

VIRGINIA MILITARY INSTITUTE
Lexington, Virginia
Minutes
BOARD OF VISITORS MEETING
10 June 2020

A meeting of the VMI Board of Visitors was held in Lexington, Virginia in the Smith Hall Board Room at VMI beginning from 0900-1300 hours on Wednesday, 10 June 2020 pursuant to notice. The meeting was held via video teleconference due to the ongoing state of emergency order issued by the Governor related to the coronavirus pandemic.

Present: Mr. John W. Boland '73, President
Mrs. Lara T. Chambers '03
Mr. George J. Collins '62
Lieutenant General Charles E. Dominy, USA (Ret)
Mr. Hugh M. Fain III '80
Mr. Thomas E. Gottwald '83
Mr. Conrad M. Hall '65
Mr. Michael L. Hamlar
Mr. Richard K. Hines V '66
Mr. David L. Miller '70
Mr. Scot W. Marsh '81
Honorable Joseph R. Reeder
Mr. Eugene Scott, Jr. '80
Lieutenant General Carl A. Strock '70, USA (Ret)
Mr. Thomas R. Watjen '76
Major General Timothy P. Williams, VAARNG
Lieutenant General Frances C. Wilson, USMC (Ret)

Absent: None

Wednesday, 10 June 2020 – 0900

1. Mr. Boland 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. Cynthia Norwood, legal counsel, Office of the Attorney General. Lieutenant Colonel Harrington took role call and all Board members were present.

2. Mr. Boland provided opening remarks to the Board and thanked General Peay and the staff for their efforts so far in dealing with the ongoing COVID-19 pandemic. He commented that the online spring semester was a success and that the administration is considering a myriad of contingency plans for a safe return of the Corps of Cadets this fall. He also thanked General Peay for his recent statement to the VMI community following the tragic and senseless death of Mr.

George Floyd and the subsequent social unrest that the nation is dealing with today. On behalf of the Board, he fully endorsed the sentiment conveyed within the released statement. Mr. Boland recognized the passing of Mr. Donald Wilkinson '61 and commented on the wonderful contributions he made toward the advancement of the Institute. He asked all members to briefly review the AY19-20 Management by Objectives report, and that the Board would be voting on the proposed increase in tuition and fees at this meeting. A motion was made by Mr. Fain, seconded by Mr. Hines, to approve the changes to the VMI Board of Visitors Bylaws. The motion passed unanimously.

3. Mr. Boland requested that General Dominy and Lieutenant Colonel Harrington review the proposed changes to the VMI Board bylaws contained within the binders. Lieutenant Colonel Harrington provided an overview of the recommended additions which included 1) language for the authorization to conduct electronic meetings, and 2) language outlining that prior to the approval of any increase in undergraduate tuition or mandatory fees, the Board shall provide students and the public a projected range of the planned increase, an explanation of the need for the increase, and notice of the date and location of any vote on such increase at least 30 days prior to such vote. Additionally, prior to any vote on an increase in undergraduate tuition or mandatory fees, the Board shall permit public comment on the proposed increase at the Board meeting, in accordance with Virginia Code. § 23.1-307.

4. Mr. Boland opened the for Public Comment Period. Notice was given which invited public comment during this morning session. Mr. Boland commented that the VMI public comment period is open and welcome for all public comment, not just to address proposed changes to tuition and fees. He inquired whether there was anyone desiring to make comments to the Board. Four individuals provide verbal and/or written comment for the Board. These comments are attached as **Appendix I** to these minutes.

5. A motion to approve the Board of Visitors Resolution for the following individuals was made by Mr. Watjen, seconded by Mr. Fain: Mr. George J. Collins '62, LTG (ret) Carl A. Strock '70, COL Mary Ann Dellinger, COL Diane Jacob, COL Kenneth Koons, COL David Livingston, Dr. Mohamed Taifi, COL Michael Wawrzyniak, COL Mark Wilkinson. The motion passed unanimously. The resolutions are filed with the minutes of this meeting as **Appendix II**. Mr. Boland brought special attention to the Board resolutions for Mr. Collins and LTG Strock for their significant contributions to the Board and thanked them for their service.

