

Virginia Tech Board of Visitors Meeting

June 13, 2005

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AA: [Minutes](#) of the Student Affairs Committee

BB: [Resolution](#) for Approval of Changes to University Policies for Student Life:
University Judicial Procedures
Stalking Policy
Inclusion of a Formal Organization Event Definition for Student Organizations

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HH: [Resolution](#) for Approval of Continuation of Leave of Absence (1)

II: [Ratification](#) of the Personnel Changes Report

JJ: [Ratification](#) of the Research and Development Disclosure Report

KK: [Resolution](#) for Approval of the 2005-2006 Promotion, Tenure, and Continued Appointment Program

LL: [Resolution](#) for Approval of Reappointments to the Virginia Bioinformatics Institute Policy Advisory Board

MM: [Resolution](#) for Ratification of the NCAA Women's Basketball Tournament Bonuses

NN: [Resolution](#) for Ratification of NIT Men's Basketball Tournament Bonus

OO: [Resolution](#) for Approval of a Special Personnel Action to authorize an increase in the annual automobile allowances for three university executives

Reports from Constituency Representatives

PP: [Dr. Sam Easterling](#), President, Faculty Senate

QQ: [Mr. Marcus Ly](#), Graduate Student Representative to the Board of Visitors

RR: [Ms. Melinda Cep](#), Undergraduate Student Representative to the Board of Visitors

MINUTES

June 13, 2005

The Board of Visitors of Virginia Polytechnic Institute and State University met on Monday, June 13, 2005, at 9:00 a.m. at the Northern Virginia Center in Falls Church, Virginia.

Present

Mr. Michael Anzilotti
 Ms. Beverley Dalton
 Mr. Ben J. Davenport, Jr.
 Mr. Robert L. Freeman, Jr.
 Mr. L. Bruce Holland
 Mr. John R. Lawson, II
 Ms. Sandra Stiner Lowe
 Mr. Jacob A. Lutz, III
 Mr. Thomas L. Robertson
 Mr. John G. Rocovich, Jr.
 Mr. James W. Severt, Sr.
 Mr. Philip S. Thompson
 Dr. W. Samuel Easterling, President, Faculty Senate
 Ms. Melinda R. Cep, Undergraduate Student Representative
 Mr. Marcus C. Ly, Graduate Student Representative

Absent

Dr. Hemant Kanakia
 Mr. A. Ronald Petera

Also present were the following: Dr. Charles Steger, Dr. Erv Blythe, Mr. Ralph Byers, Mr. Jerry Cain, Mr. Denny Cochran, Dr. Lanny Cross, Dr. Brad Fenwick, Dr. David Ford, Ms. Kay Heidbreder, Mr. Larry Hincker, Mr. James Hyatt, Dr. Pat Hyer, Mr. Kurt Krause, Dr. Mark McNamee, Ms. April Myers, Ms. Kim O'Rourke, Mr. Mark Owczarski, Dr. Susanna Rinehart, Ms. Kathy Sanders, Mr. Dwight Shelton, Dr. Lisa Wilkes, Ms. Linda Woodard, faculty, staff, students, guests, and reporters.

Mr. Davenport made a motion for approval of the minutes of the March 14, 2005, meeting, and Mr. Rocovich seconded the motion. Mr. Rocovich then made a motion to amend Attachment Z of the minutes to include for the record a Resolution Endorsing a Plan for Complimentary Seats in Lane Stadium for Lifetime Golden Hokies that had been defeated in closed session on March 14, and that therefore had not been presented in open session or recorded in the minutes. The motion to amend the minutes (by amending Attachment Z) was seconded by Mr. Davenport and passed unanimously. The minutes, as amended, then were approved unanimously. At Mr. Robertson's request, it was clarified that the status of the resolution that was defeated on March 14 is unchanged; it merely has been included as part of the official record of the March 14 meeting as a defeated resolution. Inclusion of the defeated resolution in Attachment Z does not imply any acknowledgement of a commitment on the part of the university.

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REPORT OF THE NOMINATING COMMITTEE

Members of the nominating committee included: James Severt, Mike Anzilotti, and Bobby Freeman.

Mr. Severt recommended and moved that Mr. Davenport be elected Rector and Mr. Lutz be elected as Vice Rector. Ms. Lowe seconded the motion, and it was approved unanimously.

Mr. Severt recommended and moved that Ms. O'Rourke be elected Secretary. Mr. Rocovich seconded the motion, and it was approved unanimously.

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REPORT OF THE SPECIAL COMMITTEE ON RESEARCH

Mr. Thompson gave a report of the meeting of the Special Committee on Research held June 13, 2005. (Copy filed with the permanent minutes and marked Attachment A.)

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REPORT OF THE ACADEMIC AFFAIRS COMMITTEE

Mr. Davenport called on Ms. Lowe for a report of the meeting of the Academic Affairs Committee held June 12, 2005. (Copy filed with the permanent minutes and marked Attachment B.)

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As part of the Academic Affairs Committee report, the following resolution was moved by Ms. Lowe, seconded by Mr. Lutz, and was approved unanimously.

Resolution for Approval to Establish a B.S. in Agricultural Sciences

That the proposed B.S. in Agricultural Sciences be approved and forwarded to the State Council of Higher Education in Virginia for further review and approval. (Copy filed with the permanent minutes and marked Attachment C.)

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As part of the Academic Affairs Committee report, the following resolution was moved by Ms. Lowe, seconded by Mr. Lutz, and approved unanimously.

**Resolution for Approval of Amendments to the University Council
Constitution to Accommodate Organizational and
Administrative Changes of the University**

That the amendments, changes, and additions to the University Council Constitution be adopted effective upon approval by the Board of Visitors. (Copy filed with the permanent minutes and marked Attachment D.)

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As part of the Academic Affairs Committee report, the following resolution was moved by Ms. Lowe, seconded by Messrs. Lutz and Rocovich, and approved unanimously.

**Resolution for Approval of Changes in Membership of The Virginia Coal
and Energy Research and Development Advisory Committee**

That the appointments of Mr. W. Thomas Hudson, Mr. Herbert S. Wheary, and Mr. J. Robert Bray to the Advisory Committee be renewed through 2009. (Copy filed with the permanent minutes and marked Attachment E.)

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REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Mr. Davenport called on Mr. Lawson for a report of the Buildings and Grounds Committee. (Copy filed with the permanent minutes and marked Attachment F.)

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As part of the Buildings and Grounds Committee report, the following resolution was moved by Mr. Lawson, seconded by Mr. Rocovich, and approved unanimously:

**Resolution for Approval of Campus and Workplace
Violence Prevention Policy**

That the Campus and Workplace Violence Prevention policy be approved by the Board of Visitors and be effective immediately. (Copy filed with the permanent minutes and marked Attachment G.)

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As part of the Buildings and Grounds Committee report, the following resolution was moved by Mr. Lawson, seconded by Mr. Freeman, and approved unanimously:

Resolution for Approval of Appalachian Power Company Easement

That the resolution authorizing the Vice President for Business Affairs to execute the easement to Appalachian Power Company be approved. (Copy filed with the permanent minutes and marked Attachment H.)

REPORT OF THE FINANCE AND AUDIT COMMITTEE

Mr. Davenport called on Mr. Lutz for the report of the Finance and Audit Committee. (Copy filed with the permanent minutes and marked Attachment I.)

As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously:

Resolution for Ratification of 2006-2012 Capital Outlay Plan

That the proposed Capital Outlay Plan for 2006-2012 be approved. (Copy filed with the permanent minutes and marked Attachment J.)

(This item was reviewed by the Buildings & Grounds Committee and the Finance & Audit Committee.)

As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously:

Resolution for Adoption of Commitment to the State's Goals

That the resolution committing the University to meeting the State's eleven goals be adopted. (Copy filed with the permanent minutes and marked Attachment K.)

NOTE: Adoption of this resolution by the Board of Visitors is required for the university to be eligible to participate in the Restructured Higher Education Financial and Administrative Operations Act.

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As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously:

**Resolution for Acceptance of
The Year-to-Date Financial Performance Report
(July 1, 2004 – March 31, 2005)**

That the report of income and expenditures for the University Division and the Cooperative Extension/Agriculture Experiment Station Division for the period of July 1, 2004 through March 31, 2005 and the Capital Outlay report be accepted. (Copy filed with the permanent minutes and marked Attachment L.)

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As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously.

**Resolution for Approval of 2005-2006
Faculty Compensation Plan**

That the proposed 2005-06 Faculty Compensation Plan for Teaching and Research, Administrative and Professional, and Special Research Faculty be approved. (Copy filed with the permanent minutes and marked Attachment M.)

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As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously.

Resolution for Approval of Retirement Benefits for Part-time Faculty

That part-time salaried faculty members as described in the resolution be included in the University's retirement programs beginning with fall term 2005. (Copy filed with the permanent minutes and marked Attachment N.)

(This item was reviewed by the Academic Affairs Committee and the Finance & Audit Committee.)

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As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously.

**Resolution for Approval of 2005-2006 University Budget
University Budget**

That the proposed 2005-06 operating and capital budgets, as displayed on Schedules 1, 2, and 3, be approved. (Copy filed with the permanent minutes and marked Attachment O.)

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As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously.

**Resolution for Approval of 2005-2006 University Budget
Student Financial Assistance**

That the recommended allocations for student financial assistance for the fiscal year 2005-06 be approved. (Copy filed with the permanent minutes and marked Attachment P.)

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As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously.

**Resolution for Approval of 2005-2006 University Budget
Hotel Roanoke Conference Center Commission Budget**

That the budget for The Hotel Roanoke Conference Center Commission for 2005-06 be approved. (Copy filed with the permanent minutes and marked Attachment Q.)

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As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously.

**Resolution for Approval of 2005-2006 Budget for Virginia Tech/Wake Forest
University School of Biomedical Engineering and Sciences**

That the budget for the Virginia Tech – Wake Forest School of Biomedical Engineering and Sciences be approved. (Copy filed with the permanent minutes and marked Attachment R.)

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As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously.

**Resolution for Approval of the Proposed
2005-2006 Auxiliary Systems Budget
Dormitory and Dining Hall System Budget**

That the recommended budget for the fiscal year July 1, 2005 to June 30, 2006 for the operation of the Dormitory and Dining Hall System and the report of the Annual Inspection be approved. (Copy filed with the permanent minutes and marked Attachment S.)

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As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously.

**Resolution for Approval of the Proposed
2005-2006 Auxiliary Systems Budget
Electric Service Budget**

That the recommended budget for the fiscal year July 1, 2005 to June 30, 2006 for the operation of the Electric Service System and the report of the Annual Inspection be approved. (Copy filed with the permanent minutes and marked Attachment T.)

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As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously.

**Resolution for Approval of the Proposed
2005-2006 Auxiliary Systems Budget
University Services Budget**

That the recommended budget for the fiscal year July 1, 2005 to June 30, 2006 for the operation of the University Services System and the report of the Annual Inspection be approved. (Copy filed with the permanent minutes and marked Attachment U.)

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As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously.

**Resolution for Approval of the Proposed
2005-2006 Auxiliary Systems Budget
Intercollegiate Athletics System Budget**

That the recommended budget for the fiscal year July 1, 2005 to June 30, 2006 for the operation of the Intercollegiate Athletics System and the report of the Annual Inspection be approved. (Copy filed with the permanent minutes and marked Attachment V.)

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As part of the Finance and Audit Committee report, a motion to approve the following resolution was made by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously.

**Resolution for Approval of the Proposed
2005-2006 Pratt Fund Budgets**

That the proposed 2005-2006 allocation and use of Pratt Funds be approved. (Copy filed with the permanent minutes and marked Attachment W.)

(This item has been reviewed by the Academic Affairs Committee and the Finance & Audit Committee.)

Ms. Lowe then made a motion requesting that the university find an appropriate way in which to recognize the Pratt Family for their benevolence. The motion was seconded by Mr. Rocovich and approved unanimously. [Note: Following the meeting, the university attempted to identify living family members, but thus far has not had any success.]

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As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Ms. Lowe, and approved unanimously.

**Resolution for Approval to Authorize the
University Treasurer to Declare Official Intent**

That the resolution designating the University Treasurer as the person authorized to declare the "official intent" of the University to reimburse expenditures in connection with the proceeds of bonds be approved. (Copy filed with the permanent minutes and marked Attachment X.)

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As part of the Finance and Audit Committee report, the following resolution was moved by Mr. Lutz, seconded by Mr. Thompson, and approved unanimously.

**Resolution for Approval of the Appointments to the
Hotel Roanoke Conference Center Commission**

That the resolution for approval of the appointment of the Executive Vice President and Chief Operating Officer of Virginia Tech, the Chief Operating Officer and Secretary – Treasurer of the Virginia Tech Foundation, and the Vice Provost for Outreach and International Affairs as the university's representatives on the Hotel Roanoke Conference Center Commission be approved. (Copy filed with the permanent minutes and marked Attachment Y.)

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As part of the Finance and Audit Committee report, Mr. Lutz made a motion for acceptance of the following three (3) Internal Audit reports. The motion was seconded by Mr. Thompson and approved unanimously.

**Resolution for the Acceptance of Internal Audit Reports for:
The College of Engineering
Capital Design and Construction
Dining Services**

(Copies of audit reports filed with the permanent minutes and marked Attachment Z.)

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Dr. Steger discussed the possibility that Congress might pass a bill similar to the private sector Sarbanes-Oxley bill that will affect higher education. Sarbanes-Oxley has added significant costs to the operating expenses of private companies, and some thought should be given as to how the university would respond if Congress does pass such legislation. Mr. Lutz added that the university is in a good position because the university follows best practices—and in fact is ahead in some respects—and Virginia's Auditor of Public Accounts reviews the university's records. In addition, Internal Audit has been asked to draft a charter for the Finance and Audit Committee.

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REPORT OF THE STUDENT AFFAIRS COMMITTEE

Mr. Davenport called on Mr. Anzilotti for the report of the Student Affairs Committee. (Copy filed with the permanent minutes and marked Attachment AA.)

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As part of the Student Affairs Committee report, the following resolution was moved by Mr. Anzilotti, seconded by Mr. Lutz, and approved unanimously.

**Resolution for Approval of Changes to University Policies for Student Life:
University Judicial Procedures
Stalking Policy
Inclusion of a Formal Organization Event Definition for Student Organizations**

That the proposed changes in the University Policies for Student Life be approved and be effective immediately. (Copy filed with the permanent minutes and marked Attachment BB.)

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PRESIDENT'S REPORT ITEMS FOR BOARD APPROVAL AND INFORMATION

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As part of the President's report, the following resolution was moved by Mr. Davenport, seconded by Mr. Rocovich, and approved unanimously:

Ratification of Resolution Honoring Staff Sergeant Nathaniel Nyren

That the resolution honoring Staff Sergeant Nathaniel Nyren for sacrificing his life in Iraq while in service to his country be approved. (Copy filed with the permanent minutes and marked Attachment CC.)

Thus, the full Board ratified the action previously taken by the Executive Committee of the Board.

Mr. Davenport asked those present to stand in honor of Sgt. Nyren as the resolution was read.

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Dr. Steger then spoke about the university's presence in Northern Virginia. (Note: This Board meeting was held at the Northern Virginia Center and was preceded by committee meetings the previous day at several university facilities in Alexandria and a tour of the Equine Medical Center in Leesburg.) Virginia Tech has over 35,000 alumni in the DC metropolitan area. Northern Virginia serves as an economic development engine for Virginia, and it is important for Virginia Tech to play a role in that effort, and to be recognized by its constituents in the region for the university's contribution.

Dr. Steger thanked those members of the Board who could arrange their schedules to participate in the upcoming international programs retreat at the university's Center for European Studies and Architecture in Switzerland, and who were traveling at their own expense. He also expressed appreciation to the Board for their financial support, noting that each one has been a donor to the university.

Dr. Steger thanked the Board for supporting the faculty compensation program. He then reported briefly on the silent phase of the fundraising campaign, which is ahead of schedule; research space needs; and the quality of the entering class. He noted that the passage of the restructuring legislation was really the result of a team effort; however, there is as much work remaining to be done to prepare the six-year plans and negotiate the management agreements as has already been done. Mr. Davenport thanked Dr. Steger for his leadership.

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Motion to begin Closed Session

Mr. Lutz moved that the Board convene in a closed meeting, pursuant to § 2.2-3711, Code of Virginia, as amended, for the purposes of discussing:

1. Appointment of faculty to Emeritus status, the consideration of individual salaries of faculty, consideration of Endowed Professors, approval of the conflict of interest report, review of departments where specific individuals' performance will be discussed, and consideration of personnel changes including appointments, resignations, tenure, and salary adjustments of specific employees.
2. The status of current litigation and briefing on actual or probable litigation.

all pursuant to the following subparts of 2.2-3711 (A), Code of Virginia, as amended, .1, and .7.

The motion was seconded by Mr. Rocovich and passed unanimously.

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Motion to Return to Open Session

Following the Closed Session, members of the press, students, and the public were invited to return to the meeting. Mr. Davenport called the meeting to order and asked Mr. Lutz to make the motion to return to open session.

Mr. Lutz made the following motion:

WHEREAS, the Board of Visitors of Virginia Polytechnic Institute and State University has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Board of Visitors that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Visitors of Virginia Polytechnic Institute and State University hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Visitors.

The motion was seconded by Mr. Thompson and passed unanimously.

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Lutz, unanimous approval was given to the resolutions for approval of **Emerita and Emeritus Status** (13), as considered in Closed Session. (Copies filed with the permanent minutes and marked Attachment DD.)

Mr. Davenport expressed the appreciation of the university to Dr. Lanny Cross for his faithful service and contributions, and Dr. Cross received a round of applause from those present.

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Thompson, unanimous approval was given to the resolution for approval of **Faculty Leaves – Study Research** (1) and **Research Assignments** (1) as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment EE.)

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Thompson, unanimous approval was given to the resolutions for approval of **Endowed Professorships** (6) as considered in Closed Session. (Copies filed with the permanent minutes and marked Attachment FF.)

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Thompson, unanimous approval was given to the **Change of Duty Station** (1), as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment GG.)

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Thompson, approval was given to the Resolution for Approval of **Continuation of Leave of Absence** (1), as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment HH.)

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Thompson and Mr. Lawson, approval was given to the **Ratification of the Personnel Changes Report** as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment II.) This item was reviewed by the Academic Affairs Committee and the Finance and Audit Committee.

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Thompson and Mr. Lawson, approval was given to the **Ratification of the Research and Development Disclosure Report** as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment JJ.) This item was reviewed by the Academic Affairs Committee and the Finance and Audit Committee.

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Ms. Lowe, approval was given to the **Resolution for Approval of the 2005-2006 Promotion, Tenure, and Continued Appointment Program** as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment KK.) This item was reviewed by the Academic Affairs Committee and the Finance and Audit Committee.

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Lutz, approval was given to the **Resolution for Approval of Reappointments to the Virginia Bioinformatics Institute Policy Advisory Board** as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment LL.)

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Lutz, approval was given to the **Resolution for Ratification of the NCAA Women's Basketball Tournament Bonuses** as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment MM.)

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Lutz, approval was given to the **Resolution for Ratification of NIT Men's Basketball Tournament Bonus** as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment NN.)

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Lutz, approval was given to the **Resolution for Approval of a Special Personnel Action to authorize an increase in the annual automobile allowances for three university executives** as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment OO.)

NOTE: In closed session, the Finance and Audit Committee considered a proposed change to the supervisor to whom Betsy Blythe would report. The Finance and Audit Committee was agreeable to the change but considered it unnecessary for the Committee or the Board to act upon a change in supervisor.

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**AUDIT REPORT
CLOSED SESSION ITEM**

Heard Audit Report. No Board Action Required.

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**LITIGATION REPORT
CLOSED SESSION ITEM**

Heard Litigation Report. No Board Action Required.

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Reports from Constituency Representatives

Dr. Sam Easterling, President, Faculty Senate

(Copy filed with the permanent minutes and marked Attachment PP.)

Mr. Marcus Ly, Graduate Student Representative to the Board of Visitors

(Copy filed with the permanent minutes and marked Attachment QQ.)

Ms. Melinda Cep, Undergraduate Student Representative to the Board of Visitors

(Copy filed with the permanent minutes and marked Attachment RR.)

Mr. Davenport presented certificates to Sam Easterling as the Faculty Representative to the Board, Marcus Ly as the Graduate Student Representative to the Board, and Melinda Cep as the Undergraduate Student Representative to the Board. He then presented to Mr. John Rocovich a gavel engraved with his name and the dates of his term as Rector of the Board. Mr. Rocovich received a standing ovation.

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The Board will have an international programs retreat at the university's Center for European Studies and Architecture in Riva San Vitale, Switzerland, on June 14-16, 2005.

Dates for the next regular meeting are August 28-29, 2005 in Blacksburg, Virginia.

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The meeting adjourned at 11:16 a.m.

Board of Visitors
Special Committee on Research
Minutes
Northern Virginia Center
June 13, 2005

Committee Members Present: Mr. Philip S. Thompson, Committee Chair, Ms. Sandra Stiner Lowe, Mr. John R. Lawson, II, Mr. Jacob A. Lutz, Mr. Michael Anzilotti, and Mr. Ben J. Davenport, Jr.

Committee Members Absent: None

Other Attendees: Dr. Charles Steger, Dr. Mark McNamee, Dr. Brad Fenwick

Approval of March 13, 2005 Minutes: A motion was made and seconded to approve the minutes. The minutes were approved.

Research Status for FY 2005 - Dr. Fenwick: Dr. Fenwick updated the status of the research performance since the March meeting. The data show a real growth in awards (33.4%), expenditures (7.1%) and overhead earned (10%). Proposals are down slightly from the record year in 2004—perhaps signaling the future flattening of growth. Dr. Fenwick informed the committee of the flattening of federal funding for research and development. He stated, as a result, the environment is not business as usual. Dr. Fenwick highlighted the university's major research initiatives and strategic alliances and mentioned ideas in promoting faculty capacity. Dr. Fenwick also discussed progress of our two new institutes, Institute for Critical Technologies and Applied Science and the Institute for Biomedical and Public Health Science.

Perspectives on Research in FY 2006— Dr. Fenwick: Dr. Fenwick said leading indicators (particularly awards) predict continued growth in fiscal year 2006. Assuming that the multi-year awards will be expended over the next couple of years, there should be ~10% annual growth across that period. He mentioned his progress in hiring a proposal development team (in conjunction with ICTAS and IBPHS) to assist the faculty in developing major new proposals. He also outlined a plan to meet the university's near-term need for research space to accommodate the expected growth. He provided a chart listing the cost of these objectives and funding scenarios to accomplish these objectives. Decisions about the implementation are expected over the summer. Dr. Fenwick stated the landscape of research administration and technology commercialization is changing and went over the challenges for VTIP. He provided data on VTIP's performance and listed ways to reengineer VTIP.

Adjournment: The meeting was adjourned at 8:45a.m.

Minutes of the Academic Affairs Committee
June 12, 2005

Members of Academic Affairs present: Sandra Stiner Lowe, Beverley Dalton, and Marcus Ly.

Guests: Mark McNamee, David Ford, Patricia Hyer, Brad Fenwick, Norrine Bailey Spencer, Susanna Rinehart, and Mark Owczarski.

JOINT MEETING WITH STUDENT AFFAIRS COMMITTEE:

The Academic Affairs and Student Affairs Committees met jointly to be briefed by Dwight Shelton concerning the Restructured Higher Education Financial and Administrative Operations Act. The legislation includes 11 “asks,” or goals, to which all institutions must commit. These include maintaining access, affordability, a broad range of programs, high academic standards, increasing retention, expanding articulation agreements with community colleges and collaborations with elementary and secondary schools, stimulating economic development, increasing externally funded research, and preparing a six-year financial plan. Each institution that commits to achievement of the goals will receive Level 1 authorities, most of which Virginia Tech already has, and certain financial incentives, which will be new for Virginia Tech. The State Council for Higher Education has a role in the development of six-year financial, academic, and enrollment plans that are due October 1. Level 3 status will provide additional autonomy in one or more of the following areas: financial operations, capital outlay, leases, procurement, personnel and human resources, and information technology. Virginia Tech administrators are deeply engaged in developing the additional documentation required for Level 3 status. The Board of Visitors will be involved at various stages, initially by certifying commitment to the 11 asks, then later reviewing and approving the six-year plans and management agreement.

Maintaining affordability will be a major challenge for Virginia Tech. Increasing the amount of “unfunded” scholarships, or waived tuition, will be an important strategy to help the neediest students, as will raising private funds for scholarships. Current articulation agreements with community colleges were reviewed. Virginia Tech has not yet seen an increase in community college transfer applications despite the recent increase in community college enrollment.

ACADEMIC AFFAIRS OPEN SESSION:

Minutes of the March 14, 2005 meeting were approved with no changes.

Provost's Update:

Dr. McNamee distributed the annual update of the "Scorecard," which tracks progress in achieving the major goals of the strategic plan. Progress during 2004 in research and scholarship goals was negatively affected by recent budget reductions. Committee members recommended inclusion of an appropriate target figure for 2010 for increasing the diversity of the faculty, perhaps citing comparisons with top-30 institutions, and that there be a more clear comparison from the base year to current year for as many measures as possible.

The dean of engineering search has been completed. Richard Benson from Penn State will join Virginia Tech in August.

The special committee on undergraduate admissions was held last week. Dr. Norrine Bailey Spencer gave a brief overview of admissions outcomes for the freshman class entering fall 2005. The instate applicant pool remains strong in both numbers and credentials; out-of-state applications are down, as are the number of applicants for engineering. While many measures were positive, the number of African American applicants continues to be a big challenge. Ms. Lowe recommended that Admissions target Ron Brown scholars who are academically exceptional and who have substantial scholarships which are portable to any institution they choose.

Faculty Affairs – *Retirement Benefits for Part-Time Faculty*

A resolution to approve retirement benefits effective August 10, 2005 for part-time salaried faculty members was approved. Although part-time salaried classified employees were permitted to participate in the Virginia Retirement System, part-time faculty members did not have access to retirement benefits. The resolution allows eligible faculty members to participate in the optional defined benefit retirement programs or VRS, to the extent permitted by VRS.

B.S. Agricultural Sciences

A new undergraduate degree program in Agricultural Sciences was presented for Board consideration. The new degree is a broad, generalist agricultural degree appropriate for students who will work in traditional agriculture and agricultural-related sales, teaching, industry training, Extension, entrepreneurial activity, administration, or international work. These occupations require a breadth of understanding and preparation in agricultural subjects, as well as skills in communication and leadership, a component of the program. The new degree will also allow those pursuing a teaching option to obtain such positions and seek appropriate certification on the job. The current teacher-preparation undergraduate degree in agricultural sciences is slated for discontinuation in 2008. The resolution to approve the new degree program was moved, seconded, and approved.

University Council Constitution Amendments:

The committee was briefed on a several changes to the University Council Constitution concerning membership. Changes will allow all vice presidents and vice provosts to be represented, and the faculty, undergraduate and graduate student representatives to the BOV to serve in ex officio capacity. The resolution approving amendments to the University Council Constitution was moved, seconded, and approved.

Other Business:

The committee approved a resolution to renew the appointments of three members of the Virginia Coal Research and Development Advisory Committee, and the resolution approving the proposed Pratt Fund budgets for 2005-06 for the College of Engineering and Animal Nutrition.

CLOSED SESSION:

Ms. Dalton moved that the Academic Affairs and Student Affairs committee convene jointly in Executive Session. The motion was seconded and approved. The joint committee considered matters of potential litigation. Following this discussion, the Academic Affairs committee continued its closed session considering recommendations of conferral of emeritus status, approval of faculty leaves and change of duty station, appointment to endowed professorships, recommendations for promotion and tenure, and ratification of the research and development disclosure report and the faculty personnel changes report. All recommendations were approved. The committee then formally closed and certified the Executive Session.

B.S. AGRICULTURAL SCIENCES

Description of Proposed Program

Virginia Tech's College of Agriculture and Life Sciences has for many decades offered discipline-based degrees, e.g., Horticulture, Agronomy, Dairy Science, Crop and Soil Science, and so on. Such degrees have served well the majority of our students and most employers in the agricultural sector. However, a number of students and employers desire and could use a more interdisciplinary preparation. The proposed Bachelor's of Science degree in Agricultural Sciences will provide a unique combination of breadth and depth for graduates whose career objectives can be found in both traditional agriculture and agricultural-related sales, teaching, industry training, Extension, entrepreneurial activity, administration, and international work. Approval and implementation of this degree will put Virginia Tech in the forefront of a growing trend among other leading land-grant colleges of agriculture by offering an interdepartmental agricultural degree. Among the major land-grant colleges of agriculture that have established a similar degree are Cornell, Oklahoma State, Purdue, Pennsylvania State, University of Georgia, University of Missouri, University of Nebraska, University of Tennessee, and Texas A&M.

The primary purpose of the degree is to serve the needs of Virginia's largest industry – agriculture. Representatives of the Virginia agricultural industry from broadly based organizations, such as Virginia Farm Bureau and the Virginia Agribusiness Council, to more specific ones, such as Farm Credit, have identified the need for such a multidisciplinary degree. Representatives of the agricultural industry have also indicated a need for employees who have both adequate depth and breadth in agricultural knowledge along with effective communication and leadership skills. Essential knowledge and skills will be developed in graduates of this degree by courses taught in at least two and as many as four minors in agricultural or agricultural-related fields. The agricultural industry also desires employees with valuable affective skills such as communications and leadership. These skills will be developed through instruction in a total of 12 hours coursework in agricultural communications, leadership, and the capstone seminar.

The initial critical mass of students choosing this major will come from what are current students enrolled in Agriculture Undecided and the Agricultural Education Degree. By nature of their interests, both groups of students have broad, rather than specific interests in agriculture.

With the Agricultural Education major being eliminated in 2008, there has been an expression of concern on the part of both the agricultural industry and agricultural education profession about making the teacher shortage even worse. The minor in Agricultural and Extension Education, as part of this degree, will minimize that problem. Graduates will have two options for licensure – (1) seeking alternative licensure through a school division or (2) pursuing an approved master's program at Virginia Tech. Other students who minor in an agricultural subject matter department may view teaching as a

back up career. It is also possible that the minor in biology will attract additional students who can have a teacher license with endorsements in both agricultural education and biology.

Degree Requirements

The major components of the 120 semester hour degree are:

- University Core Requirements, 36 hours (required of all Virginia Tech students)
- College of Agriculture Requirements, 69-72 hours
 - College Laboratory Requirements, 6-8 hours (Required of all College students)
 - Communications, Leadership, and Seminar, 12 hours
 - Two minors (18 hours) to be selected from:
 - Twelve departments in the College of Agriculture and Life Sciences
 - Four departments in the College of Natural Resources
 - Biology Department
 - Interdisciplinary Studies (15 hours) complementing colleges and department
- Free Electives, 13 or 15 hours

Admission to Program

All students admitted will meet both University and College standards. The College recruitment officer will target likely majors including participants in the Virginia Governor's School for Agriculture (administered through the Department of Agricultural and Extension Education), Virginia high school agricultural science students, and both urban and rural students interested in agriculture. A special recruitment emphasis will be made for students in large urban centers such as the Walter Biddle High School in Philadelphia, John Bown High School in New York, and the Chicago High School for Agricultural Sciences.

Learning Outcomes

Graduates will be expected to demonstrate the following student learning outcomes primarily through the subject matter minors and communication, leadership, and seminar courses:

1. Demonstrate knowledge of the subject matter of agriculture
2. Demonstrate knowledge of agricultural communications
3. Demonstrate knowledge of leadership skills
4. Synthesize knowledge of scientific agriculture into a holistic approach

Each student will complete an e-portfolio documenting skills they have developed and coursework projects. Examples of information that will be included in the e-portfolio are class presentations, special projects, extra curricular activities, activities from internships, and products of the seminar class. Each portfolio will be developed during coursework in the program and continuously updated. The portfolio will be completed in the seminar class. The e-portfolios will be completed by the time of graduation and

available by graduates for interviewing purposes. Portfolios will be evaluated by faculty in the department and by prospective employers.

Enrollment in a senior capstone seminar will be required. The seminar will emphasize a research project integrating minors taken by students. The final products of the research project will be a paper, a poster, and an oral presentation.

Program Assessment and Benchmarks

Program assessment will be extensive. Formative assessment will occur during the early years of the program by obtaining evaluative feedback from students, graduates, and employers. The formative evaluation feedback will be utilized to improve course offerings, course content, and out of class experiences such as internships for students. Formative evaluation will be on-going and continuous. Summative evaluation information will be collected from faculty members, graduates of the program, and employers of graduates. The summative evaluation will be utilized to determine whether the program is serving its purposes and its clientele, whether efforts expended are appropriate, as well as how the program can be improved. Summative evaluation will be completed at the end of year five and continuing every five years thereafter, following University policy. Surveys of graduates of the program and employers of graduates will be conducted. The results of the evaluation will be reviewed by the program's advisory council composed of agricultural industry employees, faculty outside the home department, and alumni of the program.

Several benchmarks for success will be used.

- Headcount of students enrolled
- Number of students graduating
- Job placement rate
- Acceptance into graduate school
- Satisfaction of employers with graduates
- Satisfaction of the program by graduates.

Addressing Current and Future Needs

The proposed degree responds to both current needs and an anticipation of future needs. The agricultural industry has reported a shortage of available employees with skills in communications and leadership, and a broad perspective of agriculture. Agricultural industry representatives from Virginia have indicated their support for the degree. Excerpts of several letters of support follow:

"I believe the proposed degree will allow students to prepare to be more flexible in their future careers. The opportunity for students working with their advisors to lay out a program of study which gives them a broader background will benefit them, their employers, and ultimately the industry of agriculture." (Andrew Smith, Virginia Farm Bureau Federation)

"It is my perception that the proposed degree program in Agricultural Sciences will be broader in scope than many of the other degrees and will provide an education in a number of areas so that the student is better skilled to pursue a variety of careers as they experience the many changes in our dynamic industry." (Bette Brand, Farm Credit of the Virginias)

"I see several strengths of the degree. I know many folks, like myself, who are engaged in an ag career that do not specialize in one particular area or commodity. This type of degree is ideal for them." (Matt Lohr, Virginia Agribusinessman)

"I support the proposed Bachelor of Science Degree in Agricultural Sciences. The requirements for the proposed degree should enable students to begin to develop the competencies necessary to become competent teachers of agricultural education." (Glenn Anderson, 2004 - Specialist, Agricultural Education, Virginia Department of Education)

"As the agribusiness industry adapts to changes in markets, society, land technology the job availability for students with such broad backgrounds in agriculture should continue to grow. The proposed degree in Agricultural Sciences has the potential to produce graduates who will be well prepared to meet the needs and challenges of our changing industry." (Donna Pugh Johnson, Virginia Agribusiness Council)

Virginia Tech is the primary source of both agricultural education teachers and Cooperative Extension agents for Virginia. A typical year for agricultural education is to have 10-12 middle or high school departments with no teacher, a long-term substitute teacher, or an only partially qualified individual in the classroom. This continued shortage can have a cumulative effect creating long-term problems.

"We do have a shortage of qualified agricultural education teachers in Virginia. We look to Virginia Tech as the major provider of our teachers. We need to prepare more graduates qualified to teach agricultural education. I believe that with the promotion and support of the proposed degree we can increase the number of qualified teachers available for placement in agricultural education." (Glenn Anderson, 2004 - Specialist, Agricultural Education, Virginia Department of Education)

Qualified graduates of the program are also essential for the Virginia Cooperative Extension. Extension had 71 openings for unit agents since January 1, 2004 -- 21 Agricultural and Natural Resources agents, 34 4-H agents, 3 Family and Consumer Science agents, and 13 Food Nutrition and Health agents (Mullins e-mail note, 2004). Virginia Tech is the principal source of the approximately 240 Extension agents in Virginia.

Student Demand

A prospective student clientele group already exists at the University. Both Agriculture Undecided students who are in the College of Agriculture and Life Sciences and have an interest in an interdepartmental degree and students planning on becoming agricultural education teachers and Extension agents are already enrolled at Virginia Tech. Many of the previously identified students will choose to major in this new degree. The Virginia Tech teacher preparation programs at the baccalaureate level will be eliminated in 2007 with the exception of agricultural education which has a planned elimination in 2008. The Virginia Tech approved teacher licensure programs agreement with the Virginia Department of Education at the baccalaureate level will also be eliminated during the same years.

A survey conducted during the late summer and early fall of 2004 of Undecided Agriculture students and Agricultural Education majors indicated 29 Freshmen, 15 Sophomores, 11 Juniors, and 15 Seniors would be interested in the proposed major. Over 90% of those completing the survey indicated an interest in the Agricultural Sciences major.

Enrollment in the program is expected to be about 20 students in the initial year, growing to 50 students in five years.

RECOMMENDATION:

That the proposed B.S. in Agricultural Sciences be approved and forwarded to the State Council for Higher Education in Virginia for further review and approval.

**AMENDMENTS TO THE UNIVERSITY COUNCIL CONSTITUTION AND
BY-LAWS TO ACCOMMODATE ORGANIZATIONAL AND
ADMINISTRATIVE CHANGES OF THE UNIVERSITY**

WHEREAS, the organizational structure of the university has evolved since the most recent version of the University Council Constitution was approved and will continue to evolve to meet the ever-changing needs of the university; and

WHEREAS, President Steger appointed a task force to study the membership of University Council and charged that task force specifically with: (1) reviewing the ex officio membership to make sure there is appropriate representation of the university's administration (including deans, vice presidents, and vice provosts) and of the GSA and SGA; (2) reviewing the groups from which the elected representatives are drawn to ensure that the groups and number of representatives from each group are still appropriate; (3) determining an appropriate balance of representation among administrators, faculty (T&R and A/P), staff, and students (graduate and undergraduate); and (4) identifying a mechanism by which the ex officio membership of administrators can be automatically aligned with the changing structure of the university without the need for additional action by the University Council and BOV in each instance; and

WHEREAS, the task force was composed of one representative each from the Faculty Senate, Staff Senate, A/P faculty, Student Government Association, and Graduate Student Assembly, and the Secretary of University Council, and considered the input of those respective constituencies in developing preliminary recommendations; and

WHEREAS, those preliminary recommendations were reviewed by the Commission on Equal Opportunity and Diversity, whose subsequent recommendations for enhancing the diversity of University Council have been incorporated into the final recommendations of the task force;

NOW, THEREFORE, BE IT RESOLVED, that **Article IV, Section 1** of the University Council Constitution be amended to read: [changes highlighted in bold]

The members of the University Council are:

Ex officio members:

- President of the University (non-voting chairperson)
- Secretary of the University Council (non-voting)
- Provost and Vice President for Academic Affairs
- Executive Vice President and Chief Operating Officer
- **All** Vice Presidents of the University
- **All** Vice Provosts of the University
- **All** Academic Deans of the University

- Dean of University Libraries
- Director of the Office for Equal Opportunity
- Chairs of all University Commissions
- Vice President of the Graduate Student Assembly
- Vice President of the Student Government Association

Elected representatives:

- Seven Faculty Senators elected by the Faculty Senate
- Faculty representatives from each of the academic colleges elected by the faculty in each of the colleges **[number of academic colleges no longer specified so that the merger, division, or redefinition of colleges is automatically accommodated]**
- One representative from the library faculty elected by the Library Faculty Association
- One professional faculty representative elected from Cooperative Extension
- One professional faculty representative elected from: general administration, academic support, student affairs
- One student representative elected by the Black Organizations Council
- One faculty/staff representative elected by the Black Faculty and Staff Caucus
- **One at-large faculty/staff representative elected annually by the Commission on Equal Opportunity and Diversity**
- **One student representative elected annually by the Commission on Equal Opportunity and Diversity**
- **Seven** staff representatives elected by the Staff Senate
- Two representatives from the Graduate Student Assembly elected by the Graduate Student Assembly
- Five representatives from the Student Government Association elected by the Student Government Association

Board of Visitors Representatives (non-voting, ex officio):

- **Faculty Representative to the BOV (President of the Faculty Senate)**
- **Undergraduate Student Representative to the BOV**
- **Graduate Student Representative to the BOV**

BE IT FURTHER RESOLVED THAT the following new language be added at the end of Article IV, Section 1 of the University Council Constitution:

Ex officio members of University Council may be automatically added or removed or titles revised to reflect the university's evolving organizational structure, and thus the number of members of University Council may fluctuate slightly over time. Ex officio membership of University Commissions and Committees listed in the University Council By-laws will change automatically, as

appropriate, to coincide with changes in ex officio membership of University Council.

If at the beginning of any academic year the total number of voting university administrators (deans, vice presidents, and vice provosts) who hold ex officio positions on University Council equals or exceeds the total number of all other faculty on University Council, then the Faculty Senate may elect the additional faculty necessary to ensure that the number of faculty exceeds the number of voting ex officio university administrators by one.

BE IT FURTHER RESOLVED THAT Article IV, Section 3. Term of Membership, be updated as follows:

Term of membership of elected representatives on University Council is as follows: Faculty and staff representatives are elected for terms of three years and are not eligible for re-election to a consecutive term. Terms are staggered to permit election of approximately one-third each year. **When additional faculty are elected at the beginning of the academic year to maintain a faculty majority over voting administrators, those faculty will serve a one-year term.** Student representatives are elected for one-year terms and are not eligible to serve more than two years. **The at-large faculty/staff representative elected by the Commission on Equal Opportunity and Diversity serves for one year.** Vacancies in unexpired terms are filled by the relevant body. Persons filling an unexpired term are eligible for re-election to a full term. Elections are effective the first day of July.

BE IT FURTHER RESOLVED THAT Article IV, Section 2. Voting Privileges, be amended to read as follows:

All members of University Council, exclusive of the Chairperson, the Secretary, **and the faculty representative and two student representatives to the Board of Visitors,** shall have voting privileges.

RECOMMENDATION:

That the above amendments, changes, and additions to the University Council Constitution and By-Laws be adopted effective upon approval by the Board of Visitors.

**MEMBERSHIP OF THE VIRGINIA COAL RESEARCH AND
DEVELOPMENT ADVISORY COMMITTEE
June 13, 2005**

The Virginia Coal and Energy Research and Development Advisory Committee was established in 1977 by the enabling legislation for the Virginia Center for Coal and Energy Research. The charter for the Center requires approval by the Board of Visitors for new appointments and changes in the membership of the Advisory Committee.

Proposed continuing members of the Advisory Committee are: Mr. W. Thomas Hudson, Mr. Herbert S. Wheary, and Mr. J. Robert Bray.

Mr. Hudson is the President of W. Thomas Hudson & Associates, Inc., which is a lobbying firm engaging in lobbying, association management, and consulting. Since 1987 Mr. Hudson also serves as President of the Virginia Coal Association. In this capacity, he is the primary spokesman for the Virginia Coal Association on all legislative and regulatory matters. Prior to his present position, Mr. Hudson served as Vice President (1984-1987) and Director of Taxation & Environmental Affairs (1982-1984) for the Virginia Manufacturers Association. Mr. Hudson also served as the town attorney for Blacksburg from 1978-1982.

Mr. Wheary holds the position of Manager, Corporate Public Policy with Dominion Resources. He is responsible for analysis of issues and development of policy proposals for Dominion's various energy production and delivery business units. Since 1995, Mr. Wheary has been actively involved in electric industry restructuring at the state and federal levels. Mr. Wheary serves as Dominion's liaison to the Southern States Energy Board. Prior to joining Dominion in 1984, he was employed by the Commonwealth of Virginia in the State Energy Office, where he developed and supervised programs promoting energy efficiency, renewal resources, and environmentally sound use of Virginia coal.

Mr. J. Robert Bray serves as the Executive Director of the Virginia Port Authority. In the past Mr. Bray served as law clerk to the Chief Justice of the Virginia Supreme Court and as Assistant City Attorney for the City of Portsmouth prior to joining the Virginia Port Authority as its General Counsel in 1967. During his tenure with the Virginia Port Authority, he has overseen the unification of the Port of Virginia, the creation of an aggressive and innovative marketing team, and the inauguration of annual strategic marketing and development plans. Mr. Bray serves on the Board of Directors of Virginia International Terminals, Incorporated, the Virginia Coal Research Development Advisory Board, the South Atlantic and Caribbean Ports Association, and the Washington Airports Task Force Board and the Hampton Roads Partnership Board of Directors.

