

Virginia Tech Board of Visitors Meeting

August 28, 2006

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MINUTES

August 28, 2006

The Board of Visitors of Virginia Polytechnic Institute and State University met on Monday, August 28, 2006, at 1:15 p.m. in Torgersen Boardroom, Virginia Tech Campus, Blacksburg, Virginia.

Present**Absent**

Mr. Michael Anzilotti
 Ms. Beverley Dalton
 Mr. Ben J. Davenport, Jr.
 Ms. Michele Duke
 Mr. Robert L. Freeman, Jr.
 Mr. L. Bruce Holland
 Mr. John R. Lawson, II
 Ms. Sandra Stiner Lowe
 Mr. Jacob A. Lutz, III
 Mr. George Nolen
 Mr. James W. Severt, Sr.
 Mr. James R. Smith
 Mr. Philip S. Thompson
 Dr. Lori Wagner
 Dr. Kerry J. Redican, President, Faculty Senate
 Mr. Gregory Sagstetter, Undergraduate Student Representative
 Ms. Ennis McCrery, Graduate Student Representative

Also present were the following: Dr. Charles Steger, Mr. Ralph Byers, Mr. Denny Cochran, Mr. John Cusimano, Mr. Ron Daniel, Dr. Karen DePauw, Dr. Ben Dixon, Dr. John Dooley, Dr. Brad Fenwick, Dr. Elizabeth Flanagan, Lieutenant Wendell Flinchum, Dr. David Ford, Ms. Kay Heidbreder, Dr. Zenobia Hikes, Dr. Eileen Hitchingham, Mr. Tim Hodge, Mr. James Hyatt, Dr. Pat Hyer, Mr. Kurt Krause, Ms. Heidi McCoy, Dr. Mark McNamee, Ms. Kim O'Rourke, Mr. Mark Owczarski, Ms. Ellen Plummer, Mr. Dwight Shelton, Dr. Guy Sims, Dr. Raymond Smoot, Mr. Jeb Stewart, Dr. Lisa Wilkes, Ms. Linda Woodard, Ms. Sandra Smith, Ms. Teresa Wright, faculty, staff, students, guests, and reporters.

Rector Lutz introduced the new Board members: Dr. Lori Wagner and Mr. James Smith; and the new representatives: Faculty Senate President Dr. Kerry Redican, Undergraduate Student Representative Mr. Gregory Sagstetter, and Graduate Student Representative Ms. Ennis McCrery.

Rector Lutz presented Mr. Davenport with a gavel in appreciation for his service as Rector of the Board for the last two years. Mr. Davenport in turn thanked the entire Board for their support.

Rector Lutz shared with the Board an open letter to the community signed by President Steger thanking those from more than 30 agencies who assisted with the manhunt for an escaped prisoner on August 21, 2006, to assure the safety of the faculty, staff, students and citizens in the community. President Steger's letter also expressed our deepest sorrow and profound sense of loss over the deaths of Derrick McFarland of Montgomery Regional Hospital and Corporal Eric Stuphin of the Montgomery County Sheriff's Department. At this time, Rector Lutz asked everyone to observe a moment of silence in honor of these fallen men.

Rector Lutz announced the 2007 Board meeting dates:

March 25-26 – June 3-4 – August 26-27 – November 4-5

Rector Lutz asked for a motion of approval of the minutes of the June 12, 2006, meeting as distributed. The motion was made by Ms. Lowe and seconded by Mr. Holland. The minutes were approved.

Ms. Lowe thanked Mr. Davenport for the two years he served as Rector. Ms. Lowe also recognized President Steger for his leadership in regard to the events on the first day of classes.

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REPORT OF THE ACADEMIC AFFAIRS COMMITTEE

Rector Lutz called on Ms. Lowe for a report of the Academic Affairs Committee. (Copy filed with the permanent minutes and marked Attachment A.) Ms. Lowe reported that the committee has two new members, Mr. James Smith and Ms. Ennis McCreary.

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

Resolution for Approval of Change in Membership of The Virginia Center for Coal and Energy Research and Development Advisory Committee

That Ms. Louisa M. Strayhorn and Mr. Brian D. Sullivan be appointed as new members of the Advisory Committee for 2006-2010. (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 Ms. Duke, and approved unanimously.

Resolution for Approval of University Textbook Sales Policy

That the resolution regarding University textbook sales policy be approved. (Copy filed with the permanent minutes and marked Attachment C.)

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

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

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 Easement Deed of Release

That the resolution authorizing the Vice President for Business Affairs to execute the deed of release to William B. Matthews be approved. (Copy filed with the permanent minutes and marked Attachment E.)

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 Acquisition of Virginia Tech Foundation
(Virginia-Carolina Farm Associates, L.C.) Property**

That the resolution authorizing the Vice President for Business Affairs to accept on behalf of the university a deed from the Virginia Tech Foundation, Inc. conveying the property in Suffolk, Virginia, be approved. (Copy filed with the permanent minutes and marked Attachment F.)

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 Crain Property Lease Agreement

That the resolution authorizing Virginia Tech to negotiate a long-term lease agreement with the Anne M. Crain Revocable Trust for approximately 143.27 acres of cropland in Rockbridge, Virginia, at a market based rate with a renewal option be approved. (Copy filed with the permanent minutes and marked Attachment G.)

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REPORT OF THE FINANCE AND AUDIT COMMITTEE

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

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As part of the Finance and Audit Committee report, and with the endorsement of the Academic Affairs Committee, the following resolution was moved by Mr. Thompson, seconded by Ms. Duke, and approved unanimously:

Resolution for Approval of the University's Debt Policy

That the proposed University Debt Policy as described be approved. (Copy filed with the permanent minutes and marked Attachment I.)

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

Resolution for Approval of 2007-08 Operating and Capital Budgets
Operating Budget Submission
Capital Outlay Submission

That the Board authorize the University administration to submit the budget request for 2007-08 Executive Budget in accordance with state instructions and consistent with the initiatives and amounts contained herein. (Copy filed with the permanent minutes and marked Attachment J.)

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

**Resolution for Approval of
The Year-to-Date Financial Performance Report
(July 1, 2005 – June 30, 2006)**

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, 2005, through June 30, 2006, and the Capital Outlay report be accepted. (Copy filed with the permanent minutes and marked Attachment K.)

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

**Resolution for Approval of the Parking Auxiliary's Smithfield
Parking Lot 9(c) Bond Financing**

That the resolution authorizing the issuance of 9(c) bonds for the Parking Auxiliary's Smithfield Parking Lot project be approved. (Copies filed with the permanent minutes and marked Attachment L.)

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As part of the Finance and Audit Committee report, the following resolutions were moved by Mr. Thompson, seconded by Mr. Davenport, and approved unanimously.

Resolution for Approval of VCBA 9(d) Financing

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Critical Technology and Applied Science – 9(d) Financing

That the resolution allowing the Authorized Officers to enter into a loan agreement, promissory note, and other necessary documents with the VCBA to finance the Critical Technology and Applied Science project on behalf of the University be approved. (Copies filed with the permanent minutes and marked Attachment M.)

* * *

Boiler Pollution Control – 9(d) Financing

That the resolution allowing the Authorized Officers to enter into a loan agreement, promissory note, and other necessary documents with the VCBA to finance the Boiler Pollution Control project on behalf of the University be approved. (Copies filed with the permanent minutes and marked Attachment M.)

* * *

Surge Space Building – 9(d) Financing

That the resolution allowing the Authorized Officers to enter into a loan agreement, promissory note, and other necessary documents with the VCBA to finance the Surge Space building on behalf of the University be approved. (Copies 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. Thompson, seconded by Ms. Lowe, and approved unanimously.

Resolution for Approval on Capital Lease Agreements for the Sciences College Consortia Program and Food, Nutrition and Health Vivarium

That the resolution authorizing Virginia Tech to enter into capital lease agreements with the Virginia Tech Foundation for a facility to house its Sciences College Consortia program and the Food, Nutrition and Health Vivarium be approved. (Copies filed with the permanent minutes and marked Attachment N.)

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As part of the Finance and Audit Committee report, a motion for acceptance of the following Internal Audit Reports was made by Mr. Thompson, seconded by Ms. Duke, and approved unanimously.

Resolution for Acceptance of Internal Audit Reports

**Information Technology Security Office
Environmental, Health and Safety Services
Office of Scholarships and Financial Aid
Veterinary Teaching Hospital
Immigration Controls**

(Copies filed with the permanent minutes and marked Attachment O.)

REPORT OF THE RESEARCH COMMITTEE

Rector Lutz called on Mr. Davenport for the report of the Research Committee. (Copy filed with the permanent minutes and marked Attachment P.)

Mr. Davenport commended President Steger for taking the reins on the Commonwealth Research Initiative on behalf of Virginia Tech and the other Virginia universities and carrying the initiative forward.

REPORT OF THE STUDENT AFFAIRS COMMITTEE

Rector Lutz called on Mr. Anzilotti for the report of the Academic Affairs Committee. (Copy filed with the permanent minutes and marked Attachment Q.)

PRESIDENT'S REPORT

President Steger began his report by introducing Lieutenant Wendell Flinchum and thanking him for the coordinated effort on August 21, 2006, as 32 agencies came together to protect the university and surrounding community during the search for escaped convict William Morva, who shot and killed Security Guard Derrick McFarland and Corporal Eric Stuphin. We are pleased with the level of cooperation of students, faculty, and staff. Governor Kaine and President Steger attended funeral/memorial services for both fallen men. This is a tragedy. Hokies United is working to raise funds to help support both families.

As part of the President's Report, the following resolution was moved by Mr. Thompson, seconded by Ms. Lowe, and approved unanimously:

Resolutions of Appreciation (2)

That the resolution recognizing Hemant Kanakia for his service as a member of the Board of Visitors of Virginia Polytechnic Institute and State University be approved. (Copy filed with the permanent minutes and marked Attachment R.)

As part of the President's Report, the following resolution was moved by Mr. Lawson, seconded by Mr. Freeman, and approved unanimously:

That the resolution recognizing Thomas L. Robertson for his service as a member of the Board of Visitors of Virginia Polytechnic Institute and State University be approved. (Copy filed with the permanent minutes and marked Attachment R.)

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Report of Research and Development Disclosures

As part of the President's Report, President Steger stated that there were no Research and Development Disclosure items to report for the period since the last Board of Visitors meeting.

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As part of the President's Report, **Information on the Application of the Base Budget Adequacy Formula** was presented to the Board. President Steger called on Mr. Hyatt, who asked Mr. Shelton to brief the Board.

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REPORT OF THE TASK FORCE STUDYING BY-LAWS REVISIONS

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Rector Lutz called on Mr. Severt for the report of the Task Force Studying By-Laws Revisions. (Copy filed with the permanent minutes and marked Attachment S.)

The task force is comprised of four members – Shelley Duke, Kim O'Rourke, Kay Heidbreder, and Jim Severt (Chair).

As part of the Task Force Report, the following resolution was moved by Mr. Severt, seconded by Ms. Duke, and approved unanimously:

**Resolution for Approval to Establish a
Staff Representative to the Board of Visitors**

That the resolution establishing a staff representative to the Board of Visitors be approved and implemented immediately. (Copy filed with the permanent minutes and marked Attachment T.)

Rector Lutz commented that this is an important step. President Steger said that the university is fortunate to have Staff Senate, Faculty Senate, and student representatives to communicate concerns of the university with the Board.

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REPORTS FROM CONSTITUENCY REPRESENTATIVES

Dr. Kerry J. Redican, President, Faculty Senate. (Copy filed with the permanent minutes and marked Attachment U.)

Ms. Ennis McCrery, Graduate Student Representative to the Board of Visitors. (Copy filed with the permanent minutes and marked Attachment V.)

Mr. Gregory Sagstetter, Undergraduate Student Representative to the Board of Visitors. (Copy filed with the permanent minutes and marked Attachment W.)

Rector Lutz requested that Mr. Sagstetter report back to the Board with his findings regarding green space. Mr. Nolen asked Mr. Sagstetter if he has met with the facilities unit to define "green." Mr. Sagstetter responded that he has a meeting with Vice President Krause to discuss recycling, energy efficiencies, and composting.

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Motion to begin Closed Session

Mr. Lawson 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, 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 and faculty leave approvals.
2. The status of current litigation and briefing on actual or probable litigation.
3. Discussion of special awards.

all pursuant to the following subparts of 2.2-3711 (A), Code of Virginia, as amended, .1, .2, .7, and .10.

The motion was seconded by Mr. Freeman 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. Rector Lutz called the meeting to order and asked Mr. Lawson to make the motion to return to open session.

Mr. Lawson 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. Severt and passed unanimously.

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Upon motion by Mr. Thompson and second by Ms. Duke, unanimous approval was given to the resolutions for approval of **Emeritus Status** (5), as considered in Closed Session. (Copies filed with the permanent minutes and marked Attachment X.)

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Upon motion by Mr. Freeman and second by Mr. Thompson, unanimous approval was given to the resolutions for approval of **Faculty Leaves – Continuation of Leave of Absence Without Pay** (1) – **Educational Leave** (1) – as considered in Closed Session. (Copies filed with the permanent minutes and marked Attachment Y.)

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Upon motion by Ms. Lowe and second by Mr. Thompson, unanimous approval was given to the resolutions for approval of **Endowed Professorships** (3) as considered in Closed Session. (Copies filed with the permanent minutes and marked Attachment Z.)

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Upon motion by Mr. Thompson and second by Ms. Duke, approval was given to the **Resolutions to Name University Facilities** (2) as considered in Closed Session. (Copies filed with the permanent minutes and marked Attachment AA.)

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Upon motion by Mr. Thompson and second by Ms. Lowe, approval was given to the **Resolution for Ratification of the Personnel Changes Report** as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment BB.) This item was reviewed by the Academic Affairs Committee and the Finance and Audit Committee.

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Upon motion by Mr. Thompson and second by Ms. Lowe, approval was given to the **Resolution for Approval of the Track and Field Bonus Recommendations** as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment CC.)

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Upon motion by Mr. Thompson and second by Ms. Lowe, approval was given to the **Resolution for Approval of the Virginia Bioinformatics Institute Policy Advisory Board Appointments** as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment DD.) Mr. Davenport and Mr. Nolen abstained from voting.

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Audit Report

No Action Required

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Litigation Report

No Action Required

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Rector Lutz shared with the Board that he has signed the Atlantic Coast Conference Governing Board Certification Form for Academic Year 2006-07. By signing this form as Chairman of the Governing Board at Virginia Polytechnic Institute and State University, he attests that:

- 1) Responsibility for the administration of the athletics program has been delegated to the Chief Executive Officer of the Institution.
- 2) The Chief Executive Officer has the mandate and support of the board to operate a program of integrity in full compliance with NCAA, ACC and all other relevant rules and regulations.
- 3) The Chief Executive Officer, in consultation with the Faculty Athletics Representative and the Director of Athletics, determines how the institutional vote shall be cast on issues of athletic policy presented to the NCAA and the ACC.

The date for the next meeting is November 6, 2006, on the Virginia Tech Campus, Blacksburg, Virginia.

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The meeting adjourned at 3:30 p.m.

**Minutes of the Academic Affairs Committee
August 28, 2006**

Board members present: Sandra Stiner Lowe, Shelley Duke, James Smith, and Ennis McCrery.

Closed Session:

The committee began its meeting with a closed session to consider resolutions concerning appointments to emeritus status, faculty leaves, appointment to endowed professorships, ratification of the personnel changes report, and a report on faculty compensation studies. All resolutions were approved. The session was formally certified and the committee moved to open session.

Open Session:

The chair welcomed staff and guests to the meeting. She reviewed committee goals from last year – faculty affairs, undergraduate education, graduate and professional education, and diversity. The committee will continue with these priorities for its attention during 2006-07.

The minutes of the June 12, 2006 meeting were approved. Actions taken in closed sessions were reconfirmed through formal vote of the committee. Dr. McNamee distributed a new publication summarizing key aspects of the new strategic plan.

Graduate and Professional Education:

The Graduate Life Center took another big step this year with the second phase of renovation of the former Donaldson Brown Hotel and Conference Center. The Graduate School moved from its Sandy Hall location into the newly renovated space in early August, just days before the annual orientation for new graduate assistants. Dean DePauw showed pictures of the renovation project and thanked the many players who contributed to realization of this dream. The Graduate Life Center is unique in the country since it combines graduate housing, services, social and academic activities, and administrative offices in one space. Completion of the center is a major step in realizing the university's goal of creating a vibrant graduate community at Virginia Tech.

Diversity:

Patricia Hyer presented a report on voluntary departures of faculty members by race and ethnicity over the last eight years. The departure rate for minority tenure-track faculty is slightly lower (2%) compared to the rate for white and foreign faculty members (2.2%). These overall rates are quite low, although there was a surge of departures following state budget reductions. The departure rate for administrative and professional faculty members is higher, and is notably higher for faculty members of color. African-Americans, for example, were 12.4% of all voluntary departures, but

9.7% of the total faculty during this time period. Surveys of faculty members who resigned from May 2002 to December 2004 revealed some differences among faculty members by racial/ethnic group related to the factors influencing their decision to leave. Minority faculty members were more likely than whites to cite salary, the quality of life in Blacksburg, and the general climate in Virginia for diversity as reasons to leave Virginia Tech. African-Americans were more likely than other minority group members to cite an unwelcoming campus and state climate for diversity as reasons for leaving.

Faculty Affairs:

Mark McNamee shared highlights of a recent analysis of factors influencing faculty job satisfaction and intent to leave. The analysis was based on responses to the *AdvanceVT* worklife survey conducted in spring 2005. Perceptions of the work environment and work-life balance issues played a far more important role in predicting job satisfaction, and ultimately intent to leave, than did demographic factors such as gender and age, or employment characteristics such as rank or length of service. Insights drawn from the survey data are being used to shape a new Advance initiative to improve departmental climates. Strategies will include raising awareness and understanding among department heads, enhancing mentoring, and possibly a few facilitated interventions.

Undergraduate Education:

Mildred Johnson briefed the committee on admissions highlights for the last year. There were over 19,000 freshman applications, with increases in out-of-state and minority applications. While the overall target of 5,000 freshmen will be met, out-of-state enrollments are down by 150 and enrollments from underserved groups remain steady state without any significant increase. The number of transfers from community colleges and other institutions exceeds the established goal of about 800.

Other Resolutions:

The committee approved a resolution appointing Louisa Strayhorn and Brian Sullivan as new members of the Virginia Coal and Energy Research and Development Advisory Committee.

The committee also approved the policy on university textbook sales as required by legislation. The policy sets expectations for early and public notice of course textbooks to allow students a choice in where to purchase new and used books, and it encourages faculty members to be aware of the price for textbooks they require and to allow for used textbook options whenever possible.

**MEMBERSHIP OF THE VIRGINIA COAL AND ENERGY RESEARCH AND DEVELOPMENT
ADVISORY COMMITTEE**

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.

Two proposed new members of the Advisory Committee are Ms. Louisa M. Strayhorn and Mr. Brian D. Sullivan.

Ms. Strayhorn was recently appointed Director of the Department of Business Assistance by Governor Tim Kaine replacing Mr. Mike Eisenmann. She is the owner of the consulting firm, Louisa Strayhorn & Associates. Some of Ms. Strayhorn's clients have included the American Association of School Personnel Administrators, the Bon Secours Health System, and the United States Department of Justice. Ms. Strayhorn has served on the Virginia Beach City Council and the Virginia Beach School Board.

Ms. Strayhorn was appointed by former governor Mark Warner to serve on the Commonwealth's Small Business Advisory Board. She was also a member of the Virginia Women's Advisory Council. In the community, Ms. Strayhorn is credited with the creation of the Minority Business Expo, the Virginia Beach Minority Business Council, and for representing and training businesses in the Hampton Roads region to be active participants in the federal and state procurement process through portfolio presentations, loan reviews, and fundraising. In 2004, Ms. Strayhorn was recognized with the Small Business Administration's Regional Small Business Advocate of the Year Award and the SBA's Minority Small Business Advocate of the Year for Virginia.

Mr. Sullivan is the Senior Vice President and General Counsel of the United Company and has been since 2001. The United Company is a privately-held diversified holding company headquartered in Bristol, Virginia. In this role, he reports directly to the chairman of the board of the company. Mr. Sullivan is responsible for oversight of the company's operations and results. He is also responsible for acquisitions, land and leasing, regulatory affairs, litigation, human resources and public relations for the company and its subsidiaries.

From 1996-2001, Mr. Sullivan was an associate with Paul, Hastings, Janofsky, and Walker. He has first and second chair trial experience in commercial litigation, arbitration, and alternative dispute resolution with his primary clients being in the automotive, pulp and paper, telecommunications and flooring industries. Mr. Sullivan was an associate in the firm, Arent, Fox, Kintner, Plotkin, & Kahn from 1992-1996. His responsibilities included first chairing several trials in construction disputes on behalf of general contractors against project owners and subcontractors. He was also involved in unfair trade practice cases, Lanham Act cases, copyright infringement matters, and business tort cases.

Mr. Sullivan received his Juris Doctor *summa cum laude* in 1992 from the State University of New York at Buffalo School of Law. He is licensed to practice in New York, Virginia, and Georgia and also admitted to practice in the United States Court of Appeals for the Fourth Circuit, the United States District Courts for the Eastern District of Virginia, Northern and Middle Districts of Georgia, and Western District of New York.

RECOMMENDATION:

That Ms. Louisa M. Strayhorn and Mr. Brian D. Sullivan be appointed as new members of the Advisory Committee for 2006-2010.

RESOLUTION REGARDING UNIVERSITY TEXTBOOK SALES POLICY

WHEREAS, the Commonwealth of Virginia has amended §23-4.3.1, *Code of Virginia*, to require additional actions on the part of the University to encourage efforts to minimize the cost of textbooks for students; and

WHEREAS, the Board of Visitors is required by this legislation to implement additional policies, procedures and guidelines to achieve this objective;

THEREFORE, be it resolved, that Virginia Polytechnic Institute and State University adopt the attached “Policy on University Textbook Sales” and that same be implemented forthwith and that it be distributed to all faculty and other concerned individuals as appropriate.

RECOMMENDATION:

That the above resolution regarding University textbook sales policy be approved.

Subject: Policy on University Textbook Sales

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1. **Purpose**

This policy provides guidelines and procedures addressing textbook sales by the Virginia Tech Bookstores. The policy addresses action by the General Assembly of Virginia, Section 23-4.3.1 Code of Virginia.

2. **Policy**

While the adoption of course textbooks is a function of the individual faculty and his or her department, certain University standards must be met. In order to provide the orderly and cost-effective adoption of various course books and materials, the following are enacted:

1. Selection of textbooks and other materials for adoption shall be made available to the Bookstore no later than April 15, for materials and books required for any fall semester class. For the spring semester of any year, the deadline shall be October 15 of the year immediately preceding the spring semester.
2. In the textbook adoption process, the intent to use all items ordered, particularly each individual item sold as a part of a bundled package, shall be affirmatively confirmed by the faculty member. In the event that the faculty member does not intend to use each item in the bundled package, such faculty member shall notify the Bookstore so that the most cost-effective procurement for the University and the student can be utilized.
3. The faculty member shall affirmatively acknowledge the Bookstore’s quoted retail price of textbooks selected for use in each course.
4. Faculty members are encouraged to limit their use of new edition textbooks when previous editions do not significantly differ in a substantive way, as may be determined by the appropriate faculty member.
5. Financial aid calculations shall continue to include a component for textbook costs. Students who are not receiving financial aid through the Office of University Scholarships and Financial Aid and who represent that they cannot afford textbook costs shall be referred to the Office of University Scholarships and Financial Aid for assistance. Before adoption of a particular textbook, the respective department adopting such book shall determine that a copy of the textbook is on reserve in the University Library during any period that the textbook is to be used.

3. **Procedures**

The Virginia Tech Bookstores, operated by Virginia Tech Services, Inc., an auxiliary service of the University, provide the functions to be in compliance with the revised textbook sales law. Virginia Tech Services, Inc. will compile, publish, keep and maintain the requisite information required on the appropriate University website.

The Office of University Scholarships and Financial Aid determines annually a cost of attendance figure used in the calculation of financial need. Included in that calculation is an average textbook cost. Students who qualify for and receive financial aid may receive funding to purchase textbooks. For students who do not qualify for or seek financial aid, a short-term loan fund is available against which the student can borrow to purchase textbooks.

4. Definitions

Textbooks are defined as published materials in print which are approved by the faculty for use in University courses.

Virginia Tech Services, Inc.: an auxiliary service of Virginia Polytechnic Institute and State University

Virginia Tech Bookstores are owned and operated by Virginia Tech Services, Inc.

5. References

§23-4.3:1 of the Code of Virginia as amended, Chapter 561 approved April 4, 2006

6. Approval and Revisions

Approved August 1, 2006 by the University Provost and Vice President for Academic Affairs, Mark G. McNamee.

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

August 28, 2006

The Inn at Virginia Tech and Skelton Conference Center

PRESENT

Board of Visitors Members:

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

VPI & SU Staff:

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

Guests:

Dr. Elizabeth A. Flanagan - Vice President for Development and University Relations
Mr. Larry Hincker - Associate Vice President for University Relations
Mr. Jacob A. Lutz, III - Rector, Virginia Tech Board of Visitors
Mr. Allan W. Miller - University Editor, University Relations
Dr. Charles W. Steger - President of Virginia Tech
Mr. Keith Storms - Architect for Hanbury, Evans, Wright, Vlattas and Company

TOUR OF THE GRADUATE LIFE CENTER

The University has an ongoing renovation project to convert the Donaldson Brown Hotel and Conference Center to a Graduate Life Center. Dr. Karen P. DePauw, Vice Provost for Graduate Studies and Dean of the Graduate School, led the Committee on a tour of this unique facility. The project consists of renovation work with housing, academic, food service and administrative areas.

OPEN SESSION

Opening Comments: Mr. John Lawson called the meeting to order at 9:05 a.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 10:10am a.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. **Approval of Minutes:** The minutes of the June 12, 2006 meeting were unanimously approved.
3. **New Residence Hall Design Review:** The Committee received a design presentation from Mr. Keith Storms, architect from Hanbury, Evans, Wright, Vlattas on the New Residence Hall. This building will be located in between Harper Hall, the Career Services Building, and the Student Services Building near the corner of West Campus Drive and Washington Street. The four floor masonry structure with Hokie stone and precast concrete exterior walls will be similar in exterior design to Harper Hall and will provide approximately 256 beds of student housing. Construction is scheduled to commence in the fall of 2007 with occupancy planned for the 2009 Fall Semester. The Committee approved the design.
4. **Capital Outlay Project Status Report:** The Committee reviewed the status of all capital projects in design, in the bidding process, under construction, recently completed, and pending. The following 15 projects are in design: Classroom Improvements-Phase 1B, Litton Reaves Exterior Structural Repairs, Campus Heat Plant Heating and Cooling Infrastructure, Cowgill Hall HVAC and Power Upgrade, Henderson Hall Renovation and Addition, Burruss Hall Renovation, Agnew Hall Renovation, New Residence Hall, ICTAS-II, Infectious Disease (NIH) Facility, Additional Recreation, Counseling and Clinical Space, Parking Structure, Indoor Athletic Training Facility, Administrative Services Building, and the New Visitors and Admissions Center. The following three projects are in the bidding process: Building Construction Laboratory, Surge Space Building, and the Aquatics and Fisheries Research Center. The following six projects are under construction: Life Sciences-I, Addition to the Campus Chilled Water Plant, ICTAS-I, Graduate Life Center, Boiler Pollution Controls, and Classroom Improvements-Phase 1A. The following four projects have been recently completed: The Inn at Virginia Tech, Skelton Conference Center and Holtzman Alumni Center, Soccer/Lacrosse Complex, and Agriculture and Natural Resources Research (Latham Hall) and Lane Stadium Expansion-Phase II. The Performing Arts Center project is pending.

The Committee expressed a desire to hold a Special Meeting prior to the November BOV Meeting for the purpose of reviewing the proposed design of the addition portion of the Henderson Hall Renovation and Addition Project. The Committee has the authority to approve the design of a capital project. The Henderson Hall project is a General Obligation Bond project. The renovation portion of the project has been under design for quite some time. However, additional funding was needed to complete the original project scope including the addition. Supplemental project funding was appropriated by the General Assembly three months ago allowing the design of the addition portion of the project to move forward. This design is for a separate 8,600 GSF building that will include a flexible theater space (black box) for teaching and performances, practice space and other support space. Ideally the University would like to accelerate the design of the addition and bid it together with the renovation portion of the project in order to construct the entire project under one contract. The Committee agrees with this approach. Once approved by the Committee, the design must be approved by the Art and Architectural Review Board in Richmond and that board meets in early October. Moseley Architects will have their design for the Addition ready for review by mid-September. To meet the Arts and Architectural Review Board schedule, the Committee suggested the University consider having a Special Meeting of the Committee in September and to coordinate that date with a home football game.

5. **Resolution for Easement Deed of Release:** The University and the Town of Blacksburg have entered into an agreement for the construction, operation, and maintenance of a Salt Storage Facility to be built on University property in the Tom's Creek basin landfill area. The facility will need access to water and sewer that will need to be routed across the eastern side of Mr. William B. Matthews' property. Mr. Matthews is willing to grant a public utility easement on the eastern side of his property to the Town of Blacksburg in exchange for the University vacating its existing 396.04 foot waterway easement containing 0.70 acre, across the west side of his property located on Lark Lane in the Town of Blacksburg. The Committee recommended the resolution authorizing the Vice President for Business Affairs to execute the deed of release to Mr. William B. Matthews for full board approval.
6. **Resolution on Acquisition of Virginia Tech Foundation (Virginia – Carolina Farm Associates, L.C.) Property:** The Virginia Tech Foundation, Inc. desires to make a gift of land in Suffolk, Virginia, to the University, and Virginia Polytechnic Institute and State University desire to accept this gift in accordance with applicable statutes of the Code of Virginia. The property is contiguous to the Tidewater Agricultural Research and Extension Center in Suffolk, Virginia. The Committee recommended the resolution authorizing the Vice President for Business Affairs to accept on behalf of the University a deed from the Virginia Tech Foundation, Inc. conveying the property in Suffolk, Virginia, for full board approval.

- 7. Resolution for Crain Property Lease Agreement:** The Shenandoah Valley Agricultural Research and Extension Center has a continuing need to lease property adjacent to the Center to support the program's ongoing research initiatives. The Anne M. Crain Revocable Trust has expressed a desire to enter into a long-term lease agreement at a market based rate with the University for approximately 143.27 acres of cropland in Rockbridge, Virginia. The Committee requested that during lease negotiations the University seek to obtain a first right of refusal on the acquisition of the property. The Committee recommended the resolution authorizing Virginia Tech to negotiate a long-term lease agreement with the Anne M. Crain Revocable Trust for approximately 143.27 acres of cropland in Rockbridge, Virginia, at a market rate with a renewal option for full board approval.
- 8. Joint meeting with Finance and Audit Committee – Report on Condition of Residential Properties Utilized as a part of Extension, Agricultural Research, and Outreach Operations:** During the review of an audit report presented by Internal Audit at the March 2006 meeting of the Finance and Audit Committee of the Board of Visitors, the members asked for a status report on University-owned residences at various locations. This Committee held a Joint Meeting with the Finance and Audit Committee to review the report. No action was required by this Committee.

The meeting of the Buildings and Grounds Committee adjourned at 11:15 a.m.

Respectfully submitted,

Kurt J. Krause
Vice President for Business Affairs

RESOLUTION FOR EASEMENT DEED OF RELEASE

William B. Matthews has requested that the university abandon an approximate 396.04 foot waterway easement containing 0.70 acre, across the west side of his property located on Lark Lane in the Town of Blacksburg.

RESOLUTION FOR EASEMENT DEED OF RELEASE

WHEREAS, Virginia Polytechnic Institute and State University and the Town of Blacksburg have entered into an agreement for the construction, operation and maintenance of a salt storage facility to be built on university property in the Tom's Creek basin landfill area; and

WHEREAS, the facility will need access to water and sewer that will need to be routed across the eastern side of William B. Matthews' property; and

WHEREAS, Mr. Matthews is willing to grant a public utility easement on the eastern side of his property to the Town of Blacksburg in exchange for the university vacating its existing waterway easement on the western side of his property; and

WHEREAS, the university has determined it has no further need for the existing waterway easement shown on a drawing prepared by Draper Aden Associates, Plan No. 5-2283, dated September 7, 1978, revised October 17, 1978, and attached hereto; and

WHEREAS, said easement is described as follows: Beginning at an iron pipe found, a common corner to said Virginia Polytechnic Institute and State University (VPI&SU) and said Matthews (Tax Map 254-(A)-14); thence with a common line between said VPI&SU and said Matthews (Tax Map 254-(A)-14) S 67° 07' 19" W, 77.08 feet to a set stone found, being the southwest corner of said Matthews (Tax Map 254-(A)-14); thence leaving said VPI&SU with the western line of said Matthews (Tax Map 254-(A)-14) N 13° 11' 50" W, 396.04 feet to an iron rod found, said iron rod being the northwest corner of said Matthews (Tax Map 254-(A)-14); thence continuing with three (3) lines through said Matthews (Tax Map 254-(A)-15A) N 13° 11' 50" W, 30.33 feet to a point; thence N 68° 03' 26" E, 69.03 feet to a post found; thence S 14° 14' 44" E, 39.12 feet to a point on the line of said Matthews (Tax Map 254-(A)-14); thence continuing through said Matthews (Tax Map 254-(A)-14) S 14° 14' 44" E, 384.86 feet to the beginning. Said water right-of-way containing 0.70 acre; and

WHEREAS, Virginia Polytechnic Institute and State University desires to abandon said easement;

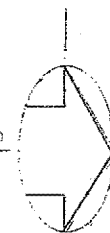
NOW, THEREFORE BE IT RESOLVED, that the Vice President for Business Affairs be authorized to execute the deed of release to William B. Matthews in accordance with applicable procedures for said deed of release.

RECOMMENDATION:

That the above resolution authorizing the Vice President for Business Affairs to execute the deed of release to William B. Matthews be approved.

ROLLING HILLS INCORPORATED

RECORD
1975



VIRGINIA POLYTECHNIC INSTITUTE
& STATE UNIVERSITY

STONE

PIPE FOUND

3.6843 ACRES
PROPERTY OF WILLIAM B.
MATTHEWS

6.2906 ACRES

W.B. GROSS

WILLIAM B.
MATTHEWS

TOWN OF BLACKSBURG
D.A. L-75-296C

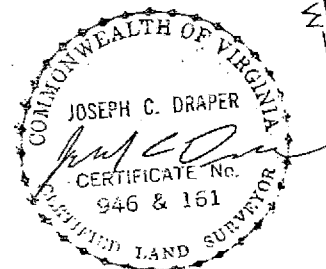
KARR HEIGHTS
FUTURE DEVELOPMENT

TOTAL AREA = 9.9749 ACRES

PLAT OF PROPERTY
TO BE ACQUIRED BY
WILLIAM B. MATTHEWS

LOCATED IN
PRICES FORK MAGISTERIAL DISTRICT
BLACKSBURG, MONTGOMERY CO., VIRGINIA
SCALE: 1" = 100' 7 SEPTEMBER 1978

PLAN No 5-2283



Draper-Aden Associates, Inc.
Engineers - Surveyors - Planners
BLACKSBURG, VIRGINIA

DRAWN: JSL
CALC'D: JRC
CHECKED: JCD

REVISION: 17 OCT, 1978

INDEXED

**RESOLUTION ON ACQUISITION OF VIRGINIA TECH FOUNDATION
(VIRGINIA – CAROLINA FARM ASSOCIATES, L.C.) PROPERTY**

The Virginia Tech Foundation, Inc. desires to make a gift of land in Suffolk, Virginia to the university and Virginia Polytechnic Institute and State University desires to accept this gift in accordance with applicable statutes of the Code of Virginia.

This property is contiguous to the Tidewater Agricultural Research and Extension Center in Suffolk, Virginia.

**RESOLUTION ON ACQUISITION OF VIRGINIA TECH FOUNDATION
(VIRGINIA – CAROLINA FARM ASSOCIATES, L.C.) PROPERTY**

WHEREAS, the Virginia Tech Foundation, Inc., owns property in Suffolk, Virginia, and further described as Lots A and B as shown on plat entitled “Plat Showing Resubdivision of Portions of Properties Owned by Virginia – Carolina Farm Associates, L.C., a Virginia Limited Liability Company, Successor in Interest to S. Earl Griffin and John E. Pappas, Partners, T/A Virginia – Carolina Farm Associates, a Virginia General Partnership and Commonwealth of Virginia C/O Virginia Polytechnic Institute and State University, Holy Neck Borough, Suffolk, Virginia” by H. Wayne Courtney, Land Surveyor, dated December 19, 2000; and

WHEREAS, this property is contiguous to the Tidewater Agricultural Research and Extension Center; and

WHEREAS, the Virginia Tech Foundation, Inc. is desirous of making a gift of this land to the university and Virginia Polytechnic Institute and State University is desirous of accepting this gift;

NOW THEREFORE BE IT RESOLVED, that the Vice President for Business Affairs be authorized to accept on behalf of the university a deed from the Virginia Tech Foundation, Inc., conveying this property to Virginia Polytechnic Institute and State University in accordance with applicable statutes of the Code of Virginia.

RECOMMENDATION:

That the above resolution authorizing the Vice President for Business Affairs to accept on behalf of the university a deed from the Virginia Tech Foundation, Inc. conveying the property in Suffolk, Virginia be approved.

**RESOLUTION FOR CRAIN PROPERTY
LEASE AGREEMENT**

The Shenandoah Valley Agricultural Research and Extension Center has a continuing need to lease property adjacent to the Center to support the program's ongoing research initiatives. The Anne M. Crain Revocable Trust has expressed a desire to enter into a long-term lease agreement at a market based rate with the University for approximately 143.27 acres of cropland in Rockbridge, Virginia.

**RESOLUTION FOR CRAIN PROPERTY
LEASE AGREEMENT**

WHEREAS, Virginia Polytechnic Institute and State University has leased approximately 143.27 acres of cropland for the Shenandoah Valley Agricultural Research and Extension Center (AREC) in Rockbridge, Virginia from Anne M. Crain since 1981; and

WHEREAS, this land is contiguous to the AREC property and allows the program to run livestock without having to haul the cattle on open roadways and to share equipment between the two properties eliminating the expense of duplicate equipment; and

WHEREAS, the University has a continuing need for this property and there is no land adjacent to the AREC available for sale or lease now or in the foreseeable future; and

WHEREAS, the University is interested in leasing this land from the Anne M. Crain Revocable Trust at a market based rate on a long-term basis to support the program's on-going research initiatives; and

WHEREAS, the owner has expressed a desire to enter into a 40-year lease with the University with a 40-year renewal option;

NOW THEREFORE BE IT RESOLVED, that the Virginia Polytechnic Institute and State University Board of Visitors approve the University negotiating a long-term lease agreement with the Anne M. Crain Revocable Trust for approximately 143.27 acres of cropland in Rockbridge, Virginia at a market based rate with a renewal option.

RECOMMENDATION:

That the above resolution authorizing Virginia Tech to negotiate a long-term lease agreement with the Anne M. Crain Revocable Trust for approximately 143.27 acres of cropland in Rockbridge, Virginia at a market based rate with a renewal option be approved.