6. A motion was made by Mr. Scott seconded by Mr. Hines, to approve the minutes of the 24-25 January 2020 meeting of the Board of Visitors. The motion passed unanimously.

7. General J. H. Binford Peay III '62, VMI Superintendent addressed the Board. He opened his remarks by commenting on the current coronavirus pandemic planning. He highlighted his messages to the VMI community dated 23 March 2020 and 9 April 2020 outlining the many nuances, strategy, and decision points for the safe return of the Corps of Cadets and faculty/staff this fall. He provided an overview of the actions taken this spring, the recognition of the Class of 2020, and all subsequent spring and summer events as a result of the pandemic. He commented that summer camps for cadets pursuing a commission were cancelled, and that much of this training and experience will need to be absorbed by VMI this next academic year to prepare these cadets for service. General Peay commented that although distance learning was a success this spring, it is in no way an adequate substitute for the in-person experience cadets receive at VMI. Safety this fall remains paramount for our VMI and local community, while also preserving the essence of the VMI experience moving forward. General Peay commented that the administration reviewed six operating opening options for the fall, and he reviewed the financial implications associated with each option. Admission projections for the fall remain healthy, and summer school enrollment is at a thirteen year high. General Peay commented that VMI will reopen this fall, but anticipates a re-forecasted operational budget by the General Assembly. General Peay concluded his remarks by discussing his experiences in the 60's and the social/civil disturbances from that era. He stated that he is dedicated to impacting the environment at VMI in a way that improves the Institute and continues a service of excellence to our nation. He intends to lead this initiative moving forward, but also stressed that VMI must stay focused on the safe reopening of VMI this fall.

8. The Superintendent's Major Agenda Items were presented to the full Board. A copy of the slides are appended to these minutes as **Appendix III**.

- a. Colonel Kim Parker provided the Board with a Government Relations update. She provided the Board with an update on events leading up to the recent General Assembly, an overview of the legislation impacting higher education. She also covered topics impacting VMI from the "reconvened" session on 22 April 2020 as a result of the state shut down and stay at home order due to the pandemic.
- b. Brigadier General Clark '99 provide the Board with a brief on the 20-21 Operating Budget. He briefed that VMI's pricing structure included no optional fees, and that there is a price for resident and non-resident cadets. VMI's projected net change for the next academic year is an increase of 1.3% or \$386 for resident and 2.8% for non-resident for \$1,552. Comparisons with other Virginia schools reflect comparable increases. He briefed that in the spring of 2020, due to COVID-19, VMI issued \$3.5M in refunds for room, board, laundry and haircuts. Fixed labor costs for VMI did not change. BG Clark briefed that sunk costs associated with COVID-19 are one-time expenditures to support remote learning. BG Clark briefed that all eligible cadets have been issued federal CARES Act funds totaling \$566,344. He discussed that any unexpected changes in enrollment, reductions in state funding, longer term availability of private support at current levels, costs associated with COVID-19 that exceed budget planning, and the

potential for a mid-semester shift to online instruction are all factors that require contingency planning. The identification and prioritization of approximately \$3M in reductions are ready for implementation as needed. BG Clark briefed that the FY21 budget cycle is expected to be unpredictable. Therefore, fiscal actions taken to date include revised purchase card spending limits, Superintendents approval on all filling vacancies, and 100% of all purchases are reviewed by the Procurement Office before approval to ensure expenses are mission essential. BG Clark briefed that financial aid provided to cadets is currently budgeted at \$3.0M, and that VMI continues its commitment to provide 100% of the need-based aid to Virginia cadets and 60-70% for non-resident cadets. BG Clark commented that total proposed increases are within VMI's 6-year plan. The work environment modifications related to COVID-19 will impact the operating budget (food service changes, infrastructure/space modifications, acquisition and maintenance of protective measures) and will have associated costs. VMI is taking operational steps to mitigate the impacts from COVID-19, conservative and flexible budget planning, and implementation of fiscal monitoring and controls. He briefed that VMI has \$267K new General Funds (Primarily Central Appropriations for State share of fringe benefits cost increases) and \$886K for Equipment Trust Funds which remained the same from the previous year. The Maintenance Reserve Program Funds totals \$1,733,844, which is an increase of \$19,120. The State General Funds for Cadet Financial Assistance totals \$1,145,018, which is \$26,800 over last year's budget. BG Clark briefed that there will be no across the board salary increases this year. He commented that tuition revenue used for cadet financial assistance is at \$3.7M and represents 11.1% of total E&G tuition and other income. Additionally, there is a \$600K increase in contingency funding budgeted to address COVID-19 related costs.

