



Operating Budget

Fiscal Year 2024

VIRGINIA MILITARY INSTITUTE

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29 April 2023

TO: The Board of Visitors

THROUGH: The Audit, Finance and Planning Committee

SUBJECT: Proposed Operating Budget FY 2024

The FY 2024 Operating Budget proposal for all programs totals \$116.2 million for an increase of \$7.2 million or 6.6% from the amended FY 2023 budget. The increase is primarily attributable State mandated compensation increases and increased funding from the VMI Alumni Agencies.


The Fall 2023 opening enrollment is budgeted to be 1,523 and includes 450 new cadets with 63% of the total Corps from Virginia. This is a budgeted enrollment decrease from the FY 2023 budget of 8.1% and is almost the same as the FY 2023 actual of 1,524. The average enrollment for FY 2024 is projected to be 1,447 compared to 1,478 in FY 2023.

The budget provides for a 7% State-initiated salary increase for employees, a \$1,000 State-initiated bonus, 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 2024 on 29 April 2023.

The following motion is recommended:

“The VMI Board of Visitors approves the FY 2024 VMI Operating Budget which includes an increase in tuition of 4.0% for both in-state and out-of-state cadets and fee increases totaling 2.85%.”



Cedric T. Wins
Major General, U.S. Army (Retired)
Superintendent



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Executive Summary

Executive Summary

FY 2024 Operating Budget

1. The Budget is comprised of three main sources of operating funds that total \$114,517,000:
 - a) State General Funds of \$29,008,000.
 - b) Cadet tuition, fee, and sales revenue is projected to be \$44,790,000. The Class of 2027 is projected at 450 cadets compared to the incoming class last year of 374 cadets. Tuition rates for both in-state and out-of-state cadets increased by 3% and fees increased 3% for FY 2024.
 - c) Private fund support primarily from the VMI Alumni Agencies of \$30,879,000. Unrestricted fund support of \$3,529,000 (11%) and \$27,350,000 in restricted funds (89%). Total VMI Alumni Agencies support increased \$3,367,000 from the prior year.
2. The Budget supports cadet financial assistance from all sources (Private, State, Federal and VMI) of \$18,919,000, a decrease of \$401,000 or 2.1%. Tuition revenue used for financial aid is budgeted to be \$1,100,000 less than FY 2023. This is a planned decrease as other sources of financial aid have grown, mostly from private sources through the VMI Alumni Agencies.
3. The Budget for all programs is \$133,436,000, an increase of \$5,380,000 over the prior year.
4. The Educational and General Program (E&G) Budget totals \$69,794,000, an increase of \$5,541,000 from FY 2023. The 7% salary increase is a major factor along with the implementation of the One Corps, One VMI plan which adds \$1,012,000 to the E&G budget for the 12 new positions.
5. The Budget assumes 450 new cadets (60% Virginians and 40% Non-Virginians) and a total Corps of 1,523 (63% Virginians and 37% Non-

Virginians). The average enrollment for FY 2024 (fall and spring) is budgeted to be 1,447.

6. Tuition and fees for in-state cadets total \$31,474 and represent an increase of \$886 or 2.9% over FY 2023. Tuition and fees for out-of-state cadets total \$62,176 and represent an increase of \$1,780 or 2.9%.
7. The budget includes a 7% salary increase effective the first pay period of the fiscal year for all full-time employees. In addition, a one-time bonus of \$1,000 per full-time employee is included.

Total personnel costs are budgeted for \$74,086,000 or 65% of the total Budget (excluding cadet financial aid) and include 646 full-time positions. This is an increase of \$7,563,000 or 11.3% over FY 2023 due in large part to the 16 new positions related to the One Corps, One VMI initiative and the 7% 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 2023) of \$18,000,000 and \$16,000,000 on 30 June 2024. The decrease in the year-end Auxiliary Fund Balance is due to estimated transfers from Reserves to cover the FY2024 projected operating deficit in Auxiliary programs.

REVENUE

	2023	2024	Increase (Decrease)	%	Note
STATE FUNDS					
Educational and General					
General Funds	18,927,000	21,730,000	2,803,000	14.8%	1a
Cadet Tuition and Other Income	31,142,000	29,795,000	(1,347,000)	-4.3%	1b
Transfer from/(to) Reserves	-	1,076,000	1,076,000		
Total Educational & General	50,069,000	52,601,000	2,532,000	5.1%	
Unique Military Activities					
General Funds	6,275,000	5,860,000	(415,000)	-6.6%	1a
Cadet Fees and Other Income	3,986,000	3,714,000	(272,000)	-6.8%	1b
Transfer from/(to) Reserves	-	1,060,000	1,060,000		
Total Unique Military	10,261,000	10,634,000	373,000	3.6%	
Auxiliary Enterprises					
Cadet Fees and Other Income	23,786,000	22,248,000	(1,538,000)	-6.5%	1b
Transfer from/(to) Reserves	1,459,000	1,746,000	287,000	19.7%	8
Total Auxiliary	25,245,000	23,994,000	(1,251,000)	-5.0%	
Cadet Financial Assistance					
General Funds	1,187,000	1,418,000	231,000	19.5%	1a
Cadet Tuition and Fees	3,400,000	2,300,000	(1,100,000)	-32.4%	1b
Total Cadet Financial Assistance	4,587,000	3,718,000	(869,000)	-18.9%	
Total State Funds	90,162,000	90,947,000	785,000	0.9%	

	2023	2024	Increase (Decrease)	%	Note
LOCAL FUNDS					
Restricted Funds					
VMI Foundation/Agencies Bd	17,437,000	20,491,000	3,054,000	17.5%	1c
VMI Keydet Club	6,024,000	6,212,000	188,000	3.1%	1c
VMI Endowment	647,000	647,000	-	0.0%	1c
Federal Funds/NCAA Income	1,941,000	1,851,000	(90,000)	-4.6%	1b
Total Restricted	26,049,000	29,201,000	3,152,000	12.1%	
Unrestricted Funds					
VMI Foundation/Agencies Bd	3,125,000	3,250,000	125,000	4.0%	1c
VMI Keydet Club	200,000	200,000	-		1c
VMI Endowment Income	76,000	79,000	3,000	3.9%	1c
Cadet Athletic Fees	6,019,000	5,652,000	(367,000)	-6.1%	1b
Athletic Revenue/Support	1,204,000	1,144,000	(60,000)	-5.0%	1b
Athletic Reserve		1,715,000	1,715,000		
Museum Revenue	578,000	584,000	6,000	1.0%	1b
Conference Income	167,000	188,000	21,000	12.6%	1b
Concessions Income	476,000	476,000	-	0.0%	1b
Total Unrestricted	11,845,000	13,288,000	1,443,000	12.2%	
Total Local Funds	37,894,000	42,489,000	4,595,000	12.1%	
TOTAL ALL FUNDS	128,056,000	133,436,000	5,380,000	4.2%	3
Less: Cadet Financial Assistance	(19,320,000)	(18,919,000)	401,000	-2.1%	2
TOTAL REVENUE	108,736,000	114,517,000	5,781,000	5.3%	

