

Virginia Tech Board of Visitors Meeting

November 7, 2005

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MINUTES

November 7, 2005

The Board of Visitors of Virginia Polytechnic Institute and State University met on Monday, November 7, 2005, at 1:20 p.m. in Torgersen Hall on the Virginia Tech Campus in Blacksburg, Virginia.

Rector Davenport reversed the order of business and took up the Closed Session agenda first in the event that Mr. Lutz would have to leave early in order to land at the Richmond airport prior to 5:00 p.m. A visit by U.S. President George W. Bush to Richmond necessitated the early closing of that airport for security reasons.

Present

Mr. Michael Anzilotti
 Ms. Beverley Dalton
 Mr. Ben J. Davenport, Jr.
 Mrs. Michele Duke
 Mr. L. Bruce Holland
 Dr. Hemant Kanakia
 Mr. John R. Lawson, II
 Ms. Sandra Stiner Lowe
 Mr. Jacob A. Lutz, III
 Mr. George Nolen
 Mr. Thomas L. Robertson
 Mr. James W. Severt, Sr.
 Mr. Philip S. Thompson
 Ms. Susanna Rinehart, President, Faculty Senate
 Ms. Jennifer Jessie, Undergraduate Student Representative
 Mr. Navin Manjooran, Graduate Student Representative

Absent

Mr. Robert L. Freeman, Jr.

Also present were the following: Dr. Charles Steger, Mr. Erv Blythe, Mr. Ralph Byers, Mr. Jerry Cain, Mr. Denny Cochran, Mr. Ron Daniel, Dr. Karen DePauw, Dr. Ben Dixon, Dr. John Dooley, Dr. Brad Fenwick, Dr. Elizabeth Flanagan, Dr. David Ford, Ms. Laura Fornash, Ms. Kay Heidbreder, Dr. Zenobia Hikes, Mr. Larry Hincker, Mr. James Hyatt, Dr. Pat Hyer, Mr. Kurt Krause, Dr. Mark McNamee, Ms. Kim O'Rourke, Mr. Mark Owczarksi, Ms. Ellen Plummer, Dr. Susanna Reinhart, Ms. Kathy Sanders, Mr. Dwight Shelton, Ms. Sandra Smith, Dr. Ray Smoot, Mr. Jeb Stewart, Dr. Tom Tillar, Dr. Lisa Wilkes, Ms. Teresa Wright, faculty, staff, students, guests, and reporters.

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Motion to begin Closed Session

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

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

all pursuant to the following subparts of 2.2-3711 (A), Code of Virginia, as amended, .1, .7, .8, and .10.

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

Motion to Return to Open Session

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

Mr. Lutz made the following motion:

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

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

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

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

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Lutz, unanimous approval was given to the resolution for approval of the **2006 University Distinguished Achievement Award**, as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment A.)

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Thompson, unanimous approval was given to the resolution for approval of **Naming a University Facility**, as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment B.)

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Ms. Lowe, unanimous approval was given to the resolutions for approval of **Emeritus Status** (4), as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment C.)

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

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Ms. Lowe, 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 E.)

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

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

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Lutz, approval was given to the **Resolution for Approval of 2005-06 Faculty Salary Program** as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment H.) This item has been reviewed by the Academic Affairs Committee and the Finance and Audit Committee.

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On recommendation of Mr. Davenport, and after motion by Mr. Davenport and second by Mr. Lutz, approval was given to the **Resolution for Approval of Special Personnel Action** as considered in Closed Session. (Copy filed with the permanent minutes and marked Attachment I.)

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Mr. Davenport made a motion, seconded by Mr. Lutz, to authorize the Executive Committee of the Board to set the compensation package for the executive leadership of the university. The motion passed.

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Heard Audit Report. No Board Action Required.

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Heard Litigation Report. No Board Action Required.

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Mr. Davenport made a motion to approve the minutes of the August 29, 2005, Board meeting and the September 24, 2005, special Board meeting, as distributed. The motion was seconded by Mr. Lutz and passed.

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REPORT OF THE FINANCE AND AUDIT COMMITTEE

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

Mr. Lutz commended Mr. Hyatt, Mr. Shelton, and Mr. Rudd and others in internal audit for their great work.

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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 received interim approval until it can be revisited at the March 27, 2006 Board meeting. The Academic Affairs Committee felt there was not sufficient information distributed in time to make a decision on this resolution, but understands that pending contracts cannot be delayed until March. The motion for interim approval was made by Mr. Lutz, seconded by Mr. Thompson, and passed unanimously:

Resolution Delegating Contract Approval Authorization (Interim)

That the resolution delegating contract approval authorization to the President receive interim approval until it can be revisited at the March 27, 2006 Board meeting. (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. Lutz, seconded by Mr. Thompson, and was approved unanimously:

Resolution for Approval for Employment Contract Term Limits

That the resolution regarding employment contract term limits be adopted. (Copy filed with the permanent minutes and marked Attachment L.)

The Finance and Audit Committee discussed whether it would be appropriate to also consider the application of a term limit to all employment contracts at the University and asked that this be recorded for discussion at the next Board meeting.

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

**Resolution for Approving and Adopting the Management Agreement,
Board Policies and Performance Measures**

That the resolution regarding the approval of the Performance Measures, Management Agreement, and Board policies be approved. (Copy filed with the permanent minutes and marked Attachment M.)

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

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

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 September 30, 2005 and the Capital Outlay report be accepted. (Copy filed with the permanent minutes and marked Attachment N.)

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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. Lutz, seconded by Mr. Thompson, and approved unanimously.

Resolution for Approval of Pratt Fund Program and Expenditures Report

That the 2004-05 Pratt Funds Activities Statement for the College of Engineering be approved. (Copy filed with the permanent minutes and marked Attachment O.)

That the 2004-05 Pratt Funds Activities Statement for Animal Nutrition be approved. (Copy filed with the permanent minutes and marked Attachment O.)

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As part of the Finance and Audit Committee Report, a motion was made by Mr. Lutz, seconded by Mr. Thompson, and passed unanimously to accept the **Audit Report for the Office of International Research, Education, and Development**. (Copy filed with the permanent minutes and marked Attachment P.)

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REPORTS OF THE SPECIAL COMMITTEE ON RESEARCH

Mr. Thompson gave a report of the meeting of the Special Committee on Research held on November 6, 2005. (Copy filed with the permanent minutes and marked Attachment Q.)

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REPORT OF THE ACADEMIC AFFAIRS COMMITTEE

Mr. Davenport called on Ms. Lowe for a report of the Academic Affairs Committee for September 24, 2005 – Special Board of Visitors Meeting, and November 7, 2005. (Copy filed with the permanent minutes and marked Attachment R.)

In regard to the Resolution Delegating Contract Approval Authorization, Ms. Lowe wanted to make it clear for the record that the Academic Affairs Committee was concerned about the procedures and how they would be used. Within the committee meeting, they discussed the need to have more information in order to be sufficiently informed to make a decision on approving the delegation of this authorization to the President. However, they recognize the need for the university to have the ability to move quickly to approve such contracts, and the Academic Affairs Committee is comfortable with the action taken by the full Board to give interim approval to this resolution and reconsider it at the March 2006 Board meeting.

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

**Resolution for Approval of the Revised Policy on
Research Extended Appointments**

That the revision of policy 6200 on Research Extended Appointments be approved effective immediately. (Copy filed with the permanent minutes and marked Attachment S.)

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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 Changes in Membership of the Virginia Coal
and Energy Research and Development Advisory Committee**

That the appointment of Jackson E. "Jack" Reasor, Jr. to the Advisory Committee be renewed through 2009, and that the appointment of Daniel D. Smith for a four-year term (2005-2009) be approved. (Copy filed with the permanent minutes and marked Attachment T.)

Mr. Robertson left the meeting.

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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 Exemplary Department Awards

That the resolution honoring the Cranwell International Center be approved. (Copy filed with the permanent minutes and marked Attachment U.)

That the resolution honoring the Department of Human Development be approved. (Copy filed with the permanent minutes and marked Attachment U.)

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Rector Davenport recognized Mr. Lawson for his leadership in developing the Myers-Lawson School of Construction with his fraternity brother. He stated that Mr. Lawson has set a tremendous standard that all of the Board can look up to, and the Board appreciates his leadership.

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

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

Resolution for Approval of Appointments to the Blacksburg-Virginia Polytechnic Institute Sanitation Authority

That the resolution reappointing Raymond D. Smoot, Jr. as the university's representative and Lucius M. Merritt as the joint representative of the university and Town of Blacksburg to the Blacksburg-Virginia Polytechnic Institute Sanitation Authority for terms expiring January 1, 2010 be approved. (Copy filed with the permanent minutes and marked Attachment W.)

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

Resolution for Approval of Appointment to the Blacksburg-Christiansburg-Virginia Polytechnic Institute Water Authority

That the resolution recommending that William M. Elvey be appointed as the university's representative to the Blacksburg-Christiansburg-VPI Water Authority Board of Directors for a term expiring August 31, 2009, be approved. (Copy filed with the permanent minutes and marked Attachment X.)

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

**Resolution for Approval of Appointment to the
Virginia Tech/Montgomery Regional Airport Authority**

That the resolution recommending that L. Allen Bowman be reappointed as the at-large representative to the Virginia Tech/Montgomery Regional Airport Authority Board of Directors for a four-year term expiring September 15, 2009 be approved. (Copy filed with the permanent minutes and marked Attachment Y.)

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

**Resolution for Approval of Acquisition of
Virginia Tech Foundation Property**

That the resolution authorizing the Vice President for Business Affairs to execute a contract between Virginia Polytechnic Institute and State University and the Virginia Tech Foundation, Inc. for the purchase of a 466-square-foot portion of a 0.651-acre tract located between Old Turner Street and Barger Street, southwest of Stanger Street, Blacksburg, Virginia, be approved. (Copy filed with the permanent minutes and marked Attachment Z.)

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REPORT OF THE STUDENT AFFAIRS COMMITTEE

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

Mr. Anzilotti shared with the Board that the Virginia Tech Men's Soccer Team is currently tenth in the nation—a very significant accomplishment.

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PRESIDENT'S REPORT ITEMS FOR BOARD APPROVAL AND INFORMATION

Review of the Enrollment Report for First and Second Summer Sessions, and
Fall Semester 1996-2005.

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

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President Steger called on Dr. Dooley to give an update on the New University in Southside Virginia. Dr. Dooley addressed the Board and shared the following information.

For the past twelve months there has been considerable discussion across the state on the need for greater access for higher education, which serves as an economic driver in Southside Virginia. The president, provost and others have been approached by leadership from the region and from the state inquiring as to what might be Virginia Tech's role.

The president and provost have appointed a small task force to look into the matter on behalf of the university. Among the members of the task force are: James Severt,, John Rocovich – former Board member; Jay Reynolds – former president of the Alumni Association and Vice Mayor of Martinsville; David Ford – Vice Provost for Academic Affairs; Rich Sorensen – Dean of the Pamplin College of Business; Ralph Byers – Virginia Tech Director of Government Relations; Tim Franklin – Director of Southside Initiative in Danville; Anne Moore – Associate Vice President for Learning Technologies; and John Dooley – Vice Provost for Outreach.

The charge to the task force is to acquire complete information about the current status of the project, evaluate potential roles and responsibilities appropriate for Virginia Tech, and consider a range of options for further discussion. The charge explicitly said that if and when the time comes to discuss actual academic programs, the faculty would become engaged in the discussion at that point. The task force is not currently at that point.

Among the key questions is to determine what is Virginia Tech's interest in becoming involved. Being Virginia's senior land-grant university, part of the university's outreach mission is carried out by conveying resources such as technology and education for the purpose of economic development. As a part of its economic transformation strategy, Virginia Tech already has a significant presence in Southside based at the Institute for Advanced Learning and Research in Danville and the Business Technology Center in Martinsville.

Any engagement by Virginia Tech in this new college in Southside would be contingent upon the following.

1. At the very least, it will be resource neutral. Virginia Tech would not transfer assets/resources to Southside. The task force wants this to be resource advantageous to Virginia Tech.
2. Make sure any engagement at the new college will represent and reflect the quality of programs that Virginia Tech adheres to in Blacksburg. The academic integrity of Virginia Tech will in no way be compromised.
3. That the new college will be complementary to Virginia Tech's existing research and outreach strategies in the region.

The task force has met several times to fulfill its objectives. Meetings have included leadership from the State Council of Higher Education for Virginia (SCHEV), the Secretary of Education, leadership in Martinsville, and leadership from the new college planning commission as established by the Harvest Foundation. Conversations have been very insightful. In interacting with the Secretary of Education, the task force has learned that the position of the current administration is that any type of state investment to support initiatives in Southside related to education access must meet these four criteria.

1. Have a statewide impact.
2. Have broad political support.
3. Advance economic development not only for the region, but for the state.
4. Involve other institutions of higher education—both two-year institutions as well as four-year institutions that exist across the state.

The task force is currently in discussions with the membership of the new college planning commission to enter into a memorandum of understanding for Virginia Tech to serve as the lead institution working with SCHEV and other regional institutions to address greater educational access and economic opportunities for Southside. This does not mean that the task force is endorsing any educational model at this point. The education model is undefined. This should be a natural expansion of Virginia Tech's existing efforts in Southside and be responsive to the needs of the region without diluting Virginia Tech's resources.

Mr. Davenport added that this is an effort on behalf of Virginia Tech to help the economy in Southside Virginia. Care should be taken to avoid any distraction from the primary mission of Virginia Tech or dilution of what is being done at Virginia Tech. Mr. Davenport, Mr. Severt and others are very appreciative of President Steger's leadership allowing this discovery process to be undertaken. Mr. Davenport expressed to Ms. Rinehart that he hopes the faculty will be as open-minded as possible.

On behalf of the people in Southside, Mr. Severt expressed appreciation for what is being done and feels that in the long run, this venture will be good. It is hopeful there will be a four-year school in Southside. The Harvest Foundation has stepped up and made considerable contributions to this effort.

Mr. Davenport shared that the political leadership in Virginia is very interested in some kind of public degree programs. This can happen over time and Virginia Tech will help to develop a plan.

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Dates for the next meeting are March 26-27, 2006 in Blacksburg, Virginia.

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The meeting adjourned at 3:10 p.m.

Resolution Honoring

Evaleen K. Jones

2006 University Distinguished Achievement Award Recipient

WHEREAS, Evaleen K. Jones graduated from Virginia Tech in 1983 with a B.S. in Human Nutrition and Foods and the Stanford University School of Medicine where she earned an M.D. in 1991; and

WHEREAS, Dr. Jones maintains an active presence in the medical field through professional service as a family practitioner and shares her expertise as a member of the clinical faculty at the Stanford University School of Medicine; and

WHEREAS, Dr. Jones has emerged as a leading, highly respected educator on international health issues, volunteering significant time and leadership to the International Health Medical Education Consortium, partnering with premier faculty and educators dedicated to promoting international health education; and

WHEREAS, Evaleen has sought to improve the human condition through her creation of Child Family Health International (CFHI) in 1992, an organization that supports her ongoing mission to improve global health conditions in which she travels extensively to strengthen sustainable healthcare for underserved communities worldwide, donates medical supplies, supports grants for health projects, and sends 500 medical students abroad annually; and

WHEREAS, the result of Evaleen's vision is a self-contained Mobile Surgical Facility that travels throughout the Andean mountains of Ecuador providing free surgery and health care to children and families, along with the initiation of a "recovery program" that sends unused, recycled prescription medications overseas, saving many lives; and

WHEREAS, Dr. Jones's growing national prominence and passion for compassion resulted in her recognition as an "Unsung Hero" through her management of a family, career, and nonprofit organization through devotion of her time, skills and resources to make a positive difference in our world, and fully exemplifies the university's motto of *Ut Prosim*, "That I May Serve";

NOW, THEREFORE, BE IT RESOLVED that, with great pride and in recognition of her professional accomplishments and commitment to making the world a better place in ways that bring honor to the medical profession and to her alma mater, the Board of Visitors of Virginia Polytechnic Institute and State University confers the University Distinguished Achievement Award for 2006 to Evaleen K. Jones.

RECOMMENDATION: That the resolution conferring the 2006 University Distinguished Achievement Award to Evaleen K. Jones be approved.

Resolution Naming

The HITT Contracting Undergraduate Studio

in Bishop-Favrao Hall of Virginia Polytechnic Institute and State University

WHEREAS, HITT Contracting has hired several Virginia Tech alumni and the President of HITT Contracting is an active member of the Department of Building Construction Advisory Board; and

WHEREAS, HITT Contracting has consistently demonstrated its support for the Department of Building Construction's programs and initiatives; and

WHEREAS, HITT Contracting has made a generous gift toward the construction of Bishop-Favrao Hall at Virginia Tech for the benefit of the Department of Building Construction within the College of Architecture and Urban Studies; and

WHEREAS, the undergraduate studio within Bishop-Favrao Hall will recognize HITT Contracting's desire to support construction education;

NOW, THEREFORE BE IT RESOLVED that, as an enduring tribute to HITT Contracting, and in appreciation to Russell Hitt for his extraordinary generosity and vision, this undergraduate studio to be housed in Bishop-Favrao Hall will be named

The HITT Contracting Undergraduate Studio

RECOMMENDATION:

That the above resolution naming the HITT Contracting Undergraduate Studio be approved.

RESOLUTION FOR EMERITA STATUS
November 7, 2005

WHEREAS, Dr. Janet E. Keith faithfully served Virginia Tech for 22 years in the Pamplin College of Business, beginning in 1984; and

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

WHEREAS, she advised and counseled numerous undergraduate and graduate students during her career, and served on over a dozen master's and doctoral committees; and

WHEREAS, Dr. Keith made significant contributions in research on relational exchange in marketing, professional selling, channels of distribution, and business-to-business marketing, authoring over 20 academic publications, and organizing several academic conferences; and

WHEREAS, she provided numerous services to business and community organizations through presentations and volunteer activities;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. Janet E. Keith for her service to the university with the title of Associate Professor Emerita of Marketing.

RECOMMENDATION:

That the above resolution recommending Dr. Janet E. Keith for emerita status be approved.

RESOLUTION FOR EMERITUS STATUS
November 7, 2005

WHEREAS, Dr. David S. Kronfeld, faithfully served Virginia Tech and the MAREC for 17 years in the College of Agriculture and Life Sciences, beginning in 1988; and

WHEREAS, as a member of the faculty in the Department of Animal and Poultry Sciences, he was a distinguished researcher and Eminent Scholar of Equine Nutrition and its impact on the Equine Industry of Virginia, the United States, and the world; and

WHEREAS, his Paul Mellon Distinguished Professorship of Agriculture has afforded the Middleburg Agricultural Research and Extension Center and the Equine Industry of Virginia a new found prestige, as well as new developmental programs and ideas; and

WHEREAS, he made many significant contributions over the past 17 years at Virginia Tech in the area of nutrition and companion animal research by authoring over 280 publications, including 114 refereed publications, for a total of 700 career publications and 265 career refereed publications; and

WHEREAS, Dr. Kronfeld served in many leadership roles of several professional societies, most notably, President of the American Academy of Veterinary Nutrition, President of the John Moran Society and Program Chair of the Association of Equine Sports Medicine. Additionally, he holds life membership in the American College of Veterinary Internal Medicine, the American Society of Dairy Science, the Australian College of Veterinary Scientist, as well as past Chairman and Emeritus of the American College of Veterinary Nutrition, and an honor roll member of the American Veterinary Medical Association; and

WHEREAS, he was an internationally recognized scientist and mentor who served as major advisor to 13 Ph.D. students and 16 M.S. students and advised and counseled numerous undergraduates during his career; and

WHEREAS, he has worked to better the world by traveling to 17 foreign countries to work with equine programs or to make presentations;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. David S. Kronfeld for his service to the university with the title of Paul Mellon Distinguished Professor Emeritus of Animal and Poultry Sciences.

RECOMMENDATION:

That the above resolution recommending Dr. David S. Kronfeld for emeritus status be approved.

**RESOLUTION FOR EMERITUS STATUS
November 7, 2005**

WHEREAS, Dr. John J. Ney faithfully served Virginia Tech for 29 years in the College of Natural Resources, beginning in 1976; and

WHEREAS, as a member of the faculty in the Department of Fisheries and Wildlife Sciences (FiW), he was a dedicated teacher of fish and fisheries ecology courses from sophomore to advanced graduate level; and

WHEREAS, he advised and counseled numerous undergraduate and graduate students during his career in the FiW Department, serving as the graduate advisor for 16 masters and 9 doctoral students; and

WHEREAS, he received numerous accolades for his stellar teaching style, including the VT Certificate of Teaching Excellence; and

WHEREAS, he sustained a research program focused on graduate student education in many aspects of reservoir fisheries ecology and management, and unique contributions in the area of trophic economics, and

WHEREAS, he authored 88 technical publications and 90 professional presentations; and

WHEREAS, he served in a number of professional technical societies, including as the American Fisheries Society's Book Review Editor since 1979, received AFS meritorious service award, and was elected into the National Fisheries Hall of Excellence in 2004;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. John J. Ney for his service to the university with the title of Professor Emeritus of Fisheries Science.

RECOMMENDATION:

That the above resolution recommending Dr. John J. Ney for emeritus status be approved.

RESOLUTION FOR EMERITUS STATUS
November 7, 2005

WHEREAS, Dr. Forrest W. Thye respectfully served Virginia Polytechnic Institute and State University for 36 years in the College of Agriculture and Life Sciences, beginning in 1969; and

WHEREAS, as a member of the faculty in the Department of Human Nutrition, Foods and Exercise (HNFE), he was a devoted teacher of a wide range of courses offered from lower and upper division undergraduate level to the advanced graduate level; and

WHEREAS, he advised and counseled numerous undergraduate and graduate students in the HNFE program, serving as the graduate advisor for both Master of Science and Doctor of Philosophy students; and

WHEREAS, he faithfully served the University Honors program by contributing to the premedicine and pre dental advising program and guiding undergraduate students in their professional goals; and

WHEREAS, Dr. Thye was selected as an HNFE Outstanding Teacher in 2005; and

WHEREAS, he advanced knowledge and understanding of the response of plasma lipids and lipoproteins to exercise and dietary components, and made significant contributions in research related to mineral metabolism; and

WHEREAS, he engaged in a number of national professional technical and honorary societies, including service as the president and treasurer of the Virginia Tech chapter of Sigma Xi;

THEREFORE, be it resolved that the Board of Visitors recognizes Dr. Forrest W. Thye for his service to the university with the title of Associate Professor Emeritus of Human Nutrition, Foods and Exercise.

RECOMMENDATION:

That the above resolution recommending Dr. Forrest W. Thye for emeritus status be approved.

CHANGE OF DUTY STATION

The Department of Agricultural and Applied Economics has entered into an agreement with the International Food Policy Research Institute (IFPRI) to undertake research concerning international agricultural trade and related domestic support programs. One focus of this research will be on the international agricultural trade negotiations under the World Trade Organization (WTO). Both Virginia Tech and IFPRI have an interest in this research program on international agriculture, and collaboration between the two institutions offers a unique opportunity to pursue this research. IFPRI is one of 15 publicly-supported global agricultural research centers that are known, collectively, as the Consultative Group on International Agricultural Research (CGIAR). The CGIAR system concentrates on agricultural development for global poverty reduction.

The agreement calls for Dr. David Orden to spend eight months in residence at IFPRI in Washington D.C. during October 2005 to September 2006. Dr. Orden will complete a research report on a four-country study of support for agriculture in four developing countries (India, Indonesia, China and Vietnam). He will also complete an evaluation of the effects of global cotton markets on rural poverty in Pakistan and an evaluation of the effects of trade policy reform in the Near East and North Africa. He will contribute to IFPRI analysis of possible WTO outcomes in a global simulation model. Dr. Orden will also evaluate the feasibility of a new generation of farm program options for developed countries, including a buyout as recently undertaken for tobacco. In the area of food regulation and trade, Dr. Orden will develop economic assessments of sanitary and phytosanitary regulations while accounting for costs of compliance and risk-reduction effects of the compliance measures. This research builds on analysis presented in his recent book *Food Regulation and Trade: Toward a Safe and Open Global System* (with Timothy Josling and Donna Roberts, Institute for International Economics, 2004).

This agreement provides 67% of Dr. Orden's salary, plus 100% of a geographic location differential in addition to fringe and overhead costs. Dr. Orden ordinarily has a 50% research and 50% teaching appointment. His teaching is concentrated at the graduate level. He will be in full-time residence in Blacksburg during Spring Semester 2006 and offer two courses.

RECOMMENDATION:

That the change of duty station for Dr. David Orden be approved for the life of the agreement with IFPRI.

ENDOWED PROFESSORSHIP
The W. Martin Johnson Professorship

The W. Martin Johnson Professorship was established in 1983 through the generous gift of the late W. Martin Johnson. The professorship recognizes an outstanding professor in the College of Engineering with no restrictions as to department affiliation. Dean Richard Benson has nominated Professor Andrew J. Kurdila to hold this professorship, concurring with the recommendations of the Honorifics Committee of the Department of Mechanical Engineering.

Professor Kurdila received his Ph.D. from the Georgia Institute of Technology in 1988 and joined the Virginia Tech faculty in August 2005. He has also served as Professor in the Department of Mechanical and Aerospace Engineering at the University of Florida, Interim Director at the Graduate Engineering & Research Center at the University of Florida, Associate Professor at Texas A&M University, Visiting Professor at North Carolina State University and a Research Engineer at the Structural Dynamics Research Corporation.

Professor Kurdila is renowned for his work in the field of dynamical systems theory, control theory and computational mechanics. He has a flourishing externally funded research program that has been supported by NASA Langley Research Center, NASA Dryden Flight Center, Eglin Air Force Base, the Air Force Office of Scientific Research (AFOSR), the Naval Research Laboratory (NRL), the Office of Naval Research (ONR), the Army Research Office (ARO) and the Air Force Research Laboratory (AFRL), and the Texas Higher Education Coordinating Board (THECB). He is the author of over 50 archival journal publications, 100 conference presentations and publications, and 4 book chapters. He currently has four books under contract and published this year, with publishers including Wiley & Sons, Academic Press, and Birkhauser-Springer Verlag. He is the editor of the book entitled *Wavelets and Multiscale Methods for Partial Differential Equations*. He is currently Associate Editor of the *Journal of Vibration and Control*, was the Associate Editor for the *Journal of Guidance, Control and Dynamics*, Book Editor for the *AIAA Journal of Guidance, Control, and Dynamics*, Member of the AIAA Structural Dynamics Technical Committee, member of the American Astronautical Society Technical Committee, and member of AIAA, ASME, SIAM, ASEE and SES.

He was awarded Associate Fellow of the *American Institute of Aeronautics and Astronautics*, received the Raymond L. Bisplinghoff Award at the University of Florida for excellence in teaching, was named the TEES Faculty Fellow at Texas A&M University, selected as the Young Faculty Fellow at Texas A&M University, received the NASA Certificate of Recognition in both the ASEE Faculty Fellowship Program and at the University of Texas, received the Luther Long Memorial Award and Presidential Fellow at the Georgia Institute of Technology and was a Schneider Medal Nominee and received the Herfurth Memorial Scholarship at the University of Cincinnati.

RECOMMENDATION:

That Andrew J. Kurdila be appointed the W. Martin Johnson Professor of Mechanical Engineering effective on August 25, 2005, for a renewable period of five years, with an annual operating budget as provided by the endowment.

ENDOWED PROFESSORSHIP
H. E. and Elizabeth F. Alphin Professorship in Agriculture and Life Sciences

The H.E. and Elizabeth F. Alphin Professorship in Agriculture and Life Sciences was established in 1995 through the gifts of Colonel Horace E. Alphin (Class of 1934) and his wife, Elizabeth, to further the scholarly endeavors of Virginia Tech in the area of agriculture and life sciences. Dean Sharron S. Quisenberry, of the College of Agriculture and Life Sciences, has nominated Dr. Saied Mostaghimi for continuation as the H. E. and Elizabeth F. Alphin Professor in Agriculture and Life Sciences.

Dr. Saied Mostaghimi has demonstrated outstanding abilities as an educator in the Department of Biological Systems Engineering by teaching undergraduate courses and by his mentorship of graduate students; he has received awards from the Soil and Water Conservation Society, the Alumni Award for Excellence in Graduate Advising, the Virginia Cooperative Extension, Natural Resources and Environmental Management Flagship Award, and the Outstanding Faculty Award since 2000.

Dr. Saied Mostaghimi has demonstrated extraordinary abilities as a researcher through a career dedicated to the investigation of the conservation of natural resources and the minimization of non-point-source pollution, which has produced a body of scholarship nationally recognized for its excellence and innovation. This research is the basis for standards for agricultural and urban non-point-source pollution control programs in Virginia, and is being used by a number of Virginia state agencies, other states, and the federal government for a variety of applications to monitor and manage natural resources.

Dr. Saied Mostaghimi's accomplishments embody the ideals of scholarly excellence as an educator and researcher that were uppermost in the minds of the Alphins when they established the Alphin Endowed Professorship.

RECOMMENDATION:

That Dr. Saied Mostaghimi be reappointed the H. E. and Elizabeth F. Alphin Professor in Agriculture and Life Sciences for a five-year term effective September 1, 2005, with a salary supplement provided by the endowment and, as available, from the Eminent Scholars match program.

ENDOWED PROFESSORSHIP
Class of 1950 Professorship of Mathematics

The Virginia Polytechnic Institute and State University Class of 1950 established a new professorship called the Class of 1950 Professorship of Mathematics. The sponsors presented the professorship in October 2000 at the fiftieth reunion of the Class of 1950. The Department of Mathematics nominated Drs. Yuriko and Michael Renardy to hold this professorship jointly. This recommendation was approved by the Board of Visitors at their meeting of August 20, 2000. The Department of Mathematics would like to renew the term of this appointment for five years beginning October 1, 2005.

Both Drs. Renardy are world-renowned scholars, outstanding educators, and extraordinary academic citizens. Their careers reflect the highest aspirations of Virginia Tech's Department of Mathematics.

Among Dr. Yuriko Renardy's accomplishments are the following: recipient of a National Science Foundation Career Advancement Award; Fellow of the American Physical Society; Research Fellow of the Virginia Tech Mathematics Department; co-author of two books and editor of one; author of over 100 research articles; author of ten book reviews; invited lecturer at almost three dozen conferences; member of eight professional societies; recipient of approximately \$1.2 million in grants from various funding agencies; referee and panel member for numerous research journals and funding agencies; research advisor for undergraduate, masters, and Ph.D. students; and advisor to three postdoctoral research associates.

Some of Dr. Michael Renardy's accomplishments are as follows: recipient of the Presidential Young Investigator Award; recipient of the Virginia Tech Alumni Award for Research Excellence; editor for three professional journals and co-editor for eight professional journals; author of more than 15 articles in refereed publications; co-author of three books and editor of one; visiting fellow at six universities and institutions worldwide; recipient of continuous grant support from the National Science Foundation and the Office of Naval Research since his Ph.D.; recipient of approximately \$1.25 million in total grant funding; and advisor of two Ph.D. students and one published undergraduate researcher.

Drs. Yuriko and Michael Renardy are outstanding contributors in all aspects of university life. Given the collaborative nature of their research and their joint accomplishments, it is appropriate that the professorship be shared.

RECOMMENDATION:

That Drs. Yuriko and Michael Renardy be reappointed jointly to the Class of 1950 Professorship of Mathematics, effective October 1, 2005, for a renewable term of five years and with a salary supplement proved by the endowment and, as available, from the Eminent Scholars match program.

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

November 6-7, 2005

TEACHING AND RESEARCH FACULTY

NEW APPOINTMENTS

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Boyle, Kevin	Professor w/ Tenure	Agriculture & Applied Economics	1-Sep-05	100	\$ 148,000
Clark, Susan	Associate Professor - Rstr	Human Nutrition, Foods & Exercise	10-Sep-05	100	\$ 55,000
Whitacre, Brian	Visiting Assistant Professor - Rstr	Agriculture & Applied Economics	10-Aug-05	100	\$ 40,000
<u>Architecture & Urban Studies</u>					
Bryson, John	Instructor - Rstr	Art & Art History	10-Aug-05	100	\$ 27,000
Murray, William	Associate Professor	Public Administration & Policy	10-Jan-06	100	\$ 107,500
Pearce, Annie	Assistant Professor	Building Construction	25-Dec-05	100	\$ 70,000
<u>Dean of Libraries</u>					
Goldbeck, Kyrille	Instructor	Library	29-Aug-05	100	\$ 38,000
<u>Engineering</u>					
Kurdila, Andrew	Professor w/Tenure	Mechanical Engineering	25-Aug-05	100	\$ 146,250
<u>Liberal Arts & Human Sciences</u>					
Evans, Michael	Assistant Professor	Teaching & Learning	10-Aug-05	100	\$ 52,000
Ivory, James	Assistant Professor	Communication Studies	10-Aug-05	100	\$ 53,000
Kuypers, Jim	Assistant Professor	Communication Studies	10-Aug-05	100	\$ 57,500
Mitchell, Sarah	Instructor - Rstr	History	10-Aug-05	100	\$ 31,000
Nystrom, Justin	Visiting Assistant Professor - Rstr	History	10-Aug-05	100	\$ 32,000
Williams, William	Instructor - Rstr	School of Education	10-Aug-05	100	\$ 38,000
<u>Science</u>					
Kelly, Charles	Instructor - Rstr	Mathematics	10-Aug-05	100	\$ 31,000
Schubot, Florian	Assistant Professor	Biological Sciences	25-Dec-05	100	\$ 58,000
Sturler, Eric	Associate Professor	Mathematics	25-Dec-05	100	\$ 88,000
Zhu, Xiaodong	Visiting Professor - Rstr	Economics	25-Dec-05	100	\$ 90,000

Continued

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

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Veterinary Medicine</u>					
Eddy, Alison	Clinical Assistant Professor - Rstr	Large Animal Clinical Sciences	1-Sep-05	100	\$ 80,000
Monteiro, Flavia	Clinical Instructor - Rstr	Large Animal Clinical Sciences	17-Aug-05	100	\$ 65,000

TEACHING AND RESEARCH FACULTY***ADJUSTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Cundiff, John	Professor	Biological Systems Engineering	10-Aug-05	100	\$ 105,954
Daniels, Walter	Professor	Crop & Soil Environmental Science	10-Aug-05	100	\$ 82,566
Dean, Dennis	Professor	Biochemistry	1-Jul-05	100	\$ 125,000
Garst, Barry	Assistant Professor	4-H	25-Jul-05	100	\$ 57,045
Latimer, Joyce	Associate Professor/Assistant Dept Head	Horticulture	25-Jul-05	100	\$ 85,342
McCann, Mark	Professor	CALS Extension	29-Jul-05	100	\$ 137,265
Nowak, Jerzy	Professor/Dept Head	Horticulture	25-Jul-05	100	\$ 116,732
Orden, David	Professor	Agriculture & Applied Economics	1-Oct-05	100	\$ 118,245
Smith, Edward	Associate Professor	Animal & Poultry Science	10-Oct-05	100	\$ 90,182
Sobrero, Patricia	Professor	Agriculture & Extension Education	1-Jan-05	100	\$ 160,500
			29-Jul-05	100	\$ 160,500
			29-Oct-05	100	\$ 130,500
Veilleux, Richard	Professor/Assistant Dept Head	Horticulture	25-Jul-05	100	\$ 97,109
Webb, Kenneth	Professor/Interim Dept Head	Animal & Poultry Science	2-Aug-05	100	\$ 117,800
Welbaum, Gregory	Professor/Assistant Dept Head	Horticulture	25-Jul-05	100	\$ 84,950
<u>Architecture & Urban Studies</u>					
Bannan, Betsy	Instructor - Rstr	Art & Art History	10-Aug-05	100	\$ 40,517
Beliveau, Yvan	Professor ES	Building Construction	10-Aug-05	100	\$ 160,234
Capone, Truman	Associate Professor/Dept Head	Art & Art History	10-Dec-04	100	\$ 80,000
Clements, Terry	Associate Professor	Landscape Architecture	10-Aug-05	100	\$ 73,545
Dawkins, Casey	Assistant Professor	School of Public & International Affairs	10-Aug-05	100	\$ 65,083
Feuerstein, Marcia	Associate Professor	School of Architecture & Design	10-Aug-05	100	\$ 59,790
Koebel, Charles	Professor	School of Public & International Affairs	10-Aug-05	100	\$ 95,871
Toal, Gerard	Professor	School of Public & International Affairs	10-Aug-05	100	\$ 90,925

Continued

TEACHING AND RESEARCH FACULTY**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Engineering</u>					
Aref, Hassan	Professor	Engineering Science & Mechanics	10-Aug-05	100	\$ 211,337
Ball, Kenneth	Professor/Dept Head	Mechanical Engineering	10-Aug-05	100	\$ 200,000
Burdisso, Ricardo	Professor	Mechanical Engineering	10-Aug-05	100	\$ 120,400
Deisenroth, Michael	Professor	Dean of Engineering	10-Aug-05	100	\$ 146,000
Ha, Dong	Professor	Electrical & Computer Engineering	10-Aug-05	100	\$ 82,400
Hobeika, Antoine	Professor	Civil & Environmental Engineering	10-Aug-05	100	\$ 111,750
Kiran, Erdogan	Professor	Chemical Engineering	10-Aug-05	100	\$ 126,409
Leo, Donald	Professor	Center for Intelligent Material Systems and Structures	5-Aug-05	100	\$ 158,300
McPherson, David	Instructor - Rstr	Computer Science	10-Aug-05	100	\$ 43,890
Nayfeh, Ali	Professor	Engineering Science & Mechanics	10-Aug-05	100	\$ 201,110
Vorster, Michael	Professor	Civil & Environmental Engineering	10-Aug-05	100	\$ 161,733
<u>Liberal Arts & Human Sciences</u>					
Burton, John	Professor	School of Education	10-Aug-05	100	\$ 102,866
Bloomer, Elizabeth	Instructor	English	10-Aug-05	50	\$ 17,801
Crone, William	Associate Professor/Assistant Dept Head	Music	10-Aug-05	100	\$ 66,671
Dyer, Harry	Instructor	Interdisciplinary Studies	10-Aug-05	100	\$ 36,934
Graham, Peter	Professor	English	10-Aug-05	100	\$ 85,224
			10-Aug-05	100	\$ 95,224
Gumbert, Heather	Instructor - Rstr	History	10-Aug-05	100	\$ 31,000
Hausman, Bernice	Associate Professor	English	10-Aug-05	100	\$ 60,007
Leonard, Robert	Professor	Theatre Arts	10-Aug-05	100	\$ 69,416
Mook, Sonya	Instructor - Rstr	Communication Studies	10-Aug-05	100	\$ 31,000
Precoda, Karl	Visiting Assistant Professor - Rstr	Interdisciplinary Studies	10-Aug-05	50	\$ 16,000
Reeves, Barbara	Visiting Assistant Professor	Interdisciplinary Studies	10-Aug-05	100	\$ 33,432
Samanta, Suchitra	Visiting Assistant Professor - Rstr	Interdisciplinary Studies	10-Aug-05	100	\$ 32,000
Sheinberg, Esti	Associate Professor	Music	10-Aug-05	100	\$ 62,000
Weinstein, Alan	Instructor	Music	10-Aug-05	100	\$ 53,000
<u>Provost</u>					
Wildman, Terry	Professor	Center for Excellence in Undergraduate Teaching	25-Aug-05	100	\$ 128,000

Continued

TEACHING AND RESEARCH FACULTY***ADJUSTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Science</u>					
Berg, Michael	Instructor	Chemistry	10-Aug-05	100	\$ 41,200
Burbey, Thomas	Associate Professor/Admin Chair	Geosciences	29-Aug-05	100	\$ 72,500
Cooper, Lee	Clinical Assistant Professor	Psychology	10-Aug-05	100	\$ 57,000
Hoffman, Kurt	Instructor	Psychology	10-Aug-05	100	\$ 42,000
Johnson, Michael	Instructor - Rstr	Chemistry	1-Jul-05	100	\$ 31,000
Rimstidt, J. Donald	Professor	Geosciences	29-Aug-05	100	\$ 85,454
Schmittmann, Beate	Professor	Physics	10-Aug-05	100	\$ 94,967
Spotila, James	Associate Professor	Geosciences	29-Aug-05	100	\$ 65,500
Tracy, Robert	Professor/Admin Chair	Geosciences	29-Aug-05	100	\$ 113,000
<u>Veterinary Medicine</u>					
Lee, John	Professor	Biomedical Sciences & Pathobiology	15-Aug-05	100	\$ 132,900

ADMINISTRATIVE AND PROFESSIONAL**NEW APPOINTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Dustin, Robyn	Associate Extension Agent	VA Cooperative Extension	10-Sep-05	100	\$ 31,000
Ewers, Jeffrey	Associate Extension Agent	VA Cooperative Extension	10-Sep-05	100	\$ 39,000
Gustafson, Krista	Associate Extension Agent	VA Cooperative Extension	10-Sep-05	100	\$ 33,000
Healy, Megan	Associate Extension Agent	VA Cooperative Extension	10-Aug-05	100	\$ 35,000
Hodgson, Kimberley	Associate Extension Agent	VA Cooperative Extension	25-Aug-05	100	\$ 37,000
Iden, Charles	Program Director - Rstr	Southwest 4-H Educational Center	25-Sep-05	100	\$ 31,500
Marks, Darla	Associate Extension Agent	VA Cooperative Extension	10-Oct-05	100	\$ 35,000
Nussman, Leslie	Associate Extension Agent - Rstr	VA Cooperative Extension	10-Sep-05	100	\$ 35,000
Penland, Richard	Associate Extension Agent	VA Cooperative Extension	10-Sep-05	100	\$ 41,000
Pokrana-McElroy, Kathleen	Associate Extension Agent	VA Cooperative Extension	10-Oct-05	100	\$ 33,000
Puryear, Lori	Associate Extension Agent - Rstr	VA Cooperative Extension	25-Sep-05	100	\$ 37,100
Roan, Kerstin	Director College Communications & Marketing	CALS Admin	1-Sep-05	100	\$ 61,000
Tate, Anthony	Area Specialist, Community Viability	VA Cooperative Extension	10-Aug-05	100	\$ 46,000
Tatum, Elizabeth	Associate Extension Agent	VA Cooperative Extension	10-Sep-05	100	\$ 45,000
Yancey, Matthew	Associate Extension Agent	VA Cooperative Extension	25-Dec-05	100	\$ 37,000
<u>Athletics</u>					
Corcoran, Kimberly	2nd Assistant Lacrosse Coach	Athletics	10-Sep-05	100	\$ 23,660
<u>Business</u>					
Smith, Francis	Director	Management & Professional Development	6-Sep-05	100	\$ 100,000
<u>Liberal Arts & Human Sciences</u>					
Gallagher, Karen	Assistant Director	Child Development Center for Learning & Research	5-Sep-05	100	\$ 35,000
<u>Dean of Libraries</u>					
Bailey, Annette	Digital Assets Librarian - Rstr	University Libraries	1-Sep-05	100	\$ 38,000
<u>Natural Resources</u>					
Prysby, Michelle	Master Naturalist Coordinator - Rstr	Forestry	12-Oct-05	100	\$ 42,000

Continued

ADMINISTRATIVE AND PROFESSIONAL**NEW APPOINTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>President</u>					
Lanham, Ryan	Director of Research - Rstr	Center for Regional Strategies	15-Aug-05	100	\$ 55,000
<u>Provost</u>					
Cohen, Ashley	Assistant Director	Undergraduate Admissions	15-Aug-05	100	\$ 32,000
Jones, Virginia	Assistant for Special Projects - Rstr	Center for Academic Excellence & Enrichment	1-Sep-05	50	\$ 26,000
Moore, Emily	Academic Advisor - Rstr	University Studies	3-Oct-05	100	\$ 33,000
Penn-Marshall, Michelle	Academic Advisor - Rstr	University Studies	20-Sep-05	100	\$ 40,000
Polk, Nancy	Faculty Development Coordinator	Center for Excellence in Undergraduate Teaching	1-Aug-05	100	\$ 61,500
Weimerskirch, Barbara	Assistant Director for Learning Assistance Programs	Center for Academic Excellence & Enrichment	24-Aug-05	100	\$ 33,000
<u>Vice President for Development & University Relations</u>					
Cornelison, Charles	Associate Director of Gift Planning	University Development	1-Sep-05	100	\$ 81,000
<u>Vice President for Multicultural Affairs</u>					
Plaza, Raymond	Project Specialist for Diversity Initiatives - Rstr	Multicultural Affairs	25-Aug-05	100	\$ 35,350
Williams, Jane	Director of Education & Training	Multicultural Affairs	25-Aug-05	100	\$ 70,000
<u>Vice President for Student Affairs</u>					
Grimes, Matthew	Coordinator of Theme Housing Programs	Student Programs - Residence Life	10-Sep-05	100	\$ 35,000
Haggerty, Susan	Education Coordinator - Rstr	College Alcohol Abuse Prevention Center	10-Aug-05	80	\$ 25,600
Previll, Steven	Assistant Director of Judicial Affairs	Student Programs - Judicial Affairs	19-Sep-05	100	\$ 40,000
Rodriguez-Santos, Rafael	Career Advisor	Career Services	5-Sep-05	100	\$ 32,000
Yancey, Laurica	Complex Director	Student Programs - Residence Life	8-Aug-05	100	\$ 26,800
<u>Vice Provost for Outreach</u>					
Brown, Ellen	Director	Reynolds Homestead	1-Sep-05	100	\$ 47,500

ADMINISTRATIVE AND PROFESSIONAL**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Allen, George	Extension Agent	VA Cooperative Extension	10-Aug-05	100	\$ 45,967
Bendfeldt, Eric	Area Specialist, Community Viability	VA Cooperative Extension	25-Aug-05	100	\$ 70,000
Carter, Renee	Associate Extension Agent	VA Cooperative Extension	25-Aug-05	100	\$ 51,922
Chappell II, Glenn	Extension Agent	VA Cooperative Extension	10-Aug-05	100	\$ 47,752
Cabbage, Kevin	Associate Extension Agent	VA Cooperative Extension	25-Jul-05	100	\$ 33,000
Diehl, Stephanie	Extension Agent	VA Cooperative Extension	25-Aug-05	100	\$ 50,920
Dimock, William	Extension Agent	VA Cooperative Extension	25-Aug-05	100	\$ 50,081
Greenwood, Heather	Associate Extension Agent	VA Cooperative Extension	25-Aug-05	100	\$ 40,455
Padgett, Geneva	Associate Extension Agent	VA Cooperative Extension	25-Sep-05	100	\$ 34,038
Sterrett, Susan	Associate Extension Agent	VA Cooperative Extension	10-Sep-05	100	\$ 42,136
Stevens, Judith	Associate Extension Agent	VA Cooperative Extension	25-Jul-05	100	\$ 33,000
White, Lindsay	Associate Extension Agent	VA Cooperative Extension	25-Jul-05	100	\$ 33,000
<u>Athletics</u>					
Richards, Anne	1st Assistant Lacrosse Coach	Athletics	10-Sep-05	100	\$ 30,000
Smith, David	Assistant Director of Athletics for Media Relations	Athletics	10-Jul-05	100	\$ 61,058
<u>Business</u>					
Lattimer, Kara	Professional Instructor	Dean of Business	10-Aug-05	100	\$ 33,500
<u>Dean of Libraries</u>					
Aschmann, Althea	Head of Cataloging	Library	25-Sep-05	100	\$ 56,668
Beagle, David	Distance Education, Law, Economics Librarian	Library	25-Sep-05	100	\$ 59,339
Brown, Byron	Head of Acquisitions	Library	25-Sep-05	100	\$ 58,271
Carr, Curtis	Library Systems Director	Library	25-Sep-05	100	\$ 75,291
Cosgriff, John	College Librarian, Engineering	Library	25-Sep-05	100	\$ 64,967
Gray, Caryl	College Librarian, Agriculture	Library	25-Sep-05	100	\$ 51,102
Haney, Anita	College Librarian, Liberal Arts & Human Sciences - Humanities	Library	25-Sep-05	100	\$ 52,996
Kennelly, Tamara	University Archivist/ DLA Librarian	Library	25-Sep-05	100	\$ 50,364
Kenney, Donald	Associate Director of Administrative Services	Library	25-Sep-05	100	\$ 100,920
Kok, Victoria	Director of Instruction, Reference, & Outreach/Head Veterinary Medicine Librarian	Library	25-Sep-05	100	\$ 80,471

Continued

ADMINISTRATIVE AND PROFESSIONAL**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Dean of Libraries</u>					
Kriz, Harry	Director of Interlibrary Services	Library	25-Sep-05	100	\$ 80,525
Krupar, Ellen	College Librarian, Business	Library	25-Sep-05	100	\$ 54,611
Lener, Edward	College Librarian, Science	Library	25-Sep-05	100	\$ 62,115
Litchfield, Charles	Reference Librarian	Library	25-Sep-05	100	\$ 63,892
McMillan, Gail	Director of Digital Library & Archives	Library	25-Sep-05	100	\$ 76,460
Merrill, Margaret	College Librarian, Agriculture	Library	25-Sep-05	100	\$ 54,004
Metz, Paul	Director of Collection Management	Library	25-Sep-05	100	\$ 77,930
O'Brien, Leslie	Director of Technical Services	Library	25-Sep-05	100	\$ 75,357
Obenhaus, Bruce	Government Information Librarian	Library	25-Sep-05	100	\$ 59,298
Pencek, Bruce	College Librarian, Liberal Arts & Human Sciences - Social Sciences	Library	25-Sep-05	100	\$ 45,978
Rasmussen, Lane	Reference Librarian	Library	25-Sep-05	100	\$ 51,419
Thompson, Larry	College Librarian, Engineering	Library	25-Sep-05	100	\$ 57,489
<u>Engineering</u>					
Henneke, Edmund	Professor/Interim Dean	College of Engineering	16-May-05	100	\$ 181,500
Hey, Bryan	Director of Web Services	College of Engineering	25-Jul-05	100	\$ 49,498
Nelson, Edward	Assistant Dean	Dean of Engineering	10-Aug-05	100	\$ 90,000
<u>Provost</u>					
Ammons, Kathleen	Associate Director	Student Athlete Academic Support Services	25-Sep-05	100	\$ 46,627
Brogan, Jennie	Academic Advisor	University Academic Advising Center	25-Sep-05	100	\$ 32,260
Bush, Kristen	Interim Director	Institutional Research	10-Aug-05	100	\$ 76,000
Catham, Janice	Academic Advisor	University Academic Advising Center	25-Sep-05	100	\$ 38,488
Cianelli, Ellen	Victim Advocate - Rstr	Women's Center	1-Aug-05	63	\$ 21,450
Dennis-Smith, Christine	Assistant Director for Counseling and Advocacy	Women's Center	15-Sep-05	100	\$ 38,000
Dudley, Charles	Assistant Provost and Director	University Honors Program	25-Aug-05	100	\$ 105,000
Fizzano, Amber	Academic Advisor	University Academic Advising Center	25-Sep-05	100	\$ 34,916
Goetz, Helene	Academic Advisor	University Academic Advising Center	25-Sep-05	100	\$ 45,139

Continued

ADMINISTRATIVE AND PROFESSIONAL**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Provost</u>					
Helms, Christopher	Director	Student Athlete Academic Support Services	10-Aug-05	100	\$ 77,610
Herndon, Jean	Academic Advisor	University Academic Advising Center	25-Sep-05	100	\$ 35,385
Howlett, Colin	Associate Director	Student Athlete Academic Support Services	25-Sep-05	100	\$ 50,024
Jones, Rosa	Assistant Director for Programming	Multicultural Programs Services	15-Aug-05	100	\$ 37,000
Lomascoco, Anna	Victim Services Outreach Coordinator	Women's Center	1-Oct-05	100	\$ 34,320
Lovegreen, Therese	Academic Advisor	University Academic Advising Center	25-Sep-05	100	\$ 35,150
Matuszek, Elaine	Academic Advisor	University Academic Advising Center	25-Sep-05	100	\$ 49,950
Scales, William	Assistant Director	Student Athlete Academic Support Services	25-Sep-05	100	\$ 37,126
Sheldon, Phyllis	Academic Advisor	University Academic Advising Center	25-Sep-05	100	\$ 44,105
<u>Veterinary Medicine</u>					
Avery, Roger	Associate Dean for Research & Graduate Studies	Small Animal Clinical Sciences	15-Aug-05	100	\$ 162,000
<u>Vice President for Alumni Relations</u>					
Hall, John	Associate Director for Alumni Relations	Alumni Relations	1-Sep-05	100	\$ 57,200
<u>Vice President for Business Affairs</u>					
Eichhorn, Lynn	Director	Contracts & Renovations	10-Aug-05	100	\$ 73,958
Mouras, Steven	Director of Transportation	Office of Transportation	10-Aug-05	100	\$ 76,401
Woodard, Linda	Assistant Vice President	Department of Human Resources	25-Sep-05	100	\$ 126,292

Continued

ADMINISTRATIVE AND PROFESSIONAL**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Vice President for Budget and Financial Management</u>					
Broyden, Robert	Director	Capital Assets and Financial Management	25-Aug-05	100	\$ 92,700
Swift, Matthew	Coordinator of University Budget Systems	Budget and Financial Planning	25-Aug-05	100	\$ 86,200
West, Melinda	Assistant to the Vice President for Budget and Financial Management	Vice President of Budget and Financial Management	25-Jun-05	100	\$ 62,500
<u>Vice President for Development</u>					
Cooper, Tracy	Director of Development, College of Architecture & Urban Studies	University Development	10-Sep-05	100	\$ 60,000
Edwards, Erin	Director of Development, College of Engineering	University Development	20-Sep-05	100	\$ 87,000
Kahill, Erik	Assistant Director of Development, College of Science	University Development	1-Aug-05	100	\$ 40,273
<u>Vice President for Information Technology</u>					
Herdman, Terry	Associate Vice President for Research Computing	Vice President for Information Technology	10-Aug-05	100	\$ 165,333
<u>Vice President for Research</u>					
Porter, Robert	Senior Research Program Development Manager	Research/Interdisciplinary Program Administration	10-Sep-05	100	\$ 73,688
Roberson, Linda	Special Assistant for Contract Affairs	Research/Interdisciplinary Program Administration	1-Jul-05	100	\$ 120,500
<u>Vice President for Student Affairs</u>					
Amenkhienan, Charlotte	Psychologist	Thomas E Cook Counseling Center	25-Sep-05	100	\$ 56,619
Beck, Matthew	Physician	Schiffert Health Center	25-Sep-05	100	\$ 77,022
Bennett, Gary	Psychologist	Thomas E Cook Counseling Center	25-Sep-05	100	\$ 57,918
Betzel, Cathye	Training Director	Thomas E Cook Counseling Center	10-Sep-05	100	\$ 55,352
			25-Sep-05	100	\$ 60,574

Continued

ADMINISTRATIVE AND PROFESSIONAL**ADJUSTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Vice President for Student Affairs</u>					
Campos, Mary	Assistant Director for Advising	Multicultural Program Services	1-Sep-05	100	\$ 39,500
Charoensiri, Kanitta	Director	Schiffert Health Center	25-Sep-05	100	\$ 121,154
Childress, Mary	Assistant Director	Career Services	1-Sep-05	100	\$ 37,400
Chitwood, Patty	Physician	Schiffert Health Center	25-Sep-05	100	\$ 103,258
Conrad, Sherry	Psychologist	Thomas E Cook Counseling Center	25-Sep-05	100	\$ 62,346
Frasca, Dominic	Physician	Schiffert Health Center	25-Sep-05	100	\$ 97,601
Gore, Michael	Psychologist	Thomas E Cook Counseling Center	25-Sep-05	100	\$ 64,642
Hudson, Robyn	Coordinator of Services for Students with Disabilities	Services for Students with Disabilities	1-Aug-05	100	\$ 38,000
Klein, Rita	Assistant Director	Thomas E Cook Counseling Center	25-Sep-05	100	\$ 64,533
Miller, Robert	Director	Thomas E Cook Counseling Center	25-Sep-05	100	\$ 88,914
Neely, Julie	Physician	Schiffert Health Center	25-Sep-05	100	\$ 94,693
Sanders, Reliford	Psychologist	Thomas E Cook Counseling Center	25-Sep-05	100	\$ 58,388
<u>Vice Provost for Outreach</u>					
Beale, Carolyn	Instructor Professional	Reynolds Homestead	1-Sep-05	100	\$ 39,723

SPECIAL RESEARCH FACULTY**NEW APPOINTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Ghimire, Sita	Postdoctoral Associate - Rstr	VA Cooperative Extension	1-Sep-05	100	\$ 35,000
Kondegowda, Nagesha	Postdoctoral Associate - Rstr	Human Nutrition, Foods, and Exercise	1-Sep-05	100	\$ 27,000
Hammock, Jennifer	Postdoctoral Associate - Rstr	Eastern Shore AREC	1-Sep-05	100	\$ 40,000
Licher, Monica	Project Associate - Rstr	Agriculture & Applied Economics	10-Sep-05	100	\$ 36,000
Ricker-Gilbert, Jacob	Research Associate - Rstr	Agriculture & Applied Economics	10-Sep-05	100	\$ 53,000
Willis, John	Research Associate - Rstr	Plant Pathology, Physiology, & Weed Science	10-Aug-05	100	\$ 32,000
Zhao, Chengsong	Postdoctoral Associate - Rstr	Horticulture	10-Aug-05	100	\$ 37,647
<u>Architecture & Urban Studies</u>					
Nuss, Debbie	Senior Project Associate - Rstr	Institute for Policy Outreach	10-Aug-05	100	\$ 65,000
<u>Engineering</u>					
Akle, Barbar	Research Scientist - Rstr	Mechanical Engineering	25-Aug-05	100	\$ 54,000
Calata, Jesus	Postdoctoral Associate - Rstr	Materials Science & Engineering	10-Aug-05	100	\$ 30,000
Das, Sudipto	Postdoctoral Associate - Rstr	Chemical Engineering	10-Aug-05	100	\$ 40,000
Giersch, Chris	Senior Project Associate - Rstr	Aerospace & Ocean Engineering	29-Aug-05	100	\$ 80,000
Hennage, John	Research Associate - Rstr	Aerospace & Ocean Engineering	10-Oct-05	100	\$ 37,000
Huang, Heqing	Postdoctoral Associate - Rstr	Engineering Science & Mechanics	1-Sep-05	100	\$ 50,000
Kafafy, Raed	Postdoctoral Associate - Rstr	Aerospace & Ocean Engineering	25-Sep-05	100	\$ 31,000
Kim, Jae	Postdoctoral Associate - Rstr	Engineering Science & Mechanics	26-Aug-05	100	\$ 50,000
Ma, Lili	Postdoctoral Associate - Rstr	Aerospace & Ocean Engineering	15-Oct-05	100	\$ 35,000
McGinnis, Sean	Senior Research Scientist - Rstr	Materials Science & Engineering	1-Oct-05	100	\$ 60,000
Nam, Jong-Hoon	Postdoctoral Associate - Rstr	Engineering Science & Mechanics	1-Sep-05	100	\$ 30,000
Park, Jaeil	Postdoctoral Associate - Rstr	Engineering Education	10-Aug-05	100	\$ 40,000
Parks, Jeffrey	Postdoctoral Associate - Rstr	Civil & Environmental Engineering	15-Oct-05	100	\$ 37,000
Seigler, Thomas	Postdoctoral Associate - Rstr	Mechanical Engineering	10-Aug-05	100	\$ 30,000
Subramanian, Anbumani	Postdoctoral Associate - Rstr	Electrical & Computer Engineering	5-Sep-05	100	\$ 30,000
<u>Executive Vice President</u>					
Chen, Jiangzhuo	Postdoctoral Associate - Rstr	Virginia Bioinformatics Institute	15-Sep-05	100	\$ 60,000
Mackasmiel, Lucas	Postdoctoral Associate - Rstr	Virginia Bioinformatics Institute	1-Oct-05	100	\$ 45,000
Scott, Mark	Research Associate, Rstr	Virginia Bioinformatics Institute	17-Oct-05	100	\$ 62,500
Shallom, Shamira	Research Associate, Rstr	Virginia Bioinformatics Institute	1-Oct-05	100	\$ 52,000

Continued

SPECIAL RESEARCH FACULTY**NEW APPOINTMENTS**

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Natural Resources</u>					
Blinn, Christine	Postdoctoral Associate - Rstr	Forestry	10-Aug-05	100	\$ 40,000
Chen, Zhangjing	Research Associate - Rstr	Wood Science & Forest Products	3-Oct-05	100	\$ 33,920
Etherington, Elizabeth	Research Associate - Rstr	Forestry	26-Sep-05	100	\$ 38,000
Henning, Jason	Postdoctoral Associate - Rstr	Forestry	10-Aug-05	100	\$ 38,640
<u>Provost</u>					
Goertzel, Ben	Research Scientist - Rstr	National Capital Region Operation	15-Sep-05	100	\$ 85,500
<u>Science</u>					
Capelluto, Daniel	Research Assistant Professor - Rstr	Chemistry	10-Aug-05	100	\$ 50,000
Yusa, Yosuke	Postdoctoral Associate - Rstr	Physics	1-Sep-05	100	\$ 38,000
Zhang, Zhongbiao	Postdoctoral Associate - Rstr	Chemistry	15-Aug-05	100	\$ 30,000
<u>Veterinary Medicine</u>					
Green, Julie	Research Assistant Professor - Rstr	Biomedical Sciences & Pathobiology	1-Aug-05	100	\$ 75,000
Rodriguez, Araceli	Postdoctoral Associate - Rstr	Biomedical Sciences & Pathobiology	1-Aug-05	100	\$ 26,000
Sandal, Indra	Postdoctoral Associate - Rstr	Biomedical Sciences & Pathobiology	15-Oct-05	100	\$ 35,000
<u>Vice President for Research</u>					
Li, Bin	Postdoctoral Associate - Rstr	Center for Self-Assembled Nanostructures & Devices	1-Aug-05	100	\$ 28,475
Wiegand, Douglas	Research Associate - Rstr	Virginia Tech Transportation Institute	25-Aug-05	55	\$ 24,750
<u>Vice Provost for Outreach</u>					
Bibbo, Michael	Senior Project Associate - Rstr	Halifax Initiative	1-Aug-05	100	\$ 77,496
Holmes, Ellen	Senior Project Associate - Rstr	Halifax Initiative	1-Aug-05	100	\$ 60,191
Kenny, Robert	Senior Project Associate - Rstr	Office of International Research, Education, & Development	1-Oct-05	100	\$ 55,000
Krigsvold, Kevin	Senior Project Associate - Rstr	Halifax Initiative	1-Aug-05	100	\$ 72,136

Continued

SPECIAL RESEARCH FACULTY***NEW APPOINTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Vice Provost for Outreach</u>					
Ricles, Shannon	Senior Project Associate - Rstr	Halifax Initiative	1-Aug-05	100	\$ 61,349
Stevens, Jennifer	Senior Project Associate - Rstr	Halifax Initiative	1-Aug-05	100	\$ 45,000

SPECIAL RESEARCH FACULTY***ADJUSTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Agriculture & Life Sciences</u>					
Boluarte, Tatiana	Senior Research Associate - Rstr	Crop & Soil Environmental Science	5-Aug-05	100	\$ 27,206
Gao, Yanxin	Postdoctoral Associate - Rstr	Crop & Soil Environmental Science	1-Jul-05	100	\$ 32,700
Sanders, Jason	Postdoctoral Associate - Rstr	Eastern Shore AREC	25-Jul-05	100	\$ 38,420
<u>Architecture & Urban Studies</u>					
Campbell, Keceya	Project Associate - Rstr	Institute for Public Policy Research	1-Jul-05	100	\$ 49,513
Cavell, Marilyn	Senior Research Associate - Rstr	Virginia Center for Housing Research	10-Jul-05	100	\$ 57,686
Price-Rhodes, Melody	Project Associate - Rstr	Institute for Public Policy Research	1-Jul-05	100	\$ 60,013
<u>Engineering</u>					
Burgos, Rolando	Research Assistant Professor	Center for Power Electronics	10-Aug-05	100	\$ 72,000
Dove, Joseph	Research Assistant Professor - Rstr	Civil & Environmental Engineering	10-Aug-05	100	\$ 51,600
Olgun, Celal	Research Scientist - Rstr	Civil & Environmental Engineering	10-Aug-05	100	\$ 46,300
Zwolak, Jason	Postdoctoral Associate - Rstr	Computer Science	25-Sep-05	79	\$ 39,500
<u>Executive Vice President</u>					
Dziuda, Darius	Senior Research Associate - Rstr	Virginia Bioinformatics Institute	15-Aug-05	100	\$ 44,500
Wattam, Alice	Research Associate - Rstr	Virginia Bioinformatics Institute	25-Aug-05	100	\$ 66,456
<u>Science</u>					
Han, Nizhou	Research Associate - Rstr	Geosciences	10-Sep-05	100	\$ 29,768
Sirbu, Vasile	Research Scientist - Rstr	Psychology	10-Aug-05	100	\$ 41,800
Suleiman, Raid	Research Scientist - Rstr	Physics	1-Aug-05	100	\$ 50,000
Watkinson, Jonathan	Postdoctoral Associate - Rstr	Biological Sciences	1-Aug-05	100	\$ 34,000
Wojcik, Janet	Research Assistant Professor - Rstr	Psychology	10-Aug-05	100	\$ 62,500
<u>Veterinary Medicine</u>					
Berg, Gretchen	Research Associate - Rstr	Biomedical Sciences & Pathobiology	25-Jun-05	100	\$ 35,300

Continued

SPECIAL RESEARCH FACULTY***ADJUSTMENTS***

NAME	TITLE	DEPARTMENT	EFF DATE	% APPT	ANNUAL RATE
<u>Vice President for Research</u>					
Hankey, Jonathan	Research Scientist - Rstr	Virginia Tech Transportation Institute	5/25/2005	100	\$ 131,137
Huang, Fang	Project Associate - Rstr	Virginia Tech Transportation Institute	25-Aug-05	100	\$ 52,000
Neale, Vicki	Research Scientist - Rstr	Virginia Tech Transportation Institute	25-May-05	100	\$ 122,329
Parson, Shane	Project Director - Rstr	Center for Geospatial Information Technology	10-Aug-05	100	\$ 71,880
Rathmann, James	Project Associate - Rstr	Virginia Tech Transportation Institute	10-Sep-05	100	\$ 47,500
<u>Vice Provost for Outreach</u>					
Umbarger-Wells, Sarah	Project Associate - Rstr	Talent Search/Upward Bound	10-Aug-05	100	\$ 35,806
Walker, Latanya	Project Associate - Rstr	Talent Search/Upward Bound	10-Aug-05	100	\$ 37,173

RESEARCH AND DEVELOPMENT DISCLOSURE REPORT
July 1, 2005 - September 30, 2005

Reason for Conflict	Sponsor	Owner	Principal Investigator	Co - P.I.'s	College	Period of Performance	Award Amount	Short Title⁽¹⁾
Faculty-owned Business	Nanosonic, Inc.	R. Claus	D. Baird	No Co-PI	Engineering	Jun 05 - Mar 06	\$50,000	Economical High Performance Thermoplastic Composite Bipolar Plates
Faculty-owned Business	Nanosonic, Inc.	R. Claus	D. Stilwell	No Co-PI	Engineering	Aug 05 - Aug 07	\$131,924	Magnetotelectric Sensors for Detection and Mapping Applications with UUV's - Phase II
Faculty-owned Business	Technology in Blacksburg, Inc.	W. Ng	D. Inman	No Co-PI	Engineering	Aug 05 - Jun 06	\$38,722	Fast-response Shape Memory Alloy Control Surfaces for Hypersonic Munitions
Faculty-owned Business	Technology in Blacksburg, Inc.	W. Ng	D. Stilwell	No Co-PI	Engineering	May 05 - May 06	\$7,775	Adaptive Sampling in Estuarine Environments Using AUV's*
Faculty-owned Business	Electrical Distribution Design, Inc.	R. Broadwater	W. R. Cyre	No Co-PI	Engineering	Aug 05 - Feb. 06	\$33,413	Algorithms For Integrated Hazard Management**

*ONR funded research in which Technology in Blacksburg was the winning entity of a \$7,775 order.

