

VIRGINIA MILITARY INSTITUTE
Lexington, Virginia
Minutes
BOARD OF VISITORS MEETING
13-14 September 2016

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 on Tuesday, 13 September and continuing at 0800 hours on Wednesday, 14 September pursuant to notice.

Present: General John P. Jumper '66, USAF (Ret), President
 Mr. John W. Boland '73
 Mrs. Lara T. Chambers '03
 Mr. George Collins '62
 Mr. Brian R. Detter
 Lieutenant General Charles E. Dominy, USA (Ret)
 Mr. Bruce C. Gottwald, Jr. '81
 Mr. Conrad M. Hall '65
 Mr. Richard K. Hines V '66
 Mr. David L. Miller '70
 Mr. Kimber L. Latsha '77
 Mr. Scot W. Marsh '81
 Honorable Joseph R. Reeder
 Mr. Eugene Scott, Jr. '80
 Lieutenant General Carl A. Strock '70, USA (Ret)
 Lieutenant General Frances C. Wilson, USMC (Ret)

Absent: Major General Timothy P. Williams, VAARNG

Tuesday, 13 September 2016 – 0800

1. General Jumper presided and called the meeting to order. Lieutenant Colonel Sean P. Harrington, Secretary to the Board of Visitors, recorded the minutes. Also present was Ms. Elizabeth Griffin, legal counsel, Office of the Attorney General.

2. General Jumper welcomed everyone and thanked them for their attendance. He introduced LTG Charles Dominy, Mr. Scot Marsh '81 and LTG Carl Strock '70 as new Board members. He also recognized and congratulated Mr. George Collins '62 on his reappointment to the Board. General Jumper also introduced the President of the Parents Council, Mr. Ray (in attendance) and Michelle Lancaster. He thanked them for their unyielding support to the Corps of Cadets and each of their families. He informed the Board members that they have each been provided with a Smart Book of key Institute officials and a historical vignette about the design of the VMI barracks.

3. A motion to approve the Board of Visitors Resolutions for the following persons was made by Mr. Hall, seconded by Mr. Boland: Mr. George P. Ramsey III '72, former Board President; and Dr. H. George White, Jr. '54, former Board member. The motion passed unanimously. The resolutions are filed with the minutes of this meeting as **Appendix I**.

4. General J. H. Binford Peay III '62, VMI Superintendent, then addressed the Board. A copy of the briefing slides will be appended to these minutes as **Appendix II**. He briefed the Board on "The Institute Today—VMI's 177th Year." He had not done this in 3-years and felt a full overview was important.

- a. General Peay highlighted the summer furlough activities for 2016. There were 406 cadets enrolled in summer session I and II, 232 cadets enrolled in the Summer Transition Program, 119 cadets participated in Study Abroad programs, and 59 cadets participated in the Undergraduate Research programs. The summer ROTC programs had 316 commissioning track cadets participate in various service-related camps and training activities. Additionally, over 1100 high school student athletes participated in various athletic camps sponsored by VMI over the summer. General Peay also highlighted the ongoing construction and maintenance efforts over the summer, and provided proposed timelines on the completion of the three major capital construction projects (Cormack Hall, Cocke Hall, and Corps Hall).
- b. General Peay provided the Board with a historical perspective of changes in the Institute today as compared to 25-years ago. The Corps has grown in size from approximately 1,300 cadets to a little over 1,700 today. VMI moved away from its mandatory commissioning practice to an optional commissioning program for the Corps. Coeducation is now in its 19th year and continues to be a successful journey for the institution. VMI has experienced significant growth in undergraduate and foreign study programs, and has increased its curricular footprint...13 to 14 majors of study and 11 to 31 minors. The faculty composition has gone from over 50% VMI graduates to approximately 11%. The athletic programs have increased with 7 new women's teams and an Operating Budget that has grown from \$1.5M to \$7.8M annually. The average class size has moved from 15:1 ratio to 11:1 along with the elimination of mandatory Saturday classes. Information Technology has changed the academic and barracks landscape, and VMI is now a wireless Post. In state tuition has increased to \$26.5K from \$6.5K, and out-of-state has increased to \$50.8K from \$10.6K. The total operating budget has grown from \$29.5M to over \$102M during this period. Finally, General Peay discussed changes in the Honor system with the establishment of jury of peers vice trial by Honor Court, while preserving one of the only true single-sanction honor systems in the country.
- c. General Peay reviewed the mission and vision of the Institute, and gave an overview of how VMI runs as an organization. He discussed roles of the various committees, our