RECOMMENDATIONS:

That the appointments of Mr. W. Thomas Hudson, Mr. Herbert S. Wheary, and Mr. J. Robert Bray to the Advisory Committee be renewed through 2009.

**MINUTES OF THE BUILDINGS AND GROUNDS COMMITTEE
OF THE BOARD OF VISITORS
VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY**

June 12, 2005

National Capital Regional Office, Alexandria, Virginia

PRESENT

Board of Visitors Members:

Mr. Ben J. Davenport, Jr.
Mr. Robert L. Freeman, Jr.
Mr. John R. Lawson, II
Mr. James W. Severt, Sr.

VPI & SU Staff:

Mr. Dennis C. Cochrane
Mr. Z. Scott Hurst
Mr. Kurt J. Krause
Ms. Elizabeth D. Reed

Guests:

Mr. Jerry Cain – General Counsel
Mr. Larry Hincker - Associate Vice President, University Relations
Mr. Kevin Miller - *The Roanoke Times*

OPEN SESSION

Opening Comments: Mr. Lawson called the meeting to order at 3:04 p.m. Mr. Severt, moved the Committee enter into Closed Meeting to discuss the acquisition, use, or disposition of real property and potential litigation; pursuant to §2.2-3711.3, Code of Virginia, as amended. The motion passed unanimously.

CLOSED MEETING

The Committee met in a Closed Meeting to discuss the acquisition, use, or disposition of real property and potential litigation. Mr. Severt moved the Committee be reconvened in Open Session at 4:00 p.m. The motion passed unanimously. The Committee members individually certified that, pursuant to §2.2-3712, the Closed Meeting was conducted in conformity with the Code of Virginia.

OPEN SESSION

1. **Report of Closed Meeting:** Mr. Lawson reported that the Committee met in Closed Meeting to discuss acquisition, use, or disposition of real property and potential litigation. No actions were taken.
2. **Resolution for Ratification of the 2006-2012 Capital Outlay Plan:** The Committee met in joint open session with the Finance and Audit Committee and reviewed the proposed 2006-2012 Capital Outlay Plan. Mr. Dwight Shelton addressed the key components of the plan and noted it incorporates the recommendations made by the Board at the March 14, 2005 BOV meeting. The 2006-2012 Capital Outlay Plan contains a list of capital projects by biennium and priority, and has a brief description of each capital project for the 2006-2008 biennium. Mr. Shelton stated that general fund projects are listed first, in priority order, followed by non-general fund projects. The projects and their arrangement on the 2006-2012 Capital Outlay Plan are consistent with the programmatic needs established for the planning period and with the strategic plan of the university, and they position the university with options to respond to various funding abilities of the state in the future. Mr. Shelton discussed the sequence of events that will occur during the next several months. The Governor is scheduled to submit his Capital Improvement Plan to the General Assembly on November 1, 2005. The Committee emphasized the importance of the proposed New Visitors Center & Admissions Center and noted it will provide our guests with their first impression of the university. The Committee requested a joint open session with the Finance and Audit Committee at the August 29, 2005 BOV Meeting to address the proposed site locations for the 2006-2008 biennium capital projects, as well as the proposed location for the Fine Arts Center. Both committees recommended the resolution for full Board approval.
3. **Approval of Minutes:** The minutes of the March 14, 2005 meeting were unanimously approved.
4. **Boiler Pollution Controls Design Presentation:** The Committee received a presentation of the proposed design from representatives of RMF Engineering, Inc. The project includes the addition of air pollution control equipment to primary boiler number 7 at the Virginia Tech Power Plant. This will require the addition of equipment in the existing coal yard east of the power plant building. The Committee approved the project design subject to replacing the ninety degree corner of the screen with a curved corner and exploring curving the east wall of the screen.
5. **Resolution for Campus and Workplace Violence Prevention Policy:** The university has developed a Comprehensive Campus and Workplace Violence Prevention Policy for the purpose of providing a safe and secure working and learning environment for employees, students, and visitors. In implementing this policy, the university is guided by university policies for student life and the Commonwealth of Virginia's Policy 1.80 Workplace Violence, which describes the expectation that each state agency will develop a workplace violence prevention policy. This policy addresses the university's position on the

prevention, reduction, and management of violence at all university owned, controlled, or leased properties, including satellite locations. Key provisions of the policy include the university's lack of tolerance for acts or threats of violence, it provides for risk assessment and prevention plans, it allows more consistent and appropriate handling of incidents of violence, it states the university's commitment to support victims of violence, and it defines the university's authority. Further, a campus-wide Threat/Risk Assessment and Prevention Team will be appointed and chaired by the Vice President for Business Affairs. The Committee recommended the resolution for full Board approval, subject to amending the language of the first paragraph to read "WHEREAS, Virginia Tech is committed to providing a safe learning, working, and visitation environment for all students, employees, and visitors at university facilities and university-sponsored events and programs."

6. **W. Addison Caldwell Sculpture:** The W. Addison Caldwell Sculpture is a gift of the Class of 1956 and entails the installation of a bronze statue of W. Addison Caldwell, purportedly the first student at the Virginia Agriculture and Mechanical College, now Virginia Tech. The Commemorative Tributes Committee (CTC) reviewed the project proposal and recommended approval with the stipulation that the statue be placed on the Upper Quad at a site to be determined by the University Architect. President Charles W. Steger endorsed the CTC recommendation. The University Architect selected a proposed site location between the Performing Arts Building (the old YMCA building), Torgersen Hall, and Brodie Hall. Based upon comments from members of the Class of 1956 concerning the proposed site location, the Committee deferred further action until the August 29, 2005 Board Meeting. In addition, the Committee requested that a process for establishing a master plan for public art be discussed at that same meeting.
7. **Capital Outlay Project Status Report:** The Committee reviewed the status of all capital projects in design, out for bid, or under construction. These included eight projects in the design phase, two in the bidding process, and four under construction. The Committee requested a joint open session meeting with the Student Affairs Committee in the future to address student housing.
8. **Resolution for Approval of Appalachian Power Company Easement:** The Virginia Tech/Montgomery Executive Airport is upgrading its electrical and navigation systems to meet current operational standards, and will be installing a new electric vault on the northeast side of the airfield. The Appalachian Power Company requested the university grant an easement, twenty-five feet in width, across university property of Tech Center Drive. The easement is needed for the purpose of constructing, installing, operating, and maintaining one or more lines of underground conduits and cables with accessories and appurtenances for transmitting and distributing electric power. The Committee recommended the resolution for full Board approval.

The meeting of the Buildings and Grounds Committee adjourned at 6:00 p.m.

Respectfully submitted,

Kurt J. Krause
Vice President for Business Affairs

Executive Summary Campus and Workplace Violence Prevention Policy

June 13, 2005

In the interests of providing a safe and secure working and learning environment for employees, students, and visitors, the university has developed a comprehensive campus and workplace violence prevention policy. This policy addresses the university's position on the prevention, reduction, and management of violence at all university owned, controlled, or leased properties, including satellite locations. In implementing this policy, the university is guided by the Commonwealth of Virginia's Policy 1.80 Workplace Violence and University Policies for Student Life.

The key provisions of the policy are summarized below.

Prohibited Conduct

Virginia Tech will not tolerate acts of violence or hostility committed by or against employees, students, contractual workers, volunteers, visitors, or other third parties on university owned, controlled, or leased properties, or while conducting university business at any other location.

The university's employees, students, and volunteers, or any visitor or other third party attending a sporting, entertainment, or educational event, or visiting an academic or administrative office building or residence hall, are further prohibited from carrying, maintaining, or storing a firearm or weapon on any university facility, even if the owner has a valid permit, when it is not required by the individual's job, or in accordance with the relevant University Student Life Policies.

Sanctions

Policy violations are considered unacceptable conduct and subject to disciplinary action under the appropriate faculty, staff, and student policies. Sanctions may also include dismissal, barring from campus, and/or arrest.

Authorized Exceptions to Prohibition on Possession of Firearms or Weapons

The policy provides for certain exceptions to possession of firearms or weapons, such as when it is required as a part of the employee's job duties. Employees and students may possess and use appropriate tools, such as saws, knives, and other such implements, necessary for the performance of their job duties or school work, or for student recreational purposes approved under University Student Life Policies. As stated in The University Policies for Student Life, students may only possess firearms and other weapons if these are stored with the Virginia Tech Police Department to be checked out for use off-campus. Other exceptions must be approved by the Vice President for Business Affairs.

Prevention and Risk Assessment

The university is committed to the development of preventative measures, including a workplace threat and risk assessment and prevention team, security planning for at-risk employees, pre-employment screening for selected positions, and general programs to increase employee awareness.

The Vice President for Business Affairs will chair a campus-wide Workplace Violence Threat and Risk Assessment and Prevention Team, which will be responsible for conducting an annual review, recommending and implementing training programs, implementing threat response and crisis management plans, and evaluating the effectiveness of the university's violence prevention programs.

Summary

Adoption of a comprehensive campus and workplace violence prevention policy states the university's lack of tolerance for acts or threats of violence, provides for risk assessment and prevention plans, allows more consistent and appropriate handling of incidents of violence, and defines the university's authority.

CAMPUS AND WORKPLACE VIOLENCE PREVENTION POLICY

WHEREAS, Virginia Tech is committed to providing a safe working, learning, and visitation environment for all students, employees, and visitors at university facilities and university-sponsored events and programs; and

WHEREAS, student conduct is covered by the University Policies for Student Life, however, there is no comprehensive policy on workplace violence prevention covering all members of the university community; and

WHEREAS, violence takes many forms including, but not limited to intimidation, threats, physical attacks, domestic and dating violence, stalking, or property damage; and

WHEREAS, adoption of a comprehensive campus and workplace violence policy allows more consistent and appropriate handling of incidents of violence, creates more visibility for these critical issues, and states unequivocally the university's lack of tolerance for acts of violence or hostility by or against employees, students, contractual workers, volunteers, visitors, and others;

THEREFORE be it resolved, that the Campus and Workplace Violence Prevention policy be adopted effective immediately and widely disseminated so that the university community will be educated on workplace violence issues and effective means of prevention.

RECOMMENDATION:

That the Campus and Workplace Violence Prevention policy be approved by the Board of Visitors effective immediately.

**Virginia Polytechnic Institute and State University
Policy and Procedures****No. 5616 Rev.: 0
Date: June 13, 2005**

Subject: Campus and Workplace Violence Prevention Policy

1. Purpose

It is the intent of Virginia Polytechnic Institute and State University to provide a safe and secure environment for university employees, students, and visitors by establishing preventative measures, holding perpetrators accountable, and providing assistance and support to victims. This policy specifically addresses the university's position on the prevention, reduction, and management of violence to provide a safe working and learning environment for our students, employees, and visitors at all university owned, controlled, or leased properties, including satellite locations. In implementing this policy, the university is guided by the Commonwealth of Virginia's Policy 1.80 Workplace Violence and Policy 2.30 Workplace Harassment.

The conduct of students is covered, in depth, by the University Policies for Student Life (<http://www.judicial.vt.edu/upsl.php>). The Division of Student Affairs, Office of Judicial Affairs is responsible for the implementation of the UPSL. Nothing in this policy amends the University Policies for Student Life.

2. Policy

Virginia Tech does not tolerate acts of violence or hostility committed by or against employees, students, contractual workers, volunteers, visitors, or other third parties on university owned, controlled, or leased properties, or while conducting university business at any location, including representing the university at conferences or off-site meetings, or riding in university owned or leased vehicles.

This policy applies to the personal conduct of an employee while functioning in the course and scope of employment, whether on or off-campus, and to any off-duty violent conduct that adversely impacts a university employee's ability to perform his or her assigned duties and responsibilities. The personal conduct of students involving violations occurring off university property will be addressed under University Policies for Student Life if university officials decide that university interests are involved. Student employees, including graduate students with assistantships, may also be covered under relevant employee policies.

It is intended that all useful management strategies be employed to identify and prevent incidents of workplace and campus violence, reduce the effects of violence on victims, and provide consequences to those who threaten or perpetrate violence. University managers, employees, and students are responsible for reporting indications of possible hostile behavior, and must not be subjected to any acts of retaliation for reporting concerns. The university will use available resources such as the Employees Assistance Program, law enforcement offices, the university's Women's Center, relevant offices within the Division of Student Affairs, and applicable personnel and student programs and policies in responding to alleged acts of violence.

2.1 Prohibited Conduct and Sanctions

Violence includes, but is not limited to, intimidation, threats, physical attack, domestic and dating violence, stalking, or property damage, and includes acts of violence committed by or against university employees, students, contractual workers, customers, relatives, acquaintances, or other third parties on university facilities.

Prohibited conduct includes, but is not limited to, intentionally:

- Injuring another person physically;
- Engaging in verbal or physical behavior that creates a reasonable fear of injury to an identifiable person;
- Engaging in verbal or physical behavior that subjects an identifiable individual to extreme emotional distress;
- Engaging in threatening or violent behavior based on race, ethnicity, gender, sexual orientation, or other protected status;
- Defacing or damaging property;
- Threatening to injure an individual or to damage property;
- Committing injurious or threatening acts related to sexual assault, stalking, dating or domestic violence or sexual harassment;
- Brandishing a weapon or firearm; and
- Retaliating against any individual who, in good faith, reports a violation of this policy.

Verbal behavior also includes use of any method of communication such as email, comments posted on websites, or other paper or electronic media.

A violation of this policy shall be considered unacceptable conduct and subject to the disciplinary actions under the appropriate faculty, staff, and student policies, up to and including dismissal.

- University classified employees are subject to disciplinary action as outlined in the *Commonwealth of Virginia Standards of Conduct and Performance Policy 1.60*.
- University faculty members are subject to disciplinary review as outlined in the *Faculty Handbook* or *Research Faculty Handbook*.
- Hourly and wage employees, including adjunct faculty, are “at will” employees and may be disciplined or dismissed.
- Undergraduate and graduate students are subject to disciplinary actions as outlined in the *University Policies for Student Life*.

Individuals who violate this policy may also be subject to arrest for trespass and/or violation of the appropriate state criminal statute, and/or may be barred from campus.

For employees, an act of off-duty violent conduct may be grounds for disciplinary action, up to and including dismissal per applicable personnel policies.

2.2 Prohibition of Weapons

The university’s employees, students, and volunteers, or any visitor or other third party attending a sporting, entertainment, or educational event, or visiting an academic or administrative office building or residence hall, are further prohibited from carrying,

maintaining, or storing a firearm or weapon on any university facility, even if the owner has a valid permit, when it is not required by the individual's job, or in accordance with the relevant University Student Life Policies.

Any individual who is reported or discovered to possess a firearm or weapon on university property will be asked to remove it immediately. Failure to comply may result in a student judicial referral and/or arrest, an employee disciplinary action and/or arrest, or arrest for trespass and/or violation of the appropriate state criminal statute.

2.3 Authorized Exceptions to Prohibition on Possession of Firearms or Weapons

An employee may possess a firearm or weapon if it is:

- Used by an employee who is a certified law enforcement officer employed by the Virginia Tech Police Department;
- Required as a part of the employee's job duties with the Commonwealth of Virginia; or
- Connected with training received by the employee in order to perform the responsibilities of their job with the university.

Employees and students may possess and use appropriate tools, such as saws, knives, and other such implements, necessary for the performance of their job duties or school work, or for student recreational purposes approved under University Student Life Policies. Certain agricultural workers have been authorized to use firearms, and hunting on university property may be authorized by the appropriate university officials. Some employees reside in university-owned houses and are permitted to keep personal firearms on these premises; however, this exception does not extend to employees living in university residence halls.

As stated in The University Policies for Student Life, students may not possess, use, or store firearms or weapons on university property; however, firearms and other weapons may be stored with the Virginia Tech Police Department to be checked out for use off-campus. Organizational weapons of the Virginia Tech Corps of Cadets, approved by the Commandant, are not prohibited by this policy.

Other exceptions must be approved by the Vice President for Business Affairs, in consultation with appropriate university offices.

2.4 Prevention and Risk Assessment

As part of a larger and institution-wide commitment to a safe campus and workplace environment, the university is committed to the development of preventative measures, including a campus and workplace threat and risk assessment and prevention team, security planning for at-risk employees, pre-employment screening, and general programs to increase employee awareness.

The Vice President for Business Affairs will chair a campus-wide Workplace Violence Threat and Risk Assessment and Prevention Team, which will be responsible for:

- Conducting an annual review to identify potential or existing threats, including gathering and analyzing data to identify high-risk departments, activities, or locations;

- Recommending and implementing employee and student training programs on campus and workplace violence;
- Implementing plans for responding to credible threats and acts of violence (crisis management plan);
- Reviewing and developing threat assessment and response policies and procedures;
- Communicating internally with employees and students; and
- Evaluating the effectiveness of the university's workplace/campus violence prevention programs.

2.5 Identifying and Reporting Risks

All individuals are encouraged to be alert to the possibility of violence on the part of employees, former employees, students, customers, and strangers. Employees and students shall place safety as their highest concern, and shall report all acts of violence and threats of violence. All reports of violence will be handled in a confidential manner, with information released only on a need-to-know basis within the campus community and in accordance with federal and state laws and regulations. Management shall be sensitive and responsive to the potential for fear of reprisal by employees or students who report threats or acts of violence. This policy prohibits retaliation against any person, who, in good faith, reports a violation of this policy. Every effort will be made to protect the safety and anonymity of anyone who comes forward with concerns about a threat or act of violence.

2.6 Responsibilities

It is the responsibility of every administrator, faculty member, staff member, and student to take any threat or violent act seriously and to report acts of violence or threats to the appropriate authorities as set forth in this policy.

Department heads, directors, and supervisors are also responsible for communicating the policy to all employees under their supervision, ensuring that facilities are as safe as feasible, identifying and providing violence prevention training to employees as appropriate, and ensuring that all employees are aware of how to report potential threats.

The Virginia Tech Police Department will coordinate all university action in case of a violent incident on campus or in the work place, establish and publish procedures for campus and workplace violence prevention and threat assessment, and investigate threats or incidents of violence. Only the Virginia Tech Police or other law enforcement agencies should attempt to apprehend the alleged offender.

Personnel Services will coordinate employee-related preventive measures, including coordinating employee training and communications programs, conducting criminal conviction checks in accordance with university policy, advising employees and managers, and coordinating with other university and community resources to support victims of violence.

Student Affairs will coordinate student-related preventive measures including training for professionals, student employees (e.g. Residence Advisors), and students through the on-call process and through other education and training methods. The Office of Judicial Affairs is responsible for responding to and adjudicating violations of the

University Policies for Student Life. Student Affairs will maintain the Care Team, the goal of which is to coordinate support services and administrative response to crises involving students.

Environmental Health and Safety Services will develop and coordinate the university's emergency response plan, advise departments on the development of unit plans, and provide templates to support the development of departmental plans.

The VT Women's Center will respond to requests for assistance from staff, student, and faculty victims of violence, or threats of violence, by providing counseling, advocacy, safety planning, and other support as needed to victims of sexual assault, rape, dating or domestic violence, or other forms of campus or workplace violence. The Center will coordinate services with on- and off-campus partners such as the VT Police Department and other law enforcement agencies, the court system, the on-campus judicial process, medical and hospital services, and shelter services.

3. Procedures

3.1 Reporting Incidents

Any individual who believes there is an immediate danger to the health or safety of any member of the university community should call the Virginia Tech Police at 911.

General questions about the Campus and Workplace Violence Policy should be directed to Personnel Services. Questions about specific issues may also be directed to:

- Occupational Safety Division (EHSS) (540) 231-5985
- Personnel Services (540) 231-9331
- University General Counsel (540) 231-6293
- Virginia Tech Police (540) 231-6411
- Virginia Tech Women's Center (540) 231-7806
- Office of Judicial Affairs (540) 231-3790

3.2 Support for Victims of Violence

The university shall make efforts to provide a campus and workplace free from violence and to protect and support victims and those threatened or exposed to acts or threats of workplace violence by offering security measures and identifying appropriate resources for providing support and assistance. Victims may also need special accommodations or adjustments to their work or class schedule, location or working conditions in order to enhance their safety. The university shall accommodate these requests and needs whenever possible and appropriate.

3.3 Security Planning for Potentially At-Risk Employees and Students

Some employees can be at risk for violence/hostility because of the nature of their jobs. Other employees or students can be at risk because they are subject to violence, threats, or harassment from a current or former spouse or partner, or other non-employee. The Virginia Tech Police Department, Personnel Services, the Women's Center, and other offices will work with at-risk students and employees, and their supervisors, to develop safety plans that address the specific risks they face.

3.4 Pre-employment Screening and Criminal Conviction Checks

Personnel Services administers the university's Policy 4060 Criminal Conviction and Drivers' Records, and will work with hiring managers to ensure that security sensitive positions are identified and criminal conviction checks conducted in accordance with the policy. Hiring managers are responsible for conducting pre-employment reference checks and advising Personnel Services when potential problems are identified.

4. Definitions

Assault is committed when one person 1) tries to or does physically strike another, or 2) acts in a threatening manner to put another in fear of immediate harm. Aggravated assault is defined as a completed or attempted attack with a weapon and an attack without a weapon in which the victim is seriously injured.

Campus is defined as any location, either permanent or temporary, owned or leased by Virginia Tech. This includes, but is not limited to, the buildings, grounds, and the surrounding perimeters, including the parking lots, field locations, classrooms, residence halls, alternate work or class locations.

A credible threat of violence is defined as a knowing and willful statement or course of conduct that would cause a reasonable person to believe that he or she is under threat of death or serious bodily injury. A course of conduct is any series of acts over a period of time, however short, that evidences a continuity of purpose, such as following or stalking an individual to or from the workplace/campus, telephone calls to the employee or student, and correspondence with the employee or student, whether by public or private mail, e-mail, interoffice mail, or fax.

Employee, for purposes of this policy, is defined as any salaried or wage faculty or staff member, graduate students paid on assistantships, and student workers.

Firearms are defined as any gun, rifle, pistol, or handgun designed to fire bullets, BBs, pellets, or shots, including paint balls, regardless of the propellant used.

Intimidation is engaging in actions that include, but are not limited to, stalking or behavior intended to frighten, coerce, or induce duress.

Physical Attack is unwanted or hostile physical contact such as hitting, fighting, pushing, shoving or throwing objects.

Property Damage is intentional damage to property and includes property owned or leased by the university, employees, students, volunteers, visitors or vendors.

Sexual assault is defined as any forcible sexual activity that occurs without the consent of the victim. It includes, but is not limited to, unwanted kissing and fondling, forcible vaginal, oral, or anal intercourse, and forcible penetration with an object or finger. Consent is an agreement reached without force, coercion, or intimidation between persons. Forcible sexual activity occurs when consent is not reached or when the victim is mentally incapacitated or physically helpless.

Stalking is defined as repeatedly contacting another person when the contact is unwanted. Additionally, the conduct may cause the other person reasonable apprehension of imminent physical harm or cause substantial impairment of the other person's ability to perform the activities of daily life. Contact includes but is not limited

to communicating with (either in person, by phone or computer) or remaining in the physical presence of the other person.

Student is defined as any individual who has accepted an offer of admission as an undergraduate, graduate, or professional student and who has not yet graduated or officially transferred to another institution. If a student's enrollment lapses for more than one calendar year, the student will no longer be subject to disciplinary action under this policy.

Student employee is defined as any work-study student, student wage employee, or graduate student paid on an assistantship on the university payroll.

Third Parties are individuals who are not state employees or students, such as relatives, acquaintances, contractual workers, vendors, visitors, volunteers, customers, clients, or strangers.

Threat is the expression of intent to cause physical or mental harm. An expression constitutes a threat without regard to whether the party communicating the threat has the present ability to carry it out, and without regard to whether the expression is contingent, conditional, or future.

University facilities are any location, either permanent or temporary, owned or leased by Virginia Tech. This includes, but is not limited to, the buildings, grounds, and the surrounding perimeters, including the parking lots, field locations, classrooms, alternate work or class locations, and university owned or leased vehicles.

Victim is defined as an individual who has experienced or witnessed an act or acts of violence or threats of violence as outlined in this policy.

Violence includes, but is not limited to, intimidation, threats, physical attack, domestic violence or property damage and includes acts of violence committed by university employees, students, clients, customers, relatives, acquaintances or strangers against university employees in the workplace but does not include lawful acts of self-defense or the defense of others.

Weapons are defined as any instrument of combat, or any object not designed as an instrument of combat but carried for the purpose of inflicting or threatening bodily injury. Examples include but are not limited to firearms, knives with fixed blades or pocket knives with blades longer than four inches, razors, metal knuckles, blackjacks, hatchets, bows and arrows, nun chahkas, foils, or any explosive or incendiary device.

Workplace is any location, either permanent or temporary, where an employee performs any work-related duty. This includes, but is not limited to, the buildings and the surrounding perimeters, including the parking lots, field locations, classrooms, alternate work locations, and travel to and from work assignments. It further includes university owned or leased vehicles.

5. References

Virginia Tech Classified Staff Handbook

Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act
Policy 4060, Criminal Conviction and Drivers' Record Policy

Virginia Department of Human Resource Management Policy

Department of Human Resource Management Policy 1.80 Workplace Violence

Department of Human Resource Management Policy 2.30 Workplace Harassment

Virginia Tech Faculty Handbook

Virginia Tech Research Faculty Handbook

University Policies for Student Life

6. *Approval and Revisions*

RESOLUTION FOR APPALACHIAN POWER COMPANY EASEMENT

The Virginia Tech/Montgomery Executive Airport is upgrading its electrical and navigation systems to meet current operational standards and will be installing a new electric vault on the northeast side of the airfield. Appalachian Power Company has requested the university grant an easement, twenty-five feet in width, across university property on the northeast side of the airfield of the Virginia Tech/Montgomery Executive Airport south of Hubbard Street. The easement is needed for the purpose of constructing, installing, operating and maintaining one or more lines of underground conduits and cables with accessories and appurtenances for transmitting and distributing electric power and data and voice communications.

RESOLUTION FOR APPALACHIAN POWER COMPANY EASEMENT

WHEREAS, Appalachian Power Company desires to acquire an approximate three hundred and seven foot (307') easement, twelve and one-half feet (12 ½') on each side of the line for the purposes of constructing, installing, operating, and maintaining one or more lines of underground conduits and cables with accessories and appurtenances for transmitting and distributing electric power and data and voice communications over and upon real property of Virginia Polytechnic Institute and State University; and

WHEREAS, said easement would comprise approximately 0.176 of an acre on real property located on the northeast side of the airfield of the Virginia Tech/Montgomery Executive Airport south of Hubbard Street; and

WHEREAS, said easement is more particularly described on drawings prepared by Anderson & Associates, Inc. dated May 9, 2005, Document No. 23992-001; and

WHEREAS, said easement is described as follows: Beginning at a point in the southern right-of-way of Hubbard Street and the northern boundary of Montgomery County Tax Parcel 256(A)1, thence across Tax Parcel 256(A)1 the following five (5) calls: S 06° 46' 08" E, 66.30 Feet to a point; S 03° 01' 28" W, 241.03 Feet to a point; S 69° 40' 12" W, 27.23 Feet to a point; N 03° 01' 28" E, 249.68 Feet to a point; N 06° 46' 08" W, 55.27 Feet to a point in said Hubbard Street right-of-way; thence with said right-of-way N 63° 38' 43"E, 26.54 Feet to the point and place of beginning and containing 0.176 acres; and

WHEREAS, said easement is part of a parcel of land the University is leasing to the Virginia Tech/Montgomery Regional Airport Authority under a 50 year agreement dated July 1, 2002; and

WHEREAS, the Virginia Tech/Montgomery Regional Airport Authority is supportive of the easement since it is needed for the airport's upgrade of its electrical and navigation systems to meet current operational standards; and

WHEREAS, Virginia Polytechnic Institute and State University desires to grant said easement to Appalachian Power Company;

NOW, THEREFORE BE IT RESOLVED, that the Vice President for Business Affairs be authorized to execute an easement to Appalachian Power Company in accordance with applicable procedures for said easement pursuant to the Code of Virginia, Section 23-4.1.

RECOMMENDATION:

That the above resolution authorizing the Vice President for Business Affairs to execute the easement to Appalachian Power Company be approved.

**MINUTES OF THE FINANCE AND AUDIT COMMITTEE
OF THE BOARD OF VISITORS
VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY**

June 12, 2005

***FINANCE CLOSED
JOINT SESSION WITH BUILDINGS AND GROUNDS COMMITTEE***

PRESENT:

BOARD OF VISITORS: Mr. Ben Davenport, Mr. Robert Freeman, Mr. John Lawson, Mr. Jacob Lutz, Mr. Thomas Robertson, Mr. John Rocovich, Mr. James Severt, Mr. Philip Thompson

VPI&SU STAFF: Ms. Kay Heidbreder, Mr. James Hyatt, Mr. Kurt Krause, Mr. Dennis Cochrane, Mr. John Rudd, Dr. Charles Steger, Dr. Lisa Wilkes

FINANCE CLOSED SESSION: The Finance and Audit Committee and the Buildings and Grounds Committee met jointly in Closed Session to discuss potential litigation.

FINANCE CLOSED SESSION

PRESENT:

BOARD OF VISITORS: Mr. Jacob Lutz, Mr. Thomas Robertson, Mr. John Rocovich, Mr. Philip Thompson

VPI&SU STAFF: Ms. Kay Heidbreder, Mr. James Hyatt, Ms. Kim O'Rourke, Mr. John Rudd, Dr. Charles Steger, Dr. Lisa Wilkes

FINANCE CLOSED SESSION: The Committee met in Closed Session to review and take action on the quarterly personnel changes report, the Research and Development Disclosure Report, the Promotion, Tenure and Continued Appointment Program, Virginia Bioinformatics Institute Policy Advisory Board reappointments, the NCAA women's basketball tournament bonuses, the NIT men's basketball tournament bonus, and a resolution on special personnel action.

**FINANCE OPEN
JOINT SESSION WITH BUILDINGS AND GROUNDS COMMITTEE**

PRESENT:

BOARD OF VISITORS: Mr. Ben Davenport, Mr. Robert Freeman, Mr. John Lawson, Mr. Jacob Lutz, Mr. Thomas Robertson, Mr. John Rocovich, Mr. James Severt, Mr. Philip Thompson

VPI&SU STAFF: Mr. Dennis Cochrane, Mr. Larry Hincker, Mr. Scott Hurst, Mr. James Hyatt, Mr. Kurt Krause, Ms. Elizabeth Reed, Mr. John Rudd, Ms. Kathy Sanders, Mr. Dwight Shelton, Dr. Lisa Wilkes, Ms. Linda Woodard

GUESTS: Mr. Kevin Miller, The Roanoke Times

1. APPROVAL OF ITEMS DISCUSSED IN CLOSED SESSION:

The Finance and Audit Committee reviewed and took the following actions on items discussed in closed session: ratified the Personnel Changes Report and the Research and Development Disclosure Report; ratified the contractual bonuses for the NCAA Women's basketball tournament and the contractual bonus for the NIT Men's basketball tournament, and approved the 2005-2005 Promotion, Tenure and Continued Appointment, reappointments to the Virginia Bioinformatics Institute Policy Advisory Board, a special personnel action, and a resolution on exception to the Virginia Conflict of Interest Act.

ITEM PRESENTED TO THE FULL BOARD FOR APPROVAL

JOINT MEETING WITH BUILDINGS AND GROUNDS COMMITTEE

2. RATIFICATION OF 2006-2012 CAPITAL OUTLAY PLAN:

The Committees reviewed the 2006-2012 Capital Outlay Plan. At the March meeting the Board approved the University's list of potential projects for inclusion in the 2006-2012 Capital Outlay Plan and authorized the University to develop and submit a final Plan to the state, in accordance with future guidance from the state and based on the projects in the approved list. Based on instructions received from the state on March 16, 2005, the University prepared and submitted the Six-Year Plan, Maintenance Reserve request, and Capital Lease request components by the May due date.

Projects listed in the six-year capital plan total \$1 billion. Projects proposed for funding in the 2006-2008 biennium are: Maintenance Reserve; replacement of deteriorated section of Davidson Hall; renovation of Liberal Arts Building, Litton Reaves Hall Exterior, and Residence and Dining Halls; code compliance for fire alarm systems and access; construction of Campus Heat Plant, Institute for Critical Technology and Applied Science II, Life Sciences Research Facility II,

NIH Research Facility, Hazardous Materials Facility, Engineering/Computational Sciences Instructional Facility, Newman Library Addition – ARC, Veterinary Medicine Instruction Addition, Surge Space Building, Classroom Building, New Police Facility, Administrative Services Building, New Visitor and Admissions Center, additional recreation, counseling, and clinical space, and Indoor Athletic Training Facility; and provide a supplement to the 2002 General Obligation Bond Projects. The total request for 2006-2008 is \$371.4 million.

The Finance and Audit Committee recommended the 2006-2012 Capital Outlay Plan to the full Board for ratification.

FINANCE OPEN SESSION

PRESENT:

BOARD OF VISITORS: Mr. Jacob Lutz, Mr. Thomas Robertson, Mr. John Rocovich, Mr. Philip Thompson

VPI&SU STAFF: Mr. Larry Hincker, Mr. James Hyatt, Mr. John Rudd, Ms. Kathy Sanders, Mr. Dwight Shelton, Dr. Lisa Wilkes, Ms. Linda Woodard

ITEM NOT PRESENTED TO THE FULL BOARD FOR APPROVAL

3. APPROVAL OF MINUTES OF THE MARCH 14, 2005 MEETING:

The Committee reviewed and approved the minutes of the March 14, 2005 meeting.

ITEMS PRESENTED TO THE FULL BOARD FOR APPROVAL

4. APPROVAL OF RESOLUTION OF COMMITMENT TO THE STATE'S GOALS:

Virginia's 2005 General Assembly session enacted the Restructured Higher Education Financial and Administrative Operations Act, which allows institutions restructured financial and operational authority. To be eligible for participation in the Act, the Board of Visitors is required to formally adopt a resolution committing to the Governor and the General Assembly to meeting the state's eleven goals as described in the Act. The Committee reviewed for approval the resolution of the University's commitment, by both the University Division and the Virginia Cooperative Extension and Agricultural Experiment Station Division, to the state's goals.

The Committee recommended the Resolution of Commitment to the State's Goals to the full Board for approval.

5. APPROVAL OF YEAR-TO-DATE FINANCIAL PERFORMANCE REPORT
(JULY 1, 2004 – MARCH 31, 2005):

The Committee reviewed for approval the Year-to-Date Financial Performance Report for July 1, 2004 - March 31, 2005. For the third quarter, all programs of the university are on target, and routine budget adjustments were made to reflect changes in projected revenues and expenditures.

Tuition and Fee revenue is higher than projected through the third quarter due to a strong Spring retention rate and projected savings in unfunded scholarships. Academic expenditures in the University Division are lower than projected due to salary savings from vacant positions in the current year. Salary savings will be redistributed during the remainder of the year to operating accounts. Expenses in the Cooperative Extension and Agriculture Experiment Station Division are lower than historical budget projections due to salary savings from vacant positions in the current year. These savings will be redistributed during the remainder of the year to operating accounts. Total sponsored and overhead revenue and expenditures were less than projected, but sponsored research expenditures are ahead of 2003-2004 activity levels and the rate of growth in sponsored programs is increasing. The University will review these budgets and make any necessary changes to the annual budget during the fourth quarter.

Revenues are higher than projected in Residence and Dining Halls due to income from dining dollar deposits and meal plan sales to off-campus students. Revenues are higher than projected in Intercollegiate Athletics due to higher-than-anticipated ticket sales and handling fees, and higher-than-projected South End Zone revenues, concessions income, and licensing revenue. Additionally, routine budget adjustments have been made in several auxiliaries to reflect revenue and expenditure changes.

For the quarter ending March 31, 2005, \$26 million had been expended for Educational and General and General Obligation Bond Projects, and \$65.5 million had been expended for Auxiliary Enterprises capital projects.

The Committee recommended the Year-to-date Financial Performance Report to the full Board for approval.

6. APPROVAL OF 2005-2006 FACULTY COMPENSATION PLAN:

The Committee reviewed for approval the 2005-2006 faculty compensation plan. The University continues to use the parameters provided by the Secretary of Education in the "Consolidated Salary Authorization for Faculty Positions in Institutions of Higher Education" that outlines the authorized salary average for full-time teaching and research faculty positions, defines the qualification criteria for teaching and research faculty and administrative and professional faculty, and requires a Board-approved faculty compensation plan. In the late 1980s, the General Assembly established an objective to fund a faculty salary average at all institutions that would approximate the salary average at the 60th percentile in the ranking of salary averages in individual benchmark groups.

Included in the faculty compensation plan are the processes that guide the promotion, tenure, and continued appointment actions, the annual evaluation of faculty, and the salary adjustments for faculty, including those adjustments that are made outside of the annual merit cycle.

The authorized salary average for 2004-05 for Virginia Tech is \$76,628. This places Virginia Tech at the 25th percentile of its peer group for 2004-05. Because the General Assembly provided funding for an average increase of 4.60 percent in 2005-06, the authorized salary average is expected to increase to \$80,153 while the rank is projected to increase to the 30th percentile (assuming a 3.0 percent increase at peer institutions).

The university has included in its 2005-2006 budget a provision to alter the percentage increase provided by the state to achieve certain salary compensation needs. In such cases, any increased salary allocations may come from reallocations of existing resources, or from a special pool of funds established by the university through the use of nongeneral funds.

The Committee recommended the 2005-2006 Faculty Compensation Plan to the full Board for approval.

7. APPROVAL OF RESOLUTION ON RETIREMENT BENEFITS FOR PART-TIME FACULTY:

Recent legislation has allowed part-time salaried classified employees working half time or more to participate in the Virginia Retirement System (VRS); authority for part-time faculty employees to participate in any retirement program resides with the Board of Visitors. The Committee reviewed for approval a resolution that would authorize part-time salaried faculty members working half time or more for at least six months on a calendar-year appointment or one semester if on an academic-year appointment to be eligible to participate in either the university's defined contribution retirement program or the VRS to the extent permitted by VRS, currently providing 10.4 percent of salary to the employee's retirement account.

The Committee recommended the Resolution on Retirement Benefits for Part-time Faculty to the full Board for approval.

8. APPROVAL OF 2005-2006 UNIVERSITY BUDGET:

The Committee received an overview of the 2005-2006 University Budget and reviewed the average instructional cost for students. The approved tuition rates for 2005-2006 will result in students paying an average of 63 percent of the instructional cost (a slight increase from 2004-2005). Nonresident students will, as a group, pay 133 percent of the appropriated cost per student (a slight increase from 2004-2005). The University is in compliance with the policy established in the 1991 General Assembly session requiring institutions to

charge out-of-state students, as a group, the full cost of the instructional program.

The Committee reviewed for approval the following 2005-2006 University Budgets:

University Budget

The University is authorized to spend \$885.4 million during 2005-06 to carry out all of its programs, based upon the direct appropriations. However, the University's annual internal budget varies from this external expenditure authorization for several reasons, some of which increase the annual expenditure authority while others reduce the expenditure plans. For 2005-06, the net of these transactions results in an annual internal budget for all operations of approximately \$821.2 million; this is an increase of \$53.6 million over the original 2004-05 budget. The University will receive \$230.6 million in General Fund support, and increase of 16.2 million. This increase reflects changes in nongeneral fund revenues for 2005-06 as well as actions in the 2005 General Assembly session that impact the 2005-06 General Fund appropriation.

The Education and General budget will be \$467.0 million in 2005-06 and reflects the increased General Fund support as well as the approved tuition and fees. In 2005-06, the auxiliary operations are projected to grow approximately 14.9 percent over the original 2004-05 budget; a significant portion of the growth will occur due to the West Side Expansion of Lane Stadium coming on-line and the opening of the new Inn at Virginia Tech and Skelton Conference Center. The University anticipates that increases in research activities will occur; thus, sponsored programs activity for 2005-06 is projected to grow by \$11.1 million or 6.6 percent over 2004-05 projected activity levels. The university's student financial assistance program is anticipated to increase by 9.2 percent in 2005-06, providing \$13.4 million in state-supported student financial assistance.

The capital outlay program for fiscal year 2006 includes 12 Educational and General projects, 11 General Obligation Bond projects, and 11 Auxiliary Enterprise projects for a total of 34 projects. The total capital outlay budget for fiscal year 2006 includes \$461.8 million of authorizations with an estimated available balance of \$296.5 million. Of the available balance, the University plans to spend almost \$76 million in fiscal year 2006.

The Committee recommended the 2005-2006 operating and capital budgets to the full Board for approval.

Student Financial Assistance

Discretionary financial assistance from the General Fund is appropriated by the General Assembly for students attending state colleges and universities in Virginia. For the 2004-2005 fiscal year, the University received a total of \$12.3 million for undergraduate and graduate financial assistance. For the 2005-2006 fiscal year, the University received an additional allocation of \$687,223 for undergraduate Virginians and \$438,028 for graduate fellowships. Thus, a total of \$13.4 million is anticipated to be available for state-supported student financial

assistance in 2005-2006. It is recommended that the allocation be distributed in the following manner: \$11,000 for Soil Scientist Scholarships; \$307,500 for the Multicultural Academic Opportunities Program, \$2,622,580 for Graduate Fellowships; and \$10,457,193 for Undergraduate Scholarships.

The Committee recommended the allocations for Student Financial Assistance to the full Board for approval.

Hotel Roanoke Conference Center Commission Budget:

The Hotel Roanoke Conference Center Commission was established by resolutions adopted by Virginia Tech and the City of Roanoke, under Commonwealth of Virginia enabling legislation. The enabling legislation provided that the Commission shall annually prepare and submit to both the City of Roanoke and Virginia Tech a proposed operating budget showing its estimated revenues and expenses for the forthcoming fiscal year, and, if the estimated expenses exceed the estimated revenues, the portion of the unfunded balance is to be borne by each participating party for the operation of the conference center. The Commission has reviewed its operating budget for 2004-2005 and has adopted and approved its operating budget for the fiscal year 2005-06. Virginia Tech and the City of Roanoke will make equal contributions of \$100,000 to the Commission for fiscal year 2005-06. The funds for Virginia Tech will come from Continuing Education fees and from the Fralin endowment which was established to assist with the project.

The Committee recommended the Hotel Roanoke Conference Center Commission budget to the full Board for approval.

9. APPROVAL OF PROPOSED 2005-2006 BUDGET FOR VIRGINIA TECH / WAKE FOREST UNIVERSITY SCHOOL OF BIOMEDICAL ENGINEERING AND SCIENCES:

The Committee reviewed for approval the proposed 2005-2006 budget for the Virginia Tech/Wake Forest University School of Biomedical Engineering and Sciences. The collaboration agreement, which outlines the relationship and responsibilities of each party, requires the governing boards of each university to approve the annual operating budget for the School of Biomedical Engineering and Sciences.

The Committee recommended the budget for the Virginia Tech / Wake Forest University School of Biomedical Engineering and Sciences to the full Board for approval.

10. APPROVAL OF PROPOSED 2005-2006 AUXILIARY SYSTEMS BUDGETS:

The Committee reviewed for approval the proposed 2005-2006 Auxiliary Systems Budgets. In accordance with the resolution authorizing and securing the Dormitory and Dining Hall System, Electric Service System, University Services System and Intercollegiate Athletic System revenue bonds, the Board of Visitors is required to adopt an annual budget. Once approved by the Board

of Visitors, the annual budget will be filed with the State Treasurer and will be the basis for making payments from the revenue fund to meet the operating costs of the auxiliary systems.

Dormitory and Dining Hall System

The 2005-2006 budget and revenues for dormitories (\$23.8 million) and dining halls (\$28.8 million) are equal to that of budgeted expenses. The expenses, including debt service required to operate the Dormitory and Dining Hall System for the fiscal year, will be in accordance with the approved revenues and in accordance with the approved fee structure.

Electric Service Budget

The 2005-2006 budget for the Electric Service System, including debt service, is \$16 million for the period of July 1, 2005 to June 30, 2006.