**Pending Proposal - If awarded will need BOV review

⁽¹⁾More detailed information on the subject of the project is available upon request.

2005-06 FACULTY SALARY ADJUSTMENTS

VIRGINIA TECH

As detailed in the 2005-06 Faculty Compensation Plan approved by the Board of Visitors at the June 13, 2005 meeting, faculty salary adjustments are normally reviewed and approved by the Board of Visitors in two phases: adjustments for promotion are recommended at the spring meeting and adjustments based on performance are recommended at the fall meeting.

Consistent with the approved 2005-06 Faculty Compensation Plan, salary increases for merit and other special salary adjustments for continuing faculty are proposed. The General Assembly provided funding for an average increase of 4.6 percent in 2005-06 for instructional faculty and 4.0 percent for administrative and professional faculty. Of the 4.6 percent for instructional faculty, 0.6 percent was set aside at the executive level for critical compensation issues. The University continued the response to the colleges' requests for additional flexibility in managing Eminent Scholar professorship income revenue by allowing the Eminent Scholar supplement to be augmented by the professorship endowment payout if the endowment payout was sufficient. In addition, existing resources may be reallocated to supplement the merit pools. As a result, the average of the recommended raises equals 4.54 percent for teaching, research, and administrative and professional faculty. The recommended salary adjustments for merit and other special actions are listed in the attached report.

Benchmark Comparison for Instructional Faculty

The State Council of Higher Education (SCHEV), at its June 9, 1997 meeting, approved a new group of institutions to become the benchmark group for salary purposes for each Virginia institution. Virginia Tech has 24 institutions in its current group. The University annually monitors the authorized faculty salary average, which reflects the salary average available to Virginia Tech based on funding appropriations provided by the Commonwealth. The University also computes each year its actual salary average, which is determined based on faculty in place at the end of each calendar year in accordance with rules issued by the Secretary of Education.

At the June 13, 2005 meeting of the Board of Visitors, Virginia Tech reported that the authorized salary average for 2004-05 for Virginia Tech was \$76,628. This placed Virginia Tech's funding level at the 25th percentile of its peer group for 2004-05. In comparison, as displayed on the attached schedule, Virginia Tech's actual average salary of \$76,171 for 2004-05 ranked 21st out of 25 institutions which is equivalent to the 24th percentile in the benchmark group. In 2003-04 the actual salary average ranking was 20th out of 25 institutions and was equivalent to the 21st percentile in the benchmark group.

The State regulations reflect the understanding that the authorized and actual salary averages will not match exactly at any point, and the State has allowed a three percent gap between the authorized and actual averages. It is the institution's responsibility to monitor and adjust actual salary averages to stay within range of the authorized average. As of Fall 2004, the variance between the authorized and actual salary averages was \$457 or 0.6 percent.

In the past, this gap has occurred because of the University's actions, in some cases, to recruit junior faculty at salary averages well below the authorized average to replace retiring senior faculty and, on occasion, replace one senior faculty member with two junior faculty. The actions

taken in the past helped to support the departmental budgets and to provide the faculty needed to address teaching loads, especially at the undergraduate level, as enrollments have increased significantly without corresponding General Fund support. While the University actively works to manage and reduce the gap between the authorized and actual salary averages, some gap is likely to remain as long as the University's funding deficiency, as documented by the base budget adequacy model, exists. As a result of the additional increases provided to faculty over the funding level designated by the General Assembly in 2004-05, the difference in the authorized salary average and the actual salary average showed a decrease in 2004-05.

Other Salary Adjustments

In addition to the faculty salary adjustments based on performance, it is necessary to adjust the salaries of specific faculty members at other times during the fiscal year. These adjustments are primarily for merit increases upon the hiring anniversary dates for restricted positions, for changes in duties and responsibilities, for special temporary assignments, and for faculty selected for a different position as part of a search. The President, Provost, and Executive Vice President have been authorized by the Board of Visitors to administer the faculty compensation plan during the year and act upon requests for salary adjustments. The salary changes established through this process are submitted for ratification to the Board of Visitors on a quarterly basis on the Faculty Personnel Changes Report.

RECOMMENDATION:

That the proposed merit and special salary adjustments for faculty in the 2005-06 fiscal year be approved as presented in the following report.

ATTACHMENT A

BENCHMARK SALARY ANALYSIS**2004-05 Fiscal Year**

<u>Institution</u>	Average Salary	Rank	Average Salary	Year-to-Year Increase	
	Fall 2004		Fall 2003	\$'s	%
Cornell University (Endowed)	\$103,500	1	\$99,700	\$3,800	3.8%
California, Univ of (Berkley)	100,600	2	101,900	-1,300	-1.3%
Southern California, University of	91,700	3	87,800	3,900	4.4%
Illinois at Urbana, University of	88,900	4	85,100	3,800	4.5%
Rutgers University (New Brunswick)	88,700	5	87,400	1,300	1.5%
Maryland, College Park, University of	87,700	6	84,300	3,400	4.0%
Ohio State University	86,400	7	82,700	3,700	4.5%
Wisconsin, Univ of (Madison)	84,000	8	83,600	400	0.5%
Michigan, Univ of (Ann Arbor)	83,000	9	86,500	-3,500	-4.0%
Iowa, University of	82,600	10	81,100	1,500	1.8%
Texas at Austin, University of	82,000	11	77,000	5,000	6.5%
Michigan State University	81,000	12	79,100	1,900	2.4%
SUNY at Buffalo	80,700	13	79,000	1,700	2.2%
Purdue University	79,800	14	77,600	2,200	2.8%
Arizona, University of	78,800	15	75,800	3,000	4.0%
Pittsburgh, University of (Main Campus)	77,900	16	76,800	1,100	1.4%
Colorado, Univ of (Boulder)	77,100	17	75,100	2,000	2.7%
Texas A&M University, Main Campus	77,000	18	73,100	3,900	5.3%
Colorado State University	76,800	19	74,500	2,300	3.1%
Pennsylvania State University	76,600	20	73,800	2,800	3.8%
Virginia Tech	76,171	21	73,271	2,900	4.0%
North Carolina State University	74,400	22	71,600	2,800	3.9%
Iowa State University	72,200	23	70,900	1,300	1.8%
Missouri, Univ of (Columbia)	70,300	24	68,700	1,600	2.3%
Tennessee at Knoxville, University of	69,800	25	68,500	1,300	1.9%

RESOLUTION REGARDING FRANK BEAMER'S CONTRACT

WHEREAS, James C. Weaver, Athletic Director, has negotiated an employment contract extension package with Frank Beamer that will provide a seven year term with the option of one three-year renewal; and

WHEREAS, the package includes an annual guaranteed salary of \$2,008,000, plus performance bonuses; and

WHEREAS, the package also contains a signing bonus to be paid in two installments; \$200,000 to be paid at the time that Coach Beamer signs the new employment contract and \$200,000 to be paid July 1, 2006; and

WHEREAS, the package includes a raise pool and performance bonuses to be distributed among the assistant football coaches, which final raises will be subject to approval by the Board of Visitors; and

WHEREAS, the Board of Visitors desires to delegate to the Executive Vice President and Chief Operating Officer authority to execute a new employment contract with Frank Beamer, subject to the terms contained in this resolution;

NOW THEREFORE, BE IT RESOLVED, that the Board of Visitors delegates to the Executive Vice President and Chief Operating Officer authority to execute a new employment contract with Frank Beamer, subject to the terms contained in this resolution.

RECOMMENDATION:

That this resolution regarding Frank Beamer's contract be adopted.

November 7, 2005

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

November 7, 2005

FINANCE CLOSED SESSION

PRESENT:

BOARD OF VISITORS: Mr. Ben Davenport, Dr. Hemant Kanakia, Mr. Jacob Lutz, Mr. Thomas Robertson, Mr. Philip Thompson

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

FINANCE CLOSED SESSION: The Committee met in Closed Session to review and take action on the quarterly personnel changes report, the Research and Development Disclosure Report, the merit increases associated with the 2005-06 Faculty Salary Program, and a special personnel action.

FINANCE OPEN SESSION

PRESENT:

BOARD OF VISITORS: Dr. Hemant Kanakia, Mr. Jacob Lutz, Mr. Thomas Robertson, Mr. Philip Thompson

VPI&SU STAFF: Mr. Mel Bowles, Mr. Bob Broyden, Mr. Al Cooper, Mr. John Cusimano, Dr. Elizabeth Flanagan, Dr. David Ford, Ms. Laura Fornash, Ms. Kay Heidbreder, Mr. Tim Hodge, Mr. James Hyatt, Ms. Heidi McCoy, Mr. Ken Miller, Mr. Mark Owczarski, Mr. Brian Quam, Mr. John Rudd, Ms. Kathy Sanders, Mr. Dwight Shelton, Dr. Raymond Smoot, Mr. Jeb Stewart, Dr. Lisa Wilkes, Ms. Linda Woodard

GUESTS: Mr. Bill Cole, Office of Auditor of Public Accounts
Mr. Kevin Miller, Roanoke Times
Mr. James Quesenberry, Office of Auditor of Public Accounts

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 the Research and

Development Disclosure Report; and approved the 2005-06 Faculty Salary Program and a special personnel action.

2. APPROVAL OF MINUTES OF THE AUGUST 29, 2005 MEETING:

The Committee reviewed and approved the minutes of the August 29, 2005 meeting.

3. REPORT ON SCHOLARSHIP PROGRAMS:

At its August meeting, the Committee requested that a detailed review of scholarship funds be conducted and a report brought back to the Committee. The Committee received a report on the 2004-05 scholarship funds and the distribution of scholarships and grants awarded.

The Office of Scholarships and Financial Aid (OSFA) has the authority and ownership over most state, federal and selected institutional scholarship dollars. Individual colleges and academic departments exercise controlling authority over significant institutional scholarship dollars. Institutional scholarships include endowed, current gifts and other sources of scholarship revenue. Unexpended funds for the year ending June 30, 2005 totaled \$10.7 million. The OSFA maintains a reserve fund of approximately 10 percent for contingencies in the awarding process to cover unanticipated over-acceptance of scholarships and grants by new and continuing undergraduate students. Other schools use similar reserves. In an effort to help minimize the year-end balances, several actions have occurred. OSFA is also in the midst of a re-organization to better respond to the changing needs in the world of scholarship and financial aid administration.

The Committee expressed concern regarding the amount of available funds at year end and requested the University work with each college and senior management unit to develop an action plan. The plan should incorporate (1) a proper level of reserve for that specific unit, and (2) a plan for fully utilizing the funds available annually. The report should be presented to the Committee at the March 2006 meeting.

The Committee accepted the report.

ITEMS PRESENTED TO THE FULL BOARD FOR APPROVAL

4. ADOPTION OF CONTRACT APPROVAL RESOLUTION:

A recent revision of the Virginia Conflict of Interests Act authorizes the Board of Visitors to permit Virginia Tech to contract with an employee who has a personal interest in the contract, provided that the contract is for research and development or commercialization of intellectual property, and also authorizes the Board of Visitors to delegate the authority to approve such contracts. The Committee reviewed for approval a resolution delegating to the University

President authority to approve contracts with an employee who has a personal interest in the contract provided that the contract is for research and development or commercialization of intellectual property, subject to the requirements contained in the resolution.

The Committee requested that the resolution be amended to include a quarterly reporting, rather than an annual reporting, to the Board of Visitors.

The Committee recommended the adoption of the Amended Contract Approval Resolution to the full Board for approval.

5. APPROVAL OF RESOLUTION FOR EMPLOYMENT CONTRACT TERM LIMITS:

Employment contracts at Virginia Tech traditionally have not exceeded a term of five years, exclusive of renewal options. The Committee reviewed for approval a resolution establishing a maximum employment contract term of five years, exclusive of renewal options, which should apply to contracts for Athletic Department personnel, unless a longer term is specifically approved in advance by the Board of Visitors. Restrictions contained in the resolution shall not apply to any contract currently in place which has a term in excess of five years.

The Committee recommended the Resolution for Employment Contract Term Limits to the full Board for approval.

ITEM NOT PRESENTED TO THE FULL BOARD FOR APPROVAL

6. REPORT ON WRITE-OFF OF DELINQUENT ACCOUNTS:

The Committee received a report on delinquent accounts of the University that were written off as of June 30, 2005. The amount of write-off totaled \$526,321 which represents 0.12% (slightly more than one-tenth of one percent) of the FY04 annual operating revenues, excluding federal appropriations. Accounts are deemed uncollected only after appropriate collection procedures are utilized, including working with the Office of the Attorney General. Further collection efforts are not justified due to various reasons, including: the cost versus the benefit for small receivables amounts; an individual or organization cannot be located or has no social security or identification number on file; and bankruptcies. The Committee reviewed specific issues related to accounts receivable matters in the Equine Medical Center and Veterinary Medicine and requested a report at the March 2006 Committee meeting. The University is in compliance with the accounts receivable management standards established by the state.

ITEMS PRESENTED TO THE FULL BOARD FOR APPROVAL**7. APPROVAL OF RESOLUTION APPROVING AND ADOPTING THE MANAGEMENT AGREEMENT, BOARD POLICIES AND PERFORMANCE MEASURES:**

In order for Virginia Tech to meet the requirements of the Restructured Higher Education Financial and Administrative Operations Act for a public university or college of the Commonwealth to gain the greatest authority over financial and administrative operations, subject to certain accountability, the Committee reviewed for approval and adoption the University's Management Agreement, including the attached policies of the operational areas of capital projects, leases, information technology, procurement, human resources, and finance and accounting, that have been negotiated with, and approved by, both the President of Virginia Tech and, as appropriate, the Secretary of Finance, the Secretary of Administration, and the Secretary of Technology. The Committee also reviewed for approval the University's performance measures and requested that these be incorporated into a quarterly reporting cycle for review by the Board.

The Committee recommended the Resolution Approving and Adopting the Management Agreement, Board Policies and Performance Measures to the full Board for approval.

8. APPROVAL OF YEAR-TO-DATE FINANCIAL PERFORMANCE REPORT (JULY 1, 2005 – SEPTEMBER 30, 2005):

The Committee reviewed the Year-to-Date Financial Performance Report for the quarter ending September 30, 2005. For the first quarter, all programs of the University were on target and routine budget adjustments were made to reflect changes in projected revenues and expenditures.

During the first quarter the Educational and General Program revenue budget was increased to recognize higher than planned Fall enrollments. First quarter tuition and fee revenue was higher than historical projections due to the timing of collections. Revenue in All Other Income was higher than projected due to receipt of proceeds from the sale of the King Air aircraft.

Actual revenues and expenses for Sponsored Programs may vary from the budget estimates because projects are initiated and concluded on an individual basis without regard to fiscal year. Revenues were greater than projected in the Residential and Dining programs due to higher than anticipated dorm occupancy, increased revenue from summer conferences, continued growth in off-campus meal plan sales, and higher than expected dining dollar receipts. Revenues were greater than projected in the Athletic Department due to increases in student fee revenue, accelerated timing for NCAA allocation receipts and higher than expected football ticket sales, primarily in the South End Zone.

For the quarter ending September 30, 2005, \$8.7 million had been expended for Educational and General and 2002 General Obligation Bond capital projects and \$18.3 million had been expended for Auxiliary Enterprises capital projects.

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

9. REVIEW AND ACCEPTANCE OF PRATT FUND PROGRAM AND EXPENDITURES REPORT:

The Committee received a report on the Pratt Fund program and expenditures. Pratt bequest expenditures of \$903,776 for Engineering and \$1,388,529 for Animal Nutrition were made during 2004-05.

The Pratt Funds for Engineering provided partial funding for scholarships for study-abroad programs and support for an exchange program. Additionally, the Pratt Funds provided undergraduate scholarships as well as graduate scholarships and fellowships. Support for the graduate program allows the College of Engineering to remain competitive with other top engineering programs and helps in the recruitment and retention process. Additionally, the College of Engineering invested Pratt Funds in several research initiatives, including: The Alexandria Research Institute, Microelectronics, Energy and Advanced Vehicles, and Bioengineering.

The Pratt Funds for Animal Nutrition provided scholarships to outstanding freshman scholars, as well as supporting upper class research and scholarship programs. Additionally, the Pratt Funds provided assistantships, scholarships, and research funding for graduate students. The Pratt Funds supported state-of-the-art scientific equipment purchases, research space renovations, and the publication of research journal articles; visiting scientists were also supported by Pratt Funds.

The Committee recommended the Pratt Fund Program and Expenditures Report to the full Board for approval.

There being no further business, the meeting adjourned at 11:50 a.m.

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

November 7, 2005

AUDIT CLOSED SESSION

PRESENT:

BOARD OF VISITORS: Mr. Ben Davenport, Dr. Hemant Kanakia, Mr. Jacob Lutz, Mr. Thomas Robertson, Mr. Philip Thompson

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

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

AUDIT AGENDA

PRESENT:

BOARD OF VISITORS: Dr. Hemant Kanakia, Mr. Jacob Lutz, Mr. Thomas Robertson, Mr. Philip Thompson

VPI&SU STAFF: Mr. Mel Bowles, Mr. Bob Broyden, Mr. Al Cooper, Mr. John Cusimano, Dr. Elizabeth Flanagan, Dr. David Ford, Ms. Laura Fornash, Ms. Kay Heidbreder, Mr. Tim Hodge, Mr. James Hyatt, Ms. Heidi McCoy, Mr. Ken Miller, Mr. Mark Owczarski, Mr. Brian Quam, Mr. John Rudd, Ms. Kathy Sanders, Mr. Dwight Shelton, Dr. Raymond Smoot, Mr. Jeb Stewart, Dr. Lisa Wilkes, Ms. Linda Woodard

GUESTS: Mr. Bill Cole, Office of Auditor of Public Accounts
Mr. James Quesenberry, Office of Auditor of Public Accounts

1. APPROVAL OF MINUTES OF THE AUGUST 29, 2005 MEETING:

The Committee reviewed and approved the minutes of the August 29, 2005 meeting.

2. PRESENTATION AND ACCEPTANCE OF THE AUDITOR OF PUBLIC ACCOUNTS MANAGEMENT LETTER FOR JUNE 30, 2005 AUDIT:

The Committee received a report from Mr. Bill Cole, Auditor of Public Accounts (APA) Deputy Director, on the University's financial statements and management letter for the year ended June 30, 2005. The financial statements have been prepared in accordance with general accepted accounting principles and carry an unqualified (or clean) opinion.

The Executive Vice President and Chief Operating Officer will coordinate the review of the management letter comments and ensure that the findings are completely and fully addressed. Responses to the management letter will be presented at the March Board meeting.

The Committee also received a report from Mr. Cole on the APA's 2005 Intercollegiate Athletic Audit. At the request of the University President, the APA performed certain agreed-upon procedures to the University's Intercollegiate Athletics Programs for the fiscal year ended June 30, 2005, solely to assist the University in complying with National Collegiate Athletic Association (NCAA) bylaws. The University is responsible for the Intercollegiate Athletics Programs including preparation of the Schedule of Revenues and Expenditures of Intercollegiate Athletics Programs. During the APA review, no matters were brought to the APA's attention that would lead them to believe the amounts of the Schedule of Revenues and Expenditures should be adjusted. This review does not constitute an audit and therefore no opinion is issued.

Copies of the APA Management Letter and the Intercollegiate Athletic Audit Report will be mailed by the Auditor of Public Accounts to all Board members.

The Committee accepted the reports.

3. REVIEW AND APPROVAL OF AUDIT COMMITTEE CHARTER:

It is the responsibility of the Finance and Audit Committee to review and oversee the practices and reporting of the University in relation to internal controls and risk assessment, internal and external auditing processes, financial reporting, and overall compliance with stated policies. At its August meeting, the Committee reviewed a draft of the proposed Audit Committee Charter which defines the Committee's responsibilities in each of these areas of oversight. At the request of the Committee, additional information related to the work with the external auditor has been incorporated into the Charter, and the Committee reviewed the revised Charter.

The Committee approved the Audit Committee Charter, contingent upon Section II, Composition and Independence, be revised in consultation with the Associate General Counsel to be in compliance with the Virginia Conflict of Interests Act.

4. 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 August meeting, the university reported 12 high or medium risk audit comments as remaining outstanding. An additional 17 high or medium risk comments have been issued since the August meeting for a total of 29 comments. As of September 30, 2005, the University has addressed 12 comments, leaving 17 high or medium risk comments still in progress.

The Committee accepted the report.

5. REVIEW OF INTERNAL AUDIT DEPARTMENT'S STATUS REPORT AS OF SEPTEMBER 30, 2005:

The Committee reviewed the Internal Audit Department's Status Report for the quarter ended September 30, 2005. In addition to conducting scheduled audits, the audit department participated in annual audit activities; fraud, waste, and abuse audits; and professional development activities.

During the quarter the Virginia Tech Foundation audit staff and the University audit staff worked jointly on a misdirected funds issue.

The Committee accepted the report.

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

The Committee reviewed and accepted the following Internal Audit Report:

A. Office of International Research, Education, and Development

The Committee received a report on the audit of the Office of International Research, Education, and Development. The audit indicated that the overall risk exposure is medium and improvements are recommended. Recommendations include: develop a monthly management review process for local funds; improve administrative processes, including Banner coding process, for Education Abroad programs; improve reconciliation and review process of funds and accounts for the Center for European Studies (CESA); document as department policy the terms for covering student medical expenses at CESA; and develop and implement an Emergency Action Plan

Attachment J

for CESA. Management is working to implement corrective action to address audit recommendations.

There being no further business, the meeting adjourned at 11:50 a.m.

AMENDED
CONTRACT APPROVAL RESOLUTION

WHEREAS, Section 2.2-3106(C)(7), of the Conflict of Interests Act(Act) authorizes the Board of Visitors to permit Virginia Tech to contract with an employee who has a personal interest in the contract provided that the contract is for research and development or commercialization of intellectual property; and,

WHEREAS, Section 2.2-3106(E) of the act authorizes the Board of Visitors to delegate the authority to approve contracts with an employee who has a personal interest in the contract for research and development or commercialization of intellectual property to the President of the University; and,

WHEREAS, the Board of Visitors is willing to delegate the approval authority to approve contracts in which an employee has a personal interest, to the President provided that:

- i) the employee's personal interest has been disclosed to and approved by the President prior to the time the contract is entered into, and
- ii) on a quarterly basis, the President shall file a report with the Board of Visitors disclosing each open contract entered into pursuant to this delegation of authority, the names of the parties to the contract, the date each contract was executed, and its term, the subject of each contractual arrangement, the nature of the conflict of interest; the University employee responsible for administering each contract, the nature of any University commitment of resources for each contract, and the details of how resources are to be dispensed under the contract.

NOW THEREFORE, be it resolved, that the Board of Visitors delegates to the President authority to approve contracts with an employee who has a personal interest in the contract provided that the contract is for research and development or commercialization of intellectual property, subject to the requirements contained in this resolution.

RECOMMENDATION:

~~That this resolution be adopted.~~

Temporary Approval

November 7, 2005

BACKGROUND MATERIAL REGARDING CONTRACT APPROVAL

The State and Local Government Conflict of Interests Act, Section 2.2-3100, et. seq., Code of Virginia, as amended, limits the types of transactions in which employees of Virginia Tech may be engaged. In particular, Section 2.2-3106(C)(7), authorizes a Virginia Tech employee to enter into a contract with Virginia Tech if the Contract is for research and development or commercialization of intellectual property. Under this same section of the Code of Virginia, these types of contracts specifically required approval by the Board of Visitors.

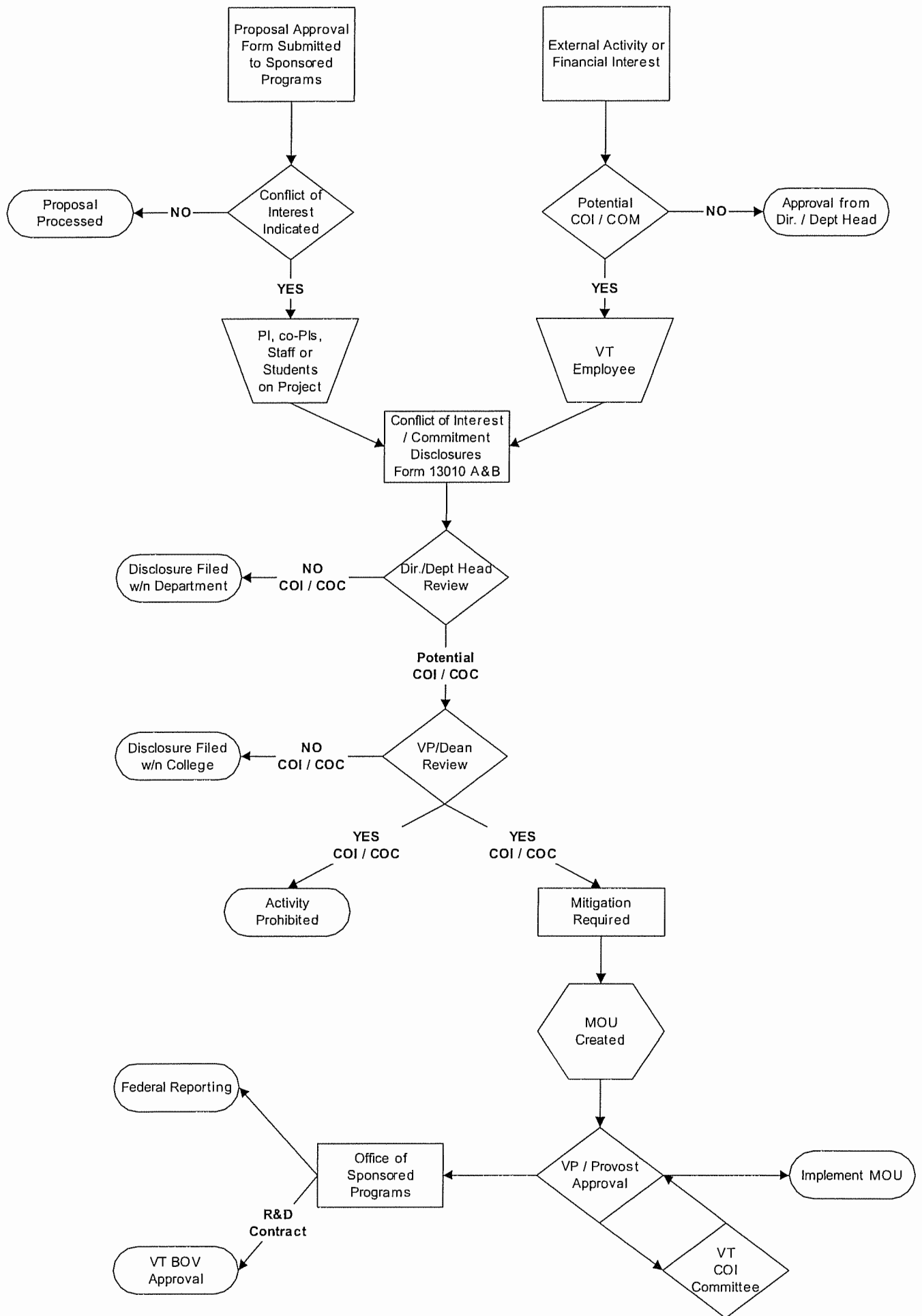
Since the adoption of the referenced Code section, the Board of Visitors has approved all applicable research and development and commercialization of intellectual property contracts in which an employee has a personal interest. However, obtaining approval of the Board of Visitors presents a delay in the University's ability to contract in a timely and efficient manner because the Board only meets quarterly. In many instances, a more timely approval is necessary in order to perform research contracts. The time delays often become critical when third party sponsors of research insist on a tight response time involving subcontracting of work.

In recognition of the time pressures that institutions of higher education face, the General Assembly recently authorized delegation of contract approval for research and development and commercialization of intellectual property contracts to the President of the institution in Section 2.2-3106(E), Code of Virginia, as amended.

The proposed resolution authorizes the President to exercise the approval granted under the Code of Virginia. Other institutions of higher education in Virginia have also delegated this authority to their Presidents. To insure that potential conflicts are minimized and that the best interest of the University is served prior to execution of any contract with an employee, certain steps will be followed:

- 1.) The employee's personal interest will be disclosed to the President through a review conducted by the department head, dean, and the Provost or Executive Vice President, as applicable.
- 2.) The Provost, or Executive Vice President, as applicable, in consultation with the Vice President for Research, will review the proposed contract and make a recommendation to the President, based on the best interests of Virginia Tech.
- 3.) Only after the President has reviewed the proposed contract and any accompanying plan to mitigate the potential for a conflict of interest, will the President grant final approval to the contract.

On a yearly basis, the Board of Visitors will be provided a report disclosing each open contract entered into pursuant to this delegation of authority, the names of the parties to the contract, the date each contract was executed, and its term, the subject of each contractual arrangement, the nature of the conflict of interest; the University employee responsible for administering each contract, the nature of any University commitment of resources for each contract, and the details of how resources are to be dispensed under the contract.



Subject: Faculty Conflicts of Interest and Commitment Policy

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1. Purpose

Virginia Tech recognizes that external activities can advance its ability to provide high quality research and educational experiences for students. External activities congruent with the professional expertise of faculty and consistent with the mission of the corresponding department enhance professional development and enrich the learning community. In addition, activities such as licensing of technology, consulting, or business start-ups are critical to promoting economic development and meeting society's needs. It is the purpose of this document to provide a policy and the commensurate procedures for the management and monitoring of such activities in a manner that will both promote and safeguard the interests and reputation of Virginia Tech and its faculty.

2. Policy

All faculty members of the university must be committed to conducting themselves in accordance with the highest standards of integrity and ethics. This includes identification of the potential for *conflicts of interest and commitment*, and the assurance that participation by faculty in such activities does not improperly affect the university.

A *conflict of interest* occurs when a faculty member is in a position to advance one's own interests or that of one's family or others, to the detriment of the university.

A *conflict of commitment* arises when the external activities of a faculty member are so demanding of time, attention, or focus that they interfere with the individual's responsibilities to the university.

Both state and federal law define conflict of interest and the conditions under which such conflicts may be deemed acceptable. A prohibited conflict of interest arises when a company in which an employee or member of the employee's immediate family has a personal interest contracts directly or through a subcontract with a state institution of higher education. A personal interest is defined as owning more than three percent of the equity in the company or having a commercial arrangement worth more than \$10,000 annually. In the case of contracts involving Federal agencies, all Federal guidelines relating to conflicts of interest apply. The Federal Conflict of Interest Guidelines set the maximum allowable commercial arrangement at \$5,000 annually.

The law exempts certain categories of contracts. In particular, for the purposes of this policy, research and development, and commercialization of intellectual property contracts are exempted provided that the disclosure and approval requirements of this policy are followed. Typical research and development contracts covered by this policy are research agreements through the Office of Sponsored Programs and licensing agreements from the university or an affiliated corporation. Under Section 2.1-639.6(C)(6), Code of Virginia, the Board of Visitors has the authority to approve contracts between an employee and the university for research and development and commercialization of intellectual property.

While financial interest in a company doing business with the university represents an obvious potential conflict of interest, a wide variety of other external activities in which faculty members engage may also present perceived or real conflicts with their primary responsibilities for teaching, research, administration, and service. It is the policy of Virginia Tech that each faculty member will disclose fully any activities outside the university which may potentially involve business, employment, consulting, or appointment to other positions or responsibilities within an external organization. For external activities that require approval, such approval must be obtained in advance of the commencement of those activities. A renewal application must be filed annually for those approved activities that extend beyond one year.

This policy identifies three categories of external activities and the disclosure and approval requirements for each.

1. **Category I** consists of relationships that, while potential conflicts in a technical sense, are allowable because they are accepted academic practices at Virginia Tech.
2. **Category II** consists of activities that may be allowable after disclosure, review and approval of oversight procedures that are designed to ensure academic standards, intellectual values, and institutional integrity are maintained.
3. **Category III** activities are those which contravene state or federal law or university policy and will not be permitted.

This policy must be read in conjunction with related university policies and procedures, such as intellectual property and consulting. In addition, special consulting policies apply for faculty with Cooperative Extension appointments and for all faculty members in the College of Veterinary Medicine.

Policy 13010 and the procedures outlined herein are in satisfaction of the oversight requirements of the Virginia Tech Board of Visitors, and Sections 2.2-3100 through 2.2-3127 of the Code of Virginia, as amended.

3. Procedures

3.1 Disclosure of External Activities

Faculty members are strongly urged to discuss proposed external activities with their department heads and/or senior colleagues in making an initial judgment as to the appropriate category for that activity. If there is any doubt, then approval should be requested.

Faculty members who plan to be involved in activities that may be category II are required to seek approval in advance. The following forms are required depending on the nature of the activity proposed and the potential for conflict of interest or commitment.

1. Form 13010 A documents the nature of the proposed external activity and the potential conflict of interest to those responsible for review, approval, and oversight. This form is required for all cases where disclosure is required. Approval of the application expires automatically at the end of the academic year. If a renewal is desired, a new application must be filed.

2. For those activities which appear to present a more significant conflict of interest, Form 13010 B must be completed for further review and approval. In addition, a Memorandum of Understanding [MOU] is required for those activities.
3. It should be expected that the process of developing an acceptable oversight agreement may be iterative.

Disclosure and Approval Requirements for Legally Permissible External Activities

Activity Category	Disclosure Required?	Forms Required	Approvals Required (See below for admin officers)
Category I	Discussion with dept head recommended	None	None
Category II	Yes Complete a form for EACH activity.	Form 13010 A "Application to Engage in an External Activity and/or Disclosure of Potential Conflict of Interest" If response to any question in part 2 is "yes," then Form 13010 B "Disclosure of Relationships with External Organizations" must be completed. If requested, a Memorandum of Understanding must be prepared.	Department/Unit Head and Dean Form 13010 B and the Memorandum of Understanding also require approval of the University Provost and Vice President for Academic Affairs (or Executive Vice President and Chief Operating Officer, as appropriate)

In the case of faculty members who hold administrative positions, Form 13010 A "Permission to Engage in an External Activity" and review of external relationships will proceed as follows

Individual Seeking Permission:	Initial Reviewing Authority:
Directors of centers, institutes or laboratories	Administrator as defined in Policy 3020 "Centers Financial and Administrative Policy and Procedures"
Department heads Other directors reporting to dean	Dean of respective college
Deans, vice presidents, and vice provosts reporting to University Provost and Vice President for Academic Affairs	University Provost and Vice President for Academic Affairs
Department/unit heads, vice presidents, other directors reporting to the Executive Vice President and Chief Operating Officer	Executive Vice President and Chief Operating Officer
University Provost and Vice President for Academic Affairs, and Executive Vice President and Chief Operating Officer	President
President	Board of Visitors

Disclosure forms, including the MOU, will be considered confidential within the university, to the greatest extent possible, and made available only to those individuals charged with the responsibility for review. Offices of the department heads, the deans, University Provost and Vice President for Academic Affairs, and Executive Vice President and Chief Operating Officer will establish means for the preservation of confidentiality. The disclosure forms, however, are subject to the Virginia Freedom of Information Act.

3.2 Management of Potential Conflict

The following procedures describe processes for the management and, where necessary, oversight of external activities for faculty members who are involved in category II activities.

1. If an approved activity is to extend beyond one year, the faculty member must file an updated form(s) annually.
2. If a "yes" response is given to any question in Part 2 of Form 13010 A, then the faculty member must also submit a Form 13010 B "Disclosure of Relationship with External Organizations."
3. The department head and dean are responsible for monitoring and, when necessary, providing oversight of the approved category II activities. If requested at any level of approval, the faculty member must prepare a Memorandum of Understanding.
4. As part of the MOU, the faculty member must provide detailed information on the nature of the potential conflict. The MOU must be endorsed by the department head and dean and approved by the University Provost and Vice President for Academic Affairs (or Executive Vice President and Chief Operating Officer, as appropriate). It must address the potential conflicts as disclosed in Form 13010 B "Disclosure of Relationship with External Organizations" and specify the details of the oversight process, the responsibilities of the department head and dean, and reporting mechanisms relating to the activities.
5. The University Provost and Vice President for Academic Affairs (or Executive Vice President and Chief Operating Officer) may refer Memoranda of Understanding to the Committee on Conflicts of Interest and Commitment for review and advice.

3.3 Committee on Conflicts of Interest and Commitment

The Committee on Conflicts of Interest and Commitment (subsequently referred to as the conflicts committee) plays an important role in advising university officials on needed revisions to related policies and procedures, and in reviewing and advising on specific cases referred to them. The committee shall be an operational committee appointed by and advisory to the president. The majority of committee members will be faculty members chosen at large who, because of their experience or expertise related to the matters before this committee, bring an informed and highly ethical perspective to its deliberations. In certain cases, it may be appropriate to augment the membership of the committee with members from regional campus locations and/or to seek advice from individuals outside the institution. The committee's deliberations and recommendations concerning individual cases and appeals are to be treated with as much confidentiality as possible.

The committee will have the following responsibilities:

1. to make periodic recommendations to university officials on the institutional policy and procedures pertaining to conflicts of interest and commitment,
2. to make recommendations to the University Provost and Vice President for Academic Affairs, or Executive Vice President and Chief Operating Officer, on oversight procedures suggested by the faculty member and his/her department in each proposed Memorandum of Understanding that is referred to the committee, and

3. to review cases in which an appeal is submitted or non-compliance has occurred and to make recommendations to the University Provost and Vice President for Academic Affairs, or Executive Vice President and Chief Operating Officer, on resolution.

4. Appeal Process

In the event that a request for approval of an external activity is not acceptable to the department head, or the department head does not accept the faculty member's judgment that there is no conflict of interest, the faculty member will propose a plan of action for resolution and resubmit to the department head for approval. If the department head agrees, the proposal will continue through the normal approval route.

If permission has not been granted, or the conditions or restrictions to be imposed are not acceptable, the faculty member may appeal the case to the dean. If a satisfactory resolution is not reached by appeal to the dean, the faculty member may appeal to the University Provost and Vice President for Academic Affairs (or Executive Vice President and Chief Operating Officer), who will refer the case to the conflicts committee for a recommendation. The University Provost and Vice President for Academic Affairs (or Executive Vice President and Chief Operating Officer) will make a final determination. If the determination is consonant with the recommendation of the conflicts committee, no further appeal is possible. A determination that is not consonant with the committee's recommendation may be appealed to the President for final disposition. The faculty member and relevant administrators will be afforded the opportunity to present their views at each stage of the appeal procedure.

5. Compliance

Virginia Tech expects its faculty members to comply fully and promptly with the policy. The offices of the University Provost and Vice President for Academic Affairs and the Executive Vice President and Chief Operating Officer are responsible for overseeing the implementation of the policy and associated procedures.

The University Provost and Vice President for Academic Affairs, or Executive Vice President and Chief Operating Officer, as appropriate, will review all alleged breaches of the disclosure process, including (a) failures to comply with such process, whether by virtue of a faculty member's refusal to respond or by his/her responding with incomplete or knowingly inaccurate information, (b) failures to remedy conflicts, and (c) failures to comply with a prescribed oversight plan. Such cases will be forwarded to the appropriate university unit for investigation if necessary, or to the conflicts committee for review and recommendation. The conflicts committee will provide the faculty member an explicit opportunity to respond to allegations of a breach in the disclosure process, first in writing and then in person if appropriate. Any such written response will be appended to the committee's report for review by the University Provost and Vice President for Academic Affairs (or Executive Vice President and Chief Operating Officer).

Instances of deliberate breach of policy - including failure to file a required disclosure form, knowingly filing an incomplete, erroneous, or misleading disclosure form, or failure to comply with prescribed monitoring procedures - will be adjudicated in accordance with applicable disciplinary policies and procedures of the university as described in the Faculty Handbook.

6. Reporting Approved Contracts to the Board of Visitors

The Vice Provost for Research will prepare a quarterly report of all contracts that have been approved between an employee and the university for research and development and commercialization of intellectual property as allowed by state law. The report will be forwarded to the office of the Executive Vice President and Chief Operating Officer and submitted for review to the Academic Affairs and the Finance and Audit committees of the Board of Visitors and subsequently to the full Board for review and ratification at each meeting.

7. Record Retention

All original signed forms and memoranda of understanding related to conflicts of interest and commitment will be retained in the faculty member's departmental personnel file in accordance with university record retention guidelines. Copies of disclosure forms will be maintained in the Office of Sponsored Programs. Copies of approved forms 13010 B and Memoranda of Understanding will also be retained in the offices of the University Provost and Vice President for Academic Affairs or Executive Vice President and Chief Operating Officer, as appropriate.

8. Definitions

1. "Business" means any corporation, partnership, sole proprietorship, firm, franchise, association, organization, holding company, joint stock company, receivership, business or real estate trust, or any other legal entity organized for profit or charitable purposes, but excluding the University or any other entity controlled by, controlling, or under common control with the University.
2. "Disclosure" is the full recording or specification of the faculty member's relationship with an external organization or involvement in external activities.
3. "Faculty member" is anyone who has faculty status at Virginia Tech, including those in both standard and special faculty ranks, such as special research faculty or administrative and professional faculty. The complete categories of faculty are given in Section 2.1 of the Faculty Handbook.
4. "Family Member" means a) spouse and b) any other person residing in the same household as the faculty member who is a dependent of the faculty member or of whom the faculty member is a dependent.

Note: It is noted that a potential conflict of interest may arise when the party holding the "Financial Interest" as defined in (e) below is related to the faculty member in ways other than spouse and dependent children. Financial interests held by this party should be disclosed by the employee to the best of his/her knowledge.

5. A "Financial Interest" is an interest in a business consisting of any stock, stock option, or similar ownership interest in such business. However, if the value of the interests meet both of these conditions: (a) it does not exceed \$10,000 (or \$5,000 where federal contracts are involved) and (b) it does not represent more than 3% ownership when aggregated for the faculty member and his/her family, then the following will be excluded:
 - a. any interest arising solely by reason of investment in such business by a mutual, pension, or other institutional investment fund over which the faculty member does not exercise control; or
 - b. receipt of, or the right or expectation to receive, any income from such business, whether in the form of a fee (e.g., consulting), salary, allowance, forbearance, forgiveness, interest in real or personal property, dividend, royalty from the licensing of technology, rent, capital gain, real or personal property, or any other form of compensation, or any combination thereof.

9. References

Faculty Handbook, Section 2.16
Policy 13000 "Intellectual Property"

9.1 10. Approval and Revisions

Recommended by the Commission on Research.

Approved by University Council: January 20, 1992

Approved by the President: January 20, 1992

- Revision 1

Change in Sections 2 and 3 to reflect changes in the Code of Virginia and to bring the university into compliance with current law.

Approved by the Board of Visitors, November 9, 1998

- Revision 2

Complete revision of policy in all aspects to reflect broader range of external activities, new reporting and approval mechanisms, and other changes.

Recommended by the Commission on Research: April 26, 2000

Approved by University Council: May 1, 2000

Approved by the President: May 1, 2000

Approved by the Board of Visitors: June 5, 2000

- Revision 3

April 23, 2002: References to Code of Virginia section numbers updated; position titles updated.



SPONSORED PROGRAMS APPROVAL FORM

☐ RESEARCH ☐ INSTRUCTION ☐ OUTREACH ☐ EXTENSION

PROPOSAL INFORMATION

Principal Investigator _____ Phone _____ Fax _____ E-mail Address _____

Address: Department / Center _____ Dept / Ctr Org Code _____

Sponsor/Agency _____

<input type="checkbox"/> Receipt Date
Due Date <input type="checkbox"/> Postmark

Proposal Title _____

Type: ☐ New ☐ Pre-proposal
☐ Renewal of _____ ☐ Revision of _____
☐ Continuation of _____ ☐ Supplement to _____

Select Type Below:	
<input type="checkbox"/> Basic or	<input type="checkbox"/> Requested or
<input type="checkbox"/> Applied	<input type="checkbox"/> Unsolicited

☐ Yes ☐ No Is the proposal a result of or related to one of the below Virginia Tech initiatives? (if yes, choose one or more)

Initiatives: _____

Other: _____

Budget Period					<input type="checkbox"/> Subcontract(s) will be issued	
Begin		End		%		
	Year One	Year Two	Year Three	Year Four	Year Five	Total
Direct Indirect Total Cost Share*						\$0.00
						\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
						\$0.00

* If cost sharing is involved, FORM A. COST SHARING REQUEST must be completed and submitted with this form.

PERCENT CREDIT

Principal Investigator / Co-PI(s)	Banner ID	Department / Center	Dept Code	Credit %
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Summation of all credit should equal 100%				0%

SPONSOR / AGENCY

Contact _____ Phone _____ Address _____
Email Address _____ Fax _____
City _____ State _____ Zip Code _____

MAILING INSTRUCTIONS

No. of Copies (original plus) | ☐ Express Mail Service (2 day advance receipt by OSP is required) | ☐ Electronic Submission | ☐ Dept to Mail upon Approval
Call: _____

COMPLIANCE DATA

Yes No

- ☐ ☐ 1. Does this project involve the use of **Human Subjects**? Provide the IRB # if available. * IRB# _____
- ☐ ☐ 2. Does this project involve the use of **Animals**? Provide the ACC # if available. * ACC# _____
- ☐ ☐ 3. Is this project subject to **Export Control (ITAR / EAR)**?

* Compliance control numbers are not required at time of submission but must be provided to OSP prior to award.

If any of the following categories are checked, additional clearances or approvals may be required prior to project initiation.

- ☐ Recombinant DNA/RNA ☐ Biohazards ☐ Patents/Copyrights ☐ Proprietary Data
- ☐ Hazardous Chemicals / Waste ☐ Radioactive Materials ☐ Good Lab Practices ☐ International

ADDITIONAL COORDINATION

Yes No

- ☐ ☐ 1. Will administrative expenses or supplies be charged to a federal project? (If yes, submit OSP Form B).
- ☐ ☐ 2. Will this project require a special agreement regarding the distribution of overhead? (If yes, submit OSP Form C).
- ☐ ☐ 3. Is this proposal subject to a limited submission? (If yes, coordinate with V.P. for Research prior to submission to OSP).
- ☐ ☐ 4. Is this work to perform testing services? (If yes, the Academic Research Services Agreement may be appropriate).
- ☐ ☐ 5. Does the project involve classified documents and/or industrial security clearance?
- ☐ ☐ 6. Is a special statement required in the transmittal letter? (If yes, attach statement).
- ☐ ☐ 7. Does the proposal involve a graduate course? (If yes, Graduate School coordination is required).
- ☐ ☐ 8. Does the proposal involve either a non-credit course or conference? (If yes, Continuing Ed signature is required).
- ☐ ☐ 9. Is University or Continuing Education housing or food services involved? (If yes, Continuing Ed signature is required).

CONFLICT OF INTEREST CERTIFICATION

Do any participating faculty, staff, or students (or their spouse or dependent children) have significant financial interests (\$10K or 3% ownership, or \$10K income per annum) that would reasonably appear to be affected by the activities to be funded by this proposal?

☐ Yes ☐ No (If yes, please explain below and submit VT Policy 13010 disclosure forms to reviewing officials.)

☐ Yes ☐ No Is the sponsor a Virginia Tech employee-owned business?

REQUIRED SIGNATURES

By signing, the Dean / Director confirm that adequate space, faculty time, and equipment are available.

Principal Investigator Date

Director / Dean Date

NOTES

OSP Use Only

Revised 03-10-05

Reviewed / Date

Entered / Date

Proposal No.

PROPOSAL APPROVAL FORM INSTRUCTIONS (DO NOT SUBMIT TO OSP)

The **Sponsored Programs Approval Form** is an internal Virginia Tech routing form used to expedite review and to request approval of project proposals and agreements between the university and sponsoring entities. Before these project proposals or agreements will be given final signature by an authorized university official, they must be reviewed and approved by all department heads and deans whose units have faculty and staff or other commitments to the project. The form must be used in the following cases:

- ♦ Submission of a new, pre-proposal, or continuation proposal.
- ♦ A renewal of an existing award is to be submitted to a sponsor.
- ♦ A continuation is to be submitted to sponsor.
- ♦ Supplemental funds are received that were not in original proposal.
- ♦ A revised proposal is to be submitted to a sponsor.

PROPOSAL INFORMATION

Principal Investigator: There can be only one Principal Investigator (PI). The PI is the person designated to be responsible for the administrative and programmatic aspects of the proposed project. All others should be listed as co-principal investigators. Please provide the social security number of all PIs and Co-PIs and their appropriate departments to credit.

Due Date: Indicate official deadline specified by the agency or sponsor and whether the document must be postmarked or received by that date. If there is no official deadline leave blank. Date format should be m/d/yy, for example 12/31/03.

Proposal Title: Provide the title of the proposal or award (limited to 290 spaces). Indicate specific program, if applicable.

Proposal Type: Check the category that best describes the nature of the proposed activity.

New - original submission of this project to the sponsor.

Renewal - requested support beyond that previously committed by sponsor.

Pre-proposal - original submission of project for a preliminary review.

Revision - a modification of a previously submitted proposal.

Continuation - a request for funds previously committed by sponsor.

Supplement - a request for additional funds for current budget/project period.

If renewal, continuation, revision, or supplement please provide either the proposal number or the fund number.

Basic or Applied: Is the proposed work basic science (new technology) or applied (expansion of existing technology)?

Requested / Unsolicited: Check requested if the proposal is in response to a request for proposals (RFP).

Virginia Tech Initiatives: Is the proposal a result of or related to one of the following Virginia Tech initiatives?

Virginia Bioinformatics Institute
Northern Virginia Capitol Region
ASPIRES

Institute for Critical Technology and Applied Science (ICTAS)
Institute for Biomedical and Public Health Sciences (IBPHS)

For more information regarding these initiatives, please visit www.osp.vt.edu/OSP/VTinitiatives.htm

Budget Period: Identify the entire budget period from beginning to end.

Indirect: Identify appropriate facilities and administrative costs (indirect rate).

Subcontracts: Check if subcontracts to third party institutions will be awarded.

Cost Share: Identify all project cost not borne by the sponsor. All cost sharing or matching commitments should be discussed with the Office of Sponsored Programs and **FORM A. COST SHARING REQUEST** should be completed and signed.

PERCENT CREDIT

Percent Credit: Internal estimate of the percentage of credit for each Virginia Tech investigator on this project (PI and all VT Co-PIs). The percent credit may or may not correspond to the proposed budget or to activity reported on the Personnel Activity Reports.

SPONSOR / AGENCY

Identify the appropriate contact, address and overnight address. Overnight addresses cannot contain P. O. Boxes or P. O. Box Zips.

MAILING INSTRUCTIONS

Mailing Instructions: Provide the number of copies needed (original plus copies) and identify choice of delivery. If OSP is to express mail, a two-day advance receipt by OSP is required. If department is to mail, provide phone number of person to be notified for pick-up.

COMPLIANCE

Use of Animal Subjects: Approval must be obtained from the Animal Care Committee prior to the initiation of any research if the project involves either living or dead vertebrate animals. Forms and information can be found at www.acc.vt.edu.

Use of Human Subjects: A project plan and protocol must be submitted to the Institutional Review Board (IRB). The IRB must review and approve the proposal before research can commence. Forms and information can be found at www.irb.vt.edu.

Export Control: Check if proposed work is subject to International Traffic and Arms Regulations or Export Administration Regulations.

Biohazards, Hazardous Waste, and Hazardous Chemicals, and Radioactive Materials: Compliance is coordinated by the Office of Environmental Health and Safety Services. Forms and information can be found at www.ehss.vt.edu/Text/homepage.htm.

Recombinant DNA/RNA: Please specify any recombinant DNA/RNA that will be used in this project. Answers to questions concerning DNA/RNA can be found at www.ehss.vt.edu/Programs/LSD/Biosafety/RecombinantDNAResearch.htm.

Good Lab Practices: If required, please coordinate with the College of Veterinary Medicine.

Patents / Copyrights or Proprietary Data: Check if proposal has unusual intellectual property requirements, is affiliated with an existing confidentiality agreement, or if confidential or restricted data or software of Virginia Tech is to be used in the proposed work.

International: Please check if work will involve an international effort. A copy of the proposal will be forwarded to OIRD.

ADDITIONAL COORDINATION

1. **Cost Accounting Standards.** The Cost Accounting Standards Exception Request (OSP Form B) must be completed if proposal involves a federal sponsor and requests direct charging of administrative or office supplies.
2. **Special Overhead Distribution.** Requires completion of the Earned Overhead Distribution Agreement (OSP Form C).
3. **Academic Research Services Agreement.** Should be used for the measurement, composition, fabrication, or analysis services. Virginia Tech reserves the right to collect full overhead recovery (uncapped) on non-federally funded sponsored testing agreements.
4. **Limited Submission.** If proposal is subject to limited submission, please coordinate with OVPR prior to submission to OSP.
5. **Classified Research.** Virginia Tech is approved to handle up to the Secret Level for classified research. The director of the Office of Sponsored Programs serves as the Facilities Security Administrator. Please contact OSP to facilitate individual security clearances.
6. **Special Transmittal Letter.** OSP will attach a boilerplate transmittal letter on top of the proposal to send to the sponsor. If you wish that the letter be customized, please check and notify the appropriate OSP project administrator.
7. **Graduate Course Sponsorship.** Requires coordination with the Graduate School to ensure course is approved for graduate credit.
8. **Non-Credit Course or Conference.** The Continuing Education Center assists faculty and staff with the budgeting, coordination, and administration of non-credit courses and conferences. If either is involved, please contact the Continuing Education Center.
9. **University Housing.** The Continuing Education Center assists faculty and staff with the budgeting, coordination, and administration of a project utilizing university housing or food service.

CONFLICT OF INTEREST CERTIFICATION

Conflict of Interest Certification: The principal investigator must identify whether or not any participating faculty, staff, or students (or their spouse or dependent children) have significant financial interests (\$10,000 or 3% ownership, or \$10,000 of income per annum) that would reasonably appear to be affected by the activities to be funded by this proposal. In addition, you must identify whether or not the sponsor is a Virginia Tech faculty-owned business. Potential conflicts do not have to be resolved at the time of proposal submission, but must be resolved prior to award acceptance.

REQUIRED SIGNATURES

Required Signatures: The principal investigator and his/her respective director/dean are required to sign the form. In the event the proposal is via a university center and the center director is the principal investigator, then an appropriate representative within the Office of the Vice Provost for Research must sign. By signing, all parties certify that appropriate space, faculty time, and equipment are available.



13010A REQUEST TO ENGAGE IN EXTERNAL ACTIVITY

13010B DISCLOSURE OF CONFLICT OF INTEREST / COMMITMENT

This form is required for each Category II activity under the Faculty Conflicts of Interest and Commitment Policy 13010, Intellectual Property Policy 13000, Facilities Use Policy 5000, & the Faculty Handbook, Sec. 2.16. This disclosure also applies to activities of spouses and dependent children. Virginia Tech employees must use this form to disclose significant financial interests which would reasonably appear to be affected by any external activity and to request approval to engage in external activities.

APPLICANT

Name _____ Title / Rank _____ Phone _____ E-mail Address _____
Disclosure: ☐ New or ☐ Renewal
Department / Center _____ Mail Code _____ College _____
Classification: ☐ Faculty ☐ Staff ☐ Student Employee Status: ☐ Full-Time or ☐ Part-Time (indicate percent ____%)
Nature of Position: _____% Ed & General _____% Research _____% Ag Exp Station / Coop Extension
Appointment Basis: ☐ Calendar Year or ☐ Academic Year

EXTERNAL ENTITY

Entity _____ Yes No Please answer the following questions.
Address _____ ☐ ☐ Is this entity engaged in current or prospective
_____ sponsored research or instructional contracts
_____ for which you are an investigator?
_____ ☐ ☐ Is this a Virginia Tech employee-owned entity?

FORM 13010 A: REQUEST TO ENGAGE IN EXTERNAL ACTIVITY

Description of activity: _____

This activity begins _____ and ends _____ and will be performed _____ with a total of ____ days devoted to it.

Yes No Answer the following questions to the best of your knowledge:

- ☐ ☐ 1. Does this activity exceed more than 5 days in any 5 week period?
- ☐ ☐ 2. Will this external activity affect your ability to meet your instructional responsibilities?
If yes, explain:
- ☐ ☐ 3. Will you serve as an expert witness in any litigation involving the Commonwealth of Virginia?
If yes, explain:
- ☐ ☐ 4. Does this activity create a significant financial conflict of interest? If yes, Form 13010B must be completed.
- ☐ ☐ 5. Do you intend to perform research for this external entity at the university?
- ☐ ☐ 6. Do you or any member of your family hold a position of management in the external entity?
If yes, explain:
- ☐ ☐ 7. Will other faculty members, students, or other research personnel be involved in this external activity?
If yes, explain:
- ☐ ☐ 8. Will this external activity require the use of University equipment or facilities? (see policy 5000)
If yes, explain:
- ☐ ☐ 9. Does this activity include the signing of an agreement with VTIP regarding rights in inventions and materials?
- ☐ ☐ 10. Are you required to assign any intellectual property rights to the entity?
If yes, explain:

FORM 13010 B: DISCLOSURE OF FINANCIAL CONFLICT OF INTEREST

Annual **income** from this external activity is: ☐ None ☐ less than \$10,000 ☐ \$10,000 or more

Basis for payments or gratuities to you or a member of your family (please check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Participation as an employee | <input type="checkbox"/> Writing commissioned papers or reports |
| <input type="checkbox"/> Consulting or occasional lecturing | <input type="checkbox"/> Gift |
| <input type="checkbox"/> Service on Advisory or Director's Board | <input type="checkbox"/> Income related to royalties on patents and copyrights |
| <input type="checkbox"/> Other (explain): | |

The value of **ownership interest** in external entity is: ☐ None ☐ less than \$10,000 ☐ \$10,000 or more

Nature of ownership: ☐ Equity Interest ☐ Partnership ☐ Other (explain):

Percentage of ownership: ☐ less than 3% ☐ 3% or greater

REQUESTED

I affirm the truth of the statements made above under penalty of perjury. I understand that if the Board of Visitors of Virginia Tech does not approve any such interest, pursuant to statute, I will be required to discontinue or divest myself of such interest in order to remain an employee in good standing at Virginia Tech.

