



# 2024-2025 OPERATING BUDGET



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# **Executive Summary**

# **Executive Summary**

## **FY 2025 Operating Budget**

1. The Budget is comprised of three main sources of operating funds that total \$119,067,500:
  - a) State General Funds of \$32,740,500. E&G operational funds increased by \$3,607,500, UMA remained unchanged, and state aid for financial aid increased by \$125,000.
  - b) Cadet tuition, fee, and sales, and other revenue is projected to be \$51,674,000. The Class of 2028 is projected at 495 cadets. Tuition rates for both in-state and out-of-state cadets increased by 2.9% and fees increased 2.9% for FY 2025.
  - c) Private fund support primarily from the VMI Alumni Agencies of \$34,653,000. Unrestricted fund support of \$3,688,000 (11%) and \$30,965,000 in restricted funds (89%).
2. The Budget supports cadet financial assistance from all sources (Private, State, Federal and VMI) of \$22,565,000, an increase of \$3,646,000 or 19.3%. Tuition revenue used for financial aid is budgeted to be \$1,200,000 more than FY 2024. The State financial aid increased \$125,000, Federal financial aid is expected to increase \$250,000 and funding from the endowed scholarship accounts by \$2,071,000.
3. The Budget for all programs is \$141,632,500, an increase of \$8,196,500 over the prior year.
4. The Educational and General Program (E&G) Budget totals \$74,450,500, an increase of \$4,656,500 from FY 2024. The 3% salary increase is a major factor along with the 6.3% expected increase in medical insurance cost. The SCHEV Pell Initiative grant adds another \$921,000 to the overall operational budget.
5. The Budget assumes 495 new cadets (60% Virginians and 40% Non-Virginians) and a total Corps of 1,559 (63% Virginians and 37% Non-

Virginians). The average enrollment for FY 2025 (fall and spring) is budgeted to be 1,482.

6. Tuition and fees for in-state cadets total \$32,356 and represent an increase of \$882 or 2.8% over FY 2024. Tuition and fees for out-of-state cadets total \$63,948 and represent an increase of \$1,772 or 2.8%.
7. The budget includes a 3% salary increase effective the first pay period of the fiscal year for all full-time employees.

Total personnel costs are budgeted for \$76,866,000 or 65% of the total Budget (excluding cadet financial aid) and include 655 full-time positions. This is an increase of \$2,779,000 or 3.7% over FY 2024.

8. The Budget projects a year-end Fund Balance (30 June 2024) of \$25,400,000 and \$23,115,000 on 30 June 2025.

# REVENUE

	2024	2025	Increase (Decrease)	%	Note
<b>STATE FUNDS</b>					
<b>Educational and General</b>					
General Funds	21,730,000	25,337,500	3,607,500	16.6%	1a
Cadet Tuition and Other Income	29,795,000	30,495,000	700,000	2.3%	1b
Transfer from/(to) Reserves	1,076,000	-	(1,076,000)		1b
Total Educational & General	52,601,000	55,832,500	3,231,500	6.1%	
<b>Unique Military Activities</b>					
General Funds	5,860,000	5,860,000	-	0.0%	1a
Cadet Fees and Other Income	3,714,000	3,939,000	225,000	6.1%	1b
Transfer from/(to) Reserves	1,060,000	977,000	(83,000)		1b
Total Unique Military	10,634,000	10,776,000	142,000	1.3%	
<b>Auxiliary Enterprises</b>					
Cadet Fees and Other Income	22,248,000	23,328,000	1,080,000	4.9%	1b
Transfer from/(to) Reserves	1,746,000	309,000	(1,437,000)	-82.3%	1b, 8
Total Auxiliary	23,994,000	23,637,000	(357,000)	-1.5%	
<b>Cadet Financial Assistance</b>					
General Funds	1,418,000	1,543,000	125,000	8.8%	1a
Cadet Tuition and Fees	2,300,000	3,500,000	1,200,000	52.2%	1b
Total Cadet Financial Assistance	3,718,000	5,043,000	1,325,000	35.6%	
Total State Funds	90,947,000	95,288,500	4,341,500	4.8%	

	<b>2024</b>	<b>2025</b>	<b>Increase (Decrease)</b>	<b>%</b>	<b>Note</b>
<b>LOCAL FUNDS</b>					
<b>Restricted Funds</b>					
VMI Foundation/Agencies Bd	20,491,000	23,676,000	3,185,000	15.5%	1c
VMI Keydet Club	6,212,000	6,614,000	402,000	6.5%	1c
VMI Endowment	647,000	679,000	32,000	4.9%	1c
Federal Funds/NCAA Income	1,851,000	2,227,000	376,000	20.3%	1b
<b>Total Restricted</b>	<b>29,201,000</b>	<b>33,196,000</b>	<b>3,995,000</b>	<b>13.7%</b>	
<b>Unrestricted Funds</b>					
VMI Foundation/Agencies Bd	3,250,000	3,250,000	-	0.0%	1c
VMI Keydet Club	200,000	350,000	150,000		1c
VMI Endowment Income	79,000	84,000	5,000	6.3%	1c
Cadet Athletic Fees	5,652,000	5,940,000	288,000	5.1%	1b
Athletic Revenue/Support	1,144,000	1,288,000	144,000	12.6%	1b
Athletic Reserve	1,715,000	-	(1,715,000)	-100.0%	1b
Auxiliary Subsidy to Athletics	-	1,023,000	1,023,000	100.0%	1b
Museum Revenue	584,000	581,000	(3,000)	-0.5%	1b
Conference Income	188,000	189,000	1,000	0.5%	1b
Concessions Income	476,000	443,000	(33,000)	-6.9%	1b
<b>Total Unrestricted</b>	<b>13,288,000</b>	<b>13,148,000</b>	<b>(140,000)</b>	<b>-1.1%</b>	
<b>Total Local Funds</b>	<b>42,489,000</b>	<b>46,344,000</b>	<b>3,855,000</b>	<b>9.1%</b>	
<b>TOTAL ALL FUNDS</b>	<b>133,436,000</b>	<b>141,632,500</b>	<b>8,196,500</b>	<b>6.1%</b>	<b>3</b>
Less: Cadet Financial Assistance	(18,919,000)	(22,565,000)	(3,646,000)	19.3%	1b, 2
<b>TOTAL REVENUE</b>	<b>114,517,000</b>	<b>119,067,500</b>	<b>4,550,500</b>	<b>4.0%</b>	

# EXPENDITURES

	2024	2025	Increase (Decrease)	%	Note
<b>STATE FUNDS</b>					
<b>Educational &amp; General</b>					
Instruction	24,681,000	25,525,000	844,000	3.4%	
Public Service	133,000	138,000	5,000	3.8%	
Academic Support	7,628,000	7,652,000	24,000	0.3%	
Cadet Services	4,422,000	5,543,000	1,121,000	25.4%	
Institutional Support	6,793,000	7,374,000	581,000	8.6%	
Physical Plant	8,944,000	9,600,500	656,500	7.3%	
Total Educational & General	52,601,000	55,832,500	3,231,500	6.1%	4
<b>Unique Military Activities</b>	10,634,000	10,776,000	142,000	1.3%	
<b>Auxiliary Enterprises</b>					
Operations	21,013,000	20,250,000	(763,000)	-3.6%	
Debt Service	2,481,000	2,470,000	(11,000)	-0.4%	
Maintenance projects	500,000	917,000	417,000	83.4%	
Total Auxiliary Enterprises	23,994,000	23,637,000	(357,000)	-1.5%	
<b>Cadet Financial Assistance</b>	3,718,000	5,043,000	1,325,000	35.6%	
<b>Total State Funds</b>	90,947,000	95,288,500	4,341,500	4.8%	



