



2025-2026 OPERATING BUDGET

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Executive Summary

Executive Summary

FY 2026 Operating Budget

1. The Budget is comprised of three main sources of operating funds that total \$121,800,000:
 - a) State General Funds of \$34,893,000. E&G operational funds increased by \$1,740,500, UMA increased by \$325,000 for one-time operational funding, and state aid for financial aid increased by \$87,000.
 - b) Cadet tuition, fee, and sales, and other revenue is projected to be \$51,015,000. The Class of 2029 is projected at 500 cadets. Tuition rates for both in-state and out-of-state cadets did not change, but fees increased 3.0%.
 - c) Private fund support primarily from the VMI Alumni Agencies of \$35,892,000. Unrestricted fund support of \$3,834,000 (10.7%) and \$32,058,000 in restricted funds (89.3%).
2. The Budget supports cadet financial assistance from all sources (Private, State, Federal and VMI) of \$24,336,000, an increase of \$1,771,000 or 7.8%. Tuition revenue used for financial aid is budgeted to be flat from FY 2025 at \$3,500,000. The State financial aid increased \$87,000, Federal financial aid is expected to increase \$700,000 and funding from the endowed scholarship accounts by \$984,000.
3. The Budget for all programs is \$146,136,000, an increase of \$4,503,500 over the prior year.
4. The Educational and General Program (E&G) Budget totals \$75,574,000, an increase of \$1,124,500 from FY 2025. The 3.0% salary increase is a major factor along with the 6.0% expected increase in medical insurance costs.
5. The Budget assumes 500 new cadets (68.0% Virginians and 32.0% Non-Virginians) and a total Corps of 1,565 (66.1% Virginians and

33.9% Non-Virginians). The average enrollment for FY 2025 (fall and spring) is budgeted to be 1,503.

6. Tuition and fees for in-state cadets total \$33,016 and represent an increase of \$660 or 2.0% over FY 2025. Tuition and fees for out-of-state cadets total \$64,608 and represent an increase of \$660 or 1.0%.
7. The budget includes a 3.0% salary increase beginning the first pay period of the fiscal year for all full-time employees.

Total personnel costs are budgeted for \$79,716,000 or 65.4% of the total Budget (excluding cadet financial aid) and include 666 full-time positions. This is an increase of \$2,850,000 or 3.7% over FY 2025.

8. The Budget projects a year-end Fund Balance of \$12,052,000 on 30 June 2026.

REVENUE

	2025	2026	Increase (Decrease)	%	Note
STATE FUNDS					
Educational and General					
General Funds	25,337,500	27,078,000	1,740,500	6.9%	1a
Cadet Tuition and Other Income	30,495,000	29,024,000	(1,471,000)	-4.8%	1b
Transfer from/(to) Reserves	-	775,000	775,000		1b
Total Educational & General	55,832,500	56,877,000	1,044,500	1.9%	
Unique Military Activities					
General Funds	5,860,000	6,185,000	325,000	5.5%	1a
Cadet Fees and Other Income	3,939,000	4,123,000	184,000	4.7%	1b
Transfer from/(to) Reserves	977,000	-	(977,000)		1b
Total Unique Military	10,776,000	10,308,000	(468,000)	-4.3%	
Auxiliary Enterprises					
Cadet Fees and Other Income	23,328,000	24,691,000	1,363,000	5.8%	1b
Transfer from/(to) Reserves	309,000	241,000	(68,000)	-22.0%	1b, 8
Total Auxiliary	23,637,000	24,932,000	1,295,000	5.5%	
Cadet Financial Assistance					
General Funds	1,543,000	1,630,000	87,000	5.6%	1a
Cadet Tuition and Fees	3,500,000	3,500,000	-	0.0%	1b
Total Cadet Financial Assistance	5,043,000	5,130,000	87,000	1.7%	
Total State Funds	95,288,500	97,247,000	1,958,500	2.1%	

	2025	2026	Increase (Decrease)	%	Note
LOCAL FUNDS					
Restricted Funds					
VMI Foundation/Agencies Bd	23,676,000	24,213,000	537,000	2.3%	1c
VMI Keydet Club	6,614,000	7,151,000	537,000	8.1%	1c
VMI Endowment	679,000	694,000	15,000	2.2%	1c
Federal Funds/NCAA Income	2,227,000	2,677,000	450,000	20.2%	1b
Total Restricted	33,196,000	34,735,000	1,539,000	4.6%	
Unrestricted Funds					
VMI Foundation/Agencies Bd	3,250,000	3,250,000	-	0.0%	1c
VMI Keydet Club	350,000	498,000	148,000		1c
VMI Endowment Income	84,000	86,000	2,000	2.4%	1c
Cadet Athletic Fees	5,940,000	6,355,000	415,000	7.0%	1b
Athletic Revenue/Support	1,289,000	1,857,000	568,000	44.1%	1b
Athletic Reserve	-	-	-	#DIV/0!	1b
Auxiliary Subsidy to Athletics	1,023,000	750,000	(273,000)	100.0%	1b
Museum Revenue	581,000	706,000	125,000	21.5%	1b
Conference Income	189,000	215,000	26,000	13.8%	1b
Concessions Income	442,000	437,000	(5,000)	-1.1%	1b
Total Unrestricted	13,148,000	14,154,000	1,006,000	7.7%	
Total Local Funds	46,344,000	48,889,000	2,545,000	5.5%	
TOTAL ALL FUNDS	141,632,500	146,136,000	4,503,500	3.2%	3
Less: Cadet Financial Assistance	(22,565,000)	(24,336,000)	(1,771,000)	7.8%	1b, 2
TOTAL REVENUE	119,067,500	121,800,000	2,732,500	2.3%	

EXPENDITURES

	2025	2026	Increase (Decrease)	%	Note
STATE FUNDS					
Educational & General					
Instruction	25,525,000	26,322,000	797,000	3.1%	
Public Service	138,000	142,000	4,000	2.9%	
Academic Support	7,652,000	8,307,000	655,000	8.6%	
Cadet Services	5,543,000	5,624,000	81,000	1.5%	
Institutional Support	7,374,000	6,835,000	(539,000)	-7.3%	
Physical Plant	9,600,500	9,647,000	46,500	0.5%	
Total Educational & General	55,832,500	56,877,000	1,044,500	1.9%	4
Unique Military Activities	10,776,000	10,308,000	(468,000)	-4.3%	
Auxiliary Enterprises					
Operations	20,250,000	21,353,000	1,103,000	5.4%	
Debt Service	2,470,000	1,579,000	(891,000)	-36.1%	
Maintenance projects	917,000	2,000,000	1,083,000	118.1%	
Total Auxiliary Enterprises	23,637,000	24,932,000	1,295,000	5.5%	
Cadet Financial Assistance	5,043,000	5,130,000	87,000	1.7%	
Total State Funds	95,288,500	97,247,000	1,958,500	2.1%	

	2025	2026	Increase (Decrease)	%	Note
LOCAL FUNDS					
Educational & General					
Instruction	9,836,000	9,475,000	(361,000)	-3.7%	
Research	53,000	57,000	4,000	7.5%	
Public Service	1,457,000	1,710,000	253,000	17.4%	
Academic Support	2,485,000	2,719,000	234,000	9.4%	
Cadet Services	1,467,000	1,549,000	82,000	5.6%	
Institutional Support	3,016,000	2,881,000	(135,000)	-4.5%	
Physical Plant	303,000	306,000	3,000	1.0%	
Total Educational & General	18,617,000	18,697,000	80,000	0.4%	4
Cadet Financial Assistance	17,522,000	19,206,000	1,684,000	9.6%	
Auxiliary Enterprises					
Intercollegiate Athletics	10,205,000	10,986,000	781,000	7.7%	
Debt Service	-	-	-		
Total Auxiliary Enterprises	10,205,000	10,986,000	781,000	7.7%	
Total Local Funds	46,344,000	48,889,000	2,545,000	5.5%	
TOTAL ALL FUNDS	141,632,500	146,136,000	4,503,500	3.2%	3
Less: Cadet Financial Assistance	(22,565,000)	(24,336,000)	(1,771,000)	7.8%	2
TOTAL EXPENDITURES	119,067,500	121,800,000	2,732,500	2.3%	