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

August 28, 2006

FINANCE CLOSED SESSION

PRESENT:

BOARD OF VISITORS: Ms. Beverly Dalton, Mr. Jake Lutz, Mr. George Nolen, Mr. Philip Thompson

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

FINANCE CLOSED SESSION: The Committee met in Closed Session to review and take action on the quarterly personnel changes report, Track and Field bonus recommendations, and Virginia Bioinformatics Institute Policy Advisory Board appointments. The Committee also received a report on faculty compensation reviews.

FINANCE OPEN SESSION

PRESENT:

BOARD OF VISITORS: Ms. Beverly Dalton, Mr. George Nolen, Mr. Philip Thompson

VPI&SU STAFF: Ms. Andrea Abiyounes, Mr. Mel Bowles, Mr. Bob Broyden, Ms. Dawn Camacho, Mr. Al Cooper, Mr. John Cusimano, Mr. Jeff Earley, Mr. Larry Hincker, Mr. Tim Hodge, Mr. James Hyatt, Ms. Heidi McCoy, Mr. Ken Miller, Dr. Kerry Redican, Mr. John Rudd, Ms. Kathy Sanders, Mr. Dwight Shelton, Dr. Raymond Smoot, Dr. Charles Steger, Mr. Paul Toffenetti, Dr. Lisa Wilkes, Ms. Linda Woodard

GUESTS: Mr. John Augustine, Lehman Brothers
Mr. Jim Costello, Lehman Brothers
Ms. Anna Guastello, *Collegiate Times*

1. APPROVAL OF ITEMS DISCUSSED IN CLOSED SESSION:

The Committee reviewed and took the following actions on items discussed in closed session: ratified the Personnel Changes Report, and approved Track and Field bonus recommendations and Virginia Bioinformatics Institute Policy Advisory Board appointments.

2. APPROVAL OF MINUTES OF THE JUNE 12, 2006 MEETING:

The Committee reviewed and approved the minutes of the June 12, 2006 meeting.

ITEMS PRESENTED TO THE FULL BOARD FOR APPROVAL

3. UPDATE ON UNIVERSITY DEBT CAPACITY AND APPROVAL OF RESOLUTION APPROVING THE UNIVERSITY'S DEBT POLICY:

Given its anticipated capital improvement program and the desire to maintain a "Aa" category bond rating, the University has hired Lehman Brothers to perform a debt capacity review and help develop an overall debt policy. The debt capacity review includes current and anticipated revenues, expenses, assets and liabilities of both the University and its related corporations (the Virginia Tech Foundation and Virginia Tech Services).

Lehman Brothers believes that the University can move forward with its capital improvement program and meet or approach most "Aa" category credit medians. The University's ability to borrow beyond the planned \$568 million of combined debt will depend on factors including operating margins and the upcoming capital campaign. In addition to these quantitative measures, Virginia Tech has several qualitative factors that will be viewed favorably by the rating agencies and investors including its Level 3 status, the affiliation with the Atlantic Coast Conference and the capital campaign. While debt capacity is not the measure of any one ratio, the University's financial strategy is sound and should allow Virginia Tech to maintain "Aa" category ratings. Additionally, Lehman Brothers believes that Virginia Tech could issue between \$50 million and \$150 million of bonds through 2013 beyond the \$568 million that is currently planned and still maintain "Aa" category ratings.

The proposed University Debt Policy addresses the criteria for issuing debt and the factors to consider when evaluating the long-term capital structure of the University. It also provides a framework for implementing the University's debt strategies and should be reviewed and adjusted periodically to achieve the University's policy objectives. The proposed University Debt Policy requires approval by the Board of Visitors.

The Committee recommended the Resolution Approving the University Debt Policy to the full Board for approval.

4. 2007-08 OPERATING AND CAPITAL BUDGETS:

The Committee received a report on the 2007-08 operating and capital budgets. In preparation for the 2007 General Assembly session, the university will develop budget amendments to submit to state administration for consideration in the

Governor's budget. The Governor will submit the Executive Budget to the General Assembly on or before December 15, 2006.

The University has developed a list of potential operating and capital budget amendments which are consistent with the initiatives approved for submission in the University's 2006-08 biennial budget request and six-year capital request. Several important statewide issues are traditionally addressed centrally and are not included in Virginia Tech's list of amendments. The issues that are normally coordinated by the State Council of Higher Education for Virginia (SCHEV) and the Department of Planning and Budget (DPB) include the following: faculty and classified staff salaries, equipment trust fund, eminent scholars and student financial assistance.

Base budget adequacy recommendations generally are coordinated by SCHEV, but a separate request is being proposed for institution-specific needs. The operating submission will include requests for funding of operation and maintenance of facilities opening during 2007-08. The capital submission may include adjustments to previously authorized projects and new projects.

These budget amendments are expected to meet the criteria for submission to the Executive Budget. However, when budget amendment instructions are received from state officials, the budget submission will be modified, as necessary, to conform to that guidance. The University may choose to reduce this request before submission to the state. However, the request would not be materially changed without review with the Board of Visitors.

The Committee recommended the 2007-08 Operating and Capital Budgets to the full Board for approval.

5. APPROVAL OF YEAR-TO-DATE FINANCIAL PERFORMANCE REPORT (JULY 1, 2005 – JUNE 30, 2006):

The Committee received the Year-to-Date Financial Performance Report for July 1, 2005 – June 30, 2006. For the fourth quarter, all programs of the university are on target and routine budget adjustments were made to reflect changes in General Fund revenues and reallocations of expenditure budgets in academic and administrative areas.

On May 23, 2006, the Governor announced the shift of the July , 2006 payroll date to June 30, 2006. This resulted in having 25 pay periods in 2005-06 and 23 payrolls in 2006-07. For E&G programs, the case support for this unanticipated cost came from two sources: a General Fund advance (\$7.7 million) and an interest free loan from the State Treasury (\$6.9 million) which was repaid in July.

For the 12 month period, the University Division (Agency 208) and the Cooperative Extension and Agricultural Experiment Station Division (Agency 229) fully utilized the General Fund budget.

While the University increased the tuition budget by \$5.3 million during the year, actual Tuition and Fee revenue is slightly lower than the revised budget due to a higher than anticipated waiver of the out-of-state differential for graduate students on assistantship and a slight decline in the amount of seat based instruction at extended campus sites. Revenue collections for overhead in Sponsored Programs are higher than projected. Total sponsored expenditures are less than projected, but are ahead of 2004-05 activity levels.

Revenues in the Residence and Dining Halls are higher than projected due to higher than anticipated dorm occupancy, increased revenue from summer conferences, continued growth in off-campus meal plan sales, higher than expected dining dollar receipts, and interest income. Revenues for Intercollegiate Athletics exceed projections due to student fee revenues, ticket sales, licensing revenue, concessions income, and ISP Multimedia contract revenues being higher than expected. Additionally, routine budget adjustments have been made in several auxiliaries to reflect revenue and expenditure changes.

During the fiscal year ended June 30, 2006, \$31.1 million was expended for Educational and General and General Obligation Bond Projects, and \$58.5 million in expenditures were incurred for Auxiliary Enterprises capital projects.

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

6. APPROVAL OF SMITHFIELD PARKING LOT 9(c) FINANCING RESOLUTION:

Parking Auxiliary Improvements (Capital Outlay Project Number 14815) has been authorized to be financed pursuant to Article X, Section 9(c), of the Constitution of Virginia for up to \$14,321,500 plus amounts needed to fund issuance costs, reserve funds, and other financing expenses. A component of that authorization is the Smithfield Parking Lot (sub-project 013). At this time, the University requires 9(c) debt financing for the project in the amount of \$730,925.

The Smithfield Parking Lot project converts an existing green space located at the intersection of Duck Pond Drive and Smithfield Road into two separate paved parking lots. The construction consists of a paved surface for approximately 375 parking spaces, site utility construction, erosion control, bio-retention and other storm water control structures, bike paths and landscaping. The construction area totals approximately 5.0 acres.

The proposed resolution requests the issuance of 9(c) bonds through the Treasury Board on behalf of the University, and pledges net revenues of the Parking Auxiliary to the payment of debt service. Other covenants include furnishing the Treasury Board with the University's financial statements, paying our proportional share of expenses in connection with the sale of bonds, and complying with the appropriate arbitrage and private use guidelines.

The Committee recommended the Smithfield Parking Lot 9(c) Financing Resolution to the full Board for approval.

7. APPROVAL OF VCBA 9(d) FINANCING RESOLUTIONS:

The Committee reviewed for approval three Virginia College Building Authority (VCBA) 9(d) financing resolutions for the following three projects: The New Engineering Facility, Phase I (also known as the Institute for Critical Technology and Applied Science, Phase I), The Boiler Pollution Control Project, and The Surge Space Project. To finance each project, bonds will be issued through the Virginia College Building Authority (VCBA) and the University will enter into a loan agreement and promissory note with the Authority. The loan agreement and note are subject to the following parameters: (a) the principal amount shall not be greater than the amount authorized by the General Assembly of Virginia, (b) the interest rate payable shall not exceed a true interest cost more than 50 basis points higher than the interest rate for "AA" rated securities with comparable maturities, (c) the weighted average maturity of the principal payments shall not be in excess of 20 years, (d) the last principal payment date shall not extend beyond the expected economic life of the project, and (e) the actual amount, interest rates, maturities and date shall be approved by an authorized officer, which approval will be evidenced by the execution of the 2006A Note.

The proposed resolutions identify the Executive Vice President and Chief Operating Officer, and the University Treasurer, as authorized officers to execute the loan agreements, promissory notes, and other necessary documents with the Authority.

The Committee recommended the three VCBA 9(d) Financing Resolutions to the full Board for approval.

8. APPROVAL OF RESOLUTION ON CAPITAL LEASE AGREEMENTS FOR THE SCIENCES COLLEGE CONSORTIA PROGRAM AND FOOD, NUTRITION AND HEALTH VIVARIUM:

With the establishment of the Management Agreement with the Commonwealth effective July 1, 2006, the Board of Visitors is authorized to approve capital lease projects, with the corresponding debt obligation, without further review or approval by the Commonwealth.

The University has identified the need to enter into long-term leases with the Virginia Tech Foundation, Inc. for an integrated sciences facility. Accordingly, the University wishes to enter into capital lease agreements with the Virginia Tech Foundation, Inc. to house its Sciences College Consortia program and Food, Nutrition and Health Vivarium program, and it needs to pursue the establishment of these agreements promptly in order to obtain the needed research space by fall 2007.

Since the University has determined that the long-term nature of these leases will create capital leases in accordance with general accepted accounting principles, the University has developed a capital lease resolution for consideration by the Board of Visitors at its August 2006 meeting.

The Committee recommended the Resolution on Capital Lease Agreements for the Sciences College Consortia Program and Food, Nutrition and Health Vivarium to the full Board for approval.

FINANCE OPEN JOINT SESSION

Joint meeting with Buildings and Grounds Committee

PRESENT:

BOARD OF VISITORS: Ms. Beverly Dalton, Mr. Robert Freeman, Mr. John Lawson, Mr. Jacob Lutz, Mr. George Nolen, Mr. James Severt, Mr. Philip Thompson

VPI&SU STAFF: Mr. Bob Broyden, Ms. Dawn Camacho, Mr. Dennis Cochrane, Mr. Al Cooper, Mr. John Cusimano, Mr. Bill Elvey, Dr. Elizabeth Flanagan, Mr. Larry Hincker, Mr. Tim Hodge, Mr. Scott Hurst, Mr. James Hyatt, Mr. Kurt Krause, Ms. Heidi McCoy, Mr. Ken Miller, Dr. Kerry Redican, Ms. Elizabeth Reed, Mr. John Rudd, Ms. Kathy Sanders, Mr. Dwight Shelton, Dr. Charles Steger, Dr. Lisa Wilkes, Ms. Linda Woodard

1. REPORT ON CONDITION OF RESIDENTIAL PROPERTIES UTILIZED AS A PART OF EXTENSION, AGRICULTURAL RESEARCH, AND OUTREACH OPERATIONS:

During the review of an audit report presented by Internal Audit at the March meeting of the Finance and Audit Committee of the Board of Visitors, the members asked for a report on university-owned residences at various locations. An initial report was provided at the June meeting. In response to the Committee's request for more detailed information on the properties, the Committee received a report that provides an update and expansion of the June data with minor adjustments of some numbers. The Buildings and Grounds Committee joined the Finance and Audit Committee for the discussion. The report includes five sections: a brief discussion of the process and overview of the facilities; program contributions of the facilities; condition of the various residential properties used to carry out extension, research and outreach programs; comparison of options to repair, replace, or raze each facility with recommended action plan; and funding plan to support the recommendations. The report also includes three schedules that provide detailed information about each facility.

Attachment H

The Committee reviewed the report and requested that the University develop a policy to address residential housing units located at agricultural research centers. The policy statement will be shared at the November meeting.

There being no further business, the meeting adjourned at 11:30 a.m.

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

August 28, 2006

AUDIT CLOSED SESSION

PRESENT:

BOARD OF VISITORS: Ms. Beverly Dalton, Mr. Jake Lutz, Mr. George Nolen, Mr. Philip Thompson

VPI&SU STAFF: Ms. Kay Heidbreder, Mr. James Hyatt, Mr. John Rudd, Mr. Dwight Shelton, 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 were identified. The Committee also received an update on the outstanding fraud, waste, and abuse cases.

AUDIT AGENDA

PRESENT:

BOARD OF VISITORS: Ms. Beverly Dalton, Mr. George Nolen, Mr. Philip Thompson

VPI&SU STAFF: Ms. Andrea Abiyounes, Mr. Mel Bowles, Mr. Bob Broyden, Ms. Dawn Camacho, Mr. Al Cooper, Mr. John Cusimano, Mr. Tim Hodge, Mr. James Hyatt, Ms. Heidi McCoy, Mr. Ken Miller, Dr. Kerry Redican, Mr. John Rudd, Ms. Kathy Sanders, Mr. Dwight Shelton, Dr. Raymond Smoot, Mr. Paul Toffenetti, Dr. Lisa Wilkes, Ms. Linda Woodard

1. APPROVAL OF MINUTES OF THE JUNE 12, 2006 MEETING:

The Committee reviewed and approved the minutes of the June 12, 2006 meeting.

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

The Committee reviewed and accepted the following Internal Audit Reports:

A. Information Technology Security Office

The Committee received a report on the audit of the Information Technology Security Office. The audit indicated that the overall risk exposure is high and that some improvements are recommended. Audit recommendations include: Strengthen the "Business Impact Analysis/Risk Assessment for Information Assets" program and Identity Management Systems; Designate a system administrator to manage all IT Security Office computing resources; Improve maintenance and testing of the IT Security Office website prior to publication; and Continue to enhance the IT security training program. Management is working to implement corrective action to address the audit recommendations. The Committee also requested that a key performance indicator report be developed for IT security, identifying key areas of risk, areas of critical risk, and performance at a point in time. Further, the Committee requested a report at the November meeting from the Vice President for Information Technology to provide an overview of security issues, performance indicators, and security in a centralized and decentralized environment.

B. Environmental, Health and Safety Services

The Committee received a report on the audit of Environmental, Health and Safety Services. The audit indicated that the overall risk exposure is high and that some improvements are recommended. Audit recommendations include: Strengthen university oversight relationships and communications, expand the scope of department planning and improve all levels of reporting; Enhance the efficiency and effectiveness of EHSS' programs; Improve the quality and effectiveness of EHSS' external reports; Improve computer security; and Review, analyze and update the department's "Business Impact Analysis/Risk Assessment for Information Assets." Management is working to implement corrective action to address the audit recommendations.

C. Office of Scholarships and Financial Aid

The Committee received a report on the audit of the Office of Scholarships and Financial Aid. The audit indicated that the overall risk exposure is high and that some improvements are recommended. Audit recommendations include: Enhance controls over budgeting and awarding process, and Develop enhanced controls over student eligibility monitoring processes. Management is working to implement corrective action to address the audit recommendations.

D. Veterinary Teaching Hospital

The Committee received a report on the audit of the Veterinary Teaching Hospital. The audit indicated that the overall risk is high and that significant improvements are needed. Audit recommendations include: Adhere to hospital policy concerning Field Services Reports or develop a compensating mechanism to record all Production Management Medicine (PMM) Services provided; Strengthen procedures in relation to billing PMM services; Improve procedures over collecting payments from Cash-In-Advance (CIA) clients; Improve project management of the Caregiver Interface (CGI) project; Improve controls within Hospital Stores; Ensure that fees used for billing clients adhere to fees established in the hospital fee schedule; and Improve business continuity. Management is working to implement corrective action to address the audit recommendations. The Committee requested a briefing by the College Dean at the November meeting to ascertain the status of management action toward addressing these comments, as well as to discuss the status of the College of Veterinary Medicine audit that was discussed at the June 2006 Board meeting.

E. Immigration Controls

The Committee received a report on the audit of Immigration Controls. The audit indicated that the overall risk is medium and that some improvements are recommended. Audit recommendations include: Enhance immigration support services, and Enhance the communication of immigration services provided to Virginia Tech foreign national staff and faculty. Management is working to implement corrective action to address the audit recommendations.

The Committee recommended these five Internal Audit reports to the full Board for acceptance.

3. PRESENTATION, DISCUSSION, AND ACCEPTANCE OF INTERNAL AUDIT DEPARTMENT'S QUARTERLY REPORT AND ANNUAL STATUS REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2006:

The Committee reviewed the Internal Audit Department's status report for the quarter ended June 30, 2006. The Internal Audit Department continued to conduct full scope audits, periodic audits, special projects, and investigations related to fraud, waste, and abuse. Additionally, the department has focused on the professional development of the staff. Internal Audit and the Virginia Tech Foundation, Inc. worked jointly to gather financial information and endowment agreements in a review of allegations which ultimately proved to be unfounded.

The Committee also reviewed the Internal Audit Department's annual status report for 2005-06. In the last fiscal year, 14 planned or requested audits and 5 compliance reviews were completed. Internal Audit also conducted periodic audit activities.

The Committee requested that the University establish a thorough compliance program related to financial and business management practices at the department level. Establishment of this reporting requirement should be completed by the end of the fourth quarter for implementation in 2007. An implementation status report will be provided in November.

The Committee accepted the report.

4. REVIEW AND ACCEPTANCE OF THE 2007 AUDIT PLAN:

The Committee reviewed the 2007 Audit Plan. Scheduled audits were selected based on a university-wide comprehensive risk assessment process and related discussion with the Committee when the preliminary five-year audit plan was presented at the June meeting. Seventeen audits are scheduled for the 2006-07 fiscal year; audits not completed in 2006-07 will be carried forward to the next fiscal year.

The Committee accepted the report.

5. 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 June meeting, the university reported 9 high or medium risk audit comments as remaining outstanding. An additional 16 comments have been issued since the June meeting for a total of 25 comments. As of June 30, 2006, 11 comments have been addressed, leaving 14 comments still in progress. Since the issuance of the quarterly report in June, departments have addressed one additional comment.

The Committee accepted the report.

6. DISCUSSION OF THE CURRENT STATUS OF THE JUNE 30, 2006 AUDIT OF THE UNIVERSITY'S FINANCIAL STATEMENTS:

The Committee received a report on the current status of the audit of the university's financial statements for 2005-06. This audit is conducted by the Commonwealth Auditor of Public Accounts. At this time, the auditors have not identified or informed the University of any significant concerns about the areas of the audit. The audit should be completed and presented at the November meeting of the Board of Visitors.

7. IMPACT OF SAS 112: COMMUNICATING INTERNAL CONTROL RELATED MATTERS IDENTIFIED IN AN AUDIT:

The Committee received a report on the effect of Statement on Auditing Standards (SAS) 112: *Communicating Internal Control Related Matters Identified in an Audit*. The annual audit of the University's financial statements is

conducted by the Commonwealth's Auditor of Public Accounts (APA). The audit work and activities of the APA are guided by policy and procedures statements issued by the accounting profession and by the federal government. Auditing standards are in the process of significant change, and some recent changes have the potential to impact the audits and resulting reporting by the APA. This report was presented to provide the Committee with an initial discussion of these pending changes, the potential impacts on Virginia Tech, and the University's plans and actions in preparation for these new auditing standards.

There being no further business, the meeting adjourned at 11:30 a.m.

RESOLUTION APPROVING THE UNIVERSITY'S DEBT POLICY

WHEREAS, the 2005 General Assembly passed HB2866 and SB1327 known as the Restructured Higher Education Financial and Administrative Operations Act, as amended by the Governor (the Act); and,

WHEREAS, pursuant to § 23-38.108(B) of the Act, the University has the authority to issue bonds, notes or other obligations that do not constitute State Tax Supported Debt and that are consistent with the debt capacity and management policies and guidelines established by the Board of Visitors; and,

WHEREAS, with the approval of the Management Agreement legislation, effective July 1, 2006, the University will operate as a covered institution in accordance with its Management Agreement and operational policies for a period of four years; and,

WHEREAS, given Virginia Tech's anticipated capital improvement program and the desire to maintain a "Aa" category bond rating, the University has hired Lehman Brothers to perform a debt capacity review and to assist the University in the development of an overall debt policy; and,

WHEREAS, the proposed University Debt Policy addresses the criteria for issuing debt and the factors to consider when evaluating the capital structure of the University, including the amount of fixed and variable interest rate exposure in the debt portfolio, the amortization of debt, the University's debt capacity, the amount of taxable and tax-exempt debt, the use of interest rate risk management strategies, and the criteria for refinancing existing debt; and,

WHEREAS, an effective debt policy will help the University lower its cost of capital, manage its risk, and increase its debt capacity;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Visitors of Virginia Polytechnic Institute and State University approves the proposed University Debt Policy as described above.

RECOMMENDATION: That the proposed University Debt Policy as described above be approved.

August 28, 2006

DEBT CAPACITY AND DEBT POLICY

Given its anticipated capital improvement program and the desire to maintain a “Aa” category bond rating, the University has hired Lehman Brothers to perform a debt capacity review and help develop an overall debt policy.

Debt capacity depends on a variety of dynamic and interrelated factors including long-term strategy, essentiality of the projects being financed, credit and operating ratios, strength and diversity of fund sources, management, student demand, endowment strength and financial statement analysis. The Lehman Brothers model for analyzing debt capacity takes into account projections for future endowment return, short and long-term costs of capital, and growth in operating revenues and expenses. Rating agencies traditionally combine the resources and outstanding debt of related corporations when performing higher education credit analyses. As a result, the debt capacity review includes current and anticipated revenues, expenses, assets and liabilities of both the University and its related corporations (the Virginia Tech Foundation and Virginia Tech Services).

Lehman Brothers believes that the University can move forward with its capital improvement program and meet or approach most “Aa” category credit medians. The University’s ability to borrow beyond the planned \$568 million of combined debt will depend on factors including operating margins and the upcoming capital campaign. In addition to these quantitative measures, Virginia Tech has several qualitative factors that will be viewed favorably by the rating agencies and investors including its Level 3 status, the affiliation with the Atlantic Coast Conference and the capital campaign. While debt capacity is not the measure of any one ratio, the University’s financial strategy is sound and should allow Virginia Tech to maintain “Aa” category ratings. Additionally, Lehman Brothers believes that Virginia Tech could issue between \$50 million and \$150 million of bonds through 2013 beyond the \$568 million that is currently planned and still maintain “Aa” category ratings.

The proposed University Debt Policy addresses the criteria for issuing debt and the factors to consider when evaluating the long-term capital structure of the University. These factors include the amount of fixed and variable interest rate exposure in the debt portfolio, the amortization of debt, the University’s debt capacity, the amount of taxable and tax-exempt debt, the use of interest rate risk management strategies, and the criteria for refinancing existing debt. An effective debt policy will help the University lower its cost of capital, manage its risk, and increase its debt capacity. The proposed debt policy provides a framework for implementing the University’s debt strategies and should be reviewed and adjusted periodically to achieve the University’s policy objectives. The proposed University Debt Policy requires Board approval.

LEHMAN BROTHERS

MEMORANDUM

TO: Jim Hyatt, *Virginia Tech* (540-231-6235)
John Cusimano, *Virginia Tech* (540-231-7094)
Ray Smoot, *Virginia Tech Foundation* (540-231-5751)

FROM: John Augustine (212-526-5436)
Jim Costello (212-526-5730)
John Stevenson (212-526-1974)

DATE: July 26, 2006

SUBJECT: Virginia Polytechnic Institute and
Virginia Tech Foundation
Debt Capacity

As a follow-up to our recent discussions, we have provided a summary of our debt capacity analysis for the University including the Foundation. As you know, debt capacity depends on a variety of dynamic and interrelated factors, including long-term strategy, essentiality of the projects being financed, strength and diversity of fund sources, credit ratios, operating ratios and relative performance of peer institutions. Effectively communicating these factors to the rating agencies and the market is central to effective debt capacity management.

The use of a dynamic, multi-year analysis, rather than a static calculation at a single point in time is required to understand debt capacity. Lehman Brothers' model for analyzing debt capacity takes into account projections for future endowment return, short term and long term costs of capital, and growth in operating revenues and expenses. The resulting analyses present a clear picture of the impact a spectrum of additional quantities of debt will have on financial metrics. Also included for your information is a peer institution ratio analysis.

We believe that the University's long-term mission and strategy to support that mission should play a leading role in the determination of overall debt capacity. In addition to the factors described above, other determinants of overall debt capacity for the University will include:

- ◆ Management;
- ◆ Student Demand;
- ◆ Endowment Strength; and
- ◆ Financial Statement Analysis

With the University's planned increases in outstanding debt, it will be particularly important to develop and to maintain an open dialogue with the rating agencies in order to effectively convey the University's strengths. We have provided a summary of our key assumptions and the results of our debt capacity analysis for your review and our discussion.

Background and Key Assumptions

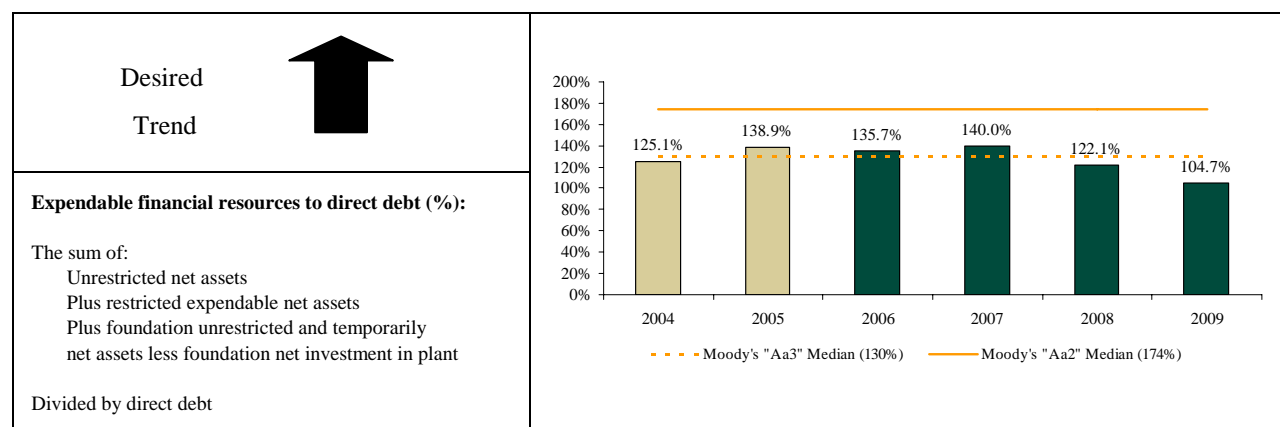
We reviewed the University's and the Foundation's financial statements for the last three years and the financial projections that are prepared for the Commonwealth. After meeting with several members of the

senior administration on campus and through telephone interviews, we have gained a clear understanding of the University's financial strategy. The following key assumptions were made for the credit ratio projections:

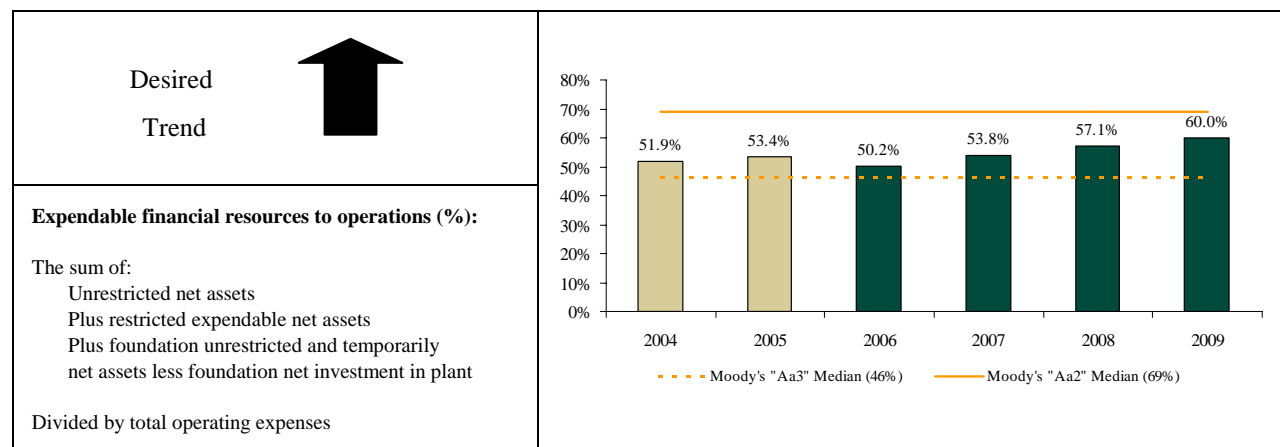
- Approximately \$450 million of planned VPI debt issuance through 2013;
- Approximately \$110 million of planned VTF debt issuance through 2013;
- Operating budget growth of 6.00% (an estimate based on historical budget growth);
- Enrollment projections provided to the Commonwealth through 2013;
- Approximately \$216 million of contributions to net assets from The Campaign for Virginia Tech through 2013;
- 2.50% liquid net asset growth; and
- 5.50% future cost of capital for the University and 5.75% future cost of capital for the Foundation.

Pro Forma Financial Ratios

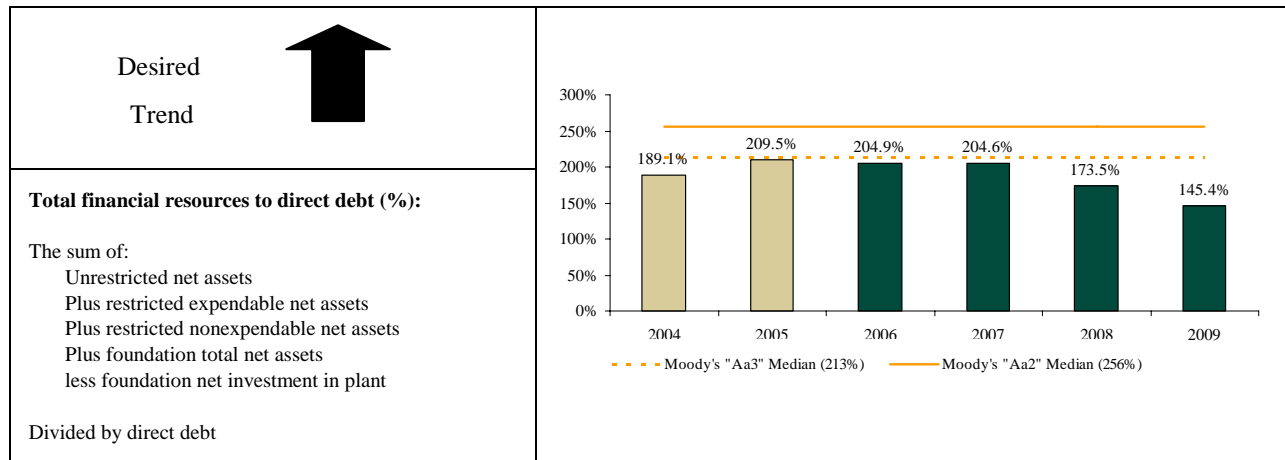
We have analyzed the following financial ratios as part of our debt capacity analysis.



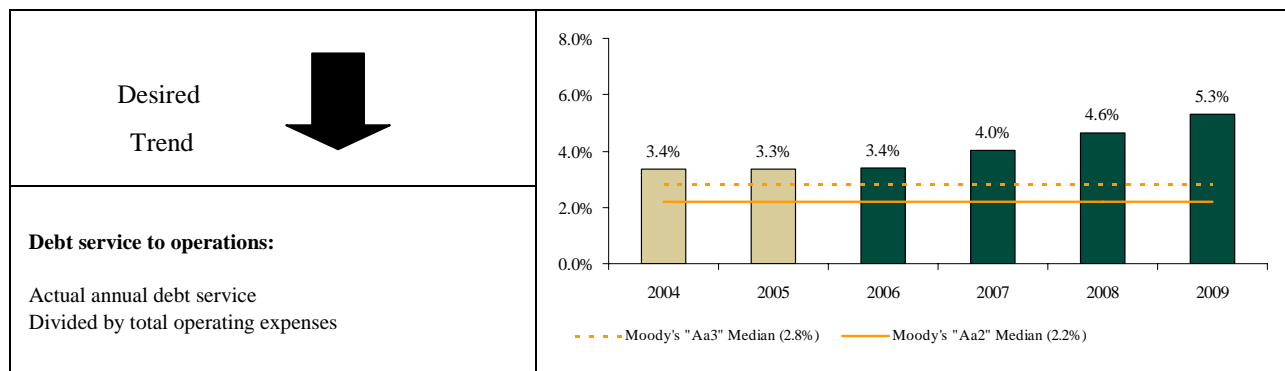
The University's ratio of expendable financial resources to direct debt was 138.9% for fiscal year 2005. We project this ratio to be 104.7% in fiscal year 2009 given the University's planned debt issuance and financial projections.



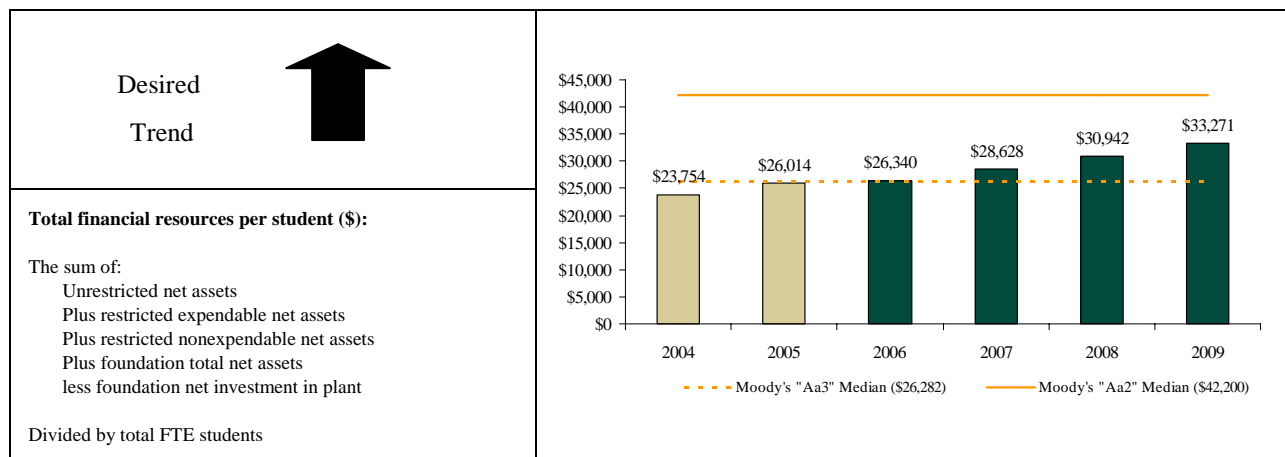
The University's ratio of expendable financial resources to operations was 53.4% for fiscal year 2005. We project this ratio to be 60.0% in fiscal year 2009 given the University's planned debt issuance and financial projections.



The University's ratio of total financial resources to direct debt was 209.5% for fiscal year 2005. We project this ratio to be 145.4% in fiscal year 2009 given the University's planned debt issuance and financial projections.

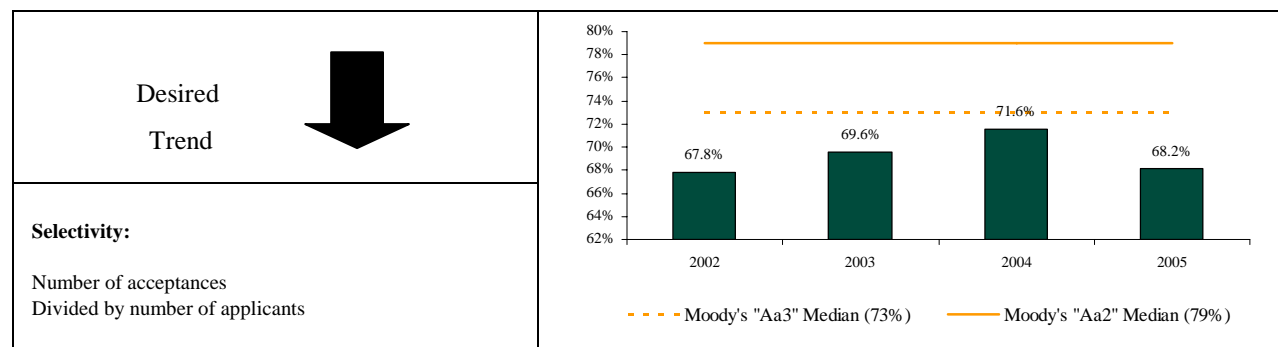


The University's ratio of debt service to operations was 3.3% for fiscal year 2005. We project this ratio to be 5.3% in fiscal year 2009 given the University's planned debt issuance and financial projections.

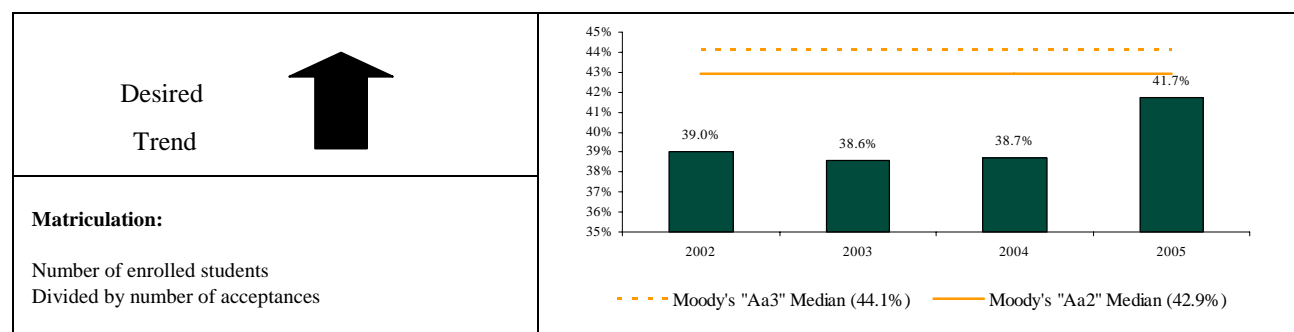


The University's level of total financial resources per student was \$26,014 for fiscal year 2005. We project this ratio to be \$33,271 in fiscal year 2009 given the University's planned debt issuance and financial projections.

Historical Student Demand Ratios



The University's selectivity ratio has been stable during the period from 2002 through 2005, ranging from 67.8% to 71.4%.



The University's matriculation ratio has been stable during the period from 2002 through 2005, ranging from 38.6% to 41.7%.