University Services System

The 2005-2006 budget for the University Services System, including debt service, is \$21 million for the period of July 1, 2005 to June 30, 2006.

Intercollegiate Athletics System

The 2005-2006 budget for the Intercollegiate Athletics System, including debt service, is \$37.3 million for the period June 1, 2005 to June 30, 2006.

The Committee recommended the Auxiliary Systems budgets to the full Board for approval.

11. APPROVAL OF PROPOSED 2005-2006 PRATT FUND BUDGETS:

The Committee reviewed for approval the proposed 2005-2006 Pratt Fund budgets for Engineering and Animal Nutrition. The Pratt Fund provides funding for programs in both the College of Engineering and Department of Animal Nutrition in the College of Agriculture and Life Sciences. For 2005-2006, the College of Engineering proposes expenditures of \$854,000. Animal Nutrition proposes expenditures of \$1,351,013 for 2005-2006.

The Committee recommended the Pratt Fund budgets to the full Board for approval.

12. APPROVAL OF RESOLUTION OF DESIGNATION TO DECLARE OFFICIAL INTENT

The Committee reviewed for approval a resolution of designation to declare official intent. The University maintains a reimbursement resolution that authorizes a designee to declare the official intent of the University to reimburse expenditures made in connection with a capital project with bond proceeds issued by or on behalf of the University. Due to a change in position title, the resolution needs to be updated.

The Committee recommended the Resolution of Designation to Declare Official Intent to the full Board for approval.

13. APPROVAL OF RESOLUTION CONCERNING APPOINTMENTS TO THE HOTEL ROANOKE CONFERENCE CENTER COMMISSION:

The Committee reviewed for approval a resolution concerning appointments to the Hotel Roanoke Conference Center Commission. The resolution seeks approval to continue the appointments of the Executive Vice President and Chief Operating Officer of Virginia Tech, the Chief Operating Officer and Secretary-Treasurer of the Virginia Tech Foundation, and the Vice Provost for Outreach and International Affairs as the University's representatives on the Hotel Roanoke Conference Center Commission.

The Committee recommended the Resolution Concerning Appointments to the Hotel Roanoke Conference Center Commission to the full Board for approval.

There being no further business, the meeting adjourned at 6:30 p.m.

**MINUTES OF THE FINANCE AND AUDIT COMMITTEE
OF THE BOARD OF VISITORS
VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY**

June 12, 2005

AUDIT CLOSED SESSION

PRESENT:

BOARD OF VISITORS: Mr. Jacob Lutz, Mr. Thomas Robertson, Mr. John Rocovich, Mr. Philip Thompson

VPI&SU STAFF: Ms. Kay Heidbreder, Mr. James Hyatt, Ms. Kim O'Rourke, Mr. John Rudd, Dr. Charles Steger, Dr. Lisa Wilkes

AUDIT CLOSED SESSION: The Committee met in Closed Session with the Director of Internal Audit to discuss audits of specific departments and units where individual employees will be identified and to review and take action on a resolution on exception to the Virginia Conflict of Interest Act. The Committee also received an update on the outstanding fraud, waste, and abuse cases.

AUDIT AGENDA

PRESENT:

BOARD OF VISITORS: Mr. Jacob Lutz, Mr. Thomas Robertson, Mr. John Rocovich, Mr. Philip Thompson

VPI&SU STAFF: Ms. Kay Heidbreder, Mr. Larry Hincker, Mr. James Hyatt, Mr. John Rudd, Ms. Kathy Sanders, Mr. Dwight Shelton, Dr. Lisa Wilkes, Ms. Linda Woodard

1. APPROVAL OF MINUTES OF THE MARCH 14, 2005 MEETING:

The Committee reviewed and approved the minutes of the March 14, 2005 meeting.

2. REPORT ON INTERNAL AUDIT QUALITY ASSURANCE REVIEW:

As required by the Institute of Internal Auditor's (IIA) *International Standards for the Professional Practice of Internal Auditing* (IIA Standards), an external quality assurance review (EQAR) was conducted in March of the internal audit activity at Virginia Tech. The Internal Audit Department received a rating indicating it "fully complies" with the IIA Standards. This represents the highest possible rating. The Committee received a report on the review.

The Committee accepted the report and commended the Director of Internal Audit on receiving an outstanding report.

3. REVIEW AND ACCEPTANCE OF UNIVERSITY'S UPDATE OF RESPONSES TO ALL PREVIOUSLY ISSUED INTERNAL AUDIT REPORTS:

The Committee reviewed the University's update of responses to all previously issued internal audit reports. At the March meeting, the university reported that as of December 31, 2004, 6 audit comments remained outstanding. An additional 7 comments have been issued since then for a total of 13 comments. As of March 31, 2005, the University has addressed 6 comments, leaving 7 comments still in progress. Since the issuance of the quarterly report in March, departments have addressed four of these comments.

The Committee accepted the report.

4. REVIEW OF AUDITOR OF PUBLIC ACCOUNTS STATEWIDE REVIEWS AND SPECIAL REPORTS:

In addition to the annual audits of the University's financial statements and its Intercollegiate Athletics program, the Auditor of Public Accounts (APA) has included Virginia Tech along with other agencies in recent program reviews designed to assess controls on a statewide basis. The Committee reviewed a report which provides an analysis of the APA's statewide audit activities to date and the University's planned approach to manage and report on these audit activities.

The Committee accepted the report.

5. REVIEW OF INTERNAL AUDIT DEPARTMENT'S STATUS REPORT AS OF MARCH 31, 2005:

The Committee reviewed the Internal Audit Department's Status Report as of March 31, 2005. In addition to conducting scheduled audits, the audit department participated in annual audit activities; fraud, waste, and abuse audits; special projects; and professional development activities. Additionally, the department completed a peer quality assurance review. The Committee requested that the Director of Internal Audit and the Vice President for Budget and Financial Management prepare reports on the university's petty cash management processes and the fixed asset management for review at the August Board meeting.

There were no significant joint issues involving the Virginia Tech Foundation, Inc. and Internal Audit during the quarter.

6. REVIEW AND DISCUSSION OF SUGGESTED 2006 AUDIT PLAN:

The Committee reviewed the 2006-2010 suggested audits for the development of the audit plan for fiscal year 2006. Internal audit recently performed a comprehensive risk analysis; scheduled audits were selected as a result of this risk analysis. Approximately 10,000 hours annually will be devoted to scheduled audits. Eighteen audits are scheduled for 2005-06. Audits not completed in the fiscal year scheduled will be carried forward to the next fiscal year.

The Committee accepted the report.

7. REVIEW AND ACCEPTANCE OF THE FOLLOWING INTERNAL AUDIT REPORTS/MEMOS ISSUED:

The Committee reviewed and accepted the following Internal Audit reports:

A. College of Engineering

The Committee received a report on the audit of the College of Engineering. The audit indicated that the overall risk exposure is high and the internal control system is effective but improvements are recommended. Audit recommendations include: improve computer systems security, develop a system to ensure hazards noted in Environmental Health and Safety inspection reports are addressed, perform a risk analysis and develop plans on disaster recovery and contingency planning, and improve oversight and training on grant administration. Management is working to implement improvements to address the recommendation.

B. Capital Design and Construction

The Committee received a report on the audit of the Capital Design and Construction department. The audit indicated that the overall risk exposure is medium and the internal control system is effective but improvements are recommended. Audit recommendations include: improve computer systems security, improve training on health and safety issues, perform a risk analysis and develop plans on disaster recovery and contingency planning, improve software contracts and ensure testing prior to putting in production, and develop and implement written web site procedures. Management is working to implement improvements to address the recommendations.

C. Dining Services

The Committee received a report on the audit of Dining Services. The audit indicated the overall risk exposure is high and the internal control system is effective but improvements are recommended. The audit recommendations include: improve employee job training, strengthen oversight of reconciliation reports, inventory, and funds handling, perform a risk analysis on information technology assets and develop an emergency response plan for business operations recovery. Management is working to implement improvements to address the recommendations.

There being no further business, the meeting adjourned at 6:30 p.m.

CAPITAL OUTLAY PLAN FOR 2006-2012

As of May 10, 2005

At its March meeting, the Board of Visitors considered a recommendation that a list of potential projects for inclusion in the 2006-2012 Capital Outlay Plan be approved and that the university be authorized to develop and submit a final Plan to the state, in accordance with future guidance from the state and based on the projects in the approved list. The recommendation was approved and the university has proceeded accordingly.

On March 16, 2005, the state issued instructions for the preparation and submission of the 2006-2012 Capital Outlay Plan and budget requests. The deadline for submission of the Six Year Plan, Maintenance Reserve request, and Capital Lease request is May 13, 2005. The university will prepare and submit these items in accordance with the instructions and deadline.

The list of capital projects for the 2006-2012 plan is outlined by biennium and priority on Schedules 1, 2, and 3. A brief description of each capital project proposed for funding in the 2006-2008 biennium follows.

The projects and their arrangement on the 2006-2012 plan are consistent with the programmatic needs established for the planning period and with the strategic plan of the university, and they position the university with options to respond to various funding abilities of the state in the future.

The state will review the Capital Outlay Plan and on June 3, 2005 will authorize the university to submit a full budget request for a specified subset of projects in the first biennium. The budget requests are due on July 15, 2005 to the Department of Planning and Budget. On July 8, 2005, the state may authorize the university to submit a full budget request for a second specified subset of projects, which will be due to the Department of Planning and Budget on August 19, 2005. The Governor is then scheduled to submit his Capital Improvement Plan to the General Assembly on November 1, 2005.

University Division

1. Maintenance Reserve

Since 1982, the Commonwealth has allocated funds for preserving state-owned facilities. The Executive and Legislative Branches have mandated that maintenance reserve requests be the first priority in all capital outlay requests. Individual projects to repair and maintain plant, property, or equipment are identified in the umbrella project request. These projects include roof repair or replacement, elevator repair and maintenance, repairs to air-handling systems, heating systems, storm sewers, and water and sewer systems.

2. Construct: Campus Heat Plant

This project addresses the critical need for the construction of a comprehensive heating facility to ensure campus utility services are not compromised and to serve areas of growth in the southwest section of campus in accordance with the university's master plan and the 2006-2012 capital plan.

3. Supplement: 2002 General Obligation Bond Projects

- Institute for Critical Technology and Applied Science I: This first building (Phase I) for the Institute for Critical Technology and Applied Sciences was authorized in the 2002 General Obligation Bond (GOB) program with \$13,996,000 in GOB funding and \$17,000,000 in nongeneral fund support from the authorization of 9(d) agency bonds, for a total project cost of \$30,996,000. As a result of escalation in construction costs and unfavorable site conditions, the estimated project cost is \$4,000,000 over the authorized project budget. This request includes a general fund supplement to cover the projected shortfall.
- Building Construction Laboratory: This project was authorized in the 2002 General Obligation Bond (GOB) program with \$2,500,000 in GOB funding and \$4,000,000 of nongeneral fund authorization in addition to the \$1,000,000 of nongeneral fund planning authorization granted in the 1998 General Assembly, for a total project budget of \$7,500,000. Due to escalation in construction costs, the estimated project cost is \$750,000 over the authorized project budget. This request includes a general fund supplement to cover the projected shortfall.

4. Replace: Deteriorated Section of Davidson Hall

This project envisions razing and replacing the center section of Davidson Hall, which was built in 1933, with modern instructional and research space for the physical sciences. The renovation will improve the safety of the building and enable continued academic use of the severely deteriorated 50,000 gross square feet center area.

5. Renovate: Liberal Arts Building

This building, commonly known as the Performing Arts Building, was constructed in 1899 and requires significant repairs and upgrades of its mechanical, plumbing, and infrastructure systems, as well as its exterior and accessibility. The current occupants from the School of the Arts will be relocated to Henderson Hall upon completion of Henderson's renovation. The Liberal Arts Building will then be converted to classrooms, offices and

computer laboratories for various academic departments, for which the building design is better suited.

6. Construct: Institute for Critical Technology and Applied Science II

This Critical Technologies Research Laboratory building project will construct a 77,000 gross square foot, state-of-the-art research facility, with highly specialized laboratories that will support multidisciplinary research in areas such as bioengineering, biomaterials, bio-nanotechnology, communications technology, and sensor technology.

7. Construct: Sciences Research Laboratory I

This project will build a 93,300 gross square foot scientific laboratory facility to support the university's envisioned growth in interdisciplinary sciences research. This state-of-the-art research facility is envisioned to include bio-safety level-III (BSL-III) laboratories, physical sciences laboratories for geosciences, and laboratories to support the study of human health, host-pathogen interactions, biotechnology, and other areas of biomedical science.

8. Construct: NIH Research Facility

The College of Veterinary Medicine is preparing a proposal to the National Institutes of Health (NIH) for research on infectious diseases that necessitates the construction of additional laboratory space to support the accompanying increase in research faculty and technical laboratory specifications. The NIH research grant is expected to cover approximately 50 percent of the cost of the 16,300 gross square foot laboratory.

9. Code Compliance: Fire Alarm Systems and Access

This comprehensive project addresses health and safety issues throughout campus, such as fire alarm systems for existing buildings, air quality, access for persons with disabilities, and waste handling.

10. Construct: Hazardous Material Facility

This project addresses the university's critical need for secure, centralized storage for hazardous waste that meets new Federal standards. The project will build a 7,500 gross square foot storage facility with a loading dock.

11. Construct: Engineering/Computational Sciences Instructional Facility

The computer science and mathematics programs located in McBryde Hall have outgrown their space and expect their student enrollments to continue to grow. The computer science program space deficit is so severe that temporarily surge space is being located in the Corporate Research Center. This project will construct a 61,000 gross square foot building designed to meet the space and demanding infrastructure needs of these high-tech programs and to provide a permanent space solution.

12. Construct: Newman Library Addition - ARC

This university library proposal is for an automated retrieval center (ARC) and will install a multi-story enclosed volume management system including robotically controlled, high-density book storage and retrieval. This will in turn release space currently occupied by stacks that may be used for programmatic activities for all students.

13. Construct: Veterinary Medicine Instruction Addition

The accrediting body for the College of Veterinary Medicine has indicated that a lack of adequate faculty workspace has become a major concern for the program. This project calls for the construction of 31,000 gross square feet of additional faculty office and workspace, along with the renovation of existing faculty space.

14. Construct: Surge Space Building

Due to the collective aging and deterioration of a significant number of campus buildings, numerous renovation projects are planned across campus over the next decade and beyond. This will necessitate the use of additional temporary space to house displaced occupants during 12 to 24 month renovation projects. This second surge space facility addresses this need with the construction of an additional 60,000 gross square feet of flexible space designed for temporary use.

15. Construct: Classroom Building

This project envisions the construction of a 61,000 gross square foot general assignment classroom building on the north side of campus to address the university's need for a facility with larger, advanced technology classrooms.

16. Construct: New Police Facility

This project provides for the construction of a new 8,000 gross square foot campus police facility in a more visible area of campus for improved security and increased accessibility to students and visitors. Currently, the department is assigned 4,000 square feet in the Sterrett Facilities Complex, which does not meet current accreditation standards due to poor mechanical ventilation and ADA accessibility.

17. Repair: Litton Reaves Hall Exterior

This request is for a supplement to the repair project approved for the 2002-04 biennium to include improvements to the strength and appearance of the exterior of Litton Reaves Hall.

18. Construct: Administrative Services Building

The purpose of this project is to construct a 48,000 gross square foot building along the campus perimeter to house various administrative support functions and academic units. This project will free up central campus space for academic programs and promote cost savings by allowing the university to forego some of the private leased office space around town.

19. Construct: New Visitors & Admissions Center

This project is envisioned to construct an 18,000 gross square foot building to house Admissions and a new Visitors and Information Center at the Prices Fork entrance near the new Alumni Center. This building, which will replace the current facility, will be designed to be more attractive, accessible, and inviting to visitors than the current, out-dated facility located near the Dairy Center and athletic entrance.

20. Improve: Residence and Dining Halls

This project will address ongoing facility upgrade and improvement needs in the existing residence and dining system to keep the programs up-to-date with student expectations.

21. Construct: Additional Recreation, Counseling, and Clinical Space

This project will provide 43,000 gross square feet of new construction to meet the growing demand for increased student counseling and clinical space and additional recreational areas for the growing exercise and sports programs serving the university community.

22. Construct: Indoor Athletic Training Facility

The purpose of this project is to build a new 120,000 gross square foot field house, primarily for the use of the football program. This will allow the current field house to be used for simultaneous indoor practice and training by other ACC athletic programs.

Cooperative Extension/Agricultural Experiment Station Division

1. Construct: Human & Agricultural Biosciences Building I

This project will provide a 93,000 gross square foot state-of-the-art laboratory for programs of the Cooperative Extension and Agricultural Experiment Station and the College of Agriculture and Life Sciences, including Biochemistry, Bio-systems Engineering, Food Science and Technology, Horticulture, and Human Foods, Nutrition and Exercise.

Recommendation: That the proposed Capital Outlay Plan for 2006-2012 be approved.

CAPITAL OUTLAY PLAN FOR 2006-2012

FIRST BIENNIUM -- 2006-2008

as of May 10, 2005

Estimated Cost in Thousands

	General Funds	Nongeneral Funds	Total
UNIVERSITY DIVISION (208)			
1 Maintenance Reserve	\$ 22,252	\$ 8,000	\$ 30,252
2 Construct: Campus Heat Plant	17,250	11,500	28,750
3 Supplement: 2002 General Obligation Bond Projects	4,750		4,750
4 Replace: Deteriorated Section of Davidson Hall	23,000		23,000
5 Renovate: Liberal Arts Building	5,850		5,850
6 Construct: Institute for Critical Technology and Applied Science II	17,500	17,500	35,000
7 Construct: Sciences Research Laboratory I	22,000	22,000	44,000
8 Construct: NIH Research Facility	4,000	4,000	8,000
9 Code Compliance: Fire Alarm Systems and Access	3,000		3,000
10 Construct: Hazardous Materials Facility	3,500		3,500
11 Construct: Engineering/Computational Sciences Instructional Facility	19,167	3,833	23,000
12 Construct: Newman Library Addition - ARC	7,750		7,750
13 Construct: Veterinary Medicine Instruction Addition	7,350	1,400	8,750
14 Construct: Surge Space Building	12,000		12,000
15 Construct: Classroom Building	18,500		18,500
16 Construct: New Police Facility	2,000		2,000
17 Repair: Litton-Reaves Hall Exterior	4,000		4,000
18 Construct: Administrative Services Building		12,000	12,000
19 Construct: New Visitors & Admissions Center		5,250	5,250
20 Improve: Residence and Dining Halls		10,000	10,000
21 Construct: Additional Recreation, Counseling, and Clinical Space		13,000	13,000
22 Construct: Indoor Athletic Training Facility		25,000	25,000
TOTAL	193,869	133,483	327,352
COOPERATIVE EXTENSION/AGRICULTURAL EXPERIMENT STATION DIVISION (229)			
1 Construct: Human & Agricultural Biosciences Building I	44,000		44,000
TOTAL	44,000	-	44,000
BIENNIUM TOTAL	<u>\$237,869</u>	<u>\$133,483</u>	<u>\$371,352</u>

CAPITAL OUTLAY PLAN FOR 2006-2012

SECOND BIENNIUM -- 2008-2010

as of May 10, 2005

Estimated Cost in Thousands

	General Funds	Nongeneral Funds	Total
UNIVERSITY DIVISION (208)			
1 Maintenance Reserve	\$ 24,032		\$ 24,032
2 Renovate: Historic Section of Davidson Hall	21,500		21,500
3 Renovate: Lane Hall & Construct Addition	12,750		12,750
4 Renovate: Price Hall	25,500		25,500
5 Construct: Engineering/Computational Sciences Research Facility I	16,700	\$ 16,700	33,400
6 Renovate: Classroom Infrastructure, Phase II	10,600		10,600
7 Construct: Life Sciences Research Facility II/Translational Medicine	20,400	20,400	40,800
8 Construct: Sciences Research Laboratory II	20,400	20,400	40,800
9 Renovate: Sandy Hall	5,000		5,000
10 Construct: Chiller Plant, Phase I	7,200	4,800	12,000
11 Construct: Academic & Student Programs Building	8,850	8,850	17,700
12 Code Compliance: Fire Alarm Systems and Access	3,200		3,200
13 Construct: New Architecture Building I	14,000		14,000
14 Renovate: Newman Library	12,100		12,100
15 Renovate: Robeson Hall	19,200		19,200
16 Renovate: Patton Hall	15,700		15,700
17 Repair: Hahn Hall Exhaust Fan	2,500		2,500
18 Construct: Large Animal Teaching Facility	5,400		5,400
19 Improve: Residence and Dining Halls		10,629	10,629
TOTAL	245,032	81,779	326,811
COOPERATIVE EXTENSION/AGRICULTURAL EXPERIMENT STATION DIVISION (229)			
1 Renovate: Kentland Facilities	5,450		5,450
TOTAL	5,450	-	5,450
BIENNIUM TOTAL	<u>\$250,482</u>	<u>\$81,779</u>	<u>\$332,261</u>

CAPITAL OUTLAY PLAN FOR 2006-2012

THIRD BIENNIUM -- 2010-2012

as of May 10, 2005

Estimated Cost in Thousands

	General Funds	Nongeneral Funds	Total
UNIVERSITY DIVISION (208)			
1 Maintenance Reserve	\$ 25,955		\$ 25,955
2 Construct: Natural Resources/Sciences Research Laboratory	22,500	\$ 22,500	45,000
3 Construct: Engineering/Computational Sciences Research Facility II	17,750	17,750	35,500
4 Construct: Architecture Research Facility	5,250	5,250	10,500
5 Code Compliance: Fire Alarm Systems and Access	3,400		3,400
6 Renovate: Norris Hall	23,500		23,500
7 Renovate: Derring Hall for Science Departments	37,700		37,700
8 Renovate: Holden Hall	13,500		13,500
9 Construct: Chiller Plant, Phase II	7,200	4,800	12,000
10 Renovate: Hutcheson/Smyth Halls	35,125		35,125
11 Renovate: Thomas Hall for Academic Programs	10,050		10,050
12 Demolish: Femoyer Hall	1,875		1,875
13 Demolish: Randolph Hall, Phase I	6,000		6,000
14 Improve: Residence and Dining Halls		11,233	11,233
15 Construct: Northwest Student Union Facility		28,750	28,750
16 Construct: Oak Lane Commons Building		5,500	5,500
17 Construct: CNS Storage Facility		3,750	3,750
TOTAL	209,805	99,533	309,338
COOPERATIVE EXTENSION/AGRICULTURAL EXPERIMENT STATION DIVISION (229)			
TOTAL	-	-	-
BIENNIUM TOTAL	\$209,805	\$99,533	\$309,338
TOTAL OF 2006-2012 PLAN	\$698,156	\$314,795	\$1,012,951

Status Report Regarding Implementation of the Restructured Higher Education Financial and Administrative Operations Act

May 2005

Background

At the conclusion of their 2005 session, the General Assembly passed the “Restructured Higher Education Financial and Administrative Operations Act.” The Bill then went to the Governor for his review and signature. The Governor proposed several changes to the Bill. Because of the number of changes proposed, the Governor submitted a substitute bill for consideration. On April 6, 2005, the General Assembly met for the one day reconvene session, and the General Assembly approved the substitute bill. As a result, the new legislation will go into effect on July 1, 2005.

Overview of Legislation

The Restructuring Act is a lengthy document that provides guidance regarding opportunities for additional authority for higher education. Specifically, the legislation provides for three levels of authority: level one for all institutions; level two for specific additional authority to institutions completing a memorandum of understanding; and level three to institutions seeking the greatest degree of flexibility for their finance, administrative, and business operations.

The legislation also delineates 11 specific “asks”, or goals, of the administration in response to the grant of level one authority to each college and university. To access the level one authority, the Board of Visitors of each institution must authorize through a resolution the institution to accept the level one authority and to commit to implementation of the 11 asks. Upon approval of the BOV resolution, the level one authority will be effective August 1, 2005.

In response to the acceptance of level one authority, each institution will receive several operating authorities, including the following financial incentives:

- Interest earnings on tuition and fees
- Mandatory reappropriation of unexpended balances
- A rebate on purchases made through the small charge card
- A rebate on sole source procurements made through eVA for which the institution has paid fees

The legislation also contains separate subchapters regarding the ability of an institution to seek additional operational freedom, termed level two status, through a memorandum of understanding and the opportunity to seek additional autonomy, level three status, through a management agreement which must be negotiated with executive officials designated by the Governor and then formally approved by the General Assembly.

Level three status would provide the institution with additional autonomy in one or more of the following areas: financial operations, capital outlay, leases, procurement, personnel and human resources, and information technology. The legislation is structured such that these documents can be developed, negotiated, and approved during the 2005-06 fiscal year on a time table that allows the agreements to be effective as of July 1, 2006.

SCHEV Activities

The State Council is assigned a leadership role in the development of the institution requirements regarding the 11 state asks. This work includes the development of the six year financial plans, academic plans, and enrollment plans. State Council will also be involved in the development of performance criteria and benchmarks to measure the performance of institutions in accordance with the Act.

Council staff is currently working with the institutions regarding the development of templates for use by the institutions in the submission of its plans and performance measures. The current plan calls for the State Council to review and approve the templates for the financial, academic, and enrollment plans on July 19, 2005. If approved, the institutions will then have until October 1, 2005 to submit the final plans to SCHEV.

Virginia Tech Activities

The University is seeking level three status, and it has established plans, timetables, and work groups as needed to pursue this goal. Attachment A to this report provides the time table of events that must be completed during 2005 to pursue level three status; the attachment also provides the schedule of key dates in the development of the level three status into fiscal year 2007-08, when the financial benefits from level three status would first be available to the University.

The Executive Vice President and Chief Operating Officer has several work groups in place to develop various elements of the implementation plan. These efforts include work on responses to the State's 11 policy goals, the identification of specifics about proposed areas of autonomy, and strategies to effectively communicate with the University's various constituents regarding these restructuring activities.

In addition to participating with all of Virginia's higher education institutions in working on level one issues with SCHEV, Virginia Tech is also preparing materials regarding the development of the management agreement. This work is occurring in conjunction with the University of Virginia and the College of William and Mary. The University hopes to complete much of this work during June so that it is ready to enter into discussions with the state on a timely basis. The Executive Vice President and Chief Operating Officer is in contact with the Secretary of Finance periodically regarding this work and time schedule.

Current Action

In accordance with the legislation, the next scheduled step in the restructuring process is the approval of a resolution by the Board of Visitors regarding the level one asks and granted authority. The resolution presented to the Board of Visitors is consistent with the format and wording suggested by the State Council.

Higher Education Restructuring
Dates of Note

2005

April 6	Reconvene Session
June	SCHEV approves 6-year enrollment projections and degree estimates
June 8	SCHEV BOV Retreat
June 12-13	Virginia Tech Board Meeting (Need resolution to commit to state's ask in Level 1)
July 1	Legislation becomes law
August 1	SCHEV submits annual tuition and fee report The Board of Visitors shall commit to the Governor and the General Assembly through formal resolution to meeting the state goals. (Level 1) Level 1 authorities can be exercised
August 28-29	Virginia Tech Board Meeting (review six year plan)
Fall	SCHEV provides "periodic update" of base adequacy funding, in accordance with legislation.
October 1	Institutions submit 6-year plan to SCHEV. (All levels) SCHEV shall develop initial objective measures and performance benchmarks for consideration by the Governor and the General Assembly. (All levels) The Secretary of Administration shall work with public institutions of higher education and other interested persons to review proposed changes to the Virginia Public Procurement Act and procurement regulations in order to enhance and improve the procurement process for all public bodies in the Commonwealth. The Secretary shall provide a copy of any recommended changes to the Virginia Public Procurement Act to the Governor and to the General. (All levels) The Virginia Retirement System shall work with representatives of public institutions of higher education in the Commonwealth and other interested persons to develop procedures for the reporting of creditable compensation and creditable service for state employees that are employed pursuant to a contract with a term of employment that does not coincide with the normal scholastic year. The Director of the Virginia

Retirement System shall provide the procedures to the Governor and to the General Assembly. (All levels)

Nov. 1

VRS shall complete and report to the Chairmen of the House Appropriations Committee and the Senate Finance Committee an actuarial analysis of the potential impact on the Commonwealth's retirement system and group insurance programs for state employees if public institutions of higher education were permitted to offer an optional retirement plan and optional group insurance programs to classified employees who are, or who prior to the effective date of this Act were, covered by the State Personnel Act. (Levels 2 and 3)

The Department of Human Resource Management shall conduct the same analysis for the group insurance programs that it administers and shall report the results of the analysis to the Chairmen of the House Appropriations Committee and the Senate Finance Committee. (Levels 2 and 3)

The Department of the Treasury shall conduct and report the same analysis for all risk management programs it administers. (Levels 2 and 3)

Nov. 6-7

Virginia Tech Board Meeting (Need to approve management agreement)

Nov. 15

Last day to enter into a management agreement for 2006. (Level 3)

Governor develops the initial measures and performance benchmarks and report his recommendations to the General Assembly. (All Levels)

December 16

The Governor shall recommend additional administrative and financial management standards in "The Budget Bill" or his proposed gubernatorial amendments to the general appropriation act. (All levels) He will also include an area or areas where institutions can negotiate a MOU for greater autonomy.

2006

January 11

2006 General Assembly Session Begins

April

Reconvene Session-General Assembly votes on Governor's amendments (This should be the last "sign-off" on the management agreements.)

July 1

Management Agreement becomes effective. (Level 3)

Any public institution of higher education may enter into a memorandum of understanding with the appropriate Cabinet Secretary or Secretaries, for additional operational authority. (Level 2)

The Secretary of Finance shall provide to the Governor and General Assembly the procedures that shall be used for determining an appropriate and equitable amount of interest to be paid. (All levels)

December 20 Governor presents budget to money committees. Appropriations for rebates and interest are included.

2007

January 2007 General Assembly Session (General Assembly approves rebates and interest earnings.)

April **Reconvene Session (General Assembly votes on any Governor's amendments)**

June 1 SCHEV certifies institutional achievement of performance benchmarks.
(No later than) (All levels)

June 30 Secretary of Finance reports to the Comptroller the amount of interest to be paid from the General Fund to the institution. (All levels as of this date or as soon thereafter as practical)

August 15 Institutions receive rebates for eVa sole source purchases and credit card purchases (All levels as of this date or as thereafter soon as practical)

October 1 Six year plan due to SCHEV

Other Dates of Note –

Auditor of Public Accounts annually certifies institutional compliance with Management Standards.

SCHEV, in 2006, develops a system-wide strategic plan.

No later than June 30 of the third year (2007-08) of the management agreement – JLARC, in cooperation with the Auditor of Public Accounts, shall conduct a review relating to the initial management agreement (first 24 months) with each public institution of higher education. JLARC shall make a written report of its review no later than June 30 of the third year of the management agreement.

At the end of each fiscal year, the Comptroller shall designate within his annual report an amount for nonrecurring expenditures, which shall equal the remaining amount of the general fund balance that is not otherwise reserved or designated.

Each covered institution shall be subject to periodic external review by the Joint Legislative and Audit Review Commission and such other reviews and audits as shall be required by law.

RESOLUTION OF COMMITMENT TO THE STATE'S GOALS

Restructured Higher Education Financial and Administrative Operations Act

WHEREAS, the 2005 General Assembly session enacted the Restructured Higher Education Financial and Administrative Operations Act; and

WHEREAS, inclusion in the Act allows institutions restructured financial and operational authority as described in subdivisions A1 through A 13 of 23-38.88; and

WHEREAS, eligibility for participation in the Act specifies the formal adoption of a resolution by the Board of Visitors, committing to the Governor and the General Assembly to meeting the state's goals as described in Chapter 4.10, 23-38.88 of the Act to:

1. Provide access for all citizens throughout the Commonwealth, including underrepresented populations, and meet enrollment projections and degree estimates as agreed upon with the State Council of Higher Education for Virginia;
2. Ensure that higher education remains affordable, regardless of individual or family income, and through a periodic assessment, determine the impact of tuition and fee levels net of financial aid on applications, enrollment, and student indebtedness incurred for the payment of tuition and fees;
3. Offer a broad range of undergraduate and, where appropriate, graduate programs consistent with the University's land grant mission and assess regularly the extent to which the curricula and degree programs address the Commonwealth's need for sufficient graduates in particular shortage areas, including specific academic disciplines, professions, and geographic regions;
4. Ensure that academic programs and course offerings maintain high academic standards, by undertaking a continuous review and improvement of academic programs, course availability, faculty productivity, and other relevant factors;
5. Improve student retention such that students progress from initial enrollment to a timely graduation, and that the number of degrees conferred increases as enrollment increases;
6. Develop articulation agreements that have uniform application to all Virginia community colleges and meet appropriate general education and program requirements at the University, provide additional opportunities for associate degree graduates to be admitted and enrolled, and offer dual enrollment programs in cooperation with high schools;
7. Consistent with the University's land grant mission, actively contribute to efforts to stimulate the economic development of the Commonwealth within the university's geographic area as well as in other areas of the Commonwealth that lag in terms of income, employment, and other factors;

8. Increase the level of externally funded research conducted and facilitate the transfer of technology from university research centers to private sector companies;
9. Work actively and cooperatively with elementary and secondary school administrators, teachers, and students in public schools and school divisions to improve student achievement, upgrade the knowledge and skills of teachers, and strengthen leadership skills of school administrators;
10. Prepare a six-year financial plan consistent with § 23-9.2:3.02; and
11. Conduct the University's business affairs in a manner that maximizes operational efficiencies and economies, contributes to maximum efficiencies and economies of state government as a whole, and meets the financial and administrative management standards as specified by the Governor pursuant to § 2.2-5004 and included in the appropriation act that is in effect, which shall include best practices for electronic procurement and leveraged purchasing, information technology, real estate portfolio management, and diversity of suppliers through fair and reasonable consideration of small, women-, and minority-owned business enterprises; and

WHEREAS, by adopting this resolution Virginia Polytechnic Institute and State University shall be authorized to exercise the restructured financial and operational authority as identified in the Act; and

WHEREAS, this resolution applies to both agencies within the University, the University Division and the Virginia Cooperative Extension and Agricultural Experiment Station Division; and

WHEREAS, by meeting performance benchmarks for the goals listed above, the University shall receive financial benefits including interest on tuition and fee revenue; automatic reappropriation of year end balances; a pro rata share of rebates on credit card purchases or similar programs; and a rebate on the eVA transaction fees associated with sole source procurements;

NOW THEREFORE BE IT RESOLVED, that the Board of Visitors at Virginia Polytechnic Institute and State University commit to the Governor and the General Assembly to meeting the state's goals for both agencies of the University, the University Division and the Virginia Cooperative Extension and Agricultural Experiment Station Division, as described above.

RECOMMENDATION: That the resolution committing the University to meeting the State's eleven goals be adopted.

6/13/2005

VIRGINIA TECH

FINANCIAL PERFORMANCE REPORT

Operating and Capital Expenditures

July 1, 2004 to March 31, 2005

FINANCIAL PERFORMANCE REPORT

The Financial Performance Report of income and expenditures is prepared from two sources: actual accounting data as recorded at Virginia Tech and with the Commonwealth of Virginia, and the annual budgets. The actual accounting data reflect the modified accrual basis of accounting, which recognizes revenues when received rather than when earned and the expenditures when obligated rather than when paid. The annual budgets are based upon the amount of funds anticipated, approved, and appropriated to Virginia Tech by the General Assembly and the Governor of the Commonwealth of Virginia before the beginning of the fiscal year. The projected year-end budgets reflect adjustments to incorporate actual experience during the fiscal year. The adjustments are coordinated with the State Department of Planning and Budget.

The July to March 2004-05 budget (year-to-date) is prepared from historical data and reflects trends in expenditures from previous years. Differences between the actual income and expenditures and the year-to-date budget may occur for a variety of reasons, such as an accelerated or delayed flow of documents through the accounting system, a change in spending patterns at the college level, or increases in revenues for a particular area.

Quarterly budget estimates are prepared to provide an intermediate measure of income and expenditures. Actual revenues and expenditures may vary from the budget estimates. The projected year-end budgets are, however, the final measure of accountability since the institution has a legislative mandate to remain within the total revenue and expenditure amounts appropriated by the General Assembly for the two divisions of Virginia Tech, including transfers from the Commonwealth's Central Appropriation for classified salary increase and fringe benefit rate changes.

OPERATING BUDGET

1. Academic expenditures are lower than historical budget projections due to salary savings from vacant positions in the current year. These savings will be redistributed during the remainder of the year to operating accounts.
2. Support expenditures in the University Division are behind historical budget projections due to the timing of expenditures.
3. The budget for federal revenue is established to match projected allotments from the federal government. All expenses in federal programs are covered by drawdowns of federal revenue up to allotted amounts. Federal revenue in the Cooperative Extension/Agricultural Experiment Station Division was less than the projected budget due to lower-than-anticipated federal expenditures and the timing of receipt of federal drawdowns.
4. Expenses in the Cooperative Extension/Agricultural Experiment Station Division are lower than historical budget projections due to salary savings from vacant positions in the current year. These savings will be redistributed during the remainder of the year to operating accounts.
5. Quarterly and projected annual variances are explained in the Auxiliary Enterprises section of this report.
6. Historical patterns have been used to develop a measure of the revenue and expenditure activity for Sponsored Programs. Actual revenues and expenses may vary from the budget estimates because projects are initiated and concluded on an individual basis without regard to fiscal year. Total sponsored and overhead revenue and expenditures were less than projected, but sponsored research expenditures are ahead of 2003-04 activity levels and the rate of growth in sponsored programs is increasing.
7. Expenses for Student Financial Assistance through the third quarter are higher than projected due to the timing of the student financial aid awards. Awards for undergraduate scholarships are being processed earlier than last fiscal year.
8. The General Fund revenue budget has been increased by \$219,087 for a transfer from Student Financial Assistance to the Educational and General program for assistantships in the Multicultural Academic Opportunities Program, by \$2,004,625 for one-time General Fund support for research, by \$34,763 for VIVA libraries distribution costs, by \$21,386 for the reimbursement of military tuition waivers from SCHEV, and by \$475,741 to match the actual central appropriations transfer based on revisions in statewide fringe benefit rates. The corresponding expenditure budgets have been adjusted accordingly.
9. During the summer, the annual budget for Tuition and Fees was increased by \$97,999 to finalize the revenue estimates for the Virginia/Maryland Regional College of Veterinary Medicine regional capitation agreement and decreased by \$2,080,849 for projected fall enrollments. During the third quarter, the budget was increased by \$1,500,000 for a strong spring retention rate and projected savings in unfunded scholarships. The corresponding expenditure budgets have been adjusted accordingly.
10. The revenue budget for All Other Income has been increased by \$1,157,208 for the carryover of direct assistance from the auxiliaries, by \$160,000 for the carryover of the Continuing Education budget, by \$1,238,000 to reflect increased revenues from the Equine Medical Center and the Veterinary Teaching Hospital, by \$71,797 for additional revenue from the child and adult day services, and decreased by \$60,000 for revised printing revenue projections. The corresponding expenditure budgets have been adjusted accordingly.
11. The General Fund revenue budget for the Cooperative Extension/Agricultural Experiment Station Division has been increased by \$243,773 to match the actual central appropriations transfer based on revisions in statewide fringe benefit rates. The corresponding expenditure budgets have been adjusted accordingly.
12. The annual budget for Federal Appropriations in the Cooperative Extension/Agricultural Experiment Station Division has been adjusted to reflect lower than anticipated federal expenditures in the current fiscal year. The corresponding expenditure budgets have been adjusted accordingly.
13. The projected year-end revenue and expense budgets for Student Financial Assistance were reduced by \$219,087 for the transfer from Student Financial Assistance to the Educational and General program for assistantships in the Multicultural Academic Opportunities Program and increased for the reappropriation of \$14,723 in unexpended balances from the prior fiscal year.
14. The projected year-end budgets in All Other Programs were adjusted to reflect funding changes and the relocation of the Office of Investment and Debt Management, the carryover of surplus property authorizations for 2003-04 commitments as well as an increase due to 2004-05 activity, and an accounting adjustment in the work study program to return excess federal allotments that were received prior to June 30, 2004.

OPERATING BUDGET

2004-05

Dollars in Thousands

	July 1, 2004 to March 31, 2005			Annual Budget for 2004-05		
	Actual	Budget	Change	Original	Adjusted	Change
Educational and General Programs						
<u>University Division</u>						
<u>Revenues</u>						
- General Fund	\$148,543	\$148,543	\$0	\$144,870	\$147,626	\$2,756 (8)
- Tuition and Fees	196,358	196,517	-159	200,696	200,213	-483 (9)
- All Other Income	20,965	21,000	-35	24,437	27,004	2,567 (10)
Total Revenues	\$365,866	\$366,060	\$-194	\$370,003	\$374,843	\$4,840
<u>Expenses</u>						
- Academic Programs	\$-178,148	\$-180,946	\$2,798 (1)	\$-235,381	\$-236,779	\$-1,398 (8, 9, 10)
- Support Programs	-97,075	-97,433	358 (2)	-134,622	-138,064	-3,442 (8, 9, 10)
Total Expenses	\$-275,223	\$-278,379	\$3,156	\$-370,003	\$-374,843	\$-4,840
NET	\$90,643	\$87,681	\$2,962	\$0	\$0	\$0
<u>CE/AES Division</u>						
<u>Revenues</u>						
- General Fund	\$56,363	\$56,363	\$0	\$56,044	\$56,288	\$244 (11)
- Federal Appropriation	9,212	9,636	-424 (3)	14,361	11,820	-2,541 (12)
- All Other Income	582	569	13	660	660	0
Total Revenues	\$66,157	\$66,568	\$-411	\$71,065	\$68,768	\$-2,297
<u>Expenses</u>						
- Academic Programs	\$-44,009	\$-47,266	\$3,257 (3, 4)	\$-65,565	\$-63,421	\$2,144 (11, 12)
- Support Programs	-3,582	-3,698	116	-5,500	-5,347	153 (11)
Total Expenses	\$-47,591	\$-50,964	\$3,373	\$-71,065	\$-68,768	\$2,297
NET	\$18,566	\$15,604	\$2,962	\$0	\$0	\$0
Auxiliary Enterprises						
Revenues	\$122,477	\$121,407	\$1,070 (5)	\$141,386	\$147,892	\$6,506 (5)
Expenses	-100,321	-99,590	-731 (5)	-136,396	-149,325	-12,929 (5)
Reserve Drawdown (Deposit)	-22,156	-21,817	-339 (5)	-4,990	1,433	6,423 (5)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Sponsored Programs						
Revenues	\$118,911	\$122,260	\$-3,349 (6)	\$168,502	\$168,502	\$0
Expenses	-124,358	-129,959	5,601 (6)	-168,502	-168,502	0
Reserve Drawdown (Deposit)	5,447	7,699	-2,252	0	0	0
NET	\$0	\$0	\$0	\$0	\$0	\$0
Student Financial Assistance						
Revenues	\$12,288	\$12,288	\$0	\$12,273	\$12,069	\$-204 (13)
Expenses	-11,649	-11,369	-280 (7)	-12,273	-12,069	204 (13)
NET	\$639	\$919	\$-280	\$0	\$0	\$0
All Other Programs *						
Revenues	\$2,431	\$2,491	\$-60	\$4,366	\$4,489	\$123 (14)
Expenses	-3,051	-3,181	130	-4,366	-4,633	-267 (14)
Reserve Drawdown (Deposit)	620	690	-70	0	144	144
NET	\$0	\$0	\$0	\$0	\$0	\$0
Total University						
Revenues	\$688,130	\$691,074	\$-2,944	\$767,595	\$776,563	\$8,968
Expenses	-562,193	-573,442	11,249	-762,605	-778,140	-15,535
Reserve Drawdown (Deposit)	-16,089	-13,428	-2,661	-4,990	1,577	6,567
NET	\$109,848	\$104,204	\$5,644	\$0	\$0	\$0

* All Other Programs include federal work study, alumni affairs, surplus property, and unique military activities.

