

VIII

2017-2018
OPERATING BUDGET



VIRGINIA MILITARY INSTITUTE

LEXINGTON, VIRGINIA 24450-0304

OFFICE OF THE SUPERINTENDENT

Phone 540-464-7311

Fax 540-464-7660

Virginia Relay/TDD dial 711

20 April 2017

MEMORANDUM

TO: The Board of Visitors

THROUGH: The Audit, Finance and Planning Committee

SUBJECT: Proposed Operating Budget FY 2018

The FY 2018 Operating Budget proposal for all programs totals \$88.1 million for an increase of \$2.5 million or 2.9% from the FY 2017 budget. The budget includes State general funds of \$15.1 million for a decrease of \$618,000 or 3.9% from FY 2017.

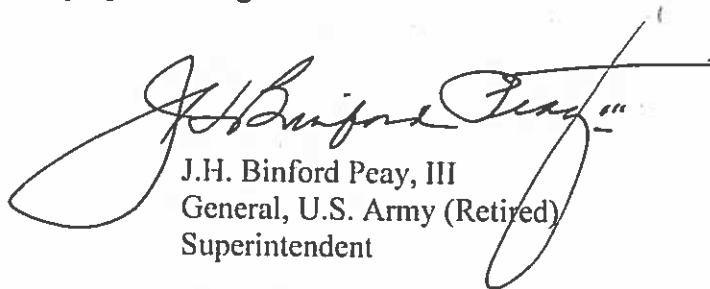
The budget recommends tuition and fee increases of 3.7% (\$990) for in-state cadets and 4.7% (\$2,369) for out-of-state cadets bringing total costs to \$27,450 and \$53,138, respectively.

The Fall 2017 opening enrollment is budgeted to be 1,756 and includes 500 new cadets with 63% of the total Corps from Virginia. This is a budgeted enrollment increase from the FY 2017 budget of 1.7% and an increase from the actual of 1.1%. The average enrollment for FY 2018 is projected to be 1,682 compared to 1,669 in FY 2017.

The budget provides for a State-initiated 3% salary increase for employees. The budget also provides for State-mandated increases in employer contribution rates for health insurance of about 8.7%.

The budget proposal addresses many of the high priority budget requests from the senior executive officers to include salary increases and departmental operating funds.

I recommend that you approve this proposed budget.



J.H. Binford Peay, III
General, U.S. Army (Retired)
Superintendent



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Executive Summary

Executive Summary

FY 2018 Operating Budget

1. The Budget includes State General Funds of \$15,058,000, a 3.9 % decrease from FY 2017 funding for a total reduction of \$618,000 (Exhibit 1).
2. The Budget includes cadet tuition/fees and other revenue of \$52,574,000, an increase of \$2,260,000 or 4.5% (Exhibit 2).
3. The Budget includes private fund support primarily from the VMI Alumni Agencies of \$20,458,000, an increase of \$833,000 or 4.2%. This consists of \$2,184,000 in unrestricted funds (11%) and \$18,274,000 in restricted funds (89%). Unrestricted funds reflect a decrease of \$206,000 or 8.9% over 2017 (Exhibit 3).
4. The Budget includes cadet financial aid from all sources of \$16,991,000, an increase of \$629,000 or 3.8%. This overall increase is a result of \$735,000 in additional support from the VMI Keydet Club. (Exhibit 4).
5. The Budget for all programs totals \$105,081,000 and reflects an increase of \$3,104,000 or 3.0% (Exhibits 5 and 6).
6. The Educational and General Program (E&G) Budget totals \$48,841,000 and represents an increase of \$1,365,000 or 2.9% (Exhibit 7).
7. The Budget includes 500 new cadets (60% Virginians and 40% Non-Virginians) and a total Corps of 1,756 (63% Virginians and 37% Non-Virginians). This is an increase of 30 cadets in the total Corps or 1.7% compared to the 2017 budget and 19 more than the 2017 actual (Exhibit 8). The average enrollment for FY 2018 (fall and spring) is budgeted to be 1,682.
8. Tuition and fees for in-state cadets total \$27,450 and represent an increase of \$990 or 3.7% over 2017. Tuition and fees for out-of-state

cadets total \$53,138 and represent an increase of \$2,369 or 4.7% (Exhibit 9).

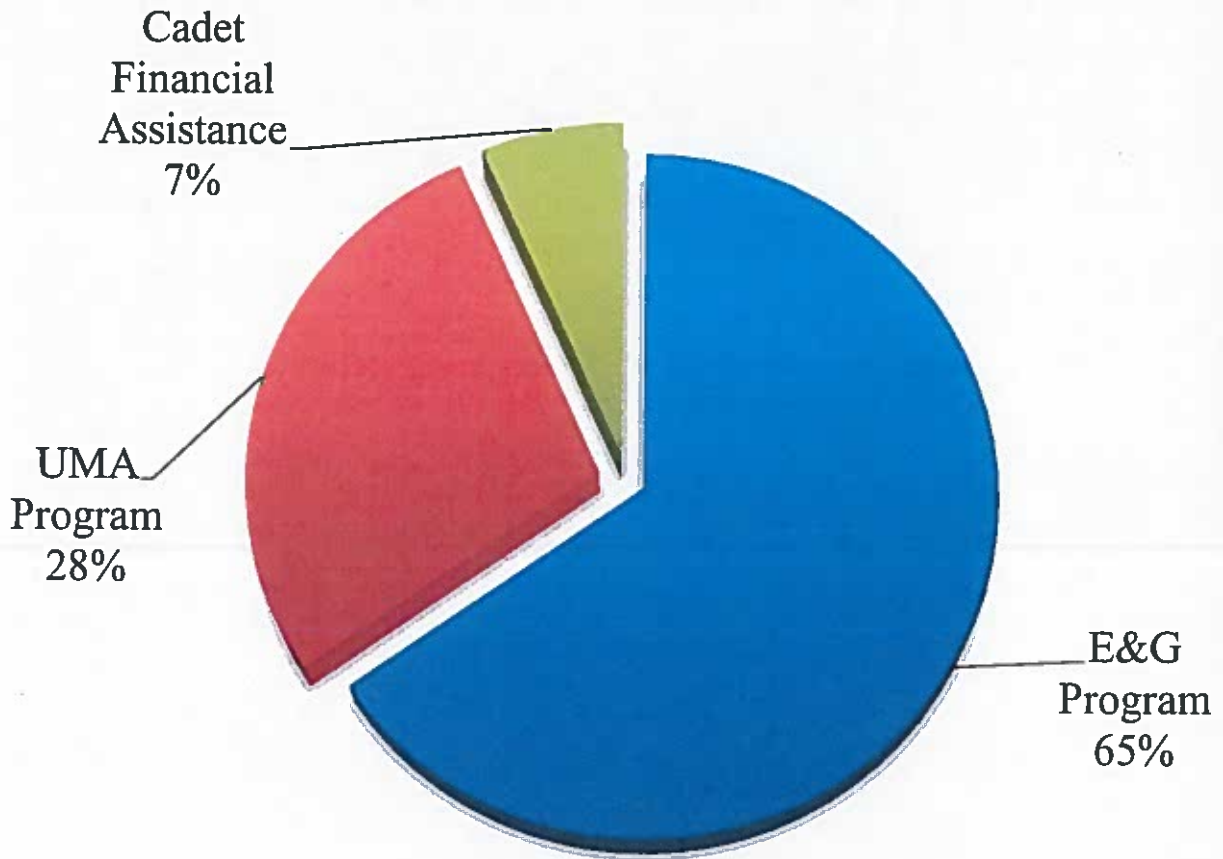
9. A State-initiated salary increase of 3% is budgeted in FY 2018 for employees. The budget also provides for a State-mandated increase of 8.7% in employer contribution rates for health insurance premiums.

Total personnel costs are budgeted for \$54.0 million or 61% of the total Budget (excluding cadet financial aid) and include 604 full-time positions (personnel costs comprise 79% of the State E&G budget which has 381 or 63% of the full-time positions). This is an increase of \$2.0 million or 3.8% over 2017 and primarily reflects provision for salary and fringe benefit increases and 14 new full-time employees (Exhibit 10). See the Significant Budget Assumptions—Details of New Employees and Other Changes for information on the new employee positions.

10. The Budget projects a year-end Auxiliary Fund Balance (30 June 2017) of \$12.5 million (Exhibit 11).

State General Funds

	FY 2017	FY 2018	Inc (Dec)	%
E&G Program	10,450,000	9,832,000	(618,000)	-5.9%
UMA Program	4,210,000	4,210,000	-	0.0%
Cadet Financial Assistance	1,016,000	1,016,000	-	0.0%
Total State General Funds	15,676,000	15,058,000	(618,000)	-3.9%