Conclusion

As illustrated in the tables above, the University can move forward with its capital improvement program and meet or approach most "Aa" category credit medians. The University's credit rating is also supported by its modest borrowing plans for the 2006 and 2007 fiscal years and the annual amortization of its outstanding debt. The University's ability to borrow beyond the planned \$560 million of debt will depend on factors including operating margins and the upcoming capital campaign. In addition to these quantitative measures, Virginia Tech has several qualitative factors that will be viewed favorably by the rating agencies and investors including its Level 3 status, the affiliation with the Atlantic Coast Conference and the capital campaign. While debt capacity is not the measure of any one ratio, the University's financial strategy is sound and should allow Virginia Tech to maintain "Aa" category ratings. We believe that Virginia Tech could issue between \$50 million and \$150 million of bonds through 2013 beyond the \$560 million that is currently planned and maintain "Aa" category ratings. If a majority of the additional projects financed are revenue producing (i.e., housing), then Virginia Tech could issue bonds at the higher end of the range.

Lehman Brothers Has Developed a Debt Capacity Model that Projects the Impact of the Planned New Money Issuance of Approximately \$560 Million through Fiscal Year 2013.

- ◆ Our debt capacity model quantifies the impact of the University's planned debt issuance on key ratios:
 - ◆ Expendable resources to debt
 - ◆ Expendable resources to operations
 - ◆ Total resources to debt
 - ◆ Debt service to operations
 - ◆ Total resources per FTE student
 - ◆ Selectivity
 - ◆ Matriculation
- ◆ We used the following data in our analysis:
 - ◆ Planned new debt and anticipated annual debt service (from Debt Ratio Projection)
 - ◆ Projected University budget growth of 6.00% ⁽¹⁾ and projected Foundation and VT Services budget growth of 5.00%
 - ◆ Anticipated University enrollment (from Composition of Student Population report)
- ◆ The following additional assumptions were used:
 - ◆ Liquid net asset growth of 2.50%
 - ◆ Breakeven operating margins

(1) The University budget growth rate of 6.00% is a blended rate based on historical budget growth of 7-9% during expansionary economic periods and growth of 4% during recessionary periods.

Debt Capacity Model Assumptions

Planned New Debt (\$000s)								
	<u>2005-06</u> ⁽¹⁾	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
University	\$0	\$29,415	\$121,584	\$82,833	\$69,550	\$46,500	\$98,920	\$1,000
Foundation	\$0	\$24,710	\$6,000	\$80,000	\$0	\$0	\$0	\$0
VT Services	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Planned New Debt	\$0	\$54,125	\$127,584	\$162,833	\$69,550	\$46,500	\$98,920	\$1,000

Source: Debt Ratio Projection (As of June 12, 2006)

(1) In 2005-06, the University has already issued approximately \$11,750,000 and the Foundation has issued approximately \$18,500.

Annual Debt Service (Includes Existing and New Debt Service) (\$000s)								
	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
University	\$26,721	\$32,670	\$41,470	\$46,792	\$49,101	\$52,046	\$59,032	\$58,853
Foundation	\$4,908	\$7,038	\$7,017	\$11,620	\$11,340	\$11,357	\$11,350	\$11,369
VT Services	<u>\$267</u>	<u>\$267</u>	<u>\$267</u>	<u>\$268</u>	<u>\$68</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Annual Debt Service	\$31,896	\$39,976	\$48,754	\$58,680	\$60,510	\$63,403	\$70,382	\$70,222

Source: Debt Ratio Projection (As of June 12, 2006) (University); Lehman Brothers' Calculations (Foundation)

Expense Budget (\$000s)								
	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
University	\$810,176	\$858,787	\$910,314	\$964,933	\$1,022,829	\$1,084,198	\$1,149,250	\$1,218,205
Foundation	\$102,666	\$107,799	\$113,189	\$118,849	\$124,791	\$131,031	\$137,582	\$144,461
VT Services	<u>\$22,863</u>	<u>\$24,006</u>	<u>\$25,206</u>	<u>\$26,466</u>	<u>\$27,790</u>	<u>\$29,179</u>	<u>\$30,638</u>	<u>\$32,170</u>
Total	\$935,704	\$990,591	\$1,048,709	\$1,110,247	\$1,175,409	\$1,244,408	\$1,317,470	\$1,394,836

Note: University budget growth projected at 6% (blended growth estimate based on historical budget growth of 7-9% during expansionary economic periods and growth of 4% during recessionary periods).

University Enrollment								
	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Fall Term Enrollment	26,953	27,222	27,495	27,770	28,047	28,328	28,611	28,897

Source: Lehman Brothers' Calculations; Growth Rate Based on Composition of Student Population Report (Submitted to SCHEV 6/15/05)

Virginia Tech – Debt Capacity Analysis

Expendable Resources to Debt (%)

Desired
Trend

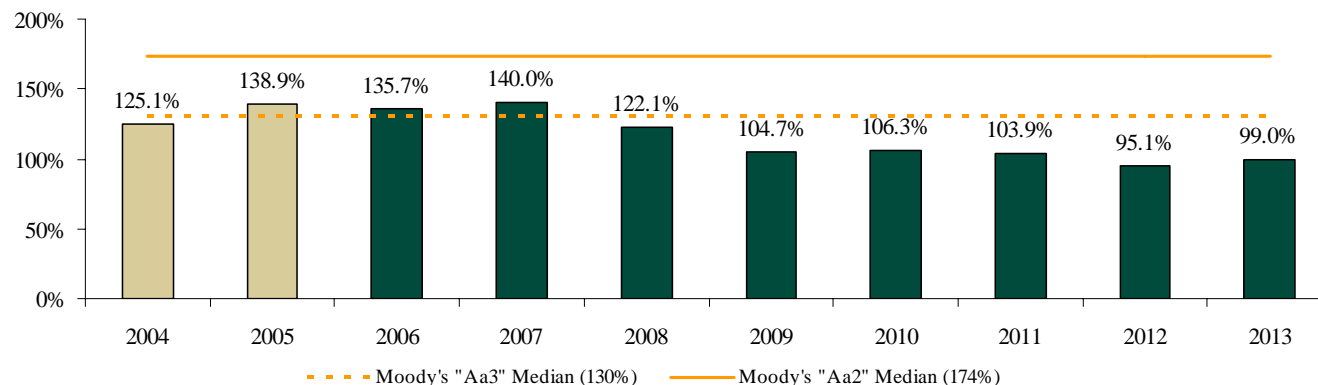


Expendable financial resources to direct debt (%):

The sum of:

Unrestricted net assets
Plus restricted expendable net assets
Plus foundation unrestricted and temporarily
net assets less foundation net investment in plant

Divided by direct debt



Expendable Resources to Operations (%)

Desired
Trend

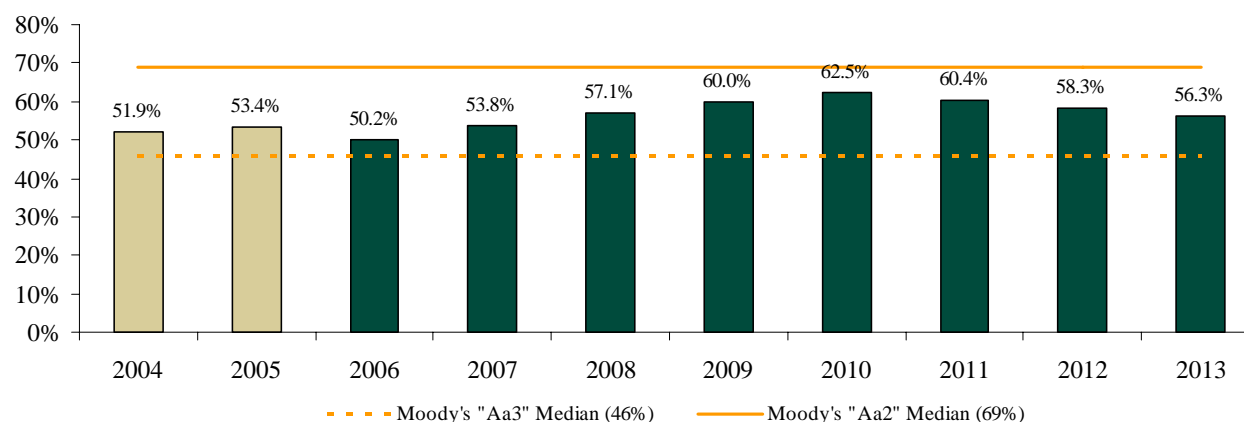


Expendable financial resources to operations (%):

The sum of:

Unrestricted net assets
Plus restricted expendable net assets
Plus foundation unrestricted and temporarily
net assets less foundation net investment in plant

Divided by total operating expenses



Virginia Tech – Debt Capacity Analysis

Total Resources to Debt (%)

Desired
Trend

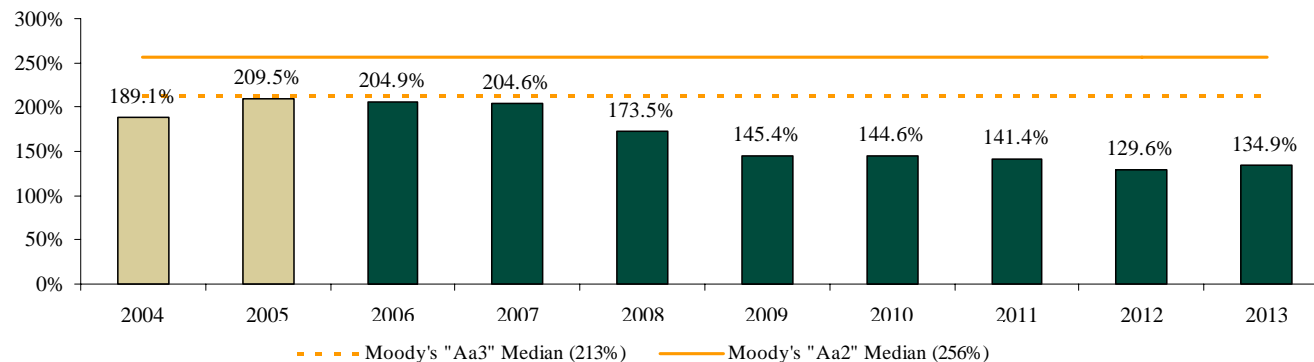


Total financial resources to direct debt (%):

The sum of:

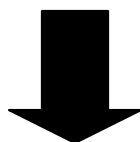
Unrestricted net assets
Plus restricted expendable net assets
Plus restricted nonexpendable net assets
Plus foundation total net assets
less foundation net investment in plant

Divided by direct debt



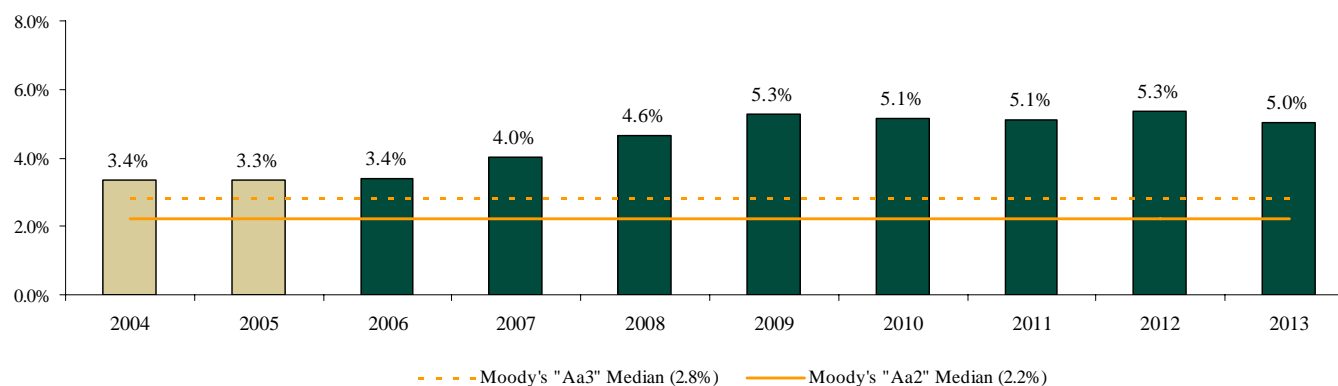
Debt Service to Operations (%)

Desired
Trend



Debt service to operations:

Actual annual debt service
Divided by total operating expenses



Virginia Tech – Debt Capacity Analysis

Total Resources per FTE

Desired
Trend

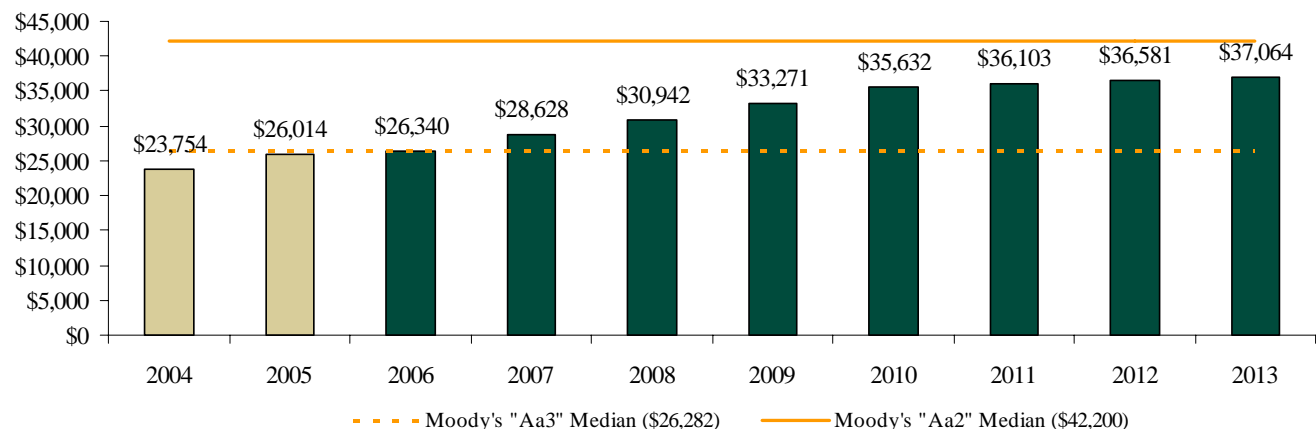


Total financial resources per student (\$):

The sum of:

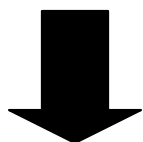
- Unrestricted net assets
- Plus restricted expendable net assets
- Plus restricted nonexpendable net assets
- Plus foundation total net assets
- less foundation net investment in plant

Divided by total FTE students



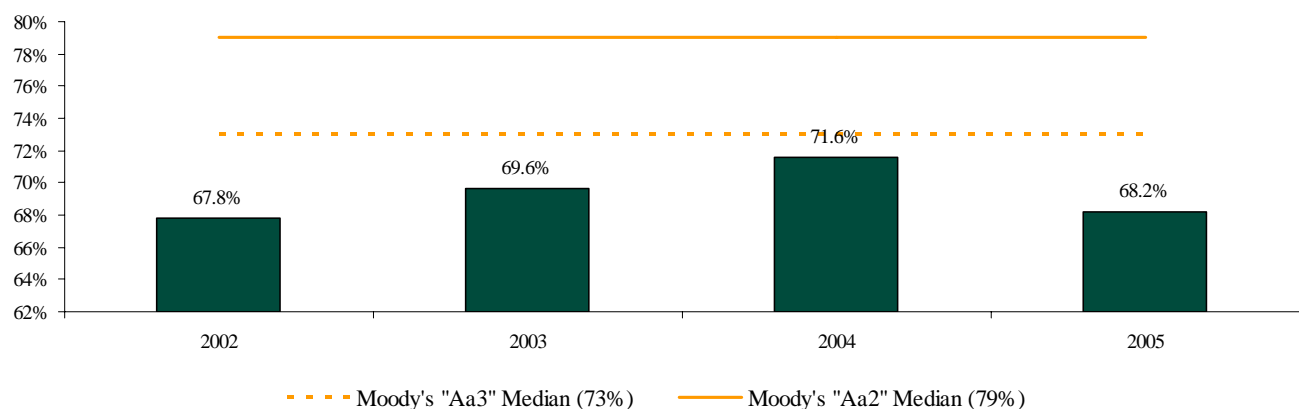
Selectivity (%)

Desired
Trend



Selectivity:

Number of acceptances
Divided by number of applicants



Virginia Tech – Debt Capacity Analysis

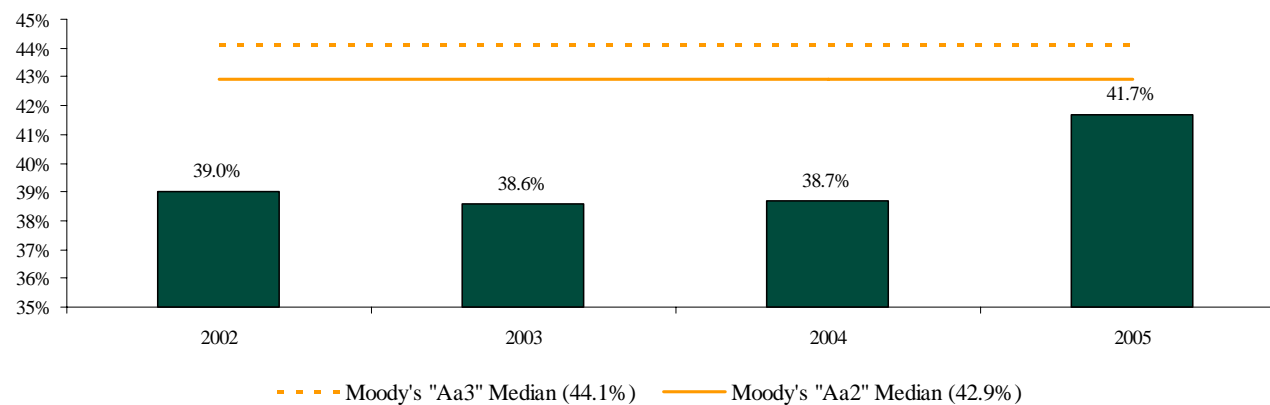
Matriculation (%)

Desired
Trend



Matriculation:

Number of enrolled students
Divided by number of acceptances



Virginia Tech – Conclusions

- ◆ The University's sound financial strategy should allow it to maintain "Aa" category ratings.
- ◆ The University's credit rating is also supported by its modest borrowing plans for Fiscal Years 2006 and 2007 and the annual amortization of its outstanding debt.
- ◆ Several qualitative factors, including the University's flagship status, the affiliation with the Atlantic Coast Conference and the upcoming capital campaign, will be viewed favorably by the rating agencies and investors.
- ◆ The ability to borrow beyond the planned \$560 million of debt will depend on certain factors including its operating margin and upcoming capital campaign.

LEHMAN BROTHERS

Confidential
August 9, 2006

Peer Institution
Ratio Analysis



Background on Peer Institution Ratio Analysis

- Based on our discussions with the University, we have created two peer groups:
 - A core peer group, consisting of research-focused public flagship universities.
 - An “aspirational” peer group, which includes many Top 30 research institutions.
- We have included a set of key financial indicators in our analysis:
 - Total Resources
 - Total Debt
 - Total Resources to Debt
 - Expendable Resources to Debt
 - Debt Service to Operations
 - Expendable Resources to Operations
- For each institution, we included affiliated foundations (such as the Virginia Tech Foundation) in our calculation of financial ratios.
- Our analysis is based on fiscal year 2005 financial statements.

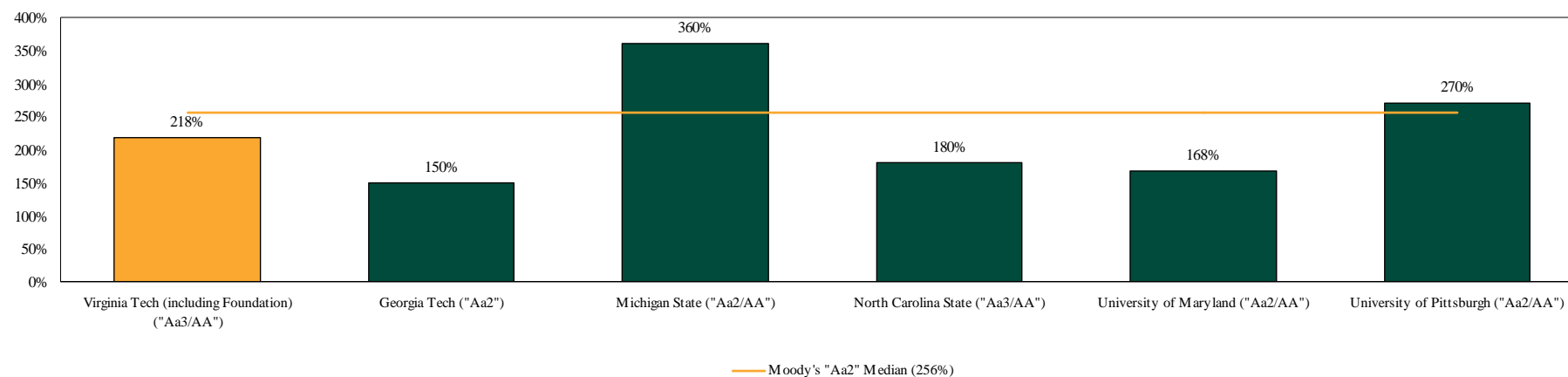
Peer Group Analysis

- Virginia Tech's peer group includes research-focused public flagship universities.

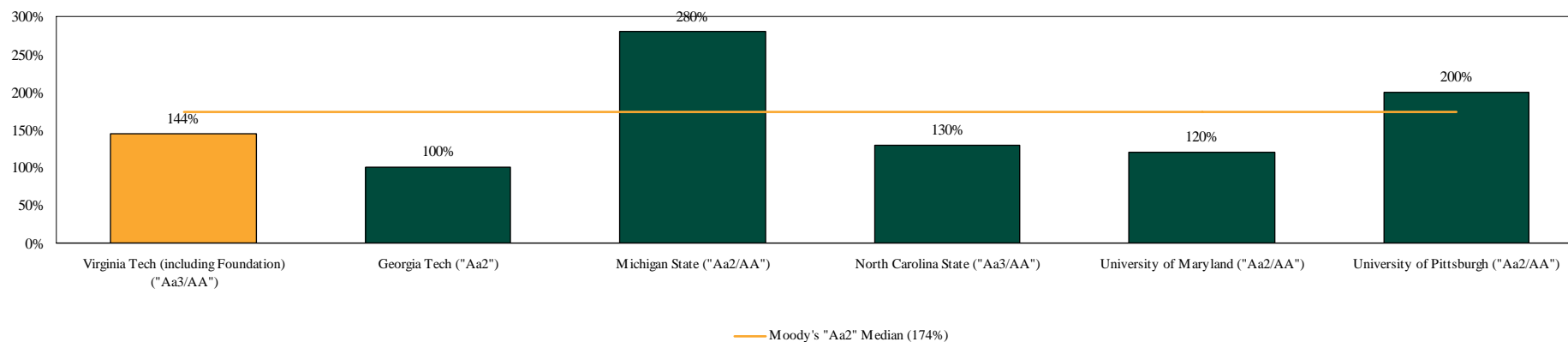
Institution	Ratings	Total Debt	Total Financial Resources
Virginia Tech	Aa3/AA	\$357 million	\$713 million
Georgia Institute of Technology	Aa2/NAF	\$729 million	\$1,068 million
Michigan State University	Aa2/AA	\$465 million	\$1,663 million
North Carolina State University	Aa3/AA	\$316 million	\$564 million
University of Maryland	Aa2/AA	\$931 million	\$1,562 million
University of Pittsburgh	Aa2/AA	\$638 million	\$1,709 million

Peer Group Analysis

Total Resources to Debt

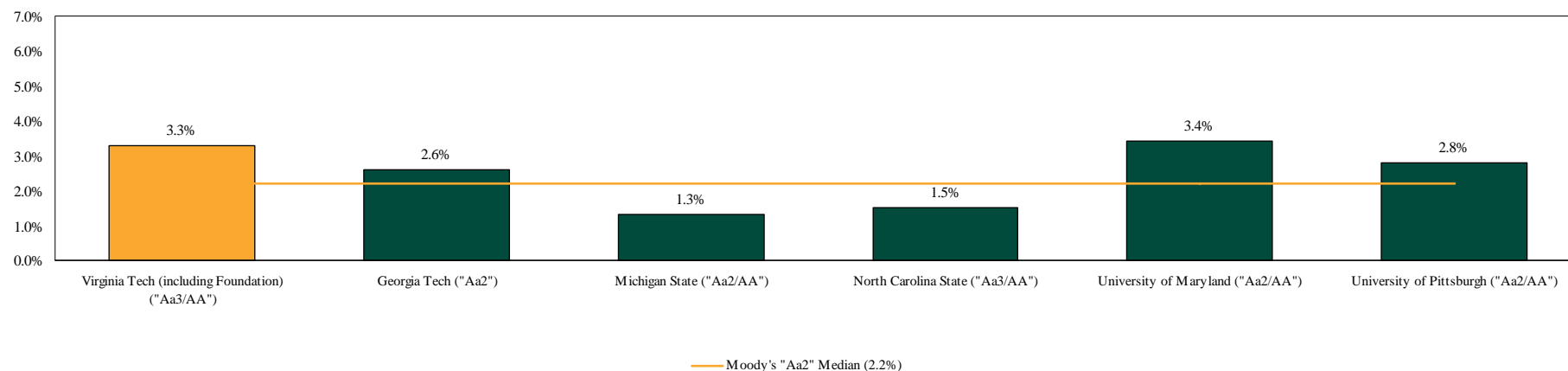


Expendable Resources to Debt

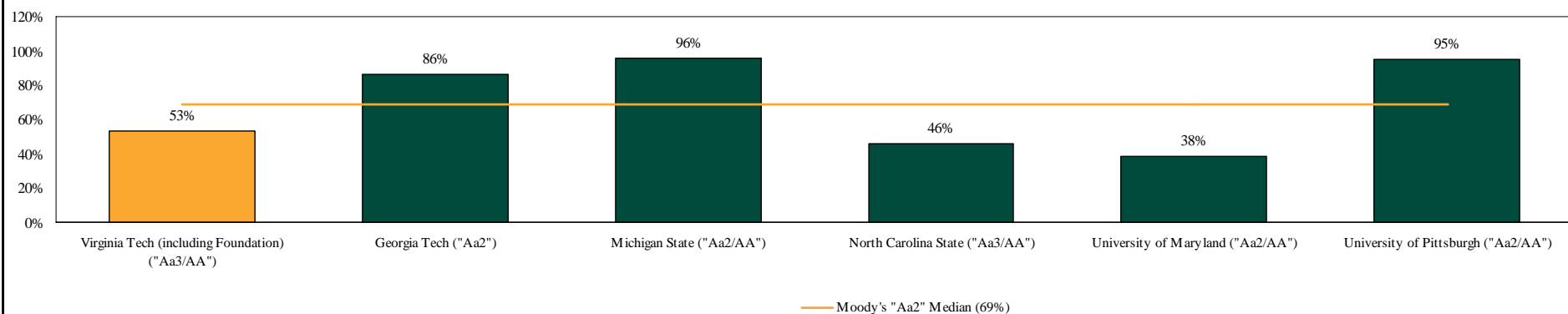


Peer Group Analysis

Debt Service to Operations

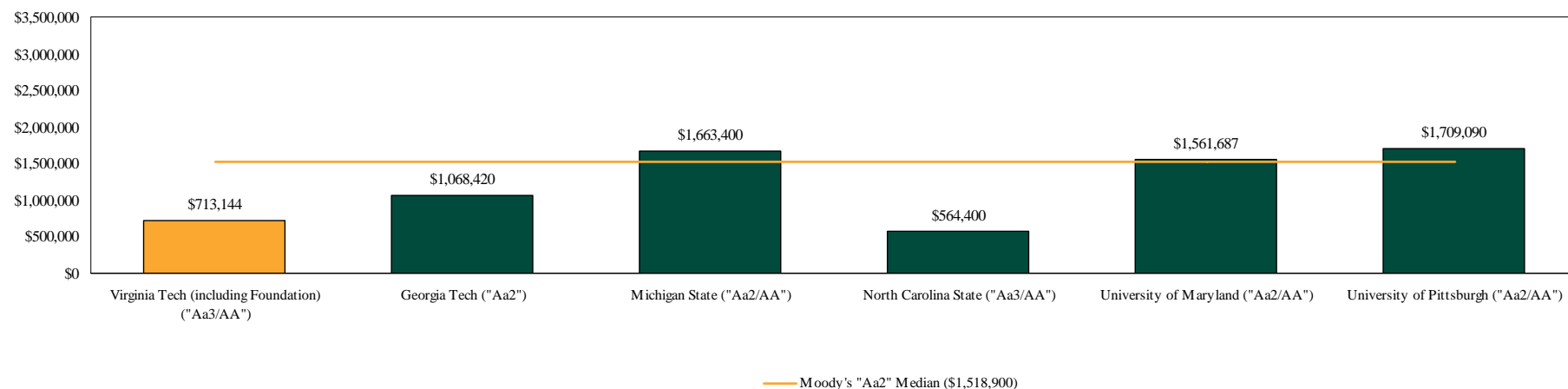


Expendable Resources to Operations

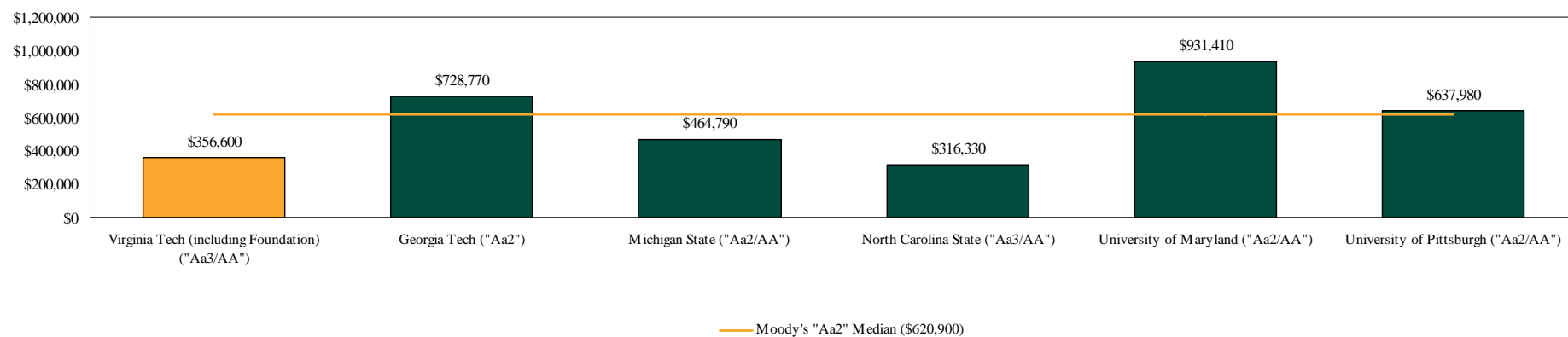


Peer Group Analysis

Total Resources



Total Debt



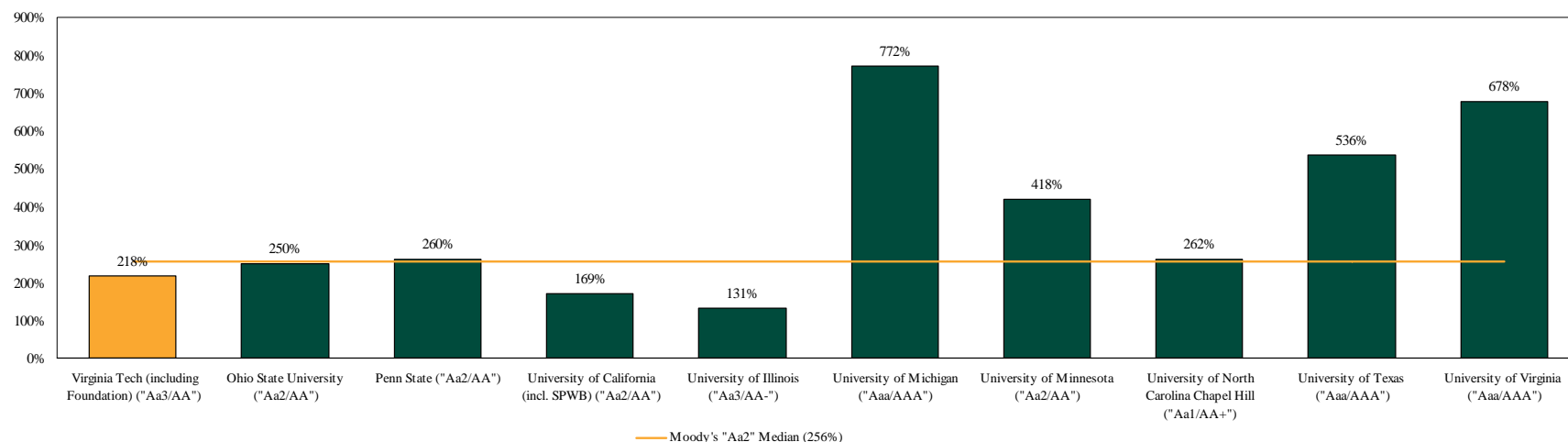
Peer Group Analysis (“Aspirational” Group)

- Virginia Tech’s “aspirational” peer group includes many Top 30 research institutions with international reputations.

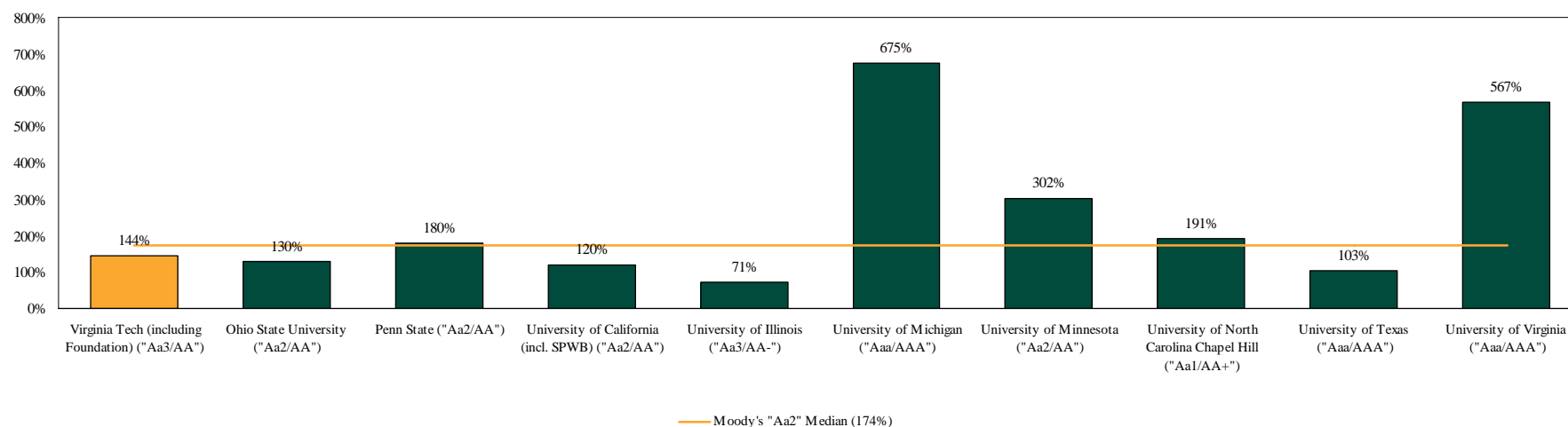
Institution	Ratings	Total Debt	Total Financial Resources
Virginia Tech	Aa3/AA	\$357 million	\$713 million
Ohio State University	Aa2/AA	\$878 million	\$2,189 million
Pennsylvania State University	Aa2/AA	\$849 million	\$2,228 million
University of California	Aa2/AA	\$8,352 million	\$14,119 million
University of Illinois	Aa3/AA-	\$1,135 million	\$1,485 million
University of Michigan	Aaa/AAA	\$838 million	\$6,468 million
University of Minnesota	Aa2/AA	\$673 million	\$2,813 million
University of North Carolina Chapel Hill	Aa1/AA+	\$770 million	\$2,020 million
University of Texas	Aaa/AAA	\$3,593 million	\$19,254 million
University of Virginia	Aaa/AAA	\$580 million	\$3,932 million

Peer Group Analysis ("Aspirational" Group)

Total Resources to Debt

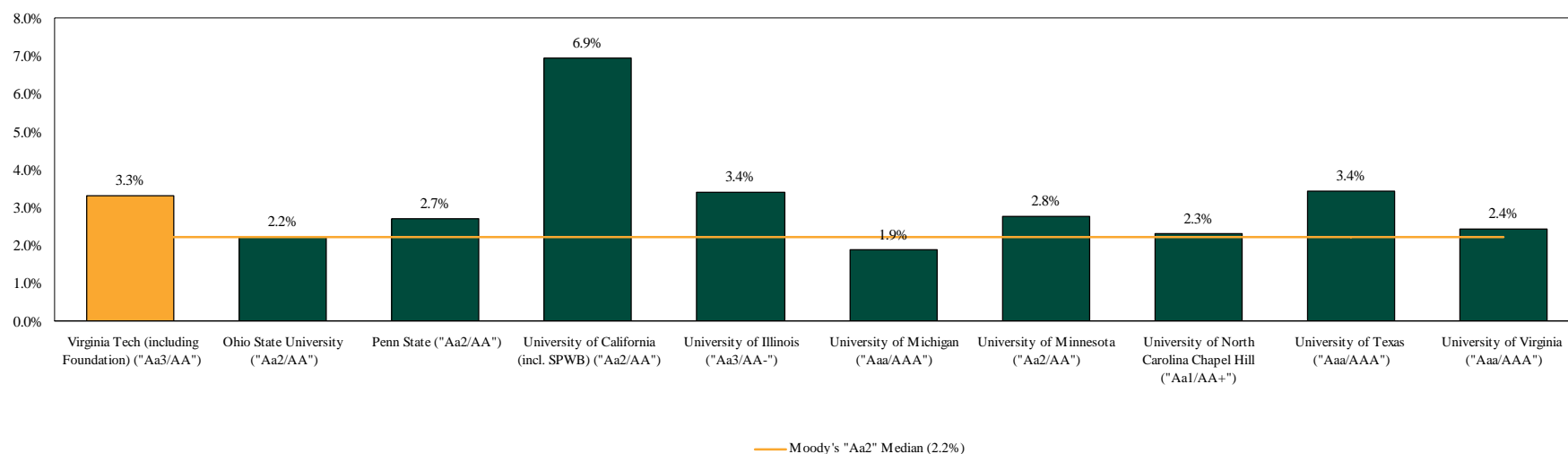


Expendable Resources to Debt

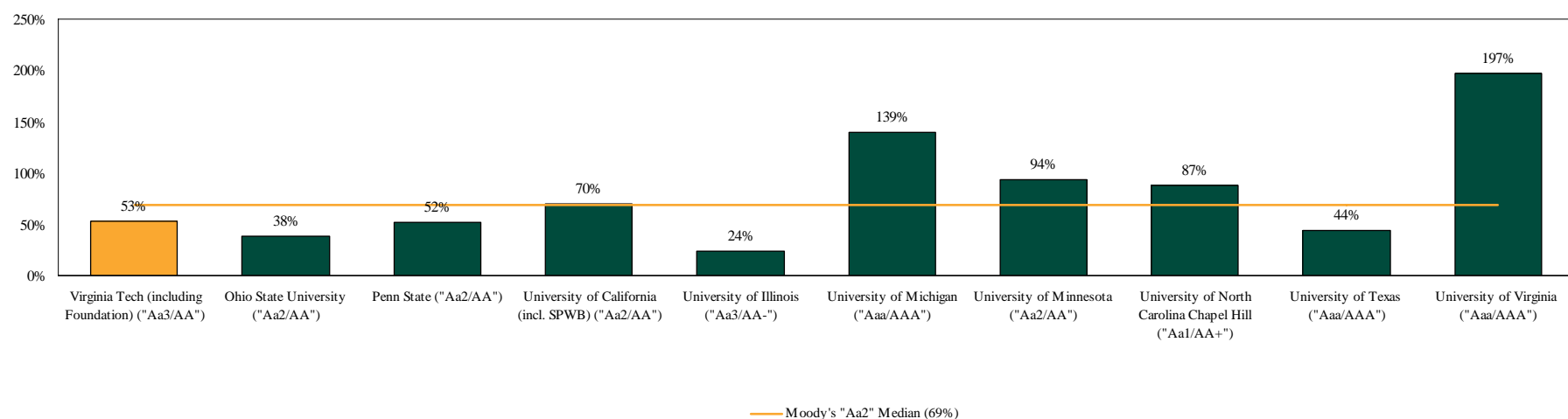


Peer Group Analysis ("Aspirational" Group)