Applicant Date

APPROVALS

The below approve this external activity. This approval expires at the end of the fiscal year (June 30th) in which it was requested.

☐ An MOU for Oversight of Conflicts of Interest/Commitment is required. (If checked – please attach)

Department Head / Director Date

Dean / VP Date

Provost or Exec VP Date

DEFINITIONS

Significant Financial Conflict of Interest is defined as any faculty, staff, or students (or their spouse or dependent children) having a financial interest (\$10,000 or 3% ownership, or \$10,000 income per annum) that could affect the design or conduct of activities proposed.

Investigator means the principal investigator, co-principal investigator, and any other person at the institution responsible for the design, conduct, or reporting of the sponsored activities.

Entity means any corporation, partnership, sole proprietorship, firm, franchise, association, organization, holding company, joint stock company, receivership, business or real estate trust, or any other legal entity organized for profit or charitable purposes, but excluding the University or any other entity controlled by, controlling, or under common control of the University.

Contract refers to contractual relationship whereby there is an agreement or an option to an agreement under which there is an exchange of goods, services, or money between or among parties to the agreement.

Financial Interest is an interest in a business consisting of any stock, stock option or similar ownership interest in such business.

Family Member means a spouse and any other person residing in the same household as the employee who is a dependent of the employee or of whom the employee is a dependent.

Position of Management is defined as any position that includes responsibilities for a material segment of the operation or management of a business.

Income means salary, honorarium, or payment of fees including the fair value of any non-monetary payments.

Ownership Interest means any interest, equity, options, both issued or outstanding.

Use of University Equipment must be approved by the dept head or director and if applicable must include reimbursement of cost of use.

External activity supported by a Virginia Governmental Entity must be outside the extension mission of the applicant's appointment and requires that the University be provided with a copy of the request for consulting received from the responsible public official.

External Activity is defined as any activity not being performed through Virginia Tech.



MEMORANDUM OF UNDERSTANDING FOR OVERSIGHT OF CONFLICTS OF INTEREST / COMMITMENT

This form is required to be completed if it is deemed that there is a potential for a conflict of interest or commitment. This form should be submitted with the completed 13010 B Disclosure of Conflict of Interest / Commitment Form.

APPLICANT

Name	Title / Rank	Phone	E-mail Address
------	--------------	-------	----------------

POTENTIAL CONFLICT(S)

- ☐ Significant Financial Conflict of Interest that could compromise objectivity
- ☐ Violation of Virginia Conflict of Interest Act. Applicant has a significant financial interest in the external entity which contracts directly or indirectly via subcontracts with the university
- ☐ Conflict of Commitment that could impact university employment responsibilities
- ☐ Conflict involving use of university facilities or equipment
- ☐ Expert witness against the Commonwealth of Virginia

ACTIONS TO MANAGE, REDUCE, OR ELIMINATE POTENTIAL CONFLICTS

- ☐ Applicant agrees to serve as co-principal investigator only. The principal investigator shall be: _____
- ☐ Applicant remains as principal investigator with his/her dept head / director retaining fiduciary oversight for the contract
- ☐ Prior approval of the Board of Visitors for contracts for research and development and commercialization of intellectual prop.
- ☐ Public disclosure of significant financial interest
- ☐ Modification of research plan
- ☐ Disqualification from participation in the research affected by significant financial interests
- ☐ Divestiture of significant financial interests
- ☐ Delegation of significant financial interests to trust
- ☐ Severance of relationships that create actual or potential conflicts
- ☐ Alternative arrangements have been made to ensure university employment responsibilities are covered
- ☐ An equipment use charge has been developed and approved by the dept head, dean/director, and controller's office (attach)
- ☐ Research oversight is required and the activity will be monitored by the below independent reviewer(s)

Name	Name	Name
Rank/Title	Rank/Title	Rank/Title
Department	Department	Department
Signature	Signature	Signature

☐ Other (please describe):

EXPLANATIONS

Use this space to further explain the chosen oversight mechanism(s) which are intended to address the potential conflict(s).

AGREED

I agree to comply with this memorandum of understanding in order to resolve the conflicts identified herein.

Applicant Date

APPROVALS

The below approve this memorandum of understanding for the mitigation of potential conflicts of interest / commitment.

Department Head / Director Date

Dean / VP Date

Provost or Exec VP Date

INSTRUCTIONS

Upon review of the submitted forms 13010 A & B, university administrators may require the development of a Memorandum of Understanding (MOU) for the management and mitigation of a potential conflict of interest or commitment. This form is intended to be used as the MOU. The following steps should be followed:

1. In consultation with your department head, dean or center director, the potential conflict(s) shall be identified.
2. The appropriate action(s) shall be identified in order to mitigate the potential conflict of interest or commitment.
3. Dependent upon the action(s) chosen, additional information may be required to be attached to this MOU. If scientific or administrative oversight is required by someone other than the department head or director, those individuals should be identified and their signatures attained indicating their willingness to provide the appropriate oversight.
4. The oversight mechanism should be explained in enough detail to ascertain that the mechanism is sufficient to mitigate the potential conflict of interest or commitment.
5. Applicant should sign agreeing to the chosen mechanism and shall seek approvals from the department head/director, dean/vice president, and provost or executive vice president.
6. The applicant must modify the MOU in the event circumstances change that would either alter the potential conflict or the action plan.

There may be some external activities for which no adequate oversight mechanisms can be provided. In such cases, the employee may be asked to modify the proposed activities in order to mitigate the potential conflict of interest or to forfeit the activity entirely.

Employment Contract Term Limits

WHEREAS, employment contracts at Virginia Tech traditionally have not exceeded a term of five years, exclusive of renewal options; and,

WHEREAS, contract terms in excess of five years, exclusive of renewal options, limit the flexibility of the University to manage employee performance; and,

WHEREAS, it is the sense of the Board of Visitors that a maximum contract term of five years, absent renewal options, should apply to contracts for Athletic Department personnel, unless a longer term is specifically approved in advance by the Board of Visitors;

NOW, THEREFORE, BE IT RESOLVED that employment contracts for Athletic Department personnel should not exceed a five-year term, absent renewal options, unless a longer term is specifically approved in advance by the Board of Visitors.

BE IT FURTHER resolved that the restrictions contained in this resolution shall not apply to any contract currently in place which has a term in excess of five years.

RECOMMENDATION:

That the Resolution regarding employment contract term limits be adopted.

November 7, 2005

RESOLUTION APPROVING AND ADOPTING THE MANAGEMENT AGREEMENT,
BOARD POLICIES, AND PERFORMANCE MEASURES

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

WHEREAS, by separate resolution the Board of Visitors committed to the Governor and the General Assembly to meet the state goals as specified in Chapter 4.10, Section 23-38.88(B) of the Act; and

WHEREAS, by separate resolution the Board of Visitors attested to the ability of Virginia Polytechnic Institute and State University to meet the requirements for a public university or college of the Commonwealth to gain the greatest authority over financial and administrative operations, subject to certain accountability, audit and reporting measures specified by the General Assembly of Virginia and the Board of Visitors authorized the President of the University to apply for the University to be governed by subchapter 3 of the Act; and

WHEREAS, the Board of Visitors has reviewed the attached Performance Measures and Management Agreement, including the attached policies of the operational areas of capital projects, leases, information technology, procurement, human resources, and finance and accounting, that have been negotiated with, and approved by, both the President of Virginia Polytechnic Institute and State University and, as appropriate, the Secretary of Finance, the Secretary of Administration, the Secretary of Technology, and the Secretary of Education;

NOW THEREFORE BY IT RESOLVED that the Board of Visitors hereby (i) approves and adopts the attached Performance Measures and Management Agreement, including the attached Board policies in the operational areas of capital projects, leases, information technology, procurement, human resources, and finance and accounting that have been negotiated with, and approved by, both the President of Virginia Polytechnic Institute and State University and, as appropriate, the Secretary of Finance, the Secretary of Administration, the Secretary of Technology, or the Secretary of Education, and (ii) authorizes the President of Virginia Polytechnic Institute and State University to execute the attached Management Agreement on behalf of Virginia Polytechnic Institute and State University.

BE IT FURTHER RESOLVED that the Board of Visitors also hereby authorizes the Executive Committee on behalf of the Board of Visitors to review and accept any changes in the Performance Measures, Management Agreement and Board policies that the committee determines to be in the best interests of the University and that may be required by the Governor or the General Assembly as a condition of the approval of the Agreement, between the date of this Resolution and the effective date of the Performance Measures, Management Agreement and Board policies; provided that the Executive Committee shall notify the full Board as soon as practical of any such changes. In the event the Executive Committee is unable because of exigent and other circumstances to convene in a timely manner, the President and Rector are authorized to make changes; provided that they shall notify the full Board as soon as practical of any such changes or amendments.

RECOMMENDATION:

That the Resolution regarding the approval of the Performance Measures, Management Agreement, and Board policies be approved.

November 7, 2005

I, Kim O'Rourke, Secretary to the Virginia Tech Board of Visitors, do hereby certify that the above is a true and exact copy of a resolution duly adopted by the Board of Visitors, passed by unanimous vote of the thirteen board members who were present, at its meeting on November 7, 2005.


Kim O'Rourke
Secretary, Board of Visitors

Higher Education Restructuring Act: Approval of the Process and Documents Required to Become a Covered Institution

The Higher Education Financial and Administrative Operations Act (Restructuring Act) includes a section which provides the opportunity for an institution to request the highest level of autonomy in pursuit of operational and administrative efficiencies. An institution granted this level of autonomy is termed a “covered institution.” Shortly after the approval of the Restructuring Act by the General Assembly in April 2005, Virginia Tech began the process of developing strategies and plans to request approval to become a covered Institution.

The University is poised to complete the activities needed to obtain the needed state approvals, and this report provides an overview of the documents involved in this process and the steps needed to complete the submission to the Administration.

As a covered Institution, the Board of Visitors assumes full responsibility for the management of the University, subject to the management agreement and the operational policies attached to the agreement. In recent months, University administrators have been working with the Governor’s cabinet to negotiate the specific authorities in each of the operational areas allowed by the Restructuring Act. In each of the areas the University seeks further autonomy, a draft policy statement has been developed and will be attached to the final management agreement.

The policies and management agreement included with this report in the Board mailing are drafts that have been reviewed and discussed with the Administration but are awaiting final approval from the Governor and his Cabinet. The University is working to finalize the negotiations with the Administration on the policies and the management agreement. Based on discussions with Administration representatives, the University anticipates that final documents will be available for review by the November 7, 2005 Board of Visitors’ meeting.

Application to be Governed as a Covered Institution

During its September 2005 meeting, the Board of Visitors passed a resolution stating the University’s ability to be governed as a covered institution. This resolution was included in the application materials University administrators prepared for the Governor to demonstrate that the University meets the requirements of the Restructuring Act and has the necessary administrative infrastructure and financial capabilities to become a covered institution.

The application included statements about the University’s administrative and financial capabilities to manage the additional autonomy as well as copies of the

University's bond rating certifications, copies of letters stating our achievement of the Commonwealth's Management Standards, and a copy of the Board of Visitors' resolution stating that the University is qualified to be governed as a covered institution. A copy of the application submitted to the Governor will be attached to the management agreement.

Management Agreement

The Restructuring Act requires the University to negotiate a management agreement with the Commonwealth to specify the additional autonomy the University would receive in six operational areas: capital outlay, procurement, leasing, finance and accounting, human resources, and information technology.

Each institution seeking covered institution status negotiates an institution specific management agreement. The proposed management agreement provides a description and listing of the elements of a management agreement, as provided for in the Restructuring Act. Further, the management agreement incorporates the policy statements resulting from the negotiations with the Administration in each of the six operational areas. All of the authorities negotiated between Virginia Tech and the Commonwealth will be available to both the University Division and the Virginia Cooperative Extension and the Agricultural Experiment Station Division. The Restructuring Act requires the management agreement to specifically state this intent in the negotiated document

A draft management agreement is included with this report. As mentioned previously, this is a draft document that has been negotiated with representatives of the Administration but is awaiting final review by the Governor and Cabinet.

Board Policies

The Restructuring Act requires that the Board of Visitors approve policy statements in each of the areas the University seeks additional authority. Six policies were developed and negotiated with the Administration in the following areas: leasing, procurement, finance and accounting, human resources, information technology and capital outlay. A document titled "Rules Governing Procurement of Goods, Services, Insurance, and Construction" is also attached to the procurement policy. The Restructuring Act requires that any deviation from the Virginia Public Procurement Act must be consistent amongst covered institutions. Thus, the "Rules" document represents a consolidated set of procurement rules agreed to by representatives from Virginia Tech, University of Virginia, and the College of William and Mary. The University anticipates that the University of Virginia and the College of William and Mary will also conclude their work to become covered institutions in November 2005.

The human resources and procurement policies will also have Memorandums of Understanding attached describing additional commitments between the University and the Department of Human Resources Management and Department of General Services, respectively.

Draft policy documents are included in the board materials. As mentioned previously, these are draft materials that have been negotiated with representatives of the Administration but are awaiting final review by the Governor and Cabinet.

Accountability Measures and Performance Benchmarks

As part of the University's application to be governed as a covered institution, the Board of Visitors must approve accountability measures and performance benchmarks in those areas where the University seeks further autonomy. A copy of the suggested performance measures submitted to the Administration as part of the University's application is attached. The Restructuring Act requires that these accountability measures and performance benchmarks be approved by the Board of Visitors, along with the management agreement and operational policies.

The Board approved performance measures are in addition to those educational related measures the State Council of Higher Education ("SCHEV") recommended in October as part of their statutory responsibility to certify whether or not all institutions have met the state's goals and are eligible for the Level One financial incentives provided by the Restructuring Act. Further, the Governor must include in the 2006-08 "Budget Bill" those educational related measures SCHEV proposed as well as additional administrative and financial measures.

Approval of Management Agreement

For the management agreement to be effective for the 2006-07 fiscal year, the Governor must sign the management agreement on or before November 15, 2005 and forward copies to the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Finance and the Senate Committee on Education and Health. The Governor must also include a recommendation for approval of the management agreement in Budget Bill for the 2006-2008 biennium or in his amendments to the 2004-2006 biennial budget when it is presented to the money committees on December 16, 2005.

During the 2006 General Assembly session, legislators may approve or disapprove the management agreement as recommended by the Governor. If the agreement is approved through the 2006-08 Appropriation Act, it will become effective on July 1, 2006. If the management agreement is included in a caboose

bill to the 2004-06 biennial budget, the effective date is likely to be the latter months of the 2005-06 fiscal year.

Implementation of Management Agreement

On the effective date, the University may operate as a covered institution in accordance with the management agreement and operational policies for a period of three years. However, during this three year period, an act of the General Assembly may revoke a management agreement or it could be voided by the Governor if a written determination is made that the University is not in substantial compliance with the terms of the management agreement or with the requirements of the Restructuring Act.

As an element of the accountability standards in the Restructuring Act, the Joint Legislative Audit and Review Commission, in cooperation with the Auditor of Public Accounts, shall conduct a review relating to the initial management agreement. The review should cover a period of at least the first 24 months.

Beginning in June 2007, the State Council of Higher Education in Virginia will certify whether all public institutions have met the performance measures (educational as well as administrative and financial measures proposed by the Governor) and thus shall receive the financial benefits detailed in the Restructuring Act. If the University becomes certified, the Level One financial benefits would be available after July 1, 2007.

Board of Visitors' Approval of the Required Documents for Covered Institution Status

The University submits that the proposed management agreement and related policy statements and memorandums of understanding reflect the agreements developed with representatives of the Administration through a series of meetings and negotiations. Further, the University believes that the Application to be Governed as a Covered Institution and the listing of Accountability Measures and Performance Benchmarks meet the requirements of the Restructuring Act. The University has engaged in an extensive exercise in considering the covered institution status, requirements, and commitments, and the University believes that the implementation of covered institution status is an important and appropriate step at this time.

CAPITAL OUTLAY, LEASES, AND REAL ESTATE

PERFORMANCE MEASURES

General Accountability Measures

- No material audit findings
- Compliance with Board of Visitors (“BOV”) approved restructuring policy
- Regular reports to the BOV by the designated building official related to his/her duties as the official responsible for project compliance with the building code. The building official has direct access to the BOV.
- Compliance with the Restructuring Act’s reporting requirements for all BOV project authorizations
- All Certificates of Use issued subsequent to the State Fire Marshal’s favorable occupancy report

Specific Performance Measures

Performance Measure	Benchmark	[Institution] Results
Number of days on average for institution to process change orders locally	Before decentralization, number of days on average for Bureau of Capital Outlay Management (“BCOM”) to process change orders (UVA data to be used as proxy benchmark for all institutions)	
Number of days on average for institution to complete code review, including fire and life safety	BCOM established standard for code review turnaround time (21 days)	N/A at this time for Virginia Tech who will not be designating a building official or creating a review unit.
Number of days saved by BOV approval of NGF projects compared to state approval	Number of days that would have been required from BOV approval to Appropriation Act effective date	
Average number of days for institution to approve a lease	Average number of days for Real Estate Services to approve a lease (UVA and VT proxy data)	

FINANCE AND ACCOUNTING

PERFORMANCE MEASURES

General Accountability Measures

- Compliance with current and/or revised Commonwealth management standards, including unqualified audit opinion and no material audit findings
- Compliance with Board of Visitors approved restructuring policy
- Maintain an independent and effective internal audit function reporting directly to the Board of Visitors and have no significant internal audit findings

Specific Performance Measures

Performance Measure	Benchmark	[Institution] Results
Stability of tuition and fee increases over time	Trend tuition and fee percentage increases from 1990-2005 compared to percentage increases over the timeframe of the six-year plan	
Bond rating from at least one of three rating agencies	An unenhanced rating received in the last three years within the double –A range or better from either Moody's, S&P, or Fitch	
Annualized investment returns earned on operating cash balances invested by the institution over a rolling three year period	The annualized yield on the 91-day Treasury Bill Index over a rolling three year period	
Debt burden ratio (actual annual debt service on a long-term debt, excluding commercial paper or other bond anticipation notes, divided by total operating expenses)	Equal to or less than 7%	
Write off of bad debts from tuition, fees, room, and board charges	Less than or equal to 1% of prior year's operating revenues, over a rolling three year period	
Percentage of recovery of delinquent accounts receivable sent to outside collection agencies or litigation	Greater than or equal to 10% of dollar value of the accounts referred to collection agencies, averaged over the last three years	
Amount of need-based financial aid for undergraduate Virginia students	Trend data against a baseline calculation in 2005-06	
Amount of need-based grants for undergraduate Virginia students	Trend data against a baseline calculation in 2005-06	

HUMAN RESOURCES

PERFORMANCE MEASURES

General Accountability Measures

- No material audit findings
- Compliance with Board of Visitors approved restructuring policy
- Compliance with Restructuring Act reporting requirements

Specific Performance Measures

Performance Measure	Benchmark	[Institution] Results
Percentage of turnover as an indicator of staff stability and staff satisfaction	Average percentage turnover rate should trend with College and University Personnel Administrators (“CUPA”)- Human Resources (“HR”) benchmark, which is approximately 11%	
Internal transfers/promotions as a percentage of total number of hires as a measure of the extent to which the institution hires or promotes from within	Percentage rate should be equal to or greater than CUPA-HR benchmark, which is 25%	
Average number of days to classify new positions or reclassify a staff position as a measure of effectiveness of the classification process	Average should be equal to or less than CUPA-HR benchmark, which is approximately 30 days	
Average number of days to hire staff, from recruitment posting to the candidate’s acceptance OR state date of the position as a measure of effectiveness	Trend data against baseline average in 2005-06.	
Compliance with Restructuring Act election provisions	Track percent of (i) total employees who are participating in the institutional HR system and (ii) current employees who have elected to participate in the institutional HR system	

INFORMATION TECHNOLOGY

PERFORMANCE MEASURES

General Accountability Measures

- Campus infrastructure supporting the expansion of cutting edge research and new forms of instruction consistent with peer research institutions
- Facilities and support for high performance computing and communications and large scale (i.e. peta-scale) data repositories consistent with peer research institutions
- Compliance of institution's security programs with professional best practices
- Development and implementation of up-to-date institutional information technology strategic plan
- Compliance with Board of Visitors approved restructuring policy

Specific Performance Measures

Performance Measure	Benchmark	[Institution] Results
Major information technology projects will be completed on approved schedules and within approved budgets	Projects are completed on time and within budget at a rate that matches industry standards	
All faculty and students have convenient access to a distributed learning and collaboration environment, with course management systems in support of such services as online content; student information and library systems upgraded as major changes in technology warrant	xx% (based on individual university metric) of all 2005-2006 courses utilize technically up-to-date course management systems	
Institutions will leverage their collective expertise to save money and help strengthen security programs	There is evidence of collaboration among institutions, such as the Higher Education Virginia Alliance for Security Computing and Networking (VA SCAN)	
The institution complies with policies for the procurement of information technology goods and services, including professional services, that are consistent with the requirements of § 23.38.110 of the Restructured Higher Education Financial and Administrative Operations Act and that include provisions addressing cooperative arrangements for such procurement as described in § 23.38.110	Results of external and internal audits indicate compliance	

PROCUREMENT AND SURPLUS PERSONAL PROPERTY

PERFORMANCE MEASURES

General Accountability Measures

- Compliance with current and/or revised Commonwealth management standards, including prompt pay compliance and no material audit findings
- Compliance with Board of Visitors approved restructuring policy and procurement rules document

Specific Performance Measures

Performance Measure	Benchmark	[Institution] Results
Goals established in the plan submitted to the State under current law for Small, Woman-owned and Minority-owned procurement. Performance will be reported quarterly	Accomplishment of goals and improvement on previous performance	
Maximize operational efficiencies and economies through the adoption of best practices for electronic procurement	Increased use of electronic procurement as measured by dollar value	
Volume of cooperative procurements	Measure increase in the number of existing contracts renewed and new contracts over the number of current contracts	
Vendor protests with a legal basis for the protest	Number of such vendor protests as compared to 2005-2006	

MANAGEMENT AGREEMENT
BY AND BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

November 15, 2005

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This MANAGEMENT AGREEMENT, executed this 15th day of November, 2005, by and between the Commonwealth of Virginia (hereafter, the "Commonwealth") and Virginia Polytechnic Institute and State University (hereafter, "Virginia Tech," to be abbreviated as "the University") provides as follows:

RECITALS

WHEREAS Virginia Tech has satisfied the conditions precedent set forth in subsections A and B of § 23-38.97 of the Code of Virginia to become a public institution of higher education of the Commonwealth governed by Subchapter 3 (§ 23-38.91 et seq.) of the Restructured Higher Education Administrative and Financial Operations Act, Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia ("Subchapter 3" and the "Act," respectively), as evidenced by:

1. Board of Visitors Approval. The minutes of a meeting of the Board of Visitors of Virginia Tech held on September 24, 2005, indicate that an absolute two-thirds or more of the members voted to approve the resolution required by subsection A 1 of § 23-38.97 of the Act. True copies of the minutes and resolution are attached hereto as Exhibit A;

2. Written Application to the Governor. Virginia Tech has submitted to the Governor a written Application, dated October 27, 2005, with copies to the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Finance, and the Senate Committee on Education and Health, expressing the sense of its Board of Visitors that Virginia Tech is qualified to be, and should be, governed by Subchapter 3 of the Act, and substantiating that Virginia Tech has fulfilled the requirements of paragraph 2 of

subsection A of § 23-38.97 of the Act. A true copy of this written Application is attached hereto as Exhibit B; and

3. Finding by the Governor. In accordance with subsection B of § 23-38.97 of the Act, the Governor has found that Virginia Tech has fulfilled the requirements of subsection A 2 of § 23-38.97, and therefore has authorized the Cabinet Secretaries whose signatures appear below to enter into this Management Agreement on behalf of the Commonwealth with Virginia Tech; and

WHEREAS, Virginia Tech is therefore authorized to enter into this Management Agreement as provided in subsection D of § 23-38.88 and Subchapter 3 of the Act.

AGREEMENT

NOW THEREFORE, in accordance with the provisions of the Restructured Higher Education Administrative and Financial Operations Act, Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia, and in consideration of the foregoing premises, the Commonwealth and Virginia Tech do now agree as follows:

ARTICLE 1. DEFINITIONS.

As used in this Agreement, the following terms have the following meanings, unless the context requires otherwise:

“Act” means the Restructured Higher Education Administrative and Financial Operations Act, Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia.

“Agreement” means “Management Agreement.”

“Board of Visitors” means the Board of Visitors of Virginia Tech.

“Covered Employee” means any person who is employed by Virginia Tech on either a salaried or wage basis.

“Covered Institution” means, on and after the effective date of its initial management agreement with the Commonwealth, a public institution of higher education of the Commonwealth of Virginia that has entered into a management agreement with the Commonwealth to be governed by and in accordance with the provisions of subsection D of § 23-38.88 and Subchapter 3 of the Act.

“Enabling legislation” means those chapters, other than Chapter 4.10, of Title 23 of the Code of Virginia, as amended, creating, continuing, or otherwise setting forth the powers, purposes, and missions of the individual public institutions of higher education of the Commonwealth.

“Management Agreement” means this agreement between the Commonwealth of Virginia and Virginia Tech as required by subsection D of § 23-38.88 and Subchapter 3 of the Act.

“Parties” means the parties to this Management Agreement, the Commonwealth of Virginia and Virginia Tech.

“Public institution of higher education” means those two-year and four-year institutions enumerated in § 23-14 of the Code of Virginia.

“University” means Virginia Polytechnic Institute and State University, consisting of the University Division (State Agency 208) and Virginia Cooperative Extension and the Agricultural Experiment Station Division (State Agency 229).

ARTICLE 2. SCOPE OF MANAGEMENT AGREEMENT.

SECTION 2.1. Enhanced Authority Granted and Accompanying Accountability.

Subchapter 3 of the Act provides that, upon the execution of, and as of the effective date for, this Management Agreement, Virginia Tech shall become a Covered Institution entitled to be granted by the Commonwealth and to exercise the powers and authority provided in Subchapter 3 of the Act that are expressly contained in this Management Agreement. In general, subject to its management agreement with the Commonwealth, status as a Covered Institution governed by Subchapter 3 of the Act and this Management Agreement is intended to replace (i) the post-General Assembly authorization prior-approval system of reviews, approvals, policies and procedures carried out and implemented by a variety of central State agencies with (ii) a post-audit system of reviews and accountability under which a Covered Institution is fully responsible and fully accountable for managing itself pursuant to Subchapter 3 of the Act and its management agreement with the Commonwealth.

SECTION 2.1.1. Assessments and Accountability. Virginia Tech and its implementation of the enhanced authority granted by Subchapter 3 of the Act and this Management Agreement, and the Board of Visitors policies attached hereto as Exhibits C through H, shall be subject to the reviews, assessments, and audits (i) set forth in the Act that are to be conducted by the Auditor of Public Accounts, the Joint Legislative Audit and Review Commission, and the State Council of Higher Education for Virginia, or (ii) as may be conducted periodically by the Secretaries of Finance, Administration, Education, or Technology, or by some combination of these four Secretaries, or (iii) as otherwise may be required by law other than the Act.

SECTION 2.1.2. Express Grant of Powers and Authority. Subject to the specific conditions and limitations contained in Article 4 (Institutional Management), Article 5 (Capital Projects; Procurement; Property Generally), and Article 6 (Human Resources) of Subchapter 3 of the Act, the Commonwealth and Virginia Tech agree that the Commonwealth has expressly granted to Virginia Tech by this Management Agreement all the powers and authority contained in certain policies adopted by the Board of Visitors of Virginia Tech attached hereto as Exhibits C through H and governing (1) the undertaking and implementation of capital projects, and other acquisition and disposition of property (Exhibit C), (2) the leasing of property, including capital leases (Exhibit D), (3) information technology (Exhibit E), (4) the procurement of goods, services, including certain professional services, insurance, and construction (Exhibit F), (5) human resources (Exhibit G), and (6) its system of financial management (Exhibit H), including, as provided in subsection B of § 23-38.104 of the Act, the sole authority to establish tuition, fees, room, board, and other charges consistent with sum sufficient appropriation authority for non-general funds as provided by the Governor and the General Assembly in the Commonwealth's biennial appropriations authorization. Subject to the specific conditions and limitations contained in Article 3 (Powers and Authority Generally) of Subchapter 3 of the Act, in this Management Agreement, and in one or more of the Board of Visitors policies attached hereto as Exhibits C through H, the Commonwealth and Virginia Tech agree that the Commonwealth has expressly granted to Virginia Tech all the powers and authority permitted by Article 3 (Powers and Authority Generally) of Subchapter 3 of the Act.

The Board of Visitors of the University shall at all times be fully and ultimately accountable for the proper fulfillment of the duties and responsibilities set forth in, and for the appropriate implementation of, this Management Agreement and the policies adopted by it and

attached hereto as Exhibits C through H. Consistent with this full and ultimate accountability, however, the Board may, pursuant to its legally permissible procedures, specifically delegate the duties and responsibilities set forth in this Management Agreement to its officers, committees, and subcommittees, and, as set forth in the policies adopted by the Board and attached hereto as Exhibits C through H, to a person or persons within the University.

SECTION 2.1.3. Reimbursement by Virginia Tech of Certain Costs.

Pursuant to subsection D 2 c of § 23-38.88 of the Act, Virginia Tech agrees to reimburse the Commonwealth an amount mutually agreed upon with the Commonwealth for any additional costs to the Commonwealth in providing health or other group insurance benefits to employees, and in undertaking any risk management program, that are attributable to Virginia Tech's exercise of any restructured financial or operational authority set forth in Subchapter 3 of the Act and included in this Management Agreement or the policies adopted by its Board of Visitors and attached hereto as Exhibits C through H.

SECTION 2.1.4. Potential Impact on Virginia College Savings Plan.

As required by subsection D 2 c of § 23-38.88 of the Act, Virginia Tech has given consideration to potential future impacts of tuition increases on the Virginia College Savings Plan (§ 23-38.75 of the Code of Virginia) and has discussed those potential impacts with the Executive Director and staff of that Plan and with parties in the Administration who participated in the development of this Management Agreement. The Executive Director of the Plan has provided to Virginia Tech and the Commonwealth the Plan's assumptions underlying the contract pricing of the program.

SECTION 2.1.5. Justification for Deviations from the Virginia Public

Procurement Act. Pursuant to § 23-38.110 of the Act and subject to the provisions of this

Management Agreement, Virginia Tech may be exempt from the provisions of the Virginia Public Procurement Act (“VPPA”), Chapter 43 (§ 2.2-4300 et seq.) of Title 2.2 of the Code of Virginia. Any procurement policies or rules that deviate from the VPPA must be uniform across all institutions governed by Subchapter 3 of the Act, and the Board of Visitors shall adopt and comply with procurement policies that are based upon competitive principles and seek competition to the maximum practical degree. The Policy Governing the Procurement of Goods, Services, Insurance, and Construction, and the Disposition of Surplus Materials and the Rules Governing Procurement of Goods, Services, Insurance, and Construction (the “Procurement Rules”) attached to that Policy as Attachment 1 constitute the policies and uniform deviations from the VPPA required by subsections A and B of § 23-38.110 of the Act.

Subsection D of § 23-38.110 of the Act requires that Virginia Tech identify the public, educational, and operational interests served by any procurement rule or rules that deviate from those in the VPPA. The adopted Board of Visitors policy on procurement and the Procurement Rules provide Virginia Tech with the autonomy to administer its procurement process while fully adhering to the principle that competition should be sought to the maximum extent feasible. This autonomy will better position Virginia Tech to support the requirements of its growing teaching, research and outreach missions. Greater autonomy in procurement will improve internal capacity to respond quickly to emergent material and service issues and, therefore, enable Virginia Tech to be more efficient and effective in meeting the Commonwealth’s goals for institutions of higher education. In some instances, costs will be reduced. Taken collectively, Virginia Tech’s procurement policies and rules that differ from those required by the VPPA will enhance procurement “best practices” as they currently are being observed within

the higher education community nationally. Further, these changes will provide efficiencies to both Virginia Tech and public sector suppliers.

SECTION 2.1.6. Quantification of Cost Savings. Subsection C of § 23-38.104 of the Act requires that a Covered Institution include in its management agreement with the Commonwealth the quantification of cost savings realized as a result of the additional operational flexibility provided pursuant to Subchapter 3 of the Act. Since this initial Management Agreement with the Commonwealth has not yet been implemented by Virginia Tech, the parties agree that Virginia Tech is not in a position to quantify any such cost savings at this time, although Virginia Tech expects that there will be cost savings resulting from the additional authority granted to Virginia Tech pursuant to Subchapter 3 of the Act and that such cost savings will be part of the determinations made during the reviews, assessments, and audits to be conducted pursuant to Subchapter 3 of the Act by the Auditor of Public Accounts, the Joint Legislative Audit and Review Commission, and the State Council of Higher Education for Virginia, and as otherwise described in Section 2.1.1 above.

SECTION 2.1.7. Participation in State Programs. The Commonwealth intends that Virginia Tech shall continue to fully participate in, and receive funding support from the many and varied programs established now or in the future by the Commonwealth to provide support for Virginia's public institutions of higher education and for Virginians attending such institutions, including but not limited to: the state capital outlay and bond financing initiatives undertaken from time to time by the Commonwealth; the Higher Education Equipment Trust Fund established pursuant to § 23-30.24 et seq. of the Code of Virginia; the Maintenance Reserve Fund as provided in the Appropriation Act; the Eminent Scholars program as provided in the Appropriation Act; the Commonwealth's various student financial assistance programs; and other statewide programs or

initiatives that exist, or may be established, in support of the Commonwealth's higher education institutions, programs, or activities.

SECTION 2.1.8. Implied Authority. Pursuant to subsection D 1 of § 23-38.88 of the Act, the only implied authority granted to Virginia Tech by this Management Agreement is that implied authority that is actually necessary to carry out the expressed grant of financial or operational authority contained in this Agreement or in the policies adopted by Virginia Tech's Board of Visitors and attached hereto as Exhibits C through H.

SECTION 2.1.9. Exercise of Authority. Virginia Tech and the Commonwealth acknowledge and agree that the execution of this Management Agreement constitutes the conclusion of a process that, as of the effective date of this Agreement, confers upon Virginia Tech the enhanced authority and operating flexibility described above, all of which is in furtherance of the purposes of Subchapter 3 of the Act. Therefore, without any further conditions or requirements, Virginia Tech shall, on and after the effective date of this Management Agreement, be authorized to exercise the authority conferred upon it by this Management Agreement and the policies adopted by its Board of Visitors attached hereto as Exhibits C through H, and by Article 3 (Powers and Authority Generally) of Subchapter 3 of the Act except to the extent that the powers and authority contained in Article 3 of Subchapter 3 of the Act have been limited by this Management Agreement or the Board of Visitors policies attached hereto as Exhibits C through H.

Virginia Tech and the Commonwealth also acknowledge and agree that, pursuant to subsection A of § 23-38.91 of the Act and consistent with the terms of this Management Agreement, the Board of Visitors of Virginia Tech shall assume full responsibility for

management of Virginia Tech, subject to the requirements and conditions set forth in Subchapter 3 of the Act, the general requirements for this Management Agreement as provided in § 23-38.88 of the Act, and this Management Agreement. The Board of Visitors shall be fully accountable for (a) the management of Virginia Tech as provided in the Act, (b) meeting the requirements of §§ 2.2-5004, 23-9.2:3.02, and 23-9.6:1.01 of the Code of Virginia, and (c) meeting such other provisions as are set forth in this Management Agreement.

SECTION 2.2. State Goals.

SECTION 2.2.1. Furthering State Goals. As required for all public institutions of higher education of the Commonwealth by subsection B of § 23-38.88, prior to August 1, 2005, the Board of Visitors of Virginia Tech adopted the resolution attached hereto as Exhibit I setting forth its commitment to the Governor and the General Assembly to meet the State goals specified in that subsection B.

In addition to the above commitments, the University commits to furthering these State goals by:

1. In addition to its six-year target of achieving \$ 227 in external research by 2011-12 [which is the last year of the six-year plan], the University commits to match from institutional funds, on a dollar for dollar basis, any additional research funds provided by the State in the Appropriation Act above the amount provided from institutional funds for research in 2005-06.

2. In a concerted effort to provide educational opportunities to Virginia students attending institutions in the Virginia Community College System ("VCCS") and Richard Bland College, the University commits to work with the University of Virginia and the College of William and Mary in

Virginia to establish a program under which these three institutions will increase significantly the number of such students transferring to their institutions. Specifically, pursuant to this program, the University, the University of Virginia and the College of William and Mary in Virginia collectively commit to enroll as transfer students from VCCS institutions and Richard Bland College (i) by the 2007-08 fiscal year, not less than approximately 300 new such transfer students each year over the number enrolled in 2004-05, for a total of 900 such transfer students each year, and (ii) by the end of the decade, not less than approximately 650 new such transfer students each year over the number enrolled in 2004-05, for a total of 1,250 such transfer students each year. The three institutions have agreed that they will mutually determine how to divide the responsibility for these additional transfer students equitably among themselves.

3. As an institutional priority and obligation, the University commits to the Governor and General Assembly to work meaningfully and visibly with an economically distressed region or local area of the Commonwealth, not smaller in size than a city or county, which lags behind the Commonwealth in education, income, employment, and other factors. The University commits to establish a formal partnership with that area to develop jointly a specific action plan that builds on the University's programmatic strengths and uses the University's faculty, staff and, where appropriate, student expertise to stimulate economic development in the area to make the area more economically viable, and to improve student achievement and teacher and administrator skill sets in a school division in that area. The University shall submit the action plan to the Governor and General Assembly by no later than December 31, 2006, and shall report to the Governor and General Assembly by September 1 of each year on its progress in implementing the action plan during the prior fiscal year.

SECTION 2.2.2. Student Enrollment, Tuition, and Financial Aid. As required by § 23-9.2:3.02 of the Code of Virginia, Virginia Tech, along with all other public institutions of higher education of the Commonwealth, has developed and submitted to the State Council of Higher Education for Virginia ("SCHEV") by October 1, 2005, an institution-specific Six-Year Plan addressing Virginia Tech's academic, financial, and enrollment plans for the six-year period of fiscal years 2006-07 through 2011-12. Subsection A of § 23-9.2:3.02 requires Virginia Tech to update this Six-Year Plan by October 1 of each odd-numbered year. Subsection B of § 23-38.97 of the Act requires that a management agreement address, among other issues, such matters as Virginia Tech's in-state undergraduate student enrollment, its financial aid requirements and capabilities, and its tuition policy for in-state undergraduate students. These matters are addressed below and in Virginia Tech's Six-Year Plan submitted to SCHEV, and the parties therefore agree that Virginia Tech's Six-Year Plan and the description below meet the requirement of subsection B of § 23-38.97 of the Act.

Subsection B of § 23-38.104 of the Act requires the Board of Visitors of Virginia Tech to include in this Management Agreement Virginia Tech's commitment to provide need-based grant aid for middle- and lower-income Virginia students in a manner that encourages student enrollment and progression without respect to potential increases in tuition and fees. Virginia Tech's commitment in this regard is clear. Virginia Tech recognizes that the cost of higher education as a percentage of family income has increased steadily in recent years for low and moderate income families. Since the University anticipates further increases in tuition and fees during the six year period of 2006-2012, the University developed its Funds for the Future program to increase institutional funds and other fund sources to moderate the impact of future

tuition and fees increases for Virginia undergraduates from families with adjusted gross income of \$100,000 or less, as determined by federal financial aid regulations.

The Funds for the Future program works on a sliding scale of family responsibility for coverage of tuition and fees. For example, students with a family adjusted gross income of \$30,000 or less (approximately 150 percent of the poverty level for a family of four) will receive incremental grant aid sufficient to completely offset any increase in their tuition and mandatory fees during their four years of enrollment at Virginia Tech. For students with family adjusted gross income of \$30,001 to \$99,999, the University will provide varying levels of financial aid awards to reduce the impact of tuition and fee increases.

Virginia Tech serves a large number of students with financial need. Based on 2003-04 enrollment data, the University estimates that for the 2006-07 academic year approximately 5,636 students, representing over 36 percent of the Virginia undergraduate student body, will receive incremental benefits under the Funds for the Future program. The institution will draw upon the full range of available resources to increase grant aid to these students and has established very aggressive goals for its institutional and private funds resources to create and sustain this program. As such, the University program is also based on the commitment of additional state General Fund support, consistent with the levels identified in its Six-Year Financial Plan; these amounts are based upon SCHEV calculations for incremental General Fund appropriations. Consistent with the current financial aid environment, the University also anticipates that existing federal, state, and University loan programs will be available, as needed, to assist students in addressing their annual costs of education not addressed by existing grant aid programs, the Funds for the Future program, or other available resources.

The Commonwealth and Virginia Tech agree that this commitment meets the requirements of subsection B of § 23-38.104 of the Act.

SECTION 2.3. Authority Granted to Virginia Cooperative Extension and the Agriculture Experiment Station Division. Virginia Cooperative Extension and the Agriculture Experiment Station Division shall receive the benefits of the additional financial and operational authority granted by this Management Agreement as it and the policies adopted by the Board of Visitors attached as Exhibits C through H are implemented by Virginia Tech on behalf of Virginia Cooperative Extension and the Agriculture Experiment Station Division, but Virginia Cooperative Extension and the Agriculture Experiment Station Division shall not receive any additional independent financial or operational authority as a result of this Management Agreement or the attached Board of Visitors policies beyond the independent financial and operational authority that it had prior to the effective date of this Management Agreement or that it may be granted by law in the future.

SECTION 2.4. Other Law. As provided in subsection B of § 23-38.91 of the Act, Virginia Tech shall be governed and administered in the manner provided not only in this Management Agreement, but also as provided in the Appropriation Act then in effect and Virginia Tech's Enabling Legislation.

SECTION 2.4.1. The Appropriation Act. The Commonwealth and Virginia Tech agree that, pursuant to the current terms of the Act and the terms of § 4-11.00 of the 2004-06 Appropriation Act, if there is a conflict between the provisions of the Appropriation Act and the provisions of Subchapter 3 of the Act, or this Management Agreement, or the Board of Visitors policies attached to this Management Agreement as Exhibits C through H, the

provisions of the Appropriation Act shall control, and shall continue to control unless provided otherwise by law.

SECTION 2.4.2. Virginia Tech's Enabling Legislation. As provided in subsection C of § 23-38.91 of the Act, in the event of a conflict between any provision of Subchapter 3 of this Act and Virginia Tech's Enabling Legislation, the Enabling Legislation shall control.

SECTION 2.4.3. Title 2.2 of the Code of Virginia. As provided in subsection B of § 23-38.92 of the Act, except as specifically made inapplicable under Subchapter 3 of the Act and the express terms of this Management Agreement, the provisions of Title 2.2 relating generally to the operation, management, supervision, regulation, and control of public institutions of higher education shall be applicable to Virginia Tech as provided by the express terms of this Management Agreement. As further provided in subsection C of § 23-38.92 of the Act, in the event of conflict between any provision of Title 2.2 and any provision of Subchapter 3 of the Act as expressed in this Management Agreement, the provisions of this Management Agreement shall control.

SECTION 2.4.4. Educational Policies of the Commonwealth. As provided in subsection A of § 23-38.93 of the Act, for purposes of §§ 2.2-5004, 23-1.01, 23-1.1, 23-2, 23-2.1, 23-2.1:1, 23-3, 23-4.2, 23-4.3, 23-4.4, 23-7.1:02, 23-7.4, 23-7.4:1, 23-7.4:2, 23-7.4:3, 23-7.5, 23-8.2:1, 23-9.1, 23-9.2, 23-9.2:3, 23-9.2:3.02, 23-9.2:3.1 through 23-9.2:5, 23-9.6:1.01, and Chapter 4.9 (§ 23-38.75 et seq.) of the Code of Virginia, Virginia Tech shall remain a public institution of higher education of the Commonwealth following the effective date of this Management Agreement, and shall retain the authority granted and any obligations required by

such provisions, unless and until provided otherwise by law other than the Act. In addition, Virginia Tech shall retain the authority, and any obligations related to the exercise of such authority, that is granted to institutions of higher education pursuant to Chapter 1.1 (§ 23-9.3 et seq.), Chapter 3 (§ 23-14 et seq.), Chapter 3.2 (§ 23-30.23 et seq.), Chapter 3.3 (§ 23-30.39 et seq.), Chapter 4 (§ 23-31 et seq.), Chapter 4.01 (§ 23-38.10:2 et seq.), Chapter 4.1 (§ 23-38.11 et seq.), Chapter 4.4 (§ 23-38.45 et seq.), Chapter 4.4:1 (§ 23-38.53:1 et seq.), Chapter 4.4:2 (§ 23-38.53:4 et seq.), Chapter 4.4:3 (§ 23-38.53:11), Chapter 4.4:4 (§ 23-38.53:12 et seq.), Chapter 4.5 (§ 23-38.54 et seq.), Chapter 4.7 (§ 23-38.70 et seq.), Chapter 4.8 (§ 23-38.72 et seq.), and Chapter 4.9 (§ 23-38.75 et seq.), unless and until provided otherwise by law other than the Act.

SECTION 2.4.5. Public Access to Information. As provided in § 23-38.95 of the Act, Virginia Tech shall continue to be subject to § 2.2-4342 and to the provisions of the Virginia Freedom of Information Act, Chapter 37 (§ 2.2-3700 et seq.) of Title 2.2 of the Code of Virginia, but shall be entitled to conduct business pursuant to § 2.2-3709 and, in all cases, may conduct business as a “state public body” for purposes of subsection B of § 2.2-3708.

SECTION 2.4.6. Conflicts of Interests. As provided in § 23-38.96 of the Act, the provisions of the State and Local Government Conflict of Interests Act, Chapter 32 (§ 2.2-3100 et seq.) that are applicable to officers and employees of a state governmental agency shall continue to apply to the members of the Board of Visitors of Virginia Tech and to its Covered Employees.

SECTION 2.4.7. Other Provisions of the Code of Virginia. Other than as specified above, any other powers and authorities granted to Virginia Tech pursuant to any other

sections of the Code of Virginia, including other provisions of the Act, are not affected by this Management Agreement or the Board policies attached hereto as Exhibits C through H.

ARTICLE 3. AMENDMENTS TO, AND RIGHT AND POWER TO VOID OR REVOKE, MANAGEMENT AGREEMENT.

SECTION 3.1. Amendments. Any substantial and material change to or deviation from this Management Agreement or the Board of Visitors policies attached hereto as Exhibits C through H shall require the execution by the parties of an amendment to this Management Agreement or a new Management Agreement pursuant to the provisions of subsection D of § 23-38.88 and may lead to the Governor declaring this Management Agreement to be void pursuant to subsection D 4 of § 23-38.88 of the Act.

SECTION 3.2. Right and Power to Void, Revoke, or Reinstate Management Agreement.

SECTION 3.2.1. Governor. Pursuant to subsection D 4 of § 23-38.88, and § 23-38.98, of the Act, if the Governor makes a written determination that Virginia Tech is not in substantial compliance with the terms of this Management Agreement or with the requirements of the Act in general, (i) the Governor shall provide a copy of that written determination to the Rector of the Board of Visitors of Virginia Tech and to the members of the General Assembly, and (ii) Virginia Tech shall develop and implement a plan of corrective action, satisfactory to the Governor, for purposes of coming into substantial compliance with the terms of this Management Agreement and with the requirements of the Act, as soon as practicable, and shall provide a copy of such corrective action plan to the members of the General Assembly. If after a reasonable period of time after the corrective action plan has been implemented by Virginia Tech, the Governor determines that the institution is not yet in substantial compliance with this

Management Agreement or the requirements of the Act, the Governor may void this Management Agreement. Upon the Governor voiding this Management Agreement, Virginia Tech shall no longer be allowed to exercise any restructured financial or operational authority pursuant to the provisions of Subchapter 3 of the Act unless and until Virginia Tech has entered into a subsequent management agreement with the Secretary or Secretaries designated by the Governor or the voided Management Agreement is reinstated by the General Assembly.

SECTION 3.2.2. General Assembly. As provided in subsection D 4 of § 23-38.88 of the Act, the General Assembly may reinstate a Management Agreement declared void by the Governor. Pursuant to § 23-38.98 of the Act, Virginia Tech's status as a Covered Institution governed by Subchapter 3 of the Act may be revoked by an act of the General Assembly (i) if Virginia Tech fails to meet the requirements of Subchapter 3 of the Act, or (ii) if Virginia Tech fails to meet the requirements of this Management Agreement.

ARTICLE 4. GENERAL PROVISIONS.

SECTION 4.1. No Third-Party Beneficiary Status. Nothing in this Agreement, express or implied, shall be construed as conferring any third-party beneficiary status on any person or entity.


SECTION 4.2. Sovereign Immunity. Pursuant to subsection E of § 23-38.88 of the Act, Virginia Tech and the members of its Board of Visitors, officers, directors, employees, and agents shall be entitled to the same sovereign immunity to which they would be entitled if Virginia Tech were not governed by the Act; provided that the Virginia Tort Claims Act, § 8.01-195.1 et seq. of the Code of Virginia, and its limitations on recoveries shall remain applicable with respect to Virginia Tech.

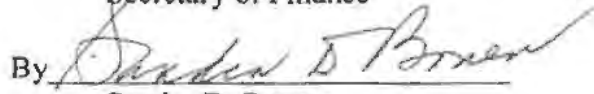
SECTION 4.3. Term of Agreement; Authority to Renew. This Management Agreement shall remain in effect for a period of three years from its effective date. Pursuant to subsection D 3 of § 23-38.88 of the Act, the Commonwealth and Virginia Tech may by mutual agreement renew this Agreement for successive five-year periods, or may enter into a new management agreement. If after its initial three-year term, or a successive five-year term if it is renewed by the parties, this Management Agreement is not renewed or a new agreement executed prior to the expiration of the three-year or five-year term, as applicable, this Management Agreement shall remain in effect on a provisional basis for a period of one year. If, after the expiration of the provisional one-year period, this Management Agreement has not been renewed or a new agreement executed, Virginia Tech shall no longer be granted any of the financial or operational authority set forth in Subchapter 3 of the Act, unless and until such time as a new management agreement is entered into between Virginia Tech and the Commonwealth.

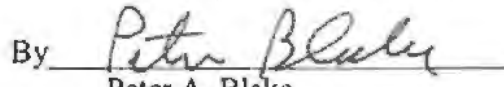
WHEREFORE, the foregoing Management Agreement has been executed by the undersigned as of this 15th day of November, 2005, and shall become effective on the effective date of the Appropriation Act or amendments to an Appropriation Act enacted by the General Assembly containing a recommendation for its approval.

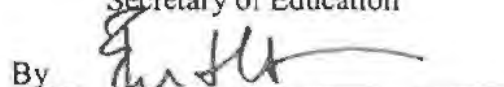
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COMMONWEALTH OF VIRGINIA

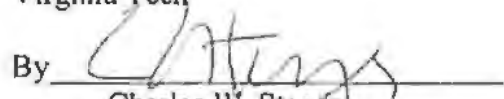
By 
John M. Bennett
Secretary of Finance

By 
Sandra D. Bowen
Secretary of Administration

By 
Peter A. Blake
Secretary of Education

By 
Eugene J. Huang
Secretary of Technology

Virginia Tech

By 
Charles W. Steger
President

**MANAGEMENT AGREEMENT
BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY
PURSUANT TO
THE RESTRUCTURED HIGHER EDUCATION
FINANCIAL AND ADMINISTRATIVE OPERATIONS
ACT OF 2005**

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

**POLICY GOVERNING
CAPITAL PROJECTS**

November 7, 2005

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**THE BOARD OF VISITORS OF VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY
POLICY GOVERNING CAPITAL PROJECTS**

I. PREAMBLE.

The Restructured Higher Education Financial and Administrative Operations Act (the “Act”), Chapter 4.10 of Title 23 of the Code of Virginia, provides that, upon becoming a Covered Institution, the University may be delegated the authority to establish its own system for undertaking the implementation of its capital projects. In general, status as a Covered Institution is designed to replace the post-authorization system of reviews, approvals, policies and procedures carried out by a variety of central State agencies, and also the traditional pre-authorization approval process for projects funded entirely with non-general funds and without any proceeds from State Tax Supported Debt. The University's system for carrying out its capital outlay process as a Covered Institution is to be governed by policies adopted by the Board of Visitors. The following provisions of this Policy, together with the Policy Governing the Procurement of Goods, Services, Insurance, and Construction, and the Disposition of Surplus Materials adopted by the Board, and the Rules Governing Procurement of Goods, Services, Insurance, and Construction, which is attached as Attachment 1 to that Policy, constitute the adopted Board of Visitors policies regarding the University’s capital projects, whether funded by a state general fund appropriation, State Tax Supported Debt, or funding from other sources.

This Policy is intended to encompass and implement the authority that may be granted to the University pursuant to Subchapter 3 of the Act. Any other powers and authorities granted to the University pursuant to the Appropriation Act, or any other sections of the Code of Virginia, including other provisions of the Act and the University's Enabling Legislation, are not affected by this Policy.

II. DEFINITIONS.

As used in this policy, the following terms shall have the following meanings, unless the context requires otherwise:

“Act” means the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10 of Title 23 of the Code of Virginia.

“Board of Visitors” or **“Board”** means the Board of Visitors of Virginia Polytechnic Institute and State University.

“Capital Lease” means a lease that is defined as such within Generally Accepted Accounting Principles pursuant to the pronouncement of the Financial Accounting Standards Board.

“Capital Professional Services” means professional engineering, architecture, land surveying and landscape architecture services related to capital projects.

“Capital project(s)” means the acquisition of any interest in land, including improvements on the acquired land at the time of acquisition, new construction, improvements or renovations, and Capital Leases.

“Covered Institution” means, on and after the Effective Date of its initial Management Agreement, a public institution of higher education of the Commonwealth of Virginia that has entered into a management agreement with the Commonwealth to be governed by the provisions of Subchapter 3 of the Act.

“Enabling Legislation” means those chapters, other than Chapter 4.10, of Title 23 of the Code of Virginia, as amended, creating, continuing, or otherwise setting forth the powers, purposes, and missions of the individual public institutions of higher education of the Commonwealth.

“Major Capital Project(s)” means the acquisition of any interest in land, including improvements on the acquired land at the time of acquisition, new construction of 5,000 square feet or greater or costing \$1 million or more, improvements or renovations of \$1 million or more, and Capital Leases.

“State Tax Supported Debt” means bonds, notes, or other obligations issued under Article X, Section 9(a), 9(b), or 9(c), or 9(d), if the debt service payments are made or ultimately are to be made from general government funds, as defined in the December 20, 2004 Report to the Governor and General Assembly of the Debt Capacity Advisory Committee or as that definition is amended from time to time.

“University” means Virginia Polytechnic Institute and State University, consisting of the University Division (State Agency 208) and Virginia Cooperative Extension and the Agricultural Experiment Station Division (State Agency 229).

III. SCOPE OF POLICY.

This Policy applies to the planning and budget development for capital projects, capital project authorization, and the implementation of capital projects, whether funded by a general fund appropriation of the General Assembly, proceeds from State Tax Supported Debt, or funding from other sources.

This Policy provides guidance for 1) the process for developing one or more capital project programs for the University, 2) authorization of new capital projects, 3) procurement of Capital Professional Services and construction services, 4) design reviews and code approvals for capital projects, 5) environmental impact requirements, 6) building demolitions, 7) building and land acquisitions, 8) building and land dispositions, 9) project management systems, and 10) reporting requirements.

IV. BOARD OF VISITORS ACCOUNTABILITY AND DELEGATION OF AUTHORITY.

The Board of Visitors of the University shall at all times be fully and ultimately accountable for the proper fulfillment of the duties and responsibilities set forth in, and for the appropriate implementation of, this Policy. Consistent with this full and ultimate accountability, however, the Board may, pursuant to its legally permissible procedures, specifically delegate either herein or by separate Board resolution the duties and responsibilities set forth in this Policy to a person or persons within the University, who, while continuing to be fully accountable for such duties and responsibilities, may further delegate the implementation of those duties and responsibilities pursuant to the University's usual delegation policies and procedures.

V. CAPITAL PROGRAM.

The President, acting through the Executive Vice President and Chief Operating Officer, shall adopt a system for developing one or more capital project programs that defines or define the capital needs of the University for a given period of time consistent with the University's published Master Plan. This process may or may not mirror the Commonwealth's requirements for capital plans. The Board of Visitors shall approve the program for Major Capital Projects. Major Capital Projects that are to be funded entirely or in part by a general fund appropriation of the General Assembly or proceeds from State Tax Supported Debt shall follow the Commonwealth's requirements for capital plans. The Board may approve amendments to the program for Major Capital Projects annually or more often if circumstances warrant.

It shall be University policy that each capital project program shall meet the University's mission and institutional objectives, and be appropriately authorized by the

University. Moreover, it shall be University policy that each capital project shall be of a size and scope to provide for the defined program needs, designed in accordance with all applicable building codes and handicapped accessibility standards as well as the University's design guidelines and standards, and costed to reflect current costs and escalated to the mid-point of anticipated construction.

VI. AUTHORIZATION OF CAPITAL PROJECTS.

The Board of Visitors shall authorize the initiation of each Major Capital Project by approving its size, scope, budget, and funding. The President, acting through the Executive Vice President and Chief Operating Officer, shall adopt procedures for approving the size, scope, budget and funding of all other capital projects. Major Capital Projects that are to be funded entirely or in part by a general fund appropriation of the General Assembly or proceeds from State Tax Supported Debt, shall require both Board of Visitors approval and those pre-appropriation approvals of the State's governmental agencies then applicable, and shall follow the State's process for capital budget requests.

It shall be the policy of the University that the implementation of capital projects shall be carried out so that the capital project as completed is the capital project approved by the Board for Major Capital Projects and according to the procedures adopted by the President, acting through the Executive Vice President and Chief Operating Officer, for all other capital projects. The President, acting through the Executive Vice President and Chief Operating Officer, shall ensure strict adherence to this requirement.

Accordingly, the budget, size and scope of a capital project shall not be materially changed beyond the plans and justifications that were the basis for the capital project's approval, either before or during construction, unless approved in advance as described above.

Minor changes shall be permissible if they are determined by the President, acting through the Executive Vice President and Chief Operating Officer, to be justified.

Major Capital Projects may be submitted for Board of Visitors authorization at any time but must include a statement of urgency if not part of the approved Major Capital Project program.

VII. PROCUREMENT OF CAPITAL PROFESSIONAL SERVICES AND CONSTRUCTION SERVICES.

It shall be the policy of the University that procurements shall result in the purchase of high quality services and construction at reasonable prices and shall be consistent with the Policy Governing the Procurement of Goods, Services, Insurance, and Construction, and the Disposition of Surplus Materials adopted by the Board, and with the Rules Governing Procurement of Goods, Services, Insurance, and Construction, which is attached as Attachment 1 to that Policy. Specifically, the University is committed to:

- A. Seeking competition to the maximum practical degree, taking into account the size of the anticipated procurement, the term of the resulting contract and the likely extent of competition;
- B. Conducting all procurements in a fair and impartial manner and avoiding any impropriety or the appearance of any impropriety prohibited by State law or University policy;
- C. Making procurement rules clear in advance of any competition;
- D. Providing access to the University's business to all qualified vendors, firms and contractors, with no potential bidder or offeror excluded arbitrarily or capriciously,

while allowing the flexibility to engage in cooperative procurements and to meet special needs of the University;

- E. Including in contracts of more than \$10,000 the contractor's agreement not to discriminate against employees or applicants because of race, religion, color, sex, national origin, age, disability or other basis prohibited by State law except where there is a bona fide occupational qualification reasonably necessary to the contractor's normal operations;
- F. Providing for a non-discriminatory procurement process, and including appropriate and lawful provisions to effectuate fair and reasonable consideration of women-owned, minority-owned and small businesses and to promote and encourage a diversity of suppliers.

The President, acting through the Executive Vice President and Chief Operating Officer, is authorized to develop implementing procedures for the procurement of Capital Professional Services and construction services at the University. The procedures shall implement this Policy and provide for:

- A. A system of competitive negotiation for Capital Professional Services, including a procedure for expedited procurement of Capital Professional Services under \$50,000, pursuant to (i) subdivisions 1, 2, and 3 a of the defined term "competitive negotiation" in Rule 4 of the Rules Governing Procurement of Goods, Services, Insurance, and Construction, and (ii) § 4-5.06 of the 2004-2006 Appropriation Act;
- B. A prequalification procedure for contractors or products;
- C. A procedure for special construction contracting methods, including but not limited to design-build and construction management contracts; and

D. A prompt payment procedure.

The University also may enter into cooperative arrangements with other private or public health or educational institutions, healthcare provider alliances, purchasing organizations or state agencies where, in the judgment of the University, the purposes of this Policy will be furthered.

VIII. DESIGN REVIEWS AND CODE APPROVALS.

The Board of Visitors shall review the design of all Major Capital Projects and shall provide final Major Capital Project authorization based on the size, scope and cost estimate provided with the design. Unless stipulated by the Board of Visitors at the design review, no further design reviews shall be required. For all capital projects other than Major Capital Projects, the President, acting through the Executive Vice President and Chief Operating Officer, shall adopt procedures for design review and project authorization based on the size, scope and cost estimate provided with the design. It shall be the University's policy that all capital projects shall be designed and constructed in accordance with applicable Virginia Uniform Statewide Building Code ("VUSBC") standards and the applicable accessibility code.