EXPENDITURES

	2023	2024	Increase (Decrease)	%	Note
STATE FUNDS					
Educational & General					
Instruction	23,021,000	24,681,000	1,660,000	7.2%	
Public Service	123,000	133,000	10,000	8.1%	
Academic Support	7,346,000	7,628,000	282,000	3.8%	
Cadet Services	3,576,000	4,422,000	846,000	23.7%	
Institutional Support	5,659,000	8,054,000	2,395,000	42.3%	
Contingency	3,419,000	-	(3,419,000)		
Physical Plant	6,925,000	7,683,000	758,000	10.9%	
Total Educational & General	50,069,000	52,601,000	2,532,000	5.1%	4
Unique Military Activities	10,261,000	10,634,000	373,000	3.6%	
Auxiliary Enterprises					
Operations	21,612,000	21,013,000	(599,000)	-2.8%	
Debt Service	2,633,000	2,481,000	(152,000)	-5.8%	
Maintenance projects	1,000,000	500,000	(500,000)	-50.0%	
Total Auxiliary Enterprises	25,245,000	23,994,000	(1,251,000)	-5.0%	
Cadet Financial Assistance	4,587,000	3,718,000	(869,000)	-18.9%	
Total State Funds	90,162,000	90,947,000	785,000	0.9%	

	2023	2024	Increase (Decrease)	%	Note
LOCAL FUNDS					
Educational & General					
Instruction	6,607,000	8,964,000	2,357,000	35.7%	
Research	45,000	48,000	3,000	6.7%	
Public Service	1,381,000	1,409,000	28,000	2.0%	
Academic Support	2,177,000	2,387,000	210,000	9.6%	
Cadet Services	1,619,000	1,403,000	(216,000)	-13.3%	
Institutional Support	2,177,000	2,774,000	597,000	27.4%	
Physical Plant	178,000	208,000	30,000	16.9%	
Total Educational & General	14,184,000	17,193,000	3,009,000	21.2%	4
Cadet Financial Assistance	14,734,000	15,201,000	467,000	3.2%	
Auxiliary Enterprises					
Intercollegiate Athletics	8,786,000	10,095,000	1,309,000	14.9%	
Debt Service	190,000	-	(190,000)	-100.0%	
Total Auxiliary Enterprises	8,976,000	10,095,000	1,119,000	12.5%	
 Total Local Funds	 37,894,000	 42,489,000	 4,595,000	 12.1%	
 TOTAL ALL FUNDS	 128,056,000	 133,436,000	 5,380,000	 4.2%	 3
Less: Cadet Financial Assistance	(19,320,000)	(18,919,000)	401,000	-2.1%	2
 TOTAL EXPENDITURES	 108,736,000	 114,517,000	 5,781,000	 5.3%	

SOURCES OF REVENUE

	2023	% of Total	2024	% of Total	Inc (Dec)	% Inc (Dec)
State General Funds	26,389,000	24.3	29,008,000	25.3	2,619,000	9.9%
Cadet Tuition/Fees and Sales	49,013,000	45.1	44,790,000	39.1	(4,223,000)	-8.6%
VMI and Alumni Agencies Support						
<i>VMI Alumni Agencies</i>						
VMI Foundation	19,384,000	17.8	22,517,000	19.7	3,133,000	16.2%
VMI Alumni Agencies Board	1,178,000	1.1	1,224,000	1.1	46,000	3.9%
Total Foundation/ Agencies Bd	20,562,000	18.9	23,741,000	20.7	3,179,000	15.5%
VMI Keydet Club	6,224,000	5.7	6,412,000	5.6	188,000	3.0%
Total Alumni Agencies	26,786,000	24.6	30,153,000	26.3	3,367,000	12.6%
<i>VMI Endowment</i>						
VMI General Endowment	443,000	0.4	468,000	0.4	25,000	5.6%
VMI Collins Endowment	173,000	0.2	173,000	0.2	-	0.0%
Outside Trusts (scholarships)	107,000	0.1	85,000	0.1	(22,000)	-20.6%
Total VMI Endowment	723,000	0.7	726,000	0.6	3,000	0.4%
Total VMI and Alumni Agencies	27,509,000	25.3	30,879,000	27.0	3,370,000	12.3%

	2023	% of Total	2024	% of Total	Inc (Dec)	% Inc (Dec)
Other Revenue						
Athletic Revenue/Support	1,204,000	1.1	1,144,000	1.0	(60,000)	-5.0%
Athletic Reserve	-		1,715,000	1.5	1,715,000	
Concessions Income	476,000	0.4	476,000	0.4	-	0.0%
Museum Revenue	578,000	0.5	584,000	0.5	6,000	1.0%
Program/Conference Income	167,000	0.2	188,000	0.2	21,000	12.6%
E&G Reserve	-	-	1,076,000	0.9	1,076,000	
UMA Reserve	-	-	1,060,000	0.9	1,060,000	
Auxiliary Reserves	1,459,000	1.3	1,746,000	1.5	287,000	19.7%
Federal Funds/Other Income	1,941,000	1.8	1,851,000	1.6	(90,000)	-4.6%
Total Other Revenue	5,825,000	5.4	9,840,000	8.6	4,015,000	68.9%
TOTAL	108,736,000	100.0	114,517,000	100.0	5,781,000	5.3%

State Funds Cadet Tuition, Fees and Other Income

	Budget 2023	Budget 2024	Inc (Dec)	%
<i>E&G Program</i>				
<i>Tuition--Regular Session</i>				
Gross tuition--current year	33,441,000	31,247,000	(2,194,000)	-6.6%
Less: refunds	(337,000)	(314,000)	23,000	-6.8%
Net potential	33,104,000	30,933,000	(2,171,000)	-6.6%
Less: uncollected	(402,000)	(604,000)	(202,000)	50.2%
Net tuition	32,702,000	30,329,000	(2,373,000)	-7.3%
<i>Tuition--Collection of Prior Years</i>	75,000	75,000	-	0.0%
<i>Tuition--Summer Session</i>				
First Term	425,000	520,000	95,000	22.4%
Second Term	451,000	448,000	(3,000)	-0.7%
STP	312,000	207,000	(105,000)	-33.7%
Foreign Study	292,000	246,000	(46,000)	-15.8%
Total Summer	1,480,000	1,421,000	(59,000)	-4.0%
Total tuition	34,257,000	31,825,000	(2,432,000)	-7.1%
<i>Student Fees</i>				
Application fees	60,000	60,000	-	0.0%
Forfeited deposits	14,000	6,000	(8,000)	-57.1%
Late fees	57,000	30,000	(27,000)	-47.4%
Total fees	131,000	96,000	(35,000)	-26.7%
<i>Other Income</i>				
Interest on notes--Cadets	14,000	8,000	(6,000)	-42.9%
Transcripts	15,000	16,000	1,000	6.7%
Energy Demand	35,000	35,000	-	0.0%
Miscellaneous	60,000	90,000	30,000	50.0%
Total other	124,000	149,000	25,000	20.2%
<i>Indirect Costs & Admin Fees</i>				
Indirect Costs--grants/contracts	20,000	15,000	(5,000)	-25.0%
Total indirects	20,000	15,000	(5,000)	-25.0%

