above the proposed target salaries.
- e. The committee recommendations are to adjust the current VMI salaries for faculty at 60% of the CUPA-HR 119 institutions (the proposed target salaries) and to accomplish this incrementally over a six-year period. For 2013-14 adjust those salaries with the greatest inequities with the use of \$450,000 from the VMI foundation and \$50,000 from the state. The total annual budget deficit for faculty salaries, according to the study, is \$3 million dollars, \$2.5 million after 2013-14.
- f. BG Schneiter introduced Colonel Clifford T. West, Jr., Chair of the Faculty Compensation Committee and Professor of Economics and Business. COL West reviewed a faculty hiring search this year in his department and the difficulty in obtaining any of their top three choices due to salary discrepancies. BG Schneiter said that there were 18 faculty searches conducted this year, and VMI was unable to get its first choice in 40% of the searches due to faculty salaries determined using the old model.
- g. Mr. Robertson asked if we can close in on the discrepancies faster than the six year window. General Peay said that the faculty will receive the 3% state raise this year of which VMI picks up almost 2/3; there is money that VMI sets aside each year in the Institute's budget to incrementally fix inequities; and for merit bonuses, the Dean carves out money annually from his budget to address inequities and for merit increases; and this year for the first time a donor has given \$450,000 through the Foundation and Jackson Hope that will be used to address salaries. He is uncertain whether the Jackson Hope Board will allocate that amount going forward. General Peay summarized that he and the staff will review the committee recommendations over the summer, however, he doesn't know in what time period the recommendations will be addressed.

- 10. BG Green gave a briefing to the Board regarding the Administrative and Professional Faculty (AP) Compensation Study.
- a. Data was reviewed from both the 2012-2013 Administrators in Higher Education Salary Survey and the Professional in Higher Education Salary Survey. The second quartile budget group (\$39.6 million \$85.2 million annual budgets) was used for comparative purposes with salaries as of 1 November 2012. VMI's FY 2013 budget was \$84.658 million.

- b. There are 129 AP faculty positions across all programs and a number of positions are unique to VMI. Salaries were adjusted for the three percent salary increases on 25 July 2013. Spreadsheets indicate the dollar amount difference between VMI salaries and the 60th percentile, 80th percentile, and median salary survey data.
- c. Comparisons for some positions to the benchmark survey are difficult, and survey data cannot take into account seniority or performance.
- d. The FY 2014 Annual Operating Budget also includes \$206,000 in a separate fund for salary increases. These funds will be allocated to select AP Faculty and classified employees. The FY 2014 salary budget for AP Faculty and classified employees is \$9.8 million each category.
- e. The Finance, Administration, and Support staff will continue to work with the Superintendent over the summer and will prepare conclusions and recommendations to be briefed to the Board at its September meeting.
- f. The Superintendent pointed out that there are many other positive factors about working at VMI and living in Lexington for both staff and faculty in addition to salaries. General Peay concluded that he and the staff will work the salary issue over the summer in preparation for September.

- 11. Lieutenant Colonel Dallas B. Clark '99, Institute Planning Officer, reviewed VMI's Active Shooter Exercise held on 18 April and the Virginia Emergency Team (VERT) exercises.
- a. The "Run-Hide-Shoot" video produced by the State was shown to the Board.
- b. Based on the Superintendent's guidance as part of a comprehensive security plan, an exercise for the "Hide" action was held on 18 April. In preparation the video and VMI Threat Guide were distributed throughout the Post to all employees and cadets and various planning meetings and briefings were held during the 11-17 April time frame. The text of the laminated Threat Guide Card is filed with minutes of this meeting as **Appendix III**.
- c. The event was coordinated throughout the Post to include the Alumni Agencies and the Marshall Foundation and with local law enforcement. Emergency Planning Committee (EPC) members and building coordinators served as observers.
- d. The mass notification system was activated: Outdoor speakers, VOIP phone speakers across Post (office desks, classrooms, and break rooms), text message to VMI cell phones and others who registered to receive alerts, and text message to VOIP phone screens.
- e. The Crisis Management Team (CMT) assembled in the Joint Operation Center 25 minutes before the exercise which began at 1155 hours and ended at 1205 hours on 18 April. At 1600 hours that day an after action review was held with the EPC, CMT, building coordinators, and General Peay. The After Action Review Summary was distributed to key staff.