SOURCES OF REVENUE

	2025	% of Total	2026	% of Total	Inc (Dec)	% Inc (Dec)	Note
State General Funds	32,740,500	27.5	34,893,000	28.6	2,152,500	6.6%	1a
Cadet Tuition/Fees and Sales	44,637,000	37.5	43,357,000	35.6	(1,280,000)	-2.9%	1b
VMI and Alumni Agencies Support							
<i>VMI Alumni Agencies</i>							
VMI Foundation	25,623,000	21.5	26,022,000	21.4	399,000	1.6%	
VMI Alumni Agencies Board	1,303,000	1.1	1,441,000	1.2	138,000	10.6%	
Total Foundation/ Agencies Bd	26,926,000	22.6	27,463,000	22.5	537,000	2.0%	
VMI Keydet Club	6,964,000	5.8	7,649,000	6.3	685,000	9.8%	
Total Alumni Agencies	33,890,000	28.5	35,112,000	28.8	1,222,000	3.6%	
<i>VMI Endowment</i>							
VMI General Endowment	489,000	0.4	501,000	0.4	12,000	2.5%	
VMI Collins Endowment	189,000	0.2	194,000	0.2	5,000	2.6%	
Outside Trusts (scholarships)	85,000	0.1	85,000	0.1	-	0.0%	
Total VMI Endowment	763,000	0.6	780,000	0.6	17,000	2.2%	
Total VMI and Alumni Agencies	34,653,000	29.1	35,892,000	29.5	1,239,000	3.6%	1c

SOURCES OF REVENUE

	2025	% of Total	2026	% of Total	Inc (Dec)	% Inc (Dec)	
Other Revenue							
Athletic Revenue	1,289,000	1.1	1,857,000	1.5	568,000	44.1%	
Concessions Income	442,000	0.4	437,000	0.4	(5,000)	-1.1%	
Museum Revenue	581,000	0.5	706,000	0.6	125,000	21.5%	
Program/Conference Income	189,000	0.2	215,000	0.2	26,000	13.8%	
Federal Funds/Other Income	2,227,000	1.9	2,677,000	2.2	450,000	20.2%	
Total Other Revenue	4,728,000	4.0	5,892,000	4.8	1,164,000	24.6%	1b
Transfers (to)/from Reserves							
Auxiliary Subsidy to Athletics	1,023,000	0.9	750,000	0.6	(273,000)		
Athletic Reserve	-	-	-	0.0	-		
E&G Reserve	-	-	775,000	0.6	775,000		
UMA Reserve	977,000	0.8	-	0.0	(977,000)		
Auxiliary Reserves	309,000	0.3	241,000	0.2	(68,000)	-22.0%	
Total Transfers	2,309,000	1.9	1,766,000	1.5	(270,000)	(0.2)	
TOTAL	119,067,500	98.1	121,800,000	98.6	3,005,500	2.5%	

State Funds

Cadet Tuition, Fees and Other Income

	Budget 2025	Budget 2026	Inc (Dec)	%
<i>E&G Program</i>				
<i>Tuition--Regular Session</i>				
Gross tuition--current year	33,070,000	31,777,000	(1,293,000)	-3.9%
Less: refunds	(331,000)	(313,000)	18,000	-5.4%
Net potential	32,739,000	31,464,000	(1,275,000)	-3.9%
Less: uncollected	(722,000)	(757,000)	(35,000)	4.8%
Net tuition	32,017,000	30,707,000	(1,310,000)	-4.1%
<i>Tuition--Collection of Prior Years</i>	75,000	75,000	-	0.0%
<i>Tuition--Summer Session</i>				
First Term	336,000	379,000	43,000	12.8%
Second Term	477,000	456,000	(21,000)	-4.4%
STP	419,000	389,000	(30,000)	-7.2%
Foreign Study	368,000	245,000	(123,000)	-33.4%
Total Summer	1,600,000	1,469,000	(131,000)	-8.2%
Total tuition	33,692,000	32,251,000	(1,441,000)	-4.3%
<i>Student Fees</i>				
Application fees	60,000	-	(60,000)	-100.0%
Forfeited deposits	4,000	5,000	1,000	25.0%
Late fees	23,000	62,000	39,000	169.6%
Total fees	87,000	67,000	(20,000)	-23.0%
<i>Other Income</i>				
Interest on notes--Cadets	12,000	15,000	3,000	25.0%
Transcripts	15,000	15,000	-	0.0%
Energy Demand	35,000	35,000	-	0.0%
Miscellaneous	129,000	116,000	(13,000)	-10.1%
Total other	191,000	181,000	(10,000)	-5.2%
<i>Indirect Costs & Admin Fees</i>	-	-		
Indirect Costs--grants/contracts	15,000	15,000	-	0.0%
Total indirects	15,000	15,000	-	0.0%

State Funds

Cadet Tuition, Fees and Other Income

	Budget 2025	Budget 2026	Inc (Dec)	%
<i>Prior Year Expenses Reimbursed</i>	10,000	10,000	-	0.0%
Subtotal	33,995,000	32,524,000	(1,471,000)	-4.3%
<i>Transfer to Cadet Financial Aid</i>	(3,500,000)	(3,500,000)	-	0.0%
Total E&G Program	30,495,000	29,024,000	(1,471,000)	-4.8%

Auxiliary Program

Cadet Fees--Regular Session

Gross fees--current year	28,936,000	30,303,000	1,367,000	4.7%
Less: refunds	(231,000)	(238,000)	(7,000)	3.0%
Net potential	28,705,000	30,065,000	1,360,000	4.7%
Less: uncollected	(480,000)	(601,000)	(121,000)	
Net collections	28,225,000	29,464,000	1,239,000	4.4%
Transfer fees to Athletics Program	(5,940,000)	(6,355,000)	(415,000)	7.0%
Net cadet fees	22,285,000	23,109,000	824,000	3.7%

Food Service

Cadet fees--summer session	180,000	239,000	59,000	32.8%
Commission revenue-Parkhurst	13,000	13,000	-	0.0%
Total food service	193,000	252,000	59,000	30.6%

Barracks

Cadet fees--summer session	163,000	214,000	51,000	31.3%
Rents--summer camps/others	19,000	47,000	28,000	147.4%
Total Barracks	182,000	261,000	79,000	43.4%

Military Store/Other Sales

	13,000	13,000	-	0.0%
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Medical/Other--Cadet fees (summer)

	50,000	52,000	2,000	4.0%
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Parking Fees and Fines

	23,000	31,000	8,000	34.8%
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Total cadet fees/sales	22,746,000	23,718,000	972,000	4.3%
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State Funds

Cadet Tuition, Fees and Other Income

	Budget 2025	Budget 2026	Inc (Dec)	%
<i>Other Income</i>				
Rents--Post Housing	370,000	370,000	-	0.0%
Rents-Cameron Hall	3,000	3,000	-	0.0%
Interest earned on Reserves	183,000	574,000	391,000	213.7%
Miscellaneous	26,000	26,000	-	0.0%
Total Other	582,000	973,000	391,000	67.2%
Subtotal	23,328,000	24,691,000	1,363,000	5.8%
Add: Transfer in from Reserves	309,000	241,000	(68,000)	-22.0%
Total AUX Program	23,637,000	24,932,000	1,295,000	5.5%

Unique Military Activities

Cadet Fees

Gross fees--current year	4,013,000	4,284,000	271,000	6.8%
Less: refunds	(37,000)	(38,000)	(1,000)	2.7%
Net potential	3,976,000	4,246,000	270,000	6.8%
Less: uncollected	(161,000)	(201,000)	(40,000)	24.8%
Net cadet fees	3,815,000	4,045,000	230,000	6.0%
<i>Sales and Other Income</i>				
Military Store Sales	124,000	78,000	(46,000)	-37.1%
Total UMA	3,939,000	4,123,000	184,000	4.7%

State Funds

Cadet Tuition, Fees, and Other Income Notes

E&G Program

Tuition Revenue—Regular Session

The FY 2026 budget is based on 500 cadets in the incoming rat class and an average enrollment of 1,503, which is 14 more than the actual average enrollment for FY 2025. Tuition rates for both in-state and out-of-state remain unchanged FY 2025 to FY 2026. After reducing revenue for expected refunds and uncollectible amounts due to tuition waivers, the net tuition revenue for the regular session is budgeted to be \$1,310,000 less than the previous fiscal year.

