

ASSOCIATION OF GRADUATES

UNITED STATES AIR FORCE ACADEMY



BOARD OF DIRECTORS MEETING

5 December 2014

Meeting Minutes

Board Members Present: Roger Carleton,'67, Chair; Vic Andrews,'66, Vice Chair; Bebe O'Neil,'83, Secretary; Jack Fry,'67, Treasurer; Mike Torreano,'70; Bruce Wright,'73; Kevin Chilton,'76; Drew Miller,'80; Larry Fariss,'75; Robert Munson, '73; Steve Beasley, '93; Dick Sexton,'60, President, Class Advisory Senate.

Board Members Attending via Teleconference: Mark Rosenow,'03; Cathy McClain, '82; Kathleen Rock,'98

AOG Staff Present: William 'T' Thompson, '73, President & CEO; Gary S. Howe'69, Executive Vice President; Alton Parrish, CFO and Senior Vice President for Finance; Marty Marcolongo, '88, Senior Vice President for Business Development; Bob McAllister, Senior VP for Communications; Corrie Grubbs, Vice President, Alumni Affairs; Jack Mueller, '70, Director of Information Systems; Hadassa Muñoz, Executive Assistant.

Members and Guests Present: BGen Andrew P. Armacost, Dean of Faculty, USAFA; Gen (Ret) Steve Lorenz, USAFA Endowment; Brian Binn,'72 USAFA Chief, Development and Alumni Affairs ; Garry W. Dudley'68; Dick Rauschkolb'70; Terry Storm'61; Andi Biancur,'60; Ron Yates,'60; Greg Papineau, CPA BiggsKofford.

I. Call to Order

The Chairman called the meeting to order at 0800 hours MDT, Friday, 5 December 2014. The Chairman congratulated Major Mark Rosenow on his recent promotion.

II. Consent Agenda Approval

MOTION: Director Chilton moved, and Director Andrews seconded, that the Board approve the meeting minutes for 8 August 2014. Motion passed unanimously. (Attachment:1)

III. Approve Agenda

There were no changes offered by the Board to the Chair's agenda.

V. IV. Secretary Report

Parking lot review. All items to be discussed and anticipated to be closed at meeting's adjourn.

VI. Staff Report

A. AOG Update

CEO Thompson gave the board a synopsis of where the AOG is in regards to the Operations Plan spanning years 2010-2015. There are four major areas in which the AOG has seen growth and record levels in all categories and associated metrics. It was a great year! The AOG presented a video highlighting the many successes of alumni affairs, business operations, communications, and finances, within the AOG, and how it continues to support the mission statements. The AOG snapshot had the AOG represented at the Chapter President's Conference in October. The number of Distinguished Chapters has grown from 9 to 14 this year, highlighting their increased involvement and sanctioned AOG activities of the Chapters and their members.

Tailgate season was strong again this season. Georgia State – 850 in attendance, Army – 400+, San Diego – 300, showed great participation.

The CEO had an opportunity to participate in the SGAF – Self Governing Alumni Forum annual meeting in October. UVA, William and Mary, University of Houston were all in attendance. The forum focuses on alumni organizations and their independence from their respective colleges or universities with regards to communications and fund raising.

The mentoring program

Iowa State – structure: alumni to student: discontinued due to cost considerations

Georgia Tech – structure: alumni to student: expensive as students must be members of student alumni organization. Great opportunity to get students connected to grads. Expensive \$150,000 per year and labor intensive.

Navy – structure: alumni to young alumni. Funded by 50th class gift of the Class of '69. Expensive, \$2.1M to fund the program and they have raised about \$1.6M. Cost about \$140,000 per year.

The University of Virginia – new program, structure: alumni to student. Funded by several different disciplines and offices as in alumni association, career services, provost office, dean's office, etc. Strictly web based with a cost around \$100,000.

Director Fry asked as to the purpose of a mentoring program. Is it for networking or mentoring? The consensus was both mentoring, networking, and job placement would be the desired outcome of a successful mentoring program. Director Miller mentioned that individual colleges with a larger university would sponsor their own mentoring program. i.e. the business college or engineering school within a college has their own specific recruiting, job placement, mentoring and networking goals that may not be applicable to other disciplines.