- f. A VERT Table Top Exercise, held at VMI on 24 April, was the "walk" phase (crawl, walk, run) to ramp up training for VERT and VMI in the opening, operation, and maintenance of a State Managed Shelter (SMS) in Cameron Hall. VMI is one of 12 State-managed Shelters. Roughly 70 personnel from the Virginia Department of Social Services and other state agencies attended the exercise. The scenario was based on a 7.0 magnitude earthquake causing damage necessitating the opening of the SMS to house and feed evacuees.
- g. A full scale VERT exercise will be held on 22 May with shelters at VMI and Christopher Newport in play. Cameron Hall, Cocke Hall, and Crozet Hall will be utilized.

- 12. BG Green, Colonel Stewart D. MacInnis, Director of Communications and Marketing, Colonel Thomas H. Trumps '79, Commandant of Cadets, Captain Susan J. Rabern, Director of the Center for Leadership and Ethics, and Colonel Jeffrey H. Curtis '79, Chief of Staff provided brief overviews in the following areas:
- a. The transfer of the George C. Marshall Library is in progress with the goal of having all paperwork completed by 1 July for State approval.
- b. The JLARC visit included break-out sessions to review several subjects: Housing, NCAA Athletics, dining, debt service, and fees associated with cadet activities. In addition they met with 12 in-state cadets from all four classes. Two additional visits are expected to review academics and administrative functions.
- c. The Maury-Brooke Hall capital project will be completed in September 2013 with the dedication planned for Founders Day.
- d. There is a running list of infrastructure projects totaling approximately \$8 million dollars of needs.
- e. The movie on the Battle of New Market will be a feature film for TV and DVD. Filming will start on 3 June and last six weeks. Release is scheduled for November 2013. This year's New Market parade will be filmed. Among the actors are Jason Isaacs, Tom Skerritt, Keith David, and David Arquette.
- f. Planning is underway for the 2014 celebrations of the 150^{th} anniversary of the Battle of New Market and the 175^{th} anniversary of VMI's founding.
- g. VMI will host the Senior Military Colleges conference in October 2013.
- h. This spring the Center for Leadership and Ethics hosted the Biennial Honor Conference, the Virginia State Science and Engineering Fair, and Environment Virginia. The spring Leader in Residence was Christopher Gergen of the Duke Fuqua School of Business Center for Creative Leadership. Three major conferences on the docket for AY 2013-14 are STEM II Focusing on Science, the 3rd Biennial Leadership Conference, and the Virginia State Science and Engineering Fair.

- i. The Diversity Conference was held 1-2 March at VMI with 33 participants. It was a joint effort with the Admissions Office and the Alumni Association to educate and obtain ideas to assist and improve minority recruiting and increase participation of minorities in Alumni Association affairs.
- j. The target goal for the Class of 2017 is 490. Applications will break the 2,000 mark for the third consecutive year. To date there have been 918 appointments (560 out-of-state) with 450 deposits (59 women). For appointees, average SATs are 1182 and GPA is 3.66.