State Funds

Cadet Tuition, Fees and Other Income

	Budget 2023	Budget 2024	Inc (Dec)	%
<i>Prior Year Expenses Reimbursed</i>	10,000	10,000	-	0.0%
Subtotal	34,542,000	32,095,000	(2,447,000)	-7.1%
<i>Transfer to Cadet Financial Aid</i>	(3,400,000)	(2,300,000)	1,100,000	-32.4%
Total E&G Program	31,142,000	29,795,000	(1,347,000)	-4.3%
 <i>Auxiliary Program</i>				
<i>Cadet Fees--Regular Session</i>				
Gross fees--current year	28,926,000	27,117,000	(1,809,000)	-6.3%
Less: refunds	(235,000)	(221,000)	14,000	-6.0%
Net potential	28,691,000	26,896,000	(1,795,000)	-6.3%
Less: uncollected	-	-	-	
Net collections	28,691,000	26,896,000	(1,795,000)	-6.3%
Transfer fees to Athletics Program	(6,019,000)	(5,652,000)	367,000	-6.1%
Net cadet fees	22,672,000	21,244,000	(1,428,000)	-6.3%
 <i>Food Service</i>				
Cadet fees--summer session	265,000	244,000	(21,000)	-7.9%
Commission revenue-Parkhurst	13,000	11,000	(2,000)	-15.4%
Total food service	278,000	255,000	(23,000)	-8.3%
 <i>Barracks</i>				
Cadet fees--summer session	224,000	175,000	(49,000)	-21.9%
Rents--summer camps/others	17,000	18,000	1,000	5.9%
Total Barracks	241,000	193,000	(48,000)	-19.9%
 <i>Military Store/Other Sales</i>				
	15,000	15,000	-	0.0%
 <i>Medical/Other--Cadet fees (summer)</i>				
	60,000	50,000	(10,000)	-16.7%
 <i>Parking Fees and Fines</i>				
	37,000	42,000	5,000	13.5%
Total cadet fees/sales	23,303,000	21,799,000	(1,504,000)	-6.5%

State Funds

Cadet Tuition, Fees and Other Income

	Budget 2023	Budget 2024	Inc (Dec)	%
<i>Other Income</i>				
Rents--Post Housing	370,000	370,000	-	0.0%
Rents-Cameron Hall	2,000	3,000	1,000	50.0%
Interest earned on Reserves	85,000	50,000	(35,000)	-41.2%
Miscellaneous	26,000	26,000	-	0.0%
Total Other	483,000	449,000	(34,000)	-7.0%
 Subtotal	 23,786,000	 22,248,000	 (1,538,000)	 -6.5%
Add: Transfer in from Reserves	1,459,000	1,746,000	287,000	19.7%
 Total AUX Program	 25,245,000	 23,994,000	 (1,251,000)	 -5.0%
 <i>Unique Military Activities</i>				
<i>Cadet Fees</i>				
Gross fees--current year	3,953,000	3,676,000	(277,000)	-7.0%
Less: refunds	(38,000)	(35,000)	3,000	-7.9%
Net potential	3,915,000	3,641,000	(274,000)	-7.0%
Less: uncollected				
Net cadet fees	3,915,000	3,641,000	(274,000)	-7.0%
 <i>Sales and Other Income</i>				
Military Store Sales	71,000	73,000	2,000	2.8%
 Total UMA	 3,986,000	 3,714,000	 (272,000)	 -6.8%

State Funds

Cadet Tuition, Fees and Other Income Notes

E&G Program

Tuition Revenue—Regular Session

The FY 2023 budget was based on 500 cadets in the incoming rat class. Actual enrollment for FY 2023 was 374; 126 cadets less than budgeted. For FY 2024, we are budgeting the rat class to matriculate at 450 cadets. Tuition rates for both in-state and out-of-state increased by 3% from FY 2023 to FY 2024.

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 \$29,616 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 eight accounts greater than \$2,500 that is proposed for write-off by the Board. These accounts total \$40,805.05 and are from 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 2024 budget includes approval to write-off these accounts.

The Superintendent is expected to approve the write-off of seventy former cadet accounts during FY 2024 that are under \$2,500 each and that total \$18,102.47.

Tuition Revenue—Summer Session

Summer session tuition revenue is expected to decrease approximately \$59,000 or 4% as the Summer Transition Program (STP) is not expected to achieve the same participation levels it has experienced in the past.

Transfer to Cadet Financial Aid

Tuition revenue used to fund cadet financial aid is budgeted at \$2,300,000, a \$1,100,000 decrease over last year. The actual cost for FY 2023 is expected to be around \$2,100,000. 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 auxiliary fees increased by \$516, from \$18,280 to \$18,796. 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 2024.

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 2024 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 20 February 2023, and previous exceptions granted by the Superintendent, the following 10 officials are required to live on Post: Superintendent, Deputy Superintendent for Finance and Support, Deputy Superintendent for Academics and Dean of the Faculty, Commandant, Chief of Staff, 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. As the budget projects using more of the Auxiliary Reserve funds, the interest earned is expected to decrease by 41.2% over the previous fiscal year.

Transfer to Reserves

The transfer from the Auxiliary Fund Balance (or reserves) totals \$1,746,000 and represents a projected operating deficit in the Auxiliary program for FY 2024.

VMI's Auxiliary Fund Balance is projected to approximate \$18,000,000 on 30 June 2023 and \$16,000,000 on 30 June 2024. Based on experience for working capital needs, VMI's minimum target for the fund balance is about \$12,000,000. In addition, the fund balance includes reserves for future capital improvements to auxiliary facilities.

Unique Military Activities Program

Cadet Fee Revenue

Cadet uniform and UMA activity fees are budgeted to increase by \$76. The cadet UMA fee totals \$2,602 for FY 2024 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	2023	2024	Inc (Dec)	%	Notes
<i>State Funds</i>					
<i>General Funds</i>					
Student Financial Aid	1,187,000	1,418,000	231,000	19.5%	1
Total General Funds	1,187,000	1,418,000	231,000	19.5%	
<i>Cadet Tuition and Fees</i>					
E&G Program	3,400,000	2,300,000	(1,100,000)	-32.4%	2
Total State Funds	4,587,000	3,718,000	(869,000)	-18.9%	
<i>Local Funds</i>					
<i>Restricted</i>					
VMI Foundation					
Merit and Other Scholarships	6,515,000	6,858,000	343,000	5.3%	
Athletic Scholarships	45,000	47,000	2,000	4.4%	
Total VMI Foundation	6,560,000	6,905,000	345,000	5.3%	3
VMI Alumni Agencies Board					
Athletic scholarships	368,000	390,000	22,000	6.0%	3
VMI Keydet Club--Scholarships	5,956,000	6,140,000	184,000	3.1%	3
VMI BOV Endowment	326,000	340,000	14,000	4.3%	
NCAA/Conference Assistance	115,000	-	(115,000)	-100.0%	
Outside Trusts	107,000	85,000	(22,000)	-20.6%	
Total Restricted	13,432,000	13,860,000	428,000	3.2%	
<i>Federal Grants/Aid</i>					
SEOG	91,000	91,000	-	0.0%	
PELL	1,210,000	1,250,000	40,000	3.3%	
Total Federal Aid	1,301,000	1,341,000	40,000	3.1%	4
Total Local Funds	14,733,000	15,201,000	468,000	3.2%	
Total All	19,320,000	18,919,000	(401,000)	-2.1%	5