AUXILIARY ENTERPRISE BUDGET

1. Revenues in the Residence and Dining Halls are higher than projected due to better-than-projected off-campus meal plan sales and income from dining dollar deposits. Expenditures are higher-than-projected due to the timing of food purchases, maintenance expenses, renovations, and residence hall furniture replacement occurring earlier than in prior years.
2. Revenues in the Telecommunications auxiliary are higher than projected due to higher than anticipated sales and services. Operating expenditures are lower than projected due to timing of equipment purchases for the expanded wireless connectivity project.
3. Expenditures in the University Services System are lower than projected due to salary savings and the timing of operating expenditures.
4. Expenditures are lower than projected due to the timing of expenses related to the following renovations projects: Lane Stadium video-board, the Moseley Practice field, the Soccer/Lacrosse Complex, and the equipment room renovation; as well as projected savings in expenses related to the 2005 Sugar Bowl game.
5. Expenditures are lower than projected in the Donaldson Brown Hotel and Conference Center due to salary savings.
6. Revenues are higher than projected in the Other Enterprise Functions due to higher-than-projected royalties in the Licensing and Trademark auxiliary, door access revenue in the Hokie Passport auxiliary, and income from software sales in the Student Software auxiliary.
7. The projected annual revenue, expenditure and reserve drawdown budgets for Residence and Dining Halls were adjusted to reflect increased dining sales, expenses for renovation projects (i.e., Shultz laundry and utility renovation and Cochrane furniture replacement), increased operating expenses, and for a less favorable currency exchange rate in the European Studies Center Auxiliary.
8. The projected year-end budget was increased for outstanding 2003-04 commitments and projects that were initiated but not completed before June 30, 2004.
9. The projected annual revenue and reserve drawdown budgets for the Telecommunications auxiliary were adjusted to reflect the deferral of an optional student fee for wireless computing access on campus. The cost of providing campus-wide wireless access for students will be funded by the auxiliary reserves in 2004-05 and built into the Comprehensive Fee beginning in 2005-06.
10. The projected annual revenue, expenditure and reserve drawdown budgets for the University Services System were adjusted to accommodate Squires regional chiller system repairs and cooling tower replacement and to reflect an endowment payout that was planned in 2003-04 but was not received until 2004-05; one-time additional operating support in Recreational Sports; and additional revenue and expenses generated from higher than anticipated student participation in the alcohol education classes.
11. The projected annual revenue, expenditure, and reserve drawdown budgets for Intercollegiate Athletics were adjusted to accommodate higher-than-anticipated ticket sales and handling fees, concessions income, licensing revenue, interest earnings, adjustments to personnel costs, Ticket Office expenses, additional equipment, renovations to the Lane Stadium video-board, Moseley Practice field, the Soccer/Lacrosse Complex, Coliseum Ambulatory area, and the equipment room, as well as higher than projected South End Zone Revenues and participation in the Preseason BCA football contest and the 2005 Nokia Sugar Bowl.
12. The projected annual revenue, expenditure and reserve drawdown budgets for the Donaldson Brown Hotel and Conference Center were adjusted for pre-opening expenses for the new hotel, emergency repairs to Alumni Hall, the payment of management fees to the Hilton Hotels Corporation, and additional sales income.
13. The expenditure and reserve drawdown budgets for Other Enterprise Functions were adjusted to accommodate an increase in the Licensing and Trademark's contribution to athletics and academic scholarships in 2003-04 as a result of increased royalties from the sale of Virginia Tech merchandise in the current fiscal year, to accommodate additional student orientation revenue and program expenses, to support the purchase of new windbreakers for cadets in the Tailor Shop auxiliary, to reflect the increased sale of software to students through the Software Sales Auxiliary, to fund repairs to the Golf Course clubhouse, and to support the construction of the new hotel and conference center in accordance with the golf course relocation plan.

**UNIVERSITY DIVISION
AUXILIARY ENTERPRISES**

Dollars in Thousands

	July 1, 2004 to March 31, 2005			Annual Budget for 2004-05		
	Actual	Budget	Change	Original	Adjusted	Change
Residence and Dining Halls						
Revenues	\$45,218	\$44,474	\$744 (1)	\$47,293	\$48,793	\$1,500 (7)
Expenses	-34,551	-32,375	-2,176 (1)	-46,033	-48,266	-2,233 (7, 8)
Reserve Drawdown (Deposit)	-10,667	-12,099	1,432	-1,260	-527	733 (7, 8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Parking and Transportation						
Revenues	\$4,123	\$4,162	\$-39	\$4,508	\$4,508	\$0
Expenses	-3,125	-3,210	85	-4,476	-4,658	-182 (8)
Reserve Drawdown (Deposit)	-998	-952	-46	-32	150	182 (8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications Services						
Revenues	\$10,962	\$10,851	\$111 (2)	\$14,744	\$14,214	\$-530 (9)
Expenses	-8,953	-9,240	287 (2)	-14,622	-15,092	-470 (8)
Reserve Drawdown (Deposit)	-2,009	-1,611	-398	-122	878	1,000 (8,9)
Net	\$0	\$0	\$0	\$0	\$0	\$0
University Services System						
Revenues	\$18,707	\$18,694	\$13	\$19,425	\$19,498	\$73 (10)
Expenses	-12,196	-12,698	502 (3)	-19,710	-20,530	-820 (8,10)
Reserve Drawdown (Deposit)	-6,511	-5,996	-515	285	1,032	747 (8,10)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Intercollegiate Athletics						
Revenues	\$25,341	\$25,361	\$-20	\$31,076	\$36,269	\$5,193 (11)
Expenses	-22,719	-22,924	205 (4)	-27,303	-33,164	-5,861 (8, 11)
Reserve Drawdown (Deposit)	-2,622	-2,437	-185	-3,773	-3,105	668 (8, 11)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Electric Service						
Revenues	\$10,715	\$10,724	\$-9	\$15,342	\$15,342	\$0
Expenses	-10,606	-10,690	84	-15,953	-16,132	-179 (8)
Reserve Drawdown (Deposit)	-109	-34	-75	611	790	179 (8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Donaldson Brown Hotel and Conference Center						
Revenues	\$2,641	\$2,558	\$83	\$4,106	\$4,110	\$4 (12)
Expenses	-3,030	-3,170	140 (5)	-4,228	-5,266	-1,038 (12)
Reserve Drawdown (Deposit)	389	612	-223	122	1,156	1,034 (12)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Other Enterprise Functions						
Revenues	\$4,770	\$4,583	\$187 (6)	\$4,892	\$5,158	\$266 (13)
Expenses	-5,141	-5,283	142 (6)	-4,071	-6,217	-2,146 (8,13)
Reserve Drawdown (Deposit)	371	700	-329	-821	1,059	1,880 (8,13)
Net	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL AUXILIARIES						
Revenues	\$122,477	\$121,407	\$1,070	\$141,386	\$147,892	\$6,506
Expenses	-100,321	-99,590	-731	-136,396	-149,325	-12,929
Reserve Drawdown (Deposit)	-22,156	-21,817	-339	-4,990	1,433	6,423
Net	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL OUTLAY BUDGET**Educational and General Projects**

1. The project total budget reflects the appropriation available for fiscal year 2005. The total budget reflects the state's allocation of the second year's \$2.486 million of general fund maintenance reserve authorization six months early. The annual budget includes anticipated expenditures from maintenance reserve equivalent to 50% of the additional funding; the remaining funds will be spent in the second year of the biennium.
2. Blanket Authorizations allow unforeseen renovation needs under \$2,000,000 to be authorized administratively for expediency. The only blanket project currently active is the planned purchase of the Heavener property, as approved by the Commonwealth. The acquisition cost of the property is expected to be \$1,406,751.
3. The project is substantially complete and final payment has been made to the contractor. The annual budget was adjusted to reflect actual expenditures incurred.
4. The project is complete and will be closed when final payments are processed. The total cost is expected to be \$420,000 less than budgeted as a result of bid savings.
5. The project is nearly complete, with a small office space to be finished, and will be closed when final payments are processed.
6. The project is complete and will be closed this fiscal year.
7. The project is complete and will be closed when final payments are processed.
8. The project is complete and will be closed when final payments are processed.
9. The project is complete and will be closed when final payments are processed. The total project cost is expected to be \$3.02 million, which is lower than the original cost due to bid savings.
10. This project includes the construction of a federally funded laboratory located near the Brooks Center. All bids were over budget. The project is on hold pending review of program options and potential identification of additional resources. The annual budget was adjusted to reflect resultant project delays.
11. This project is complete and will be closed when final payments are processed. The annual budget was adjusted to reflect revised project cash flows for this fiscal year.
12. This project will bring the primary boiler up to current emission standards by adding pollution controls. The project is in the preliminary design phase, with construction expected to be complete by summer 2007.
13. This planning project, which encompasses the design of new heating and cooling system infrastructure needed to accommodate current and future buildings in the southwest area of campus, is in the preliminary planning phase.

2002 General Obligation Bond Program

14. This project will build a state-of-the-art laboratory facility to support plant science teaching and research. Construction is underway with occupancy expected in December 2005. The annual budget was adjusted to reflect revised project cash flows for this fiscal year.
15. The project, which is in the design phase, utilizes a CM (Construction Manager) at Risk contracting method. A Guaranteed Maximum Price (GMP) contract should be awarded this spring and construction is expected to begin this summer. The annual budget was adjusted to reflect revised project cash flows for this fiscal year.
16. This project will construct a new laboratory facility to support instructional programs in the Building Construction department. The project is in the preliminary design phase, with an estimated bid date of fall 2006 and occupancy expected in 2007. The project was delayed when cost estimates came in over budget. The University is exploring options to increase the project authorization in conjunction with revised planning efforts for the project.
17. This project is envisioned to update about 46,500 gross square feet of the most out-of-date general assignment classrooms on campus. Preliminary planning is underway with an estimated bid date of summer 2006 for the initial phase of renovation.
18. This project will update the building's power and HVAC infrastructure to support modern instructional technology. Pre-planning work is underway to finalize the scope of work and an estimated bid date will be established at that time.
19. This project will repair current exterior pre-cast concrete panels that are failing. The project is in the preliminary planning phase with an estimated bid date in 2006. In accordance with the Board of Visitors' guidance, the University is requesting a \$4 million increase to pursue the option of providing a hokie stone exterior. Thus, the project schedule may be extended, depending on the approval of the funding increase.
20. This project will provide cooling capacity to the north zone of campus to support several new construction and renovation projects. Design is underway with an estimated bid date of May 2005.
21. This project will renovate Henderson Hall to house art programs and construct a state-of-the-art performance theatre. Pre-planning work is underway to finalize the scope of work and an estimated bid date will be established at that time.
22. The project calls for the renovation of Williams Hall, Agnew Hall, and part of Burruss Hall for state-of-the-art instructional space. The Williams Hall component is complete with a budget of \$5.701 million, including \$4.566 million of VCBA Bonds and \$482,000 of General Fund monies. The project includes \$652,000 of nongeneral fund authorization for the Williams Hall component that was a placeholder until the 2002 General Obligation Bond funds were available. The estimated bid date for the Agnew and Burruss components is fall 2006.
23. This project envisions building a state-of-the-art, multidisciplinary research laboratory. Independent cost estimates recently came in over budget. The University anticipates addressing the situation through a combination of a request for additional spending authorization from the State and a redesign of the facility. The annual budget has been reduced to incorporate consequential delays in the project schedule.
24. The starting time of this project is based on the state's capital implementation plan.

**CAPITAL OUTLAY PROJECTS
AUTHORIZED AS OF MARCH 31, 2005**

Dollars in Thousands

	CURRENT YEAR			TOTAL PROJECT BUDGET						
	ORIGINAL ANNUAL BUDGET	REVISED ANNUAL BUDGET	YTD EXPENSES	STATE SUPPORT	GENERAL OBLIGATION BOND	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENSES	
<u>Educational and General Projects</u>										
Maintenance Reserve	\$ 2,657	\$ 3,700	\$ 2,368	\$ 4,972	\$ 0	\$ 0	\$ 0	\$ 4,972	\$ 2,368	(1)
Blanket Authorizations	0	1,407	0	0	0	9,885	0	9,885	0	(2)
Airport Taxiway Construction	0	171	171	0	0	3,129	0	3,129	1,566	(3)
Chemistry/Physics - Phase II	0	1,147	982	23,431	0	3,763	0	27,194	26,609	(4)
Dairy Science Facilities	0	1,221	727	5,343	0	0	0	5,343	4,849	(5)
Hampton Roads Wing Replacement	0	68	68	1,345	0	83	0	1,428	1,428	(6)
Career Services Facility	281	441	285	0	0	0	4,608	4,608	4,451	(7)
Bioinformatics Building - Phase I	0	1,209	888	0	0	0	21,864	21,864	21,542	(8)
Multipurpose Livestock Arena	367	352	67	1,900	0	1,818	0	3,718	2,735	(9)
Fisheries and Aquatics Research Center	472	25	17	0	0	800	0	800	97	(10)
Bioinformatics Building Phase II	9,551	11,000	9,600	24,394	0	0	0	24,394	22,323	(11)
Boiler Pollution Controls	350	350	21	3,850	0	0	2,000	5,850	21	(12)
Planning: Southwest Campus Heating/Cooling	500	25	0	0	0	2,750	0	2,750	0	(13)
TOTAL	14,178	21,116	15,194	65,235	0	22,228	28,472	115,935	87,989	
<u>2002 General Obligation Bond Program</u>										
Agriculture & Natural Resources Research Laboratory	10,823	11,200	7,370	2,555	23,168	256	0	25,979	13,615	(14)
Biology/Vivarium Building	2,867	2,000	1,087	0	26,263	0	8,750	35,013	1,925	(15,24)
Bishop-Favrao Hall	311	200	149	0	2,500	5,000	0	7,500	262	(16,24)
Classroom Improvements, Phase I	410	150	47	0	4,530	0	0	4,530	47	(17,24)
Cowgill Hall HVAC and Power	165	165	24	0	7,500	0	0	7,500	24	(18,24)
Litton-Reaves Hall Exterior Repairs	271	271	159	0	2,500	0	0	2,500	159	(19,24)
Main Campus Chilled Water Central Plant	404	900	590	0	2,800	0	0	2,800	595	(20,24)
Henderson Hall and Performing Arts Center	2,814	100	0	0	6,542	2,235	40,000	48,777	0	(21,24)
Williams, Agnew, & Burruss Renovation	50	480	401	5,048	5,452	652	0	11,152	5,671	(22,24)
Institute for Critical Technology and Applied Science	4,146	1,200	1,000	0	13,996	0	17,000	30,996	2,053	(23,24)
TOTAL	22,261	16,666	10,828	7,603	95,251	8,143	65,750	176,747	24,352	

CAPITAL OUTLAY BUDGET (continued)**Auxiliary Enterprises Projects**

1. Projects are scheduled and funded by the auxiliary enterprises during the annual Auxiliary Enterprise Budgeting Process.
2. Blanket Authorizations allow unforeseen renovation needs under \$2,000,000 to be authorized administratively for expediency. This blanket has no active project authorizations.
3. Recent improvements to four existing parking lots have been completed. The outstanding project budget balance is envisioned for parking structures that are on hold.
4. This project is under construction, with occupancy expected by August 2005. The total estimated cost is expected to be \$43.118 million. The annual budget was adjusted to reflect revised project cash flows for this fiscal year.
5. This project was envisioned to build a new clubhouse and driving range. The project is on hold pending programmatic decisions regarding future use of the on-campus course.
6. Phase I, South End Zone: This component is complete with a total cost of \$34.098 million. Phase II, West Side Stands: Construction is underway with an estimated occupancy date of September 2005, and an expected total cost of \$54.02 million.
7. This project envisions a new residence hall of approximately 256 beds along with office space for residential services and judicial affairs. The project is on hold pending review of future residential fees and program priorities.
8. The project is complete and will be closed when final payments are processed.
9. This project is envisioned to build dining, student activity, meeting, and classroom space. The project is on hold pending further review of the site location and program priorities.
10. This project is envisioned to expand the existing student center by adding dining, student activity, meeting, and classroom space. The project is on hold pending further review of the site and program priorities.
11. This project will install seating stands and restrooms to support the field adjacent to McComas Hall. The initial section of bleachers is complete. The cost estimate for the restrooms exceeded the available budget. The University received additional funding authorization from the State in the 2005 General Assembly session to cover the necessary budget increase. The adjusted total budget will be \$2 million. The annual budget has been adjusted to reflect revised project cash flows for this fiscal year.
12. This project will provide upgrades and improvements to existing residence and dining halls. The project is currently in the preliminary programming phase. Planning will begin once project priorities have been defined. The annual budget has been adjusted to reflect revised project cash flows for this fiscal year.

Capital Outlay Projects Authorized as of March 31, 2005 (Continued)

Dollars in Thousands

	CURRENT YEAR			TOTAL PROJECT						
	ORIGINAL ANNUAL BUDGET	REVISED ANNUAL BUDGET	YTD EXPENSES	STATE SUPPORT	GENERAL OBLIGATION BOND	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENSES	
<u>Auxiliary Enterprises Projects</u>										
Maintenance Reserve	\$ 2,616	\$ 2,677	\$ 2,307	\$ 0	\$ 0	\$ 5,200	\$ 0	\$ 5,200	\$ 2,454	(1)
Auxiliary Enterprise Blanket Authorizations	0	0	0	0	0	4,809	0	4,809	0	(2)
Parking Auxiliary Projects	0	90	90	0	0	79	20,554	20,633	1,049	(3)
Alumni/CEC/Hotel Complex	16,182	16,000	12,720	0	0	25,099	20,732	45,831	32,156	(4)
Golf Course Facilities	0	0	0	0	0	1,500	0	1,500	0	(5)
Expand Lane Stadium - Phases I and II	31,646	31,646	20,967	0	0	13,062	80,738	93,800	60,523	(6)
New Residence Hall	0	0	0	0	0	1,041	15,000	16,041	86	(7)
Dietrick Servery/HVAC, Phase II	2,396	3,567	3,362	0	0	1,500	5,000	6,500	6,295	(8)
Dining and Student Union Facility	0	0	0	0	0	0	6,250	6,250	0	(9)
G. Burke Johnston Student Center Addition	0	0	0	0	0	0	6,250	6,250	46	(10)
Soccer/Lacrosse Complex	0	25	9	0	0	750	0	750	360	(11)
Major Residence and Dining Hall Improvements	280	0	0	0	0	0	4,000	4,000	0	(12)
TOTAL	53,120	54,005	39,454	0	0	53,040	158,524	211,564	102,970	
GRAND TOTAL	\$ 89,559	\$ 91,787	\$ 65,475	\$ 72,838	\$ 95,251	\$ 83,411	\$ 252,746	\$ 504,246	\$ 215,311	

RECOMMENDATION:

That the report of income and expenditures for the University Division and the Cooperative Extension/Agriculture Experiment Station Division for the period of July 1, 2004 through March 31, 2005 and the Capital Outlay report be accepted.

2005-06 FACULTY COMPENSATION PLAN

VIRGINIA TECH

The University continues to use the parameters provided in the “Consolidated Salary Authorization for Faculty Positions in Institutions of Higher Education” document from the Secretary of Education to develop the annual Faculty Compensation Plan. This document defines the qualification criteria for teaching and research faculty and administrative and professional faculty, provides guidance on the authorized salary average for full-time teaching and research faculty positions, and requires a board-approved faculty compensation plan.

In accordance with the most recent guidance provided by the Secretary of Education, the 2005-06 Faculty Compensation Plan provides information about (1) the promotion and tenure process, (2) the annual evaluation and salary adjustment process for teaching and research faculty, administrative and professional faculty, and special research faculty, (3) salary adjustments within the evaluation period, and (4) the 2005-06 pay structure.

Authorized Salary Average

The authorized salary average applies to all full-time teaching and research positions with the rank of professor, associate professor, assistant professor, instructor, or lecturer that are engaged in teaching and research for 50 percent or more of the time. As noted in the Consolidated Salary Authorization document, “Institutions are expected to award differential salary increases to their faculty based on performance and other circumstances such as promotions, tenure, and changes in responsibility. The net effect of all salary actions should be an average salary that approximates the [authorized] salary average.”

The Commonwealth measures the adequacy of faculty salaries by comparing the institutional average with the averages in a unique benchmark group for each public college and university. The benchmark groups are constructed by matching characteristics of colleges and universities, such as size of the student body, percentage of degrees granted in various disciplines, and percentage of graduate degrees conferred. The General Assembly established an objective in the late 1980s to fund a faculty salary average at all institutions that would approximate the salary average at the 60th percentile in the ranking of salary averages in individual benchmark groups.

The authorized salary average for 2004-05 for Virginia Tech is \$76,628. This places Virginia Tech at the 25th percentile of its peer group for 2004-05. Because the General Assembly provided funding for an average increase of 4.60 percent in 2005-06, the authorized salary average is expected to increase to \$80,153 while the rank is projected to increase to the 30th percentile (assuming a 3.0 percent increase at the peer institutions). Attachment A provides a list of the University’s peer group and the comparative salary averages for 2004-05.

In November of each year, the University will submit a report to the Board of Visitors concerning the status of the consolidated salary average and the University's standing within its benchmark group.

2005-06 Pay Structure

In accordance with the intent of the Consolidated Salary Authorization, a pay structure for the teaching and research faculty for 2005-06 is presented. This plan is derived from the 2004-05 approved plan and shows the normal entrance rate for each faculty category and the change from the approved compensation rate for each rank. Because the merit increases for faculty will not be awarded until November 25, 2005, two salary levels are provided. The salary levels and changes recommended for the 2005-06 teaching and research faculty pay structure are presented on Attachment B.

The salary average for administrative and professional faculty may not exceed the authorized salary average for the teaching and research faculty by more than 35 percent.

Promotion, Tenure, and Continued Appointment

Promotion to a higher rank and appointment with tenure may be granted to faculty members on a regular faculty appointment who have demonstrated outstanding accomplishments in an appropriate combination of instructional, research, outreach, and other professional activities. A current curriculum vitae together with student and peer evaluations of teaching, reprints of publications, reference letters, and other similar documents comprise a dossier, which furnishes the principal basis for promotion and tenure decisions. Faculty members being considered for either promotion or the awarding of tenure will have their dossiers reviewed at three levels: by a departmental committee and the head or chair; by a college committee and the dean; and by a University committee and the Provost.

Each candidate for promotion or tenure will be evaluated in the light of the triple mission of the University: instruction, research, and outreach (public service or extension). Although not all candidates can be expected to have equal levels of commitment or equal responsibilities in each of these missions, a high level of general competence is expected, in recognition of the need for flexibility in the future establishment of priorities in academic programs. Beyond that basic foundation of competence, decisions related to tenure or promotion to associate professor will require evidence of excellence in at least one area.

The university's mission and commitment as a major research institution requires high accomplishment for promotion to professor. Faculty members must demonstrate a high level of competence in an appropriate combination of instruction, outreach, and professional activities relevant to their assignment. Because of the university's mission and commitment as a major research institution, successful

candidates for the rank of professor must demonstrate excellence in research, scholarship, or creative achievement, as appropriate for the candidate's discipline and assignment. Promotion to the rank of professor is contingent upon national or international recognition as an outstanding scholar and educator.

In addition to the material contained in this section, the Faculty Handbook provides detailed policies and procedures for the departmental evaluation, the college evaluation, and the university evaluation.

Members of the Library faculty and Public Service and Extension faculty not holding appointments in a collegiate department may be considered for continued appointment or for promotion in faculty rank in recognition of appropriate professional accomplishments. Dossiers of candidates for promotion or continued appointment are submitted to the University Promotion and Continued Appointment Committee for Extra-collegiate Faculty by the relevant dean or director with accompanying recommendation. The recommendations of the Committee are conveyed to the Provost, who makes final recommendations to the President.

The most recent increase to the amount for promotion raises was made in February 1998. For 2005-06, adjustments of \$500 for promotion to Professor and Associate Professor are being proposed. Therefore, the following raises are recommended for promotions to:

Professor	\$4,000
Associate Professor	3,000
Assistant Professor	2,000

For academic-year faculty members whose salaries have been converted to a calendar-year basis under the CY Research Conversion policy, or because of a limited-term appointment as department head or other administrator, the stipend is adjusted by the same conversion rate to preserve its value when the faculty member returns to the academic-year base appointment.

The clinical faculty track provides for long-term, full-time or part time faculty appointments to individuals whose primary responsibilities are instruction and/or service in a clinical setting, such as veterinary medicine. Tenure cannot be earned in these ranks and time spent in one of these ranks is not applicable toward probationary tenure-track faculty service. There are four clinical ranks beginning with Clinical Instructor. Those clinical faculty members with outstanding performance may be considered for promotion in rank by the relevant departmental and college promotion and tenure committees, with administrative approval by the Provost.

The following raises are recommended for promotions to:

Clinical Professor	\$4,000
Clinical Associate Professor	3,000
Clinical Assistant Professor	2,000

There are three ranks for extension agents – Associate Extension Agent, Extension Agent, and Senior Extension Agent. Criteria for promotion in rank include educational preparation, performance, and professionalism. The Director of Cooperative Extension makes a recommendation to the Provost based on an evaluation of the candidate's dossier and recommendations of the Peer Review Committees, District Director, and Associate Directors of Cooperative Extension.

For 2005-06, an increase of \$500 is proposed for promotion to Senior Agent. Therefore, the following raises are recommended for promotions within Cooperative Extension:

Senior Agent	\$3,000
Agent	2,000

At the spring meeting each year, the University will submit to the Board of Visitors a report of recommended promotion, tenure, and continued appointment actions for review and approval.

Annual Evaluation and Salary Adjustments

Teaching and Research Faculty

An evaluation of every faculty member's professional performance is held each year. All persons holding non-temporary faculty appointments are asked to prepare a report at the end of each academic year (or other appropriate 12-month period) citing their instructional activities, creative scholarship, and other professional activities and recognitions during the year. Salary recommendations are based upon performance documented in these annual reports, which are reviewed by departmental personnel committees in some cases, by the department head or chair, and the dean.

Salary adjustments are based on merit; they are not automatic. Recommendations for salary adjustments originate with the department head or chair and are reviewed by the dean. At the university level, the dean reviews the salary adjustment recommendations at a formal salary hearing with the President, the Provost, and the Executive Vice President.

Administrative and Professional Faculty

Administrative faculty perform work directly related to management of the activities of the institution, department, or unit. Professional faculty positions are normally limited to librarians, counselors, extension agents, coaches, physicians, and other

professional positions serving education, public service, research, athletic, medical, student affairs, and development functions or activities.

Evaluations are based upon standards set by the supervisor with the participation of the faculty member and relate closely to the duties inherent in the functional title and job description of the position. Annually set expectations become one of the important criteria for judging professional job performance in the subsequent year. In addition to maintaining a high level of performance in carrying out their job-related duties and responsibilities, administrative and professional faculty members are expected to participate in and provide leadership of departmental, divisional, or university-wide committees, special university-wide assignments, or similar activity on behalf of important university priorities.

Salary adjustments are based on merit; they are not automatic. Recommendations for salary adjustments originate with the supervisor and are reviewed as appropriate by the department head, dean, vice provost, and vice president. At the university level, the dean, vice provost, or vice president reviews the salary adjustment recommendations at a formal salary hearing with the President, the Provost, and the Executive Vice President.

Special Research Faculty

Special research faculty are those with the titles of research associate, senior research associate, postdoctoral associate, research scientist, senior research scientist, research assistant professor, research associate professor, research professor, project associate, senior project associate, or project director. Special research faculty appointments are intended to promote and expedite the research activities of the University. Tenure cannot be earned in these ranks and service is not applicable toward probationary faculty service.

Each special research faculty member is evaluated and given a merit adjustment on the same schedule for evaluations and raise recommendations as the other faculty groups. Salary adjustments are based on merit; they are not automatic. An annual performance review by the principal investigator and/or department head becomes part of the basis for salary adjustments. Recommendations for salary adjustments originate with the supervisor (usually the principal investigator or the department head or chair) and are reviewed as appropriate by the department head or chair, dean, and vice provost. At the university level, the dean or vice provost reviews the salary adjustment recommendations at a formal salary hearing with the President, the Provost, and the Executive Vice President.

Other Salary Adjustments

Faculty salary adjustments are normally reviewed and approved by the Board of Visitors in two phases: adjustments for promotion are recommended at the June meeting and adjustments based on performance are recommended at the fall meeting. In addition to this process, it is sometimes necessary to adjust the salaries

of specific faculty members at other times during the fiscal year. These adjustments are primarily for changes in duties and responsibilities, for special temporary assignments, for retention or other exceptional needs, and for faculty selected for a different position as part of a search. Adjustments on the anniversary date of appointment for a restricted administrative or professional faculty member may also be approved in lieu of the November raise. The President, Provost, and Executive Vice President are authorized to administer the faculty compensation plan during the year and act upon requests for salary adjustments. The President has issued a set of guidelines establishing the parameters for approval of special salary adjustments. All salary changes established through this process will be submitted for ratification to the Board of Visitors on a quarterly basis in the Personnel Changes Report.

Implementation of the 2005-06 Merit Review and Compensation Process

The General Assembly provided funding for 2005-06 for an average increase of 4.60 percent for instructional faculty and 4.00 percent for administrative and professional faculty. The University will conduct the salary merit process for continuing faculty based on the overall 2005-06 salary increase provided by the state along with possible modifications of the allocations as described below.

To implement the 2005-06 merit review and compensation program, the Budget Office will develop salary pools for each academic and administrative area, based upon the existing faculty salary allocations. While making salary decisions based on merit as described in this plan, the vice presidents and deans are expected to balance the overall salary recommendations within the pools provided to them.

The University may also elect to alter the percentage increase provided by the state to achieve certain salary compensation needs. For example, in some years the University has allocated additional funds to address issues such as salary compression and equity needs. For 2005-06, such changes may result from one or more of the following processes:

- The University provides the vice presidents and deans the flexibility to use savings from vacant positions to make special salary adjustments beyond the capacity of their budget pools upon justification that situations within their units require different total allocations. The total of such incremental allocations is expected to be within a minor range of their salary pools, and is subject to approval by the President during the salary hearings.
- The University establishes a special pool of funds to address salary inequity and retention issues for specific faculty. If implemented, the funding will only be used to make adjustments based on evaluations of specific circumstances surrounding individual faculty members. As such, these adjustments would not be available to all faculty members and may occur at any time during the year, subject to approval by the Board.

- The President may use a special pool of funds to adjust individual salary recommendations made by the vice presidents and deans when he determines that a different adjustment is warranted.

RECOMMENDATION:

That the proposed 2005-06 Faculty Compensation Plan for Teaching and Research, Administrative and Professional, and Special Research Faculty be approved.

Attachment A

VIRGINIA TECH

2004-05 Fiscal Year

<u>Institution</u>	Average Salary	Rank
Cornell University (Endowed)	\$103,500	1
California, University of (Berkley)	100,600	2
Southern California, University of	91,700	3
Illinois at Urbana, University of	88,900	4
Rutgers University (New Brunswick)	88,700	5
Maryland, College Park, University of	87,700	6
Ohio State University	86,400	7
Wisconsin, University of (Madison)	84,000	8
Michigan, University of (Ann Arbor)	83,000	9
Iowa, University of	82,600	10
Texas at Austin, University of	82,000	11
Michigan State University	81,000	12
SUNY at Buffalo	80,700	13
Purdue University	79,800	14
Arizona, University of	78,800	15
Pittsburgh, University of (Main Campus)	77,900	16
Colorado, University of (Boulder)	77,100	17
Texas A&M University, Main Campus	77,000	18
Colorado State University	76,800	19
Virginia Tech	76,628	20
Pennsylvania State University	76,600	21
North Carolina State University	74,400	22
Iowa State University	72,200	23
Missouri, Univ of (Columbia)	70,300	24
Tennessee at Knoxville, University of	69,800	25
Virginia Tech's Percentile Ranking	25th	

Attachment B**2005-06 Pay Structure****Virginia Tech****July 1 through November 24, 2005**

	<u>9-Month Faculty</u>		<u>12-Month Faculty</u>		<u>Distribution</u>
	<u>Entrance</u>	<u>Change</u>	<u>Entrance</u>	<u>Change</u>	Approximate % of Total Faculty <u>By Rank</u>
Professor	\$67,599	--	\$82,446	--	38%
Assoc Professor	51,702	--	62,648	--	30%
Asst Professor	42,771	--	52,025	--	21%
Instructor	29,976	--	39,002	--	11%

November 25, 2005 through June 30, 2006

	<u>9-Month Faculty</u>		<u>12-Month Faculty</u>		<u>Distribution</u>
	<u>Entrance</u>	<u>Change</u>	<u>Entrance</u>	<u>Change</u>	Approximate % of Total Faculty <u>By Rank</u>
Professor	\$70,709	\$3,110	\$86,239	\$3,793	38%
Assoc Professor	54,080	2,378	65,530	2,882	30%
Asst Professor	44,738	1,967	54,418	2,393	21%
Instructor	31,355	1,379	40,796	1,794	11%

**RESOLUTION ON RETIREMENT BENEFITS
FOR PART-TIME FACULTY**

WHEREAS, part-time salaried faculty members do not receive the benefits available to full-time employees, including retirement, and these employees may work for Virginia Tech for many years; and

WHEREAS, recent legislation has allowed part-time salaried classified employees working half time or more to participate in the Virginia Retirement System (VRS), while not addressing participation in any retirement program by part-time faculty employees since this authority resides with the Board of Visitors of each institution; and

WHEREAS, Virginia Tech may offer retirement benefits for part-time faculty within the authority recently granted to manage retirement issues; and

WHEREAS, comparable institutions offer a retirement benefit to part-time salaried faculty; and

WHEREAS, in Spring 2005, approximately 49 faculty members were working in part-time salaried positions in the University's instructional programs, auxiliary enterprises, and sponsored research programs; and

WHEREAS, the cost of providing a retirement benefit for employees on part-time faculty appointments has been tentatively planned for in the 2005-06 budgets for the Educational and General programs, auxiliary enterprises, and the negotiated fringe benefit rate for sponsored grants and contracts, pending Board approval of the benefit;

THEREFORE BE IT RESOLVED, that effective August 10, 2005, part-time salaried faculty members working half time or more for at least six months on a calendar-year appointment or one semester if on an academic-year appointment would be eligible to participate in either the University's defined contribution retirement program or VRS to the extent permitted by VRS.

RECOMMENDATION:

That part-time salaried faculty members as described in the resolution be included in the University's retirement programs beginning with fall term 2005.

June 13, 2005

2005-06 AVERAGE COST OF INSTRUCTION

VIRGINIA TECH

The Commonwealth of Virginia has established a methodology for computing the per student instructional cost for colleges and universities. This process identifies the "instructional cost" components of the Educational and General budget and computes an average instructional cost for all undergraduate and graduate students, including part-time and full-time students taking classes at both on-campus and off-campus locations. The resulting average cost is used to measure compliance with the state's tuition policies.

In 1989-90, students paid, on average, about 37 percent of the instructional cost. In the 1991 Legislative Session, the General Assembly instructed colleges and universities to charge out-of-state students the full cost of the instructional program. Recognizing that institutions might need to offer different tuition rates for different categories of students (i.e., undergraduate vs. graduate), the policy was modified to allow colleges and universities to recover the full cost from out-of-state students as a group, and not by individual classification. In other words, the aggregate tuition collected from out-of-state undergraduates and out-of-state graduates must fully cover the total share of the instructional budget related to their instruction. The result of this change in policy was to significantly increase the portion of the instructional budget funded by students. In 2004-05, students are paying 63 percent of average instructional cost.

Based on the changes to the University's appropriations for 2005-06 and the tuition rates for 2005-06, the average cost of instruction has been computed in accordance with the methodology used by SCHEV. The approved tuition rates for 2005-06 will result in students paying an average of 63 percent of the instructional cost. Nonresident students will, as a group, pay 133 percent of the appropriated cost per student; thus, the University is in compliance with the out-of-state tuition requirement. Average percentages by individual student category are as follows:

	<u>Amount*</u>	<u>% of Average</u>
Average Appropriated Cost	\$11,826	63%
<u>Undergraduates:</u>		
Residents	5,297	45%
Nonresidents	16,636	141%
<u>Graduates:</u>		
Residents	6,896	58%
Nonresidents	11,634	98%
<u>Residency:</u>		
Residents		50%
Nonresidents		133%

*Includes tuition, academic fee, and technology fee

PROPOSED 2005-06 OPERATING AND CAPITAL BUDGETS**VIRGINIA TECH****June 2005**

With the close of the General Assembly session, the University is able to develop its internal budgets for the upcoming fiscal year. Virginia Tech is authorized to spend \$885.4 million during 2005-06 to carry out all of its programs, based on the direct appropriations to the University. However, the University's annual internal budget varies from this external expenditure authorization for several reasons, some of which increase the annual expenditure authority while others reduce the expenditure plans. For example, the Cooperative Extension/Agriculture Experiment Station Division has been assigned incremental nongeneral fund revenue authorization that cannot be utilized because revenue from outside funding sources, such as the federal government, remain level; this authority cannot be internally budgeted unless additional revenue is identified. In addition, the University has positioned external appropriations to accommodate significant growth externally in sponsored programs. On the other hand, the University's expenditure authorization will increase during 2005-06 when the Virginia Military Institute transfers the Unique Military Activities appropriation of \$1.3 million to the University, and when the State transfers funds from its Central Fund to the University to cover the General Fund share of classified staff salary increases and other central adjustments. The University also is able to seek administrative increases in the external expenditure authorization levels if additional nongeneral fund revenue becomes available.

For 2005-06, the net of these transactions results in an annual internal budget for all operations of approximately \$821.2 million. This is an increase of \$53.6 million over the original 2004-05 budget. This increase reflects changes in nongeneral fund revenues for 2005-06 as well as actions in the 2005 General Assembly session that impact the 2005-06 General Fund appropriation. The overall change includes an increase of \$26.0 million attributable to the Educational and General program and \$14.9 million of projected growth in auxiliary enterprises. The General Fund allocation will be approximately \$230.6 million, an increase of \$16.2 million from 2004-05. General Fund revenues will provide \$215.9 million in support for the instructional, research, and extension programs, \$13.4 million for student financial assistance, and \$1.3 million for the Unique Military Activities program. The General Fund appropriation represents 46.2 percent of the Educational and General budget (as compared to 58.6 percent in the original 2001-2002 budget), 39.7 percent of the University Division's Educational and General budget (as compared to 53.6 percent in the original 2001-2002 budget), and 28.1 percent of the total budget.

Schedule 1 displays the proposed operating budgets for 2005-06, by major program and revenue and expense category. Schedule 2 is an expansion of the auxiliary operations budgets, categorized by major activity. These schedules display the comparative 2004-05 budget, as approved in June 2004, and the current revised 2004-05 budget as an additional comparison point. Schedule 3 shows the total budget by fund source and an estimated annual budget for each capital outlay project that will be active in 2005-06. This report provides a brief discussion of the changes in the budget for each of the major programs.

Educational and General

The University's Educational and General budget will be \$467.0 million in 2005-06. The Educational and General budgets for the University Division (208) and the Cooperative Extension/Agriculture Experiment Station Division (229) are presented below by source of funding.

	(Dollars in thousands)		
	<u>208</u>	<u>229</u>	<u>Total</u>
General Fund	\$155,748	\$60,112	\$215,860
Tuition and Fees	209,499		209,499
Federal Funds		13,454	13,454
Other	<u>27,533</u>	<u>673</u>	<u>28,206</u>
Total Educational and General	\$392,780	\$74,239	\$467,019

Percent of Total

General Fund	39.7%	81.0%	46.2%
Tuition and Fees	53.3%	0.0%	44.9%
Federal Funds	0.0%	18.1%	2.9%
Other	<u>7.0%</u>	<u>0.9%</u>	<u>6.0%</u>
Total Percentage	100.0%	100.0%	100.0%

The year-to-year comparison of the budget in Schedule 1 shows an overall revenue increase in the Educational and General program of \$26.0 million. The proposed 2005-06 budget is 5.9 percent larger than the original 2004-05 budget. This increase results from increased General Fund support and incremental tuition revenue. The General Assembly provided support for the general fund share of faculty and classified staff salary and fringe benefit rate increases and \$4.9 million for base budget adequacy. While the new General Fund support in the University Division increased by \$15.0 million over the original 2004-05 budget, the percentage of the Educational and General budget for the University Division provided by the General Fund remained essentially flat at 39.7 percent as compared to 39.2 percent in 2004-05. The 2005-06 tuition and fee budget is \$8.5 million, or 4.2 percent, higher as compared to the original 2004-05 budget. The difference in the tuition and fee budget reflects the increase in the tuition rates, the change in the mix of students, and an increase in the allotment of unfunded scholarships to student aid programs. The 2005-06 tuition and fee budget continues to include \$1.0 million in projected revenues from the technology fee authorized by the General Assembly in 1998-99 and \$986,762 for the Capital and Equipment fee assessed to out-of-state students as required by the General Assembly for 2005-06. The revenue from the Capital and Equipment fee will be transferred to the Commonwealth for debt service on new facilities and equipment; thus, there is no positive impact on the University's annual revenue budget resulting from this out-of-state student fee. All tuition and fee revenues are based on the rates approved by the Board of Visitors at the March 2005 meeting.

Auxiliary Enterprises

The total auxiliary revenue will grow 14.9 percent over the original 2004-05 budget in 2005-06. This increase includes resources to cover the cost of funding legislated raises, debt service and operation and maintenance of new facilities, increased health care costs, increased demand for services, and changes in operating and fixed costs. A significant portion of the growth in auxiliary budgets will occur due to the West Side Expansion of Lane Stadium coming on-line and the opening of the new Inn at Virginia Tech and Skelton Conference Center.

Financial Assistance for Educational and General Programs

Financial Assistance for Educational and General Programs is comprised of sponsored programs activities, the Eminent Scholars program, and the IDDL Enterprise Fund. The most significant activity in this category is within sponsored research, which is within sponsored programs.

The University anticipates that increases in research activities will occur; thus, activity for 2005-06 is projected to grow by \$11.1 million or 6.6 percent over 2004-05 projected activity levels.

Student Financial Assistance

The annual budget for the Student Financial Assistance Program includes state General Fund support for Undergraduate Scholarships, Graduate Fellowships, Soil Scientist Scholarships, and the Multicultural Academic Opportunity Program. The University's Student Financial Assistance Program is anticipated to increase by 9.2 percent in 2005-06 over the original 2004-05 budget, with \$13.4 million available for state-supported student financial assistance.

All Other Programs

The All Other Programs component is comprised of the Unique Military Activities appropriation, surplus property, federal work study program, local funds, and Alumni Affairs. The annual budget for these funds is based on historic trends and projections of activity levels by program managers. These programs are funded by resources that are designated for specific purposes. For All Other Programs, the recommended budget represents an increase of \$0.5 million or 12.4 percent over the original budget for 2004-05. This change is due primarily to an increase in Unique Military Activities funding and higher than previously budgeted activity in the Alumni Affairs program.

Budget Allocations

The process of finalizing the 2005-06 operating budget allocations for the colleges and major operating units is currently underway. This process will be completed during June 2005. The final operating budgets will be approved during June and issued to the University community by the Executive Vice President and Chief Operating Officer. The Office of Budget and Financial Planning will allocate these budgets to the colleges and vice

presidential areas in time for the departments to open the new fiscal year with the allocations in place in the financial systems.

Capital Outlay Projects

Virginia Tech's capital outlay program includes projects for the University Division and the Cooperative Extension/Agricultural Experiment Station Division. Each project, independent of funding source, requires a state authorization. Existing capital projects are reappropriated by the state each June 30, and their authorizations carry forward to the next fiscal year until the projects are closed. New projects are requested as part of the state budget cycle, with authorizations approved in the Appropriation Act or through special action by the Governor. New projects normally become effective and are added to the program at the beginning of a fiscal year. Completed projects are closed and removed from the program during the annual reappropriations process in June.

The project authorizations available for 2005-2006 are shown on Schedule 3. Each project for 2005-2006 is listed with the total budget by revenue source, available balance the fiscal year, estimated budget, and estimated balance at the close of the fiscal year.