Debt Service to Operations

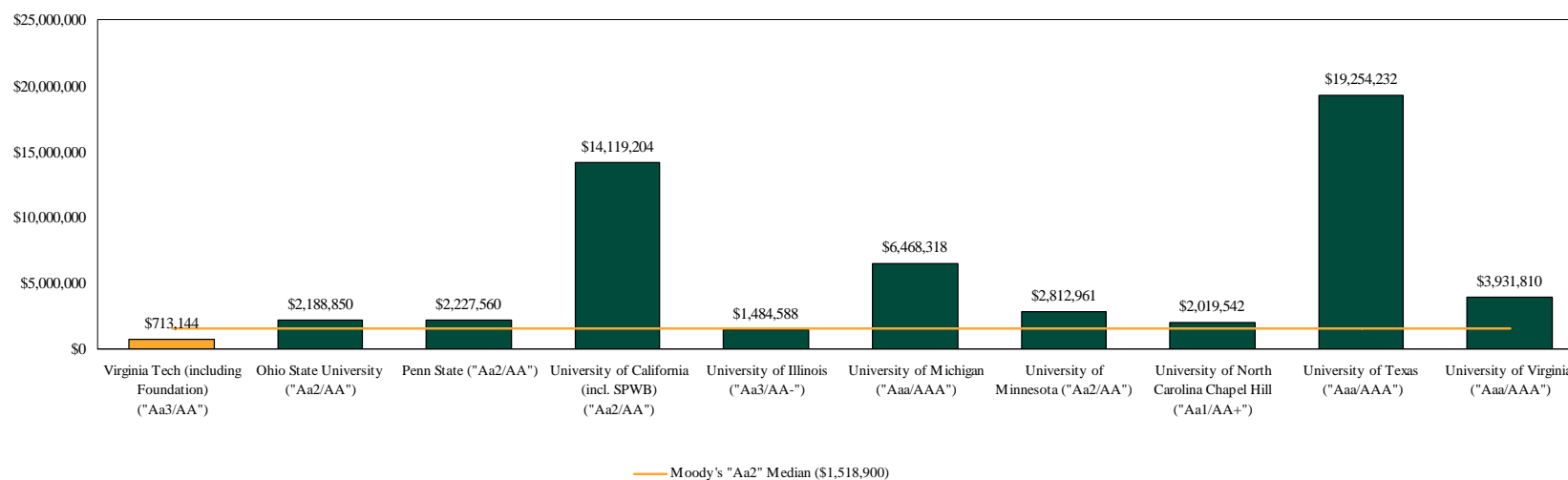


Expendable Resources to Operations

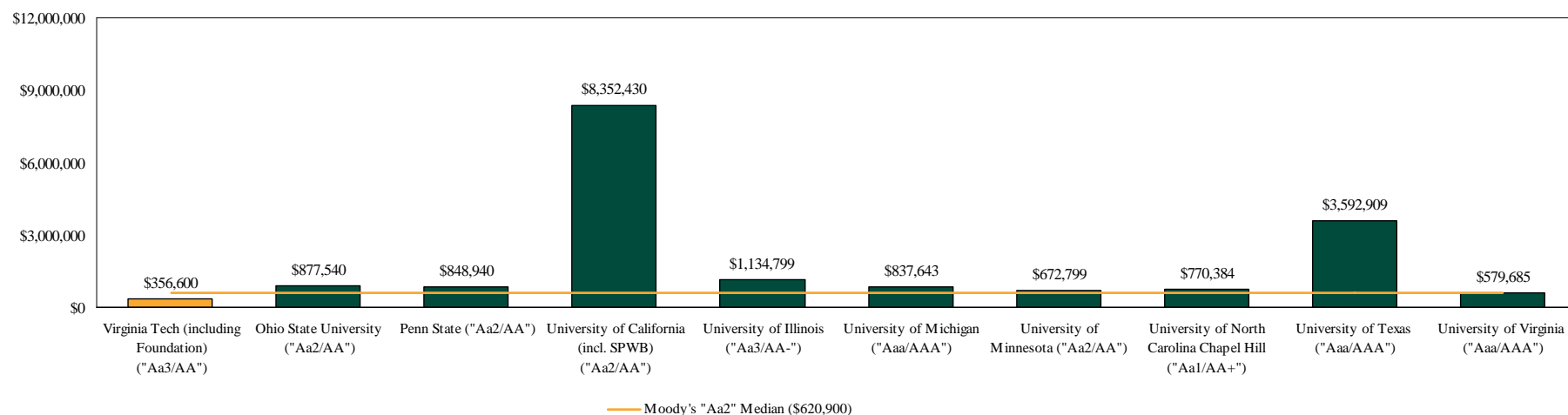


Peer Group Analysis (“Aspirational” Group)

Total Resources



Total Debt



Definitions

Total Resources to Debt	<p>The sum of:</p> <ul style="list-style-type: none"> Unrestricted net assets Plus restricted expendable net assets Plus restricted nonexpendable net assets Plus foundation total net assets less foundation net investment in plant <p>Divided by direct debt</p>	Debt Service to Operations	<p>Actual annual debt service</p> <p>Divided by total operating expenses</p>
Expendable Resources to Debt	<p>The sum of:</p> <ul style="list-style-type: none"> Unrestricted net assets Plus restricted expendable net assets Plus foundation unrestricted and temporarily net assets less foundation net investment in plant <p>Divided by direct debt</p>	Total Resources	<p>The sum of:</p> <ul style="list-style-type: none"> Unrestricted net assets Plus restricted expendable net assets Plus restricted nonexpendable net assets Plus foundation total net assets less foundation net investment in plant
Expendable Resources to Operations	<p>The sum of:</p> <ul style="list-style-type: none"> Unrestricted net assets Plus restricted expendable net assets Plus foundation unrestricted and temporarily net assets less foundation net investment in plant <p>Divided by total operating expenses</p>	Total Debt	<p>The sum of an institution's obligations including:</p> <ul style="list-style-type: none"> Bonds Notes Commercial paper Capital leases

Virginia Polytechnic Institute and State University

Debt Policy

August 2006

The University's *Debt Policy* needs to address the criteria for issuing debt and the factors to consider when evaluating the capital structure of the University. These factors include the amount of fixed and variable interest rate exposure in the debt portfolio, the amortization of debt, the University's debt capacity, the amount of taxable and tax-exempt debt, and the criteria for refinancing existing debt. The University may issue bonds, notes, or other obligations from time to time for any purpose that is consistent with its institutional mission, including without limitation, to finance or refinance any project, to appropriately manage operational cash flows, to provide short-term financing, or to refund bonds, notes or other obligations. An effective *Debt Policy* will help the University lower its cost of capital, manage its debt risk, and increase its debt capacity.

Criteria for Issuing Debt

Significant factors in determining whether debt is the appropriate financing vehicle for various capital projects include the priority of the facility, the expected use of the facility and the type of funding. To the extent possible, the University's General Revenue Pledge debt will be used to secure University debt issues. Other financing and revenue sources will be considered including state appropriations and funding, philanthropic gifts, project revenues, reserve funds and indirect cost recoveries. The University will also consider funding from joint ventures including public/private partnerships when such financing vehicles are advantageous. Revenue producing assets such as research facilities and residence halls are prime candidates for debt financing due to their ability to help service the debt. In addition, academic projects that allow the University to meet its strategic objectives are often debt financed. Lastly, the cost of core utility and parking improvements are typically debt financed to match the cost to the useful life of the improvement. Every project considered for financing will be reviewed by the University's financial management team and recommended for Board of Visitor approval. The University also recognizes the need to review and coordinate their debt issuances with the applicable rating agencies.

Credit Rating, Debt Capacity and Operating Capacity to Service Debt

The University's "Aa3/AA" credit ratings were confirmed by Moody's Investors Service and Standard & Poor's in 2004. Before issuing new debt, the University should understand the potential impact of any additional debt on its credit ratings. The University's decision to issue additional debt should be focused both on the strategic importance of the new facility and on the potential impact on the credit agencies' assessment of the University. The University should continue to monitor the financial performance of peer institutions because the University's credit ratings are a combination of absolute performance and relative performance versus peers. In addition to credit rating considerations, the University will need to analyze its ability to service any additional debt without adversely impacting operating budgets.

The University gained greater financial and administrative autonomy status as a Level 3 institution under higher education restructuring in the Commonwealth. To maintain its status as a Level 3 institution, the University intends to maintain at least a “AA-” or “Aa3” bond rating and an actual debt service to operations ratio of not greater than 7%. The University should consider these requirements when evaluating the issuance of additional debt.

Methods of Securing Debt

When the University issues bonds, both negotiated and competitive bond offerings will be considered on a case-by-case basis. In negotiated sales, underwriters will be selected through a competitive request for proposals process. Private placements will be considered in those cases where the size of the borrowing is too small for public debt issuance. Short-term financing may include bond anticipation notes, lines of credit, commercial paper, or other bank lending products or programs.

Debt Structure when Issuing Bonds

Amortization and Term: The amortization of the bond issues should reflect the useful life of the assets or project being financed with generally not more than a 30-year final term. Interest during and immediately after construction may be funded from bond proceeds, as appropriate. As market conditions change, maturity structures should be reevaluated. Call features should provide maximum flexibility relative to the cost of the features.

Debt service may be structured to meet the financial management goals of the University and may include level debt service for an issue or such debt service structure that provides for level overall payments of the University’s total outstanding debt.

Fixed and Variable Rate Bonds: When issuing fixed rate bonds, the University should analyze the slope of the yield curve and tend to issue bonds for new money projects with long-term maturities because most of the assets financed have useful lives in excess of 30 years. If the University is concerned that interest rates may trend lower, then the University should consider shortening the non-redemption period to less than the traditional 10-year term. Bonds without an optional redemption feature should be limited in the University’s debt portfolio and should be issued only when investors are willing to pay a substantial premium. Credit enhancements will be used only when necessary for cost effectiveness and/or marketability.

The University will also consider utilizing variable rate debt to lessen the potential interest costs over the life of a debt issue and to provide greater flexibility in its debt management. In considering variable rate debt the University will evaluate the risks involved, which include liquidity risk and short and long-term interest rate risk. Bank liquidity facilities may be used to offset liquidity risk, and such facilities should carry a minimum short-term rating of A-1/P-1.

When the University decides to issue variable rate debt, it will generally limit variable rate debt to not more than 50% of its capital structure. The specific amount of variable rate exposure would depend on market conditions and the type of facility to be financed. Before issuing variable rate bonds, the University should determine the assumed variable rate for budget purposes, and its plans to address positive and negative variances from the assumed rate. Additionally, unrestricted endowment assets, interest rate caps and swaps, and rate stabilization reserve funds can all help to manage the variable rate exposure.

The level of variable rate debt should also be managed in conjunction with the University's and Virginia Tech Foundation's levels of cash and short-term investments, which serve as a natural hedge against rising interest rates. The actual percentage for outstanding variable rate debt will vary due to financing needs, asset/liability management goals, interim financing structures, and prevailing interest rates at the time of each borrowing.

Serial Bonds vs. Term Bonds: Serial bonds mature in successive years without interruption while term bonds generally come due in a single bullet maturity. While amortizing debt over successive years has traditionally been the practice of the University, it has some potential drawbacks. For example, it requires that the University finance subsequent projects with new bond issues, which introduces interest rate risk and requires additional administrative time.

The use of term bonds with a single bullet maturity would allow the University to serve as a "central bank" charging debt service for a particular project to the appropriate budget, and recycling the principal portion of the repayment to fund different projects. This would provide greater operating flexibility, protect the University from reissuance risks related to changes in the federal tax regulations, and allow the University to minimize interest rate risk for as many as 30 years.

Overall, bullet maturities require the financial discipline to charge the current budget for principal amortization that will not occur for several decades, and the "central bank" concept introduces some record keeping complexities. The budget impact of bullet maturities should be determined prior to issuance. The decision to issue serial or term bonds should be based on the level of interest rates, the shape of the yield curve and the type of project to be financed.

Taxable vs. Tax-exempt Debt: The University's debt will be managed to use tax-exempt debt to the greatest extent possible while recognizing that taxable debt must be used in the case of projects that are ineligible for tax-exempt financing. Taxable debt will also be used for short periods of interim financing and for financing projects for which taxable financing will provide the maximum operating flexibility. The current federal tax regulations limit the term of tax-exempt bonds issues to 120% of the useful life of the asset financed. While the University can refinance its existing issues and extend maturities, the extensions must be tracked and are limited to 120% of the useful life of the original assets. Federal tax regulations prohibit the perpetual rollover of tax-exempt bonds. The University should continue to maximize the amount of tax-exempt bonds in the debt portfolio to reduce interest expense.

Interest Rate Risk Management

Interest rate risk management strategies will include the use of interest rate swaps, caps or collars to be employed primarily to manage the University's variable rate debt exposure. The use of these instruments in conjunction with variable interest rate exposure will be evaluated within prudent guidelines to achieve more flexibility in meeting the University's overall financial objectives. Interest rate swaps will be evaluated in light of existing market and interest rate conditions, the savings that can be achieved as compared to other debt structures available in the bond market, and the overall asset/liability management practices of the University. Risk management strategies will not be utilized unless the contract or structure is fully understood, can be monitored and managed, and the risk imposed has been evaluated and concluded to be appropriate for the University. Prior to entering into any risk management agreement, the University will have received evidence of legal authorization to enter into such agreement. The university treasurer, in consultation with the Executive Vice President and Chief Operating Officer, is authorized to enter into any risk management contract or agreement that is determined to be necessary or appropriate. Interest rate swaps, caps or collars shall not be used for speculative purposes.

Refinancing of Existing Fixed Rate Debt

The University should monitor the markets for opportunities to refinance existing fixed rate debt for savings. The University should refund fixed rate bonds in advance of their optional redemption date only if present value savings exceed 3% of the par amount to be refunded.

If fixed rate bonds are redeemable at par within their optional redemption period, the University should refinance these bonds if present value savings are greater than 1% of par. Alternatively, the University could refinance these bonds with variable rate bonds if the University wanted to adjust the mixture of fixed and variable rate bonds in the debt portfolio. The University will also consider refundings that provide relief from certain payments or other limitations, covenants, reserve requirements, or other requirements that limit the University's flexibility.

Conclusion

The *Debt Policy* should provide a framework for implementing the University's debt strategies and should be reviewed and adjusted periodically to achieve the University's policy objectives.

BUDGET AMENDMENTS FOR 2007 EXECUTIVE BUDGET

VIRGINIA TECH

The State established the 2006-08 biennial budgets for its agencies effective July 1, 2006. In preparation for the 2007 General Assembly session, the administration develops budget amendments that the Governor will offer to amend the 2007-08 annual budget. The Department of Planning and Budget establishes the guidelines that state agencies utilize to submit amendments to the administration for consideration in the Governor's budget. The Governor must submit the Executive Budget to the General Assembly on or before December 15, 2006.

Instructions on the amendment process are not expected to be received until August or early September. Assuming that the submission of budget amendments will be similar to the submission two years ago, we anticipate that the State will consider a range of operating amendments, including the following categories:

- Emergencies,
- Mandates,
- Long-term savings,
- Prior commitments and critical needs,
- Technical adjustments, and
- Cost adjustments.

The 2006 Appropriation Act (§ 4-4.01 g.) provides for consideration of capital requests in odd-numbered years as follows:

1. Supplementing projects which have been bid and determined to have insufficient funding to be placed under contract, and
2. Projects declared by the Governor or the General Assembly to be of an emergency nature, which may avoid an increase in cost or otherwise result in a measurable benefit to the state, and/or which are required for the continued use of existing facilities.

In addition, the State has traditionally acted on nongeneral fund capital requests in each year of the biennium. Consistent with this guidance and prior practice, the University has developed a list of potential operating and capital budget amendments. The proposals on this list are consistent with the initiatives approved for submission in the University's 2006-12 Capital Plan request and the 2006-08 biennial budget request, which were submitted to the state in May 2005 and October 2005, respectively. Since the submission for 2007-08 is anticipated to be due sometime in the period of September 15 to October 15, work is already underway to prepare the individual proposals.

Several important statewide issues are traditionally addressed centrally and are not included in Virginia Tech's list of amendments. The issues that are normally coordinated by the State Council of Higher Education for Virginia (SCHEV) and the Department of Planning and Budget (DPB) include the following: faculty and classified staff salaries,

equipment trust fund, eminent scholars, maintenance reserve, and student financial assistance.

Base budget adequacy is generally coordinated by SCHEV, but a separate request is being proposed for institution-specific needs. In addition, we are working with the state on the technical aspect of the model to ensure equitable treatment for the University. The operating submission will also include requests for funding of operation and maintenance of facilities opening during 2007-08.

The capital submission may include adjustments to previously authorized projects, high priority projects on the University's current six-year capital outlay plan that were not funded in the 2006 session, and new projects. Short sessions normally focus on supplements and emergencies for capital funding. Occasionally, the state has considered funding for new projects in short sessions depending on availability of revenues. Thus, the University has identified some high priority projects (both renovations and new construction) that may be proposed in the event the state includes a call for new projects.

These budget amendments are expected to meet the criteria for submission to the Executive Budget. However, when budget amendment instructions are received from the state, the budget submission will be modified as necessary to conform to that guidance. The University may choose to reduce this request before submission to the state. If any material additions are made to the request because of new opportunities or state guidance, these changes would be reviewed subsequently with the Board of Visitors.

The proposed operating budget amendments are listed on Schedule 1. The proposed capital budget amendments are listed on Schedule 2. A brief description of each of the amendments follows.

Operating Amendments – University Division

- **Base Budget Adequacy:** Because of additional General Fund support provided in the 2006 Session and tuition and fee increases, the University has made progress with base budget adequacy. However, the University is continuing to evaluate its funding status as calculated by the Base Budget Adequacy model; the goal of this work is to ensure that the University's funding need is fully and appropriately identified through the model's formulas and processes. At the current time, the result of this work is that the University calculates that its Educational and General budget is \$37 million below the funding requirements of the model, when the model incorporates the needed input factors for 2006-07. The University plans to review the results of this work with the state during the fall to seek agreement regarding the model calculations for the University. To continue to make progress in closing the funding gap, the University anticipates submitting a funding request in the range of \$5 to \$10 million in General Fund support. This additional support will help the University manage cost increases such as the renegotiation of the wholesale electricity contract that expires in 2007 and address critical needs in academic and support programs, including the instructional cost of new students in accordance with the six year enrollment plan.

- Adjust O&M Funding for New Facilities: Additional funding is needed to operate and maintain new facilities opening in 2007-08. These facilities are the Building Construction Laboratory, the New Engineering Building (ICTAS I), and the Boiler Pollution Controls project. Funding request will be approximately \$1.1M.
- Address Technical Adjustments: To the extent that technical adjustments are needed, the University will work with the staff in state offices to ensure the appropriate treatment of nongeneral fund appropriations.

Operating Amendments -- Cooperative Extension/Agriculture Experiment Station Division

- Fully Fund the Commonwealth Staffing Initiative: The Commonwealth Staffing Initiative (CSI) proposed last year was designed to support 18 field specialists and 20 county/city agents who would be divided among the six extension districts across the Commonwealth. These new field specialists and agents would directly address four priority research and extension areas that had been identified after intensive discussions with local government and community leaders. The four areas were: (1) sustaining agriculture and the environment; (2) developing our communities; (3) growing the green industry, and (4) families and youth.

The 2006 General Assembly provided positions and funding for nearly one-third of the request. The University will seek the remainder of the original Commonwealth Staffing Initiative – 26 additional positions and an additional \$1.5 million in funding.

Capital Amendments

- Supplements for Existing Capital Projects: Escalation of construction materials and labor continue at rates higher than expected for the University's capital project budgets. The University monitors pricing estimates continually for all projects under design for potential cost overruns. This process identified six projects with overruns last year for which the University requested and received supplement funding in the 2006 session. The University does not have any verified cost overruns for existing capital projects at this time. The University will continue to monitor all previously authorized projects underway and, if necessary, will request supplemental funding in the 2007 session to ensure the program, size, and intent of projects may be completed as originally approved.
- New Capital Projects: In short sessions, the state generally approves requests for new 100 percent nongeneral fund capital projects, and the state occasionally considers General Fund support for new capital projects when revenues are sufficient. To ensure the University is appropriately positioned in the event the state includes a call for new capital project funding, the University may request full project budgets or may request only planning funds depending on the state's instructions for short session amendment submissions. With restructuring, the University may move expediently to initiate 100 percent nongeneral fund projects approved by the Board. In cases where the funding plan calls for a debt issuance, the University will also

request debt authorization from the state to qualify for issuance under the Virginia College Building Authority (VCBA). The VCBA is a state managed debt instrument that pools issuances across the state for an overall lower cost of capital.

The list of potential project requests includes five unfunded high priority capital projects on the Six-Year Capital Plan and two new projects. Projects from the Six-Year Capital Plan include: Replace Deteriorated Section of Davidson Hall, Renovate Liberal Arts Building, Construct Hazardous Waste Facility, Construct Engineering/Computational Sciences Instructional Facility, and Plan for the Human and Agricultural Biosciences Building.

Potential new projects include: Renovate the Eastern Shore AREC in Painter, Virginia and Construct a Residence Hall. The Eastern Shore AREC facility is a 14,000 gross square foot laboratory and office building constructed in 1959 with no major improvements. The building is in need of updating and the College has identified this facility as a high priority. The new Residence Hall is needed to sustain the on-campus housing capacity while Ambler Johnson Hall is being renovated and to support subsequent phases of the long-term residence hall renovation plan.

RECOMMENDATION:

That the Board authorize the University administration to submit the budget request for the 2007-08 Executive Budget in accordance with state instructions and consistent with the initiatives and amounts contained herein.

OPERATING AMENDMENT REQUESTS FOR 2007-08 EXECUTIVE BUDGET
Virginia Tech
July 27, 2006

(Amounts In Millions of Dollars)

	<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>Total</u>
<u>University Division Operating Issues</u>			
Base Budget Adequacy	\$10.00	\$0.00	\$10.00
Operation and Maintenance of New Facilities	<u>0.49</u>	<u>0.56</u>	<u>1.05</u>
Subtotal University Division	\$10.49	\$0.56	\$11.05
<u>CE/AES Division Operating Issues</u>			
Fully Fund Commonwealth Staffing Initiative	<u>1.50</u>	<u>0.00</u>	<u>1.50</u>
TOTAL OPERATING AMENDMENT REQUESTS	<u><u>\$11.99</u></u>	<u><u>\$0.56</u></u>	<u><u>\$12.55</u></u>

CAPITAL AMENDMENT REQUESTS FOR 2007-08 EXECUTIVE BUDGET**Virginia Tech****July 14, 2006**

(Amounts In Millions of Dollars)

<u>Capital Project Issues</u>	<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>Total</u>
Supplements for Existing Capital Projects			
None identified at this time	\$0.00	\$0.00	\$0.00
New Capital Projects			
Replace Deteriorated Section of Davidson Hall	23.00	0.00	23.00
Renovate Liberal Arts Building	5.85	0.00	5.85
Construct Hazardous Waste Facility	3.50	0.00	3.50
Construct Engineering/Computational Sciences Instructional Facility	19.17	3.83	23.00
Agency 229: Planning for Human and Agricultural Biosciences Building	3.50	0.00	3.50
Agency 229: Renovate Eastern Shore AREC	3.60	0.00	3.60
Construct Residence Hall	0.00	27.00	27.00
TOTAL CAPITAL AMENDMENTS	<u>\$58.62</u>	<u>\$30.83</u>	<u>\$89.45</u>

VIRGINIA TECH

FINANCIAL PERFORMANCE REPORT

Operating and Capital Expenditures

July 1, 2005 to June 30, 2006

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 June 2005-06 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. While the University increased the tuition budget by \$5.3 million during the year, actual Tuition and Fee revenue was slightly lower than the revised budget due to a higher than anticipated waiver of the out-of-state differential for graduate students on assistantship and a decline in the amount of seat based instruction at extended campus sites.
2. Other Income is slightly lower than projected due to the timing of revenues for Continuing Education programs, the Equine Medical Center, and the Veterinary Medicine Teaching Hospital. Expenditures for academic programs are lower than projected due to the timing of costs in continuing education programs.
3. While the Commonwealth requires that revenue and expenses be balanced for Educational and General Programs, year-end variances are possible for continuing education programs. For 2005-06 revenues exceeded expenses in continuing education programs.
4. 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.
5. While the Commonwealth requires that revenue and expense be balanced for Educational and General Programs, variances in Federal Funds are possible due to the timing difference between drawdowns and expenses. In 2005-06, Federal Fund expenditures exceeded revenues due to the timing of drawdowns for expenditures incurred late in 2005-06; the additional payroll costs incurred at the end of the fiscal year contributed to this variance.
6. Quarterly and projected annual variances are explained in the Auxiliary Enterprises section of this report.
7. 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. Revenue collections for overhead are higher than projected. Total sponsored expenditures are less than projected, but are ahead of 2004-05 activity levels by approximately 11 percent. The expenditures reflect the increased costs incurred as a result of the additional payroll in 2005-06.
8. Total expenses for Student Financial Assistance were slightly lower than the projected budget. The University will request that the Commonwealth reappropriate these funds for expenditure in the 2006-07 fiscal year.
9. Revenues and expenses in All Other Programs are less than budgeted due to lower-than-projected activity in the federal work study program, surplus property, and alumni affairs.
10. On May 26, 2006, the Governor announced the shift of the July 3, 2006 payroll date to June 30, 2006. This resulted in having 25 pay periods in 2005-06 and 23 payrolls in 2006-07. The cash support for this unanticipated cost came from two sources for E&G programs: a General Fund advance (\$7.7 million) and an interest free loan from the State Treasury (\$6.9 million) which was repaid in July.
11. 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 \$31,832 for VIVA libraries distribution costs, by \$150,075 to match the actual central appropriations transfer for changes in fringe benefits rates, and by \$18,184 for the reimbursement of military tuition waivers from SCHEV. The revenue budget was increased by \$5,518,296 for the General Fund advance for the change in pay date. The corresponding expenditure budgets have been adjusted accordingly.
12. During the first quarter two technical adjustments were made to the Tuition and Fee revenue budget. First, the revenue budget was reduced by \$415,254 to properly reflect the Commonwealth's assessment of nongeneral fund support for the equipment trust fund program. The second adjustment was a \$728,458 reduction for additional unfunded graduate scholarships. The annual budget for Tuition and Fees has also been increased by \$3,000,000 for strong fall enrollments. During the third quarter the tuition budget was increased by \$3,464,000 for a strong spring retention and savings in unfunded scholarships. The corresponding expenditure budgets have been adjusted accordingly. The majority of the revenue generated by the spring retention variance was applied to support programs for the extraordinary increases in fuel and electricity costs. The savings in unfunded scholarships were reallocated to the Funds for the Future Program.
13. The revenue budget for All Other Income has been increased by \$1,500 for photography revenue and decreased by \$7,099 to properly reflect the adjusted lease agreement for the NOVA Center bookstore. The other income budget has also been increased by \$862,000 to reflect increased revenues from the Equine Medical Center and the Veterinary Teaching Hospital, by \$17,187 for revenues collected from the Virginia Racing Commission and by \$1,600,000 for increased Continuing Education activity. The corresponding expenditure budgets have been adjusted accordingly.
14. The General Fund revenue budget for the Cooperative Extension/Agricultural Experiment Station Division has been increased by \$158,489 to match the actual central appropriations transfer for changes in fringe benefits. The General Fund revenue budget was increased by \$2,189,290 for the advance of general funds for the change in pay date. The corresponding expenditure budgets have been adjusted accordingly.
15. 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.
16. The annual budget for All Other Income has been increased by \$200,000 for dairy and animal sales. The expenditure budget has been adjusted accordingly.
17. 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 \$9,585 in unexpended balances from the prior fiscal year.
18. The projected year-end budgets in All other Programs were adjusted to recognize the proceeds from the sale of the King Air aircraft, relocation of the Office of Investment and Debt Management, and for the 25th payroll budget adjustment. This balance from the King Air proceeds has been earmarked for a portion of the new aircraft lease payment. The remaining balance will be utilized for these payments over multiple years.

OPERATING BUDGET
2005-06

Dollars in Thousands

	July 1, 2005 to June 30, 2006			Annual Budget for 2005-06		
	Actual	Budget	Change	Original	Adjusted	Change
Educational and General Programs						
<u>University Division</u>						
<u>Revenues</u>						
- Treasury Loan	\$6,741	\$6,741	\$0	\$0	\$6,741	\$6,741 (10)
- General Fund	161,685	161,685	0	155,748	161,685	5,937 (10, 11)
- Tuition and Fees	214,294	214,820	-526 (1)	209,499	214,820	5,321 (12)
- All Other Income	29,516	30,006	-490 (2)	27,533	30,006	2,473 (13)
Total Revenues	\$412,236	\$413,252	\$-1,016	\$392,780	\$413,252	\$20,472
<u>Expenses</u>						
- Academic Programs	\$-263,493	\$-265,349	\$1,856 (2)	\$-250,617	\$-265,349	\$-14,732 (10,11,12,13)
- Support Programs	-147,771	-147,903	132	-142,163	-147,903	-5,740 (10,11,12,13)
Total Expenses	\$-411,264	\$-413,252	\$1,988	\$-392,780	\$-413,252	\$-20,472
NET	\$972	\$0	\$972 (3)	\$0	\$0	\$0
<u>CE/AES Division</u>						
<u>Revenues</u>						
- Treasury Loan	\$115	\$115	\$0	\$0	\$115	\$115 (10)
- General Fund	62,460	62,460	0	60,112	62,460	2,348 (10, 14)
- Federal Appropriation	12,022	12,804	-782 (4)	13,454	12,804	-650 (15)
- All Other Income	911	873	38	673	873	200 (16)
Total Revenues	\$75,508	\$76,252	\$-744	\$74,239	\$76,252	\$2,013
<u>Expenses</u>						
- Academic Programs	\$-69,007	\$-69,391	\$384 (4)	\$-68,857	\$-69,391	\$-534 (10,14,15,16)
- Support Programs	-6,728	-6,861	133	-5,382	-6,861	-1,479 (10,14,15,16)
Total Expenses	\$-75,735	\$-76,252	\$517	\$-74,239	\$-76,252	\$-2,013
NET	\$-227	\$0	\$-227 (5)	\$0	\$0	\$0
Auxiliary Enterprises						
Revenues	\$167,698	\$164,620	\$3,078 (6)	\$156,259	\$164,620	\$8,361 (6)
Expenses	-161,599	-168,388	6,789 (6)	-150,749	-168,388	-17,639 (6)
Reserve Drawdown (Deposit)	-6,099	3,768	-9,867 (6)	-5,510	3,768	9,278 (6)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Sponsored Programs						
Revenues	\$182,153	\$179,619	\$2,534 (7)	\$179,619	\$179,619	\$0
Expenses	-167,780	-179,619	11,839 (7)	-179,619	-179,619	0
Reserve Drawdown (Deposit)	-14,373	0	-14,373	0	0	0
NET	\$0	\$0	\$0	\$0	\$0	\$0
Student Financial Assistance						
Revenues	\$13,189	\$13,189	\$0	\$13,398	\$13,189	\$-209 (17)
Expenses	-13,178	-13,189	11 (8)	-13,398	-13,189	209 (17)
NET	\$11	\$0	\$11	\$0	\$0	\$0
All Other Programs *						
Revenues	\$5,326	\$5,592	\$-266 (9)	\$4,908	\$5,592	\$684 (18)
Expenses	-4,333	-4,748	415 (9)	-4,908	-4,748	160 (10,18)
Reserve Drawdown (Deposit)	-993	-844	-149	0	-844	-844 (10,18)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Total University						
Revenues	\$856,110	\$852,524	\$3,586	\$821,203	\$852,524	\$31,321
Expenses	-833,889	-855,448	21,559	-815,693	-855,448	-39,755
Reserve Drawdown (Deposit)	-21,465	2,924	-24,389	-5,510	2,924	8,434
NET	\$756	\$0	\$756	\$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 exceed projections due to higher than anticipated dorm occupancy, increased revenue from summer conferences, continued growth in off-campus meal plan sales, higher than expected dining dollar receipts, and interest income. Expenditures in Residence and Dining halls are lower than projected due to employee turnover and vacancy, higher than anticipated recoveries, and a more favorable currency exchange rate in the Center for European Studies.
2. Revenues in the Parking Services Auxiliary are lower than projected due to lower than anticipated parking fine revenue and lower than projected parking revenue from the Northern Virginia Center parking facility. Expenditures in the Parking Services Auxiliary are lower than projected due to employee turnover and vacancy, the timing of the transfer of a portion of the amount for the Blacksburg Transit contract, and higher than expected recoveries for parking operations at intercollegiate athletic sporting events.
3. Revenues in the Telecommunications Auxiliary are lower than projections due to lower than projected departmental service revenues and modem pool revenue. Expenses are lower than projected due to employee turnover and vacancy and timing of equipment purchases.
4. Revenues in the University Services System exceeded projections, due to higher than projected student fees from higher enrollments, self-generated revenues, and interest income. Expenditures for the System are lower than projected due to employee turnover and vacancy, the timing of expenditures for one-time projects, and higher than anticipated recoveries.
5. Revenues for the Intercollegiate Athletics System exceed projections due to student fee revenues, ticket sales, licensing revenue, concessions income, and ISP Multimedia contract revenues being higher than expected. Expenditures are less than projected because of employee turnover and vacancy and operating savings due to scholarships, medical provider services, and printing services being lower than budgeted. In addition there were several facilities projects that have not been completed as of June 30, 2006, including the stadium video board, equipment room renovations, stadium flag pole, spring road, and locker room projects.
6. Revenues for the Inn at Virginia Tech & Skelton Conference Center from lodging, food, and beverage sales exceeded projections due to increased business activity.
7. Revenues are higher than projected in the Other Enterprise Functions due to increased royalties in the Licensing and Trademark auxiliary, higher than anticipated student orientation fees, higher than anticipated revenue from student replacement IDs and door access in the Hokie Passport auxiliary, and income from software sales in the Student Software auxiliary. Expenditures are less than projected due to operating savings and efficiencies.
8. The projected year-end budget was increased for outstanding 2004-05 commitments and projects that were initiated but not completed before June 30, 2005.
9. The projected annual revenue, expenditure and reserve drawdown budgets for Residence and Dining Halls were adjusted for higher than anticipated dorm occupancy, dining sales, income from conferences, increased operating expenses, and completion of the Dietrick renovation.
10. The projected annual expenditure and reserve drawdown budgets for the Parking and Transportation auxiliary were adjusted to fund a one-time maintenance project at the Northern Virginia Center parking lot.
11. The projected annual revenue and reserve drawdown budgets for the Telecommunications auxiliary were adjusted to accommodate the participation of the Virginia Community College System in the Mid-Atlantic Terascale Partnership (MATP), additional recoverable network expenditures for new capital projects, and the auxiliary's June 2005 repayment in full of the internal financing provided during 2004-05.
12. The projected annual revenue budget for Intercollegiate Athletics was adjusted to accommodate increased revenue from higher-than-anticipated football ticket sales, the actual ACC revenue-sharing allocation, interest earnings, the BCA contract settlement, South End Zone sales, and revenue associated with the University's participation in the Gator Bowl. The Lane Stadium West-Side Expansion revenue budget was decreased to reflect the delay in the occupancy of the facility. Expenditure budgets were increased to accommodate various personnel actions, operating adjustments, equipment purchases, programmatic adjustments, renovations (Lane Stadium video-board, baseball/softball fields, and the men's basketball locker room), the final payment of the Soccer/Lacrosse Capital project, and costs associated with participation in the Gator Bowl.
13. The projected annual revenue, expenditure, and reserve drawdown budgets were adjusted for the Virginia Tech Electric Service for the increased cost of purchased electricity due to the fuel adjustment factor and increased energy utilization by the University. Fuel adjustment cost increases and other retail rate changes by AEP are being passed through to the Town, Auxiliaries, and the University consistent within existing policy.
14. The projected annual revenue, expenditure, and reserve drawdown budgets for the Inn at Virginia Tech and Skelton Conference Center were adjusted for increased lodging, food and beverages sales, and increased operating and one-time start-up expenses due to increased business activity.
15. The expenditure and reserve drawdown budgets for Other Enterprise Functions were adjusted to accommodate an increase in the Licensing and Trademark revenue from royalties on sales of Virginia Tech merchandise, increased contributions to academic and athletic scholarships as a result of the licensing revenue sharing agreement, increased sale of software in the Student Software Auxiliary, increased student fee revenue in Student Orientation, and an increase in Tennis revenue.
16. On May 26, 2006, the Governor announced the shift of the July 3, 2006 payroll date to June 30, 2006. The expenditure and reserve drawdown budgets for the Auxiliary Enterprises were adjusted to accommodate this shift from the budgeted 24 pay periods in 2005-06 to 25 pay periods. Reserves will be restored in July 2006 with offsetting budget adjustments to reduce the budgeted 24 pay periods in 2006-07 to 23 pay periods.