Cadet Financial Assistance Notes

1. State general funds appropriated for cadet financial assistance total \$1,418,000 for FY2024, an increase of \$231,000 from FY 2023.
2. VMI cadet financial aid funded from tuition revenue is budgeted for \$2,300,000, a \$1,100,000 decrease from FY 2023. 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. As private aid sources continue to grow, VMI has been able to reduce reliance on tuition revenue to support student financial aid.

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 2024 and about 43% are projected to qualify for need-based financial aid. Approximately 40% of in-state cadets qualify for need-based aid which results in an overall average of about 42% 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%-65% required need of out-of-state cadets.

Note: For FY 2023, 55.4% of in-state graduates had federal loans with an average loan balance of \$19,862 and 47% of out-of-state graduates had federal loans with an average loan balance of \$19,580. According to the State Council of Higher Education for Virginia (SCHEV) Debt Profile: Total Loans 5 Years report, Virginia public institution graduates in the Class of 2022 averaged \$32,235 in debt. 57% of students graduating in Virginia in the Class of 2022 graduated with some level of debt. The national average federal student loan debt is \$37,338, with the average public university student borrowing \$31,410 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 \$551,000 to \$13,345,000. Merit and need-based scholarships increased \$343,000 and Athletic scholarships by \$208,000 for an overall increase of 4.3%.
4. Federal aid funding for PELL grants is budgeted at \$1,250,000. Annual maximum award for next academic year will increase by \$500. The maximum award amount will be \$7,395 for the 2023-2024 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 \$18,919,000. 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 31% of VMI's total projected tuition and fee revenues of \$61,409,000 for FY 2024 which is up 1% from FY 2023. The 31% "tuition discount" consists mostly of restricted funds that are required to be used for financial assistance (financial aid budget consists of 88% restricted funds and 12% 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 56.2% in the most recent NACUBO survey released 27 April 2023). 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 2024 Operating Budget totals \$133,436,000 and includes \$18,919,000 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 \$114,517,000.

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 2022. The next plan submission is required by 1 July 2023.

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 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 (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 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 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 2024, 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 2024 totals about 41% of the total State E&G budget.**

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 \$5,610,000 in FY 2024. 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 \$231,000 in State financial aid for FY 2024.

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 \$886 or 2.9%. For the out-of-state cadet, the overall increase in cost is \$1,780 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 \$2,803,000 or 14.8%. Much of this increase is related to new Maintain Affordable Access funding and the State share of salary and benefit cost increases.
- c) The 7% 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.
- d) With the proposed pay increase of 7% and holding tuition increases to 3.0%, no additional funding will be available for personnel and non-personnel budget requests from the senior executive officers. The FY 2024 assumes the same departmental budgets as FY 2023 with expectation of reducing spending to balance the budget.
- 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 \$2,300,000 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 2.9% to \$3,290 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 \$222 per cadet or 3.0% to \$7,700. 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 \$176 or 2.6% to \$7,012. It consists of a \$116 increase in the cadet athletic fee, an \$16 increase in the medical fee, and a \$44 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 2024 complies with the Act.

Quartermaster Charges

VMI's comprehensive quartermaster charges covering laundry/pressing, haircuts, cadet uniforms, and Unique Military Activities will increase \$100 or 3% to \$3,396.

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 current suspension of the \$40 application fee. 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 2023 for the Fall Semester and 15 December 2023 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

	2023	2024	Inc (Dec)	%
<i>Tuition</i>				
Virginia Cadet	9,782	10,076	294	3.0%
NonVirginia Cadet	39,590	40,778	1,188	3.0%
<i>Room</i>				
	3,196	3,290	94	2.9%
<i>Board</i>				
	7,478	7,700	222	3.0%
<i>Auxiliary Fees</i>				
Athletic	3,834	3,950	116	3.0%
Medical	560	576	16	2.9%
Cadet Facilities/Activities	2,442	2,486	44	1.8%
Total	6,836	7,012	176	2.6%
<i>Quartermaster Charges</i>				
Laundry/Pressing	456	470	14	3.1%
Haircuts	314	324	10	3.2%
Uniforms/UMA Activities	2,526	2,602	76	3.0%
Total	3,296	3,396	100	3.0%
Total Virginia Cadet	30,588	31,474	886	2.9%
Total NonVirginia Cadet	60,396	62,176	1,780	2.9%

Tuition and Fees--Summer Session

	Summer		Inc(Dec)	%
	2022	2023		
Tuition (Per Credit Hour)				
<i>Virginia</i>				
Regular	350	364	14	4.0%
Student Transition (STP)	390	400	10	2.6%
<i>Non-Virginia</i>				
Regular	1080	1120	40	3.7%
Student Transition (STP)	1210	1220	10	0.8%
Room (Per Week)	144	148	4	2.8%
Board (Per Week)				
5-Meal Plan	64	66	2	3.1%
10-Meal Plan	122	124	2	1.6%
15-Meal Plan	158	160	2	1.3%
19-Meal Plan	200	204	4	2.0%
Auxiliary Fee (Per Term)				
Regular	75	80	5	6.7%
Summer Transition	135	140	5	3.7%
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.

Tuition and Fees--Summer Session Foreign Study

	Summer		Inc(Dec)	%
	2022	2023		
Morocco	-	-		
Morocco - Arabic - Project GO	8,575	8,575	-	0%
Taiwan - Chinese - Project GO	13,417	13,417	-	0%
Italy (Applied Math)	5,500	5,500	-	0%
Italy (Mechanical Engineering)	4,900	4,900	-	0%
Paris (French)	-	6,995	6,995	-
Ireland (Biology)	5,200	5,500	300	6%
Spain (Spanish)	-	5,000	5,000	-

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 2023. 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.