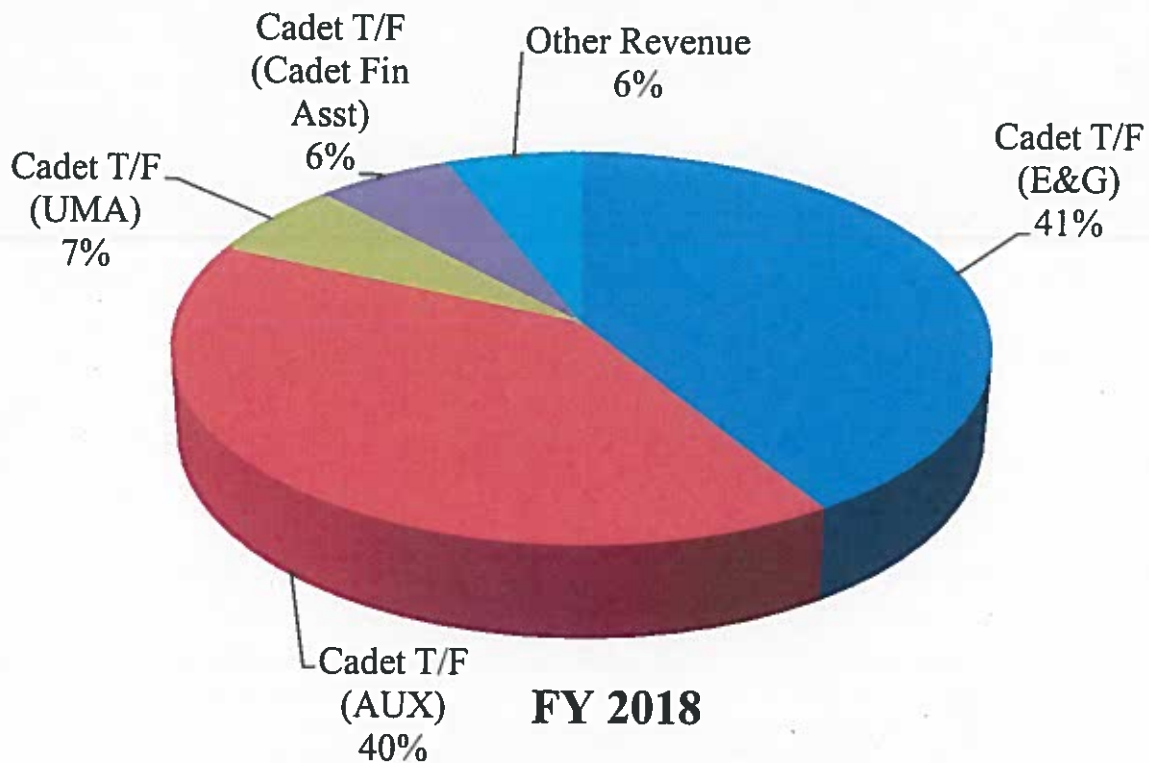


FY 2018

Cadet Tuition/Fees and Other Revenue

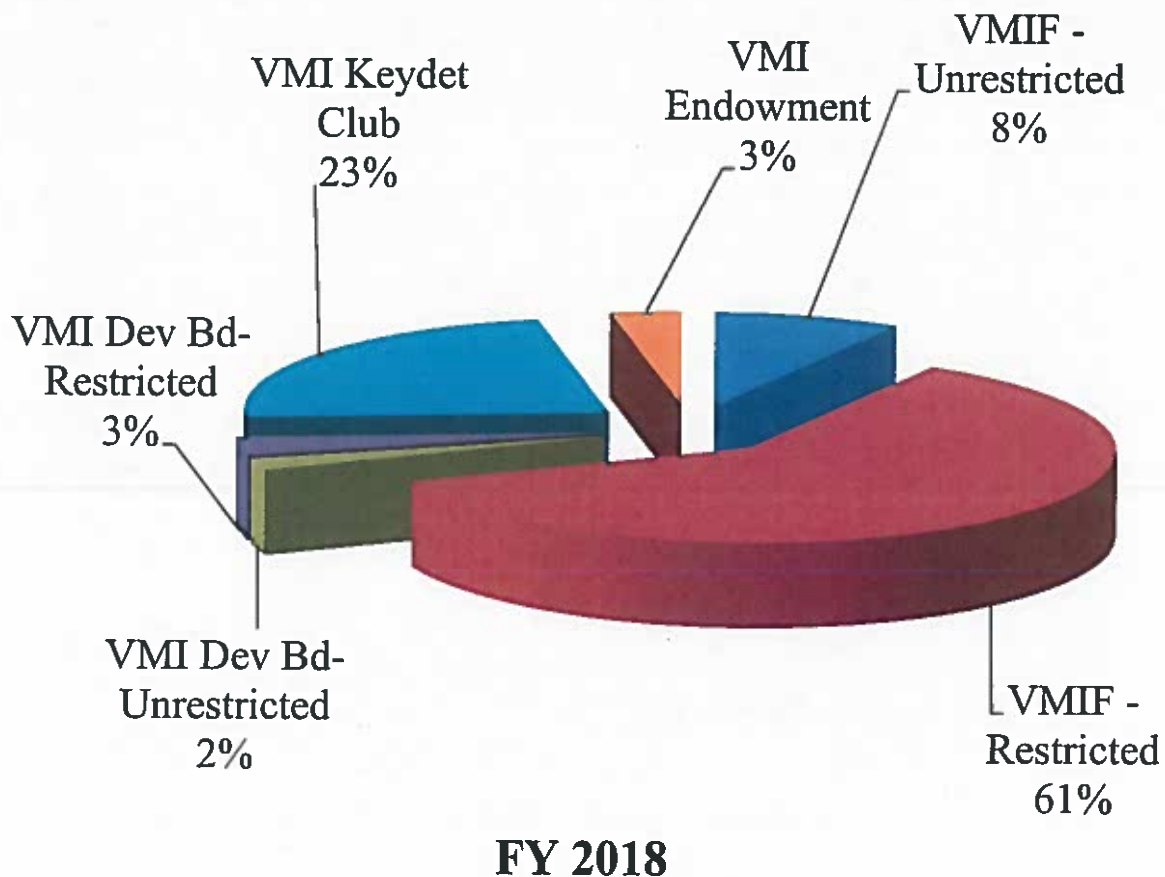
	FY 2017	FY 2018	Inc (Dec)	%
<i>Cadet Tuition and Fees</i>				
E&G Program	27,029,000	28,565,000	1,536,000	5.7%
Auxiliary Program	26,662,000	28,052,000	1,390,000	5.2%
UMA Program	4,216,000	4,439,000	223,000	5.3%
Cadet Financial Assistance	4,250,000	4,250,000	-	0.0%
	<u>62,157,000</u>	<u>65,306,000</u>	<u>3,149,000</u>	<u>5.1%</u>
Less: Cadet Financial Assistance *	(16,362,000)	(16,991,000)	(629,000)	3.8%
Total Cadet Tuition/Fees	<u>45,795,000</u>	<u>48,315,000</u>	<u>2,520,000</u>	<u>5.5%</u>
<i>Other Revenue</i>				
Athletic, CLE and Museum Revenue	2,433,000	2,539,000	106,000	4.4%
Fund Balances	386,000	-	(386,000)	-100.0%
Other (includes federal grants)	1,700,000	1,720,000	20,000	1.2%
Total Other Revenue	<u>4,519,000</u>	<u>4,259,000</u>	<u>(260,000)</u>	<u>-5.8%</u>
Total Cadet Tuition/Fees and Other	<u>50,314,000</u>	<u>52,574,000</u>	<u>2,260,000</u>	<u>4.5%</u>

**Cadet financial assistance from scholarships and grants (all budgeted sources) is deducted to arrive at the revenue paid by cadets and from other sources.*



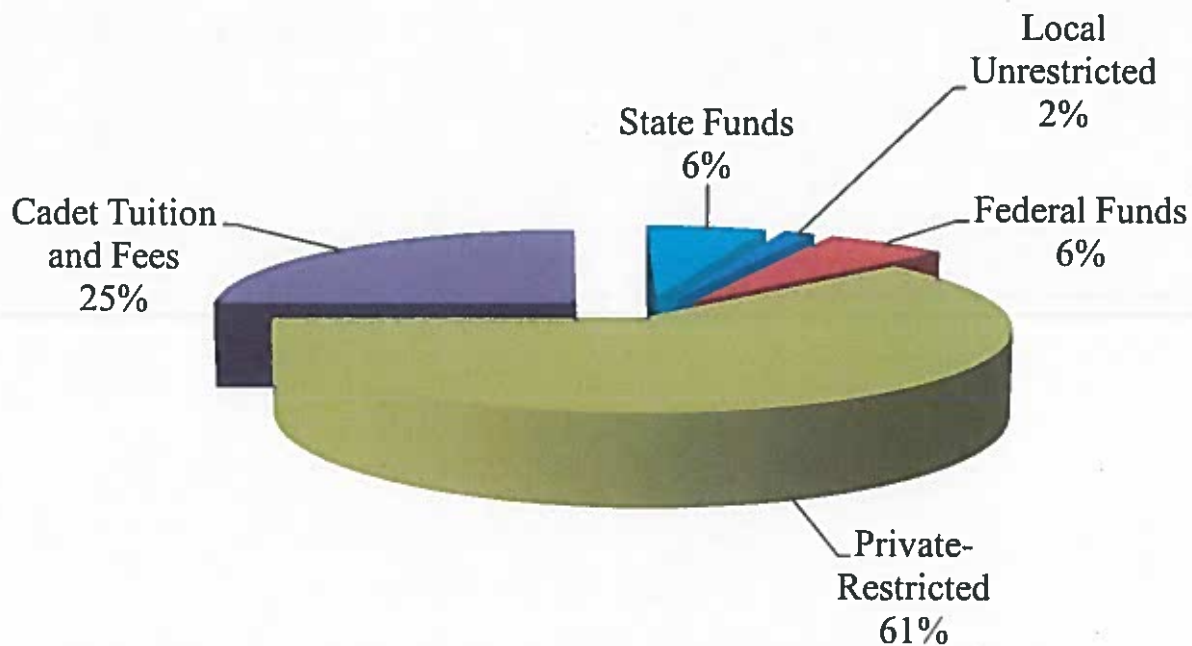
Private Funds

	FY 2017	FY 2018	Inc (Dec)	%
VMIF - Unrestricted	1,802,000	1,696,000	(106,000)	-5.9%
VMIF - Restricted	12,033,000	12,379,000	346,000	2.9%
VMI Dev Bd-Unrestricted	500,000	400,000	(100,000)	-20.0%
VMI Dev Bd-Restricted	590,000	634,000	44,000	7.5%
VMI Keydet Club	4,000,000	4,700,000	700,000	17.5%
VMI Endowment	700,000	649,000	(51,000)	-7.3%
Total Private	19,625,000	20,458,000	833,000	4.2%



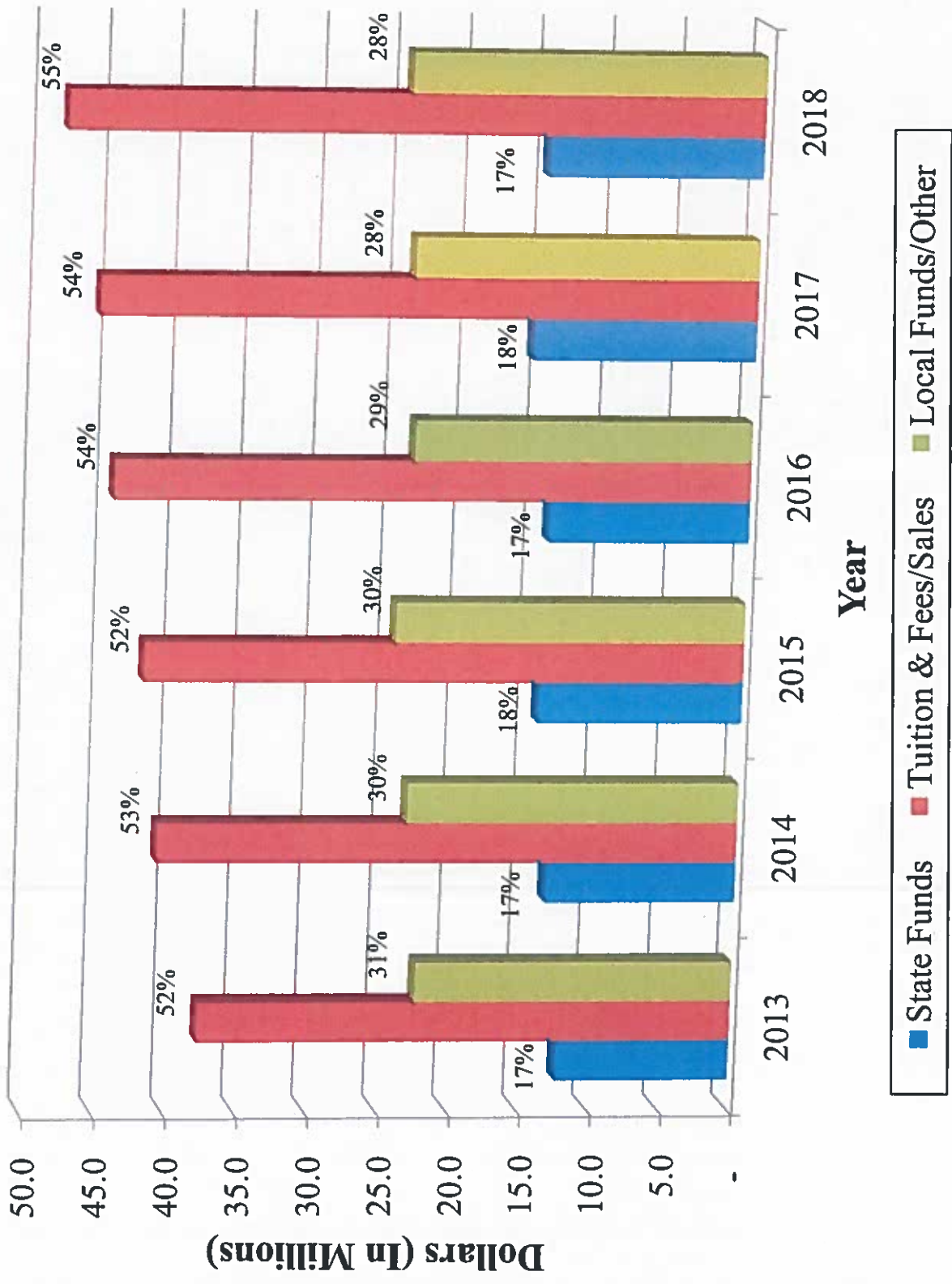
Cadet Financial Assistance

Sources	FY 2017	FY 2018	Inc (Dec)	%
State General Funds	1,016,000	1,016,000	-	0.0%
Cadet Tuition and Fees	4,250,000	4,250,000	-	0.0%
Private Funds--Restricted				
VMI Foundation	4,964,000	5,037,000	73,000	1.5%
VMI Development Board	722,000	579,000	(143,000)	-19.8%
VMI Keydet Club	3,591,000	4,326,000	735,000	20.5%
VMI Endowment/Other	455,000	482,000	27,000	5.9%
Total Restricted Funds	9,732,000	10,424,000	692,000	7.1%
Local Funds--Unrestricted				
VMI Foundation (primarily)	321,000	260,000	(61,000)	-19.0%
Federal Funds	1,043,000	1,041,000	(2,000)	-0.2%
Total	16,362,000	16,991,000	629,000	3.8%