The President, acting through the Executive Vice President and Chief Operating Officer, shall designate a Building Official responsible for building code compliance by either (i) hiring an individual to be the University Building Official, or (ii) continuing to use the services of the Department of General Services, Division of Engineering and Buildings, to perform the Building Official function. If option (i) is selected, the individual hired as the University Building Official shall be a full-time employee, a registered professional architect or engineer, and certified by the Department of Housing and Community Development to perform this Building Official function. The University Building Official shall issue building permits for each capital project required by the VUSBC to have a building permit, and shall determine the suitability for occupancy of, and

shall issue certifications for building occupancy for, all capital projects requiring such certification. Prior to issuing any such certification, this individual shall ensure that the VUSBC and accessibility requirements are met for that capital project and that such capital project has been inspected by the State Fire Marshal or his designee. When serving as the University Building Official, such individual shall report directly and exclusively to the Board of Visitors. If the University hires its own University Building Official, it shall fulfill the code review requirement by:

- A. Maintaining a review unit supported by resources and staff who are certified by the Department of Housing and Community Development in accordance with § 36-137 of the Code of Virginia for such purpose and who shall review plans, specifications and documents for compliance with building codes and standards and perform required inspections of work in progress and the completed capital project. No individual licensed professional architect or engineer hired or contracted with to perform these functions shall also perform other building code-related design, construction, facilities-related project management or facilities management functions for the University on the same capital project; or
- B. Using the services of the Department of General Services, Division of Engineering and Buildings, to perform the building code review duties as described above.

IX. ENVIRONMENTAL IMPACT REPORTS.

It shall be the policy of the University to assess the environmental, historic preservation, and conservation impacts of all capital projects and to minimize and otherwise mitigate all adverse impacts to the extent practicable. The University shall develop a procedure for the preparation and approval of environmental impact reports for capital projects, in accordance

with State environmental, historic preservation, and conservation requirements generally applicable to capital projects otherwise meeting the definition of Major Capital Projects but, pursuant to § 23-38.109 C 1 of the Act, with a cost of \$300,000 or more.

X. BUILDING DEMOLITIONS.

It shall be the policy of the University to consider the environmental and historical aspects of any proposed demolitions. The Board of Visitors shall be responsible for approving demolition requests. The University shall develop a procedure for the preparation and review of demolition requests, including any necessary reviews by the Department of Historic Resources and the Art and Architectural Review Board in accordance with State historic preservation requirements generally applicable to capital projects in the Commonwealth. Further, for any property that was acquired or constructed with funding from a general fund appropriation of the General Assembly or from proceeds from State Tax Supported Debt, general laws applicable to State owned property shall apply.

XI. BUILDING OR LAND ACQUISITIONS.

It is the policy of the University that capital projects involving building or land acquisition shall be subjected to thorough inquiry and due diligence prior to closing on the acquisition of such real property. The President, acting through the Executive Vice President and Chief Operating Officer, shall ensure that the project management system implemented pursuant to Section XIII below provides for a review and analysis of all pertinent matters relating to the acquisition of buildings and land as any prudent purchaser would perform to the end that any building or land acquired by the University shall be suitable for its intended purpose, that the acquisition can be made without substantial risk of liability to the University

and that the cost of the real property to be acquired, together with any contemplated development thereof, shall be such that compliance with the provisions of Section VI of this Policy is achieved. In addition, the President, acting through the Executive Vice President and Chief Operating Officer, shall ensure that, where feasible and appropriate to do so, the following specific policies pertaining to the acquisition of buildings or land for capital projects are carried out.

A. Environmental and Land Use Considerations.

It is the policy of the University to reasonably cooperate with each locality affected by the acquisition. Such cooperation shall include but not be limited to furnishing any information that the locality may reasonably request and reviewing any requests by the locality with regard to any such acquisition. The University shall consider the zoning and comprehensive plan designation by the locality of the building or land and surrounding parcels, as well as any designation by State or federal agencies of historically or archeologically significant areas on the land. Nothing herein shall be construed as requiring the University to comply with local zoning laws and ordinances.

B. Infrastructure and Site Condition.

The President, acting through the Executive Vice President and Chief Operating Officer, shall ensure that, in the case of capital projects involving the acquisition of buildings or land, the project management systems implemented under Section XIII below provide for a review of the following matters prior to acquisition of the building or land: that any land can be developed for its intended purpose without extraordinary cost; that an environmental engineer has been engaged by the University to provide an assessment of any environmental conditions on the land; that there is adequate vehicular ingress and egress to serve the contemplated use of

the building or land; that utilities and other services to the land are adequate or can reasonably be provided or have been provided in the case of building acquisitions; and that the condition and grade of the soils have been examined to determine if any conditions exist that would require extraordinary site work or foundation systems.

C. Title and Survey.

A survey shall be prepared for any real property acquired, and an examination of title to the real property shall be conducted by a licensed attorney or, in the alternative, a commitment for title insurance shall be procured from a title insurance company authorized to do business in the Commonwealth. Based upon the survey and title examination or report, the President, acting through the Executive Vice President and Chief Operating Officer, shall conclude, prior to acquisition of the real property, that title thereto will be conveyed to the University in fee simple, free and clear of all liens, encumbrances, covenants, restrictions, easements or other matters that may have a significant adverse effect upon the University's ability to own, occupy, convey or develop the real property.

D. Appraisal.

An appraisal shall be conducted of the real property to be acquired to determine its fair market value and the consistency of the fair market value with the price agreed upon by the University.

XII. BUILDING OR LAND DISPOSITIONS.

The Board of Visitors shall approve the disposition of any building or land. Disposition of land or buildings, the acquisition or construction of which was funded entirely or in part by a general fund appropriation of the General Assembly or proceeds from State Tax Supported

Debt, shall require both Board of Visitors approval and other approvals in accordance with general law applicable to State-owned property and with the University's Enabling Legislation.

XIII. PROJECT MANAGEMENT SYSTEMS.

The President, acting through the Executive Vice President and Chief Operating Officer, shall implement one or more systems for the management of capital projects for the University. The systems may include the delegation of project management authority to appropriate University officials, including a grant of authority to such officials to engage in further delegation of authority as the President, acting through the Executive Vice President and Chief Operating Officer, deems appropriate.

The project management systems for capital projects shall be designed to ensure that such projects comply with the provisions of this Policy and other Board of Visitors policies applicable to closely related subjects such as selection of architects or policies applicable to University buildings and grounds.

The project management systems may include one or more reporting systems applicable to capital projects whereby University officials responsible for the management of such projects provide appropriate and timely reports to the President, acting through the Executive Vice President and Chief Operating Officer, on the status of such projects during construction.

XIV. REPORTING REQUIREMENTS.

In addition to complying with any internal reporting systems contained in the University's project management systems, as described in Section XIII above, the University shall comply with State reporting requirements for those Major Capital Projects funded entirely

or in part by a general fund appropriation by the General Assembly or State Tax Supported Debt. Additionally, if any capital project constructs improvements on land, or renovates property, that originally was acquired or constructed in whole or in part with a general fund appropriation for that purpose or proceeds from State Tax Supported Debt, and such improvements or renovations are undertaken entirely with funds not appropriated by the General Assembly and, if the cost of such improvements or renovations is reasonably expected to exceed two million dollars, the decision to undertake such improvements or renovations shall be communicated as required by § 23-38.109 C 3 of the Act. As a matter of routine, the President, acting through the Executive Vice President and Chief Operating Officer, shall report to the Department of General Services on the status of such capital projects at the initiation of the project, prior to the commencement of construction, and at the time of acceptance of any such capital project.

**MANAGEMENT AGREEMENT
BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY
PURSUANT TO
THE RESTRUCTURED HIGHER EDUCATION
FINANCIAL AND ADMINISTRATIVE OPERATIONS
ACT OF 2005**

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

**POLICY GOVERNING
FINANCIAL OPERATIONS AND MANAGEMENT**

November 15, 2005

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**THE BOARD OF VISITORS OF VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY
POLICY GOVERNING FINANCIAL OPERATIONS AND MANAGEMENT**

I. PREAMBLE.

The Restructured Higher Education Financial and Administrative Operations Act (the “Act”), Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia, establishes by law a process for granting additional authority to institutions of higher education for financial operations and management, subject to the adoption of policies by their governing boards and the approval of management agreements to be negotiated with the Commonwealth.

The following provisions of this Policy constitute the adopted Board of Visitors policies regarding Virginia Polytechnic Institute and State University’s financial operations and management.

This Policy is intended to cover the authority that may be granted to the University pursuant to Subchapter 3 of the Act. Any other powers and authorities granted to the University pursuant to the Appropriation Act, or any other sections of the Code of Virginia, including other provisions of the Act and the University’s Enabling Legislation, are not affected by this Policy.

II. DEFINITIONS.

As used in this policy, the following terms shall have the following meanings, unless the context requires otherwise:

“**Act**” means the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia.

“**Board of Visitors**” or “**Board**” means the Board of Visitors of Virginia Polytechnic

Institute and State University.

“Covered Institution” means, on or after the Effective Date of its initial Management Agreement with the Commonwealth of Virginia, a public institution of higher education of the Commonwealth that has entered into a Management Agreement with the Commonwealth to be governed by the provisions of Subchapter 3 of the Act.

“Enabling Legislation” means those chapters, other than Chapter 4.10, of title 23 of the Code of Virginia, as amended, creating, continuing, or otherwise setting forth the powers, purposes, and missions of the University.

“Effective Date” means the effective date of the initial Management Agreement between the University and the Commonwealth.

“Management Agreement” means the agreement required by subsection D of § 23-38.88 of the Act between the University and the Commonwealth of Virginia.

“State Tax Supported Debt” means bonds, notes or other obligations issued under Article X, Section 9(a), 9(b), or 9(c), or 9(d), if the debt service payments are made or ultimately are to be made from general government funds, as defined in the December 20, 2004 Report to the Governor and General Assembly of the Debt Capacity Advisory Committee or as that definition is amended from time to time.

“University” means Virginia Polytechnic Institute and State University, consisting of the University Division (State Agency 208) and Virginia Cooperative Extension and the Agriculture Experiment Station Division (State Agency 229).

III. SCOPE OF POLICY.

This Policy applies to the University's responsibility for management, investment and stewardship of all its financial resources, including but not limited to, general, non-general and private funds. This responsibility includes maintaining an independent uniform system of accounting, financial reporting, and internal controls adequate to protect and account for the University's financial resources.

Virginia Cooperative Extension and the Agriculture Experiment Station Division shall receive the benefits of this Policy as it is implemented by the University on behalf of Virginia Cooperative Extension and the Agriculture Experiment Station Division , but Virginia Cooperative Extension and the Agriculture Experiment Station Division shall not receive any additional independent financial operations and management authority as a result of this Management Agreement beyond the independent financial operations and management authority that it had prior to the Effective Date of the University's initial Management Agreement with the Commonwealth or that it may be granted by law in the future.

IV. BOARD OF VISITORS ACCOUNTABILITY AND DELEGATION OF AUTHORITY.

The Board of Visitors of the University shall at all times be fully and ultimately accountable for the proper fulfillment of the duties and responsibilities set forth in, and for the appropriate implementation of, this Policy. Consistent with this full and ultimate accountability, however, the Board may, pursuant to its legally permissible procedures, specifically delegate either herein or by separate Board resolution the duties and responsibilities set forth in this Policy to a person or persons within the University, who, while continuing to be fully accountable for such duties and responsibilities, may further delegate the implementation of

those duties and responsibilities pursuant to the University's usual delegation policies and procedures.

V. FINANCIAL MANAGEMENT AND REPORTING SYSTEM.

The President, acting through the Executive Vice President and Chief Operating Officer, shall continue to be authorized by the Board to maintain existing and implement new policies governing the management of University financial resources. These policies shall continue to ensure compliance with Generally Accepted Accounting Principles and adequate risk management and internal controls to protect and safeguard all financial resources, including moneys transferred to the University pursuant to a general fund appropriation.

The financial management system shall continue to include a financial reporting system to satisfy both the requirements for inclusion into the Commonwealth's Comprehensive Annual Financial Report, as specified in the related State Comptroller's Directives, and the University's separately audited financial statements. To ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounting and bookkeeping system of the University shall continue to be maintained in accordance with the principles prescribed for governmental organizations by the Governmental Accounting Standards Board.

In addition, the financial management system shall continue to provide financial reporting for the President, acting through the Executive Vice President and Chief Operating Officer, and the Board of Visitors to enable them to provide adequate oversight of the financial operations of the University. Upon the Effective Date of the initial Management Agreement between the University and the Commonwealth, except for the recordation of daily revenue deposits of State funds as specified in Section VII below, the University shall not be required to

record its financial transactions in the Commonwealth's Accounting and Reporting System ("CARS"), including the current monthly interfacing with CARS , or to record its financial transactions in any subsequent Commonwealth financial systems that replace CARS or are in addition to CARS, but shall have its own financial reporting system. The University's financial reporting system shall provide (i) summary year-end reports for State agencies including, but not limited to, the Department of Accounts, the Department of Planning and Budget, the Joint Legislative Audit and Review Commission, the Department of Medical Assistance Services, and the State Council of Higher Education for Virginia, at a sufficient level of detail, on such schedule, and using such format that is compatible with the Commonwealth's accounting system, as may be requested by the requesting State agency, and (ii) such other special reports as may be requested from time to time.

VI. FINANCIAL POLICIES.

The President, acting through the Executive Vice President and Chief Operating Officer, shall create and implement any and all financial policies necessary to establish a financial management system with adequate risk management and internal control processes and procedures for the effective protection and management of all University financial resources. In general, the system of independent financial management policies shall be guided by the general principles contained in the Commonwealth's Accounting Policies and Procedures such as establishing strong risk management and internal accounting controls to ensure University financial resources are properly safeguarded and that appropriate stewardship of public funds is obtained through management's oversight of the effective and efficient use of such funds in the performance of University programs.

Upon the Effective Date of its initial Management Agreement with the Commonwealth,

the University shall continue to follow the Commonwealth's accounting policies until such time as specific alternate policies can be developed, approved and implemented. Such alternate policies shall include applicable accountability measures and shall be submitted to the State Comptroller for review and comment before they are implemented by the University.

VII. FINANCIAL RESOURCE RETENTION AND MANAGEMENT.

Under § 23-38.104(A)(i) of the Act, subject to applicable accountability measures and audits, the University shall have the power and authority to manage all monies received by it. All State general funds to be allocated to the University shall remain subject to the appropriations process.

Pursuant to subsection C of § 23-9.6:1.01 of the Code of Virginia, the State Council of Higher Education for Virginia ("SCHEV") annually shall assess and certify to the Governor and General Assembly the degree to which each public institution of higher education of the Commonwealth has met the financial and administrative management and educational-related performance benchmarks called for by that subsection and approved as part of the Appropriation Act then in effect for the State goals and objectives set forth in subdivisions B 1 through B 11 of § 23-38.88 of the Act. Pursuant to § 2.2-5005 of the Code of Virginia, beginning with the fiscal year that immediately follows the first full fiscal year for which the financial and administrative management and educational-related performance benchmarks described in § 23-9.6:1.01 are effective, as provided in a general Appropriation Act, and for all fiscal years thereafter, each public institution of higher education of the Commonwealth that (i) has been certified during the fiscal year by SCHEV as having met such institutional performance benchmarks and (ii) meets the conditions prescribed in subsection B of § 23-38.88, shall receive certain financial incentives,

including the interest on the tuition and fees and other non-general fund Educational and General Revenues deposited into the State Treasury by the public institution of higher education.

Consistent with the prior paragraph, beginning with the fiscal year following the first fiscal year for which it has received such certification from SCHEV, the University is authorized to hold and invest tuition, Educational and General (“E&G”) fees, research and sponsored program funds, auxiliary enterprise funds, and all other non-general fund revenues subject to the following requirements:

i) The University shall deposit such funds in the State Treasury pursuant to the State process in place at the time of such deposit;

ii) Such non-general funds deposited in the State Treasury shall be disbursed as provided in Section IX below;

iii) To be consistent with the financial incentives set forth in § 2.2-5005 of the Code of Virginia described above, the University shall not be entitled to receive the amount of interest the State would have earned on the University’s tuition and fees and other non-general fund Educational and General Revenues deposited into the State Treasury if the State had continued to hold and invest such funds itself, until the fiscal year following the fiscal year for which it has received the required certification from SCHEV. Instead, the State Comptroller and the University shall enter into an agreement by which the University shall provide the State Comptroller with its daily cash balances for tuition and fees and other non-general fund Educational and General Revenues so the State Comptroller can calculate the interest the State would have earned if it had held and invested such funds itself. The State Comptroller shall withhold such amount from the general fund appropriations payable to the University pursuant to the schedule set forth in Section IX below. If, pursuant to subsection C of § 23-9.6:1.01, the

University receives the certification that it has met for a particular fiscal year the institutional performance benchmarks called for by that section and approved in the then-current Appropriation Act, the University shall receive such amount withheld for that fiscal year as its financial incentive as provided in paragraph 1 of § 2.2-5005. If public institutions of higher education of the Commonwealth are permitted, or the University in particular is permitted, by the Appropriation Act or other law to retain or be paid the interest the State would have earned on sponsored programs and research funds, then this paragraph shall not apply to such interest on such funds, and such interest shall not be withheld from the general fund appropriation distributed to the University pursuant to the schedule set forth in Section IX below.

(iv) Beginning on the effective date of its initial Management Agreement with the University until the beginning of the first fiscal year following the fiscal year for which it has received the required certification from SCHEV, the University shall continue to deposit tuition and all other non-general funds with the State Treasurer by the same process that it would have been required to use if it had not entered into a Management Agreement with the Commonwealth.

v) On the first business day of the first fiscal year following the fiscal year for which it has received the required certification from SCHEV, the University may draw down all cash balances held by the State Treasurer on behalf of the University related to tuition, E&G fees, research and sponsored programs, auxiliary enterprises, and all other non-general fund revenues.

vi) The Commonwealth shall retain all funds related to general fund appropriations, but shall pay these funds to the University as specified in Section IX below.

The University also shall have sum sufficient appropriation authority for all non-general funds as approved by the Governor and the General Assembly in the Commonwealth's biennial

appropriations process, and shall report to the Department of Planning and Budget (i) its estimate of the non-general fund revenues for the sum sufficient appropriation to be included in the biennial Budget Bill for each of the two years in the next biennium by November 1 of each odd numbered year and the estimate to be included in the Budget Bill for the first and second year of the then-current biennium by November 1 of each even numbered year, and (ii) report its actual non-general fund revenues for each fiscal year to the Department of Planning and Budget by July 31 of the subsequent fiscal year.

The Board of Visitors shall retain the authority to establish tuition, fee, room, board, and other charges, with appropriate commitment provided to need-based grant aid for middle- and lower-income undergraduate Virginians. Except as provided otherwise in the Appropriation Act then in effect, it is the intent of the Commonwealth and the University that the University shall be exempt from the revenue restrictions in the general provisions of the Appropriation Act related to non-general funds. In addition, unless prohibited by the Appropriation Act then in effect, it is the intent of the Commonwealth and the University that the University shall be entitled to retain non-general fund savings generated from changes in Commonwealth rates and charges, including but not limited to health, life, and disability insurance rates, retirement contribution rates, telecommunications charges, and utility rates, rather than reverting such savings back to the Commonwealth. This financial resource policy assists the University by providing the framework for retaining and managing non-general funds, for the receipt of general funds, and for the use and stewardship of all these funds.

The President, acting through the Executive Vice President and Chief Operating Officer, shall continue to provide oversight of the University's cash management system which is the framework for the retention of non-general funds. The Internal Audit Department of the

University shall periodically audit the University's cash management system in accordance with appropriate risk assessment models and make reports to the Audit and Compliance Committee of the Board of Visitors. Additional oversight shall continue to be provided through the annual audit and assessment of internal controls performed by the Auditor of Public Accounts.

For the receipt of general and non-general funds, the University shall conform to the Security for Public Deposits Act, Chapter 44 (§ 2.2-4400 et seq.) of Title 2.2 of the Code of Virginia as it currently exists and from time to time may be amended.

VIII. ACCOUNTS RECEIVABLE MANAGEMENT AND COLLECTION.

The President, through the Executive Vice President and Chief Operating Officer, shall continue to be authorized to create and implement any and all Accounts Receivable Management and Collection policies as part of a system for the management of University financial resources. The policies shall be guided by the requirements of the Virginia Debt Collection Act, Chapter 48 (§ 2.2-4800 et seq.) of the Code of Virginia such that the University shall take all appropriate and cost effective actions to aggressively collect accounts receivable in a timely manner.

These shall include, but not be limited to, establishing the criteria for granting credit to University customers; establishing the nature and timing of collection procedures within the above general principles; and the independent authority to select and contract with collection agencies and, after consultation with the Office of the Attorney General, private attorneys as needed to perform any and all collection activities for all University accounts receivable such as reporting delinquent accounts to credit bureaus, obtaining judgments, garnishments, and liens against such debtors, and other actions. In accordance with sound collection activities, the University shall continue to utilize the Commonwealth's Debt Set-Off Collection Programs, shall

develop procedures acceptable to the Tax Commissioner and the State Comptroller to implement such Programs, and shall provide a quarterly summary report of receivables to the Department of Accounts in accordance with the reporting procedures established pursuant to the Virginia Debt Collection Act.

IX. DISBURSEMENT MANAGEMENT.

The President, acting through the Executive Vice President and Chief Operating Officer, shall continue to be authorized to create and implement any and all disbursement policies as part of a system for the management of University financial resources. The disbursement management policies shall continue to define the appropriate and reasonable uses of all funds, from whatever source derived, in the execution of the University's operations. These policies also shall continue to address the timing of appropriate and reasonable disbursements consistent with the Prompt Payment Act, and the appropriateness of certain goods or services relative to the University's mission, including travel-related disbursements. Further, the University's disbursement policy shall continue to provide for the mechanisms by which payments are made including the use of charge cards, warrants, and electronic payments. Since the University no longer will interface to the CARS system or any replacement for the CARS system for disbursements, the University shall establish its own mechanisms for electronic payments to vendors through Electronic Data Interchange ("EDI") or similar process and payments to the Commonwealth's Debt Set-Off Collection Programs.

Beginning with the fiscal year after the first fiscal year for which it first receives the required certification from SCHEV, the University may draw down its general fund appropriations (subject to available cash) and tuition and E&G fees and other non-general fund

revenues from the State Treasury. Such funds shall be available to the University for disbursement as provided in the then-current rules of the Automated Clearing House (“ACH”) Network. The draw down of funds may be initiated in accordance with the following schedule:

i) the University may draw down one-twelfth (1/12) of its annual general fund appropriation for Educational and General programs on the first day of each month (less the interest retention specified in Section VII above), and up to 50 percent of its annual general fund appropriation for Student Financial Assistance on or after September 1 of each year with the remaining 50 percent to be drawn on or after February 1 of each year in order to meet student obligations;

ii) the University may draw down the sum of all tuition and E&G fees and all other non-general revenues deposited to the State Treasury each day on the same business day they were deposited; and

iii) the University anticipates that expenditures could exceed available revenues from time to time during the year if the above disbursement schedule is used. When the University projects a cash deficit is likely in activities supported by general fund appropriations, the University may make a request to the State Comptroller for an early draw on its appropriated general funds deposited in the State Treasury, in a form and within a timeframe agreeable to the parties, in order to cover expenditures.

These disbursement policies shall authorize the President, acting through the Executive Vice President and Chief Operating Officer, to independently select, engage, and contract for such consultants, accountants, and financial experts, and other such providers of expert advice and consultation, and, after consultation with the Office of the Attorney General, private attorneys, as may be necessary or desirable in his or her discretion. The policies also shall

continue to include the ability to locally manage and administer the Commonwealth's credit card and cost recovery programs related to disbursements, subject to any restrictions contained in the Commonwealth's contracts governing those programs, provided that the University shall submit the credit card and cost recovery aspects of its financial and operations policies to the State Comptroller for review and comment prior to implementing those aspects of those policies. The disbursement policies shall ensure that adequate risk management and internal control procedures shall be maintained over previously decentralized processes for public records, payroll, and non-payroll disbursements. The University shall continue to provide summary quarterly prompt payment reports to the Department of Accounts in accordance with the reporting procedures established pursuant to the Prompt Payment Act.

The University's disbursement policies shall be guided by the principles of the Commonwealth's policies as included in the Commonwealth's Accounting Policy and Procedures Manual. Upon the Effective Date of its initial Management Agreement with the Commonwealth, the University shall continue to follow the Commonwealth's disbursement policies until such time as specific alternative policies can be developed, approved and implemented. Such alternate policies shall be submitted to the State Comptroller for review and comment prior to their implementation by the University.

X. DEBT MANAGEMENT.

The President, acting through the Executive Vice President and Chief Operating Officer, shall continue to be authorized to create and implement any and all debt management policies as part of a system for the management of University financial resources.

Pursuant to § 23-38.108(B) of the Act, the University shall have the authority to issue

bonds, notes, or other obligations that do not constitute State Tax Supported Debt and that are consistent with debt capacity and management policies and guidelines established by its Board of Visitors, without obtaining the consent of any legislative body, elected official, commission, board, bureau, or agency of the Commonwealth or of any political subdivision, and without any proceedings or conditions other than those specifically required by Subchapter 3 of the Act; provided that, the University shall notify the Treasurer of Virginia of its intention to issue bonds pursuant to this Policy at the time it adopts the bond issuance planning schedule for those bonds. Any new or revised debt capacity and management policy shall be submitted to the Treasurer of Virginia for review and comment prior to its adoption by the University.

The University recognizes that there are numerous types of financing structures and funding sources available each with specific benefits, risks, and costs. All potential funding sources shall be reviewed by the President, acting through the Executive Vice President and Chief Operating Officer, within the context of the overall portfolio to ensure that any financial product or structure is consistent with the University's objectives. Regardless of the financing structure(s) utilized, the President, acting through the Executive Vice President and Chief Operating Officer, shall obtain sufficient documentation to gain a full understanding of the transaction, including (i) the identification of potential risks and benefits, and (ii) an analysis of the impact on University creditworthiness and debt capacity. All such debt or financial products issued pursuant to the provisions of §§ 23.38-107 and 23.38-108 of the Act shall be authorized by resolution of the Board, providing that they do not constitute State Tax Supported Debt.

XI. INVESTMENT POLICY.

It is the policy of the University to invest its operating and reserve funds solely in the

interest of the University and in a manner that will provide the highest investment return with the maximum security while meeting daily cash flow demands and conforming to the Investment of Public Funds Act (§ 2.2-4500 et seq. of the Code of Virginia). Investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

Endowment investments shall be invested and managed in accordance with the Uniform Management of Institutional Funds Act, §§ 55-268.1 through 55-268.10, and § 23-76.1 of the Code of Virginia.

The Board of Visitors shall periodically review and approve the investment guidelines governing the University's operating and reserve funds.

XII. INSURANCE AND RISK MANAGEMENT.

By July 1 of each odd-numbered year, the University shall inform the Secretary of Finance of any intent during the next biennium to withdraw from any insurance or risk management program made available to the University through the Commonwealth's Division of Risk Management and in which the University is then participating, to enable the Commonwealth to complete an adverse selection analysis of any such decision and to determine the additional costs to the Commonwealth that would result from any such withdrawal. If upon notice of such additional costs to the Commonwealth, the University proceeds to withdraw from the insurance or risk management program, the University shall reimburse the Commonwealth for all such additional costs attributable to such withdrawal. Such payment shall be made in a manner agreeable to both the University and the Commonwealth.

**MANAGEMENT AGREEMENT
BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY
PURSUANT TO
THE RESTRUCTURED HIGHER EDUCATION
FINANCIAL AND ADMINISTRATIVE OPERATIONS
ACT OF 2005**

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

**POLICY GOVERNING
HUMAN RESOURCES FOR
PARTICIPATING COVERED EMPLOYEES
AND OTHER UNIVERSITY EMPLOYEES**

November 15, 2005

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**THE BOARD OF VISITORS OF VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY
POLICY GOVERNING HUMAN RESOURCES FOR
PARTICIPATING COVERED EMPLOYEES
AND OTHER UNIVERSITY EMPLOYEES**

I. PREAMBLE.

The Restructured Higher Education Financial and Administrative Operations Act (the “Act”), Chapter 4.10 of Title 23 of the Code of Virginia, establishes a process for the restructuring of institutions of higher education of the Commonwealth of Virginia and provides that upon becoming a Covered Institution, the University shall have responsibility and accountability for human resources management for all University employees, defined in the Act as “Covered Employees,” who pursuant to subsection A of § 23-38.114 of the Act “are state employees of” the University. Specifically, the Act provides that, as of the Effective Date of its initial Management Agreement with the Commonwealth, all Classified Employees shall continue to be covered by the Virginia Personnel Act, Chapter 29 (§ 2.2-2900 et seq.) of Title 2.2 of the Code of Virginia, and shall be subject to the policies and procedures prescribed by the Virginia Department of Human Resource Management, provided that they may subsequently elect to become Participating Covered Employees. All Participating Covered Employees shall: (i) be exempt from the Virginia Personnel Act, Chapter 29 (§ 2.2-2900 et seq.) of Title 2.2; (ii) remain subject to the state grievance procedure for employees subject to the Virginia Personnel Act, Chapter 30 (§ 2.2-3000 et seq.) of Title 2.2, provided they were subject to the state grievance procedure prior to that Effective Date; (iii) participate in a compensation plan that is subject to the review and approval of the Board of Visitors; (iv) be hired pursuant to procedures that are based on merit and fitness; and (v) may, subject to certain specified conditions, continue to

participate in either state- or University-sponsored benefit plans as described by the Management Agreement.

The provisions of this Policy are adopted by the Board of Visitors to implement the Governing Law and constitute the human resources policies to be included in any human resources system adopted by the University for its employees.

This Policy is intended to cover the authority that may be granted to the University pursuant to Subchapter 3 of the Act. Any other powers and authorities granted to the University pursuant to the Appropriation Act, or any other sections of the Code of Virginia, including other provisions of the Act and the University's Enabling Legislation, are not affected by this Policy.

DEFINITIONS.

As used in this policy, the following terms shall have the following meanings, unless the context requires otherwise:

“Act” means the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10 of Title 23 of the Code of Virginia.

“Board of Visitors” or **“Board”** means the Board of Visitors of Virginia Polytechnic Institute and State University.

“Classified Employees” means employees who are covered by the Virginia Personnel Act, Chapter 29 (§ 2.2-2900 et seq.) of Title 2.2 of the Code of Virginia, and the policies and procedures established by the Virginia Department of Human Resource Management and who are not Participating Covered Employees.

“Covered Employee” means any person who is employed by the University on either a salaried or non-salaried (wage) basis.

“Covered Institution” means, on and after the Effective Date of its initial Management Agreement with the Commonwealth of Virginia, a public institution of higher education of the Commonwealth that has entered into a Management Agreement with the Commonwealth to be governed by the provisions of Subchapter 3 of the Act.

“Employee” means Covered Employee unless the context clearly indicates otherwise.

“Enabling Legislation” means those chapters, other than Chapter 4.10, of Title 23 of the Code of Virginia, as amended, creating, continuing, or otherwise setting forth the powers, purposes, and missions of the University.

“Effective Date” means the effective date of the initial Management Agreement between the University and the Commonwealth.

“Governing Law” means the Act and the University’s Enabling Legislation.

“Management Agreement” means the agreement required by subsection D of § 23-38.88 of the Act between the University and the Commonwealth.

“Participating Covered Employee” means (i) all salaried nonfaculty University employees who were employed as of the day prior to the Effective Date of the University’s initial Management Agreement with the Commonwealth, and who elect pursuant to § 23-38.115 of the Act to participate in and be governed by such human resources program or programs, plans, policies, and procedures established by Virginia Polytechnic Institute and State University, (ii) all salaried nonfaculty University employees who are employed by the University on or after the Effective Date of the initial Management Agreement between the University and the Commonwealth, (iii) all non-salaried nonfaculty University employees without regard to when they were hired, (iv) all faculty University employees without regard to when they were hired.

“University” means Virginia Polytechnic Institute and State University, consisting of the University Division (State Agency 208) and Virginia Cooperative Extension and the Agriculture Experiment Station Division (State Agency 229).

“University employee” means a Covered Employee.

“University Human Resources System” means the human resources system for University employees as provided for herein.

III. SCOPE AND PURPOSE OF UNIVERSITY HUMAN RESOURCES POLICIES.

The University has had human resources system autonomy through decentralization and codified autonomy for its employees for some time. For example, general faculty at the University are expressly exempt from the Virginia Personnel Act. The University has had decentralization in most human resources functions and activities since the late 1980s and early 1990s, including, but not limited to, the running of payrolls; the administration of hiring, classification, and promotion practices; the administration of separate health insurance and retirement plans.

The Act extends and reinforces the human resources autonomy previously granted to the University. This Policy therefore is adopted by the Board of Visitors to enable the University to develop, adopt, and have in place by or after the Effective Date of its initial Management Agreement with the Commonwealth, a human resources system or systems for all University employees. On that Effective Date, and until changed by the University or unless otherwise specified in this Policy, the systems for University employees shall be the same systems applicable to those employees in effect immediately prior to that Effective Date.

IV. BOARD OF VISITORS ACCOUNTABILITY AND DELEGATION OF AUTHORITY.

The Board of Visitors of the University shall at all times be fully and ultimately accountable for the proper fulfillment of the duties and responsibilities set forth in, and for the appropriate implementation of, this Policy. Consistent with this full and ultimate accountability, however, the Board may, pursuant to its legally permissible procedures, specifically delegate either herein or by separate Board resolution the duties and responsibilities set forth in this Policy to a person or persons within the University, who, while continuing to be fully accountable for such duties and responsibilities, may further delegate the implementation of those duties and responsibilities pursuant to the University's usual delegation policies and procedures.

V. VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY HUMAN RESOURCES SYSTEMS.

A. Adoption and Implementation of University Human Resources Systems.

The President, acting through the Executive Vice President and Chief Operating Officer, is hereby authorized to adopt and implement human resources systems for University employees that implement and are consistent with the Governing Law, other applicable provisions of law, these University human resources policies, and any other human resources policies adopted by the Department of Human Resource Management or the Board of Visitors for University personnel, unless University employees are exempted from those other human resources policies by law or policy. The University Human Resources Systems shall include a delegation of personnel authority to appropriate University officials responsible for overseeing and implementing the University Human Resources Systems, including a grant of authority to such

officials to engage in further delegation of authority as the President or his designee deems appropriate.

The University commits to regularly engage employees in appropriate discussions and to receive employee input as the new University Human Resources Systems are developed. The University will regularly communicate the details of new proposals to all employees who are eligible to participate in the new University Human Resources System through written communication, open meetings, and website postings as appropriate, so that employees will have full information that will help them evaluate the merits of the new human resource system compared to the then-current State human resource system.

Effective on the Effective Date of its initial Management Agreement with the Commonwealth, and until amended as described below, the University's human resources systems shall consist of the following:

1. the current human resources system for faculty described in the Virginia Tech Faculty Handbook and Special Research Faculty Handbook as posted on the University's web site, <http://www.policies.vt.edu/>, and periodically amended; and
2. the current human resources system for "Classified Employees" as posted on the Virginia Department of Human Resource Management website at <http://www.dhrm.state.va.us/hrpolicy/policy.htm> and the University's website, <http://www.policies.vt.edu/>, and Human Resources' website, <http://www.hr.vt.edu>, as periodically amended;
3. the Human Resources System for salaried nonfaculty "Participating Covered Employees," as posted on the University's website, <http://www.policies.vt.edu>, and Human Resources' website, <http://www.hr.vt.edu>, as periodically amended; and

4. the Human Resource System for wage employees as set forth in the current Virginia Tech policies, procedures, and guidelines, as posted on the University's website, <http://www.policies.vt.edu/>, and Human Resource' website, <http://www.hr.vt.edu/>, as periodically amended, and for graduate students employed on assistantships as set forth in the Virginia Tech Graduate School policies, as posted on the Graduate School website, <http://www.grads.vt.edu/>, as periodically amended.

All the systems described above, except the system described in paragraph 2, may be amended by the President, acting through the Executive Vice President and Chief Operating Officer, consistent with these human resources policies. The system described in paragraph 2 may be amended only by the State.

B. Training in and Compliance with Applicable Provisions of Law and Board of Visitors' Human Resources Policies.

The President, acting through the Executive Vice President and Chief Operating Officer, shall take all necessary and reasonable steps to assure (i) that the University officials who develop, implement and administer the University Human Resources Systems authorized by Governing Law and these human resources policies are knowledgeable regarding the requirements of the Governing Law, other applicable provisions of law, these University human resources policies, and other applicable Board of Visitors' human resources policies affecting University employees, and (ii) that compliance with such laws and human resources policies is achieved.

VI. HUMAN RESOURCES POLICIES.

The Human Resources Systems adopted by the University pursuant to Governing Law and this Policy, as set forth in Section V above shall embody the following human resources policies and principles:

A. Election by Salaried Nonfaculty University Employees. Upon the adoption by the University of a University Human Resources System, all salaried nonfaculty University employees who were in the employment of the University as of the day prior to the Effective Date of its initial Management Agreement with the Commonwealth, shall be given written notice of their right to elect to participate in and be governed by either (i) the State human resources program set forth in Chapters 28 (§ 2.2-2800 et seq.) and 29 (§ 2.2-2900 et seq.) of Title 2.2 of the Code of Virginia and administered by the Department of Human Resource Management, or (ii) the University Human Resources System. A salaried nonfaculty University employee who elects to continue to be governed by the State human resources program described above shall continue to be governed by all State human resources and benefit plans, programs, policies and procedures that apply to and govern State employees. A salaried nonfaculty University employee who elects in writing to participate in and be governed by the University Human Resources System, also, by that election, shall be deemed to have elected to be eligible to participate in and to be governed by the human resources, authorized alternative insurance, and severance plans, programs, policies and procedures that are or may be adopted by the University as part of that University Human Resources System.

Each such salaried nonfaculty University employee, shall be given at least 90 days to make the election required by the prior paragraph. Such 90 day period shall begin to run on the date on which the University Human Resources System becomes effective for that University

employee's classification of employees. If such a salaried nonfaculty University employee does not make an election by the end of that specified election period, that University employee shall be deemed not to have elected to participate in the University Human Resources System. If such a salaried nonfaculty University employee elects to participate in the University Human Resources System, that election shall be irrevocable. At least every two years, the University shall offer to salaried nonfaculty University employees who have elected to continue to participate in the state human resources program set forth in Chapters 28 (§ 22.-2800 et seq.) and 29 (§ 2.2-2900 et seq.) of Title 2.2 an opportunity to elect to participate in the University Human Resources System; provided that, each time prior to offering such opportunity to such salaried nonfaculty University employees, and at least once every two years after the effective date of the University Human Resources System, the University shall make available to each of its salaried nonfaculty University employees a comparison of its human resources program for that classification of salaried nonfaculty University employee with the State human resources program for comparable State employees, including but not limited to a comparability assessment of compensation and benefits. A copy of the human resources program comparison shall be provided to the Department of Human Resource Management.

B. Classification and Compensation.

1. *General.* The Systems shall include classification and compensation plans that are fair and reasonable, and are based on the availability of University financial resources. The plans adopted by the University for its faculty and other Participating Covered Employees shall be independent of, and need not be based on, the classification and compensation plans of the Commonwealth, do not require the approval of any State agency or officer, and shall be subject to the review and approval by the Board of Visitors as set forth in paragraph 3 below. The

University shall provide information on its classification and compensation plans to all University employees. The plans applicable to Participating Covered Employees may or may not include changes in classification or compensation announced by the Commonwealth depending on such factors as the availability of necessary financial resources to fund any such changes, and subject to the review and approval by the Board of Visitors of any major changes in the University's compensation plans.

2. *Classification Plan.* The Systems shall include one or more classification plans for University employees that classify positions according to job responsibilities and qualifications. On the Effective Date of the University's initial Management Agreement with the Commonwealth, and until changed by the University, the classification plans shall be the same plans that are in effect for each group of employees immediately prior to that Effective Date.

3. *Compensation Plan.* The Systems shall include one or more compensation plans for each University employee classification or group. On the Effective Date of the University's initial Management Agreement with the Commonwealth, and until changed by the Department of Human Resource Management, the compensation plan for Classified Employees shall be the compensation plan in effect immediately prior to that Effective Date, known as the Commonwealth's Classified Compensation Plan. On that Effective Date, and until changed by the University, the compensation plan or plans for all Participating Covered Employees shall be the compensation plan or plans in effect immediately prior to that Effective Date. The University may adopt one or more compensation plans for Participating Covered Employees that are non-graded plan(s) based on internal and external market data and other relevant factors to be determined annually. Any major change in compensation plans for Participating Covered Employees shall be reviewed and approved by the Board of Visitors before that change becomes

effective. Any change recommended in the compensation plans may take into account the prevailing rates in the labor market for the jobs in question, or for similar positions, the relative value of jobs, the competency and skills of the individual employee, internal equity, and the availability of necessary financial resources to fund the proposed change. The compensation payable to University employees shall be authorized and approved only by designated University officers delegated such authority by the University, and shall be consistent with the approved compensation plan for the relevant position or classification. Further approval by any other State Agency, governmental body or officer is not required for setting, adjusting or approving the compensation payable to individual Participating Covered Employees.

4. *Wages.* The Systems shall include policies and procedures for the authorization, computation and payment of wages, where appropriate, for such premium pays as overtime, shift differential, on call, and call back, and for the payment of hourly employees.

5. *Payment of Compensation.* The Systems shall include policies and procedures for paying compensation to employees, including the establishment of one or more payday schedules.

6. *Work Schedule and Workweek.* The Systems shall include policies and procedures for the establishment of, and modifications to, work schedules and workweeks for all University employees, including alternative work schedules and sites, and telecommuting policies and procedures.

7. *Other Classification and Compensation Policies and Procedures.* The Systems may include any other reasonable classification and compensation policies and procedures the President, acting through the Executive Vice President and Chief Operating Officer, deems appropriate.

C. Benefits.

The Systems shall provide fringe benefits to all benefits eligible employees, including retirement benefits, health care insurance, life, disability, and accidental death and dismemberment insurance. The benefits provided shall include a basic plan of benefits for each benefits eligible employee, and may include an optional benefits plan for benefits eligible employees, including additional insurance coverage, long-term care, tax deferred annuities, flexible reimbursement accounts, employee assistance programs, employee intramural and recreational passes, and other wellness programs. As provided in subsections B and C of § 23-38.119 of the Act, the University may require Participating Covered Employees to pay all or a portion of the cost of group life, disability and accidental death and dismemberment insurance, which may be collected through a payroll deduction program. Participating Covered Employees shall not be required to present evidence of insurability for basic group life insurance coverage. The Board of Visitors may elect to provide benefits through Virginia Retirement System group insurance programs under the terms of and to the extent allowed by subsections B and D of § 23-38.119. of the Act or any other provision of law.

Notwithstanding the above, pursuant to subsection A of § 23-38.114 of the Act, and unless and until that section is amended, the state retirement system, state health insurance program, and state workers' compensation coverage program as they may be amended from time to time, shall continue to apply to and govern all eligible University employees. If, however, the University has been or is permitted by law other than the Act to establish an alternative health insurance plan or an alternative faculty retirement plan or plans, such alternative health insurance or faculty retirement plan or plans shall apply to and govern the University employees included in such plan or plans.

The Systems may provide different benefits plans for reasonably different groups or classifications of employees, and may provide benefits to part-time employees. On the Effective Date of the University's initial Management Agreement with the Commonwealth, and until changed by the appropriate governing authority, the benefits plans provided by the University to Classified Employees and Participating Covered Employees shall be the benefits plans provided to that group or classification as of the date immediately prior to that Effective Date. On or after that Effective Date, alternative University group life, accidental death and dismemberment, and short- and long-term disability plans may be provided to eligible Participating Covered Employees, or at the election of the Board of Visitors and subject to the execution of participation agreements as provided in subsections B and C of § 23-38.119 of the Act, they may be provided by the appropriate State programs, but no contributions to the State programs by the University shall be required for Participating Covered Employees who do not participate in the programs. Subject to the provisions of the Act, any new plans, programs and material changes permitted under current law in University employee benefit plans, other than Classified Employee benefits plans, shall be approved by the Board of Visitors, including the authority to increase the Cash Match Contribution rate up to the limit permitted by the Code of Virginia based on available resources, and the authority to implement cafeteria-style benefits for University employees other than Classified Employees.

Insurance and all proceeds there from provided pursuant to § 23-38.119 of the Act shall be exempt from legal process and may be subject to assignment as provided in subsection A of § 23-38.119.

D. Employee Relations.

1. *General.* The Systems shall contain provisions that protect the rights and privileges of University employees consistent with sound management principles and fair employment practice law. At regular intervals, the University shall engage in consultations and discussions with, and receive input from, diverse employee groups regarding human resources issues, including the University Human Resources System.

2. *Employee Safety and Health.* The Systems shall contain provisions that promote workplace safety compliance with applicable law and regulations.

3. *Employee Work Environment.* The Systems shall promote a work environment that is conducive to the performance of job duties, and free from intimidation or coercion in violation of State or federal law, including sexual harassment or other discrimination.

4. *Employee Recognition.* The Systems may provide for the use of leave awards and bonuses specific to policies and procedures for awarding, honoring, or otherwise recognizing University employees, including but not limited to those who have performed particularly meritorious service for the University, have been employed by the University for specified periods of time, or have retired from the University after lengthy service.

5. *Counseling Services.* The Systems shall provide counseling services through the State's Employee Assistance Program or a University Employee Assistance Program to any eligible University employee experiencing job-related difficulties and seeking counseling for those difficulties, and shall establish the circumstances under which the time necessary to participate in such counseling may be granted.

6. *Unemployment Compensation.* The Systems shall ensure that University employees receive the full unemployment compensation benefits to which they are legally entitled, and that the University's liability is limited to legitimate claims for such benefits.

7. *Workers' Compensation.* The Systems shall ensure that University employees have workers' compensation benefits to which they are legally entitled pursuant to the State Employees' Workers Compensation Program administered by the Department of Human Resource Management.

8. *Performance Planning and Evaluation.* The Systems shall include one or more performance planning and evaluation processes for University employees that (i) establish and communicate the University's performance expectations, (ii) help develop productive working relationships, (iii) allow employees to present their views concerning their performance, (iv) identify areas for training or professional development, (v) establish the process by which evaluations shall be conducted, (vi) clarify how superlative or inadequate performance shall be addressed, and (vii) ensure that all University employees are provided relevant information on the evaluation process. The Systems may include separate performance and evaluation processes for reasonably distinguishable groups of University employees. On the Effective Date of the University's initial Management Agreement with the Commonwealth, the existing merit-based performance management system for faculty shall continue, until amended by the University. On or after that Effective Date, nonfaculty salaried Participating Covered Employees may be subject to a variable merit-based performance management system.

9. *Standards of Conduct and Performance.* In order to protect the well-being and rights of all employees and to ensure safe, efficient University operations and compliance with the law, the Systems shall establish rules of personal conduct and standards of acceptable work

performance for University salaried nonfaculty employees and policies for corrective discipline. In general, the policies for corrective discipline shall serve to (i) establish a uniform and objective process for correcting or disciplining unacceptable conduct or work performance, (ii) distinguish between less serious and more serious actions of misconduct and provide corrective action accordingly, and (iii) limit corrective action to employee conduct occurring only when employees are at work or are otherwise representing the University in an official or work-related capacity, unless otherwise specifically provided by the policies of the Systems or other applicable law. The Systems may provide for a probationary period for new and re-employed University salaried nonfaculty employees, during which period the policies for corrective discipline shall not be applicable and the employee may not use the grievance procedure set forth in the next paragraph. The Systems may include separate rules of personal conduct and standards of acceptable work performance and policies for corrective discipline for reasonably distinguishable groups of University employees.

10. *Grievance Procedure.* As provided in the Governing Law, employees shall be encouraged to resolve employment-related problems and complaints informally, and shall be permitted to discuss their concerns freely and without fear of retaliation with immediate supervisors and management. In the event that such problems cannot be resolved informally, all salaried nonfaculty University employees, regardless of their date of hire, shall have access, as provided in subsection A of § 23-38.114 and in § 23-38.117 of the Act, to the State Grievance Procedure, Chapter 30 (§ 2.2-3000 et seq.) of Title 2.2 of the Code of Virginia, to the extent it was applicable to their classification of employees prior to the Effective Date of the University's initial Management Agreement with the Commonwealth. On that Effective Date, and until

changed by the University, the faculty grievance procedures in effect immediately prior to the Effective Date shall continue.

11. *Discrimination Complaints.* If a Classified Employee believes discrimination has occurred, the Classified Employee may file a complaint with the Department of Human Resource Management, Office of Equal Employment Services, with the appropriate University office, or with the appropriate federal agencies. All Participating Covered Employees and applicants for employment after the Effective Date of the University's initial Management Agreement with the Commonwealth shall file a complaint with the appropriate University office or with the appropriate federal agencies.

12. *Layoff Policy.* The Systems shall include one or more layoff policies for salaried University employees who lose their jobs for reasons other than their job performance or conduct, such as a reduction in force or reorganization at the University. These University layoff policies shall govern such issues as (i) whether there is a need to effect a layoff, (ii) actions to be taken prior to a layoff, (iii) notice to employees affected by a layoff, (iv) placement options within the University or its respective major divisions and within other parts of the University, (v) the preferential employment rights, if any, of various University employees, (vi) the effect of layoff on leave and service, and (vii) the policy for recalling employees. In accordance with the terms of the Act, University employees who: (i) were employed prior to the Effective Date of the University's initial Management Agreement with the Commonwealth, (ii) would otherwise be eligible for severance benefits under the Workforce Transition Act, (iii) were covered by the Virginia Personnel Act prior to that Effective Date, and (iv) are separated because of a reduction in force shall have the same preferential hiring rights with State agencies and other executive branch institutions as Classified Employees have under § 2.2-3201 of the Code of Virginia.

Conversely, the University shall recognize the hiring preference conferred by § 2.2-3201 on State employees who were hired by a State agency or executive branch institution before the Effective Date of the University's initial Management Agreement with the Commonwealth and who were separated after that date by that State agency or executive branch institution because of a reduction in workforce. If the University has adopted a classification system pursuant to § 23-38.116 of the Act that differs from the classification system administered by the Department of Human Resource Management, the University shall classify the separated employee according to its classification system and shall place the separated employee appropriately. The University may include separate policies for reasonably distinguishable groups of University employees. On or after the Effective Date of the University's initial Management Agreement with the Commonwealth, all employees from other State agencies and executive branch institutions who are placed by the University under the provisions of the State Layoff Policy shall be Participating Covered Employees.

13. *Severance Benefits.* In accordance with the terms of the Act, the University shall adopt severance policies for salaried Participating Covered Employees who are involuntarily separated for reasons unrelated to performance or conduct. The terms and conditions of such policies shall be determined by the Board of Visitors. Classified Employees who otherwise would be eligible and were employed prior to the Effective Date of the University's initial Management Agreement with the Commonwealth shall be covered by the Workforce Transition Act, Chapter 32 (§ 2.2-3200 et seq.) of Title 2.2 of the Code of Virginia. The University and the Board of the Virginia Retirement System may negotiate a formula according to which cash severance benefits may be converted to years of age or creditable service for Participating Covered Employees who participate in the Virginia Retirement System. An employee

becoming, on such Effective Date, a Covered Employee shall not constitute a severance or reduction in force to which severance or Workforce Transition Act policies would apply.

14. *Use of Alcohol and Other Drugs.* The Systems shall include policies and procedures that (i) establish and maintain a work environment at the University that is free from the adverse effect of alcohol and other drugs, (ii) are consistent with the federal Drug-Free Workplace Act of 1988 and with the Virginia Polytechnic Institute and State University Alcohol and Other Drugs Policy, (iii) describe the range of authorized disciplinary action, including termination where appropriate, for violations of such policies and procedures, and the process to be followed in taking such disciplinary action, (iv) provide University employees access to assistance and treatment for problems involving alcohol and other drugs, (v) provide for the circumstances under which employees are required to report certain violations of the policies and procedures to their supervisor, and the University is required to report those violations to a federal contracting or granting agency, (vi) describe the circumstances under which personnel records of actions taken under the University's alcohol and other drugs policy shall not be kept confidential, and (vii) provide notice to University employees of the scope and content of the University alcohol and other drugs policy. As part of this alcohol and other drugs policy, and in compliance with the federal Omnibus Transportation Employee Testing Act of 1991, the Systems may provide for pre-employment, reasonable suspicion, random, post-accident, return-to-duty and follow-up alcohol and other drug testing for University positions that are particularly safety sensitive, such as those requiring a Commercial Driver's License or the provision of patient care.

15. *Background Checks.* The Systems shall include a process for conducting background checks, which may include but is not limited to reference checks, educational/

professional credentialing checks, and conviction and driver's records checks on applicants for full-time or part-time positions at the University, and for addressing situations where employees do not disclose a conviction on their application or otherwise falsify their application with regard to information concerning their education/professional credential and/or prior convictions.

16. *Other Employee Relations Policies and Procedures.* The Systems shall include any other reasonable employee relations policies or procedures that the President, acting through the Executive Vice President and Chief Operating Officer, deems appropriate, which may include, but are not limited to, policies or procedures relating to orientation programs for new or re-employed University employees, an employee suggestion program, the responsibility of University employees for property placed in their charge, work breaks, inclement weather and emergencies, and employment outside the University.

E. Leave and Release Time.

The Systems shall include policies and procedures regarding leave for eligible employees. The Systems shall provide reasonable paid leave for purposes such as holidays, vacation, or other personal uses. The Systems may provide for release time for such matters as the donation of blood, participation in an employee assistance program and other appropriate employment-related matters. On or after the Effective Date of its initial Management Agreement with the Commonwealth, and until a new program is adopted by the appropriate authority, the University shall continue to provide leave and release time to Participating Covered Employees in accordance with the leave and release time policies and procedures applicable to each classification of employees prior to that Effective Date. On or after that Effective Date, the University may provide an alternative leave and release time system for salaried nonfaculty Participating Covered Employees.

F. Equal Employment Opportunity, Nondiscrimination, Employment, and Separation.

1. *Equal Employment Opportunity and Nondiscrimination.* The Systems shall contain policies and procedures to ensure that all aspects of human resources management, including the employment of University employees, meet all requirements of federal and state law, and of the relevant policies of the Board of Visitors, with regard to equal employment opportunity and nondiscrimination.

2. *Employment.* The Systems shall include policies and procedures for the recruitment, selection and hiring of University employees that are based on merit and fitness, including where appropriate a requirement for job posting, interviews, pre-employment testing, pre-employment drug testing, reference checks and conviction record checks. On and after the Effective Date of its initial Management Agreement with the Commonwealth, the University shall post all salaried nonfaculty position vacancies through the University's job posting system, the Commonwealth's job posting system, and other external media as appropriate. The Systems shall establish designated veterans' re-employment rights in accordance with applicable law.

In order to encourage employees to attain the highest level positions for which they are qualified, and to compensate employees for accepting positions of increased value and responsibility, the Systems shall include policies and procedures governing the promotion of employees, including the effect of promotion on an employee's compensation.

On or after the Effective Date of the University's initial Management Agreement with the Commonwealth, all employees hired from other state agencies shall be Participating Covered Employees. University Classified Employees who change jobs within the University through a competitive employment process – i.e., promotion or transfer – shall have the choice of

remaining a Classified Employee or becoming a Participating Covered Employee. If a Classified Employee elects to become a Participating Covered Employee, that decision shall be irrevocable.

3. *Notice of Separation.* The Systems shall include policies and procedures requiring reasonable notice, where appropriate, of a decision either by the employee or by the University to separate the employee from the University in accordance with policies governing performance, conduct, or layoff.

G. Information Systems.

The University shall provide an electronic file transfer of information on all salaried University employees and shall continue to provide the Employee Position Reports to meet the human resources reporting requirements specified by law or by request of the Governor or the General Assembly, unless the University is specifically exempted from those requirements. The University shall conduct assessments to demonstrate its accountability for human resources practices that comply with laws and regulations. The Department of Human Resource Management and the University have entered into a Memorandum of Understanding, attached hereto as Attachment 1, which may be amended from time to time by agreement of the parties, regarding the specific data and reporting requirements. The University shall be accountable for ensuring the timeliness and integrity of the data transmitted to the Department of Human Resources Management.

VII. CONTINUED APPLICABILITY OF OTHER PROVISIONS OF THE CODE OF VIRGINIA AND OTHER BOARD OF VISITORS' POLICIES AFFECTING UNIVERSITY PERSONNEL.

On and after the Effective Date of its initial Management Agreement with the Commonwealth, University employees shall be subject to the terms and conditions of the Act and the Management Agreement between the Commonwealth and the University. Classified

Employees shall continue to be subject to the human resources policies and exceptions to those policies adopted or approved by the Department of Human Resource Management.

In addition, all University employees also shall remain subject to any other human resources policies adopted by the Board of Visitors applicable to University personnel unless University employees or a subset thereof are specifically exempted from those other human resources policies either by those other policies or by this Policy.

**Memorandum of Understanding
Between Virginia Polytechnic Institute and State University and the
Department of Human Resources Management Regarding
The Reporting of Human Resources Management Data**

This Memorandum of Understanding, which may be amended from time to time by the agreement of all parties, is an attachment to the Policy Governing Human Resources for Participating Covered Employees and Other University Employees pursuant to the Restructured Higher Education Financial and Administrative Operations Act of 2005, and is hereby entered into between Virginia Polytechnic Institute and State University and the Department of Human Resource Management (DHRM).

This document outlines the provisions for information management pertaining to human resources data, consistent with the objectives to enable DHRM to meet the Commonwealth's reporting requirements, to ensure compliance with relevant federal and state laws and regulations, and to do so through efficient and cost-effective methods.

1. In lieu of data entry into the state's Personnel Management Information System (PMIS), data will be transmitted through an electronic file transfer to update DHRM's warehouse.
 - a. The University will provide a flat file of designated personnel data. For "Classified Employees", the data provided will match DHRM's data values for the designated fields. For salaried "Participating Covered Employees", the data provided will include the University's data values for the designated fields. The University will provide a data dictionary to DHRM. The file of designated data will be specifically described by an addendum to this Memorandum upon the agreement of the University and DHRM.
 - b. The University will provide a second flat file of salaried personnel actions for "Classified Employees" and salaried "Participating Covered Employees", such as promotions, separations, and salary adjustments. The file of relevant personnel actions and designated data to be provided for each action will be specifically described by an addendum to this Memorandum upon the agreement of the University and DHRM.
2. DHRM will accept the federal Affirmative Action Plan (AAP), including the adverse impact analyses of employment and compensation actions that are part of the AAP, as demonstration of the University's compliance with relevant federal and state employment laws and regulations.
3. The University may key data into the Benefits Enrollment System or employees may use Employee Direct (employee self-service).

4. Other reports to be provided by the University include the following:

- a. Monthly Employee Position Report
- b. Annual report on salaried, wage, and contract employees

The undersigned hereby agree to the provisions contained in the MOU.

APPROVALS:

Virginia Polytechnic Institute and State University:

By: _____
Date

James A. Hyatt
Executive Vice President & Chief Operating Officer

Department of Human Resources Management:

By: _____
Date

Sara R. Wilson, Director

**MANAGEMENT AGREEMENT
BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY
PURSUANT TO
THE RESTRUCTURED HIGHER EDUCATION
FINANCIAL AND ADMINISTRATIVE OPERATIONS
ACT OF 2005**

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

**POLICY GOVERNING
LEASES OF REAL PROPERTY**

November 7, 2005

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**THE BOARD OF VISITORS OF VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY
POLICY GOVERNING LEASES OF REAL PROPERTY**

I. PREAMBLE.

In 1996 the Board of Visitors adopted a Policy Statement Governing Exercise of Autonomy in Leases of Property for certain leases entered into by the University, which was amended in 2003 as the Policy Statement Governing Exercise of Autonomy in Operating and Capital Leases of Property. The Restructured Higher Education Financial and Administrative Operations Act (the “Act”), Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia, provides that, upon becoming a Covered Institution, Virginia Polytechnic Institute and State University may have the authority to establish its own system for the leasing of property, both real and personal. The University’s system for implementing this authority is to be governed by policies adopted by the Board of Visitors. The following provisions of this Policy constitute the adopted Board of Visitors policies regarding Leases of real property entered into by the University.

This Policy is intended to cover the authority that may be granted to the University pursuant to Subchapter 3 of the Act. Any other powers and authorities granted to the University pursuant to the Appropriation Act, or any other sections of the Code of Virginia, including other provisions of the Act and the University's Enabling Legislation, as defined in § 23-38.89 of the Act, are not affected by this Policy.

II. DEFINITIONS.

The following words and terms, when used in this Policy, shall have the following meaning unless the context clearly indicates otherwise:

“Act” means the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia.

“Board of Visitors” means the Board of Visitors of Virginia Polytechnic Institute and State University.

“Capital Lease” means a lease that is defined as such within Generally Accepted Accounting Principles pursuant to the pronouncement of the Financial Accounting Standards Board.

“Covered Institution” means a public institution of higher education of the Commonwealth of Virginia that has entered into a Management Agreement with the Commonwealth to be governed by Subchapter 3 of the Act.

“Expense Lease” means an Operating Lease of real property under the control of another entity to the University.

“Income Lease” means an Operating Lease of real property under the control of the University to another entity.

“Lease” or **“Leases”** means any type of lease involving real property.

“Operating Lease” means any lease involving real property, or improvements thereon that is not a Capital Lease.

“University” means Virginia Polytechnic Institute and State University, consisting of the University Division (State Agency 208) and Virginia Cooperative Extension and the Agriculture Experiment Station Division (State Agency 229).

III. SCOPE OF POLICY.

This Policy provides guidance for the implementation of all University Leases.

IV. BOARD OF VISITORS ACCOUNTABILITY AND DELEGATION OF AUTHORITY.

The Board of Visitors of the University shall at all times be fully and ultimately accountable for the proper fulfillment of the duties and responsibilities set forth in, and for the appropriate implementation of, this Policy. Consistent with this full and ultimate accountability, however, the Board may, pursuant to its legally permissible procedures, specifically delegate either herein or by separate Board resolution the duties and responsibilities set forth in this Policy to a person or persons within the University, who, while continuing to be fully accountable for such duties and responsibilities, may further delegate the implementation of those duties and responsibilities pursuant to the University's usual delegation policies and procedures.