	2024	2025	Increase (Decrease)	%	Note
<b>LOCAL FUNDS</b>					
<b>Educational &amp; General</b>					
Instruction	8,964,000	9,837,000	873,000	9.7%	
Research	48,000	53,000	5,000	10.4%	
Public Service	1,409,000	1,457,000	48,000	3.4%	
Academic Support	2,387,000	2,485,000	98,000	4.1%	
Cadet Services	1,403,000	1,467,000	64,000	4.6%	
Institutional Support	2,774,000	3,016,000	242,000	8.7%	
Physical Plant	208,000	303,000	95,000	45.7%	
Total Educational & General	17,193,000	18,618,000	1,425,000	8.3%	4
<b>Cadet Financial Assistance</b>	15,201,000	17,527,000	2,326,000	15.3%	
<b>Auxiliary Enterprises</b>					
Intercollegiate Athletics	10,095,000	10,199,000	104,000	1.0%	
Debt Service	-	-	-		
Total Auxiliary Enterprises	10,095,000	10,199,000	104,000	1.0%	
Total Local Funds	42,489,000	46,344,000	3,855,000	9.1%	
<b>TOTAL ALL FUNDS</b>	133,436,000	141,632,500	8,196,500	6.1%	3
Less: Cadet Financial Assistance	(18,919,000)	(22,565,000)	(3,646,000)	19.3%	2
<b>TOTAL EXPENDITURES</b>	<b>114,517,000</b>	<b>119,067,500</b>	<b>4,550,500</b>	<b>4.0%</b>	

## SOURCES OF REVENUE

	2024	% of Total	2025	% of Total	Inc (Dec)	% Inc (Dec)	Note
<b>State General Funds</b>	29,008,000	25.3	32,740,500	27.5	3,732,500	12.9%	<b>1a</b>
<b>Cadet Tuition/Fees and Sales</b>	44,790,000	39.1	44,637,000	37.5	(153,000)	-0.3%	<b>1b</b>
<b>VMI and Alumni Agencies Support</b>							
<i>VMI Alumni Agencies</i>							
VMI Foundation	22,517,000	19.7	25,639,000	21.5	3,122,000	13.9%	
VMI Alumni Agencies Board	1,224,000	1.1	1,287,000	1.1	63,000	5.1%	
Total Foundation/ Agencies Bd	23,741,000	20.7	26,926,000	22.6	3,185,000	13.4%	
VMI Keydet Club	6,412,000	5.6	6,964,000	5.8	552,000	8.6%	
Total Alumni Agencies	30,153,000	26.3	33,890,000	28.5	3,737,000	12.4%	
<i>VMI Endowment</i>							
VMI General Endowment	468,000	0.4	489,000	0.4	21,000	4.5%	
VMI Collins Endowment	173,000	0.2	189,000	0.2	16,000	9.2%	
Outside Trusts (scholarships)	85,000	0.1	85,000	0.1	-	0.0%	
Total VMI Endowment	726,000	0.6	763,000	0.6	37,000	5.1%	
Total VMI and Alumni Agencies	30,879,000	27.0	34,653,000	29.1	3,774,000	12.2%	<b>1c</b>

## SOURCES OF REVENUE

	<b>2024</b>	<b>% of Total</b>	<b>2025</b>	<b>% of Total</b>	<b>Inc (Dec)</b>	<b>% Inc (Dec)</b>	
<b>Other Revenue</b>							
Athletic Revenue/Support	1,144,000	1.0	1,288,000	1.1	144,000	12.6%	
Athletic Reserve	1,715,000	1.5	-	0.0	(1,715,000)		
Auxiliary Subsidy to Athletics	-	-	1,023,000	0.9	1,023,000		
Concessions Income	476,000	0.4	443,000	0.4	(33,000)	-6.9%	
Museum Revenue	584,000	0.5	581,000	0.5	(3,000)	-0.5%	
Program/Conference Income	188,000	0.2	189,000	0.2	1,000	0.5%	
E&G Reserve	1,076,000	0.9	-	0.0	(1,076,000)		
UMA Reserve	1,060,000	0.9	977,000	0.8	(83,000)		
Auxiliary Reserves	1,746,000	1.5	309,000	0.3	(1,437,000)	-82.3%	
Federal Funds/Other Income	1,851,000	1.6	2,227,000	1.9	376,000	20.3%	
<b>Total Other Revenue</b>	<b>9,840,000</b>	<b>8.6</b>	<b>7,037,000</b>	<b>5.9</b>	<b>(2,803,000)</b>	<b>-28.5%</b>	<b>1b</b>
<b>TOTAL</b>	<b>114,517,000</b>	<b>100.0</b>	<b>119,067,500</b>	<b>100.0</b>	<b>4,550,500</b>	<b>4.0%</b>	

## State Funds Cadet Tuition, Fees and Other Income

	Budget 2024	Budget 2025	Inc (Dec)	%
<b><i>E&amp;G Program</i></b>				
<i>Tuition--Regular Session</i>				
Gross tuition--current year	31,247,000	33,070,000	1,823,000	5.8%
Less: refunds	(314,000)	(331,000)	(17,000)	5.4%
Net potential	30,933,000	32,739,000	1,806,000	5.8%
Less: uncollected	(604,000)	(722,000)	(118,000)	19.5%
Net tuition	30,329,000	32,017,000	1,688,000	5.6%
<i>Tuition--Collection of Prior Years</i>	75,000	75,000	-	0.0%
<i>Tuition--Summer Session</i>				
First Term	520,000	336,000	(184,000)	-35.4%
Second Term	448,000	477,000	29,000	6.5%
STP	207,000	419,000	212,000	102.4%
Foreign Study	246,000	368,000	122,000	49.6%
Total Summer	1,421,000	1,600,000	179,000	12.6%
Total tuition	31,825,000	33,692,000	1,867,000	5.9%
<i>Student Fees</i>				
Application fees	60,000	60,000	-	0.0%
Forfeited deposits	6,000	4,000	(2,000)	-33.3%
Late fees	30,000	23,000	(7,000)	-23.3%
Total fees	96,000	87,000	(9,000)	-9.4%
<i>Other Income</i>				
Interest on notes--Cadets	8,000	12,000	4,000	50.0%
Transcripts	16,000	15,000	(1,000)	-6.3%
Energy Demand	35,000	35,000	-	0.0%
Miscellaneous	90,000	129,000	39,000	43.3%
Total other	149,000	191,000	42,000	28.2%
<i>Indirect Costs &amp; 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 2024	Budget 2025	Inc (Dec)	%
<i>Prior Year Expenses Reimbursed</i>	10,000	10,000	-	0.0%
Subtotal	32,095,000	33,995,000	1,900,000	5.9%
<i>Transfer to Cadet Financial Aid</i>	(2,300,000)	(3,500,000)	(1,200,000)	52.2%
Total E&G Program	<b>29,795,000</b>	<b>30,495,000</b>	<b>700,000</b>	<b>2.3%</b>
 <b><i>Auxiliary Program</i></b>				
<i>Cadet Fees--Regular Session</i>				
Gross fees--current year	27,507,000	28,936,000	1,429,000	5.2%
Less: refunds	(221,000)	(231,000)	(10,000)	4.5%
Net potential	27,286,000	28,705,000	1,419,000	5.2%
Less: uncollected	(390,000)	(480,000)	(90,000)	
Net collections	26,896,000	28,225,000	1,329,000	4.9%
Transfer fees to Athletics Program	(5,652,000)	(5,940,000)	(288,000)	5.1%
Net cadet fees	21,244,000	22,285,000	1,041,000	4.9%
 <i>Food Service</i>				
Cadet fees--summer session	244,000	180,000	(64,000)	-26.2%
Commission revenue-Parkhurst	11,000	13,000	2,000	18.2%
Total food service	255,000	193,000	(62,000)	-24.3%
 <i>Barracks</i>				
Cadet fees--summer session	175,000	163,000	(12,000)	-6.9%
Rents--summer camps/others	18,000	19,000	1,000	5.6%
Total Barracks	193,000	182,000	(11,000)	-5.7%
 <i>Military Store/Other Sales</i>	15,000	13,000	(2,000)	-13.3%
 <i>Medical/Other--Cadet fees (summer)</i>	50,000	50,000	-	0.0%
 <i>Parking Fees and Fines</i>	42,000	23,000	(19,000)	-45.2%
Total cadet fees/sales	21,799,000	22,746,000	947,000	4.3%

