



**2022-2023 OPERATING BUDGET**

# VIRGINIA MILITARY INSTITUTE

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29 April 2022

## MEMORANDUM

**TO:** The Board of Visitors

**THROUGH:** The Audit, Finance and Planning Committee

**SUBJECT:** Proposed Operating Budget FY 2023

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The FY 2023 Operating Budget proposal for all programs totals \$108.7 million for an increase of \$9.2 million or 9.3% from the FY 2022 budget.

The Fall 2022 opening enrollment is budgeted to be 1,658 and includes 500 new cadets with 62.5% of the total Corps from Virginia. This is a budgeted enrollment decrease from the FY 2022 budget of 2.3% and a decrease from the actual of 1.9%. The average enrollment for FY 2023 is projected to be 1,578 compared to 1,617 in FY 2022.

The budget provides for a 5% State-initiated salary increase for employees and State-mandated increases in employer contribution rates for health insurance.

The full Board will receive public comment and will approve the tuition and mandatory fee rate for FY 2023 on 30 April 2022.

The following motion is recommended:

“The VMI Board of Visitors approves the FY 2023 VMI Operating Budget which includes an increase in tuition of 3% for both in-state and out-of-state cadets and other fee increases.”



Cedric T. Wins

Major General, U.S. Army (Retired)  
Superintendent



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# **Executive Summary**

# **Executive Summary**

## **FY 2023 Operating Budget**

1. The Budget is comprised of three main sources of operating funds that total \$108,736,000:

a) State General Funds of \$26,389,000, a 22% increase from FY 2022 for a total increase of \$4,818,000. The increase is comprised of the following actions as proposed by the Virginia House of Delegates during the budget session and is the more conservative approach to preparing the budget. The final budget has yet to be approved.

\$1,800,000 E&G Other Operating Support  
\$1,429,000 One Corps, One VMI – Unified Action Plan  
\$692,000 Central Appropriation Increase  
\$395,000 Staff Uniform conversion (one-time UMA funding)  
\$243,000 New base Affordable Access  
\$217,000 New Operating funding for facilities  
\$42,000 Student Financial Aid

b) Cadet tuition, fee, and sales revenue is projected to be \$49,013,000 which is a decrease of \$1,332,000 from FY 2022. Other Revenue is projected to be \$5,825,000 and includes a transfer from Auxiliary Reserve of \$1,459,000 to cover the operating deficit in the Auxiliary program for FY 2023.

c) Private fund support primarily from the VMI Alumni Agencies of \$27,509,000. Unrestricted fund support of \$3,401,000 (12%) and \$24,108,000 in restricted funds (88%). Total VMI Alumni Agencies support increased \$4,208,000 from the prior year.

2. The Budget supports cadet financial assistance from all sources (Private, State, Federal and VMI) of \$19,320,000, an increase of \$1,828,000 or 11%.

3. The Budget for all programs is \$128,056,000, an increase of \$11,051,000 over the prior year.



4. The Educational and General Program (E&G) Budget totals \$64,253,000, an increase of \$7,254,000 from FY 2022. Most of this increase is due to the \$4,111,000 increase in State General Funds, the balance is increased Local support from the VMI Alumni Agencies.

\$3,419,000 of the new E&G funds is listed as a Contingency line item. This amount is after deducting the costs associated with positions listed in the Unified Action Plan that have or will be filled by FY 2023. The total cost of these new positions is approximately \$692,000 and includes 3 positions in the Diversity Office, 1 Legal Counsel, and 1 Deputy Title IX position. These 5 positions are included in the budget for FY 2023. Until the House and Senate agree on a final budget, we are holding the residual new funding as a Contingency line item.

5. The Budget assumes 500 new cadets (60% Virginians and 40% Non-Virginians) and a total Corps of 1,658 (63% Virginians and 37% Non-Virginians). For FY 2023, this is a decrease of 39 cadets in the total Corps compared to the FY 2022 budget and 31 less than the 2022 actual. The average enrollment for FY 2023 (fall and spring) is budgeted to be 1,578.
6. Tuition and fees for in-state cadets total \$30,882 and represent an increase of \$850 or 2.8% over FY 2022. Tuition and fees for out-of-state cadets total \$60,396 and represent an increase of \$1,710 or 2.9%.
7. For FY 2023, the Senate proposed a 5% salary increase for full-time faculty, adjunct faculty, administrative & professional staff, and classified employees. VMI budgeted a 5% increase for part-time staff and will fund the additional cost of this increase. The House proposed a 4% pay increase and a 1% bonus. For the budget we have built in the 5% increase as proposed by the Senate.

Total personnel costs are budgeted for \$66,524,000 or 61.2% of the total Budget (excluding cadet financial aid) and include 627 full-time positions (personnel costs comprise 81% of the State E&G budget which has 403 or 64% of the full-time positions). This is an increase of \$3,332,000 or 5.2% over FY 2022 due in large part to the 5% budgeted salary increase. See the Significant Budget Assumptions—Details of New Employees and Other Changes for information on the new employee positions.

8. The Budget projects a year-end Auxiliary Fund Balance (30 June 2022) of \$19,760,000 and \$18,301,000 on 30 June 2023. The decrease in the year-end Auxiliary Fund Balance is due to the \$1,459,000 transfer from Reserves to cover the FY2023 projected operating deficit in Auxiliary programs.

# REVENUE

	2022	2023	Increase (Decrease)	%	Note
<b>STATE FUNDS</b>					
<b>Educational and General</b>					
General Funds	14,816,000	18,927,000	4,111,000	27.7%	1a
Cadet Tuition and Other Income	30,882,000	31,142,000	260,000	0.8%	1b
Total Educational & General	45,698,000	50,069,000	4,371,000	9.6%	
<b>Unique Military Activities</b>					
General Funds	5,610,000	6,275,000	665,000	11.9%	1a
Cadet Fees and Other Income	3,965,000	3,986,000	21,000	0.5%	1b
Total Unique Military	9,575,000	10,261,000	686,000	7.2%	
<b>Auxiliary Enterprises</b>					
Cadet Fees and Other Income	23,776,000	23,786,000	10,000	0.0%	
Transfer from/(to) Reserves	437,000	1,459,000	1,022,000	233.9%	8
Total Auxiliary	24,213,000	25,245,000	1,032,000	4.3%	1b
<b>Cadet Financial Assistance</b>					
General Funds	1,145,000	1,187,000	42,000	3.7%	1a
Cadet Tuition and Fees	3,200,000	3,400,000	200,000	6.3%	1b
Total Cadet Financial Assistance	4,345,000	4,587,000	242,000	5.6%	
Total State Funds	83,831,000	90,162,000	6,331,000	7.6%	



	<b>2022</b>	<b>2023</b>	<b>Increase (Decrease)</b>	<b>%</b>	<b>Note</b>
<b>LOCAL FUNDS</b>					
<b>Restricted Funds</b>					
VMI Foundation/Agencies Bd	14,803,000	17,437,000	2,634,000	17.8%	<b>1c</b>
VMI Keydet Club	5,491,000	6,024,000	533,000	9.7%	<b>1c</b>
VMI Endowment	572,000	647,000	75,000	13.1%	<b>1c</b>
Federal Funds/NCAA Income	1,856,000	1,941,000	85,000	4.6%	<b>1b</b>
Total Restricted	<u>22,722,000</u>	<u>26,049,000</u>	<u>3,327,000</u>	<u>14.6%</u>	
<b>Unrestricted Funds</b>					
VMI Foundation/Agencies Bd	2,235,000	3,125,000	890,000	39.8%	<b>1c</b>
VMI Keydet Club	49,000	200,000	151,000		<b>1c</b>
VMI Endowment Income	67,000	76,000	9,000	13.4%	<b>1c</b>
Cadet Athletic Fees	6,014,000	6,019,000	5,000	0.1%	<b>1b</b>
Athletic Revenue/Support	1,142,000	1,204,000	62,000	5.4%	<b>1b</b>
Museum Revenue	375,000	578,000	203,000	54.1%	<b>1b</b>
Conference Income	222,000	167,000	(55,000)	-24.8%	<b>1b</b>
Concessions Income	348,000	476,000	128,000	36.8%	<b>1b</b>
Total Unrestricted	<u>10,452,000</u>	<u>11,845,000</u>	<u>1,393,000</u>	<u>13.3%</u>	
Total Local Funds	<u>33,174,000</u>	<u>37,894,000</u>	<u>4,720,000</u>	<u>14.2%</u>	
TOTAL ALL FUNDS	117,005,000	128,056,000	11,051,000	9.4%	<b>3</b>
Less: Cadet Financial Assistance	<u>(17,492,000)</u>	<u>(19,320,000)</u>	<u>(1,828,000)</u>	<u>10.5%</u>	<b>2</b>
<b>TOTAL REVENUE</b>	<b><u>99,513,000</u></b>	<b><u>108,736,000</u></b>	<b><u>9,223,000</u></b>	<b><u>9.3%</u></b>	

# EXPENDITURES

	2022	2023	Increase (Decrease)	%	Note
<b>STATE FUNDS</b>					
<b>Educational &amp; General</b>					
Instruction	22,287,000	23,021,000	734,000	3.3%	
Public Service	121,000	123,000	2,000	1.7%	
Academic Support	7,084,000	7,346,000	262,000	3.7%	
Cadet Services	3,356,000	3,576,000	220,000	6.6%	
Institutional Support	5,940,000	5,659,000	(281,000)	-4.7%	
Contingency (new State Funds)	-	3,419,000	3,419,000		
Physical Plant	6,910,000	6,925,000	15,000	0.2%	
Total Educational & General	45,698,000	50,069,000	4,371,000	9.6%	<b>4</b>
<b>Unique Military Activities</b>	9,575,000	10,261,000	686,000	7.2%	<b>5</b>
<b>Auxiliary Enterprises</b>					
Operations	21,000,000	21,612,000	612,000	2.9%	
Debt Service	2,213,000	2,633,000	420,000	19.0%	
Maintenance projects	1,000,000	1,000,000	-	0.0%	
Total Auxiliary Enterprises	24,213,000	25,245,000	1,032,000	4.3%	<b>6</b>
<b>Cadet Financial Assistance</b>	4,345,000	4,587,000	242,000	5.6%	<b>7</b>
<b>Total State Funds</b>	83,831,000	90,162,000	6,331,000	7.6%	

	<b>2022</b>	<b>2023</b>	<b>Increase (Decrease)</b>	<b>%</b>	<b>Note</b>
<b>LOCAL FUNDS</b>					
<b>Educational &amp; General</b>					
Instruction	5,697,000	6,607,000	910,000	16.0%	
Research	38,000	45,000	7,000	18.4%	
Public Service	882,000	1,381,000	499,000	56.6%	
Academic Support	1,877,000	2,177,000	300,000	16.0%	
Cadet Services	1,111,000	1,619,000	508,000	45.7%	
Institutional Support	1,574,000	2,177,000	603,000	38.3%	
Physical Plant	122,000	178,000	56,000	45.9%	
Total Educational & General	11,301,000	14,184,000	2,883,000	25.5%	<b>4</b>
<b>Cadet Financial Assistance</b>	13,146,000	14,734,000	1,588,000	12.1%	<b>7</b>
<b>Auxiliary Enterprises</b>					
Intercollegiate Athletics	8,542,000	8,786,000	244,000	2.9%	
Debt Service	185,000	190,000	5,000	2.7%	
Total Auxiliary Enterprises	8,727,000	8,976,000	249,000	2.9%	<b>6</b>
 Total Local Funds	 33,174,000	 37,894,000	 4,720,000	 14.2%	
 TOTAL ALL FUNDS	 117,005,000	 128,056,000	 11,051,000	 9.4%	 <b>3</b>
Less: Cadet Financial Assistance	(17,492,000)	(19,320,000)	(1,828,000)	10.5%	<b>1b,2</b>
 <b>TOTAL EXPENDITURES</b>	 <b>99,513,000</b>	 <b>108,736,000</b>	 <b>9,223,000</b>	 <b>9.3%</b>	