- c. Brigadier General Clark briefed the Board on the preliminary tuition and fee assumptions for the next academic year. Virginia resident tuition and fees are projected to be \$29,270, which is an increase of \$386 (1.3%). Non-resident tuition and fees are projected to be \$57,280, which is an increase of \$1,552 (2.8%). The Virginia resident tuition only increase is \$278 (3%), and non-resident tuition only increase is \$1,444 (4%). BG Clark briefed that enrollment numbers for FY21 is at 1,693 cadets. The number of new cadets this fall are expected to be at 500.
- d. Brigadier Robert Moreschi, Dean of Faculty, provided an academic update to the Board. He covered his reflections on Distance Learning, the LEAD 344 and Leadership Fellows Program for AY20-21, the VMI Professional Development program, the upcoming conference schedule, and the Career Services snapshot for the recent graduating class. He briefed that the online courses this spring went well, despite some various challenges for some cadets. Additionally, he stated that SACSCOC has given VMI through end of the year to authorize online courses as needed, and that the school remains in compliance. He commented that the recent graduating class has two cadets attending graduate school this fall, but is awaiting additional information on final numbers.
- e. Dr. David Diles, Director of Intercollegiate Athletics, provided an update on the status of athletics at VMI. He discussed updates to the new athletics staff, a recap of

winter/spring for academic AY20, the various COVID-19 actions and responses within his department, and the spring 2020 academic report.

- f. Colonel Jeff Boobar '86, Inspector General, provided the Board with an update on the recent Title IX changes released by the Department of Education. VMI must be in compliance by 14 August 2020, and the IG office is reviewing all of the changes that must be implemented by that time. He discussed some of the major changes that are forthcoming, to include the grievance process, future requirements and responsibilities as the Title IX coordinator, and some changes in definitions and terminology within existing policy guidelines. VMI will continue to operate under the preponderance of the evidence standard as authorized under the new guidelines.
- g. Mr. Steve Maconi, Chief Executive Officer of the VMI Alumni Agencies, provided an update to the Board. He briefed that the 30 April 2020 balance of the VMI Investment Holdings is \$492M, which is a 9.2% loss since the end of 2019. However, the most current number reflects an increase back up to \$508M. He commented that fundraising compared to last year remains in a positive direction overall. The VMIAA year-end efforts included a video tribute to the Class of 2020, a 250K challenge gift by an anonymous donor to provide additional resource support VMI, and efforts to support full employment of the Class of 2020.

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- 9. Mr. Fain, Chair of Academic Affairs, reported on his Committee.
 - a. *A motion was made by Mr. Fain, seconded by Mr. Miller: The Academic Affairs Committee has considered the Changes in the Faculty and Staff list dated 22 May 2020, and recommends that the Board of Visitors approve the changes in the Faculty and Staff and that the list be made part of the minutes.* The motion passed unanimously. These Changes will be filed with the minutes as **Appendix IV**.
 - b. *Mr. Fain made the following motion, seconded by Mr. Scott: The Academic Affairs Committee has considered the attached Graduation List dated 31 January 2020 graduates (MEMORANDUM NUMBER 23, dated 31 January 2020 – Enclosure (1)) and the final list of 16 May graduates (MEMORANDUM NUMBER 29, dated 18 May 2020 – Enclosure (2)) be accepted and filed with the minutes of this meeting.* The motion passed unanimously. The final list of January and May 2020 graduates is filed with the minutes of this meeting as **Appendix V**.
 - c. *Mr. Fain made the following motion, seconded by Mr. Scott: The Academic Affairs Committee has considered the proposals approved for funding by the Jackson-Hope Board of Overseers at its 14 April 2020 meeting, and recommends that the Board of Visitors approve these appropriations.* The motion passed unanimously.
 - d. *Mr. Fain made the following motion, seconded by Mr. Scott: The Academic Affairs Committee has considered the Faculty Handbook, June 2020, and recommends that the*

Board of Visitors approve the faculty Handbook dated June 2020, and that it be made part of the minutes. The motion passed unanimously. The approved Faculty Handbook is filed with the minutes of this meeting as **Appendix VI**.

