

President's Open Session Remarks**Virginia Tech Board of Visitors****November 19, 2024**

Good afternoon. I'm pleased to report that Virginia Tech is advancing on many fronts this fall. Rankings are trending up, student interest is continuing to grow, and we have several major research and partnership opportunities in front of us right now. We also have our challenges, most of which stem from national and global issues such as the future of athletics, concerns over the prospects for federal research funding, ongoing wars, uncertainty around the future impact of AI, and the politicization of higher education. If you want to know how I spend my day, everything I just listed is on my docket every day!

Fall is college ranking season. As you know, our main focus is our position among US land-grant research universities in the Times Higher Education World University Rankings. This year, we tied for 15th after tying for 17th last year and ranking 20th in 2018. Our immediate milestone is #13. The reason that we have chosen this ranking system is that it is best aligned with our Global Distinction aspiration, which is shorthand for positioning Virginia Tech and the Commonwealth of Virginia as a magnet for the world's best talent and partners. Another measure that is indicative of our momentum is extramural research expenditures, which as you heard from VP Pratt yesterday, reached an estimated \$442M in FY24, up 38% since FY21. We have blown past our FY24 milestone and have reset our next milestone to \$600M in FY29.

Not captured in global rankings is our commitment to Virginia Tech Advantage, which aims to ensure that all of our students, particularly undergraduates from Virginia, are launched with momentum, regardless of their family income or first-generation status. Although Virginia Tech does well by our students in terms of graduation rates and early career earnings, when you dig into the data, you find that roughly a quarter of our students are not having the out-of-class experiences that correlate with a fast start in their lives and careers. Financial stresses and lack of career networks can make it difficult to connect with opportunities such as paid internships, undergraduate research or study abroad. These are the experiences, along with early coaching, that are strongly correlated with graduating with employment at a level that utilizes the degree, commissioning in the military, or moving on to graduate or professional school. Those experiences also correlate with well-being in multiple dimensions in later life as our 2015 Gallup Survey of our alumni revealed.

This fall, a new ranking system from the Wall Street Journal and College Pulse that focuses on student outcomes above expectations as well as a survey of student experiences ranked Virginia Tech #19 of all national universities and #6 among public universities – incidentally, the top ranked institution in Virginia. Just imagine how high we will soar when the impact of Virginia Tech Advantage kicks in. Thanks to our donors, Virginia Tech Advantage raised \$49.5M last year, well above our expectations. We will see the impact in years to come. From a reputational viewpoint, we may be seeing it already as our applications for undergraduate admissions are up over 10% from the same time last year.

At the start of my remarks, I mentioned the many national and global challenges that we face along with our peer universities. I'll highlight one here - the future of college athletics - because of my personal involvement as NCAA Division I board chair, and because athletics at Virginia Tech has become a powerful force in providing a shared common experience for our students and alumni, in raising Virginia Tech's profile outside of Southwest Virginia, and in its foundational role in the economy of the New River Valley.

As you all know, the pending settlement of three major antitrust cases against the NCAA and the Power Five conferences – known as the House Settlement – will be up for final approval in April 2025. Over the last decade, AD Babcock and I have talked about being prepared for a future fork in the road. Well, this is it. Under House, Division I institutions will be able to distribute slightly more than \$20M in annual revenue sharing in the form of institutional NIL deals with student-athletes. A year ago, no institution had this expense in their FY 26 budgets. There are very few programs that will not have to scramble to be competitive in the post-House world. As you heard in remarks from Chief Operating Officer Sebring, she, along with AD Babcock and I, and with guidance from Legal Counsel Heidbreder, have been developing a budget for FY26 that will ensure that Virginia Tech is competitive. This is not going to be easy or painless, but I think that there is too much riding on the outcome, including the economic well-being of the region and the national profile of Virginia Tech, to not make every effort to compete at the highest level.

To keep this in perspective, Athletics represents roughly 5% of the total university budget. It is likely to move closer to 6%. That may seem like a small shift, but revenue is highly constrained, and the Commonwealth limits the transfer of resources from the university to athletics. For example, Virginia Tech is essentially locked in by the Commonwealth with the lowest Athletics student fee of all 15 public four-year institutions. Our fees are 22% of the average fee rate for those other 14 institutions. While we are proud that we are protecting students from high fees, the limits take away flexibility in budgeting. This is just an example of many hard choices we will need to make in a very constrained environment. We will keep you apprised of the impact on Virginia Tech's budget as we go through the spring planning process for FY26.

In my opening comments, I mentioned AI. This Thursday, we are hosting Dr. Joseph Aoun, president of Northeastern University, for a discussion centered on the topic of his book, "Robot-Proof – Higher Education in the Age of Artificial Intelligence." President Aoun has been a national leader on this topic, even well before the release of Chat GPT. I hope you can join us in person or remotely for my public conversation with him at 1:15 PM in Squires on Thursday, August 21st.

Thank you and Go Hokies!