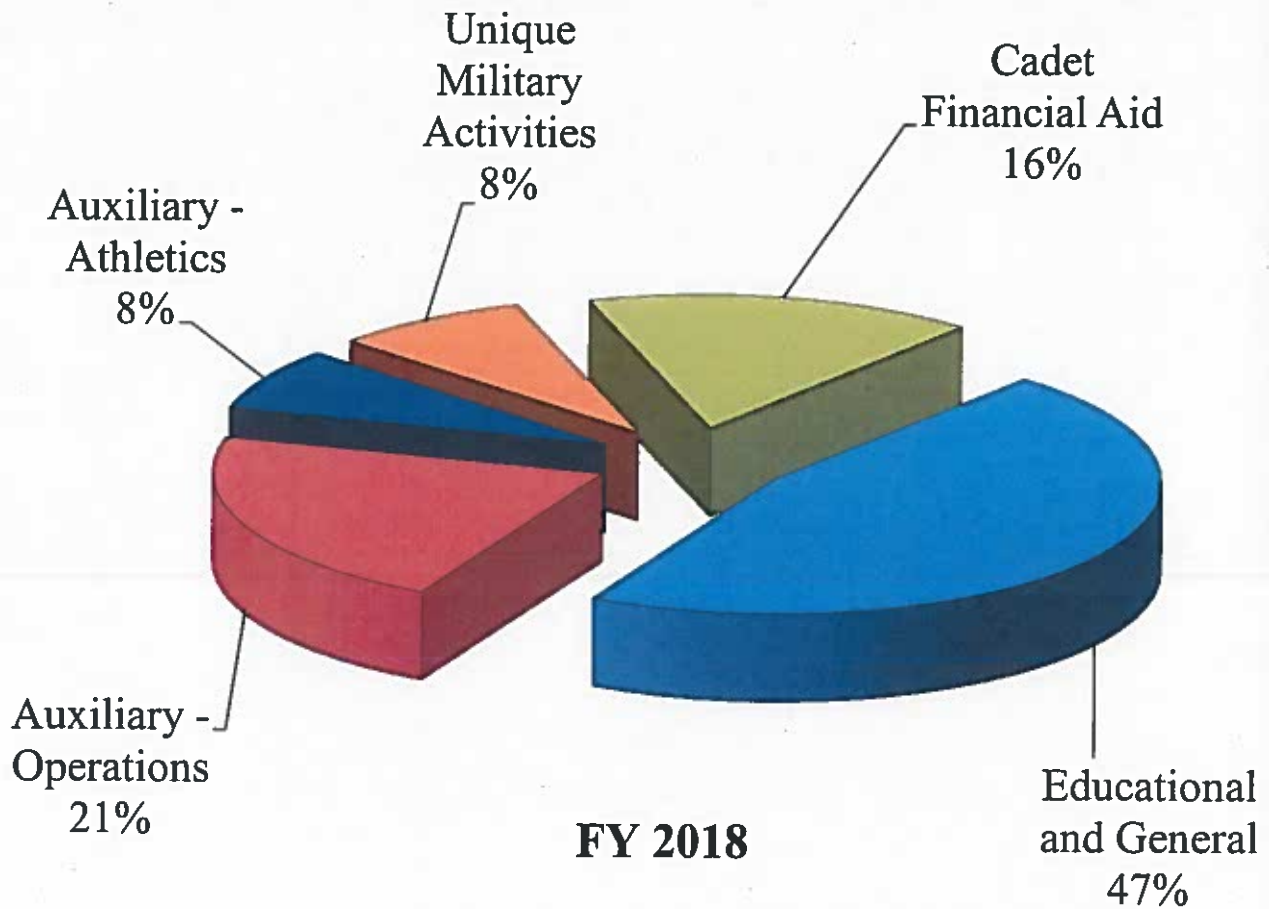
FY 2018

Sources of Revenue



Expenses

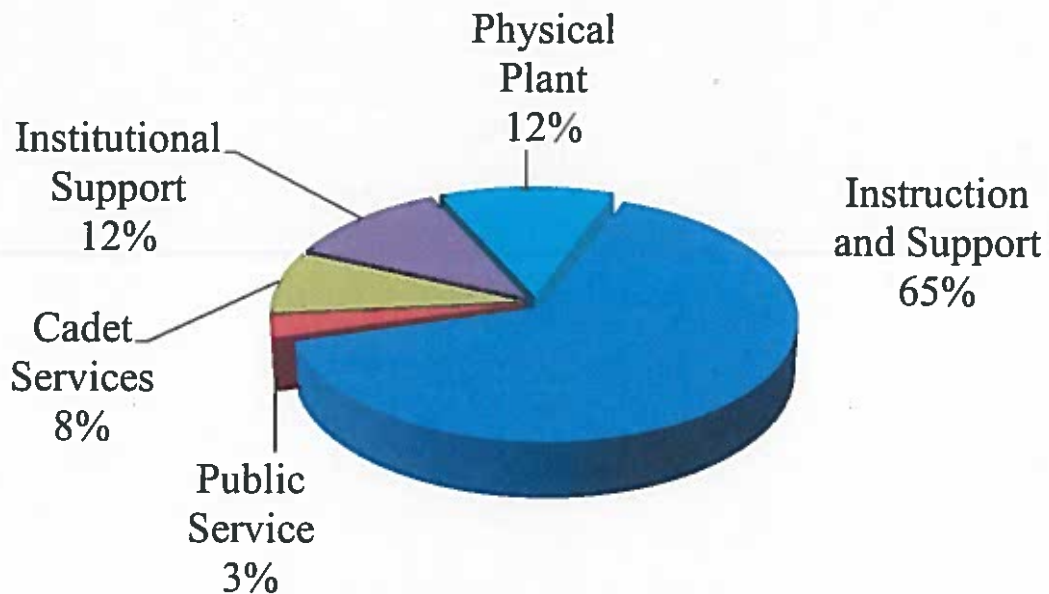
	FY 2017	FY 2018	Inc (Dec)	%
Educational and General	47,476,000	48,841,000	1,365,000	2.9%
Auxiliary - Operations	21,891,000	22,622,000	731,000	3.3%
Auxiliary - Athletics	7,822,000	7,978,000	156,000	2.0%
Unique Military Activities	8,426,000	8,649,000	223,000	2.6%
Cadet Financial Aid	16,362,000	16,991,000	629,000	3.8%
Total Expenses	101,977,000	105,081,000	3,104,000	3.0%



Educational and General Program

	2017	%	2018	%
Instruction & Support	31,236,000	64%	31,677,000	65%
Public Service	1,371,000	3%	1,430,000	3%
Cadet Services	3,919,000	8%	4,045,000	8%
Institutional Support	5,612,000	11%	5,638,000	12%
Physical Plant	5,338,000	11%	6,051,000	12%
Total E & G Program	47,476,000	100%	48,841,000	100%

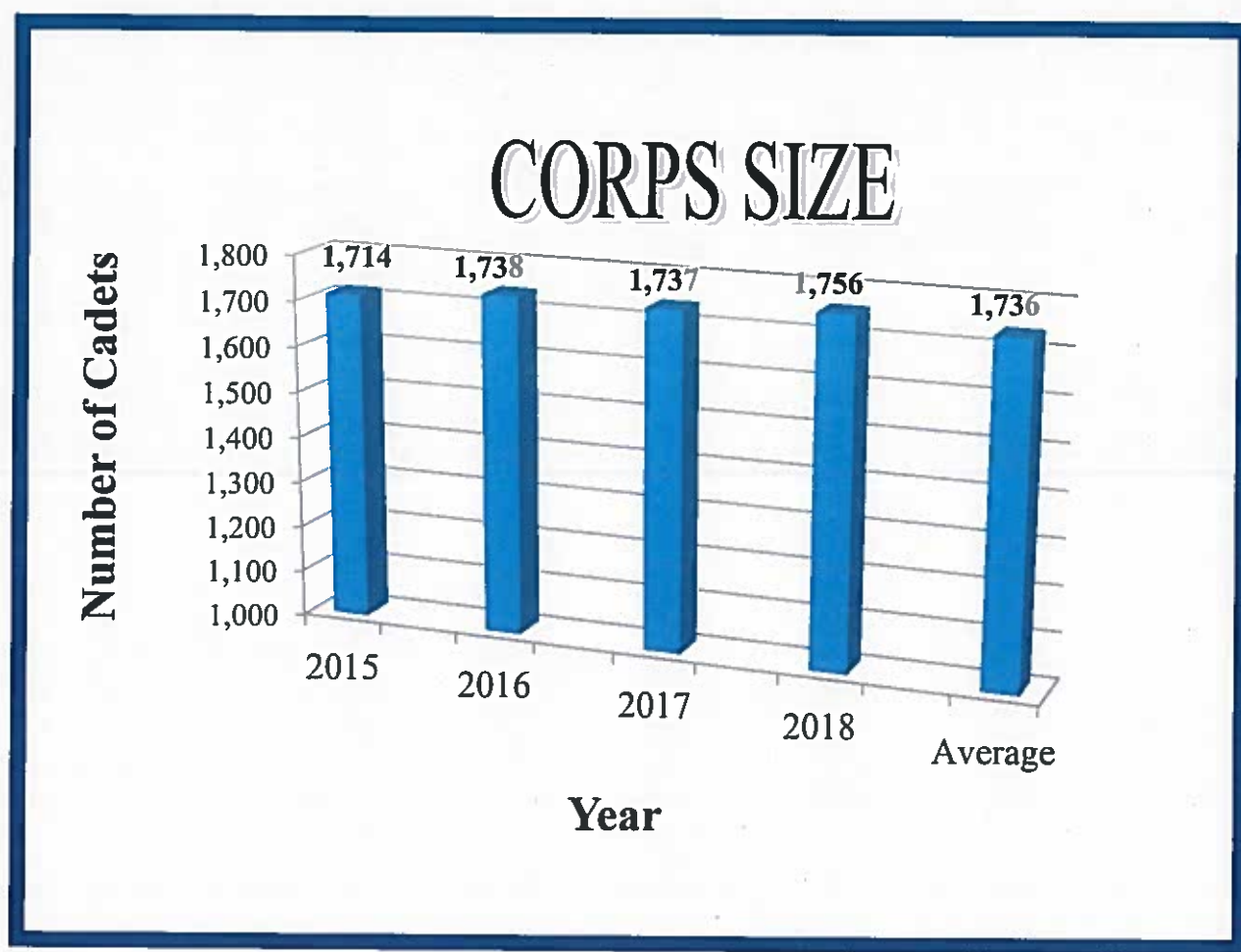
Note: The State E&G Program budget totals \$38.4 million in FY 2018 and \$37.5 million in FY 2017.