## SOURCES OF REVENUE

	<b>2022</b>	<b>% of Total</b>	<b>2023</b>	<b>% of Total</b>	<b>Inc (Dec)</b>	<b>% Inc (Dec)</b>
<b>State General Funds</b>	21,571,000	21.7	26,389,000	24.3	4,818,000	22.3%
<b>Cadet Tuition/Fees and Sales</b>	50,345,000	50.6	49,013,000	45.1	(1,332,000)	-2.6%
<b>VMI and Alumni Agencies Support</b>						
<i>VMI Alumni Agencies</i>						
VMI Foundation	15,946,000	16.0	19,384,000	17.8	3,438,000	21.6%
VMI Alumni Agencies Board	1,091,000	1.1	1,178,000	1.1	87,000	8.0%
Total Foundation/ Agencies Bd	17,037,000	17.1	20,562,000	18.9	3,525,000	20.7%
VMI Keydet Club	5,541,000	5.6	6,224,000	5.7	683,000	12.3%
Total Alumni Agencies	22,578,000	22.7	26,786,000	24.6	4,208,000	18.6%
<i>VMI Endowment</i>						
VMI General Endowment	395,000	0.4	443,000	0.4	48,000	12.2%
VMI Collins Endowment	162,000	0.2	173,000	0.2	11,000	6.8%
Outside Trusts (scholarships)	82,000	0.1	107,000	0.1	25,000	30.5%
Total VMI Endowment	639,000	0.6	723,000	0.7	84,000	13.1%
Total VMI and Alumni Agencies	23,217,000	23.3	27,509,000	25.3	4,292,000	18.5%

	<b>2022</b>	<b>% of Total</b>	<b>2023</b>	<b>% of Total</b>	<b>Inc (Dec)</b>	<b>% Inc (Dec)</b>
<b>Other Revenue</b>						
Athletic Revenue/Support	1,142,000	1.1	1,204,000	1.1	62,000	5.4%
Concessions Income	348,000	0.3	476,000	0.4	128,000	36.8%
Museum Revenue	375,000	0.4	578,000	0.5	203,000	54.1%
Program/Conference Income	222,000	0.2	167,000	0.2	(55,000)	-24.8%
Auxiliary Reserves	437,000	0.4	1,459,000	1.3	1,022,000	233.9%
Federal Funds/Other Income	1,856,000	1.9	1,941,000	1.8	85,000	4.6%
<b>Total Other Revenue</b>	<b>4,380,000</b>	<b>4.4</b>	<b>5,825,000</b>	<b>5.4</b>	<b>1,445,000</b>	<b>33.0%</b>
<b>TOTAL</b>	<b>99,513,000</b>	<b>100.0</b>	<b>108,736,000</b>	<b>100.0</b>	<b>9,223,000</b>	<b>9.3%</b>

## State Funds Cadet Tuition, Fees and Other Income

	Budget 2022	Budget 2023	Inc (Dec)	%
<b><i>E&amp;G Program</i></b>				
<i>Tuition--Regular Session</i>				
Gross tuition--current year	32,850,000	33,441,000	591,000	1.8%
Less: refunds	(331,000)	(337,000)	(6,000)	1.8%
Net potential	32,519,000	33,104,000	585,000	1.8%
Less: uncollected	(393,000)	(402,000)	(9,000)	2.3%
Net tuition	32,126,000	32,702,000	576,000	1.8%
<i>Tuition--Collection of Prior Years</i>	75,000	75,000	-	0.0%
<i>Tuition--Summer Session</i>				
First Term	458,000	425,000	(33,000)	-7.2%
Second Term	329,000	451,000	122,000	37.1%
STP	368,000	312,000	(56,000)	
Foreign Study	443,000	292,000	(151,000)	
Total Summer	1,598,000	1,480,000	(118,000)	-7.4%
Total tuition	33,799,000	34,257,000	458,000	1.4%
<i>Student Fees</i>				
Application fees	60,000	60,000	-	0.0%
Forfeited deposits	13,000	14,000	1,000	7.7%
Late fees	56,000	57,000	1,000	1.8%
Total fees	129,000	131,000	2,000	1.6%
<i>Other Income</i>				
Interest on notes--Cadets	14,000	14,000	-	0.0%
Transcripts	15,000	15,000	-	0.0%
Energy Demand	35,000	35,000	-	0.0%
Miscellaneous	60,000	60,000	-	0.0%
Total other	124,000	124,000	-	0.0%
<i>Indirect Costs &amp; Admin Fees</i>				
Indirect Costs--grants/contracts	20,000	20,000	-	0.0%
Total indirects	20,000	20,000	-	0.0%

	<b>Budget 2022</b>	<b>Budget 2023</b>	<b>Inc (Dec)</b>	<b>%</b>
<i>Prior Year Expenses Reimbursed</i>	10,000	10,000	-	0.0%
Subtotal	34,082,000	34,542,000	460,000	1.3%
<i>Transfer to Cadet Financial Aid</i>	(3,200,000)	(3,400,000)	(200,000)	6.3%
Total E&G Program	<b>30,882,000</b>	<b>31,142,000</b>	<b>260,000</b>	<b>0.8%</b>

### ***Auxiliary Program***

#### *Cadet Fees--Regular Session*

Gross fees--current year	28,839,000	28,926,000	87,000	0.3%
Less: refunds	(234,000)	(235,000)	(1,000)	0.4%
Net potential	28,605,000	28,691,000	86,000	0.3%
Less: uncollected	-	-	-	
Net collections	28,605,000	28,691,000	86,000	0.3%
Transfer fees to Athletics Program	(6,014,000)	(6,019,000)	(5,000)	0.1%
Net cadet fees	22,591,000	22,672,000	81,000	0.4%

#### *Food Service*

Cadet fees--summer session	258,000	265,000	7,000	
Commission revenue-Parkhurst	12,000	13,000	1,000	8.3%
Total food service	270,000	278,000	8,000	3.0%

#### *Barracks*

Cadet fees--summer session	235,000	224,000	(11,000)	
Rents--summer camps/others	17,000	17,000	-	0.0%
Total Barracks	252,000	241,000	(11,000)	-4.4%

#### *Military Store/Other Sales*

15,000	15,000	-	0.0%
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#### *Medical/Other--Cadet fees (summer)*

59,000	60,000	1,000	
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#### *Parking Fees and Fines*

37,000	37,000	-	0.0%
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#### Total cadet fees/sales

23,224,000	23,303,000	79,000	0.3%
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#### *Other Income*

Rents--Post Housing	325,000	370,000	45,000	13.8%
Rents-Cameron Hall	2,000	2,000	-	0.0%



	<b>Budget 2022</b>	<b>Budget 2023</b>	<b>Inc (Dec)</b>	<b>%</b>
Interest earned on Reserves	200,000	85,000	(115,000)	-57.5%
Miscellaneous	25,000	26,000	1,000	4.0%
Total Other	552,000	483,000	(69,000)	-12.5%
Subtotal	23,776,000	23,786,000	10,000	0.0%
Add: Transfer in from Reserves	437,000	1,459,000	1,022,000	233.9%
Total AUX Program	<b>24,213,000</b>	<b>25,245,000</b>	<b>1,032,000</b>	<b>4.3%</b>

### ***Unique Military Activities***

#### *Cadet Fees*

Gross fees--current year	3,934,000	3,953,000	19,000	0.5%
Less: refunds	(38,000)	(38,000)	-	0.0%
Net potential	3,896,000	3,915,000	19,000	0.5%
Less: uncollected				
Net cadet fees	3,896,000	3,915,000	19,000	0.5%

#### *Sales and Other Income*

Military Store Sales	69,000	71,000	2,000	2.9%
Total UMA	<b>3,965,000</b>	<b>3,986,000</b>	<b>21,000</b>	<b>0.5%</b>

## **State Funds Cadet Tuition, Fees and Other Income Notes**

### ***E&G Program***

#### *Tuition Revenue—Regular Session*

Regular session tuition revenue before refunds is budgeted to increase \$591,000 or 1.8% and is attributed primarily to the increase in tuition rates partially offset by a decrease in enrollment.

#### *Uncollected Tuition and Fees*

Uncollected tuition and fees are based on VMI's past collection experience. VMI cadets are not permitted to return unless they have paid outstanding debts from the previous semester. VMI has written off as uncollectible an average of \$24,415 a year for the last 10 years.

#### ***Write-Off of Uncollectible Accounts***

***VMI Board policy authorizes the Superintendent to write-off uncollectible accounts up to \$2,500 and requires Board approval for accounts over \$2,500. VMI currently has two accounts greater than \$2,500 that is proposed for write-off by the Board. These accounts total \$14,787.25 and are from two former cadets whose cadetship ended with an outstanding balance. VMI has expended considerable effort to collect these accounts including sending them to the Office of the Attorney General for assistance in collection. They are now deemed uncollectible and should be written off. However, VMI will continue to hold official transcripts until full payment is received from these former cadets. The Board's approval of the FY 2023 budget includes approval to write-off these accounts.***

The Superintendent is expected to approve the write-off of six former cadet accounts during FY 2022 that are under \$2,500 each and that total \$1,872.36.

#### *Tuition Revenue—Summer Session*

Summer session tuition revenue is expected to decrease approximately 118,000 or 7.4% primarily because the Project GO Chinese Language program held on Post in summer 2021 as part of the VMI summer session will be held abroad in summer 2022 and the fees will be paid directly to the host institution by the sponsor. The corresponding expenditures will also be incurred by the foreign host thus reducing the VMI study abroad expenditures budget as well.

### *Transfer to Cadet Financial Aid*

Tuition revenue used to fund cadet financial aid is budgeted at \$3,400,000, a \$200,000 increase over last year. The actual cost for FY 2022 is expected to be around \$2,900,000. Efforts to attract more out of state cadets will require additional funding in Financial Aid. Currently VMI's financial aid policy is to provide grants and loans to out of state cadets at a rate of 65% to 70% of demonstrated need (as determined by federal guidelines). VMI's policy for in-state cadets of providing grants and loans equal to 100% of demonstrated need remains the same. See the Cadet Financial Assistance budget in Local Funds for more information. VMI's Admissions and Financial Aid Task Force meets regularly to review and monitor VMI's financial aid policies.

### *Auxiliary Program*

#### *Cadet Fee Revenue--Regular Session*

Regular session cadet fee revenue before refunds is budgeted to increase \$87,000 or 0.3%. This reflects an increase of \$484 or 3% in total cadet auxiliary fees consisting of room, board, athletic, medical, cadet activities/facilities, debt service, laundry/dry cleaning, and haircuts, and a projected enrollment increase.

Athletic fee revenue is transferred to the Intercollegiate Athletics Program which operates as a Local auxiliary activity.

#### *Cadet Fee Revenue—Summer Session*

The summer session food service and Barracks cadet fee revenue increase reflects the expectation of on Post programs continuing at similar levels as summer 2021.

#### *Rents on Housing*

Rent revenue budgeted for VMI Post Housing reflects the anticipated vacancy of certain units while improvements are made to the housing during the year.

***No rent increase is budgeted; however, it is VMI policy to charge the current fair market rental rate for new occupants. The Board's approval of the FY 2023 Budget authorizes the Superintendent to approve a rent increase at any time during the fiscal year as deemed appropriate.***

### *Approval for Officials Required to Live on Post*

*In accordance with the Housing Policy Regulation, dated 4 September 2019, and previous exceptions granted by the Superintendent, the following 11 officials are required to live on Post: Superintendent, Deputy Superintendent for Finance, Administration, and Support, Deputy Superintendent for Academics and Dean of the Faculty, Commandant, Chief of Staff, Deputy Commandant, Director of Intercollegiate Athletics, Chaplain, Institute Sergeant Major to the Corps, Head Football Coach, and Head Basketball Coach. Exceptions to this policy may be approved by the Superintendent.*

### *Interest on Reserves*

Interest income is paid by the State on VMI's Auxiliary cash balance (fund balance) which is required to be maintained with the State Treasury. The budget is adjusted to reflect recent rates and projected cash balances more closely.