The CEO agreed a mentoring program at the AFA would have merit and has been considered previously. Resources are an issue, but there is opportunity to assign incoming funds. Director Chilton offered the USAFA Endowment as a possible source for a fund raising campaign. The Chairman will breach the subject with the USAFA Endowment. Director Miller added that a part time employee would be able to utilize available software to stand up a prototype, which would give us a fundraising target. Director Chilton questioned the ease of implementation and costs associated with that. The CEO supports all members' ideas and initiatives for AOG programs. However, under the AOG Governance model and associated Executive Limitations, there is a conflict with roles and

responsibilities. The BOD is tasked to direct and control the organization through establishing ends. A mentoring program is a programmatic Means to attaining Ends.

Director Munson states that it's clear that a mentoring program has gained some momentum with the BOD. However, there is no End with 'mentoring' in the language. Directing the CEO to set up a mentoring program is not a Board policy. It should be sent to the Governance Committee to see if an 'end' is needed to reflect mentoring and allow the CEO to determine the means while remaining within the Governance policy. This initiative is not tabled, but an end needs to reflect mentoring. The CEO's concern is not on the merits of the means of a mentoring program, but of staying in process. The Governance Committee will review BOD policy and associated ends statements to connect ends with a mentoring program. (Parking lot item 1) Director Chilton states that the BOD asks the AOG to keep investigations on-going to implement while the Governance Committee reviews policy language. Director Miller commented that the CEO dictates means without BOD input in accordance with the Carver Governance model and is different from all other boards he's experienced. The CEO was a strong supporter of the Carver Model of Governance prior to becoming the CEO. The BOD is a strategic body and sets long term goals for the organization and lets the professional staff of the AOG run the day to day operations.

Communications- Sr. VP Bob McAllister briefed the status of the communication network. There has been a significant investment in the communications infrastructure. There has been tremendous growth in Social Media over the last year: Twitter, LinkedIn, Facebook, made gains from 2013 with 12,000 hits (website queries) to over 27,000 hits, in 2014. Comparisons were made between USAFA and sister service Academies, USNA and USMA that show the AFA has surpassed other academies in 2014. Also, a comparison was made between the AFA and a sample of other elite civilian institutions, state schools as well as MWC schools. In FY 2014, the Air Force Academy surpassed all, which is an impressive feat, given the relative size of the alumni base.

The on-line store revenue process was briefed. November 2014 had the highest on-line sales month in all of AOG history of \$61,000. Merchandise and online donations saw improvements; 40% improvements attributed to online store purchases and online donations measured nearly a 20% increase year over year. FY2014 had \$210,000 in revenue and FY2015 merchandise sales of \$227,000.

The website functionality was increased as well as the marketing presence for ease of user interface. Web presence is measured in 3 areas: page views, unique visitor, and duration of access. Each area has seen solid growth in all three categories. The AOG website, Checkpoints, Zoomie News, 7258 are all included in the web presence audit.

Communications Recognition and Awards: CASE – The Council for the Advancement and Support of Education presents National communication awards and weighed in on the AOG. CASE awarded the AOG the Gold Award for the Best Institutional Website from a field of over 180 colleges and universities across the region. Our entire communications portfolio has received recognition including the best alumni magazine, best web based periodicals and, the top award, best alumni communications. The AOG received 17 awards in 2014, 9 gold, 4 silver, and 4 bronze, the highest number ever received to date. An outstanding year for the AOG Communications team!

Bob McAllister assured the board that the communications department makes it a point to stay close to those values and maintain transparent communications. With the global reach of social media, it keeps troops up to date in theaters worldwide.

CEO told the board that between 180 colleges and universities, Checkpoints won best magazine. Our communications network is considered elite with respect to social media.

Sr. VP for Communications, Corrie Grubs – Alumni Affairs

FY2014 had a goal of 75 Chapters and exceeded that with currently 81 Chapters in FY2014 which was the goal for FY2015 (met goal a year earlier) with an amended goal of 85 chapters. Chapter growth of 160% since 2010, now with presence in Europe and Asia.