## State Funds

### Cadet Tuition, Fees and Other Income

	Budget 2024	Budget 2025	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	50,000	183,000	133,000	266.0%
Miscellaneous	26,000	26,000	-	0.0%
Total Other	449,000	582,000	133,000	29.6%
 Subtotal	 22,248,000	 23,328,000	 1,080,000	 4.9%
Add: Transfer in from Reserves	1,746,000	309,000	(1,437,000)	-82.3%
 Total AUX Program	 <b>23,994,000</b>	 <b>23,637,000</b>	 <b>(357,000)</b>	 <b>-1.5%</b>

### *Unique Military Activities*

#### *Cadet Fees*

Gross fees--current year	3,806,000	4,013,000	207,000	5.4%
Less: refunds	(35,000)	(37,000)	(2,000)	5.7%
Net potential	3,771,000	3,976,000	205,000	5.4%
Less: uncollected	(130,000)	(161,000)		
Net cadet fees	3,641,000	3,815,000	174,000	4.8%

#### *Sales and Other Income*

Military Store Sales	73,000	124,000	51,000	69.9%
 Total UMA	 <b>3,714,000</b>	 <b>3,939,000</b>	 <b>225,000</b>	 <b>6.1%</b>



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

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

#### *Tuition Revenue—Regular Session*

The FY 2024 budget was based on 450 cadets in the incoming rat class. Actual enrollment for FY 2024 was 492: 42 cadets more than budgeted. For FY 2025, the budgeted incoming new class is 495 cadets. Tuition rates for both in-state and out-of-state increased by 2.9% from FY 2024 to FY 2025. 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 \$1,688,000 more than in 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 \$35,108 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 10 accounts greater than \$2,500 that is proposed for write-off by the Board. These accounts total \$71,513.53. 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 is expected to approve the write-off of these accounts during FY 2025.***

The Superintendent is expected to approve the write-off of 25 former cadet accounts during FY 2024 that are under \$2,500 each and that total \$7,979.08.

#### *Tuition Revenue—Summer Session*

Summer session tuition revenue is expected to increase \$179,000, 12.6%, as the Summer Transition Program (STP) is the contributing factor to the revenue growth.

#### *Transfer to Cadet Financial Aid*

Tuition revenue used to fund cadet financial aid is budgeted at \$3,500,000, a \$1,200,000 increase over last year. The actual cost for FY 2024 is expected to be around \$3,650,000.

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 \$514, from \$19,310 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 2025.

***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 2025 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 less of the Auxiliary Reserve funds, the interest earned is expected to increase 266% over the previous fiscal year (\$183,0000 versus \$50,000 in FY 2024).

### *Transfer to Reserves*

The transfer from the Auxiliary Fund Balance (or reserves) totals \$1,311,000 and consists of \$1,023,000 transfer to the Athletic program to balance their budget and a \$288,000 projected operating deficit in the Auxiliary program for FY 2025.

VMI's Auxiliary Fund Balance is projected to approximate \$16,416,000 on 30 June 2024 and \$14,958,000 on 30 June 2025. Based on experience for working capital needs, VMI's minimum target for the fund balance is about \$11,300,000. In addition, the fund balance includes reserves for future capital improvements to auxiliary facilities.

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

#### *Cadet Fee Revenue*

Cadet uniform and UMA activity fees are budgeted to increase by \$76. The cadet UMA fee totals \$2,678 for FY 2025 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	2024	2025	Inc (Dec)	%	%	Notes
<b>State Funds</b>						
<b>General Funds</b>						
Student Financial Aid	1,418,000	1,543,000	125,000	8.8%		1
Total General Funds	1,418,000	1,543,000	125,000	8.8%		
<b>Cadet Tuition and Fees</b>						
E&G Program	2,300,000	3,500,000	1,200,000	52.2%		2
Total State Funds	3,718,000	5,043,000	1,325,000	35.6%		
<b>Local Funds</b>						
<b>Restricted</b>						
VMI Foundation						
Merit and Other Scholarships	6,858,000	8,478,000	1,620,000	23.6%		
Athletic Scholarships	47,000	50,000	3,000	6.4%		
Total VMI Foundation	6,905,000	8,528,000	1,623,000	23.5%		3
VMI Alumni Agencies Board						
Athletic scholarships	390,000	422,000	32,000	8.2%		3
VMI Keydet Club--Scholarships	6,140,000	6,537,000	397,000	6.5%		3
VMI BOV Endowment	340,000	359,000	19,000	5.6%		
NCAA/Conference Assistance	-	-	-	#DIV/0!		
Outside Trusts	85,000	85,000	-	0.0%		
Total Restricted	13,860,000	15,931,000	2,071,000	14.9%		
<b>Federal Grants/Aid</b>						
SEOG	91,000	91,000	-	0.0%		
PELL	1,250,000	1,500,000	250,000	20.0%		
Total Federal Aid	1,341,000	1,591,000	250,000	18.6%		4
Total Local Funds	15,201,000	17,522,000	2,321,000	15.3%		
Total All	<b>18,919,000</b>	<b>22,565,000</b>	<b>3,646,000</b>	<b>19.3%</b>		5

## Cadet Financial Assistance Notes

1. State general funds appropriated for cadet financial assistance total \$1,543,000 for FY2025, an increase of \$125,000 from FY 2024.
2. VMI cadet financial aid funded from tuition revenue is budgeted for \$3,500,000, a \$1,200,000 increase from FY 2024. These funds are primarily awarded to out-of-state cadets with demonstrated financial need as these cadets are not eligible for State financial aid funds.

Non-Virginia tuition, room/board and fees are almost twice the amount of in-state tuition, room/board, and fees. Non-Virginia cadets are projected to comprise approximately 37.6% of the Corps in FY 2025 and about 53% are projected to qualify for need-based financial aid. Approximately 32.5% of in-state cadets qualify for need-based aid which results in an overall average of about 40.3% of the total Corps qualifying for need-based aid.