The capital outlay program for 2005-2006 includes 12 Educational and General projects, 11 General Obligation Bond projects, and 11 Auxiliary Enterprise projects for a total of 34 projects. The projects are in various phases of design and construction with a life span normally lasting two to four years depending on the size and complexity of the facility. The total capital outlay budget for fiscal year 2006 includes \$461.8 million of authorizations with an estimated available balance of \$296.5 million. Of the available balance, the University plans to spend almost \$76 million in 2005-2006. Some projects are near completion and may close prior to June 30th. Projects that close will be removed from Financial Performance Report for fiscal year 2006 with minimal impact on the planned expenditure level for 2005-2006.

The revenues to support capital outlay expenses are a mix of state support, University debt, and self-generated resources. When projects have multiple sources of funding, the University generally utilizes the resources in the following order: state support, bond proceeds, and then nongeneral funds. This order allows the most effective use of the University's nongeneral fund resources.

RECOMMENDATION:

That the proposed 2005-06 operating and capital budgets, as displayed on Schedules 1, 2, and 3, be approved.

Schedule 1

TOTAL OPERATING BUDGET FOR VIRGINIA TECHFiscal Year 2005-06
(Dollars in Thousands)

	2004-05 Original Budget	2004-05 Adjusted Budget	2005-06 Recommended Budget
<u>Revenues</u>			
Educational and General			
University Division			
General Fund	\$144,870	\$147,626	\$155,748
Tuition and Fees	200,986	200,213	209,499
All Other Income	24,147	27,004	27,533
Subtotal	370,003	374,843	392,780
CE/AES Division			
General Fund	56,044	56,288	60,112
Federal Funds	14,361	11,820	13,454
All Other Income	660	660	673
Subtotal	71,065	68,768	74,239
Total Educational and General	441,068	443,611	467,019
Auxiliary Enterprises	141,386	147,892	156,259
Financial Assistance for E&G Programs ^(a)	168,502	168,502	179,619
Student Financial Assistance			
General Fund	12,273	12,069	13,398
Nongeneral Fund	0	0	0
Total Student Financial Assistance	12,273	12,069	13,398
All Other Programs ^(b)	4,366	4,489	4,908
Total	\$767,595	\$776,563	\$821,203
<u>Expense</u>			
Educational and General			
University Division	\$370,003	\$374,843	\$392,780
CE/AES Division	71,065	68,768	74,239
Subtotal	441,068	443,611	467,019
Auxiliary Enterprises	136,396	149,325	150,749
Financial Assistance for E&G Programs ^(a)	168,502	168,502	179,619
Student Financial Assistance	12,273	12,069	13,398
All Other Programs ^(b)	4,366	4,489	4,908
Total	\$762,605	\$777,996	\$815,693
<u>Planned Change in Reserve</u>			
Reserve Drawdown/(Deposit) ^(c)	(4,990)	1,433	(5,510)
Net	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(a) Financial Assistance for E&G Programs includes Sponsored Programs and the Eminent Scholars Program.

(b) All Other Programs include Unique Military Activities, Surplus Property, Local Funds, Federal Work Study, and Alumni Affairs

(c) Reflects the planned excess of Auxiliary Enterprises.

TOTAL OPERATING BUDGETS FOR AUXILIARY ENTERPRISES
Fiscal Year 2005-06
(Dollars in Thousands)

	2004-05 Original Budget	2004-05 Adjusted Budget	2005-06 Recommended Budget
Residence and Dining Hall System			
Revenues	\$47,293	\$48,793	\$51,002
Expenses	-46,033	-48,266	-\$51,096
Reserve Drawdown (Addition)	-1,260	-527	\$94
Net	\$0	\$0	\$0
Parking and Transportation			
Revenues	\$4,508	\$4,508	\$4,851
Expenses	-4,476	-4,658	-4,723
Reserve Drawdown (Addition)	-32	150	-128
Net	\$0	\$0	\$0
Telecommunications Services			
Revenues	\$14,744	\$14,214	\$14,570
Expenses	-14,622	-15,092	-14,755
Reserve Drawdown (Addition)	-122	878	185
Net	\$0	\$0	\$0
University Services System			
Revenues	\$19,425	\$19,498	\$20,801
Expenses	-19,710	-20,530	-20,546
Reserve Drawdown (Addition)	285	1,032	-255
Net	\$0	\$0	\$0
Intercollegiate Athletics			
Revenues	\$31,076	\$36,269	\$37,330
Expenses	-27,303	-33,164	-32,813
Reserve Drawdown (Addition)	-3,773	-3,105	-4,517
Net	\$0	\$0	\$0
Electric Service System			
Revenues	\$15,342	\$15,342	\$15,900
Expenses	-15,953	-16,132	-\$16,050
Reserve Drawdown (Addition)	611	790	\$150
Net	\$0	\$0	\$0
Donaldson Brown Hotel and Conference Center			
Revenues	\$4,106	\$4,110	\$6,353
Expenses	-4,228	-5,266	-6,269
Reserve Drawdown (Addition)	122	1,156	-84
Net	\$0	\$0	\$0
Other Enterprise Functions			
Revenues	\$4,892	\$5,158	\$5,452
Expenses	-4,071	-6,217	-4,497
Reserve Drawdown (Addition)	-821	1,059	-955
Net	\$0	\$0	\$0
TOTAL			
Revenues	\$141,386	\$147,892	\$156,259
Expenses	-136,396	-149,325	-150,749
Reserve Drawdown (Addition)	-4,990	1,433	-5,510
Net	\$0	\$0	\$0

EDUCATIONAL AND GENERAL CAPITAL PROJECT AUTHORIZATIONS FOR FISCAL YEAR 2006

(Dollars in Thousands)

as of March 31, 2005

	TOTAL PROJECT BUDGET					ESTIMATED TOTAL EXPENSES June 30, 2005	ESTIMATED BALANCE AVAILABLE FOR FY2006	ESTIMATED ANNUAL BUDGET FY2006	ESTIMATED BALANCE AT CLOSE OF FY2006
	STATE SUPPORT	GENERAL OBLIGATION BONDS	NONGENERAL FUND	AGENCY DEBT	TOTAL BUDGET				
<u>Educational and General Projects</u>									
Maintenance Reserve	\$ 6,931	\$ 0	\$ 0	\$ 0	\$ 6,931	\$ 0	\$ 6,931	\$ 5,891	\$ 1,040
Blanket Authorizations	0	0	9,885	0	9,885	1,407	8,478	0	8,478
Airport Taxiway Construction	0	0	3,129	0	3,129	1,566	1,563	0	1,563
Chemistry/Physics - Phase II	23,431	0	3,763	0	27,194	26,774	420	0	420
Dairy Science Facilities	5,343	0	0	0	5,343	5,343	0	0	0
Career Services Facility	0	0	0	4,608	4,608	4,608	0	0	0
Fisheries and Aquatics Research Center	0	0	800	0	800	105	695	450	245
Bioinformatics Building Phase II	24,394	0	0	0	24,394	23,722	672	672	0
Boiler Pollution Controls	3,850	0	0	2,000	5,850	350	5,500	600	4,900
Planning: Southwest Campus Heating/Cooling	0	0	2,750	0	2,750	25	2,725	500	2,225
Graduate School Facility	0	0	0	3,000	3,000	0	3,000	2,600	400
Surge Space Building	0	0	0	8,500	8,500	0	8,500	2,000	6,500
Total Educational and General Projects	\$ 63,949	\$ 0	\$ 20,327	\$ 18,108	\$ 102,384	\$ 63,900	\$ 38,484	\$ 12,713	\$ 25,771
<u>2002 General Obligation Bond Program</u>									
Agriculture & Natural Resources Research Laboratory	2,555	23,168	256	0	25,979	17,446	8,533	8,533	0
Biology/Vivarium Building	2,737	26,263	0	8,750	37,750	2,837	34,913	14,250	20,663
Bishop-Favrao Hall	0	2,500	5,000	0	7,500	314	7,186	600	6,586
Classroom Improvements, Phase I	2,740	4,530	0	0	7,270	150	7,120	400	6,720
Cowgill Hall HVAC and Power	0	7,500	0	0	7,500	165	7,335	500	6,835
Litton-Reaves Hall Exterior Repairs	0	2,500	0	0	2,500	271	2,229	600	1,629
Main Campus Chilled Water Central Plant	0	2,800	0	0	2,800	905	1,895	1,700	195
Henderson Hall	0	6,542	2,235	0	8,777	100	8,677	500	8,177
Performing Arts Center	0	0	5,000	45,000	50,000	0	50,000	1,600	48,400
Agnew, & Burruss Renovation	0	4,800	652	0	5,452	50	5,402	350	5,052
Institute for Critical Technology and Applied Science	0	13,996	0	17,000	30,996	2,253	28,743	4,500	24,243
Total 2002 General Obligation Bond Program	\$ 8,032	\$ 94,599	\$ 13,143	\$ 70,750	\$ 186,524	\$ 24,491	\$ 162,033	\$ 33,533	\$ 128,500

AUXILIARY ENTERPRISE CAPITAL PROJECT AUTHORIZATIONS FOR FISCAL YEAR 2006

(Dollars in Thousands)

as of March 31, 2005

	TOTAL PROJECT BUDGET					ESTIMATED TOTAL EXPENSES June 30, 2005	ESTIMATED BALANCE AVAILABLE FOR FY2006	ESTIMATED ANNUAL BUDGET FY2006	ESTIMATED BALANCE AT CLOSE OF FY2006
	STATE SUPPORT	GENERAL OBLIGATION BONDS	NONGENERAL FUND	AGENCY DEBT	TOTAL BUDGET				
<u>Auxiliary Enterprises Projects</u>									
Maintenance Reserve	\$ 0	\$ 0	\$ 5,900	\$ 0	\$ 5,900	\$ 2,825	\$ 3,075	\$ 3,000	\$ 75
Auxiliary Enterprise Blanket Authorizations	0	0	4,809	0	4,809	0	4,809	0	4,809
Parking Auxiliary Projects	0	0	79	20,554	20,633	1,049	19,584	0	19,584
Alumni/CEC/Hotel Complex	0	0	25,099	20,732	45,831	35,437	10,394	7,475	2,919
Golf Course Facilities	0	0	1,500	0	1,500	0	1,500	0	1,500
Expand Lane Stadium - Phase II	0	0	4,963	54,739	59,702	37,104	22,598	17,382	5,216
New Residence Hall	0	0	1,041	15,000	16,041	86	15,955	0	15,955
Dining and Student Union Facility	0	0	0	6,250	6,250	0	6,250	0	6,250
G. Burke Johnston Student Center Addition	0	0	0	6,250	6,250	46	6,204	0	6,204
Soccer/Lacrosse Complex	0	0	2,000	0	2,000	377	1,623	1,623	0
Major Residence and Dining Hall Improvements	0	0	0	4,000	4,000	0	4,000	250	3,750
Total Auxiliary Enterprise Projects	\$ 0	\$ 0	\$ 45,391	\$ 127,525	\$ 172,916	\$ 76,924	\$ 95,992	\$ 29,730	\$ 66,262
GRAND TOTAL ALL CAPITAL PROJECTS	<u>\$ 71,981</u>	<u>\$ 94,599</u>	<u>\$ 78,861</u>	<u>\$ 216,383</u>	<u>\$ 461,824</u>	<u>\$ 165,315</u>	<u>\$ 296,509</u>	<u>\$ 75,976</u>	<u>\$ 220,533</u>

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

STUDENT FINANCIAL ASSISTANCE

2005-06 GENERAL FUND APPROPRIATION

The General Assembly appropriates discretionary financial assistance from the General Fund for students attending state colleges and universities in Virginia. Historically, discretionary financial aid for undergraduates has been distributed based on a formula which incorporates unmet need and the average amount of loan carried by students at each institution. The available funds have been allocated in proportion to the composite of these two factors at the individual institutions of higher education. Money has also been allocated to institutions for graduate fellowships. These funds have been distributed based on a programmatic assessment of institutional justification of funds for this purpose.

For 2004-05, a total of \$12,273,022 was allocated to Virginia Tech for undergraduate and graduate financial assistance. For 2005-06 the University received an additional allocation of \$1,125,251 for graduate fellowships and undergraduate Virginians. Out of this amount \$687,223 is for undergraduate Virginians and \$438,028 for graduate fellowships. Thus, a total of \$13,398,273 is anticipated to be available for state-supported student financial assistance in 2005-06.

The recommended distribution of the \$13,398,273 appropriation for Scholarships and Fellowships in 2005-06 is shown below.

I. \$11,000 for Soil Scientist Scholarships

These funds are appropriated by the General Assembly in support of up to 20 annual soil scientist scholarships. They provide University fees for Virginia residents majoring in agronomy. In return, recipients agree to work as soil scientists for the State of Virginia for a period equal to the number of years they received the scholarship.

II. \$307,500 for the Multicultural Academic Opportunities Program

These funds are appropriated by the General Assembly for "Scholarships, internships, and graduate assistantships administered by the Multicultural Academic Opportunities Program at the University . . . Eligible students must have financial need and participate in an academic support program."

III. \$13,079,773 for Scholarships and Fellowships

1. \$2,622,580 for Graduate Fellowships

In 2004-05, \$2,184,552 was approved for graduate fellowships. For 2005-06, the University has received an additional allocation of \$438,028 for graduate fellowships. Fellowship awards will be made to graduate students in amounts not to exceed the instructional fees to be paid by the student for the year in which the award is made. Not more than 50 percent of these funds will be awarded to persons not eligible to be classified as Virginia domiciliary resident students. Approximately 382 full-time equivalent fellowships can be awarded from this fund in 2005-06.

2. \$10,457,193 for Undergraduate Scholarships

In 2004-05, \$9,769,970 was approved for undergraduate scholarships. An increase of \$ 687,223 was appropriated for this category for 2005-06. Scholarship awards will be made to Virginia domiciliary residents in amounts not to exceed total University tuition and fees depending on financial need and other sources of financial aid available. Approximately 1,974 full-time equivalent scholarships can be awarded from this fund in 2005-06.

RECOMMENDATION:

That the recommended allocations for student financial assistance for the fiscal year 2005-06 be approved.

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
HOTEL ROANOKE CONFERENCE CENTER COMMISSION BUDGET

The Hotel Roanoke Conference Center Commission was established by resolutions adopted by Virginia Tech on November 18, 1991 and by the City Council of the City of Roanoke, Virginia on April 14, 1992, pursuant to Chapter 440 of the 1991 Acts of Assembly of the Commonwealth of Virginia, adopted March 20, 1991. Section 21 B of the enabling legislation provided that the Commission shall annually prepare and submit to both the City of Roanoke and Virginia Tech (the "Participating Parties") a proposed operating budget showing its estimated revenues and expenses on an accrual basis for the forthcoming fiscal year and if such estimated expenses exceed such estimated revenues, the portion of the deficit proposed to be borne by each Participating Party.

The Commission has adopted and approved its operating budget for the fiscal year 2005-06. Virginia Tech and the City of Roanoke will make equal contributions of \$100,000 to the Commission for fiscal year 2005-06. The recommended budget is shown on the following page.

**HOTEL ROANOKE CONFERENCE CENTER COMMISSION
BUDGET
JULY 2005 - JUNE 2006**

Revenues

City of Roanoke	\$ 100,000
Virginia Tech	<u>100,000</u>
	\$ 200,000

Expenses

Personal Services for part-time director	\$ 50,000
Professional Fees – legal, audit, insurance consultant	130,000
Technology, training, travel	5,000
Operations	<u>15,000</u>
	\$ 200,000

RECOMMENDATION:

That the budget for The Hotel Roanoke Conference Center Commission for 2005-06 be approved.

**VIRGINIA TECH-WAKE FOREST UNIVERSITY
SCHOOL OF BIOMEDICAL ENGINEERING AND SCIENCES
2005-06 OPERATING BUDGET
June 2005**

The Board of Visitors of Virginia Tech adopted a resolution that authorized the establishment of the Virginia Tech-Wake Forest University School of Biomedical Engineering and Sciences on August 26, 2002. Subsequently, Virginia Tech and Wake Forest University entered into a collaboration agreement, which outlines the relationship and responsibilities of each party. As stated in the collaboration agreement, the annual operating budget for the School of Biomedical Engineering and Sciences requires approval by the governing boards of each university.

The 2005-06 recommended budget for Virginia Tech's contribution to the School of Biomedical Engineering and Sciences is shown on the following page.

**VIRGINIA TECH - WAKE FOREST UNIVERSITY
SCHOOL OF BIOMEDICAL ENGINEERING AND SCIENCES**

OPERATING BUDGET

2005-06

Revenues

University Allocation	\$ 1,615,398
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Expenses

Faculty	\$ 562,108
Staff	88,818
Graduate Students	236,867
Fringes	193,082
	1,080,875
Subtotal Personal Costs	

Operating Costs	234,523
Faculty Start Up Packages (one-time)	300,000
	534,523
Subtotal Non-personal Costs	

Total Expenses	\$ 1,615,398
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Net	-
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RECOMMENDATION:

That the budget for the Virginia Tech - Wake Forest School of Biomedical Engineering and Sciences be approved.

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

DORMITORY AND DINING HALL SYSTEM

2005-06 Operating Budget

The resolution authorizing and securing the Dormitory and Dining Hall System revenue bonds requires the adoption of an annual budget by the Board of Visitors. The budget presentation to the Board of Visitors provides documentation that the revenues to be received during the fiscal year will be sufficient to meet the operating costs of the System, the principal and interest requirements, and usual expenses of maintenance, repair, and operation.

Subject to approval by the Board of Visitors, the annual budget will be filed with the State Treasurer and will be the basis for making payments from the revenue fund to meet the operating costs of the Dormitory and Dining Hall System during the fiscal year. In compliance with Section 5.5, Article V, of the resolution authorizing and securing the Dormitory and Dining Hall System revenue bonds, there is submitted herewith an estimate of the resources to be used for the operation of the Dormitory and Dining Hall System during the fiscal year July 1, 2005 to June 30, 2006 and a recommended budget of current expenses for the System for the same period.

	<u>Dormitories</u>	<u>Dining Halls</u>	<u>Total</u>
<u>Estimated Resources</u>			
Student Fees	\$19,246,309	\$24,501,730	\$43,748,039
Other Income	3,078,663	4,174,833	7,253,496
Reserve Drawdown	1,503,232	80,294	1,583,526
Total Resources	<u>\$23,828,204</u>	<u>\$28,756,857</u>	<u>\$52,585,061</u>
<u>Current Expenses</u>			
Personnel Services	\$7,518,046	\$12,331,714	\$19,849,760
Operations	6,377,229	12,947,792	19,325,021
Administrative Charges	775,151	1,413,887	2,189,038
Maintenance Reserve	1,429,856	357,464	1,787,320
Reserve Restoration	991,582	497,219	1,488,801
One-Time Projects	1,503,232	80,294	1,583,526
Debt Service	5,233,108	1,128,487	6,361,595
Total Expenses	<u>\$23,828,204</u>	<u>\$28,756,857</u>	<u>\$52,585,061</u>
Net	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

I certify that in my opinion the estimates of revenues and current expenses for the period July 1, 2005 to June 30, 2006 represent an accurate estimate of the income to be received and current expenses of operating the Dormitory and Dining Hall System for the fiscal year.



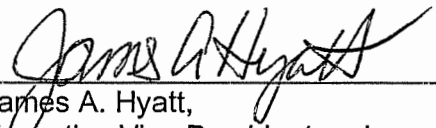
 James A. Hyatt,
 Executive Vice President and
 Chief Operating Officer

ANNUAL INSPECTION AND RECOMMENDATIONS CONCERNING DORMITORY AND DINING HALL SYSTEM

Section 5.4, Article V, of the resolution authorizing and securing the Dormitory and Dining Hall System revenue bonds requires that an inspection be made of the System at least once each year and a report and recommendation be submitted to the Board of Visitors.

An inspection has been made of the System and it is my opinion that the System has been maintained in good repair, working order, and condition. The following recommendations are made for the fiscal year July 1, 2005 to June 30, 2006:

1. That the necessary minor repairs be made to all equipment and buildings in the System. Funds have been included in the annual budget of current expenses to cover the cost of these items.
2. That the State's all-risk policy which provides protection from loss by fire, lightning, wind, hail, explosion, theft, vandalism, malicious mischief, and other extended coverage be continued. This provides \$400,000,000 coverage for any one occurrence, without any coinsurance and with an effective deductible of \$250.
3. That fees, rents, and charges for the next fiscal year are sufficient for the purpose set forth in Section 5.1, Article V, of the resolution.


James A. Hyatt,
Executive Vice President and
Chief Operating Officer

RECOMMENDATION:

That the recommended budget for the fiscal year July 1, 2005 to June 30, 2006 for the operation of the Dormitory and Dining Hall System and the report of the Annual Inspection be approved.

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

ELECTRIC SERVICE SYSTEM

2005-06 Operating Budget

The resolution authorizing and securing the Electric Service System revenue bonds requires the adoption of an annual budget by the Board of Visitors. The budget presentation to the Board of Visitors provides documentation that the revenues to be received during the fiscal year will be sufficient to meet the operating costs of the System, the principal and interest requirements, and usual expenses of maintenance, repair, and operation.

Subject to approval by the Board of Visitors, the annual budget will be filed with the State Treasurer and will be the basis for making payments from the revenue fund to meet the operating costs of the Electric Service System during the fiscal year. In compliance with Section 5.5, Article V, of the resolution authorizing and securing the Electric Service System revenue bonds, there is submitted herewith an estimate of the resources to be used for the operation of the Electric Service System during the fiscal year July 1, 2005 to June 30, 2006 and a recommended budget of current expenses for the System for the same period.

Estimated Revenues

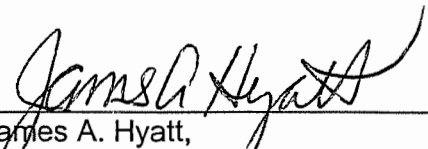
Sales to University Departments	\$8,565,490
All Other Sales	7,144,530
Investment Income	190,000
Reserve Drawdown	150,000
Total Revenues	<u>\$16,050,020</u>

Current Expenses

Personnel Services	\$2,057,528
Purchase of Electricity	10,310,330
Operating Expenditures	1,914,643
Capital Maintenance Reserve Projects	350,000
Maintenance, Repairs and Equipment Replacement	520,719
Debt Service	746,800
One-Time Projects	150,000
Total Expenses	<u>\$16,050,020</u>

Net	<u><u>\$0</u></u>
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I certify that in my opinion the estimates of revenues and current expenses for the period July 1, 2005 to June 30, 2006 represent an accurate estimate of the income to be received and current expenses of operating the Electric Service System for the fiscal year.



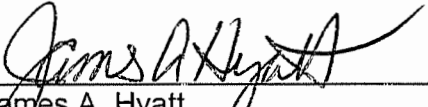
 James A. Hyatt,
 Executive Vice President and
 Chief Operating Officer

ANNUAL INSPECTION AND RECOMMENDATIONS CONCERNING ELECTRIC SERVICE SYSTEM

Section 5.4, Article V, of the resolution authorizing and securing the Electric Service System revenue bonds requires that an inspection be made of the System at least once each year and a report and recommendation be submitted to the Board of Visitors.

An inspection has been made of the System and it is my opinion that the System has been maintained in good repair, working order, and condition. The following recommendations are made for the fiscal year July 1, 2005 to June 30, 2006:

1. That the necessary minor repairs be made to all equipment and buildings in the System. Funds have been included in the annual budget of current expenses to cover the cost of these items.
2. That the State's all-risk policy which provides protection from loss by fire, lightning, wind, hail, explosion, theft, vandalism, malicious mischief, and other extended coverage be continued. This provides \$400,000,000 coverage for any one occurrence, without any coinsurance and with an effective deductible of \$250.
3. That rates and charges for the next fiscal year are sufficient for the purpose set forth in Section 5.1, Article V, of the resolution.



James A. Hyatt,
Executive Vice President and
Chief Operating Officer

RECOMMENDATION:

That the recommended budget for the fiscal year July 1, 2005 to June 30, 2006 for the operation of the Electric Service System and the report of the Annual Inspection be approved.

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

UNIVERSITY SERVICES SYSTEM

2005-06 Operating Budget

The resolution authorizing and securing the University Services System revenue bonds requires the adoption of an annual budget by the Board of Visitors. The budget presentation to the Board of Visitors provides documentation that the revenues to be received during the fiscal year will be sufficient to meet the operating costs of the System, the principal and interest requirements, and usual expenses of maintenance, repair, and operation.

Subject to approval by the Board of Visitors, the annual budget will be filed with the State Treasurer and will be the basis for making payments from the revenue fund to meet the operating costs of the University Services System during the fiscal year. In compliance with Section 5.5, Article V, of the resolution authorizing and securing the University Services System revenue bonds, there is submitted herewith an estimate of the resources to be used for the operation of the University Services System during the fiscal year July 1, 2005 to June 30, 2006 and a recommended budget of current expenses for the System for the same period.

Estimated Revenues

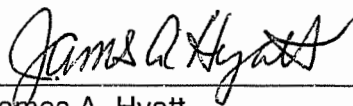
Student Fees	\$18,845,987
Sales and Services	1,645,515
Other Income	309,607
Reserve Drawdown	155,201
Total Revenues	<u>\$20,956,310</u>

Current Expenses

Personnel Services	\$11,637,763
Operating	3,422,888
Debt Service	3,839,493
Capital Maintenance Reserve	260,584
Non-Capital Maintenance Reserve	114,208
Student Organization Allocation	1,104,631
One-Time Projects	166,275
Reserve Contribution	410,468
Total Expenditures	<u>\$20,956,310</u>

Net	<u><u>\$0</u></u>
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I certify that in my opinion the estimates of revenues and current expenses for the period July 1, 2005 to June 30, 2006 represent an accurate estimate of the income to be received and current expenses of operating the University Services System for the fiscal year.

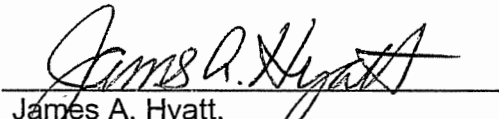

 James A. Hyatt,
 Executive Vice President and
 Chief Operating Officer

ANNUAL INSPECTION AND RECOMMENDATIONS CONCERNING UNIVERSITY SERVICES SYSTEM

Article V, Section 5.4, of the resolution authorizing and securing the University Services System revenue bonds requires that an inspection be made of the System at least once each year and a report and recommendation be submitted to the Board of Visitors.

An inspection has been made of the System and it is my opinion that the System has been maintained in good repair, working order, and condition. The following recommendations are made for the fiscal year July 1, 2005 to June 30, 2006:

1. That the necessary minor repairs be made to all equipment and buildings in the System. Funds have been included in the annual budget of current expenses to cover the cost of these items.
2. That the State's all-risk policy which provides protection from loss by fire, lightning, wind, hail, explosion, theft, vandalism, malicious mischief, and other extended coverage be continued. This provides \$400,000,000 coverage for any one occurrence, without any coinsurance and with an effective deductible of \$250.
3. That rates and charges for the next fiscal year are sufficient for the purpose set forth in Section 5.1, Article V, of the resolution.


James A. Hyatt,
Executive Vice President and
Chief Operating Officer

RECOMMENDATION:

That the recommended budget for the fiscal year July 1, 2005 to June 30, 2006 for the operation of the University Services System and the report of the Annual Inspection be approved.

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

INTERCOLLEGIATE ATHLETICS SYSTEM

2005-06 Operating Budget

The resolution authorizing and securing the Athletics System revenue bonds requires the adoption of an annual budget by the Board of Visitors. The budget presentation to the Board of Visitors provides documentation that the revenues to be received during the fiscal year will be sufficient to meet the operating costs of the System, the principal and interest requirements, and usual expenses of maintenance, repair, and operation.

Subject to approval by the Board of Visitors, the annual budget will be filed with the State Treasurer and will be the basis for making payments from the revenue fund to meet the operating costs of the Athletics System during the fiscal year. In compliance with Section 5.5, Article V, of the resolution authorizing and securing the Athletics System revenue bonds, there is submitted herewith an estimate of the resources to be used for the operation of the Athletics System during the fiscal year July 1, 2005 to June 30, 2006 and a recommended budget of current expenses for the System for the same period.

Estimated Resources

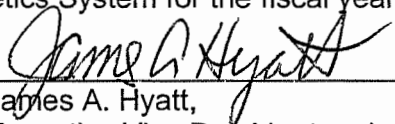
Student Fees	\$5,745,716
Sales and Services	25,800,597
Other Income	<u>5,783,672</u>
Total Revenues	\$37,329,985

Current Expenses

Personnel Services	\$11,714,083
Operations	9,580,056
Administrative Charge	1,184,738
Capital Maintenance Reserve	371,492
Maintenance, Repairs, and Equipment Replacement	948,172
Debt Service	6,714,057
One-Time Projects	2,300,000
Reserve Contribution	<u>4,517,387</u>
Total Expenses	\$37,329,985

Net	<u><u>\$0</u></u>
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I certify that in my opinion the estimates of revenues and current expenses for the period July 1, 2005 to June 30, 2006 represent an accurate estimate of the income to be received and current expenses of operating the Athletics System for the fiscal year.



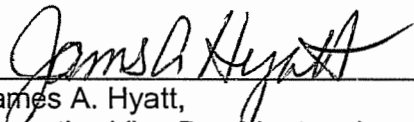
 James A. Hyatt,
 Executive Vice President and
 Chief Operating Officer

ANNUAL INSPECTION AND RECOMMENDATIONS CONCERNING INTERCOLLEGIATE ATHLETICS SYSTEM

Section 5.4, Article V, of the resolution authorizing and securing the Athletics System revenue bonds requires that an inspection be made of the System at least once each year and a report and recommendation be submitted to the Board of Visitors.

An inspection has been made of the System and it is my opinion that the System has been maintained in good repair, working order, and condition. The following recommendations are made for the fiscal year July 1, 2005 to June 30, 2006:

1. That the necessary minor repairs be made to all equipment and buildings in the System. Funds have been included in the annual budget of current expenses to cover the cost of these items.
2. That the State's all-risk policy which provides protection from loss by fire, lightning, wind, hail, explosion, theft, vandalism, malicious mischief, and other extended coverage be continued. This provides \$400,000,000 coverage for any one occurrence, without any coinsurance and with an effective deductible of \$250.
3. That rates and charges for the next fiscal year are sufficient for the purpose set forth in Section 5.1, Article V, of the resolution.


James A. Hyatt,
Executive Vice President and
Chief Operating Officer

RECOMMENDATION:

That the recommended budget for the fiscal year July 1, 2005 to June 30, 2006 for the operation of the Intercollegiate Athletics System and the report of the Annual Inspection be approved.

PRATT FUNDS OVERVIEW

In 1975, the university received a significant bequest from the estate of Mr. John Lee Pratt of Stafford County, following his death on December 20, 1975. The bequest was divided equally into two distinct parts, one to support Animal Nutrition and one to support the College of Engineering. According to the will, the bequest for Animal Nutrition was to be used to promote the study of animal nutrition by supplementing salaries, by providing equipment and materials to be used for experiments in feeding and in the preparation of feeds for livestock and poultry, and by publishing and disseminating the research results of the studies. The will provided that the bequest for the College of Engineering should be used to support research and scholarships.

Distributions of the Pratt Estate were received in several installments: \$9,561,819 in 1975, \$1,330,000 in 1977, \$47,000 in 1979, and \$30,164 in 1981, for a total of \$10,968,983. Over the years, the Pratt endowment has grown to \$38.9 million, as of March 31, 2005. The narrative below summarizes some of the major accomplishments of the College of Engineering and the Animal Nutrition Programs that can be directly tied to the funding provided by the Pratt estate.

When the Pratt Endowment was originally established, the College of Engineering was in the early stages of establishing itself as a nationally recognized leader in engineering education. The Pratt Endowment has played a significant role over the years in allowing the College to enrich its pool of students and to offer additional international opportunities to students and faculty. Additionally, the Pratt funds have allowed the College to invest resources in three research areas: biomedical engineering, microelectronics, and energy and advanced vehicles.

The expenditure of income funds from the Pratt Endowment provides an unusual opportunity to develop an animal nutrition program of high quality. Management of these endowment earnings has concentrated on enhancing research and educational opportunities beyond what departments could do with state and federal funding. The main funding strategy remains with strong support for Ph.D. training, direct research support, scientific equipment, and visiting professors that stimulate and inspire the faculty and students engaged in nutrition research.

2005-2006 PRATT FUND BUDGET PROPOSALS

Attachment W

Pursuant to the spending policy adopted for the Pratt Estate Fund, it is anticipated that additional income of \$1,941,222 will be available for expenditure in FY 2005-2006. Targets of \$944,000 and \$997,222 were given respectively to the College of Engineering and to the Animal Nutrition Programs.

College of Engineering

Source of Funds:

Endowment Income	\$944,000
Carryover (estimated)	14,000
Repayment of Endowment Principal	(104,000)
Total Resources	<u>\$854,000</u>

Proposed Expenditures:

Undergraduate Scholarships	300,000
Undergraduate Study Abroad Scholarships	25,000
Graduate Study Abroad Scholarships	25,000
Graduate Fellowships	429,000
Graduate Recruitment Programs	75,000
Total Proposed Expenditures	<u>\$854,000</u>

Animal Nutrition

Source of Funds:

Endowment Income	\$997,222
Carryover (estimated)	353,791
Total Resources	<u>\$1,351,013</u>

Proposed Expenditures:

Ph.D. and M.S. Fellowship Program	\$800,087
Undergraduate Program Scholarships and Research	50,152
Visiting Scholars and Seminars	10,000
Equipment Purchases and Maintenance	380,100
Nutrition Technicians	104,674
Miscellaneous Administrative and Publication Costs	6,000
Total Proposed Expenditures	<u>\$1,351,013</u>

RECOMMENDATION:

That the proposed 2005-2006 allocation and use of Pratt Funds be approved.

June 13, 2005 Board of Visitors

**DESIGNATION TO DECLARE OFFICIAL INTENT
BRIEFING REPORT**

The university maintains a reimbursement resolution that authorizes a designee to declare the official intent of the university to reimburse expenditures made in connection with a capital project with bond proceeds issued by or on behalf of the university. Due to a change in title, the resolution needs to be updated to authorize the position of University Treasurer to declare the university's official intent replacing the previous position of Vice President for Administration and Treasurer.

**RESOLUTION OF THE BOARD OF VISITORS OF
VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY**

DESIGNATION TO DECLARE OFFICIAL INTENT

WHEREAS, the Board of Visitors (the "Board") of Virginia Polytechnic Institute and State University (the "University") expects that the University will make expenditures in connection with various capital projects from time to time. The Board further expects that the University may wish to reimburse itself for such expenditures from the proceeds of one or more issues of tax-exempt or taxable bonds, bond anticipation notes or other debt (the "Bonds") incurred by or on behalf of the University; and

WHEREAS, the Board acknowledges that as a condition precedent to the use of Bond proceeds to reimburse the University for certain of such expenditures, the University must declare an "official intent" under Treasury Regulation Section 1.150-2(d) that such expenditures may be reimbursed to the University from the proceeds of one or more issues of Bonds; and

WHEREAS, Treasury Regulation Section 1.150-2(e) permits the Board to designate another person or entity to declare such "official intent" of the University;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF VISITORS OF
VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY:**

Section 1. The Board hereby designates the individual holding the office of University Treasurer as the person authorized under Treasury Regulation Section 1.150-2(d) and (e) to declare the "official intent" of the University to reimburse any expenditures made in connection with a capital project with the proceeds of Bonds to be issued by or on behalf of the University.

Section 2. Promptly upon making each such declaration, such individual will file a copy of the declaration with the Secretary of the Board. The Secretary of the Board will cause a copy of each such declaration to be reasonably and continuously available for inspection by the general public, on each business day and during normal business hours, at the Secretary's office. Such declarations will be kept with the other public records of the Board.

Section 3. The resolution shall take effect immediately upon its adoption.

RECOMMENDATION:

That the above resolution designating the University Treasurer as the person authorized to declare the "official intent" of the University to reimburse expenditures in connection with the proceeds of bonds, be approved.

June 13, 2005

**RESOLUTION TO APPOINT UNIVERSITY COMMISSIONERS
TO THE HOTEL ROANOKE CONFERENCE CENTER COMMISSION**

WHEREAS, the Virginia General Assembly approved legislation known as the “Hotel Roanoke Conference Center Commission Act” to provide for the establishment of a conference center commission; and

WHEREAS, the Act provides for the appointment of three commissioners each from the City of Roanoke and from Virginia Polytechnic Institute and State University; and,

WHEREAS, the Act provides that the commissioner appointments be staggered; and,

WHEREAS, the terms of the appointment shall end on June 30 of the respective year; and

WHEREAS, pursuant to the Act, the Board of Visitors of Virginia Polytechnic Institute and State University confirms or appoints the following as commissioners:

- Vice Provost for Outreach and International Affairs, June 30, 2006
Virginia Tech
- Chief Operating Officer and Secretary -Treasurer of the June 30, 2007
Virginia Tech Foundation
- Executive Vice President and Chief Operating Officer, June 30, 2008
Virginia Tech

NOW, THEREFORE, BE IT RESOLVED, that the three commissioners representing Virginia Polytechnic Institute and State University shall continue as the Executive Vice President and Chief Operating Officer of Virginia Tech, Chief Operating Officer and Secretary -Treasurer of the Virginia Tech Foundation, and the Vice Provost for Outreach and International Affairs; and that the terms of appointment shall continue effective with the approval of this resolution.

RECOMMENDATION

That the above resolution of the appointment of the Executive Vice President and Chief Operating Officer of Virginia Tech, the Chief Operating Officer and Secretary -Treasurer of the Virginia Tech Foundation, and the Vice Provost for Outreach and International Affairs as the university’s representatives on the Hotel Roanoke Conference Center Commission be approved.

June 13, 2005



VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY

Department of Internal Audit

279 Southgate Center (0328), Blacksburg, Virginia 24061
Phone: (540) 231-5883 Fax: (540) 231-4681

TO: Finance and Audit Committee of the Board of Visitors

FROM: John C. Rudd, Director

DATE: May 6, 2005

SUBJECT: Final Report – College of Engineering Audit

Internal Audit has completed a review of the College of Engineering in conformity with the fiscal year 2005 audit plan. The objective of this review was to contribute to the improvement of risk management and the control systems within the College of Engineering by identifying and evaluating the college's exposures to risks and the controls designed by management to reduce those risks.

BACKGROUND

Virginia Tech's College of Engineering is the Commonwealth's leading College of Engineering. The College, its faculty, and its administration are known in Virginia and throughout the nation for the excellence of its programs in engineering education, research, and public service. It is composed of a dozen departments with expenditures exceeding \$100 million. The College has over 500 employees (including almost 300 faculty), 5,500 undergraduate students, and almost 2,000 graduate students.

The College is consistently rated as a premier institution by its peers in surveys of the nation's engineering school deans by U.S. News & World Report. The magazine ranks both undergraduate and graduate programs in the top 35 in terms of quality. Also, the graduate program is ranked 16th in terms of reputation as reported by deans of other institutions.

The College ranks ninth in number of bachelor's degrees awarded, 13th in master's degrees, and 18th in Ph.D's. Virginia Tech's College of Engineering is among the five largest schools of engineering in the country.

RISK EXPOSURE

Internal Audit periodically performs a detailed risk analysis of all of the university's auditable entities using factors such as the amount of cash inflows, operating expenditures, grant activities, level of external regulation, etc. The goal of the process is to prioritize those entities within the university that should receive audit attention. The College of Engineering was determined to be a high risk entity due to the volume of research dollars associated with the college, health and safety issues and the operation of several service centers.

SCOPE

The scope included a review of grant administration, service centers, health and safety and network security. The review covered the period of July 1, 2003 to December 31, 2004.

OVERALL ASSESSMENT

Our review indicates that management has designed controls that are effective at reducing the college's exposure to business risks, but some controls are not consistently applied. Improvements are recommended to achieve a fully effective system of internal controls. See attached appendices for recommendations and action plans.

MANAGEMENT:

Hassan Aref-Dean

Brad Martens-Director of Finance and Budget

Ed Nelson-Interim Assistant Dean for Administration

Glenda Scales-Associate Dean for Distance Learning and Computing

AUDITORS:

John Rudd-Director

Mel Bowles-Associate Director

Rachel Potters-Senior Auditor-In-Charge

Divya Amin-Senior Auditor

Linda Srygley – Senior IT Auditor

PC: Auditor of Public Accounts

Zack Adams

Ginger Clayton Allen

Hassan Aref

Kathy Atkins

Sara Barnett

Lee Bishop

Robert Broyden

Linda Bucy

David Clark

Ann Craig

Kathryn Dew

Wanda Foushee

O. Hayden Griffin, Jr.

Mike Harness

Amy Hill

Mary Hunter

James Hyatt

Dennis Kafura

Erdogan Kiran

William Knocke

Kurt Krause

Brad Martens

Mark McNamee

Ken Miller

Latrica Nell

Ed Nelson

Thomas Novak

Ishwar Puri

David Richardson

Dwight Shelton

Paul Siburt

Charles Steger

G. Don Taylor

Jim Thorp

Robert Walters

Margie Zelinski

**Virginia Tech Internal Audit
Appendix
05-524 College of Engineering
Recommendations**

Workstation and Server Security

Recommendation

Implement additional generally accepted, industry-standard guidelines for computer configuration and use, specifically:

- Empower information technology staff to implement security configuration changes to all computers in accordance with a College standard developed from generally accepted best practice documentation (see <http://www.security.vt.edu>)
- Tighten user account settings and management policies and add password protected screensavers and a login announcement that references the University Acceptable Use Policy
- Ensure that resources are adequate to secure and maintain computer equipment
- Apply UNIX patches and upgrades in a timely fashion
- Develop and implement an appropriate backup strategy for all user data.
- Implement procedures to ensure that separate accounts with limited privileges are utilized by end-users

Benefits/Basis

Implementation of additional security configuration settings will provide assurance that the data collected on servers and workstations is protected from unauthorized access and maintains a high degree of integrity.

Our review of servers and workstations within two departments indicated the following:

Chemical Engineering

- No proactive backup strategy for critical data
- Securely constructed passwords not required
- No password protected screen savers
- UNIX machine patches and updates are not installed in a timely fashion
- Responsibility for the root userid and password on the UNIX machines rests with a single graduate student with no assigned backup

Aerospace and Ocean Engineering

- Security settings on the Windows servers are not in accordance with university guidelines, www.computer.vt.edu/accounts_and_access
- Securely constructed passwords not required
- Hard copy maintenance logs are not kept to document critical changes made to servers
- Some staff are given full administrative privileges on machines

Management Action Plan

A College Information System and Security Policy is under development and will address the issues identified by Internal Audit with minor exceptions as addressed below. The document will be reviewed, discussed, and formally adopted by the Deans and Department Heads by August 2005.

Chemical Engineering

The department will strive to apply the most critical patches to UNIX servers as soon as practical and others at least once a semester.

Aerospace and Ocean Engineering

Some of the recommended settings on Windows Servers are in conflict with functionality requirements. The settings will be adopted whenever possible, and slightly relaxed where conflicts occur. Administrative rights are given to some users due to the requirements of some software which they need to get their work done. We will work to ensure that administrative privileges are granted only when necessary and will strive to minimize those situations whenever possible.