Ambassador Program, graduates in under-represented communities, saw growth as well by 6%

Ambassadors FY14 - 100

Ambassadors FY15 – 106 (another goal met a year earlier)

Cadet involvement with local parents' club had 600-700 cadets enjoying a break from studying for finals with snacks and hot chocolate semester end as well as an AOG branding opportunity. The AOG is conducting a 'calling' campaign to focus on parents and upgrades from class club memberships to new "member plus" programs from now until the end of the year. Life memberships (electronic) are now available to parents for a modest sum per month. There is also an out-reach program to the Prep school members for membership options.

Reunion 20% increase in attendance (Class of '73 had record breaking attendance!)

Membership 4% increase, 25K to 26K members

58% membership overall for AFA graduates.

"T" – compared to Navy & Army, we lack percentage of members, however Army has a different program. Also compared to other big schools where the average is approximately 18% of memberships in alumni associations, we are doing well.

LMAG (Life Membership at Graduation offered to cadets) – has been re-established and is doing very well. Early classes have high membership rates and percentage of enrollment of entering classes is improving with the class of 2017 showing a 64% enrollment in the AOG.

Efforts to increase awareness to encourage participation through various avenues:

Parent solicitation

Founders Day events – across the nation- 21 Chapters conducted events up from 12 last year.

Membership campaign initiatives: Established a Director of parent and cadet programs and Director of Graduate programs.

Annual – emails, postcards 89% retention of memberships with 1178 renewals.

Lifetime – Reunion mailings, 48 upgrades, provided a discount during reunions.

Last chance offers - following the reunion season to solicit memberships.

Invoiced annual membership – offered upgrade (32)

Individual Grad Funded Campaign: subsidized cost of membership: 25% Bruni, 25% AOG 50% Graduate are the cost breakdowns. Director Fariss requested for a breakdown of the numbers from the Bruni Campaign. Marty Marcolongo will provide.

Young Alumni program was established 2009-2012 when LMAG was inactive. Enrolled 22.

75-77 grads – enrolled 50.

Active Duty – enrolled 34.

Class of 2014 – enrolled 55.

The CEO stated that the AOG is constantly trying to get new members. It is costly for a small percentage of net gain of increased memberships. The Naval Academy has about 89% members in

their alumni association. However, the mission of the Naval alumni organization is to serve the Naval Academy and membership is a conduit for that service. Director Munson asked of the cost of increased membership utilizing a subsidized approach, approximately \$40K for 130 memberships.

Board vision/direction- will influence. There is a need to examine the ENDS. AOG will stand by and wait to hear from the Board as to what they see in adapting ENDS statement.

B. Quarterly Financial Update

CFO Alton Parrish briefed the Board on the statement of financial position for the AOG as of 30 September 2014 (Attachment: 2) using the standard ‘Generally Accepted Accounting Principals’ (GAAP) Growth of 34.9% of total assets. The AOG has met the \$1.5M target for operating reserve fund 6+ months early on a goal date of 30 June 2015.

C. Board of Directors Self Assessment

The Board Chair thanked all for completing the board assessment. 11 of 14 Directors responded to questions about BOD compliance with established policies and scored closely to the 2013 survey. There will be a greater effort to communicate to the graduate community of AOG efforts and accomplishments.

D. CEO Monitoring Reports

a. CEO Monitoring Report: Policies 2.8, 2.10, 2.12, 2.13 (Attachment: 3, 4, 5, 6)

The CEO briefed the Board on the following quarterly monitoring items: Compensation and benefits, Programs Events and Services, Official Opinions or Recommendations, and AOG/USAFA Endowment MOU that he remained within the Executive Limitations set by the Board in its Policy Manual. The CEO is in compliance with the above.

VII. Committee Updates

A. Finance & Investment Committee (Attachment 7)

The investment report was briefed by AOG Treasurer Jack Fry ’67 and joined by Mr. Richard Abramson, ’68 of Bernstein Global Wealth Management and Mr. Roderick E. Henneck, ’75 of Raymond James. Mr. Abramson introduced the committee members.