	13.	The meeting was adjourned at 1045 hours to reconvene Saturday, 4 May at 0800
hours.		

Saturday, 4 May 2013 – 0800 hours

- 14. Mr. Fraim called the meeting to order. Absentees were the same as Friday.
- 15. <u>A motion was made by Mr. Ramsey, seconded by General Jumper, to approve the minutes of the 18-19 January 2013 meeting of the Board of Visitors.</u> The motion passed.
- 16. A motion to approve the Board of Visitors Resolutions for Mr. Jacob A. Belue, former Assistant Attorney General and VMI liaison from January 2010 January 2013, and Mrs. Camp, and Mr. Mundy, who will complete two terms on the Board on 30 June, was made by Dr. White and seconded by Mr. Foster. The motion passed. The resolutions are filed with the minutes of this meeting as Appendix IV.
- 17. Regimental Commander Sean P. Noll, First Class President John E. Dommert, and Honor Court President William A. Coursey made brief remarks reviewing the 2012-2013 academic year in their specific areas of Corps leadership.
- a. Cadet Noll highlighted the success of the Corps trip to Annapolis and the emphasis on assuring there was no "Rat Riot" this year. The S-5 guide, which stressed customs, courtesies, and etiquette, was well received. The Cadet Leadership Handbook provided the Corps excellent descriptions of the Regimental and Class Systems and the leadership positions within each. The Corps filled two VMI flags with signatures and sent them to Richard Donahue '02 the Massachusetts Bay Transportation Authority policeman wounded during an altercation with the Boston Marathon bombers. He introduced next year's Regimental Commander Joseph T. Bishop.
- b. Cadet Dommert noted the success of "Breakout" for the Class of 2016 and that their assimilation in the Corps had gone smoothly. Overall Corps conduct for the year was very good, and the Class officers were meeting with Companies to stress the S-5 Guide for conduct during

the "dead week" between exams and finals. The primary goal for the Class campaign pledge to VMI is participation. The Class has selected Charles P. Jones to be its Class agent. Cadet Dommert asked that Board members consider more personal interaction with the Corps.

c. Cadet Coursey said that the Honor Court continued to stress education for the Rats after Breakout with a final quiz, stoop talks, and two discussions following BRC. Throughout the year they focused on approachability and transparency making good use of both group education and electronic communication. He believes that the Corps continues to become more comfortable in coming to HC members to ask questions and report possible violations. Over 350 individuals from various high schools and colleges attended the Honor Conference in March, and there was excellent participation from the Corps. He introduced Cadet Zachary P. Judson, who will be the 2013-14 Honor Court President.

- 18. The Board received remarks from representatives of the Alumni Agencies: Mr. E. J. Turner Perrow, Jr. '96, First Vice President of the VMI Alumni Association; Mr. Walton M. Jeffress '68, President of the VMI Foundation; and Mr. Gregory M. Cavallaro '84, CEO of the VMI Keydet Club.
- a. Mr. Perrow reported the spring Leadership Conference was held in conjunction with the Alumni Association Board meeting. Forty Class Agents and 20 Class Presidents attended the Conference. The "Old Corps" luncheon, for those alumni who have already had their 50th reunion, was held 26 March with 85 alumni and guests in attendance. Over 450 alumni (700 + with spouses and guests) attended the spring reunions. Three alumni chapters have been revitalized and placed back on the active roles Petersburg, VA, Wilmington, NC, and Corpus Christi, TX. The association has completed an alumni survey to which 2,300 responded. Of note is that 91% of alumni upon receiving the Alumni Review (AR) turned to the Class Notes first. This is followed by the Taps section, and though the online news is popular, the vast majority still favors the printed version of the AR.
- b. Mr. Jeffress reported that as on March 31, the Foundation's endowment stood at \$330.14 million and that total FY 2014 giving was \$47.8 million, up 82% from the previous year...the quiet phase of the fundraising campaign continues to be effective. The percentage of donors is down 4.3%. The annual Stewardship luncheon was held April 12 in conjunction with the Foundation Board of Trustees meeting. Over 225 guests attended the luncheon to include many cadets who are benefitting from donor scholarships. Cadet Judson, next year's Honor Court President was the featured speaker. He is on a Navy ROTC and Cameron Scholarship. Additional key donors and members of all VMI associated Boards are now being solicited for the campaign. The Class of 1963 broke the all-time record for 50th reunion giving with commitments and gift totaling more than \$20.5 million, slightly higher than the Class of 1962 at \$20 million.
- c. Mr. Cavallaro sent greetings from Bill Paulette, Keydet Club President, who had a family commitment. From Mr. Paulette, the bottom line is that VMI must win, and the Keydet Club stands ready to raise the scholarship and operating dollars necessary to make VMI successful both on the athletic field and in the classroom.