**UNIVERSITY DIVISION
AUXILIARY ENTERPRISES**

Dollars in Thousands

	July 1, 2005 to June 30, 2006			Annual Budget for 2005-06		
	Actual	Budget	Change	Original	Adjusted	Change
Residence and Dining Halls						
Revenues	\$54,883	\$53,947	\$936 (1)	\$51,002	\$53,947	\$2,945 (9)
Expenses	-52,497	-53,469	972 (1)	-51,096	-53,469	-2,373 (8,9,16)
Reserve Drawdown (Deposit)	-2,386	-478	-1,908	94	-478	-572 (8,9,16)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Parking and Transportation						
Revenues	\$4,732	\$4,851	\$-119 (2)	\$4,851	\$4,851	\$0
Expenses	-4,464	-5,155	691 (2)	-4,723	-5,155	-432 (8,10,16)
Reserve Drawdown (Deposit)	-268	304	-572	-128	304	432 (8,10,16)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications Services						
Revenues	\$15,076	\$15,255	\$-179 (3)	\$14,570	\$15,255	\$685 (11)
Expenses	-15,031	-15,829	798 (3)	-14,755	-15,829	-1,074 (8,11,16)
Reserve Drawdown (Deposit)	-45	574	-619	185	574	389 (8,11,16)
Net	\$0	\$0	\$0	\$0	\$0	\$0
University Services System						
Revenues	\$21,678	\$21,211	\$467 (4)	\$20,801	\$21,211	\$410
Expenses	-20,800	-21,864	1,064 (4)	-20,546	-21,864	-1,318 (8,16)
Reserve Drawdown (Deposit)	-878	653	-1,531	-255	653	908 (8,16)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Intercollegiate Athletics						
Revenues	\$40,203	\$38,967	\$1,236 (5)	\$37,330	\$38,967	\$1,637 (12)
Expenses	-38,287	-41,215	2,928 (5)	-32,813	-41,215	-8,402 (8,12,16)
Reserve Drawdown (Deposit)	-1,916	2,248	-4,164	-4,517	2,248	6,765 (8,12,16)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Electric Service						
Revenues	\$16,822	\$16,789	\$33	\$15,900	\$16,789	\$889 (13)
Expenses	-17,294	-17,303	9	-16,050	-17,303	-1,253 (8,13,16)
Reserve Drawdown (Deposit)	472	514	-42	150	514	364 (8,13,16)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Inn at Virginia Tech/Skelton Conf. Center						
Revenues	\$8,089	\$7,842	\$247 (6)	\$6,353	\$7,842	\$1,489 (14)
Expenses	-8,371	-8,439	68	-6,269	-8,439	-2,170 (8,14,16)
Reserve Drawdown (Deposit)	282	597	-315	-84	597	681 (8,14,16)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Other Enterprise Functions						
Revenues	\$6,215	\$5,758	\$457 (7)	\$5,452	\$5,758	\$306 (15)
Expenses	-4,855	-5,114	259 (7)	-4,497	-5,114	-617 (8,15,16)
Reserve Drawdown (Deposit)	-1,360	-644	-716	-955	-644	311 (8,15,16)
Net	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL AUXILIARIES						
Revenues	\$167,698	\$164,620	\$3,078	\$156,259	\$164,620	\$8,361
Expenses	-161,599	-168,388	6,789	-150,749	-168,388	-17,639
Reserve Drawdown (Deposit)	-6,099	3,768	-9,867	-5,510	3,768	9,278
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 2006. The annual budget is the amount needed to meet or exceed the state's 85 percent performance requirement, and the cumulative expense amount reflects a 99 percent performance level.
2. Blanket Authorizations allow unforeseen renovation needs to be authorized administratively for expediency. The only blanket project currently active is for the purchase of the Heavener property, as approved by the Commonwealth. The acquisition cost of the property is expected to be about \$1.5 million. The revised annual budget reflects initial acquisition expenses, with a planned acquisition completion date in fiscal year 2007.
3. The project is complete and was closed June 30. The total cost is approximately \$420,000 less than budgeted as a result of bid savings.
4. The project is complete and was closed June 30. The schedule reflects final payments processed earlier than anticipated in fiscal year 2006, rather than fiscal year 2007. The project closed with slightly less than a \$1,000 balance.
5. The project is complete and will be closed when final payments are processed.
6. This project includes the construction of a federally funded facility located near the Brooks Center. All bids were over budget. Federal funding for the project was increased by \$70,000, and the project is being redesigned to bring costs down to the new budget of \$870,000, with an anticipated bid date by fall 2006.
7. The project is complete and was closed June 30.
8. This project will bring the primary boiler up to current emission standards by adding pollution controls. Foundation work is substantially complete and construction is anticipated to be complete by summer 2007.
9. This planning project, which is underway, encompasses the study of new heating and cooling system infrastructure needed to accommodate current and future buildings in the southwest area of campus and the design of the heat plant improvements. The construction project for the heat plant improvements was authorized in the 2006 session.
10. The conversion of the administrative and conference portion of the Donaldson Brown Hotel and Conference Center into programmatic space for the Graduate Student Center is expected to be complete by late August 2006; the residential spaces are complete and occupied. The low bid for the renovation of the administrative and conference areas was \$250,000 over budget. To counteract the bid overrun and move the project forward, the University secured a nongeneral fund administrative increase for the project in April, making the adjusted total project budget \$3.25 million.
11. This project will construct a multi-purpose building incorporating flexible space to temporarily house programs which have been dislocated due to renovation of their permanent facilities. The project is in the design phase, with occupancy expected in summer 2007. The schedule reflects the payment of some invoices in fiscal year 2006, originally expected in July.

2002 General Obligation Bond Program

12. The project is complete and will be closed when final payments are processed.
13. The project utilizes a CM (Construction Manager) at Risk contracting method and a Guaranteed Maximum Price (GMP) contract has been awarded. Construction is underway, with occupancy expected by fall 2007. Year-to-date expenditures lagged the annual budget because the project moved slower than originally expected in the early phases of construction.
14. This project will construct a new laboratory facility to support instructional programs in the Building Construction department. The project is in the design phase, with an estimated bid date of fall 2006 and occupancy expected by early 2008. The project was temporarily delayed when initial cost estimates came in over budget. The university identified additional private gifts to keep the project moving forward and received additional state support of \$750,000 in the 2006 session to fund the remaining overrun.
15. This project will update out-of-date general assignment classrooms on campus. The initial phase of renovation to take place this summer will be performed via on-demand and term contracts, which were bid in April. The final phase will be executed in summer 2007.
16. This project will update the building's power and HVAC infrastructure to support modern instructional technology. Design is underway, with an estimated bid date by early 2007. The University received a \$2.6 million supplement of state funding in the 2006 session to offset an anticipated cost increase due to escalation in the construction industry.
17. This project will repair current exterior pre-cast concrete panels that are failing. The project is in the design phase with an estimated bid date by late summer 2006. The university received a \$1.63 million supplement in state funding in the 2006 General Assembly session to offset an anticipated cost increase due to escalation in the construction industry.
18. This project will provide cooling capacity to the north zone of campus to support several new construction projects like ICTAS-I and Bishop-Favrao Hall and renovation projects on the six-year capital plan. Construction is substantially complete.
19. This project will renovate Henderson Hall to house art programs. Design work is underway on Henderson Hall, with an estimated bid date by summer 2007. Recent cost estimates indicate a cost overrun, and the University received additional funding of \$3,875,000 from the state in the 2006 session to cover the shortfall.
20. This project will construct a state-of-the-art performance theatre. A site has been identified and a stakeholders group formed with programming to follow.
21. The project calls for the renovation of Agnew Hall and part of Burruss Hall for improved instructional space. Design work is underway, with an estimated bid date for the Burruss Hall component by fall 2006.
22. This project will build a state-of-the-art, multidisciplinary research laboratory. The sole bid came in over budget. The university is addressing the situation through a combination of a receipt of \$4 million of supplemental funding from the State in the 2006 session and a nongeneral fund administrative increase. The total project budget will remain at \$37.985 million when the \$4 million approved in the 2006 session becomes effective because the state supplement will replace a portion of the university funds temporary infused to support the bid award. The project is under construction with an expected occupancy date in early 2008. The schedule reflects the payment of some invoices in fiscal year 2006, rather than in July as anticipated.
23. The starting time of this project is based on the state's capital implementation plan.

CAPITAL OUTLAY PROJECTS
AUTHORIZED AS OF JUNE 30, 2006

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	\$ 5,186	\$ 6,419	\$ 6,325	\$ 9,631	\$ 0	\$ 0	\$ 0	\$ 9,631	\$ 9,536	(1)
Blanket Authorizations	1,407	1	1	0	0	9,885	0	9,885	1	(2)
Chemistry/Physics - Phase II	107	106	106	23,431	0	3,763	0	27,194	26,774	(3)
Dairy Science Facilities	421	100	324	5,343	0	0	0	5,343	5,342	(4)
Career Services Facility	91	156	23	0	0	0	4,608	4,608	4,475	(5)
Fisheries and Aquatics Research Center	450	10	5	0	0	870	0	870	102	(6)
Bioinformatics Building, Phase II	1,572	1,323	1,323	24,394	0	0	0	24,394	24,394	(7)
Boiler Pollution Controls	2,600	2,400	2,173	3,850	0	0	2,000	5,850	2,321	(8)
Planning: Southwest Campus Heating/Cooling	800	650	593	0	0	2,750	0	2,750	593	(9)
Graduate School Facility	2,600	1,700	1,685	0	0	250	3,000	3,250	1,685	(10)
Surge Space Building	2,000	450	495	0	0	0	8,500	8,500	495	(11)
TOTAL	17,234	13,315	13,052	66,649	0	17,518	18,108	102,275	75,717	
<u>2002 General Obligation Bond Program</u>										
Latham Hall	9,533	10,000	7,719	2,555	23,168	2,756	0	28,479	23,954	(12)
Life Sciences I	14,500	9,500	5,939	2,737	26,263	0	8,750	37,750	8,194	(13)
Bishop-Favrao Hall	700	400	315	0	2,500	5,750	0	8,250	580	(14,23)
Classroom Improvements, Phase I	270	600	487	2,740	4,530	0	0	7,270	700	(15,23)
Cowgill Hall HVAC and Power	470	470	292	0	7,500	0	0	7,500	375	(16,23)
Litton-Reaves Hall Exterior Repairs	680	680	283	0	2,500	0	0	2,500	446	(17,23)
Main Campus Chilled Water Central Plant	1,700	1,700	1,364	0	2,800	0	0	2,800	2,120	(18)
Henderson Hall	530	530	292	0	6,542	2,235	0	8,777	327	(19,23)
Performing Arts Center	1,600	300	0	0	0	5,000	45,000	50,000	0	(20,23)
Agnew & Burruss Hall Renovations	400	253	189	0	4,802	0	0	4,802	189	(21,23)
Inst. for Critical Technology and Applied Science, Ph I	3,900	1,000	1,141	0	13,996	6,989	17,000	37,985	3,220	(22,23)
TOTAL	34,283	25,433	18,021	8,032	94,601	22,730	70,750	196,113	40,105	

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

1. Projects are scheduled and funded by the auxiliary enterprises during the annual Auxiliary Enterprise Budgeting Process. The schedule reflects expenditures in fiscal year 2006 originally expected to be made in July.
2. This blanket has no active project authorizations and was closed June 30.
3. The Smithfield parking lot project is underway with an expected cost of \$731,000 to be charged to this project in fiscal year 2007. Another \$356,000 is expected to be charged to this project for the costs of planning a parking deck in fiscal year 2007.
4. The project is complete and will be closed when final payments are processed. The total estimated cost is expected to be \$43.118 million.
5. This project was originally envisioned for the campus 18-hole course. With the shift to the Pete Dye River Course, this project, which has been on hold for 6 years, was closed June 30.
6. The project is essentially complete and will be closed when final payments have been processed, with 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 in the preliminary planning phase. The university received a \$7 million authorization supplement in the 2006 General Assembly session to address cost escalation. The adjusted budget will be \$23.041 million.
8. 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.
9. 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.
10. The project is complete and was closed June 30, with a savings of \$478,000.
11. 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.

Capital Outlay Projects Authorized as of June 30, 2006 (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	\$ 3,000	\$ 3,000	\$ 3,060	\$ 0	\$ 0	\$ 6,846	\$ 0	\$ 6,846	\$ 5,863	(1)
Auxiliary Enterprise Blanket Authorizations	0	0	0	0	0	4,809	0	4,809	0	(2)
Parking Auxiliary Projects	0	20	0	0	0	79	19,505	19,584	0	(3)
Alumni/CEC/Hotel Complex	7,414	6,500	6,014	0	0	25,099	20,732	45,831	41,962	(4)
Golf Course Facilities	0	0	0	0	0	1,500	0	1,500	0	(5)
Expand Lane Stadium, West Side	22,528	20,000	17,202	0	0	4,962	54,740	59,702	48,871	(6)
New Residence Hall	0	50	2	0	0	1,041	15,000	16,041	88	(7)
Dining and Student Union Facility	0	0	0	0	0	0	6,250	6,250	0	(8)
G. Burke Johnston Student Center Addition	0	0	0	0	0	0	6,250	6,250	46	(9)
Soccer/Lacrosse Complex	1,623	1,640	1,162	0	0	2,000	0	2,000	1,522	(10)
Major Residence and Dining Hall Improvements	200	200	0	0	0	0	4,000	4,000	0	(11)
TOTAL	34,765	31,410	27,439	0	0	46,335	126,477	172,812	98,353	
GRAND TOTAL	<u>\$ 86,282</u>	<u>\$ 70,158</u>	<u>\$ 58,512</u>	<u>\$ 74,681</u>	<u>\$ 94,601</u>	<u>\$ 86,583</u>	<u>\$ 215,335</u>	<u>\$ 471,200</u>	<u>\$ 214,175</u>	

RECOMMENDATION:

That the report of income and expenditures for the University Division and the Cooperative Extension/Agricultural Experiment Station Division for the period of July 1, 2005 through June 30, 2006 and the Capital Outlay report be accepted.

**SMITHFIELD PARKING LOT
9(c) FINANCING**

Parking Auxiliary Improvements (Capital Outlay Project Number 14815) has been authorized to be financed pursuant to Article X, Section 9 (c), of the Constitution of Virginia for up to \$14,321,500 plus amounts needed to fund issuance costs, reserve funds, and other financing expenses. A component of that authorization is the Smithfield Parking Lot (sub-project 013). At this time, the University requires 9(c) debt financing for the project in the amount of \$730,925.

The Smithfield Parking Lot project converts an existing green space located at the intersection of Duck Pond Drive and Smithfield Road into two separate paved parking lots. The construction consists of a paved surface for approximately 375 parking spaces, site utility construction, erosion control, bio-retention and other storm water control structures, bike paths and landscaping. The construction area totals approximately 5.0 acres.

The proposed resolution requests the issuance of 9(c) bonds through the Treasury Board on behalf of the University, and pledges net revenues of the Parking Auxiliary to the payment of debt service. Other covenants include furnishing the Treasury Board with the University's financial statements, paying our proportional share of expenses in connection with the sale of bonds, and complying with the appropriate arbitrage and private use guidelines.

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

PARKING AUXILIARY 9(c) FINANCING

WHEREAS, there has been passed by the General Assembly of Virginia an act entitled "Commonwealth of Virginia Higher Educational Institutions Bond Act of 2006" (the "2006 Act") which has been signed by the Governor;

WHEREAS, the 2006 Act may be repealed but the Project, as defined below, continues as an authorized project for bond financing through subsequent legislation (the 2006 Act and any such subsequent legislation, the "Act");

WHEREAS, pursuant to the Act, the Treasury Board of the Commonwealth of Virginia (the "Treasury Board") is authorized, by and with the consent of the Governor, to sell and issue bonds or bond anticipation notes of the Commonwealth of Virginia for the purpose of providing funds, with other available funds, for paying the cost of acquiring, constructing, renovating, enlarging, improving and equipping certain revenue-producing capital projects at certain institutions of higher learning of the Commonwealth and for paying issuance costs, reserve funds and other financing expenses (the "Financing Expenses"), all in accordance with the provisions of Section 9(c) of Article X of the Constitution of Virginia;

WHEREAS, such revenue-producing capital projects includes improvements for Parking Auxiliary, Capital Outlay Project Number 14815 (the "Project"), for Virginia Polytechnic Institute and State University (the "Institution"); and

WHEREAS, the Treasury Board is proposing to sell and issue bonds or bond anticipation notes pursuant to the Act for such revenue-producing capital projects, in one or more series;

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

Section 1. The Board of Visitors of the Institution (the "Board") requests the Treasury Board to sell and issue bonds or bond anticipation notes ("BAN's") in an aggregate principal amount not to exceed \$730,925 to finance all or a portion of the costs of the Project plus Financing Expenses (individually, the "Project Bonds" or "Project Notes", collectively, the "Project Borrowing"). The Project Borrowing will be identified by amount by the State Treasurer upon issuance of any bonds or BAN's.

Section 2. The Board (a) covenants to fix, revise, charge and collect a parking fee and other rates, fees and charges, for or in connection with the use, occupation and

services of the Project and (b) pledges such rates, fees and charges remaining after payment of (i) the expenses of operating the Project and (ii) the expenses related to all other activities funded by the rates, fees and charges ("Net Revenues") to the payment of the principal of, premium, if any, and interest on the Project Borrowing. The Board further covenants that it will fix, revise, charge and collect such rates, fees and charges in such amounts so that Net Revenues will at all times be sufficient to pay, when due, the principal of, premium, if any, and interest on the Project Borrowing and on any other obligations secured by Net Revenues (such payments collectively the "Required Payments"). The Project Borrowing shall be secured on a parity with such other obligations so secured by Net Revenues (other than any obligations secured by a prior right in Net Revenues). Any Net Revenues pledged herein in excess of the Required Payments may be used by the Institution for any other lawful purpose.

Section 3. It is hereby found, determined and declared that, based upon responsible engineering and economic estimates and advice of appropriate officials of the Institution, that the anticipated Net Revenues pledged herein will be sufficient to pay the Required Payments so long as the aggregate amount of net debt service on the Project Borrowing actually payable in any bond year does not exceed the amounts assumed in the Financial Feasibility Study.

Section 4. The Board covenants that the Institution will furnish the Treasury Board its general purpose financial statements, within 30 days of their issuance and receipt, audited by a firm of certified public accountants or the Auditor of Public Accounts, which shall include a schedule of revenues and expenditures for auxiliary enterprise systems. If Net Revenues are insufficient to pay Required Payments during such period, the Institution shall provide evidence of a plan to generate Net Revenues sufficient to make Required Payments in the future.

Section 5. The Board covenants that so long as any of the Project Notes are outstanding, the Institution will pay to the State Treasurer, not less than 30 days before each interest payment date, an amount estimated by the State Treasurer to be due and payable on such date as interest on the Project Notes. The Board covenants that so long as any of the Project Bonds are outstanding, the Institution will pay to the State Treasurer, not less than 30 days before each interest or principal payment date, the amount certified by the State Treasurer to be due and payable on such date as principal of, premium, if any, and interest on the Project Bonds.

Section 6. The Board covenants that the Institution will pay from time to time its proportionate share of all expenses incurred in connection with the sale and issuance of any series of bonds that includes Project Bonds or Project Notes and all expenses thereafter incurred in connection with the Bonds, including without limitation the expense of calculating any rebate to the United States of the earnings derived from the investment of gross proceeds of the Bonds, all as certified by the State Treasurer to the Institution.

Section 7. The Board covenants that the Institution will not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, including regulations issued pursuant thereto (the "Code"), or otherwise cause interest on the Bonds to be includable in the gross income of the owners thereof for federal income tax purposes under existing laws. Without limiting the generality of the foregoing, the Institution will pay from time to time its proportional share of any rebate to the United States of the earnings derived from the investment of the gross proceeds of the Bonds.

Section 8. The Board covenants that the Institution will proceed with due diligence to undertake and complete the Project and that the Institution will spend all of the available proceeds derived from the sale of the Project Borrowing for costs associated with the Project and appropriated for the Project by the General Assembly.

Section 9. The Board covenants that the Institution will not permit the proceeds of the Project Borrowing to be used in any manner that would result in (a) 5% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds being used with respect to any output facility within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code. The Institution need not comply with such covenants if the Institution obtains the written approval of the State Treasurer and an opinion of nationally recognized bond counsel acceptable to the Treasury Board that such covenants need not be complied with to prevent the interest on the Bonds from being includable in the gross income of the owners thereof for federal income tax purposes.

Section 10. The Board covenants that for so long as any of the Bonds are outstanding the Institution will not enter into any operating lease, management contract or similar agreement with any person or entity, other than a state or local governmental unit, for all or any portion of the Project without first obtaining the written approval of the State Treasurer and an opinion of nationally recognized bond counsel acceptable to the Treasury Board that entering into such agreement will not cause the interest on the Bonds to be included in the gross income of the owners thereof for federal income tax purposes.

Section 11. The Board covenants that for so long as any of the Bonds are outstanding, the Institution will not sell or dispose of any or any part of the Project without first obtaining the written approval of the State Treasurer and an opinion of nationally recognized bond counsel acceptable to the Treasury Board that such sale or disposition will not cause interest on the Bonds to be included in the gross income of the owners thereof for federal income tax purposes.

Section 12. The officers of the Institution are authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the sale and issuance of the Bonds.

Section 13. The Board acknowledges that the Treasury Board will rely on the representations and covenants set forth herein in issuing the Bonds, that such covenants are critical to the security for the Bonds and the exclusion of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, that the Board will not repeal, revoke, rescind or amend any of such covenants without first obtaining the written approval of the Treasury Board, and that such covenants will be binding upon the Board so long as any of the Bonds are outstanding.

Section 14. This resolution shall take effect immediately.

RECOMMENDATION:

That the above resolution authorizing the issuance of 9(c) bonds for the Parking Auxiliary's Smithfield Parking Lot project be approved.

August 28, 2006

CRITICAL TECHNOLOGY AND APPLIED SCIENCE
9(d) DEBT FINANCING

The New Engineering Facility, Phase I, (Capital Outlay Project 16714) has been authorized to be financed pursuant to Article X, Section 9(d), of the Constitution of Virginia for up to \$17,000,000 plus amounts needed to fund issuance costs, reserve funds, and other financing expenses. The project is also known as the Institute for Critical Technology and Applied Science, Phase I (ICTAS I). The total project cost of \$41,985,225 will additionally be funded with \$13,996,000 of Commonwealth General Obligation Bonds; \$4,000,000 of State General Fund appropriations; and \$6,989,225 of indirect cost recoveries. At this time, the University requires 9(d) debt financing for the project in the amount of \$17,000,000.

The ICTAS project includes the construction of a 100,000 gross square foot, state-of-the-art engineering and interdisciplinary science facility. This facility will address the need for additional sponsored research space as a means to help Virginia Tech achieve its goal of becoming a top research university in the 21st century. Research engineers from the College of Engineering, in collaboration with researchers who have science and engineering backgrounds from other colleges, will share space and collaborate to explore many of today's critically important problems. The project will include highly specialized research laboratories and equipment that support both applied and fundamental research, as well as appropriate support and administrative space.

To finance the project, bonds will be issued through the Virginia College Building Authority (VCBA) and the University will enter into a loan agreement and promissory note with the Authority. The loan agreement and note are subject to the following parameters: (a) the principal amount shall not be greater than the amount authorized by the General Assembly of Virginia, (b) the interest rate payable shall not exceed a true interest cost more than 50 basis points higher than the interest rate for "AA" rated securities with comparable maturities, (c) the weighted average maturity of the principal payments shall not be in excess of 20 years, (d) the last principal payment date shall not extend beyond the expected economic life of the project, and (e) the actual amount, interest rates, maturities and date shall be approved by an authorized officer, which approval will be evidenced by the execution of the 2006A Note.

The proposed resolution identifies the Executive Vice President and Chief Operating Officer, and the University Treasurer, as authorized officers to execute the loan agreement, promissory note, and other necessary documents with the Authority.

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

CRITICAL TECHNOLOGY AND APPLIED SCIENCE - 9(d) FINANCING

WHEREAS, pursuant to Chapter 3.2, Title 23 of the Code of Virginia of 1950, as amended (the "Act"), the General Assembly of Virginia has authorized the Virginia College Building Authority (the "Authority") to develop a pooled bond program (the "Program") to purchase bonds and other debt instruments issued by public institutions of higher education in the Commonwealth of Virginia (the "Institutions") to finance or refinance the construction of projects of capital improvement specifically included in a bill passed by a majority of those elected to each house of the General Assembly of Virginia (the "Projects");

WHEREAS, the Authority intends to issue from time to time under the Program its Educational Facilities Revenue Bonds (Public Higher Education Financing Program) (the "Bonds") to finance the purchase of bonds and other debt instruments issued by the Institutions to finance or refinance the Projects, all in the furtherance of the purposes of the Act and the Program;

WHEREAS, the Board of Visitors of Virginia Polytechnic Institute and State University (the "Board") may from time to time wish to finance or refinance Projects of Virginia Polytechnic Institute and State University (the "Institution") through the Program;

WHEREAS, if the Institution wishes to finance or refinance a Project through the Program, it will be necessary for the Institution to enter into a Loan Agreement (a "Loan Agreement") between the Authority and the Institution and to evidence the loan to be made by the Authority to the Institution pursuant to the Loan Agreement by issuing the Institution's promissory note (the "Note") pursuant to Section 23-19 of the Code of Virginia of 1950, as amended, and pursuant to the Loan Agreement, the Authority will agree to issue its Bonds and to use certain proceeds of the Bonds to purchase the Note issued by the Institution and the Institution will agree to use the proceeds received from the Authority to finance or refinance the construction of the Project and to make payments under the Loan Agreement and the Note in sums sufficient to pay, together with certain administrative and arbitrage rebate payments, the principal of, premium, if any, and interest due on that portion of the Bonds issued to purchase the Note;

WHEREAS, the Institution now proposes to sell to the Authority the Institution's Note (the "2006A Note") to be issued under a Loan Agreement (the "2006A Loan Agreement") to finance or refinance from all or a portion of the proceeds of certain Bonds issued by the Authority in 2006 (the "2006A Bonds") all or a portion of the costs of construction and/or improvements of the New Engineering Facility (also known as Critical Technology and Applied Science), Phase I (the "2006A Project"), which has been authorized for bond financing by the General Assembly;

WHEREAS, it is the desire of the Board to delegate to such Authorized Officers (as hereinafter defined) of the Institution the authority to approve, on behalf of the Board, the forms of the 2006A Loan Agreement and the 2006A Note and, similarly, to authorize such Authorized Officers of the Institution to execute, deliver and issue in the name of and on behalf of the Institution, the 2006A Loan Agreement, the 2006A Note and any and all documents necessary or desirable to effectuate the financing or refinancing of all or a portion of the costs of the 2006A Project through the Program with the Authority and to facilitate the purchase of the 2006A Note by the Authority;

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

Section 1. The 2006A Project is hereby designated a Project to be undertaken and financed or refinanced by the Authority and, accordingly, the Executive Vice President and Chief Operating Officer, and the University Treasurer, of the Institution (the "Authorized Officers"), are each hereby delegated and invested with full power and authority to approve the forms of the 2006A Loan Agreement and 2006A Note, and any pledge to the payment of the 2006A Note of the Institution's total gross university sponsored overhead, unrestricted endowment income, tuition and fees, indirect cost recoveries, auxiliary enterprise revenues, general and non-general fund appropriations and other revenues not required by law or by previous binding contract to be devoted to some other purpose, restricted by a gift instrument for another purpose or excluded from such pledge as provided in the 2006A Loan Agreement, and such approval is hereby authorized, subject to the provisions of Section 3 hereof.

Section 2. Subject to the provisions of Section 3 hereof, the Authorized Officers are each hereby individually delegated and invested with full power and authority to execute, deliver and issue, on behalf of the Board, (a) the 2006A Loan Agreement and the 2006A Note with the approval of such documents in accordance with Section 1 hereof by any such officer evidenced conclusively by the execution and delivery of the 2006A Loan Agreement and 2006A Note, respectively, and (b) any and all other documents, instruments or certificates as may be deemed necessary or desirable to consummate the financing or refinancing of all or a portion of the costs of the 2006A Project through the Program, the construction of the 2006A Project and the Institution's participation in the Program, and to further carry out the purposes and intent of this Resolution. The Authorized Officers are directed to take such steps and deliver such certificates prior to the delivery of the 2006A Note as may be required under existing obligations of the Institution, including bond resolutions relating to the Institution's outstanding general revenue pledge bonds.

Section 3. The authorizations given above as to the approval, execution, delivery and issuance of the 2006A Loan Agreement and the 2006A Note are subject to the following parameters: (a) the principal amount to be paid under the 2006A Note allocable to each Project constituting part of the 2006A Project, together with the principal amount of any other indebtedness with respect to such Project, shall not be greater than the amount authorized for such Project by the General Assembly of Virginia, which is \$17,000,000 as the same may be adjusted as required or permitted by

law, (b) the interest rate payable under the 2006A Note shall not exceed a “true” or “Canadian” interest cost more than 50 basis points higher than the interest rate for “AA” rated securities with comparable maturities, as reported by Delphis-Hanover, or another comparable service or index on the date that the interest rates on the 2006A Note are determined, taking into account original issue discount or premium, if any, (c) the weighted average maturity of the principal payments due under the 2006A Note shall not be in excess of 20 years, (d) the last principal payment date under the 2006A Note shall not extend beyond the period of the reasonably expected economic life of the 2006A Project, and (e) subject to the foregoing, the actual amount, interest rates, maturities, and date of the 2006A Note shall be approved by an Authorized Officer, which approval will be evidenced by the execution of the 2006A Note.

Section 4. The Board acknowledges, on behalf of the Institution, that if the Institution fails to make any payments of debt service due under any Loan Agreement or Note, including the 2006A Loan Agreement and the 2006A Note, the Program authorizes the State Comptroller to charge against the appropriations available to the Institution all future payments of debt service on that Loan Agreement and Note when due and payable and to make such payments to the Authority or its designee, so as to ensure that no future default will occur on such Loan Agreement or Note.

Section 5. The Board agrees that if the Authority determines that the Institution is an “obligated person” under Rule 15c2-12 of the Securities and Exchange Commission with respect to any issue of Bonds, the Institution will enter into a continuing disclosure undertaking in form and substance reasonably satisfactory to the Authority and the Institution and will comply with the provisions and disclosure obligations contained therein.

Section 6. This resolution shall take effect immediately upon its adoption.

RECOMMENDATION:

That the above resolution allowing the Authorized Officers to enter into a loan agreement, promissory note, and other necessary documents with the VCBA to finance the Critical Technology and Applied Science project on behalf of the University be approved.

August 28, 2006

**BOILER POLLUTION CONTROL
9(d) DEBT FINANCING**

The Boiler Pollution Control project (Capital Outlay Project 17009) has been authorized to be financed pursuant to Article X, Section 9(d), of the Constitution of Virginia for up to \$2,000,000 plus amounts needed to fund issuance costs, reserve funds, and other financing expenses. The total project cost of \$5,850,000 will additionally be funded with \$3,850,000 from the Virginia College Building Authority's 21st Century College Program. At this time, the University requires 9(d) debt financing for the project in the amount of \$2,000,000.

The Boiler Pollution Control project will ensure that the University complies with new emission requirements under the Boiler Maximum Available Control Technology program, as required by the Virginia Department of Environmental Quality (DEQ). Air pollution controls will be added to the two coal-fired high-pressure steam boilers in the central power plant to achieve emissions compliance with upcoming environmental standards. The proposed air pollution controls will serve the plant for the 30 years of its remaining life expectancy.

To finance the project, bonds will be issued through the Virginia College Building Authority (VCBA) and the University will enter into a loan agreement and promissory note with the Authority. The loan agreement and note are subject to the following parameters: (a) the principal amount shall not be greater than the amount authorized by the General Assembly of Virginia, (b) the interest rate payable shall not exceed a true interest cost more than 50 basis points higher than the interest rate for "AA" rated securities with comparable maturities, (c) the weighted average maturity of the principal payments shall not be in excess of 20 years, (d) the last principal payment date shall not extend beyond the expected economic life of the project, and (e) the actual amount, interest rates, maturities and date shall be approved by an authorized officer, which approval will be evidenced by the execution of the 2006A Note.

The proposed resolution identifies the Executive Vice President and Chief Operating Officer, and the University Treasurer, as authorized officers to execute the loan agreement, promissory note, and other necessary documents with the Authority.

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

BOILER POLLUTION CONTROL - 9(d) FINANCING

WHEREAS, pursuant to Chapter 3.2, Title 23 of the Code of Virginia of 1950, as amended (the "Act"), the General Assembly of Virginia has authorized the Virginia College Building Authority (the "Authority") to develop a pooled bond program (the "Program") to purchase bonds and other debt instruments issued by public institutions of higher education in the Commonwealth of Virginia (the "Institutions") to finance or refinance the construction of projects of capital improvement specifically included in a bill passed by a majority of those elected to each house of the General Assembly of Virginia (the "Projects");

WHEREAS, the Authority intends to issue from time to time under the Program its Educational Facilities Revenue Bonds (Public Higher Education Financing Program) (the "Bonds") to finance the purchase of bonds and other debt instruments issued by the Institutions to finance or refinance the Projects, all in the furtherance of the purposes of the Act and the Program;

WHEREAS, the Board of Visitors of Virginia Polytechnic Institute and State University (the "Board") may from time to time wish to finance or refinance Projects of Virginia Polytechnic Institute and State University (the "Institution") through the Program;

WHEREAS, if the Institution wishes to finance or refinance a Project through the Program, it will be necessary for the Institution to enter into a Loan Agreement (a "Loan Agreement") between the Authority and the Institution and to evidence the loan to be made by the Authority to the Institution pursuant to the Loan Agreement by issuing the Institution's promissory note (the "Note") pursuant to Section 23-19 of the Code of Virginia of 1950, as amended, and pursuant to the Loan Agreement, the Authority will agree to issue its Bonds and to use certain proceeds of the Bonds to purchase the Note issued by the Institution and the Institution will agree to use the proceeds received from the Authority to finance or refinance the construction of the Project and to make payments under the Loan Agreement and the Note in sums sufficient to pay, together with certain administrative and arbitrage rebate payments, the principal of, premium, if any, and interest due on that portion of the Bonds issued to purchase the Note;

WHEREAS, the Institution now proposes to sell to the Authority the Institution's Note (the "2006A Note") to be issued under a Loan Agreement (the "2006A Loan Agreement") to finance or refinance from all or a portion of the proceeds of certain Bonds issued by the Authority in 2006 (the "2006A Bonds") all or a portion of the costs of construction and/or improvements of the Boiler Pollution Control project (the "2006A Project"), which has been authorized for bond financing by the General Assembly;

WHEREAS, it is the desire of the Board to delegate to such Authorized Officers (as hereinafter defined) of the Institution the authority to approve, on behalf of the Board, the forms of the 2006A Loan Agreement and the 2006A Note and, similarly, to authorize such Authorized Officers of the Institution to execute, deliver and issue in the name of and on behalf of the Institution, the 2006A Loan Agreement, the 2006A Note and any and all documents necessary or desirable to effectuate the financing or refinancing of all or a portion of the costs of the 2006A Project through the Program with the Authority and to facilitate the purchase of the 2006A Note by the Authority;

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

Section 1. The 2006A Project is hereby designated a Project to be undertaken and financed or refinanced by the Authority and, accordingly, the Executive Vice President and Chief Operating Officer, and the University Treasurer, of the Institution (the "Authorized Officers"), are each hereby delegated and invested with full power and authority to approve the forms of the 2006A Loan Agreement and 2006A Note, and any pledge to the payment of the 2006A Note of the Institution's total gross university sponsored overhead, unrestricted endowment income, tuition and fees, indirect cost recoveries, auxiliary enterprise revenues, general and non-general fund appropriations and other revenues not required by law or by previous binding contract to be devoted to some other purpose, restricted by a gift instrument for another purpose or excluded from such pledge as provided in the 2006A Loan Agreement, and such approval is hereby authorized, subject to the provisions of Section 3 hereof.

Section 2. Subject to the provisions of Section 3 hereof, the Authorized Officers are each hereby individually delegated and invested with full power and authority to execute, deliver and issue, on behalf of the Board, (a) the 2006A Loan Agreement and the 2006A Note with the approval of such documents in accordance with Section 1 hereof by any such officer evidenced conclusively by the execution and delivery of the 2006A Loan Agreement and 2006A Note, respectively, and (b) any and all other documents, instruments or certificates as may be deemed necessary or desirable to consummate the financing or refinancing of all or a portion of the costs of the 2006A Project through the Program, the construction of the 2006A Project and the Institution's participation in the Program, and to further carry out the purposes and intent of this Resolution. The Authorized Officers are directed to take such steps and deliver such certificates prior to the delivery of the 2006A Note as may be required under existing obligations of the Institution, including bond resolutions relating to the Institution's outstanding general revenue pledge bonds.

Section 3. The authorizations given above as to the approval, execution, delivery and issuance of the 2006A Loan Agreement and the 2006A Note are subject to the following parameters: (a) the principal amount to be paid under the 2006A Note allocable to each Project constituting part of the 2006A Project, together with the principal amount of any other indebtedness with respect to such Project, shall not be greater than the amount authorized for such Project by the General Assembly of Virginia, which is \$2,000,000 as the same may be adjusted as required or permitted by

law, (b) the interest rate payable under the 2006A Note shall not exceed a “true” or “Canadian” interest cost more than 50 basis points higher than the interest rate for “AA” rated securities with comparable maturities, as reported by Delphis-Hanover, or another comparable service or index on the date that the interest rates on the 2006A Note are determined, taking into account original issue discount or premium, if any, (c) the weighted average maturity of the principal payments due under the 2006A Note shall not be in excess of 20 years, (d) the last principal payment date under the 2006A Note shall not extend beyond the period of the reasonably expected economic life of the 2006A Project, and (e) subject to the foregoing, the actual amount, interest rates, maturities, and date of the 2006A Note shall be approved by an Authorized Officer, which approval will be evidenced by the execution of the 2006A Note.

Section 4. The Board acknowledges, on behalf of the Institution, that if the Institution fails to make any payments of debt service due under any Loan Agreement or Note, including the 2006A Loan Agreement and the 2006A Note, the Program authorizes the State Comptroller to charge against the appropriations available to the Institution all future payments of debt service on that Loan Agreement and Note when due and payable and to make such payments to the Authority or its designee, so as to ensure that no future default will occur on such Loan Agreement or Note.

Section 5. The Board agrees that if the Authority determines that the Institution is an “obligated person” under Rule 15c2-12 of the Securities and Exchange Commission with respect to any issue of Bonds, the Institution will enter into a continuing disclosure undertaking in form and substance reasonably satisfactory to the Authority and the Institution and will comply with the provisions and disclosure obligations contained therein.

Section 6. This resolution shall take effect immediately upon its adoption.

RECOMMENDATION:

That the above resolution allowing the Authorized Officers to enter into a loan agreement, promissory note, and other necessary documents with the VCBA to finance the Boiler Pollution Control project on behalf of the University be approved.

August 28, 2006

**SURGE SPACE
9(d) DEBT FINANCING**

The Surge Space project (Capital Outlay Project 17204) has been authorized to be financed pursuant to Article X, Section 9(d), of the Constitution of Virginia for up to \$8,500,000 plus amounts needed to fund issuance costs, reserve funds, and other financing expenses.

The Surge Space building consists of a 45,000 gross square foot single story slab-on-grade structure housing an entry vestibule/lobby, restrooms, and a large open space suitable for subdivision. The structure will be used as temporary office, classroom, and/or studio space as existing University buildings undergo renovations and occupants need temporary facilities to continue operations. Multiple tenants are expected to use the building over time. The building will be located on the existing paved parking lot located between Turner Street and Stanger Street.

To finance the project, bonds will be issued through the Virginia College Building Authority (VCBA) and the University will enter into a loan agreement and promissory note with the Authority. The loan agreement and note are subject to the following parameters: (a) the principal amount shall not be greater than the amount authorized by the General Assembly of Virginia, (b) the interest rate payable shall not exceed a true interest cost more than 50 basis points higher than the interest rate for "AA" rated securities with comparable maturities, (c) the weighted average maturity of the principal payments shall not be in excess of 20 years, (d) the last principal payment date shall not extend beyond the expected economic life of the project, and (e) the actual amount, interest rates, maturities and date shall be approved by an authorized officer, which approval will be evidenced by the execution of the 2006A Note.

The proposed resolution identifies the Executive Vice President and Chief Operating Officer, and the University Treasurer, as authorized officers to execute the loan agreement, promissory note, and other necessary documents with the Authority.