Richard Abramson, Chairman of the Investment Sub-Committee

Rod Henneck, Morgan Keegan and Raymond James

William Jennings, PhD, CFA, CPA

Lou Kingsland, ’59, Viking Mars scientist, Mellon Bank, Wilshear & Associates

Jack Fry ’67, BOD Treasurer

William “T” Thompson, Ex-Officio

Alton Parrish, Ex-Officio

Another great year! Since 2003, the committee began with \$18M net and added over \$3.5M and gained over \$16M over time. In comparison to other Universities, the AFA had a performance of a 17% gain. Compared to Yale, UPenn, Dartmouth, Princeton, Columbia, Brown, Cornell, and Harvard, the AFA

had stronger returns. The investment decisions centered around bonds, US equities, and International funds. As mentioned earlier, the AOG reserve fund reached the goal of \$1.5M well over 6 months early.

i. FMIP Review

Motion: Director Fry moves and Director Munson seconds that the following changes be incorporated into the FMIP Policies and the FMIP. Passes unanimously.

Policy- Changes to:

2.0 General Executive Constraints – minor syntax change

2.6 Investment Management

The CEO shall not cause nor allow any practice, activity, decision or organizational circumstance that is unlawful, in contravention of AOG Bylaws or these Board policies, imprudent, or in violation of commonly accepted business and professional ethics and practices.

Change 2.6 to read: - adds ‘obtain Board approval to use and language to replenish funds and time limit’
2.6: The CEO will not fail to invest operating Capital and reserve funds in accord with the current Board approved Financial Management and Investment Policy (FMIP).

1. The minimum AOG Reserve is \$1,500,000. Accordingly, the CEO will not fail to:
 - a. Obtain Board approval to use more than half of the AOG Reserve in any fiscal year;
 - b. Inform the Board on the use of AOG Reserve funds at the next Board meeting;
 - c. Replenish funds back to the required minimum Reserve within the next two fiscal years or present a plan for replenishment over a longer period of time to the Board for approval.

Intent of the Board of Directors FMIP section 1.1

Current:

1.1 Intent of the Board of Directors

The Board of Directors (BOD) of the Association of Graduates (AOG) of The United States Air Force Academy (USAFA) establishes this document to be the Financial Management and Investment Policy (FMIP) of the Association. This FMIP establishes the responsibilities of the Finance and Investment Committee (Committee), provides guidance to the AOG President and Chief Executive Officer (CEO) and staff on financial procedures, and provides the basic guidelines for AOG investments.

Change (insert/add new section 1.1) :

1.1 Board of Director’s Financial Policies

The Board of Directors (BOD) of the Association of Graduates (AOG) of The United States Air Force Academy (USAFA) establishes this document to be the Financial Management and Investment Policy

(FMIP) of the Association.

The Board of Directors is responsible for establishing all governance policies to accomplish the AOG mission as stated in the Bylaws. Board policies are listed, for the most part, in the Board's Policy Manual; and include the Ends (the end state the Board wants the organization to achieve) and the Executive Limitations (those actions for which the CEO is proscribed). The President/CEO of the AOG is then able to choose the best course of actions, not otherwise proscribed, to achieve the Board's Ends. To the extent of AOG resources, and to the ultimate benefit (stated intent) of the AOG membership, the Board's financial ends policies are:

1. Funds are available to achieve the Board's Ends
2. The AOG is assured financial security in perpetuity
3. Resource growth increases the value of membership (increase services at a reasonable cost)
 - a. Donations and business income grow
 - b. AOG expenditures are directed to best achieve the Board's Ends at minimal cost
 - c. Investment income growth is achieved at acceptable risk
 - d. Members are charged for membership and services as appropriate.

This FMIP establishes the responsibilities of the Finance and Investment Committee (Committee), provides guidance to the AOG President and Chief Executive Officer (CEO) and staff on financial procedures, and provides the basic guidelines for AOG investments, in order to achieve the Board's Ends.

Current from Section 1.7:

The finances of the AOG will be audited annually by an independent firm of certified public accountants. The annual audit should be presented to the BOD for approval within 90 days, if possible, and not more than 120 days after the end of the fiscal year. Audited financial statements including the auditor's opinion, are available to any AOG member upon request.

Change subject Section of 1.7 to:

An independent firm of certified public accountants will audit the finances of the AOG annually. The draft annual audit will be presented to the Audit Committee for review NLT 120 days after the close of the fiscal year. The final audit will be presented to the BOD NLT the second Board meeting after the close of the fiscal year.