V. REQUIREMENTS FOR LEASES.

A. Factors to Be Considered When Entering into Leases.

All Leases shall be for a purpose consistent with the mission of the University. The decision to enter into a Lease shall be further based upon cost, demonstrated need, compliance with this Policy, consideration of all costs of occupancy, and a determination that the use of the property to be leased is necessary and is efficiently planned. Leases shall also conform to the space planning procedures that may be adopted by the President, acting through the Executive Vice President and Chief Operating Officer, to ensure that the plan for the space to be leased is consistent with the purpose for which the space is intended.

B. Competition to Be Sought to Maximum Practicable Degree.

Competition shall be sought to the maximum practicable degree for all Leases. The President, acting through the Executive Vice President and Chief Operating Officer, is authorized to ensure that Leases are procured through competition to the maximum degree practicable and to determine when, under guidelines that may be developed and adopted by the President, acting through the Executive Vice President and Chief Operating Officer, it is impractical to procure Leases through competition.

C. Approval of Form of Lease Required.

The form of Leases entered into by the University shall be approved by the University's legal counsel.

D. Execution of Leases.

All Leases entered into by the University shall be executed only by those University officers or persons authorized by the President or the Executive Vice-President and Chief Operating Officer, or as may subsequently be authorized by the Board of Visitors, and subject to any such limits or conditions as may be prescribed in the delegation of authority. Subject to the University's Policy Governing Capital Projects adopted by the Board as part of the Management Agreement between the Commonwealth and the University, no other University approval shall be required for leases or leasing, nor state approval required except in the case of leases of real property as may be governed by general state law in accordance with § 23-38.109 and § 23-38.112 of the Act.

E. Capital Leases.

The Board of Visitors shall authorize the initiation of Capital Leases pursuant to the authorization process included in the Policy Governing Capital Projects adopted by the Board as part of the Management Agreement between the Commonwealth and the University.

F. Compliance with Applicable Law.

All Leases of real property by the University shall be consistent with any requirements of law that are contained in the Act or are otherwise applicable.

G. Certification of Occupancy.

All real property covered by an Expense Lease or leased by the University under a Capital Lease shall be certified for occupancy by the appropriate public body or building official.

**MANAGEMENT AGREEMENT
BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY
PURSUANT TO
THE RESTRUCTURED HIGHER EDUCATION
FINANCIAL AND ADMINISTRATIVE OPERATIONS
ACT OF 2005**

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

**POLICY GOVERNING
INFORMATION TECHNOLOGY**

November 7, 2005

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**THE BOARD OF VISITORS OF VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY
POLICY GOVERNING INFORMATION TECHNOLOGY**

I. PREAMBLE.

The Restructured Higher Education Financial and Administrative Operations Act (the “Act”), Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia, provides, inter alia, that public institutions of higher education in the Commonwealth of Virginia that have entered into a Management Agreement with the Commonwealth “may be exempt from the provisions governing the Virginia Information Technologies Agency, Chapter 20.1 (§ 2.2-2005 et seq.) of Title 2.2., and the provisions governing the Information Technologies [sic] Investment Board, Article 20 of Chapter 24 (§ 2.2-2457 et seq.) of Title 2.2; provided, however, that the governing body of . . . [such] institution shall adopt, and . . . [such] institution shall comply with, policies” that govern the exempted provisions. See § 23-38.111 of the Code of Virginia. This Information Technology Policy shall become effective upon the effective date of a Management Agreement authorized by subsection D of § 23-38.88 and § 23-38.97 of the Act between the Commonwealth and the University that incorporates this Policy.

The Board of Visitors of Virginia Polytechnic Institute and State University is authorized to adopt this Information Technology Policy pursuant to § 23-38.111 of the Code of Virginia.

II. DEFINITIONS.

As used in this Information Technology Policy, the following terms have the following meanings, unless the context requires otherwise:

“**Act**” means the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia.

“Board of Visitors” or “Board” means the Board of Visitors of Virginia Polytechnic Institute and State University.

“Information Technology” or “IT” shall have the same meaning as set forth in § 2.2-2006 of the Code of Virginia as it currently exists and from time to time may be amended.

“Major information technology project” or “major IT project” shall have the same meaning as set forth in § 2.2-2006 of the Code of Virginia as it currently exists and from time to time may be amended.

“Policy” means this Information Technology Policy adopted by the Board of Visitors.

“State Chief Information Officer” or “State CIO” means the Chief Information Officer of the Commonwealth of Virginia.

“University” means Virginia Polytechnic Institute and State University, consisting of the University Division (State Agency 208) and Virginia Cooperative Extension and the Agriculture Experiment Station Division (State Agency 229).

III. SCOPE OF POLICY.

This Policy is intended to cover and implement the authority that may be granted to Virginia Polytechnic Institute and State University pursuant to Subchapter 3 (§ 23-38.91 et seq.) of the Act. This Policy is not intended to affect any other powers and authorities granted to the University pursuant to the Appropriation Act and the Code of Virginia, including other provisions of the Act or the University’s enabling legislation as that term is defined in § 23-38.89 of the Act.

This Policy shall govern the University’s information technology strategic planning, expenditure reporting, budgeting, project management, infrastructure, architecture, ongoing operations, security, and audits conducted within, by, or on behalf of the University. Upon the

effective date of a Management Agreement between the Commonwealth and the University, as authorized by subsection D of § 23-38.88 and § 23-38.111, therefore, the University shall be exempt from those provisions of the Code of Virginia, including those provisions of Chapter 20.1 (§ 2.2-2005 et seq.) (Virginia Information Technologies Agency) and of Article 20 (§ 2.2-2457 et seq.) (Information Technology Investment Board) of Chapter 24 of Title 2.2 of the Code of Virginia, that otherwise would govern the University's information technology strategic planning, expenditure reporting, budgeting, project management, infrastructure, architecture, ongoing operations, security, and audits conducted within, by, or on behalf of the University; provided, however, that the University still shall be subject to those provisions of Chapter 20.1 (§ 2.2-2005 et seq.) (Virginia Information Technologies Agency) and of Article 20 (§ 2.2-2457 et seq.) (Information Technology Investment Board) of Chapter 24 of Title 2.2 of the Code of Virginia that are applicable to public institutions of higher education of the Commonwealth and that do not govern information technology strategic planning, expenditure reporting, budgeting, project management, infrastructure, architecture, ongoing operations, security, and audits within, by, or on behalf of the University.

The procurement of information technology and telecommunications goods and services, including automated data processing hardware and software, shall be governed by the Policy Governing the Procurement of Goods, Services, Insurance, and Construction, and the Disposition of Surplus Materials approved by the Board, and the Rules Governing Procurement of Goods, Services, Insurance, and Construction that are incorporated in and attached to that Policy.

IV. GENERAL PROVISIONS.

A. Board of Visitors Accountability and Delegation of Authority.

The Board of Visitors of the University shall at all times be fully and ultimately accountable for the proper fulfillment of the duties and responsibilities set forth in, and for the appropriate implementation of, this Policy. Consistent with this full and ultimate accountability, however, the Board may, pursuant to its legally permissible procedures, specifically delegate either herein or by separate Board resolution the duties and responsibilities set forth in this Policy to a person or persons within the University, who, while continuing to be fully accountable for such duties and responsibilities, may further delegate the implementation of those duties and responsibilities pursuant to the University's usual delegation policies and procedures.

B. Strategic Planning.

The President, acting through the Vice President for Information Technology and Chief Information Officer, shall be responsible for overall IT strategic planning at the University, which shall be linked to and in support of the University's overall strategic plan.

At least 45 days prior to each fiscal year, the President, acting through the Vice President for Information Technology and Chief Information Officer, shall make available the University's IT strategic plan covering the next fiscal year to the State CIO for his review and comment with regard to the consistency of the University's plan with the intent of the currently published overall five-year IT strategic plan for the Commonwealth developed by the State CIO pursuant to § 2.2-2007 of the Code of Virginia and into which the University's plan is to be incorporated.

C. Expenditure Reporting and Budgeting.

The President, acting through the Executive Vice President and Chief Operating Officer, shall approve and be responsible for overall IT budgeting and investments at the

University. The University's IT budget and investments shall be linked to and in support of the University's IT strategic plan, and shall be consistent with general University policies, the Board-approved annual operating budget, and other Board approvals for certain procurements.

By October 1 of each year, the President, acting through the Executive Vice President and Chief Operating Officer, shall make available to the State CIO and the Information Technology Investment Board a report on the previous fiscal year's IT expenditures.

The University shall be specifically exempt from:

- Subdivision A 4 of § 2.2-2007 of the Code of Virginia (review by the State CIO of IT budget requests) as it currently exists and from time to time may be amended;
- §§ 2.2-2022 through 2.2-2024 of the Code of Virginia (Virginia Technology Infrastructure Fund) as they currently exist and from time to time may be amended; and
- any other substantially similar provision of the Code of Virginia governing IT expenditure reporting and budgeting, as it currently exists and from time to time may be amended.

D. Project Management.

Pursuant to § 23-38.111 of the Act, the Board shall adopt the project management policies, standards, and guidelines developed by the Commonwealth or those based upon industry best practices for project management as defined by leading IT consulting firms, leading software development firms, or a nationally-recognized project management association, appropriately tailored to the specific circumstances of the University. Copies of

the Board's policies, standards, and guidelines shall be made available to the Information Technology Investment Board.

The President, acting through the appropriate designee, shall oversee the management of all University IT projects. IT projects may include, but are not limited to, upgrades to network infrastructure, provision of technology to support research, database development, implementation of new applications, and development of IT services for students, faculty, staff, and patients. Day-to-day management of projects shall be the responsibility of appointed project directors and shall be in accord with the project management policies, standards, and guidelines adopted by the Board, as amended and revised from time to time.

On a quarterly basis, the President, acting through the Vice President for Information Technology and Chief Information Officer, shall report to the Information Technology Investment Board on the budget, schedule, and overall status of the University's major IT projects. This requirement shall not apply to research projects, research initiatives, or instructional programs.

The President, acting through the Vice President for Information Technology and Chief Information Officer in cooperation with the Provost and Executive Vice President and Chief Operating Officer, shall be responsible for decisions to substantially alter a project's scope, budget, or schedule after initial approval.

The University shall be specifically exempt from:

- § 2.2-2008 of Title 2.2 of the Code of Virginia (additional duties of the State CIO relating to project management) as it currently exists and from time to time may be amended;

- §§ 2.2-2016 through 2.2-2021 of Title 2.2 of the Code of Virginia (Division of Project Management) as they currently exist and from time to time may be amended; and
- any other substantially similar provision of the Code of Virginia governing IT project management, as it currently exists or from time to time may be amended.

The State CIO and the Information Technology Investment Board shall continue to have the authority regarding project suspension and termination as provided in § 2.2-2015 and in subdivision A 3 of § 2.2-2458, respectively, and the State CIO and the Information Technology Investment Board shall continue to provide the University with reasonable notice of, and a reasonable opportunity to correct, any identified problems before a project is terminated.

E. Infrastructure, Architecture, Ongoing Operations, and Security.

Pursuant to § 23-38.111 of the Act, the Board shall adopt the policies, standards, and guidelines related to IT infrastructure, architecture, ongoing operations, and security developed by the Commonwealth or those of nationally-recognized associations, appropriately tailored to the specific circumstances of the University. Copies of the policies shall be made available to the Information Technology Investment Board.

The President, acting through the Vice President for Information Technology and Chief Information Officer, in cooperation with the Provost and Executive Vice President and Chief Operating Officer, shall be responsible for implementing such policies, standards, and guidelines adopted by the Board, as amended and revised from time to time.

For purposes of implementing this Policy, the President shall appoint an existing University employee to serve as a liaison between the University and the State CIO.

F. Audits.

Pursuant to § 23-38.111 of the Act, the Board shall adopt the policies, standards, and guidelines developed by the Commonwealth or those based upon industry best practices for project auditing as defined by leading IT experts, including consulting firms, or a nationally-recognized project auditing association, appropriately tailored to the specific circumstances of the University, which provide for Independent Validation and Verification (“IV&V”) of the University’s major IT projects. Copies of the policies, standards, and guidelines, as amended and revised from time to time, shall be made available to the Information Technology Investment Board.

Audits of IT strategic planning, expenditure reporting, budgeting, project management, infrastructure, architecture, ongoing operations, and security, shall also be the responsibility of the University’s Internal Audit Department and the Auditor of Public Accounts.

**MANAGEMENT AGREEMENT
BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY
PURSUANT TO
THE RESTRUCTURED HIGHER EDUCATION
FINANCIAL AND ADMINISTRATIVE OPERATIONS
ACT OF 2005**

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

**POLICY GOVERNING
THE PROCUREMENT OF GOODS, SERVICES,
INSURANCE, AND CONSTRUCTION AND
THE DISPOSITION OF SURPLUS MATERIALS**

November 15, 2005

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**THE BOARD OF VISITORS OF VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY
POLICY GOVERNING THE PROCUREMENT OF
GOODS, SERVICES, INSURANCE AND CONSTRUCTION
AND THE DISPOSITION OF SURPLUS MATERIALS**

I. PREAMBLE.

A. Subchapter 3 of the Restructured Higher Education Financial and Administrative Operations Act (the “Act”), Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia, provides that Virginia Polytechnic Institute and State University, upon becoming a Covered Institution, shall be authorized to establish its own system for the procurement of goods, services, insurance, and construction, and for the independent disposition of surplus materials by public or private transaction.

B. The Act provides that a Covered Institution shall comply with policies adopted by its Board of Visitors for the procurement of goods, services, insurance, and construction, and the disposition of surplus materials. The provisions of this Policy set forth below, together with the Rules Governing Procurement of Goods, Services, Insurance, and Construction attached to this Policy as Attachment 1, constitute the adopted Board of Visitors policies required by the Act regarding procurement of goods, services, insurance, and construction, and the disposition of surplus materials by the University.

C. This Policy is intended to cover the authority that may be granted to the University pursuant to Subchapter 3 of the Act. Any other powers and authorities granted to the University pursuant to any other sections of the Code of Virginia, including other provisions of the Act, the Appropriation Act, and the University's Enabling Legislation are not affected by this Policy.

II. DEFINITIONS.

As used in this Policy, the following terms shall have the following meanings, unless the context requires otherwise:

“Act ” means the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia.

“Agreement” means “Management Agreement”.

“Board of Visitors” or **“Board”** means the Board of Visitors of Virginia Polytechnic Institute and State University.

“Covered Institution” means, on and after the Effective Date of its initial Management Agreement with the Commonwealth, a public institution of higher education of the Commonwealth of Virginia that has entered into a Management Agreement with the Commonwealth to be governed by the provisions of Subchapter 3 of the Act.

“Effective Date” means the effective date of the Management Agreement.

“Enabling Legislation” means those chapters, other than Chapter 4.10, of Title 23 of the Code of Virginia, as amended, creating, continuing, or otherwise setting forth the powers, purposes, and missions of the individual public institutions of higher education of the Commonwealth.

“Goods” means all material, equipment, supplies, and printing, including information technology and telecommunications goods such as automated data processing hardware and software.

“Management Agreement” means the agreement required by subsection D of § 23-38.88 between the Commonwealth of Virginia and Virginia Polytechnic Institute and State University.

“Rules” means the “Rules Governing Procurement of Goods, Services, Insurance, and Construction” attached to this Policy as Attachment 1.

“Services” as used in this Policy means any work performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, or the rental of equipment, materials and supplies, and shall include both professional services, which include the practice of accounting, actuarial services, law, dentistry, medicine, optometry, and pharmacy, and nonprofessional services, which include any service not specifically identified as professional services.

“Surplus materials” means personal property including, but not limited to, materials, supplies, equipment and recyclable items, that are determined to be surplus by the University.

“University” means Virginia Polytechnic Institute and State University, consisting of the University Division (State Agency 208) and Virginia Cooperative Extension and the Agricultural Experiment Station Division (State Agency 229).

III. BOARD OF VISITORS ACCOUNTABILITY AND DELEGATION OF AUTHORITY.

The Board of Visitors of the University shall at all times be fully and ultimately accountable for the proper fulfillment of the duties and responsibilities set forth in, and for the appropriate implementation of, this Policy. Consistent with this full and ultimate accountability, however, the Board may, pursuant to its legally permissible procedures, specifically delegate either herein or by separate Board resolution the duties and responsibilities set forth in this Policy to a person or persons within the University, who, while continuing to be fully accountable for

such duties and responsibilities, may further delegate the implementation of those duties and responsibilities pursuant to the University's usual delegation policies and procedures.

IV. GENERAL PROVISIONS.

A. Adoption of This Policy and Continued Applicability of Other Board of Visitors' Procurement Policies.

The University has had decentralization and pilot program autonomy in many procurement functions and activities since the Appropriation Act of 1994. The Act extends and reinforces the autonomy previously granted to the University in Item 330 E of the 1994 Appropriation Act. This Policy therefore is adopted by the Board of Visitors to enable the University to develop a procurement system, as well as a surplus materials disposition system for the University as a whole. Any University electronic procurement system shall integrate or interface with the Commonwealth's electronic procurement system.

This Policy shall be effective on the Effective Date of the University's initial Management Agreement with the Commonwealth. The implementing policies and procedures adopted by the President, acting through the Executive Vice President and Chief Operating Officer or his designee, to implement this Policy shall continue to be subject to any other policies adopted by the Board of Visitors affecting procurements at the University, including policies regarding the nature and amounts of procurements that may be undertaken without the approval of the Board of Visitors, or of the President, acting through the Executive Vice President and Chief Operating Officer.

B. Scope and Purpose of University Procurement Policies.

This Policy shall apply to procurements of goods, services, insurance, and construction. It shall be the policy of the University that procurements conducted by the University result in the

purchase of high quality goods and services at reasonable prices, and that the University be free, to the maximum extent permitted by law and this Policy, from constraining policies that hinder the ability of the University to do business in a competitive environment. This Policy, together with the Rules Governing Procurement of Goods, Services, Insurance, and Construction attached to this Policy as Attachment 1, shall apply to all procurements undertaken by the University, regardless of the source of funds.

C. Collaboration, Communication, and Cooperation with the Commonwealth.

The University is committed to developing, maintaining, and sustaining collaboration, communication, and cooperation with the Commonwealth regarding the matters addressed in this Policy, particularly with the Offices of the Secretaries of Administration and Technology, the Department of General Services, and the Virginia Information Technologies Agency. Identifying business objectives and goals common to both the University and the Commonwealth and the mechanisms by which such objectives and goals may be jointly pursued and achieved are among the desired outcomes of such collaboration, communication, and cooperation.

D. Commitment to Statewide Contracts, Electronic Procurement, and SWAM Participation and Use.

The University is committed to maximizing its internal operational efficiencies, economies of scale among institutions of higher education, and the leveraged buying power of the Commonwealth as a whole.

Consistent with this commitment, the University:

i) may purchase from and participate in all statewide contracts for goods and services, including information technology goods and services, except that the University shall purchase from and participate in contracts for communications services and telecommunications facilities entered into by the Virginia Information Technologies Agency pursuant to § 2.2-2011 of

the Code of Virginia unless an exception is provided in the Appropriation Act or by other law, and provided that orders not placed through statewide contracts shall be processed directly or by integration or interface through the Commonwealth's electronic procurement system;

ii) shall use directly or by integration or interface the Commonwealth's electronic procurement system and comply with the business plan for the Commonwealth's electronic procurement system, as modified by an agreement between the Commonwealth and the University attached to this Policy as Attachment 2; and

iii) shall adopt a small, woman-owned, and minority-owned ("SWAM") business program that is consistent with the Commonwealth's SWAM program.

E. Implementation.

To effect its implementation under the Act, and if the University remains in continued substantial compliance with the terms and conditions of this Management Agreement with the Commonwealth pursuant to § 23-38.88(D)(4) and the requirements of Chapter 4.10 of the Act, the University's procurement of goods, services, insurance, and construction, and the disposition of surplus materials shall be exempt from the Virginia Public Procurement Act, Chapter 43 (§ 2.2-4300 et seq.) of Title 2.2, except § 2.2-4342 and §§ 2.2-4367 through 2.2-4377; the oversight of the Virginia Information Technologies Agency, Chapter 20.1 (§ 2.2-2005 et. seq.) of Title 2.2, and the Information Technology Investment Board, Article 20 (§ 2.2-2457 et seq.) of Chapter 24 of Title 2.2; the state agency requirements regarding disposition of surplus materials and distribution of proceeds from the sale or recycling of surplus materials in §§ 2.2-1124 and 1125; the requirement to purchase from the Department for the Blind and Vision Impaired ("VIB") (§ 2.2-1117); and any other state statutes, rules, regulations or requirements relating to the procurement of goods, services, insurance, and

construction, including but not limited to Article 3 (§ 2.2-1109 et seq.) of Chapter 11 of Title 2.2, regarding the duties, responsibilities and authority of the Division of Purchases and Supply of the Virginia Department of General Services, and Article 4 (§ 2.2-1129 et seq.) of Chapter 11 of Title 2.2, regarding the review and the oversight by the Division of Engineering and Buildings of the Virginia Department of General Services of contracts for the construction of University capital projects and construction-related professional services (§ 2.2-1132).

V. UNIVERSITY PROCUREMENT POLICIES.

A. General Competitive Principles.

In connection with University procurements and the processes leading to award of contracts for goods, services, insurance, and construction, the University is committed to:

1. seeking competition to the maximum practical degree, taking into account the size of the anticipated procurement, the term of the resulting contract and the likely extent of competition;
2. conducting all procurements in an open, fair and impartial manner and avoiding any impropriety or the appearance of any impropriety;
3. making procurement rules clear in advance of any competition;
4. providing access to the University 's business to all qualified vendors, firms and contractors, with no potential bidder or offeror excluded arbitrarily or capriciously, while allowing the flexibility to engage in cooperative procurements and to meet special needs of the University;
5. ensuring that specifications for purchases are fairly drawn so as not to favor unduly a particular vendor; and

6. providing for the free exchange of information between the University, vendors, firms or contractors concerning the goods or services sought and offered while preserving the confidentiality of proprietary information.

B. Access to Records.

Procurement records shall be available to citizens or to interested persons, firms or corporations in accordance with the provisions of the Virginia Freedom of Information Act, Chapter 37 (§ 2.2-3700 et seq.) of Title 2.2 of the Code of Virginia, except those records exempt from disclosure pursuant to § 2.2-3705.1 (7), § 2.2-3705.1 (12), or § 2.2-3705.4 (4), or other applicable exemptions of the Virginia Freedom of Information Act, and § 2.2-4342 of the Virginia Public Procurement Act.

C. Cooperative Procurements and Alliances.

In circumstances where the University determines and documents that statewide contracts for goods and services, including information technology and telecommunications goods and services, do not provide goods and services to the University that meet its business goals and objectives, the University is authorized to participate in cooperative procurements with other public or private organizations or entities, including other educational institutions, public-private partnerships, public bodies, charitable organizations, health care provider alliances and purchasing organizations, so long as the resulting contracts are procured competitively pursuant to subsections A through J of § 5 of the Rules Governing Procurement of Goods, Services, Insurance, and Construction attached to this Policy as Attachment 1 and the purposes of this Policy will be furthered. In the event the University engages in a cooperative contract with a private organization or public-private partnership and the contract was not competitively procured

pursuant to subsections A through J of § 5 of the Rules Governing Procurement of Goods, Services, Insurance, and Construction attached to this Policy as Attachment 1, use of the contract by other state agencies, institutions and public bodies shall be prohibited. Notwithstanding all of the above, use of cooperative contracts shall conform to the business requirements of the Commonwealth's electronic procurement system, including the requirement for payment of applicable fees. By October 1 of each year, the President, acting through the Executive Vice President and Chief Operating Officer, shall make available to the Secretaries of Administration and Technology, the Joint Legislative Audit and Review Commission, and the Auditor of Public Accounts a list of all cooperative contracts and alliances entered into or used during the prior fiscal year.

D. Training; Ethics in Contracting.

The President, acting through the Executive Vice President and Chief Operating Officer, shall take all necessary and reasonable steps to assure (i) that all University officials responsible for and engaged in procurements authorized by the Act and this Policy are knowledgeable regarding the requirements of the Act, this Policy, and the Ethics in Public Contracting provisions of the Virginia Public Procurement Act, Article 6 (§ 2.2-4367 et seq.) of Chapter 43 of Title 2.2 of the Code of Virginia, (ii) that only officials authorized by this Policy and any procedures adopted by the President, acting through the Executive Vice President and Chief Operating Officer, to implement this Policy are responsible for and engaged in such procurements, and (iii) that compliance with the Act and this Policy are achieved.

The University shall maintain an ongoing program to provide professional development opportunities to its buying staff and to provide methods training to internal staff who are engaged in placing decentralized small purchase transactions.

E. Ethics and University Procurements.

In implementing the authority conferred by this Policy, the personnel administering any procurement shall adhere to the following provisions of the Code of Virginia: the Ethics in Public Contracting provisions of the Virginia Public Procurement Act, Article 6 (§ 2.2-4367 et seq.) of Chapter 43 of Title 2.2 of the Code of Virginia, the State and Local Government Conflict of Interests Act, Chapter 31 (§ 2.2-3100 et seq.) of Title 2.2, and the Virginia Governmental Frauds Act, Article 1.1 (§ 18.2-498.1 et seq.) of Chapter 12 of Title 18.2.

VI. UNIVERSITY SURPLUS MATERIALS POLICY AND PROCEDURES.

The policy and procedures for disposal for surplus materials shall provide for the sale, environmentally-appropriate disposal, or recycling of surplus materials by the University and the retention of the resulting proceeds by the University.

VII. ADOPTION AND EFFECTIVE DATES OF RULES AND IMPLEMENTING POLICIES AND PROCEDURES.

A. The President, acting through the Executive Vice President and Chief Operating Officer or his designee, shall adopt one or more comprehensive sets of specific procurement policies and procedures for the University, which, in addition to the Rules, implement applicable provisions of law and this Policy. University procurements shall be carried out in accordance with this Policy, the Rules, and any implementing policies and procedures adopted by the University. The implementing policies and procedures (i) shall include the delegation of procurement authority by the Board to appropriate University officials who shall oversee University procurements of goods, services, insurance, and construction, including a grant of authority to

such officials to engage in further delegation of authority as the President deems appropriate, and (ii) shall remain consistent with the competitive principles set forth in Part V above.

B. Any implementing policies and procedures adopted pursuant to Part VII A above and the Rules shall become effective on the Effective Date of the University's initial Management Agreement with the Commonwealth, and, as of their effective date, shall be applicable to all procurements undertaken by the University on behalf of the University for goods, services, insurance, and construction. This Policy, the Rules, and any implementing policies and procedures adopted by the University shall not affect existing contracts already in effect.

C. The Rules and University implementing policies and procedures for all University procurements of goods, services, insurance, and construction, and the disposition of surplus property shall be substantially consistent with the Commonwealth of Virginia Purchasing Manual for Institutions of Higher Education and their Vendors in their form as of the effective date of this Policy and as amended or changed in the future, and with University procedures specific to the Acquisition of Goods and Services. The Rules and University implementing policies and procedures shall implement a system of competitive negotiation, and competitive sealed bidding when appropriate, for goods, services, including professional services as defined in the Rules, insurance, and construction.

VIII. REQUIREMENTS FOR RULES AND IMPLEMENTING POLICIES AND PROCEDURES.

A. Protests, Appeals and Debarment.

The Rules and University implementing policies and procedures for procurements other than capital outlay shall include a process or processes for an administrative appeal by vendors, firms or contractors. Protests and appeals may challenge determinations of vendor, firm or

contractor non-responsibility or ineligibility, or the award of contracts, provided that such protests and appeals are filed within the times specified by the Rules. Remedies available shall be limited to reversal of the action challenged or, where a contract already being performed is declared void, compensation for the cost of performance up to the time of such declaration. The Rules and University implementing policies and procedures also may establish the basis and process for debarment of any vendor, firm or contractor.

B. Prompt Payment of Contractors and Subcontractors.

The Rules and University implementing policies and procedures shall include provisions related to prompt payment of outstanding invoices, which shall include payment of interest on properly-presented invoices outstanding more than seven (7) days beyond the payment date, at a rate no higher than the lowest prime rate charged by any commercial bank as published in the *Wall Street Journal*. The payment date shall be the later of thirty (30) days from the date of the receipt of goods or invoice, or the date established by the contract. All contracts also shall require prompt payment of subcontractors by the general contractor, upon receipt of payment by the University.

C. Types of Procurements.

The Rules and University implementing policies and procedures shall implement a system of competitive negotiation for professional services, as defined in the Rules, and shall implement purchasing procedures developed to maximize competition given the size and duration of the contract, and the needs of the University. Such policies and procedures may include special provisions for procurements such as emergency procurements, sole source procurements, brand name procurements, small purchases, procurements in which only one qualified vendor responds, and others.

D. Approval and Public Notice of Procurements

The Rules and University implementing policies and procedures shall provide for approval of solicitation documents by an authorized individual and for reasonable public notice of procurements, given the size and nature of the need and the applicability of any Virginia Freedom of Information Act exemption.

E. Administration of Contracts.

The Rules and University implementing policies and procedures shall contain provisions related to the administration of contracts, including contract claims, modifications, extensions and assignments.

F. Non-Discrimination.

The Rules and University implementing policies and procedures shall provide for a non-discriminatory procurement process that prohibits discrimination because of race, religion, color, sex or national origin of the bidder or offeror in the solicitation and award of contracts; and shall include appropriate provisions to effectuate fair and reasonable consideration of women-owned, minority-owned and small businesses and to promote and encourage a diversity of suppliers.

**Rules Governing Procurement of Goods, Services, Insurance, and Construction
by a Public Institution of Higher Education of the Commonwealth of Virginia
Governed by Subchapter 3 of the
Restructured Higher Education Financial and Administrative Operations Act,
Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia**

In accordance with the provisions of the Restructured Higher Education Financial and Administrative Operations Act (the “Act”), Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia, and in particular § 23-38.110 of the Act, the governing body of a public institution of higher education of the Commonwealth of Virginia that has entered into a Management Agreement with the Commonwealth pursuant to Subchapter 3 of the Act has adopted the following Rules Governing Procurement of Goods, Services, Insurance, and Construction to govern the procurement of goods, services, insurance, and construction by the Institution, excluding the University of Virginia Medical Center:

§ 1. Purpose. – The purpose of these Rules is to enunciate the public policies pertaining to procurement of good, services, insurance, and construction by the Institution from nongovernmental sources, to include governmental procurement that may or may not result in monetary consideration for either party. These Rules shall apply whether the consideration is monetary or nonmonetary and regardless of whether the Institution, the contractor, or some third party is providing the consideration.

§ 2. Scope of Procurement Authority. – Subject to these Rules, and the Institution’s continued substantial compliance with the terms and conditions of its Management Agreement with the Commonwealth pursuant to § 23-38.88(D)(4) and the requirements of Chapter 4.10 of the Act, the Institution shall have and shall be authorized to have and exercise all of the authority relating to procurement of goods, services, insurance, and construction, including but not limited to capital outlay-related procurement and information technology-related procurement, that Institutions are authorized to exercise pursuant to Subchapter 3 of the Restructuring Act.

§ 3. Competition is the Priority. – To the end that the Institution shall obtain high quality goods and services at reasonable cost, that all procurement procedures be conducted in an open, fair and impartial manner with avoidance of any impropriety or appearance of impropriety, that all qualified vendors have access to the Institution’s business and that no offeror be arbitrarily or capriciously excluded, it is the intent of the governing body of the Institution that competition be sought to the maximum feasible degree, that procurement procedures involve openness and administrative efficiency, that individual public bodies enjoy broad flexibility in fashioning details of such competition, that the rules governing contract awards be made clear in advance of the competition, that specifications reflect the procurement needs of the purchasing body rather than being drawn to favor a particular vendor, and that the purchaser and vendor freely exchange information concerning what is sought to be procured and what is offered. The Institution may consider best value concepts when procuring goods and nonprofessional services, but not construction or professional services. Professional services will be procured using a qualification-based selection process. The criteria, factors, and basis for consideration of best

value and the process for the consideration of best value shall be as stated in the procurement solicitation.

§ 4. Definitions. – As used in these Rules:

“Affiliate” means an individual or business that controls, is controlled by, or is under common control with another individual or business. A person controls an entity if the person owns, directly or indirectly, more than 10 percent of the voting securities of the entity. For the purposes of this definition “voting security” means a security that (i) confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (ii) is convertible into, or entitles the holder to receive, upon its exercise, a security that confers such a right to vote. A general partnership interest shall be deemed to be a voting security.

“Best value,” as predetermined in the solicitation, means the overall combination of quality, price, and various elements of required services that in total are optimal relative to the Institution’s needs.

“Business” means any type of corporation, partnership, limited liability company, association, or sole proprietorship operated for profit.

“Competitive negotiation” is a method of contractor selection that includes the following elements:

1. Issuance of a written Request for Proposal indicating in general terms that which is sought to be procured, specifying the factors that will be used in evaluating the proposal and containing or incorporating by reference the other applicable contractual terms and conditions, including any unique capabilities or qualifications that will be required of the contractor.
2. Public notice of the Request for Proposal at least 10 days prior to the date set for receipt of proposals by publication in a newspaper or newspapers of general circulation in the area in which the contract is to be performed so as to provide reasonable notice to the maximum number of offerors that can be reasonably anticipated to submit proposals in response to the particular request. Public notice also shall be published on the Department of General Services’ central electronic procurement website and may be published on other appropriate websites. In addition, proposals may be solicited directly from potential contractors.
3. a. Procurement of professional services. The procurement of professional services for capital projects shall be conducted using a qualification-based selection process. The Institution shall engage in individual discussions with two or more offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. The offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. The Request for Proposal shall not, however, request that offerors furnish estimates of man-hours or cost for services. At the discussion stage, the Institution may discuss nonbinding estimates of total project costs,

including, but not limited to, life-cycle costing, and where appropriate, nonbinding estimates of price for services. Proprietary information from competing offerors shall not be disclosed to the public or to competitors. At the conclusion of discussion, outlined in this subdivision, on the basis of evaluation factors published in the Request for Proposal and all information developed in the selection process to this point, the Institution shall select in the order of preference two or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to the Institution can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price. Should the Institution determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror.

A contract for architectural or professional engineering services relating to construction projects may be negotiated by the Institution, for multiple projects provided (i) the projects require similar experience and expertise, and (ii) the nature of the projects is clearly identified in the Request for Proposal. Under such contract, (a) the fair and reasonable prices, as negotiated, shall be used in determining the cost of each project performed, (b) the sum of all projects performed in one contract term shall be as set in the Request for Proposal; and (c) the project fee of any single project shall not exceed the term limit as set in the Request for Proposal. Any unused amounts from any contract term may be carried forward. Competitive negotiations for such contracts may result in awards to more than one offeror provided the Request for Proposal stated the potential for a multi-vendor award.

Multiphase professional services contracts satisfactory and advantageous to the Institution for environmental, location, design and inspection work regarding construction of infrastructure projects may be negotiated and awarded based on qualifications at a fair and reasonable price for the first phase only, when completion of the earlier phases is necessary to provide information critical to the negotiation of a fair and reasonable price for succeeding phases. Prior to the procurement of any such contract, the Institution shall state the anticipated intended total scope of the project and determine in writing that the nature of the work is such that the best interests of such Institution require awarding the contract.

b. Procurement of other than professional services. Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the Request for Proposal, including price if so stated in the Request for Proposal. Negotiations shall then be conducted with each of the offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each offeror so selected, the Institution shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror. When the terms and conditions of multiple awards are so provided in the Request for Proposal, awards may be made to more than one offeror. Should the Institution determine in writing and in its sole discretion that only one offeror has made the best proposal, a contract may be negotiated and awarded to that offeror.

“Competitive sealed bidding” is a method of contractor selection, other than for professional services, which includes the following elements:

1. Issuance of a written Invitation to Bid containing or incorporating by reference the specifications and contractual terms and conditions applicable to the procurement. Unless the Institution has provided for prequalification of bidders, the Invitation to Bid shall include a statement of any requisite qualifications of potential contractors. When it is impractical to prepare initially a purchase description to support an award based on prices, an Invitation to Bid may be issued requesting the submission of unpriced offers to be followed by an Invitation to Bid limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.
2. Public notice of the Invitation to Bid at least 10 days prior to the date set for receipt of bids by publication on the Department of General Services’ central electronic procurement website. Public notice also may be published in a newspaper of general circulation or on other appropriate websites, or both. In addition, bids may be solicited directly from potential contractors. Any additional solicitations shall include businesses selected from a list made available by the Department of Minority Business Enterprise.
3. Public opening and announcement of all bids received.
4. Evaluation of bids based upon the requirements set forth in the invitation, which may include special qualifications of potential contractors, life-cycle costing, value analysis, and any other criteria such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose, which are helpful in determining acceptability.
5. Award to the lowest responsive and responsible bidder. When the terms and conditions of multiple awards are so provided in the Invitation to Bid, awards may be made to more than one bidder.

“Construction” means building, altering, repairing, improving or demolishing any structure, building or highway, and any draining, dredging, excavation, grading or similar work upon real property.

“Construction management contract” means a contract in which a party is retained by the owner to coordinate and administer contracts for construction services for the benefit of the owner, and may also include, if provided in the contract, the furnishing of construction services to the owner.

“Covered Institution” or “Institution” means, on and after the effective date of the initial management agreement with the Commonwealth of Virginia, a public institution of higher education of the Commonwealth that has entered into a management agreement with the Commonwealth to be governed by the provisions of Subchapter 3 of the Restructuring Act.

“Design-build contract” means a contract between the Institution and another party in which the party contracting with the Institution agrees to both design and build the structure, roadway or other item specified in the contract.

“Goods” means all material, equipment, supplies, and printing, including information technology and telecommunications goods such as automated data processing hardware and software.

“Informality” means a minor defect or variation of a bid or proposal from the exact requirements of the Invitation to Bid, or the Request for Proposal, which does not affect the price, quality, quantity or delivery schedule for the goods, services or construction being procured.

“Multiphase professional services contract” means a contract for the providing of professional services where the total scope of work of the second or subsequent phase of the contract cannot be specified without the results of the first or prior phase of the contract.

“Nonprofessional services” means any services not specifically identified as professional services in the definition of professional services and includes small construction projects valued not over \$1,000,000; provided that subdivision 3a of the definition of “competitive negotiation” in this section shall still apply to professional services for such small construction projects.

“Potential bidder or offeror” for the purposes of §§ 50 and 54 of these Rules means a person who, at the time the Institution negotiates and awards or proposes to award a contract, is engaged in the sale or lease of goods, or the sale of services, insurance or construction, of the type to be procured under the contract, and who at such time is eligible and qualified in all respects to perform that contract, and who would have been eligible and qualified to submit a bid or proposal had the contract been procured through competitive sealed bidding or competitive negotiation.

“Professional services” means work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering.

“Public body” means any legislative, executive or judicial body, agency, office, department, authority, post, commission, committee, institution, board or political subdivision created by law to exercise some sovereign power or to perform some governmental duty, and empowered by law to undertake the activities described in these Rules.

“Public contract” means an agreement between the Institution and a nongovernmental source that is enforceable in a court of law.

“Responsible bidder” or “offeror” means a person who has the capability, in all respects, to perform fully the contract requirements and the moral and business integrity and reliability that will assure good faith performance, and who has been prequalified, if required.

“Responsive bidder” means a person who has submitted a bid that conforms in all material respects to the Invitation to Bid.

“Restructuring Act” or “Act” means the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10 (§ 23-38.88 et seq.) of Title 23 of the Code of Virginia.

“Rules” means these Rules Governing Procurement of Goods, Services, Insurance, and Construction adopted by the governing body of the Covered Institution.

“Reverse auctioning” means a procurement method wherein bidders are invited to bid on specified goods or nonprofessional services through real-time electronic bidding, with the award being made to the lowest responsive and responsible bidder. During the bidding process, bidders’ prices are revealed and bidders shall have the opportunity to modify their bid prices for the duration of the time period established for bid opening.

“Services” means any work performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, or the rental of equipment, materials and supplies.

“Sheltered workshop” means a work-oriented rehabilitative facility with a controlled working environment and individual goals that utilizes work experience and related services for assisting the handicapped person to progress toward normal living and a productive vocational status.

§ 5. Methods of procurement. –

A. All public contracts with nongovernmental contractors for the purchase or lease of goods, or for the purchase of services, insurance, or construction, shall be awarded after competitive sealed bidding, or competitive negotiation as provided in this section, unless otherwise authorized by law.

B. Professional services shall be procured by competitive negotiation. Qualification-based selection shall be used for design services.

C. Goods, services, or insurance may be procured by competitive negotiation.

D. Construction may be procured only by competitive sealed bidding, except that competitive negotiation may be used in the following instances upon a determination made in advance by the Institution and set forth in writing that competitive sealed bidding is either not practicable or not fiscally advantageous to the public, which writing shall document the basis for this determination:

1. By the Institution on a fixed price design-build basis or construction management basis under § 7;

2. By the Institution for the construction, alteration, repair, renovation or demolition of buildings;

3. By the Institution for the construction of highways and any draining, dredging, excavation, grading or similar work upon real property; or

E. Upon a determination in writing that there is only one source practicably available for that which is to be procured, a contract may be negotiated and awarded to that source without

competitive sealed bidding or competitive negotiation. The writing shall document the basis for this determination. The Institution shall issue a written notice stating that only one source was determined to be practicably available, and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. This notice shall be posted in a designated public area, which may be the Department of General Services' website for the Commonwealth's central electronic procurement system, or published in a newspaper of general circulation on the day the Institution awards or announces its decision to award the contract, whichever occurs first. Public notice shall also be published on the Department of General Services' website for the Commonwealth's central electronic procurement system and may be published on other appropriate websites.

F. In case of emergency, a contract may be awarded without competitive sealed bidding or competitive negotiation; however, such procurement shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. The Institution shall issue a written notice stating that the contract is being awarded on an emergency basis, and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. This notice shall be posted in a designated public area, which may be the Department of General Services' website for the Commonwealth's central electronic procurement system, or published in a newspaper of general circulation on the day the Institution awards or announces its decision to award the contract, whichever occurs first, or as soon thereafter as is practicable. Public notice may also be published on the Department of General Services' website for the Commonwealth's central electronic procurement system and other appropriate websites.

G. The Institution may establish purchase procedures, if adopted in writing, not requiring competitive sealed bids or competitive negotiation for single or term contracts for goods and services other than professional services if the aggregate or the sum of all phases is not expected to exceed \$50,000; however, such small purchase procedures shall provide for competition wherever practicable.

H. The Institution may establish purchase procedures, if adopted in writing, not requiring competitive negotiation for single or term contracts for professional services if the aggregate or the sum of all phases is not expected to exceed \$50,000; however such small purchase procedures shall provide for competition wherever practicable.

I. Upon a determination made in advance by the Institution and set forth in writing that the purchase of goods, products or commodities from a public auction sale is in the best interests of the public, such items may be purchased at the auction, including online public auctions. The writing shall document the basis for this determination.

J. The purchase of goods or nonprofessional services, but not construction or professional services, may be made by reverse auctioning.

§ 6. Cooperative procurement. –

A. In circumstances where the Institution determines and documents that statewide contracts for goods and services, including information technology and telecommunications goods and services, do not provide goods and services to the Institution that meet its business goals and objectives, the Institution is authorized to participate in, sponsor, conduct, or administer a cooperative procurement arrangement on behalf of or in conjunction with public bodies, public or private health or educational institutions, other public or private organizations or entities, including public-private partnerships, charitable organizations, health care provider alliances or purchasing organizations or entities, or with public agencies or institutions or group purchasing organizations of the several states, territories of the United States, or the District of Columbia, for the purpose of combining requirements to effect cost savings or reduce administrative expense in any acquisition of goods and services, other than professional services. The Institution may purchase from any authority, department, agency, institution, city, county, town, or other political subdivision of the Commonwealth's contract even if it did not participate in the request for proposal or invitation to bid, if the request for proposal or invitation to bid specified that the procurement was being conducted on behalf of other public bodies. In such instances, deviation from the procurement procedures set forth in these Rules and the administrative policies and procedures established to implement these Rules shall be permitted. Notwithstanding all of the above, use of cooperative contracts shall conform to the business requirements of the Commonwealth's electronic procurement system, including the requirement for payment of applicable fees. Nothing herein shall prohibit the payment by direct or indirect means of any administrative fee that will allow for participation in any such arrangement.

B. In circumstances where statewide contracts for goods and services, including information technology and telecommunications goods and services, do not provide goods and services to meet the Institution's business goals and objectives, and as authorized by the United States Congress and consistent with applicable federal regulations, and provided the terms of the contract permit such purchases:

1. The Institution may purchase goods and nonprofessional services, from a U.S. General Services Administration contract or a contract awarded by any other agency of the U.S. government; and
2. The Institution may purchase telecommunications and information technology goods and nonprofessional services from a U.S. General Services Administration contract or a contract awarded by any other agency of the U.S. government.

§ 7. Design-build or construction management contracts authorized. –

A. Notwithstanding any other provisions of law, the Institution may enter into contracts on a fixed price design-build basis or construction management basis in accordance with the provisions of this section.

B. Procurement of construction by the design-build or construction management method shall be a two-step competitive negotiation process. In the first step, offerors shall be requested to submit their qualifications. Based upon the information submitted and any other relevant information

which the Commonwealth may obtain, no more than five offerors deemed most suitable for the project shall be selected by the Commonwealth and requested to submit proposals.

§ 8. Modification of the contract. –

A. A contract awarded by the Institution may include provisions for modification of the contract during performance, but no fixed-price contract may be increased by more than twenty-five percent of the amount of the contract or \$50,000, whichever is greater, without the advance written approval of the Institution's president or his designee. In no event may the amount of any contract, without adequate consideration, be increased for any purpose, including, but not limited to, relief of an offeror from the consequences of an error in its bid or offer.

B. The Institution may extend the term of an existing contract for services to allow completion of any work undertaken but not completed during the original term of the contract.

C. Nothing in this section shall prevent the Institution from placing greater restrictions on contract modifications.

§ 9. Discrimination prohibited; participation of small, women- and minority-owned business. –

A. In the solicitation or awarding of contracts, the Institution shall not discriminate against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment. Whenever solicitations are made, the Institution shall include businesses selected from a list made available by the Department of Minority Business Enterprise.

B. The Institution shall establish programs consistent with this section to facilitate the participation of small businesses and businesses owned by women and minorities in procurement transactions. The programs established shall be in writing and shall include cooperation with the Department of Minority Business Enterprise, the United States Small Business Administration, and other public or private agencies. The Institution shall submit annual progress reports on minority business procurement to the Department of Minority Business Enterprise.

C. Whenever there exists (i) a rational basis for small business enhancement or (ii) a persuasive analysis that documents a statistically significant disparity between the availability and utilization of women- and minority-owned businesses, the Governor is by law authorized and encouraged to require the Institution to implement appropriate enhancement or remedial measures consistent with prevailing law.

D. In the solicitation or awarding of contracts, the Institution shall not discriminate against a bidder or offeror because the bidder or offeror employs ex-offenders unless it has made a written determination that employing ex-offenders on the specific contract is not in its best interest.

§ 10. Employment discrimination by contractor prohibited; required contract provisions.

– The Institution shall include in every contract of more than \$10,000 the following provisions:

1. During the performance of this contract, the contractor agrees as follows:

- a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
2. The contractor will include the provisions of the foregoing paragraphs a, b and c in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

§ 11. Drug-free workplace to be maintained by contractor; required contract provisions. – The Institution shall include in every contract over \$10,000 the following provisions:

During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the "performance of work done in connection with a specific contract awarded to a contractor in accordance with these Rules, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

§ 12. Use of brand names. – Unless otherwise provided in the Invitation to Bid, the name of a certain brand, make or manufacturer shall not restrict bidders to the specific brand, make or manufacturer named and shall be deemed to convey the general style, type, character, and quality of the article desired. Any article that the Institution in its sole discretion determines to be the equal of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted.

§ 13. Comments concerning specifications. – The Institution shall establish procedures whereby comments concerning specifications or other provisions in Invitations to Bid or Requests for Proposal can be received and considered prior to the time set for receipt of bids or proposals or award of the contract.

§ 14. Prequalification generally; prequalification for construction. –

A. Prospective contractors may be prequalified for particular types of supplies, services, insurance or construction, and consideration of bids or proposals limited to prequalified contractors. Any prequalification procedure shall be established in writing and sufficiently in advance of its implementation to allow potential contractors a fair opportunity to complete the process.

B. Any prequalification of prospective contractors for construction by the Institution shall be pursuant to a prequalification process for construction projects adopted by the Institution. The process shall be consistent with the provisions of this section.

The application form used in such process shall set forth the criteria upon which the qualifications of prospective contractors will be evaluated. The application form shall request of prospective contractors only such information as is appropriate for an objective evaluation of all prospective contractors pursuant to such criteria. The form shall allow the prospective contractor seeking prequalification to request, by checking the appropriate box, that all information voluntarily submitted by the contractor pursuant to this subsection shall be considered a trade secret or proprietary information subject to the provisions of subsection D of § 34 of these Rules.

In all instances in which the Institution requires prequalification of potential contractors for construction projects, advance notice shall be given of the deadline for the submission of prequalification applications. The deadline for submission shall be sufficiently in advance of the date set for the submission of bids for such construction so as to allow the procedures set forth in this subsection to be accomplished.

At least thirty days prior to the date established for submission of bids or proposals under the procurement of the contract for which the prequalification applies, the Institution shall advise in writing each contractor who submitted an application whether that contractor has been prequalified. In the event that a contractor is denied prequalification, the written notification to the contractor shall state the reasons for the denial of prequalification and the factual basis of such reasons.

A decision by the Institution denying prequalification under the provisions of this subsection shall be final and conclusive unless the contractor appeals the decision as provided in § 54 of these Rules.

C. The Institution may deny prequalification to any contractor only if the Institution finds one of the following:

1. The contractor does not have sufficient financial ability to perform the contract that would result from such procurement. If a bond is required to ensure performance of a contract, evidence that the contractor can acquire a surety bond from a corporation included on the United States Treasury list of acceptable surety corporations in the amount and type required by the Institution shall be sufficient to establish the financial ability of the contractor to perform the contract resulting from such procurement;
2. The contractor does not have appropriate experience to perform the construction project in question;
3. The contractor or any officer, director or owner thereof has had judgments entered against him within the past ten years for the breach of contracts for governmental or nongovernmental construction, including, but not limited to, design-build or construction management;
4. The contractor has been in substantial noncompliance with the terms and conditions of prior construction contracts with the Institution without good cause. If the Institution has not contracted with a contractor in any prior construction contracts, the Institution may deny prequalification if the contractor has been in substantial noncompliance with the terms and conditions of comparable construction contracts with another public body without good cause. The Institution may not utilize this provision to deny prequalification unless the facts underlying such substantial noncompliance were documented in writing in the prior construction project file and such information relating thereto given to the contractor at that time, with the opportunity to respond;
5. The contractor or any officer, director, owner, project manager, procurement manager or chief financial official thereof has been convicted within the past ten years of a crime related to governmental or nongovernmental construction or contracting, including, but not limited to, a violation of (i) Article 6 (§ 2.2-4367 et seq.) of Chapter 43 of Title 2.2 of the Code of Virginia, (ii) the Virginia Governmental Frauds Act (§ 18.2-498.1 et seq.), (iii) Chapter 4.2 (§ 59.1-68.6 et seq.) of Title 59.1, or (iv) any substantially similar law of the United States or another state;
6. The contractor or any officer, director or owner thereof is currently debarred pursuant to an established debarment procedure from bidding or contracting by any public body, agency of another state or agency of the federal government; and
7. The contractor failed to provide to the Institution in a timely manner any information requested by the Institution relevant to subdivisions 1 through 6 of this subsection.

§ 15. Negotiation with lowest responsible bidder. – Unless canceled or rejected, a responsive bid from the lowest responsible bidder shall be accepted as submitted, except that if the bid from the lowest responsible bidder exceeds available funds, the Institution may negotiate with the apparent low bidder to obtain a contract price within available funds. However, the negotiation may be undertaken only under conditions and procedures described in writing and approved by the Institution prior to issuance of the Invitation to Bid and summarized therein.

§ 16. Cancellation, rejection of bids; waiver of informalities. –

A. An Invitation to Bid, a Request for Proposal, any other solicitation, or any and all bids or proposals, may be canceled or rejected. The reasons for cancellation or rejection shall be made part of the contract file. The Institution shall not cancel or reject an Invitation to Bid, a Request for Proposal, any other solicitation, bid or proposal pursuant to this section solely to avoid awarding a contract to a particular responsive and responsible bidder or offeror.

B. The Institution may waive informalities in bids.

§ 17. Exclusion of insurance bids prohibited. – Notwithstanding any other provision of law, no insurer licensed to transact the business of insurance in the Commonwealth or approved to issue surplus lines insurance in the Commonwealth shall be excluded from presenting an insurance bid proposal to the Institution in response to a request for proposal or an invitation to bid. Nothing in this section shall preclude the Institution from debarring a prospective insurer pursuant to § 18.

§ 18. Debarment. – Prospective contractors may be debarred from contracting for particular types of supplies, services, insurance or construction, for specified periods of time. Any debarment procedure shall be established in writing by the Institution. Any debarment procedure may provide for debarment on the basis of a contractor's unsatisfactory performance for the Institution.

§ 19. Purchase programs for recycled goods; Institution responsibilities. –

A. The Institution may implement a purchase program for recycled goods and may coordinate its efforts so as to achieve the goals and objectives set forth in §§ 10.1-1425.6, 10.1-1425.7, 10.1-1425.8 of the Code of Virginia and §§ 20 and 22 of these Rules.

B. The Department of Environmental Quality, with advice from the Virginia Recycling Markets Development Council, shall advise the Institution concerning the designation of recycled goods.

§ 20. Preference for Virginia products with recycled content and for Virginia firms. –

A. In the case of a tie bid, preference shall be given to goods produced in Virginia, goods or services or construction provided by Virginia persons, firms or corporations; otherwise the tie shall be decided by lot.

B. Whenever any bidder is a resident of any other state and such state under its laws allows a resident contractor of that state a preference, a like preference may be allowed by the Institution to the lowest responsive and responsible bidder who is a resident of Virginia.

C. Notwithstanding the provisions of subsections A and B, in the case of a tie bid in instances where goods are being offered, and existing price preferences have already been taken into account, preference shall be given to the bidder whose goods contain the greatest amount of recycled content.

§ 21. Preference for Virginia coal used in the Institution. – In determining the award of any contract for coal to be purchased for use in the Institution with state funds, the Institution shall procure using competitive sealed bidding and shall award to the lowest responsive and responsible bidder offering coal mined in Virginia so long as its bid price is not more than four percent greater than the bid price of the low responsive and responsible bidder offering coal mined elsewhere.

§ 22. Preference for recycled paper and paper products used by the Institution. –

A. In determining the award of any contract for paper and paper products to be purchased for use by the Institution, it shall competitively procure recycled paper and paper products of a quality suitable for the purpose intended, so long as the price is not more than ten percent greater than the price of the low responsive and responsible bidder or offeror offering a product that does not qualify under subsection B.

B. For purposes of this section, recycled paper and paper products means any paper or paper products meeting the EPA Recommended Content Standards as defined in 40 C.F.R. Part 247.

§ 23. Withdrawal of bid due to error. –

A. A bidder for a public construction contract, other than a contract for construction or maintenance of public highways, may withdraw his bid from consideration if the price bid was substantially lower than the other bids due solely to a mistake in the bid, provided the bid was submitted in good faith, and the mistake was a clerical mistake as opposed to a judgment mistake, and was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn.

If a bid contains both clerical and judgment mistakes, a bidder may withdraw his bid from consideration if the price bid would have been substantially lower than the other bids due solely to the clerical mistake, that was an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid that shall be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn.

One of the following procedures for withdrawal of a bid shall be selected by the Institution and stated in the advertisement for bids: (i) the bidder shall give notice in writing of his claim of right to withdraw his bid within two business days after the conclusion of the bid opening procedure and shall submit original work papers with such notice; or (ii) the bidder shall submit to the Institution or designated official his original work papers, documents and materials used in the preparation of the bid within one day after the date fixed for submission of bids. The work papers shall be delivered by the bidder in person or by registered mail at or prior to the time fixed for the opening of bids. In either instance, the work papers, documents and materials may be considered as trade secrets or proprietary information subject to the conditions of subsection F

of § 34 of these Rules. The bids shall be opened one day following the time fixed by the Institution for the submission of bids. Thereafter, the bidder shall have two hours after the opening of bids within which to claim in writing any mistake as defined herein and withdraw his bid. The contract shall not be awarded by the Institution until the two-hour period has elapsed. The mistake shall be proved only from the original work papers, documents and materials delivered as required herein.

B. The Institution may establish procedures for the withdrawal of bids for other than construction contracts.

C. No bid shall be withdrawn under this section when the result would be the awarding of the contract on another bid of the same bidder or of another bidder in which the ownership of the withdrawing bidder is more than five percent.

D. If a bid is withdrawn in accordance with this section, the lowest remaining bid shall be deemed to be the low bid.

E. No bidder who is permitted to withdraw a bid shall, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted.

F. If the Institution denies the withdrawal of a bid under the provisions of this section, it shall notify the bidder in writing stating the reasons for its decision and award the contract to such bidder at the bid price, provided such bidder is a responsible and responsive bidder.

§ 24. Contract Pricing Arrangements. –

A. Public contracts may be awarded on a fixed price or cost reimbursement basis, or on any other basis that is not prohibited by these Rules.

B. Except in case of emergency affecting the public health, safety or welfare, no public contract shall be awarded on the basis of cost plus a percentage of cost.

C. A policy or contract of insurance or prepaid coverage having a premium computed on the basis of claims paid or incurred, plus the insurance carrier's administrative costs and retention stated in whole or part as a percentage of such claims, shall not be prohibited by this section.

§ 25. Workers' compensation requirements for construction contractors and subcontractors. –

A. No contractor shall perform any work on a construction project of the Institution unless he (i) has obtained, and continues to maintain for the duration of the work, workers' compensation coverage required pursuant to the provisions of Chapter 8 (§ 65.2-800 et seq.) of Title 65.2 and (ii) provides prior to the award of contract, on a form furnished by the Institution, evidence of such coverage.

B. The Department of General Services shall provide the form to the Institution. Failure of the Institution to provide the form prior to the award of contract shall waive the requirements of clause (ii) of subsection A.

C. No subcontractor shall perform any work on a construction project of the Institution unless he has obtained, and continues to maintain for the duration of such work, workers' compensation coverage required pursuant to the provisions of Chapter 8 (§ 65.2-800 et seq.) of Title 65.2.

§ 26. Retainage on construction contracts. –

A. In any contract issued by the Institution for construction that provides for progress payments in installments based upon an estimated percentage of completion, the contractor shall be paid at least ninety-five percent of the earned sum when payment is due, with no more than five percent being retained to ensure faithful performance of the contract. All amounts withheld may be included in the final payment.

B. Any subcontract for a public project that provides for similar progress payments shall be subject to the provisions of this section.

§ 27. Public construction contract provisions barring damages for unreasonable delays declared void. –

A. Any provision contained in any public construction contract of the Institution that purports to waive, release, or extinguish the rights of a contractor to recover costs or damages for unreasonable delay in performing such contract, either on his behalf or on behalf of his subcontractor if and to the extent the delay is caused by acts or omissions of the Institution, its agents or employees and due to causes within their control shall be void and unenforceable as against public policy.

B. Subsection A shall not be construed to render void any provision of a public construction contract awarded by the Institution that:

1. Allows the recovery of that portion of delay costs caused by the acts or omissions of the contractor, or its subcontractors, agents or employees;
2. Requires notice of any delay by the party claiming the delay;
3. Provides for liquidated damages for delay; or
4. Provides for arbitration or any other procedure designed to settle contract disputes.

C. A contractor making a claim against the Institution for costs or damages due to the alleged delaying of the contractor in the performance of its work under any public construction contract of the Institution shall be liable to the Institution and shall pay it for a percentage of all costs incurred by the Institution in investigating, analyzing, negotiating, litigating and arbitrating the

claim, which percentage shall be equal to the percentage of the contractor's total delay claim that is determined through litigation or arbitration to be false or to have no basis in law or in fact.

D. If the Institution denies a contractor's claim for costs or damages due to the alleged delaying of the contractor in the performance of work under any public construction contract for the Institution, it shall be liable to and shall pay such contractor a percentage of all costs incurred by the contractor to investigate, analyze, negotiate, litigate and arbitrate the claim. The percentage paid by the Institution shall be equal to the percentage of the contractor's total delay claim for which the Institution's denial is determined through litigation or arbitration to have been made in bad faith.

§ 28. Bid bonds. –

A. Except in cases of emergency, all bids or proposals for construction contracts in excess of \$1,000,000 shall be accompanied by a bid bond from a surety company selected by the bidder that is authorized to do business in Virginia, as a guarantee that if the contract is awarded to the bidder, he will enter into the contract for the work mentioned in the bid. The amount of the bid bond shall not exceed five percent of the amount bid.

B. No forfeiture under a bid bond shall exceed the lesser of (i) the difference between the bid for which the bond was written and the next low bid, or (ii) the face amount of the bid bond.

C. Nothing in this section shall preclude the Institution from requiring bid bonds to accompany bids or proposals for construction contracts anticipated to be less than \$1,000,000.

§ 29. Performance and payment bonds. –

A. Upon the award by the Institution of any (i) public construction contract exceeding \$1,000,000 awarded to any prime contractor or (ii) public construction contract exceeding \$1,000,000 awarded to any prime contractor requiring the performance of labor or the furnishing of materials for buildings, structures or other improvements to real property owned by the Institution, the contractor shall furnish to the Institution the following bonds:

1. Except for transportation-related projects, a performance bond in the sum of the contract amount conditioned upon the faithful performance of the contract in strict conformity with the plans, specifications and conditions of the contract. For transportation-related projects, such bond shall be in a form and amount satisfactory to the Institution.

2. A payment bond in the sum of the contract amount. The bond shall be for the protection of claimants who have and fulfill contracts to supply labor or materials to the prime contractor to whom the contract was awarded, or to any subcontractors, in furtherance of the work provided for in the contract, and shall be conditioned upon the prompt payment for all materials furnished or labor supplied or performed in the furtherance of the work.

"Labor or materials" shall include public utility services and reasonable rentals of equipment, but only for periods when the equipment rented is actually used at the site.