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

*Note: For FY 2024, 56.9% of VMI's graduates had loans. This consisted of 55.7% of in-state graduates with an average federal loan balance of \$19,519 and 42.4% of out-of-state graduates with an average federal loan balance of \$23,715. Lending institutions include the Department of Education and private lenders. According to the State Council of Higher Education for Virginia (SCHEV) Debt Profile: Total Loans 5 Years report, Virginia public four-year institution graduates in the Class of 2023 in the 75<sup>th</sup> percentile had known debt at graduation of \$34,240. 52% of students graduating in Virginia in the Class of 2023 graduated with some level of debt. The national average federal student loan debt is \$37,088, with the average public university student borrowing \$32,637 to attain a bachelor's degree (source: <https://educationdata.org/student-loan-debt-statistics> report by Melanie Hanson titled "Student Loan Debt Statistics" updated 3 March 2024 ).*

3. Cadet financial assistance from the VMI Foundation (VMIF), the VMI Alumni Agencies Board (VMIAAB), and the VMI Keydet Club (KC) increased \$2,052,000 to \$15,487,000. Merit and need-based scholarships increased \$1,620,000 and Athletic scholarships by \$432,000 for an overall increase of 15.3%. The Call-to-Duty program accounts for \$1,200,000 of the increase as these funds were not included in the FY 2024 budget. Excluding Call-to-Duty the increase from FY 2024 is 6.3%.

4. Federal aid funding for PELL grants is budgeted at \$1,500,000. The maximum award amount will be \$7,395 for the 2024-2025 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 \$22,565,000. 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 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 35% of VMI's total projected tuition and fee revenues of \$63,702,000 for FY 2025 which is up 3.7% from FY 2024. The 35% "tuition discount" consists mostly of restricted funds that are required to be used for financial assistance (financial aid budget consists of 85% restricted funds and 15% 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 is 56.1% according to NBOA.org article, "Private College Tuition Discounting Rises Again" posted May 21, 2024, <https://www.nboa.org/net-assets/news/view/private-college-tuition-discounting-rises-again#:~:text=The%20325%20private%2C%20nonprofit%20participating,all%20undergraduates%20%E2%80%93%20both%20new%20highs>). 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 2025 Operating Budget totals \$141,632,500 and includes \$22,565,000 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 \$119,067,500.

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 submitted its six-year financial plan as of 1 July 2023. The update to the plan submission is required by 15 July 2024.

### ***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 (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 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.

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 2025. 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 \$125,000 in State financial aid for FY 2025.



# **Significant Budget Assumptions**

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

### ***Tuition***

The FY 2025 budget includes a 2.9% 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 \$882 or 2.8%. For the out-of-state cadet, the overall increase in cost is \$1,772 or 2.8%. 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 \$3,607,500 or 16.6%.
- c) The 3% 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 3% and holding tuition increases to 2.9%, limited additional funding will be available for personnel and non-personnel budget requests from the senior executive officers. The FY 2025 assumes the same departmental budgets as FY 2024 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 \$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 \$96 or 2.9% to \$3,386 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 \$224 per cadet or 2.9% to \$7,924. 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 \$170 or 2.4% to \$7,182. It consists of a \$114 increase in the cadet athletic fee, an \$16 increase in the medical fee, and a \$40 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, 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 2025 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 2.9% to \$3,496.

## 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 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 2024 for the Fall Semester and 15 December 2024 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 \$1,250 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, 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

	<b>2024</b>	<b>2025</b>	<b>Inc (Dec)</b>	<b>%</b>
<b><i>Tuition</i></b>				
Virginia Cadet	10,076	10,368	292	2.9%
NonVirginia Cadet	40,778	41,960	1,182	2.9%
<b><i>Room</i></b>				
	3,290	3,386	96	2.9%
<b><i>Board</i></b>				
	7,700	7,924	224	2.9%
<b><i>Auxiliary Fees</i></b>				
Athletic	3,950	4,064	114	2.9%
Medical	576	592	16	2.8%
Cadet Facilities/Activities	2,486	2,526	40	1.6%
Total	7,012	7,182	170	2.4%
<b><i>Quartermaster Charges</i></b>				
Laundry/Pressing	470	484	14	3.0%
Haircuts	324	334	10	3.1%
Uniforms/UMA Activities	2,602	2,678	76	2.9%
Total	3,396	3,496	100	2.9%
Total Virginia Cadet	<b>31,474</b>	<b>32,356</b>	882	2.8%
Total NonVirginia Cadet	<b>62,176</b>	<b>63,948</b>	1,772	2.8%

## Tuition and Fees--Summer Session

	Summer		Inc(Dec)	%
	2023	2024		
<b>Tuition (Per Credit Hour)</b>				
<i>Virginia</i>				
Regular	364	374	10	2.7%
Student Transition (STP)	400	410	10	2.5%
<i>Non-Virginia</i>				
Regular	1120	1150	30	2.7%
Student Transition (STP)	1220	1250	30	2.5%
<b>Room (Per Week)</b>	148	150	2	1.4%
<b>Board (Per Week)</b>				
5-Meal Plan	66	68	2	3.0%
10-Meal Plan	124	128	4	3.2%
15-Meal Plan	160	164	4	2.5%
19-Meal Plan	204	208	4	2.0%
<b>Auxiliary Fee (Per Term)</b>				
Regular	80	80	-	0.0%
Summer Transition	140	140	-	0.0%
<b>Other Charges/Fees</b>				
Late Registration Fee (Per Term)	70	70	-	0.0%
Security Deposit (Per Session)	100	100	-	0.0%
Parking Permit (Per Session)	40	40	-	0.0%

### Notes:

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

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

## Base-line Facility Use Fees

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

	Fee Per Day		Inc (Dec)	%
	Fiscal Year			
	2024	2025		
<b><i>Fee per Camp/School/Other</i></b>				
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	415	1,000	585	141.0%
Cameron Hall Basketball Court		500	500	100.0%
Cameron Hall Racquetball Courts	210	210	-	0.0%
Cocke Hall Basketball Arena	175	500	325	185.7%
Cocke Hall Swimming Pool	230	300	70	30.4%
Cocke Hall (Wellness Studio)	75	110	35	46.7%
Cormack Wrestling Arena	110	500	390	354.5%
Cormack Fitness/Weight Room	110	500	390	354.5%
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	110	45	69.2%
Indoor Training Facility	9,500	5,000	(4,500)	-47.4%
Indoor Training Facility Climbing Wall	55	110	55	100.0%
Indoor Training Facility Endurance Obstacle Course	45	110	65	144.4%
Indoor Training Facility Fitness/Weight Room	55	110	55	100.0%
Indoor Training Facility High Ropes Course	115	115	-	0.0%
Indoor Training Facility Jump Area	65	110	45	69.2%
Indoor Training Facility Mobile Initiatives Course	45	110	65	144.4%
Indoor Training Facility Sprint Track	65	110	45	69.2%
Indoor Training Facility Throwing Areas	65	110	45	69.2%
Kilbourne Hall Indoor Range	275	500	225	81.8%
King Hall Boxing Room	70	110	40	57.1%
McKethan Park Pavilion (one pavilion)	90	110	20	6.7%
McKethan Park Training Area (w/one pavilion)	325	400	75	23.1%
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	350	500	150	42.9%
North Post Red/White/Blue Loops	45	110	65	144.4%
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			
	2024	2025		
Classroom	80	110	30	37.5%
Academic Lecture Halls	170	170	-	0.0%
Memorial Hall Chapel/Rooms	850	850	-	0.0%
VMI Museum		125	125	100.0%
New Market Battlefield		125	125	100.0%
Jackson House		110	110	100.0%