Facility Use Fees

	Fee Per Day		Inc (Dec)	%
	Fiscal Year			
	2023	2024		
<i>Fee per Camp/School/Other</i>				
Aquatic Center	N/A	4,000	-	0.0%
Baseball Field (day)	210	265	55	26.2%
Baseball Field (night)	300	345	45	15.0%
Cameron Hall Arena	415	415	-	0.0%
Cameron Hall Racquetball Courts	210	210	-	0.0%
Cocke Hall Basketball Arena	160	175	15	9.4%
Cocke Hall Swimming Pool	210	230	20	9.5%
Cocke Hall (Wellness Studio)	70	75	5	7.1%
Cormack Wrestling Arena	110	110	-	0.0%
Cormack Fitness/Weight Room	110	110	-	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	65	65	-	0.0%
Indoor Training Facility	8,400	9,500	1,100	13.1%
Indoor Training Facility Climbing Wall	55	55	-	0.0%
Indoor Training Facility Endurance Obstacle Course	45	45	-	0.0%
Indoor Training Facility Fitness/Weight Room	55	55	-	0.0%
Indoor Training Facility High Ropes Course	115	115	-	0.0%
Indoor Training Facility Jump Area	65	65	-	0.0%
Indoor Training Facility Mobile Initiatives Course	45	45	-	0.0%
Indoor Training Facility Sprint Track	65	65	-	0.0%
Indoor Training Facility Throwing Areas	65	65	-	0.0%
Kilbourne Hall Indoor Range	275	275	-	0.0%
King Hall Boxing Room	70	70	-	0.0%
McKethan Park Pavilion (one pavilion)	80	90	-	6.7%
McKethan Park Training Area	325	325	-	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)	245	265	20	8.2%
North Post Field #2 (night)	345	345	-	0.0%
North Post Leadership Reaction Course	45	145	100	222.2%
North Post High Ropes Course	115	115	-	0.0%

Facility Use Fees

	Fee Per Day		Inc (Dec)	%
	Fiscal Year			
	2023	2024		
North Post Outdoor Range	350	350	-	0.0%
North Post Red/White/Blue Loops	45	45	-	0.0%
North Post Tennis Courts (All)	270	270	-	0.0%
Patchin Field (Soccer/Lacrosse)	130	200	70	53.8%
Classrooms	80	80	-	0.0%
Academic Lecture Halls	170	170	-	0.0%
Memorial Hall Chapel/Rooms	780	850	70	9.0%
<i>Fee per Camper/Participant</i>				
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. 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

	2023				2024		Budget	
	Budget	%	Actual	%	Budget	%	Inc(Dec)	%
<i>Fall Semester</i>								
<i>New Cadets</i>								
Virginia	300	60.0	235	62.8	270	60.0	(30)	-10.0%
NonVirginia	200	40.0	139	37.2	180	40.0	(20)	-10.0%
Total	500	100.0	374	100.0	450	100.0	(50)	-10.0%
<i>Old Cadets</i>								
Virginia	737	63.6	761	66.2	685	63.8	(52)	-7.1%
NonVirginia	421	36.4	388	33.8	388	36.2	(33)	-7.8%
Total	1,158	100.0	1,149	100.0	1,073	100.0	(85)	-7.3%
<i>Total Fall</i>								
Virginia	1,037	62.5	996	65.4	955	62.7	(82)	-7.9%
NonVirginia	621	37.5	527	34.6	568	37.3	(53)	-8.5%
Total	1,658	100.0	1,523	100.0	1,523	100.0	(135)	-8.1%
<i>Cadets on Foreign Study</i>	2		-		2		-	
Total Potential	1,660		1,523		1,525		(135)	-8.1%
<i>Spring Semester</i>								
Virginia	965	63.0	941	65.3	887	63.2	(78)	-8.1%
NonVirginia	567	37.0	501	34.7	517	36.8	(50)	-8.8%
Total	1,532	100.0	1,442	100.0	1,404	100.0	(128)	-8.4%
<i>Cadets on Foreign Study</i>	33		35		33		-	0.0%
Total Potential	1,565		1,477		1,437		(128)	-8.2%
<i>Average enrollment for the Year (Fall census and Spring)</i>								
	1,578		1,478		1,447		(131)	-8.3%

Significant Budget Assumptions Enrollment Notes

Fall Semester

New Cadets

The budget is based on a new cadet class of 450 with 60% in-state cadets. VMI budgeted 500 new cadets for FY 2023 with 60% in-state cadets and enrolled 374 cadets with about 63% in-state cadets.

Old Cadets

An Old Corps (returning cadets) of 1,073 is budgeted for fall 2023; 85 less than budgeted for FY 2023 and 76 less than enrolled last fall. The percentage of in-state old cadets is projected to be 63.8% compared to 66.2% enrolled in FY 2023.

Total Cadets

The budget is based on a total projected “opening” day enrollment of 1,523 cadets with 62.7% 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 1,498 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 1,490; this compares to 1,513 last census date.

Spring Semester

The spring semester enrollment is budgeted to total 1,404 or 92.2% 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 2024 is 1,447 and consists of 1,490 cadets at the fall census date and 1,404 in the spring semester. The average enrollment for FY 2023 is 1,478. **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

	2023		2024		Inc (Dec)		
	FTE	Dollars	FTE	Dollars	FTE	Dollars	%
<i>State Funds</i>							
Educational and General Program	403	43,948,000	418	49,730,000	15	5,782,000	13.2%
Auxiliary Enterprises Program	103	7,557,000	101	8,248,000	(2)	691,000	9.1%
Unique Military Program	29	3,211,000	34	3,666,000	5	455,000	14.2%
Total State Funds	535	54,716,000	553	61,644,000	18	6,928,000	12.7%
<i>Local Funds</i>							
Intercollegiate Athletics	53	4,979,000	54	5,456,000	1	477,000	9.6%
Museum Programs	8	713,000	8	768,000	-	55,000	7.7%
Local Restricted	25	4,262,000	25	4,396,781	-	134,781	3.2%
Local Unrestricted	1	1,476,000	1	1,405,000	-	(71,000)	-4.8%
Total Local Funds	87	11,430,000	88	12,025,781	1	595,781	5.2%
Total State and Local	622	66,146,000	641	73,669,781	19	7,523,781	11.4%
<i>Capital Programs</i>							
Maintenance Reserve/Projects	5	378,000	5	417,000	-	39,000	10.3%
Total All	627	66,524,000	646	74,086,781	19	7,562,781	11.3%

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 2024

Department	Position	Type Change	# FTE
<i>E&G Program</i>			
Admissions	Admin Professional	New positions - One Corps, One VMI	3.0
Cadet Counseling	Admin Professional	New position - One Corps, One VMI	1.0
Communications & Marketing	Admin Professional	New position	1.0
Finance and Budget	Admin Professional	Conversion of two AP positions to Classified	(2.0)
Finance and Budget	Classified	Conversion of two AP positions to Classified	2.0
Finance and Budget	Classified	New Position	1.0
Financial Aid	Admin Professional	New position - One Corps, One VMI	1.0
Financial Aid	Classified	New position - One Corps, One VMI	1.0
Human Resources	Admin Professional	New position - One Corps, One VMI	1.0
Human Resources	Classified	New position	1.0
Miller Academic Center	Admin Professional	New positions - One Corps, One VMI	2.0
Preston Library	Admin Professional	Position elimination	(1.0)
Superintendent Office	Admin Professional	New position	1.0
Title IX	Admin Professional	New position - One Corps, One VMI	1.0
Title IX	Classified	New position - One Corps, One VMI	1.0
Writing Center	Admin Professional	New position - One Corps, One VMI	1.0
		Total E &G	15.0
<i>Auxiliary</i>			
Commandant Office	Admin Professional	conversion of an AP position to a Classified	(1.0)
Commandant Office	Classified	conversion of an AP position to a Classified	1.0
Commandant Office	Admin Professional	Position elimination	(1.0)
Facilities Maintenance	Admin Professional	Position elimination	(1.0)
			(2.0)
<i>Unique Military Activities (UMA)</i>			
Commandant Office	Admin Professional	New positions - One Corps, One VMI	4.0
CPTF3 Aquatic Center	Admin Professional	New positions for new facility	1.0
		Total UMA	5.0
<i>Local Funds</i>			
Athletics	Admin Professional	New position - Training and Medical	1.0
Athletics	Admin Professional	Position elimination in Basketball	(1.0)
Athletics	Admin Professional	New position - Strength and Conditioning	1.0
		Total Local	1.0
		Net Increase - All Programs	19.0
		Total Increase for One Corps, One VMI	16.0