- B. Each of the bonds shall be executed by one or more surety companies selected by the contractor that are authorized to do business in Virginia.
- C. The bonds shall be payable to the Commonwealth of Virginia naming also the Institution.
- D. Each of the bonds shall be filed with the Institution, or a designated office or official thereof.
- E. Nothing in this section shall preclude the Institution from requiring payment or performance bonds for construction contracts below \$1,000,000.
- F. Nothing in this section shall preclude the contractor from requiring each subcontractor to furnish a payment bond with surety thereon in the sum of the full amount of the contract with such subcontractor conditioned upon the payment to all persons who have and fulfill contracts that are directly with the subcontractor for performing labor and furnishing materials in the prosecution of the work provided for in the subcontract.

§ 30. Alternative forms of security. –

- A. In lieu of a bid, payment, or performance bond, a bidder may furnish a certified check or cash escrow in the face amount required for the bond.
- B. If approved by the Institution's General Counsel or his equivalent, a bidder may furnish to the Institution a personal bond, property bond, or bank or savings institution's letter of credit on certain designated funds in the face amount required for the bid, payment or performance bond. Approval shall be granted only upon a determination that the alternative form of security proffered affords protection to the Institution equivalent to a corporate surety's bond.

§ 31. Bonds on other than construction contracts. – The Institution may require bid, payment, or performance bonds for contracts for goods or services if provided in the Invitation to Bid or Request for Proposal.

§ 32. Action on performance bond. – No action against the surety on a performance bond shall be brought by the Institution unless brought within one year after (i) completion of the contract, including the expiration of all warranties and guarantees, or (ii) discovery of the defect or breach of warranty that gave rise to the action.

§ 33. Actions on payment bonds; waiver of right to sue. –

- A. Subject to the provisions of subsection B, any claimant who has performed labor or furnished material in accordance with the contract documents in furtherance of the work provided in any contract for which a payment bond has been given, and who has not been paid in full before the expiration of 90 days after the day on which the claimant performed the last of the labor or furnished the last of the materials for which he claims payment, may bring an action on the payment bond to recover any amount due him for the labor or material. The obligee named in the bond need not be named a party to the action.

B. Any claimant who has a direct contractual relationship with any subcontractor but who has no contractual relationship, express or implied, with the contractor, may bring an action on the contractor's payment bond only if he has given written notice to the contractor within 180 days from the day on which the claimant performed the last of the labor or furnished the last of the materials for which he claims payment, stating with substantial accuracy the amount claimed and the name of the person for whom the work was performed or to whom the material was furnished. Notice to the contractor shall be served by registered or certified mail, postage prepaid, in an envelope addressed to such contractor at any place where his office is regularly maintained for the transaction of business. Claims for sums withheld as retainages with respect to labor performed or materials furnished, shall not be subject to the time limitations stated in this subsection.

C. Any action on a payment bond shall be brought within one year after the day on which the person bringing such action last performed labor or last furnished or supplied materials.

D. Any waiver of the right to sue on the payment bond required by this section shall be void unless it is in writing, signed by the person whose right is waived, and executed after such person has performed labor or furnished material in accordance with the contract documents.

§ 34. Public inspection of certain records. –

A. Except as provided in this section, all proceedings, records, contracts and other public records relating to procurement transactions shall be open to the inspection of any citizen, or any interested person, firm or corporation, in accordance with the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

B. Cost estimates relating to a proposed procurement transaction prepared by or for the Institution shall not be open to public inspection.

C. Any competitive sealed bidding bidder, upon request, shall be afforded the opportunity to inspect bid records within a reasonable time after the opening of all bids but prior to award, except in the event that the Institution decides not to accept any of the bids and to reopen the contract. Otherwise, bid records shall be open to public inspection only after award of the contract.

D. Any competitive negotiation offeror, upon request, shall be afforded the opportunity to inspect proposal records within a reasonable time after the evaluation and negotiations of proposals are completed but prior to award, except in the event that the Institution decides not to accept any of the proposals and to reopen the contract. Otherwise, proposal records shall be open to public inspection only after award of the contract.

E. Any inspection of procurement transaction records under this section shall be subject to reasonable restrictions to ensure the security and integrity of the records.

F. Trade secrets or proprietary information submitted by a bidder, offeror or contractor in connection with a procurement transaction or prequalification application submitted pursuant to

subsection B of § 14 shall not be subject to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.); however, the bidder, offeror or contractor shall (i) invoke the protections of this section prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons why protection is necessary.

§ 35. Exemption for certain transactions. –

A. The provisions of these Rules shall not apply to:

1. The selection of services related to the management and investment of the Institution's endowment funds, endowment income, or gifts pursuant to § 23-76.1. However, selection of these services shall be governed by the Uniform Management of Institutional Funds Act (§ 55-268.1 et seq.) as required by § 23-76.1.
2. The purchase of items for resale at retail bookstores and similar retail outlets operated by the Institution. However, such purchase procedures shall provide for competition where practicable.
3. Procurement of any construction or planning and design services for construction by the Institution when (i) the planning, design or construction is \$50,000 or less or (ii) the Institution is obligated to conform to procurement procedures that are established by federal statutes or regulations, whether or not those federal procedures are in conformance with the provisions of these Rules.
4. The University of Virginia Medical Center.
5. The purchase of goods and services by the Institution when such purchases are made under a remedial plan established by the Governor pursuant to subsection C of § 9 of these Rules.

B. Where a procurement transaction involves the expenditure of federal assistance or contract funds, the receipt of which is conditioned upon compliance with mandatory requirements in federal laws or regulations not in conformance with the provisions of these Rules, the Institution may comply with such federal requirements, notwithstanding the provisions of these Rules, only upon the written determination of the Institution's President or his designee that acceptance of the grant or contract funds under the applicable conditions is in the public interest. Such determination shall state the specific provision of these Rules in conflict with the conditions of the grant or contract.

§ 36. Permitted contracts with certain religious organizations; purpose; limitations. –

A. The Opportunity Reconciliation Act of 1996, P.L. 104-193, authorizes public bodies to enter into contracts with faith-based organizations for the purposes described in this section on the same basis as any other nongovernmental source without impairing the religious character of such organization, and without diminishing the religious freedom of the beneficiaries of assistance provided under this section.

B. For the purposes of this section, "faith-based organization" means a religious organization that is or applies to be a contractor to provide goods or services for programs funded by the block grant provided pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193.

C. The Institution, in procuring goods or services, or in making disbursements pursuant to this section, shall not (i) discriminate against a faith-based organization on the basis of the organization's religious character or (ii) impose conditions that (a) restrict the religious character of the faith-based organization, except as provided in subsection F, or (b) impair, diminish, or discourage the exercise of religious freedom by the recipients of such goods, services, or disbursements.

D. The Institution shall ensure that all invitations to bid, requests for proposals, contracts, and purchase orders prominently display a nondiscrimination statement indicating that it does not discriminate against faith-based organizations.

E. A faith-based organization contracting with the Institution (i) shall not discriminate against any recipient of goods, services, or disbursements made pursuant to a contract authorized by this section on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and (ii) shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the Institution. Nothing in clause (ii) shall be construed to supercede or otherwise override any other applicable state law.

F. Consistent with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193, funds provided for expenditure pursuant to contracts with public bodies shall not be spent for sectarian worship, instruction, or proselytizing; however, this prohibition shall not apply to expenditures pursuant to contracts, if any, for the services of chaplains.

G. Nothing in this section shall be construed as barring or prohibiting a faith-based organization from any opportunity to make a bid or proposal or contract on the grounds that the faith-based organization has exercised the right, as expressed in 42 U.S.C. (§ 2000e-1 et seq.), to employ persons of a particular religion.

H. If an individual, who applies for or receives goods, services, or disbursements provided pursuant to a contract between the Institution and a faith-based organization, objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the Institution shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

The Institution shall provide to each individual who applies for or receives goods, services, or disbursements provided pursuant to a contract between the Institution and a faith-based organization a notice in bold face type that states: "Neither the Institution's selection of a

charitable or faith-based provider of services nor the expenditure of funds under this contract is an endorsement of the provider's charitable or religious character, practices, or expression. No provider of services may discriminate against you on the basis of religion, a religious belief, or your refusal to actively participate in a religious practice. If you object to a particular provider because of its religious character, you may request assignment to a different provider. If you believe that your rights have been violated, please discuss the complaint with your provider or notify the appropriate person as indicated in this form."

§ 37. Exemptions from competition for certain transactions. – The Institution may enter into contracts without competition, as that term is described in subsections A through J of § 5 (Methods of procurement) of these Rules, for:

1. The purchase of goods or services that are produced or performed by or related to:
 - a. Persons, or in schools or workshops, under the supervision of the Virginia Department for the Blind and Vision Impaired;
 - b. Nonprofit sheltered workshops or other nonprofit organizations that offer transitional or supported employment services serving the handicapped;
 - c. Private educational institutions; or
 - d. Other public educational institutions.
2. Speakers and performing artists;
3. Memberships and Association dues;
4. Sponsored research grant sub-awards and contract sub-awards, not to include the purchase of goods or services by the Institution;
5. Group travel in foreign countries;
6. Conference facilities and services;
7. Participation in intercollegiate athletic tournaments and events including team travel and lodging, registration and tournament fees;
8. Royalties; or
9. The purchase of legal services, provided that the Office of the Attorney General has been consulted, or expert witnesses or other services associated with litigation or regulatory proceedings.

§ 38. Exemptions from competitive sealed bidding and competitive negotiation for certain transactions; limitations. – The Institution may enter into contracts for insurance or electric

utility service without competitive sealed bidding or competitive negotiation if purchased through an association of which the Institution is a member if the association was formed and is maintained for the purpose of promoting the interest and welfare of and developing close relationships with similar public bodies, provided such association has procured the insurance or electric utility services by use of competitive principles and provided that the Institution has made a determination in advance after reasonable notice to the public and set forth in writing that competitive sealed bidding and competitive negotiation are not fiscally advantageous to the public. The writing shall document the basis for this determination.

§ 39. Definitions. – As used in §§ 39 through 46, unless the context requires a different meaning:

"Contractor" means the entity that has a direct contract with the Institution.

"Debtor" means any individual, business, or group having a delinquent debt or account with any state agency that obligation has not been satisfied or set aside by court order or discharged in bankruptcy.

"Payment date" means either (i) the date on which payment is due under the terms of a contract for provision of goods or services; or (ii) if such date has not been established by contract, (a) thirty days after receipt of a proper invoice by the Institution or its agent or (b) thirty days after receipt of the goods or services by the Institution..

"Subcontractor" means any entity that has a contract to supply labor or materials to the contractor to whom the contract was awarded or to any subcontractor in the performance of the work provided for in such contract.

§ 40. Exemptions. – The provisions of §§ 39 through 46 shall not apply to the late payment provisions contained in any public utility tariffs prescribed by the State Corporation Commission.

§ 41. Retainage to remain valid. – Notwithstanding the provisions of §§ 39 through 46, the provisions of § 26 relating to retainage shall remain valid.

§ 42. Prompt payment of bills by the Institution. –

A. The Institution shall promptly pay for the completely delivered goods or services by the required payment date.

Payment shall be deemed to have been made when offset proceedings have been instituted, as authorized under the Virginia Debt Collection Act (§ 2.2-4800 et seq.).

B. Separate payment dates may be specified for contracts under which goods or services are provided in a series of partial deliveries or executions to the extent that such contract provides for separate payment for such partial delivery or execution.

§ 43. Defect or impropriety in the invoice or goods and/or services received. – In instances where there is a defect or impropriety in an invoice or in the goods or services received, the Institution shall notify the supplier of the defect or impropriety, if the defect or impropriety would prevent payment by the payment date. The notice shall be sent within fifteen days after receipt of the invoice or the goods or services.

§ 44. Date of postmark deemed to be date payment is made. – In those cases where payment is made by mail, the date of postmark shall be deemed to be the date payment is made for purposes of these Rules.

§ 45. Payment clauses to be included in contracts. – Any contract awarded by the Institution shall include:

1. A payment clause that obligates the contractor to take one of the two following actions within seven days after receipt of amounts paid to the contractor by the Institution for work performed by the subcontractor under that contract:
 - a. Pay the subcontractor for the proportionate share of the total payment received from the Institution attributable to the work performed by the subcontractor under that contract; or
 - b. Notify the Institution and subcontractor, in writing, of his intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.
2. A payment clause that requires (i) individual contractors to provide their social security numbers and (ii) proprietorships, partnerships, and corporations to provide their federal employer identification numbers.
3. An interest clause that obligates the contractor to pay interest to the subcontractor on all amounts owed by the contractor that remain unpaid after seven days following receipt by the contractor of payment from the Institution for work performed by the subcontractor under that contract, except for amounts withheld as allowed in subdivision 1.
4. An interest rate clause stating, "Unless otherwise provided under the terms of this contract, interest shall accrue at the rate of one percent per month."

Any such contract awarded shall further require the contractor to include in each of its subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

A contractor's obligation to pay an interest charge to a subcontractor pursuant to the payment clause in this section shall not be construed to be an obligation of the Institution. A contract modification shall not be made for the purpose of providing reimbursement for the interest charge. A cost reimbursement claim shall not include any amount for reimbursement for the interest charge.

§ 46. Interest penalty; exceptions. –

A. Interest shall accrue, at the rate determined pursuant to subsection B, on all amounts owed by the Institution to a vendor that remain unpaid after seven days following the payment date. However, nothing in this section shall affect any contract providing for a different rate of interest, or for the payment of interest in a different manner.

B. The rate of interest charged the Institution pursuant to subsection A shall be the base rate on corporate loans (prime rate) at large United States money center commercial banks as reported daily in the publication entitled The Wall Street Journal. Whenever a split prime rate is published, the lower of the two rates shall be used. However, in no event shall the rate of interest charged exceed the rate of interest established pursuant to § 58.1-1812 of the Code of Virginia.

C. Notwithstanding subsection A, no interest penalty shall be charged when payment is delayed because of disagreement between the Institution and a vendor regarding the quantity, quality or time of delivery of goods or services or the accuracy of any invoice received for the goods or services. The exception from the interest penalty provided by this subsection shall apply only to that portion of a delayed payment that is actually the subject of the disagreement and shall apply only for the duration of the disagreement.

D. This section shall not apply to § 26 pertaining to retainage on construction contracts, during the period of time prior to the date the final payment is due. Nothing contained herein shall prevent a contractor from receiving interest on such funds under an approved escrow agreement.

E. Notwithstanding subsection A, no interest penalty shall be paid to any debtor on any payment, or portion thereof, withheld pursuant to the Comptroller's Debt Setoff Program, as authorized by the Virginia Debt Collection Act (§ 2.2-4800 et seq. of the Code of Virginia), commencing with the date the payment is withheld. If, as a result of an error, a payment or portion thereof is withheld, and it is determined that at the time of setoff no debt was owed to the Commonwealth, then interest shall accrue at the rate determined pursuant to subsection B on amounts withheld that remain unpaid after seven days following the payment date.

§ 47. Ineligibility. –

A. Any bidder, offeror or contractor refused permission to participate, or disqualified from participation, in public contracts to be issued by the Institution shall be notified in writing. Prior to the issuance of a written determination of disqualification or ineligibility, the Institution shall (i) notify the bidder in writing of the results of the evaluation, (ii) disclose the factual support for the determination, and (iii) allow the bidder an opportunity to inspect any documents that relate to the determination, if so requested by the bidder within five business days after receipt of the notice.

Within ten business days after receipt of the notice, the bidder may submit rebuttal information challenging the evaluation. The Institution shall issue its written determination of disqualification or ineligibility based on all information in the possession of the Institution, including any rebuttal information, within five business days of the date the Institution received such rebuttal information.

If the evaluation reveals that the bidder, offeror or contractor should be allowed permission to participate in the public contract, the Institution shall cancel the proposed disqualification action. If the evaluation reveals that the bidder should be refused permission to participate, or disqualified from participation, in the public contract, the Institution shall so notify the bidder, offeror or contractor. The notice shall state the basis for the determination, which shall be final unless the bidder appeals the decision within ten days after receipt of the notice by invoking administrative procedures meeting the standards of § 55 of these Rules, if available, or in the alternative by instituting legal action as provided in § 54.

B. If, upon appeal, it is determined that the action taken was arbitrary or capricious, or not in accordance with the Constitution of Virginia, applicable state law or regulations, the sole relief shall be restoration of eligibility.

§ 48. Appeal of denial of withdrawal of bid. –

A. A decision denying withdrawal of bid under the provisions of § 23 of these Rules shall be final and conclusive unless the bidder appeals the decision within ten days after receipt of the decision by invoking administrative procedures meeting the standards of § 55, if available, or in the alternative by instituting legal action as provided in § 54.

B. If no bid bond was posted, a bidder refused withdrawal of a bid under the provisions of § 23, prior to appealing, shall deliver to the Institution a certified check or cash bond in the amount of the difference between the bid sought to be withdrawn and the next low bid. Such security shall be released only upon a final determination that the bidder was entitled to withdraw the bid.

C. If, upon appeal, it is determined that the decision refusing withdrawal of the bid was not (i) an honest exercise of discretion, but rather was arbitrary or capricious or (ii) in accordance with the Constitution of Virginia, applicable state law or regulation, or the terms or conditions of the Invitation to Bid, the sole relief shall be withdrawal of the bid.

§ 49. Determination of nonresponsibility. –

A. Following public opening and announcement of bids received on an Invitation to Bid, the Institution shall evaluate the bids in accordance with element 4 of the definition of "Competitive sealed bidding" in § 4 of these Rules. At the same time, the Institution shall determine whether the apparent low bidder is responsible. If the Institution so determines, then it may proceed with an award in accordance with element 5 of the definition of "Competitive sealed bidding" in § 4. If the Institution determines that the apparent low bidder is not responsible, it shall proceed as follows:

1. Prior to the issuance of a written determination of nonresponsibility, the Institution shall (i) notify the apparent low bidder in writing of the results of the evaluation, (ii) disclose the factual support for the determination, and (iii) allow the apparent low bidder an opportunity to inspect any documents that relate to the determination, if so requested by the bidder within five business days after receipt of the notice.

2. Within ten business days after receipt of the notice, the bidder may submit rebuttal information challenging the evaluation. The Institution shall issue its written determination of responsibility based on all information in the possession of the Institution, including any rebuttal information, within five business days of the date the Institution received the rebuttal information. At the same time, the Institution shall notify, with return receipt requested, the bidder in writing of its determination.

3. Such notice shall state the basis for the determination, which shall be final unless the bidder appeals the decision within ten days after receipt of the notice by invoking administrative procedures meeting the standards of § 55 of these Rules, if available, or in the alternative by instituting legal action as provided in § 54.

The provisions of this subsection shall not apply to procurements involving the prequalification of bidders and the rights of any potential bidders under such prequalification to appeal a decision that such bidders are not responsible.

B. If, upon appeal pursuant to § 54 or § 55 of these Rules, it is determined that the decision of the Institution was not (i) an honest exercise of discretion, but rather was arbitrary or capricious or (ii) in accordance with the Constitution of Virginia, applicable state law or regulation, or the terms or conditions of the Invitation to Bid, and the award of the contract in question has not been made, the sole relief shall be a finding that the bidder is a responsible bidder for the contract in question or directed award as provided in subsection A of § 54, or both.

If it is determined that the decision of the Institution was not an honest exercise of discretion, but rather was arbitrary or capricious or not in accordance with the Constitution of Virginia, applicable state law or regulation, or the terms or conditions of the Invitation to Bid, and an award of the contract has been made, the relief shall be as set forth in subsection B of § 54 of these Rules.

C. A bidder contesting a determination that he is not a responsible bidder for a particular contract shall proceed under this section, and may not protest the award or proposed award under the provisions of § 50 of these Rules.

D. Nothing contained in this section shall be construed to require the Institution, when procuring by competitive negotiation, to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous.

§ 50. Protest of award or decision to award. –

A. Any bidder or offeror, who desires to protest the award or decision to award a contract shall submit the protest in writing to the Institution, or an official designated by the Institution, no later than ten days after the award or the announcement of the decision to award, whichever occurs first. Public notice of the award or the announcement of the decision to award shall be given by the Institution in the manner prescribed in the terms or conditions of the Invitation to Bid or Request for Proposal. Any potential bidder or offeror on a contract negotiated on a sole source or emergency basis who desires to protest the award or decision to award such contract shall

submit the protest in the same manner no later than ten days after posting or publication of the notice of such contract as provided in § 5 of these Rules. However, if the protest of any actual or potential bidder or offeror depends in whole or in part upon information contained in public records pertaining to the procurement transaction that are subject to inspection under § 34 of these Rules, then the time within which the protest shall be submitted shall expire ten days after those records are available for inspection by such bidder or offeror under § 34, or at such later time as provided in this section. No protest shall lie for a claim that the selected bidder or offeror is not a responsible bidder or offeror. The written protest shall include the basis for the protest and the relief sought. The Institution or designated official shall issue a decision in writing within ten days stating the reasons for the action taken. This decision shall be final unless the bidder or offeror appeals within ten days of receipt of the written decision by invoking administrative procedures meeting the standards of § 55 of these Rules, if available, or in the alternative by instituting legal action as provided in § 54. Nothing in this subsection shall be construed to permit a bidder to challenge the validity of the terms or conditions of the Invitation to Bid or Request for Proposal. The use of Alternative Dispute Resolution (“ADR”) shall constitute an administrative appeal procedure meeting the standards of § 55 of these Rules.

B. If prior to an award it is determined that the decision to award is arbitrary or capricious, then the sole relief shall be a finding to that effect. The Institution shall cancel the proposed award or revise it to comply with the law. If, after an award, it is determined that an award of a contract was arbitrary or capricious, then the sole relief shall be as hereinafter provided.

Where the award has been made but performance has not begun, the performance of the contract may be enjoined. Where the award has been made and performance has begun, the Institution may declare the contract void upon a finding that this action is in the best interest of the public. Where a contract is declared void, the performing contractor shall be compensated for the cost of performance up to the time of such declaration. In no event shall the performing contractor be entitled to lost profits.

C. Where the Institution, an official designated by it, or an appeals board determines, after a hearing held following reasonable notice to all bidders, that there is probable cause to believe that a decision to award was based on fraud or corruption or on an act in violation of these Rules, the Institution, designated official or appeals board may enjoin the award of the contract to a particular bidder.

§ 51. Effect of appeal upon contract. – Pending final determination of a protest or appeal, the validity of a contract awarded and accepted in good faith in accordance with these Rules shall not be affected by the fact that a protest or appeal has been filed.

§ 52. Stay of award during protest. – An award need not be delayed for the period allowed a bidder or offeror to protest, but in the event of a timely protest as provided in § 50 of these Rules, or the filing of a timely legal action as provided in § 54, no further action to award the contract shall be taken unless there is a written determination that proceeding without delay is necessary to protect the public interest or unless the bid or offer would expire.

§ 53. Contractual disputes. –

A. Contractual claims, whether for money or other relief, shall be submitted in writing no later than sixty days after final payment. However, written notice of the contractor's intention to file a claim shall be given at the time of the occurrence or beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment.

B. The Institution shall include in its contracts a procedure for consideration of contractual claims. Such procedure, which may be contained in the contract or may be specifically incorporated into the contract by reference and made available to the contractor, shall establish a time limit for a final decision in writing by the Institution. If the Institution has established administrative procedures meeting the standards of § 55 of these Rules, such procedures shall be contained in the contract or specifically incorporated in the contract by reference and made available to the contractor. The Institution may require the submission of contractual claims pursuant to any contract to Alternative Dispute Resolution (“ADR”) as an administrative procedure.

C. A contractor may not invoke administrative procedures meeting the standards of § 55 of these Rules, if available, or institute legal action as provided in § 54, prior to receipt of the Institution's decision on the claim, unless the Institution fails to render such decision within the time specified in the contract.

D. The decision of the Institution shall be final and conclusive unless the contractor appeals within six months of the date of the final decision on the claim by the Institution by invoking administrative procedures meeting the standards of § 55 of these Rules, if available, or in the alternative by instituting legal action as provided in § 54.

§ 54. Legal actions. –

A. A bidder or offeror, actual or prospective, who is refused permission or disqualified from participation in bidding or competitive negotiation, or who is determined not to be a responsible bidder or offeror for a particular contract, may bring an action in the appropriate circuit court challenging that decision, which shall be reversed only if the petitioner establishes that the decision was not (i) an honest exercise of discretion, but rather was arbitrary or capricious; (ii) in accordance with the Constitution of Virginia, applicable state law or regulation, or the terms or conditions of the Invitation to Bid; or (iii) in the case of denial of prequalification, based upon the criteria for denial of prequalification set forth in subsection B of § 14 of these Rules. In the event the apparent low bidder, having been previously determined by the Institution to be not responsible in accordance with § 4, is found by the court to be a responsible bidder, the court may direct the Institution to award the contract to such bidder in accordance with the requirements of this section and the Invitation to Bid.

B. A bidder denied withdrawal of a bid under § 23 of these Rules may bring an action in the appropriate circuit court challenging that decision, which shall be reversed only if the bidder establishes that the decision of the Institution was not (i) an honest exercise of discretion, but

rather was arbitrary or capricious or (ii) in accordance with the Constitution of Virginia, applicable state law or regulation, or the terms or conditions of the Invitation to Bid.

C. A bidder, offeror or contractor, or a potential bidder or offeror on a contract negotiated on a sole source or emergency basis in the manner provided in § 5 of these Rules, whose protest of an award or decision to award under § 50 of these Rules is denied, may bring an action in the appropriate circuit court challenging a proposed award or the award of a contract, which shall be reversed only if the petitioner establishes that the proposed award or the award is not (i) an honest exercise of discretion, but rather is arbitrary or capricious or (ii) in accordance with the Constitution of Virginia, applicable state law or regulation, or the terms and conditions of the Invitation to Bid or Request for Proposal.

D. If injunctive relief is granted, the court, upon request of the Institution, shall require the posting of reasonable security to protect the Institution.

E. A contractor may bring an action involving a contract dispute with the Institution in the appropriate circuit court. Notwithstanding any other provision of law, the Comptroller shall not be named as a defendant in any action brought pursuant to these Rules or § 33.1-387 of the Code of Virginia, except for disputes involving contracts of the Office of the Comptroller or the Department of Accounts.

F. A bidder, offeror or contractor need not utilize administrative procedures meeting the standards of § 55 of these Rules, if available, but if those procedures are invoked by the bidder, offeror or contractor, the procedures shall be exhausted prior to instituting legal action concerning the same procurement transaction unless the Institution agrees otherwise.

G. Nothing herein shall be construed to prevent the Institution from instituting legal action against a contractor.

§ 55. Administrative appeals procedure. –

A. The Institution may establish an administrative procedure for hearing (i) protests of a decision to award or an award, (ii) appeals from refusals to allow withdrawal of bids, (iii) appeals from disqualifications and determinations of nonresponsibility, and (iv) appeals from decisions on disputes arising during the performance of a contract, or (v) any of these. Such administrative procedure may include the use of Alternative Dispute Resolution (“ADR”) or shall provide for a hearing before a disinterested person or panel, the opportunity to present pertinent information and the issuance of a written decision containing findings of fact. The disinterested person or panel shall not be an employee of the governmental entity against whom the claim has been filed. The findings of fact shall be final and conclusive and shall not be set aside unless the same are (a) fraudulent, arbitrary or capricious; (b) so grossly erroneous as to imply bad faith; or (c) in the case of denial of prequalification, the findings were not based upon the criteria for denial of prequalification set forth in subsection B of § 14 of these Rules. No determination on an issue of law shall be final if appropriate legal action is instituted in a timely manner. The Institution may seek advice and input from the Alternative Dispute Resolution Council in establishing an Alternative Dispute Resolution (“ADR”) procedure.

B. Any party to the administrative procedure, including the Institution, shall be entitled to institute judicial review if such action is brought within thirty days of receipt of the written decision.

§ 56. Alternative dispute resolution. – The Institution may enter into agreements to submit disputes arising from contracts entered into pursuant to these Rules to arbitration and utilize mediation and other alternative dispute resolution procedures. However, such procedures shall be nonbinding and subject to § 2.2-514 of the Code of Virginia, as applicable.

§ 57. Ethics in public contracting. – The Institution and its governing body, officers and employees shall be governed by the Ethics in Public Contracting provisions of the Virginia Public Procurement Act, Article 6 (§ 2.2-4367 et seq.) of Chapter 43 of Title 2.2 of the Code of Virginia.

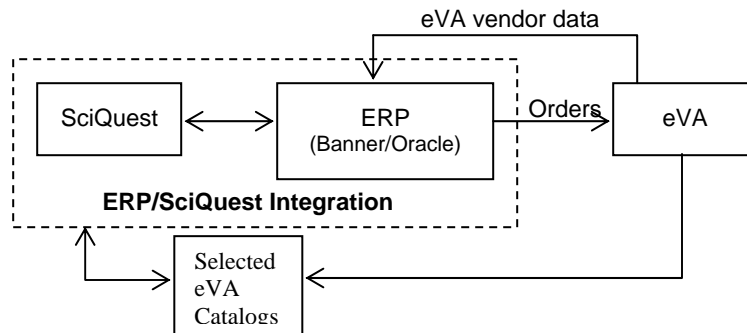
Memorandum of Agreement

The Commonwealth of Virginia and Virginia Polytechnic Institute and State University

ERP/SciQuest Implementation with eVA

The Commonwealth of Virginia (CoVA) and Virginia Polytechnic Institute and State University (University) agree to the following:

Setup:



- I. The University will use ERP/SciQuest integration as best fits its needs with its ERP system (Banner).
- II. Initially, all non-exempt orders produced by the ERP/SciQuest integration will be transmitted to eVA through an ERP-to-eVA interface that conforms to the existing eVA interface standard format. Longer term a more real-time option may be mutually agreed by the Department of General Services/Division of Purchasing and Supply (DGS/DPS) and the University and implemented between the ERP and eVA systems.
- III. The University may request that eVA contract vendors provide a version of their contract catalog for loading into ERP/SciQuest. Should the vendor indicate a preference to only provide its catalog through eVA, then the University will access these catalogs as described in item B8 of the Metrics section of this document. In any event, the University shall be responsible for payment of all eVA transaction fees for non-exempt orders to unregistered vendors and exempt orders the University chooses to issue to unregistered and registered vendors through eVA.
- IV. eVA will load all non-exempt University orders into the eVA Data Warehouse. For clarity, it is understood that exempt orders are purchase transactions specifically exempted, in writing by DPS, from mandatory processing through eVA.
- V. In lieu of processing individual orders for requirements through eVA, a more efficient administrative approach is to establish a blanket or standing order. The University is

authorized to use such an approach where it makes good business sense. The University will ensure vendors understand that eVA transaction fees will be invoiced at the time blanket or standing orders are issued, that the transaction fee will be based on the total order amount, and the vendor is required to pay the total transaction fee within 30 days of the invoice date regardless of the performance/delivery schedule specified in the order.

VI. eVA will deliver University non-exempt orders to vendors that are identified as accepting electronic orders (Fax, Email, EDI, cXML). The University or SciQuest will print/mail/deliver all other orders to vendors. Whereas the University maintains a University specific electronic vendor record that identifies vendors that do not agree to the eVA terms and conditions, including payment of the eVA order transaction fee, the University may deviate from the policy/procedure set forth in Section 3 of the eVA Business Plan as follows:

- A. For vendors that refuse to accept the eVA terms and conditions, the University will transmit the appropriate R02, S02, E02, or P02 Purchase Order Category and a Purchase Order Comment that includes the statement "Vendor refuses eVA terms and conditions". The University agrees that it will pay the eVA transaction fees for these orders.
- B. For vendors that agree to accept the eVA terms and conditions, the University will transmit the appropriate R01, S01, E01, or P01 Purchase Order Category and a Purchase Order Comment that includes the statement "Vendor accepts eVA terms and conditions – University eVA Vendor Manager, e-mail address and phone number." The University agrees that, for these orders, it will resolve any vendor dispute related to payment of eVA transaction fees by working directly with the vendor whether such vendor contacts the university directly or the dispute is referred to the university by DGS/DPS or CGI-AMS.

The University further agrees that:

- 1. It will provide the DGS/DPS eVA Business Manager (or designee) email notification of the resolution agreed to by the University and the vendor within 10 business days, unless otherwise agreed on a case-by-case basis by the DGS/DPS eVA Business Manager (or designee);
- 2. It will pay the eVA transaction fee unless it notifies the eVA Business Manager (or designee) within the specified time that the dispute has been resolved and the vendor agreed to pay the fee; and
- 3. In the event the University does not provide resolution notification to the eVA Business Manager (or designee) within the specified timeframe, DGS/DPS will automatically execute a manual adjustment reversing disputed transaction fees from the vendor to the University and the University will pay the fee.

VII. The University will not require separate vendor registrations as a prerequisite for responding to University solicitations. The University will participate in an enterprise workgroup to determine the best means to capture W-9 information on behalf of the

whole enterprise. The process for collecting W-9 information will be supported in eVA in such a way as to provide CoVA verified vendor information to entities. The University will have the option to receive a subset of vendor related data. Until an enterprise W-9 process is established, the University will be responsible for collection of W-9 information.

- VIII. For major system changes, DGS/DPS will collaborate in advance (advance notice defined as at least six (6) months prior to change or as soon as any new plan is proposed) with the University regarding any proposed replacement to the CoVA's electronic procurement system and on changes that may affect the technical changes described herein.
- IX. Integration of the University's electronic procurement solution with the University's ERP is the responsibility of the University. The solution must provide for orders, change orders and cancellations.

Guidelines

- 1. The establishment of this agreement is intended to formulate the basis for a long-term solution for electronic procurement between the University and the CoVA..
- 2. Orders may be batched and transmitted to eVA as often as needed except between the hours of 8PM and 4AM. eVA will transmit registered vendor orders it receives within fifteen minutes or less.
- 3. Non-exempt orders to un-registered vendors are to be transmitted to eVA for loading to the Data Warehouse. The University shall be responsible for payment of all eVA transaction fees for non-exempt orders to unregistered vendors and exempt orders the University chooses to issue to unregistered and registered vendors through eVA. See eVA Business Plan Section 3 for specific processing requirements for unregistered vendor orders.
- 4. Change Orders are to be transmitted to eVA as replacement orders complying with the eVA standard format.
- 5. Cancellations are to be transmitted to eVA complying with the eVA standard format.
- 6. eVA Interface standard does not currently support PCard orders; however these orders may be processed via the interface as (a) confirming orders or (b) orders for pcards on file with the vendor.

Schedule

The University shall implement this agreement no later than July 2006.

Metrics**A. The University shall comply with the following Governor's eVA Management Objective**

- 95% of all non-exempt orders to be processed by eVA. Includes non-exempt orders issued by end users (PCard & LPO) and the central purchasing office. Non-exempt orders to unregistered vendors received into the eVA Data Warehouse are considered compliant orders. For clarity, it is understood that exempt orders are purchase transactions specifically exempted, in writing by DPS, from mandatory processing through eVA. All non-exempt orders not processed by eVA shall be reported on the eVA Dashboard and the corresponding non-use fee paid by the University.

B. The University shall meet the following management objectives for electronic procurement:

1. Provide end users, including purchase-card users, access to an electronic system for buying;
2. Conduct business with eVA registered vendors whenever possible;
3. Place non-exempt orders, including change orders and cancellations, to eVA suppliers electronically using eVA;
4. To the greatest extent possible, transmit real-time electronic purchase orders, regardless of dollar value, that include commodity codes, complete item descriptions, quantities, and unit prices;
5. To the greatest extent feasible, the University will transmit confirming orders to eVA within five (5) business days after placing the order. Commodity codes, complete item descriptions, quantities, and unit prices will be provided for all confirming orders. DGS/DPS will provide periodic reports on the number and timeliness of confirming orders enabling the University and DGS/DPS to work together to monitor the usage of confirming orders with the objective of reducing their numbers to the extent possible.

The University agrees that, for confirming orders, it will resolve any vendor dispute, including disputes related to payment of eVA transaction fees, by working directly with the vendor whether such vendor contacts the University directly or the dispute is referred to the University by DGS/DPS or CGI-AMS.

The University further agrees that:

- a. It will provide the DGS/DPS eVA Business Manager (or designee) email notification of the resolution agreed to by the university and the vendor within 10 business days, unless otherwise agreed on a

case-by-case basis by the DGS/DPS eVA Business Manager (or designee);

- b. It will pay the eVA transaction fee unless it notifies the eVA Business Manager (or designee) within the specified time that the dispute has been resolved and the vendor agreed to pay the fee; and
 - c. In the event the University does not provide resolution notification to the eVA Business Manager (or designee) within the specified timeframe, DGS/DPS will automatically execute a manual adjustment reversing disputed transaction fees from the vendor to the University and the University will pay the fee.
 - 6. Timely process electronic change orders and cancellations;
 - 7. Post all solicitations and business opportunities greater than \$50,000 on the eVA web site except as specifically exempted by DPS;
 - 8. To the extent technically feasible, make eVA catalogs, especially contract catalogs, available to end users using the ERP/SciQuest Integration system. The University will be responsible for the accuracy of contract catalog pricing loaded into the ERP/SciQuest.
 - 9. Use eVA electronic vendor notification for procurement opportunities (per plans to post solicitations specified in item 7 above and the use of Quick Quote/Reverse Auctions specified in item 10 below);
 - 10. Use eVA on-line bidding functions of Quick Quote and Reverse Auction for appropriate commodities, when such are identified.
 - 11. Complete and certify the monthly eVA Dashboard Report, and
 - 12. Timely remit any eVA transaction and non-use fees incurred by the institution.
- C. The University shall be subject to eVA fees assessed per the eVA Business Plan.
- D. The University shall assure that payments to CGI-AMS are current.

VIRGINIA TECH

FINANCIAL PERFORMANCE REPORT

Operating and Capital Expenditures

July 1, 2005 to September 30, 2005

FINANCIAL PERFORMANCE REPORT

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

The July to September 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. Tuition and Fee revenue is higher than historical projections through the first quarter due to the timing of collections.
2. Expenses in Support Programs are ahead of historical projections due to the timing of operating expenditures.
3. The budget for federal revenue is established to match projected allotments from the federal government. All expenses in federal programs are covered by drawdowns of federal revenue up to allotted amounts. Federal revenue in the Cooperative Extension/Agricultural Experiment Station Division was less than the projected budget due to lower-than-anticipated federal expenditures and the timing of receipt of federal drawdowns.
4. Expenses in the Cooperative Extension/Agricultural Experiment Station Division are lower than historic budget projections due to salary savings from vacant positions in the current year. These savings will be redistributed during the remainder of the year to operating accounts.
5. Quarterly and projected annual variances are explained in the Auxiliary Enterprises section of this report.
6. Historical patterns have been used to develop a measure of the revenue and expenditure activity for Sponsored Programs. Actual revenues and expenses may vary from the budget estimates because projects are initiated and concluded on an individual basis without regard to fiscal year.
7. Expenses for Student Financial Assistance through the first quarter are higher than projected due to the timing of the student financial aid awards. Awards for graduate scholarships are being processed earlier than last fiscal year.
8. Revenues within All Other Programs are greater than budgeted due to the July 2005 receipt of the proceeds from the sale of the King Air aircraft for \$995,249. This balance is earmarked for lease payments over multiple years on the new Citation aircraft, which is to replace the King Air. The annual budget for surplus property will be adjusted for this activity during the second quarter.
9. 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 and by \$31,832 for VIVA libraries distribution costs. The corresponding expenditure budgets have been adjusted accordingly.
10. 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 non-general fund support for the equipment trust fund program as a revenue transfer instead of an expense. The second adjustment was a \$728,458 reduction to provide additional unfunded scholarships for graduate students on assistantships. The annual budget for Tuition and Fees has also been increased by \$3,000,000 for higher than planned fall enrollments. The corresponding expenditure budgets have been adjusted accordingly.
11. 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 corresponding expenditure budgets have been adjusted accordingly.
12. 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.

OPERATING BUDGET

2005-06

Dollars in Thousands

	July 1, 2005 to September 30, 2005			Annual Budget for 2005-06		
	Actual	Budget	Change	Original	Adjusted	Change
Educational and General Programs						
<u>University Division</u>						
<u>Revenues</u>						
- General Fund	\$153,396	\$153,396	\$0	\$155,748	\$155,999	\$251 (9)
- Tuition and Fees	99,560	99,044	516 (1)	209,499	211,356	1,857 (10)
- All Other Income	6,745	7,082	-337	27,533	27,527	-6 (11)
Total Revenues	\$259,701	\$259,522	\$179	\$392,780	\$394,882	\$2,102
<u>Expenses</u>						
- Academic Programs	\$-63,686	\$-63,400	\$-286	\$-250,617	\$-252,692	\$-2,075 (9, 10, 11)
- Support Programs	-37,928	-36,916	-1,012 (2)	-142,163	-142,190	-27 (9, 10, 11)
Total Expenses	\$-101,614	\$-100,316	\$-1,298	\$-392,780	\$-394,882	\$-2,102
NET	\$158,087	\$159,206	\$-1,119	\$0	\$0	\$0
<u>CE/AES Division</u>						
<u>Revenues</u>						
- General Fund	\$58,357	\$58,357	\$0	\$60,112	\$60,112	\$0
- Federal Appropriation	4,089	4,290	-201 (3)	13,454	13,454	0
- All Other Income	199	150	49	673	673	0
Total Revenues	\$62,645	\$62,797	\$-152	\$74,239	\$74,239	\$0
<u>Expenses</u>						
- Academic Programs	\$-17,081	\$-18,585	\$1,504 (3, 4)	\$-68,857	\$-68,857	\$0
- Support Programs	-722	-657	-65	-5,382	-5,382	0
Total Expenses	\$-17,803	\$-19,242	\$1,439	\$-74,239	\$-74,239	\$0
NET	\$44,842	\$43,555	\$1,287	\$0	\$0	\$0
Auxiliary Enterprises						
Revenues	\$63,640	\$60,027	\$3,613 (5)	\$156,259	\$159,137	\$2,878 (5)
Expenses	-42,910	-42,838	-72 (5)	-150,749	-157,178	-6,429 (5)
Reserve Drawdown (Deposit)	-20,730	-17,189	-3,541 (5)	-5,510	-1,959	3,551 (5)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Sponsored Programs						
Revenues	\$43,696	\$48,773	\$-5,077 (6)	\$179,619	\$179,619	\$0
Expenses	-53,191	-62,170	8,979 (6)	-179,619	-179,619	0
Reserve Drawdown (Deposit)	9,495	13,397	-3,902 (6)	0	0	0
NET	\$0	\$0	\$0	\$0	\$0	\$0
Student Financial Assistance						
Revenues	\$13,179	\$13,179	\$0	\$13,398	\$13,189	\$-209 (12)
Expenses	-6,273	-5,692	-581 (7)	-13,398	-13,189	209 (12)
NET	\$6,906	\$7,487	\$-581	\$0	\$0	\$0
All Other Programs *						
Revenues	\$1,563	\$739	\$824 (8)	\$4,908	\$4,908	\$0
Expenses	-896	-973	77	-4,908	-4,908	0
Reserve Drawdown (Deposit)	-667	234	-901	0	0	0
NET	\$0	\$0	\$0	\$0	\$0	\$0
Total University						
Revenues	\$444,424	\$445,037	\$-613	\$821,203	\$825,974	\$4,771
Expenses	-222,687	-231,231	8,544	-815,693	-824,015	-8,322
Reserve Drawdown (Deposit)	-11,902	-3,558	-8,344	-5,510	-1,959	3,551
NET	\$209,835	\$210,248	\$-413	\$0	\$0	\$0

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

AUXILIARY ENTERPRISE BUDGET

1. Revenues in 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, and higher than expected dining dollar receipts. Expenditures in Residence and Dining Halls are lower than projected overall because of employee turnover and vacancy and the timing of one-time projects.
2. Revenues in Telecommunications exceed projections for student fees and self-generated revenues due to higher enrollments than anticipated and additional data connections in campus facilities.
3. Revenues in the University Services System from student fees are higher than projected due to higher enrollments than expected. Expenditures for the System are lower than projected due to employee turnover and vacancy and the timing of operating expenditures for one-time projects.
4. Revenues for the Intercollegiate Athletics System exceed projections due to increases in student fee revenue, accelerated timing for NCAA allocation receipts, and higher than expected football ticket sales, primarily in the South End Zone. Due to the status of the West-Side Expansion project, premium seating revenues related to this facility have not been transferred from the Virginia Tech Foundation.
5. Revenues in Electric Services are higher than projected due to higher than anticipated sales volume. Expenditures exceed projection due to an increase in the amount of electricity purchased from AEP to meet growing demand and a dramatic increase in the fuel adjustment factor for wholesale electricity. Staff from Electric Services and the Office of Budget and Financial Planning continue to monitor this situation and are developing appropriate funding strategies for the increased cost of wholesale electricity.
6. Revenues for the Inn at Virginia Tech & Skelton Conference Center from lodging, food, and beverage sales are below projection during the facility's first few months of operation after its official opening on July 10th. Expenditures exceed projections due to higher than expected costs for wages, food, operating and one-time expenses during the startup of this new facility. The Inn at Virginia Tech and Office of Budget and Financial Planning staffs continue to monitor financial performance of the Inn during its early stages of operation to ensure early identification and resolution of budget variances.
7. Revenues are higher than projected in the Other Enterprise Functions due to higher-than-projected royalties in the Licensing and Trademark auxiliary, revenue from cadet uniform sales in the Tailor Shop, and revenue from software sales in the Student Software auxiliary.
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 and reserve drawdown budgets for the Parking and Transportation auxiliary were adjusted to fund a one-time maintenance project at the Northern Virginia Center.
10. The projected annual revenue, expenditure, 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.
11. The projected annual revenue budget for Intercollegiate Athletics was adjusted to accommodate increased revenue from higher-than-anticipated football ticket sales, the ACC revenue-sharing allocation, interest earnings, the BCA contract settlement, and South End Zone sales. Expenditure budgets were increased to accommodate various personnel actions, operating adjustments, equipment purchases, programmatic adjustments, and renovations (Lane Stadium video-board, baseball/softball fields, and the men's basketball locker room).

**UNIVERSITY DIVISION
AUXILIARY ENTERPRISES**

Dollars in Thousands

	July 1, 2005 to September 30, 2005			Annual Budget for 2005-06		
	Actual	Budget	Change	Original	Adjusted	Change
Residence and Dining Halls						
Revenues	\$20,629	\$19,557	\$1,072 (1)	\$51,002	\$51,002	\$0
Expenses	-13,460	-13,898	438 (1)	-51,096	-51,442	-346 (8)
Reserve Drawdown (Deposit)	-7,169	-5,659	-1,510	94	440	346 (8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Parking and Transportation						
Revenues	\$2,417	\$2,404	\$13	\$4,851	\$4,851	\$0
Expenses	-486	-547	61	-4,723	-5,107	-384 (8, 9)
Reserve Drawdown (Deposit)	-1,931	-1,857	-74	-128	256	384 (8, 9)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications Services						
Revenues	\$5,030	\$4,657	\$373 (2)	\$14,570	\$15,255	\$685 (10)
Expenses	-3,999	-3,861	-138	-14,755	-15,620	-865 (8, 10)
Reserve Drawdown (Deposit)	-1,031	-796	-235	185	365	180 (8, 10)
Net	\$0	\$0	\$0	\$0	\$0	\$0
University Services System						
Revenues	\$10,197	\$9,972	\$225 (3)	\$20,801	\$20,801	\$0
Expenses	-5,082	-5,426	344 (3)	-20,546	-21,067	-521 (8)
Reserve Drawdown (Deposit)	-5,115	-4,546	-569	-255	266	521 (8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Intercollegiate Athletics						
Revenues	\$18,815	\$17,291	\$1,524 (4)	\$37,330	\$39,523	\$2,193 (11)
Expenses	-11,321	-11,261	-60	-32,813	-36,898	-4,085 (8, 11)
Reserve Drawdown (Deposit)	-7,494	-6,030	-1,464	-4,517	-2,625	1,892 (8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Electric Service						
Revenues	\$3,535	\$3,155	\$380 (5)	\$15,900	\$15,900	\$0
Expenses	-4,844	-4,344	-500 (5)	-16,050	-15,833	217 (8)
Reserve Drawdown (Deposit)	1,309	1,189	120	150	-67	-217 (8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Inn at Virginia Tech/Skelton Conf. Center						
Revenues	\$1,221	\$1,399	\$-178 (6)	\$6,353	\$6,353	\$0
Expenses	-2,163	-1,861	-302 (6)	-6,269	-6,627	-358 (8)
Reserve Drawdown (Deposit)	942	462	480	-84	274	358 (8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Other Enterprise Functions						
Revenues	\$1,796	\$1,592	\$204 (7)	\$5,452	\$5,452	\$0
Expenses	-1,555	-1,640	85	-4,497	-4,584	-87 (8)
Reserve Drawdown (Deposit)	-241	48	-289	-955	-868	87 (8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL AUXILIARIES						
Revenues	\$63,640	\$60,027	\$3,613	\$156,259	\$159,137	\$2,878
Expenses	-42,910	-42,838	-72	-150,749	-157,178	-6,429
Reserve Drawdown (Deposit)	-20,730	-17,189	-3,541	-5,510	-1,959	3,551
Net	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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 the state's 85 percent performance requirement. The annual budget was adjusted because expenses planned for fiscal year 2006 were processed in fiscal year 2005.
2. Blanket Authorizations allow unforeseen renovation needs under \$2,000,000 to be authorized administratively for expediency. The only blanket project currently active is for the potential purchase of the Heavener property, as approved by the Commonwealth. The acquisition cost of the property is expected to be \$1,406,751.
3. The project is complete and will be closed when final payments are processed. The total cost is expected to be \$420,000 less than budgeted as a result of bid savings. The annual budget was adjusted to reflect a minor change in cash flow between fiscal years.
4. The project is nearly complete, with a small office space to be constructed, and will be closed when final payments are processed. The annual budget was adjusted to reflect revised cash flows between fiscal years.
5. The project is complete and will be closed when final payments are processed. The annual budget was adjusted because expenses planned for fiscal year 2005 will be processed in fiscal year 2006.
6. This project includes the construction of a federally funded laboratory located near the Brooks Center. All bids were over budget. The project is on hold pending review of program options and potential identification of additional resources.
7. The project is complete and will be closed when final payments are processed. The annual budget was adjusted because expenses planned for fiscal year 2006 were processed in fiscal year 2005.
8. This project will bring the primary boiler up to current emission standards by adding pollution controls. The project is in the preliminary design phase, with construction expected to be complete by summer 2007.
9. This planning project, which encompasses the design of new heating and cooling system infrastructure needed to accommodate current and future buildings in the southwest area of campus, is in the preliminary planning phase.
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 underway; the residential spaces are complete and occupied. The annual budget was adjusted to reflect revised cash flows for the fiscal year.
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 preliminary planning phase, with occupancy expected in early 2007.

2002 General Obligation Bond Program

12. This project will build a state-of-the-art laboratory facility to support plant science teaching and research. Construction is underway with occupancy expected in December 2005. The total budget and the annual budget were adjusted to reflect the infusion of \$2.5 million of nongeneral funds for the purchase of scientific equipment for the new facility, as well as revised cash flows for the fiscal year.
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. The annual budget was adjusted to reflect revised cash flows for this fiscal year.
14. This project will construct a new laboratory facility to support instructional programs in the Building Construction department. The project is in the preliminary design phase, with an estimated bid date of fall 2006 and occupancy expected in early 2008. The project was temporarily delayed when initial cost estimates came in over budget. The University has identified additional private gifts to keep the project moving forward and is concurrently requesting state support to fund the overrun. The annual budget was adjusted to reflect revised cash flows for this fiscal year.
15. This project is envisioned to update out-of-date general assignment classrooms on campus. Preliminary planning is underway with an estimated bid date by summer 2006 for the initial phase of renovation.
16. This project will update the building's power and HVAC infrastructure to support modern instructional technology. Preliminary planning is underway, with an estimated bid date by early 2007.
17. This project will repair current exterior pre-cast concrete panels that are failing. The project is in the preliminary planning phase with an estimated bid date in 2006. In accordance with the Board of Visitors' guidance, the University is requesting a \$4 million increase to pursue the option of providing a hokie stone exterior. Thus, the project schedule may be extended, depending on the approval of the funding increase. In the meantime, the university is moving forward with the installation of fencing and protective barriers to improve safety in the area surrounding the building.
18. This project will provide cooling capacity to the north zone of campus to support several new construction and renovation projects. Construction is underway and substantial completion is expected by summer 2006.
19. This project will renovate Henderson Hall to house art programs. Pre-planning work is underway on Henderson Hall to finalize the scope of work and an estimated bid date will be established at that time. Recent cost estimates indicate a cost overrun of \$3,875,000, and the University is reviewing additional funding options from the state to cover the shortfall.
20. This project will construct a state-of-the-art performance theatre. Site options are under consideration for the Performing Arts Center and programming may be initiated after that is finalized.
21. The project calls for the renovation of Agnew Hall and part of Burruss Hall for state-of-the-art instructional space. Pre-planning work is underway, with an estimated bid date for the Burruss Hall component by fall 2006. The total budget was adjusted to reflect the planned removal of \$652,000 of nongeneral fund authorization upon availability of the 2002 General Obligation Bond funds and the annual budget was adjusted in accordance with the planning allotment.
22. This project envisions building a state-of-the-art, multidisciplinary research laboratory. Independent cost estimates came in over budget. The University is addressing the situation through a combination of a request for additional spending authorization from the State and a redesign of the facility. The bidding process is expected to begin in early 2006. The annual budget was adjusted to reflect revised cash flows for this fiscal year.
23. The starting time of this project is based on the state's capital implementation plan.

CAPITAL OUTLAY PROJECTS
AUTHORIZED AS OF SEPTEMBER 30, 2005

Dollars in Thousands

	CURRENT YEAR			TOTAL PROJECT BUDGET						
	ORIGINAL ANNUAL BUDGET	REVISED ANNUAL BUDGET	YTD EXPENSES	STATE SUPPORT	GENERAL OBLIGATION BOND	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENSES	
<u>Educational and General Projects</u>										
Maintenance Reserve	\$ 5,186	\$ 4,975	\$ 2,603	\$ 9,631	\$ 0	\$ 0	\$ 0	\$ 9,631	\$ 5,814	(1)
Blanket Authorizations	1,407	1,407	0	0	0	9,885	0	9,885	0	(2)
Chemistry/Physics - Phase II	107	106	40	23,431	0	3,763	0	27,194	26,708	(3)
Dairy Science Facilities	421	325	1	5,343	0	0	0	5,343	5,019	(4)
Career Services Facility	91	156	1	0	0	0	4,608	4,608	4,453	(5)
Fisheries and Aquatics Research Center	450	450	1	0	0	800	0	800	98	(6)
Bioinformatics Building, Phase II	1,572	1,323	300	24,394	0	0	0	24,394	23,371	(7)
Boiler Pollution Controls	2,600	2,600	224	3,850	0	0	2,000	5,850	372	(8)
Planning: Southwest Campus Heating/Cooling	800	800	337	0	0	2,750	0	2,750	337	(9)
Graduate School Facility	2,600	2,100	52	0	0	0	3,000	3,000	52	(10)
Surge Space Building	2,000	2,000	3	0	0	0	8,500	8,500	3	(11)
TOTAL	17,234	16,242	3,562	66,649	0	17,198	18,108	101,955	66,227	
<u>2002 General Obligation Bond Program</u>										
Agriculture & Natural Resources Research Laboratory	9,533	12,244	3,710	2,555	23,168	2,756	0	28,479	19,945	(12)
Biology/Vivarium Building	14,500	13,700	1,147	2,737	26,263	0	8,750	37,750	3,402	(13)
Bishop-Favrao Hall	700	400	11	0	2,500	5,000	0	7,500	276	(14,23)
Classroom Improvements, Phase I	270	270	0	2,740	4,530	0	0	7,270	213	(15,23)
Cowgill Hall HVAC and Power	470	470	112	0	7,500	0	0	7,500	195	(16,23)
Litton-Reaves Hall Exterior Repairs	680	680	83	0	2,500	0	0	2,500	247	(17,23)
Main Campus Chilled Water Central Plant	1,700	1,700	20	0	2,800	0	0	2,800	777	(18)
Henderson Hall	530	530	36	0	6,542	2,235	0	8,777	71	(19,23)
Performing Arts Center	1,600	1,600	0	0	0	5,000	45,000	50,000	0	(20,23)
Agnew & Burruss Hall Renovations	400	253	29	0	4,802	0	0	4,802	29	(21,23)
Institute for Critical Technology and Applied Science	3,900	2,350	12	0	13,996	0	17,000	30,996	2,091	(22,23)
TOTAL	34,283	34,197	5,160	8,032	94,601	14,991	70,750	188,374	27,245	

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 total budget was adjusted to reflect the state's approval of additional nongeneral fund authorization to cover maintenance projects planned for fiscal year 2006.
2. Blanket Authorizations allow unforeseen renovation needs under \$2,000,000 to be authorized administratively for expediency. This blanket has no active project authorizations.
3. The outstanding project budget balance is envisioned for parking structures that are on hold. The \$1.049 million lot improvements project was completed by June 30, 2005, and has been removed from the report.
4. The project's hotel and conference center have been completed and opened in July. The Alumni Center is nearing completion, with occupancy of the full facility expected in October 2005. The total estimated cost is expected to be \$43.118 million. The annual budget was adjusted to reflect expenses planned for fiscal year 2006 that were processed in fiscal year 2005.
5. This project was envisioned to build a new clubhouse and driving range. The project is on hold pending programmatic decisions regarding future use of the on-campus course.
6. Construction is underway with occupancy expected by January 2006, and an expected total cost of \$54.02 million. The annual budget was adjusted to reflect revised cash flows between fiscal years.
7. This project envisions a new residence hall of approximately 256 beds along with office space for residential services and judicial affairs. The project is on hold pending review of future residential fees and program priorities.
8. 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. This project will install seating stands and restrooms to support the field adjacent to McComas Hall. The initial section of bleachers is complete. The cost estimate for the restrooms exceeded the available budget. The University received additional funding authorization from the state in the 2005 General Assembly session to cover the necessary budget increase. The adjusted total budget is \$2 million. The annual budget was adjusted to reflect revised cash flows between fiscal years.
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 September 30, 2005 (Continued)

Dollars in Thousands

	CURRENT YEAR			TOTAL PROJECT						
	ORIGINAL ANNUAL BUDGET	REVISED ANNUAL BUDGET	YTD EXPENSES	STATE SUPPORT	GENERAL OBLIGATION BOND	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENSES	
<u>Auxiliary Enterprises Projects</u>										
Maintenance Reserve	\$ 3,000	\$ 3,000	\$ 519	\$ 0	\$ 0	\$ 6,846	\$ 0	\$ 6,846	\$ 3,322	(1)
Auxiliary Enterprise Blanket Authorizations	0	0	0	0	0	4,809	0	4,809	0	(2)
Parking Auxiliary Projects	0	0	0	0	0	79	19,505	19,584	0	(3)
Alumni/CEC/Hotel Complex	7,414	6,902	3,445	0	0	25,099	20,732	45,831	39,394	(4)
Golf Course Facilities	0	0	0	0	0	1,500	0	1,500	0	(5)
Expand Lane Stadium, West Side	22,528	21,500	14,292	0	0	4,962	54,740	59,702	45,962	(6)
New Residence Hall	0	0	0	0	0	1,041	15,000	16,041	86	(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	0	0	0	2,000	0	2,000	360	(10)
Major Residence and Dining Hall Improvements	200	200	0	0	0	0	4,000	4,000	0	(11)
TOTAL	34,765	33,242	18,256	0	0	46,335	126,477	172,812	89,170	
GRAND TOTAL	<u>\$ 86,282</u>	<u>\$ 83,681</u>	<u>\$ 26,979</u>	<u>\$ 74,681</u>	<u>\$ 94,601</u>	<u>\$ 78,524</u>	<u>\$ 215,335</u>	<u>\$ 463,141</u>	<u>\$ 182,641</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 September 30, 2005 and the Capital Outlay report be accepted.

PRATT FUNDS OVERVIEW

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

Distributions of the Pratt Estate were received in several installments: \$9,561,819 in 1975, \$1,330,000 in 1977, \$47,000 in 1979, and \$30,164 in 1981, for a total of \$10,968,983. Over the years, the Pratt endowment has grown to \$39.2 million, as of June 30, 2005. The narrative below summarizes some of the major accomplishments of the College of Engineering and the Animal Nutrition Programs that can be directly tied to the funding provided by the Pratt estate.

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

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

PRATT FUNDS: College of Engineering

Pratt funds enrich the College of Engineering in many ways including student scholarships and fellowships, and international programs. Over the years, the result is cumulative and has added to Virginia Tech's international reputation. In 2004-2005, the Pratt fund supported the following engineering programs: undergraduate scholarships, undergraduate study abroad, and graduate fellowships and tuition.

Undergraduate Study Abroad

Budgeted: \$25,000

Spent: \$7,775

Pratt funds were used to continue the support of the International Aerospace Design Program, a year-long collaborative design project with students from Loughborough University, England. Virginia Tech students and faculty traveled to Loughborough during the Fall 2004 semester to collaborate with Loughborough University counterparts on design projects. This travel by our students and faculty is supported by Loughborough University. To complete the projects, 12 students and 2 faculty members from Loughborough University traveled to Virginia Tech in Spring 2005. Pratt funds totaling \$7,552 were used to fund travel, lodging, meals, and project related expenses for the students and faculty from Loughborough University. The majority of expenses for this program were funded by a grant from Boeing.

Pratt funds also support an exchange program between the University's Industrial and Systems Engineering (ISE) department and the Ecole des Mines de Nantes, France. Due to this program being reviewed this fiscal year, only \$223 was expended.

Undergraduate Scholarships

Budgeted: \$175,000

Spent: \$178,250

Pratt funds allowed the College to offer Dean's Scholar Scholarships to entering freshmen. These scholarships provide \$5,000 per academic year to each recipient. Additionally, the scholarship is a four-year continuing scholarship provided at least a 3.5 grade point average is maintained. In 2004-2005, the College supported 30 incoming freshmen students on Dean's Scholar Scholarships totaling \$150,000. Pratt funds also supported 29 undergraduate scholarships totaling \$28,250.

Graduate Fellowships and Graduate Tuition Scholarships

Budgeted: \$575,000

Total Spent: \$659,892

Graduate Fellowships

Each engineering department receives a portion of Pratt funds to use for graduate fellowships. In 2004-2005, 118 students received Pratt Fellowships ranging from \$100/month to \$2,083/month. These fellowships supplement existing assistantships, allowing the College to offer competitive packages to graduate students being aggressively recruited by other top engineering colleges. Besides continuing efforts to increase the support provided to engineering graduate students as a whole, the College began a program in 2004-2005 that used Pratt funds to attract exceptional graduate students. This program, the Dean's Fellows program, offered \$25,000 fellowships and tuition and fees to these students in 2004-2005. The fellowship amount for 2005-2006 has been reduced to \$18,000. Approximately \$245,000 in

fellowships was provided to Dean's Fellows in 2004-2005 and an additional \$78,000 of 2004-2005 budgeted funds will be expended in early 2005-2006. The College also spent approximately \$14,500 to fund conference attendance for graduate students. Spent: \$494,587.