partnership with the three alumni agencies, interaction with our Board of Visitors, and the key established processes (Strategic Plan, 6-Year Financial Budget Plan, Facilities Master Plan, 4-Year Rolling Calendar).

- d. General Peay briefed the composition of the Corps of Cadets for academic year 2016-2017. The Class of 2020 consisted of 506 rats, with 60 females, 95 recruited NCAA athletes, across 38 states and 4 countries. The acceptance rate was 50% and the average GPA was a 3.65. The current Corps size is comprised of 1,713 cadets (1,028 Virginians/685 non-Virginians), 451 NCAA athletes, 27 foreign cadets, and 197 females. Math/Science/Engineering majors represent 58% of the Corps, with the remaining 42% studying the various Liberal Arts majors. General Peay briefed the Board on the current retention rates and under-represented population statistics over the past decade. He also gave the Board an overview on the “Day in the Life of a Cadet” which covered the daily schedule, academic and athletic programs, ROTC requirements, and the VMI unique military training requirements.
 - e. General Peay briefed the current sources of financial revenue broken out by state funding, cadet revenues, and private contributions. He also provided a construction update on the major projects that have taken place over the past several years, along with an update on the Corps Physical Training Facility. He briefed the Board that they will be given a tour of Corps Hall during the afternoon session.
 - f. General Peay concluded his remarks by providing the Board with some insight on the growing “Trends in Higher Education” and the challenges ahead on the 5-year horizon. At the federal level, VMI has experienced increased resource competition, access and affordability issues, changing priorities, increased oversight, and greater focus on campus safety and security. At the state level, there is greater focus on producing more degrees versus workforce credentials, unstable state revenues and pressure on tuition/fees, tension over centralized versus decentralized oversight, and K-12 priorities and concerns.
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5. BG Robert Green '67, Deputy Superintendent for Finance, Administration, and Support, briefed the members on the FY17 Operational Budget and other issues. A copy of his slides will be appended to these minutes as **Appendix III**.

- a. BG Green reviewed the key financial indicators for the year. The projected total Education and General Funds for FY17 is \$37.6M. Of that total, the projected General Funds represent \$10.2M and Cadet Tuition and Fees represent \$27.4M of the total state revenues.
- b. BG Green discussed the increase in tuition and fees for FY17. In-state tuition increased by 4% and out-of-state increased by 5.2%. Additional fees for FY17 increased by 5.5% and those fees include room, board, medical, cadet activities/facilities, athletic, laundry, haircuts, and UMA activities. The total cost increase for in-state cadets is 5% and for out-of-state is 5.3%.

- c. BG Green briefed the Budgeted Dollars for Personnel in FY17. VMI has 590 full time employees with \$52M budgeted for salaries/fringes. There are 143 teaching faculty members with a budget of \$15.6M (30%), 147 A/P staff members with a budget of \$14.9M (29%), 300 classified employees with a budget of \$16.4M (31%), and the remaining personnel budget comprised of part-time employees with a budget of \$5.1M (10%).
 - d. BG Green provided an update on the Auxiliary Fund balance. The current balance is \$12.9M with a projected ending balance of \$11.5M in June 2017.
 - e. BG Green concluded his remarks by providing the Board members with a “way ahead” on budgetary matters. He mentioned that the Governor directed all executive branch agencies submit a 5% reduction plan for FY17, but higher education institutions were exempted. Additionally, he briefed that each of the program heads submitted contingency plans for a 5% and 10% reduction in funding back in December to remain postured for any potential cuts. Finally, he mentioned that addressing employee compensation concerns and the slowing down of cadet tuition and fee increases remain a top priority for the Superintendent.
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6. BG Jeffrey Smith '79, Dean of the Faculty, updated the members on the Academic Program at VMI. A copy of his slides will be appended to these minutes as **Appendix IV**. His topic items focused on updates to the Southern Association of Colleges and Schools Commission on Colleges Process (SACS COC), the Compliance Certification, and Quality Enhancement Plan (QEP). He briefed that an off-site committee examined the VMI Compliance Certification Report in April 2016 in preparation for the official On-Site Committee visit in October 2016. This Committee will evaluate VMI's compliance and standards and the Institute's approach towards its QEP. The QEP topic is titled “Programming Across the Curriculum” and the Dean gave a brief summary of the QEP and how it will be implemented. The 6-year cost of the QEP is expected to be approximately \$686K.