- 19. Steve Coor, Co-President of the 2012-2013 Parents Council, provided highlights of the work of the Council this past academic year.
- a. He and his wife Kitty were Co-Presidents and their main goals were to provide information flow between parents and VMI, be good ambassadors, assist in the area of cadet welfare and development, and in the growth and development of the VMI Foundation.
- b. There were also numerous things that they and the Council did not want to do:
 - Not to expect Council involvement to confer special status
 - Not to be policy advocates, but rather supporters
 - Not become involved in individual cadet issues or problems beyond being listeners or referral sources
 - Not provide incorrect information or lend credibility to rumors
 - Not involve cadets in Parents Council matters
 - Not engage directly in fundraising, but work with the Foundation in support of the Society of Family and Friends
- c. There are four committees within the Parents Council
 - 1. Activities Committee offers experience and advice to new cadet parents, supports the Summer Transition Program (STP) registration, hosts the prematriculation social reception, staffs matriculation day activities, and the Chairpersons coordinate, plan, and staff the tailgate tent at home football games
 - 2. Recruiting Committee participates in Admissions Open House Weekends, Alumni Chapter activities throughout the country, calls parents of prospective cadets who have been accepted, supports STP programs and matriculation, and attends the Friday portion of the Open House for panel Q&A and the evening reception for one-on-one visits
 - 3. Society of Family and Friends coordinates fund raising activities with the VMI Foundation and helps educate parents about the importance of private fund needs for VMI
 - 4. Communications Committee seeks to foster accurate communications with parents and assist VMI with communications through the website and the Institute Report
- d. General Peay presented Mr. Coor, and his wife in absentia, VMI's Certificate of Excellence and read the accompanying Citation.

- 20. Mrs. Camp, Chair of Academic Affairs, reported on the meeting of her committee.
- a. A motion was made by Mrs. Camp, seconded by General Jumper, that the Academic Affairs Committee has considered the Changes in Faculty and Staff, dated 22 April 2013 and recommends that the Board of Visitors approve these changes. The motion passed.
- c. A motion was made by Mrs. Camp, second by Mr. Ramsey, that the Academic Affairs Committee has considered the Graduation List for May 2013 graduates, dated 15 April 2013.

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 31 January 2013 graduates (Memorandum Number 28, dated 31 January 2013, be accepted and filed with the minutes of this meeting. The motion passed. The final list of 31 January 2013 graduates is filed with the minutes of this meeting as **Appendix V**.

- d. <u>A motion was made by Mrs. Camp, seconded by Mr. Mundy, that the Academic Affairs Committee has considered the proposals approved for funding [Enclosure (1)] by the Jackson-Hope Board of Overseers and recommends that the Board of Visitors approve these appropriations.</u> The motion passed. The memorandum to the Board and Enclosure 1 are filed with the minutes of this meeting as **Appendix VI**.
- e. <u>A motion was made by Mrs. Camp, seconded by Dr. White, that the Academic Affairs</u>