FY 2018

Enrollment - Fall

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Budgeted 2018</u>	<u>Average</u>
New Cadets	500	495	506	500	500
Upperclass	1,214	1,243	1,231	1,256	1,236
Total	1,714	1,738	1,737	1,756	1,736
% In-State	58.3%	59.3%	60.9%	62.7%	60.3%



Tuition and Fees

	FY 2017	FY 2018	Inc (Dec)	%
Tuition				
In-State	8,461	8,884	423	5.0%
Out of State	32,770	34,572	1,802	5.5%
Fees	17,999	18,566	567	3.2%
Total Cost				
In-State	26,460	27,450	990	3.7%
Out-of-State	50,769	53,138	2,369	4.7%

Note: Fees include room, board, medical, cadet activities/facilities, athletic, laundry/pressing, haircuts, and UMA activities.

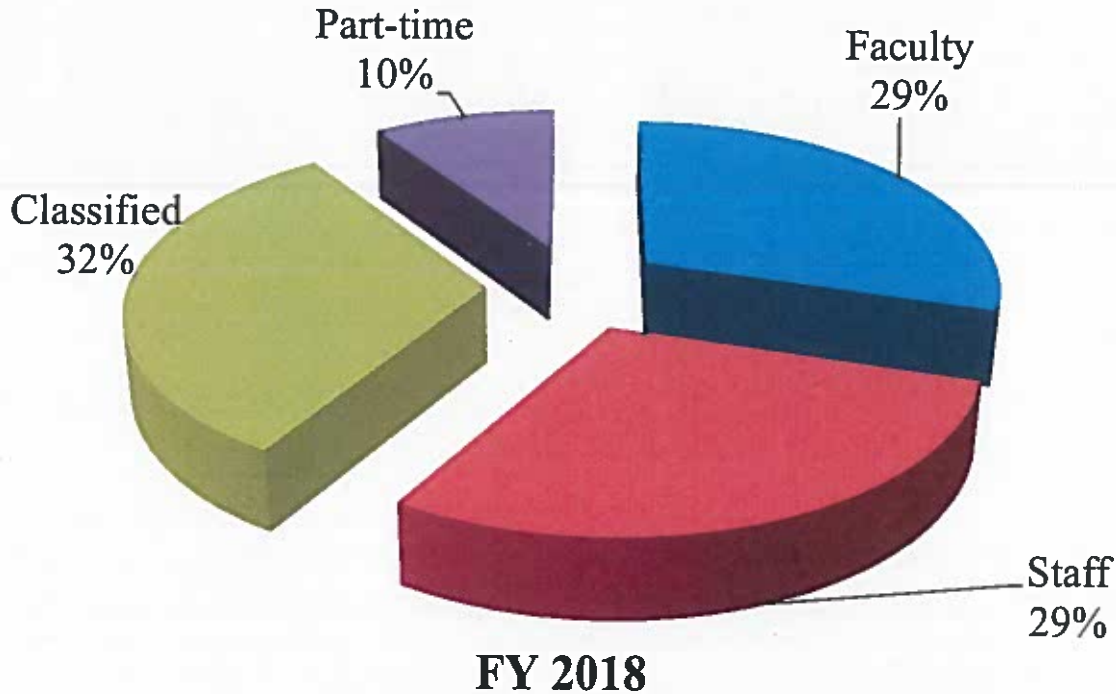
Exhibit 9

Budgeted Dollars for Personnel

	FY 2017		FY 2018	
	FTE	Salaries/Fringes	FTE	Salaries/Fringes
Full-time Staff				
Faculty	143	15.6 million	145	15.9 million
Staff	147	14.9 million	152	15.7 million
Classified	300	16.4 million	307	17.2 million
Part-time Staff		5.1 million		5.2 million
Total	590	52.0 million	604	54.0 million

Notes:

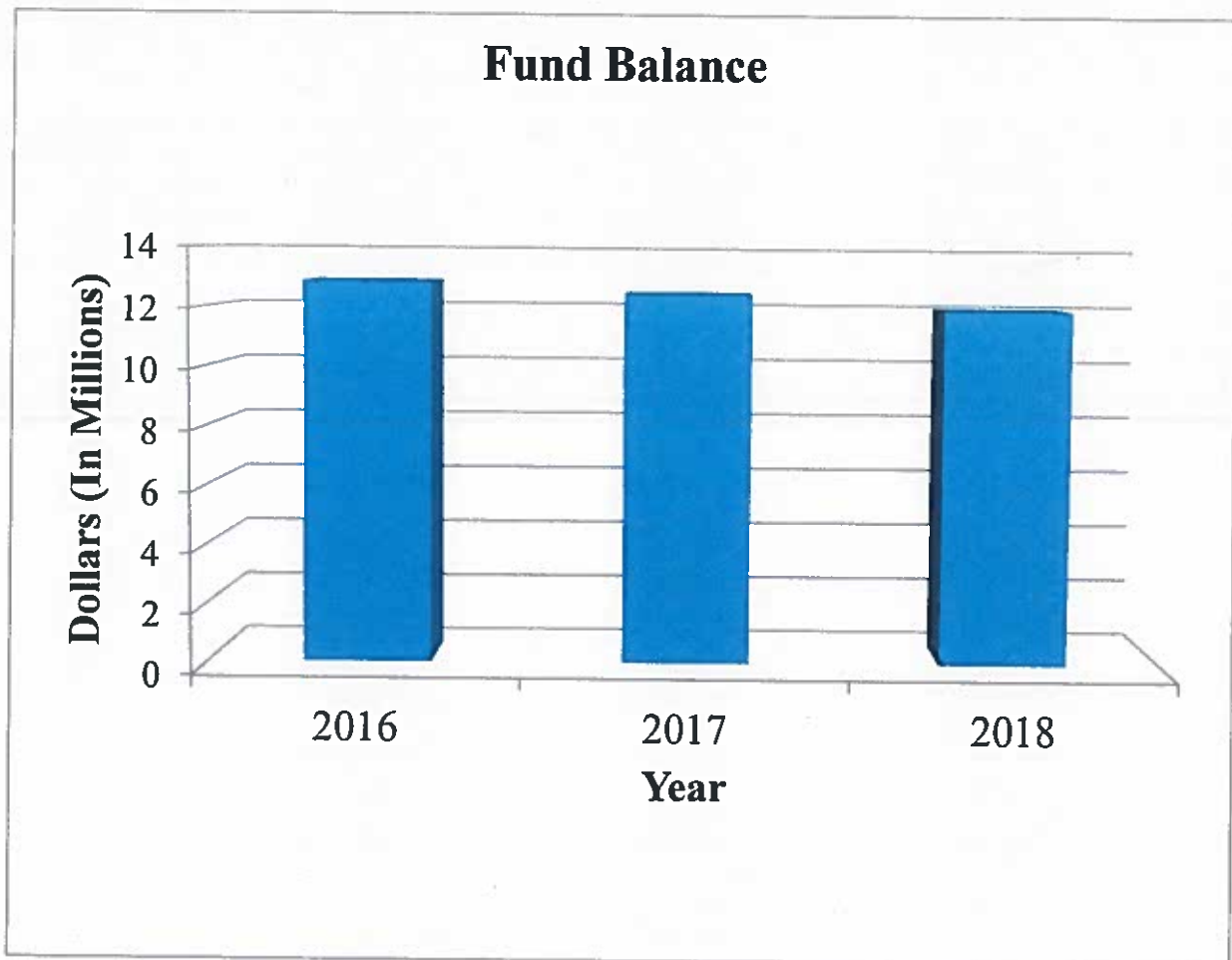
1. FTE counts full-time employees; however, the dollars also include part-time employee wages.
2. The budget reflects an increase of 14 FTE or 2.4%.
3. Salaries and fringe benefits represent 61% of the total operating budget.
4. VMI's 11:1 student-to-faculty ratio (average) is the lowest of the State's public colleges.
5. FTE and dollars include 7 full-time positions budgeted in Maintenance Reserve/Capital Projects.



Auxiliary Fund Balance

	Actual 6/30/16	Projected 6/30/17	Projected 6/30/18
Fund Balance	12,927,511	12,500,000	12,000,000

Note: Goal is to maintain Fund Balance between \$8 million to \$9 million for working capital and for renewal and replacement of facilities. This balance will fluctuate over the next few years as VMI undertakes Auxiliary capital projects in the Post Facilities Master Plan.



Budget At A Glance

THE BUDGET AT A GLANCE

This section provides an overview of the budget for the Fiscal Year beginning 1 July 2017 and ending 30 June 2018 (hereinafter referred to also as 2018). This section includes the following schedules:

- *Revenues* identifies all revenues by program
- *Expenditures* identifies all expenditures by program
- *Sources of Revenue* identifies all revenues by source

REVENUE

STATE FUNDS

	2017	2018	Increase (Decrease)	%
Educational and General				
General Funds	10,450,000	9,832,000	(618,000)	-5.9%
Cadet Tuition and Other Income	27,029,000	28,565,000	1,536,000	5.7%
Total Educational & General	37,479,000	38,397,000	918,000	2.4%
Unique Military Activities				
General Funds	4,210,000	4,210,000	-	0.0%
Cadet Fees and Other Income	4,216,000	4,439,000	223,000	5.3%
Total Unique Military	8,426,000	8,649,000	223,000	2.6%
Auxiliary Enterprises				
Cadet Fees and Other Income	21,314,000	22,435,000	1,121,000	5.3%
Transfer from Reserves	386,000	-	(386,000)	-100.0%
Total Auxiliary	21,700,000	22,435,000	735,000	3.4%
Cadet Financial Assistance				
General Funds	1,016,000	1,016,000	-	0.0%
Cadet Tuition and Fees	4,250,000	4,250,000	-	0.0%
Total Cadet Financial Assistance	5,266,000	5,266,000	-	0.0%
Total State Funds	72,871,000	74,747,000	1,876,000	2.6%

	2017	2018	Increase (Decrease)	%
LOCAL FUNDS				
Restricted Funds				
VMI Foundation/Development Bd	12,623,000	13,013,000	390,000	3.1%
VMI Keydet Club	4,000,000	4,700,000	700,000	17.5%
VMI Endowment	610,000	561,000	(49,000)	-8.0%
Federal Funds/NCAA Income	1,273,000	1,277,000	4,000	0.3%
Total Restricted	18,506,000	19,551,000	1,045,000	5.6%
Unrestricted Funds				
VMI Foundation/Development Bd	2,302,000	2,096,000	(206,000)	-8.9%
VMI Endowment Income	90,000	88,000	(2,000)	-2.2%
Cadet Athletic Fees	5,348,000	5,617,000	269,000	5.0%
Athletic Revenue/Support	1,422,000	1,475,000	53,000	3.7%
Museum Revenue	748,000	774,000	26,000	3.5%
Conference Income	263,000	290,000	27,000	10.3%
Concessions Income	427,000	443,000	16,000	3.7%
Total Unrestricted	10,600,000	10,783,000	183,000	1.7%
Total Local Funds	29,106,000	30,334,000	1,228,000	4.2%
TOTAL ALL FUNDS	101,977,000	105,081,000	3,104,000	3.0%
Less: Cadet Financial Assistance	(16,362,000)	(16,991,000)	(629,000)	3.8%
TOTAL REVENUE	85,615,000	88,090,000	2,475,000	2.9%