7. General Peay concluded his report to the Board by providing a “Look Ahead” at the major events and activities for the upcoming academic year. General Jumper reminded the Board of the afternoon Corps Fitness Training Facility tour and asked that they begin their Committee meetings early and keep them on-time throughout the remainder of the day. Pending no further questions from the Board, the meeting adjourned at 0935 hours to reconvene Wednesday, 14 September 2016, at 0800 hours.

Wednesday, 14 September 2016 – 0800 hours

8. General Jumper called the meeting to order at 0800. During his initial comments, he thanked Mr. Brian Crocket and BG Robert Green for all of their efforts and contributions to VMI. This was their last Board meeting prior to their retirements later in the year.

9. A motion was made by Mr. Latsha, seconded by Mr. Boland, to approve the minutes of the 29-30 April 2016 meeting of the Board of Visitors. The motion passed unanimously.

10. First Class President Hamp A. Beddoes '17, Regimental Commander Timothy J. Davison '17, and Honor Court President Eric W. Inman '17 were introduced and made brief statements to the Board regarding their particular areas within the Corps of Cadets.

- a. Cadet Beddoes opened by providing a brief overview of events to date and the way ahead for this upcoming academic year. His primary goal is to continue strengthening the class system and enforcing the standards and privileges afforded to each class in barracks. His second goal is to ensure that the rat class is being properly prepared and trained to become a cohesive and well bonded class prior to breakout. He stressed that is important to manage a successful dyke system, and that there will be several rat events and community events throughout the year to help with the overall class bonding experience. His final goal is to facilitate the transition and training for next year's class leadership into taking responsibility for barracks well in advance of graduation this year. He wants to set the class leaders for 2018 up for success when they are first classmen.
- b. Cadet Davison reported on the results of matriculation week and the upcoming regimental plan for the academic year ahead. He commented that matriculation went very well and the events for the first two weeks were very professional. Provisions were made to account for the high temperatures and they were able to minimize heat related injuries. The attrition rate for rats this year is lower than last year and he credited that to the success of his cadre. He reported that the New Market event for the rats went very well and that the first parade of the year went better than anticipated. He commented on how busy the fall calendar will be and that there will be an increase in time constraints over the months ahead. His initial goals are to improve overall esprit de corps, educate the rats on the VMI heritage, and keep things into perspective for the rats. He concluded his remarks by commenting how great the overall cadet leadership has been this year and he looks forward to a successful year ahead.
- c. Cadet Inman reported on his vision and expectations for the Honor Court for the upcoming year. His primary focus is on continued education for the Corps of Cadets. Since there was an uptick in cases from last year, he wants to keep educating the Corps on the various issues and keeping transparency in the overall process. He commented on the importance of cadets properly documenting their help received statements, and stressed that greater emphasis on certification will be discussed and implemented. He

recognized that the Honor Court priorities may adjust as the year progresses, but he has a very solid court and great group of leaders that comprise the members for this academic year.

- d. General Jumper thanked the cadet leaders for their time and wished them well as they lead the Corps this year. As the cadets had class to attend, they then departed.

11. General Peay introduced the new Institute Chaplain, Robert Phillips '87 to the Board. He also took the opportunity to inform Mr. Eugene Scott, current member of the BOV, of his recent selection to be on the next round of inductees into the VMI Sports Hall of Fame. The Sports Hall of Fame induction will be held in Feb 2017.