Graduate Tuition Scholarships

Engineering departments also receive Pratt funds to use as tuition scholarships for graduate students. In 2004-2005, 29 students received tuition/fees scholarships ranging from \$525-\$5,841. Combined with assistantships and the supplemental Pratt Fellowships, the support package offered prospective graduate students allows our College to better compete with other top graduate engineering programs. Approximately \$135,000 was spent on scholarships for Dean's Fellows and the balance provided scholarships to other graduate students. Spent: \$165,305.

Graduate Recruitment

Budgeted: \$75,000

Spent: \$57,859

In 2004-2005, departments utilized Pratt funds for prospective graduate student recruiting visits. Most departments had on-going recruiting visits. In addition, Chemical Engineering, Electrical and Computer Engineering, Engineering Science and Mechanics, Industrial and Systems Engineering, Materials Science and Engineering, Mechanical Engineering, and the School of Biomedical Engineering and Sciences conducted graduate student recruiting weekends in March that substantially increased their acceptance rate.

Research Initiatives

The Alexandria Research Institute

Although only opened since 1998, the Alexandria Research Institute (ARI) has positioned itself quickly as a strong resource for Virginia and the nation by developing partnership activities among groups from academia, government and industry. With the help of funding from the Pratt research initiative, ARI has grown to include 15 faculty members and 28 graduate students, nearly half of whom are Ph.D. candidates who work in the thematic areas of Information Infrastructures, Sustainable Society, Lifelong Learning, and Embedded Energy. During the 2004 fiscal year, ARI faculty and students had research expenditures supported by external funding of nearly \$2.4 million.

Microelectronics

Faculty belonging to the MICRON group continues to work toward the development of new research programs in microelectronics and nanotechnology. The Pratt funds for microelectronics have contributed largely to the purchase, transport, and storage of semiconductor fabrication tools that are contained inside the clean room of the laboratory facility in Whittemore Hall. The national NSF Engineering Research Center for Power Electronic Systems (CPES) has also benefited considerably through investments of Pratt research initiative funds. CPES continues to be recognized by NSF as one of the most successful ERC's in the United States.

Energy and Advanced Vehicles

A wide range of research activities have been promoted by the Pratt funds in the areas of energy and advanced vehicles. These have included research in the areas of fuel cells, vibrations and acoustics, advanced vehicle dynamics, and combustion. Investment of funds through cost sharing of proposals has led to successes in external funding for faculty time, laboratory equipment, and graduate student support. Recent notable successes include federal funding for the Virginia Institute for Performance Engineering and Research (VIPER) and the

Joint Unmanned Systems Testing, Experimentation, and Research (JOUSTER) programs that are located in the Institute for Advanced Learning and Research in Danville, VA. Faculty expertise in these areas has also allowed us to become one of only three university-affiliated laboratories of the American Association of Railroads (the other two are at the University of Illinois-Champaign and Texas A&M University).

Bioengineering

The Center for Biomedical Engineering was formed by a group of faculty collaborating across five engineering departments. As a direct result of Pratt research initiative funds investment to support graduate students, research equipment, proposal preparation, and partial salary of the Interim Director, Dr. Elaine Scott, biomedical engineering activities have grown rapidly and extensively. Significant collaborative activities now include several research projects between the College of Engineering and the College of Veterinary Medicine. These two colleges have joined with the medical college of Wake Forest University to form the School of Biomedical Engineering and Sciences. This new school welcomed its first official class of graduate students in Fall, 2003, and provides collaborative education and research activities that are beginning to attract significant funding from the National Institutes for Health.

PRATT FUNDS ACTIVITY STATEMENT
For the Year Ended June 30, 2005
ENGINEERING

Income

Balance, July 1, 2004	\$ 263,579	
Endowment Income for 04-05	913,464	
Repayment of Loan	<u>(104,042)</u>	
 Total Available		 \$1,073,001

Expenditures

Undergraduate Scholarships	\$178,250	
Undergraduate Study Abroad Scholarships	7,775	
Graduate Fellowships	494,587	
Graduate Tuition Scholarships	165,305	
Graduate Recruitment	<u>57,859</u>	
 Total Expenditures		 <u>\$903,776</u>
 Balance at June 30, 2005 to be carried to 2005-06		 <u>\$169,225</u>

RECOMMENDATION:

That the 2004-05 Pratt Funds Activities Statement for the College of Engineering be approved.

November 7, 2005

PRATT FUNDS: Animal Nutrition

The John Lee Pratt program supports research, extension, and teaching programs in Animal Nutrition in several departments of the College of Agriculture and Life Sciences, the College of Natural Resources, and the Virginia-Maryland College of Veterinary Medicine. The participating departments are Animal and Poultry Sciences, Dairy Science, Biochemistry, Fisheries and Wildlife, Crop and Soil Environmental Sciences, Biomedical Sciences, Large Animal Clinical Services and Pathobiology. The faculty of the program desire to put primary emphasis on educating graduate students so that direct support for stipends and operations and enhancement of graduate programs through equipment purchases and visiting scientists are the primary expenditures.

Total expenditures for FY05 were \$1,232,906 for the continuing program. The main categories of expenditures were as follows:

Graduate Students, Stipends and Research Allowances	56.57%
Undergraduate Scholarships and MAOP Interns	7.45%
Scientific Equipment/Technicians/Research Renovations	28.05%
Visiting Scientists/Scientific Reprints/Misc. Admin.	7.93%

Graduate Students

The Pratt Fellowship program has now matured to where up to 15 Fellows are enrolled at all times. However, this year the number of Fellows grew to 23 (16 PhDs and 7 MS). These students are highly selected from several states and countries based on academic and research accomplishments. They receive a Ph.D. or M.S. stipend plus payment of all required tuition and fees. Additionally, Ph.D. Fellows receive \$6,500 and M.S. Fellows receive \$3,500 toward their research expenditures.

Undergraduate Students

Fifty outstanding freshman students were awarded \$1,000 merit scholarships upon entering departments which offer programs in Animal Nutrition. Ten Pratt Senior Animal Nutrition Research Scholars received scholarships (\$1,500) and research support (\$1,000). This exciting program allows outstanding seniors to participate in undergraduate research programs working directly with a faculty researcher. They report their research at a symposium each spring. Many of these students are stimulated toward graduate programs in Animal Nutrition.

Scientific Equipment and Research Renovations

Expenditures for equipment and research space renovations continued to emphasize needs of graduate programs and multiple use by faculty and students, often involving several departments. Expenditures this year were as follows: equipment enabling new research in proteomics, an autoclave, equipment for swine research, dairy center equipment relating to feed consumption, equipment for metabolic engineering of crops, equipment for yeast genetics research, bone mineral content measuring equipment and equipment for new programs in molecular biology.

Research Publications

The program continued to pay costs of research journal articles resulting from student dissertations. Over 450 publications have resulted from the program since its inception in 1978.

Visiting Scientists

An important stimulus for graduate programs is the presence of visiting scientists in seminars, in the classroom, and in the laboratory. A nutrition seminar is regularly supported by Pratt funds to bring in outstanding speakers from other institutions and industry. Other scientists visit for periods of time ranging from a few days to several months. Visitors supported by Pratt funds present seminars for the university community and interact with nutrition faculty and students in both formal and informal instructional settings including laboratories.

Summary

Approximately \$200,000 in equipment money was carried over due to delays in ordering equipment and completing construction of facilities. These funds are all committed to research equipment as follows:

\$ 40,000	Scaglia Nutrition Research
\$140,000	Equipment approved but not yet purchased

PRATT FUNDS ACTIVITY STATEMENT
For the Year Ended June 30, 2005
ANIMAL NUTRITION

Income

Balance, July 1, 2004	\$ 436,788	
2004-05 Endowment Income	965,739	
Sale of Cattle Previously Purchased for Pratt Projects	195,199	
Carryover Funds	<u>8,892</u>	
Total Available		<u>\$1,606,618</u>

Expenditures

General Program Expenditures		
Graduate Students	\$ 697,435	
Undergraduate Instruction	91,797	
Scientific Equipment	257,191	
Visiting Scientists/Scientific Reports	97,790	
Technicians	<u>88,693</u>	
Total Expenditures	\$ 1,232,906	
Cattle Projects Expenses	<u>155,623</u>	
Total Expenditures		<u>\$ 1,388,529</u>
Balance at June 30, 2005 to be carried to 2005-06		<u>\$ 218,089</u>

RECOMMENDATION:

That the 2004-05 Pratt Funds Activities Statement for Animal Nutrition be approved.

November 7, 2005



VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY

Department of Internal Audit

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

TO: Finance and Audit Committee of the Board of Visitors
FROM: John C. Rudd, Director *John C. Rudd*
DATE: September 30, 2005
SUBJECT: Audit Report – Office of International Research, Education & Development

Internal Audit has completed a review of the Office of International Research, Education & Development (OIRE), in conformity with the fiscal year 2005 audit plan. The objective of this review was to contribute to the improvement of risk management and the control systems within OIRE by identifying and evaluating the department's exposures to risks and the controls designed by management to reduce those risks.

BACKGROUND

Reporting to John Dooley, the Vice Provost for Outreach and International Affairs, Dr. S.K. De Datta serves as the Associate Provost for International Affairs and as the director of the Office of International Research, Education & Development (OIRE). OIRE pursues and manages a range of donor-funded collaborative research projects around the world, most of which are funded by USAID. During the audit period, OIRE was managing fifteen grants, with an approximate combined total award amount of \$65,000,000. OIRE also manages the university's Education Abroad unit, which provides student study abroad opportunities. During Academic Year 2005, Education Abroad helped 813 students travel abroad. In addition to OIRE, the Associate Provost for International Affairs is in charge of Visa and Visitor VIP Services and the Center for European Studies and Architecture (CESA).

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 Office of International Research, Education & Development was determined to be a medium risk entity due to the complexity and criticality of the projects that it manages.

SCOPE

The scope of the audit included the following functions: Grant Administration, Education Abroad, Local Funds Management, CESA Accounting, CESA Emergency Action Planning, and SEVIS Visa Processing. The audit period included both fiscal year 2004 and fiscal year 2005.

OVERALL ASSESSMENT

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

MANAGEMENT

Dr. S.K. De Datta, Associate Provost for International Affairs and Director of OIRED
 Dr. Michael K. Bertelsen, Associate Director
 Dr. Steven Duke, Assistant Director for Education Abroad
 Peggy Lawson, Business Manager, OIRED
 Gene Ball, Business Manager, International Affairs

AUDITORS

John Rudd – Director
 Mel Bowles – Associate Director
 Brian Quam – Auditor-in-Charge
 Michelle Zorn – Staff Auditor

cc: Auditor of Public Accounts
 Zack Adams
 Gene Ball
 Michael Bertelsen
 Bob Broyden
 SK De Datta
 Steven Duke
 John Dooley
 James Hyatt
 Peggy Lawson
 Mark McNamee
 Ken Miller
 Dwight Shelton
 Charles Steger
 Jane Swan
 Brian Warren

Board of Visitors
Special Committee on Research
Minutes

1:30PM – The Inn at Virginia Tech and Skelton Conference Center
November 6, 2005

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

Committee Members Absent: None.

Other Attendees: Mr. Tom Robertson, Dr. Charles Steger, Dr. Mark McNamee, Mr. James Hyatt, Dr. Brad Fenwick, Mr. Rodd Hall, Dr. Bob Schubert, Dr. Paul Knox, Dr. Joe Rees, Mr. Erv Blythe, Dr. John Talbott, Ms. Racquel Becerra, Ms. Mary Beth Dunkenberger, Dr. Glenda Scales, Dr. Dick Benson, Mr. Ralph Byers, Mr. Kevin Miller (Roanoke Times), Mr. Larry Hincker, and Ms. Pam Pettry

Opening Comments: Mr. Thompson opened the meeting by noting that Virginia Tech's ambition to be a top 30-research university continues. He noted current estimates indicate that \$540 million in research expenditures as reported by the National Science Foundation would likely enable the university to achieve that objective. Even if \$540 million is not sufficient to be among NSF's top 30 research institutions, achieving this level will be noteworthy in its own right. He said it is imperative that the \$540 million goal is proportionally allocated among colleges and institutes so that accountability is shared. He said each group should be accountable for determining what they need to do in order to accomplish their portion of the top-line goal.

Welcoming Comments from Dr. Steger: Dr. Steger recalled a conversation with Mr. Thompson earlier where he had been advised that every day he needed to go out and resell the vision of the university. He said that in many quarters, people still do not understand what the university is trying to accomplish. (He noted this was leading to a great deal of stress among the faculty members, especially in departments that believe they are not directly able to impact the top 30 initiative). The president commented that he has pledged to visit every academic department over the course of this academic year and will review the updated strategic plan and attempt to reinvigorate the faculty by articulating much more effectively what the administration wants them to do. He said the creation of an operation plan and allocation of resources would follow those visits, noting that investments would only be made in areas where progress was being made.

Approval of August 28, 2005 Minutes: The minutes were approved without modification.

Strategic Planning Update: Dr. McNamee said the university's strategic plan was focusing on four scholarship domains:

1. Undergraduate Education
2. Graduate Education
3. Research and Creative Scholarship

4. Outreach & International Programs

He noted his focus for this report would be on the third realm of the plan, research and creative scholarship. The guiding statement for that domain is as follows:

“We will enhance the stature of Virginia Tech as an internationally recognized university for research and scholarship, as indicated by competitively awarded extramural support for research, the recognized quality of our faculty’s scholarship, and the rankings of our graduate programs.”

The university’s goals in this domain will be to:

- Increase the stature of Virginia Tech as a national research university in its quality and quantity of research and scholarship.
- Develop mechanisms for accountability and a culture of continuous improvement.

Its’ strategies will be to achieve excellence by:

- Advancing the role of graduate students and postdoctoral fellows in the research enterprise.
- Strengthening research at all levels by facilitating the application for and management of grants and contracts of all types across all disciplines.
- Recruiting, developing, and retaining a distinguished and diverse faculty and staff.
- Providing the physical facilities, information resources, and technology infrastructure necessary to achieve national and international distinction and leadership.
- Aggressively pursuing the financial resources necessary to achieve national and international preeminence.

Dr. McNamee noted that progress is already being made on many of these fronts, specifically the fact that the university is already almost half way to achieving its goal of 900 new Ph.D. students, that it has worked to streamline the grants management process, and that it is pursuing a strategy to provide new research space at the Corporate Research Center in a more timely and cost effective way than it can be provided on campus. He also said that the deans are providing a leadership role in identifying the specific thematic areas of research that will be pursued. He suggested the goal was to be inclusive, (making sure that every faculty member can trust and believe that they have value to the university) while keeping the number of thematic areas small.

Institutional Research Performance Update: Dr. Fenwick briefed the Committee on research productivity through the first quarter of fiscal year 2006 compared to the same quarter of 2005. He said the awards received continued to track above expectations with a growth of 17% over last year. He noted this comes on the heels of a 28% growth in awards for last year. Growth in research expenditures was 8.3% over last year. The actual dollar amount of proposals fell by 4.3%. Dr. Fenwick suggested this decline is due to the evolution of a new culture that focuses more on high-potential awards.

Institute of Critical Technology and Applied Sciences (ICTAS): Dean Benson and Mr. Hall gave an update on ICTAS. It was noted that ICTAS was started in 2002-03 and is already well on its way to achieving a return on investment of 5:1. Research groups ICTAS invested in had awards of almost \$14 million in fiscal 2005 (counted in the financial records as awards of colleges and departments). Proposals by these groups totaled over \$117 million. The strategy of ICTAS is two-fold:

1. Enabling exceptional successes by investing funds in groups that need capital and administrative support in order to win big awards; and
2. Creating the support structure necessary to make sure that professors spend their time working on science and engineering rather than on administration

Four of the ICTAS investment successes were reviewed:

1. Virginia Tech School of Biomedical Engineering and Science
2. Center for Human Computer Interaction
3. Center for Embedded Systems for Critical Applications
4. Center for Innovation in Construction Safety and Health

The facilities challenges caused primarily by the exponential growth in the producer price index for “other heavy construction” were discussed. The on-campus building (ICTAS-I) had to be completely redesigned and will, therefore, not be ready until late 2007. However, the Advanced Materials Characterization Facility originally slated for the ground floor of ICTAS-I will be located in a facility being constructed at the Corporate Research Center that should be ready by early 2007, approximately when the on-campus facility was originally slated for completion.

Institute for Policy Outreach (IPO): Ms. Becerra briefed the Committee on the work of IPO. Its’ mission is to stimulate and support social science research on significant policy issues and to apply and disseminate the findings. It is involved both in technical assistance/outreach activities and program/policy research activities. The Institute currently has \$8.75 million in open contracts supporting 24 full-time classified staff members, eight research faculty members, and 11 graduate students. There are four tenured faculty members involved in the work of the Institute.

Two specific ongoing projects were detailed:

1. Comprehensive Services Act Project in Pulaski County (a pilot project with anticipated statewide expansion).
2. Child and Family Services Review (a two-year program to test new federally mandated requirements for improving the delivery of child and family services).

The Solar Decathlon: Dean Knox introduced the Solar Decathlon project that achieved significant notoriety at the national solar decathlon in October. This project was touted as a prime example of undergraduate research. The event was held on the National Mall in Washington, D.C. Virginia Tech's team finished first in three of the ten areas of the decathlon (livability, architectural design, and lighting design) and finished tied for first in another area. The team placed fourth overall in the competition.

Dr. Schubert, the team's advisor, provided insight into the various elements of the project and challenges faced during the competition week when there was very little sunshine. President Steger noted that the \$350,000 spent on the Tech project (mainly coming from 113 sponsors that provided in-kind support) was significantly less than other competitors, some who spent as much as \$2 million on their projects.

The team's solar house is currently on display in front of the Dietrick Dining Hall on the Tech campus. Board members were invited to visit at their convenience. The solar house will eventually be moved to the Science Museum of Virginia.

Adjournment: 2:40 p.m.

Minutes of the Academic Affairs Committee
November 7, 2005

Board members present: Sandra Stiner Lowe, Shelly Duke, Beverley Dalton, Navin Manjooran. Ben Davenport also joined a portion of the meeting.

Guests: Mark McNamee, Brad Fenwick, Karen DePauw, Ben Dixon, David Ford, John Dooley, Patricia Hyer, Keohi Council, Ron Daniel, Karen Sanders, Ellen Plummer, Susanna Rinehart, Elizabeth Creamer, Susan Willis-Walton, Kerry Redican, Barbara Bekken, Nadine Hughes, Catherine Amelink, Kevin Miller, Lay Nam Chang, and others.

Ms. Lowe welcomed participants and guests, and described the recent meeting with Ron Brown Scholar officials. Hopefully, this connection will allow Virginia Tech to recruit additional outstanding students from underrepresented groups. The meeting agenda and the minutes of the August 29 and September 24 meetings were approved.

Dr. McNamee briefed the committee members on the process for updating the Strategic Plan. The university is incorporating the themes identified as part of the branding project: quality, innovation, and results. College plans were submitted at the end of September, and university-level discussions are now underway with a faculty advisory committee, the deans and vice provosts, and a variety of constituencies across campus. The four scholarship domains have been reaffirmed: these are undergraduate education, graduate education, research and creative scholarship, and outreach and international affairs. Key factors are also being defined and shaped. Currently these include people and enabling systems. Resource generation and allocation will be tied to the priorities identified in the plan. Dr. McNamee expects to provide a draft of the updated plan at the March Board meeting, and to finalize the plan at the June meeting.

Faculty Affairs Issues:

Dr. Hyer presented highlights of four important reports on faculty work-life issues, including surveys of both current and departed tenured and tenure-track faculty. Both men and women report having difficulty balancing the demands of a family and an academic career; however, these issues affect a significantly greater proportion of women faculty than men. Half of the female respondents and 41% of the male respondents said that they had seriously considered leaving their job to achieve better balance between their personal and professional life. Women faculty at Virginia Tech are less likely to be married than their male counterparts, but their spouses or partners are more likely to be employed than are the spouses of male faculty members. The partner's satisfaction with employment opportunities is more of a factor in women's consideration of leaving Virginia Tech. The survey data confirm the importance of addressing issues for dual career couples if the university is to be successful in retaining faculty,

especially women faculty who are more likely to have a working spouse, and one who is also an academic.

The faculty focus groups conducted during spring 2005 provided personal testimony validating many of the survey findings concerning work-life balance issues and the stress imposed by higher expectations, constrained resources, and jobs that fill all available time.

The AdvanceVT survey documented on-going concerns about climate. The gap between men's and women's perception of the climate for women is great, with women feeling less respected, more frequently subject to discrimination and harassment, and more skeptical that sexist behavior will be dealt with firmly.

Perhaps the most troubling finding of the study was that about one-third of both women and men respondents say they are very or somewhat likely to leave their position within two years.

The presentation then covered findings from a survey of faculty who left Virginia Tech voluntarily, providing insight into the factors that influenced faculty to leave. While salary was among the top five issues, the lack of state support for higher education and the lack of competitive resources for research were cited as influential factors by more than half of the respondents. Overall, women faculty have left the university at twice the rate of men, jeopardizing recent successes in hiring women assistant professors. The presentation concluded with an overview of initiatives underway to address some of the work-life and climate issues identified in the reports.

The committee then considered the resolution to revise policy 6200 providing opportunities for faculty members to extend their usual 9-month appointment to 10, 11, or 12 months if they have sufficient sponsored funding. The extended appointments provide retirement contributions for summer research effort funded as part of the grant or contract. Ms. Dalton moved approval of the resolution. It was seconded and approved.

Diversity:

Dr. Dixon described SAFEWATCH, a new initiative that provides a means for reporting violations of university policies and the Principles of Community and for assuring an appropriate university response. SAFEWATCH will involve a website, training for residence life and the Corps, a possible central phone number for reporting incidents, and other related efforts.

Graduate Education:

Dr. DePauw provided responses to two questions previously asked by committee members. She provided details on combined bachelor/master's degree options, which reduce the time needed to complete both degrees. Over 450 students are enrolled in these five-year programs. The second question involved progress in Ph.D. enrollments and the level of assistantship support provided to graduate students. In fall 2005 Ph.D. enrollment reached 2208, an increase of more than 100 Ph.D. students. The average length of assistantship is 3.2 years, and the average length of enrollment is 3.9 years. Multi-year funding is an important tool for recruiting the best graduate students.

Committee members requested that the university develop policies and practices that will result in multi-year funding for Ph.D. students.

Undergraduate Education:

Dr. Barbara Bekken, a faculty member in Geosciences, gave the committee an overview of a very innovative aspect of the new core curriculum, called VT Pathways. The traditional core curriculum requires the student to integrate concepts learned in the seven areas of the core. The new approach is called "Living in the 21st Century Integrative Studies Program" and all areas of the core are used to study an interdisciplinary theme, such as earth sustainability or mind, body, and well-being. Students pursuing the selected theme enroll for a series of specified courses over a two-year period. The curriculum initiative is designed not only to increase critical thinking skills but to enable student development toward effective citizenship, which is defined as coherent, ethical action for the good of both the individual and the larger community.

Adoption of Contract Resolution:

Dr. Fenwick provided background on a resolution that calls for the delegation of authority to the President to approve research and development contracts with an employee who has a personal interest in the contract. The proposed internal approval process would provide improved scrutiny. The Board would receive a report annually of the details of all such approvals. The committee asked a number of questions to clarify problems encountered with the delay in contract approvals, previous conflicts, and the responsibility of the Board members should there be a violation. Committee members expressed concern about the procedures that would be used to review research and development contracts involving a conflict of interest. Committee members expressed their emphatic support for the university to move forward as they need to, and expressed their confidence in the university's leadership to review these conflicts. However they would like to see complete documentation of the process for approval before delegating the authority.

A motion was made to table the resolution until the March meeting when additional information would be provided. The motion was seconded and approved.

Consent Agenda Items:

The committee approved a resolution for changes in membership of the Virginia Coal and Energy Research and Development Advisory Committee.

The statement of Pratt fund activities and expenditures for 2004-05 from the College of Engineering and for Animal Nutrition was reviewed and approved.

The committee then approved resolutions recognizing the Cranwell International Center and the Department of Human Development for excellence in enhancing global diversity, which was the stated theme for recent competition for exemplary department awards.

Closed Session:

The committee then went into closed session to consider resolutions concerning appointments to emeritus status, a change of duty station, appointment to endowed professorships, merit adjustments for faculty, and ratification of the personnel changes report and the research and development disclosure report. All resolutions were approved.

RESEARCH EXTENDED APPOINTMENTS
Revision of Policy 6200

WHEREAS, the College of Engineering Faculty Organization surveyed a number of research universities in order to compare retirement benefits as one aspect of a competitive compensation package and found that, while the level of retirement contribution was comparable, the treatment of summer salary was not; and

WHEREAS, summer salary is not eligible for retirement contributions in Virginia unless such duties are considered part of a on-going *base* appointment, which may be of varying lengths (such as 10, 11, or 12 months); and

WHEREAS, Virginia Tech adopted policy 6200 in 1996 to allow faculty members who typically have three months of summer earnings from sponsored grants or contracts to incorporate the summer responsibilities into their base appointment through a "CY (calendar-year) Research Conversion," with the additional salary and retirement benefits paid by the sponsored grant or contract; and

WHEREAS, about 60 faculty members with three months of summer research funding are on CY Research Conversions, the policy does not currently provide a similar opportunity for faculty with only one or two months of summer funding from grants; and

WHEREAS, the proposed revision of policy 6200 creates more opportunity for faculty members with sponsored grants/contracts including summer earnings to receive retirement benefits by:

- Creating 10-, 11-, or 12-month appointments, with retirement earnings on the additional months beyond the base academic-year (9-month) appointment; and
- Requiring the additional salary and benefits for research extended appointments to be funded from sponsored grants or contracts (not overhead or state dollars) so no additional burden is placed on the state-funded salary or fringe budget.

THEREFORE be it resolved, that the attached revision to policy 6200, now titled Policy on Research Extended Appointments, be approved.

RECOMMENDATION:

That the revision of policy 6200 on Research Extended Appointments be approved effective immediately.

Subject: Policy on Research Extended Appointments

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1. Purpose

The purpose of this policy is to provide faculty members on academic- year appointments the opportunity to extend their base 9-month contract to a 10-, 11-, or 12-month contract reflecting their sponsored research responsibilities. The research-extended appointment recognizes continuing obligations for supervision of graduate student research and intensive periods of faculty research that extend beyond the academic year, where the salary and fringe benefits associated with the extended appointment are funded by sponsored grants or contracts.

2. Policy

A full-time faculty member on an academic year appointment may extend the 9-month appointment to a 10-, 11-, or 12-month appointment provided the following conditions are met:

1. The faculty member must have assurance of funding to support the full cost of salary plus full fringe benefits for the one, two, or three additional months of the proposed appointment. The source of such funds must be sponsored grants and contracts (excluding indirect or overhead).
2. The contract period and formula for calculating salaries for 10-, 11-, and 12-month appointments are below:

Contract length	Contract Period	Conversion Factor
9 months (Base AY appt)	August 10 - May 9	Base AY salary
10 months	August 10 – June 9	Base AY salary X 1.11111 (10/9ths)
11 months	August 10 – July 9	Base AY salary X 1.22222 (11/9ths)
12 months	August 10 – August 9	Base AY salary X 1.33333 (12/9ths)

While the contractual dates above are necessary in order to create a continuous extended contract, faculty members may manage their research obligations during the summer consistent with the expectations of their funding source and departmental obligations.

3. The preferred effective date for research extended contracts is August 10 so that escrowing of summer salary can be handled in a straightforward manner. However, other effective dates can be accommodated as follows:

- a. Initial appointment to a 10-, 11-, or 12-month contract must be made by the **end of fall term** (effective no later than the December 25 payroll period) if the grant covers only summer funding for **one year**. The effective date should be the start of a regular payroll period – either the 10th or 25th of the month. Any excess escrowed pay will be paid out to the faculty member at the time of change to the new appointment. Reconversion to a 9-month appointment must be effective August 10 if funds are not available to support subsequent years.
 - b. In the case where the new grant covers **multiple years** of summer funding for the faculty member, the extended appointment may be effective with any payroll start date (10th or 25th of the month). Any excess escrowed pay will be paid out to the faculty member at the time of change to the new appointment.
4. The research extended appointments are typically approved for one or two years at a time, depending on length of the sponsored grant or contract. They may be renewed without limit by submitting a request for extension with documentation of funding for future summer support to the department head. The appointment length may also be changed as funding increases or decreases. Reconversion to a 9-month appointment must be effective August 10.
 5. In the event of a temporary shortfall, the department head may use other sources of funds and make work assignments as appropriate. The salary distribution must follow the work assignment. Fringe benefits costs will follow the salary distribution. Failure to fully fund the research extended appointment from sponsored grants and contracts will mean that the faculty member must reconvert to an academic year (9-month) appointment August 10th unless documentation of future summer funding is provided (certain, not requested funding).
- The university has no obligation to provide funding from E&G (educational and general) or other sources to continue a research extended appointment in the absence of adequate sponsored grant or contract funding.
6. The conversion process must be requested and approved at least two weeks prior to the effective date. Retroactive conversions will not be approved. Appointments can be extended only by increments of a full month.
 7. The P3A must reflect a distribution among funding sources such that no more salary is taken from the 208/229 source than the pre-conversion AY salary. The requirement to earn additional sponsored funds in support of the extended research appointment may be managed either by charging a portion of the salary during all or part of the entire appointment period, or by charging the relevant summer months at 100% to the sponsored grant or contract. Faculty members should take care to match salary charges with subsequent certification of effort. Salary charges are audited annually to ensure that the extended research appointment is funded and charged appropriately.
 8. Faculty members on 12-month appointments cannot receive additional compensation for summer school teaching or other duties. However, they do remain eligible for additional compensation for participation in continuing education programs and for consulting activities in accordance with policies in the Faculty Handbook. Those on 10 or 11 month research extended contracts may earn additional income from other activities as WAGES. However the total of all summer earnings, including the research extended contract and any wage earnings, may not exceed 33 1/3% of their base AY appointment
 9. Like academic-year appointments, faculty members on extended research appointments do NOT earn or accumulate annual leave. Faculty members are expected to manage their obligations and absences with full recognition of their responsibilities to the grants and contracts that support the extended appointment and to keep their department heads apprised of their plans.

10. Sick leave and other benefits remain unchanged.
11. Merit adjustments are made on the salary for the research extended appointment, proportionally increasing the obligation to the sponsored account. For those who have eminent scholar supplements prior to converting to a research extended appointment, the base salary including the eminent scholar supplement may be multiplied by the appropriate factor. However, the eminent scholar supplement generally cannot be increased to accommodate the change in appointment, putting a larger burden on the sponsored funding.

3. Procedures

Faculty members requesting a research extended appointment should complete the request form available on the Provost's web site: www.provost.vt.edu. Documentation of available summer funding must be provided. Research extended appointments must be renewed annually with verification of sponsored funding by the department head to support the continuation. (The continuation request form is also on the same website.) In addition to the form, the department should submit a P3A indicating the research extended appointment in the departmental note and documenting the percentage used and length of appointment (10, 11, or 12 months) in order to initiate the change in appointment period. Requests for research extended appointments require approval by the department head, dean, and provost.

Reconversion to a 9-month appointment, or a change in the length of the research extended appointment is accomplished by P3A. To calculate the AY salary, divide the extended appointment salary by the same factor as originally used.

4. Definitions

5. References

6. Approval and Revisions

Recommended by the Commission on Research: February 28, 1996

Approved by University Council: April 1, 1996

Approved by the President: April 1, 1996

Approved by the Board of Visitors: April 22, 1996

- Revision 1

Revised July 26, 1999. Changed dates for the May and August effective dates from the 16th of the month to the 10th.

- Revision 2

Revised April 23, 2002 – Possible CY position start date corrected from July 1 to June 25; CY salary conversion rates corrected from “within the range of 1.222 to 1.333” to “1.222 or 1.333” corresponding to the two- or three-month time period.

- Revision 3, July 2005

Approved by the Commission on Research:	September 14, 2005
Endorsed by the Commission on Faculty Affairs:	September 16, 2005
First Reading, University Council:	October 10, 2005
Approval by University Council:	October 24, 2005
Approved by the Board of Visitors:	[November 7, 2005]

Complete revision of text to allow 10- and 11-month appointments as well as 12-month appointments.
Change of policy title from “CY Research Conversions” to “Research Extended Appointments.”
Elimination of requirement to earn and report annual leave.

MEMBERSHIP OF THE VIRGINIA COAL 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.

A proposed continuing member of the advisory committee is Mr. Jackson E. "Jack" Reasor, Jr. Daniel D. Smith from Norfolk Southern is a proposed new member with a four-year term (2005-2009).

Mr. Reasor is President and CEO of Old Dominion Electric Cooperative and the Virginia, Maryland, and Delaware Association of Electric Cooperatives. He formerly served as a vice president of First Virginia Bank in Bluefield and president of Premier Trust Company in Bluefield. Prior to that time he was a partner in the law firm of Galumbeck, Simmons and Reasor in Tazewell. Mr. Reasor served as a Virginia state senator from Southwest Virginia from 1992-1998.

Mr. Smith serves as Senior Vice President for Energy and Properties for Norfolk Southern. He served as President of Norfolk Southern Development from 2001 until his current position began in 2003. Mr. Smith served as President of Pocahontas Land Corporation in 1995. He has served as a member of the board of directors for the Economic Development Authority of Mercer County, Bluefield Economic Development Authority, Leadership West Virginia, Bluefield State College Foundation, Inc., and First Century Bank. Mr. Smith is a registered professional mining engineer in West Virginia, Pennsylvania, Alabama, Kentucky, Ohio, Illinois, and Virginia.

RECOMMENDATIONS:

That the appointment of Jackson E. "Jack" Reasor, Jr. to the Advisory Committee be renewed through 2009, and that the appointment of Daniel D. Smith be approved.

**RESOLUTION HONORING
THE CRANWELL INTERNATIONAL CENTER
NOVEMBER 7, 2005**

WHEREAS, the University Exemplary Department and Program Awards recognize the work of departments and/or programs that maintain exemplary teaching and learning environments for students, faculty, and staff; and

WHEREAS, the Cranwell International Center makes significant contributions to the promotion and support of international and multicultural perspectives on campus, in local communities, and the region; and

WHEREAS, the Cranwell International Center engages the university community and our expanded community in bringing awareness and sensitivity to issues of global diversity; and

WHEREAS, the Cranwell International Center promotes the university's commitment to multiculturalism through advocacy, outreach, personal advising, counseling, and teaching/learning programs; and

WHEREAS, the Cranwell International Center is a recipient of the University Exemplary Department Award for 2005;

THEREFORE, be it resolved that the Board of Visitors recognizes the Cranwell International Center for its excellence in enhancing global diversity by effectively increasing the numbers of culturally different faculty, staff, and students and/or promoting and supporting international and multicultural perspectives to support the missions of the university, and congratulates the program on its achievement.

RECOMMENDATION:

That the above resolution honoring the Cranwell International Center be approved.

**RESOLUTION HONORING
THE DEPARTMENT OF HUMAN DEVELOPMENT
NOVEMBER 7, 2005**

WHEREAS, the University Exemplary Department and Program Awards recognize the work of departments and/or programs that maintain exemplary teaching and learning environments for students, faculty, and staff; and

WHEREAS, the Department of Human Development excels at promoting and supporting international and multicultural perspectives to support the missions of the university; and

WHEREAS, the Department of Human Development's goal is to achieve excellence in teaching, research, and outreach in a climate that supports diversity, collaboration, recognition, and celebration; and

WHEREAS, the Department of Human Development has a strong commitment to diversity and to promoting and supporting international and multicultural perspectives; and

WHEREAS, the Department of Human Development is a recipient of the University Exemplary Department Award for 2005;

THEREFORE, be it resolved that the Board of Visitors recognizes the Department of Human Development for its excellence in enhancing global diversity by effectively increasing the numbers of culturally different faculty, staff, and students and/or promoting and supporting international and multicultural perspectives to support the missions of the university, and congratulates the department on its achievement.

RECOMMENDATION:

That the above resolution honoring the Department of Human Development be approved.

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

November 7, 2005

The Inn at Virginia Tech and Skelton Conference Center

PRESENT

Board of Visitors Members:

Mr. John R. Lawson, II
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:

Mr. Michael Brennan – Hayes, Seay, Mattern and Mattern, Inc.
Mr. Sam Easterling - Virginia Tech Faculty Senate
Mr. Larry Hincker - Associate Vice President for University Relations
Mr. Adam Street – Virginia Tech Student Government Association
Ms. Susan Trulove – Virginia Tech University Relations

ABSENT

Board of Visitors Members:

Mr. Robert L. Freeman, Jr.

OPEN SESSION

Opening Comments: Mr. John Lawson called the meeting to order at 8:03 a.m. Mr. Jim 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. Mr. Severt moved the Committee be reconvened in Open Session at 9:00 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 August 29, 2005 meeting were unanimously approved.
3. **Surge Space Building Design Review:** The Surge Space Building is required to temporarily house various academic departments while their permanent space is being renovated. The Committee received a presentation on the facility from Mr. Michael Brennan, a representative of Hayes, Seay, Mattern and Mattern, Inc., the bridging architect. The building will be located in a portion of the current parking lot east of Stanger Street, west of Turner Street, and north of Perry Street. The building will be a rectangular, single floor, 45,000 Gross SF pre-engineered steel frame structure. In the past, the Committee had discussed the notion of having the building designed to accommodate a second floor in the future. Mr. Lawson's current position is we should just design the building to be a one story structure. To enhance the overall appearance of the main entrance's curved façade, the Committee recommended adding Hokie stone. The Committee approved the project design.
4. **Capital Outlay Project Status Report:** The Committee reviewed the status of all capital projects in design, under construction, recently completed, and pending. The following twelve projects are in design: Building Construction Learning Laboratory, ICTAS-I, Classroom Improvements, Litton Reaves Exterior Structural Repairs, Boiler Pollution Controls, Southwest Campus Heating and Cooling System, Cowgill Hall HVAC and Power Upgrade, Surge Space Building, Henderson Hall Renovation, Burruss Hall Renovation, Agnew Hall Renovation, and the Graduate School Facility. Mr. Lawson stated that President Steger has announced that the Building Construction Learning Laboratory will be open in September 2007. Mr. Bill Elvey stated that every effort would be made to achieve substantial completion by the September 2007 date. The Committee strongly supports the conversion of the former Donaldson Brown Hotel and Conference Center to the Graduate School Facility. The following four projects are under construction: Agriculture and Natural Resources Building, Lane Stadium Expansion-Phase II, Life Sciences-I, and the Addition to the Campus

Chilled Water Plant. The following three projects have been recently completed: Bioinformatics-Phase II, Soccer/Lacrosse Complex, and The Inn at Virginia Tech, Skelton Conference Center and Holtzman Alumni Center. The Fine Arts Center project is pending.

- 5. Resolution for Appointments to the Blacksburg-VPI Sanitation Authority:** The Blacksburg-Virginia Polytechnic Institute Sanitation Authority consists of five directors who are responsible for the management and operation of the Authority. One director is appointed by each of the political subdivisions, and the other three directors are appointed jointly by the Virginia Tech Board of Visitors and the Blacksburg Town Council. The university recommended Dr. Raymond D. Smoot, Jr. for reappointment as the university's representative. The university and the Blacksburg Town Council recommended Mr. Lucius M. Merritt for joint reappointment. Their current terms expire on January 1, 2006, and their reappointments will extend their terms to January 1, 2010. The Committee recommended the resolution for full board approval.
- 6. Resolution for Appointment to the Blacksburg-Christiansburg-VPI Water Authority:** The Blacksburg-Christiansburg-VPI Water Authority consists of five directors who are responsible for the management and operation of the Authority. One director is appointed by each of the political subdivisions, and the other two directors are appointed jointly by the Board of Visitors and the Town Councils. The university recommended Mr. William M. Elvey for appointment as the university's representative for a four-year term, effective immediately, and expiring on August 31, 2009. Committee recommended the resolution for full board approval.
- 7. Resolution for Appointment to the Virginia Tech/Montgomery Regional Airport Authority:** The Virginia Tech/Montgomery Regional Airport Authority consists of five directors responsible for the management and operation of the Authority. Each of the four jurisdictions, Virginia Tech, the Town of Blacksburg, the Town of Christiansburg, and Montgomery County, appoints one director. One at-large member is appointed jointly by all four jurisdictions. The university recommended Mr. L. Allen Bowman for reappointment as the at-large representative for a four-year term beginning on September 15, 2005 and expiring on September 15, 2009. The Committee recommended the resolution for full board approval.
- 8. Resolution on Acquisition of Virginia Tech Foundation Property:** The university has expressed a desire to acquire from the Virginia Tech Foundation, Inc., a 466 SF portion of a 0.651-acre tract located between Old Turner Street and Barger Street, southwest of Stanger Street in Blacksburg, Virginia. The Committee recommended the resolution for full board approval.
- 9. Campus Master Plan:** The full board received an update on the Campus Master Plan during an Information Session on November 6, 2005. The Buildings and Grounds Committee members provided some additional comments. Mr.

Lawson stressed the importance of addressing critical infrastructure needs as we look to develop the golf course property for our future requirements. He suggested exploring opportunities to cost share road improvements with the Town of Blacksburg.

- 10. Tour of the Agriculture/Natural Resources Facility:** Mr. Kurt Krause, Vice President for Business Affairs, led the Committee on a tour of the Agriculture/Natural Resources Facility. This project involves the design and construction of an 84,300 SF laboratory building, which support plant science teaching and research for the College of Agriculture and Life Sciences and the College of Natural Resources. The Committee has expressed interest in having a tour of the Quarry in the future.

The meeting of the Buildings and Grounds Committee adjourned at 11:30 a.m.

Respectfully submitted,

Kurt J. Krause
Vice President for Business Affairs

**RESOLUTION FOR APPOINTMENTS TO THE BLACKSBURG-VIRGINIA
POLYTECHNIC INSTITUTE SANITATION AUTHORITY**

The university recommends for reappointment to the Blacksburg-Virginia Polytechnic Institute Sanitation Authority Board of Directors Dr. Raymond D. Smoot, Jr. and Mr. Lucius M. Merritt. Their current terms expire on January 1, 2006, and reappointment would extend their terms to January 1, 2010.

Dr. Smoot is the University Treasurer at Virginia Tech and has served on the Authority Board since 1994. He received his bachelor and masters degrees from Virginia Tech and a Ph.D. in Higher Education Administration from Ohio State University.

Mr. Merritt is the Director of Development for Intercollegiate Athletics at Virginia Tech where he has been employed since 1994. He has served on the Authority Board since 1986, and is currently its Chair. Mr. Merritt received his B.S. degree in Business Administration with a major in Management from Virginia Tech. He served as City President for First Union Bank before beginning his employment with Virginia Tech.

**RESOLUTION FOR APPOINTMENTS TO THE BLACKSBURG-VIRGINIA
POLYTECHNIC INSTITUTE SANITATION AUTHORITY**

WHEREAS, the Blacksburg-Virginia Polytechnic Institute Sanitation Authority consists of five directors who are responsible for the management and operation of the Authority. One director is appointed by each of the political subdivisions, and the other three directors are appointed jointly by the Virginia Tech Board of Visitors and the Blacksburg Town Council; and,

WHEREAS, the term of the university's representative of the Sanitation Authority, Raymond D. Smoot, Jr., expires on January 1, 2006 and the term of a jointly appointed member of the Sanitation Authority, Lucius M. Merritt expires on January 1, 2006;

NOW THEREFORE BE IT RESOLVED, that Raymond D. Smoot, Jr. be reappointed as the university's representative and Lucius M. Merritt be reappointed as joint representative to the Blacksburg-Virginia Polytechnic Institute Sanitation Authority Board of Directors, both for four-year terms expiring January 1, 2010.

RECOMMENDATION:

That the above resolution reappointing Raymond D. Smoot, Jr. as the university's representative and Lucius M. Merritt as the joint representative of the university and Town of Blacksburg to the Blacksburg-Virginia Polytechnic Institute Sanitation Authority for terms expiring January 1, 2010 be approved.

**RESOLUTION ON APPOINTMENT TO THE
BLACKSBURG-CHRISTIANSBURG-VPI WATER AUTHORITY**

The Blacksburg-Christiansburg-VPI Water Authority consists of five directors responsible for management and operation of the Authority. One director is appointed by each of the political subdivisions, and the other two directors are appointed jointly by the Board of Visitors and the Town Councils. The university recommends Mr. William M. Elvey for appointment as its representative to the Authority's Board of Directors a four-year term effective immediately and expiring on August 31, 2009.

Mr. Elvey is currently the Assistant Vice President for Facilities. He received his bachelor and masters degrees from Rice University and a MBA from George Mason University.

**RESOLUTION ON APPOINTMENT TO THE
BLACKSBURG-CHRISTIANSBURG-VPI WATER AUTHORITY**

WHEREAS, the Blacksburg-Christiansburg-VPI Water Authority consists of five directors who are responsible for the management and operation of the Authority. One director is appointed by each of the political subdivisions, and the other two directors are appointed jointly by the Board of Visitors and the Town Councils; and

WHEREAS, the University wishes to continue to encourage and participate in such mutually beneficial ventures with the aforesaid local governments;

WHEREAS, the term of the retired Virginia Tech representative expired on August 31, 2005;

NOW THEREFORE BE IT RESOLVED, that William M. Elvey be named as the next representative and member on the Blacksburg-Christiansburg-VPI Water Authority Board of Directors.

RECOMMENDATION:

That the above resolution recommending that William M. Elvey be appointed as the university's representative to the Blacksburg-Christiansburg-VPI Water Authority Board of Directors for a term expiring August 31, 2009, be approved.

**RESOLUTION ON APPOINTMENTS TO THE VIRGINIA
TECH/MONTGOMERY REGIONAL AIRPORT AUTHORITY**

The Virginia Tech/Montgomery Regional Airport Authority consists of five directors responsible for management and operation of the Authority. Each of the four jurisdictions, Virginia Tech, the Towns of Blacksburg and Christiansburg, and Montgomery County, appoints a member to the board of directors, and one at-large member is appointed jointly by all four jurisdictions. The university recommends Mr. L. Allen Bowman for reappointment as the at-large representative. His current term expired on September 15, 2005. Reappointment will extend his term through September 15, 2009.

Mr. Bowman holds a Bachelor of Science degree from Virginia Tech and served as president of Litton Industries' Poly-Scientific Division from 1970 until his retirement effective January 1, 1998. He began working for Litton Industries in 1956 and served in a number of management positions in addition to being president of Poly-Scientific. He has been active in civic affairs for a number of years. Mr. Bowman is a director of the Virginia Tech Foundation and the Virginia Tech Corporate Research Center.

**RESOLUTION ON APPOINTMENTS TO THE VIRGINIA
TECH/MONTGOMERY REGIONAL AIRPORT AUTHORITY**

WHEREAS, the Virginia Tech/Montgomery Regional Airport Authority consists of five directors who are responsible for the management and operation of the Authority. One director is appointed by each of the political subdivisions of the Towns of Blacksburg and Christiansburg and the County of Montgomery, one director by the university, and one at-large director is appointed jointly by the Virginia Polytechnic Institute and State University Board of Visitors, the Town Councils, and the Board of Supervisors to serve at large; and,

WHEREAS, L. Allen Bowman, member at large, completed his term on September 15, 2005.

NOW THEREFORE BE IT RESOLVED, that L. Allen Bowman be reappointed as the at-large representative for a four-year term expiring September 15, 2009.

RECOMMENDATION:

That the above resolution recommending that L. Allen Bowman be reappointed as the at-large representative to the Virginia Tech/Montgomery Regional Airport Authority Board of Directors for a four year term expiring September 15, 2009 be approved.

**RESOLUTION ON ACQUISITION OF
VIRGINIA TECH FOUNDATION PROPERTY**

Virginia Polytechnic Institute and State University wishes to acquire property located in Blacksburg, Virginia from the Virginia Tech Foundation, Inc., for \$26,300 in accordance with applicable statutes of the Code of Virginia.

This property is included within the approved University Master Plan.

**RESOLUTION ON ACQUISITION OF
VIRGINIA TECH FOUNDATION PROPERTY**

WHEREAS, the Virginia Tech Foundation, Inc. owns a 0.651-acre tract located between Old Turner Street and Barger Street, Southwest of Stanger Street, Blacksburg, Virginia and is further described on a plat by Anderson and Associates, Inc. dated August 13, 1999, Drawing No. 17421002, entitled "Plat Of Survey Of 0.651 Acre Parcel For The Virginia Tech Foundation"; and,

WHEREAS, upon the request of the university, the Virginia Tech Foundation, Inc. acquired the property on August 31, 1999, at the cost of \$1,150,000; and,

WHEREAS, this property is included within the approved University Master Plan; and,

WHEREAS, Virginia Polytechnic Institute and State University wishes to now acquire a 466 square foot portion of this 0.651-acre tract from the Virginia Tech Foundation, Inc. for the appraised value of \$26,300;

NOW THEREFORE BE IT RESOLVED, that the Vice President for Business Affairs be authorized to execute a contract with the Virginia Tech Foundation, Inc. for the purchase of said property for \$26,300 in accordance with applicable statutes of the Code of Virginia.

RECOMMENDATION:

That the above resolution authorizing the Vice President for Business Affairs to execute a contract between Virginia Polytechnic Institute and State University and the Virginia Tech Foundation, Inc. for the purchase of a 466 square foot portion of a 0.651-acre tract located between Old Turner Street and Barger Street, Southwest of Stanger Street, Blacksburg, Virginia, be approved.

Minutes

STUDENT AFFAIRS COMMITTEE OF THE BOARD OF VISITORS

**The Inn at Virginia Tech
November 7, 2005**

**Cascades Room
9:00 a.m.**

PRESENT: Mr. Michael Anzilotti, Chair
Mr. L. Bruce Holland
Ms. Jennifer Jessie
Mr. George Nolen

GUESTS: Mr. Sumeet Bagai, Dr. Cynthia Bonner, Mr. Tom Brown, Mr. Scott Cheatham, Mr. Steve Clarke, Mr. Michael Goode, Mr. Tim Hall, Dr. Valerie Hardcastle, Dr. Zenobia Hikes, Mr. Allan Miller, Mr. Kevin Miller, Ms. Donna Sanzenbach, Dr. Ed Spencer, Dr. Charles Steger, Mr. James Tyger, Mr. Jim Weaver, Mr. Devin Weller

1. **Opening remarks and approval of August 29, 2005, minutes.** Mr. Michael Anzilotti, Chair, provided opening remarks and submitted the minutes of the August 29 Student Affairs Committee meeting to the committee for review and approval. The minutes were approved as written.
2. **Athletic Department Quarterly Report.** Mr. James Weaver, Athletic Director, provided a quarterly report on the Athletic Department. Mr. Weaver updated the committee on the performance of the fall athletic teams. The bowl appearances will increase Virginia Tech's share of the ACC funds and will allow the department to add new Olympic sports, such as women's golf. He also discussed Huddle with the Hokies, a program where a faculty member spends an hour with fans that are on campus for athletic events. Mr. Weaver concluded his presentation with a question and answer period.
3. **Student Affairs Update.** Dr. Zenobia Hikes, Vice President for Student Affairs, provided an overview of Division initiatives that have been the focus since the beginning of the semester. Dr. Hikes discussed Parents 'Day 2005, a new organizational structure, branding and marketing division services, plans to work with the development officer for the parents, the Monterrey Tec partnership, and campus climate. In her discussion of organizational changes, she shared plans to reinstitute the Dean of Students and for the Division to assume Multicultural

Programs and Services (MPS) effective July 1, 2006. It is expected that shifting MPS will create synergy with the other departments that will be positioned under a new assistant vice president. Other departments affected by the restructuring are the Student Life Office, Cranwell International Center, Student Activities and University Unions. In conclusion, Dr. Hikes updated the committee on campus climate issues. She stressed that the Virginia Tech community is focused on providing a welcoming environment for everyone.

4. **Concerns of LGBT+ Students.** Dr. Hikes shared some concerns of our LGBT+ students. There have been some recent incidents of harassment that need to be addressed. Dr. Hikes distributed the SafeWatch Campus Climate Report. SafeWatch is one of the initiatives that have been developed to address the concerns of the LGBT+ students as well as the Virginia Tech community. The program is based on Neighborhood Watch programs and asks anyone witnessing an incident to report the incident through a website. Dr. Hikes also indicated that the SafeZones on campus will be revamped so that offices will need to reapply each year if they wish to be included as a SafeZone. During the question and answer period, Mr. George Nolen suggested a paper-based version of SafeWatch reporting be made available as well. Mr. Devin Weller suggested the program name be changed to HokiesWatch to give a greater sense of community, which should increase the reporting of incidents.
5. **Update on the Residence Hall Facility Study.** Dr. Edward Spencer, Associate Vice President for Student Affairs, gave an overview of the *Residence Halls Facility Condition and Assessment Feasibility Study*, which is nearing completion and being conducted by the Einhorn Yaffee Prescott architecture and engineering firm. This is a study of all residence halls built prior to 1983 and will therefore review those halls that provide about 7,100 of the 9,100 on-campus bed spaces. The study includes: 1) a review of existing conditions of the halls and their various building systems, 2) recommendations for repairs, replacements, and upgrades, and 3) suggestions for renovations, improvements, and enhancements which could be accomplished at the same time. Dr. Spencer reviewed some of the findings that need to be addressed and some of the recommendations for renovations and improvements. This multi-million dollar project, similar to those being undertaken at other campuses, would probably be debt-financed and carried out over a 15-year period. Fortunately, Virginia Tech's housing rates are among the lowest in the country and thereby provide the flexibility to take on such needed costs and still allow the University to maintain a competitive position in attracting students.
6. **Student Affairs Response to Students Affected by Hurricane Katrina.** Mr. Tom Brown, Student Life Office Director, shared an overview of university support for visiting students from Gulf Coast schools. Support for these students ranged from orientation dinners to school supplies, and from Hokie tee shirts to financial support. Community support, both on and off campus, was an outstanding

example of Hokie Spirit. Given the challenges faced by these students, they have adapted well to their temporary Hokie home and are appreciative of the support.

7. **Hokies United Efforts on Behalf of Hurricane Katrina Victims.** Mr. Sumeet Bagai, President of the Student Government Association and Senior Class President, gave an overview of the student-drive volunteer effort organized to respond to the Hurricane Katrina disaster. Hurricane relief efforts included collections at the Ohio football game, a relief concert, a raffle, and many other events. The total amount raised thus far for Katrina victims is around \$100,000.
8. **Update on Student Government Association.** Mr. Bagai and Mr. Devin Weller, Vice President of SGA, provided an overview of the structure of the Student Government Association and its accomplishments thus far this year and goals for the remainder of the school year. They outlined several SGA programs, such as the Orange and Maroon Effect for football games, the Big Event, Relay for Life, and the Freshman Leadership Experience (FLEX). They also discussed services they provide for students: Student Legal Services, Tenant's Association of Blacksburg, grade distributions, and the SGA Budget Board. They have approximately 350 students involved in the various committees. In conclusion, he said the SGA is working on an electronic information gateway that will distribute accurate information about the university to the student body.
9. **Update on College Alcohol Abuse Prevention Center.** Mr. Steven Clarke, Director of the College Alcohol Abuse Prevention Committee reported on the current activities of the College Alcohol Abuse Prevention Center. Mr. Clarke reviewed current alcohol abuse prevention efforts, including alcohol classes for the judicial system, harm reduction approaches used to reduce high-risk drinking of Virginia Tech students, efforts to prevent alcohol overdose, new student orientation, and work with the Blacksburg Neighborhood Enhancement Program. He also reviewed progress on a web-based alcohol education program for first-year students. Finally, he described two new grant-funded projects: 1) development of a 21st Birthday Intervention funded by the U.S. Department of Education, and 2) a study of alcohol consumption at football tailgate parties funded by the National Institute on Alcohol Abuse and Alcoholism.
10. **Adjournment.**

There being no further business, the meeting adjourned at 11:53 a.m.

VIRGINIA TECH FIRST SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
FRESHMEN

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	5	9	4	1	4	5	2	1	3	2
WOMEN	9	5	6	4	4	3	0	0	5	3
TOTAL	14	14	10	5	8	8	2	1	8	5
ARCHITECTURE AND URBAN STUDIES*										
MEN	9	13	10	15	9	2	2	2	2	1
WOMEN	6	2	6	5	6	1	1	5	4	5
TOTAL	15	15	16	20	15	3	3	7	6	6
BUSINESS*										
MEN	15	21	16	15	18	14	13	13	13	8
WOMEN	7	14	6	9	4	6	7	6	8	3
TOTAL	22	35	22	24	22	20	20	19	21	11
ENGINEERING*										
MEN	30	65	35	44	39	30	30	29	30	19
WOMEN	6	14	4	7	4	6	3	1	6	8
TOTAL	36	79	39	51	43	36	33	30	36	27
INTERDISCIPLINARY										
MEN	1	1	2	2	29	37	32	32	27	29
WOMEN	13	15	8	4	20	15	20	11	5	12
TOTAL	14	16	10	6	49	52	52	43	32	41
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	2	4
WOMEN	0	0	0	0	0	0	0	0	3	5
TOTAL	0	0	0	0	0	0	0	0	5	9
NATURAL RESOURCES*										
MEN	41	30	26	12	1	2	2	5	0	2
WOMEN	12	18	15	13	0	2	2	1	1	0
TOTAL	53	48	41	25	1	4	4	6	1	2
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	8	6
WOMEN	0	0	0	0	0	0	0	0	6	6
TOTAL	0	0	0	0	0	0	0	0	14	12
UNIVERSITY TOTALS										
MEN	134	169	123	111	137	120	101	95	85	71
WOMEN	81	88	71	73	84	80	57	41	38	42
TOTAL	215	257	194	184	221	200	158	136	123	113

* Effective Fall 2003, includes addition of academic departments as a result of University restructuring.

**Effective Fall 2003, University restructuring results in creation of Liberal Arts and Human Sciences [formerly known as Human Sciences and Education] and College of Science [formerly known as Arts and Sciences].

VIRGINIA TECH FIRST SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
SOPHOMORES

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	11	7	7	5	5	7	9	6	13	9
WOMEN	18	22	20	14	14	14	19	15	14	22
TOTAL	29	29	27	19	19	21	28	21	27	31
ARCHITECTURE AND URBAN STUDIES*										
MEN	17	17	28	26	23	15	15	14	9	17
WOMEN	7	3	16	11	9	1	4	16	14	14
TOTAL	24	20	44	37	32	16	19	30	23	31
BUSINESS*										
MEN	41	52	82	62	63	66	56	68	53	50
WOMEN	32	41	39	36	32	54	31	37	37	25
TOTAL	73	93	121	98	95	120	87	105	90	75
ENGINEERING*										
MEN	124	144	159	145	137	155	101	138	135	107
WOMEN	23	39	50	36	28	23	31	32	25	15
TOTAL	147	183	209	181	165	178	132	170	160	122
INTERDISCIPLINARY										
MEN	81	49	36	42	30	53	86	59	84	69
WOMEN	29	31	29	17	16	22	27	37	38	34
TOTAL	110	80	65	59	46	75	113	96	122	103
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	32	31
WOMEN	0	0	0	0	0	0	0	0	39	38
TOTAL	0	0	0	0	0	0	0	0	71	69
NATURAL RESOURCES*										
MEN	4	8	9	4	3	3	2	4	3	5
WOMEN	4	7	4	1	0	3	1	3	0	0
TOTAL	8	15	13	5	3	6	3	7	3	5
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	37	30
WOMEN	0	0	0	0	0	0	0	0	44	31
TOTAL	0	0	0	0	0	0	0	0	81	61
UNIVERSITY TOTALS										
MEN	376	394	432	386	369	430	382	400	366	318
WOMEN	256	395	319	232	239	302	262	246	211	179
TOTAL	632	789	751	618	608	732	644	646	577	497

* Effective Fall 2003, includes addition of academic departments as a result of University restructuring.

**Effective Fall 2003, University restructuring results in creation of Liberal Arts and Human Sciences [formerly known as Human Sciences and Education] and College of Science [formerly known as Arts and Sciences].

VIRGINIA TECH FIRST SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
JUNIORS

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	43	35	23	18	17	11	15	12	35	23
WOMEN	39	38	45	34	35	24	31	34	63	62
TOTAL	82	73	68	52	52	35	46	46	98	85
ARCHITECTURE AND URBAN STUDIES*										
MEN	30	15	25	38	20	18	29	28	24	19
WOMEN	6	14	14	25	15	12	13	49	26	20
TOTAL	36	29	39	63	35	30	42	77	50	39
BUSINESS*										
MEN	112	110	128	159	120	155	150	145	133	109
WOMEN	79	75	99	81	94	107	100	105	103	108
TOTAL	191	185	227	240	214	262	250	250	236	217
ENGINEERING*										
MEN	252	217	244	240	214	261	218	236	248	252
WOMEN	47	53	49	49	55	42	44	60	37	47
TOTAL	299	270	293	289	269	303	262	296	285	299
INTERDISCIPLINARY										
MEN	8	12	5	4	10	11	9	22	21	16
WOMEN	5	4	3	4	8	6	5	9	8	7
TOTAL	13	16	8	8	18	17	14	31	29	23
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	91	98
WOMEN	0	0	0	0	0	0	0	0	129	125
TOTAL	0	0	0	0	0	0	0	0	220	223
NATURAL RESOURCES*										
MEN	14	8	15	14	6	10	10	7	2	8
WOMEN	10	10	10	9	4	7	6	5	4	0
TOTAL	24	18	25	23	10	17	16	12	6	8
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	74	94
WOMEN	0	0	0	0	0	0	0	0	106	101
TOTAL	0	0	0	0	0	0	0	0	180	195
UNIVERSITY TOTALS										
MEN	686	620	687	719	608	716	694	695	628	619
WOMEN	541	479	576	514	511	564	567	586	476	470
TOTAL	1227	1099	1263	1233	1119	1280	1261	1281	1104	1089

* Effective Fall 2003, includes addition of academic departments as a result of University restructuring.