EXPENDITURES

STATE FUNDS

	2017	2018	Increase (Decrease)	%
Educational & General				
Instruction	18,821,000	18,889,000	68,000	0.4%
Public Service	100,000	110,000	10,000	10.0%
Academic Support	6,257,000	6,320,000	63,000	1.0%
Cadet Services	3,018,000	3,089,000	71,000	2.4%
Institutional Support	4,094,000	4,126,000	32,000	0.8%
Physical Plant	5,189,000	5,863,000	674,000	13.0%
Total Educational & General	37,479,000	38,397,000	918,000	2.4%
Unique Military Activities	8,426,000	8,649,000	223,000	2.6%
Auxiliary Enterprises				
Operations	18,689,000	19,225,000	536,000	2.9%
Debt Service	2,011,000	2,132,000	121,000	6.0%
Maintenance projects	1,000,000	1,078,000	78,000	7.8%
Total Auxiliary Enterprises	21,700,000	22,435,000	735,000	3.4%
Cadet Financial Assistance	5,266,000	5,266,000	-	0.0%
Total State Funds	72,871,000	74,747,000	1,876,000	2.6%

	2017	2018	Increase (Decrease)	%
LOCAL FUNDS				
Educational & General				
Instruction	4,841,000	5,087,000	246,000	5.1%
Research	33,000	32,000	(1,000)	-3.0%
Public Service	1,271,000	1,320,000	49,000	3.9%
Academic Support	1,284,000	1,356,000	72,000	5.6%
Cadet Services	901,000	956,000	55,000	6.1%
Institutional Support	1,518,000	1,505,000	(13,000)	-0.9%
Physical Plant	149,000	188,000	39,000	26.2%
Total Educational & General	9,997,000	10,444,000	447,000	4.5%
Cadet Financial Assistance				
	11,096,000	11,725,000	629,000	5.7%
Auxiliary Enterprises				
Intercollegiate Athletics	7,822,000	7,978,000	156,000	2.0%
Debt Service	191,000	187,000	(4,000)	-2.1%
Total Auxiliary Enterprises	8,013,000	8,165,000	152,000	1.9%
Total Local Funds	29,106,000	30,334,000	1,228,000	4.2%
TOTAL ALL FUNDS				
	101,977,000	105,081,000	3,104,000	3.0%
Less: Cadet Financial Assistance	(16,362,000)	(16,991,000)	(629,000)	3.8%
TOTAL EXPENDITURES	85,615,000	88,090,000	2,475,000	2.9%

SOURCES OF REVENUE

	2017	% of Total	2018	% of Total	Inc (Dec)	%
State General Funds	15,676,000	18.3	15,058,000	17.1	(618,000)	-3.9%
Cadet Tuition/Fees and Sales	45,795,000	53.5	48,315,000	54.8	2,520,000	5.5%
VMI and Alumni Agencies Support						
<i>VMI Alumni Agencies</i>						
VMI Foundation	13,835,000	16.2	14,075,000	16.0	240,000	1.7%
VMI Development Board	1,090,000	1.3	1,034,000	1.2	(56,000)	-5.1%
Total Foundation/ Dev Bd	14,925,000	17.4	15,109,000	17.2	184,000	1.2%
VMI Keydet Club	4,000,000	4.7	4,700,000	5.3	700,000	17.5%
Total Alumni Agencies	18,925,000	22.1	19,809,000	22.5	884,000	4.7%
<i>VMI Endowment</i>						
VMI General Endowment	402,000	0.5	396,000	0.4	(6,000)	-1.5%
VMI Collins Endowment	198,000	0.2	181,000	0.2	(17,000)	-8.6%
Outside Trusts (scholarships)	100,000	0.1	72,000	0.1	(28,000)	-28.0%
Total VMI Endowment	700,000	0.8	649,000	0.7	(51,000)	-7.3%
Total VMI and Alumni Agencies	19,625,000	22.9	20,458,000	23.2	833,000	4.2%

	2017	% of Total	2018	% of Total	Inc (Dec)	% Inc (Dec)
Other Revenue						
Athletic Revenue/Support	1,422,000	1.7	1,475,000	1.7	53,000	3.7%
Concessions Income	427,000	0.5	443,000	0.5	16,000	3.7%
Museum Revenue	748,000	0.9	774,000	0.9	26,000	3.5%
Program/Conference Income	263,000	0.3	290,000	0.3	27,000	10.3%
Auxiliary Reserves	386,000	0.5	-	0.0	(386,000)	-100.0%
Federal Funds/Other Income	1,273,000	1.5	1,277,000	1.4	4,000	0.3%
Total Other Revenue	4,519,000	5.3	4,259,000	4.8	(260,000)	-5.8%
TOTAL	85,615,000	100.0	88,090,000	100.0	2,475,000	2.9%

General Information

GENERAL INFORMATION

Total Operating Budget

The 2018 Operating Budget totals \$105.1 million and includes \$17.0 million 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 \$88.1 million.

This operating budget generally excludes major capital projects, those greater than \$1.0 million, and State Maintenance Reserve projects, those costing between \$25,000 and \$1.0 million. Such capital projects are funded and budgeted separately.

State Funds

State Funds consist of *general* funds and *nongeneral* 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. Nongeneral funds derive primarily from cadet tuition and fees, and revenue from auxiliary enterprises. VMI generally determines the level of its nongeneral funds. The General Assembly must also appropriate nongeneral funds before they can be spent. It is the intent of the General Assembly that each institution's combined general and nongeneral fund appropriation within its educational and general program closely approximates the anticipated budget each fiscal year. State policy also stipulates that appropriated nongeneral 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 since 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 Colleague Finance Departmental 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 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 end result will be the Appropriations Act (State Budget) that will specify appropriations of State general funds and nongeneral 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 take into account 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 2016. The next plan submission is required by 1 July 2017.

VMI Budget Process and Calendar

VMI adopts an annual operating budget at the May meeting of the Board of Visitors. The Director of Finance, Administration and Support (FAS) develops the proposed budget with input from all of 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) is a principal source of guidance and direction in the formulation of the proposal. The Plan is updated annually by the Institute Planning Committee (comprised of the senior executive officers) in coordination with the budget cycle. The Institute Planning Committee—Policy Group constitutes 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 May.

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

Programs

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

Educational and General Program (E&G)

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

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

Unique Military Activities (UMA)

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

Auxiliary Enterprises (AUX)

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

Cadet Financial Assistance (CFA)

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

State Funding

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

Educational and General Program

The Appropriations Act provides that in establishing the appropriate State share of funding for in-state students in the E&G Program the General Assembly "shall seek to cover at least 67 percent of educational costs associated with providing full funding of the base

adequacy guidelines, raising average salaries for teaching and research faculty to the 60th percentile of peer institutions, and other priorities set forth in the act.” The Appropriations Act requires out-of-state students to pay at least 100% of the cost of their education. Accordingly, this policy provides that VMI should receive State general fund support of its E&G Program that is equal to approximately 67% times the percentage of its in-state students. **For FY 2018, 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 E&G budget (67% times 63%). State general fund support budgeted for FY 2018 totals about 26% of the total E&G budget. The shortfall in State funding is about \$6.3 million and largely reflects State general fund reductions from FY 2008 to FY 2012 due to the economic recession and flat funding in subsequent years.**

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 \$4.2 million in FY 2018, but continues to fall 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. Since then, cadet fees have been required to fund not only uniforms, but also other UMA costs. The FY 2018 shortfall in State general funds for the UMA Program is estimated to be approximately \$3.8 million. VMI will continue to submit budget requests to the State requesting additional State general fund support for the UMA Program 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 take into account unmet student need.

Significant Budget Assumptions

Significant Budget Assumptions

This section describes the significant assumptions and estimates used in the development of the budget. These key factors are the following:

- ***Tuition and fees***—Provides the proposed tuition and fees for FY 2018 (the regular session and the summer session held the summer of 2017) and supplementary information regarding the increases, other costs to cadets, discounts budgeted for Non-Virginia cadets in the Virginia National Guard, and VMI's payment and refund policies. Also provides Facility Use Fees.
- ***Enrollment***—Provides the budgeted enrollment for FY 2018 including the number of Virginia cadets, Non-Virginia cadets, new cadets, and old or returning cadets. Also provides estimates of the Fall and the Spring Semester enrollment along with the number of cadets on foreign study.
- ***New Cadet Enrollment***—Provides the estimated number of applications, acceptances, and matriculants for the Class of 2021 by in-state and out-of-state. Also provides the percentage of acceptances and the yield (i.e., number of acceptances who are expected to matriculate).
- ***Total Employment***—Provides the number of full-time employees for each program and the total personal services costs (salaries, wages, and fringe benefits). Provides details of new employees and other changes.
- ***Salary Increases and Fringe Benefits***—Provides the budgeted salary increases or bonuses and the fringe benefit rates and health care costs.

Tuition and Fees--Regular Session

	2017	2018	Inc (Dec)	%
<i>Tuition</i>				
Virginia Cadet	8,461	8,884	423	5.0%
NonVirginia Cadet	32,770	34,572	1,802	5.5%
<i>Room</i>				
	2,676	2,756	80	3.0%
<i>Board</i>				
	6,292	6,480	188	3.0%
<i>Auxiliary Fees</i>				
Athletic	3,243	3,340	97	3.0%
Medical	474	484	10	2.1%
Cadet Facilities/Activities	2,145	2,230	85	4.0%
Total	5,862	6,054	192	3.3%
<i>Quartermaster Charges</i>				
Laundry/Pressing	383	394	11	2.9%
Haircuts	264	272	8	3.0%
Uniforms/UMA Activities	2,522	2,610	88	3.5%
Total	3,169	3,276	107	3.4%
Total Virginia Cadet	26,460	27,450	990	3.7%
Total NonVirginia Cadet	50,769	53,138	2,369	4.7%

Significant Budget Assumptions Tuition and Fees Notes

Tuition

The FY 2018 budget increases in-state tuition by \$423 or 5.0% to \$8,884 and out-of-state tuition by \$1,802 or 5.5% to \$34,572. The increases are 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, provided that 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 decrease in State General Funds of approximately \$618,000 or 3.9% for FY 2018 compared to FY 2017. This reflects the elimination of funding for the cancelled FY 2017 salary increase and a \$543,000 reduction in State general funds for operations. There was no new funding for operations and maintenance of newly renovated facilities coming on-line (Cormack Hall, Cocke Hall, CPTF Indoor Training Facility).
- c) VMI's share (60%) of State-initiated or mandated increases in employee salaries of 3% and employer contribution rates for health insurance of 8.7%.
- d) Increases in funding of approximately \$275,000 for personnel and non-personnel budget requests from the senior executive officers during the budget development process; the funding adds new positions (see section on Total Employment), provides salary increases for selected employees, and funds program cost increases;
- e) Unavoidable cost increases for utilities, insurances, facility preventive maintenance contracts, and other costs;
- f) A continued budget of tuition revenue used for cadet financial assistance of \$4,250,000 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) The tuition and fees of VMI's competitor institutions and other Virginia public institutions;
- h) VMI's recent past history of tuition and fee increases (See Supplementary Information included at the end of this Budget); and

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

Room and Board

The Barracks or room fee increase of \$80 or 3.0% to \$2,756 provides for increases in facility operations and maintenance costs. This includes State-initiated or mandated employee salary and fringe benefit cost increases as described in the Tuition Note.

The board fee increase of \$188 per cadet or 3.0% to \$6,480 helps to fund an anticipated increase in the meal rates charged by VMI's outside food contractor due to rising food and labor costs. It 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 \$192 or 3.3% to \$6,054. It consists of a \$97 increase in the cadet athletic fee, a \$10 increase in the medical fee, and an \$85 increase in the cadet facilities/activities fee. The net fee increase primarily funds State-initiated or mandated employee 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 and new debt service.