 <u>Committee has considered the Faculty Handbook, May 2013 and recommends that the Board of Visitors approve the changes included as Enclosures 1 & 2 and that these changes be made part of the minutes.</u> The motion passed. The Enclosures are filed with the minutes of this meeting as **Appendix VII**.
- f. A motion was made by Mrs. Camp, seconded by Mr. Allen, that Academic Affairs Committee has considered the recommended Curricular Changes dated 22 April 2012 and recommends that the Board of Visitors approve the changes included as Enclosures 1 4 and that these changes be part of the minutes. The motion passed. The memorandum accompanying the motion and Enclosures 1 4 are filed with the minutes of this meeting as **Appendix VIII**.
- g. BG Schneiter reviewed the plan to increase the percentage of alumni on the VMI faculty through identifying cadets and young alumni who may want a career in teaching in higher education and providing mentoring, counseling, and financial support. The cornerstone of this effort is to provide two alumni four-year graduate study scholarships annually (\$20,000 each year). The alumni would comply with certain conditions which would include an obligation to apply for faculty openings at VMI in their field for a certain amount of time and if selected would agree to accept. The initial years of the scholarships will be funded through the Gilliat-Munford Scholarship endowment. The goal is to sustain a program for VMI to grow its own with particular emphasis on the humanities in which there are few alumni faculty members. General Jumper requested that BG Schneiter present his briefing to the full Board at its September meeting, and for VMI to encourage female alumnae in this effort. Mr. Fraim noted that this has been a concern of the Board for many years and that having more alumni on the faculty is important to the culture and teaching of cadets. Dr. White suggested that the plan be given a name/title for branding purposes. Mrs. Camp suggested that the plan be approved at the September Board meeting.
- h. The committee received a report on the Miller Academic Center regarding a pilot program regarding how to manage study skills throughout the "Rat" Year.

- i. Colonel Christina R. McDonald, Director of Writing, gave a presentation on the electronic portfolio, created by students/cadets for a variety of purposes to include general education, the major, personal and life planning, freshman learning, advising, graduation, professional credentials, etc.
- j. Colonel James. E. Turner '65, Head of the Biology Department, reported on the VMI Service Committee established in 2011. There are numerous service programs and related organizations on Post to include the Shepherd Poverty Program, Engineers Without Borders, Haiti and Guatemala Programs, Timber Framers, FTX Community Programs, and Character and Faith based initiatives.
- k. During the current academic year, the faculty attended 107 conferences, published 42 scholarly papers, and published six books.
- 21. Mr. Ramsey, Chair of Audit, Finance, and Planning, reported on the meeting of his committee.
- a. Prior to presenting the FY2014 budget for a vote, Mr. Ramsey noted that the budget calls for a \$5.3 million increase (7.2%) with mandated costs of approximately 60%, to include salaries, health insurance costs (18% increase), utilities, and Cocke Hall food costs, over which VMI has little discretion. The budget also recommends a 4.3% increase for in-state tuition & fees and a 4.7% increase for out-of-state. VMI will also pay almost 2/3 of the cost for a 3% pay increase for faculty/staff and 2% + for classified employees, the first state raises since December 2007. He provided the following comparison figures for budget over the past six years. Enrollment has increased 18.4%; in-state tuition has risen 32.3%; out-of-state tuition has risen 28.3%; financial aid has increased 39.9 %; full-time employment is up 12.8%; total payroll to include fringe benefits has risen 15.2%; the operating budget has increased by 21.6%; total state funding has decreased by 10.2%; tuition + fees has increased 61.8% (result of higher enrollment and annual increases); and private and other sources are flat, however, as a caveat, the Foundation is paying \$2.6 million per year in debt service. A motion was made by Mr. Ramsey, seconded by Mr. Sampson, that the Board of Visitors approve the 2013-2014 Operating Budget. The motion passed. The memorandum to the Board is filed with the minutes of this meeting as Appendix IX.
- b. The committee discussed the faculty salaries and concluded that whatever plan is adopted must be sustainable.
- c. VMI received a non-qualified audit from the State Auditor of Public Accounts. There were no major issues, with two areas of improvement suggested out-processing procedures for individuals terminating employment, and EVA, the state's electronic procurement procedures.
- d. Colonel Thomas F. Hopkins, Director of Information Technology, reported that VMI's partnership with the Rockbridge Area Network Authority will save between 50-80% in Internet costs and the new copier contract throughout Post with Ricoh will save approximately 40%. Over the summer VMI will be working with the Army National Guard Cyber Command to ensure better security for all Post computers, and the new network Emergency Notification

Systems are being evaluated in order to produce a unified interface with all VMI emergency notification components.