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 \$34,493 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 works delinquent accounts and makes considerable effort to collect them prior to sending any of these accounts to the Office of the Attorney General for assistance in collection. Accounts that are deemed uncollectible are marked for write-off. However, VMI will continue to hold official transcripts until full payment is received from these former cadets. The Board approves the write -off of any uncollectible accounts during the fiscal year. VMI does not have any accounts that will need to be written off in FY 2026

There are no accounts under the \$2,500 limit that the Superintendent will need to approve for write off during FY 2026.

Tuition Revenue—Summer Session

Summer session tuition revenue is expected to decrease \$131,000, 8.2%.

Transfer to Cadet Financial Aid

Tuition revenue used to fund cadet financial aid is budgeted at \$3,500,000, unchanged from FY 2025. 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 60% 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.

Auxiliary Program

Cadet Fee Revenue--Regular Session

Regular session cadet auxiliary fees increased by \$580, from \$19,310 to \$19,890. These fees cover room, board, athletic, medical, cadet activities/facilities, debt service, laundry/dry cleaning, and haircuts.

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

Rents on Housing

Rent revenue is budgeted to be flat for FY 2026.

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 2026 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 General Order 40, Housing Policy Regulation, dated 28 April 2025, the VMI Superintendent is required to reside on Post at 412 VMI Parade Avenue. The requirement for certain faculty and staff to reside on Post is at the discretion of 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 actual revenue earned in FY 2025 is expected to be \$350,000, which is more than the budgeted amount of \$183,000. The FY 2026 budget projects the interest earned on the fund balance to be \$574,000.

Transfer from Reserves

The transfer from the Auxiliary Fund Balance (or reserves) totals \$241,000 and is the amount of the projected operating deficit in the Auxiliary program for FY 2026.

VMI's Auxiliary Fund Balance is projected to be \$14,000,000 on 30 June 2025 and \$9,200,000 on 30 June 2026. Based on experience for working capital needs, VMI's

minimum target fund balance is \$11,000,000. The FY 2026 budget includes \$4,000,000 in small non-capital projects that will reduce the fund balance below the target.

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Unique Military Activities Program

Cadet Fee Revenue

Cadet uniform and UMA activity fees are budgeted to increase by \$80. The cadet UMA fee totals \$2,758 for FY 2026 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	2025	2026	Inc (Dec)	%	Notes
State Funds					
General Funds					
Student Financial Aid	1,543,000	1,630,000	87,000	5.6%	1
Total General Funds	1,543,000	1,630,000	87,000	5.6%	
Cadet Tuition and Fees					
E&G Program	3,500,000	3,500,000	-	0.0%	2
Total State Funds	5,043,000	5,130,000	87,000	1.7%	
Local Funds					
Restricted					
VMI Foundation					
Merit and Other Scholarships	8,478,000	9,068,000	590,000	7.0%	3
Athletic Scholarships	50,000	51,000	1,000	2.0%	
Total VMI Foundation	8,528,000	9,119,000	591,000	6.9%	
VMI Alumni Agencies Board					
Athletic scholarships	422,000	421,000	(1,000)	-0.2%	3
VMI Keydet Club--Scholarships	6,537,000	6,922,000	385,000	5.9%	3
VMI BOV Endowment	359,000	368,000	9,000	2.5%	
NCAA/Conference Assistance	-	-	-	#DIV/0!	
Outside Trusts	85,000	85,000	-	0.0%	
Total Restricted	15,931,000	16,915,000	984,000	6.2%	
Federal Grants/Aid					
SEOG	91,000	91,000	-	0.0%	4
PELL	1,500,000	2,200,000	700,000	46.7%	
Total Federal Aid	1,591,000	2,291,000	700,000	44.0%	
Total Local Funds	17,522,000	19,206,000	1,684,000	9.6%	
Total All	22,565,000	24,336,000	1,771,000	7.8%	5

Cadet Financial Assistance Notes

1. State general funds appropriated for cadet financial assistance total \$1,630,000 for FY2026, an increase of \$87,000 from FY 2025.
2. VMI cadet financial aid funded from tuition revenue is budgeted for \$3,500,000, no change from FY 2025. 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 33.9% of the Corps in FY 2026 and about 40.4% are projected to qualify for need-based financial aid. Approximately 30.0% of in-state cadets qualify for need-based aid which results in an overall average of about 33.8% 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 60% of the required need of out-of-state cadets.

Note: For FY 2025, 50.6% of VMI's graduates had loans. This consisted of 56.6% of in-state graduates with an average federal loan balance of \$19,723 and 42.6% of out-of-state graduates with an average federal loan balance of \$19,763. Lending institutions include the Department of Education and private lenders. The national average federal student loan debt is \$38,375, with the average public university student borrowing \$31,960 to attain a bachelor's degree (source: <https://educationdata.org/student-loan-debt-statistics> report by Melanie Hanson titled "Student Loan Debt Statistics" updated 16 March 2025).

3. Cadet financial assistance from the VMI Foundation (VMIF), the VMI Alumni Agencies Board (VMIAAB), and the VMI Keydet Club (KC) increased \$975,000 to \$16,462,000. Merit and need-based scholarships increased \$590,000 and Athletic scholarships by \$385,000 for an overall increase of 6.3%.
4. Federal aid funding for PELL grants is budgeted at \$2,200,000. This is a significant increase from the FY 2025 budget of \$1,500,000. The FY 2026 budget is based on FY 2025 actual Pell awards. The maximum award amount will remain at \$7,395 for the 2025-2026 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 \$24,336,000. 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 adequate for VMI to meet approximately 100% of the need of in-state cadets and about 60% 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 37.9% of VMI's total projected tuition and fee revenues of \$64,193,000 for FY 2026 which is an increase of 0.8% from FY 2025. The 37.9% "tuition discount" consists mostly of restricted funds that are required to be used for financial assistance (financial aid budget consists of 85.6% restricted funds and 14.4% unrestricted funds). 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 2026 Operating Budget totals \$146,136,000 and includes \$24,336,000 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 \$121,800,000.

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 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 expenditure 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 the form and manner prescribed by the State Council of Higher Education which is charged with reviewing and assessing each plan.

VMI is required to submit a new six-year financial plan by 3 July 2025.

VMI Budget Process and Calendar

VMI adopts an annual operating budget at the April/May meeting of the Board of Visitors. The Deputy Superintendent of Finance and Support 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 (Forging 21st Century Leaders) is the principal source of guidance and direction in the formulation of the proposal. 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 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 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 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.

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 \$5,860,000 in FY 2026, the same as FY 2025. However, the State did approve an additional \$325,000 in special one-time operational funding for UMA. 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. VMI will receive an additional \$87,000 in State financial aid for FY 2026.

Significant Budget Assumptions

Significant Budget Assumptions

Tuition and Fees Notes

Tuition

The FY 2026 budget includes no tuition increase for either in-state or out-of-state cadets. Fees are budgeted to increase 3.0%. The net overall increase in costs for both in-state and out-of-state cadets is \$660 or 2.0% for in-state and 1.0% for out-of-state. 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 \$1,740,500 or 6.9%.
- c) The 3.0% salary increase, as proposed by the General Assembly, for all Faculty, Administrative & Professional, and Classified Staff is budgeted to begin with the first payroll in July. The budget includes a 6.0% increase in medical insurance costs.
- d) With the proposed pay increase of 3.0% and no increase to tuition in FY 2026, limited additional funding will be available for personnel and non-personnel budget requests from the senior executive officers. FY 2026 assumes the same departmental budget levels as FY 2025 with few exceptions.
- e) Unavoidable cost increases for utilities, insurances, facility preventive maintenance contracts, and other costs.
- f) A budget of tuition revenue for cadet financial assistance of \$3,500,000 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 \$102 or 3.0% to \$3,488 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 \$238 per cadet or 3.0% to \$8,162. 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 \$216 or 3.0% to \$7,398. It consists of a \$122 increase in the cadet athletic fee, a \$18 increase in the medical fee, and a \$76 increase in the cadet facilities/activities fee. The net fee increases primarily funds State-initiated or mandated salary and fringe benefit cost increases as described in the Tuition Note, 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 3.0% 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 2026 complies with the Act.