The Appropriations Act continues to limit auxiliary fee increases to 5% 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 2018 complies with the Act.

Quartermaster Charges

VMI's comprehensive quartermaster charges covering laundry/pressing, haircuts, cadet uniforms, and Unique Military Activities will increase \$107 or 3.4% to \$3,276. The increase primarily funds the State-initiated or mandated employee salary and fringe benefit cost increases as described in the Tuition Note above.

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 maximum annual discount per cadet is \$5,000 and awards are based on merit. This allows a total of 20 full awards each semester.

Deposits and Other Charges

The budget continues the application fee at \$40. A reservation fee of \$300 applies to all new cadets.

A security deposit of \$200 for the regular session and \$100 for the summer session will be required of all cadets/students. 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 security 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 2017 for the Fall Semester and 15 December 2017 for the Spring Semester.

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 \$1,100 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 include 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 Director of Finance, Administration and Support to establish appropriate terms for the use of any and all 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--Summer Session

	Summer		Inc(Dec)	%
	2016	2017		
Tuition (Per Credit Hour)				
<i>Virginia</i>				
Regular	328	336	8	2.4%
Student Transition (STP)	360	369	9	2.5%
<i>Non-Virginia</i>				
Regular	1024	1050	26	2.5%
Student Transition (STP)	1126	1155	29	2.6%
Room (Per Week)	129	133	4	3.1%
Board (Per Week)				
5-Meal Plan	59	60	1	1.7%
10-Meal Plan	114	116	2	1.8%
15-Meal Plan	148	151	3	2.0%
19-Meal Plan	187	191	4	2.1%
Auxiliary Fee (Per Term)				
Regular	69	71	2	2.9%
Summer Transition	124	128	4	3.2%
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 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 funds increasing costs for facilities operations and maintenance.
4. The board rate increase reflects the increasing cost of food and labor.
5. The Auxiliary fee covers medical services and use of athletic 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)	%
	2016	2017		
Morocco	4,500	-		
Central Europe	3,900	4,000	100	2.6%
Germany (ME)	4,900	4,900	-	
Paris	5,995	6,395	400	6.7%
Paris--Berlin	5,300	-		
Bolivia (CE-1)	3,500	-		
China	3,950	4,900	950	24.1%
Spain	4,600	4,500	(100)	-2.2%
Belize	-	2,900		

Notes:

1. *The tuition and fees for the programs above generally include tuition, room, board, excursion expenses, and medical insurance. Airfare is not included. The tuition also includes some provision for VMI's indirects costs in supporting these programs.*
2. *Programs may be cancelled by VMI if enrollment is not considered adequate to generally 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 Belize program was not conducted in 2016. The Morocco, Paris-Berlin, and Bolivia programs are not being conducted in 2017.*

Facility Use Fees

	Fee Per Day		Inc (Dec)	%
	Fiscal Year			
	2017	2018		
<i>Fee per Camp/School/Other</i>				
Baseball Field (day)	170	175	5	2.9%
Baseball Field (night)	255	260	5	2.0%
Cameron Hall Arena	340	345	5	1.5%
Cocke Hall Basketball Arena	125	130	5	4.0%
Cocke Hall (Exercise Room)	60	65	5	8.3%
Cormack Wrestling Arena	100	105	5	5.0%
Indoor Training Facility	-	TBD		
Football Practice Field (day)	210	215	5	2.4%
Football Practice Field (night)	305	310	5	1.6%
Foster Stadium Track/Upper Field	505	510	5	1.0%
Kilbourne Hall Indoor Range	255	260	5	2.0%
McKethan Park Pavilion (Note #3)	75-150	75-150		
McKethan Park Training Area	305	310	5	1.6%
McKethan Park Skeet Range	180	185	5	2.8%
North Post Field #1 and #3	155	160	5	3.2%
North Post Field #2 (day)	230	235	5	2.2%
North Post Field #2 (night)	255	260	5	2.0%
North Post Challenge Initiatives (Note #4)	36	40	4	11.1%
North Post High Ropes Course (Note #4)	105	110	5	4.8%
North Post Outdoor Range	330	335	5	1.5%
North Post Red and Blue Loops (Note#4)	36	40	4	11.1%
North Post Tennis Courts (All)	255	260	5	2.0%
North Post Tennis Courts (One)	76	80	4	5.3%
Parade Ground	76	80	4	5.3%
Patchin Field (Soccer/Lacrosse)	120	125	5	4.2%
Swimming Pool	110	115	5	4.5%

Facility Use Fees

	Fee Per Day		Inc (Dec)	%
	Fiscal Year			
	2017	2018		
Classrooms	70	75	5	7.1%
Academic Lecture Halls	155	160	5	3.2%
JM Hall Chapel/Rooms	750	750	-	0.0%

Fee per Camper/Participant

Barracks	19	20	1	5.3%
Post Facilities	1	1	-	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. Fee increases provide for facilities operating and maintenance cost increases (primarily facility operations and maintenance costs and repairs).*
- 3. McKethan Park Pavilion fees vary based on number of attendees.*
- 4. North Post fees for these facilities may include supervision as appropriate and/or limits to number of attendees.*

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

	2017				2018		Budget	
	Budget	%	Actual	%	Budget	%	Inc(Dec)	%
Fall Semester								
<i>New Cadets</i>								
Virginia	300	60.0	296	58.5	300	60.0	-	0.0%
NonVirginia	200	40.0	210	41.5	200	40.0	-	0.0%
Total	500	100.0	506	100.0	500	100.0	-	0.0%
<i>Old Cadets</i>								
Virginia	756	61.7	761	61.8	801	63.8	45	6.0%
NonVirginia	470	38.3	470	38.2	455	36.2	(15)	-3.2%
Total	1,226	100.0	1,231	100.0	1,256	100.0	30	2.4%
<i>Total Fall</i>								
Virginia	1,056	61.2	1,057	60.9	1,101	62.7	45	4.3%
NonVirginia	670	38.8	680	39.1	655	37.3	(15)	-2.2%
Total	1,726	100.0	1,737	100.0	1,756	100.0	30	1.7%
<i>Cadets on Foreign Study</i>	2		-		2		-	0.0%
Total Potential	1,728		1,737		1,758		30	1.7%
Spring Semester								
Virginia	989	61.7	995	61.2	1,036	63.2	47	4.8%
NonVirginia	615	38.3	630	38.8	603	36.8	(12)	-2.0%
Total	1,604	100.0	1,625	100.0	1,639	100.0	35	2.2%
<i>Cadets on Foreign Study</i>	33		35		33		-	0.0%
Total Potential	1,637		1,660		1,672		35	2.1%
Average enrollment for the Year (Fall census and Spring)								
	1,649		1,669		1,682		33	2.0%

New Cadet Enrollment *Opening Day*

	FY 2017 Actual			FY 2018 Estimated/Budgeted		
	VA	NVA	Total	VA	NVA	Total
Total Applications	898	1,051	1,949	819	1,041	1,860
Total Acceptances	403	575	978	424	567	991
% of Applicants Accepted	45%	55%	50%	52%	54%	53%
Matriculants	296	210	506	300	200	500
% of Accepted (Yield)	73%	37%	52%	71%	35%	50%

Significant Budget Assumptions Enrollment Notes

Fall Semester

New Cadets

The budget is based on a new cadet class of 500 with 60% in-state cadets. VMI budgeted 500 new cadets for FY 2017 with 60% in-state cadets and enrolled 506 cadets with about 58.5% in-state cadets.

Old Cadets

An Old Corps (returning cadets) of 1,256 is budgeted for fall 2017 or 30 more than budgeted for FY 2017 and 25 more than actually enrolled last fall. The percentage of in-state old cadets is projected to be 64% and compares to the 62% actually enrolled in FY 2017.

Total Cadets

The budget is based on a total projected “opening” day enrollment of 1,756 cadets with 63% 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 25 new cadets will have withdrawn by then resulting in a total projected Barracks enrollment of about 1,730 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 1,725; this compares to 1,713 last census date.

Spring Semester

The spring semester enrollment is budgeted to total 1,639 or 96% 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 2018 is 1,682 and consists of 1,725 cadets at the fall census date and 1,639 in the spring semester. The average enrollment for FY 2017 is 1,669. **The Superintendent has approved a target average enrollment of 1,625 cadets.**

Foreign Study

This budget sets a limit of 35 cadets total that can be 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

	2017		2018		Inc (Dec)		
	FTE	Dollars	FTE	Dollars	FTE	Dollars	%
State Funds							
Educational and General Program	376	34,176,000	381	35,099,000	5	923,000	2.7%
Auxiliary Enterprises Program	102	6,192,000	111	6,814,000	9	622,000	10.0%
Unique Military Program	25	2,466,000	25	2,501,000	-	35,000	1.4%
Total State Funds	503	42,834,000	517	44,414,000	14	1,580,000	3.7%
Local Funds							
Intercollegiate Athletics	50	3,875,000	50	4,072,000	-	197,000	5.1%
Museum Programs	9	604,000	9	614,000	-	10,000	1.7%
Local Restricted	11	2,021,000	11	2,118,000	-	97,000	4.8%
Local Unrestricted	10	2,172,000	10	2,273,000	-	101,000	4.7%
Total Local Funds	80	8,672,000	80	9,077,000	-	405,000	4.7%
Total State and Local	583	51,506,000	597	53,491,000	14	1,985,000	3.9%
Capital Programs							
Maintenance Reserve/Projects Ofc	7	447,000	7	456,000	-	9,000	2.0%
Total All	590	51,953,000	604	53,947,000	14	1,994,000	3.8%

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 2018

Department	Position	Type Change	# FTE	Note
<i>E&G Program</i>				
Computer and Information Sciences	Teaching Faculty	New hire	1	1
Psychology	Teaching Faculty	New hire	1	1
Cadet Recreation Facility	Classified	New hire	1	2
O&M of Plant - Custodial	Classified	New hire	1	3
O&M of Plant - Grounds	Classified	New hire	1	3
			5	
<i>Auxiliary Enterprises</i>				
Corps Physical Training Facility	Admin Prof	New hire	1	2
Barracks	Classified	New hire	1	4
VMI Infirmary	Classified	New hire	1	5
VMI Infirmary	Classified	Convert PT to FT	1	6
Cadet Recreation Facility	Classified	New hires	3	2
Corps Physical Training Facility	Classified	New hires	2	2
			9	
Net Increase			14	

See accompanying Notes on following page

Total Employment Notes

1. Two new full-time teaching faculty positions are budgeted in FY 2018 and reflect VMI's continuing "Right-Sizing" initiative to replace some part-time teaching faculty positions with full-time positions. The use of more full-time faculty is expected to improve cadet advising, cadet retention, increase the number of cadets majoring in science, technology, engineering, and math (STEM), and graduation rates.
2. Seven new positions to support operation and maintenance of new and renovated facilities – Cocke Hall, Cormack Hall, and the new indoor training facility. The positions budgeted consist of two facilities managers for the new indoor training facility and Cocke Hall, three custodians, and two maintenance technicians.
3. Two new physical plant support positions – one custodian and one grounds worker - are budgeted to enhance post-wide maintenance operations.
4. One new custodial position is budgeted to support increased Corps size in Barracks.
5. One new registered nurse position in the VMI Infirmary to provide enhanced coverage during evenings and nights.
6. An existing part-time nurse practitioner position was converted to full-time to enhance availability of advanced medical care.