**Risk Evaluation: High
Implementation Date: August 31, 2005**

**Virginia Tech Internal Audit
Appendix
05-524 College of Engineering
Recommendations**

Health & Safety: Inspection Reports

Recommendation	Benefits/Basis	Management Action Plan
Establish a monitoring and follow-up system for Environmental Health and Safety Services (EHSS) inspection reports to ensure that fire safety, machine shop safety and lab inspection hazards noted on the reports are addressed formally and in a timely manner.	<p>Formulation of a formal response and action plan for all hazards reported by EHSS would help mitigate the risk of personal injuries to students, faculty, and staff. Additionally, formal responses to inspection reports establish a thorough audit trail to document actions planned or completed.</p> <p>Review of fire inspection reports for four departments revealed several items that remain outstanding. Formal action plans were not documented.</p> <p>Review of machine shop safety reports for two shops also revealed that recommendations have not been fully implemented and formal action plans were not documented.</p> <p>Review of lab inspection reports for two departments revealed that health and safety representatives from the departments are not provided with the reports and an established follow-up procedure is not in place.</p>	<p>The College will ensure that EHSS inspection reports are distributed to the Dept. Health and Safety Representative, the Dept. Head, and to the Dean, and that the date of receipt is clearly marked on those reports.</p> <p>The College will ensure that written action plans are developed for inspection reports within 60 days of receipt and that copies are distributed to the Lab or Shop Manager, the Dept. Head, and the Dean. This timeframe allows for scheduling maintenance and for ordering and installing materials. The College will request that EHSS review the action plans and provide Dept. Health and Safety Representatives a written assessment of their adequacy. When resources are not available to adequately address health and safety issues identified in future EHSS reports, the College will attempt to secure additional resources from the central administration.</p> <p>The College will ensure that action plans are developed and implemented for unresolved EHSS issues noted during the audit.</p> <p>Risk Evaluation: High Implementation Date: August 31, 2005</p>

**Virginia Tech Internal Audit
Appendix
05-524 College of Engineering
Recommendations**

Grant Administration

Recommendation

Provide additional training to both faculty and administrative personnel regarding expenditures charged to sponsored projects, focusing on federal grants expenditures and the regulations that apply to these grants.

Encourage department heads and administrative personnel to more stringently review sponsored grant expenses and to consult with the Office of Sponsored Programs if they have any question regarding whether an expenditure is allowable.

Where appropriate, work with the Office of Sponsored Programs to transfer unallowable expenditures on grants to a more appropriate source of funding.

Benefits/Basis

Providing training and conducting thorough reviews of sponsored grant expenditures will help ensure that expenditures are appropriate and in compliance with both federal and university policies, thus avoiding potential fines and penalties.

During our review of 40 grants we noted that nine grants contained expenditures that were unallowable. These expenditures were administrative supply expenses (office supplies, postage, etc) that are determined to be unallowable direct costs per federal Cost Accounting Standards outlined in university policy 3240: *Consistency in Charging Administrative and Clerical Costs*.

Management Action Plan

The College of Engineering (COE), through the Office of Sponsored Programs (OSP) will provide additional training to both faculty and administrative fiscal personnel regarding expenditures charged to sponsored projects, focusing on federal grants expenditures and the regulations that apply to these grants. The COE will reserve slots for its faculty and staff in the OSP training classes that are planned through Fall 2005; and encourage participation in those classes and the filling of those slots through e-mail announcements and through announcements at both Dept. Head Meetings and Fiscal Officers Meetings.

OSP has already met with the College fiscal officers to explain their program to become a certified grants administrator. All fiscal officers in the College will be strongly encouraged to earn the certificate and to serve as instructors in the classes. An earned certificate may eventually be a preferred/required job qualification for fiscal positions within the College. Dept. Heads will be encouraged to support this initiative and to award employees who complete the training.

Risk Evaluation: Medium

Implementation Date: November 30, 2005

**Virginia Tech Internal Audit
Appendix
05-524 College of Engineering
Recommendations**

Service Centers

Recommendation

Provide more specific direction and oversight to the college's service centers.

Specifically:

- Ensure that service center rates are being reviewed in accordance with university policy.
- Develop periodic reports of service center activity for management review.
- Provide training to service center personnel regarding applicable university policies.
- Evaluate service centers with little or no activity to determine if it is beneficial to continue operating as a service center.

Benefits/Basis

Strengthening controls over service centers will ensure compliance with Policy 3250: *Service Centers*. Evaluating service centers with little or no activity will ensure that resources are being used efficiently and may help identify other underlying issues (i.e. unbilled recoveries).

Our review of five of the college's service centers noted:

- Three centers had their rates rescinded by the Controller's Office as the rates were outdated.
- Two centers were not splitting recoveries appropriately.
- One center was incorrectly charging expenses to the equipment reserve fund.
- Three centers had no cost recoveries for the current fiscal year, and unbilled activity was unknown.

More in-depth examinations were performed on two of the college's service centers, revealing the following:

- One center had significant cost recoveries from external customers.
- One center had insufficient documentation to support customer charges.
- One center was not utilizing the Banner Accounts Receivable system for external billings and was not in compliance with funds handling guidelines.
- One center was not utilizing the appropriate account code for external recoveries.

Management Action Plan

Service Center rates will be examined yearly by the Dean's Office during July to ensure that the rates have been reviewed by the Controller's Office.

The Director of Finance for the College will develop periodic reports of service center activities. These reports will be reviewed quarterly by the assistant dean for administration beginning at the close of 1st quarter fiscal year 2006. The review of the service center activities will include determining whether or not it is beneficial for the center to continue operations. The Director of Finance will seek Internal Audit's input during the development of these reports.

The Controller's Office will be asked to provide yearly training/reviews for service center employees on applicable university policies. The Dean's Office will request that this training be provided in October 2005 and continue every July. Special training will be requested for new service center employees. Additionally, service center employees will be reminded of applicable university policies through emails containing a link to the university's policies webpage. These emails will be sent yearly.

**Risk Evaluation: Medium
Implementation Date: Oct.31, 2005**

**Virginia Tech Internal Audit
Appendix
05-524 College of Engineering
Recommendations**

Disaster Recovery and Contingency Planning

Recommendation

Perform a risk analysis to determine and document which information resources are critical to efficient and effective departmental function. Develop and adopt an emergency response/disaster recovery plan that documents what measures will be taken now, or in the event of an emergency, to return those resources to service or to replace critical equipment and information. Store the document in a secure location for periodic reference and update it as needed or on an annual basis.

Guidance can be found at
<http://security.vt.edu/playitsafe>.

Benefits/Basis

Identification of critical departmental resources and preliminary planning for the repair or replacement of those resources will help the department resume essential business processes in the event that an emergency or disaster occurs.

The Departments of Aerospace and Ocean Engineering and Chemical Engineering have started their emergency response plans, however the plans are not complete and have not been approved by senior management.

Management Action Plan

A College Information System and Security Policy is under development and addresses these issues. This document will be reviewed and discussed by the Deans and Department Heads by August 2005. The College will implement an annual call for Disaster Recovery & Contingency Plan from the System Administrators Council. There is currently a biennial Risk Analysis and Assessment conducted by the Information Systems Security Office which all departments have recently completed.

Risk Evaluation: Medium

Implementation Date: August 31, 2005



VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY

Department of Internal Audit

279 Southgate Center (0328), Blacksburg, Virginia 24061
Phone: (540) 231-5883 Fax: (540) 231-4681

TO: Finance and Audit Committee of the Board of Visitors

FROM: John C. Rudd, Director

DATE: May 6, 2005

SUBJECT: Audit Report – Capital Design & Construction

Internal Audit has completed a review of the Capital Design & Construction department, in conformity with the fiscal year 2005 audit plan. The objective of this review was to assess the effectiveness of the control systems designed by management to reduce the area's exposures to key business risks impacting the processes outlined in the scope below.

BACKGROUND

Reporting to Bill Elvey, Assistant Vice President for Facilities, Capital Design and Construction is responsible for managing the process by which capital outlay projects are designed and constructed so as to maximize the program goals of the end users while effectively balancing each project's established parameters for cost, schedule, and quality. During the fiscal year 2003-2004, Capital Design & Construction managed the successful completion of seven projects (\$67,939,860). During the same period, the department managed six projects that were under construction (\$152,449,000) and five projects (\$77,109,000) that were in some phase of design. Between 2001 to 2005, Capital Design and Construction successfully completed twenty projects with construction contracts that, in sum, totaled to \$81,152,446. The total amount of change orders for those projects was \$4,188,674 (equivalent to five percent of the original contract amounts).

RISK EXPOSURE

Internal Audit periodically performs a detailed risk analysis of all of the University's auditable entities using factors such as the amount of cash inflows, operating expenditures, grant activities, level of external regulation, etc. The goal of the process is to prioritize those entities within the University that should receive audit attention. Capital Design and Construction was determined to be a medium risk entity due to the complexity and criticality of the projects that it manages.

SCOPE

The scope of the audit included the following functions: Design, Project and Change Order Management, Services Procurement, Environmental Health and Safety Training, Cost Management and Accounting, Network Security, Disaster Recovery and Contingency Planning, Software Configuration Management, and Website Management. The audit period was fiscal

year 2003-2004.

OVERALL ASSESSMENT

Our review indicates that management has designed controls that are effective at reducing the department's exposure to many of the business risks it faces, but some improvements are recommended to achieve a fully effective system of internal controls. Audit recommendations were issued to management where opportunities for further improvements were noted. See the attached appendices for our recommendations and management's action plans.

MANAGEMENT

Jim McCoy, Director
Curtis Elswick, Contracts and Business Manager

AUDITORS

John Rudd – Director
Mel Bowles – Associate Director
Brian Quam – Auditor-in-Charge
Sharad Gupta – Staff Auditor
Linda Srygley – Senior IT Auditor

cc: Auditor of Public Accounts
Zack Adams
Bob Broyden
Bill Elvey
James Hyatt
Kurt Krause
Ken Miller
Dwight Shelton
Charles Steger

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Environmental, Health and Safety Training

Recommendation	Benefits/Basis	Management Action Plan
Capital Design & Construction (CDC) management should develop a training plan for all applicable staff and maintain training records for those individuals. The training process should include communication of the university's Health and Safety Policy (No. 1005) and information about how employees should report hazards, accidents and injuries (see http://www.ps.vt.edu/benefits/workers/ on the Personnel Services' web site).	<p>CDC staff periodically visit university construction sites that can pose occupational and industrial hazards during the excavation and construction phases. Proper training and awareness reduces the risk for injuries and/or fatalities to staff members visiting those sites.</p> <p>CDC management does not maintain training records for department staff that need or have completed Environmental Health & Safety Services (EHSS) training sessions. Also, there was no overall training plan that identified the specific training needs for departmental staff that periodically visit project construction sites.</p>	<p>In conjunction with the Safety Engineer for Facilities, a training plan for all applicable CDCD staff is being prepared that will incorporate the pertinent information of the university's Health and Safety Policy. Training will be scheduled to address any training gaps. Training records will be maintained in the employee's departmental personnel file.</p> <p>Risk Evaluation: Medium Implementation Date: October 31, 2005 (expected effective date for the training plan)</p>

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Workstation and Server Security

Recommendation	Benefits/Basis	Management Action Plan
<p>Implement additional generally accepted, industry-standard guidelines for computer configuration, security and use (see http://www.security.vt.edu), including the following:</p> <ul style="list-style-type: none"> • Stronger account settings on the Capital Design and Construction server, primarily secure password requirements in accordance with university guidelines, www.computing.vt.edu/accounts_and_access/index.html • More stringent server security options and a login announcement that references the University Acceptable Use Policy • Separate accounts with limited privileges for end-users • A secure server location with restricted access and effective lockout procedures • A hard copy log of changes made to the server • Unused ports closed to prevent unauthorized access • Contractor notification and signed acceptance of the Virginia Tech Acceptable Use Guidelines • Secure methods of transferring files 	<p>Implementation of additional security will provide assurance that the data collected on workstations and servers is protected from unauthorized access and maintains a high degree of integrity.</p> <p>Audit's review of one server and eight workstations revealed relative weaknesses in both security settings and physical security, specifically:</p> <ul style="list-style-type: none"> • Account Policy Settings included relatively short account lockout durations and minimal requirements for password length, complexity, expiration and re-use. • Server "Security Options" allowed 600 minutes idle time before disconnecting and auto-displayed the last user name at logon. • Server "User Rights Assignments" were set to allow "everyone" to log on locally and shut down the system, and users have full administrative privileges on workstations. • The server console and server room were not locked when the administrator was not present, and the password-protected screensaver has a 60 minute time-out. • Configuration changes are not logged. 	<p>The Capital Design & Construction Department has reviewed university guidelines regarding computer configuration, security and use and has started implementing procedures that include:</p> <p>More secure password requirements consisting of lockout durations of 30 minutes for the server and 15 minutes for individual machines and more stringent requirements for password length, complexity, expiration and re-use. Password re-use has been set at 1-day.</p> <p>Server "Security Options" have been updated to allow only 15 min. of idle time.</p> <p>A login in announcement has been added that references the University Acceptable Use Policy. Contractors with network access will be notified regarding Acceptable Use Guidelines and are to sign an agreement to abide the those terms and conditions.</p> <p>Server "User Rights Assignments" have been updated to reflect "power user" status in lieu of "administrator" for office personnel (except Computer Systems Manager and Project Systems Manager who are "administrators"). Only administrators can now log in to the</p>

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Workstation and Server Security (continued)

- Unused ports were open and server vulnerable.
- Contractors with network access are not notified of the Acceptable Use Guidelines
<http://www.policies.vt.edu/2015.pdf>.
- Machine unsecured file transfer protocol (FTP) is enabled on the server.

Password-protected screensavers on individual machines now have a timeout of 30 min. in lieu of 60 min. The server console will be locked via a password-protected screensaver when the administrator leaves the console for more than 5 minutes. The server room will be locked when the administrator and/or authorized occupants leave the room.

A log of configuration changes is being developed. Once prepared, all changes will be noted in the log when incurred.

Known unused ports have been disabled and unused ports are further blocked by a firewall.

FTP has been disabled.

**Risk Evaluation: High
Implementation Date: June 15, 2005**

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Disaster Recovery and Contingency Planning

Recommendation	Benefits/Basis	Management Action Plan
Perform a risk analysis to determine and document which information resources are critical to efficient departmental function. Develop and adopt an emergency response/disaster recovery plan that documents what measures will be taken now, or in the event of an emergency, to return those resources to service or to replace critical equipment and information. Store the document in a secure location for reference as needed and update it as needed or on an annual basis.	Identification of critical departmental resources and preliminary planning for the repair or replacement of those resources will help the department resume essential business processes in the event that an emergency or disaster occurs. Capital Design and Construction has not developed, tested, or adopted a disaster recovery/business contingency plan.	Capital Design & Construction will be added to the existing Virginia Tech Facilities Disaster Recovery and Contingency Plan, which is updated annually.
Guidance can be found at http://security.vt.edu/playitsafe .		Risk Evaluation: Medium Implementation Date: June 15, 2005

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Software Maintenance

Recommendation

Capital Design and Construction should seek to modify their contract with its software vendor to include provisions that would make the source code available to the university should the vendor become insolvent or otherwise could no longer support the software. System modifications and enhancements received from the vendor should be thoroughly tested before applying them to the production database.

Benefits/Basis

Securing the source code for critical software or having it placed in trust will enable Capital Design and Construction to continue business operations and make needed modifications to the system should the vendor become insolvent.

Testing system modifications for Expedition/Primavera on a test server before installing to the production database could prevent potential damage or corruption of production data.

Capital Design and Construction does not currently have access to the source code for Expedition/Primavera software, and updates are applied to the main production database without prior testing.

Management Action Plan

Management has obtained the Primavera Expedition source code. Terms and conditions of obtaining the code were reviewed and approved of by Virginia Tech's Office of the General Counsel.

A workstation has been established to test new versions of Primavera Expedition (database server & web server) prior to installing on the department's main server or individual machines.

Risk Evaluation: Medium

Implementation Date: April 1, 2005

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Web Site

Recommendation	Benefits/Basis	Management Action Plan
<p>Develop and implement written procedures for the administration, maintenance, testing, and security of the departmental web site to include the following:</p> <ul style="list-style-type: none">• Clearly defined objectives• Procedures for changes to site content and code, and subsequent testing• Guidelines for granting access to secure sites and an approval process	<p>Clearly defined objectives and procedures for the departmental web site will help ensure that information provided internally and externally is effective, up-to-date, and accurate. Enhanced documentation for the website would aid in keeping the web site functional in the event of extended absence or turnover of the site administrator.</p> <p>There are currently no written objectives or procedures for the departmental website.</p>	<p>The department's website security plan is being modified to include the department's website objectives and procedures. This will allow management access to written procedures in case of emergency or personnel turnover.</p> <p>Risk Evaluation: Medium Implementation Date: June 15, 2005</p>



VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY

Department of Internal Audit

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TO: Finance and Audit Committee of the Board of Visitors

FROM: John C. Rudd, Director

DATE: May 24, 2005

SUBJECT: Final Report – Dining Services

Internal Audit has completed a review of Dining Services functions in conformity with the fiscal year 2005 audit plan. The objective of this review was to contribute to the improvement of risk management and the control systems within Dining Services by identifying and evaluating the area's exposures to business risks and the controls designed by management to reduce those risks.

BACKGROUND

Dining Services functions as a separate auxiliary enterprise within the Office of Student Programs. Dining Services sales revenue was approximately \$27 million for fiscal year 2004 and employs approximately 800 classified, wage, and student employees. Dining Services, a large and complex organization, has won many national awards and is recognized as a leader in college and university food service. Dining Services operates twelve dining centers on-campus that include: two traditional board operations, a food court featuring twelve specialty venues, a marketplace café, a gourmet coffee shop, five national brand venues, and two express locations. All of these locations are supported by the Southgate Food Processing Facility. Approximately 4.3 million meals were served annually during fiscal year 2004 to students, university employees and campus visitors. Dining Services offers a number of meal plans and flexible spending options to both on-campus and off-campus students. In order to ensure that the dining programs and services meet the needs of the campus community, Dining Services provides nutritional counseling, and actively seeks customer input.

Additionally, catering services are offered to university and university-affiliated organizations.

RISK EXPOSURE

Internal Audit periodically performs a detailed risk analysis of all of the university's auditable entities using factors such as the amount of cash inflows, operating expenditures, grant activities, level of external regulation, etc. The goal of the process is to prioritize those entities within the university that should receive audit attention. Dining Services was determined to be a high risk entity due to health & safety considerations, the volume of transactions processed, and the high volume of cash inflows.

SCOPE

The scope of this audit included the following functions: Dining Units and Catering services revenues and expenditures, food safety and hygiene, network security, disaster recovery and contingency planning. The review covered the period of July 1, 2003 to December 31, 2004.

OVERALL ASSESSMENT

Our review indicates that management has designed and implemented controls that are often effective at reducing the department's exposure to many of the business risks it faces, but improvements are recommended to achieve a fully effective system of internal controls. Audit recommendations were issued to management where opportunities for further improvements were noted. See the attached appendices for our recommendations and management's action plans.

MANAGEMENT:

Dr. Edward F D Spencer, Associate Vice President for Student Affairs
Rick Johnson, Director of Housing & Dining Services
Vera Kidd, Associate Director for Planning & Business Services
Robert Coffey, Senior Associate Director, Dining Services
Ted Faulkner, Associate Director, Dining Services
Kimberle Badinelli, Associate Director, Public Relations & Information Technology
Chris Moore, Business Manager Housing & Dining Services

AUDITORS:

John C. Rudd, Director
Mel Bowles, Associate Director
Divya Amin, Auditor-in-Charge
Paul Toffenetti, IT Manager
Linda Srygley, Senior IT Auditor
Sharad Gupta, Staff Auditor
Michelle Zorn, Staff Auditor

pc: Auditor of Public Accounts
Zack Adams
Kimberle Badinelli
Bob Broyden
Robert Coffey
Landrum Cross
Ted Faulkner
James A. Hyatt
Rick Johnson
Vera Kidd
Mark McNamee
Ken Miller
Chris Moore
Dwight Shelton
Edward F D Spencer
Charles W. Steger

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Associate Training

Recommendation	Benefits/Basis	Management Action Plan
<p>Establish a monitoring mechanism to document and ensure that all Dining Services employees receive the appropriate training for their role as outlined in departmental policies.</p>	<p>Consistent and thorough documentation of training provided to employees would provide management with a better tool for ensuring that all employees receive the appropriate training.</p> <p>During Internal Audit's review, the following was noted:</p> <ol style="list-style-type: none"> 1. Cash Register training documentation was not adequately maintained for the following Dining units: <p><u>Au Bon Pain</u> - A training log was maintained for associates hired when the dining unit was initially opened, however the training documentation for subsequent hires was not maintained.</p> <p><u>Sbarro, Dietrick, Owens Food Court</u> – Training documentation was not available for the audit period.</p> 2. It was not evident that Food Safety & Hygiene training was provided to two of thirty employees tested. 3. Catering Services maintains a listing of trained bartenders; however, no class rosters or other documentation of such training is maintained. 	<p>Dining Services explored using the Banner HRIS system five years ago to implement a method of recording employee training data. Due to competing priorities for Banner projects, the Banner system has not been made available to use for this purpose, therefore, we will develop or purchase a tracking database in order to accomplish this. Food Safety & Hygiene, Cashier, and bartender training will be incorporated into that database.</p> <p>Dining Services provides training to cashiers at the unit level prior to assigning them cash handling duties; however, there has not been a formal record maintained in the dining units. In the interim, all dining units will begin keeping a record of their trained cashiers and maintain that record as new cashiers are hired and others resign or are terminated.</p> <p>The Catering Department does maintain a current roster of trained bartenders; however the employees have not signed acknowledging having received the training. The Catering Department will now require employees to sign an acknowledgement of such training.</p>
		<p>Risk Evaluation: Medium Implementation Date: August 31, 2005</p>

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Fiscal Responsibility

Recommendation	Benefits/Basis	Management Action Plan
<p>A manager should review and approve the monthly reconciliation of Dining Services' purchases recorded in the MIP (Micro Information Product) accounting system to the university's Banner Finance system.</p>	<p>A review and sign-off of the monthly reconciliation between Banner and MIP would assist management in monitoring whether reconciliations are completed accurately and timely, and whether exceptions are corrected in a timely fashion. It would also ensure full compliance with university policy 3100 entitled <i>Fiscal Responsibility</i>.</p> <p>Internal Audit's review noted that a year to date (YTD) reconciliation is performed between MIP and Banner by account code on a monthly basis; however, the reconciliation is not reviewed or approved by management.</p>	<p>Beginning with the May 2005 reconciliation, the Associate Director of Student Programs for Planning and Business Services has delegated the task of approving monthly reconciliations between MIP and Banner to the Business Manager for Student Programs. The Associate Director and the Business Manager will catch up by reviewing and signing the unsigned monthly reconciliations, (which were completed in good order and on time each month by the Business Services Accountant who handles this duty). These expense reconciliations went unsigned after the departure of the former Business Manager, and have not until now been delegated to the Business Manager who was hired to fill that position. The signatures for the unsigned months should be completed by May 31, 2005.</p>
<p>Risk Evaluation: Medium Implementation Date: May 31, 2005</p>		

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Inventory

Recommendation	Benefits/Basis	Management Action Plan
<p>Establish a formal process to investigate the differences between planned usage and actual usage for dining units. This may include determining the thresholds for investigating the deviations and maintaining the supporting documentation.</p>	<p>Development of a formal process for investigating deviations in dining units' inventory and maintaining supporting documentation would ensure accuracy of the inventory and highlight potential shrinkage/shortages.</p>	<p>Dining Services management staff does review and investigate inventory deviations within each unit, however there is no formalized and documented process for doing so. Dining Services management staff will continue to review inventory and investigate discrepancies, however, they will also begin signing and dating the FoodPro inventory analysis report weekly to provide the formal documentation of such review.</p>
<p>Maintain a perpetual inventory for alcohol within Catering Services to ensure the accuracy of the physical inventory taken weekly.</p>	<p>Additionally, recording a perpetual alcohol inventory would ensure accuracy of the physical inventory and highlight potential shrinkage/shortages and enhance overall control over inventory.</p> <p>During Internal Audit's review it was noted that Dining Units take a physical inventory weekly and enter the counts in the Food Pro system; however, a perpetual inventory is not maintained for comparative analysis. The dining units rely on the deviations between "planned usage" and "actual usage" of items to identify shrinkage and determine the accuracy of Inventory on hand. However, there is no formal process in place for investigating and documenting deviations. It is not evident whether deviations were investigated and the resolutions reviewed by management.</p>	<p>The Catering Department will begin keeping a perpetual inventory combining all alcohol purchased with all alcohol used in catered events. The weekly physical inventory count will be verified against the perpetual inventory, signed, and dated by the Catering Manager. All variances will be investigated and documented.</p>
	<p>For Catering events, a physical inventory of alcohol is taken weekly. However, a perpetual inventory is not maintained for comparative analysis.</p>	<p>Risk Evaluation: Medium Implementation Date: August 31, 2005</p>

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Additionally, it was not evident if the alcohol count was reviewed and approved by management.

Office Cash

Recommendation	Benefits/Basis	Management Action Plan
<p>Enhance the safe counting process to ensure safe counts are witnessed consistently.</p> <p>Enhance physical safeguards over the cash at Owens food court. Limit access by keeping doors locked and closed.</p>	<p>Strengthening the safe counting process would ensure safe counts are accurate and witnessed by an associate other than the office cashier. Additionally, enhancing security measures would ensure cash is safeguarded adequately.</p> <p>During Internal Audit's review it was noted that a safe count log is maintained for safe counting on a daily basis. The log indicates the date, time, safe amount, over/short, signature of the associate counting the safe and witness signature. However, daily safe counting is not witnessed consistently.</p> <p>Additionally, the process for safeguarding cash could be enhanced at Owens Food court. The Student Manager office, where the cashiers count their tills and deposits, is open at all times and access to the office is unlimited. The access to the cashier's office is through the Student Manager office and the Dutch door (top part of the door) to the cashier's office is open at all times.</p>	<p>It is our procedure to count the safes at least once per day under dual control (usually at the shift change when the cash office supervisor leaves for the day). Depending on the dining unit, additional counting may occur at the start and close of the business day. If additional counts are performed of the entire safe fund, that count will occur under dual control. Any other access to the change fund (e.g. replenishment of tills) should be logged on the safe count log by the authorized cash office personnel, but would not be done under dual control. We are working with the Bursar's Office to develop procedures that take into consideration the differences in staffing, safe configurations, and cash levels in different dining units. We anticipate implementation of new, approved procedures by August 2005.</p> <p>The safe funds at Owens Food Court have always been secured behind a locked and alarmed door in the cash office. The door to the student managers' office was replaced, during the audit (March 2005) with a lockable door that features a view window. This door is now locked anytime cashiers are counting tills or preparing deposits, and access is limited to management and authorized cash office personnel. The Owens management and cash office personnel have been instructed to keep the top half of the Dutch door that leads from the student managers' office into the cash office closed anytime the safe is opened or funds are exposed. This change was implemented in March 2005.</p>

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**Risk Evaluation: Medium
Implementation Date: August 31, 2005**

IT Risk Analysis and Business Operations Recovery

Recommendations	Benefits/Basis	Management Action Plan
<p>Perform a "Business Impact/Risk Assessment for Information Technology Assets" to identify and prioritize computer hardware and software resources that are critical to departmental function.</p> <p>Develop, coordinate, publish, and test an emergency response plan for business operations recovery that describes how services will be sustained after a major computer failure or other serious events.</p> <p>Guidance for these recommendations can be found at: http://security.vt.edu/playitsafe.</p>	<p>Identification of critical department information technology resources and planning for resumption of business operations after major disruptions will mitigate the effects of such occurrences.</p> <p>Dining Services previously drafted an incomplete "Emergency Operations Disaster Recovery and Contingency Plan."</p>	<p>Student Programs' earlier efforts to adopt a complete "Emergency Operations Disaster Recovery and Contingency Plan" including Dining Services were temporarily suspended to allow for coordination with the university's overall continuity of operations planning. Student Programs will seek advice and assistance from Information Technology Security and Environmental Health and Safety Services to complete, test, and adopt an integrated plan prior to June 30, 2006. Many of the more critical elements of such a plan, such as provisions for providing continuity of food service for students, have already been developed. Other critical elements will be adopted in the interim as they are developed as part of the integrated plan.</p>

**Risk Evaluation: Medium
Implementation Date: June 30, 2006**

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Deposits

Recommendation	Benefits/Basis	Management Action Plan
Ensure timely deposits are made for Catering services in compliance with the University's Funds Handling Guidelines.	Timely deposits mitigate the risk of holding funds in the office safe and ensure compliance with the University's Funds Handling Guidelines.	At the time the deposits were made late, the Catering office only had one employee trained to prepare deposits. The Catering Department now has a backup depositor in place to ensure that deposits are made within 24 hours of receipt in the event that the primary depositor is out of the office.
Establish a process which maintains accountability for deposit bags picked up by the courier.	Additionally, establishing a chain of custody when deposits are picked up provides a thorough audit trail and evidence that the deposits were handed over to the courier. Based on Internal Audit's review, it was noted that three of 20 (15%) deposits tested totaling \$2,081 were deposited 1-2 days late. Also, during our review of Dining Services, it was noted that deposit bags are picked up by a courier (Virginia Tech campus police) on a daily basis. The courier indicates on his log the date, time and number of bags picked up; however, the office cashier does not retain any acknowledgement or receipt of the number of bags handed over to the courier.	The Bursar's Office initiated a new procedure in April 2005 whereby our staff will initial on the police courier's log when deposits are picked up.
		Risk Evaluation: Low Implementation Date: April 30, 2005

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Register Voids

Recommendation	Benefits/Basis	Management Action Plan
<p>Maintain void logs for each register in the dining units and ensure that original and corrected register receipts are attached to the log for all voids.</p>	<p>Maintaining void logs for all registers would enhance accountability of the voids. Retaining original and corrected register receipts for each void allows for management review to ensure authenticity of the voids.</p> <p>During Internal Audit's review of the register voids, it was noted that for Owens Food Court and Dietrick dining units, a void log was not maintained for each register for the scope period. The void receipts were stapled to the shift report.</p> <p>Additionally for Sbarro and Au Bon Pain dining units, the original and/or corrected receipts were not attached to the Void log for several voided transactions.</p>	<p>Dining Services implemented a new Voids and Corrections procedure in the fall of 2004 in response to the revised University funds handling procedures, around the same time of the documents being reviewed in this audit. Dining Services has been implementing this procedure since that time and has been working with the staff in the units to improve documentation on the Void Logs.</p> <p>Management and cash office personnel were reminded of the void and corrections procedures in April 2005 including the need for clear documentation, and we believe there are sufficient controls in place now to ensure that voids are handled appropriately at both the cashier level and the management level.</p>

Risk Evaluation: Low
Implementation Date: April 30, 2005

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IT Software Documentation

Recommendation	Benefits/Basis	Management Action Plan
The online ordering system for the “We Care” package catering operation should be fully documented or replaced with a commercial, fully-supported system that meets departmental requirements.	<p>The absence of software documentation severely limits effective troubleshooting and precludes system modification and enhancement.</p> <p>The ordering system for the “We Care” operation was developed in-house by a technical staff member who is no longer employed by the university. During the audit, a known defect was detected in the system which had been difficult for the current technical staff to correct given the limited documentation available.</p>	<p>The defect detected during the audit has been corrected. The rare exceptions resulting from the defect had previously been identified and corrected manually. The detailed observations provided during the audit allowed the defect to be identified and eliminated.</p> <p>Student Programs will explore the feasibility of commercial off-the-shelf solutions to determine whether there are alternatives for “We Care” that are fully-supported and economically feasible. Alternatively, if a reasonable commercial alternative is not identified, Student Programs will ensure that the current process is fully documented by May 31, 2006.</p>

Risk Evaluation: Low
Implementation Date: May 31, 2006

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Franchise Fees

Recommendation	Benefits/Basis	Management Action Plan
Establish a monitoring mechanism to ensure the accuracy of franchise sales records and franchise fees calculated.	<p>Additional monitoring of franchise sales and fees computations would mitigate the risk of reporting incorrect sales and paying inaccurate fees to the franchisor.</p> <p>During Internal Audit's review, we noted that Dining Services own five franchises. Franchise fees are paid to the franchisor on a monthly basis. For Au Bon Pain it was noted that sales for March 2004 were understated by \$14,150. As a result franchise fees submitted to the franchisor were \$707 less than required by the contract.</p> <p>The additional fees were submitted to the franchisor during the audit.</p>	<p>During the audit period, franchise reports were prepared at the dining unit level and sent directly to the business office for processing. Effective April 2005, the Administrative and Systems Specialist will verify the calculations on franchise sales reports prior to submission to the Student Programs Business Services office for payment processing to ensure that the computed sales and corresponding royalty payment are accurate.</p> <p>Risk Evaluation: Low Implementation Date: April 30, 2005</p>

MINUTES

STUDENT AFFAIRS COMMITTEE OF THE BOARD OF VISITORS

June 12, 2005

**Red Room
Virginia Tech Washington-Alexandria Center
1001 Prince Street
Alexandria, VA 22314**

Present (from Student Affairs Committee): Mr. Michael Anzilotti, Chair,
Ms. Melinda Cep, Mr. Bruce Holland

Absent: Mr. Ronald Petera

Visitors: Mr. Sumeet Bagai, Dr. Landrum Cross, Ms. Donna Sanzenbach, Dr.
Edward Spencer, Dr. Charles Steger

**Joint Session with Academic Affairs Committee
3:00 p.m.**

Open Session:

1. **Welcome Remarks.** Ms. Sandra Stiner Lowe, Chair of the Academic Affairs Committee, welcomed the two committees to the joint portion of the committee meetings.
2. **Restructured Higher Education Financial and Administrative Operations Act.** Mr. M. Dwight Shelton briefed the committees on the Restructured Higher Education Financial and Administrative Operations Act. Mr. Shelton's remarks are summarized in the Academic Affairs Committee Report.

**Student Affairs Committee
3:30 p.m.**

3. **Opening remarks and approval of March 14, 2005 minutes.** Mr. Michael Anzilotti, Chair of the Student Affairs Committee, submitted the minutes of the March 14 Student Affairs Committee meeting to the committee for review and approval. The minutes were approved as written.

4. **Update on Graduate Life Center.** Dr. Edward Spencer, Associate Vice President for Student Affairs, reviewed the plans for the conversion of the Donaldson Brown Hotel and Conference Center to a Graduate Life Center, beginning July 1, following the opening of the new Inn at Virginia Tech and Skelton Conference Center. The building will transfer to the housing and dining auxiliary and will be operated jointly by the Graduate School and several Student Affairs departments: Housing and Dining Services, Residence Life, University Unions, and Student Activities.

The renovations to the facility will occur in two phases: minor renovations will take place this summer and more major renovations will take place during the spring and summer of 2006. When completed, the Center will house about 115 graduate students in the former lodging rooms on the upper floors, the Graduate School Offices (on the mezzanine and second floor of the Alumni Hall section of the building), and a variety of academic and student services spaces on the first floor of Donaldson Brown. These spaces will include a coffee/sandwich shop, computer lab, video conference facility, graduate student organization offices, meeting rooms, a 600-seat auditorium, a multi-purpose room, a student lounge, a reading room, and health and wellness resources.

With the completion of these renovations, Virginia Tech will be the only school in the country with such a Graduate Life Center accommodating the Graduate School, graduate housing, and an academic and student services center all in the same building. The Graduate Life Center will meet the unique needs of graduate and professional students and provide a stimulating and rich learning environment that will enhance the graduate education experience.

5. **New Diversity Goals for Division of Student Affairs.** Dr. Landrum Cross, Vice President for Student Affairs, presented the division's updated Diversity Commitment and Diversity Goals for the committee's information. The Diversity Commitment affirms the division's support of the *Virginia Tech Principles of Community* and the Board of Visitor's *Commitment to a Diverse and Inclusive Community*. The Diversity Goals focus on objectives aimed at enhancing the campus environment as well as student affairs programs, services, and personnel. These goals were developed by the division's administrative team and update diversity goals established in 2000.
6. **Resolution for Changes to University Policies for Student Life.** Dr. Spencer explained that the committee that annually reviews University Policies for Student Life had met, completed its review, and formulated three recommendations for change. The Commission on Student Affairs and University Council subsequently approved these changes. The three recommended changes include: i) a modification to University judicial procedures to clarify procedures when a student is charged with a minor offense and fails to respond to the charge notice; ii) an

addition of a policy on stalking as a fifth sub-part of the current policy on abusive conduct; and iii) inclusion of criteria for defining an organizational activity.

The committee reviewed and approved these three modifications to University Policies for Student Life and recommends approval by the full Board.

7. Adjournment

There being no further business, the Student Affairs Committee meeting adjourned at 5:08 p.m.

Return to Joint Session with Academic Affairs 5:15 p.m.

Closed Session:

8. **Discussion of potential litigation.** Ms. Kay Heidbreder, Associate General Counsel, briefed the committees in closed session. At the conclusion of the discussion, the Student Affairs Committee departed and the Academic Affairs Committee continued in closed session.

RESOLUTION FOR CHANGES TO UNIVERSITY POLICIES FOR STUDENT LIFE

I. University Judicial Procedures

WHEREAS, current policy states that inaction in a case where a formal hearing is not requested indicates agreement with the imposed sanction, and

WHEREAS, current policy indicates that a formal hearing must occur prior to initiating a judicial appeal, and

WHEREAS, inaction to request that hearing indicates full compliance with the imposed sanction, making an appeal irrelevant, and

WHEREAS, current practice and caseload indicate that students who do not request formal university hearings for administrative action decisions are not requesting appeals for those decisions, and

WHEREAS, the Office of Judicial Affairs has a desire to put forth clear language to students regarding their due process rights in the university judicial system,

THEREFORE, be it resolved that Section III.B. University Judicial Procedures be amended as follows:

Cases in which deferred suspension, suspension, or dismissal will be considered shall be referred to the Office of Judicial Affairs for assignment to the appropriate adjudicating body for a formal hearing. For cases in which a student is subject to less severe disciplinary sanctions, the student may request, in writing, a formal hearing within seven *business** days after such notification, and the case shall be assigned to the appropriate adjudicating body for a formal hearing. If a hearing request is not received within the required time, such inaction shall be taken as agreement with the action, and the sanction set out in the notice shall be imposed without further notice to the student. *In that situation, the student forfeits his/her right to appeal the administrative action decision.*

* Added text in *italics*.

II. Stalking Policy

WHEREAS, the safety and security of our students is of the highest priority, and

WHEREAS, stalking and violence issues are of considerable concern to college administrators and campus law enforcement because these actions interfere with the living and learning environment for our students, and

WHEREAS, current policy is not sufficient to address the behavior that constitutes unwanted, repeated contact in person, via computer, and/or telephone, and

WHEREAS, the Association for Student Judicial Affairs, the national organization representing campus discipline officers, has published a resolution detailing the importance of addressing stalking in campus judicial systems, and

WHEREAS, several of our peer institutions have more comprehensive stalking policies, similar to what is proposed below,

THEREFORE, be it resolved that Section II. Student Code of Conduct, 1. Abusive Conduct, be amended as follows:

1. Abusive Conduct

Any words or acts that cause physical injury, or threaten any individual, or interfere with any individual's rightful actions, including but not limited to the following:

- a. Assault--Words or actions that would cause an individual reason to fear for his or her immediate safety. Words can constitute assault when they are accompanied by the ability to inflict immediate harm.
- b. Battery--The use of physical force against an individual.
- c. Sexual Harassment--Unwelcome sexual advances, requests for sexual favors, and other verbal, non-verbal, or physical conduct of a sexual nature, under certain circumstances. (See Section V.N. for additional information about Sexual Harassment.)
- d. Sexual Misconduct--Sexual contact without consent. (See Section V.O. for additional information about Sexual Misconduct.)
- e. *Stalking--Repeatedly contacting another person when the contact is unwanted. Additionally the conduct may cause the other person reasonable apprehension of imminent physical harm or cause substantial impairment of the other person's ability to perform the activities of daily life. Contact includes but is not limited to communicating with (either in person, by phone or computer) or remaining in the physical presence of the other person.*

III. Inclusion of a Formal Organization Event Definition for Student Organizations

WHEREAS, in 2003, the Vice President for Student Affairs convened a task force to examine the adjudication of student organization misconduct, and

WHEREAS, the task force determined a need to further define the components of an organization event and suggested that a organization event definition be addressed by the UPSL review committee, and

WHEREAS, the university has a duty to promote and support appropriate risk management practices by our student organizations, and

WHEREAS, a steady increase in the number of student organization cases has precipitated a need to formalize when organizations may be responsible for misconduct at their events, and

WHEREAS, student organization members have repeatedly requested clearer guidelines from the university for situations where their actions may result in a university judicial review, and

WHEREAS, current university policy has already established guidelines for organization responsibility for instances of hazing, which, along with the task force report form the basis of the proposed criteria,

THEREFORE, be it resolved that Section V-R. Student Organizations, under the heading of University Judicial Review Process, be amended as follows:

University Judicial Review Process

Any organization that fails to maintain the standards of registration, standards of charter and/or that engages in conduct that violates the University Policies for Student Life or any other published policies governing student organization conduct is subject to review by the University Judicial System.

The University Judicial System shall publish and administer procedures for review of and action against organizations in violation of university policy.

Questions or problems concerning potential policy violations related to student organizations should be directed to the Office of Judicial Affairs (108 Dietrick Hall, 231-3790).

Criteria for Determining An Organization Event

An event may be an organizational activity, for which the organization itself may be disciplined, if any two of the following characteristics are present:

- a. The advisor (if applicable), or any of the executive officers of the organization is aware of the event sufficiently in advance of its occurrence to prohibit its taking place, and takes no action to prohibit it.*
- b. The event takes place in any public area within an official/unofficial dwelling associated with the organization or in any public place.*
- c. The event involves the expenditure of any organizational funds.*
- d. The event involves or is actively or passively endorsed by a majority of the members of the organization.*
- e. The event involves six or more members of the organization.*

RECOMMENDATION:

That the proposed changes to the University Policies for Student Life be approved effective immediately.

RESOLUTION HONORING STAFF SERGEANT NATHANIEL NYREN
April 27, 2005

WHEREAS, United States Army Staff Sergeant Nathaniel Nyren was a Virginia Tech student from August 1991 to December 1992; and

WHEREAS, Nathaniel Nyren enlisted in the Army in 1995, completed his basic training at Fort Knox, Kentucky, and was stationed in Germany for three years, during which time he spent six months serving as a peacekeeper in Macedonia; and

WHEREAS, Sergeant Nyren was assigned to the Army's 1st Battalion, 8th Cavalry Regiment, 1st Cavalry Division based at Fort Hood, Texas; and

WHEREAS, Sergeant Nyren was stationed in Baghdad, supporting Operation Iraqi Freedom; and

WHEREAS, on December 28, 2004, Nathaniel Nyren tragically lost his life while leading a convoy of military vehicles; and

WHEREAS, Sergeant Nyren was well respected by his peers and his superiors, and leading by example, he exhibited his commitment to the core values that are inherent to Virginia Tech--Brotherhood, Honor, Leadership, Sacrifice, Service, Loyalty, Duty and *Ut Prosim*; and

WHEREAS, Sergeant Nathaniel Nyren made the ultimate sacrifice while serving his country, and will be remembered in perpetuity for his unwavering courage and valor;

NOW, THEREFORE, BE IT RESOLVED, that the Virginia Tech Board of Visitors proudly honors Staff Sergeant Nathaniel Nyren for his steadfast loyalty to his country and the ideals of "*Ut Prosim*," and for making the ultimate sacrifice in service to his country.

RECOMMENDATION:

That the above resolution honoring Staff Sergeant Nathaniel Nyren be approved.

RESOLUTION FOR EMERITUS STATUS
June 13, 2005

WHEREAS, Dr. James R. Armstrong faithfully served Virginia Tech with distinction for 30 years in the College of Engineering beginning in 1975; and

WHEREAS, as a member of the faculty in the Bradley Department of Electrical and Computer Engineering, he was instrumental in the founding and development of Computer Engineering at Virginia Tech and developed innovative approaches to the teaching of hardware description languages and computer architecture, in both on-campus and distance-learning settings. He was the first professor in the world to teach a comprehensive design course using the Very High Speed Integrated Circuit Hardware Description (VHDL) language; and graduates of this class were hired in large numbers by such companies as Intel and Motorola; and he developed an innovative approach to the use of laptops in the teaching of microprocessors; and

WHEREAS, he became internationally known and respected in the field of hardware description languages, serving as a member of the original Institute of Electrical and Electronics Engineers (IEEE) VHDL standardization committee and was the founding chairman of the IEEE Design Automation Standards Subcommittee working group on VHDL model standards and the IEEE Workshop on Hierarchical Testing; and

WHEREAS, Dr. Armstrong authored the first book on VHDL modeling, which was also published in Russian and Japanese; and he co-authored two other books on the use of VHDL in the computer design process which were widely used in graduate courses and industry, and published in Chinese; and

WHEREAS, he made significant research contributions in the areas of multiple valued logic, fault tolerance, modeling, model testing, and design of Systems on a Chip, with total career research funding of over 5.5 million dollars and with his close contacts with industry resulting in industrial donations of hardware and software exceeding 6.6 million dollars in commercial value, enabling Virginia Tech students to use the very latest computer design tools in their classes; and

WHEREAS, from his research projects he graduated 44 masters and 5 doctoral students and was active in advising underrepresented minority graduate students; he had a great love for the principles of computer engineering, and every day he strove to transmit that love to his students;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. James R. Armstrong for his service to the university with the title of Professor Emeritus of Electrical & Computer Engineering.