Quartermaster Charges

VMI's comprehensive quartermaster charges covering laundry/pressing, haircuts, cadet uniforms, and Unique Military Activities will increase \$104 or 3.0% to \$3,600.

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 no longer includes the application fee of \$40, as this fee was discontinued in FY 2024 as part of Admission's cadet recruiting strategy.

A deposit of \$300 applies to all new cadets and returning cadets who are 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 10.0% 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 2025 for the Fall Semester and 15 December 2025 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 be approximately \$1,300 for the academic year.

Payment Policy

This budget authorizes the administration to dismiss cadets who fail to pay the required tuition and fees or any other financial obligations to VMI. It also grants the authority to hold grades, credits, 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 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

	2025	2026	Inc (Dec)	%
<i>Tuition</i>				
Virginia Cadet	10,368	10,368	-	0.0%
NonVirginia Cadet	41,960	41,960	-	0.0%
<i>Room</i>	3,386	3,488	102	3.0%
<i>Board</i>	7,924	8,162	238	3.0%
<i>Auxiliary Fees</i>				
Athletic	4,064	4,186	122	3.0%
Medical	592	610	18	3.0%
Cadet Facilities/Activities	2,526	2,602	76	3.0%
Total	7,182	7,398	216	3.0%
<i>Quartermaster Charges</i>				
Laundry/Pressing	484	498	14	2.9%
Haircuts	334	344	10	3.0%
Uniforms/UMA Activities	2,678	2,758	80	3.0%
Total	3,496	3,600	104	3.0%
Total Virginia Cadet	32,356	33,016	660	2.0%
Total NonVirginia Cadet	63,948	64,608	660	1.0%

Tuition and Fees--Summer Session

	Summer			
	2025	2026	Inc(Dec)	%
Tuition (Per Credit Hour)				
<i>Virginia</i>				
Regular	374	374	-	0.0%
Student Transition (STP)	410	410	-	0.0%
<i>Non-Virginia</i>				
Regular	1150	1150	-	0.0%
Student Transition (STP)	1250	1250	-	0.0%
Room (Per Week)	150	155	5	3.3%
Board (Per Week)				
5-Meal Plan	68	70	2	2.9%
10-Meal Plan	128	132	4	3.1%
15-Meal Plan	164	170	6	3.7%
19-Meal Plan	208	212	4	1.9%
Auxiliary Fee (Per Term)				
Regular	80	82	2	2.5%
Summer Transition	140	144	4	2.9%
Other Charges/Fees				
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.

Base-line Facility Use Fees

Additional fees may be assessed based on the requirements of the event.

	Fee Per Day		Inc	%
	Fiscal Year			
	2025	2026	(Dec)	
<i>Fee per Camp/School/Other</i>				
Aquatic Center	4,000	4,000	-	0.0%
Baseball Field (day)	265	265	-	0.0%
Baseball Field (night)	345	345	-	0.0%
Cameron Hall Arena	1,000	1,000	-	0.0%
Cameron Hall Basketball Court	500	500	-	0.0%
Cameron Hall Racquetball Courts	210	210	-	0.0%
Cocke Hall Basketball Arena	500	500	-	0.0%
Cocke Hall Swimming Pool	300	300	-	0.0%
Cocke Hall (Wellness Studio)	110	110	-	0.0%
Cormack Wrestling Arena	500	500	-	0.0%
Cormack Fitness/Weight Room	500	500	-	0.0%
Football Practice Field (day)	265	265	-	0.0%
Football Practice Field (night)	345	345	-	0.0%
Foster Stadium Track/Upper Field	535	535	-	0.0%
Foster Stadium Upper Throwing Field	110	110	-	0.0%
Indoor Training Facility	5,000	5,000	-	0.0%
Indoor Training Facility Climbing Wall	110	110	-	0.0%
Indoor Training Facility Endurance Obstacle Course	110	110	-	0.0%
Indoor Training Facility Fitness/Weight Room	110	110	-	0.0%
Indoor Training Facility High Ropes Course	115	115	-	0.0%
Indoor Training Facility Jump Area	110	110	-	0.0%
Indoor Training Facility Mobile Initiatives Course	110	110	-	0.0%
Indoor Training Facility Sprint Track	110	110	-	0.0%
Indoor Training Facility Throwing Areas	110	110	-	0.0%
Kilbourne Hall Indoor Range	500	500	-	0.0%
King Hall Boxing Room	110	110	-	0.0%
McKethan Park Pavilion (one pavilion)	110	110	-	6.7%
McKethan Park Training Area (w/one pavilion)	400	400	-	0.0%
McKethan Park Skeet Range	195	195	-	0.0%
North Post Field #1 and #3	170	170	-	0.0%
North Post Field #2 (day)	265	265	-	0.0%
North Post Field #2 (night)	345	345	-	0.0%
North Post Leadership Reaction Course	145	145	-	0.0%
North Post High Ropes Course	115	115	-	0.0%
North Post Outdoor Range	500	500	-	0.0%
North Post Red/White/Blue Loops	110	110	-	0.0%
Patchin Field (Soccer/Lacrosse)	200	200	-	0.0%

Base-line Facility Use Fees

Additional fees may be assessed based on the requirements of the event.

	Fee Per Day		Inc (Dec)	%
	Fiscal Year			
	2025	2026		
Classroom (ranges from \$110 to \$160)	110-160	110-160	-	0.0%
Academic Lecture Halls	170	170	-	0.0%
Memorial Hall Chapel/Rooms	850	850	-	0.0%
VMI Museum	125	125	-	0.0%
New Market Battlefield	125	125	-	0.0%
Jackson House	110	110	-	0.0%

Fee per Camper/Participant

Barracks	21	21	-	0.0%
Post Facilities	1.25	1.25	-	0.0%

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. Fees may vary based on the 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

	2025				2026		Budget	
	Budget	%	Actual	%	Budget	%	Inc(Dec)	%
Fall Semester								
New Cadets								
Virginia	297	60.0	337	67.4	340	68.0	43	14.5%
NonVirginia	198	40.0	163	32.6	160	32.0	(38)	-19.2%
Total	495	100.0	500	100.0	500	100.0	5	1.0%
Old Cadets								
Virginia	676	63.4	662	63.0	695	65.3	19	2.8%
NonVirginia	390	36.6	388	37.0	370	34.7	(20)	-5.1%
Total	1,066	100.0	1,050	100.0	1,065	100.0	(1)	-0.1%
Total Fall								
Virginia	973	62.4	999	64.5	1,035	66.1	62	6.4%
NonVirginia	586	37.6	551	35.5	530	33.9	(56)	-9.6%
Total	1,559	100.0	1,550	100.0	1,565	100.0	6	0.4%
Cadets on Foreign	2		-		2		-	
Total Potential	1,561		1,550		1,567		6	0.4%
Spring Semester								
Virginia	902	62.7	929	65.0	935	64.9	33	3.7%
NonVirginia	536	37.3	500	35.0	505	35.1	(31)	-5.8%
Total	1,438	100.0	1,429	100.0	1,440	100.0	2	0.1%
Cadets on Foreign	33		33		10		(23)	-69.7%
Total Potential	1,471		1,462		1,450		(21)	-1.4%
Average enrollment for the Year								
(Fall census and Spring)	1,482		1,489		1,503		21	1.4%

Significant Budget Assumptions

Enrollment Notes

Fall Semester

New Cadets

The budget is based on a new cadet class of 500 with 68.0% in-state cadets.

Old Cadets

An Old Corps (returning cadets) of 1,065 is budgeted for fall 2025; 1 less than budgeted for FY 2025 and 15 more than enrolled last fall. The percentage of in-state old cadets is projected to be 65.3% compared to 63.4% enrolled in FY 2025.

Total Cadets

The budget is based on a total projected “opening” day enrollment of 1,565 cadets with 66.1% 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 1,540 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 1,532; this compares to 1,527 last census date.

Spring Semester

The spring semester enrollment is budgeted to total 1,440 or 92.0% 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 2026 is 1,503 and consists of 1,565 cadets at the fall census date and 1,440 in the spring semester.