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

SURGE SPACE - 9(d) FINANCING

WHEREAS, pursuant to Chapter 3.2, Title 23 of the Code of Virginia of 1950, as amended (the "Act"), the General Assembly of Virginia has authorized the Virginia College Building Authority (the "Authority") to develop a pooled bond program (the "Program") to purchase bonds and other debt instruments issued by public institutions of higher education in the Commonwealth of Virginia (the "Institutions") to finance or refinance the construction of projects of capital improvement specifically included in a bill passed by a majority of those elected to each house of the General Assembly of Virginia (the "Projects");

WHEREAS, the Authority intends to issue from time to time under the Program its Educational Facilities Revenue Bonds (Public Higher Education Financing Program) (the "Bonds") to finance the purchase of bonds and other debt instruments issued by the Institutions to finance or refinance the Projects, all in the furtherance of the purposes of the Act and the Program;

WHEREAS, the Board of Visitors of Virginia Polytechnic Institute and State University (the "Board") may from time to time wish to finance or refinance Projects of Virginia Polytechnic Institute and State University (the "Institution") through the Program;

WHEREAS, if the Institution wishes to finance or refinance a Project through the Program, it will be necessary for the Institution to enter into a Loan Agreement (a "Loan Agreement") between the Authority and the Institution and to evidence the loan to be made by the Authority to the Institution pursuant to the Loan Agreement by issuing the Institution's promissory note (the "Note") pursuant to Section 23-19 of the Code of Virginia of 1950, as amended, and pursuant to the Loan Agreement, the Authority will agree to issue its Bonds and to use certain proceeds of the Bonds to purchase the Note issued by the Institution and the Institution will agree to use the proceeds received from the Authority to finance or refinance the construction of the Project and to make payments under the Loan Agreement and the Note in sums sufficient to pay, together with certain administrative and arbitrage rebate payments, the principal of, premium, if any, and interest due on that portion of the Bonds issued to purchase the Note;

WHEREAS, the Institution now proposes to sell to the Authority the Institution's Note (the "2006A Note") to be issued under a Loan Agreement (the "2006A Loan Agreement") to finance or refinance from all or a portion of the proceeds of certain Bonds issued by the Authority in 2006 (the "2006A Bonds") all or a portion of the costs of construction and/or improvements of the Surge Space project (the "2006A Project"), which has been authorized for bond financing by the General Assembly;

WHEREAS, it is the desire of the Board to delegate to such Authorized Officers (as hereinafter defined) of the Institution the authority to approve, on behalf of the Board, the forms of the 2006A Loan Agreement and the 2006A Note and, similarly, to authorize such Authorized Officers of the Institution to execute, deliver and issue in the name of and on behalf of the Institution, the 2006A Loan Agreement, the 2006A Note and any and all documents necessary or desirable to effectuate the financing or refinancing of all or a portion of the costs of the 2006A Project through the Program with the Authority and to facilitate the purchase of the 2006A Note by the Authority;

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

Section 1. The 2006A Project is hereby designated a Project to be undertaken and financed or refinanced by the Authority and, accordingly, the Executive Vice President and Chief Operating Officer, and the University Treasurer, of the Institution (the "Authorized Officers"), are each hereby delegated and invested with full power and authority to approve the forms of the 2006A Loan Agreement and 2006A Note, and any pledge to the payment of the 2006A Note of the Institution's total gross university sponsored overhead, unrestricted endowment income, tuition and fees, indirect cost recoveries, auxiliary enterprise revenues, general and non-general fund appropriations and other revenues not required by law or by previous binding contract to be devoted to some other purpose, restricted by a gift instrument for another purpose or excluded from such pledge as provided in the 2006A Loan Agreement, and such approval is hereby authorized, subject to the provisions of Section 3 hereof.

Section 2. Subject to the provisions of Section 3 hereof, the Authorized Officers are each hereby individually delegated and invested with full power and authority to execute, deliver and issue, on behalf of the Board, (a) the 2006A Loan Agreement and the 2006A Note with the approval of such documents in accordance with Section 1 hereof by any such officer evidenced conclusively by the execution and delivery of the 2006A Loan Agreement and 2006A Note, respectively, and (b) any and all other documents, instruments or certificates as may be deemed necessary or desirable to consummate the financing or refinancing of all or a portion of the costs of the 2006A Project through the Program, the construction of the 2006A Project and the Institution's participation in the Program, and to further carry out the purposes and intent of this Resolution. The Authorized Officers are directed to take such steps and deliver such certificates prior to the delivery of the 2006A Note as may be required under existing obligations of the Institution, including bond resolutions relating to the Institution's outstanding general revenue pledge bonds.

Section 3. The authorizations given above as to the approval, execution, delivery and issuance of the 2006A Loan Agreement and the 2006A Note are subject to the following parameters: (a) the principal amount to be paid under the 2006A Note allocable to each Project constituting part of the 2006A Project, together with the principal amount of any other indebtedness with respect to such Project, shall not be greater than the amount authorized for such Project by the General Assembly of Virginia, which is \$8,500,000 as the same may be adjusted as required or permitted by

law, (b) the interest rate payable under the 2006A Note shall not exceed a “true” or “Canadian” interest cost more than 50 basis points higher than the interest rate for “AA” rated securities with comparable maturities, as reported by Delphis-Hanover, or another comparable service or index on the date that the interest rates on the 2006A Note are determined, taking into account original issue discount or premium, if any, (c) the weighted average maturity of the principal payments due under the 2006A Note shall not be in excess of 20 years, (d) the last principal payment date under the 2006A Note shall not extend beyond the period of the reasonably expected economic life of the 2006A Project, and (e) subject to the foregoing, the actual amount, interest rates, maturities, and date of the 2006A Note shall be approved by an Authorized Officer, which approval will be evidenced by the execution of the 2006A Note.

Section 4. The Board acknowledges, on behalf of the Institution, that if the Institution fails to make any payments of debt service due under any Loan Agreement or Note, including the 2006A Loan Agreement and the 2006A Note, the Program authorizes the State Comptroller to charge against the appropriations available to the Institution all future payments of debt service on that Loan Agreement and Note when due and payable and to make such payments to the Authority or its designee, so as to ensure that no future default will occur on such Loan Agreement or Note.

Section 5. The Board agrees that if the Authority determines that the Institution is an “obligated person” under Rule 15c2-12 of the Securities and Exchange Commission with respect to any issue of Bonds, the Institution will enter into a continuing disclosure undertaking in form and substance reasonably satisfactory to the Authority and the Institution and will comply with the provisions and disclosure obligations contained therein.

Section 6. This resolution shall take effect immediately upon its adoption.

RECOMMENDATION:

That the above resolution allowing the Authorized Officers to enter into a loan agreement, promissory note, and other necessary documents with the VCBA to finance the Surge Space building on behalf of the University be approved.

August 28, 2006

Approval of Capital Lease Agreements for the Sciences College Consortia Program and Food, Nutrition and Health Vivarium

The University's goals for the rapid and significant expansion of its research programs are partially dependent upon the ability of the University to identify and establish sufficient research space to allow the faculty to pursue additional grants and contracts. To obtain this research space in a timely manner, the University is committed to pursuing various strategies. While the development of General Fund supported research space on the campus is a key strategy, this approach will not occur quickly enough to address all of the research space needs.

One alternative strategy is the acquisition of research space in the Corporate Research Center and elsewhere through lease commitments. In developing this strategy, some space may need to be leased for short or intermediate terms; however, some space is needed on a long-term basis.

The Commonwealth's capital outlay process applies to University leases that exceed specific thresholds with regard to total financial payments, and the rules further require the establishment of capital leases in cases where the lease would be classified as a capital lease in accordance with generally accepted accounting principles for leases. In such cases, the resulting capital lease will be recorded on the University's financial statements as an asset with a corresponding long-term financial obligation.

With the establishment of the Management Agreement with the Commonwealth effective July 1, 2006, the Board of Visitors is authorized to approve capital lease projects, with the corresponding financial obligation, without further review or approval by the Commonwealth.

The University has identified the need to enter into long-term leases with the Virginia Tech Foundation, Inc. (Foundation) for an integrated sciences facility. Accordingly, the University wishes to enter into capital lease agreements with the Foundation to house its Sciences College Consortia program and Food, Nutrition and Health Vivarium program, and it needs to pursue the establishment of these agreements promptly in order to obtain the needed research space by fall 2007.

Since the University has determined that the long-term nature of these leases will create capital leases in accordance with general accepted accounting principles, the University has developed a capital lease resolution for consideration by the Board of Visitors at its August 2006 meeting.

**Resolution on Capital Lease Agreements
for the Sciences College Consortia Program and
Food, Nutrition and Health Vivarium**

WHEREAS, Virginia Tech's stated goal of being among the top tier of research universities is constrained by the lack of available space that directly and indirectly supports growth in funded research activities; and,

WHEREAS, the Colleges of Agriculture and Life Sciences, Natural Resources, Science, and Veterinary Medicine (Sciences College Consortia) have engaged in a partnership which will help access the necessary state-of-the-art laboratory space for cluster hires and the related research in the areas of infections, disease, and obesity; and,

WHEREAS, the College of Agriculture and Life Sciences has identified a need for vivarium space, inclusive of holding/procedure areas, support and storage, and other required areas for small animal research, to increase the University's NIH funding opportunities; and,

WHEREAS, the need for research space for these programs is immediate and ongoing and the need cannot be fully addressed in a timely manner through the normal state funding process; and,

WHEREAS, the University desires to enter into capital lease agreements with the Virginia Tech Foundation, Inc. (Foundation) to provide long-term, cost efficient space for the programs; and,

WHEREAS, the University has evaluated and approved the lease justifications for approximately 77,000 gross square feet of laboratory space, including 7,000 gross square feet of vivarium space, suitable for the programs; and,

WHEREAS, the plans and specifications for the facility shall be consistent with the programmatic needs of the occupants and shall be constructed in accordance with all applicable governmental regulations and inspections; and,

WHEREAS, the annual costs shall be at a rate in which the Foundation will neither receive profit nor will lose money on the lease, over the life of the lease, to the extent allowed by law; and,

WHEREAS, the term of said agreements shall be for twenty (20) years, at an estimated total annual cost for each of the first two years of \$1,796,690 plus utilities, to be paid by indirect cost recoveries generated from research activities; and,

WHEREAS, the lease agreements shall further provide that after the 20-year lease term, the University may, at its option, extend the leases indefinitely at an annual amount not exceeding the actual costs incurred by the Foundation to operate and maintain the facility as directed by the University; and,

WHEREAS, effective July 1, 2006, the Board of Visitors is authorized to approve the establishment of capital leases, in accordance with the provisions of the Management Agreement with the Commonwealth;

NOW THEREFORE BE IT RESOLVED that the University be authorized to enter into capital leases with the Virginia Tech Foundation, Inc. for a facility to house its Sciences College Consortia program and the Food, Nutrition and Health Vivarium.

RECOMMENDATION:

That the above resolution authorizing Virginia Tech to enter into capital lease agreements with the Virginia Tech Foundation for a facility to house its Sciences College Consortia program and the Food, Nutrition and Health Vivarium be approved.

August 28, 2006

TO: Finance and Audit Committee of the Board of Visitors

FROM: John C. Rudd, Director of Internal Audit

DATE: July 19, 2006

SUBJECT: Audit Report – Environmental, Health and Safety Services

Internal Audit has completed an audit of Environmental, Health and Safety Services. This review was performed in conformity with the fiscal year 2006 audit plan. The objective of this review was to contribute to the improvement of risk management and the control systems within the functional areas by identifying and evaluating the audit area's exposures to risks and the controls designed by management to reduce those risks.

BACKGROUND

The mission of the Environmental, Health and Safety Services Department (EHSS) is to provide a safe living, learning, and working environment for members of the university community; to help individuals and departments achieve compliance with all health and safety local, state and federal regulations and university policies; to act as liaison with external regulatory agencies; and to monitor university compliance through audit, program development, education, and consultation. EHSS is led by a management team of three co-director positions, rather than by a single director position, who manage four distinct technical divisions: Laboratory Safety, Occupational Health and Industrial Hygiene, Occupational Safety, and Radiation Safety. The department employs twenty-four individuals, including those in network and administrative support positions.

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. Environmental, Health and Safety Services was determined to be a high risk department due to its very important responsibility of providing and maintaining a safe environment for all individuals living, learning and working within the university community.

SCOPE

The scope included a review of Administration and Oversight; Department Planning; Outreach, Training and Communication; Safety and Compliance; and Information Technology and Security.

The review covered the period from July 1, 2004 through June 30, 2005.

OVERALL ASSESSMENT

Our review indicates that management has designated and implemented controls that are often effective at reducing the department's exposure to some of the business risks it faces, however improvements are recommended to achieve a fully effective system of internal controls. See the attached appendix for our recommendation and management's action plan.

MANAGEMENT

Kurt Krause, Vice President for Business Affairs
Zack Adams, Co-Director for Environmental, Health and Safety Services
Bernadette Mondy, Co-Director for Environmental, Health and Safety Services
Doug Smiley, Co-Director for Environmental, Health and Safety Services

AUDITORS

John Rudd, Director
Mel Bowles, Associate Director
Brian Quam, Senior Auditor-in-Charge
Michelle Zorn, Staff Auditor
Paul Toffenetti, Audit Manager - Information Technology

cc: Auditor of Public Accounts
Robert Broyden
James Hyatt
Mark McNamee
Dwight Shelton
Charles Steger



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: August 3, 2006

SUBJECT: Audit Report –Veterinary Teaching Hospital

Internal Audit has completed an audit of the Veterinary Teaching Hospital. This review was performed in conformity with the fiscal year 2006 audit plan. The objective of this review was to contribute to the improvement of risk management and the control systems within the functional areas by identifying and evaluating the audit area's exposures to risks and the controls designed by management to reduce those risks.

BACKGROUND

The Veterinary Teaching Hospital (VTH) is part of the Virginia-Maryland Regional College of Veterinary Medicine (VMRCVM). The VTH is a comprehensive small and large animal hospital, with state of the art equipment and board certified veterinarians providing basic and specialty services to animals referred from a multi-state region. The VTH experience is the clinical portion of the education for the Doctor of Veterinary Medicine degree awarded by the VMRCVM. The VTH also provides specialty training to interns and residents from around the world. Additionally, The Production Management Medicine group offers ambulatory field service locally and herd and flock health programs for agricultural producers throughout the two-state area. The VTH is managed as a full service, by appointment and as an emergency hospital, 24 hours a day, 365 days a year.

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, level of external regulation, etc. The goal of the process is to prioritize those entities within the university that should receive audit attention. The Veterinary Teaching Hospital was determined to be a high risk entity due to their high volume of billings and funds handling activities, pharmacy operations, services provided to outside clients, and significant ongoing systems development and implementation projects.

SCOPE

The scope included a review of the Pharmacy operations, Business Office (Accounts Receivable billings and cash handling), Storeroom, Production Management Medicine and a project management review of the implementation of the hospital's administrative system. The review covered the period of July 1, 2004 to December 31, 2005.

OVERALL ASSESSMENT

While controls tested in the Pharmacy and Business Office were effective, our review identified certain significant business risks in the Storeroom, Production Management Medicine and project management for which controls are not consistently applied and enforced by management. Sales for Production Management Medicine represented 16% of the hospital's sales for fiscal 2006. The failure to consistently apply controls and enforce scheduled deadlines has impacted the organization's ability to safeguard its assets, ensure data integrity and reliability, and comply with university policies and procedures. Although the revenue forgone and resources that could be applied more efficiently are difficult to measure and quantify, significant improvements are needed immediately to achieve an adequate system of internal controls and effectively manage the associated business risks. See the attached appendices for our recommendations and management's action plans.

MANAGEMENT

Gerhardt Schurig – Dean

Mike Harness – Assistant Dean for Administration

Roger Avery – Associate Dean of Research and Graduate Studies

Robert Martin – Director Veterinary Teaching Hospital

Grant Turnwald – Associate Dean of Academic Affairs

Richard Hiller – Hospital Administrator

AUDITORS

John Rudd-Director

Mel Bowles-Associate Director

Andrea Abiyounes -Senior Auditor-In-Charge

Rachel Potters -Senior Auditor

Karl Larson-Senior IT Auditor

So-Young Hong-Staff Auditor

cc: Auditor of Public Accounts

Erv Blythe

Robert Broyden

James Hyatt

John Krallman

Mark G. McNamee

Ken Miller

Dwight Shelton

Charles Steger



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TO: Finance and Audit Committee of the Board of Visitors

FROM: John C. Rudd, Director of Internal Audit

DATE: July 19, 2006

SUBJECT: Audit Report – Information Technology Security Office

Internal Audit has completed an audit of the Information Technology Security Office. This review was performed in conformity with the fiscal year 2006 audit plan. The objective of this review was to contribute to the improvement of risk management and the control systems within the functional areas by identifying and evaluating the audit area's exposures to risks and the controls designed by management to reduce those risks.

BACKGROUND

The mission of the Information Security Office (ITSO) is to provide the technology tools, education, awareness, and guidance necessary for Virginia Tech to work toward a safe and secure information technology (IT) environment for teaching, learning, research, outreach, and to conduct university business. Specifically the ITSO

- Works with university security personnel to ensure educational and promotional programs are made available to the entire university community
- Provides leadership for the information technology risk assessment process
- Ensures necessary policies and procedures are in place to conform with state and national IT security requirements
- Maintains a central web site that provides university users with access to security-based tools for use at the department level (<http://security.vt.edu>)
- Participates in state and national organizations to promote IT security issues in higher education
- Provides leadership and support for the IT Security Laboratory and Information Resource Management Office

To better ensure the privacy of sensitive information and secure mission critical IT hardware and software systems the ITSO has recently implemented a more proactive approach to identifying and eliminating IT security vulnerabilities. Additionally, the ITSO expects that more intrusive policies and measures may be necessary to counter an ever expanding host of IT threats.

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 ITSO was determined to be a high risk department due to its responsibility for providing and promoting a safe, secure IT environment for the entire university community.

SCOPE

Audit scope included a review of IT training and communications; web site; security procedures, tools, and initiatives; and information resource management. The review covered the period from January 1, 2005 through June 30, 2006.

OVERALL ASSESSMENT

Our review identified certain important IT security risks for which management has not implemented fully effective controls. Some improvements are needed to achieve an adequate system of internal controls to protect against those risks.

MANAGEMENT

Earving L. Blythe, Vice President for Information Technology
Ranson Pelt, Jr., Director of Fiscal Operations, Information Technology
A. Wayne Donald, Information Technology Security Officer
Randolph C. Marchany, Director, Information Technology Security Laboratory
Karen M. Herrington, Director, Information Resource Management

AUDITORS

John Rudd, Director
Mel Bowles, Associate Director
Paul Toffenetti, Senior Auditor-in-Charge
Karl Larson, Senior IT Auditor

cc: Auditor of Public Accounts
Robert Broyden
James Hyatt
Dwight Shelton
Charles Steger



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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: August 3, 2006

SUBJECT: Final Report – University Scholarships and Financial Aid

Internal Audit has completed a review of the University Scholarships and Financial Aid (USFA) in conformity with the fiscal year 2006 audit plan. The objective of this review was to contribute to the improvement of risk management and the control systems within USFA by identifying the area's exposure to business risks and evaluating controls designed by management to manage those risks.

BACKGROUND

The USFA provides or monitors approximately \$214 million of annual student financial assistance, through various federal, state and university programs and alternative loans available from various commercial lenders. Over the past three years, USFA has reorganized and added more supervisory positions to reduce the span of control and increase oversight. Additional staff and procedural modifications have enhanced internal controls and compliance. There are currently twenty-nine staff members in this area: the director and two associate directors, seven assistant directors, seven counselors, and twelve support staff. Numerous student workers are not included in the staff total. Over 19,000 applications for federal aid were received in the 2005-06 academic year.

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. USFA was determined to be a high risk entity and was selected for an audit based on high volume of financial aid provided and the significant compliance requirements for federal and state programs it manages.

SCOPE

Review of this entity is performed annually over a multi-year cycle. The audit covered the period of January 1, 2005 to March 31, 2006 and included a review of Free Application for Federal Student Aid (FAFSA) application process; Student Eligibility; Budgeting & Awarding; Quality Assurance Process; and Information Technology.

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 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:

Dr. Barry Simmons, Director

Marilynn King, Senior Associate Director

John Albano, Associate Director for Information Technology

Rick Richardson, Manager of Accounting and Risk Analysis

AUDITORS:

John C. Rudd, Director

Mel Bowles, Associate Director

Divya Amin, Senior Auditor-in-Charge

So-Young Hong, Staff Auditor

Paul Toffenetti, IT Audit Manager

cc: Auditor of Public Accounts
Bob Broyden
David Ford
James Hyatt
Mark McNamee
Ken Miller
Dwight Shelton
Charles Steger



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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: August 11, 2006

SUBJECT: Audit Report – Immigration Controls

Internal Audit has completed a review of the university's Immigration Controls in conformity with the fiscal year 2006 audit plan. The objective of this review was to contribute to the improvement of risk management and the control systems governing immigration.

BACKGROUND

The Immigration services provided to the international students and faculty/staff is decentralized at Virginia Tech. Immigration assistance and advice is provided to the undergraduates by the Cranwell International Center; to graduate students by the Graduate School; and to faculty and staff by The Office of Associate Provost for International Affairs (OAPIA). OAPIA offers an orientation program for new visiting scholars year round. As of September 2005, there are approximately 500 foreign national undergraduate students, 1,500 foreign national graduate students and 400 foreign national faculty & staff at Virginia Tech.

RISK EXPOSURE

Internal Audit periodically performs a detailed risk analysis of all of the university's auditable entities and processes 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. Immigration controls were determined to be a medium risk function, and was selected for an audit based on the significant role international students and faculty play in the success of the university and the increased emphasis on immigration compliance by the United States government in this decade.

SCOPE

The audit covered the period of January 1, 2005 to March 31, 2006 which included surveys of faculty, staff and students that utilize the immigration services of OAPIA, Cranwell International Center, and the Graduate School; a review of resources available to these customers on web sites; and an analysis of the control procedures used by each office.

OVERALL ASSESSMENT

Our review indicates that management has designed and implemented controls that are often effective at reducing the university's exposure to many of the business risks it faces relative to immigration, 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:

S. K. De Datta, Assoc. Provost for Int. Affairs & Director, OIRED

Jerry Berkley-Coats, Asst. Director for International Support Services, OIRED

AUDITORS:

John C. Rudd, Director

Mel Bowles, Associate Director

Divya Amin, Senior Auditor-in-Charge

cc: Auditor of Public Accounts
Kim Beisecker
Bob Broyden
Karen DePauw
Monika Gibson
Zenobia Hikes
James Hyatt
John Dooley
Mark McNamee
Sandra Muse
Dwight Shelton
Charles Steger
Linda Woodard

Board of Visitors
Committee on Research
Minutes
3:30PM – The Inn at Virginia Tech and Skelton Conference Center
August 27, 2006

Committee Members Present: Mr. Ben Davenport, Chair, Mr. Jake Lutz, Mr. Mike Anzilotti, Mr. John Lawson, Ms. Sandy Lowe, and Mr. Phil Thompson.

Committee Members Absent: None.

Other Attendees: Dr. Charles Steger, Dr. Mark McNamee, Mr. James Hyatt, Dr. Brad Fenwick, Dr. Michael Kelly, Dr. Richard Benson, Dr. Lay Nam Chang, Dr. Roop Mahajan, Dr. Dennis Dean, Mr. Mark Coburn, Ms. Shelley Duke, Mr. Ed Nelson, Dr. David Ford, Mr. Larry Hincker, Mr. Ralph Byers, Dr. Tim Pickering, Ms. Susan Trulove, and Ms. Pam Pettry.

Welcoming Comments from Dr. Steger: Dr. Steger welcomed everyone to the meeting. He said he is very pleased with what has happened in the past year and that good things are in the works for the future.

Welcome and Introductory Remarks: Mr. Davenport stated the university will have some opportunities with the upcoming changes in intellectual property bylaws. He mentioned he may call a special meeting of the committee to address these changes.

Approval of November 6, 2005 Minutes: The minutes were approved as written.

Introduction of New Research Administrators: Dr. Richard Benson introduced the new ICTAS (Institute for Critical Technologies and Applied Science) director, Dr. Roop Mahajan. Dr. Mahajan shared his vision for promoting the plans of the institute in multidisciplinary research and the effects those plans will have on economic development and quality of life both locally and globally. He said ICTAS will target a few specific areas. Dr. Mahajan provided some examples in which ICTAS will play a major role.

Dr. Lay Nam Chang introduced the interim director for the Institute for Biomedical and Public Health Sciences (IBPHS), Dr. Dennis Dean. Dr. Dean mentioned the goal of increasing the university's life science funding, specifically NIH funding. He provided the institute's plans for accomplishing this goal. Dr. Dean talked about the new research space coming on line by 2008. He emphasized that ICTAS and IBPHS must find a way to work cooperatively and maximize resources to be successful.

Dr. Fenwick introduced Mr. Mark Coburn, Executive Vice President for VTIP (Virginia Tech Intellectual Properties, Inc.). Mr. Coburn discussed some planned strategies for technology transfer and intellectual property in providing support for the research goals of the university.

Performance and Progress Review: Dr. Fenwick provided an update on the university's recent research performance. He began by discussing the current challenges at the national level and the need for direct investment from the region and state. He mentioned there will be little real growth in the Federal R&D budget, but a shifting and fine-tuning of priorities with greater support for large, complex, consortium-based programs including private sector participation. Dr. Fenwick provided a chart reflecting the change in energy appropriations at the federal level as well as another chart highlighting the university's distributions of energy allocations. He stated that while Congress is positioned to restore funding to some basic and applied research programs, federal investment in these research programs will still decline in fiscal year 2007. Dr. Fenwick also mentioned the plans to keep the NIH budget flat or declining, to slash homeland security funding, and to make steep cuts in other programs. He provided information on the White House R&D priorities for FY 2008.

Dr. Fenwick stated the university has experienced excellent growth in research expenditures with good gains in productivity, resource utilization, and portfolio diversification. He mentioned there are early warning signs in some areas relative to growth in applications and awards, and this will enable the university to address these concerns. Dr. Fenwick provided several charts reflecting the individual college's performance for FY 2006. He shared slides of the university's progress and advancements in new construction on the central campus as well as at the Corporate Research Center. Dr. Fenwick highlighted the 43 current NSF CAREER award winners on our faculty. He stated we have consistently higher success rates with these CAREER awards than the NSF average. Dr. Fenwick mentioned the hiring of the proposal development team and the research development team and the positive impact they have already made in the research efforts. He also mentioned the new funding opportunity seminars, grant writing workshops, proposal development boot camp, and research administration/project management training and certificate program. Dr. Fenwick highlighted our efforts with the Institute for Advanced Learning and Research, the regional R&D centers, the National Capital Region research initiative, our strategic partnerships with Wake Forest, Georgetown, Oak Ridge National Labs, and Carilion as well as the new Commonwealth Research Initiative.

Dr. Fenwick summarized the decision and efforts to focus on leading edge scholarship and to enhance the research capabilities of Virginia Tech are now and will continue to pay the promised dividends. He said we have never been better positioned to make significant contributions to solving some of the most compelling problems by providing knowledge-based solutions. He also predicted our national research expenditure rankings will improve the next few years, take a one-year pause, and then advance again.

Commonwealth Research Initiative: Dr. McNamee announced the state's funding of the Commonwealth Research Initiative and the positive effects for the university. He mentioned VT's level of funding is \$15M to enhance nano-bio-materials and host-pathogen environmental interactions. Levels of funding for other areas are \$11.5M for research equipment, \$1.6M for graduate student financial aid, and

\$16.6M for new research buildings. Dr. McNamee stated oversight for the initiative will be by the president, provost, and the vice president for research. The responsibility for developing and implementing plans for the distribution of the funds, equipment purchases, and internal reporting/accountability process will fall to ICTAS, IBPHS, and VBI. He stated a report is due in October 2007. Dr. McNamee noted this appropriation is marked as one time funding, but he expressed his hopes the state can be persuaded to continue and even increase its support for research as a regular appropriation.

Strategic Plan Discovery Domains: In beginning his presentation, Dr. Kelly emphasized the discovery element in the university's mission statement. He mentioned the three areas of learning, discovery, and engagement in the 2006-2012 strategic plan, which was recently approved at the June Board of Visitors meeting. Dr. Kelly provided background information on the university's process in updating the strategic plan. The discovery domains are grouped into four broad categories. Dr. Kelly discussed aspects of each. Those categories are: 1) energy, materials, and environment; 2) social and individual transformation; 3) health, food, and nutrition; and 4) innovative technologies and complex systems.

College Research:

College of Engineering: Dean Benson stated the College of Engineering has been experiencing dramatic and diverse growth in the last three years. He highlighted the Engineering faculty awards and memberships as well as their climb in national rankings. Dean Benson shared slides on how the College of Engineering compares with our land grant peers as well as on the college's graduate ranking and Ph.D. production efficiency. He discussed their proposal activity since 2002 and mentioned the upcoming college deans' year-long forum on energy security and sustainability to be kicked off this fall. Dean Benson provided strategies for promoting his plans for the graduate program. He highlighted the successes with our supercomputer, System X, the new Myers-Lawson School of Construction, and ICTAS. He mentioned four centers supported by ICTAS as well as several ongoing initiatives. Dean Benson summarized the College of Engineering has ambitious goals and is beginning to close the gap in personnel and infrastructure with top-rated engineering schools.

College of Science: The College of Science presentation by Dean Chang was deferred due to time constraints.

Board Comments: Mr. Thompson made compliments on the presentations, particularly the details provided. He particularly noted the benefit of having the more detailed presentations by the deans in helping the board understand the research agenda. He said the board needs a stronger view of the portfolio investment, both quantitative and qualitative and how it all ties together. Mr. Davenport stated the board wants to help.

Adjournment: 5:02 p.m.

MINUTES

STUDENT AFFAIRS COMMITTEE OF THE BOARD OF VISITORS

August 28, 2006

Cascades Room
Skelton Conference Center
8:30 a.m.

PRESENT: Mr. Michael Anzilotti, Chair
Mr. L. Bruce Holland
Mr. Greg Sagstetter
Dr. Lori Wagner

GUESTS: Dr. Cynthia Bonner, Mr. Tom Brown, Mr. Tim Hall, Dr. Zenobia Hikes, Mr. Rick Johnson, Ms. Jenna Lazenby, Mr. Albert Raboteau, Dr. Susanna Rinehart, Ms. Donna Sanzenbach, Dr. Guy Sims, Col. Chris St. Jean, Dr. Charles Steger, Mr. James Tyger, Mr. Jim Weaver, Ms. Emily Webb

1. **Opening remarks and approval of June 12, 2006, minutes.** Mr. Michael Anzilotti, Chair, provided opening remarks and asked everyone present to introduce themselves. The committee has two new members—Mr. Greg Sagstetter and Dr. Lori Wagner. Mr. Anzilotti then presented the minutes of the June 12 Student Affairs Committee meeting to the committee for review and approval. The minutes were approved as written.
2. **Introduction of New Assistant Vice President for Student Affairs.** Dr. Zenobia Hikes, Vice President for Student Affairs, introduced Dr. Guy Sims, the new Assistant Vice President for Student Affairs, and asked him to speak briefly to the committee about his plans. Dr. Sims indicated that prior to this position, he served as the interim director for the Maucker Union at the University of Northern Iowa. In coming to Virginia Tech, his commitment to student development and student success not only stays firm but is further enhanced by the mission and values of the Division of Student Affairs and the Virginia Tech community.
3. **Athletic Department Quarterly Report.** Mr. James Weaver, Athletic Director, provided his quarterly report on the Athletic Department. Last year, the student athletes achieved their best annual NCAA graduation rate. Seventy-four percent of student athletes graduated—the same rate as the student body population. Spring semester was very successful academically for the Athletic Department. They had a total of 433 student athletes on the team rosters, with 42 percent of those students achieving a GPA of 3.0 or greater and 30 percent of those students making the

Dean's List for spring. Student Athlete Academic Support Services moved into their new space in the west stadium expansion over the summer, where they will continue to focus on academic success of the student athletes.

The Athletic Department has been working toward the goal of being a top 25 athletics program in the country. At the end of fall semester, they reached this goal by being ranked at 22nd place.

Mr. Weaver stressed that an important aspect of athletics is sportsmanship. The Hokies Respect campaign continues, with increased advertising through the presence of banners and logos in the athletic facilities as well as public service announcements during the games. In addition, Student Affairs, the Alumni Association, and other areas of campus are working with students to promote the Hokies Respect campaign.

4. **Review of Summer and Fall Orientation and Fall Opening.** Mr. Tom Brown, Senior Associate Dean of Students, gave an update on Summer Orientation. Orientation 2006 included new programming for both students and parents. Discussion with new students pertaining to appropriate use of Facebook and tips for cyber safety was added this year. Both the Substance Abuse and Sexual Assault sessions were enhanced from last year. The diversity component of the program, called A Community of Hokies, was updated to incorporate the Virginia Tech Principles of Community and subsequent small group discussions included additional emphasis on respect among university community members. Three additions to the program track for Hokie Parents included a Welcome Tent, a Parents as Partners session, and a Hokie Parent Gathering each evening. Hokie Hi, the umbrella name for all fall orientation events, included a new Hokie Parent Rest Stop tent during move-in. Hokie Hype, formally called Midnight Mayhem, included an overview of Hokie traditions and spirit. Other events included outdoor movies, pizza bonanza, and a concert, as well as college, department, and residence hall meetings.

Mr. Rick Johnson, Director of Housing and Dining Services, provided an update on fall move-in. Housing and Dining Services completed several summer projects in preparation for move-in. Slusher Tower, Slusher Wing, and Pritchard Hall received roof replacements over the summer. The Corps of Cadets facility and program upgrades were completed, as well as the completion of Phase II of the Graduate Life Center renovation project. Another important component of fall preparation is staff training. Residence Life trained 230 Resident Advisors and Dining Services trained 400 student staff.

During fall move-in, 9,200 students arrived on campus from Wednesday, August 16, through Sunday, August 20. On Friday and Saturday of the move-period, parents and students were assisted by approximately 500 Team Hokies volunteers representing 58 organizations. Move-in concluded with a spectacular Welcome

Back Hokie Hi Picnic on Sunday night in Lane Stadium. Over 7,200 students were served, most within the first hour of service.

5. **Student Affairs Update and Facility Space Studies.** Dr. Zenobia Lawrence Hikes, Vice President for Student Affairs, provided an update of recent events and initiatives in the Division of Student Affairs. Topics of discussion included the renovation of the Multicultural Programs and Services office space and the Multicultural Center, the Corps of Cadets Pass in Review, an update on the Alcohol Abuse Prevention Task Force, the status of searches for senior level managers in the division, the 2006 Army Leader Development and Assessment Course, mandatory Workplace Harassment Training in the division, and facility and space studies. In the facilities portion of the update, she informed the Board of the plans for facilities and condition studies for dining and student centers, implementation plans for one of two new residence halls and examining additional student recreation, counseling and health services space. Dr. Hikes also informed the group that an office has been identified for the Dean of Students staff; however, office space is still needed for Services for Students with Disabilities.

6. **Adjournment.**

There being no further business, the meeting adjourned at 11:03 a.m.

RESOLUTION
August 28, 2006

WHEREAS, Hemant Kanakia was appointed by Governor Mark Warner to the Board of Visitors of Virginia Polytechnic Institute and State University on July 1, 2002 to serve a four-year term ending June 30, 2006; and

WHEREAS, during his years of service on the Board, Dr. Kanakia participated on the Academic Affairs Committee from 2003 to 2005, offering insight and guidance for the benefit of the university; and

WHEREAS, during his tenure on the Board, Dr. Kanakia also served on the Finance and Audit Committee from 2005 to 2006, providing leadership and wisdom that greatly benefited the university; and

WHEREAS, Dr. Kanakia provided additional guidance and service to the university as a Board of Visitors member on the Virginia Bioinformatics Institute's Policy Advisory Board; and

WHEREAS, the members of the Board have thoroughly enjoyed getting to know Hemant and his wife, Sonal Desai, and have enjoyed their company at Board meetings, football games, and other university special events;

NOW, THEREFORE, BE IT RESOLVED that the members of the Board of Visitors of Virginia Polytechnic Institute and State University extend their deepest appreciation to Hemant Kanakia for his loyalty and service to Virginia Tech, and for his dedication to the university and its missions.

RECOMMENDATION:

That the above resolution recognizing Hemant Kanakia for his service as a member of the Board of Visitors of Virginia Polytechnic Institute and State University be approved.

RESOLUTION
August 28, 2006

WHEREAS, Thomas L. Robertson was appointed by Governor Mark Warner to the Board of Visitors of Virginia Polytechnic Institute and State University on July 1, 2002, to serve a four-year term ending June 30, 2006; and

WHEREAS, during his years of service on the Board, Mr. Robertson participated on the Finance and Audit Committee, offering valuable insight and guidance for the benefit of the university; and

WHEREAS, he was an advocate for policies that promoted diversity and inclusiveness at the university; and

WHEREAS, during his tenure on the Board, Mr. Robertson also was instrumental in strengthening collaborative relationships between Virginia Tech and the Carilion Health System, including the Carilion Biomedical Institute, providing leadership and wisdom that has been of great benefit to the university; and

WHEREAS, the members of the Board have thoroughly enjoyed getting to know Tom and his wife, Sue, and have enjoyed their company at Board meetings, football games, and other university special events;

NOW, THEREFORE, BE IT RESOLVED that the members of the Board of Visitors of Virginia Polytechnic Institute and State University extend their deepest appreciation to Thomas L. Robertson for his loyalty and devoted service to Virginia Tech, dating back long before his appointment to the Board, and for his faithful dedication to the university and its missions over the years.

RECOMMENDATION:

That the above resolution recognizing Thomas L. Robertson for his service as a member of the Board of Visitors of Virginia Polytechnic Institute and State University be approved.

**Report of the By-laws Review Task Force
August 28, 2006**

The task force is comprised of four members – Shelley Duke, Kim O'Rourke, Kay Heidbreder, and Jim Severt (chair).

The task force met on August 11.

A review of the by-laws, The Restructuring Act and the by-laws of several other Virginia universities resulted in recommendations that are presented in two parts:

The first part – “To establish a staff representative to the Board of Visitors” is recommended for the Board's action today. The staff representative would be without authority to participate in voting.

The rationale for this recommendation is the fact that The Restructuring Act gave the Board authority:

1. To approve appointments and salaries of university staff
2. For the review and approval of personnel policies for university staff

The second part of the task force's recommendations consists of a series of updates and changes to the by-laws. These will be presented at the November Board meeting.

**RESOLUTION ESTABLISHING A STAFF REPRESENTATIVE
TO THE BOARD OF VISITORS**

Whereas, on June 12, 2006, the Board of Visitors authorized the Rector to appoint an ad hoc committee to evaluate whether the Board's By-laws required revision as a result of the passage of the Restructured Higher Education Financial and Administrative Operations Act of 2005 and other statutory changes and changing practices that have occurred over time, and to report to the Board at the earliest feasible date; and

Whereas, there is wide recognition of the complexity of the university's governance and general acknowledgement of the need for administration, faculty, student, and staff participation in the conduct of university affairs; and

Whereas, at this time, there is a mechanism for representatives from the faculty and student body to meet regularly with the Board of Visitors, but there is no such structured opportunity for communication between the staff and the Board of Visitors; and

Whereas, passage of the *Restructured Higher Education Financial and Administrative Operations Act of 2005*, which gave the Board authority that included approval of appointments and salaries of university staff and review and approval of personnel policies for university staff, underscored the need for enhanced communication between the staff and the Board;

Now, therefore, be it resolved that the President of the Staff Senate be invited to sit with the Board in open session and, when recognized by the Rector (of the Board), to speak on matters of which he or she may be able to make contribution; and

Be it further resolved that the President of the Staff Senate be invited to sit with any committee of the Board in open session and to provide information and advice as deemed appropriate by the chair of that committee; and

Be it further resolved that this resolution will be effective immediately and that the By-laws of the Board of Visitors will be updated accordingly.