12. The Board received remarks from representatives of the Alumni Agencies: Mr. Robert P. Louthan '82, President of the VMI Alumni Association (VMIAA); Mr. Paul A. Bouis '67, Executive Committee of the VMI Keydet Club; and Mr. Brian Crockett, Chief Executive Officer of the VMI Foundation (VMIF).

- a. Mr. Paul Bouis gave the remarks for the Keydet Club after being introduced by Mr. Greg Cavallaro. He commented on the current financial report and gave credit to Mr. Cavallaro and the team for their fundraising efforts to date. He stated that it is important that we begin to build a system of legacy for our current cadets so that it will grow into a lifetime of giving. He concluded by discussing upcoming fundraising initiatives and the scholarship banquet to be held in early October.
- b. Mr. Louthan introduced himself as the President of the Alumni Agency. He focused on the mission of the association and discussed three points regarding the future of the organization. The first was how the agency is going through a reorganization from top to bottom with enhanced joint agency operations. Through part of his organizational efforts, he is putting greater emphasis on diversity and the inclusion of more minority and female alumni into the leadership of the agency. He also commented on the need to better promote the general welfare of the Institute by creating coordinated activities and opportunities for our alumni to come together to generate momentum in fundraising and various other support to VMI. He concluded his remarks by stating that the Agency will work on creating a greater unity of effort. Due to the diverse group of alumni we often take separate paths in working toward the same goal.
- c. Mr. Crockett provided an update to the VMI Campaign. The Foundation funded \$288M in unrestricted funds representing the highest effort in the history of the Foundation. \$77M was raised within the last year, of which \$34.5M was in cash representing the highest ever in any fiscal year. The current graduate alumni participation is 29.6%. Mr. Crockett thanked Class of 1966 for raising \$50M in fundraising with a 99% participation rate. Former faculty member George Piegari is leading the faculty fundraising effort.

Mr. Crockett identified new personnel to the Foundation and outsourced IT ops. Institute Society dinner will be very large... departing comments, thanked Gen Peay and his vision and opportunity to serve the Institute.

13. Mr. Hines, Chair of Academic Affairs, reported on the meeting of his Committee.

- a. A motion was made by Mr. Hines, seconded by Mr. Latsha: The Academic Affairs Committee has considered the Changes in Faculty and Staff list dated 29 August 2016, and that the Board of Visitors approve these changes. The motion passed unanimously. These Changes will be filed with the minutes as **Appendix V**.
 - b. Mr. Hines made the following motion, seconded by Mr. Collins: The Academic Affairs Committee has considered the Graduation List dated 16 August 2016. The Committee recommends the Board of Visitors approve this preliminary list of graduates. The Board of Visitors grants 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 graduates in May 2016 (Memorandum Number 32, dated 18 May 2016; and Memorandum Number 34, dated 26 May 2016 – Enclosure 3) be filed with the minutes of this meeting. The motion passed unanimously. The final list of May 2016 graduates is filed with the minutes of this meeting as **Appendix VI**.
 - c. Mr. Hines made the following motion, seconded by Mr. Boland: The Academic Affairs Committee has considered the recommended Curricular Changes dated 29 August 2016. The Committee recommends that the Board of Visitors approve these changes and that they be made part of the minutes. The motion passed unanimously. These changes will be filed with the minutes of this meeting as **Appendix VII**.
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14. Mr. Hall, Chair of the Audit, Finance and Planning Committee reported on the meeting of his Committee.

- a. The Committee approved their minutes from the April 2016 meeting.
- b. VMI's Strategic Plan sets forth the Institute's goals and strategies over a six year planning period and assists VMI in setting priorities and making appropriate budget decisions. The Board approves the Plan and all amendments to it. The Committee considered the updates to the Strategic Plan during its meeting. A motion was made by Mr. Hall, seconded by Mr. Boland, that the Board of Visitors approve and adopt the VMI Strategic Plan Update 2016. The motion passed unanimously. The Plan will be maintained within the office of the Deputy Superintendent for Finance, Administration, and Support.