## *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

	2024				2025		Budget	
	Budget	%	Actual	%	Budget	%	Inc(Dec)	%
<b><i>Fall Semester</i></b>								
<b><i>New Cadets</i></b>								
Virginia	270	60.0	292	59.3	297	60.0	27	10.0%
NonVirginia	180	40.0	200	40.7	198	40.0	18	10.0%
Total	450	100.0	492	100.0	495	100.0	45	10.0%
<b><i>Old Cadets</i></b>								
Virginia	685	63.8	707	64.7	676	63.4	(9)	-1.3%
NonVirginia	388	36.2	386	35.3	390	36.6	2	0.5%
Total	1,073	100.0	1,093	100.0	1,066	100.0	(7)	-0.7%
<b><i>Total Fall</i></b>								
Virginia	955	62.7	999	63.0	973	62.4	18	1.9%
NonVirginia	568	37.3	586	37.0	586	37.6	18	3.2%
Total	1,523	100.0	1,585	100.0	1,559	100.0	36	2.4%
<i>Cadets on Foreign Study</i>	2		2		2		-	
Total Potential	1,525		1,587		1,561		36	2.4%
<b><i>Spring Semester</i></b>								
Virginia	887	63.2	933	63.3	902	62.7	15	1.7%
NonVirginia	517	36.8	540	36.7	536	37.3	19	3.7%
Total	1,404	100.0	1,473	100.0	1,438	100.0	34	2.4%
<i>Cadets on Foreign Study</i>	33		33		33		-	0.0%
Total Potential	1,437		1,506		1,471		34	2.4%
<b><i>Average enrollment for the Year (Fall census and Spring)</i></b>								
	1,447		1,517		1,482		35	2.4%

## **Significant Budget Assumptions Enrollment Notes**

### ***Fall Semester***

#### *New Cadets*

The budget is based on a new cadet class of 495 with 60% in-state cadets. VMI budgeted 450 new cadets for FY 2024 with 60% in-state cadets and enrolled 492 cadets with about 59.3% in-state cadets.

#### *Old Cadets*

An Old Corps (returning cadets) of 1,066 is budgeted for fall 2024; 7 less than budgeted for FY 2024 and 27 less than enrolled last fall. The percentage of in-state old cadets is projected to be 63.4% compared to 63.8% enrolled in FY 2024.

#### *Total Cadets*

The budget is based on a total projected “opening” day enrollment of 1,559 cadets with 62.4% 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 1,534 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 1,526; this compares to 1,560 last census date.

### ***Spring Semester***

The spring semester enrollment is budgeted to total 1,438 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 2025 is 1,482 and consists of 1,526 cadets at the fall census date and 1,438 in the spring semester. **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

	2024		2025		Inc (Dec)		
	FTE	Dollars	FTE	Dollars	FTE	Dollars	%
<b><i>State Funds</i></b>							
Educational and General Program	418	49,730,000	421	51,057,000	2.5	1,327,000	2.7%
Auxiliary Enterprises Program	101	8,248,000	102	8,492,000	0.5	244,000	3.0%
Unique Military Program	34	3,666,000	34	3,709,000	-	43,000	1.2%
Total State Funds	553	61,644,000	556	63,258,000	3.0	1,614,000	2.6%
<b><i>Local Funds</i></b>							
Intercollegiate Athletics	54	5,456,000	58	5,710,000	4.0	254,000	4.7%
Museum Programs	8	768,000	8	818,000	-	50,000	6.5%
Local Restricted	26	4,397,000	27	5,269,000	1.0	872,000	19.8%
Local Unrestricted	1	1,405,000	1	1,410,000	-	5,000	0.4%
Total Local Funds	89	12,026,000	94	13,207,000	5.0	1,181,000	9.8%
Total State and Local	642	73,670,000	650	76,465,000	8.0	2,795,000	3.8%
<b><i>Capital Programs</i></b>							
Maintenance Reserve/Projects	5	417,000	5	401,000	-	(16,000)	-3.8%
Total All	647	74,087,000	655	76,866,000	8.0	2,779,000	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 2025**

<b>Department</b>	<b>Position</b>	<b>Type Change</b>	<b># FTE</b>
<b><i>E&amp;G Program</i></b>			
Applied Math	Teaching Faculty	temporary reduction in headcount	(1.0)
Economics and Business	Teaching Faculty	temporary addition in headcount	1.0
English Rhetoric & Humanistic Studies	Teaching Faculty	Move to a chair position paid by Local Funds	(1.0)
Admissions	Classified Staff	eliminated position	(1.0)
Pell Initiative - SCHEV Grant	Admin Professional	New positions	4.0
Pell Initiative - SCHEV Grant	Classified Staff	New position - Admin Asst	1.0
Superintendent	Admin Professional	New position - Deputy Chief of Staff	1.0
Emergency Mgt	Admin Professional	Moved position to fully funded in Auxiliary	(0.5)
Communications and Marketing	Admin Professional	reduction of tempory position plus up	(1.0)
		<b>Total E &amp;G</b>	<b>2.5</b>
<b><i>Auxiliary</i></b>			
Emergency Mgmt	Admin Professional	position 100% now in Auxiliary	0.5
			<b>0.5</b>
<b><i>Unique Military Activities (UMA)</i></b>			
Commandant	Admin Professional	eliminated position	(1.0)
Director of CPTF3	Admin Professional	Deputy Director position	1.0
		<b>Total UMA</b>	<b>0.0</b>
<b><i>Local Funds</i></b>			
English Rhetoric & Humanistic Studies	Teaching Faculty	Move to a chair position paid by Local Funds	1.0
Athletics	Classified Staff	convert part-time to full-time in Football	1.0
Athletics	Admin Professional	Reduction in coaching positions in Track and Field	(1.0)
Athletics	Admin Professional	convert part-time to full-time in Lacrosse	1.0
Athletics	Admin Professional	new positions added in Training and Medical (4.5 to 7.5 total)	3.0
		<b>Total Local</b>	<b>5.0</b>
		<b>Net Increase - All Programs</b>	<b>8.0</b>

*See accompanying Notes on following page*



## **Total Employment Notes**

The overall position increase from FY 2024 to FY 2025 is 8 new positions.

### **E&G Programs**

The E&G program headcount increased by 2.5 positions.

- -1 Teaching Faculty position - moved to a Local funded chair position.
- -1 Admissions position – eliminated one Classified Staff position.
- -1 Communications and Marketing – reduction of Administrative and Professional temporary staff increase.
- -0.5 Emergency Management position – split funded Administrative and Professional positions moved to 100% paid in Auxiliary.
- +5 SCHEV Pell Initiative Grant – grant funded 4 new Administrative & Professional positions and 1 Classified Staff position.
- +1 Deputy Chief of Staff position (Administrative and Professional) in the Superintendent’s Office.