**Effective Fall 2003, University restructuring results in creation of Liberal Arts and Human Sciences [formerly known as Human Sciences and Education] and College of Science [formerly known as Arts and Sciences].

VIRGINIA TECH FIRST SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
SENIORS

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	33	39	34	44	40	37	21	22	36	47
WOMEN	28	43	55	55	44	61	26	30	101	106
TOTAL	61	82	89	99	84	98	47	52	137	153
ARCHITECTURE AND URBAN STUDIES*										
MEN	33	54	55	59	46	50	35	64	62	61
WOMEN	20	33	25	26	27	28	27	44	53	52
TOTAL	53	87	80	85	73	78	62	108	115	113
BUSINESS*										
MEN	123	174	210	252	299	335	349	328	263	249
WOMEN	65	112	115	152	161	188	175	205	190	154
TOTAL	188	286	325	404	460	523	524	533	453	403
ENGINEERING*										
MEN	308	373	378	428	421	436	428	356	415	393
WOMEN	52	78	68	79	69	88	75	74	71	68
TOTAL	360	451	446	507	490	524	503	430	486	461
INTERDISCIPLINARY										
MEN	0	0	0	0	4	0	0	0	1	0
WOMEN	0	1	0	0	1	0	0	0	0	0
TOTAL	0	1	0	0	5	0	0	0	1	0
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	149	132
WOMEN	0	0	0	0	0	0	0	0	163	147
TOTAL	0	0	0	0	0	0	0	0	312	279
NATURAL RESOURCES*										
MEN	28	25	29	28	13	15	8	14	15	14
WOMEN	8	7	17	13	13	8	6	11	2	4
TOTAL	36	32	46	41	26	23	14	25	17	18
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	109	96
WOMEN	0	0	0	0	0	0	0	0	148	118
TOTAL	0	0	0	0	0	0	0	0	257	214
UNIVERSITY TOTALS										
MEN	799	1021	1043	1165	1216	1296	1234	1156	1050	992
WOMEN	462	692	719	734	777	860	730	722	728	649
TOTAL	1261	1713	1762	1899	1993	2156	1964	1878	1778	1641

* Effective Fall 2003, includes addition of academic departments as a result of University restructuring.

**Effective Fall 2003, University restructuring results in creation of Liberal Arts and Human Sciences [formerly known as Human Sciences and Education] and College of Science [formerly known as Arts and Sciences].

VIRGINIA TECH FIRST SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
TOTAL UNDERGRADUATES***

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	93	90	68	68	66	60	47	41	87	81
WOMEN	97	109	128	108	98	102	76	80	184	193
TOTAL	190	199	196	176	164	162	123	121	271	274
ARCHITECTURE AND URBAN STUDIES*										
MEN	89	100	119	138	98	85	81	108	97	98
WOMEN	39	53	61	68	59	42	46	114	97	91
TOTAL	128	153	180	206	157	127	127	222	194	189
BUSINESS*										
MEN	291	357	439	489	503	570	568	554	462	416
WOMEN	185	249	264	282	294	355	314	353	338	290
TOTAL	476	606	703	771	797	925	882	907	800	706
ENGINEERING*										
MEN	715	799	817	858	814	882	780	760	829	773
WOMEN	128	185	172	172	158	159	154	167	139	139
TOTAL	843	984	989	1030	972	1041	934	927	968	912
INTERDISCIPLINARY										
MEN	175	130	111	103	103	101	151	141	150	134
WOMEN	88	85	76	79	67	43	77	75	76	84
TOTAL	263	215	187	182	170	144	228	216	226	218
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	274	266
WOMEN	0	0	0	0	0	0	0	0	334	315
TOTAL	0	0	0	0	0	0	0	0	608	581
NATURAL RESOURCES*										
MEN	52	46	55	48	25	30	22	30	20	29
WOMEN	25	25	31	24	17	20	15	20	7	4
TOTAL	77	71	86	72	42	50	37	50	27	33
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	228	227
WOMEN	0	0	0	0	0	0	0	0	305	256
TOTAL	0	0	0	0	0	0	0	0	533	483
UNIVERSITY TOTALS										
MEN	2045	2251	2343	2433	2409	2562	2444	2378	2147	2024
WOMEN	1397	1602	1736	1619	1662	1806	1652	1617	1480	1372
TOTAL	3442	3853	4079	4052	4071	4368	4096	3995	3627	3396

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**Effective Fall 2003, University restructuring results in creation of Liberal Arts and Human Sciences [formerly known as Human Sciences and Education] and College of Science [formerly known as Arts and Sciences].

***Totals include Special Undergraduate Category

VIRGINIA TECH FIRST SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
ALL CLASSES AND TOTALS-AGRICULTURE TECHNOLOGY

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE TECHNOLOGY - 1ST YEAR										
MEN	0	3	0	1	1	3	2	0	2	4
WOMEN	0	0	0	0	0	0	0	0	0	1
TOTAL	0	3	0	1	1	3	2	0	2	5
AGRICULTURE TECHNOLOGY - 2ND YEAR										
MEN	35	40	28	36	35	43	27	30	57	32
WOMEN	3	3	4	5	0	3	7	3	10	2
TOTAL	38	43	32	41	35	46	34	33	67	34
UNIVERSITY TOTALS										
MEN	35	43	28	37	36	46	29	30	59	36
WOMEN	3	3	4	5	0	3	7	3	10	3
TOTAL	38	46	32	42	36	49	36	33	69	39

VIRGINIA TECH FIRST SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
TOTAL GRADUATES

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	38	12	16	16	13	12	13	13	7	14
WOMEN	20	8	9	7	12	16	11	18	19	17
TOTAL	58	20	25	23	25	28	24	31	26	31
ARCHITECTURE AND URBAN STUDIES*										
MEN	69	58	52	41	49	68	34	42	32	55
WOMEN	53	31	46	19	37	30	28	27	30	24
TOTAL	122	89	98	60	86	98	62	69	62	79
BUSINESS*										
MEN	95	95	80	68	58	35	27	35	25	18
WOMEN	59	40	44	53	52	32	37	36	28	27
TOTAL	154	135	124	121	110	67	64	71	53	45
ENGINEERING*										
MEN	252	174	101	103	142	137	119	106	124	128
WOMEN	58	25	20	25	26	25	29	32	34	27
TOTAL	310	199	121	128	168	162	148	138	158	155
INTERDISCIPLINARY										
MEN	1	0	0	0	0	42	0	0	2	3
WOMEN	0	0	0	0	0	24	0	2	0	4
TOTAL	1	0	0	0	0	66	0	2	2	7
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	54	54
WOMEN	0	0	0	0	0	0	0	0	122	94
TOTAL	0	0	0	0	0	0	0	0	176	148
NATURAL RESOURCES*										
MEN	17	11	10	11	9	14	5	5	7	5
WOMEN	11	4	3	1	3	18	2	0	2	1
TOTAL	28	15	13	12	12	32	7	5	9	6
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	18	21
WOMEN	0	0	0	0	0	0	0	0	21	16
TOTAL	0	0	0	0	0	0	0	0	39	37
VETERINARY MEDICINE GRAD & PH.D.										
MEN	12	9	5	2	5	6	5	1	3	0
WOMEN	8	4	3	0	4	8	6	4	6	4
TOTAL	20	13	8	2	9	14	11	5	9	4
UNIVERSITY TOTALS										
MEN	612	507	390	357	374	423	314	310	272	298
WOMEN	408	309	299	289	293	354	299	262	262	214
TOTAL	1020	816	689	646	667	777	613	572	534	512

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VIRGINIA TECH FIRST SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
ALL CLASSES AND TOTALS - VETERINARY MEDICINE

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
VETERINARY MEDICINE - FIRST YEAR										
MEN	0	0	0	0	1	0	0	0	0	0
WOMEN	0	0	0	0	1	0	0	0	0	0
TOTAL	0	0	0	0	2	0	0	0	0	0
VETERINARY MEDICINE - SECOND YEAR										
MEN	0	0	0	0	1	0	0	0	0	0
WOMEN	0	0	0	0	1	0	0	0	0	0
TOTAL	0	0	0	0	2	0	0	0	0	0
VETERINARY MEDICINE - THIRD YEAR										
MEN	0	0	0	0	0	7	1	0	0	0
WOMEN	1	0	1	0	1	14	0	0	0	0
TOTAL	1	0	1	0	1	21	1	0	0	0
VETERINARY MEDICINE - FOURTH YEAR										
MEN	25	19	23	28	18	14	19	21	12	24
WOMEN	54	62	55	59	62	51	68	71	74	65
TOTAL	79	81	78	87	80	65	87	92	86	89
UNIVERSITY TOTALS										
MEN	25	19	23	28	20	21	20	21	12	24
WOMEN	54	62	56	59	65	65	68	71	74	65
TOTAL	79	81	79	87	85	86	88	92	86	89

VIRGINIA TECH FIRST SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
TOTAL UNIVERSITY STUDENTS

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	166	145	112	121	115	118	89	84	153	131
WOMEN	120	120	141	120	110	121	94	101	213	213
TOTAL	286	265	253	241	225	239	183	185	366	344
ARCHITECTURE AND URBAN STUDIES*										
MEN	129	145	175	165	134	126	125	145	129	153
WOMEN	60	88	93	97	92	80	84	139	127	115
TOTAL	189	233	268	262	226	206	209	284	256	268
BUSINESS*										
MEN	386	452	519	557	561	607	595	589	487	434
WOMEN	244	289	308	335	346	389	351	389	366	317
TOTAL	630	741	827	892	907	996	946	978	853	751
ENGINEERING*										
MEN	967	973	918	961	956	1021	899	899	953	901
WOMEN	186	210	192	197	184	184	183	183	173	166
TOTAL	1153	1183	1110	1158	1140	1205	1082	1082	1126	1067
INTERDISCIPLINARY										
MEN	176	130	111	103	34	175	151	141	152	137
WOMEN	88	85	76	79	20	97	77	77	76	88
TOTAL	264	215	187	182	54	272	228	218	228	225
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	328	320
WOMEN	0	0	0	0	0	0	0	0	456	409
TOTAL	0	0	0	0	0	0	0	0	784	729
NATURAL RESOURCES*										
MEN	69	57	65	59	103	44	27	35	27	34
WOMEN	36	29	34	25	67	41	17	20	9	5
TOTAL	105	86	99	84	170	85	44	55	36	39
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	246	248
WOMEN	0	0	0	0	0	0	0	0	326	272
TOTAL	0	0	0	0	0	0	0	0	572	520
VETERINARY MEDICINE, DVM, GRAD & PH.D.										
MEN	37	28	28	30	25	27	25	22	15	24
WOMEN	62	66	59	59	69	73	74	75	80	69
TOTAL	99	94	87	89	94	100	99	97	95	93
UNIVERSITY TOTALS										
MEN	2717	2820	2784	2855	2803	3106	2807	2739	2490	2382
WOMEN	1862	1976	2095	1972	2020	2298	2026	1953	1826	1654
TOTAL	4579	4796	4879	4827	4823	5404	4833	4692	4316	4036

Effective Fall 2003, includes addition of academic departments as a result of University restructuring.

**Effective Fall 2003, University restructuring results in creation of Liberal Arts and Human Sciences [formerly known as Human Sciences and Education] and College of Science [formerly known as Arts and Sciences].

VIRGINIA TECH SECOND SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
FRESHMEN

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	3	7	3	1	3	4	0	0	0	1
WOMEN	6	4	5	3	4	4	2	2	2	2
TOTAL	9	11	8	4	7	8	2	2	2	3
ARCHITECTURE AND URBAN STUDIES*										
MEN	7	10	10	16	6	4	0	1	1	2
WOMEN	5	1	5	11	3	1	1	2	1	1
TOTAL	12	11	15	27	9	5	1	3	2	3
BUSINESS*										
MEN	13	21	14	16	13	17	11	9	6	10
WOMEN	4	15	5	8	8	2	4	4	7	3
TOTAL	17	36	19	24	21	19	15	13	13	13
ENGINEERING*										
MEN	59	38	31	46	53	47	33	33	18	12
WOMEN	6	8	5	4	7	7	12	10	3	3
TOTAL	65	46	36	50	60	54	45	43	21	15
INTERDISCIPLINARY										
MEN	24	32	22	7	27	31	29	30	17	20
WOMEN	10	11	14	6	17	15	12	10	1	5
TOTAL	34	43	36	13	44	46	41	40	18	25
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	7	7
WOMEN	0	0	0	0	0	0	0	0	2	3
TOTAL	0	0	0	0	0	0	0	0	9	10
NATURAL RESOURCES*										
MEN	4	2	2	0	1	2	1	0	0	4
WOMEN	3	1	1	2	1	2	1	0	1	0
TOTAL	7	3	3	2	2	4	2	0	1	4
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	5	4
WOMEN	0	0	0	0	0	0	0	0	9	4
TOTAL	0	0	0	0	0	0	0	0	14	8
UNIVERSITY TOTALS										
MEN	134	140	118	113	139	135	87	86	54	60
WOMEN	70	65	74	62	91	69	47	44	26	21
TOTAL	204	205	192	175	230	204	134	130	80	81

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VIRGINIA TECH SECOND SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
SOPHOMORES

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	4	7	7	2	5	9	6	6	9	5
WOMEN	12	12	9	8	6	8	8	5	9	11
TOTAL	16	19	16	10	11	17	14	11	18	16
ARCHITECTURE AND URBAN STUDIES*										
MEN	21	13	21	28	27	7	4	8	4	10
WOMEN	6	2	12	14	8	3	3	11	8	7
TOTAL	27	15	33	42	35	10	7	19	12	17
BUSINESS*										
MEN	32	29	49	34	37	50	35	33	25	27
WOMEN	17	21	22	18	15	29	15	12	14	9
TOTAL	49	50	71	52	52	79	50	45	39	36
ENGINEERING*										
MEN	116	118	99	104	122	91	92	81	89	83
WOMEN	19	25	30	19	26	21	29	21	17	19
TOTAL	135	143	129	123	148	112	121	102	106	102
INTERDISCIPLINARY										
MEN	36	34	34	31	43	44	70	49	63	67
WOMEN	11	23	22	9	11	21	22	26	25	30
TOTAL	47	57	56	40	54	65	92	75	88	97
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	18	18
WOMEN	0	0	0	0	0	0	0	0	19	13
TOTAL	0	0	0	0	0	0	0	0	37	31
NATURAL RESOURCES*										
MEN	5	4	6	5	1	2	5	2	4	2
WOMEN	1	4	1	0	1	2	2	2	2	0
TOTAL	6	8	7	5	2	4	7	4	6	2
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	19	22
WOMEN	0	0	0	0	0	0	0	0	21	24
TOTAL	0	0	0	0	0	0	0	0	40	46
UNIVERSITY TOTALS										
MEN	302	290	317	265	300	284	270	247	231	234
WOMEN	134	158	192	127	150	184	162	119	115	113
TOTAL	436	448	509	392	450	468	432	366	346	347

* Effective Fall 2003, includes addition of academic departments as a result of University restructuring.

**Effective Fall 2003, University restructuring results in creation of Liberal Arts and Human Sciences [formerly known as Human Sciences and Education] and College of Science [formerly known as Arts and Sciences].

VIRGINIA TECH SECOND SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
JUNIORS

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	21	19	12	11	12	5	10	5	22	19
WOMEN	19	24	26	20	18	14	26	19	43	32
TOTAL	40	43	38	31	30	19	36	24	65	51
ARCHITECTURE AND URBAN STUDIES*										
MEN	24	15	19	27	14	7	15	13	17	10
WOMEN	5	10	17	10	9	8	8	33	19	7
TOTAL	29	25	36	37	23	15	23	46	36	17
BUSINESS*										
MEN	80	73	113	73	87	104	78	93	80	66
WOMEN	58	59	67	49	53	53	53	49	54	38
TOTAL	138	132	180	122	140	157	131	142	134	104
ENGINEERING*										
MEN	210	170	213	174	151	186	169	137	172	147
WOMEN	42	44	39	35	32	30	31	39	41	28
TOTAL	252	214	252	209	183	216	200	176	213	175
INTERDISCIPLINARY										
MEN	10	10	7	3	5	14	9	12	16	16
WOMEN	4	3	4	2	5	3	2	6	3	4
TOTAL	14	13	11	5	10	17	11	18	19	20
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	69	78
WOMEN	0	0	0	0	0	0	0	0	81	73
TOTAL	0	0	0	0	0	0	0	0	150	151
NATURAL RESOURCES*										
MEN	8	6	11	11	4	9	5	5	4	6
WOMEN	7	9	5	6	2	2	10	1	2	0
TOTAL	15	15	16	17	6	11	15	6	6	6
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	51	61
WOMEN	0	0	0	0	0	0	0	0	87	76
TOTAL	0	0	0	0	0	0	0	0	138	137
UNIVERSITY TOTALS										
MEN	502	473	561	460	460	494	466	436	431	403
WOMEN	349	321	417	297	314	359	345	339	330	258
TOTAL	851	794	978	757	774	853	811	775	761	661

* Effective Fall 2003, includes addition of academic departments as a result of University restructuring.

**Effective Fall 2003, University restructuring results in creation of Liberal Arts and Human Sciences [formerly known as Human Sciences and Education] and College of Science [formerly known as Arts and Sciences].

VIRGINIA TECH SECOND SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
SENIORS

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	15	25	21	27	25	23	14	20	25	34
WOMEN	15	24	26	34	29	33	20	22	67	62
TOTAL	30	49	47	61	54	56	34	42	92	96
ARCHITECTURE AND URBAN STUDIES*										
MEN	19	40	46	26	33	31	16	39	35	30
WOMEN	9	22	16	10	14	8	11	28	30	33
TOTAL	28	62	62	36	47	39	27	67	65	63
BUSINESS*										
MEN	110	155	151	152	194	181	210	188	183	151
WOMEN	52	91	92	80	109	108	120	123	100	87
TOTAL	162	246	243	232	303	289	330	311	283	238
ENGINEERING*										
MEN	272	319	348	356	364	380	362	302	364	364
WOMEN	50	44	72	63	72	58	65	67	62	62
TOTAL	322	363	420	419	436	438	427	369	426	426
INTERDISCIPLINARY										
MEN	0	0	0	0	2	3	0	1	0	0
WOMEN	0	2	0	0	0	0	0	0	0	0
TOTAL	0	2	0	0	2	3	0	1	0	0
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	130	102
WOMEN	0	0	0	0	0	0	0	0	137	117
TOTAL	0	0	0	0	0	0	0	0	267	219
NATURAL RESOURCES*										
MEN	21	20	20	11	11	19	9	6	8	3
WOMEN	4	6	4	7	3	7	6	4	5	2
TOTAL	25	26	24	18	14	26	15	10	13	5
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	82	88
WOMEN	0	0	0	0	0	0	0	0	88	104
TOTAL	0	0	0	0	0	0	0	0	170	192
UNIVERSITY TOTALS										
MEN	618	813	889	832	957	933	904	870	827	772
WOMEN	320	453	537	486	557	501	508	515	489	467
TOTAL	938	1266	1426	1318	1514	1434	1412	1385	1316	1239

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VIRGINIA TECH SECOND SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
TOTAL UNDERGRADUATES***

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	43	58	43	41	45	41	30	31	56	59
WOMEN	54	64	66	67	58	59	56	48	121	107
TOTAL	97	122	109	108	103	100	86	79	177	166
ARCHITECTURE AND URBAN STUDIES*										
MEN	71	79	97	97	80	49	35	61	57	52
WOMEN	25	36	50	45	35	20	23	74	58	48
TOTAL	96	115	147	142	115	69	58	135	115	100
BUSINESS*										
MEN	237	279	332	276	333	352	334	324	294	254
WOMEN	132	188	188	155	187	192	193	188	175	137
TOTAL	369	467	520	431	520	544	527	512	469	391
ENGINEERING*										
MEN	657	645	692	681	692	704	659	553	643	608
WOMEN	117	121	147	122	138	116	137	138	123	113
TOTAL	774	766	839	803	830	820	796	691	766	721
INTERDISCIPLINARY										
MEN	116	109	105	61	104	92	127	109	108	119
WOMEN	57	71	77	47	64	39	61	61	50	64
TOTAL	173	180	182	108	168	131	188	170	158	183
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	224	205
WOMEN	0	0	0	0	0	0	0	0	239	206
TOTAL	0	0	0	0	0	0	0	0	463	411
NATURAL RESOURCES*										
MEN	38	32	39	28	17	32	20	13	16	15
WOMEN	15	21	11	15	7	13	19	7	10	2
TOTAL	53	53	50	43	24	45	39	20	26	17
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	157	176
WOMEN	0	0	0	0	0	0	0	0	206	208
TOTAL	0	0	0	0	0	0	0	0	363	384
UNIVERSITY TOTALS										
MEN	1611	1757	1939	1697	1893	1846	1753	1660	1555	1488
WOMEN	921	1039	1270	1011	1159	1113	1092	1038	982	885
TOTAL	2532	2796	3209	2708	3052	2959	2845	2698	2537	2373

* Effective Fall 2003, includes addition of academic departments as a result of University restructuring.

**Effective Fall 2003, University restructuring results in creation of Liberal Arts and Human Sciences [formerly known as Human Sciences and Education] and College of Science [formerly known as Arts and Sciences].

***Total includes Special Undergraduates Category

VIRGINIA TECH SECOND SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
ALL CLASSES AND TOTALS-AGRICULTURE TECHNOLOGY

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE TECHNOLOGY - 1ST YEAR										
MEN	0	0	0	0	0	0	0	0	0	0
WOMEN	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0
AGRICULTURE TECHNOLOGY - 2ND YEAR										
MEN	0	0	0	0	0	0	1	1	0	1
WOMEN	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	1	1	0	1
UNIVERSITY TOTALS										
MEN	0	0	0	0	0	0	1	1	0	1
WOMEN	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	1	1	0	1

VIRGINIA TECH SECOND SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
TOTAL GRADUATES

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	37	21	13	11	17	10	11	7	8	13
WOMEN	21	10	10	10	16	16	11	11	8	9
TOTAL	58	31	23	21	33	26	22	18	16	22
ARCHITECTURE AND URBAN STUDIES*										
MEN	19	26	35	23	24	23	29	27	21	33
WOMEN	9	24	20	21	23	29	20	16	17	11
TOTAL	28	50	55	44	47	52	49	43	38	44
BUSINESS*										
MEN	66	65	54	22	23	10	10	21	12	6
WOMEN	35	32	33	8	15	10	11	11	9	8
TOTAL	101	97	87	30	38	20	21	32	21	14
ENGINEERING*										
MEN	231	131	119	92	124	121	104	76	95	76
WOMEN	60	28	30	23	28	19	16	16	21	16
TOTAL	291	159	149	115	152	140	120	92	116	92
INTERDISCIPLINARY										
MEN	0	0	0	0	0	0	0	1	5	2
WOMEN	0	0	0	0	0	0	1	0	0	1
TOTAL	0	0	0	0	0	0	1	1	5	3
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	49	40
WOMEN	0	0	0	0	0	0	0	0	112	109
TOTAL	0	0	0	0	0	0	0	0	161	149
NATURAL RESOURCES*										
MEN	21	3	12	9	6	7	4	3	11	6
WOMEN	10	4	4	0	2	3	0	1	2	0
TOTAL	31	7	16	9	8	10	4	4	13	6
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	13	12
WOMEN	0	0	0	0	0	0	0	0	8	3
TOTAL	0	0	0	0	0	0	0	0	21	15
VETERINARY MEDICINE GRAD & PH.D										
MEN	16	11	10	3	6	7	4	2	4	1
WOMEN	11	8	10	4	11	5	4	3	4	3
TOTAL	27	19	20	7	17	12	8	5	8	4
UNIVERSITY TOTALS										
MEN	544	417	385	269	324	313	278	242	218	189
WOMEN	375	308	317	253	321	311	220	224	181	160
TOTAL	919	725	702	522	645	624	498	466	399	349

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**Effective Fall 2003, University restructuring results in creation of Liberal Arts and Human Sciences [formerly known as Human Sciences and Education] and College of Science [formerly known as Arts and Sciences].

VIRGINIA TECH SECOND SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
ALL CLASSES AND TOTALS - VETERINARY MEDICINE

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
VETERINARY MEDICINE - 1ST YEAR										
MEN	0	0	0	0	1	0	0	0	0	0
WOMEN	0	0	0	0	1	0	0	0	0	0
TOTAL	0	0	0	0	2	0	0	0	0	0
VETERINARY MEDICINE - 2ND YEAR										
MEN	0	0	0	0	2	0	0	0	0	0
WOMEN	0	0	0	0	1	0	0	0	1	0
TOTAL	0	0	0	0	3	0	0	0	1	0
VETERINARY MEDICINE - 3RD YEAR										
MEN	0	0	0	0	0	0	0	0	0	0
WOMEN	0	0	0	0	1	0	0	0	0	0
TOTAL	0	0	0	0	1	0	0	0	0	0
VETERINARY MEDICINE - 4TH YEAR										
MEN	25	19	24	27	21	21	20	21	12	24
WOMEN	55	62	55	57	61	65	68	71	74	65
TOTAL	80	81	79	84	82	86	88	92	86	89
UNIVERSITY TOTALS										
MEN	25	19	24	27	24	21	20	21	12	24
WOMEN	55	62	55	57	64	65	68	71	75	65
TOTAL	80	81	79	84	88	86	88	92	87	89

VIRGINIA TECH SECOND SUMMER SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
TOTAL UNIVERSITY STUDENTS

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	80	79	56	52	62	51	42	39	64	73
WOMEN	75	74	76	77	74	76	67	59	129	116
TOTAL	155	153	132	129	136	127	109	98	193	189
ARCHITECTURE AND URBAN STUDIES*										
MEN	90	105	132	120	104	72	64	88	78	85
WOMEN	34	60	70	66	58	49	43	90	75	59
TOTAL	124	165	202	186	162	121	107	178	153	144
BUSINESS*										
MEN	303	344	386	298	356	364	344	345	306	260
WOMEN	167	220	221	163	202	205	204	199	184	145
TOTAL	470	564	607	461	558	569	548	544	490	405
ENGINEERING*										
MEN	888	776	811	773	816	828	763	629	738	684
WOMEN	177	149	177	145	166	136	153	154	144	129
TOTAL	1065	925	988	918	982	964	916	783	882	813
INTERDISCIPLINARY										
MEN	116	109	105	61	104	110	127	110	113	121
WOMEN	57	71	77	47	64	62	62	61	50	65
TOTAL	173	180	182	108	168	172	189	171	163	186
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	0	273	245
WOMEN	0	0	0	0	0	0	0	0	351	315
TOTAL	0	0	0	0	0	0	0	0	624	560
NATURAL RESOURCES*										
MEN	59	35	51	37	23	39	24	16	27	21
WOMEN	25	25	15	15	9	17	19	8	12	2
TOTAL	84	60	66	52	32	56	43	24	39	23
SCIENCE**										
MEN	0	0	0	0	0	0	0	0	170	188
WOMEN	0	0	0	0	0	0	0	0	214	211
TOTAL	0	0	0	0	0	0	0	0	384	399
VETERINARY MEDICINE, DVM, GRAD AND PH.D.										
MEN	41	30	34	30	30	28	24	23	16	25
WOMEN	66	70	65	61	75	70	72	74	79	68
TOTAL	107	100	99	91	105	98	96	97	95	93
UNIVERSITY TOTALS										
MEN	2180	2193	2348	1993	2241	2210	2053	1924	1785	1702
WOMEN	1351	1409	1642	1321	1544	1523	1380	1333	1238	1110
TOTAL	3531	3602	3990	3314	3785	3733	3433	3257	3023	2812

* Effective Fall 2003, includes addition of academic departments as a result of University restructuring.

**Effective Fall 2003, University restructuring results in creation of Liberal Arts and Human Sciences [formerly known as Human Sciences and Education] and College of Science [formerly known as Arts and Sciences].

VIRGINIA TECH FALL SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
FRESHMEN

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	141	143	119	105	83	80	69	88	109	106
WOMEN	240	223	198	197	167	176	161	203	234	259
TOTAL	381	366	317	302	250	256	230	291	343	365
ARCHITECTURE AND URBAN STUDIES*										
MEN	145	152	162	153	148	139	123	113	148	124
WOMEN	61	62	63	89	77	69	81	114	135	112
TOTAL	206	214	225	242	225	208	204	227	283	236
BUSINESS*										
MEN	447	561	531	493	451	458	444	440	479	491
WOMEN	303	323	356	325	325	299	324	322	289	367
TOTAL	750	884	887	818	776	757	768	762	768	858
ENGINEERING*										
MEN	1372	1342	1260	1321	1101	1030	982	1282	1115	1024
WOMEN	266	260	246	241	228	225	183	207	182	181
TOTAL	1638	1602	1506	1562	1329	1255	1165	1489	1297	1205
INTERDISCIPLINARY										
MEN	623	615	482	544	656	819	794	783	910	1006
WOMEN	521	503	433	493	543	560	528	539	589	673
TOTAL	1144	1118	915	1037	1199	1379	1322	1322	1499	1679
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	231	243	220
WOMEN	0	0	0	0	0	0	0	446	459	390
TOTAL	0	0	0	0	0	0	0	677	702	610
NATURAL RESOURCES*										
MEN	97	83	72	73	71	59	77	49	55	62
WOMEN	50	51	41	41	45	30	28	36	24	16
TOTAL	147	134	113	114	116	89	105	85	79	78
SCIENCE**										
MEN	0	0	0	0	0	0	0	304	273	265
WOMEN	0	0	0	0	0	0	0	500	438	464
TOTAL	0	0	0	0	0	0	0	804	711	729
UNIVERSITY TOTALS										
MEN	3665	3778	3510	3641	3405	3433	3258	3290	3332	3298
WOMEN	2526	2559	2431	2553	2581	2402	2272	2367	2350	2462
TOTAL	6191	6337	5941	6194	5986	5835	5530	5657	5682	5760

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VIRGINIA TECH FALL SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
SOPHOMORES

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	156	129	109	111	86	92	75	100	120	131
WOMEN	205	184	189	162	135	141	157	209	227	249
TOTAL	361	313	298	273	221	233	232	309	347	380
ARCHITECTURE AND URBAN STUDIES*										
MEN	162	133	132	159	159	150	194	168	144	191
WOMEN	86	64	63	71	81	72	124	148	142	161
TOTAL	248	197	195	230	240	222	318	316	286	352
BUSINESS*										
MEN	447	433	458	500	439	450	455	446	417	450
WOMEN	327	276	251	306	230	288	285	302	297	285
TOTAL	774	709	709	806	669	738	740	748	714	735
ENGINEERING*										
MEN	1010	1096	1082	943	984	920	917	1113	1140	1070
WOMEN	206	195	201	199	183	170	196	190	169	175
TOTAL	1216	1291	1283	1142	1167	1090	1113	1303	1309	1245
INTERDISCIPLINARY										
MEN	253	219	245	192	264	317	366	350	302	369
WOMEN	197	179	168	149	197	199	203	200	212	241
TOTAL	450	398	413	341	461	516	569	550	514	610
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	294	353	347
WOMEN	0	0	0	0	0	0	0	494	512	540
TOTAL	0	0	0	0	0	0	0	788	865	887
NATURAL RESOURCES*										
MEN	125	108	87	92	66	69	72	85	77	74
WOMEN	70	68	43	38	31	44	30	31	32	31
TOTAL	195	176	130	130	97	113	102	116	109	105
SCIENCE**										
MEN	0	0	0	0	0	0	0	265	327	299
WOMEN	0	0	0	0	0	0	0	409	434	402
TOTAL	0	0	0	0	0	0	0	674	761	701
UNIVERSITY TOTALS										
MEN	3050	3040	3012	2794	2882	2863	2928	2821	2880	2931
WOMEN	2295	2099	2035	1953	1935	2087	2059	1983	2025	2084
TOTAL	5345	5139	5047	4747	4817	4950	4987	4804	4905	5015

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VIRGINIA TECH FALL SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
JUNIORS

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	177	154	165	122	107	92	105	127	140	152
WOMEN	185	175	191	163	159	137	123	275	231	266
TOTAL	362	329	356	285	266	229	228	402	371	418
ARCHITECTURE AND URBAN STUDIES*										
MEN	150	155	152	151	138	171	193	201	169	152
WOMEN	59	73	68	73	68	82	115	162	148	146
TOTAL	209	228	220	224	206	253	308	363	317	298
BUSINESS*										
MEN	475	430	572	592	568	659	586	598	572	543
WOMEN	314	305	324	327	378	352	390	352	354	360
TOTAL	789	735	896	919	946	1011	976	950	926	903
ENGINEERING*										
MEN	894	812	869	866	821	853	840	1092	1056	1055
WOMEN	170	152	160	150	166	153	147	203	182	173
TOTAL	1064	964	1029	1016	987	1006	987	1295	1238	1228
INTERDISCIPLINARY										
MEN	31	20	11	30	27	15	32	34	34	29
WOMEN	20	11	7	13	10	21	13	9	12	16
TOTAL	51	31	18	43	37	36	45	43	46	45
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	406	391	458
WOMEN	0	0	0	0	0	0	0	576	574	567
TOTAL	0	0	0	0	0	0	0	982	965	1025
NATURAL RESOURCES*										
MEN	144	113	99	95	83	72	72	86	80	97
WOMEN	66	58	65	45	41	36	55	37	36	25
TOTAL	210	171	164	140	124	108	127	123	116	122
SCIENCE**										
MEN	0	0	0	0	0	0	0	279	293	333
WOMEN	0	0	0	0	0	0	0	391	388	436
TOTAL	0	0	0	0	0	0	0	670	681	769
UNIVERSITY TOTALS										
MEN	2878	2578	2908	2840	2622	2871	2739	2823	2735	2819
WOMEN	2145	1854	2022	1936	1893	1967	2020	2005	1925	1989
TOTAL	5023	4432	4930	4776	4515	4838	4759	4828	4660	4808

* Effective Fall 2003, includes addition of academic departments as a result of University restructuring.

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VIRGINIA TECH FALL SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
SENIORS

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	135	180	177	167	154	135	117	146	158	158
WOMEN	116	183	184	217	209	176	163	287	334	280
TOTAL	251	363	361	384	363	311	280	433	492	438
ARCHITECTURE AND URBAN STUDIES*										
MEN	189	238	253	289	275	252	313	329	324	297
WOMEN	74	93	121	138	132	124	171	228	233	228
TOTAL	263	331	374	427	407	376	484	557	557	525
BUSINESS*										
MEN	330	463	522	672	759	765	858	788	741	690
WOMEN	180	306	370	368	389	444	497	461	418	413
TOTAL	510	769	892	1040	1148	1209	1355	1249	1159	1103
ENGINEERING*										
MEN	905	1051	1062	1214	1202	1149	1159	1367	1438	1496
WOMEN	170	208	220	247	223	260	227	262	274	277
TOTAL	1075	1259	1282	1461	1425	1409	1386	1629	1712	1773
INTERDISCIPLINARY										
MEN	0	0	0	0	0	0	0	1	0	0
WOMEN	0	1	0	0	0	0	0	0	0	0
TOTAL	0	1	0	0	0	0	0	1	0	0
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	477	445	447
WOMEN	0	0	0	0	0	0	0	629	578	612
TOTAL	0	0	0	0	0	0	0	1106	1023	1059
NATURAL RESOURCES*										
MEN	104	115	134	115	117	106	89	87	99	85
WOMEN	35	53	57	71	56	55	41	57	43	37
TOTAL	139	168	191	186	173	161	130	144	142	122
SCIENCE**										
MEN	0	0	0	0	0	0	0	298	323	341
WOMEN	0	0	0	0	0	0	0	411	420	430
TOTAL	0	0	0	0	0	0	0	709	743	771
UNIVERSITY TOTALS										
MEN	2332	2921	3083	3534	3590	3436	3622	3493	3528	3514
WOMEN	1375	1925	2108	2273	2221	2278	2291	2336	2300	2277
TOTAL	3707	4846	5191	5807	5811	5714	5913	5829	5828	5791

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VIRGINIA TECH FALL SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
TOTAL UNDERGRADUATES***

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	612	608	581	513	440	399	375	461	528	550
WOMEN	754	771	768	752	674	630	614	974	1029	1058
TOTAL	1366	1379	1349	1265	1114	1029	989	1435	1557	1608
ARCHITECTURE AND URBAN STUDIES*										
MEN	647	680	700	753	723	712	824	811	785	765
WOMEN	281	293	319	377	360	347	493	654	661	647
TOTAL	928	973	1019	1130	1083	1059	1317	1465	1446	1412
BUSINESS*										
MEN	1701	1892	2090	2267	2224	2332	2346	2272	2210	2174
WOMEN	1134	1215	1320	1340	1333	1383	1500	1437	1360	1426
TOTAL	2835	3107	3410	3607	3557	3715	3846	3709	3570	3600
ENGINEERING*										
MEN	4187	4312	4278	4349	4126	3952	3909	4856	4758	4655
WOMEN	812	815	833	843	805	808	758	862	808	808
TOTAL	4999	5127	5111	5192	4931	4760	4667	5718	5566	5463
INTERDISCIPLINARY										
MEN	929	866	755	784	965	1151	1206	1179	1270	1419
WOMEN	758	709	625	670	768	780	753	772	836	961
TOTAL	1687	1575	1380	1454	1733	1931	1959	1951	2106	2380
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	1411	1433	1475
WOMEN	0	0	0	0	0	0	0	2148	2126	2113
TOTAL	0	0	0	0	0	0	0	3559	3559	3588
NATURAL RESOURCES*										
MEN	472	423	397	379	343	306	311	307	311	319
WOMEN	225	235	208	195	177	165	156	161	136	109
TOTAL	697	658	605	574	520	471	467	468	447	428
SCIENCE**										
MEN	0	0	0	0	0	0	0	1148	1217	1239
WOMEN	0	0	0	0	0	0	0	1715	1681	1734
TOTAL	0	0	0	0	0	0	0	2863	2898	2973
UNIVERSITY TOTALS										
MEN	11976	12374	12590	12880	12585	12603	12602	12445	12512	12596
WOMEN	8418	8492	8702	8823	8723	8734	8696	8724	8637	8856
TOTAL	20394	20866	21292	21703	21308	21337	21298	21169	21149	21452

* Effective Fall 2003, includes addition of academic departments as a result of University restructuring.

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***Totals Include Special Undergraduates Category

VIRGINIA TECH FALL SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
ALL CLASSES AND TOTALS-AGRICULTURE TECHNOLOGY

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE TECHNOLOGY- 1st YEAR										
MEN	75	65	71	49	63	63	50	65	50	57
WOMEN	5	12	6	5	9	10	13	14	7	16
TOTAL	80	77	77	54	72	73	63	79	57	73
AGRICULTURE TECHNOLOGY- 2nd YEAR										
MEN	45	61	42	48	37	49	43	40	58	37
WOMEN	6	3	4	5	2	4	10	6	8	5
TOTAL	51	64	46	53	39	53	53	46	66	42
UNIVERSITY TOTALS										
MEN	120	126	113	97	100	112	93	105	108	94
WOMEN	11	15	10	10	11	14	23	20	15	21
TOTAL	131	141	123	107	111	126	116	125	123	115

VIRGINIA TECH FALL SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
TOTAL GRADUATES

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	147	134	144	128	121	122	128	130	131	130
WOMEN	104	103	106	107	120	124	117	152	157	156
TOTAL	251	237	250	235	241	246	245	282	288	286
ARCHITECTURE AND URBAN STUDIES*										
MEN	190	174	195	167	189	176	178	182	201	198
WOMEN	117	117	117	114	132	154	134	153	146	125
TOTAL	307	291	312	281	321	330	312	335	347	323
BUSINESS*										
MEN	231	238	201	177	159	141	166	185	146	157
WOMEN	126	111	118	130	114	102	127	119	109	110
TOTAL	357	349	319	307	273	243	293	304	255	267
ENGINEERING*										
MEN	1016	958	941	921	1023	1061	1111	1313	1266	1144
WOMEN	196	194	187	188	196	227	253	290	280	263
TOTAL	1212	1152	1128	1109	1219	1288	1364	1603	1546	1407
INTERDISCIPLINARY										
MEN	1	0	0	0	23	6	16	28	52	127
WOMEN	0	0	0	0	9	4	8	15	29	66
TOTAL	1	0	0	0	32	10	24	43	81	193
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	275	278	278
WOMEN	0	0	0	0	0	0	0	522	479	508
TOTAL	0	0	0	0	0	0	0	797	757	786
NATURAL RESOURCES*										
MEN	89	102	101	93	86	83	74	78	85	85
WOMEN	36	41	37	36	41	40	37	42	41	42
TOTAL	125	143	138	129	127	123	111	120	126	127
SCIENCE**										
MEN	0	0	0	0	0	0	0	330	327	330
WOMEN	0	0	0	0	0	0	0	199	201	197
TOTAL	0	0	0	0	0	0	0	529	528	527
VETERINARY MEDICINE GRAD. & PH.D.										
MEN	29	29	38	33	38	27	34	27	32	38
WOMEN	22	27	36	45	53	46	47	44	40	35
TOTAL	51	56	74	78	91	73	81	71	72	73
UNIVERSITY TOTALS										
MEN	2473	2449	2411	2257	2409	2433	2472	2548	2518	2487
WOMEN	1483	1419	1436	1361	1466	1583	1573	1536	1482	1502
TOTAL	3956	3868	3847	3618	3875	4016	4045	4084	4000	3989

* Effective Fall 2003, includes addition of academic departments as a result of University restructuring.

**Effective Fall 2003, University restructuring results in creation of Liberal Arts and Human Sciences [formerly known as Human Sciences and Education] and College of Science [formerly known as Arts and Sciences].

VIRGINIA TECH FALL SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
ALL CLASSES AND TOTALS - VETERINARY MEDICINE

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
VETERINARY MEDICINE - FIRST YEAR										
MEN	27	22	20	27	22	12	28	18	16	14
WOMEN	63	67	69	72	71	76	64	74	75	78
TOTAL	90	89	89	99	93	88	92	92	91	92
VETERINARY MEDICINE - SECOND YEAR										
MEN	24	28	22	15	17	21	11	26	17	15
WOMEN	55	60	67	64	68	71	77	64	74	73
TOTAL	79	88	89	79	85	92	88	90	91	88
VETERINARY MEDICINE - THIRD YEAR										
MEN	19	24	28	22	21	20	21	11	24	17
WOMEN	62	56	61	67	63	69	71	75	65	74
TOTAL	81	80	89	89	84	89	92	86	89	91
VETERINARY MEDICINE - FOURTH YEAR										
MEN	25	19	24	28	22	21	20	21	12	24
WOMEN	56	62	55	60	65	65	68	71	74	64
TOTAL	81	81	79	88	87	86	88	92	86	88
UNIVERSITY TOTALS										
MEN	95	93	94	92	82	74	80	76	69	70
WOMEN	236	245	252	263	267	281	280	284	288	289
TOTAL	331	338	346	355	349	355	360	360	357	359

VIRGINIA TECH FALL SEMESTER ON-CAMPUS HEADCOUNT BY YEAR
TOTAL UNIVERSITY STUDENTS

COLLEGE	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AGRICULTURE AND LIFE SCIENCES*										
MEN	879	868	838	738	661	633	596	696	767	774
WOMEN	869	889	884	869	805	771	754	1146	1201	1235
TOTAL	1748	1757	1722	1607	1466	1404	1350	1842	1968	2009
ARCHITECTURE AND URBAN STUDIES*										
MEN	837	854	895	920	912	888	1002	993	986	963
WOMEN	398	410	436	491	492	501	627	807	807	772
TOTAL	1235	1264	1331	1411	1404	1389	1629	1800	1793	1735
BUSINESS*										
MEN	1932	2130	2291	2444	2383	2475	2512	2457	2356	2331
WOMEN	1260	1326	1438	1470	1447	1489	1627	1556	1469	1536
TOTAL	3192	3456	3729	3914	3830	3964	4139	4013	3825	3867
ENGINEERING*										
MEN	5203	5270	5219	5270	5149	5019	5020	6169	6024	5799
WOMEN	1008	1009	1020	1031	1001	1035	1011	1152	1088	1071
TOTAL	6211	6279	6239	6301	6150	6054	6031	7321	7112	6870
INTERDISCIPLINARY										
MEN	930	866	755	784	988	1164	1222	1207	1322	1546
WOMEN	758	709	625	670	777	791	761	787	865	1027
TOTAL	1688	1575	1380	1454	1765	1955	1983	1994	2187	2573
LIBERAL ARTS AND HUMAN SCIENCES**										
MEN	0	0	0	0	0	0	0	1686	1711	1753
WOMEN	0	0	0	0	0	0	0	2670	2605	2621
TOTAL	0	0	0	0	0	0	0	4356	4316	4374
NATURAL RESOURCES*										
MEN	561	525	498	472	429	391	385	385	396	404
WOMEN	261	276	245	231	218	207	193	203	177	151
TOTAL	822	801	743	703	647	598	578	588	573	555
SCIENCE**										
MEN	0	0	0	0	0	0	0	1478	1544	1569
WOMEN	0	0	0	0	0	0	0	1914	1882	1931
TOTAL	0	0	0	0	0	0	0	3392	3426	3500
VETERINARY MEDICINE GRAD. & PH.D.										
MEN	124	122	132	125	120	101	114	103	101	108
WOMEN	258	272	288	308	320	327	327	328	328	324
TOTAL	382	394	420	433	440	428	441	431	429	432
UNIVERSITY TOTALS										
MEN	14664	15042	15208	15326	15176	15256	15247	15174	15207	15247
WOMEN	10148	10171	10400	10457	10467	10655	10572	10563	10422	10668
TOTAL	24812	25213	25608	25783	25643	25911	25819	25737	25629	25915

* Effective Fall 2003, includes addition of academic departments as a result of University restructuring.

**Effective Fall 2003, University restructuring results in creation of Liberal Arts and Human Sciences [formerly known as Human Sciences and Education] and College of Science [formerly known as Arts and Sciences].

11-6-05 Report to the VT Board of Visitors
Susanna Rinehart, Faculty Representative to the BOV

Thank you Mr. Rector; and good afternoon, members of Virginia Tech's Board of Visitors, administration, faculty, staff, and students.

Well, last night's game was a lesson... in something – humility, perhaps? A reminder that we are, as it turns out, only human after all. A hard loss, no question. There is extraordinary power in that kind of collective energy and passion around a single goal. Power in 70,000 human beings gathered in one place at one time with a shared vision. That is an overt communal demonstration which is often only dreamt of by those among us engaged in the day-to-day and slightly less overtly glamorous task of leading this institution in its ongoing commitment to excellence in higher education. Imagine a world (and I say this as someone who has watched every VT football game so far this season) where the kind of consolidated and electrifying energy present in Lane Stadium last night might be focused on academic, and other creative, and community-building pursuits. There is something astoundingly beautiful and powerful in the witnessing of such energy focused in one direction. It reminds us of what we are capable of, and simultaneously of the very real potential for setbacks, failures and disappointments. And... the necessity of continuing our work despite obstacles.

The fall semester at Virginia Tech has been marked by engagement, information-sharing, dialogue and action. It has been a distinct honor to experience the integrity and energy with which my fellow community members – administration, staff, students and faculty – are engaged in addressing the challenges before us, on all fronts. I continue to see real evidence of our growth and evolution. Additionally, the semester has been marred by some dark and disappointing moments.

So, what have we been up to?

Along with the preparation of restructuring documents, strategic planning has been in full swing, with its attendant challenge of how to truly engage all of its stakeholders in the dialogue. I am encouraged by the university's commitment to the strategic plan as a living, developing document, founded in actual available resources. Not easy. I appreciate Provost McNamee's leadership, and acknowledgement that growing faculty salaries must be part of the strategic vision. In addition, the Senate responded to faculty concern regarding the differences between state and optional retirement benefit plans and the selection of funds, by inviting Doug Martin to speak with us at our October meeting. We are grateful for Doug's time, and look forward to ongoing faculty input on these important issues for the faculty.

Dixon Hanna and his committee continue to work on the critical challenge of classroom renovation and building new teaching facilities, so necessary to providing and delivering the quality education to which we aspire; and the infrastructure and facilities expected of a great university.

Engineering professor Dr. Bill Knocke is leading the Research Space Committee, and he and Dr. Fenwick have been engaging the faculty in dialogue about the real need for increased state-of-the-art space, a critical asset if we are to support our growth in research and graduate education, and attract and retain the best and the brightest students and faculty. There has also been ongoing concern and conversation regarding plans for indirect cost distribution.

In keeping with our commitment to all three parts of our mission, Dr. John Dooley and his office hosted a very successful and extremely well-attended Forum on the Scholarship of Outreach. Keynote speaker, Dr. Martin Jischke, President of Purdue University, shared valuable insights into the initiatives and struggles of other land grant universities in the area of outreach.

We are just beginning a campus-wide exploration of faculty work-life issues at Virginia Tech, arising out of a series of surveys and discussion groups conducted by our Advance VT team in partnership with the Commission on Faculty Affairs. As Provost McNamee, Associate Provost Pat Hyer, and I learned at a recent conference on this subject, we are part of a growing national dialogue of some urgency. We must deepen our understanding of flexibility as a strategic tool to realign the structures of academia with the needs of a changing and more diverse workplace. To put it bluntly, this is not your grandfather's university. Increasingly, different expectations are separable by generation rather than gender. If we don't engage, we will continue to place ourselves at a competitive disadvantage with industry and other non-academic sectors, as well as risking the mental and physical health of our faculty. In short, innovation and flexibility in this area pay off in recruitment, retention, productivity, engagement, satisfaction, morale and mental health. Flexibility as a strategic tool manifests itself in our becoming the employer of choice, an institution of recognizable excellence, increased productivity, reduced health costs and job satisfaction. This is not just a question of policy, although that is certainly part of it. It is a question of creating a supportive culture, where flexibility and creativity are the norm, and where the energy, talents and creativity of our employees are released.

I spoke of dark moments. Our community was once again confronted with some ugly truths about ourselves earlier this fall, a reminder that we have a ways to go in making Virginia Tech a safe, inclusive and welcoming community. Student leadership of the VT Lesbian, Gay, Bisexual and Transgender Alliance submitted a report that chronicled ongoing incidents of harassment, threats, violence and

intolerance against their community. The list included verbal harassment in dorms, classrooms, on campus and in town; graffiti on doors; semen on dorm doors; a car with "faggot" scrawled on it; flyers for LGBT events torn down repeatedly and immediately (some by parents); intolerant literature on the door of the LGBT offices; "get out of hell free" cards left on doors; and a young man almost being run down by a car while the driver screamed "faggot" out the window.

Not long afterward, one of three male visitors – accompanied and hosted by VT students – wrote racial epithets on residence hall doors, and was later also arrested for an incident of assault and battery.

As disturbing as these incidents are, I am pleased to report that there has been an unprecedented, sustained and proactive response by the administration, faculty and staff since that time. Part of that response is the development of the "Safewatch Project", a comprehensive set of strategies to create and sustain a hospitable, safe, and secure environment for students, faculty, staff, and guests of the university, of which you will hear more from Dr. Dixon (and others) in the Academic Affairs Committee meeting tomorrow. I want to state very clearly that the VT Principles of Community, and the new Anti-Discrimination and Harassment Prevention and Workplace Violence Prevention Policies have been of vital importance in addressing these issues seriously and effectively. I commend the Board of Visitors for their part in the creation and approval of those policies. In addition, I commend Charles Steger, Mark McNamee, Ben Dixon, Karen DePauw, Zenobia Hikes, Kevin McDonald, Kurt Krause, Ed Spencer, Karen Sanders (and many more) and the members of the faculty and student body who have responded with such proactive energy to these events. It is critical that we remain vigilant, vocal and vehement in our commitment to, in Dr. Steger's words, "ensuring that Virginia Tech is a welcoming, non-discriminatory and harassment-free environment where all individuals can work and learn."

Thank you for your time.

**Address by the Graduate Student Representative to the
Virginia Tech Board of Visitors: Navin Manjooran, on November 6th, 2005**

Handouts:

1. Issues and concerns of few students in preparation to a luncheon with President Steger
2. Speaker Series poster
3. Journal of Undergraduate Materials Research

Thank you Mr. Rector, Mr. President, Members of the Board, Ladies and Gentleman.

Introduction

As I was contemplating what to say today, I was reminded of a story about an American businessman delivering a speech in Japan with help from a local translator. The translator's version of the speech was as follows: "American businessman is beginning the speech with a thing called "JOKE". I am not certain why, but all American businessmen believe it necessary to start speech with a joke. He is telling a joke now. But frankly, you wouldn't understand it, so I won't translate it." As the American continued to speak, the translator told the audience: "He thinks I am telling you the joke now. The polite thing to do when he finishes is to laugh. He is getting close. Now!" At which point the audience burst into laughter and gave the speaker a standing ovation. Following the speech, the American businessman went up to the translator and said: "You are the first translator who knows how to tell a good joke."

I highlight this story because when I was thinking about what to write in my introduction for this speech to address you all and was talking to one of my good friends and fellow American lab mate, he told me the same thing – "Make sure you start with something funny!" ☺

Well, with research and mid-terms the fall semester is slipping by really fast! However, the graduate students seem to be having an entertaining semester with research and classes, well spaced with various academic and social activities. It's great to see the motivation levels of graduate students really high and many students volunteering to participate in various activities. Additionally, with the weather and our football team doing great [except for the loss last night], most graduate students seem to be in love with Blacksburg!

Activities

Graduate students had a lot of events to attend this semester, from a GSA wine tasting, to discussion forums to a Graduate Mega Social! During the semester I have been with regular contact with various administrators and leaders from the graduate and undergraduate student organizations. My primary focus this year as the BoVGradRep being:

1. Creating awareness among graduate students about the Virginia Tech Board of Visitors and their activities and responsibilities.
2. Building a stronger and diverse graduate community.
3. Exposing graduate students to university administrators and board members.
4. Listening to and reporting issues and concerns of graduate students to this board.

Speeches at the graduate and international student orientations earlier in the semester; giving the website [www.bovgradrep.grads.vt.edu] a new look; utilizing the office at that Graduate Life Center that Dean DePauw kindly provided; discussions with fellow graduate students; and providing handouts to graduate students seem to be a great stepping stone in creating awareness among graduate students about the Virginia Tech Board of Visitors and my role as the BoVGradRep.

The Graduate Life Center is an awesome concept towards building a graduate community. The Speaker Series events, yoga classes, dance classes, Swedish massage sessions etc. seem to attract a lot of graduate students with different backgrounds to meet and interact on common grounds of interest. As a guest speaker for the Speaker Series, a couple of weeks ago, we had Jorge Cham from PhD comics make an interesting presentation on the life of graduate students titled “the Power of Procrastination”. The fall GSA wine tasting as has been in the past, was a great event! We also had a Graduate Mega Social for the first time this semester, which was a well attended and a big hit event among graduate students. More events are being planned on similar lines to build a stronger graduate community.

On the front for exposing graduate students to administrators, President Steger organized a luncheon with graduate students and other administrators that was very well appreciated by graduate students. A few more similar luncheons over the year are being planned for. This and other luncheons and forums with Dean DePauw has helped expose many of the administrators to graduate students. Graduate students also appreciate Mr. Philip Thompson meeting with graduate students as a guest lecturer in the introduction to “Preparing the Future Professional” course which is going to be taught by Dean DePauw in the Spring semester. The academic affairs committee of this board meeting with graduate students for breakfast tomorrow morning, is also an event students are eagerly looking forward to.

Many discussion and issues/concerns forums were held over the last couple of months. Office hours, emails and discussion with students has helped gauge a lot of their concerns also. With the assistance of the Graduate School, luncheons and issues/concerns forums for graduate students with Dean DePauw and myself are being organized for graduate students in each college. We already had these forums with students from the College of Engineering and the College of Agriculture and Life Sciences, which have been very successful.

On other events, Jennifer and I am working closely with Dr. Hikes and Dean DePauw on the logistics and planning for the 3rd Annual All Virginia Board of Visitors Students Retreat that we plan on hosting next year at Virginia Tech. Jennifer and I should have the initial proposal for this event soon. Last month, GSA had organized a Graduate Professional School day for undergraduate students to expose them to different graduate schools in the country and their admission requirements and procedures. We are also planning on a mega diversity event in Spring 2005, involving all student organizations both undergraduate and graduate.

I will also like to recognize the people involved with the release of a novel journal called the Journal of Undergraduate Materials Research [JUMR] [if you all may please stand]. This is the first journal exclusively for undergraduate students to publish their research work. JUMR comprises of undergraduate student research papers, edited by graduate students and reviewed

by graduate students, faculty and people in the industry. This is also an inter-disciplinary effort as it involves the departments of English and Materials Science and Engineering. Copies of this will be distributed to you. This first year the journal has focused on papers from students at Virginia Tech and next year, the journal is going international and requesting papers from any undergraduate student around the world. This sure is a unique Virginia Tech achievement!

Issues

The key issues that graduate students would like to have addressed over the year are as I had mentioned in the August board meeting are once again (1) Affordable family student housing (2) Multi-year funding and (3) Summer status (4) Diversity.

Affordable family student housing is definitely a major missing entity at Virginia Tech compared to other peer institutions. As I have stressed many times before, a lot of students look into this before making their final selection of university and to attract and retain excellent graduate students this is definitely essential. I have setup a review committee comprising of graduate students to submit a report to this board on this issue by March next year. A long term solution to this problem, in terms of a "Graduate Village" is needed and should be pursued. The graduate students will request this board to have the construction of this structure as a top priority in the "Virginia Tech Master Plan" and start moving things to have the seeds sown for this much needed facility.

Multi-year funding is a concern among graduate students. The more the matter is discussed with fellow graduate students, the sadder the situation in this front looks. Many PhD students sign contracts for a semester at a time. Often two weeks before the semester ends the faculty emails the student and cancels his/her funding or threatens to cancel his/her funding or reduces his/her stipend citing concerns that the project he/she is working on was not renewed. Many graduate students leave their PhD and pursue full-time positions to face this situation and many others just smile, take loans, increase their credit card debt and work harder, hoping and praying that they will regain funding soon. Also students, who get their assistantship agreements renewed every semester, cannot make longer time financial investments, like buying a car or getting married, without having a sense of financial security. I have setup a review committee comprising of graduate students to submit a report to this board on this issue by March next year.

The status of graduate students in summer is a concern as I had mentioned earlier, and the Graduate Student Assembly has set up a review committee to look into this and will present the results of the committee to Dean DePauw and other administrators soon.

Diversity is success to any organization and this is a major concern for many minority students. Having an inclusive diverse society and focusing on having "Unity in Diversity" are key points that need attention. It is great that President Steger is doing the right things to do everything possible to make this happen and being very strict on this, which is very well appreciated by the students. I have setup a review committee comprising of graduate students

to submit a report to this board on this issue by March next year on how we can enhance the campus climate and diversity at Virginia Tech.

Conclusions

Lastly, the graduate students are eagerly looking forward to this board to address their key issues.

On my personal front, I successfully passed my PhD qualifiers last month and had my 14th peer reviewed paper, since coming to Virginia Tech in fall 2004, accepted for publication. I am also enjoying this BoVGradRep position and am eagerly looking forward to the better things in store for graduate students.

Thank you for listening! It was my pleasure to be here.

Go Hokies!

Navin Manjooran

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A lot has happened since the last board meeting. The trees are beginning to change colors, summer has awkwardly transitioned into fall, and the freshmen are well accumulated into Virginia Tech society. This Thursday the Commission on Student Affairs chose its seven members to serve on a selection committee to select the next undergraduate representative to the board and soon the committee will meet in order to determine how the process will work and eventually choose the three undergraduate finalists to the Board of Visitors.

The administration has been working hard to implement the Principles of Community that were passed by this Board last spring. The administration is working to ensure that students are aware that hate crimes and acts of intolerance are not only dealt with but are eradicated from this campus. Although many students were upset by the recent racial incident that occurred after one of our football games these students were impressed with the actions of the administration and some of our students have gone so far to thank President Steger for his quick action.

Although I know everyone is still upset about the football game, I would like to share an observation that I made last night. Last night I watched students come together for the game, and when we lost we all lost together. No one who was at that game last night, even the Miami fans, could claim that Tech was not united as a school. In that Stadium there were no biases towards race, ethnicity, or sexual preference, we were all hokies. This is the attitude we should encourage our students should take everyday.

Recently our Lesbian and Gay Community have been under attack. The administration has tried to solve these problems addressing them as they come and implementing proactive programs to prevent hateful acts. It is time for the students to step up and support our Lesbian and Gay community. Recently I was spoke with a club about the principles of community and the hate crime report. At the end of the meeting 3 students who were gay and many students who were not gay told me about their experience at Virginia Tech. All of these students reported to me that they had been victimized many times or that they had watched others get victimized because of their sexual preference. When I asked them why they did not report this activity they said that they did not feel that anyone cared, that anything could be done, many of them said that they did not feel like the straight community was supportive of them and reporting the activity would just make the problem worse. The administration is working hard to ensure that Gay and Lesbian students feel comfortable but undergraduate students have must play a role in this process as well. Undergraduates must show their support for this and other communities.

I have also been in contact with Latino students and have been able to discuss their needs. Recently there has been much debate in the Collegiate Times and during school events about campus climate and where Latinos fit into this equation. Many Latinos on this campus feel that their needs are being neglected. One student believed that their only way that Latinos could get their needs met were if a hate crime or act of intolerance was committed against them. Latino students feel like their voice is not being heard, that discussion about diversity focus only on Black and White issues and fail to include other

minority groups. Perception can and will shape reality, if Latino students feel that the University and the community as a whole will not make a genuine commitment to their needs they will remain unhappy. Students and the administration have the responsibility of ensuring that all members of our community feel welcomed and feel like their basic needs are being met. When making plans and throwing out ideas about how to successfully integrate the Principles of Community we must make an effort to ensure that every communities needs are met and that everyone's voice is heard. Although the administration and the students are currently doing a good job with this we must continue to ensure that we remain committed to this idea. We must all work together to ensure that the needs of every student are being met.

The Board has passed Principles of Community, the Administration is currently working on doing their part to ensure its success, and now undergraduate and graduate student must do their part. Students cannot remain silent witnesses to intolerance, we cannot sit back idly while other students are attacked or violated. Students must make a commitment to these Principles in order to ensure their success, they must understand that a threat to one member or one group of our community is a threat to our community as a whole and that when an act of intolerance occurs in their presence and they do not speak out or speak up out of fear or apathy they are tactically consenting to that act. Students must have the intestinal fortitude to speak out against such acts and actively work with the administration to create a stronger community. The success of the Principles of Community lie in the hands of the students and the administration, I believe in our ability to unite and ensure Principle's success.