See accompanying Notes on following page

Total Employment Notes

The overall position increase from FY 2023 to FY 2024 is 19 new positions, of which 16 are related to the One Corps, One VMI initiative.

E&G Programs

The E&G program headcount increased a total of 15 positions.

- The One Corps, One VMI initiative added an additional 12 new positions to E&G of which 2 were included in FY 2023's budget. Those positions were the Chief Legal Counsel and a Deputy Title IX position. The remaining 10 new positions are budgeted in FY 2024 and consist of the following: 3 new positions in Admissions, 1 in Cadet Counseling, 1 in Financial Aid, 1 in Human Resources, 1 additional position in Title IX, 2 in the Miller Academic Center, and 1 in the Writing Center. There are four other positions budgeted in E&G not part of the One Corps, One VMI plan and are for Communications & Marketing, HR, Accounts Payable and the Superintendent's Office. The total addition of 16 is offset by 1 position elimination in the Preston Library. There were 2 positions in Finance and Budget converted from AP to Classified Staff. The Comptroller and Assistant Comptroller roles were reorganized into Finance and Budget and the duties assumed by current Finance and Support staff.
- Administrative Professional (AP) staff in E&G will increase by 9 total positions in FY 2024.
- Classified Staff positions in E&G increases 2 positions from One Corps, One VMI, adding an Administrative Assistant in Title IX and another position in Financial Aid. Human Resources added a position to their office and Finance and Budget picked up 3 more positions. Two positions from the AP conversion to Classified Staff and 1 addition for the AP Supervisor, netting a total increase to E&G Classified Staff of 6 positions.

Auxiliary Programs

The Auxiliary program decreased headcount by 2 positions.

- One position in the Commandant's Office was eliminated after a staff member resigned and duties were reorganized.
- The other position eliminated was in Facilities and had been vacant for the last several budget cycles.

Unique Military Activities (UMA)

The UMA headcount increased a total of 5 positions.

- The One Corps, One VMI initiative was approved for 4 new Barrack's Officer positions in the Commandant's area. A new position was added for the Director of the Aquatic Center, bringing the total UMA increase to 5 new positions.

Local Funds

The Local funded headcount increased a total of 1 position.

- The Athletics Department increased by 1 Administrative & Professional position. They added one new position in Training and Medical and one new position in Strength & Conditioning but eliminated one position in Basketball for a net of plus one.

Local Funds

Local Funds

VMI and Alumni Agencies Income and Support

	2023	2024	Inc (Dec)	%	Notes
<i>VMI Alumni Agencies</i>					
<i>Unrestricted Funds</i>					
VMI Foundation, Inc.					
Endowment Income/Annual Funds	2,535,000	2,850,000	315,000	12.4%	
Debt Service-Memorial Hall	190,000	-	(190,000)	-100.0%	
Total VMI Foundation	2,725,000	2,850,000	125,000	4.6%	
Keydet Club special donations	200,000	200,000	-		
VMI Alumni Agencies Board					
Endowment Income/Donations	400,000	400,000	-	0.0%	
Total Unrestricted	3,325,000	3,450,000	125,000	3.8%	1
<i>Restricted Funds</i>					
VMI Foundation, Inc.					
Endowment Income/Donations	16,659,000	19,667,000	3,008,000	18.1%	
VMI Alumni Agencies Board					
Endowment Income/Donations	778,000	824,000	46,000	5.9%	
Total VMI Foundation/Agencies Bd	17,437,000	20,491,000	3,054,000	17.5%	
VMI Keydet Club					
Endowment Income/Donations	6,024,000	6,212,000	188,000	3.1%	
Total Restricted Funds	23,461,000	26,703,000	3,242,000	13.8%	2
Total VMI Alumni Agencies	26,786,000	30,153,000	3,367,000	12.6%	
<i>VMI</i>					
<i>Unrestricted Funds</i>					
VMI General Endowment	76,000	79,000	3,000	3.9%	
Interest Income and Other	-	-	-		
Total Unrestricted	76,000	79,000	3,000	3.9%	
<i>Restricted Funds</i>					
VMI General Endowment	367,000	383,000	16,000	4.4%	
VMI Collins Endowment--Operations	173,000	179,000	6,000	3.5%	
Outside Trusts and Other	107,000	85,000	(22,000)	-20.6%	
Total Restricted Funds	647,000	647,000	-	0.0%	
Total VMI Endowment	723,000	726,000	3,000	0.4%	3
Total VMI and Alumni Agencies	27,509,000	30,879,000	3,370,000		

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 \$3,450,000. In addition, the VMIF and VMIAAB are funding debt service on over the \$36 million in outstanding bonds issued on VMI's behalf in 2006 to fund various capital projects. This debt service currently totals approximately \$1.0 million annually and is considered 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 \$3,242,000 more than last year for a total of \$26,703,000.
3. VMI endowment income is derived primarily from VMI's General Endowment and Collins Endowment. These funds had a 30 September 2022 market value of \$10,553,029 and \$4,083,578 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 2022. 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	2024 Total	2023 Total	Inc (Dec)
<i>Expenditures</i>								
Instruction	8,387,182	-	-	3,000		8,390,182	5,984,453	2,405,729
Research	48,133			-		48,133	44,971	3,162
Public Service	335,784			179,000		514,784	493,449	21,335
Academic Support	2,183,713					2,183,713	2,010,170	173,543
Student Services	1,253,406	4,081		40,000		1,297,487	1,227,880	69,607
Institutional Support	436,387					436,387	461,642	(25,255)
Physical Plant	108,794	98,954	-			207,748	177,794	29,954
Total Educ & General	12,753,399	103,035	-	222,000		13,078,434	10,400,359	2,678,075
Auxiliary Enterprises	9,235	330,037	71,449	-	510,000	920,721	915,483	5,238
Cadet Financial Assistance	6,904,808	390,919	6,140,395	425,000	1,341,000	15,202,122	14,733,499	468,623
Total	19,667,442	823,991	6,211,844	647,000	1,851,000	29,201,277	26,049,341	3,151,936