### *Transfer to Reserves*

The transfer from the Auxiliary Fund Balance (or reserves) totals \$1,459,000 and represents a projected operating deficit in the Auxiliary program for FY 2023.

VMI's Auxiliary Fund Balance is projected to approximate \$19,760,000 on 30 June 2022 and \$18,301,000 on 30 June 2023. Based on experience for working capital needs, VMI's minimum target for the fund balance is about \$11,300,000. In addition, the fund balance includes reserves for future capital improvements to auxiliary facilities.

## ***Unique Military Activities Program***

### *Cadet Fee Revenue*

Cadet fee revenue before refunds is budgeted to increase \$19,000 or 0.5%. This reflects an increase of \$72 in the cadet UMA fee. The cadet UMA fee totals \$2,526 for FY 2023 and mostly funds cadet uniforms and maintenance.

### *Sales and Other Income*

Military Store sales consist of cadet purchases of additional uniform items beyond the standard uniform issue provided to all cadets.

## Cadet Financial Assistance

Sources/Programs	2022	2023	Inc (Dec)	%	Notes
<b><i>State Funds</i></b>					
<b><i>General Funds</i></b>					
Student Financial Aid	1,145,000	1,187,000	42,000	3.7%	1
Total General Funds	1,145,000	1,187,000	42,000	3.7%	
<b><i>Cadet Tuition and Fees</i></b>					
E&G Program	3,200,000	3,400,000	200,000	6.3%	2
Total State Funds	4,345,000	4,587,000	242,000	5.6%	
<b><i>Local Funds</i></b>					
<b><i>Restricted</i></b>					
VMI Foundation					
Merit and Other Scholarships	5,669,000	6,515,000	846,000	14.9%	
Athletic Scholarships	42,000	45,000	3,000	7.1%	
Total VMI Foundation	5,711,000	6,560,000	849,000	14.9%	3
VMI Alumni Agencies Board					
Athletic scholarships	325,000	368,000	43,000	13.2%	3
VMI Keydet Club--Scholarships	5,407,000	5,956,000	549,000	10.2%	3
VMI BOV Endowment	291,000	326,000	35,000	12.0%	
NCAA/Conference Assistance	115,000	115,000	-	0.0%	
Outside Trusts	82,000	107,000	25,000	30.5%	
Total Restricted	11,931,000	13,432,000	1,501,000	12.6%	
<b><i>Federal Grants/Aid</i></b>					
SEOG	91,000	91,000	-	0.0%	
PELL	1,125,000	1,210,000	85,000	7.6%	
Total Federal Aid	1,216,000	1,301,000	85,000	7.0%	4
Total Local Funds	13,147,000	14,733,000	1,586,000	12.1%	
Total All	<b>17,492,000</b>	<b>19,320,000</b>	1,828,000	10.5%	5

## Cadet Financial Assistance Notes

1. State general funds appropriated for cadet financial assistance total \$1,187,000 for FY2023, an increase of \$42,100 from FY 2022.
2. VMI cadet financial aid funded from tuition revenue is budgeted for \$3,400,000, up \$200,000 from the FY 2022 budget. These funds are primarily awarded to out-of-state cadets with demonstrated financial need as these cadets are not eligible for State financial aid funds.

Non-Virginia tuition, room/board and fees are almost twice the amount of in-state tuition, room/board, and fees. Non-Virginia cadets are projected to comprise approximately 37% of the Corps in FY 2023 and about 62% are projected to qualify for need-based financial aid. Approximately 49% of in-state cadets qualify for need-based aid which results in an overall average of about 54% of the total Corps qualifying for need-based aid.

Sufficient financial aid is needed to help ensure the realization of the budget assumptions regarding total enrollment and the mix of in-state and out-of-state cadets. The VMI cadet financial aid budget is determined in consultation with the Director of Financial Aid and is based on estimates of the funding needed to supplement State, Federal, and private restricted sources of aid. Using a combination of grants and loans, VMI's goal is to meet 100% of the required need of in-state cadets and about 65%-70% required need of out-of-state cadets.

*Note: For FY 2021, 62.7% of VMI's graduates had loans. This consisted of 58% of in-state graduates with an average federal loan balance of \$20,142 and 70% of out-of-state graduates with an average federal loan balance of \$20,006. Lending institutions include the Department of Education and private lenders. According to The Institute for College Access & Success (Student Debt and the Class of 2020, published November 2021), Virginia public institution graduates in the Class of 2020 averaged \$29,616 in debt. According to their report, 55% of students graduating in Virginia graduated with some level of debt. The national average federal student loan debt is \$37,113, with the average public university student borrowing \$30,030 to attain a bachelor's degree (source: <https://educationdata.org/student-loan-debt-statistics>).*

3. Cadet financial assistance from the VMI Foundation (VMIF), the VMI Alumni Agencies Board (VMIAAB), and the VMI Keydet Club (KC) increased \$1,441,000 to \$12,884,000. Merit and need-based scholarships increased \$846,000 and Athletic scholarships by \$595,000 for an overall increase of 12.6%.
4. Federal aid funding for PELL grants is budgeted at \$1,210,000. Annual maximum award for next academic year will increase by \$400. The maximum award amount will be \$6,895 for the 2022-2023 academic year. PELL grants are awarded to financially needy cadets. The actual award amount for eligible cadets is determined by the U.S. Department of Education;

VMI does not determine who is eligible for these grants. The total PELL amount can vary from year to year depending on the level of need of the cadets applying for the grants.

5. VMI's cadet financial assistance budget totals \$19,320,000. Considering the projected number of ROTC scholarship cadets and other sources of outside funds to include loans that are not included in VMI's financial aid budget, this budget is considered about adequate for VMI to meet approximately 100% of the need of in-state cadets and about 65%-70% of the need of out-of-state cadets with the general policy of requiring needy cadets to assume some loan amount.

The financial aid budget represents 30% of VMI's total projected tuition and fee revenues of \$64,933,000 for FY 2023 which is up 3% from FY 2022. The 30% "tuition discount" consists mostly of restricted funds that are required to be used for financial assistance (financial aid budget consists of 82% restricted funds and 18% unrestricted funds). VMI's "tuition discount" is significantly less than private institutions (average discount rate for first year, full-time students in private non-profit undergraduate institutions rose to 53.9% in the most recent NACUBO survey released 19 May 2021). The average discount rate for public institutions is not readily available but is estimated to be less than VMI's percentage.

VMI's tuition discount rate is probably higher than most other public institutions due to its relatively larger private endowment which includes a significant portion of restricted scholarships. The number of cadets with demonstrated financial need and the extent of their need continues to require that VMI use significant amounts of tuition revenues to meet the demand for financial aid. As "restricted" scholarship endowments increase the amount of tuition revenues allocated to cadet financial assistance can decrease.



# **General Information**

# GENERAL INFORMATION

## ***Total Operating Budget***

The FY 2023 Operating Budget totals \$128,056,000 and includes \$19,320,000 in cadet financial assistance. Cadet financial assistance appears twice in the budget - once in the programs from which the funds are derived (mostly local restricted funds) and again in the programs where the funds are reflected as tuition and fees (mostly State funds). The net operating budget without cadet financial assistance totals \$108,736,000.

This operating budget generally excludes major capital projects, those greater than \$1,000,000, and State Maintenance Reserve projects, those costing between \$25,000 and \$1,000,000. Such capital projects are funded and budgeted separately.

## ***State Funds***

State Funds consist of *general* funds and *non-general* funds that are deposited and expended from the State Treasury. General funds derive primarily from State income and sales taxes and are appropriated to VMI by the General Assembly. Non-general funds derive primarily from cadet tuition and fees, and revenue from auxiliary enterprises. VMI generally determines the level of its non-general funds. The General Assembly must also appropriate non-general funds before they can be spent. It is the intent of the General Assembly that each institution's combined general and non-general fund appropriation within its educational and general program closely approximates the anticipated budget each fiscal year. State policy also stipulates that appropriated non-general funds are spent first and State general funds last. Accordingly, unspent State appropriations at fiscal year-end are deemed to be general funds. Expenditures of State Funds are subject to State policies and procedures.

## ***Local Funds***

Local Funds comprise all other non-state funds that are deposited and expended from VMI's local bank account. Most of the revenue in this category derives from the VMI Alumni Agencies, VMI endowments, Intercollegiate Athletics, Museum Operations, the Center for Leadership and Ethics, and federal student financial aid grants. VMI also classifies cadet athletic fees in Local Funds because they are spent by Intercollegiate Athletics which is accounted for as a local auxiliary enterprise. State procurement regulations also apply to the expenditures of all local funds. Restricted local funds are subject to donor restrictions as to use. Unrestricted funds carry no restrictions by the donor.

***With the adoption of this budget, the Board of Visitors directs that the expenditure of all budgeted funds shall be in accordance with the policies and procedures as outlined in the VMI Accounting Policies and Procedures Manual approved by the Board of Visitors.***

### ***State Budget Process and Calendar***

The State adopts a biennial budget in every even-numbered session of the General Assembly. The Governor's budget staff in the Department of Planning and Budget (DPB) develops the budget with input from State institutions and agencies, the State Council of Higher Education (SCHEV), and the Secretary of Education. DPB issues budget development instructions to all State institutions and agencies in the fall of every odd-numbered year inviting them to submit their budget requests and initiatives.

The Governor presents his proposed budget to the legislative money committees (House Appropriations and Senate Finance and Appropriations Committees) in December. The money committees will usually develop their own amendments to the Governor's budget and a joint committee of both houses will then compromise on a single set of amendments for approval by the entire General Assembly in March. The Governor may veto items in the General Assembly budget if the General Assembly does not override the veto by a two-thirds vote of the members. The result will be the Appropriations Act (State Budget) that will specify appropriations of State general funds and non-general funds to State institutions and agencies for the next two years.

The Governor and General Assembly will usually pass some amendments to the State Budget in the odd-numbered sessions of the General Assembly, but such amendments are usually limited to emergencies and other critical items.

The State Appropriations Act authorizes the Governor to reduce State general fund appropriations to State agencies and institutions of higher education up to 15% when State general fund revenues are estimated by the Governor to be insufficient to pay in full all general fund appropriations authorized by the General Assembly. In making this determination, the Governor shall consider actual general fund revenue collections for the current fiscal year and the results of a formal written re-estimate of general fund revenues for the current and next biennium. The re-estimate of general fund revenues shall be communicated to the Chairmen of the Senate Finance, House Appropriations, and House Finance Committees before the Governor can take action to reduce general fund appropriations.

### ***Six-Year Plan***

Since 2005 the State has required that the Board of Visitors of each public institution develop and adopt biennially a six-year plan for its institution. Each Board shall submit the plan to the State Council of Higher Education for Virginia (SCHEV) no later than 1 July of each odd-numbered year. Updates to the Plan must be submitted to SCHEV no later than 1 July of even-numbered years. Each plan must address the institution's academic, financial, and enrollment plans (to include the proportion of in-state and out-of-

state students) for the six-year period. It shall be structured in accordance with specific goals and objectives outlined in the Act and in a form and manner prescribed by the State Council of Higher Education which is charged with reviewing and assessing each plan.

VMI last updated and submitted its six-year financial plan as of 1 July 2021. The next plan submission is required by 1 July 2022.