Salary Increases and Fringe Benefits

	2017	2018	Inc (dec)	%
State Appropriated Salary Increases				
Teaching Faculty	3.00%	3.00%		
Administrative and Professional Staff	3.00%	3.00%		
Classified Employees	3.00%	3.00%		
VMI Foundation Funded Benefits				
Teaching/Admin Faculty salary supplements	4.0%	4.0%		
Mortgage subsidies (max of \$1,500/year; must be employed prior to 1 Jan 2010)	2.5%	2.5%		
State Fringe Benefit Rates				
Virginia Retirement System (VRS)	14.15%	14.15%		
Optional Retirement System (ORP)-Before 7/1/2010	10.40%	10.40%		
Optional Retirement System (ORP)-After 6/30/2010	8.50%	8.50%		
Retiree Health Credit	1.18%	1.18%		
Social Security Rate	7.65%	7.65%		
Group Life Insurance	1.31%	1.31%		
Total for VRS Employee	24.29%	24.29%		
Total for ORP Employee-Before 7/1/2010	20.54%	20.54%		
Total for ORP Employee-After 6/30/2010	18.64%	18.64%		
Health Insurance (Employer share)				
Single	7,140	7,761	621	8.7%
Family	18,756	20,388	1,632	8.7%
Employee plus one	12,792	13,905	1,113	8.7%

Notes:

1. The planned FY 2017 salary increases were cancelled by the State.
2. The FY 2018 State-initiated salary increase is effective 10 July 2017. In addition, certain high-turnover positions (housekeeping/apparel workers, nurses) will receive an additional 2% salary increase effective 10 September 2017.
3. The FY 2018 and FY 2017 Budgets include provision for salary increases to selected employees due to added responsibilities, promotions, merit, and/or market/benchmark adjustments.
4. The VMI Foundation salary supplement is paid to all full-time teaching faculty and to certain administrative/professional faculty at 4% and 3.33% of their base State salary, respectively. Beginning FY 2016, this salary supplement was added to most all administrative/professional employee base State salaries and no longer funded by the VMI Foundation.
5. The VMI Foundation funded mortgage subsidy is available to full-time teaching faculty and administrative/professional faculty members who were employed prior to 1 January 2010; the Program was discontinued for employees hired after that date as a cost savings measure.

State Funds

State Funds

Overview of Section

This section provides the details of the State Funds Budget including notes explaining significant variances between the current and the proposed budget. The following budget summaries and schedules are provided:

- ***Budget Highlights***—Provides significant notes and assumptions underlying the State Funds Budget.
- ***General Funds***—Describes the amount and categories of State general funds appropriated by program.
- ***Cadet Tuition, Fees and Other Income***—Describes the amounts and categories of cadet tuition, fees, and other income by program.
- ***E&G Expenditure Summary***—Summarizes the budget for each E&G subprogram and its percentage of the total E&G budget with comparison to the prior year budget.
- ***E&G Budget—Summary of Revenue and Expenditure Changes***—Summarizes and describes the major factors and changes in revenues and expenditures that impacted the budget.
- ***Auxiliary Budget— Summary of Revenue and Expenditure Changes***—Summarizes and describes the major factors and changes in revenues and expenditures that impacted the budget.
- ***State Expenditures***—Describes the budgeted expenditures for each major program (E&G Program, Auxiliary Enterprises Program, and Unique Military Activities Program); provides budgets by department or activity including the number of full-time employees.

State Funds Budget Highlights

Educational and General (E&G) Program

1. E&G budgeted revenues and support (before deduction for tuition revenue used for cadet financial aid) total \$42.6 million for an increase of \$918,000 or 2.2% over FY 2017.
2. State general funds are budgeted at \$9.8 million for a decrease of \$618,000 or 5.9% compared to FY 2017. This decrease primarily reflects a State general fund reduction of \$543,000 and elimination State's share of the cancelled 2017 State-salary increase. These reductions are offset by provision for the State's share of the FY 2018 3% increase in employee salaries, and the State's share of an 8.7% increase in employer health insurance premiums.
3. Cadet tuition/other revenue is budgeted at \$32.8 million for an increase of \$1.5 million or 4.9% increase over FY 2017. The increase generally reflects the increase in tuition rates, and increased enrollment with an offset for the projected continuing decrease in total NVA cadets.
4. Cadet tuition revenue allocated for cadet financial aid is budgeted at \$4.25 million, the same amount as in FY 2017. The funding mostly reflects increasing financial need of NVA cadets and no increase in private unrestricted funds (mostly from the VMI Foundation) that has been budgeted for cadet financial assistance.
5. The percentage of cadet tuition/other revenue allocated for cadet financial aid will total 13.0% compared to 13.6% in FY 2017.

Note: VMI continues to review and make changes as appropriate to its cadet financial aid program to bring it to sustainable levels. This includes decreasing the percentage of a NVA cadet financial aid "need" that VMI will cover with financial aid grants from 80% to 70% which began in FY 2015. It also includes on-going consideration of reducing NVA cadet enrollment and increasing VA cadet enrollment while maintaining a target average enrollment for the year of 1,625 cadets. Any significant shift to more VA cadets will require significant increases in VA cadet tuition rates to help offset the loss of NVA cadet tuition (a NVA cadet tuition is \$25,688 greater or 3.9 times more than a VA cadet tuition in FY 2018).

6. E&G budgeted revenues and support after deducting cadet financial aid totals \$38.4 million for an increase of \$918,000 or 2.4% over FY 2017.
7. E&G personal services costs are budgeted to total \$35.1 million for a net increase of \$900,000 or 2.7% over FY 2017. The net increase consists mostly of the following:
 - 3% salary increase for all employees
 - 8.7% employer health insurance cost increase

- One new teaching faculty position in Computer and Information Sciences and one new faculty position in Psychology
 - One new position to support the operations of Cocke Hall
 - One new custodian and one new maintenance technician to support post-wide operations and maintenance.
8. E&G non-personal services costs (excluding contingencies) are budgeted to total \$10.2 million, about the same as FY 2017.
 9. Indirect costs recovered from the Auxiliary Enterprises and the Unique Military Activities Programs are budgeted to be \$6.9 million for a decrease of \$480,000 or 6.5% over FY 2017.
 10. E&G Contingencies are budgeted at \$770,000, about the same as FY 2017. This budget represents about 1.6% of total E&G expenditures including cadet financial aid.

Auxiliary Enterprises Program

11. Auxiliary Enterprise revenues and support are budgeted to total \$22.4 million for an increase of \$1.1 million or 5.3% over FY 2017. The increase mostly reflects an overall 3.3% increase in Auxiliary Fees. In addition to Room and Board fees, the primary components of this increase is a \$97 (3%) increase in the Athletic fee, and an \$85 (4%) increase in the cadet facilities/activities fee.
12. Room and Board fees will increase 3.0% each to support increasing operations and maintenance costs and to cover State mandated salary increases.
13. Auxiliary Enterprise personal services costs are projected to total \$4.2 million or about \$480,000 or 12.9% more than FY 2017. The budget provides for State-initiated employee salary and fringe benefit increases as indicated in Note #7.
14. Auxiliary non-personal services are projected to total \$10.2 million, an increase of \$580,000 or 6.0% over FY 2017. This is attributed to a 3.0% increase in cadet meal costs, and increased operations and maintenance costs.
15. The Auxiliary Enterprises Program share of indirect costs (payable to the E&G Program for administration and facilities support) is projected to total \$3.8 million for a decrease of \$500,000 or 12.0% over FY 2017.
16. Auxiliary contingencies are budgeted for \$1,000,000 or \$100,000 over the FY 2017 budget.
17. Small non-capital repairs and improvements to facilities are budgeted for \$1,078,000, comparable to the \$1,000,000 budgeted in FY 2017.

18. Auxiliary Enterprises debt service is budgeted for \$2.1 million for an increase of about \$100,000 over FY 2017. The increase consists primarily of a full year of debt service on the third of VMI's three \$4.0 million bond financings for improvements to facilities.

Note: VMI's three \$4.0 million bond financings through the Virginia College Building Authority (VCBA) began in FY 2014 and continue through FY 2017. The bonds are funding repairs and improvements to Barracks (turrets, parapets, stoops, hot water/showers, and windows), Cocke Hall pool, Foster Stadium, Moody Hall, McKethan Park, Heat Plant, Richardson Hall, Cameron Hall, Cabell House, and Virginia Museum of the Civil War at New Market.

Debt service on the three VCBA bond financings total about \$877,000 and are being financed with cadet fees.

19. The Auxiliary Fund Balance is projected to total \$12.5 million at the end of FY 2017 and \$12.0 million at the end of FY 2018.
20. State guidelines indicate that the Auxiliary Fund Balance should be about \$9.0 million for FY 2017. VMI's cash flow needs and past experience indicate that a minimum balance of \$8.0 million is considered necessary and prudent.

Unique Military Activities Program (UMA)

21. UMA revenues and support are budgeted at \$8.6 million for an increase of \$200,000 or 2.6%. The total consists of \$4.2 million in State general funds and \$4.4 million in cadet fees and sales.
22. The increase is primarily attributable to a UMA fee increase of 3.5%. No additional UMA funding was received from the State for FY 2018.
23. UMA personal services expenditures are budgeted for \$2.5 million, about the same as FY 2017. This reflects provision for salary and fringe benefit increases as described in Note #7 offset by savings from vacancies and turnovers.
24. UMA nonpersonal services costs are budgeted for \$4.6 million for an increase of about \$150,000 or 3.3% over FY 2017. These costs consist mostly of cadet uniform purchases, (\$1.45 million), cadet uniform maintenance and other support services (Laundry, Tailor shop, Military Store, Hospital, Regimental Band, and Armory), and salary and benefit increases.
25. The UMA Program's share of indirect costs (payable to the E&G Program for administration and facilities support) are budgeted for \$1.54 million for an increase of \$75,000 or 5.1% over FY 2017. This increase represents efforts to achieve full indirect cost recovery from the UMA program. Due to a lack of new State funds in past years, the UMA program has not fully paid its share of indirect costs.

**State Funds
General Funds**

	2017	2018	Inc (Dec)	%
<i>State General Funds--Operating</i>				
<i>Educational and General Program</i>				
State Appropriation--VMI	9,761,000	9,974,000	213,000	2.2%
New Funding ("anticipated")	63,000	-	(63,000)	
State funding reduction	-	(543,000)	(543,000)	
State Central Allocation	626,000	401,000	(225,000)	-35.9%
Total	<u>10,450,000</u>	<u>9,832,000</u>	<u>(618,000)</u>	<u>-5.9%</u>
<i>Unique Military Activities</i>				
State Appropriation--VMI	3,760,058	4,210,058	450,000	12.0%
New Funding ("anticipated")	450,000	-	(450,000)	
Total	<u>4,210,058</u>	<u>4,210,058</u>	<u>-</u>	<u>0.0%</u>
<i>Cadet Financial Assistance</i>				
State Appropriation--VMI	<u>1,016,000</u>	<u>1,016,000</u>	<u>-</u>	<u>0.0%</u>
Total General Funds--Operating	<u><u>15,676,058</u></u>	<u><u>15,058,058</u></u>	<u><u>(618,000)</u></u>	<u><u>-3.9%</u></u>
<i>Other State Appropriations--Capital*</i>				
Equipment Trust Fund (ETF)	886,000	886,000	-	0.0%
Maintenance Reserve Program	1,270,000	1,338,000	68,000	5.4%
Total	<u>2,156,000</u>	<u>2,224,000</u>	<u>68,000</u>	<u>3.2%</u>
Total All	<u><u>17,832,058</u></u>	<u><u>17,282,058</u></u>	<u><u>(550,000)</u></u>	<u><u>-3.1%</u></u>

** These appropriations are excluded from the Operating Budget because they are considered part of the "capital budget" and variations in annual funding can be significant.*

State Funds

State General Funds Notes

Educational and General Program

The State general funds budget decrease of \$618,000 or 5.9% consists primarily of a State reduction of \$543,000, and the net of elimination of the State share of the cancelled FY 2017 salary increase and the State's share of the FY 2018 State-initiated 3.0% increase in employee salaries. In addition to the State's share of salary increases, the central allocation include the State's share of benefits cost increases, primarily the 8.7% increase in employer's share of health insurance.