- e. The budget performance report shows an end-of-year Auxiliary Fund Balance of \$6.9 million, an increase of \$1 million over what was projected a year ago.
- f. The committee also received a report on the State Manpower Control Program, which will affect adjunct faculty and other part time employees limiting them to less than four three-hour courses per semester and 30 hours per week.
- g. BG Green reported on compliance, noting 47 minor incidences, but nothing of consequence.
- h. Enrollment projections and the Six-Year Plan have been presented to SCHEV.
- i. The Institute is required to report to the Board regarding its Debt Policy. VMI is in compliance with all covenants of the Debt Policy, the two primary components being unrestricted net assets should be at least 25% of total direct debt of the Institute (VMI currently is at 95%) and the maximum annual debt service should not exceed 10% of operating expenses (VMI is at 1.6%).
- j. The committee discussed the JLARC visit (see Item 12 b. of these minutes), and VMI is awaiting a response from them.
- k. In light of the faculty salary initiatives presented to the Board, Mr. Robertson posed the question of where VMI wants to position itself in terms of faculty salaries and about the time frame regarding the faculty salary initiatives presented to the Board. General Peay said that the staff will be reviewing the faculty and staff salary plans over the summer. He pointed out that he is dedicated to improving salary discrepancies sooner rather than later, however, there are other aspects to be considered regarding teaching at VMI, the study parameters, and budgetary concerns. Mr. Fraim acknowledged the importance of competitive faculty salaries, and also pointed out that the Board must be good stewards of the Institute's finances.
- 22. Mr. Ramsey, in the absence of Mr. Latsha, reported on the meeting of the Appeals Committee.
- a. Colonel Thomas S. Baur '75, Superintendent's representative to the Honor Court, his assistant George M. Brooke IV '94, current Honor Court President Mr. Coursey, and next year's President Zachary P. Judson attended the meeting.
- b. COL Baur reported that there were a few honor court cases currently on the docket, with at least two which will be carried over until the fall.
- c. In response to the type of cases the honor court is reviewing, COL Baur said that most were cheating and false official statement. There have been no cases of stealing this year.

- d. Mr. Sampson asked about the reporting of incidents. Cadet Coursey said that faculty report many of the cheating and false official statement cases since they occur on reports or tests. However, cadets are very active in reporting various concerns of potential honor court offenses or issues to the Honor Court members on a weekly basis. Coursey noted that the Court stressed education to the Corps, in particular the Fourth Class, throughout the year.
- e. The Committee held a "Closed Session" to discuss a past Honor Court appeal.
 - 23. Mr. Mundy, Chair of Athletics, reported on the meeting of his committee.
- a. All VMI sports are projected to be above the 925 Academic Progress Rating for the NCAA, based on eligibility and retention, for the four-year cumulative average.
- b. VMI sponsors 18 sports (11 men, seven women). Coach White briefly reviewed a winter/spring sports update. Both men's and women's rifle teams had winning records with Coach (LTC) William F. Bither, Sr. receiving Mid-Atlantic Conference Coach-of-the-Year honors. Basketball and indoor track (men and women) had average seasons with lacrosse, wrestling, swimming (men's & women's) and baseball being sub-par. Women's Water Polo continues to improve. Some individual highlights included Stan Okoye (Big South Conference Player-of-the-Year) and D.J. Covington (Big South Defensive Player of the Year) for basketball; three Conference Indoor Track Champions Jenna Moye (Mile), Jacob Lysher (800m), and Antonio Wood (Heptathlon); two Conference Outdoor Champions Kate Collins (Pole vault) and Avion Jones (High Jump); and outfield Rob Dickinson ranks 10th in NCAA Division I in hitting with an average of .404.
- c. Budgetary concerns continue to weigh on VMI and the Keydet Club (see Item 8 of these minutes.) Over the past 13 years the average cost for a full scholarship has more than doubled, from \$16,255 to \$32,986. Out of state-scholarships are almost twice that of in-state scholarships.
- d. VMI continues to watch the rapidly changing Conference alignments and will consider all options as the landscape evolves.