### **Auxiliary Programs**

The Auxiliary program headcount increased by 0.50 positions.

- +0.5 Emergency Management position shift to 100% paid by Auxiliary programs.

### **Local Funds**

The Local funded headcount increased a total of 5 positions.

- 1 Teaching Faculty position moved from the E&G program to a Local funded chair position.
- The Athletics Department increased by 4 new positions, 3 Administrative & Professional positions and 1 Classified Staff position. 3 new positions in Training and Medical, bringing the departmental total to 7.5 positions. A part-time position in Lacrosse was converted to full-time A&P position, offset by eliminating an A&P coaching position in Track after a staff resignation. A part-time position in Football was converted to a full-time Classified Staff position.

# **Local Funds**

## Local Funds

### VMI and Alumni Agencies Income and Support

	2024	2025	Inc (Dec)	%	Notes
<b><i>VMI Alumni Agencies</i></b>					
<b><i>Unrestricted Funds</i></b>					
VMI Foundation, Inc.					
Endowment Income/Annual Funds	2,850,000	2,850,000	-	0.0%	
Keydet Club special donations	200,000	350,000	150,000		
VMI Alumni Agencies Board					
Endowment Income/Donations	400,000	400,000	-	0.0%	
Total Unrestricted	3,450,000	3,600,000	150,000	4.3%	1
<b><i>Restricted Funds</i></b>					
VMI Foundation, Inc.					
Endowment Income/Donations	19,667,000	22,785,000	3,118,000	15.9%	
VMI Alumni Agencies Board					
Endowment Income/Donations	824,000	891,000	67,000	8.1%	
Total VMI Foundation/Agencies Bd	20,491,000	23,676,000	3,185,000	15.5%	
VMI Keydet Club					
Endowment Income/Donations	6,212,000	6,614,000	402,000	6.5%	
Total Restricted Funds	26,703,000	30,290,000	3,587,000	13.4%	2
Total VMI Alumni Agencies	<b>30,153,000</b>	<b>33,890,000</b>	3,737,000	12.4%	
<b><i>VMI</i></b>					
<b><i>Unrestricted Funds</i></b>					
VMI General Endowment	79,000	84,000	5,000	6.3%	
Interest Income and Other	-	-	-		
Total Unrestricted	79,000	84,000	5,000	6.3%	
<b><i>Restricted Funds</i></b>					
VMI General Endowment	383,000	405,000	22,000	5.7%	
VMI Collins Endowment--Operations	179,000	189,000	10,000	5.6%	
Outside Trusts and Other	85,000	85,000	-	0.0%	
Total Restricted Funds	647,000	679,000	32,000	4.9%	
Total VMI Endowment	<b>726,000</b>	<b>763,000</b>	37,000	5.1%	3
Total VMI and Alumni Agencies	<b>30,879,000</b>	<b>34,653,000</b>	3,774,000		

## **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 2025 totals \$3,600,000. In addition, the VMIF and VMIAAB are funding debt service on the \$45 million in bonds issued on VMI's behalf in 2006 to fund various capital projects. This debt service currently totals approximately \$2.1 million annually and is part of the overall Alumni Agencies support to VMI.

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

2. VMIF, VMIAAB, and Keydet Club (KC) restricted income is budgeted for \$3,587,000 more than last year for a total of \$30,290,000.
3. VMI endowment income is derived primarily from VMI's General Endowment and Collins Endowment. These funds had a 30 September 2023 market value of \$11,400,512 and \$4,410,376 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 2023. 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	2025 Total	2024 Total	Inc (Dec)
<i>Expenditures</i>								
Instruction	9,259,565	-	-	4,000	-	9,263,565	8,390,182	873,383
Research	52,924	-	-	-	-	52,924	48,133	4,791
Public Service	376,519	-	-	189,000	-	565,519	514,784	50,735
Academic Support	2,281,175	-	-	-	-	2,281,175	2,183,713	97,462
Student Services	1,315,428	4,525	-	42,000	-	1,361,953	1,297,487	64,466
Institutional Support	766,269	-	-	-	-	766,269	436,387	329,882
Physical Plant	195,235	107,750	-	-	-	302,985	207,748	95,237
Total Educ & General	14,247,115	112,275	-	235,000	-	14,594,390	13,078,434	1,515,956
Auxiliary Enterprises	9,907	356,969	71,449	-	636,000	1,074,325	920,721	153,604
Cadet Financial Assistance	8,528,307	421,787	6,542,430	444,000	1,591,000	17,527,524	15,202,122	2,325,402
Total	<b>22,785,329</b>	<b>891,031</b>	<b>6,613,879</b>	<b>679,000</b>	<b>2,227,000</b>	<b>33,196,239</b>	<b>29,201,277</b>	<b>3,994,962</b>

## **Restricted Local Budget Notes**

1. The Restricted Funds Budget primarily reflects spendable income from endowment funds and cash donations. See Notes to VMI and Alumni Agencies Income and Support Budget Schedule.
2. Federal Funds consist primarily of PELL grants for cadets with financial need and NCAA revenue for Athletic Operations.
3. Total Restricted income of \$31,996,239 for FY 2025 is \$3,994,962 more than FY 2024. 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. The \$1,200,000 of funds for the Call-to-Duty scholarships is a major component of the increase along with an increase in discretionary cash amounts available for faculty salaries and other operational expenses.

## Local Unrestricted Budget

	FY 2025 Allocation					FY 2024 Budget	Inc (Dec)	%	Notes	
	FY 2025 Budget	VMI Funds	Keydet Club	VMI Foundation	VMI Agencies Bd					Total
<b>Revenue</b>										
VMI Endowment	84,000	84,000				84,000	79,000	5,000	6.3%	1
VMI Foundation	2,850,000			2,850,000		2,850,000	2,850,000	-	0.0%	2
VMI Alumni Agencies Board	400,000				400,000	400,000	400,000	-	0.0%	2
KC -Athletics Special	354,000	-	354,000			354,000	200,000	154,000		2
Athletic Revenue	1,297,500	1,297,500				1,297,500	1,143,500	154,000	13.5%	3
Cadet Fees--Athletics	5,940,000	5,940,000				5,940,000	5,652,000	288,000	5.1%	3
Museum Systems	581,000	581,000				581,000	584,000	(3,000)	-0.5%	4
Conference Revenue--CLE	189,000	189,000				189,000	188,000	1,000	0.5%	5
Concessions Commissions	443,000	443,000				443,000	475,500	(32,500)	-6.8%	6
<b>Total Revenue</b>	<b>12,138,500</b>	<b>8,534,500</b>	<b>354,000</b>	<b>2,850,000</b>	<b>400,000</b>	<b>12,138,500</b>	<b>11,572,000</b>	<b>566,500</b>	<b>4.9%</b>	
<b>E&amp;G Expenditures</b>										
<i>Instruction</i>										
Faculty Salary Supplements	695,000			695,000	-	695,000	674,000	21,000	3.1%	7
<i>Public Service</i>										
Daniel's Award	-	-				-	-	-		
Museum Systems	891,000	581,000		310,000	-	891,000	899,000	(8,000)	-0.9%	4
Total Public Service	891,000	581,000	-	310,000	-	891,000	899,000	(8,000)	-0.9%	
<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	189,000	189,000				189,000	188,000	1,000	0.5%	5
Total Academic Support	218,000	189,000	-	29,000	-	218,000	217,000	1,000	0.5%	
<i>Student Services</i>										
Commandant's Official Fund	13,000			13,000		13,000	13,000	-	0.0%	
Chaplain's Office Support	80,000			80,000	-	80,000	92,000	(12,000)	-13.0%	8
Total Student Services	93,000	-	-	93,000	-	93,000	105,000	(12,000)	-11.4%	