### ***VMI Budget Process and Calendar***

VMI adopts an annual operating budget at the April/May meeting of the Board of Visitors. The Deputy Superintendent - Finance, Administration and Support (FAS) develops the proposed budget with input from all VMI's senior executive officers, the Superintendent, and the Audit, Finance and Planning Committee (AFP) of the Board of Visitors. VMI's Strategic Plan (Vision 2039) and the Unifying Action Plan are the principal sources of guidance and direction in the formulation of the proposal. The Unifying Action Plan was established in July 2021 emphasizing five key focus areas. The Institute Strategic Plan is updated annually by the Institute Planning Committee (comprised of the senior executive officers) in coordination with the budget cycle. The Institute Senior Executive Officers are the Budget Committee that helps develop the proposed budget that goes to the Superintendent for his approval and then to the AFP Committee for its consideration and recommendation to the full Board of Visitors in April/May.

External input is obtained from the State Appropriations Act regarding State funds and from the VMI Alumni Agencies regarding local funds. The Deputy Superintendent - Finance, Administration and Support (FAS) presents VMI's draft local unrestricted funds budget to the VMI Foundation Finance Committee usually in April for its review and information.

### ***Programs***

The State's *Commonwealth Planning and Budgeting System* is the basis of VMI's operating programs. This encompasses the following programs:

#### ***Educational and General Program (E&G)***

- *Instruction* — the general academic instruction and community education programs -- includes all academic departments, Reserve Officer Training Corps (ROTC), and community education programs.
- *Public Service* — the provision of services beneficial to individuals and groups outside VMI -- includes the VMI Museum, the Virginia Museum of the Civil War at New Market, and the Stonewall Jackson House in Lexington, VA.
- *Academic Support* — the support services to the instruction and public service sub-programs -- includes the library, academic administration, computing services, and student assessment.

- *Cadet Services* — the support services to cadets -- includes admissions, cadet records, financial aid administration, cadet counseling and cultural development.
- *Institutional Support* — the operational and administrative support for the day-to-day functioning of VMI -- includes executive management, fiscal operations, general administrative services, logistical services, and public relations and development.
- *Physical Plant* — the operation and maintenance of the physical plant -- includes administration and supervision, custodial services, building repairs and maintenance, utilities, and insurance.

### ***Unique Military Activities (UMA)***

This program supports VMI's military activities. It includes military administration, cadet uniform issuance and maintenance (Laundry/Pressing, Tailor Shop, and Military Store), the Regimental Band, Rat Challenge, cadet counseling, facilities maintenance, and most of the VMI Infirmary operations.

### ***Auxiliary Enterprises (AUX)***

This program provides the goods, services, and facilities needed to support cadets outside the classroom and to support faculty and staff. It includes the Barracks, the Mess Hall, the Barber Shop, social and recreational facilities, cadet clubs and organizations, Corps trips, intercollegiate athletics, and employee housing.

### ***Cadet Financial Assistance (CFA)***

This includes all financial aid programs for cadets including scholarships, grants, and loans.

### ***State Funding***

The State generally uses an incremental budgeting policy in which an institution's base budget for each program is carried forward biennially with adjustments as necessary for State-initiated salary increases, fringe benefit cost increases, and application of "base adequacy funding guidelines" in the case of the E&G Program. Current State base adequacy funding guidelines (as adjusted for the impact of VMI's Unique Military Activities Program as approved by the State Council of Higher Education effective FY 2013) indicate that VMI is generally fully funded. Since adoption of the Higher Education Opportunity Act (HEOA) in 2011, some State funding has also been appropriated to institutions based on performance and initiatives in achieving the goals of the Act. The Act addresses several important goals to include producing more graduates especially in the fields of science, technology, engineering, and math (STEM).

## **Educational and General Program**

The Appropriations Act provides that in establishing the appropriate State share of funding for in-state students in the E&G Program the General Assembly “shall seek to cover at least 67 percent of educational costs associated with providing full funding of the base adequacy guidelines, raising average salaries for teaching and research faculty to the 60th percentile of peer institutions, and other priorities set forth in the act.” The Appropriations Act requires out-of-state students to pay at least 100% of the cost of their education. Accordingly, this policy provides that VMI should receive State general fund support of its E&G Program that is equal to approximately 67% times the percentage of its in-state students. **For FY 2023, VMI projects an in-state enrollment of about 63% which would indicate that State general fund support of the E&G Program should approximate 42% of the total State E&G budget (67% times 63%). State general fund support budgeted for FY 2023 totals about 38% of the total State E&G budget. The shortfall in State funding is about \$2.1 million.**

Equipment Trust Fund monies and Maintenance Reserve Program funds are normally appropriated based on a prescribed methodology by DPB or SCHEV. These funds are not included in VMI’s operating budget.

### ***Unique Military Activities***

State general fund support for the UMA Program is budgeted to total about \$6,275,000 in FY 2023, including \$395,000 one-time funding for the Staff uniform conversion. State general fund support of the UMA program historically has fallen short based on the recommendations of the State Council of Higher Education (SCHEV) in 1987. SCHEV recommended that the State provide full general fund support for all UMA costs except uniforms for which cadets were expected to pay 40% of the cost. Over time, cadet fees have been required to fund not only uniforms, but also other UMA costs. VMI will continue to analyze UMA Program funding and submit budget requests to the State requesting additional State general fund support as appropriate and consistent with SCHEV’s recommendations.

### ***Auxiliary Enterprises***

The State requires auxiliary enterprises to be self-supporting; therefore, the State provides no general fund support for these programs. Cadet fees, user charges, and other revenues must fully fund Auxiliary operations. The Appropriations Act also requires that the Auxiliary Program pay its share of VMI’s indirect costs that consist of E&G Institutional Support and Physical Plant program costs. The amount of indirect costs that the Auxiliary Program must pay is based on a biennial cost study conducted by VMI, certified to the State Controller, and subject to audit by the Auditor of Public Accounts.

### ***Cadet Financial Assistance***

The State provides general funds for financial aid to support in-state students who demonstrate need including VMI's State Cadetship Program. The level of support is based on State funding formulas that factor in unmet student need.



# **Significant Budget Assumptions**

## **Significant Budget Assumptions Tuition and Fees Notes**

### ***Tuition***

The FY 2023 budget includes a 3.0% increase for both in-state and out-of-state tuition. After all fees are considered, the net overall increase in costs for an in-state cadet is \$850 or 2.8%. For the out-of-state cadet, the overall increase in cost is \$1,710 or 2.9%. In addition, the budget is based on many considerations to include the following:

- a) General Assembly authorization for the Board of Visitors of State institutions to set tuition at levels they deem to be appropriate based on, but not limited to, competitive market rates, if a) the total tuition revenue generated is within the non-general fund appropriation for educational and general programs in the Appropriations Act and b) the tuition of nonresident students covers at least 100 percent of the average cost of education.
- b) An estimated net increase in State General Funds for the E&G program of \$4,111,000 or 27.7%. This increase is calculated based on the House of Delegates funding proposed in the regular session conference report. Much of this funding is tied to the One Corps, One VMI budget request and does not increase available discretionary spending as it is earmarked to address specific items identified in the Unified Action Plan.
- c) The 5% salary increase, as proposed by the Senate of Virginia, for all Faculty, Administrative & Professional, and Classified Staff is budgeted to begin with the first payroll in July.
- d) With the proposed pay increase of 5% and holding tuition increases to 3.0%, limited funding will be available for personnel and non-personnel budget requests from the senior executive officers during the budget development process; any available funding provides salary increases for selected employees, and funds program cost increases.
- e) Unavoidable cost increases for utilities, insurances, facility preventive maintenance contracts, and other costs.
- f) A budget of tuition revenue used for cadet financial assistance of \$3,400,000 to help ensure that VMI meets its enrollment targets especially of out-of-state cadets; this funding reflects rising tuition and fees and greater demonstrated need of all cadets, especially out-of-state cadets.
- g) VMI's history of tuition and fee increases and the tuition and fees of VMI's competitor institutions and other Virginia public institutions.

- h) Compliance with the State Council of Higher Education's (SCHEV) rigorous Institutional Performance Standards.

### ***Room and Board***

The Barracks or room fee increase of \$94 or 3.0% to \$3,196 provides for increases in facility operations and maintenance costs. This includes State-initiated or mandated salary and fringe benefit cost increases as described in the Tuition Note.

The board fee increased \$218 per cadet or 3.0% to \$7,478. With rising food and labor costs, it is anticipated that the meal rates charged by the third-party food contractor will increase. The board fee also funds increasing costs for facilities, equipment maintenance, and debt service.

### ***Auxiliary Fees***

VMI's comprehensive auxiliary fees covering athletics, medical services, and cadet facilities/activities will increase a net total of \$152 or 2.3% to \$6,836. It consists of a \$94 increase in the cadet athletic fee, an \$18 increase in the medical fee, and a \$40 increase in the cadet facilities/activities fee. The net fee increase primarily funds State-initiated or mandated salary and fringe benefit cost increases as described in the Tuition Note, increased debt service costs on bonds issued for facilities improvements, and operation and maintenance of newly renovated and new facilities coming on-line. It also funds Athletic Program cost increases.

The Appropriations Act limits auxiliary fee increases to 3% excluding the requirements for wage, salary, and fringe benefit increases authorized by the General Assembly. The restriction does not apply to medical services or to fees (such as debt service) directly related to General Assembly approved capital projects. VMI's proposed auxiliary fee increase for FY 2023 complies with the Act.

### ***Quartermaster Charges***

VMI's comprehensive quartermaster charges covering laundry/pressing, haircuts, cadet uniforms, and Unique Military Activities will increase \$92 or 2.9% to \$3,296.

## ***Other Notes***

### *National Guard Tuition Discount*

This budget continues to provide \$100,000 in Virginia National Guard (VNG) tuition discounts to qualified Non-Virginia cadets. The normal annual discount per cadet is \$5,000 and awards are based on merit. This allows for a total of 20 full awards each semester.

### *Deposits and Other Charges*

The budget continues the application fee at \$40. A deposit of \$300 applies to all new cadets and returning cadets not continuously enrolled.

VMI will return this deposit, less any deductions for damages, loss of property, or unpaid obligations, without interest, upon the graduation of the cadet or the termination of the cadetship. Foreign students (enrolled at VMI on an exchange or other temporary basis) are not required to pay the deposit.

The State requires institutions to impose late fees. VMI will continue to assess a late fee of \$100 or 10% of the unpaid balance, whichever is less, on tuition and fees not paid by the due date. Tuition and fees will be due 1 August 2022 for the Fall Semester and 15 December 2022 for the Spring Semester. In addition, a \$100 late registration fee will be assessed to all cadets who fail to pre-register by the appropriate due date.

This budget includes a vehicle registration/parking fee of \$40 applicable to all cadets/students for the regular session and the summer session. The fee covers both terms of each session. Parking fees for the Parade Ground and other locations during special events (including football games) may be authorized by the Superintendent.

All cadets from foreign countries are assessed a fee for health insurance coverage. The fee is expected to approximate \$1,200 for the academic year.

### *Payment Policy*

This budget authorizes the administration to dismiss cadets who fail to pay required tuition and fees or any other financial obligations to VMI. It also grants the authority to hold grades, credits, transcripts, and diplomas until all financial obligations are satisfied. **This budget authorizes the administration to prohibit any cadets from registering for a semester who have not satisfied all financial obligations for past semesters.**

### *Other Costs*

Other costs payable by cadets are textbooks, supplies, and non-issue clothing items. Cadets may pay for such items with cash, check, or debit/credit cards at the time of purchase. Parents/cadets are required to pay an administrative fee when using a debit or

credit card to make tuition and fee payments. The fee will generally approximate the rate that VMI would be charged by the bank for acceptance of such payments.