24. General Jumper, in the absence of MG Hickerson, reported on the meeting of the

Cadet/Military Affairs Committee.

approximately 52%.

a. The commissioning numbers for all services is expected to be over 170 for the FY 2013,

- b. At this point, the Sequester is having only minimal effects on the ROTC departments and scholarships.
- c. The Commandant and the three ROTC Department Heads work together to help ROTC cadets find a back-up plan if some anomaly arises, whether it is health, grades, or other to assist them in commissioning.

- d. The ROTC Department heads reported that cadet performance at FTX was excellent. Hundreds of cadets also participated in numerous community service projects during the FTX period.
- e. Next year's Regimental Commander is Cadet Joseph T. Bishop and the Battalion Commanders are Cadets James A. Ethington and Eric B. Alter.
- e. The committee received an end-of-the-year report on Clubs sports activities. Over 400 cadets participated in 21 club sports. General Jumper asked that COL Strickler send the full Board the slides from that presentation.
- f. Lieutenant Colonel William J. Carr, Army ROTC Executive Officer, coordinated an effort for four VMI teams (five cadets each) to compete in the Mountain Man Memorial March in Gatlinburg, Tennessee in April. Each team sponsored a Gold Star Family (families who lost a relative in the Iraq War). The VMI teams finished 1st, 7th, 9th, and 12th among 19 teams in the 26.2 mile heavy category. The first place team broke the course record by 15 minutes and received a \$1,000 grant which was given to the Gold Star Family program.

- 25. Mr. Robertson, Chair of External Relations, reported on the meeting of his committee.
- a. There was no additional government relations update since the Board was given a detailed briefing the previous day (see Item 6 of these minutes).
- b. The Office of Communications and Marketing (C&M) has produced a 30 minute video of the presentation about the history and legacy of VMI which Colonel Keith E. Gibson, Executive Director of Museum Operations, gives to prospective cadets during Admissions Open House weekends.
- c. Through the efforts of Lieutenant Colonel Kate Cross, C&M Web Communications Designer-Editor, the VMI web page is accessible from any mobile device. C&M is also working with Admissions to update their website.
- d. With the addition of the Marshall Library and its museum store coming online with VMI, Colonel Gibson gave a brief review of all museums under VMI's purview, noting that the Stonewall Jackson House has integrated well into the VMI system. He mentioned that the VMI Heritage Exhibit at the VMI Museum is progressing well. Major Troy D. Marshall, Site Director at the Virginia Museum of the Civil War at the New Market Battlefield State Historical Park, highlighted some initiatives underway to celebrate the 150th anniversary of the Battle of New Market next May. He is working with the National Park at Gettysburg to hopefully attract some of that summer traffic to New Market. There will be a special program at Jackson Memorial Hall on 19 May in conjunction with "14 Days in May," the 150th anniversary of Stonewall Jackson's wounding, death, and burial surrounding the Battle of Chancellorsville.

e. Mr. Robertson mentioned both the New Market Medal Award and the Jonathan Myrick Daniels '61 Humanitarian Award and invited Board members to make nominations for either award. The last New Market Medal was presented to Frank G. Louthan, Jr. '41 in 2012 and the last Daniels' Humanitarian Award recipient was Dr. Paul V. Hebert '68 in 2011.