- c. In accordance with State directives, VMI submits an annual plan to the Secretary of Administration which details efforts to increase or maintain spending with small, woman-owned, and minority-owned (SWaM) businesses for the current fiscal year. The Board approves these plans. The Committee reviewed VMI's SWaM Plan during its meeting. A motion was made by Mr. Hall, seconded by Mr. Scott, that the Board of Visitors approve the 2016-17 SWaM Plan as outlined in Attachment A. The motion passed unanimously. The 2016-17 VMI SWaM Plan is filed with the minutes as **Appendix VIII**.
 - d. The Six Year Plan for SCHEV was reviewed and discussed. The Committee considered the Plan during its meeting. A motion was made by Mr. Hall, seconded by Mr. Collins, that the Board of Visitors approve VMI's updated Six Year Plan for FY 2017 to FY 2022. The motion passed unanimously. The memorandum to the Board is filed with the minutes of this meeting as **Appendix IX**. The Six Year Plan will be maintained within the office of the Deputy Superintendent for Finance, Administration, and Support.
 - e. The VMI Design-Build and Construction Manager Approval Procedures was reviewed and discussed by the Board. Per House Bill 30, VMI submitted on 8 August 2016 a draft set of procedures to the Department of General Services for review and recommendation. A motion was made by Mr. Hall, seconded by Mr. Boland that the Board of Visitors approve the VMI Design-Build and Construction Manager Approval Procedure. The memorandum to the Board is filed with the minutes of this meeting as **Appendix X**.
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15. Mr. Latsha, Chair of the Appeals Committee, reported on the meeting of his Committee.

- a. The Committee met with the cadet Honor Court leaders and with Colonel Thomas S. Baur '75 and Lieutenant Colonel George M. "Merce" Brooke IV '94, the Superintendent's lead and assistant faculty representatives, respectively, to the Honor Court. He commented that the Honor Court leaders discussed their plans for the year as it relates to education and transparency to the Corps. He reiterated the comments by the Honor Court President, Cadet Eric Inman '17 earlier in the meeting.
 - b. Mr. Latsha commented on the work done by the faculty representatives, Ms. Elizabeth Griffin, and the Honor Court over the summer with updates to the Honor Court Standard Operating Procedures was phenomenal. He was impressed with the interaction of the Court and involvement of everyone involved in working towards a common effort. He assured the members that as the oversight committee to the Board that the Honor Court and overall system is as good as it ever has been.
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16. Mr. Boland, Chair of the Athletics Committee, reported on the meeting of his Committee.

- a. He briefed that the Committee had the opportunity to meet several cadet-athletes and hear their stories about the upcoming season and life as a cadet. The Committee was very impressed by those cadets that were able to attend.
- b. Mr. Boland highlighted the 2016-2017 new athletic staff recently hired for this academic year. He thanked Dr. Diles for continued excellence in the hiring of highly qualified individuals.
- c. Dr. Diles commented that the Committee reviewed the Spring 2016 Cadet-Athlete Academic Performance Rate (APR) summary. The cadet-athlete term (2.755) and cumulative (2.703) grade point averages increased. This represented the highest GPA average over the last six terms this APR has been measured. Men's Cross Country and Women's Water Polo posted team term GPAs over a 3.0.

17. The Board took a brief recess at 0936 and reconvened at 0945.

18. LtGen Wilson, Chair of the Cadet/Military Affairs Committee, reported on the meeting of her Committee.

- a. She reported that the ROTC and commissioning program remains strong. The Army and the Navy ROTC programs remain the largest commissioning sources in the Nation (second only to West Point and Annapolis). The ROTCs expect 175 commissions in FY17 representing 53% of the Corps of Cadets. She provided an overview of the respective ROTC departments and their upcoming events for the academic year.
- b. She discussed the Cadet Life programs and initiatives for the academic year. Highlights for the fall included the matriculation week events, Homecoming week festivities, and the Ring Figure ceremony for the fall. She also discussed some of the happenings with VMI Club Sports and the Extracurricular Clubs currently being offered at VMI.