### *Refund Policy*

This budget authorizes the following refund policy:

Tuition and fees for the regular session are refundable only upon official notice of withdrawal to the Commandant. Full refunds, less \$1,000, are made for withdrawals prior to the first day of classes. On or after the first day of classes, refunds are prorated through the fifth week. No refunds are made after the fifth week of classes. Cadets receiving Title IV financial aid will receive a refund in accordance with applicable federal law. Exceptions to the refund policy are made only in extraordinary circumstances (Cadets called to active duty in the National Guard or the reserves will automatically receive a full tuition refund for the semester if they cannot complete the requirements for credit in their courses; their room and board fees will be prorated). The Board authorizes the administration to establish an appropriate appeals process. No refunds shall be made until all issued military uniforms and equipment required to be returned to the VMI Military Store and to the Commandant have been returned in good condition. Cadets will be charged for issued military uniforms and equipment that are not returned as required.

### *Courses Taken by Employees*

With the consent of the course instructor and approval of his/her own department head and the Dean of the Faculty, this budget permits any full-time VMI employee to audit or take for credit any course offered at VMI in either the regular or summer session at no charge.

### *Facilities Use*

As a public service, VMI makes certain of its facilities available for approved uses by groups outside of VMI, both public and private. Facilities include Cameron Hall, Jackson Memorial Hall, Marshall Hall, Preston Library, Cormack Hall, Cocke Hall, the Barracks, VMI Health Center, King Hall, McKethan Park, the Baffled Firing Range, Military and Leadership Field Training Grounds, Indoor Training Facility, classrooms, and athletic facilities (stadiums and fields). State policy requires that contracts for the use of state facilities include fees and charges to fully recover both direct and indirect costs related to such use.

***This budget authorizes and directs the Deputy Superintendent for Finance, Administration and Support to establish appropriate terms for the use of any VMI facilities by outside groups; the terms shall include rental fees and any other fees and charges to cover both direct and indirect costs consistent with the State policy.***

## Tuition and Fees--Regular Session

	<b>2022</b>	<b>2023</b>	<b>Inc (Dec)</b>	<b>%</b>
<b><i>Tuition</i></b>				
Virginia Cadet	9,782	10,076	294	3.0%
NonVirginia Cadet	38,436	39,590	1,154	3.0%
<b><i>Room</i></b>				
	3,102	3,196	94	3.0%
<b><i>Board</i></b>				
	7,260	7,478	218	3.0%
<b><i>Auxiliary Fees</i></b>				
Athletic	3,740	3,834	94	2.5%
Medical	542	560	18	3.3%
Cadet Facilities/Activities	2,402	2,442	40	1.7%
Total	6,684	6,836	152	2.3%
<b><i>Quartermaster Charges</i></b>				
Laundry/Pressing	444	456	12	2.7%
Haircuts	306	314	8	2.6%
Uniforms/UMA Activities	2,454	2,526	72	2.9%
Total	3,204	3,296	92	2.9%
Total Virginia Cadet	<b>30,032</b>	<b>30,882</b>	850	2.8%
Total NonVirginia Cadet	<b>58,686</b>	<b>60,396</b>	1,710	2.9%

## Tuition and Fees--Summer Session

	Summer		Inc(Dec)	%
	2021	2022		
<b>Tuition (Per Credit Hour)</b>				
<i>Virginia</i>				
Regular	340	350	10	2.9%
Student Transition (STP)	380	390	10	2.6%
<i>Non-Virginia</i>				
Regular	1060	1080	20	1.9%
Student Transition (STP)	1190	1210	20	1.7%
<b>Room (Per Week)</b>	140	144	4	2.9%
<b>Board (Per Week)</b>				
5-Meal Plan	62	64	2	3.2%
10-Meal Plan	119	122	3	2.5%
15-Meal Plan	154	158	4	2.6%
19-Meal Plan	196	200	4	2.0%
<b>Auxiliary Fee (Per Term)</b>				
Regular	75	75	-	0.0%
Summer Transition	135	135	-	0.0%
<b>Other Charges/Fees</b>				
Late Registration Fee (Per Term)	70	70	-	0.0%
Security Deposit (Per Session)	100	100	-	0.0%
Parking Permit (Per Session)	40	40	-	0.0%

### Notes:

1. Tuition increases, where applicable, help to fund increasing costs for programs and facilities operations and maintenance.
2. Tuition for Student Transition Program students is greater than regular session students because additional faculty instruction and supervision is provided.
3. Room rate increase, where applicable, funds increasing costs for facilities operations and maintenance.
4. The board rate increase, where applicable, reflects the increasing cost of food and labor.
5. The Auxiliary fee covers medical services and use of recreational facilities during the summer.

**Special Note:** The Board authorizes the Superintendent to establish tuition and fees that may deviate from the normal summer session tuition and fees for special programs as considered appropriate in his judgment. Special programs include student research programs that are often supported by private endowments and grants that help pay a portion of student costs.

## Tuition and Fees--Summer Session Foreign Study

	Summer		Inc(Dec)	%
	2021	2022		
<b>Morocco - Arabic - Project GO</b>	8,622	8,575	(47)	-
<b>Taiwan - Chinese - Project GO</b>	13,264	13,417	153	1%
<b>Italy - Applied Math</b>	-	5,500	5,500	-
<b>Italy - Mechanical Engineering</b>	-	4,900	4,900	-
<b>Ireland (Biology)</b>	5,200	5,200	-	0%

### *Notes:*

- 1. The tuition and fees for the programs above generally include tuition, room, a portion of board, excursion expenses, and medical insurance. Airfare is not included. The tuition also includes some provision for VMI's indirect costs in supporting these programs.*
- 2. Programs may be cancelled by VMI if enrollment is not considered adequate to cover fixed costs associated with the program or other circumstances warrant cancellation.*
- 3. Participants earn 3 to 9 credit hours for completing these programs.*
- 4. The Chinese and Arabic programs will be funded through a Project GO grant in 2022. This is a federally funded (DOD) program to improve the language skills, regional expertise, and intercultural communication skills of future military officers through resident language training and cultural immersion. These programs were conducted at VMI in Summer 2021 due to COVID travel restrictions.*



## Facility Use Fees

	Fee Per Day		Inc (Dec)	%
	Fiscal Year			
	2022	2023		
<i>Fee per Camp/School/Other</i>				
Baseball Field (day)	200	210	10	5.0%
Baseball Field (night)	285	300	15	5.3%
Cameron Hall Arena	395	415	20	5.1%
Cameron Hall Racquetball Courts	200	210	10	5.0%
Cocke Hall Basketball Arena	150	160	10	6.7%
Cocke Hall Swimming Pool	200	210	10	5.0%
Cocke Hall (Wellness Studio)	65	70	5	7.7%
Cormack Wrestling Arena	105	110	5	4.8%
Cormack Fitness/Weight Room	105	110	5	4.8%
Football Practice Field (day)	235	265	30	12.8%
Football Practice Field (night)	330	345	15	4.5%
Foster Stadium Track/Upper Field	510	535	25	4.9%
Foster Stadium Upper Throwing Field	60	65	5	8.3%
Indoor Training Facility	8,072	8,400	328	4.1%
Indoor Training Facility Climbing Wall	50	55	5	10.0%
Indoor Training Facility Endurance Obstacle Course	40	45	5	12.5%
Indoor Training Facility Fitness/Weight Room	50	55	5	10.0%
Indoor Training Facility High Ropes Course	110	115	5	4.5%
Indoor Training Facility Jump Area	60	65	5	8.3%
Indoor Training Facility Mobile Initiatives Course	40	45	5	12.5%
Indoor Training Facility Sprint Track	60	65	5	8.3%
Indoor Training Facility Throwing Areas	60	65	5	8.3%
Kilbourne Hall Indoor Range	260	275	15	5.8%
King Hall Boxing Room	65	70	5	7.7%
McKethan Park Pavilion	75-150	80-160	5-10	6.7%
McKethan Park Training Area	310	325	15	4.8%
McKethan Park Skeet Range	185	195	10	5.4%
North Post Field #1 and #3	160	170	10	6.3%
North Post Field #2 (day)	235	245	10	4.3%
North Post Field #2 (night)	330	345	15	4.5%
North Post Leadership Reaction Course	40	45	5	12.5%
North Post High Ropes Course	110	115	5	4.5%

## Facility Use Fees

	Fee Per Day		Inc (Dec)	%
	Fiscal Year			
	2022	2023		
North Post Outdoor Range	335	350	15	4.5%
North Post Red/White/Blue Loops	40	45	5	12.5%
North Post Tennis Courts (All)	260	270	10	3.8%
Patchin Field (Soccer/Lacrosse)	125	130	5	4.0%
Classrooms	75	80	5	6.7%
Academic Lecture Halls	160	170	10	6.3%
Memorial Hall Chapel/Rooms	750	780	30	4.0%

### *Fee per Camper/Participant*

Barracks	20	21	1	5.0%
Post Facilities	1	1.25	0.25	25.0%

#### **Notes:**

1. State policy requires VMI to charge private groups a fee for the use of VMI facilities. (Athletic coaches, faculty and staff members, and other organizations, as private contractors, conduct a variety of summer camps/schools at VMI).
2. Employees receive a 50% discount for non-commercial use by employee and immediate family members.
3. Fee increases provide for facilities operating and maintenance cost increases (primarily facility operations and maintenance costs and repairs).
4. McKethan Park Pavilion fees vary based on number of attendees.
5. Additional fees may be assessed for certain facilities as appropriate for supervision and other services.

**Special Note:** The Board authorizes the Superintendent or his designee to adjust any of the fees above on an exception basis as considered appropriate in his judgment due to special circumstances to include partial day use of facilities or other pertinent factors.

# Enrollment

	2022				2023		Budget	
	Budget	%	Actual	%	Budget	%	Inc(Dec)	%
<b><i>Fall Semester</i></b>								
<b><i>New Cadets</i></b>								
Virginia	300	60.0	292	59.1	300	60.0	-	0.0%
NonVirginia	200	40.0	202	40.9	200	40.0	-	0.0%
Total	500	100.0	494	100.0	500	100.0	-	0.0%
<b><i>Old Cadets</i></b>								
Virginia	775	64.7	774	64.8	737	63.6	(38)	-4.9%
NonVirginia	422	35.3	421	35.2	421	36.4	(1)	-0.2%
Total	1,197	100.0	1,195	100.0	1,158	100.0	(39)	-3.3%
<b><i>Total Fall</i></b>								
Virginia	1,075	63.3	1,066	63.1	1,037	62.5	(38)	-3.5%
NonVirginia	622	36.7	623	36.9	621	37.5	(1)	-0.2%
Total	1,697	100.0	1,689	100.0	1,658	100.0	(39)	-2.3%
<i>Cadets on Foreign Study</i>	2		-		2		-	
Total Potential	1,699		1,689		1,660		(39)	-2.3%
<b><i>Spring Semester</i></b>								
Virginia	1,002	63.9	994	64.2	965	63.0	(37)	-3.7%
NonVirginia	567	36.1	554	35.8	567	37.0	-	0.0%
Total	1,569	100.0	1,548	100.0	1,532	100.0	(37)	-2.4%
<i>Cadets on Foreign Study</i>	33		18		33		-	0.0%
Total Potential	1,602		1,566		1,565		(37)	-2.3%
<b><i>Average enrollment for the Year (Fall census and Spring)</i></b>								
	1,617		1,599		1,578		(39)	-2.4%

## **Significant Budget Assumptions Enrollment Notes**

### ***Fall Semester***

#### *New Cadets*

The budget is based on a new cadet class of 500 with 60% in-state cadets. VMI budgeted 500 new cadets for FY 2022 with 60% in-state cadets and enrolled 496 cadets (includes 2 readmits) with about 59% in-state cadets.

#### *Old Cadets*

An Old Corps (returning cadets) of 1,158 is budgeted for fall 2022; 39 less than budgeted for FY 2022 and 37 less than enrolled last fall. The percentage of in-state old cadets is projected to be 63.6% compared to 64.8% enrolled in FY 2022.