RECOMMENDATION:

That the above resolution recommending Dr. James R. Armstrong for emeritus status be approved.

RESOLUTION FOR EMERITUS STATUS
June 13, 2005

WHEREAS, Dr. Don G. Creamer faithfully served Virginia Tech with distinction for 28 years in the College of Liberal Arts and Human Sciences beginning in 1977; and

WHEREAS, as a member of the Department of Educational Leadership and Policy Studies and the Higher Education and Student Affairs program, he was a dedicated teacher of a wide range of courses at the masters and doctoral levels; and

WHEREAS, he advised and counseled numerous graduate students in Higher Education and Student Affairs, serving as the graduate advisor for 55 doctoral students and 75 masters students; and

WHEREAS, Dr. Creamer was appointed Professor of Higher Education and Student Affairs in 1989; he was co-founder of the Educational Policy Institute of Virginia Tech in 1995; he was awarded a Certificate of Teaching Excellence from Virginia Tech in 1999; he was awarded the Excellence in Graduate Student Advising Award from the College of Liberal Arts and Human Sciences for 2003-2004; and he was a founding member of The Honor Society of Chi Sigma Alpha in 2002; and

WHEREAS, he made significant contributions in research in college student affairs, authoring more than 125 publications in leading journals and books in the higher education and student affairs field; and

WHEREAS, Dr. Creamer received numerous awards from professional societies including the Lifetime Achievement Award from the American College Personnel Association in 2004; the Ester Lloyd-Jones Professional Service Award from the American College Personnel Association in 2000; the Contribution to Knowledge Award from the American College Personnel Association in 1999; Robert H. Shaffer Award for Academic Excellence as a Graduate Faculty Member from the National Association of Student Personnel Administrators in 1998; the Annuit Coeptis Award for Senior Professionals from the American College Personnel Association in 1989; Senior Scholar status from the American College Personnel Association in 1989-1994; and the Robert H. Shaffer Distinguished Alumnus Award from Indiana University in 1992; and

WHEREAS, he served in many professional societies, including service as president of the American College Personnel Association in 1978-1979; president of the Council for the Advancement of Standards in 1991-1994; and president of the Board of Trustees of the Educational Leadership Foundation of the American College Personnel Association in 1995-1997;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. Don G. Creamer for his service to the university with the title of Professor Emeritus of Higher Education and Student Affairs.

RECOMMENDATION:

That the above resolution recommending Dr. Don G. Creamer for emeritus status be approved.

RESOLUTION FOR EMERITUS STATUS
June 13, 2005

WHEREAS, Dr. Landrum L. Cross has faithfully served Virginia Tech for 22 years in the Division of Student Affairs, leading the division as vice president for student affairs since 1995, and having also served as interim vice president for student affairs, associate vice president for student affairs, and assistant vice president for student affairs; and

WHEREAS, he has made significant contributions to the personal growth, academic success, and quality of campus life for students at Virginia Tech; and

WHEREAS, under his leadership Virginia Tech has implemented new and innovative student development programs, including such initiatives as a nationally accredited psychologist training program in Cook Counseling Center, the Residential Leadership Community, one of the first nationally accredited university health centers, the Cooperative Leadership Initiative, and an award-winning partnership with the student affairs division at Tecnológico de Monterrey in Mexico; and

WHEREAS, he has expanded the campus facilities dedicated to student affairs programs and services through the construction of McComas Hall, the Career Services Building, and several new residence halls; and

WHEREAS, he has served as an adjunct faculty member in the Department of Higher Education and Student Affairs, teaching practical issues in student affairs and research methodologies, and serving on numerous thesis committees; and

WHEREAS, he has served the university as a member of the president's cabinet, the University Council, the Commission on Student Affairs, the Commission on Equal Opportunity and Diversity, and numerous other committees and task forces; and

WHEREAS, he has been invited to give numerous scholarly presentations at national and regional conferences on leadership development and student affairs administration;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. Landrum L. Cross for his service to the university with the title of Vice President Emeritus for Student Affairs.

RECOMMENDATION:

That the above resolution recommending Dr. Landrum L. Cross for emeritus status be approved.

RESOLUTION FOR EMERITUS STATUS
June 13, 2005

WHEREAS, Dr. Walling R. Cyre faithfully served Virginia Tech with distinction for 16 years in the College of Engineering beginning in 1989; and

WHEREAS, as a member of the faculty in the Bradley Department of Electrical and Computer Engineering, he was a dedicated teacher of a wide range of courses offered from the lower division undergraduate level to the graduate level; and

WHEREAS, he advised and counseled numerous masters and doctoral students, provided financial support for many graduate students, and served on graduate advising committees, helping students achieve their career goals and contributing to the computer engineering profession; and

WHEREAS, Dr. Cyre contributed to the research on computer engineering and artificial intelligence, authoring 55 scholarly publications during his career and directing numerous sponsored research projects; and

WHEREAS, he served the university as a member of numerous committees; and

WHEREAS, he served the computer engineering profession as chair of two international workshops, and he served on several professional society committees;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. Walling R. Cyre for his service to the university with the title of Associate Professor Emeritus of Electrical and Computer Engineering.

RECOMMENDATION:

That the above resolution recommending Dr. Walling R. Cyre for emeritus status be approved.

RESOLUTION FOR EMERITUS STATUS
June 13, 2005

WHEREAS, Dr. James O. Hoge, Jr. faithfully served Virginia Tech with distinction for 29 years in the College of Liberal Arts and Human Sciences beginning in 1975; and

WHEREAS, as a member of the faculty in the Department of English, he taught Romantic Literature with intellectual rigor and with concern and respect for his students and served as an able and dedicated Undergraduate Student Advisor; and

WHEREAS, he served the department on a wide array of committees and projects, including the Teaching Awards Committee, various search committees, the Honorifics Committee, and the Personnel Committee; and

WHEREAS, Dr. Hoge served the college on a wide array of committees and projects, including the Speakers' Committee, the Humanities Summer Stipend Committee, the Personnel Committee, and the Visiting Scholars Committee; and

WHEREAS, his publications include five highly regarded scholarly editions and a critical work on *Literary Reviewing*, in addition to numerous articles and conference papers; and

WHEREAS, he served as one of the founding editors of *Review* (1979-2003), the only journal of its kind to publish rigorous essay-length reviews for literary specialists; and

WHEREAS, Dr. Hoge has given distinguished service as a scholar, teacher, and citizen of the university throughout his nearly 30 year career;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. James O. Hoge, Jr. for his service to the university with the title of Professor Emeritus of English.

RECOMMENDATION:

That the above resolution recommending Dr. James O. Hoge, Jr. for emeritus status be approved.

RESOLUTION FOR EMERITUS STATUS
June 13, 2005

WHEREAS, Dr. Thomas W. Keenan faithfully served Virginia Tech with distinction for 23 years in the College of Agriculture and Life Sciences beginning in 1982; and

WHEREAS, as a dedicated teacher, he introduced thousands of graduate and undergraduate students to the principles and techniques of biochemistry as an instructor in several courses, including "Biochemical Techniques for Biotechnology for the Life Sciences", "Concepts in Biochemistry", and "Biochemistry for the Life Sciences"; and

WHEREAS, as head of the Department of Biochemistry from 1982-1989, he recruited many outstanding faculty and fostered the development of new departmental research and instructional programs in the critical areas of cell and molecular biology; and

WHEREAS, as he contributed significantly to our knowledge of milk droplet formation and the influence of lipid metabolism on cancer cells through a lifetime of scholarly research that led to the publication of 213 research papers, reviews, and book chapters as well as \$3 million in extramural support; and

WHEREAS, Dr. Keenan served the scientific profession as an editor for *The Journal of Dairy Science, Lipids, and Protoplasma* and as a reviewer for the National Institutes of Health, National Cancer Institute, National Science Foundation, and U.S. Army Medical Research and Development Command; and

WHEREAS, his professional accomplishments have resulted in Dr. Keenan being named a Fellow of the American Dairy Science Association, a Fellow of the American Association for the Advancement of Science, and a Distinguished Alumnus of the College of Agricultural Sciences of the Pennsylvania State University;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. Thomas W. Keenan for his service to the university with the title of Professor Emeritus of Biochemistry.

RECOMMENDATION:

That the above resolution recommending Dr. Thomas W. Keenan for emeritus status be approved.

RESOLUTION FOR EMERITUS STATUS
June 13, 2005

WHEREAS, Dr. George R. McDowell faithfully served Virginia Tech with distinction for 17 years in the College of Agriculture and Life Sciences beginning in 1987; and

WHEREAS, Dr. McDowell contributed significantly to Virginia Tech's international programs and its international reputation by spending his first two years of service in Zambia and subsequently spending two years in Albania, both on behalf of Virginia Tech; and

WHEREAS, his work in Albania resulted in travel to that country and involvement in Virginia Tech's projects in Albania of three university librarians, two university information technology staff members, the University Bursar, a citizen member of the Department of Agricultural Economics advisory council, a citizen member of the Advisory Council to the College of Agriculture and Life Sciences, one graduate student, and more than eight faculty members; and

WHEREAS, his work resulted in recruiting over eight fully funded Albanian M.S., Ph.D., and special graduate students, as well as other qualified Albanian graduate students; and

WHEREAS, the Virginia Tech involvement in Albania initiated by Dr. McDowell has promoted the establishment of a permanent community of as many as 20 families of Albanian origin in the Montgomery County area when there were none in 1992 when the involvement started; and

WHEREAS, his research and extension work on Virginia's rural economy stimulated the involvement of the Department of Agricultural and Applied Economics being invited and serving to staff the Legislature's Rural Virginia Prosperity Commission; and

WHEREAS, Dr. McDowell's book, *Land-Grant Universities and Extension into the 21st Century: Renegotiating or Abandoning a Social Contract* has stimulated nationwide discussion and debate about the need to examine the future of the land-grant university in the society; and

WHEREAS, since he commenced his service with Virginia Tech, he has published over 60 journal articles, extension publications, popular press articles, presented papers, chapters in books, and a book;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. George R. McDowell for his service to the university with the title of Professor Emeritus of Agricultural and Applied Economics.

RECOMMENDATION:

That the above resolution recommending Dr. George R. McDowell for emeritus status be approved.

RESOLUTION FOR EMERITUS STATUS
June 13, 2005

WHEREAS, Dr. Don H. Morris faithfully served Virginia Tech with distinction for 28 years in the College of Engineering beginning in 1977; and

WHEREAS, as a member of the Department of Engineering Science and Mechanics (ESM) faculty, he was a dedicated teacher of a wide range of courses from the undergraduate to the advanced graduate levels, advising and counseling numerous undergraduate and graduate students during his long career, including serving as the graduate advisor for six masters and five doctoral students, helping them to achieve their career goals and contribute to the education profession; and

WHEREAS, he served in ESM as assistant department head for 16 years; and

WHEREAS, Dr. Morris made significant contributions in the research and teaching areas of experimental solid mechanics, composite materials, and engineering education, and directed numerous sponsored research projects and was instrumental in obtaining funding to Virginia Tech in excess of \$800,000; and

WHEREAS, he authored or co-authored 63 technical papers, 9 educational papers, 35 reports, and was the co-author of 2 textbooks; one of which was translated into Chinese, Korean, Spanish, and Portuguese; and

WHEREAS, Dr. Morris received the Sporn Award for Teaching Excellence in the College of Engineering, Certificates of Teaching Excellence on two different occasions, the Frank J. Maher Award for Excellence in Education, and just this year, the Outstanding Teaching Award of the Southeastern Section of the American Society of Engineering Education;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. Don H. Morris for his service to the university with the title of Professor Emeritus of Engineering Science and Mechanics.

RECOMMENDATION:

That the above resolution recommending Dr. Don H. Morris for emeritus status be approved.

RESOLUTION FOR EMERITUS STATUS
June 13, 2005

WHEREAS, Professor Robert A. Parsons faithfully served Virginia Tech with distinction for 24 years in the College of Architecture and Urban Studies beginning in 1981; and

WHEREAS, as a member of the faculty in the Interior Design Program, he was a dedicated teacher of a wide range of courses offered throughout the undergraduate curriculum; and

WHEREAS, he advised and counseled undergraduates, serving as career counselor and first-year advisor, helping students achieve their career goals and contribute to the design profession; and

WHEREAS, Professor Parsons provided effective leadership to the interior design program, resulting in enhanced state and national visibility and ranking; and

WHEREAS, he provided leadership in the university through participation in governance activities such as chairing the University Core Curriculum Committee; and

WHEREAS, he served in leadership positions in a number of professional organizations, including national corresponding secretary for the Accreditation Commission of the Foundation for Interior Design Education and Research, and member of the executive council for the Interior Design Educators Council;

THEREFORE, be it resolved that the Board of Visitors recognizes Professor Robert A. Parsons for his service to the university with the title of Associate Professor Emeritus of Interior Design.

RECOMMENDATION:

That the above resolution recommending Professor Robert A. Parsons for emeritus status be approved.

RESOLUTION FOR EMERITUS STATUS
June 13, 2005

WHEREAS, Minnis E. Ridenour has faithfully served Virginia Tech with distinction, integrity, humility, and honor for more than thirty years in his roles as Budget Director and Coordinator of Finance; Vice President for Finance; Executive Vice President and Chief Business Officer; Executive Vice President and Chief Operating Officer; and Senior Fellow for Resource Development; and

WHEREAS, during his tenure at Virginia Tech, Minnis led significant growth in the university's financial structure, and masterfully developed creative financing plans and budgeting proposals that both advanced the priorities of the university and enabled Virginia Tech to successfully weather statewide budget crises; and

WHEREAS, through his formulation of sophisticated and innovative fiscal strategies, a number of university special initiatives and strategic public-private partnerships now exist and are thriving; and

WHEREAS, in his role as Senior Fellow for Resource Development, Minnis successfully shepherded the higher education restructuring legislation through the 2005 General Assembly, for the benefit of higher education institutions across the Commonwealth; and

WHEREAS, concurrent with fulfilling his responsibilities as the university's chief operating officer, Minnis taught in the College of Architecture and Urban Studies, sponsored full assistantships for six graduate students, formalized a university leadership development program, and sponsored an internship program; and

WHEREAS, Minnis is held in high esteem by his peers nationwide and has earned the respect of his colleagues at Virginia Tech and across the Commonwealth;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Visitors recognizes Minnis E. Ridenour for his dedicated service to the university with the title of Executive Vice President and Chief Operating Officer emeritus.

RECOMMENDATION:

That the above resolution recommending Minnis E. Ridenour for emeritus status be approved.

RESOLUTION FOR EMERITUS STATUS

June 13, 2005

WHEREAS, Dr. John Caldwell Stubbs faithfully served Virginia Tech with distinction for 15 years in the College of Liberal Arts and Human Sciences beginning in 1989; and

WHEREAS, as a member of the faculty of the Department of English, he taught a wide array of courses from freshman composition, through studies in genre, modern American fiction, and film studies, all with intellectual rigor and with concern and respect for his students; and

WHEREAS, he served his department as department chair from 1989 to 1992, providing outstanding leadership; and

WHEREAS, he provided dedicated service to the students of Virginia Tech as a faculty advisor and Writing Center tutor; and

WHEREAS, Dr. Stubbs' scholarship includes a book on Hawthorne, a bibliography on Fellini, a translation of two Fellini screenplays, and a forthcoming critical study of Fellini, in addition to numerous articles and conference papers; and

WHEREAS, his scholarship has earned him an international reputation, as evidenced in two Fulbright professorships; and

WHEREAS, his dedication, selflessness, hard work, and great personal integrity have distinguished Dr. Stubbs as a scholar, teacher, and administrator, contributing greatly to the teaching, research, and service missions of the department and university;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. John Caldwell Stubbs for his service to the university with the title of Professor Emeritus of English.

RECOMMENDATION:

That the above resolution recommending Dr. John Caldwell Stubbs for emeritus status be approved.

RESOLUTION FOR EMERITA STATUS
June 13, 2005

WHEREAS, Ms. Doris Trant faithfully served Virginia Tech with distinction for 27 years in the College of Agriculture and Life Sciences beginning in 1977; and

WHEREAS, during her tenure, Ms. Trant designed the "Healthy You" program which is an intergenerational program targeting preschoolers and senior citizens with interactive nutritional education, receiving national recognition for the creation of this program by the National Association of Family and Consumer Sciences; and

WHEREAS, she produced and hosted over 200 "For Your Information" television shows, aired weekly on the Virginia Beach cable television; and

WHEREAS, Ms. Trant represented Virginia Tech with leadership positions on numerous community and professional boards of directors, such as chairing Healthy Families and Tidewater Nutritional Council, both Virginia Beach and Frederick County vocational advisory councils, and serving as President of Head Start and the Virginia Association of Family and Consumer Science; and

WHEREAS, Ms. Trant received the Distinguished Service Award and Continued Excellence awarded from the National Extension Association of Family and Consumer Sciences and the Virginia Extension Association of Family and Consumer Sciences; and

WHEREAS, Ms. Trant was recognized for outstanding achievement from the Virginia Municipal League for her Financial Management Volunteer program. Due to her leadership, the program was able to recruit prominent retired community leaders, among whom were an assistant city manager, bank senior vice president, corporate executives, and military flag officers;

THEREFORE, be it resolved that the Board of Visitors recognizes Ms. Doris Trant for her service to the university with the title of Senior Extension Agent Emerita.

RECOMMENDATION:

That the above resolution recommending Ms. Doris Trant for emerita status be approved.

RESOLUTION FOR EMERITUS STATUS
June 13, 2005

WHEREAS, Dr. Steven H. Umberger faithfully served Virginia Tech with distinction for 25 years in the College of Agriculture and Life Sciences beginning in 1980; and

WHEREAS, as a member of the faculty of Animal Science, he was a dedicated Extension Specialist serving first as the 4-H Livestock Specialist and then as the Sheep/Reproductive Physiology Extension Specialist; and

WHEREAS, he chaired the Animal and Poultry Sciences Extension Strategic Plan, contributing to the rejuvenation of merged extension programs, and

WHEREAS, Dr. Umberger received the 1996-97 Extension Service Award presented by the Southern Section of the American Society of Animal Science by developing a nationally recognized sheep extension program; and

WHEREAS, he was selected as the Associate Director, Agriculture and Natural Resources for Virginia Cooperative Extension, and Assistant Dean, College of Agriculture and Life Sciences; and

WHEREAS, he served as administrator of the Agricultural Extension Agent Leadership Development Fund to enhance leadership and professional development opportunities, provide for recognition programs, and support program delivery efforts; and

WHEREAS, Dr. Umberger was appointed Associate Dean and Director of Virginia Cooperative Extension;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. Steven H. Umberger for his service to the university with the title of Extension Director Emeritus.

RECOMMENDATION:

That the above resolution recommending Dr. Steven H. Umberger for emeritus status be approved.

FACULTY LEAVES

Virginia Tech's program of professional development for tenured faculty members provides two kinds of opportunities: Study-Research Leaves at one-half salary for up to one year and one-semester Research Assignments at full salary.

The following faculty member is requesting Study-Research Leave for the purpose and period of time specified:

Michael H. Gregg, Associate Professor, Department of Engineering Education, for the period August 10, 2005 to August 9, 2006, to conduct research in the small-scale segment of the construction industry. Dr. Gregg will collaborate with Dr. Brian M. Kleiner and Dr. Tonya L. Smith-Jackson, both of the Grado Department of Industrial and Systems Engineering.

The following faculty member is requesting a Research Assignment for the period specified. This leave will occur a few months before the entire six year eligibility period is complete. However, these dates are more convenient for the host institution and they minimize disruption of research and activities at the AREC where Dr. Wolf is director.

Anthony K. Wolf, Professor, AHS Jr. Agricultural Research and Extension Center, for the period January 23 – March 31, 2006, to collaborate with faculty at Lincoln University in Canterbury, New Zealand on viticulture instructional materials and to develop distance learning and course curricula that could be offered to students at Virginia Tech. Dr. Wolf will also present at an international viticulture and enology symposium to be held in Christchurch in February 2006.

RECOMMENDATION:

That the above leaves be approved as requested.

ENDOWED PROFESSORSHIP
The Clifford A. Cutchins, III Professorship in English

The Sovran Financial Corporation established the Clifford A. Cutchins, III Endowed Professorship in the Department of English at Virginia Tech in June 1989. Dean Jerome A. Niles, concurring with the College of Liberal Arts and Human Sciences Honorifics Committee, has nominated Dr. Thomas Gardner as the Clifford A. Cutchins, III Professor of English.

Dr. Gardner came to Virginia Tech in 1982 after receiving his Ph.D. from the University of Wisconsin. He was promoted to the rank of professor in 1996. He has served his department, college, university, and professional organizations in an exemplary manner in many diverse capacities. For example, he has served as Coordinator of the Undergraduate Curriculum in English, member of the College Personnel Committee and Alumni Award Selection Committee, and Book Review Editor of *Contemporary Literature*.

Dr. Gardner attained an international reputation and brought much credit to Virginia Tech by his scholarly reputation and his appearance at numerous meetings in this country and abroad. He is one of the foremost authorities on modernist and contemporary American poetry. He won the Phi Beta Kappa Sturm Award for Outstanding Faculty Research (2001) and the College of Liberal Arts and Human Sciences Award for Excellence in Research and Creative Scholarship (2005). In addition, Dr. Gardner has received the high national distinctions conferred by a particularly prestigious Fulbright (1996-7) and, more eminent still, a Guggenheim fellowship (2002-2003) to support his scholarly work. Dr. Gardner is the author of three books of literary criticism (a fourth edited volume is forthcoming), a volume of poetry, and well over three dozen articles, essays, and reviews published in important scholarly journals.

Dr. Gardner is known across the commonwealth as a gifted teacher whose Socratic method trains students to perform attentive close readings of poetic texts and to set those text-based readings in wider socio-cultural contexts. Dr. Gardner teaching has been honored with virtually every teaching award offered at Virginia Tech—the Certificate of Teaching Excellence (1986, 1989), The Virginia Tech Alumni Teaching Award (1991), Induction into the Academy of Teaching Excellence (1991), the Diggs Teaching Scholar Award (1994). In 2003 the Commonwealth of Virginia honored him with the prestigious Outstanding Faculty Award in recognition of his excellence in both teaching and scholarship.

RECOMMENDATION:

That Dr. Thomas Gardner be appointed the Clifford A. Cutchins, III Professor of English effective August 10, 2005, with a salary supplement provided by the endowment and, as available, from the Eminent Scholars match program.

ENDOWED PROFESSORSHIP
Paul Mellon Distinguished Chair of Agriculture

The Paul Mellon Distinguished Professorship was created in 1986 through a gift to the Virginia Tech Foundation from Mr. Paul Mellon, former member of the Board of Visitors and founder of The Old Dominion Foundation. Mr. Mellon had a love of the state of Virginia and supported the state, agriculture and higher education by granting funds for agricultural research, the construction of the Carol M. Newman Library, and to the establishment of the Donaldson Brown Center.

Dean Sharron Quisenberry and the College of Agriculture and Life Sciences Honorifics Committee have named Dr. Ray J. Geor as the Paul Mellon Distinguished Professor of Agriculture.

Dr. Geor is currently at the Ontario Veterinary College at the University of Guelph as an associate professor in the Department of Biomedical Sciences. He has a doctorate in Philosophy from Ohio State University, a masters and bachelors in Veterinary Science from the University of Saskatchewan and Massey University (NZ) respectively. He has also served as Director of Research at the Kentucky Equine Research, Versailles, Kentucky.

Dr. Geor has received the President's Award for research presentation and research excellence. He is on the Editorial Board for the Journal of Veterinary Internal Medicine and a member of the Grayson-Jockey Club Scientific Advisory Board. He is also a member of the American Physiological Society, American College of Veterinary Internal Medicine, American Association of Equine Practitioners, and other professional organizations.

Dr. Geor has published 4 books, 21 book chapters, 68 peer-reviewed journals, and numerous research grants. His research focuses on equine nutrition and exercise science with an emphasis on nutritional effects on muscle function and athletic performance, and links between diet and disease and the mitigation of such risks via dietary intervention.

Dr. Geor has taught several classes in internal medicine, equine neonatology, ruminant medicine and horse nutrition for 16 years. He has supervised over 50 undergraduate and graduate students.

RECOMMENDATION:

That Dr. Raymond J. Geor be appointed to the Paul Mellon Distinguished Chair of Agriculture effective October 12, 2005.

ENDOWED PROFESSORSHIP
The William E. Jamerson Professorship of Building Construction

The William E. Jamerson Professorship of Building Construction was established by the generous gift of Mr. Jamerson, with the specification that this honor be awarded to a professor in the Department of Building Construction, College of Architecture and Urban Studies (CAUS). This gift is part of the Eminent Scholars Endowment Fund and the income shall be used to attract and retain eminent scholars in the field of Construction at Virginia Tech. Dr. Paul Knox, dean of the College of Architecture and Urban Studies, concurs with the recommendations of the CAUS Honorifics Committee.

Professor Michael J. O'Brien joined the faculty in the Department of Architecture at Virginia Tech in 1987. Since that time, he has served the college as an administrator, a teacher, and a researcher. In 1994, Professor O'Brien was appointed Chair of the Graduate program in Architecture, a position he ably held until 1998. A talented teacher, he is deeply committed to the teaching mission of the university and is highly respected by peers, alumni and students. He has won the CAUS Certificate of Teaching Excellence Award in 1992 and the CAUS Distinguished Scholarship Award in 2000.

Professor O'Brien is an active researcher with over \$2.3 million dollars of funded research. He has been a principal and co-principal investigator on grants including, but not limited to, the United States Department of Housing and Urban Development, and the National Science Foundation. From 2000 until 2002, he served as Chair of the Architectural Research Centers Consortium, comprised of researchers throughout the country. He has authored or co-authored numerous articles dealing with various aspects of residential construction and the construction industry.

RECOMMENDATION:

That Michael J. O'Brien be appointed the William E. Jamerson Professor of Building Construction, effective August 10, 2005, with a salary supplement provided by the university and the endowment and, as available, from the eminent scholar match program.

**ENDOWED PROFESSORSHIP
The Joseph R. Loring Professorship**

The Joseph R. Loring Professorship of Electrical and Computer Engineering was created in 2003. Dr. Hassan Aref, dean of the College of Engineering has nominated Professor Saifur Rahman to this endowed position, concurring with the recommendations of the Bradley Department of Electrical and Computer Engineering Honorifics Committee and the College of Engineering's Honorifics Committee.

Dr. Rahman came to Virginia Tech in 1979 as an Assistant Professor. He was promoted to Associate Professor in 1983 and Professor in 1987. He was the Founding Director of the Alexandria Research Institute in 1998 and the Founding Director of the Northern Virginia Division of the College of Engineering in 2003. While the ECE Department has a presence in the National Capital Region for about 35 years, the program never took off until Dr. Rahman became ECE Program Director. Dr. Rahman capitalized on his reputation and contacts (he is a former National Science Program Director) and proximity to public and private funding agencies to create a center of excellence in international development. Under his leadership, the ECE faculty in the National Capital Region changed from an isolated group of individuals teaching night school to a mainstream part of the university with resident graduate students and a respected research program.

Dr. Rahman has a long and consistent record of research funding. He is an internationally known researcher in the areas of electrical power, specializing in alternate energy sources. Over his distinguished career, his interests and contributions range from pioneering work in microprocessor control of power systems to solar and wind energy systems to his recent work on the proposed hydrogen economy. He is also active in other areas that range from digital libraries to critical infrastructure protection. He consults on these topics and lectures and offers short courses for a wide variety of government agencies, United Nations programs, non-government organizations, and private companies. Dr. Rahman has been a principal or co-principal investigator on 63 sponsored projects totaling over \$4 million. In addition, he has secured over \$100,000 in grants to support his research. He has published over 80 articles in major journals and has a long list of conference publications and presentations.

Dr. Rahman is a Fellow of the IEEE and received the IEEE Millennium Medal in 2000 for outstanding achievements and contributions to IEEE.

Dr. Rahman's excellence in teaching is well known. He has developed eight new courses at levels ranging from 2000 to 6000. He has supervised 18 Ph.D. and 24 M.S. thesis students to completion. He is currently supervising seven Ph.D. students. He has developed numerous short courses for continuing education.

Dr. Rahman has organized a number of major conferences, including the 2004 IEEE Conference on the Hydrogen Economy which was widely covered in the Washington press.

RECOMMENDATION:

That Dr. Saifur Rahman be appointed the Joseph R. Loring Professor of Electrical and Computer Engineering, effective August 10, 2005 for a period of five years, with a salary supplement provided by the university and the endowment and, as available, from the eminent scholar match program.

ENDOWED PROFESSORSHIP THE WILLIS G. WORCESTER PROFESSORSHIP

The Willis G. Worcester Professorship of Electrical Engineering was created in 1983. The professorship is traditionally awarded to a leading researcher. Dr. Hassan Aref, dean of the College of Engineering has nominated Professor Jeffrey H. Reed to this endowed position, concurring with the recommendations of the Bradley Department of Electrical and Computer Engineering Honorifics Committee and the College of Engineering Honorifics Committee.

Dr. Reed came to Virginia Tech in 1992 as an Assistant Professor. He was promoted to Associate Professor in 1997 and Professor in 2001. The Directorship of the ECE Mobile and Portable Research Group rotates; he has served as Director and is now a Deputy Director. When he is not serving as Director, he is its leading representative and advocate. He constantly represents wireless at Virginia Tech to the outside world, making connections and opening doors for his colleagues. He is currently working on creating a single wireless center in ECE to replace the two centers which have caused confusion outside of Virginia Tech.

Dr. Reed has a long and consistent record of research funding. He is an internationally known researcher in the areas of software and software defined radios. (A software defined radio is a radio with very little hardware and software performing many of the functions of the analog components of an old fashioned radio.) He is without question the leading academic authority on this topic.

Dr. Reed has been a principal investigator or co-principal investigator on 55 sponsored projects, with his personal share of approximately \$7 million since coming to Virginia Tech. In addition, he has personally secured over \$1.7 million in affiliate and gift money. He has authored 35 refereed journal articles. His most cited publication, "Overview of Spatial Channel Models for Antenna Array Communications Systems," in *IEEE Personal Communications 1998* has 158 citations which is a large number in ECE disciplines. He has 170 conference papers of various types and has contributed to or edited 15 books. He is the sole author of the first book on software radio.

Dr. Reed has supervised 12 Ph.D. students and 31 masters students to the completion of their degrees. He is currently supervising 11 Ph.D. students and 14 masters students.

Dr. Reed is a Fellow of the IEEE for his contributions to software defined radio and received the Software Defined Radio Forum's Industry Achievement Award for that work.

Dr. Reed's excellence in teaching is well known. He has developed or significantly revised a total of six courses, three undergraduate and three graduate courses. Almost all of the ECE communications area graduate students take his software radio and digital signal processing courses, and he teaches the ECE undergraduate communications systems and signal processing courses. His courses are well received in terms of both content and delivery.

RECOMMENDATION:

That Dr. Jeff Reed be appointed the Willis G. Worcester Professor of Electrical and Computer Engineering, effective August 10, 2005, for a period of five years with a salary supplement as provided by the Worcester Endowment and the eminent scholar match if available.

ENDOWED PROFESSORSHIP
William S. Cross Professor of the College of Engineering

The William S. Cross Professorship of the College of Engineering was established in 1984 by a generous gift from William S. Cross Jr.

Dr. Karen A. Thole received her Ph.D. from the University of Texas at Austin in 1992 and joined the Virginia Tech faculty in 1999. Dr. Thole's primary areas of expertise are heat transfer and fluid mechanics specializing in turbulent boundary layers, convective heat transfer, and high freestream turbulence effects. She has published more than 80 peer-reviewed papers, with a number of these presentations given to international audiences, and has advised over 25 graduate theses. Dr. Thole serves as Associate Technical Editor of the American Society of Mechanical Engineers (ASME) Journal of Heat Transfer.

Dr. Karen Thole is an *AdvanceVT* Professor of Mechanical Engineering at Virginia Tech. She received the National Science Foundation CAREER Award in 1996, which was directed at developing a better understanding of turbine heat transfer and at teaching a lab course to first-year women engineering students. In 1999, she accepted a position in the Mechanical Engineering Department at Virginia Tech where she was promoted to Professor in 2003 and was named a College of Engineering Faculty Fellow. In 2004, Dr. Thole was selected to be a Fellow of the American Society of Mechanical Engineers and was inducted into the University of Texas at Austin Mechanical Engineering Distinguished Alumni Academy. At Virginia Tech, Dr. Thole is also co-principal investigator on the Institutional Transformation Award from the National Science Foundation's Advance Program. The Advance Program is aimed at increasing the participation and advancement of women in academic science and engineering careers.

Over the past several years, Dr. Thole has developed a number of unique testing facilities directed towards gas turbine heat transfer issues including a combustor simulator that replicates the flow field effects relevant to those entering the turbine section of an engine. Resulting from this work, the Air Force Research Lab requested her to duplicate this capability in their multi-million dollar Turbine Research facility. She is currently the Chair of the Academic Advisory Board of the U.S. Department of Energy's University Turbine Systems Research Program. Her two patents for a fillet design, developed to reduce heat transfer at the leading edge of turbine airfoils, are now being incorporated into the most recent turbine design.

Overall, Dr. Thole has been solely responsible for attracting funding of over \$5 million from such agencies as the Department of Energy, US Air Force, Pratt & Whitney, Modine Manufacturing, and Siemens-Westinghouse.

RECOMMENDATION:

That Dr. Karen A. Thole be appointed the William S. Cross Professor of the College of Engineering, effective August 10, 2005 for a period of five years, with a salary supplement as provided by the endowment and, as available, from the Eminent Scholars match program.

CHANGE OF DUTY STATION
June 13, 2005

Dr. John J. Tyson, University Distinguished Professor of Biological Sciences, has been invited to participate in a program entitled *Pattern Formation in Large Domains* at the Isaac Newton Institute for Mathematical Sciences, University of Cambridge in England, for the period September 26 to October 28, 2005. The Newton Institute will cover travel expenses and living expenses in Cambridge. Virginia Tech is expected to cover Dr. Tyson's salary during that period. A change of duty station is requested so that he may participate in this program, collaborate with faculty and students involved in the program at The Newton Institute, collaborate with molecular cell biologists in London on a joint research project funded from DARPA and the James S. McDonnell Foundation, and visit a number of research institutes in the United Kingdom and Europe. Dr. Tyson plans to continue to work full time on his research program on cell cycle regulation while on this leave.

RECOMMENDATION:

That a change of duty station be approved for Dr. Tyson for the period September 26 to October 28, 2005.

CONTINUATION OF LEAVE OF ABSENCE
June 13, 2005

WHEREAS, Dr. Leonard Ferrari has been on a two-year leave of absence without pay from Virginia Tech; and

WHEREAS, during this leave of absence Dr. Ferrari has been teaching at the Naval Post-Graduate School in Monterey, California; and

WHEREAS, Dr. Ferrari has requested a third year of leave of absence without pay; and

WHEREAS, leaves of absence are normally limited to two years; and

WHEREAS, in this case it would be beneficial to Virginia Tech to grant a third year of leave because of the expertise which Dr. Ferrari has acquired during his leave and the valuable leadership that Dr. Ferrari brings to special research projects;

NOW THEREFORE BE IT RESOLVED that a third year of leave without pay be granted to Leonard Ferrari for the 2005-2006 academic year.

RECOMMENDATION:

That the above resolution be approved.

DESCRIPTION OF FACULTY PERSONNEL CHANGES

(Prepared by Personnel Services)

I. FACULTY PERSONNEL & SALARY CHANGES

This section includes new appointments and changes in appointments for the general faculty, including faculty in the colleges and in the library, and for administrative and professional faculty in all areas under educational & general funding.

A. New Appointments

This section includes documentation of all new faculty appointments for the positions noted above. Some appointments, for example visiting faculty, may be “restricted” with a fixed-term appointment. If a senior-level appointment (Associate or Full Professor) is to be made with tenure, it is so noted.

B. Adjustments in Appointment and/or Salary

This section includes a listing and brief explanation of all off-cycle salary adjustments, conversion of positions from classified to faculty status, changes in the percent of employment (example: 50% to 75%), etc.

II. SPONSORED RESEARCH FACULTY

Section II documents appointments and changes to faculty positions funded by sponsored grants and contracts. These positions are usually “restricted” with a fixed-term appointment. Occasionally, appointments may be designated as regular (non-restricted) and will be noted as such.

A. New Appointments

This section includes appointments such as Visiting Assistant Professor, Professional Lecturer, or Instructor, as well as any of the various “Special Research-Ranked Faculty” titles, such as Research Associate, Postdoctoral Associate, or Research Scientist. Faculty appointed to these positions are funded from sponsored grants and contracts on one-year or multi-year appointments, which may be renewed depending on availability of funding, need for services, and performance.

B. Adjustments in Appointment and/or Salary

This section contains annual merit adjustments for faculty not included in the special research-ranked positions, changes in rank, special adjustments made for equity, funding availability, or changes in job responsibilities, and similar changes. Also included are adjustments in the percentage of employment and reappointments.