## Local Unrestricted Budget

	FY 2025 Allocation					FY 2024 Budget	Inc (Dec)	%	Notes	
	FY 2025 Budget	VMI Funds	Keydet Club	VMI Foundation	VMI Agencies Bd					Total
<i>Institutional Support</i>										
Staff Salary Supplements	663,000	-		663,000		663,000	693,000	(30,000)	-4.3%	7
Mortgage Subsidies	35,000			35,000		35,000	36,000	(1,000)	-2.8%	9
Superintendent's Funds										
Quarter's--Rent	98,000			98,000	-	98,000	98,000	-	0.0%	
Allotment	30,000			30,000		30,000	30,000	-	0.0%	
Travel	10,000			10,000		10,000	10,000	-	0.0%	
Protocol Office--Gifts	13,000	-		13,000		13,000	13,000	-	0.0%	
Local Bank Fees/Charges	2,000	-		2,000		2,000	2,000	-	0.0%	
Board of Visitors' Meetings	9,000	-		9,000		9,000	9,000	-	0.0%	
Membership Dues	-	-		-		-	-	-	#DIV/0!	
VA Hi-Ed Bus Council Dues	9,000	-		9,000		9,000	9,000	-	0.0%	
Contingencies	384,000	-		384,000		384,000	896,000	(512,000)	-57.1%	10
Total Institutional Support	1,253,000	-	-	1,253,000	-	1,253,000	1,796,000	(543,000)	-30.2%	
<i>Cadet Financial Aid</i>										
Call to Duty Scholarships	500,000			350,000	150,000	500,000	-	500,000	#DIV/0!	11
Total Scholarships/Grants	500,000	-	-	350,000	150,000	500,000	-	500,000	0.0%	
<i>Auxiliary Enterprises</i>										
<i>Athletics</i>										
Operations	7,841,500	7,237,500	354,000		250,000	7,841,500	9,169,000	(1,327,500)	-14.5%	3, 12
<b>Total Expenditures</b>	11,491,500	8,007,500	354,000	2,730,000	400,000	11,491,500	12,860,000	(1,368,500)	-10.6%	
<b>Excess (Deficiency)</b>	647,000	527,000	-	120,000	-	647,000	(1,288,000)	1,935,000	-150.2%	
Add: Beginning Fund Bal	-	-		-	-	-	3,102,000	(3,102,000)	-100.0%	
Less: VMIF Direct Pays	(120,000)			(120,000)		(120,000)	(120,000)	-	0.0%	13
<b>Ending fund balance</b>	527,000	527,000	-	-	-	527,000	1,694,000	(1,167,000)	-68.9%	



## Local Unrestricted Funds Notes

1. VMI Endowment income of \$84,000 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 \$2,128,019 as of 31 March 2024).
2. VMI Foundation (VMIF) and VMI Alumni Agencies Board (VMIAAB) spendable income totals \$3,130,000. It consists of \$2,730,000 million of unrestricted income from VMIF and \$400,000 from VMIAAB.

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 2.9% for FY 2025, or \$114 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 2025.
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, 3.23% 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 not appropriate for State funding.
11. Call-to Duty scholarships will require additional funds beyond the \$1,200,000 provided directly by the Alumni Agencies. An estimated \$500,000 is budgeted for Call-to-Duty from the Alumni Agencies Unrestricted funds provided to the Institute for operations.
12. 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. In FY 2024, the Athletics department used their fund balance (which is considered unrestricted funds) to offset the fiscal year operational deficit. In FY 2025, the operational deficit of \$1,023,000 will be covered by Auxiliary funds.
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

	2024 Budget	2025 Budget	Inc (Dec)	%	Notes
<b><i>Revenue and Support</i></b>					
<i>Revenue</i>					
Cadet Fees	5,652,000	5,940,000	288,000	5.1%	1
Guarantees--Football	425,000	425,000	-	0.0%	2
Guarantees--Basketball	250,000	300,000	50,000	20.0%	3
Guarantees - Baseball	11,500	1,500	(10,000)	100.0%	
Guarantees - Men's Soccer	-	-	-	100.0%	
Gate Receipts--Football	200,000	275,000	75,000	37.5%	4
Gate Receipts--Basketball	42,000	46,000	4,000	9.5%	
Entry Fees - Track Invitationals	60,000	90,000	30,000	50.0%	5
NCAA Academic Assistance	65,000	65,000	-	0.0%	6
NCAA /Conference Revenue	409,000	535,000	126,000	30.8%	6
Sales and Other Income	155,000	151,000	(4,000)	-2.6%	7
Total Revenue	7,269,500	7,828,500	559,000	7.7%	
<b><i>Support</i></b>					
VMI Alumni Agencies Board					
Unrestricted Endowment	250,000	250,000	-	0.0%	8
Restricted Endowment	345,000	367,000	22,000	6.4%	
Superintendent's Disc Funds	-	60,000	60,000	100.0%	9
Keydet Club Funds					
Lacrosse/Swimming	71,000	77,000	6,000	8.5%	10
Special Fund Raising	200,000	100,000	(100,000)	-50.0%	10
Compete to Win	-	250,000	250,000	100.0%	10
NCAA Distribution	36,000	36,000	-	100.0%	11
VMI Commission Income	208,500	213,500	5,000	2.4%	12
Auxiliary Fund Balance	-	1,023,000	1,023,000	100.0%	13
Total Support	1,110,500	2,376,500	1,266,000	114.0%	
Total Revenue and Support	8,380,000	10,205,000	1,825,000	21.8%	

## Intercollegiate Athletics Operating Revenues, Support and Expenditures

	2024 Budget	2025 Budget	Inc (Dec)	%	Notes
<i>Expenditures</i>					
Football	1,813,000	1,890,000	77,000	4.2%	14
Basketball	1,074,000	1,096,000	22,000	2.0%	14
Track--Men	297,000	277,000	(20,000)	-6.7%	14a
Track--Women	297,000	277,000	(20,000)	-6.7%	14a
Wrestling	300,000	283,000	(17,000)	-5.7%	14
Baseball	484,000	542,000	58,000	12.0%	14
Soccer - Men	175,000	186,000	11,000	6.3%	14
Soccer - Women	236,000	240,000	4,000	1.7%	14
Lacrosse	343,000	397,000	54,000	15.7%	14b
Swimming	199,000	263,000	64,000	32.2%	14c
Water Polo - Women	169,000	177,000	8,000	4.7%	14
Rifle	67,000	66,000	(1,000)	-1.5%	14
Training & Medical	483,000	583,000	100,000	20.7%	14d
Nutrition	-	49,000	49,000		14
Strength & Conditioning	220,000	241,000	21,000	9.5%	14
Sports Information/Promotions	501,000	563,000	62,000	12.4%	14
NCAA Tutoring	58,000	65,000	7,000	12.1%	14
Administration	1,195,000	1,189,000	(6,000)	-0.5%	
Indirect Costs	2,134,000	1,771,000	(363,000)	-17.0%	15
Contingencies	50,000	50,000	-		
 Total Expenditures	 10,095,000	 10,205,000	 110,000	 1.1%	
 <i>Excess(Deficiency) Revenue</i>	 (1,715,000)	 -			
Add: Beginning Fund Balance	1,045,243	(669,757)			
<b>Ending Fund Balance</b>	<b>(669,757)</b>	<b>(669,757)</b>		<b>0.0%</b>	