#### *Total Cadets*

The budget is based on a total projected “opening” day enrollment of 1,658 cadets with 62.5% in-state cadets. Opening day refers to matriculation day for new cadets and registration day for old cadets. The old cadets usually return and register about 9 to 10 days after new cadet matriculation; usually about 20-25 new cadets will have withdrawn by then resulting in a total projected Barracks enrollment of about 1,633 cadets at that date. By “census” date, which is the State’s official headcount date and occurs about a week after classes begin, VMI is projected to have an enrollment of about 1,625; this compares to 1,650 last census date.

### ***Spring Semester***

The spring semester enrollment is budgeted to total 1,532 or 92.4% of the fall opening day enrollment and reflects VMI’s actual average rate for the last three years.

### ***Average Enrollment***

VMI’s projected “average” annual enrollment for FY 2023 is 1,578 and consists of 1,625 cadets at the fall census date and 1,532 in the spring semester. The average enrollment for FY 2022 is 1,599. **Target enrollment currently stands at 1,625 cadets.**

### ***Foreign Study***

This budget includes 35 cadets total on foreign study during the year (fall and spring semester); it does not include cadets on foreign “exchange” programs. Cadets on foreign study do not pay VMI any tuition and fees; however, cadets on foreign exchange programs are generally required to pay VMI its normal tuition and fees.

## Total Employment Summary

	2022		2023		Inc (Dec)		
	FTE	Dollars	FTE	Dollars	FTE	Dollars	%
<b><i>State Funds</i></b>							
Educational and General Program	393	41,581,000	403	43,948,000	10	2,367,000	5.7%
Auxiliary Enterprises Program	112	7,786,000	103	7,557,000	(9)	(229,000)	-2.9%
Unique Military Program	29	3,036,000	29	3,211,000	-	175,000	5.8%
Total State Funds	534	52,403,000	535	54,716,000	1	2,313,000	4.4%
<b><i>Local Funds</i></b>							
Intercollegiate Athletics	49	4,608,000	53	4,979,000	4	371,000	8.1%
Museum Programs	7	645,000	8	713,000	1	68,000	10.5%
Local Restricted	24	3,774,000	25	4,262,000	1	488,000	12.9%
Local Unrestricted	1	1,389,000	1	1,476,000	-	87,000	6.3%
Total Local Funds	81	10,416,000	87	11,430,000	6	1,014,000	9.7%
Total State and Local	615	62,819,000	622	66,146,000	7	3,327,000	5.3%
<b><i>Capital Programs</i></b>							
Maintenance Reserve/Projects	5	373,000	5	378,000	-	5,000	1.3%
Total All	620	63,192,000	627	66,524,000	7	3,332,000	5.2%

Note: FTE represents the number of "full-time employees". The dollars indicated represent salaries and fringes for full-time and part-time employees.

**Total Employment  
Details of New Employees and Other Changes  
FY 2023**

<b>Department</b>	<b>Position</b>	<b>Type Change</b>	<b># FTE</b>
<b><i>E&amp;G Program</i></b>			
Deputy CDO	Admin Professional	New position	1.0
HR Assistant	Admin Professional	New position	1.0
Deputy IG	Admin Professional	New position	1.0
Assistant Registrar	Admin Professional	Covert a Classified Staff position to Admin & Professional	1.0
Custodial Staff - Scott Shipp Hall	Classified	New positions	2.0
Payroll Assistant	Classified	New position	1.0
Office Mgr/Scheduling Coordinator	Classified	Reclassify to AP Position in the Registrar's Office	(1.0)
Custodial Staff from Auxiliary	Classified	Move from Auxiliary to E&G	5.0
History Professor	Teaching Faculty	Move to a chair position paid by Local Funds	(1.0)
		<b>Total E &amp;G</b>	<b>10.0</b>
<b><i>Auxiliary Enterprises</i></b>			
Nurse	Classified	New position	1.0
Custodial Staff - Barracks	Classified	Move from Auxiliary to E&G	(5.0)
Custodial Staff - Barracks	Classified	Reduction for outsourcing	(5.0)
Custodial Staff - Infirmary	Classified	Designated staff for Infirmary	1.0
Assistant Athletic Director	Admin Professional	Move position to Athletics	(1.0)
New Market Museum	Admin Professional	Restructuring of staff positions	(0.5)
		<b>Total Auxiliary</b>	<b>(9.5)</b>
<b><i>Local Funds</i></b>			
History Professor	Teaching Faculty	Move from E&G to a Local funded chair position	1.0
Assistant Athletic Director	Admin Professional	Move position to Athletics from Auxiliary	1.0
Jackson House Museum	Classified	Add back position reduction from FY 2022	1.0
Athletics	Admin Professional	New Football coaching staff position	1.0
Athletics	Admin Professional	New Basketball support staff position	1.0
Athletics	Admin Professional	New Track & Cross Country	1.0
		<b>Total Local</b>	<b>6.0</b>
		<b>Net Increase - All Programs</b>	<b>6.5</b>

*See accompanying Notes on following page*

## **Total Employment Notes**

### **E&G Programs**

The E&G program headcount increased a total of 10 positions.

- One full-time teaching faculty position in History was selected to fill a new Peay Chair for FY 2023. E&G Teaching Faculty headcount is reduced by the position moved to the Local funded chair. (-1)
- Administrative Professional (AP) staff in E&G will increase by four positions in FY 2023. The new positions are Deputy Diversity Officer, HR Assistant, and Deputy Inspector General. The fourth is a conversion of a classified staff position to AP staff in the Registrar's Office. (+4)
- Classified Staff positions in E&G increased with the addition of a Payroll Assistant, two Custodial positions for Scott Shipp Hall, and five full-time custodial positions moved to E&G from Auxiliary as part of the reorganization and outsource of the Barracks custodial services. A reduction of one in the Classified Staff headcount due to the conversion to AP staff in the Registrar's Office noted above, nets the change in Classified Staff to an increase of seven positions. (+7)

### **Auxiliary Enterprises**

The Auxiliary Enterprises headcount decreased a total of 9.5 positions.

- Auxiliary Enterprises decreased by one Administrative Professional position which shifted to Local Athletics. The New Market Museum staff reorganization resulted in a decrease of one-half of a budgeted position. (-1.5)
- The Infirmary increased by two Classified Staff positions, a Registered Nurse, and a dedicated Custodial staff position. With the outsourcing of Barracks custodial services, ten positions were eliminated from the budget, five of which shifted to the E&G program. (-8)

### **Local Funds**

The Local funded headcount increased a total of 6 positions.

- Local funded Faculty positions increased one position with the addition of the History professor to a Peay Chair. (+1)

- The Athletics Department increased by four Administrative & Professional positions. Three sport staff positions were added, one each in Football, Basketball, and Track/Cross Country. The fourth position is the Assistant Athletic Director previously funded from Auxiliary. (+4)
- Classified staff position at the Jackson House Museum reduced in the FY 2022 budget was reinstated for FY 2023. (+1)



# **Local Funds**

## Local Funds

### VMI and Alumni Agencies Income and Support

	2022	2023	Inc (Dec)	%	Notes
<b><i>VMI Alumni Agencies</i></b>					
<b><i>Unrestricted Funds</i></b>					
VMI Foundation, Inc.					
Endowment Income/Annual Funds	1,650,000	2,535,000	885,000	53.6%	
Debt Service-Memorial Hall	185,000	190,000	5,000	2.7%	
Total VMI Foundation	1,835,000	2,725,000	890,000	48.5%	
Keydet Club special donations	49,000	200,000	151,000		
VMI Alumni Agencies Board					
Endowment Income/Donations	400,000	400,000	-	0.0%	
Total Unrestricted	2,284,000	3,325,000	1,041,000	45.6%	1
<b><i>Restricted Funds</i></b>					
VMI Foundation, Inc.					
Endowment Income/Donations	14,111,000	16,659,000	2,548,000	18.1%	
VMI Alumni Agencies Board					
Endowment Income/Donations	692,000	778,000	86,000	12.4%	
Total VMI Foundation/Agencies Bd	14,803,000	17,437,000	2,634,000	17.8%	
VMI Keydet Club					
Endowment Income/Donations	5,491,000	6,024,000	533,000	9.7%	
Total Restricted Funds	20,294,000	23,461,000	3,167,000	15.6%	2
 Total VMI Alumni Agencies	 <b>22,578,000</b>	 <b>26,786,000</b>	 4,208,000	 18.6%	
<b><i>VMI</i></b>					
<b><i>Unrestricted Funds</i></b>					
VMI General Endowment	67,000	76,000	9,000	13.4%	
Interest Income and Other	-	-	-		
Total Unrestricted	67,000	76,000	9,000	13.4%	
<b><i>Restricted Funds</i></b>					
VMI General Endowment	328,000	367,000	39,000	11.9%	
VMI Collins Endowment--Operations	162,000	173,000	11,000	6.8%	
Outside Trusts and Other	82,000	107,000	25,000	30.5%	
Total Restricted Funds	572,000	647,000	75,000	13.1%	
 Total VMI Endowment	 <b>639,000</b>	 <b>723,000</b>	 84,000	 13.1%	 3
 Total VMI and Alumni Agencies	 <b>23,217,000</b>	 <b>27,509,000</b>	 4,292,000		

## **Local Funds**

### **VMI and Alumni Agencies Income and Support**

#### **Notes**

1. VMI Foundation (VMIF) and VMI Alumni Agencies Board (VMIAAB) unrestricted spendable income for FY 2023 totals \$3,325,000. In addition, the VMIF and VMIAAB are funding debt service on the \$45 million in bonds issued on VMI's behalf in 2006 to fund various capital projects. This debt service currently totals approximately \$2.1 million annually and is part of the overall Alumni Agencies support to VMI.

Spendable endowment income is based on a 12-quarter rolling average endowment market value and a spending rate of 4.25%. Spendable income is combined with cash donations from the Annual Fund and used to fund Alumni Agencies operating expenses and provide unrestricted income to VMI.

2. VMIF, VMIAAB, and Keydet Club (KC) restricted income is budgeted for \$3,167,000 more than last year for a total of \$23,461,000.
3. VMI endowment income is derived primarily from VMI's General Endowment and Collins Endowment. These funds had a 31 December 2021 market value of \$12,610,184 and \$4,884,698 respectively. The General Endowment consists of scholarship funds and the Collins Endowment is restricted to support of the Virginia Museum of the Civil War at New Market. Spendable endowment income is based on a 4.25% spending rate applied to the average endowment market value for the past 12 quarters. VMI's endowments are pooled and invested with endowment funds of the VMI Alumni Agencies.

## Local Funds Restricted Funds Budget

Source/Activity	VMI Foundation	Alumni Agencies Board	Keydet Club	VMI Endowment	Federal Grants/Other	2023 Total	2022 Total	Inc (Dec)
<i>Expenditures</i>								
Instruction	5,981,453	-	-	3,000		5,984,453	5,110,330	874,123
Research	44,971			-		44,971	37,690	7,281
Public Service	320,449			173,000		493,449	333,100	160,349
Academic Support	2,010,170					2,010,170	1,640,794	369,376
Student Services	1,186,056	3,824		38,000		1,227,880	993,080	234,800
Institutional Support	461,642					461,642	439,630	22,012
Physical Plant	85,385	92,409	-			177,794	121,790	56,004
Total Educ & General	10,090,126	96,233	-	214,000		10,400,359	8,676,414	1,723,945
Auxiliary Enterprises	8,839	313,357	68,287	-	525,000	915,483	899,558	15,925
Cadet Financial Assistance	6,560,181	368,318	5,956,000	433,000	1,416,000	14,733,499	13,146,396	1,587,103
<b>Total</b>	<b>16,659,146</b>	<b>777,908</b>	<b>6,024,287</b>	<b>647,000</b>	<b>1,941,000</b>	<b>26,049,341</b>	<b>22,722,368</b>	<b>3,326,973</b>

## **Restricted Local Budget Notes**

1. The Restricted Funds Budget primarily reflects spendable income from endowment funds and cash donations. See Notes to VMI and Alumni Agencies Income and Support Budget Schedule.