FACULTY PERSONNEL CHANGES

June 12 - 13, 2005

TEACHING AND RESEARCH FACULTY

NEW APPOINTMENTS

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Fan, Zhiliang	Assistant Professor	Biological Systems Engineering	25-Jul-05	100	\$ 74,000
Geor, Ray	Professor w/Tenure	Animal & Poultry Sciences	12-Oct-05	100	\$ 137,500
Hanigan, Mark	Associate Professor	Dairy Science	10-Aug-05	100	\$ 75,000
Hession, W. Cully	Associate Professor w/Tenure	Biological Systems Engineering	1-Sep-05	100	\$ 76,500
Klemba, Michael	Assistant Professor	Biochemistry	10-Aug-05	100	\$ 61,475
Kraft, Barbara	Instructor - Rstr	Horticulture	10-Aug-05	100	\$ 30,000
Li, Jianyong	Associate Professor w/Tenure	Biochemistry	10-Aug-05	100	\$ 90,000
Rainey, Katy	Assistant Professor	Crop & Soil Environmental	11-Apr-05	100	\$ 65,000
Wen, Zhiyou	Assistant Professor	Biological Systems Engineering	10-Aug-05	100	\$ 74,000
Yuan, Rongcai	Assistant Professor	Alson H. Smith Jr. AREC	25-Apr-05	100	\$ 62,000
<u>Architecture & Urban Studies</u>					
Eikenberry, Angela	Assistant Professor	School of Public & International Affairs	10-Aug-05	100	\$ 52,000
Roberts, Patrick	Assistant Professor	School of Public & International Affairs	10-Aug-05	100	\$ 52,000
Schulz, Markus	Assistant Professor	School of Public & International Affairs	10-Aug-05	100	\$ 56,500
<u>Business</u>					
Borny, Lorraine	Instructor	Management	10-Aug-05	50	\$ 17,000
Harris, Alvin	Instructor	Accounting & Information Systems	10-Aug-05	100	\$ 60,000
Jenkins, James	Associate Professor w/Tenure	Accounting & Information Systems	10-Aug-05	100	\$ 128,000
Lobingier, Patricia	Instructor	Accounting & Information Systems	10-Aug-05	100	\$ 60,000
Skripak, Stephen	Instructor	Management	10-Aug-05	100	\$ 47,000
<u>Engineering</u>					
Garvin, Michael	Assistant Professor	Civil & Environmental Engineering	10-Aug-05	100	\$ 80,000
McNair, Lisa	Assistant Professor	Engineering Education	10-Aug-05	100	\$ 54,000
Pasupathy, Raghu	Assistant Professor	Industrial & System Engineering	10-Aug-05	100	\$ 70,000
Winchester, Woodrow	Assistant Professor	Industrial & System Engineering	10-Aug-05	100	\$ 70,000

Continued

TEACHING AND RESEARCH FACULTY**NEW APPOINTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Executive Vice President</u>					
Mortveit, Henning	Assistant Professor	VA Bioinformatics Institute	4-Apr-05	100	\$ 104,000
Vullikanti, Anil	Assistant Professor	VA Bioinformatics Institute	1-Jul-05	100	\$ 107,000
<u>Liberal Arts & Human Sciences</u>					
Daskal, Steven	Assistant Professor	Philosophy	10-Aug-05	100	\$ 54,000
George, Diana	Professor w/Tenure	English	10-Aug-05	100	\$ 92,500
Hofer, Stefanie	Assistant Professor	Foreign Languages & Literatures	10-Aug-05	100	\$ 46,000
Kroeker, Greta	Assistant Professor	History	10-Aug-05	100	\$ 46,000
May, Simon	Assistant Professor	Philosophy	10-Aug-05	100	\$ 52,000
Ott, Walter	Visiting Asst Professor - Rstr	Philosophy	10-Aug-05	100	\$ 45,000
Paddock, Mary	Assistant Professor	Foreign Languages & Literatures	10-Aug-05	100	\$ 46,000
Purkarthofer, Petra	Visiting Asst Professor - Rstr	Political Science	10-Aug-05	100	\$ 40,000
Rawlings, Roger	Assistant Professor	Communication	10-Aug-05	100	\$ 53,000
Satterwhite, Emily	Assistant Professor	Interdisciplinary Studies	10-Aug-05	100	\$ 50,000
Scott, Rachel	Assistant Professor	Interdisciplinary Studies	10-Aug-05	100	\$ 50,000
Shadle, Brett	Assistant Professor	History	10-Aug-05	100	\$ 45,000
Smith, Barbara	Professor w/Tenure	Interdisciplinary Studies	10-Aug-05	100	\$ 90,000
Stevens, Brent	Instructor - Rstr	English	10-Aug-05	100	\$ 31,000
Stivachtis, Ioannis	Assistant Professor	Political Science	10-Aug-05	100	\$ 55,000
Vazquez-Avroyo, Antonio	Assistant Professor	Political Science	10-Aug-05	100	\$ 50,000
<u>Science</u>					
Elder, G. Griffith	Visiting Assoc Professor - Rstr	Mathematics	10-Aug-05	100	\$ 58,000
Kim, Jungmeen	Assistant Professor	Psychology	10-Aug-05	100	\$ 67,000
Yau, Ying Chung	Assistant Professor	Economics	10-Aug-05	100	\$ 72,000
Zietsman, Lizette	Assistant Professor	Mathematics	10-Aug-05	100	\$ 63,500
<u>Veterinary Medicine</u>					
LeRoith, Tanya	Assistant Professor	Biomedical Sciences & Pathobiology	13-Sep-05	100	\$ 81,000
McCutcheon, Jill	Professor w/Tenure	Biomedical Sciences & Pathobiology	12-Oct-05	100	\$ 130,000
<u>Vice Provost for Outreach</u>					
Evans, Michael	Assistant Professor	Teaching & Learning	10-Aug-05	100	\$ 52,000
Pitts, Vanessa	Assistant Professor	Teaching & Learning	10-Aug-05	100	\$ 57,500

TEACHING AND RESEARCH FACULTY***ADJUSTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Dolan, Erin	Assistant Professor	Biochemistry	10-May-05	100	\$ 85,333
Hansen, Mary	Instructor	Plant Pathology, Physiology, & Weed Science	25-Feb-05	75	\$ 39,786
Mills, Bradford	Associate Professor	Agricultural & Applied Economics	10-Feb-05	100	\$ 90,000
<u>Engineering</u>					
Dowling, Norman	Professor	Engineering Sci & Mechanics	25-Dec-04	100	\$ 118,000
Tranter, William	Professor/Asst Dept Head	Electrical & Computer Engineering	10-May-05	100	\$ 181,133
<u>Liberal Arts & Human Sciences</u>					
Barton, Jennifer	Instructor - Rstr	English	10-Aug-05	100	\$ 31,000
Combiths, Kathy	Instructor - Rstr	English	10-Aug-05	100	\$ 31,000
Dimmick, Michael	Instructor - Rstr	English	10-Aug-05	100	\$ 31,000
Fallon, Kathleen	Instructor - Rstr	English	10-Aug-05	100	\$ 31,000
Frost, Serena	Instructor - Rstr	English	10-Aug-05	100	\$ 31,000
Lawrence, Jennifer	Instructor - Rstr	English	10-Aug-05	100	\$ 31,000
LeCorre, Vickie	Instructor - Rstr	English	10-Aug-05	100	\$ 31,000
Martin, Stephanie	Instructor - Rstr	English	10-Aug-05	100	\$ 31,000
Mengert, Julie	Instructor - Rstr	English	10-Aug-05	100	\$ 31,000
Moyer, Lynette	Instructor - Rstr	English	10-Aug-05	100	\$ 31,000
Oakey, Steve	Instructor - Rstr	English	10-Aug-05	100	\$ 31,000
Skinner, Linda	Instructor - Rstr	English	10-Aug-05	100	\$ 31,000
<u>Natural Resources</u>					
Boyer, John	Instructor	Geography	10-Mar-05	100	\$ 46,500
Frazier, Charles	Associate Professor	Wood Science & Forest Products	10-Feb-05	100	\$ 99,096
Zink-Sharp, Audrey	Associate Professor	Wood Science & Forest Products	1-Mar-05	100	\$ 86,750
<u>Science</u>					
McNabb, Florence	Professor	Biology	25-Jan-05	100	\$ 108,758
Tyson, John	Professor	Biology	25-Dec-04	100	\$ 187,143

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TEACHING AND RESEARCH FACULTY***ADJUSTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
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Veterinary Medicine

Duncan, Robert	Associate Professor	Biomedical Science & Pathobiology	25-Feb-05	100	\$ 88,200
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Vice Provost for Outreach

Farmer, Scott	Lecturer	Outreach Program Initiatives	10-Jan-05	100	\$ 55,180
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ADMINISTRATIVE AND PROFESSIONAL***NEW APPOINTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Atwell, James	Assoc Extension Agent	VA Cooperative Extension	10-Apr-05	100	\$ 33,475
Eigel, Bethany	Assoc Extension Agent	VA Cooperative Extension	25-Feb-05	100	\$ 33,000
Funkhouser, Leslie	4-H Project Associate - Rstr	VA Cooperative Extension	25-May-05	100	\$ 30,000
Lear, Monica	Assoc Extension Agent	VA Cooperative Extension	10-Mar-05	100	\$ 48,000
Logan, Tameka	Assoc Extension Agent	VA Cooperative Extension	25-May-05	100	\$ 39,500
Short, Catherine	Assoc Extension Agent	VA Cooperative Extension	25-Feb-05	100	\$ 36,000
<u>Engineering</u>					
Benson, Richard	Dean, College of Engineering w/ Tenure	Engineering	10-Aug-05	100	\$ 275,000
Edmister, Whitney	Assistant Director	Cntr for the Enhancement of Engineering Diversity	23-May-05	100	\$ 40,000
<u>Executive Vice President</u>					
Folkerts, Otto	Associate Director, Technology Development	VA Bioinformatics Institute	1-Jul-05	100	\$ 128,000
McDonald, Kevin	Director, Office of Equal Opportunity	Office of Equal Opportunity	5-Jul-05	100	\$ 105,000
<u>President</u>					
Dye, Amanda	Program Coordinator - Rstr	Sr Fellow for Resource Development/Center for Regional Strategies	4-Apr-05	100	\$ 35,000
<u>Provost</u>					
Brogan, Jennie	Academic Advisor	University Studies	4-Apr-05	100	\$ 31,000
Chatham, Janice	Academic Advisor	University Studies	4-Apr-05	100	\$ 36,000
<u>Vice President for Development & University Relations</u>					
Banks, Matthew	Director of Development, Coll of Science	University Development	1-Apr-05	100	\$ 96,000
Davis, Scott	Asst Dir of Development for Intercollegiate Athletics	University Development	14-Mar-05	100	\$ 49,500

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ADMINISTRATIVE AND PROFESSIONAL***NEW APPOINTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
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Vice Provost for Outreach

Luyendijk, Rudi	Asst Director - Program Development	Outreach Program Development	2-May-05	100	\$ 57,500
Weimer, Scott	Asst Director - Program Development	Outreach Program Development	2-May-05	100	\$ 47,900

ADMINISTRATIVE AND PROFESSIONAL**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Eigel, Bethany	Assoc Extension Agent	VA Cooperative Extension	2-May-05	100	\$ 33,600
Long, Robert	Assoc Extension Agent	VA Cooperative Extension	10-Mar-05	100	\$ 46,606
Munden, Karen	Extension Agent	VA Cooperative Extension	10-Apr-05	100	\$ 49,601
Peek, Danny	Area Specialist	Southern Piedmont AREC	10-May-05	100	\$ 52,061
Overbay, Edward	Extension Agent	VA Cooperative Extension	10-Jan-05	100	\$ 52,746
			9-May-05	100	\$ 40,746
Saphir, McGann	Extension Agent	VA Cooperative Extension	2-May-05	100	\$ 39,573
Schiemann, Calvin	Extension Agent	VA Cooperative Extension	10-Apr-05	100	\$ 52,930
Wells, Donna	District Director	VA Cooperative Extension	25-Apr-05	100	\$ 70,000
<u>Athletics</u>					
Borendame, James	Assistant Men's Tennis Coach	Athletics	10-May-05	100	\$ 23,660
Brauns, Alfred	Assistant Softball Coach	Athletics	10-May-05	100	\$ 23,660
Fahey, Erin	Asst Women's Soccer Coach	Athletics	1-Mar-05	100	\$ 30,000
Greenberg, Seth	Head Men's Basketball Coach	Athletics	7-Apr-04	100	\$ 172,637
			7-Apr-05	100	\$ 180,933
Hall, Frederick	Director Men's Basketball Ops	Athletics	10-May-05	100	\$ 37,000
Hill, Rickey	Spirit Coach	Athletics	10-May-05	100	\$ 23,660
McNeill, Genevieve	Assistant Swim Coach	Athletics	10-May-05	100	\$ 23,660
Schwab, Doug	Assistant Wrestling Coach	Athletics	10-May-05	100	\$ 30,000
Sharp, Brian	Assistant Golf Coach	Athletics	10-May-05	100	\$ 23,660
<u>Dean of Libraries</u>					
Kok, Victoria	Interim Director of Instruction/ Reference/Outreach	Library	15-Feb-05	100	\$ 77,971
<u>Provost</u>					
Albano, John	Associate Director for Systems	Scholarships & Financial Aid	16-May-05	100	\$ 60,000

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ADMINISTRATIVE AND PROFESSIONAL***ADJUSTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
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Vice President for Student Affairs

Frasca, Dominic	Staff Physician	Schiffert Health Center	10-May-05	100	\$ 92,412
Sparks, Richard	Assistant Director	Student Life Office	10-May-05	100	\$ 40,000

Vice Provost for Outreach

Peter, Kris	Assistant Director, Program Dev	Outreach Program Development	10-Apr-05	100	\$ 48,000
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SPECIAL RESEARCH FACULTY***NEW APPOINTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Browder, Jake	Research Associate - Rstr	Horticulture	25-Feb-05	100	\$ 25,000
Khan, Monazzaha	Research Associate - Rstr	Biochemistry	1-Apr-05	75	\$ 35,250
Kim, Sang Min	Postdoctoral Associate - Rstr	Biological Systems Engineering	25-Feb-05	75	\$ 25,000
Partridge, Darcy	Postdoctoral Associate - Rstr	Tidewater AREC	10-Mar-05	100	\$ 32,000
Sauter, Kathleen	Project Associate - Rstr	VA Cooperative Extension	28-Mar-05	100	\$ 31,000
<u>Architecture & Urban Studies</u>					
Skabelund, Lee	Sr Research Associate - Rstr	Landscape Architecture	25-Mar-05	100	\$ 60,000
<u>Engineering</u>					
Pipattanasomporn, Manisa	Postdoctoral Associate - Rstr	Northern VA Engineering	9-Feb-05	100	\$ 41,000
Porfiri, Maurizio	Postdoctoral Associate - Rstr	Electrical & Computer Engineering	1-Jul-05	100	\$ 35,000
<u>Executive Vice President</u>					
Dziuda, Darius	Sr Research Associate - Rstr	VA Bioinformatics Institute	4-Apr-05	100	\$ 89,000
Hance, Mark	Research Associate - Rstr	VA Bioinformatics Institute	7-Mar-05	100	\$ 50,000
Jha, Ranjan	Research Associate - Rstr	VA Bioinformatics Institute	10-May-05	100	\$ 65,000
Lewis, Bryan	Research Associate - Rstr	VA Bioinformatics Institute	7-Mar-05	100	\$ 50,000
Lu, Jian	Research Associate - Rstr	VA Bioinformatics Institute	1-Apr-05	100	\$ 58,000
Mullins, Kathleen	Project Associate - Rstr	VA Bioinformatics Institute	23-Mar-05	100	\$ 45,000
Vaghela, Nirali	Research Associate - Rstr	VA Bioinformatics Institute	6-Apr-05	100	\$ 53,000
Yu, GongXin	Research Associate - Rstr	VA Bioinformatics Institute	6-Apr-05	100	\$ 67,000
Zhang, Fengkai	Research Associate - Rstr	VA Bioinformatics Institute	2-May-05	100	\$ 55,500
<u>Liberal Arts & Human Sciences</u>					
Stallings, Martha	Project Associate - Rstr	Educational Leadership & Policy Studies	23-May-05	100	\$ 52,500
<u>Natural Resources</u>					
Carlson, Colleen	Research Associate - Rstr	Forestry	1-Aug-05	100	\$ 50,000
Cohen, Jonathan	Research Scientist - Rstr	Fisheries & Wildlife	10-May-05	100	\$ 37,000
Peer, Kyle	Research Associate	Forestry	1-Mar-05	100	\$ 52,000

Continued

SPECIAL RESEARCH FACULTY***NEW APPOINTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
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Science

Abrams, Micah	Postdoctoral Associate - Rstr	Chemistry	1-Mar-05	100	\$ 30,000
Fan, Guangyu	Postdoctoral Associate - Rstr	Chemistry	9-May-05	100	\$ 30,000
Hinkle, Anya	Postdoctoral Associate - Rstr	Biology	1-Aug-05	100	\$ 33,000
Lightbourn, Gordon	Postdoctoral Associate - Rstr	Biology	1-May-05	100	\$ 40,300
Nestola, Fabrizio	Postdoctoral Associate - Rstr	Geosciences	10-Nov-05	100	\$ 30,000

Vice President for Research

Pierson, Mark	Sr Project Associate	VT Inst for Critical Technologies	31-May-05	100	\$ 75,000
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SPECIAL RESEARCH FACULTY**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Bush, Elizabeth	Research Associate - Rstr	Plant Pathology, Physiology, & Weed Science	25-Feb-05	100	\$ 36,000
Hipkins, Patricia	Research Associate	Entomology	13-May-05	100	\$ 50,209
Irwin, Ruth	Sr Project Associate - Rstr	Biochemistry	29-May-05	100	\$ 45,699
Seibel, George	Project Associate - Rstr	Agricultural & Extension Education	25-Mar-05	100	\$ 50,000
			10-Feb-05	100	\$ 57,000
			10-May-05	100	\$ 41,000
Straub, Denise	Project Associate - Rstr	4-H General & Administration	25-Apr-05	100	\$ 40,000
<u>Architecture & Urban Studies</u>					
Long, Kevin	Project Associate - Rstr	Institute for Policy Outreach	10-Nov-04	100	\$ 60,000
<u>Engineering</u>					
Dietrich, Carl	Research Asst Professor - Rstr	Electrical & Computer Engineering	25-Jan-05	75	\$ 45,000
Papadimitratos, Panagiotis	Postdoctoral Associate - Rstr	Electrical & Computer Engineering	25-Feb-05	100	\$ 30,867
<u>Executive Vice President</u>					
Ferringer, Megan	Research Associate - Rstr	VA Bioinformatics Institute	25-Mar-05	100	\$ 38,000
Jerauld, Adam	Research Associate - Rstr	VA Bioinformatics Institute	25-Mar-05	100	\$ 40,000
Johnson, Eric	Research Associate - Rstr	VA Bioinformatics Institute	25-Mar-05	100	\$ 52,659
Lee, Kristin	Research Associate - Rstr	VA Bioinformatics Institute	25-Mar-05	100	\$ 44,000
Nordberg, Eric	Sr Project Associate - Rstr	VA Bioinformatics Institute	21-Feb-05	100	\$ 58,500
Sheng, Xiaoyan	Research Associate - Rstr	VA Bioinformatics Institute	25-Mar-05	100	\$ 36,000
Umberger, Christopher	Research Associate - Rstr	VA Bioinformatics Institute	25-Mar-05	100	\$ 40,000
Yang, Boyu	Sr Project Associate - Rstr	VA Bioinformatics Institute	23-Feb-05	100	\$ 68,000
<u>Natural Resources</u>					
MacCarthy, Michelle	Research Associate - Rstr	Conservation Management Institute	7-Mar-05	100	\$ 37,000
<u>Vice President for Research</u>					
Hix, Deborah	Research Scientist - Rstr	Systems Research Center	10-Mar-05	75	\$ 85,575

RESEARCH AND DEVELOPMENT DISCLOSURE REPORT
January 1, 2005 - March 31, 2005

Reason for Conflict	Sponsor	Owner	Principal Investigator	Co - P.I.'s	College	Period of Performance	Award Amount
Faculty-owned Business	Technology in Blacksburg, Inc.	W. Ng	Ricardo Burdisso	No. Co-PI	Engineering	Feb. 05 - Aug. 05	\$21,000
Faculty-owned Business	Technology in Blacksburg, Inc.	W. Ng.	W. Devenport	R. Burdisso	Engineering	May 04 - Apr. 06	\$230,533

*ONR is the funding agency under a DURIP (Defense University Research Instrumentation Program) in which funds are provided only for equipment and installation cost. Technology in Blacksburg, Inc. (a faculty-owned business) was the winning bidder.

⁽¹⁾More detailed information on the subject of the project is available upon request.

Short Title⁽¹⁾

Modeling of Shock Waves Propagation
in Non-Uniform Liners

Anechoic Test Section for VT Stability
Wind Tunnel *

2005-06 PROMOTION, TENURE, AND CONTINUED APPOINTMENT PROGRAM

VIRGINIA TECH

Traditionally, increases for faculty promoted in the spring are effective at the beginning of the academic year (or in the case of calendar-year faculty, at the beginning of the fiscal year). Consistent with the 2005-06 faculty compensation plan, salary adjustments are proposed at this time for clinical and regular teaching and research faculty who have been promoted in rank during the 2004-05 academic year. The following raises are recommended for promotions to:

Professor	\$4,000
Associate Professor	3,000
Assistant Professor	2,000

The clinical faculty track provides for long-term, full-time or part-time faculty appointments to individuals whose primary responsibilities are instruction and/or service in a clinical setting, such as veterinary medicine. Tenure cannot be earned in these ranks, and time spent in one of these ranks is not applicable toward probationary tenure-track faculty service. There are four clinical ranks beginning with Clinical Instructor. Those clinical faculty members with outstanding performance may be considered for promotion in rank by the relevant departmental and college promotion and tenure committees, with administrative approval by the Provost.

The following raises are recommended for promotions to:

Clinical Professor	\$4,000
Clinical Associate Professor	3,000
Clinical Assistant Professor	2,000

Extension faculty are also eligible for promotion in rank. The three ranks for extension faculty are Associate Agent, Agent, and Senior Agent. The following raises are recommended for promotions to:

Senior Agent	\$3,000
Agent	2,000

After the intensive evaluation of departments, colleges, and the University promotion and tenure (or continued appointment) committee, and in accordance with the faculty compensation plan, the following faculty are recommended for promotion and/or tenure or continued appointment.

		Recommended Salary 2005-06		Increase over 2004-05		Code
				Amount	Percent	
<u>COLLEGE OF AGRICULTURE & LIFE SCIENCES</u>						
Brewster Carlyle C	Associate Professor	\$68,415	CY	\$3,000	4.59	3
Ervin Erik H	Associate Professor	69,050	CY	3,000	4.54	3
Galbraith John M	Associate Professor	70,569	CY	3,000	4.44	3
Gillaspy Glenda E	Associate Professor	73,900	CY	3,000	4.23	3
Grange Robert W	Associate Professor	69,447	AY	3,000	4.51	3
Hong Chuanxue	Associate Professor	76,231	CY	3,000	4.10	3
Knowlton Katharine F	Associate Professor	73,000	CY	3,000	4.29	3
McElroy Audrey P	Associate Professor	75,800	CY	3,000	4.12	3
Miller Dini M	Associate Professor	71,068	CY	3,000	4.41	3
Pease James W	Professor	85,058	CY	4,000	4.93	2
Phillips Steven B	Associate Professor	73,673	CY	3,000	4.24	3
Scoggins Holly L	Associate Professor	73,048	CY	3,000	4.28	3
Sutphin Cathy M	Associate Professor	79,000	CY	3,000	3.95	5
Westwood James H	Associate Professor	66,277	CY	3,000	4.74	3
<u>COLLEGE OF ARCHITECTURE & URBAN STUDIES</u>						
Emmons Paul F	Associate Professor	54,470	AY	3,000	5.83	3
Knoblauch Ann-Marie	Associate Professor	55,905	AY	3,000	5.67	3
Setareh Mehdi	Professor	77,725	AY	4,000	5.43	2
<u>COLLEGE OF BUSINESS</u>						
Brown Evelyn C	Associate Professor	95,300	AY	3,000	3.25	3
Mansi Sattar A	Associate Professor	139,710	AY	3,000	2.19	3
Ozanne Julie L	Professor	122,800	AY	4,000	3.37	2
<u>COLLEGE OF ENGINEERING</u>						
Bowman Doug A	Associate Professor	83,000	AY	3,000	3.75	3
Chen Ing Ray	Professor	94,100	AY	4,000	4.44	2
Connor Jeffrey B	Associate Professor	63,100	AY	3,000	4.99	3
Dietrich Andrea M	Professor	94,000	AY	4,000	4.44	2
Gutierrez Marte S	Associate Professor	82,000	AY	0	0.00	1
Johnson Martin E	Associate Professor	72,000	AY	3,000	4.35	3
Kampe Stephen L	Professor	94,000	AY	4,000	4.44	2
Knott Tamara Wright	Associate Professor	63,400	AY	3,000	4.97	3
Love Nancy G	Professor	91,500	AY	4,000	4.57	2
Meller Russell D	Professor	95,000	AY	4,000	4.40	2
Roberts-Wollmann Carin L	Associate Professor	77,000	AY	3,000	4.05	3
Smith-Jackson Tonya L	Associate Professor	78,000	AY	3,000	4.00	3
Varadarajan Srinidhi	Associate Professor	98,400	AY	3,000	3.14	3
Watford Bevelee A	Professor	111,000	CY	4,000	3.74	2
Westman Erik Christian	Associate Professor	77,000	AY	3,000	4.05	3

		Recommended Salary 2005-06		Increase over 2004-05		Code
				Amount	Percent	
<u>COLLEGE OF LIBERAL ARTS & HUMAN SCIENCES</u>						
Abeysekara Ananda	Associate Professor	57,357	AY	3,000	5.52	3
Anderson Linda M	Professor	62,563	AY	4,000	6.83	2
Brians Craig L	Associate Professor	53,731	AY	3,000	5.91	3
Doolittle Peter E	Associate Professor	64,830	AY	3,000	4.85	2
FitzPatrick William J	Associate Professor	57,242	AY	3,000	5.53	3
Henderson Tammy L	Associate Professor	61,547	AY	3,000	5.12	3
Hopkins William W	Professor	66,712	AY	4,000	6.38	2
Huebner Angela J	Associate Professor	63,224	AY	3,000	4.98	3
Jarrott Shannon E	Associate Professor	61,278	AY	3,000	5.15	3
Leonard Robert H	Professor	66,416	AY	4,000	6.41	2
Rinehart Susanna C	Associate Professor	51,515	AY	3,000	6.18	3
Wallenstein Peter R	Professor	67,040	AY	4,000	6.35	2
<u>COLLEGE OF NATURAL RESOURCES</u>						
Frazier Charles E	Professor	103,096	CY	4,000	4.04	2
Prisley Stephen P	Associate Professor	85,200	CY	0	0.00	1
Smith Robert L	Professor	86,277	CY	4,000	4.86	2
Sullivan Bradley J	Professor	87,750	CY	4,000	4.78	2
Visser Jan M	Associate Professor	78,800	CY	3,000	3.96	3
<u>COLLEGE OF SCIENCE</u>						
Adjerid Slimane	Professor	80,000	AY	4,000	5.26	2
Brewer Karen J	Professor	77,000	AY	4,000	5.48	2
Crawford Daniel	Associate Professor	66,500	AY	3,000	4.72	3
Esker Alan R	Associate Professor	66,500	AY	3,000	4.72	3
Gilles Robert P	Professor	79,500	AY	4,000	5.30	2
Letzter Gail R	Professor	70,500	AY	4,000	6.02	2
Melville Stephen B.	Associate Professor	63,900	AY	0	0.00	1
Minic Djordje	Associate Professor	65,000	AY	3,000	4.84	3
Schreiber Madeline E	Associate Professor	60,000	AY	3,000	5.26	3
Shimozono Mark M	Professor	79,500	AY	4,000	5.30	2
Xiao Shuhai	Associate Professor	59,700	AY	3,000	5.29	3
<u>COLLEGE OF VETERINARY MEDICINE</u>						
Brown Jennifer A	Clinical Assistant Professor	85,600	CY	2,000	2.39	2
Desrochers Anne Monique	Clinical Assistant Professor	72,000	CY	2,000	2.86	2
Herring Ian P	Associate Professor	87,200	CY	3,000	3.56	3
Huckle William Rupert	Associate Professor	80,300	CY	0	0.00	1
Palmer Wallace L	Clinical Assistant Professor	72,000	CY	2,000	2.86	2
Smith Alison A	Clinical Assistant Professor	82,000	CY	2,000	2.50	2
Young Byron Leslie	Clinical Assistant Professor	75,200	CY	2,000	2.73	2

		Recommended Salary 2005-06		Increase over 2004-05		Code
				Amount	Percent	
<u>LIBRARIES</u>						
Ball Heather Hope	Assistant Professor	50,609	CY	2,000	4.11	2
Gray Caryl E	Assistant Professor	50,302	CY	0	0.00	4
Lener Edward F	Associate Professor	60,815	CY	3,000	5.19	2

VIRGINIA COOPERATIVE EXTENSION

Barnes Laquita D	Senior Agent	45,077	CY	3,000	7.13	2
Bordas Adria C	Agent	58,073	CY	2,000	3.57	2
Bowen Jennifer R	Agent	38,027	CY	2,000	5.55	2
Byars Scott Calvin	Agent	40,496	CY	2,000	5.20	2
Diehl Stephanie C	Agent	50,320	CY	2,000	4.14	2
Downing Adam K	Agent	45,363	CY	2,000	4.61	2
Howe John E	Agent	52,244	CY	2,000	3.98	2
Johnson Elizabeth Ann	Agent	38,438	CY	2,000	5.49	2
Lichty Christopher M	Agent	42,847	CY	2,000	4.90	2
Mullins William B	Agent	39,328	CY	2,000	5.36	2
Munden Karen P.	Agent	49,801	CY	2,000	4.18	2
Murphy Linda G	Senior Agent	58,155	CY	3,000	5.44	2
Mussey Guy J	Agent	54,555	CY	2,000	3.81	2

Code

- 1: Tenure
- 2: Promotion
- 3: Promotion with Tenure
- 4: Continued Appointment
- 5: Promotion and Continued Appointment
- 6: Promotion and Tenure for Federal Employee

**Resolution on Virginia Bioinformatics Institute
Policy Advisory Board Reappointments**

WHEREAS, the Board of Visitors has authorized the establishment of the Virginia Bioinformatics Institute Policy Advisory Board; and,

WHEREAS, in accordance with the terms of the Resolution, the Board of Visitors must appoint to the Policy Advisory Board two members of the Board of Visitors, four persons at large, one non-elected representative from the Tobacco Indemnification and Community Revitalization Commission, and three persons upon recommendation by the Governor of Virginia; and

WHEREAS, Larry Framme's two-year term as a member at large expires on June 30, 2005, and Clarence D. Bryant's four-year term as the representative from the Tobacco Indemnification and Community Revitalization Commission expires on June 30, 2005, and the University wishes to reappoint Mr. Framme and Mr. Bryant for four-year terms; now,

THEREFORE, BE IT RESOLVED, that the Board of Visitors hereby reappoints the following persons to serve on the Virginia Bioinformatics Institute Policy Advisory Board for the terms denoted:

Larry Framme	4-year term (2009)
Clarence D. Bryant, III	4-year term (2009)

RECOMMENDATION:

That the resolution reappointing members to the Virginia Bioinformatics Institute Policy Advisory Board be approved.

June 13, 2005

NCAA WOMEN'S BASKETBALL TOURNAMENT BONUS RECOMMENDATIONS

The Virginia Tech Women's Basketball program completed another successful season culminating in their eighth consecutive post-season NCAA Tournament play. The Lady Hokies finished their season with a record of 17-wins and 12-losses, after losing to the DePaul Blue Demons in the first round of the NCAA East Regional tournament held in College Park, Maryland.

In recognition of their dedication and efforts, the university proposes to award bonuses to the women's basketball coaching staff and training staff, in accordance with the terms of coaches' contracts and the university's post season play bonus policy. The bonuses are one-time awards and do not affect base salaries. All bonuses are funded from the Athletic Department budget for post-season play.

RECOMMENDATION: That the contractual bonuses as described on the attached schedule be ratified.

June 13, 2005

NCAA WOMEN'S BASKETBALL TOURNAMENT BONUSES

June 12, 2005

<u>Contractual Bonus</u>	<u>Contract Owner</u>	<u>Title</u>	<u>Bonus Amount</u>
Dunkenberger, Elizabeth	Dunkenberger	Head Basketball Coach	\$10,000
Cantley, Stacy	Dunkenberger	Assistant Coach	\$ 3,000
Greenman, Shellie	Dunkenberger	Assistant Coach	\$ 3,000
Kelsey, Bobbie	Dunkenberger	Assistant Coach	\$ 3,000
Jameson, Jill	Dunkenberger	Director of Basketball Operations	\$ 3,000
Meyer, Jamie	Gentry	Strength and Conditioning Coach	\$ 2,500
TOTAL CONTRACTUAL BONUSES:			\$24,500

NIT MEN'S BASKETBALL TOURNAMENT BONUS RECOMMENDATION

In its first season as a member of the Atlantic Coast Conference (ACC), the Virginia Tech Men's Basketball program completed the year with an overall 16-wins and 14-losses record. The Hokies were invited to play in the National Invitational Tournament – its first postseason appearance in nine years – and advanced to the second round of the NIT before being defeated by the Memphis Tigers. The Virginia Tech Hokies finished the 2004-05 season ranked 4th in the ACC, after being picked to place 10th in the conference.

To recognize the dedication and efforts of Coach Seth Greenberg, the university proposes to award Coach Greenberg, in accordance with the terms of his contract, a bonus of \$20,000. Coach Greenberg also received recognition by being named the ACC Coach of the Year and the *Richmond Times-Dispatch* Virginia State Coach of the Year for 2005.

This bonus is a one-time award and does not affect base salary. Funds for the bonus are budgeted within the Athletic Department's budget for post-season play.

RECOMMENDATION: That the contractual bonus for Coach Greenberg be ratified.

June 13, 2005

Resolution on Special Personnel Action

WHEREAS, as part of their total compensation package, the President, the Executive Vice President and Chief Operating Officer, and the Vice President for Development and University Relations have received an automobile allowance; and

WHEREAS, this annual automobile allowance has been funded through the Virginia Tech Foundation; and,

WHEREAS, payment of these allowances are not considered in retirement calculations; and

WHEREAS, a review was conducted of the automobile allowance structure currently in place; now,

THEREFORE, BE IT RESOLVED, that the Board of Visitors authorize the annual automobile allowance for the President to be increased to \$20,000; for the Executive Vice President and Chief Operating Officer to be increased to \$11,000; and for the Vice President for Development and University Relations to be increased to \$10,000, effective July 1, 2005.

RECOMMENDATION: That the annual automobile allowances for the President, the Executive Vice President and Chief Operating Officer, and the Vice President for Development and University Relations be increased effective July 1, 2005.

June 13, 2005

**Remarks made during the BOV Information Session
W. Samuel Easterling
President, Faculty Senate of Virginia Tech
13 June 2005**

Thank you Mr. Rector. Good morning ladies and gentlemen.

Once again, I'm happy to be with you on behalf of my Faculty colleagues. My remarks today bring to a close my participation as the Faculty Representative to the Board of Visitors. I believe our work together and the actions you've taken as a Board will affect the Faculty, as well as the University as a whole, in beneficial ways in the future. However, the road to fruition is yet to be traveled and most certainly will not be completely free of bumps along the way. We're going to have to work hard to make the journey successful.

I want to continue to stress that effective communication and positive interactions are critical to our success. These are exciting and potentially transformative times for Virginia Tech. We cannot let a lack of effective communication impede our progress. We must take every opportunity to make sure that the Board, the Administration and the Faculty are truly working collaboratively to tackle the challenges that lay in front of us. Mr. Rector on this note I'd like to thank you in front of your colleagues for your willingness and interest to meet with the Faculty Senate last March. Your presence and positive interactions were very favorably received. Several long time members of the Faculty commented to me that they could not recall a member of the Board coming to a meeting of the Faculty Senate. I hope we can build on the opportunity that your effort has created.

The Faculty and Administration must continue to improve the way in which we work together for the greater good of the University. We must ensure that there is appropriate integration of Faculty input in a wide range of decision making processes. I know that President Steger is committed to working closely and effectively with the Faculty. We, as members of the Faculty Senate, must help our colleagues learn to work more effectively within the governance structure so that our full potential impact can be realized. We, as Faculty members, owe our primary responsibility to students through our work with them in the classroom, the laboratory or the studio. However, we also owe our responsibility to the future of the academic mission at Virginia Tech and thus must be an active part of these transformative times. I assure you that the Faculty possesses the intellectual capital and dedication to the institution necessary to have a positive impact on our future – it is our challenge to make sure we facilitate that contribution.

I have the pleasure today of introducing Susanna Rinehart to you as the next President of the Faculty Senate and Faculty Representative to the Virginia Tech Board of Visitors. Many of you of course know Professor Rinehart as she has been working with the Academic Affairs Committee for the past academic year. She is a member of the Theatre Arts Department in the College of Liberal Arts and Human Sciences. Susanna is a wonderful colleague, with whom I've enjoyed working the past several years in the Faculty Senate. I have relied on her in significant ways during my term as President. You will find her thoughtful, engaging, and a delight with which to work. The Faculty will be well represented

by the concern and professionalism that Susanna will bring to bear on her work with the Board and as Faculty Senate President. I'd like to publicly thank her for her willingness to step into this challenging and important role. I look forward to doing whatever I can to support her in the coming year.

A colleague and former President of the Faculty Senate recently told me that the year he spent as President was the most transformative of his 20 plus years at the University. I'm sure that I will look back on this past year in a similar way. I have learned a great deal about the University, had the opportunity to interact with many wonderful colleagues across the campus and have thoroughly enjoyed working with the members of the Board for the betterment of this great university. I hope that in some small way I've helped you to better understand the role that the Faculty plays in making the university what it is and what we want it to be. I look forward to opportunities to continue contributing in a meaningful way. Thank you all very much for your efforts on behalf of the Faculty.

Thank you Mr. Rector.

Constituency Report
Marcus Ly
Graduate Representative to the Board of Visitors

Board of Visitors Meeting
June 12, 2005

Introduction

Mr. President, Mr. Rector, Members of the Board and guests. Good afternoon.

First, allow me to take a few moments to express my deepest appreciation for including graduate students in discussions of the highest importance. It is clear that members of this board and university administration take issues of graduate concern seriously. I would like to thank you for your support of graduate students and challenge you to continue to make us an integral part of Virginia Tech's success.

Successful is a good word to use in describing this remarkable year for graduate students. WE made progress in building graduate community, addressing health care challenges, funding more PhD students, and seriously examining issues of campus diversity. Collectively, our progress will help us to attract and retain higher quality graduate students. There is a shift in the atmosphere at Virginia Tech. I feel it every time a graduate student talks about the positive changes that they see around them. There is a renewed pride in being a graduate student at Virginia Tech. We need to keep doing things that foster this feeling.

Activities

The graduate student assembly has gone far in building graduate community. Under the recent leadership of Myrna Callison and Yvette Quintella, the GSA helped to establish the first graduate student honors society at Virginia Tech, helped to create the graduate man and woman of the year awards, and instituted the annual graduate student gala. This gala event was so successful that a graduate couple got engaged to be married on the dance floor. This is truly graduate community at its finest.

Despite our progress, there is much more work to do in making Virginia Tech more competitive in recruiting and retaining exceptional graduate students.

Issues

In my research on behalf of graduate students, I came across a report that I would like to share with you. It dates back six years ago. A "graduate education review task force" was charged by then "Provost Peggy Meszarous in March 1999 to produce a set of recommendations that, if implemented, would position Virginia Tech to recruit, to retain, and to place the very best graduate students."

The following statements are direct quotes from the executive summary:

- (1) Virginia Tech is and should continue to be a Research 1 university. Graduate education is crucial to a research university. Our concerns with graduate education are co-equal with concerns for research funding; they are bound together.
- (2) In general, graduate students are older than those entering graduate school fifteen years ago, a larger proportion are married and some have children. Many have experience working for industry.

- (3) The ramifications of this dynamic involve paying attention to items not previously deemed important enough to make a difference in recruitment and retention such as providing: a medical plan, graduate student housing, day care facilities, and spousal employment opportunities. Given that the new graduate student comes to graduate school already having “a life”, means that we need to recognize that fact and accommodate the needs of the students.

The report recommended that we improve the overall package that we offer graduate students in these ways.

In the fall of 2001, the Center for Survey Research in consultation with the Graduate School and the Division of Student Affairs developed and administered a first year graduate housing survey. Seventy-six percent of first year students responded. Out of these, 14% were married and 5.3% had children. Eighty-six percent were interested in living in an apartment complex exclusively for graduate students.

As the competition for high caliber graduate students intensifies, our lack of married student housing will become more of a disadvantage. We remain the only member of our peer institutions without on-campus married student housing. Students for whom this is crucial, sometimes do not accept their admissions offer and therefore we do not have them on campus to express their need for the housing. Virginia Tech no longer is the historically mostly single, male, undergraduate institution it once was. The time is right to address more of the needs of our more diverse student body.

Instead of taking action to just catch up to the competition, let us work to surpass them. We recently achieved this with the graduate life center. No other school integrates graduate housing, a social center, and the graduate school. It is unique in all the country. We have opportunity to do the same for graduate housing.

An environmentally themed University Village that integrates undergraduate and graduate students, post-docs and young faculty members, would provide a living laboratory for learning about sustainable living. More importantly, it would set us apart from our competition. It would be something that we can all stand behind and be proud of.

Another source of pride will be how we turn the corner on issues of diversity. We have a ways to go in creating an inclusive and supportive university environment and in changing public perception. It is important to emphasize that an environment conducive to the free expression of diverse ideas is key to the future success of our institution.

Finally, I would like to acknowledge Navin Manjooran, the next BOV Grad Rep, for stepping up and grabbing the graduate torch. He is already actively reaching out to graduate students and will provide continuity in our ongoing efforts. It will soon be time for him to light the way for graduate students. I expect him to hold the torch up high, with pride and strength, and proceed along our charted course.

Again, it was an honor and pleasure to serve on this board this year. I look forward to the future when I will serve Virginia Tech as an alumnus. In fact, I have already made a contribution to the Virginia Tech Foundation. With some luck, I will have the opportunity to return as a full member of this board later in my career. Until then, I will continue to look after our great university in all the ways that I am able. Thank you for a wonderful experience and for a truly remarkable year.

Thank you Mr. Rector. Good afternoon fellow members of the Board, and members of the Virginia Tech community. It is my pleasure and honor to present your final constituent report of the afternoon, and my final constituent report on behalf of all the Virginia Tech undergraduates.

Before beginning, I would like to again thank you for allowing me the privilege of serving this Board and the Virginia Tech student body over the past year. It has been among the highlights of my experience at Tech, and a position that I have thoroughly enjoyed. I am pleased to announce that I will be remaining in Blacksburg for another four years – as I have been accepted into the Virginia-Maryland Regional College of Veterinary Medicine and will begin classes this August.

To begin this report, I would like to review some of our successes and improvements over the past year. While it is easy to focus on the failures of any organization, it is important to acknowledge the positive steps as well.

In November of 2004 there was an open student forum on the Charter University legislation, which we saw pass this spring as the Higher Education Restructured Act. President Steger, Mr. Ridenour, and Provost McNamee were the three members of the panel that presented basic information and then answered one hour of questions from the floor. Based on the success of the this conversation, the Student Government Association is planning monthly student forums for the upcoming academic year.

The Office of Student Life and the Division of Student Affairs organized a campus climate check up in the spring semester. The event was attended by students, faculty, staff, and administration.

At our March Board of Visitors meeting, the Principles of Community was signed by the rector of our Board, President of Virginia Tech, and faculty, staff, student, and alumni organization representatives.

The membership of our Commission on Student Affairs voted to change the membership of the commission in an effort to have more institutional memory and representation from the Division of Student Affairs and to include a

representative of undergraduate and graduate education. The new membership also includes representatives of both the undergraduate and graduate honor systems. While its size was not drastically changed, students felt that these changes were required for the commission to serve the student body and fulfill its mission "[t]o study, formulate, and recommend to University Council policies and procedures affecting graduate and undergraduate student life and morale." The proposal passed University Council in May and affects the 2005-2006 commission.

There was an afternoon presentation on supplements to the core curriculum for undergraduates that was well attended by faculty and staff and saw several student representatives. While the discussion did not include the true core curriculum that the majority of students would abide by, it did provide insight into the creation of several options for students interested in research or niche areas of study. Discussions on how the core curriculum could best be included into our administrative organization to foster pecuniary support and to effectively permeate the student body were also an active part of the dialogue.

The fifteen-member search committee for the Vice President for Student Affairs included two graduate and two undergraduate students. Time to meet with students was included in both days of each candidate that visited our Blacksburg campus and there was an online survey for feedback on each candidate from the campus community.

Our Capital Outlay Plan includes additional teaching facilities, renovation of existing facilities, and additional recreational space.

And yet, there remain student concerns.

Of all the concerns vocalized by students on the Virginia Tech campus, the need for more effective communication is both literally and figuratively the loudest. Student leaders lament the poor communication that occurs within the governance system on key issues and students of all capacities request more opportunities for influencing, or at least commenting on, the decision-making processes of our university. *[brief*

mention of online survey in the Vice President for Student Affairs search and the positive response from students to this opportunity]

Keeping students informed about the university has fallen from our list of top priorities. The push to become a top 30 research institution is disconcerting to undergraduate students who feel that they already have seen increased class sizes, less access to faculty, and increased tuition and fees. While it is relatively easy to see the benefit for our graduate students, it is more difficult discern why it is beneficial to undergraduate students...including those not interested in participating in research. Do we desire to become a top 30 instructional university as well as a top 30 research institute? Will we have increased financial support for undergraduate students in the form of grants and scholarships; will we hire traditional faculty that will have a role in the physical undergraduate classroom to replace those lost over the past five years; will we have larger financial resources for recruitment efforts? If these are possibilities, then it is vital to communicate them to the students as just that...possible opportunities if we succeed in becoming a top 30 research university, without losing our public land grant mission. We must also recognize the importance of financial aid for all students – in-state and out-of state, undergraduate and graduate, honor students and otherwise.

According to Alfred Whitehead *"The art of progress is to preserve order amid change and to preserve change amid order."* At our first meeting together, I voiced this concern and the challenge that our university faces...a challenge to increase our research output without detracting from the holistic education on which we pride ourselves. While striving to improve our status in the world of academia, we must continue to embrace the educational experience provided to students and to members of the Commonwealth.

As a university, we must be more proactive in educating our campus community. Reactive, perfunctory press releases are seen and dismissed as such. The two op ed columns in the Collegiate Times by Provost McNamee in February of 2005 are an excellent example of effective communication within our campus community. The day of his first column, I had several e-mails and comments from students on how great it was to see his words appearing in our student newspaper. While making an effort to be part of student media is not the only solution, it is a part of the solution.

We, as students, are still concerned about the fate of our core curriculum, our place in this growing research university, and who our administrative advocate should be at meetings such as this.

The absence of an undergraduate voice in decisions surrounding the graduate student center draws attention to an absence in our administration: the lack of an administrative advocate whose sole responsibilities are undergraduate studies, policies, and concerns. There is not a single upper level administrator who comes to campus, goes into his or her office, and spends the day dealing explicitly with undergraduate concerns and mingling with undergraduate students, and has the appropriate administrative title to accomplish such advocacy. While other schools have deans or vice-provosts of undergraduate studies, our students are left to navigate the administrative waters on their own.¹ And, without such a position in place, the university is only fostering an environment in which controversies incubate and then disturb the mission of our educational institution.

We are concerned about the division of the student body. Over the past year, students have been divided based on their academic status of undergraduate or graduate, their college, and several other indicators. The graduate life center created one such situation when decisions were made and not communicated to students. The Commission on Student Affairs is a forum for all student life issues, and yet there was never an update on the center. It was not until my student affairs committee meeting yesterday afternoon that the life center was formally presented to a committee/commission that I attended. This is one instance when the expedition of decision making has come at the expense of considering student opinion. It is also an example of how the focus on graduate education and community is often perceived to come at the expense of our entire student body.

¹ Examples of such positions in place at several of our SCHEV peers and Top 30 Research Institutions include: Vice Provost for Undergraduate Education, University of California – Berkley; Dean of Graduate Studies and Dean of Undergraduate Programs, Texas A&M University – College Station; Vice Provost for Undergraduate Education, Cornell University. This information was found at the following websites: UC – Berkley’s Vice Provost for Undergraduate Education homepage, <http://education.berkeley.edu/>; Texas A&M – College Station’s Office of the Executive Vice President and Provost website, <http://www.tamu.edu/provost/about/admin-team.shtml>; Cornell University’s Office of the Provost, <http://www.provost.cornell.edu/org.htm>.

We are aware of the eroding sense of community across our campus – the unfortunate shift toward a university where students are a member of a department and not a member of the university.

I choose to look at this as another crossroad for Virginia Tech – not as an impasse, but an opportunity for reform. We may continue down the path we are on or we can resolve to venture down another path, one parallel to the historical values of this university, a university that prides itself on successful alumni with a life-long commitment to learning and society. While the student body has a high turn-over, the quality of the undergraduate experience at Virginia Tech stands to lose if the choice is not made to value every class of students.

I would like to end our final board meeting together with a two quotations. The first, from Frank Lloyd Wright:

I know the price of success: dedication, hard work, and an unremitting devotion to the things you want to see happen.

The second, from T.E. Lawrence:

All people dream, but not equally. Those who dream by night in the dusty recesses of their mind, wake in the morning to find that it was vanity. But the dreamers of the day are dangerous people, for they dream their dreams with open eyes, and make them come true.

I am confident that Virginia Tech has the ability to be successful in its attempts to improve the quality of education, outreach, and research; and I am equally confident that this Board will continue its devotion of time, passion, and enthusiasm to the continued improvement of Virginia Tech. By being dreamers of the day, the Board of Visitors, the Virginia Tech administration, and the Virginia Tech community will see the success alluded to by Mr. Wright and Mr. Lawrence.

Thank you.