

BOV Meeting Notes 4.28.2023

Attendees:

Mr. Lester Johnson	Mr. Damond Williams	Mr. Jim Miller	Mr. David Miller
Mrs. Laura Chambers	Ms. Emily Fulton	Mr. Andrew Deal	Mr. Watjen
Mr. Mike Hamlar	Mr. Lenny Brown	Mr. Jeff Lawhorne	Ms. Abby Erlemeier

Mr. Miller brings up two notes for the board to consider: cadet-athletes hold three high ranking positions in the corp and full time coaches acting as admissions officers bringing in future cadets. Cadet-athletes are bringing in money for the Institution in addition to the Keydet Club. Mr. Brown further explains the thorough process the head coaches use to vet incoming cadet-athletes.

Mr. Miller will touch on the current climate and budget of VMI Athletics and will discuss what can be done to make it more sustainable over time.

New athletics hires: Coach Danny Rocco (football), AJ Hampton (football), Keith Jones (football), Charles Mack (football), Greg Meyer (football), Zac Kelly (Equipment), Skylar Neworth (Equipment)

Mr. Brown touches on the challenges of hiring not just at VMI but also nationwide. The athletic department is actively recruiting candidates for unfilled positions and will be hopefully filling vacant positions this coming summer upon college graduations.

Mr. Brown passes out an intercollegiate athletics budget for 2023 and projected for 2024. Mr. Brown touches on how the state authorized a 5% salary increase for employees, a wage increase for wage employees, and cadet fees rising.

Mr. Deal asks what leads to a \$200,000 increase in indirect costs.

Mr. Brown touches on how athletics did a good job operating within their means with the help of the Keydet Club and the “Compete to Win” campaign. Mr. Brown highlights the projected 2024 budget and touches on key changes such as salary increases again and changes in gate receipts due to one less football game at home and not having the Citadel at home.

To combat the athletic training hiring crisis, Mr. Miller touches on turning part-time positions into full time positions and how they are looking at partnering with Carilion to outsource for

trainers. Mr. Brown touches on how retention in athletics is not just a VMI issue, but a greater issue for all institutions.

Mr. Miller brings up the problem of rising fees for cadet-athletes and enrollment in general at VMI.

Mr. Deal brings up the Covid-19 pandemic and how the pandemic helped save money by slashing seasons and saving on other costs to bring attention to the fact that the fund has not always been flourishing.

Mr. Miller begins talking about costs in athletics and how to combat rising costs. Salaries at VMI are on the lower end of the conference, but important for retention. Operations and cutting sports were also brought up as costs, yet these sports bring in cadets to the Institution. Cutting sports will only cause pain in terms of lawsuits, claims, and scholarships. Scholarships are important to VMI due to the nature of being a state-funded school and are essential to the operation of VMI athletics.

Mr. Hamlar states that VMI needs to decide if it will invest in athletics or invest in military training and offer sports. Operating costs and salary costs are non-negotiables.

Mr. Miller begins touching on the revenues that VMI athletics incurs. Ticket sales and corporate sales are two opportunities for athletics to increase revenue, but attendance numbers are low and corporate sales are few and far between in Lexington. Mrs. Chambers confirms with Mr. Miller that the corporate sales job has been vacant for over a year. Mr. Miller talks positively about filling the corporate role with a candidate or outsourcing to a company that will generate sponsors for athletics. He believes that the sponsorship role can bring in around \$200,000 more dollars in the next 3-5 years. Fees could bring in an additional \$100-\$200k for the Institute.

To combat rising costs, VMI will need to navigate cutting some of their eighteen sports, or they will need to turn to private funding to help them find a solution for the increasing debt. Cutting costs will be instrumental in lowering debt, but each cost will come with its own problems associated with cutting.

VMI must do what is necessary to survive as an Institute and not rely on possible enrollment increases in the future. Mrs. Chambers brings up the fact that VMI only needs to consider cutting teams because of the enrollment numbers.

Mr. Miller and Mr. Brown talked about the sustainability of the athletic department. Athletics brings in a large chunk of the incoming cadets and a large number of minority cadets for the corp. Mr. Deal has the board consider whether or not VMI needs eighteen sports when it only

needs fourteen to be considered a Division 1 school. Mr. Deal touches on how there are struggles to create endowments for operations and fundraise for eighteen sports. Mr. Miller poses the question on whether or not to make certain sports non-scholarship.

Mr. Johnson asked the board how much money sports such as soccer, lacrosse, and swim and dive generate in revenue, and the answer was none, compared to their \$800k in scholarship dollars. Mr. Brown stated how cutting certain sports will not actually save athletics any money. Mrs. Chambers echoes Mr. Brown says that cutting sports will cut enrollment.

Mr. Deal states that there is an opportunity to start a strategic response to the issue. He does not believe there has ever been a strategic plan to help the struggling sports and VMI should consider a plan before cutting sports.

Mr. Hamlar states to the board that VMI is up against schools who are making a more enticing recruiting effort than VMI. The cost of VMI has kept equivalency numbers down for the Southern Conference.

Mr. Miller wraps up the meeting by urging the board members to make recommendations to the Institute leadership to make positive changes. Mr. Deal echoes other board members who suggest VMI needs to define who they are and what they need and have a strategic plan to recoup losses. Mr. Miller suggests activating a plan to help athletics reach their goals because it is urgent to find a solution.

Mr. Brown adds that NCAA legislation changes do not make it easy to operate on a budget when the legislation is increasing costs.

Mr. Hamlar asks Mr. Deal what needs to be done to support the Keydet Club. Mr. Deal states that alumni and cadet-athletes need to feel a sense of commitment to the athletics programs. Mr. Deal feels that VMI needs to define its role better and work needs to be put in to make a difference.

Mrs. Chambers touches on how these issues are not just an athletics issue but an Institute issue that needs to be addressed.