The Restricted Fund budget for FY 2023 saw a significant increase, 14.6%, due to the market performance of the most recent 12 quarter rolling average. Cadet Financial Assistant funding increased \$1,587,103 and Operational support increased \$1,739,870.

2. Federal Funds consist primarily of PELL grants for cadets with financial need.
3. Total Restricted income of \$26,049,341 for FY 2023 is about \$3,326,973 more than FY 2022. The budget increases or decreases among departmental and program budgets generally reflect changes in the level of cash donations from year to year. Budgets often include a combination of cash donations and endowment income. Budget increases may also reflect new endowment gifts.

## Local Unrestricted Budget

	FY 2023 Allocation					FY 2022 Budget	Inc (Dec)	%	Notes	
	FY 2023 Budget	VMI Funds	Keydet Club	VMI Foundation	VMI Agencies Bd					Total
<b>Revenue</b>										
VMI Endowment	76,000	76,000				76,000	67,000	9,000	13.4%	1
VMI Foundation	2,724,625			2,724,625		2,724,625	1,834,585	890,040	48.5%	2
VMI Alumni Agencies Board	400,000				400,000	400,000	400,000	-	0.0%	2
KC -Athletics Special	200,000		200,000			200,000	-	200,000		2
Athletic Revenue	1,203,500	1,203,500				1,203,500	1,191,000	12,500	1.0%	3
Cadet Fees--Athletics	6,019,000	6,019,000				6,019,000	6,014,000	5,000	0.1%	3
Auxiliary Fund Balance--Ath						-	-	-		3
Museum Systems	578,000	578,000				578,000	375,000	203,000	54.1%	4
Conference Revenue--CLE	167,000	167,000				167,000	222,000	(55,000)	-24.8%	5
Concessions Commissions	475,000	475,000				475,000	348,000	127,000	36.5%	6
<b>Total Revenue</b>	<b>11,843,125</b>	<b>8,518,500</b>	<b>200,000</b>	<b>2,724,625</b>	<b>400,000</b>	<b>11,843,125</b>	<b>10,451,585</b>	<b>1,391,540</b>	<b>13.3%</b>	
<b>E&amp;G Expenditures</b>										
<i>Instruction</i>										
Faculty Salary Supplements	623,000			623,000		623,000	587,000	36,000	6.1%	7
<i>Public Service</i>										
Daniel's Award	-	-				-	-	-		
Museum Systems	887,000	577,000		310,000	-	887,000	786,000	101,000	12.8%	4
Total Public Service	887,000	577,000	-	310,000	-	887,000	786,000	101,000	12.8%	
<i>Academic Support</i>										
<i>Dean's Funds</i>										
Dean's Official Fund	14,000	14,000				14,000	14,000	-	0.0%	
Center for Leadership/Ethics	167,000	167,000				167,000	222,000	(55,000)	-24.8%	5
Total Academic Support	181,000	181,000	-	-	-	181,000	236,000	(55,000)	-23.3%	
<i>Student Services</i>										
Commandant's Official Fund	3,000			3,000		3,000	3,000	-	0.0%	
Chaplain's Office Support	110,000			10,000	100,000	110,000	115,000	(5,000)	-4.3%	8

## Local Unrestricted Budget

	FY 2023 Allocation					FY 2022 Budget	Inc (Dec)	%	Notes	
	FY 2023 Budget	VMI Funds	Keydet Club	VMI Foundation	VMI Agencies Bd					Total
Total Student Services	113,000	-	-	13,000	100,000	113,000	118,000	(5,000)	-4.2%	
<i>Institutional Support</i>										
Staff Salary Supplements	651,000	-		651,000		651,000	593,000	58,000	9.8%	7
Mortgage Subsidies	45,000			45,000		45,000	48,000	(3,000)	-6.3%	9
<i>Superintendent's Funds</i>										
Quarter's--Rent	80,000			30,000	50,000	80,000	80,000	-	0.0%	
Allotment	30,000			30,000		30,000	30,000	-	0.0%	
Travel	10,000			10,000		10,000	10,000	-	0.0%	
Protocol Office--Gifts	13,000	-		13,000		13,000	13,000	-	0.0%	
Local Bank Fees/Charges	2,000	2,000				2,000	2,000	-	0.0%	
Board of Visitors' Meetings	9,000	9,000				9,000	9,000	-	0.0%	
Membership Dues	3,000	3,000		-		3,000	3,000	-	0.0%	
VA Hi-Ed Bus Council Dues	9,000	9,000		-		9,000	9,000	-	0.0%	
Contingencies	697,500	7,500		690,000	-	697,500	201,000	496,500	247.0%	10
Total Institutional Support	1,549,500	30,500	-	1,469,000	50,000	1,549,500	998,000	551,500	55.3%	
<i>Auxiliary Enterprises</i>										
<i>Athletics</i>										
Operations	7,870,000	7,420,000	200,000		250,000	7,870,000	7,642,900	227,100	3.0%	3, 11
<i>Debt Service</i>										
JM Hall Renovation	189,625			189,625		189,625	184,585	5,040	2.7%	12
Total Debt	189,625	-	-	189,625	-	189,625	184,585	5,040	2.7%	
<b>Total Expenditures</b>	<b>11,413,125</b>	<b>8,208,500</b>	<b>200,000</b>	<b>2,604,625</b>	<b>400,000</b>	<b>11,413,125</b>	<b>10,552,485</b>	<b>860,640</b>	<b>8.2%</b>	
<b>Excess (Deficiency)</b>	<b>430,000</b>	<b>310,000</b>	<b>-</b>	<b>120,000</b>	<b>-</b>	<b>430,000</b>	<b>(100,900)</b>	<b>530,900</b>	<b>-526.2%</b>	
<i>Add: Beginning Fund Bal</i>	1,400,000	1,400,000		-	-	1,400,000	1,400,000	-	0.0%	
<i>Less: VMIF Direct Pays</i>	(120,000)			(120,000)		(120,000)	(120,000)	-	0.0%	13
<b>Ending fund balance</b>	<b>1,710,000</b>	<b>1,710,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,710,000</b>	<b>1,179,100</b>	<b>530,900</b>	<b>45.0%</b>	

## Local Unrestricted Funds Notes

1. VMI Endowment income of \$76,000 consists primarily of spendable income on the unrestricted portion of VMI's General Endowment; the income is based on 4.25% of the average endowment market value for the past 12-quarters (the market value of the unrestricted endowment was about \$2,062,417 as of 28 February 2022).
2. VMI Foundation (VMIF) and VMI Alumni Agencies Board (VMIAAB) spendable income totals \$3,004,625. It consists of \$2,815,000 million of unrestricted income and \$189,625 of other income to include the debt service on the Memorial Hall renovation project.

The Keydet Club support of \$200,000 is special fundraising to benefit Athletic operational expenses.

The VMIF and VMIAAB provides additional financial support of \$2.1 million annually on debt service related to the \$45 million of bonds issued on VMI's behalf in 2006 to fund various capital projects.

3. Athletic Revenues consists of gate receipts (football and basketball), guarantees (football, basketball, and baseball), NCAA and Southern Conference sponsorship revenues, track invitational entry fees, and sales and other income. Football ticket sales are projected to increase by \$75,000. Southern Conference and NCAA revenues are expected to remain at FY 2022 levels. Cadet Athletic Fees increased by 2.5% for FY 2023, or \$94 per cadet and represent approximately 68.5% of operating revenues.
4. Museum Systems revenues and expenditures consist of the VMI Museum at VMI, the Virginia Museum of the Civil War (VMCW) at New Market, VA and the Jackson House in Lexington, VA. Museum income for FY 2023 is expected to rebound as covid restrictions are lifted. Museum operations remain under review and organizational changes have or will be taking place to better position the three locations to become more fiscally sustainable. Increased private support is needed to maintain and operate the Museum System.
5. The Center for Leadership and Ethics (CLE) conducts four or five conferences each year with income from donations, attendance fees, exhibitor fees, and corporate sponsorships. The CLE generally seeks to cover conference expenses with conference revenues, private donations from the VMIF have been necessary to support conferences. The elimination of in person conferences has led to a significant decrease in revenue. The Conference Revenue estimate is based on a slow return to in-person conferences and meetings. VMI also provides support in its State Educational and General Program (E&G) for the CLE as needed. Private support from the VMIF and E&G Program support are budgeted in those programs.



VMI did not budget direct E&G support to the CLE in FY 2023 although direct support may be provided when funds are available.

6. VMI earns commissions on sales in the bookstore, PX, outside catering, and vending operations. The commissions approximate 17% of sales overall and are paid by the outside contractors (Follett, Parkhurst, and Compass) to VMI for the use of the space to operate the concessions. The amount of commission revenue budgeted for FY 2022 reflected a conservative estimate based on the uncertainty of covid and decreased Post activities. Commission income has rebounded with the lifting of certain restrictions and estimates for FY 2023 reflect that trend continuing.
7. Local Unrestricted funds provide 4% of the cost of faculty salaries, 3.33% of the cost of certain administrative professional staff salaries, and a portion of the Superintendent's compensation. The balance of these salaries is funded from State or other private funds.
8. Chaplain's Office support covers the difference in the amount of private restricted donations and other funds available to cover the salaries of the Chaplain, the Associate Chaplain, and the administrative assistant. Support was reduced by \$5,000 in FY 2023 as endowment earnings increased with the most recent 12 quarter average calculations.
9. VMI provides a subsidy up to \$1,500 per year for full-time teaching and administrative faculty who purchase a home as their primary residence. The amount budgeted is based on the number of participants and their mortgage balances (currently about 48 employees). VMI discontinued this program for new employees effective 1 January 2010 as a cost saving measure.
10. Contingency funds of \$697,500 to cover unanticipated costs not appropriate for State funding. The increase in annual support of \$890,040 provided the increase in contingency funding available.
11. A portion of the VMI Alumni Agencies Board income is budgeted to support the Athletic program. For FY 2022, 62.5% of Development Board unrestricted income is being budgeted for athletics.
12. The Memorial Hall Debt will be satisfied in FY 2023. These funds will be reallocated for other Institute priorities.
13. The VMI Foundation is expected to spend approximately \$120,000 of VMI's unrestricted income for outside consultants on VMI's behalf (primarily government relations consultants).