Current Section 1.8 :
1.8 Financial Reporting

Quarterly, the CEO shall report to the BOD the financial status of the AOG with regard to the budget. The quarterly financial report shall be provided to the Finance and Investment Committee prior to BOD presentation. The goal of the financial report is to allow the BOD to make informed decisions. The CEO, through the CFO, is responsible to present financial reports to the BOD that clearly show the financial condition of the AOG in accordance with generally accepted accounting principles. Financial reports should include AOG's statement of financial position and activities, operational cash flow, funds held in Short Term Accounts, investment status and capital purchases.

The annual Audit and the year-end financial report should be presented to the BOD within 90 days, but

not later than 120 days, of the end of the fiscal year. Summaries of the Annual Audit and financial reports will be provided to the AOG membership as soon as possible after acceptance by the BOD.

Change subject Section of 1.8 to:
1.8 Financial Reporting

Quarterly, the CEO shall report to the BOD the financial status of the AOG with regard to the budget. The quarterly financial report shall be provided to the Finance and Investment Committee prior to BOD presentation. The goal of the financial report is to allow the BOD to make informed decisions. The CEO, through the CFO, is responsible to present financial reports to the BOD that clearly show the financial condition of the AOG in accordance with generally accepted accounting principles. Financial reports should include AOG's statement of financial position and activities, operational cash flow, funds held in Short Term Accounts, investment status and capital purchases.

Summaries of the Annual Audit and financial report will be provided to the AOG membership as soon as possible after acceptance by the Audit Committee and the BOD. The Form 990 will be posted to the AOG website after review by the BOD.

Recommendations for additional sections were postponed to our next meeting and will be re-evaluated by the F & I Committee and resubmitted along with the suggestions for changes to Section 2 (Investment Policies) of the FMIP before our next meeting

B. Audit Committee (Attachment: 8)

CPA Greg Papineau – Partner with BiggsKofford conducted an audit in late September into early October.

The Form 990 will be posted on the website in late December.

This was the best audit to date. Senior VP for Finance and CFO Alton Parrish, his staff, and the CEO are to be commended for the level of detail and preparation for the documents published by the finance team. Biggs Kofford has expressed an “Unqualified Opinion” which is the highest level of assurance that can be issued, according to GAAP.

C. Awards & Recognition Committee

- i. Proposal to add the DG Committee as a standing sub-committee rescinded.
- ii. Young Alumni Excellence Award (YAEA).
- iii. The Chapters will be a major nominating source and will contribute to their consideration toward Distinguished Chapter recognition.
- iv. The YAEA will not be combined with the DG festivities, but will have the names of the award recipients in the program or electronic media during Founders' Day Celebrations.

Motion: Director Rock, Chair of the Awards Committee moves, and Director Chilton seconds, that the Young Alumni Excellence Award be approved for implementation in FY 2016 (1 July 2015) with an adequate budget as determined by the AOG. Motion passes unanimously.

D. Distinguished Graduate Award Committee

The proposal to place the DG Committee as a standing sub-committee of the Awards Committee was rescinded. The nomination and selection is largely an AOG function and independent of BOD activities. Col. (ret) Tammy Rank replaced a PCS'ing BG Evan Miller on the DG committee. The Committee is to meet 12/8 to finalize the selection for the Distinguished Graduate award.

Can we confirm with Gary whether or not he wants to publish

E. Nominating Committee

Director Munson thanked the Committee members for the great work.

Per the By-Laws, the Board provides direction to the Nominating Committee for what skills, talents, and capabilities are needed. There is an active period of advertising for interested parties to submit nominations. With unprecedented interest, the Nominating Committee interviewed the top 20 candidates and published a list of 13 candidates.

Director Munson moves and Director Andrews seconds to enter Executive Session:

Motion: Director Munson moves and Director Beasley seconds that the Board of Directors approve the list of 13 candidates for upcoming open BOD elections. Motion passes, 10 aye, 2 nay.