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 and NCAA revenue for Athletic Operations.
3. Total Restricted income of \$29,201,277 for FY 2024 is about \$3,151,936 more than FY 2023. 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 2024 Allocation					FY 2023 Budget	Inc (Dec)	%	Notes	
	FY 2024 Budget	VMI Funds	Keydet Club	VMI Foundation	VMI Agencies Bd					Total
Revenue										
VMI Endowment	79,000	79,000				79,000	76,000	3,000	3.9%	1
VMI Foundation	2,850,000			2,850,000		2,850,000	2,724,625	125,375	4.6%	2
VMI Alumni Agencies Board	400,000				400,000	400,000	400,000	-	0.0%	2
Athletic Revenue	1,343,500	1,143,500	200,000			1,343,500	1,203,500	140,000	11.6%	3
Cadet Fees--Athletics	5,652,000	5,652,000				5,652,000	6,019,000	(367,000)	-6.1%	3
Museum Systems	584,000	584,000				584,000	578,000	6,000	1.0%	4
Conference Revenue--CLE	188,000	188,000				188,000	167,000	21,000	12.6%	5
Concessions Commissions	475,500	475,500				475,500	475,000	500	0.1%	6
Total Revenue	11,572,000	8,122,000	200,000	2,850,000	400,000	11,572,000	11,843,125	(271,125)	-2.3%	
E&G Expenditures										
<i>Instruction</i>										
Faculty Salary Supplements	674,000			574,000	100,000	674,000	623,000	51,000	8.2%	7
<i>Public Service</i>										
Daniel's Award	-	-				-	-	-		
Museum Systems	899,000	589,000		310,000	-	899,000	887,000	12,000	1.4%	4
Total Public Service	899,000	589,000	-	310,000	-	899,000	887,000	12,000	1.4%	
<i>Academic Support</i>										
<i>Dean's Funds</i>										
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	188,000	188,000				188,000	167,000	21,000	12.6%	5
Total Academic Support	217,000	202,000	-	15,000	-	217,000	181,000	36,000	19.9%	
<i>Student Services</i>										
Commandant's Official Fund	13,000			13,000		13,000	3,000	10,000	333.3%	
Chaplain's Office Support	92,000			92,000	-	92,000	110,000	(18,000)	-16.4%	8
Total Student Services	105,000	-	-	105,000	-	105,000	113,000	(8,000)	-7.1%	

Local Unrestricted Budget

	FY 2024 Allocation					FY 2023 Budget	Inc (Dec)	%	Notes	
	FY 2024 Budget	VMI Funds	Keydet Club	VMI Foundation	VMI Agencies Bd					Total
<i>Institutional Support</i>										
Staff Salary Supplements	693,000	-		693,000		693,000	651,000	42,000	6.5%	7
Mortgage Subsidies	36,000			36,000		36,000	45,000	(9,000)	-20.0%	9
Superintendent's Funds										
Quarter's--Rent	98,000			48,000	50,000	98,000	80,000	18,000	22.5%	
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)	-100.0%	
VA Hi-Ed Bus Council Dues	9,000	9,000		-		9,000	9,000	-	0.0%	
Contingencies	896,000	-		896,000	-	896,000	697,500	198,500	28.5%	10
Total Institutional Support	1,796,000	20,000	-	1,726,000	50,000	1,796,000	1,549,500	246,500	15.9%	
<i>Auxiliary Enterprises</i>										
<i>Athletics</i>										
Operations	9,169,000	8,719,000	200,000		250,000	9,169,000	8,263,000	906,000	11.0%	3, 11
<i>Debt Service</i>										
JM Hall Renovation	-			-		-	189,625	(189,625)	-100.0%	12
Total Debt	-	-	-	-	-	-	189,625	(189,625)	-100.0%	
Total Expenditures	12,860,000	9,530,000	200,000	2,730,000	400,000	12,860,000	11,806,125	1,053,875	8.9%	
Excess (Deficiency)	(1,288,000)	(1,408,000)	-	120,000	-	(1,288,000)	37,000	(1,325,000)	-3581.1%	
<i>Add: Beginning Fund Bal</i>	3,102,000	3,102,000		-	-	3,102,000	1,400,000	1,702,000	121.6%	
<i>Less: VMIF Direct Pays</i>	(120,000)			(120,000)		(120,000)	(120,000)	-	0.0%	13
Ending fund balance	1,694,000	1,694,000	-	-	-	1,694,000	1,317,000	377,000	28.6%	

Local Unrestricted Funds Notes

1. VMI Endowment income of \$79,000 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 \$1,904,558 as of 28 February 2023).
2. VMI Foundation (VMIF) and VMI Alumni Agencies Board (VMIAAB) spendable income totals \$3,005,000. It consists of \$2,605,000 million of unrestricted income from VMIF and \$400,000 from VMIAAB. Included in the \$2,605,000 is \$15,000 designated for the Preston Library.

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. Cadet Athletic Fees, if approved by the BOV at the April meeting, will increase by 3% for FY 2024, or \$116 per cadet.
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 Museum System is projected to need \$310,000 of Local Unrestricted funding to fill in the gap of operational cost over admission generated revenues for FY 2024.
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.
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.
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 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 41 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 not appropriate for State funding.
11. A portion of the VMI Alumni Agencies Board income is budgeted to support the Athletic program. For FY 2024, 62.5% of Development Board unrestricted income is being budgeted for athletics.
12. The Memorial Hall Debt was 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

	2023 Budget	2024 Budget	Inc (Dec)	%	Notes
<i>Revenue and Support</i>					
<i>Revenue</i>					
Cadet Fees	6,019,000	5,652,000	(367,000)	-6.1%	1
Guarantees--Football	380,000	425,000	45,000	11.8%	2
Guarantees--Basketball	250,000	250,000	-	0.0%	3
Guarantees - Baseball	2,000	11,500	9,500	100.0%	
Guarantees - Men's Soccer	-	-	-	100.0%	
Gate Receipts--Football	290,000	200,000	(90,000)	-31.0%	4
Gate Receipts--Basketball	42,000	42,000	-	0.0%	
Football ticket sales - away games	-	-	-		4
Entry Fees - Track Invitationals	85,000	60,000	(25,000)	-29.4%	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	155,000	155,000	-	0.0%	7
Total Revenue	7,697,000	7,269,500	(427,500)	-5.6%	
<i>Support</i>					
VMI Alumni Agencies Board					
Unrestricted Endowment	250,000	250,000	-	0.0%	8
Restricted Endowment	322,000	345,000	23,000	7.1%	
Keydet Club -Lacrosse/Swimming	68,000	71,000	3,000	4.4%	9
Keydet Club - Special Fundraising	200,000	200,000	-		9
NCAA Distribution	51,000	36,000	(15,000)	100.0%	10
VMI Unrestricted Income	12,500	12,500	-	0.0%	11
VMI Concessions Commissions	185,000	196,000	11,000	5.9%	11
Total Support	1,088,500	1,110,500	22,000	2.0%	
Total Revenue and Support	8,785,500	8,380,000	(405,500)	-4.6%	