## Intercollegiate Athletics Operating Revenues, Support and Expenditures

	2022 Budget	2023 Budget	Inc (Dec)	%	Notes
<b><i>Revenue and Support</i></b>					
<b><i>Revenue</i></b>					
Cadet Fees	6,014,000	6,019,000	5,000	0.1%	1
Guarantees--Football	415,000	380,000	(35,000)	-8.4%	2
Guarantees--Basketball	250,000	250,000	-	0.0%	3
Guarantees - Baseball	1,500	2,000	500	100.0%	
Guarantees - Men's Soccer	-	-	-	100.0%	
Gate Receipts--Football	215,000	290,000	75,000	34.9%	4
Gate Receipts--Basketball	50,000	42,000	(8,000)	-16.0%	
Football ticket sales - away games	-	-	-		4
Entry Fees - Track Invitationals	80,000	85,000	5,000	6.3%	5
NCAA Academic Assistance	65,000	65,000	-	0.0%	6
NCAA /Conference Revenue	409,000	409,000	-	0.0%	6
Sales and Other Income	130,000	155,000	25,000	19.2%	7
Total Revenue	7,629,500	7,697,000	67,500	0.9%	
<b><i>Support</i></b>					
VMI Alumni Agencies Board					
Unrestricted Endowment	250,000	250,000	-	0.0%	8
Restricted Endowment	290,000	322,000	32,000	11.0%	
Keydet Club -Lacrosse/Swimming	62,000	68,000	6,000	9.7%	9
Keydet Club - Special Fundraising	72,000	200,000			9
NCAA Distribution	51,000	51,000	-	100.0%	10
VMI Unrestricted Income	12,500	12,500	-	0.0%	11
VMI Concessions Commissions	175,000	185,000	10,000	5.7%	11
Total Support	912,500	1,088,500	176,000	19.3%	
Total Revenue and Support	8,542,000	8,785,500	243,500	2.9%	

## Intercollegiate Athletics Operating Revenues, Support and Expenditures

### *Expenditures*

Football	1,611,000	1,736,000	125,000	7.8%	12
Basketball	955,000	1,010,000	55,000	5.8%	12
Track--Men	241,000	290,000	49,000	20.3%	12
Track--Women	241,000	290,000	49,000	20.3%	12
Wrestling	241,000	254,000	13,000	5.4%	12
Baseball	440,000	501,000	61,000	13.9%	12
Lacrosse	291,000	314,000	23,000	7.9%	12
Soccer/Swimming/Rifle	362,000	427,000	65,000	18.0%	12
Soccer/Water Polo--Women	359,000	399,000	40,000	11.1%	12
Training & Medical	348,000	383,000	35,000	10.1%	
Sports Information/Promotions	427,000	452,000	25,000	5.9%	
Strength & Conditioning	231,000	213,000	(18,000)	-7.8%	
NCAA Tutoring	54,000	54,000	-	0.0%	
Administration	945,000	1,018,000	73,000	7.7%	
Indirect Costs	1,671,000	1,786,000	115,000	6.9%	13
Contingencies	125,000	-	(125,000)		14
<hr/>					
Total Expenditures	8,542,000	9,127,000	585,000	6.8%	
<i>Excess(Deficiency) Revenue</i>	-	(341,500)	(341,500)		15
Add: Beginning Fund Balance	2,212,326	2,212,326	-		
<b>Ending Fund Balance</b>	<b>2,212,326</b>	<b>1,870,826</b>	<b>(341,500)</b>	<b>-15.4%</b>	

## **Local Funds**

### **Intercollegiate Athletics Notes**

#### **Revenues**

1. The Cadet Fees budget increase reflects a \$94 or 2.5% increase in the cadet athletic fee from \$3,740 to \$3,834.
2. Football Guarantees are \$380,000 for FY 2023. The guarantee-game for this fiscal year is the matchup against Wake Forest resulting in a \$35,000 decrease from FY 2022.
3. Basketball Guarantees generally consist of three games ranging from \$85,000 to \$95,000 each. FY 2023 is budgeted to be the same as FY 2022.
4. The Football Gate Receipts budget totals \$290,000, an estimate of five home games at \$48,000 per game and \$50,000 for the Citadel game.
5. The Athletic Department will host several indoor track events in FY 2023. The invitational events attract numerous teams with each visiting team charged an entry fee to cover costs of hosting the event. The FY 2023 budget remains at the FY 2022 level.
6. The NCAA and Conference provide funding to support academic enhancement, student assistance, and operations. FY 2023 is expected to remain at FY 2022 budgeted amounts.
7. The Sales and Promotions budget includes royalties from outside vendor sales of VMI logo merchandise, sponsorship revenues, advertising fees (advertisements on scoreboards and in the football, baseball, and Cameron Hall stadiums/arenas), program sales, and other income.
8. A portion of VMI Alumni Agencies Board (VMIAAB) unrestricted support will be utilized to subsidize Athletic operations in FY 2023. The amount of support for FY 2023 will be \$250,000. In past years, this VMIAAB support was used for Athletic scholarships rather than operations. Due to recent increases in Keydet Club scholarship support, these funds are currently available to support Athletics operations.
9. The Keydet Club is budgeted to provide \$6,224,287 in donations and endowment income to the Athletic Program in FY 2023, with \$5,956,000 million in athletic scholarships. The remaining support to be used for operations.
10. In FY 2018, the NCAA provided a one-time distribution of \$360,000 to be used over a ten-year period for athlete health/welfare in accordance with an approved spending plan. FY 2023 is the sixth year of this support; the final distribution will be included in the FY 2027 Athletic budget.

11. Other Local Unrestricted funds, \$12,500, will be given to the Athletic Department for athletic strength training support in FY 2023. Commission revenue will continue at \$80,000 with and additional \$105,000 to cover 3.23% of Administrative & Professional Staff salaries.

## **Expenditures**

*Note: The Budgets for all departments with personal services include a 5% pay increase and resulting increases in fringe benefit costs.*

12. The team sports budget reflects additional costs in travel related expenses from increasing the number of hotel rooms and bus rentals for attendance at away athletic events.
13. Indirect Cost is calculated as a percentage of total Athletic Direct Costs. The recovery rate in FY 2023 is 26.8%. Total increase in operational costs for FY 2023 generates an increase in Indirect Cost.
14. The FY 2023 budget does not include a contingency account. Contingencies vary each year and are budgeted based on available funding.
15. A \$341,500 transfer from the Athletic Fund Balance (Reserve) is budgeted for FY 2023 to cover the operating deficit projected for the fiscal year. This operating deficit is the result of State-mandated salary increases which must be funded from athletic revenue or private sources. Additional athletic revenues in FY 2024 and beyond will be required to limit the use of Reserve funds to support operations.

## VMI Museum Operations Revenues and Expenses

	FY 2023 Budget				FY 2022 Budget Total	Inc (Dec)	%	Notes
	VMIM	VMCW	JH	Total				
<b><i>Revenue and Support</i></b>								
Admissions	-	182,000	90,000	272,000	180,000	92,000	51.1%	1
Sales	145,000	75,000	75,000	295,000	182,000	113,000	62.1%	1
Contributions and Grants	5,000	5,000	1,000	11,000	13,000	(2,000)	-15.4%	2
Endowment Income	34,000	173,000	-	207,000	196,000	11,000	5.6%	3
Reserve Funds	-	-	-	-	-	-		
Other Income	-	-	-	-	-	-		
<b>Total Revenue and Support</b>	<b>184,000</b>	<b>435,000</b>	<b>166,000</b>	<b>785,000</b>	<b>571,000</b>	<b>214,000</b>	<b>37.5%</b>	
<b><i>Operating Expenses</i></b>								
Personal Services	143,000	379,000	192,000	714,000	645,000	69,000	10.7%	4
Merchandise for Resale	72,000	38,000	38,000	148,000	91,000	57,000	62.6%	
Other Operating	50,000	111,000	71,000	232,000	246,000	(14,000)	-5.7%	5
<b>Total Expenses</b>	<b>265,000</b>	<b>528,000</b>	<b>301,000</b>	<b>1,094,000</b>	<b>982,000</b>	<b>112,000</b>	<b>11.4%</b>	
<b><i>Excess (Deficiency) Revenue</i></b>	<b>(81,000)</b>	<b>(93,000)</b>	<b>(135,000)</b>	<b>(309,000)</b>	<b>(411,000)</b>	<b>102,000</b>		
Add: Fund Balance, begin	(35,000)	(149,000)	(95,000)	(279,000)	(342,000)	63,000	-18.4%	
<b><i>Fund Balance, ending</i></b>	<b>(116,000)</b>	<b>(242,000)</b>	<b>(230,000)</b>	<b>(588,000)</b>	<b>(753,000)</b>	<b>165,000</b>	<b>-21.9%</b>	

## **Museum Systems Notes**

1. Admissions and sales are budgeted for a total of \$567,000 or \$205,000 more than in FY 2022.
2. Contributions and grants, consists mostly of visitor donations and gifts to the Museums and are budgeted for a total of \$11,000 in FY 2023.

Note: VMI's State Educational and General Program and Auxiliary Enterprises Program also provide support of \$122,000 and \$184,000, respectively, in FY 2023 for Museum programs that benefit cadets, faculty, and visitors. This support consists primarily of funding for personal service costs of Museum employees.

3. Endowment income is primarily the spendable income on the VMI Collins Endowment that is restricted to support of the Virginia Museum of the Civil War (VMCW) located at New Market, VA. The annual endowment earnings are calculated on a 12-quarter rolling average balance on December 30. The endowment average for FY 2023 was higher than last year providing an additional \$11,000 in income.
4. The Museum personal services budget reflects the 5% salary increase, increase in medical insurance premiums and the return to full operational status. This budget provides for a New Retail Systems Manager position, the cost to be allocated across the three locations, and filling the vacant position held at the Jackson House. A reorganization of staff at New Market provides some savings to their overall payroll costs.
5. Other operating expenses include supplies, utilities, facility maintenance, advertising, and contractual services.

**Local Funds**  
**Center for Leadership and Ethics**

	<b>2022</b>	<b>2023</b>	<b>Inc</b>	<b>%</b>	<b>Notes</b>
	<b>Budget</b>	<b>Budget</b>	<b>Dec</b>		
<b><i>Revenue and Support</i></b>					
Cash Donations	11,000	10,000	(1,000)	-9.1%	1
Endowment Income	744,000	842,000	98,000	13.2%	2
Conference Income	222,000	167,000	(55,000)	-24.8%	3
VMI E&G Program Support	-	-	-		4
Rental Income	-	-	-		
<b>Total Revenue and Support</b>	<b>977,000</b>	<b>1,019,000</b>	<b>42,000</b>	<b>4.3%</b>	
<b><i>Expenses</i></b>					
Personal Services	1,003,000	1,054,000	51,000	5.1%	5
Conference Expenses	174,000	193,000	19,000	10.9%	3
Program/Other Expenses	233,000	279,000	46,000	19.7%	6
<b>Total Expenses</b>	<b>1,410,000</b>	<b>1,526,000</b>	<b>116,000</b>	<b>8.2%</b>	
<b><i>Excess (Deficiency) Revenue</i></b>	<b>(433,000)</b>	<b>(507,000)</b>	<b>(74,000)</b>		
Beginning Fund Balance	1,252,000	819,000	(433,000)		
<b>Ending Fund Balance</b>	<b>819,000</b>	<b>312,000</b>	<b>(507,000)</b>		<b>7</b>



## Center for Leadership and Ethics Notes

1. Cash donations consist mostly of gifts already received and held by the VMI Foundation. The donations are restricted or available for use by the Center for Leadership and Ethics (CLE). Most gifts are from a few donors and are not guaranteed to continue from year to year.
2. Endowment income derives from endowment gifts for the CLE for certain positions or operations and programs in general.
3. The CLE holds approximately four to five major conferences annually to include Environment Virginia and conferences on leadership, public policy, and topics of national importance. Conference income consists of registration fees, exhibitor fees, private donations, and other support. Conferences may require private donations to help cover all expenses. Conference expenses will vary annually based on the number of conferences held and the expected attendance. The pandemic continues to impact conference revenues and sponsorship as in-person conferences are just beginning to return.
4. VMI State E&G support is provided to supplement private funding for the CLE. E&G support is derived from State funds including cadet tuition revenue. CLE programs and activities are an integral part of a cadet's VMI education. No E&G support is budgeted for FY 2023, the CLE fund balance will be used to supplement CLE revenues as needed. Funding to the CLE is dependent on availability of E&G funds.
5. The Personal Services budget increase is due to a 5% state proposed pay increase for all full-time staff and resulting fringe benefit cost.
6. Program and Other expenses include several cadet programs addressing leadership and ethics, the faculty/cadet leadership development program, and other military history events. Other expenses consist primarily of general and administrative costs of operating the CLE. All facilities and grounds maintenance to include utilities, insurance, preventive maintenance, repairs, and other costs are funded by VMI in its Educational and General (E&G) Program. The facilities and grounds expenses total over \$200,000 annually and are not included in the CLE budget.
7. The CLE fund balance is attributed to conference income carried forward to future years and E&G support accumulated over several fiscal years. From FY 2015 through FY 2021, VMI has provided \$1,149,682 in E&G support. The CLE provides leadership training to cadets as

well as to faculty and staff, this supports these essential programs. All private funding is used during the fiscal year for identified program expenditures and staff payroll support.