19. Mr. Reeder, Chair of External Relations, reported on the meeting of his Committee.

- a. He reported on the Committee review of the Communications and Marketing Report. Colonel MacInnis noted that the annual report for the 2015-16 fiscal year for the Office of Communications and Marketing was included in the board packet to provide awareness of the scope, volume, and quality of work produced by the office.
- b. He reported on the VMI Museum Programs Report. On 3 Sept 2016, an exhibit of 20th century Chinese Gen. Sun Li-jin, a 1927 VMI graduate, was opened in the Hall of Valor in Marshall Hall. The exhibit was assembled by several organizations in the Peoples Republic of China and in the U.S. It includes 50 scrolls about Gen. Sun's life, and it will be made available for other museums, possibly including the Virginia War Memorial and the Virginia War Museum. A dedication of the Kaminsky Gallery of Civil War Firearms at the New Market Battlefield site was conducted on 4 Sept 2016. The collection

includes 125 unique and distinctive weapons, and shows the dynamic development of weapons in the mid-19th century. Regarding the Civil War Museum at New Market, work has nearly been completed on minor repairs and repainting of the Bushong House.

- c. Mr. Reeder reported that Michael Anne Lynn will retire 1 Oct 2016 after 35 years of service with the Stonewall Jackson House, including the last six years in the employ of the Institute. Her leadership was essential to the integration of the House into the larger VMI museum system. Mr. Reeder thanked her for her service.
- d. Mr. Reeder reported on the Government Relations Report. He discussed that a report provided by McGuireWoods describing potential budget cuts in the overall state budget. The Governor, according to the report, will try to hold higher education harmless in the budgeting process, but there is a chance that by the end of the legislative session higher education could see some cuts. Regarding the state revenue reforecast, VMI is waiting for instructions from the state concerning planning for potential budget cuts.
- e. Mr. Reeder commented that Virginia Code § 15.2-1736 authorizes the governing board of an institution of higher education to enter a mutual aid agreement with an adjacent locality “for the use of their joint forces, both regular and auxiliary, their equipment and materials to maintain peace and good order.” VMI counsel, in conjunction with the Chief of the VMI Police Department, negotiated mutual aid agreements with the City of Lexington and the Rockbridge County Sheriff. These agreements were reviewed and discussed by the Committee. A motion was that the Board of Visitors approve the entry of a mutual aid agreement with the City of Lexington Police Department and a mutual aid agreement with the Rockbridge County Sheriff and further approve the Chief, VMI Police Department, to execute both agreements on behalf of the Board of Visitors. The Mutual Aid Agreement is filed with the minutes of this meeting as **Appendix XI**.

20. Mr. Collins reported on the activities of the Nominating and Governance Committee.

- a. The Committee discussed the review of the BOV Statement of Governance and existing Bylaws. He reported that the Committee has recommended making a few minor substantive and administrative changes to the Bylaws and will provide a copy of those changes to the full Board for review prior to the next Board meeting. The Board will vote to adopt the recommended changes in January.

21. Public Comment Period. Notice had been given that invited public comment at this meeting. General Jumper inquired whether there was anyone desiring to make comments to the Board. There was no one present wishing to do so.

22. **Entered into Closed Session:** A motion was made by General Jumper, seconded by Mr. Hines, to enter into a Closed Session. The motion passed unanimously and the Board entered into Closed Session at 1032 hours to discuss:

1. Disciplinary and other matters that would involve disclosure of information contained in the scholastic records of specific cadets, pursuant to Va. Code Section 2.2-3711 (A) (2), relating to discipline, sexual assault cases, and Honor Court cases.
2. Consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, pursuant to Va. Code Section 2.2-3711 (A)(7), relating to (i) the Office for Civil Rights resolution agreement.
3. Matters pertaining to the appointment and performance of the Superintendent, pursuant to the personnel exemption in Va. Code Section 2.2-3711 (A) (1).

23. **Return to Open Meeting:** At 1150 hours, a motion was made by General Jumper, seconded by Mr. Collins, certifying the Closed Meeting. The motion passed unanimously. The Board returned to open session at 1152 hours.

24. There being no further business to come before the Board, the meeting was adjourned at 1155 hours.

SEAN P. HARRINGTON, Lt Col, USAF (Ret.)
Secretary