## **Local Funds**

### **Intercollegiate Athletics Notes**

#### **Revenues**

1. The Cadet Fees budget increase reflects a \$114 or 2.9% increase in the cadet athletic fee from \$3,950 to \$4,064.
2. Football Guarantees are \$425,000 for FY 2025. The guarantee-game for this fiscal year is the matchup against Georgia Tech.
3. Basketball Guarantees generally consist of three games ranging from \$85,000 to \$95,000 each. FY 2025 is budgeted to \$50,000 more than FY 2024.
4. The Football Gate Receipts budget totals \$275,000, an estimate of five home games at \$45,000 per game and \$50,000 for the Citadel game.
5. The Athletic Department will host several indoor track events in FY 2025. The invitational events attract numerous teams with each visiting team charged an entry fee to cover costs of hosting the event. The FY 2025 revenue from track events is budgeted to be \$30,000 more than the FY 2024 budget.
6. The NCAA and Conference provide funding to support academic enhancement, student assistance, and operations. FY 2025 is expected to increase \$126,000 over the previous fiscal year.
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 2025. The amount of support for FY 2025 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 Superintendent has committed to provide \$60,000 in support during FY 2025 from his discretionary cash account at the Foundation.
10. The Keydet Club is budgeted to provide \$6,964,000 in donations and endowment income to the Athletic Program in FY 2025, with \$6,537,000 million in athletic scholarships. The remaining support, which includes special projects and compete to win campaign funds, to be used for operations.

11. 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 2025 is the eighth year of this support; the final distribution will be included in the FY 2027 Athletic budget.
12. Commission revenue of \$12,500, will be given to the Athletic Department for athletic strength training support in FY 2025. Commission revenue will continue to support 3.23% of Administrative & Professional Staff salaries, \$201,000.
13. A \$1,023,000 transfer from the Auxiliary Fund Balance (Reserve) is budgeted for FY 2025 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 2026 and beyond will be required to limit the use of Reserve funds to support operations.

## **Expenditures**

14. The Budgets for all departments with personal services include a 3% pay increase and resulting increases in fringe benefit costs as well as a 6.3% increase in medical insurance costs.
  - a). The Men's and Women's Track program budget decreased in FY 2025 due to the elimination of one full time coaching position split between the men's and women's programs.
  - b). The increase in the Lacrosse budget is from the conversion of a part-time coach to a full-time coach position along with other operational expense increases funded by Keydet Club special project funds.
  - c.) Additional funding is available from a private donor to hire a full-time assistant swimming coach. This money is budgeted as revenue and an offsetting expense for the salary and benefits. The budget will be updated in January 2025 if the position is approved for hire.
  - d). Training and Medical had three part-time trainer positions that have been made full-time in the FY 2025 budget. This was an effort to attract and retain qualified staff needed to provide services to the cadet athletes.
15. Indirect Cost is calculated as a percentage of total Athletic Direct Costs. The recovery rate in FY 2025 is 21% down from 26.8% for FY 2023 and FY 2024. Total Indirect Cost rate is calculated for each budget biennium and the current rate of 21% will be effective for FY 2025 and FY 2026.

## VMI Museum Operations Revenues and Expenses

	FY 2025 Budget				FY 2024 Budget Total	Inc (Dec)	%	Notes
	VMIM	VMCW	JH	Total				
<b><i>Revenue and Support</i></b>								
Admissions	-	195,000	55,000	250,000	247,000	3,000	1.2%	1
Sales	160,000	85,000	70,000	315,000	320,000	(5,000)	-1.6%	1
Contributions and Grants	10,000	3,000	3,000	16,000	17,000	(1,000)	-5.9%	2
Endowment Income	39,000	179,000	-	218,000	221,000	(3,000)	-1.4%	3
Other Income	-	3,000	-	3,000	-	3,000		
<b>Total Revenue and Support</b>	<b>209,000</b>	<b>465,000</b>	<b>128,000</b>	<b>802,000</b>	<b>805,000</b>	<b>(3,000)</b>	<b>-0.4%</b>	
<b><i>Operating Expenses</i></b>								
Personal Services	172,000	429,000	217,000	818,000	806,000	12,000	1.5%	4
Merchandise for Resale	75,000	70,000	35,000	180,000	160,000	20,000	12.5%	
Other Operating	45,000	86,000	69,000	200,000	180,000	20,000	11.1%	5
<b>Total Expenses</b>	<b>292,000</b>	<b>585,000</b>	<b>321,000</b>	<b>1,198,000</b>	<b>1,146,000</b>	<b>52,000</b>	<b>4.5%</b>	
<b><i>Excess (Deficiency) Revenue</i></b>	<b>(83,000)</b>	<b>(120,000)</b>	<b>(193,000)</b>	<b>(396,000)</b>	<b>(341,000)</b>	<b>(55,000)</b>	<b>16.1%</b>	
Add: Fund Balance, begin	-	-	-	-	(18,398)	18,398	-100.0%	
<b><i>Fund Balance, ending</i></b>	<b>(83,000)</b>	<b>(120,000)</b>	<b>(193,000)</b>	<b>(396,000)</b>	<b>(359,398)</b>	<b>(36,602)</b>	<b>10.2%</b>	

## **Museum Systems Notes**

1. Admissions and sales are expected to remain relatively flat for FY 2025.
2. Contributions and grants, consists mostly of visitor donations and gifts to the Museums and are budgeted for a total of \$16,000 in FY 2025.

Note: VMI's State Educational and General Program and Auxiliary Enterprises Program also provide support of \$136,000 and \$183,000, respectively, in FY 2025 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% salary increase and the 6.3% 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**

	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>Inc Dec</b>	<b>%</b>	<b>Notes</b>
<b><i>Revenue and Support</i></b>					
Cash Donations	39,000	1,000	(38,000)	-97.4%	1
Endowment Income	1,097,000	1,194,000	97,000	8.8%	2
Conference Income	188,000	189,000	1,000	0.5%	3
Rental Income	-	19,000	19,000		
<b>Total Revenue and Support</b>	<b>1,324,000</b>	<b>1,403,000</b>	<b>79,000</b>	<b>6.0%</b>	
<b><i>Expenses</i></b>					
Personal Services	1,115,000	1,136,000	21,000	1.9%	4
Conference Expenses	182,000	176,000	(6,000)	-3.3%	3
Program/Other Expenses	265,000	320,000	55,000	20.8%	5
<b>Total Expenses</b>	<b>1,562,000</b>	<b>1,632,000</b>	<b>70,000</b>	<b>4.5%</b>	
<b><i>Excess (Deficiency) Revenue</i></b>	<b>(238,000)</b>	<b>(229,000)</b>	<b>9,000</b>		
Beginning Fund Balance	806,000	568,000	(238,000)		
Ending Fund Balance	568,000	339,000	(229,000)		

## **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% 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.