Recommendation:

That the above resolution establishing a staff representative to the Board of Visitors be approved and implemented immediately.

August 28, 2006

Remarks made during the BOV Meeting

Kerry J. Redican
President, Faculty Senate of Virginia Tech

August 28, 2006

Thank you Mr. Rector. Good afternoon ladies and gentlemen.

It is an honor to represent the best and brightest scholars in the world. The faculty appreciate the privilege of allowing the President of the Faculty Senate of Virginia Tech to serve as a faculty representative to the Board of Visitors.

I'd like to take a few minutes and focus my remarks in four areas: (1) acknowledgments; (2) the work of the Faculty Senate; (3) *Inventing the Future* and (4) the 2006-2007 Faculty Senate agenda.

Acknowledgments

We recognize the tremendous difficulties in trying to balance competing interests in a large organization such as Virginia Tech. In the midst of these challenges the BOV has successfully addressed issues important to faculty quality of life. The faculty thank for your diligence in supporting important policies such as the extension of the tenure clock and modified duties. In addition, we thank you for your commitment to shared governance. Finally, we appreciate your efforts to increase salaries to the 60th percentile of our peer institutions.

Faculty Senate - Structure and Function

The Faculty Senate is comprised of seventy members, one member elected from every Department in the University. Faculty Senators are appointed to every University Commission and Committee. This structure allows faculty to have input into literally every decision made in this institution. Even the strategic plan included significant faculty input. The outcomes may not always be what faculty want, but the opportunities to be heard are there.

We meet as a full Senate each month. We have three committees that are overseen by the Faculty Senate: Faculty Reconciliation Committee, Committee on Faculty Ethics, and the Faculty Review Committee. The Faculty Reconciliation Committee is focused on resolving conflicts between faculty or between faculty and supervisors. The Faculty Review Committee is responsible for providing faculty review of faculty grievances and in limited instances considers appeals in the promotion and tenure process. Finally, the Committee on Faculty Ethics is focused on promoting knowledge of and adherence to ethical principles. These committees are effective in both "policing our own" and providing important input with respect to procedural violations.

Invent the Future and Teamwork

We believe that the leadership of Virginia Tech has read the environment well in the effort to *Invent the Future*. The future for Virginia Tech looks bright. We have a strategic plan and a motivated faculty to implement the plan. However, we all know the competition is keen. Our peer institutions and others are not standing by waiting to see what we do. Our "competitors" are doing everything they can to be where we want to be and at times have been successful in recruiting some of our faculty. The implication is clear: we must continue to work closely together to achieve our goals. We have successfully shifted from the Board of Visitors, University and College Administration, and faculty functioning in different, yet overlapping universes to functioning as a team in reaching our goals.

Faculty Senate Agenda - 2006/2007

This year the Faculty Senate will focus significant effort on examining the faculty review system, probationary periods for faculty, and the feasibility of a Faculty/University Club.

Faculty Review System:: We utilize a faculty activity reporting system that has worked well, but faculty feel the process needs some modification. As you know each year every faculty member submits a faculty activity report or FAR. This report includes past year's accomplishments in teaching, research, and service. The report is reviewed at the department and college levels. However, there is some variation as to how this is done and who is involved in the review process. The Commission on Faculty Affairs and the Faculty Senate will be working on proposing acceptable changes in this process so that it is a fairer and more objective system for all faculty.

Probationary Periods for Faculty: We have operated under a system where a faculty member is hired and undergoes a 2 year review, 4 year review and during the 6th year review, a tenure decision is made. Given where we want to be as a university, this 2, 4, 6, in (tenure) or out (separation from Virginia Tech) *may* need to be changed. It may require more than 6 years for a scholar to establish the pedigree to successfully compete for high level funding. It's time to reexamine the practicality of our current policy and, if necessary, propose changes.

Faculty/University Club: Faculty have expressed the need for a dedicated space to meet and network with colleagues from across campus. Virginia Tech is a city in itself and it is difficult for faculty in different disciplines to interact. A dedicated space for all faculty (teaching, research, administrative and professional) will promote the "connectedness" faculty desire.

The policy issues I mentioned and the feasibility of Faculty/University Club will be discussed in many forums this next year. Because we do operate under such a

strong shared-governance model with checks and balances, we may not reach closure on these issues this year. But we will work hard at it.

I'm looking forward to a productive year and again, I appreciate the opportunity to share the faculty-related issues and concerns.

Thank you Mr. Rector.

**GRADUATE STUDENT REPRESENTATIVE CONSTITUENCY REPORT TO
THE VIRGINIA TECH BOARD OF VISITORS
AUGUST 28, 2006**

Introduction

Thank you, , Mr. Rector, President Steger, members of the board, and distinguished guests. It is an honor to be here on behalf of graduate students at Virginia Tech. I am mindful of the fact that the graduate-student community represents a broad spectrum of backgrounds, concerns, and fields of study. At a recent orientation luncheon with Dean DePauw, I met new students from as close as Floyd, Virginia and from as far away as the Ivory Coast of Africa, majoring in program as varied as doctoral studies in entomology and civil engineering to masters studies in public administration and my own field, creative writing.

I believe that this board recognizes that Virginia Tech must be culturally, socially, and academically rich in order to meet the university's mission to "advance social and community development" and "improve the quality of life." I would like to extend a special word of thanks and appreciation to this board: choosing a creative writer to serve as graduate student representative for an institution known largely for engineering, science, and technology, may seem a risky move for some people, but you had the foresight to see the bigger picture. Thank you.

As this is my first board meeting, I would like to tell you a bit about my history with Virginia Tech in order to illustrate my commitment to the task with which I've been charged. I am a Blacksburg native—a rare and curious species. My father was athletic ticket manager at Virginia Tech for 30 years, so I have spent a lot of time in Lane Stadium and Cassell Coliseum, as well as the rest of campus. In addition to being a Hokie kid, I am an alumna: I earned a long overdue Bachelor of Arts degree in English in 2004. I have also worked as a Hokie staff member, working as the Communications Manager at the Virginia Tech Transportation Institute for several years, where I learned about some of the incredible research being done at this university and the commitment of the researchers. Today, I am a Master of Fine Arts candidate in Creative Writing—a new terminal degree program in the Department of English. I also coordinator of our department's writer-in-residence program, which is an outreach effort that places graduate students into local schools for semester-long residencies, during which time they teach creative writing to kids. And if these connections to Tech are not enough, I am also married to a staff member: my husband, Ken, is in information technology, where he oversees several of the university's larger websites. My children—Anne, who is 12, and Stuart, who is 8 ½ still have a few years to go before college, but perhaps one day, I will also be able to say that I am a Hokie parent!

Activities

Earlier this month, I had the pleasure of attending orientation events for graduate students, including sessions on teaching and student-life. I also attended several luncheons for new students, hosted by Dean DePauw. The new students I spoke with

were enthusiastic about being here and were filled with questions about graduate-student community, including health coverage, family resources, diversity, etc.

I also had the opportunity to speak at the National Capitol Region campus's orientation, along with the Chief Justice of the Graduate Honor Court, Brian Whitaker, and the President of the Graduate Student Assembly, Jory Ruscio. The students in Northern Virginia were quite impressive: most of them are professionals who are returning to graduate school while still working full time. They kept me on my toes with questions! I promised them that I would visit again because it is important to me that their concerns are represented as well.

Over the past few months, I have enjoyed meeting and listening to graduate students talk about their experiences at Virginia Tech, and I look forward to having many more of these conversations throughout the year as we work together to enhance the student experience and environment at this university.

Graduate Student Issues/Concerns

Like any good poet, I have arranged my discussion of graduate student issues thematically. My theme for the year will be *health*. Based on my interaction with graduate students, there are three major health-related issues:

1. Fostering a healthy community
2. Providing adequate resources to ensure healthy student "bodies"
3. Tending to a healthy environment

Let me outline each of these categories briefly:

Community

The opening and renovation of the Graduate Life Center, and its new tenant—the Graduate School—has transformed the graduate student community. In addition to providing a physical space for graduate students, the GLC also stands as a symbol of the university's commitment to graduate education, and I can tell you that the new students I met at orientation were amazed by it.

Many positive things are going on within the graduate student community, but there is still work to be done if we are to get a clean bill of health. Specifically, we must focus on climate issues and creating a more inclusive environment for women and minorities. Every graduate student should feel welcome on this campus and should feel appreciated for the perspective and experience that he or she brings. Unfortunately, there are far too many stories from women graduate students—particularly in fields that are traditionally male dominated—about both subtle and overt ways that they are made to feel unwelcome and unsupported in their studies. And I think that we all recognize that the university must focus significant attention on the treatment and retention of minority students. The Provost has taken a great step by forming a university-wide task-force on race.

Another part of solution for improving the climate, I believe, is to improve communication between the administration, faculty advisors, and students. Communication problems have played a significant part in creating concerns over issues such as multiyear funding, for students have not received adequate information about funding opportunities or deadlines. Dean DePauw and I are working together to improve communication on this issue, as well as others, including climate. Improved graduate-student mentoring is our ultimate goal.

Another community-related issue that is a concern for many graduate students is the availability of work-life resources, including childcare. The demands of graduate school, combined with the demands of family, can be difficult to manage for many graduate students, myself included. The Graduate School in collaboration with the college deans and the provost, currently offers a work-life grant, which provides temporary financial assistance to departments to enable them to continue support for female graduate student during pregnancy and childbirth. This program is a great help to women graduate students who might otherwise have to choose between graduate work and family. I will be talking with graduate student-parents over the next few months and doing research about ways that the university can offer more community support to these students and their families.

In addition to community health, we must continue to focus on student health—namely, healthcare. The university commitment to healthcare is strong: currently, 75% of health insurance premiums are covered for graduate students on assistantship, and this coverage will increase to 90% within the next several years. This is a huge accomplishment and, again, a sign of the administration's commitment to graduate students. The next step, however, is to examine the *quality* of the health insurance that students are purchasing. It has come to my attention that students have inadequate access to specialists, which has become particularly problematic for women graduate students, who have limited access to OB/GYN services. This situation must be addressed quickly.

Lastly, students believe that it is important for the university to work towards more policies and programs to ensure a healthy environment. One of our institution's greatest assets is its setting—right here in the Blue Ridge Mountains. Yet university-wide recycling has decreased by 15% since 1998 and energy-efficiency projects, such as lighting, windows, etc. have yet to be implemented. More than 4,000 undergraduate and graduate students have signed a petition in support of a policy to reduce the university's environmental impact. I will be investigating this issue and will report my findings to the board at the November meeting.

Conclusion

Graduate students are looking forward to another productive and rewarding year at Virginia Tech. I look forward to working with students, administrators, and this board to address current concerns and to foster a healthy graduate student experience.

Before I end, I would like to say a special word of thanks to my faculty advisors, Professors Lucinda Roy and Fred D'Aguiar, for their encouragement and support. In

addition, I would like to thank my predecessor, Navin Manjooran, for his dedication and friendship, as well as for the commitment he has demonstrated to the university community. I'd also like to thank Greg, my undergraduate colleague, for his help and cooperation. We believe in undergraduate-graduate student collaboration and share a vision for a more inclusive environment. I look forward to working with you this year, Greg. Thanks also to Dean DePauw for her open-mind, willingness to listen, and invaluable guidance. President Steger, Provost McNamee, and Dr. Hikes: thank you for your kindness and dedication. Last, but not least, I'd like to express my appreciation to my family—my husband, Ken, and our children, Anne and Stuart—for their unwavering support and sacrifices.

**Constituency Report by the Undergraduate Student Representative to the Virginia
Tech Board of Visitors**

August 28, 2006

Handouts: None

Introduction

Thank you Rector Lutz, President Steger, members of the board, ladies and gentlemen...

Three years ago, my first day on campus, I wandered past a phrase inscribed in Latin at the base of the War Memorial on a beautiful August day. This was the type of Blacksburg day that is responsible for making all of us Hokies for life. The words, etched in stone, were *Ut Prosim*. Translated, these words mean, "That I may serve," and while I didn't know it at the time, service would be the tie that secures my love for VA Tech. With its roots as a land grant, VA Tech has always rested upon the ethic of serving the community, the state, and the world. Yes, we all remember our four years, sometimes five, for the lifelong friendships, late nights, and early November wins in Lane against #2 Miami U. But this position is not about sumptuous meals or premier football tickets. It is about bringing the voice of the undergraduate population to the Board of Visitors, and also making sure that the student body understands the voice of the university's supreme governing authority: the board of visitors. I know this board has the university's best interests at heart, and I will make sure that one, the student body is considered in all decisions made by the board; and two, that the students understand why the board has taken certain actions. This, I promise.

As I have not yet had the pleasure of meeting all of the board members, I would like to take a brief minute to introduce myself. My name is Gregory Sagstetter, and I am a native of New York, although I lived most of my life in Loudoun County, VA. I failed the 9th grade, spent 10th in a military school, and barely graduated high school with a 2.0 GPA. After a brief tour in community college, I followed my high school sweetheart to Blacksburg. It didn't take much more than that first stroll past the War Memorial for Tech to teach me the value of dedication, education, and service to others. While maintaining a 3.97 GPA, I work weekly for the Office of Judicial Affairs adjudicating cases of student misconduct, volunteer as a peer educator for the Women's Center, mentor to freshman honors students, Chief Justice of the Undergraduate Honor System, Teaching Assistant in Africana Studies, and research assistant for faculty in both Philosophy and Africana Studies. I will graduate in May with a dual-degree in Philosophy and Political Science, and a minor in Africana Studies. I am the first of my immediate family to attend college. The purpose for this extended bio is not for me to pat myself on the back; rather, I sit here today as a living example of VA Tech fulfilling its land-grant mission 134 years after its founding. I came to VA Tech as a high school failure, and I will leave as VA Tech's nominee for the Rhodes Scholarship, and a top-40 student in the nation according to *USA Today*. I implore this board to ensure that the same opportunities that were available to me are available to all students at VA Tech well

into the future, and I thank you for enabling me to achieve success beyond my wildest dreams.

Activities

I spent my summer working for the Undergraduate Honor System and meeting with university administrators and student leaders. President Steger, Provost McNamee, Vice Provost Ford, Associate Provost Daniel, Vice President Hikes, and others have been most helpful in explaining the inner-workings of the administration. I thank each of the aforementioned names for agreeing to regular meetings to discuss student issues. These meetings have already proved useful on a number of levels: one, to start a dialogue on various unresolved issues. Two, to remind me, as Dr. Ford says, "that even the thinnest of pancakes has two sides." This is often a forgotten truism amongst student leadership, and I'm happy to be meeting with the administration on a regular basis to hear both sides of every story. And three, a major issue affecting the student population has already been resolved, i.e., a lack of student leadership sent the Undergraduate Honor System into rough seas, but the quick response of the Provost's Office and Dr. Hikes has given strong student leaders the means to fix a troubled system. As Chief Justice of the Undergraduate Honor System, I look forward to implementing the various agreements made by the Provost and fixing all that has gone wrong.

In addition to almost daily meetings with the administration, not a single day has gone by that I am not meeting with a portion of my constituency. I am in constant contact with student leaders from the Student Government Association, Black Organizations Council, Latino Association of Student Organizations, LGBTA, Black Student Alliance, Asian American Student Union, Council of International Student Organizations, University Honors Program, and Corps of Cadets. I also explain my position with the board to all the undergraduates I come across in my co-curricular activities, and all of my classes. Most valuable has been my constant contact with Ennis McCrery, the Graduate Student Representative sitting to my _____. We have agreed to approach student issues united as one, and not separate ourselves based on our status as grads or undergrads, because we hold more in common as students at VA Tech, than in difference.

My constant contact with student leadership has resulted in my discovery of a number of issues that a significant portion of my constituency would like to see addressed. In the next few minutes, I offer a brief preview of these issues. I need to stress that my investigation is ongoing, and at the November board meeting I plan to elaborate on the details of each issue after a thorough inquiry into each matter.

Issues

Campus Climate: Despite significant commitments from the administration to promote an inclusive campus community, the vast majority of underrepresented students I have had contact with feel as though the campus climate is not changing. To be sure, the administration is doing quite a lot to make sure all students feel welcome, e.g., Dr. Hikes should be commended for championing the renovation of the Multicultural Center. The

improved facilities will certainly help to develop, strengthen, and support a rich campus climate, which contributes to a safe and just community for all VA Tech students. However, despite the various efforts of the administration, underrepresented students still feel as though the university is not behind them wholeheartedly. Contributing to their dismay is a cut in funding to several student organizations such as:

Example 1: The Asian American Student Union was allocated \$49,138 in 2004, and \$15,180 in 2006. That's a 70% reduction in funds over two years.

Example 2: The Black Organizations Council was allocated \$3,921 in 2005, and \$563 in 2006. That's an 86% reduction in funds over one year.

Similar reductions can be found amongst most of the student organizations representing underrepresented groups. To be sure, the student budget board is responsible for allocating these funds, and students alone made the decisions to cut funding for these organizations. This is hurting our campus climate, regardless of who made the decision to cut the funding, and is clearly undercutting any progress we might have been making towards improving the campus climate at VA Tech. I intend on continuing my investigation into this matter, and will report my findings to the board at the November meeting.

Green Fee: There is broad student support for an annual fee of \$12.00 that would be used to fund recycling and energy efficiency projects. Both the Student Government Association and Graduate Student Association have passed resolutions supporting and requesting a Green Fee in the amount of \$12.00 per student, per annum. A circulating petition requesting the aforementioned fee has garnered 23% more signatures than votes cast in last year's Student Government Association election. Adding to the legitimacy of the students' request is a Virginia Department of Environmental Quality report for 2005. The report indicates that VA Tech's recycling rate is 20.99%, while the state mandated rate is 25%. I will continue to palpate the student pulse on this issue and report my findings in November.

International Student banking: The former graduate representative to the board, and now Council of International Student Organizations President, Mr. Navin Manjooran, contacted me early this week to discuss an issue of paramount importance to his constituency. As International students are arriving on campus, they are told to deposit their money in the closest bank: Freedom First Credit Union located inside of the Squires Student Center. In previous years, International Students have not had problems depositing their out-of-state tuition, rent, and spending money at the bank. This is often a rather large sum of money, with tuition alone exceeding \$9,500 per semester. But due to a new regulation at the bank requiring a social security number, newly arrived International students are sent packing. Some of them find their way to banks all over town, but some are confused by their new surroundings and simply stuff their money under the mattress. As a student of politics, I understand the importance of not intervening in the affairs of a private business; however, what I do not understand is why a bank that is provided a premier location in Blacksburg, perhaps the preeminent

location, is refusing to accommodate a significant portion of my constituency. VA Tech has made it clear through its strategic plan that it wishes to recruit top students from abroad. In order to achieve this goal, we must help ease an already difficult transition. I will continue to work with Navin on this matter, and will offer my findings to the board in November.

Conclusion

In conclusion, I would like to remind you that I am in constant contact with both the administration and student leaders. In addition to daily student appointments, I hold regular office hours in the Squires Student Center, and come across a number of students while exercising my duties in Judicial Affairs, Honor Court, and as a teaching assistant, among others. I promise to represent the rationale behind decisions made by this board to the student body, and to make the student voice heard before the board arrives at future decisions. I look forward to working with each of you over the next year. Thank you.

Gregory J. Sagstetter
Undergraduate Representative to the Board of Visitors
Chief Justice, Undergraduate Honor System
Virginia Polytechnic Institute and State University
333 Squires Student Center
Blacksburg, VA 24061

RESOLUTION FOR EMERITUS STATUS
August 28, 2006

WHEREAS, Dr. Richard W. Barnwell faithfully served Virginia Tech for 10 years in the College of Engineering, beginning in 1995; and

WHEREAS, as a member of the faculty of the Department of Aerospace and Ocean Engineering and the Department of Engineering Science and Mechanics, Dr. Barnwell advised numerous Ph.D. students, typically NASA employees pursuing advanced degrees through the Virginia Consortium of Engineering and Science Universities and the National Institute of Aeronautics; and

WHEREAS, as an internationally recognized researcher Dr. Barnwell established himself as a major contributor in many different areas of theoretical, computational and experimental aerodynamics. These contributions include helicopter rotor-fuselage interactions and wind tunnel wall interference effects, as well as numerous contributions to theoretical boundary layer theory understanding for 2D and 3D laminar and turbulent flows, transonic and hypersonic aerodynamics and aerodynamic design methods. He also made key contributions to the prediction of the aerothermal loading environment on the space shuttle thermal protection tiles; and

WHEREAS, Dr. Barnwell is a Fellow of the American Institute of Aeronautics and Astronautics, and received many NASA Awards, including the NASA Exceptional Achievement Medal for his work on wind tunnel wall interference and NASA Langley's highest technical honor, the H.J.E. Reid Award for theoretical work in transonic aerodynamics. He has been responsible for the organization of many international technical meetings, as well as being a frequent presenter;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. Richard W. Barnwell for his service to the university with the title of Professor Emeritus of Aerospace and Ocean Engineering and Engineering Science and Mechanics.

RECOMMENDATION:

That the above resolution recommending Dr. Richard W. Barnwell for emeritus status be approved.

RESOLUTION FOR EMERITUS STATUS
August 28, 2006

WHEREAS, Dr. Alan E. Bayer faithfully served Virginia Tech for 24 years in the College of Liberal Arts and Human Sciences, beginning in 1982; and

WHEREAS, as a member of the faculty in the Department of Sociology, he was a dedicated teacher of courses at the undergraduate and graduate levels; and

WHEREAS, he advised and counseled numerous undergraduate and graduate students during his career and served on numerous master's and doctoral committees; and made significant research contributions in the sociology of education, publishing five books and over 125 articles, chapters and technical reports; and

WHEREAS, he served in an exemplary manner as chair of the Department of Sociology; and

WHEREAS, he served as founder and director of the Center for Survey Research;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. Alan E. Bayer for his service to the university with the title of Professor of Sociology and Director Emeritus of the Center for Survey Research.

RECOMMENDATION:

That the above resolution recommending Dr. Alan E. Bayer for emeritus status be approved.

RESOLUTION FOR EMERITUS STATUS
August 28, 2006

WHEREAS, Dr. Thomas E. Gatewood faithfully served Virginia Tech for 26 years in the College of Liberal Arts and Human Sciences, beginning in 1980; and

WHEREAS, as a member of the faculty in the Secondary Education Program, he was a highly regarded teacher and dedicated mentor to many students who have become recognized as outstanding teachers and educational leaders; and

WHEREAS, he served as advisor and dissertation committee member, supporting the research efforts of numerous doctoral students; and

WHEREAS, his conceptualization of middle school teaching and learning changed the face of education for middle school youngsters in the US and became known as “the middle school philosophy;” and

WHEREAS, he served as a founding member, president, and board member of the National Middle School Association, a professional group that currently boasts a membership of more than 30,000 educators; and

WHEREAS, he served as editor of the journal of the National Middle School Association, *The Middle School Journal*; and

WHEREAS, he served as Executive Director of the Virginia Middle School Association and founding editor of its journal, *The Crucial Link*; and

WHEREAS, he served as consultant to many schools regionally, nationally and internationally on issues related to the education of adolescents; and

WHEREAS, he became known for his collaborations with practicing educators on the effective school movement in many locations, most recently in the Virgin Islands; and

WHEREAS, he served with distinction as Director of Education Programs at the Northern Virginia Center from 1996-2003; and

WHEREAS, he initiated a cutting edge teacher preparation program for math and science teaching in the National Capital Region, a program that has attracted many accomplished scientists and mathematicians into the teaching profession;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. Thomas E. Gatewood for his service to the university with the title Associate Professor Emeritus of Secondary Education.

RECOMMENDATION:

That the above resolution recommending Dr. Thomas E. Gatewood for emeritus status be approved.

RESOLUTION FOR EMERITA STATUS
August 28, 2006

WHEREAS, Dr. Hilda M. Getz faithfully served Virginia Tech for 10 years in the College of Liberal Arts and Human Sciences, beginning in 1996; and

WHEREAS, as a member of the Counselor Education Program, she was a dedicated teacher and mentor to many successful Counselor Education students; and

WHEREAS, she served as chair of many counselor education student dissertation committees; and

WHEREAS, Dr. Getz has been president and board member of the Virginia Association of Counselor Educators and Supervisors; and

WHEREAS, she has published widely in the most prestigious journals in the field of Counselor Education; and

WHEREAS, she served the program area of Counselor Education with distinction;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. Hilda M. Getz for her service to the university with the title Associate Professor Emerita of Counselor Education.

RECOMMENDATION:

That the above resolution recommending Dr. Hilda M. Getz for emerita status be approved.

RESOLUTION FOR EMERITUS STATUS
August 28, 2006

WHEREAS, Dr. R. Dean Riess faithfully served Virginia Tech for 39 years in the College of Science, beginning in 1967; and

WHEREAS, as a member of the faculty in the Department of Mathematics, he has been a respected and popular teacher of a wide range of undergraduate and graduate level mathematics courses; he served as assistant department head for Undergraduate Students, working extensively with undergraduate students from recruitment through graduation and beyond; and

WHEREAS, he authored 23 refereed research articles in numerical analysis and co-authored five editions of a widely used linear algebra textbook; in addition, he co-authored a two-edition numerical analysis book, and the linear algebra book used at the Mathematics Emporium; and served on many thesis and dissertation committees; and

WHEREAS, Dr. Riess has been extensively involved with service to the department and university. He coordinated undergraduate advising for the department and assisted advisors in mathematics; he wrote and maintained the mathematics majors' handbook, the recruiting flyer, the career handbook, and the Mathematics at Virginia Tech handbook; he created and developed the calculus readiness program to place new students in their first year of calculus. For his outstanding service and leadership in advising, he was selected as a member of the University Academy of Advising Excellence; and

WHEREAS, he has been the face of mathematics for many mathematics students over the years. He worked tirelessly to support their academic and personal success. He served as advisor to the math club, encouraged their academic progress, and built community among the students;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. R. Dean Riess for his service to the university with the title Professor Emeritus of Mathematics.

RECOMMENDATION:

That the above resolution recommending Dr. R. Dean Riess for emeritus status be approved.

CONTINUATION OF LEAVE OF ABSENCE
August 28, 2006

WHEREAS, Dr. William Ducker is on an approved two-year leave of absence without pay from Virginia Tech scheduled to end fall term 2006; and

WHEREAS, during this leave of absence Dr. Ducker and his family relocated to Australia for personal reasons, and he continued his research and career at the University of Melbourne; and

WHEREAS, Dr. Ducker has requested a one-semester extension of his leave of absence without pay so that he might complete research projects in progress and allow his family to complete the school year before leaving Australia and relocating back to the United States; and

WHEREAS, leaves of absence are normally limited to two years, however, Dr. Ducker is a highly productive and valued faculty member whose work abroad only enhanced his expertise and leadership in the field;

WHEREAS, the Department of Chemistry is seeking an extension of his leave so that Dr. Ducker's research projects can be more smoothly transitioned and his family successfully relocated, making it possible for Dr. Ducker to rejoin the faculty at Virginia Tech;

NOW THEREFORE BE IT RESOLVED that an extension of the leave without pay be granted to William Ducker for spring term 2007.

RECOMMENDATION:

That the above resolution be approved.

EDUCATIONAL LEAVE
August 28, 2006

Kimberly S. Brown, Director of the University Academic Advising Center, is requesting a half-time educational leave for the period December 25, 2006 through December 24, 2007. The purpose of this leave is to allow Ms. Brown to conduct research and complete dissertation requirements for the doctoral program in Higher Education Administration in which she is enrolled at Virginia Tech. The Assistant Provost for General Education and University Studies, and the Associate Provost and Director of the University Center for Undergraduate Education recommend approval of the educational leave so that the employee may make sustained progress on her degree requirements before returning to full-time work effective December 25, 2007.

RECOMMENDATION:

That the approval of the half-time educational leave for Kimberly S. Brown for the period December 25, 2006 through December 24, 2007 be approved.

ENDOWED PROFESSORSHIP
Gloria D. Smith Professor of Africana Studies

The Gloria D. Smith Africana Studies Professorship was established by Virginia Tech's President Paul Torgersen in 1995 upon the recommendation of David Braine, Athletic Director, with funds provided by the Athletic Association. The professorship was named in honor of Gloria D. Smith, a counselor and advocate of minority students on campus before her retirement and recent death. The professorship is awarded for a period of two years to an outstanding faculty member who contributes significantly to the growth and development of minority students, student athletes, and scholarly pursuits. The honoree must teach in the Africana Studies Program within the Sociology Department, but can be nominated from any College at Virginia Tech. The honoree will also oversee the Gloria D. Smith Speaker Series and make at least one university wide presentation during their tenure.

In accordance with the guidelines of the Gloria D. Smith Endowed Professorship, the Executive Committee of Africana Studies has nominated Professor Fred D'Aguiar as the Gloria D. Smith Endowed Professor from Fall semester 2006 until the end of Spring semester 2008. This nomination is also enthusiastically endorsed by the Director of Africana Studies, Dr. Terry Kershaw, Chair of Sociology, Dr. John Ryan, The College of Liberal Arts and Human Sciences Awards Committee (Honorifics) and the Dean of The College of Liberal Arts and Human Sciences, Dr. Jerry Niles.

One of the most well-known of the contemporary Caribbean writers, Fred is a novelist, playwright, poet, and essayist. His publications include critically acclaimed works such as *An English Sampler: Selected and New Poems*, *Dear Future*, *A Jamaican Airman Foresees His Death* and *Feeding the Ghosts*. His work has been produced for TV, film, and radio, and has been translated into many languages. A writer of international renown, Fred was recruited to Virginia Tech from the University of Miami where he directed a very successful MFA program in Creative Writing. He has since become an invaluable member of our community. He chairs the Diversity Committee and co-chairs the Creative Writing Committee and the Creative Writing Graduate Faculty group. During his time at Virginia Tech, he has made his mark as a mentor to minority and majority faculty members.

RECOMMENDATION:

That Professor Fred D'Aguiar be appointed as the Gloria D. Smith Professor of Africana Studies effective August 10, 2006, with an annual stipend per academic year for travel, library acquisitions, and other activities provided by the endowment.

ENDOWED PROFESSORSHIP
The Adhesives and Sealant Endowed Professorship

The Adhesives and Sealant Endowed Professorship was established in 1989 as a succession of three-year renewable agreements between the Adhesives and Sealant Council and the Virginia Tech Foundation. The title and salary supplement are contingent on the Council's continued support of this professorship. It has been renewed for another three years in 2006. Dean Richard Benson has recommended Professor David A. Dillard to hold this Professorship, concurring with the Department of Engineering Science and Mechanics Honorifics Committee and the College of Engineering Honorifics Committee.

Professor Dillard, a member of the Virginia Tech faculty for 21 years, has also served as Director of the Center for Adhesive and Sealant Science from 1999-2004, and as Founder and Interim Director of the Macromolecules and Interfaces Institute in 2004, both at Virginia Tech. He has held visiting positions at National Taiwan University and Oak Ridge National Laboratory

Professor Dillard is internationally renowned for his work in the general area of adhesives and sealants. He specializes in studies dealing with fracture mechanics, viscoelasticity, fatigue, environmental degradation, durability predictions, and test method development. Although his work has spanned a variety of polymeric material systems, his special emphasis for many years has been on adhesives. Recent efforts include durability of fuel cell materials and behavior of adhesives under impact conditions. Dr. Dillard is Robert L. Patrick Fellow of the Adhesion Society, the premier international organization in this field. He was also elected to a six year term where he will serve successively as vice president, president, and immediate past president of the Adhesion Society, beginning in February 2004. He is the recipient of the 2005 Best Paper Award for the Advanced Composite Materials and Systems Track of the Society for Experimental Mechanics. He also received the 1995 and 1991 George G. Marra Awards of Excellence from The Society of Wood Science and Technology. He was the winner of the 1995 Best Presentation Award from ASTM D-30. The GenCorp Signature University Award was given to him in 1999, and in 2002, he received the College of Engineering Dean's Award for Research Excellence. He also serves on the editorial board for the Journal of Adhesion.

RECOMMENDATION:

That Dr. David A. Dillard be appointed the Adhesives and Sealant Professor in Engineering Science and Mechanics effective on August 10, 2006, with a salary supplement as provided by the endowment and, as available, from the Eminent Scholars Program.

**ENDOWED PROFESSORSHIP
THE SAMUEL REYNOLDS PRITCHARD PROFESSOR OF ENGINEERING**

Dr. Richard Benson, Dean of the College of Engineering, has nominated Professor Ge Wang to the Samuel Reynolds Pritchard Professorship of Engineering, concurring with the College of Engineering Honorifics Committee. The late Walter A. Buchanan, Sr., established this Professorship in 1992 in honor of Dr. Pritchard who was Dean of the College of Engineering from 1918 until 1928.

Dr. Wang comes to Virginia Tech from the University of Iowa where he is the Director of the Center for X-Ray and Optical Tomography in the Department of Radiology. He has an extraordinary publishing record, authoring more than 170 peer-reviewed journal papers since receiving his doctorate in 1992, 50 of which have appeared in the past two years. He produced the first paper in the area of spiral cone-beam computed tomography (CT), now the main stream of medical CT research. In 2004, he authored the first paper in the area of bioluminescence tomography, an emerging modality for molecular imaging. More than 1000 citations are attributed to his group's pioneering efforts in research.

During his career, he has attracted more than \$28 million in research initiatives as a principal or co-principal investigator.

Dr. Wang is the founding editor-in-chief of the *International Journal of Biomedical Imaging*. He is the associate editor of the Institute of Electrical and Electronic Engineers (IEEE) *Transactions on Medical Imaging*, *Medical Physics*, and others. He is a reviewer for more than 30 journals, as well as the National Institutes of Health, the National Science Foundation, and the Department of Defense.

Dr. Wang has received numerous awards. Most recently, the Association of University Radiologists presented him with the 2004 Herbert M. Stauffer Award for Outstanding Basic Science Paper on the subject of academic radiology. The International Biographical Centre of Cambridge, England listed Dr. Wang in 2001 as one of the Outstanding Scientists of the 21st Century. He is a fellow of IEEE for his contributions to X-ray tomography and a fellow of the American Institute for Medical and Biological Engineers for his seminal contributions to the development of single-slice spiral, cone-beam spiral, and micro CT.

Dr. Wang received a master's degree and Ph.D. from the State University of New York at Buffalo. He earned a second master's degree from the Institute of Remote Sensing Applications of the Chinese Academy of Sciences, and a bachelor's degree from Xidian University of China.

RECOMMENDATION:

That Dr. Ge Wang be appointed the Samuel Reynolds Pritchard Professor of Engineering, effective November 10, 2006 with a salary supplement as provided by the Walter A. Buchanan Endowment and the eminent scholar match if available.

Resolution Naming

The Leon and Beverly Harris Manufacturing Processes Laboratories

in Whittemore Hall of Virginia Polytechnic Institute and State University

WHEREAS, Leon P. Harris is a loyal alumnus of Virginia Tech's class of 1964, receiving his Bachelor of Science degree in Industrial Engineering; and

WHEREAS, Leon and his wife, Beverly, consistently demonstrate their fondness for the university through support of many campus programs and initiatives; and

WHEREAS, the Harrises embody the true spirit of Ut Prosim, serving the university philanthropically for the benefit of the College of Engineering, the Corps of Cadets, the Alumni and Conference Center, Alumni Programs, Intercollegiate Athletics, the project with the Art Museum of Western Virginia, and future university programs; and

WHEREAS, they have been recognized for their generosity through membership as Senior Benefactors in the Ut Prosim Society, the university's most prestigious donor recognition society; and

WHEREAS, Leon and Beverly Harris have made a generous commitment for the benefit of the Grado Department of Industrial and Systems Engineering in the College of Engineering, pledging funds to establish an unrestricted endowment that will provide operational and program support in perpetuity for the Industrial and Systems Engineering Manufacturing Processes Laboratories; and

WHEREAS, the Manufacturing Processes Laboratories within Whittemore Hall will recognize the Harrises' interest in Virginia Tech and their desire to support instruction and research in manufacturing processes and metrology;

NOW, THEREFORE, BE IT RESOLVED that, as an enduring tribute to Leon and Beverly Harris, and in appreciation for their extraordinary generosity and vision, the Manufacturing Processes Laboratories in the Grado Department of Industrial and Systems Engineering will be named

The Leon and Beverly Harris Manufacturing Processes Laboratories

RECOMMENDATION:

That the above resolution naming the Leon and Beverly Harris Manufacturing Processes Laboratories be approved.

**Resolution Naming
The Roanoke Valley Hokie Club Room
in the Student Athlete Academic Support Services Department
of Virginia Polytechnic Institute and State University**

Whereas, The Roanoke Valley Hokie Club has been a generous donor to Virginia Tech Athletics, giving over \$760,000 to its various programs and scholarship funds; and

Whereas, The Roanoke Valley Hokie Club has endowed an athletic scholarship for the Athletics Department; and

Whereas, The Roanoke Valley Hokie Club has donated funds to pay for the renovation of the Women's Basketball Locker Room; and

Whereas, The Roanoke Valley Hokie Club has donated funds for the construction of the Merryman Athletic Center; and

Whereas, The Roanoke Valley Hokie Club has donated funds for the construction of the South End Zone addition to Lane Stadium; and

Whereas, The Roanoke Valley Hokie Club has donated funds for the Frank Beamer Appreciation Fund; and

Whereas, The Roanoke Valley Hokie Club paid for the large bronze statue of the "Hokie Bird," Virginia Tech's mascot currently housed in the lobby of Cassell Coliseum; and

Whereas, The Roanoke Valley Hokie Club has made gifts in support of Virginia Tech's softball team, wrestling team, and the Edward G. Ferrell Memorial Scholarship, and other similar athletically related funds, and purchased two new Hokie Bird mascot uniforms; and

Whereas, The Roanoke Valley Hokie Club has donated \$70,000 for the construction of the new academic center in the West Side addition to Lane Stadium;

Now, therefore, be it hereby resolved that, in appreciation to the Roanoke Valley Hokie Club for its generous support toward Virginia Tech and the Department of Athletics, a private tutoring room in the new Academic Center will be named the Roanoke Valley Hokie Club Room.