Intercollegiate Athletics Operating Revenues, Support and Expenditures

<i>Expenditures</i>					
Football	1,736,000	1,813,000	77,000	4.4%	12
Basketball	1,010,000	1,074,000	64,000	6.3%	12
Track--Men	290,000	297,000	7,000	2.4%	12
Track--Women	290,000	297,000	7,000	2.4%	12
Wrestling	254,000	300,000	46,000	18.1%	12
Baseball	501,000	484,000	(17,000)	-3.4%	12
Soccer - Men	176,000	175,000	(1,000)	-0.6%	
Soccer - Women	231,000	236,000	5,000	2.2%	
Lacrosse	314,000	343,000	29,000	9.2%	12
Swimming	186,000	199,000	13,000	7.0%	12
Water Polo - Women	168,000	169,000	1,000	0.6%	12
Rifle	65,000	67,000	2,000	3.1%	
Training & Medical	383,000	483,000	100,000	26.1%	
Strength & Conditioning	213,000	220,000	7,000	3.3%	
Sports Information/Promotions	452,000	501,000	49,000	10.8%	
NCAA Tutoring	54,000	58,000	4,000	7.4%	
Administration	1,018,000	1,195,000	177,000	17.4%	
Indirect Costs	1,786,000	2,134,000	348,000	19.5%	13
Contingencies	-	50,000	50,000		14
<hr/>					
Total Expenditures	9,127,000	10,095,000	968,000	10.6%	
<i>Excess(Deficiency) Revenue</i>	(341,500)	(1,715,000)	(1,373,500)		15
Add: Beginning Fund Balance	2,212,326	1,045,000	1,167,326		
Ending Fund Balance	<u>1,870,826</u>	<u>(670,000)</u>	<u>(206,174)</u>	-11.0%	

Local Funds

Intercollegiate Athletics Notes

Revenues

1. The Cadet Fees budget increase reflects a \$116 or 3% increase in the cadet athletic fee from \$3,834 to \$3,950.
2. Football Guarantees are \$425,000 for FY 2024. The guarantee-game for this fiscal year is the matchup against NC State resulting in a \$45,000 increase from FY 2023.
3. Basketball Guarantees generally consist of three games ranging from \$85,000 to \$95,000 each. FY 2024 is budgeted to be the same as FY 2023.
4. The Football Gate Receipts budget totals \$200,000, an estimate of five home games at \$40,000 per game.
5. The Athletic Department will host several indoor track events in FY 2024. The invitational events attract numerous teams with each visiting team charged an entry fee to cover costs of hosting the event. The FY 2024 revenue from track events is budgeted to be \$25,000 less than FY 2023.
6. The NCAA and Conference provide funding to support academic enhancement, student assistance, and operations. FY 2024 is expected to remain at FY 2023 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 2024. The amount of support for FY 2024 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.
9. The Keydet Club is budgeted to provide \$6,411,000 in donations and endowment income to the Athletic Program in FY 2024, with \$6,140,000 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 2024. Commission revenue will continue at \$80,000 with and additional \$116,000 to cover 3.23% of Administrative & Professional Staff salaries.

Expenditures

Note: The Budgets for all departments with personal services include a 7% 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 2024 is 26.8%. Total increase in operational costs for FY 2024 generates an increase in Indirect Cost.
14. The FY 2024 budget includes a \$50,000 contingency account. Contingencies vary each year and are budgeted based on available funding.
15. A \$1,715,000 transfer from the Athletic Fund Balance (Reserve) is budgeted for FY 2024 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 2025 and beyond will be required to limit the use of Reserve funds to support operations.

VMI Museum Operations Revenues and Expenses

	FY 2024 Budget				FY 2023 Budget Total	Inc (Dec)	%	Notes
	VMIM	VMCW	JH	Total				
<i>Revenue and Support</i>								
Admissions	-	182,000	65,000	247,000	272,000	(25,000)	-9.2%	1
Sales	165,000	75,000	80,000	320,000	295,000	25,000	8.5%	1
Contributions and Grants	8,000	6,000	3,000	17,000	11,000	6,000	54.5%	2
Endowment Income	42,000	179,000	-	221,000	207,000	14,000	6.8%	3
Other Income	-	-	-	-	-	-		
Total Revenue and Support	215,000	442,000	148,000	805,000	785,000	20,000	2.5%	
<i>Operating Expenses</i>								
Personal Services	181,000	418,000	207,000	806,000	714,000	92,000	12.9%	4
Merchandise for Resale	82,000	38,000	40,000	160,000	148,000	12,000	8.1%	
Other Operating	50,000	73,000	57,000	180,000	232,000	(52,000)	-22.4%	5
Total Expenses	313,000	529,000	304,000	1,146,000	1,094,000	52,000	4.8%	
<i>Excess (Deficiency) Revenue</i>	(98,000)	(87,000)	(156,000)	(341,000)	(309,000)	(32,000)		
Add: Fund Balance, begin	(4,460)	(7,374)	(6,564)	(18,398)	(279,000)	260,602	-93.4%	
<i>Fund Balance, ending</i>	(102,460)	(94,374)	(162,564)	(359,398)	(588,000)	228,602	-38.9%	

Museum Systems Notes

1. Admissions and sales are expected to be the same for FY 2024 as budgeted in FY 2023.
2. Contributions and grants, consists mostly of visitor donations and gifts to the Museums and are budgeted for a total of \$17,000 in FY 2024.

Note: VMI's State Educational and General Program and Auxiliary Enterprises Program also provide support of \$132,000 and \$182,000, respectively, in FY 2024 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. The endowment average for FY 2023 was higher than last year providing an additional \$14,000 in income.
4. The Museum personal services budget reflects the 7% salary increase and related benefit cost increases.
5. Other operating expenses include supplies, utilities, facility maintenance, advertising, and contractual services.

Local Funds
Center for Leadership and Ethics

	2023 Budget	2024 Budget	Inc Dec	%	Notes
<i>Revenue and Support</i>					
Cash Donations	10,000	39,000	29,000	290.0%	1
Endowment Income	842,000	1,097,000	255,000	30.3%	2
Conference Income	167,000	188,000	21,000	12.6%	3
Total Revenue and Support	1,019,000	1,324,000	305,000	29.9%	
<i>Expenses</i>					
Personal Services	1,054,000	1,115,000	61,000	5.8%	4
Conference Expenses	193,000	182,000	(11,000)	-5.7%	3
Program/Other Expenses	279,000	265,000	(14,000)	-5.0%	5
Total Expenses	1,526,000	1,562,000	36,000	2.4%	
<i>Excess (Deficiency) Revenue</i>	(507,000)	(238,000)	269,000		
Beginning Fund Balance	862,750	355,750	(507,000)		
Ending Fund Balance	355,750	117,750	(238,000)		

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 7% state proposed pay increase for all full-time staff and resulting fringe benefit cost.
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.