- 26. General Jumper, Chair of Nominating and Governance, reported on the meeting of his committee.
- a. Ms. Elizabeth Griffin, Assistant Attorney General and VMI's liaison in the AG Office in Richmond, briefed the committee on governance issues for Boards of Visitors related to the passage of House Bill 1952 at the 2013 General Assembly session. She will work with Colonels Curtis and Strickler to craft language which will need to be codified in the Board Bylaws. These changes will be brought to the Board by the Nominating and Governance Committee through the Executive Committee (as required in the House Bill) at its September meeting.
- b. Nominations for the Board appointments for FY 2013-14 were sent to Governor through the VMI Alumni Association (per state statute) in March. Terms for Mrs. Camp and Mr. Mundy expire while General Jumper and Mr. Latsha are up for reappointment.
- c. Next year terms for Mr. Fraim, MG Hickerson, and Mr. Robertson expire. General Jumper encouraged the Board to think about this and vet names with the committee.
- d. A motion was made by General Jumper, seconded by Mr. Foster, that the Board of Visitors adopt the following slate of officers for 2013-2014: Mr. Ramsey President; General Jumper, Mr. Latsha, and Mr. Gottwald Vice-Presidents; MG Hickerson non-alumni member of the Executive Committee; Colonel Curtis Secretary; Cadet Weston S. Hitchcock '14 Cadet Representative. The motion passed.
- 27. <u>A motion was made by Mr. Fraim, seconded by Mr. Allen, that a letter be sent by the Superintendent on behalf of the Board of Visitors wishing Mr. Collins a full and speedy recovery from his recent illness</u>. The motion passed.

- 28. **Entered into Closed Session**: A motion was made by Mr. Ramsey, seconded by Mrs. Camp, to enter into a Closed Meeting. The motion passed and the Board entered into Closed Session at 1032 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 case, an Honor Court appeals case regarding a former cadet, and regarding discussions with a VMI alumnae.
 - 2. Disciplinary and other matters involving specific cadets, and individuals (pursuant to 2.2-3711 (A) 2) relating to indiscipline and honor court cases.

- 3. Personnel matters related to specific individual employees related to assignment, appointment, promotion, performance, discipline, resignations, 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, the Miller Academic Center, succession plans/senior personnel, the new Faculty Athletics Representative, and the Superintendent's performance evaluation and compensation.
- 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 foreign VMI cadet.
- 5. 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.
- 6. Discussion of plans to protect public safety as it relates to terrorist activity and briefings by staff members, legal counsel, or law-enforcement or emergency service officials concerning actions taken to respond to such activity or a related threat to public safety; or discussion of reports or plans related to the security of any governmental facility, building or structure, or the safety of persons using such facility, building or structure (pursuant to 2.2-3711 (A)19) regarding possible cyberattacks on ROTC computers.

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29. **Return to Open Meeting**: <u>At 11:55 hours, a motion was made by Mr. Ramsey, seconded by Mr. Foster, certifying the Closed Meeting</u>. The motion passed by unanimous vote.

30. <u>A motion was made by Mr. Ramsey, seconded by Mr. Gottwald to approve General Peay's report on the Superintendent's Management by Objective (MBOs) for 2012-2013 and the Superintendent's MBO's for 2013-2014.</u> The motion passed. Both documents are filed with the minutes of this meeting as **Appendix X**.

31. A motion was made by General Jumper, seconded by Mr. Foster, that effective 1 July 2013, General Peay receive a \$10,000 increase in his annual compensation in addition to the 3% pay increase that state employees will receive in July 2013 and that his deferred compensation payment be increased to 50% of his base pay after adjusting for the \$10,000 and

3% increases. In addition General Peay's moving expenses will be paid by VMI following his <u>term as Superintendent</u>. The motion passed.

32. The following motion was made by Mr. Ramsey seconded by Mr. Mundy: <u>In accordance with the Superintendent's contract, the Board of Visitors approve a 30% of base-pay deferred compensation payment in the amount of \$102,000 for FY 2013. This payment will be added to General Peay's deferred compensation account on 30 June 2013. The motion passed.</u>

33. There being no further business to come before the Board, the meeting was adjourned at 1159 hours.

Michael M. Strickler '71, Secretary