RECOMMENDATION:

That the above resolution naming the Roanoke Valley Hokie Club Room 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

August 27-28, 2006

TEACHING AND RESEARCH FACULTY

NEW APPOINTMENTS

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Barone, Justin	Associate Professor	Biological Systems Engineering	1-Jan-07	100	\$ 108,000
Maguire, Rory	Assistant Professor	Crop & Soil Environmental Sciences	1-Jul-06	100	\$ 75,500
Mykerezi, Pavli	Instructor - Rstr	Agricultural Technology	10-Aug-06	100	\$ 62,500
Parameter, Christopher	Assistant Professor	Agriculture and Applied Economics	10-Aug-06	100	\$ 80,000
Ponder, Monica	Assistant Professor	Food Science and Technology	10-Jan-07	100	\$ 65,000
Rudd, Rick	Department Head - Tenured	Agriculture & Extension Education	14-Aug-06	100	\$ 131,000
Zhu, Jinsong	Assistant Professor	Biochemistry	10-Jan-07	100	\$ 61,475
<u>Architecture & Urban Studies</u>					
Hannam, Ben	Assistant Professor	Visual Interactive Communication Design	10-Aug-06	100	\$ 52,000
Jensen, Laura	Associate Professor - Tenured	School of Public & International Affairs	10-Aug-06	100	\$ 72,000
Nickel, Patricia	Visiting Assistant Professor - Rstr	School of Public & International Affairs	10-Aug-06	100	\$ 45,000
<u>Business</u>					
Baker, Wade	Instructor - Rstr	Business Information Technology	10-Aug-06	50	\$ 30,000
Pokorski, James	Instructor - Rstr	Business Information Technology	10-Aug-06	50	\$ 30,000
Wang, Gang	Assistant Professor	Business Information Technology	10-Aug-06	100	\$ 110,000
<u>Engineering</u>					
Butt, Ali	Assistant Professor	Computer Science	10-Aug-06	100	\$ 78,000
Darhuber, Anton	Assistant Professor	Engineering Science & Mechanics	25-Dec-06	100	\$ 80,000
Davalos, Rafael	Assistant Professor	Biomedical Engineering and Sciences	10-Oct-06	100	\$ 80,000
De Vita, Raffaella	Visiting Assistant Professor - Rstr	Engineering Science & Mechanics	10-Aug-06	100	\$ 42,000
Freeman, Joseph	Assistant Professor	Biomedical Engineering and Sciences	10-Aug-06	100	\$ 80,000
Martin, Stephen	Assistant Professor	Chemical Engineering	10-Aug-06	100	\$ 76,000
Nikolopoulos, Dimitrios	Associate Professor	Computer Science	10-Aug-06	100	\$ 91,000
Philen, Michael	Assistant Professor	Aerospace and Ocean Engineering	10-Aug-06	100	\$ 70,000

Continued

TEACHING AND RESEARCH FACULTY**NEW APPOINTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Engineering</u>					
Rylander, Christopher	Assistant Professor	Mechanical Engineering	10-Aug-06	100	\$ 80,000
Rylander, Marissa	Assistant Professor	Mechanical Engineering	10-Aug-06	100	\$ 80,000
Stremmer, Mark	Associate Professor	Engineering Science & Mechanics	10-Aug-06	100	\$ 85,500
Xuan, Jason	Associate Professor	Electrical & Computer Engineering	10-Aug-06	100	\$ 90,000
Yang, Yaling	Assistant Professor	Electrical & Computer Engineering	10-Aug-06	100	\$ 79,000
<u>Liberal Arts & Human Sciences</u>					
Adler, John	Visiting Assistant Professor - Rstr	Music	10-Aug-06	100	\$ 38,000
Anong, Sophia	Assistant Professor	Apparel, Housing, and Resource Management	10-Aug-06	100	\$ 56,500
Beard, Kathryn	Visiting Clinical Instructor - Rstr	School of Education	10-Aug-06	100	\$ 45,000
Booth, Derley	Instructor	Communication Studies	10-Aug-06	100	\$ 32,000
Craig, James	Visiting Professor - Rstr	School of Education	10-Aug-06	100	\$ 75,000
Durr, Boyce	Visiting Clinical Instructor - Rstr	School of Education	10-Aug-06	100	\$ 45,000
Eller III, John	Assistant Professor	School of Education	10-Aug-06	100	\$ 70,000
Faulkner, Brandy	Instructor - Rstr	Political Science	10-Aug-06	100	\$ 30,000
Jesiek, Brent	Instructor - Rstr	Political Science	10-Aug-06	100	\$ 42,000
Mitchell, Kimberly	Assistant Professor	Apparel, Housing, and Resource Management	25-Dec-06	100	\$ 57,500
Mitchell, Sarah	Visiting Assistant Professor - Rstr	History	10-Aug-06	100	\$ 31,000
Salata, Debra	Visiting Assistant Professor - Rstr	History	10-Aug-06	100	\$ 32,000
Suzanne, Dylan	Visiting Assistant Professor - Rstr	Philosophy	10-Aug-06	100	\$ 36,250
Zanotti, Laura	Associate Professor	Political Science	10-Aug-06	100	\$ 70,000
<u>Science</u>					
Banerjee, Diya	Assistant Professor	Biological Sciences	10-Aug-06	100	\$ 60,000
Barrett, John	Assistant Professor	Biological Sciences	25-Dec-06	100	\$ 62,500
Chang, Tsu	Instructor - Rstr	Physics	1-Jul-06	100	\$ 42,000
Comanici, Adela	Visiting Assistant Professor - Rstr	Mathematics	25-Dec-06	100	\$ 47,000
Kuhn, Jeffrey	Assistant Professor	Biological Sciences	10-Aug-06	100	\$ 60,000
Lekien, Francois	Visiting Assistant Professor - Rstr	Mathematics	10-Nov-06	100	\$ 47,000
Lemons, Marlow	Instructor - Rstr	Statistics	10-Aug-06	100	\$ 47,500
Madsen, Louis	Assistant Professor	Chemistry	10-Aug-06	100	\$ 58,000
Santos, Webster	Assistant Professor	Chemistry	10-Aug-06	100	\$ 58,000
Sewall, Jacob	Assistant Professor	Geosciences	10-Aug-07	100	\$ 65,000
Seyler, Richard	Instructor - Rstr	Biological Sciences	10-Aug-06	100	\$ 45,000
Sharpe, Eric	Assistant Professor	Physics	10-Aug-07	100	\$ 58,000
Valeev, Edward	Assistant Professor	Chemistry	10-Aug-06	100	\$ 58,000

Continued

TEACHING AND RESEARCH FACULTY***NEW APPOINTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Science</u>					
Xie, Xiangdong	Visiting Assistant Professor - Rstr	Mathematics	10-Aug-06	100	\$ 47,000
<u>Veterinary Medicine</u>					
Becvar, Ondrej	Clinical Instructor - Rstr	Large Animal Clinical Sciences	14-Jul-06	100	\$ 75,000
Becvarova, Iveta	Clinical Instructor - Rstr	Large Animal Clinical Sciences	14-Jul-06	100	\$ 75,000
Dukti, Sarah	Clinical Assistant Professor	Equine Medical Center	10-Jul-06	100	\$ 80,000
Harper, Tisha	Assistant Professor	Small Animal Clinical Sciences	15-Jul-06	100	\$ 85,000
O'Rourke, Laurie	Associate Professor	Biomedical Sciences & Pathobiology	21-Aug-06	100	\$ 100,000

TEACHING AND RESEARCH FACULTY**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Clark, Susan	Associate Professor	Human Nutrition, Foods, and Exercise	1-Jul-06	100	\$ 70,000
Dunnington, Elizabeth	Professor	Animal and Poultry Sciences	10-Aug-06	100	\$ 77,591
Kraft, Barbara	Instructor	Horticulture	10-Aug-06	100	\$ 33,000
Liu, Dongmin	Assistant Professor	Human Nutrition, Foods, and Exercise	10-Aug-06	100	\$ 70,045
Marcy, Joseph	Professor/Interim Dept Head	Human Nutrition, Foods, and Exercise	26-Jun-06	100	\$ 114,738
McCann, Mark	Professor	CALS Extension	1-Jul-06	100	\$ 142,644
McElroy, Audrey	Associate Professor	Animal and Poultry Sciences	25-May-06	100	\$ 86,675
Zhang, Yiheng	Assistant Professor	Biological Systems Engineering	1-Jul-06	100	\$ 81,000
			10-Aug-06	100	\$ 73,636
<u>Architecture & Urban Studies</u>					
Burch-Brown, Carol	Professor	Art and Art History	10-Aug-06	100	\$ 80,350
Clements, Terry	Associate Professor	Landscape Architecture	10-Aug-06	100	\$ 65,673
Fields, Robert	Professor	Art and Art History	10-Aug-06	100	\$ 68,490
Knoblauch, Ann-Marie	Assistant Professor	Art and Art History	10-Aug-06	100	\$ 59,640
Koebel, Charles	Professor	School of Public & International Affairs	10-Aug-06	100	\$ 99,945
Lang, Robert	Associate Professor	School of Public & International Affairs	10-Aug-06	100	\$ 115,536
Nelson, Arthur	Professor	School of Public & International Affairs	10-Aug-06	100	\$ 141,210
			10-Aug-06	100	\$ 155,201
Nugent, Elizabeth	Instructor - Rstr	Art and Art History	10-Aug-06	100	\$ 50,364
<u>Business</u>					
Bonham, Thirwall	Professor	Management	10-Aug-06	100	\$ 148,902
Borny, Lorraine	Instructor	Management	10-Aug-06	60	\$ 20,400
Sen, Tarun	Professor	Accounting & Information Systems	10-Aug-06	50	\$ 61,135
<u>Engineering</u>					
Goff, Richard	Associate Professor & Asst Dept Head	Engineering Education	10-Aug-06	100	\$ 99,751

continued

TEACHING AND RESEARCH FACULTY**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Engineering</u>					
Koelling, Patrick	Associate Professor & Asst Dept Head	Industrial and System Engineering	1-Jul-06	100	\$ 119,533
Rakha, Hesham	Associate Professor	Civil and Environmental Engineering	1-Jul-06	100	\$ 126,830
Taaffe, Michael	Associate Professor	Industrial and System Engineering	10-Aug-06	100	\$ 95,400
Thweatt, Jason	Instructor - Rstr	Electrical and Computer Engineering	10-Aug-06	100	\$ 49,179
<u>Liberal Arts & Human Sciences</u>					
Abbate, Janet	Assistant Professor	Science & Technology in Society	10-Aug-06	100	\$ 56,788
Barton, Jennifer	Instructor	English	10-Aug-06	100	\$ 31,875
Becker, Andrew	Associate Professor	Foreign Languages & Literatures	10-Aug-06	100	\$ 66,794
Denton, Robert	Professor	Communication Studies	10-Aug-06	100	\$ 95,526
Fallon, Kathleen	Instructor	English	10-Aug-06	100	\$ 116,754
Frost, Serena	Instructor	English	10-Aug-06	100	\$ 31,620
Fuhrman, Ellsworth	Professor & Dept Chair	Science & Technology in Society	1-Jul-06	100	\$ 31,620
Gumbert, Heather	Visiting Assistant Professor - Rstr	History	10-Aug-06	100	\$ 112,007
Hopkins, William	Professor	Communication Studies	10-Aug-06	100	\$ 32,000
Lalik, Rosary	Associate Professor	School of Education	10-Aug-06	100	\$ 80,000
Lawrence, Jennifer	Instructor	English	10-Aug-06	100	\$ 112,986
LeCorre, Vickie	Instructor	English	10-Aug-06	100	\$ 31,875
Magliaro, Susan	Associate Professor	School of Education	10-Aug-06	100	\$ 31,620
Martin, Stephanie	Instructor	English	10-Aug-06	100	\$ 110,588
Mengert, Julie	Instructor	English	10-Aug-06	100	\$ 31,875
Oakey, Steve	Instructor	English	10-Aug-06	100	\$ 31,875
Ott, Walter	Assistant Professor	Philosophy	10-Aug-06	100	\$ 31,620
Parks, David	Professor	School of Education	1-Jul-06	100	\$ 53,500
Petersen, William	Instructor - Rstr	Music	10-Aug-06	100	\$ 124,928
Phillips, Richard	Visiting Assistant Professor - Rstr	Foreign Languages & Literatures	10-Aug-06	100	\$ 35,000
Prince, Stephen	Professor	Communication Studies	10-Aug-06	100	\$ 36,000
Rude, Carolyn	Professor & Dept Chair	English	10-May-06	100	\$ 81,722
Ryan, John	Professor & Dept Chair	Sociology	10-Aug-06	100	\$ 129,261
Shifflett, Crandall	Professor	History	10-Aug-06	100	\$ 138,105
					\$ 78,228

continued

TEACHING AND RESEARCH FACULTY**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Liberal Arts & Human Sciences</u>					
Shryock, Richard	Associate Professor & Dept Chair	Foreign Languages & Literatures	10-Aug-06	100	\$ 79,167
<u>Natural Resources</u>					
Grossman, Lawrence	Professor	Geography	10-Aug-06	100	\$ 86,740
Karpanty, Sarah	Assistant Professor	Fisheries & Wildlife	10-Aug-06	100	\$ 61,500
Stern, Marc	Assistant Professor	Forestry	10-Aug-06	100	\$ 60,000
Visser, Jan	Associate Professor	Forestry	1-Aug-06	100	\$ 86,800
<u>Science</u>					
Bodnar, Robert	Professor	Geosciences	10-Aug-06	100	\$ 166,926
Dove, Patricia	Professor	Geosciences	10-Aug-06	100	\$ 94,981
Kim, Jungmeen	Assistant Professor	Psychology	10-Aug-06	100	\$ 89,333
Kingston, David	Professor	Chemistry	10-Aug-06	100	\$ 175,711
Parry, Charles	Professor	Mathematics	10-Aug-06	100	\$ 94,111
Schmittmann, Beate	Professor & Dept Chair	Physics	10-Aug-06	100	\$ 132,500
Smith, Eric	Professor & Interim Dept Chair	Statistics	25-Jun-06	100	\$ 147,000
Turner, James	Professor/Interim Associate Provost	Mathematics	10-Aug-06	100	\$ 103,000
Vining, Geoffrey	Professor	Statistics	10-Aug-06	100	\$ 106,000
Yang, Dennis	Professor	Economics	10-Aug-06	100	\$ 114,306
Zia, Royce	Professor	Physics	10-Aug-06	100	\$ 111,337
<u>Vice President for Research</u>					
Dingus, Thomas	Professor/Director Virginia Tech Transportation Institute	Virginia Tech Transportation Institute	10-May-06	100	\$ 264,000
Dean, Dennis	Professor	Fralin Biotechnology Center	1-Jul-06	100	\$ 143,750

ADMINISTRATIVE AND PROFESSIONAL***NEW APPOINTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Adkins, Barry	Associate Extension Agent	VA Cooperative Extension	25-Jul-06	100	\$ 35,000
Benson, Matthew	Area Specialist	VA Cooperative Extension	25-Jul-06	100	\$ 45,000
Burns, Suzanne	Associate Extension Agent	VA Cooperative Extension	25-Jul-06	100	\$ 34,500
Callan, Peter	Associate Extension Agent	VA Cooperative Extension	25-Aug-06	100	\$ 52,000
Chesson, Douglas	4-H Center Director	VA Cooperative Extension	1-Aug-06	100	\$ 62,000
Crockett, Heidi	Extension Agent	VA Cooperative Extension	10-Aug-06	100	\$ 40,000
Gehrt, Dennis	Director of College Facilities	College of Agriculture & Life Sciences	1-Aug-06	100	\$ 80,000
Haymaker, Jacqueline	Associate Extension Agent	VA Cooperative Extension	10-Aug-06	100	\$ 41,000
Jones, Heather	Associate Extension Agent	VA Cooperative Extension	25-May-06	100	\$ 40,000
Kennedy, Rachael	Associate Extension Agent	VA Cooperative Extension	25-Jun-06	100	\$ 40,000
Morgan, Amber	Associate Extension Agent	VA Cooperative Extension	25-Jun-06	100	\$ 36,000
Ward, Dana	Associate Extension Agent	VA Cooperative Extension	25-Jun-06	100	\$ 36,000
<u>Architecture & Urban Studies</u>					
Schroeder, Tracey	Associate Director, Finance and Administration	Institute for Policy Outreach	25-Jul-06	100	\$ 70,000
<u>Athletics</u>					
Adair, Charles	Assistant Women's Soccer Coach	Athletics	1-Aug-06	100	\$ 41,000
Baer, Katherine	Athletic Trainer	Athletics	25-Jul-06	100	\$ 30,000
Black, Scott	Assistant Men's Soccer Coach	Athletics	17-Jul-06	100	\$ 30,000
Cummins, Patrick	Assistant Wrestling Coach	Athletics	14-Jul-06	100	\$ 30,000
Ferguson, Jarrett	Coordinator of Strength and Conditioning	Athletics	5-Jul-06	100	\$ 50,000
Gambino, Michael	Assistant Baseball Coach	Athletics	10-Jul-06	100	\$ 35,000
Hughes, Peter	Head Baseball Coach	Athletics	14-Jun-06	100	\$ 97,000
Lovett, Michael	Assistant Women's Soccer Coach	Athletics	2-Aug-06	100	\$ 30,000
McBride, Shelbylynn	Assistant Volleyball Coach	Athletics	22-Jun-06	100	\$ 34,000
Piemonte, Ronald	Diving Coach	Athletics	10-Jul-06	100	\$ 40,000
Riley, Christopher	Head Volleyball Coach	Athletics	19-Jun-06	100	\$ 56,000
Robie, Anthony	Associate Head Wrestling Coach	Athletics	8-Jun-06	100	\$ 49,000
Short, Keith	Strength and Conditioning Coordinator	Athletics	15-Jul-06	100	\$ 44,000
Silva, Katrina	Head Lacrosse Coach	Athletics	13-Jul-06	100	\$ 58,000
Turgeon, David	Associate Head Baseball Coach	Athletics	22-Jun-06	100	\$ 70,000

Continued

ADMINISTRATIVE AND PROFESSIONAL***NEW APPOINTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Dean of Libraries</u>					
Moyo, Lesley	Director for Library Research and Instructional Services - Continued Appointment	University Libraries	23-Aug-06	100	\$ 103,000
<u>Engineering</u>					
Vick, Linda	Academic Advisor	Mechanical Engineering	21-Jun-06	100	\$ 50,000
<u>President</u>					
Bickel, Jody	Director of Programs and Projects - Rstr	Senior Fellow for Resource Development	25-May-06	100	\$ 40,000
Nash, Mary Beth	Associate University Legal Counsel	University Legal Counsel	1-Aug-06	100	\$ 95,000
<u>Provost</u>					
Daigneault, Melissa	Assistant Learning Specialist	Student Athlete Academic Support Services	3-Jul-06	100	\$ 38,500
Underwood, Jennifer	Victims Services Outreach Coordinator - Rstr	Women's Center	1-Jul-06	100	\$ 33,000
Van Dyke, Ray	Director of Academic Assessment	Academic Assessment Program	1-Jul-06	100	\$ 89,000
<u>Vice President for Development & University Relations</u>					
Begly, Mark	Regional Director of Major Gifts	University Development	19-Jun-06	100	\$ 72,000
Fowlkes, Carl	Director of Annual Giving	University Development	1-Aug-06	100	\$ 72,000
Lerch, Dawn	Assistant Director of Development, College of Agriculture and Life Science	University Development	24-Jul-06	100	\$ 48,000
Tessar, Joshua	Associate Regional Director of Major and Special Gifts	University Development	6-Jul-06	100	\$ 48,000
Tethal, Shaleen	Assistant Campaign Director	University Development	22-May-06	100	\$ 54,000
<u>Vice President for Research</u>					
Mahajan, Roop	Director - Tenured	Institute for Critical Technologies and Applied Science	1-Jul-06	100	\$ 310,500

Continued

ADMINISTRATIVE AND PROFESSIONAL***NEW APPOINTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Vice President for Student Affairs</u>					
Dunn, Allison	Coordinator of Leadership Development	Student Activities	10-Jul-06	100	\$ 36,693
Murriel, Jeffery	Executive Officer	Military Affairs	14-Jul-06	100	\$ 46,000
Sims, Guy	Assistant Vice President for Student Affairs	University Unions and Student Activities	7-Aug-06	100	\$ 100,000
Wagstaff, Jennifer	Assistant Director of Student Support	Cranwell International Center	17-Jul-06	100	\$ 40,000
Young, Arlana	Residence Life Complex Director	Residence Life - Student Programs	26-Jul-06	100	\$ 26,000
Zukor, Tevya	Clinical Psychologist	Thomas E Cook Counseling Center	10-Aug-06	100	\$ 52,000
<u>Vice Provost for Outreach</u>					
Holford, Elyzabeth	Program Director for CESA - Rstr	Office of International Research, Education, and Development	10-Jul-06	100	\$ 90,000
Lubin, Melissa	Director of Virginia Tech Richmond Center	Virginia Tech Richmond Center	10-Jul-06	100	\$ 82,000

ADMINISTRATIVE AND PROFESSIONAL**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Calhoun, David	State Program Leader Community Viability	VA Cooperative Extension	10-Jul-06	100	\$ 93,760
Carter, Karen	Extension Agent	VA Cooperative Extension	10-Aug-06	100	\$ 56,760
Estienne, Cynthia	Associate Extension Agent	VA Cooperative Extension	10-Jul-06	100	\$ 36,200
Nussman, Leslie	Associate Extension Agent	VA Cooperative Extension	1-Jul-06	100	\$ 35,800
Puryear, Lori	Associate Extension Agent	VA Cooperative Extension	1-Jul-06	100	\$ 37,100
Rafter, Leslie	Extension Agent	VA Cooperative Extension	25-May-06	100	\$ 38,000
Roche, Nancy	Associate Extension Agent	VA Cooperative Extension	25-May-06	100	\$ 42,000
White, Stephanie	Instructor	Agricultural Technology	25-Jul-06	100	\$ 71,050
<u>Architecture & Urban Studies</u>					
Davis, Albert	Interim Dean	College of Architecture & Urban Studies	1-Jul-06	100	\$ 160,145
<u>Athletics</u>					
Butt, Randall	Associate Athletic Director for Financial Affairs	Athletics	25-Jun-06	100	\$ 86,316
Cavanaugh, James	Assistant Football Coach	Athletics	1-Jul-06	100	\$ 170,022
Donnenwerth, Jesse	Athletic Trainer	Athletics	10-May-06	100	\$ 32,000
Dunkenberger, Elizabeth	Head Women's Basketball Coach	Athletics	1-Jul-06	100	\$ 182,924
East, Timothy	Associate Athletic Director for External Affairs	Athletics	25-Jun-06	100	\$ 79,023
Foster, Robert	Defensive Coordinator	Athletics	1-Jul-06	100	\$ 250,024
Gabbard, Thomas	Associate Athletic Director for Internal Affairs	Athletics	25-Jun-06	100	\$ 109,428
Hite, William	Associate Head Coach	Athletics	1-Jul-06	100	\$ 194,172
Holloway, Braden	Assistant Swim Coach	Athletics	1-Jul-06	100	\$ 40,000
Jaudon, Jon	Associate Athletic Director for Administration	Athletics	25-Jun-06	100	\$ 95,233
McCloskey, Sharon	Senior Associate Athletic Director/Senior Woman Administrator	Athletics	25-Jun-06	100	\$ 117,317
Meyer, Jamie	Coordinator, Strength and Conditioning	Athletics	25-Jun-06	100	\$ 36,300
Mitchell, Terry	Assistant Director, Strength and Conditioning	Athletics	25-Jun-06	100	\$ 44,600
Newsome, Curtis	Assistant Football Coach	Athletics	1-Jul-06	100	\$ 130,023
O'Cain, T. Michael	Assistant Football Coach	Athletics	1-Jul-06	100	\$ 162,283
Sherman, Kevin	Assistant Football Coach	Athletics	1-Jul-06	100	\$ 130,000

Continued

ADMINISTRATIVE AND PROFESSIONAL**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Athletics</u>					
Stinespring, Bryan	Offensive Coordinator	Athletics	1-Jul-06	100	\$ 210,087
Wiles, Charles	Assistant Football Coach	Athletics	1-Jul-06	100	\$ 157,005
<u>Business</u>					
Hall, Roderick	Associate Dean, Administration and Research	Dean's Office Pamplin College of Business	1-Jul-06	100	\$ 135,975
<u>Provost</u>					
Williams, Anna	Judicial Coordinator	Judicial Affairs	11-Jul-06	100	\$ 34,000
<u>Vice President for Alumni Relations</u>					
Lally, Catherine	Assistant to the Vice President	Alumni Relations	1-Jun-06	100	\$ 43,000
<u>Vice President for Business Affairs</u>					
Martin, Douglas	Director, Benefits Programs	Human Resources	10-Jul-06	100	\$ 95,000
Ridinger, Judy	Director, Staffing and Compensation	Human Resources	10-Jul-06	100	\$ 94,000
<u>Vice President for Development</u>					
Bailey, Robert	Senior Director of Regional Major Gifts	University Development	19-Jun-06	100	\$ 75,000
Edwards, Erin	Director of Development, College of Engineering	University Development	20-Jun-06	100	\$ 92,000
Gresham, Hunter	Director of Special Events	University Development	5-Jun-06	100	\$ 55,000
<u>Vice President for Development</u>					
Simpson, Miya	Director of Development, Graduate School	University Development	3-Jul-06	100	\$ 66,991
<u>Vice President for Research</u>					
Cook, Sherri	Finance Director	Virginia Tech Transportation Institute	1-Jul-06	100	\$ 96,595

Continued

ADMINISTRATIVE AND PROFESSIONAL**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Vice President for Research</u>					
Muse, Sandra	Acting Senior Director for Administrative Affairs	Office of Vice President for Research	25-Jun-06	100	\$ 80,450
Pickering, Timothy	Acting Senior Coordinator for Interdisciplinary Programs	Office of Vice President for Research	25-Jun-06	100	\$ 120,050
Wilkinson, Cynthia	Operations Director	Virginia Tech Transportation Institute	1-Jul-06	100	\$ 88,662
<u>Vice President for Student Affairs</u>					
Allen, Jerrold	Commandant	Military Affairs	10-Jul-06	100	\$ 115,000
Angle, Susan	Director	Services for Students with Disabilities	10-Jul-06	100	\$ 68,485
Beck, Matthew	Physician	Schiffert Health Center	10-Aug-06	100	\$ 83,850
Brown, James	Senior Associate Dean of Students	Dean of Students	10-Jul-06	100	\$ 73,385
Cantrell, Dorothy	Director	University Unions and Student Activities	10-Jul-06	100	\$ 72,006
Childress, Mary	Assistant Director	Career Services	10-Jul-06	100	\$ 41,540
Eicholtz, Kristin	Assistant Director	Career Services	10-Jul-06	100	\$ 35,200
Kirby, Gail	Interim Director of Residence Life	Student Programs	11-Jul-06	100	\$ 74,914
Lowe, Kimberly	Assistant Director of Parent Relations	Dean of Students	1-Jul-06	100	\$ 40,000
			10-Jul-06	100	\$ 42,000
McDonald, Christopher	Assistant Director	Student Programs	10-Jul-06	100	\$ 43,397
McPherson, Amy	Associate Director	Career Services	10-Jul-06	100	\$ 57,000
Miller, Robert	Clinical Psychologist	Thomas E Cook Counseling Center	10-Jul-06	100	\$ 75,000
Penven, James	Associate Director	Student Programs	10-Jul-06	100	\$ 53,610
Ratcliffe, Donna	Director	Career Services	10-Jul-06	100	\$ 87,711
Rodriguez-Santos, Rafael	Career Advisor	Career Services	10-Jul-06	100	\$ 35,000
Romero-Aldaz, Patrick	Assistant Director	Student Programs	10-Jul-06	100	\$ 43,184
Schneider, Steven	Associate Director	University Unions and Student Activities	10-Jul-06	100	\$ 57,121
Scott, Rebecca	Assistant Director	Career Services	10-Aug-06	100	\$ 34,000
Settle, Rohsaan	Assistant Director	Student Programs	10-Jul-06	100	\$ 43,585
White, Bevley	Assistant Director	Career Services	10-Jul-06	100	\$ 46,000
Wilkinson, Connie	Assistant Director	Services for Students with Disabilities	10-Jul-06	100	\$ 46,944

Continued

ADMINISTRATIVE AND PROFESSIONAL***ADJUSTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Vice Provost for Outreach</u>					
Jones, Roy	Associate Director	Continuing & Professional Education	30-Jun-06	100	\$ 64,766
Miller, Chad	Economic Development Specialist	Office of Economic Development	10-Jun-06	100	\$ 57,720
Peter, Kris	Assistant Director, Program Development	Outreach Program Development	24-Jun-06	100	\$ 45,167
Waterman, David	Assistant Director, Program Development	Outreach Program Development	24-Jun-06	100	\$ 59,660
Weimer, Scott	Assistant Director, Program Development	Continuing & Professional Education	10-May-06	100	\$ 52,337

SPECIAL RESEARCH FACULTY**NEW APPOINTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Anderson, Troy	Postdoctoral Associate - Rstr	Entomology	26-May-06	100	\$ 31,136
Greiwe-Crandell, Kathleen	Senior Research Associate	Middleburg AREC	1-Aug-06	100	\$ 85,000
Hu, Zhenhu	Postdoctoral Associate - Rstr	Biological Systems Engineering	15-Jun-06	100	\$ 30,000
<u>Architecture & Urban Studies</u>					
White, Nancy	Project Associate - Rstr	Institute for Policy Outreach	10-Jun-06	100	\$ 60,000
<u>Engineering</u>					
Pan, Deng	Postdoctoral Associate - Rstr	Computer Science	7-Jun-06	100	\$ 32,000
Papenfuss, Cory	Postdoctoral Associate - Rstr	Mechanical Engineering	10-Jun-06	100	\$ 50,000
Prazenica, Richard	Senior Research Associate - Rstr	Mechanical Engineering	10-Jun-06	100	\$ 82,880
Wang, Jianfeng	Postdoctoral Associate - Rstr	Civil & Environmental Engineering	24-May-06	80	\$ 29,200
<u>Executive Vice President</u>					
Bajad, Sunil	Postdoctoral Associate - Rstr	Virginia Bioinformatics Institute	1-Aug-06	100	\$ 52,000
Dawoud, Abdulilah	Postdoctoral Associate - Rstr	Virginia Bioinformatics Institute	6-Jul-06	100	\$ 41,000
Fang, Bin	Research Scientist - Rstr	Virginia Bioinformatics Institute	1-Aug-06	100	\$ 63,000
Kang, Jong-Hoon	Postdoctoral Associate - Rstr	Virginia Bioinformatics Institute	1-Jun-06	100	\$ 45,000
Liu, Dan	Research Associate - Rstr	Virginia Bioinformatics Institute	1-Jun-06	100	\$ 40,000
Osorio da Fonseca, Isabel	Postdoctoral Associate - Rstr	Virginia Bioinformatics Institute	1-Aug-06	100	\$ 50,000
Rainey, Daphne	Senior Research Associate - Rstr	Virginia Bioinformatics Institute	8-May-06	100	\$ 67,000
Reed, Deborah	Research Associate - Rstr	Virginia Bioinformatics Institute	31-Jul-06	100	\$ 30,500
Sha, Wei	Postdoctoral Associate - Rstr	Virginia Bioinformatics Institute	25-Jun-06	100	\$ 45,000
Tseng, Tsai-Tien	Postdoctoral Associate - Rstr	Virginia Bioinformatics Institute	1-Aug-06	100	\$ 46,000
Wittich, Peter	Postdoctoral Associate - Rstr	Virginia Bioinformatics Institute	1-Aug-06	100	\$ 45,000
<u>Science</u>					
Arachchige, Shamindri	Postdoctoral Associate - Rstr	Chemistry	30-May-06	100	\$ 30,000
Barraza-Lopez, Salvador	Postdoctoral Associate - Rstr	Physics	1-Aug-06	100	\$ 33,000
Celik, Hayati	Postdoctoral Associate - Rstr	Chemistry	25-Jun-06	100	\$ 30,000
Chen, Qiao-Hong	Postdoctoral Associate - Rstr	Chemistry	1-Jul-06	100	\$ 40,000
Krause Jr, Richard	Postdoctoral Associate - Rstr	Geosciences	11-May-06	100	\$ 32,500
Tasic, Uros	Postdoctoral Associate - Rstr	Chemistry	2-May-06	100	\$ 32,500
<u>Veterinary Medicine</u>					
Ramamoorthy, Sheela	Postdoctoral Associate - Rstr	Biomedical Sciences & Pathobiology	1-Aug-06	100	\$ 34,000

Continued

SPECIAL RESEARCH FACULTY***NEW APPOINTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Vice President for Research</u>					
Beeby, Jeffrey	Senior Project Associate	Institute for Critical Technologies and Applied Science	24-Jul-06	100	\$ 75,000
Bowman, Darrell	Senior Research Associate - Rstr	Virginia Tech Transportation Institute	21-Aug-06	100	\$ 75,000
Mollenhauer, Michael	Research Scientist - Rstr	Virginia Tech Transportation Institute	25-May-06	100	\$ 130,000
Sedlock, Stephen	Research Scientist - Rstr	Center for Geospatial Information Technology	1-Aug-06	100	\$ 72,000
Viita, Derek	Research Associate - Rstr	Virginia Tech Transportation Institute	25-Jul-06	100	\$ 47,000
Vilela, Jean	Research Associate - Rstr	Virginia Tech Transportation Institute	10-Jun-06	100	\$ 50,000
Webster, Janet	Senior Project Associate	Office of the Vice President for Research	2-Oct-06	100	\$ 52,000
Wiegand, Kendra	Project Associate - Rstr	Virginia Tech Transportation Institute	9-Aug-06	100	\$ 40,000
<u>Vice Provost for Outreach</u>					
Muniappan, Rangaswamy	Senior Project Associate - Rstr	Office of International Research, Education and Development	25-Jun-06	100	\$ 78,000

SPECIAL RESEARCH FACULTY**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Beck, Michel	Senior Research Associate - Rstr	Crop and Soil Environmental Sciences	25-May-06	50	\$ 29,321
Carroll, Belinda	Research Associate - Rstr	AHNR-IT	10-Mar-06	100	\$ 44,000
Westover, Friedrich	Research Associate	AHS - AREC	1-Jul-06	100	\$ 38,739
<u>Engineering</u>					
Chevva, Konda	Postdoctoral Associate - Rstr	Aerospace & Ocean Engineering	15-Aug-06	100	\$ 37,939
Feng, Xizhou	Research Associate - Rstr	Computer Science	25-Feb-06	100	\$ 50,000
Hix, Deborah	Senior Research Scientist - Rstr	Computer Science	25-Jun-06	60	\$ 70,513
Hosder, Serhat	Postdoctoral Associate - Rstr	Aerospace & Ocean Engineering	10-Aug-06	100	\$ 37,939
Xu, Yang	Postdoctoral Associate - Rstr	Electrical & Computer Engineering	10-May-06	100	\$ 40,000
<u>Executive Vice President</u>					
Borkowski, Dominik	Research Associate - Rstr	Virginia Bioinformatics Institute	25-May-06	100	\$ 45,000
Craig, Johanna	Senior Research Associate - Rstr	Virginia Bioinformatics Institute	10-Jun-06	50	\$ 31,200
Dharmanolla, Chittithalli	Research Associate - Rstr	Virginia Bioinformatics Institute	10-Jul-06	100	\$ 54,454
Gaylord, Clark	Senior Project Associate - Rstr	Virginia Bioinformatics Institute	22-May-06	100	\$ 89,000
Jerauld, Adam	Research Associate - Rstr	Virginia Bioinformatics Institute	10-May-06	100	\$ 45,980
Johnson, Jeremy	Research Associate - Rstr	Virginia Bioinformatics Institute	25-May-06	100	\$ 42,000
McMaster, Douglas	Research Associate - Rstr	Virginia Bioinformatics Institute	25-May-06	100	\$ 58,000
<u>Liberal Arts & Human Sciences</u>					
Craft, Tammy	Project Associate - Rstr	Educational Research & Outreach	5-Jun-06	50	\$ 26,038
<u>Natural Resources</u>					
Frimpong, Emmanuel	Research Scientist - Rstr	Fisheries and Wildlife	10-Aug-06	100	\$ 37,000
<u>Science</u>					
Grieb, Christian	Postdoctoral Associate - Rstr	Physics	5-Jun-06	100	\$ 50,000
Pooler, Penelope	Research Associate - Rstr	Statistics	10-May-06	100	\$ 50,000
<u>Vice President for Research</u>					
Ball, Donald	Senior Research Associate	Fralin Biotechnology Center	1-Jul-06	100	\$ 64,935
Blanco, Myra	Research Scientist - Rstr	Virginia Tech Transportation Institute	25-May-06	100	\$ 96,109

continued

SPECIAL RESEARCH FACULTY***ADJUSTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Vice President for Research</u>					
Doerzaph, Zachary	Research Associate - Rstr	Virginia Tech Transportation Institute	1-Jul-06	100	\$ 67,977
Hankey, Jonathan	Research Scientist	Virginia Tech Transportation Institute	1-Jul-06	100	\$ 152,906
Hanowski, Richard	Research Scientist	Virginia Tech Transportation Institute	1-Jul-06	100	\$ 132,293
Hickman, Jeffrey	Senior Research Associate-Rstr	Virginia Tech Transportation Institute	25-Jun-06	100	\$ 61,480
Klauer, Sheila	Senior Research Associate-Rstr	Virginia Tech Transportation Institute	1-Jul-06	100	\$ 79,463
Nadler, Leonore	Project Associate-Rstr	Virginia Tech Transportation Institute	1-Jul-06	100	\$ 45,854
Neale, Vicki	Research Scientist	Virginia Tech Transportation Institute	1-Jul-06	100	\$ 143,217
Neurauter, Michael	Research Associate - Rstr	Virginia Tech Transportation Institute	1-Jul-06	100	\$ 61,215
Perez, Miguel	Senior Research Associate-Rstr	Virginia Tech Transportation Institute	1-Jul-06	100	\$ 73,961
Petersen, Andrew	Senior Research Associate	Virginia Tech Transportation Institute	1-Jul-06	100	\$ 152,424
Stone, Scott	Research Associate - Rstr	Virginia Tech Transportation Institute	9-Jun-06	100	\$ 83,555

TRACK AND FIELD BONUS RECOMMENDATIONS

The 2005-2006 season earned the Virginia Tech Track and Field program its highest ever ranking at the NCAA Championships. Together, the men's and women's teams set school, conference and region records, won two individual national championships, and set a school-record of ten All-America honors. In addition, Coach Greg Jack was honored by the U.S. Track and Field and Cross Country Coaches Association as the top men's throws coach in the East Region.

To recognize the efforts and accomplishments of Coaches Dave Cianelli and Greg Jack on behalf of the Virginia Tech Athletic Program, the university proposes to award them a bonus of \$3,000 each. These bonuses are a one-time award and do not affect base salary. Funds for the bonuses are budgeted within the Athletic Department's budget for post-season play.

RECOMMENDATION: That the recommended bonuses for Coach Dave Cianelli and Associate Head Coach Greg Jack be approved.

August 28, 2006

**Resolution on Virginia Bioinformatics Institute
Policy Advisory Board Appointments**

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 establishing the Virginia Bioinformatics Institute Policy Advisory Board, 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, having been elected Rector of the Board of Visitors, Jacob A. Lutz is relinquishing his position as Chair, and a new appointment of a Board of Visitors member to serve as Chair of the Policy Board is required; and,

WHEREAS, Hemant Kanakia's term on the Board of Visitors, and therefore his eligibility to serve as a Board of Visitors representative on the Policy Board, expired June 30, 2006; and,

WHEREAS, Tom Rust's four-year term as a member at large expired on June 30, 2006, and the University wishes to reappoint Mr. Rust for a four-year term; and,

WHEREAS, due to Gary Clisham's untimely death, a four-year term appointment as a member at large is required to fill his position on the Policy Board;

NOW, THEREFORE, BE IT RESOLVED that the Board of Visitors hereby appoints the following three new persons and reappoints Mr. Rust to serve on the Virginia Bioinformatics Institute Policy Advisory Board for the terms denoted:

George Nolen, Chair	Term consistent with BOV Appointment
Ben J. Davenport, Jr.	Term consistent with BOV Appointment
Tom Rust (at large)	4-year term (2010)
Brad Fenwick (at large)	4-year term (2010)

RECOMMENDATION:

That the resolution reappointing members to the Virginia Bioinformatics Institute Policy Advisory Board be approved.

August 28, 2006