- e. Mr. Fain made the following motion, seconded by Mrs. Chambers: The Academic Affairs Committee has considered the recommended Curricular Changes dated 22 May 2020, and recommends that the Board of Visitors approve these changes and that they be made part of the minutes. The motion passed unanimously. The approved Curricular Changes are filed with the minutes of this meeting as **Appendix VII**.

10. Mr. Watjen, Chair of the Audit, Finance and Planning Committee reported on his Committee.

- a. A motion was made by Mr. Watjen, seconded by Mr. Hines, that the Board of Visitors approve the Proposed FY 2021 Operating Budget. The motion passed unanimously. The memorandum to the Board is filed with the minutes of this meeting as **Appendix VIII**.
- b. A motion was made by Mr. Watjen, seconded by Mr. Hines, that the Board of Visitors authorize the Superintendent to accept Tuition Moderation Funding in the event the funds are reallocated at a later date and to adjust tuition rates for Virginia cadets if it is appropriate. The motion passed unanimously. A copy of the approved memorandum will be filed with the minutes as **Appendix IX**.
- c. The Auditor of Public Accounts reported out on the audit of the FY19 Budget. Mr. Jim Quisenberry, lead auditor, provided the Board with an update on the audit that was completed this spring. Board members were provided with a copy of the audit for their review and may contact the auditor directly with any questions they may have on the audit moving forward. Mr. Watjen and Mr. Boland both thanked Mr. Quisenberry for his efforts on the audit and his years of service to VMI as the auditor of Institute accounts.

11. LTG Strock, Chair of the Cadet/Military Affairs Committee, reported on his Committee.

- a. Colonel William Wanovich '87, Commandant of Cadets, provided the Board with an overview of the total commissioning numbers from the last academic year. Commissioning numbers and scholarships remain steady and on track.
- b. Colonel Wanovich briefed the Board on end of year impacts as a result of the pandemic. His staff completed Cadet Officer Announcements prior to Spring Furlough, and conducted Cadet Sergeant and Cadet Corporal interviews via video conferencing and made announcements on time as per the original schedule. Additionally, the Corps

selected all class representatives and key positions for next academic year. For cadets pursuing a commission, there were few or no ROTC Summer Training opportunities. Additionally, the decision was made to cancel the Summer Transition Program, which impacted approximately 40% of inbound new cadets. Finally, the Institute finished the year with an online awards ceremony, as well as a New Market and Graduation message to the Corps.

- c. Colonel Wanovich briefed the Board on the way ahead for the Corps. He commented that barracks clearance was greater than 90% completed, and that cleaning, preparation, maintenance is presently ahead of schedule for a fall return. Colonel Wanovich briefed that all cadet key leaders have been identified and they are beginning their decentralized team building efforts at a distance. Additionally, several cadet leaders were included on various COVID-19 committees for their input and understanding of this dynamic and changing environment. Finally, he mentioned that there would be additional time for Cadre Preparation and training/rehearsal prior to matriculation to help make up for lost time this past spring.
- d. Colonel Wanovich briefed the Board on the plan for new cadet matriculation. They have planned for extended time to matriculate new cadets. His staff has built in additional training days/time due to distancing requirements and the extra time needed for most aspects of cadet life, training, and lost summer opportunities. The main focus will begin by focusing on basic administrative tasks such as getting haircuts, QMD issuance, uniform fitting, weapons issuance, Post familiarization, academic advising, ROTC enrollment, safety procedures, critical instruction, and physical training.
- e. Colonel Wanovich concluded his remarks by briefing the Board on his approach to beginning the academic year. Focus will be on the safety and health of the Corps, with emphasis on room, restroom, mess hall distancing, and cleanliness compliance standards. There will be smaller, multiple formations. There will be a seclusion period to begin the year, but will eventually relax this requirement over time. There will be an emphasis on extracurricular activities, intramurals and clubs IAW medical guidance. His staff will continue the enforcement of strict standards of accountability, responsibility, and discipline within the Corps.