Foreign Study

This budget includes 12 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

	2025		2026		Inc (Dec)		
	FTE	Dollars	FTE	Dollars	FTE	Dollars	%
<i>State Funds</i>							
Educational and General Program	422	51,057,000	429	52,641,000	7.0	1,584,000	3.1%
Auxiliary Enterprises Program	102	8,492,000	102	8,568,000	-	76,000	0.9%
Unique Military Program	34	3,709,000	35	3,861,000	1.0	152,000	4.1%
Total State Funds	558	63,258,000	566	65,070,000	8.0	1,812,000	2.9%
<i>Local Funds</i>							
Intercollegiate Athletics	58	5,710,000	58	6,190,000	-	480,000	8.4%
Museum Programs	8	818,000	8	839,000	-	21,000	2.6%
Local Restricted	27	5,269,000	28	5,813,000	1.0	544,000	10.3%
Local Unrestricted	1	1,410,000	1	1,394,000	-	(16,000)	-1.1%
Total Local Funds	94	13,207,000	95	14,236,000	1.0	1,029,000	7.8%
Total State and Local	652	76,465,000	661	79,306,000	9.0	2,841,000	3.7%
<i>Capital Programs</i>							
Maintenance Reserve/Projects	5	401,000	5	410,000	-	9,000	2.2%
Total All	657	76,866,000	666	79,716,000	9.0	2,850,000	3.7%

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 2026

Department	Position	Type Change	# FTE
<i>E&G Program</i>			
Instruction	Teaching Faculty	New position, Constitutional History	1.0
Instruction	Teaching Faculty	New position, Spanish	1.0
Academic Support	Admin Professional	New position, Assoc Dean, Academic Support	1.0
Academic Support	Admin Professional	IT - Covert a Classified Staff position to Admin & Professional	1.0
Academic Support	Classified Staff	IT - Covert a Classified Staff position to Admin & Professional	(1.0)
Student Services	Admin Professional	New position, Internship Coordinator in Career Services	1.0
Institutional Support	Admin Professional	New position, Operations and Planning	1.0
Institutional Support	Admin Professional	New position, Communications and Marketing	1.0
Operations & Maint. - Plant	Classified Staff	New position, Grounds Maintenance	1.0
		Total E &G	7.0
<i>Auxiliary</i>			
		Total Auxiliary	0.0
<i>Unique Military Activities (UMA)</i>			
Nutritionist	Admin Professional	New position	1.0
		Total UMA	1.0
<i>Local Funds</i>			
Instruction	Teaching Faculty	New position, Peay Fellows	1.0
Athletics	Admin Professional	Basketball coach, part-time to full-time	1.0
Athletics	Admin Professional	Training and Medical position elimination	(1.0)
		Total Local	1.0
		Net Increase - All Programs	9.0

See accompanying Notes on following page

Total Employment Notes

The overall position increase from FY 2025 to FY 2026 is 9 new positions.

E&G Programs

The E&G program headcount increased by 7 positions.

- 1 Teaching Faculty position – Constitutional History
- 1 Teaching Faculty position - Spanish
- 1 Administrative & Professional position – Associate Dean , Academic Support
- 1 Administrative & Professional position – Internship Coordinator in Career Services
- 1 Administrative & Professional position – Operations & Planning, Deputy Director
- 1 Administrative & Professional position – Communications & Marketing
- 1 Classified Staff position – Grounds Maintenance

UMA Program

- 1 Administrative & Professional position - Nutritionist

Local Funds

- 1 Teaching Faculty position paid from the Peay Fellows endowment.

Local Funds

Local Funds

VMI and Alumni Agencies Income and Support

	2025	2026	Inc (Dec)	%	Notes
<i>VMI Alumni Agencies</i>					
<i>Unrestricted Funds</i>					
VMI Foundation, Inc.					
Endowment Income/Annual Funds	2,850,000	2,700,000	(150,000)	-5.3%	
Keydet Club special donations	350,000	498,000	148,000		
VMI Alumni Agencies Board					
Endowment Income/Donations	400,000	550,000	150,000	37.5%	
Total Unrestricted	3,600,000	3,748,000	148,000	4.1%	1
<i>Restricted Funds</i>					
VMI Foundation, Inc.					
Endowment Income/Donations	22,785,000	23,310,000	525,000	2.3%	
VMI Alumni Agencies Board			-		
Endowment Income/Donations	891,000	903,000	12,000	1.3%	
Total VMI Foundation/Agencies Bd	23,676,000	24,213,000	537,000	2.3%	
VMI Keydet Club					
Endowment Income/Donations	6,614,000	7,151,000	537,000	8.1%	
Total Restricted Funds	30,290,000	31,364,000	1,074,000	3.5%	2
Total VMI Alumni Agencies	33,890,000	35,112,000	1,222,000	3.6%	
<i>VMI</i>					
<i>Unrestricted Funds</i>					
VMI General Endowment	84,000	86,000	2,000	2.4%	
Interest Income and Other	-	-	-		
Total Unrestricted	84,000	86,000	2,000	2.4%	
<i>Restricted Funds</i>					
VMI General Endowment	405,000	415,000	10,000	2.5%	
VMI Collins Endowment--Operations	189,000	194,000	5,000	2.6%	
Outside Trusts and Other	85,000	85,000	-	0.0%	
Total Restricted Funds	679,000	694,000	15,000	2.2%	
Total VMI Endowment	763,000	780,000	17,000	2.2%	3
Total VMI and Alumni Agencies	34,653,000	35,892,000	1,239,000	3.6%	

Local Funds

VMI and Alumni Agencies Income and Support Notes

1. VMI Foundation (VMIF), Keydet Club, and VMI Alumni Agencies Board (VMIAAB) unrestricted spendable income for FY 2026 totals \$3,748,000. 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 \$31,364,000 which is \$1,074,000 more than last fiscal year. Included in this balance is \$4,861,000 of funds that are not endowed, they are discretionary cash donations. These funds are budgeted so the authority to spend is in place. However, these funds are managed to cover several years going forward and are not all spent in the current year.
3. VMI endowment income is derived primarily from VMI's General Endowment and Collins Endowment. These funds had a 30 September 2024 market value of \$12,936,770 and \$5,004,506 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 was based on a 4.25% spending rate applied to the average endowment market value for the past 12 quarters as of 30 September 2024 (\$11,796,210 General and \$4,564,564 Collins). 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	2026 Total	2025 Total	Inc (Dec)	Notes
Revenue									
Income/Donations	23,309,760	903,259	7,150,568	694,000		32,057,587	30,969,239	1,088,348	1
Federal Funds					2,291,000	2,291,000	1,591,000	700,000	2
Outside Grants					386,000	386,000	636,000	(250,000)	3
Total Revenue	23,309,760	903,259	7,150,568	694,000	2,677,000	34,734,587	33,196,239	1,538,348	4
Expenditures									
Instruction									
Professorial Chair Funds									
Biology	31,844					31,844	27,522	4,322	
Chemistry	42,901					42,901	42,077	824	
Economics	550,176					550,176	487,549	62,627	
Engineering	335,593					335,593	326,318	9,275	
English, Rhetoric & HS	61,153					61,153	59,737	1,416	
History	372,074					372,074	394,067	(21,993)	
International Studies	74,506					74,506	71,281	3,225	
Physics	32,990					32,990	32,375	615	
Peay Chairs	1,706,267					1,706,267	1,627,095	79,172	
Gottwald Leadership	184,947					184,947	175,914	9,033	
Herndon Funds	1,515,000					1,515,000	2,244,000	(729,000)	
Dean's Funds	536,922					536,922	439,831	97,091	
Total Prof Chairs	5,444,373					5,444,373	5,927,766	(483,393)	
Departmental Funds									
Biology	103,339					103,339	94,561	8,778	
Civil Engineering	129,439					129,439	109,812	19,627	
Chemistry	37,422					37,422	35,335	2,087	