Motion: Director Munson moves and Director Wright seconds, to publicize a candidate matrix with clarifying language of desired skills, talents, and capabilities. Motion passes, 8 aye, 3 nay*.
*(*Director vote discrepancy is due to the fact one director joined during discussion and wasn't available for earlier vote)*

F. Heritage & Traditions Committee

The H & T committee had very strong positive feelings to host a ceremony to dedicate the POW Memorial. The ideal time frame would be in April of 2015. 35 grads were held as POW's and 28 are still with us. It would be a one time event celebrating the sacrifice these airmen gave to their country. The POW's and the 6 widows, each with a guest, would be invited to attend. The concept was for a Wednesday 4/22/15 arrival, lunch with the cadets on Thursday, 4/23, followed by cadet interaction Thursday afternoon, and a formal dedication ceremony on Friday, 4/24, with a departure on Saturday, 4/25. There are some budget considerations as the 2015 budget was finalized at the previous BOD meeting in May. Payment options were considered and presented to the AOG which included airfare, lodging, and transportation.

Amanda Hess stated the UE has agreed to try and raise some funds with a targeted effort. Gen Yates (ret) commented that the fund raising efforts would be jointly sponsored by the AOG and the AFA. It's important for cadets to be exposed to POW's and this is a last chance to visit with this august group. They embody examples of character, leadership, and integrity. We need to pay tribute to these distinguished individuals. We have a singular donor of \$25,000 over 5 years. A \$35,000 need still exists. Director Fry commented on the budget approval but with the changes to the FMIP, there are ways to access unrestricted/undesignated monies. This would be a perfect example to access these funds. If other funds materialize through fund raising or otherwise, we can pay back these

funds. Director Wright reiterated the support from the Heritage and Traditions Committee for this initiative. It's a perfect opportunity to promote character and leadership among the cadet group and the graduate community. The H & T Committee is a BOD level committee and stays in process to approve the costs associated. Director Beasley supports all mission statements without budgetary limits. Director Torreano stated that this celebration does promote Heritage. Director Rock asked about the urgency of scheduling in 2015. Chairman Carleton added that the Supt's calendar has been blocked already and the chronological age of this group dictates sooner rather than later. Gen Yates offered that the POW plaque was mounted in October and the dedication should follow in short order. The life expectancy of these individuals does not follow the average. The CEO stated the funds could be re-purposed. The CFO commented that the CEO may not expend more money than the organization brings in. There is an unrestricted and undesignated fund in excess of \$7M that may be utilized. Director Chilton added that the NCLS raised more money than was needed for the building. Gen Yates commented that he was pleased with the overwhelming support from the AOG and BOD. The CEO clarified he has a sense of the Board to move forward with the POW dedication.

Amanda Hess briefed the status of the Plaza of Heroes project. They have received all approvals required. The CATEX survey was granted so there is no environmental impact study needed. The signed contract is under review. The one-quarter sized Sijan sculpture is under review by the H & T committee and the one-half size sculpture will be available for BOD approval sometime before the February meeting.

The North Wall Design had the current gender neutral version of the Code of Conduct. The historical version with a disclaimer referencing the newer, gender neutral version, will be used. Thanks goes to the H & T committee, Andi Biancur and Gen Estes for the leg work. Col Mark Wells, Department of History Department Head, endorses the historic version with the disclaimer as accurate and sensitive to the changes more recent policies and growth.

Motion: Director Andrews moves and Director Chilton seconds that the Board approve the historical version of the Code of Conduct with the disclaimer to changes to gender reference be included on the North Wall. Motion passes – unanimous.

VIII. Endowment Update

UE CEO, Gen (ret) Steve Lorenz, introduced Jermaine Johnson, Director of Development Communications. In September, the UE and AOG met with two focus groups to get a deeper understanding of graduates' thoughts and perceptions as they relate to both organizations. The goal was for some insight to grads' donation processes on a strategic level. Dr. Barbara Glacel, an executive coach, provided valuable feedback to both organizations as to what the graduate community values in an alumni organization. AOG services were rated as average or excellent. There was noted a difference in expectations from the AOG based on age demographic. Newer graduates had a networking expectation and job placement assistance wherein graduates over 20 years were looking for opportunities for engagement with the AOG and to reconnect with graduates. Another finding was unease over governance issues with two alumni organizations, the USAFA Endowment and the AOG. Chairman Carleton mentioned that the top 15 fundraising efforts are overwhelmingly shared with the AOG. The USAFA Endowment is conducting a comprehensive campaign and plans to set priorities to meet needs from the Superintendent to academic, character/leadership enrichment, and athletic needs. General Lorenz commented that donor relationships are critical and integral to fund raising efforts. (Attachment: 9)