12. Mr. Scott, Chair of External Relations, reported on his Committee.

- a. Colonel William Wyatt, Director of Communications and Marketing, briefed the Board on the various communication efforts that were implemented and distributed to the VMI community throughout the pandemic crisis. A timeline of the communications effort was provided to the Board in advance for their review.
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13. Mrs. Chambers, Chair of the Athletics Committee, reported on her Committee.
- a. Mrs. Chambers briefed that the Athletic Committee had no motions for Board approval. She commented that she recently participated in the NCAA Oversight Committee meeting and that she remains in close contact with Dr. Diles on the various NCAA issues and challenges. Dr. Diles commented that his staff is working hard to get their athletes back on time and anticipates an early August timeframe.
 - b. Mrs. Chambers provided an update on the fall sports programs. She noted that Mr. Lance Fujiwara, a longtime VMI Associate Athletic Director for Sports Medicine was recently inducted into the Virginia Athletic Trainers Sports Hall of Fame. He has been a member of the VMI program since 1988. Mrs. Chambers provided a brief recap of the fall sports which included football, men's and women's soccer, and cross country. She congratulated the VMI football team for their victory over the Citadel and winning back the Silver Shako.
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14. LTG Dominy, Chair of the Nominating and Governance Committee, reported on his Committee.

- a. The nominations for new members and reappointments were submitted by the Alumni Association following the last meeting. LTG Dominy reported that Governor Northam reappointed himself, and Mr. Scot Marsh to serve another term on the board. Additionally, he appointed Mr. Lester Johnson '95 and Mr. Grover Outland III '81 to fill the seats vacated by LTG Carl Strock and Mr. George Collins, respectively.
 - b. The Board considered a slate of candidates to be elected for the next academic year, which will begin on 1 July 2020. VMI considers and elects officers for the next academic year at the spring meeting. *A motion was made by LTG Dominy, seconded by Mr. Hines: The Board approves the following list of officers and recommends the names be made a part of the minutes. President: Mr. John William Boland '73, Vice President: Mr. David L. Miller '70, Vice President: Mr. Conrad Hall '65, Vice President: Mr. Thomas R. Watjen '76, Non-Alumni Member of Executive Committee: Lieutenant General Frances C. Wilson, Secretary to the Board: Lieutenant Colonel Sean P. Harrington '94, and Cadet Non-Voting, Advisory Representative to the Board: Cadet Dylan G. Stoltzfus '21.* The motion passed unanimously.
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15. Mr. Miller, Chair of the Appeals Committee, reported on his Committee. He reported that there were no appeals submitted to the Board this past semester.

16. **Entered into Closed Session:** A motion was made by Mr. Boland, seconded by Mr. Marsh, to enter into a Closed Session. The motion passed unanimously and the Board entered into Closed Session at 1152 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, and Honor Court cases.
2. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body, pursuant to Va. Code Section 2.2-3711 (A)(7), relating to the U.S. District Court case *Doe v. Board of Visitors of Virginia Military Institute, et al.*
3. Personnel matters related to the employment, assignment, appointment, or performance of specific employees, pursuant to Va. Code Section 2.2-3711 (A) (1), pertaining to a member of the Faculty.
4. Discussion of the appointment and performance of the Superintendent, pursuant to Va. Code Section 2.2-3711 (A)(1), including the annual evaluation of the Superintendent in accordance with Va. Code Section 23.1-1303(B)(8).

17. **Return to Open Meeting:** At 1305 hours, a motion was made by Mr. Hines, seconded by Mr. Marsh, certifying the Closed Meeting. The motion passed unanimously. The Board returned to open session at 1305 hours.

18. Following the closed session, the Board took a vote on the compensation for General Peay. A motion was made by Mr. Hamlar, seconded by Mr. Watjen, to approve the compensation package for General Peay. The motion passed unanimously. Additionally, a motion was made by Mr. Marsh, seconded by Mr. Hines, to authorize Mr. Boland as President of the Board to sign the modified MBO's after approval from the Executive Committee. The motion passed unanimously.

19. There being no further business to come before the Board, the meeting was adjourned at 1310 hours.


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