Local Funds

Restricted Funds Budget

Source/Activity	VMI Foundation	Alumni Agencies Board	Keydet Club	VMI Endowment	Federal Grants/Other	2026 Total	2025 Total	Inc (Dec)	Notes
Computer Science	5,206					5,206	5,806	(600)	
Economics	135,271					135,271	116,510	18,761	
Electrical Engineering	28,512			4,000		32,512	30,169	2,343	
English, Rhetoric & HS	112,865					112,865	106,042	6,823	
History	274,056					274,056	245,453	28,603	
International Studies	52,423					52,423	45,392	7,031	
Mathematics	113,156					113,156	94,395	18,761	
Mechanical Engineering	16,804					16,804	12,863	3,941	
Modern Languages	2,630					2,630	2,526	104	
Physical Education	11,971					11,971	10,721	1,250	
Physics	76,880					76,880	78,519	(1,639)	
Psychology	87,698					87,698	82,485	5,213	
Total Dept Funds	1,187,672			4,000		1,191,672	1,070,589	121,083	
Faculty Development	338,246					338,246	329,170	9,076	
Jackson-Hope	1,039,730					1,039,730	1,019,717	20,013	
Visiting Scholars	110,789					110,789	105,946	4,843	
Curriculum Development	120,078					120,078	115,339	4,739	
Other Instruction	496,310					496,310	695,038	(198,728)	
Total Instruction	8,737,198	-	-	4,000	-	8,741,198	9,263,565	(522,367)	
Research									
Biology	18,189					18,189	17,313	876	
Chemistry	20,033				-	20,033	18,921	1,112	
Undergraduate Res	18,561				-	18,561	16,690	1,871	
Total Research	56,783				-	56,783	52,924	3,859	

Local Funds

Restricted Funds Budget

Source/Activity	VMI Foundation	Alumni Agencies Board	Keydet Club	VMI Endowment	Federal Grants/Other	2026 Total	2025 Total	Inc (Dec)	Notes
<i>Public Service</i>									
Museum Programs									
VMI Museum	168,080					168,080	158,147	9,933	
Jackson House	141,024					141,024	104,752	36,272	
VA Mus of Civil War	135,286			194,000		329,286	252,562	76,724	
Total Museums	444,390			194,000		638,390	515,461	122,929	
Lectures and Symposiums	-					-	-	-	
Other Public Service	53,000					53,000	50,058	2,942	
Total Public Service	497,390	-	-	194,000	-	691,390	565,519	125,871	
<i>Academic Support</i>									
Preston Library	651,815					651,815	625,676	26,139	
Information Technology	78,101					78,101	75,599	2,502	
Departmental Funds									
Biology	14,120					14,120	13,748	372	
History	1,332					1,332	1,273	59	
International Studies	14,383					14,383	13,721	662	
Music	-					-	-	-	
Total Dept Funds	29,835					29,835	28,742	1,093	
Leadership Program	1,221,378					1,221,378	1,090,436	130,942	
Dean's Office									
Fellowships	23,311					23,311	22,406	905	
Faculty Awards	75,816					75,816	73,348	2,468	
Faculty Development	394,403					394,403	364,968	29,435	
Outside Grants						-	-	-	
Total Dean's Funds	493,530				-	493,530	460,722	32,808	
Total Academic Support	2,474,659	-	-	-	-	2,474,659	2,281,175	193,484	

Local Funds

Restricted Funds Budget

Source/Activity	VMI Foundation	Alumni Agencies Board	Keydet Club	VMI Endowment	Federal Grants/Other	2026 Total	2025 Total	Inc (Dec)	Notes
<i>Student Services</i>									
Departmental Funds									
Intercollegiate Athletics		4,812				4,812	4,525	287	
Band	31,059					31,059	24,821	6,238	
Cadet Programs	488,464					488,464	440,763	47,701	
Chaplain's Office	461,096					461,096	442,455	18,641	
Commandant	42,663					42,663	41,728	935	
Cadet Counseling	5,024					5,024	1,000	4,024	
Music	101,464					101,464	114,695	(13,231)	
Total Dept Fund	1,129,770	4,812		-		1,134,582	1,069,987	64,595	
Graduate Fellowships	89,491					89,491	86,837	2,654	
Cadet Awards	177,919			43,000		220,919	194,129	26,790	
Other Student Services	11,000					11,000	11,000	-	
Total Student Services	1,408,180	4,812	-	43,000	-	1,455,992	1,361,953	94,039	
<i>Institutional Support</i>									
Comm & Marketing	351,977					351,977	351,977	-	
CDO	17,781					17,781	15,887		
Superintendent's Office	441,005					441,005	398,405	42,600	
Total Inst Support	810,763	-	-	-	-	810,763	766,269	42,600	
<i>Physical Plant</i>	195,453	110,943				306,396	302,985	3,411	
Total E & G	14,180,426	115,755	-	241,000	-	14,537,181	14,594,390	(57,209)	

Local Funds

Restricted Funds Budget

Source/Activity	VMI Foundation	Alumni Agencies Board	Keydet Club	VMI Endowment	Federal Grants/Other	2026 Total	2025 Total	Inc (Dec)	Notes
<i>Auxiliary Enterprises</i>									
Intercollegiate Athletics	10,404	366,833	228,817		386,000	992,054	1,074,325	(82,271)	
Total Auxiliary	10,404	366,833	228,817	-	386,000	992,054	1,074,325	(82,271)	
<i>Cadet Financial Assistance</i>									
Athletic Scholarships	50,848	420,671	6,921,751		-	7,393,270	7,013,912	379,358	
Cadet Scholarships	9,068,082	-	-	453,000		9,521,082	8,922,612	598,470	
Federal Grants and Loans					2,291,000	2,291,000	1,591,000	700,000	
Total Cadet Financial	9,118,930	420,671	6,921,751	453,000	2,291,000	19,205,352	17,527,524	1,677,828	
Total Restricted	23,309,760	903,259	7,150,568	694,000	2,677,000	34,734,587	33,196,239	1,538,348	

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.
2. Federal Funds consist primarily of Pell grants for cadets with financial need.
3. Outside Grants are funds from the NCAA restricted to the Athletic budget.
4. Total Restricted income of \$34,735,000 for FY 2026 is \$1,538,000 more than FY 2025. 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 2026 Allocation									
	FY 2026 Budget	VMI Funds	Keydet Club	VMI Foundation	VMI Agencies Bd	Total	FY 2025 Budget	Inc (Dec)	%	Notes
Revenue										
VMI Endowment	86,000	86,000				86,000	84,000	2,000	2.4%	1
VMI Foundation	2,700,000			2,700,000		2,700,000	2,850,000	(150,000)	-5.3%	2
VMI Alumni Agencies Board	550,000				550,000	550,000	400,000	150,000	37.5%	2
KC -Athletics Special	498,000	-	498,000			498,000	354,000	144,000		2
Athletic Revenue	1,857,000	1,857,000				1,857,000	1,297,500	559,500	43.1%	3
Cadet Fees--Athletics	6,355,000	6,355,000				6,355,000	5,940,000	415,000	7.0%	3
Museum Systems	706,000	706,000				706,000	581,000	125,000	21.5%	4
Conference Revenue--CLE	215,000	215,000				215,000	189,000	26,000	13.8%	5
Concessions Commissions	437,000	437,000				437,000	443,000	(6,000)	-1.4%	6
Total Revenue	13,404,000	9,656,000	498,000	2,700,000	550,000	13,404,000	12,138,500	1,265,500	10.4%	
E&G Expenditures										
Instruction										
Faculty Salary Supplements	735,000			735,000	-	735,000	695,000	40,000	5.8%	7
Public Service										
Daniel's Award	-	-				-	-	-		
Museum Systems	1,019,000	706,000		313,000	-	1,019,000	891,000	128,000	14.4%	4
Total Public Service	1,019,000	706,000	-	313,000	-	1,019,000	891,000	128,000	14.4%	
Academic Support										
Dean's Funds										
Dean's Official Fund	14,000			14,000		14,000	14,000	-	0.0%	
Preston Library	15,000			15,000		15,000	15,000	-	0.0%	2
Center for Leadership/Ethics	215,000	215,000				215,000	189,000	26,000	13.8%	5
Total Academic Support	244,000	215,000	-	29,000	-	244,000	218,000	26,000	11.9%	
Student Services										
Commandant's Official Fund	13,000			13,000		13,000	13,000	-	0.0%	
Chaplain's Office Support	80,000			80,000	-	80,000	80,000	-	0.0%	8
Total Student Services	93,000	-	-	93,000	-	93,000	93,000	-	0.0%	