IX. Guest Speaker, BGen Andrew P. Armacost – AFA Dean of Faculty

General Armacost, a Draper fellow and PhD in Ops Research from MIT lauded the presence of the AOG in the cadet area and across the base. The cadet group is very aware of the influence of their AOG. The Dean spoke of budget woes affecting the academic environment as well as elsewhere. The faculty is dealing with significant manpower cuts as well as a reduction in curricula hours. There is an active review of the faculty manpower model. In the past, there were 567 faculty members but in FY2015, we lost 25 billets; 18 of which were military members. The 147 semester hour requirement is under scrutiny to reduce by 9 hours as well. The core curriculum is under review but a reduced curriculum can add flexibility while preserving the depth and breadth of academic majors, targeting the Class of 2020. There is now a higher level of academic engagement in the cadet majors. The current multidisciplinary core would benefit from a more interdisciplinary exposure due to the changing and emerging needs of the Air Force. The key drivers of a revised curriculum focus on a broad education serving as a critical foundation for Air Force Officers, engaging students with the knowledge and skills to serve in the Air Force's Air, Space, and Cyber forces to recognize the complete mission of the Air Force. A committee, composed of 12 faculty members, is examining the current curricula. The committee is made up of 4 department heads, 4 civilian faculty, and 4 military faculty. Their goal is to deliver a proposal by March 2015 that will go for external and internal review to determine changes, if any, will be adopted for the Class of 2020. Academic minors are also under review. Current discussions are underway for the development of a Cyber Innovation Center or Cyber Institute. The benefit from being co-located at an academic institution is to attract talent, researchers and visionary thinkers.

The Rhodes Scholar and Marshall Scholar were awarded to Rebecca Esselstein and the Holaday Scholarship was awarded to Steven Beaton, a very impressive feat for the Class of 2014. Other notable events: the USAFA Cyber team was lauded as the best in the nation. Parchment.com revealed the Air Force Academy achieved a #1 rating which equates to attracting the top high school students across the nation.

X. Senate Update

Out-going CAS President Dick Sexton '60, received a standing ovation for his 7 years of dedicated service to the AOG, the cadet group, and friends and family of the Air Force Academy. His insight and selfless contribution to the betterment of the AOG was lauded. A hearty thank you to Dick from the AOG and the BOD for all of his hard work. His efforts and those of the CAS are greatly appreciated.

The new officers were introduced. Garry Dudley '68, was elected CAS President, Larry Bagley '66. Vice President, Bob Muldrow '67, Secretary.

The Executive Committee is composed of:

Curtis Cook '59, George Larson '62, Tom Fleming '69, and Jason Harris '01. The next CAS meeting is scheduled for 12 Jan 2015.

The CAS is required to review the By-Laws every two years and Directors should submit recommended changes to the CAS prior to the next BOD meeting. A recent review conducted by the CAS corrected an error to the By-Laws. Our thanks go out to the CAS and their members for their diligence.

XI. EXECUTIVE SESSION

Entered at 1540 MDT.

XII. Adjourn

The Chair thanked the Board directors and AOG staff for their efforts. The CEO, on behalf of the AOG staff, thanked the Chair for his service. The Board will meet next on February 6, 2015. The meeting adjourned at 1700 (MST).

Note: Portions of the minutes have been rearranged from time sequence to topical sequence.

Respectfully submitted,

Hadassa Muñoz, Recorder

Bebe O'Neil, Secretary

Attachments:

1. [8 August Meeting Minutes](#)
2. [Quarterly Financial Update](#)
3. [Policy 2.8 – Compensation and Benefits](#)
4. [Policy 2.10 – Programs Events & Services](#)
5. [Policy 2.12 - Official Opinions or Recommendations](#)
6. [Policy 2.13 – AOG/USAFA Endowment MOU](#)
7. [Investment Report](#)
8. [Audit Report](#)
9. Glacel Report ([USAFA Executive Summary](#), [USAFA Appendix A](#) & [USAFA Focus Group B](#))