Local Unrestricted Budget

	FY 2026 Allocation					FY 2025 Budget	Inc (Dec)	%	Notes
	FY 2026 Budget	VMI Funds	Keydet Club	VMI Foundation	VMI Agencies Bd				
<i>Institutional Support</i>									
Staff Salary Supplements	663,000	-		663,000		663,000	-	0.0%	7
Mortgage Subsidies	34,000			34,000		35,000	(1,000)	-2.9%	9
Superintendent's Funds						-			
Quarter's--Rent	98,000			98,000	-	98,000	-	0.0%	
Allotment	30,000			30,000		30,000	-	0.0%	
Travel	10,000			10,000		10,000	-	0.0%	
Employee Picnic	20,000			20,000		17,000	3,000	17.6%	
Protocol Office--Gifts	13,000	-		13,000		13,000	-	0.0%	
Local Bank Fees/Charges	2,000	-		2,000		2,000	-	0.0%	
Board of Visitors' Meetings	9,000	-		9,000		9,000	-	0.0%	
Membership Dues	-	-		-		-	-	#DIV/0!	
VA Hi-Ed Bus Council Dues	9,000	-		9,000		9,000	-	0.0%	
Contingencies	622,000	300,000		22,000	300,000	367,000	255,000	69.5%	10
Total Institutional Support	1,510,000	300,000	-	910,000	300,000	1,253,000	257,000	20.5%	
<i>Cadet Financial Aid</i>									
Call to Duty Scholarships	500,000			500,000	-	500,000	-	0.0%	11
Total Scholarships/Grants	500,000	-	-	500,000	-	500,000	-	0.0%	
<i>Auxiliary Enterprises</i>									
<i>Athletics</i>									
Operations	9,183,000	8,435,000	498,000		250,000	9,183,000	7,841,500	1,341,500	17.1% 3, 12
Total Expenditures	13,284,000	9,656,000	498,000	2,580,000	550,000	13,284,000	11,491,500	1,792,500	15.6%
Excess (Deficiency)	120,000	-	-	120,000	-	120,000	(527,000)	-81.5%	
<i>Add: Beginning Fund Bal</i>	<i>-</i>	<i>-</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.0%</i>	
<i>Less: VMIF Direct Pays</i>	<i>(120,000)</i>			<i>(120,000)</i>		<i>(120,000)</i>	<i>-</i>	<i>0.0%</i>	2, 13
Ending fund balance	-	-	-	-	-	527,000	(527,000)	-100.0%	

Local Unrestricted Funds Notes

1. VMI Endowment income of \$86,000 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 \$2,241,384 as of 31 March 2025).
2. VMI Foundation (VMIF) and VMI Alumni Agencies Board (VMIAAB) spendable income totals \$3,130,000. It consists of \$2,580,000 million of unrestricted income from VMIF and \$550,000 from VMIAAB.

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

The Keydet Club Special donations, \$498,000, are sport specific based on the donor's requirements for use of the funds.

3. Athletic Revenues consists of cadet fees, gate receipts (football and basketball), guarantees (football, basketball, and baseball), NCAA and Southern Conference sponsorship revenues, track invitational entry fees, sales and other income.
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. The VMI Museum began charging admission fees during FY 2025. The Museum System is projected to need \$313,000 of Local Unrestricted funding to fill in the gap of operational cost over admission generated revenues for FY 2026.
5. The Center for Leadership and Ethics (CLE) conducts three 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.
6. VMI earns commissions on sales in the bookstore, PX, outside catering, and vending operations.
7. Local Unrestricted funds provide 4% of the cost of faculty salaries, 3.23% of the cost of certain administrative professional staff salaries, and a portion of the Superintendent's compensation package. 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.
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 35 employees). VMI discontinued this program for new employees effective 1 January 2010 as a cost saving measure.
10. Contingency funds are budgeted to cover unanticipated costs which are not appropriate for State funding.
11. Call-to Duty scholarships may require additional funds beyond the \$1,200,000 provided directly by the Alumni Agencies. An estimated \$500,000 is budgeted as a placeholder to supplement the Call-to-Duty scholarships with funds from the Alumni Agencies Unrestricted allocation if needed.
12. A portion of the VMI Alumni Agencies Board income is budgeted to support the Athletic program. For FY 2026, 45.4% of Development Board unrestricted income is being budgeted for athletics.
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

	2025 Budget	2026 Budget	Inc (Dec)	%	Notes
<i>Revenue and Support</i>					
<i>Revenue</i>					
Cadet Fees	5,940,000	6,355,000	415,000	7.0%	1
Guarantees--Football	425,000	350,000	(75,000)	-17.6%	2
Guarantees--Basketball	300,000	350,000	50,000	16.7%	3
Guarantees - Baseball	1,500	1,500	-	0.0%	
Guarantees - Wrestling	-	10,000	10,000	100.0%	
Guarantees - Women's Soccer	-	4,000	4,000	100.0%	
Guarantees - Men's Soccer	-	3,000	3,000	100.0%	
Gate Receipts--Football	275,000	220,500	(54,500)	-19.8%	4
Gate Receipts--Basketball	46,000	51,000	5,000	10.9%	
Gate Receipts--Baseball	-	6,000	6,000	100.0%	
Entry Fees - Track Invitationals	90,000	90,000	-	0.0%	5
NCAA Academic Assistance	65,000	65,000	-	0.0%	6
NCAA /Conference Revenue	535,000	285,000	(250,000)	-46.7%	6
Licensing and Corp Sponsorships	151,000	240,000	89,000	58.9%	7
Other Income	-	532,000	532,000	100.0%	8
Total Revenue	7,828,500	8,563,000	734,500	9.4%	
<i>Support</i>					
VMI Alumni Agencies Board					
Unrestricted Endowment	250,000	250,000	-	0.0%	9
Restricted Endowment	367,000	377,000	10,000	2.7%	
Superintendent's Disc Funds	60,000	60,000	-	100.0%	10
Keydet Club Funds					
Lacrosse/Swimming	77,000	81,000	4,000	5.2%	11
Special Fund Raising	100,000	388,000	288,000	288.0%	11
Compete to Win	250,000	258,000	8,000	100.0%	11
NCAA Distribution	36,000	36,000	-	100.0%	12
VMI Commission Income	213,500	223,000	9,500	4.4%	13
Auxiliary Fund Balance	1,023,000	750,000	(273,000)	100.0%	14
Total Support	2,376,500	2,423,000	46,500	2.0%	
Total Revenue and Support	10,205,000	10,986,000	781,000	7.7%	

Intercollegiate Athletics Operating Revenues, Support and Expenditures

	2025 Budget	2026 Budget	Inc (Dec)	%	Notes
<i>Expenditures</i>					
Football	1,890,000	2,025,000	135,000	7.1%	15a
Basketball	1,096,000	1,286,000	190,000	17.3%	15b
Track--Men	277,000	271,000	(6,000)	-2.2%	15
Track--Women	277,000	271,000	(6,000)	-2.2%	15
Wrestling	283,000	313,000	30,000	10.6%	15c
Baseball	542,000	616,000	74,000	13.7%	15d
Soccer - Men	186,000	238,000	52,000	28.0%	15e
Soccer - Women	240,000	244,000	4,000	1.7%	15
Lacrosse	397,000	417,000	20,000	5.0%	15
Swimming	263,000	264,000	1,000	0.4%	15
Water Polo - Women	177,000	210,000	33,000	18.6%	15f
Rifle	66,000	82,000	16,000	24.2%	15g
Training & Medical	583,000	557,000	(26,000)	-4.5%	15
Nutrition	49,000	49,000	-		15
Strength & Conditioning	241,000	249,000	8,000	3.3%	15
Sports Information/Promotions	563,000	585,000	22,000	3.9%	15
NCAA Tutoring	65,000	72,000	7,000	10.8%	15
Administration	1,189,000	1,280,000	91,000	7.7%	15h
Indirect Costs	1,771,000	1,907,000	136,000	7.7%	16
Contingencies	50,000	50,000	-		
 Total Expenditures	 10,205,000	 10,986,000	 781,000	 7.7%	
 <i>Excess(Deficiency) Revenue</i>	 -	 -			
Add: Beginning Fund Balance	-	-			
Ending Fund Balance	-	-		0.0%	

Local Funds

Intercollegiate Athletics Notes

Revenues

1. The Cadet Fees budget increase reflects a \$122 or 3.0% increase in the cadet athletic fee from \$4,064 to \$4,186.
2. Football Guarantees are \$350,000 for FY 2026, down \$75,000 from FY 2025. The money games are University of Richmond (\$25,000) and Navy (\$325,000).
3. Basketball Guarantees generally consist of three games ranging from \$85,000 to \$95,000 each. FY 2026 is budgeted to be \$50,000 more than FY 2025, at \$350,000.
4. The Football Gate Receipts budget totals \$220,500, an estimate of five home games at \$44,100 per game.
5. The Athletic Department will host several indoor track events in FY 2026. The invitational events attract numerous teams with each visiting team charged an entry fee to cover costs of hosting the event. The FY 2026 revenue from track events is budgeted to be flat at \$90,000.
6. The NCAA and Conference provide funding to support academic enhancement, student assistance, and operations. FY 2026 NCAA revenue is expected to decrease \$250,000 over the previous fiscal year as the \$250,000 annual reduction for the NIL (Name, Image and Likeness) lawsuit settlement begins and will continue for a total of 10 years.
7. The Licensing and Corporate Sponsorships Income budget includes royalties from outside vendor sales of VMI logo merchandise, sponsorship revenues, and advertising fees (advertisements on scoreboards and in the football, baseball, and Cameron Hall stadiums/arenas). The advertising revenue is projected to increase \$89,000 over the prior year.
8. The Other Income of \$532,000 is the gap between projected revenue and expenses after deducting the Auxiliary subsidy of \$750,000 (see note 14).
9. A portion of VMI Alumni Agencies Board (VMIAAB) unrestricted support will be utilized to subsidize Athletic operations in FY 2025. The amount of support for FY 2026 will remain at \$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.
10. The Superintendent has committed to providing \$60,000 in support during FY 2026 from his discretionary cash account at the Foundation.

11. The Keydet Club is budgeted to provide \$7,649,000 in donations and endowment income to the Athletic Program in FY 2026, with \$6,922,000 million in athletic scholarships. The remaining support, which includes special projects and compete to win campaign funds, to be used for operations.
12. 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 2026 is the ninth year of this support; the final distribution will be included in the FY 2027 Athletic budget.
13. Commission revenue of \$12,500 will be given to the Athletic Department for athletic strength training support in FY 2026. Commission revenue will continue to support 3.23% of Administrative & Professional Staff salaries, \$210,500.
14. A \$750,000 transfer from the Auxiliary Fund Balance (Reserve) is budgeted for FY 2026 to cover a portion of 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 2027 and beyond will be required to limit the use of Reserve funds to no more than \$500,0000.

Expenditures

15. The Budgets for all departments with personal services include a 3% pay increase and resulting increases in fringe benefit costs as well as a 6.0% increase in medical insurance costs.
 - a) The Football program increased \$135,000. Personnel costs increased by \$51,000 and the non-personnel budget increased by \$84,000. Of the \$84,000 increase in non-personnel, \$40,000 is a game guarantee payment to an opponent. The balance of \$44,000 is for program enhancements funded via Keydet Club special fundraising.
 - b) Basketball personnel costs increased \$164,000 and the non-personnel budget increased \$26,000. Of the \$26,000 in non-personnel increases, \$21,000 is for special projects tied to Keydet Club fundraising.
 - c) The Wrestling personnel costs increased \$6,000. Non-personnel costs increased by \$24,000 for Keydet Club Compete to Win funding for program enhancements.
 - d) Baseball personnel costs increased by \$47,000 and non-personnel by \$27,000. Of the \$27,000 increase in non-personnel, \$21,000 is tied to Compete to Win funding and \$6,000 in an increase in travel cost.
 - e) Men's Soccer personnel costs increased \$51,000 and non-personnel costs increased by \$1,000,
 - f) Water Polo personnel costs increased \$27,000 and non-personnel costs increased \$6,000.

g) The Rifle budget increase of \$16,000 over the previous year is due to Compete to Win funding for program enhancements.

h) The Administration personnel budget increased \$48,000 and the non-personnel budget increased \$43,000. \$32,000 from Compete to Win is included in the non-personnel budget increase.

16. Indirect Cost is calculated as a percentage of total Athletic Direct Costs. The recovery rate in FY 2026 is 21%, same as FY 2025. Total Indirect Cost rate is calculated for each budget biennium and the current rate of 21% will expire in FY 2026. A new rate will be calculated for FY 2027 and FY 2028.

VMI Museum Operations Revenues and Expenses

	FY 2026 Budget				FY 2025 Budget	Inc		
	VMIM	VMCW	JH	Total	Total	(Dec)		
<i>Revenue and Support</i>								
Admissions	45,000	200,000	50,000	295,000	250,000	45,000	18.0%	1
Sales	210,000	115,000	65,000	390,000	315,000	75,000	23.8%	1
Contributions and Grants	12,000	3,000	3,000	18,000	16,000	2,000	12.5%	2
Endowment Income	41,000	194,000	-	235,000	218,000	17,000	7.8%	3
Other Income	-	3,000	-	3,000	3,000	-	0.0%	
Total Revenue and Support	308,000	515,000	118,000	941,000	802,000	139,000	17.3%	
<i>Operating Expenses</i>								
Personal Services	220,000	420,000	199,000	839,000	818,000	21,000	2.6%	4
Merchandise for Resale	105,000	57,500	33,000	195,500	180,000	15,500	8.6%	
Other Operating	50,000	87,500	82,000	219,500	200,000	19,500	9.8%	5
Total Expenses	375,000	565,000	314,000	1,254,000	1,198,000	56,000	4.7%	
<i>Excess (Deficiency)Revenue</i>	(67,000)	(50,000)	(196,000)	(313,000)	(396,000)	83,000	-21.0%	
Add: Fund Balance, begin	-	-	-	-	-	-		
<i>Fund Balance, ending</i>	(67,000)	(50,000)	(196,000)	(313,000)	(396,000)	83,000	-21.0%	

Museum Systems Notes

1. Admissions revenues are \$45,000 higher than the previous fiscal year as the VMI Museum location is now charging an admission fee. The sales revenues are expected to increase with changes in the store gift shop offerings and product lines.
2. Contributions and grants consists mostly of visitor donations and gifts to the Museums and are budgeted for a total of \$18,000 in FY 2026.

Note: VMI's State Educational and General Program and Auxiliary Enterprises Program also provide support of \$140,000 and \$184,000, respectively, in FY 2026 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 September 30.
4. The Museum personal services budget reflects the 3.0% salary increase and the 6.0% increase in medical insurance costs.
5. Other operating expenses include supplies, utilities, facility maintenance, advertising, and contractual services.

Local Funds
Center for Leadership and Ethics

	2025 Budget	2026 Budget	Inc Dec	%	Notes
<i>Revenue and Support</i>					
Cash Donations	1,000	81,000	80,000	8000.0%	1
Endowment Income	1,194,000	1,242,000	48,000	4.0%	2
Conference Income	189,000	215,000	26,000	13.8%	3
Rental Income	19,000	-	(19,000)	-100.0%	
Total Revenue and Support	1,403,000	1,538,000	135,000	9.6%	
<i>Expenses</i>					
Personal Services	1,136,000	1,164,000	28,000	2.5%	4
Conference Expenses	176,000	228,000	52,000	29.5%	3
Program/Other Expenses	320,000	334,000	14,000	4.4%	5
Total Expenses	1,632,000	1,726,000	94,000	5.8%	
<i>Excess (Deficiency) Revenue</i>	(229,000)	(188,000)	41,000	-17.9%	
Beginning Fund Balance	568,000	339,000	(229,000)		
Ending Fund Balance	339,000	151,000	(188,000)		

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.
4. The Personal Services budget increase is due to a 3.0% state proposed pay increase for all full-time staff and the 6.0% medical insurance premium rate increase.
5. 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.