Unique Military Activities

State general funds are budgeted to remain the same as in FY 2017; however, in FY 2017 VMI received an additional \$450,000 in new general funds to support the UMA program.

VMI has continuously submitted budget requests to the State for more support of the UMA Program to bring it to a level more consistent with the recommendations of the State Council of Higher Education (SCHEV) in 1985 when the program was established. The new general funds in FY 2017 represented the first significant new UMA general funds appropriated in several years.

Cadet Financial Assistance

State general funds for cadet financial assistance is limited to in-state cadets with demonstrated need. The budget remains the same as in FY 2017. These funds are intended to help make education more affordable and accessible for in-state students.

Other Appropriations

Equipment Trust Fund allocations to institutions are based on formulas that take into account the number of students and the age and quantity of equipment in inventory. Maintenance Reserve Program allocations are also based on formulas that take into account the age and replacement cost of the facilities (the formula indicates VMI's annual maintenance reserve need to be over \$3 million). The State continues to under-fund this program for all institutions due to lack of revenues and other priorities.

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

	Budget 2017	Budget 2018	Inc (Dec)	%
<i>E&G Program</i>				
<i>Tuition--Regular Session</i>				
Gross tuition--current year	29,557,000	31,089,000	1,532,000	5.2%
Less: refunds	(363,000)	(314,000)	49,000	-13.5%
Net potential	29,194,000	30,775,000	1,581,000	5.4%
Less: uncollected	(150,000)	(150,000)	-	0.0%
Net tuition	29,044,000	30,625,000	1,581,000	5.4%
 <i>Tuition--Collection of Prior Years</i>	 100,000	 75,000	 (25,000)	 -25.0%
 <i>Tuition--Summer Session</i>				
First Term	530,000	561,000	31,000	5.8%
Second Term	386,000	449,000	63,000	16.3%
STP	443,000	489,000	46,000	10.4%
Foreign Study	477,000	333,000	(144,000)	-30.2%
Total Summer	1,836,000	1,832,000	(4,000)	-0.2%
 Total tuition	 30,980,000	 32,532,000	 1,552,000	 5.0%
 <i>Student Fees</i>				
Application fees	76,000	70,000	(6,000)	-7.9%
Forfeited deposits	7,000	12,000	5,000	71.4%
Late fees	46,000	47,000	1,000	2.2%
Total fees	129,000	129,000	-	0.0%
 <i>Other Income</i>				
Interest on notes--Cadets	14,000	14,000	-	0.0%
Transcripts	16,000	15,000	(1,000)	-6.3%
Energy Demand	35,000	35,000	-	
Miscellaneous	25,000	60,000	35,000	140.0%
Total other	90,000	124,000	34,000	37.8%
 <i>Indirect Costs & Admin Fees</i>				
Indirect Costs--grants/contracts	70,000	20,000	(50,000)	-71.4%
Total indirects	70,000	20,000	(50,000)	-71.4%

	Budget 2017	Budget 2018	Inc (Dec)	%
<i>Prior Year Expenses Reimbursed</i>	10,000	10,000	-	0.0%
Subtotal	31,279,000	32,815,000	1,536,000	4.9%
<i>Transfer to Cadet Financial Aid</i>	(4,250,000)	(4,250,000)	-	0.0%
Total E&G Program	27,029,000	28,565,000	1,536,000	5.7%
<i>Auxiliary Program</i>				
<i>Cadet Fees--Regular Session</i>				
Gross fees--current year	25,732,000	27,049,000	1,317,000	5.1%
Less: refunds	(208,000)	(219,000)	(11,000)	5.3%
Net potential	25,524,000	26,830,000	1,306,000	5.1%
Less: uncollected	-	-	-	
Net collections	25,524,000	26,830,000	1,306,000	5.1%
Transfer fees to Athletics Program	(5,348,000)	(5,617,000)	(269,000)	5.0%
Net cadet fees	20,176,000	21,213,000	1,037,000	5.1%
<i>Food Service</i>				
Cadet fees--summer session	275,000	283,000	8,000	2.9%
Commission revenue-ARA	92,000	92,000	-	0.0%
Total food service	367,000	375,000	8,000	2.2%
<i>Barracks</i>				
Cadet fees--summer session	207,000	231,000	24,000	11.6%
Rents--summer camps/others	21,000	25,000	4,000	19.0%
Total Barracks	228,000	256,000	28,000	12.3%
<i>Military Store/Other Sales</i>	15,000	21,000	6,000	40.0%
<i>Medical/Other--Cadet fees (summer)</i>	57,000	59,000	2,000	3.5%
<i>Parking Fees and Fines</i>	40,000	40,000	-	0.0%
Total cadet fees/sales	20,883,000	21,964,000	1,081,000	5.2%
<i>Other Income</i>				
Rents--Post Housing	335,000	369,000	34,000	10.1%
Rents-Cameron Hall	2,000	2,000	-	0.0%

	Budget 2017	Budget 2018	Inc (Dec)	%
Interest earned on Reserves	62,000	67,000	5,000	8.1%
Miscellaneous	32,000	33,000	1,000	3.1%
Total Other	431,000	471,000	40,000	9.3%
 Subtotal	 21,314,000	 22,435,000	 1,121,000	 5.3%
Add: Transfer in from Reserves	386,000	-	(386,000)	-100.0%
 Total AUX Program	 21,700,000	 22,435,000	 735,000	 3.4%

Unique Military Activities

Cadet Fees

Gross fees--current year	4,186,000	4,417,000	231,000	5.5%
Less: refunds	(40,000)	(42,000)	(2,000)	5.0%
Net potential	4,146,000	4,375,000	229,000	5.5%
Less: uncollected				
Net cadet fees	4,146,000	4,375,000	229,000	5.5%

Sales and Other Income

Military Store Sales	70,000	64,000	(6,000)	-8.6%
 Total UMA	 4,216,000	 4,439,000	 223,000	 5.3%

State Funds Cadet Tuition, Fees and Other Income Notes

E&G Program

Tuition Revenue—Regular Session

Regular session tuition revenue before refunds is budgeted to increase \$1,532,000 or 5.2% and is attributed mostly to tuition increases of 5.0% for in-state cadets and 5.5% for out-of-state cadets offset by an increased percentage of in-state cadets in the Corps.

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 only about \$22,000 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 six accounts greater than \$2,500 that are proposed for write-off by the Board. These six accounts total \$51,146 (ranging from \$3,260 to \$19,455) and are from former cadets who have either resigned or been suspended. VMI has expended considerable effort to collect these accounts including sending them to VMI's outside collection agency or 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 cadets. The Board's approval of the FY 2018 budget includes approval to write-off these accounts.

The Superintendent is expected to approve the write-off of four former cadet accounts during FY 2017 that are under \$2,500 each (ranging from \$210 to \$1,494) and that total \$3,207.

Tuition Revenue—Summer Session

Summer session tuition revenue is budgeted to decrease \$4,000 or 0.2%. It reflects an average tuition increase of about 2.5%, an increase in budgeted enrollment to bring it closer to actual enrollment in summer 2016, and a reduction in the number of study abroad programs.

Transfer to Cadet Financial Aid

Tuition revenue used to fund cadet financial aid is budgeted at \$4.25 million, the same as in FY 2017. The actual cost for FY 2017 was about \$3.8 million; however due to the increasing need of all cadets, especially out-of-state cadets, the amount budgeted was not reduced.

VMI's Admissions and Financial Aid Task Force meets regularly to review and monitor VMI's financial aid policies. Beginning with new out-of-state cadets in FY 2015, it revised VMI's financial aid policy by bringing grants and loans from 80% to 70% of demonstrated need (as determined by federal guidelines). This is providing some savings in financial aid costs but requires monitoring to ensure that the savings are not more than offset by the loss of tuition revenue from a smaller enrollment of out-of-state cadets. VMI's policy for in-state cadets of providing grants and loans equal to 100% of demonstrated need remains the same. See the Cadet Financial Assistance budget in Local Funds for more information.

Auxiliary Program

Cadet Fee Revenue--Regular Session

Regular session cadet fee revenue before refunds is budgeted to increase \$1.3 million or 5.1%. This reflects an increase of \$479 or 3.1% in total cadet auxiliary fees consisting of 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. The increase in fees transferred to the Athletics Program reflects the \$97 or 3% increase in the Athletic Fee.

Cadet Fee Revenue—Summer Session

The summer session food service and Barracks cadet fee revenue budgets consist of fee increases of about 2% and 3%, respectively, offset by a decrease in budgeted cadet enrollment to bring it closer to actual summer 2016.

Rents on Housing

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

No rent increase is budgeted; however, it is VMI policy to charge the current fair market rental rate for new occupants. The Board's approval of the FY 2018 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 26 October 2015, and previous exceptions granted by the Superintendent, the following 12 officials are required to live on Post: Superintendent, Director of Finance, Administration, and Support, Deputy Superintendent for Academics and Dean of the Faculty, Commandant, Chief of Staff, Deputy Commandant, Director of Intercollegiate Athletics, Chaplain, Institute Sergeant Major to the Corps, Head Football Coach, Head Basketball Coach, and Head Athletic Trainer. Exceptions to this policy may be approved by the Superintendent.

Interest on Reserves

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

Transfer in from Reserves

The FY 2018 budget does not include a transfer in from Auxiliary Fund Balance (or reserves). A transfer in of \$386,000 was included in the FY 2017 budget.

VMI's Auxiliary Fund Balance is projected to approximate \$12.5 million at 30 June 2017 and \$12.0 million at 30 June 2018. Based on past experience for working capital needs, VMI's minimum target for the fund balance is between \$8.0 million and \$9.0 million. The planned Post Infrastructure Improvements capital project will require matching funds to be provided either through the Auxiliary fund balance, new debt, or a combination, and other smaller auxiliary capital projects will be funded by fund balance and future fee revenues.

Unique Military Activities Program

Cadet Fee Revenue

Cadet fee revenue before refunds are budgeted to increase \$231,000 or 5.5%. This reflects an increase of 3.5% in the cadet UMA fee and a 2.0% increase in average enrollment. The cadet UMA fee totals \$2,610 for FY 2018 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.

**State Funds
E&G Expenditure Summary**

Subprogram	2017	%	2018	%	Inc (Dec)	%
Instruction	18,821,000	50.2%	18,889,000	49.2%	68,000	0.4%
Public Service	100,000	0.3%	110,000	0.3%	10,000	10.0%
Academic Support	6,257,000	16.7%	6,320,000	16.5%	63,000	1.0%
Cadet Services	3,018,000	8.1%	3,089,000	8.0%	71,000	2.4%
Institutional Support	4,094,000	10.9%	4,126,000	10.7%	32,000	0.8%
Physical Plant	5,189,000	13.8%	5,863,000	15.3%	674,000	13.0%
Total E&G Program	37,479,000	100.0%	38,397,000	100.0%	918,000	2.4%

Notes:

- 1. The percentage of E&G Program funds allocated for Instruction, Academic Support and Cadet Services totals 74.0% in 2018 compared to 75.0% in 2017.*
- 2. The increase in Instruction costs primarily reflects the addition of full-time teaching faculty positions (see Total Employment schedule in the Significant Assumptions section of the Budget) and a State-initiated 3% salary increase and mandatory increases in health insurance premiums.*
- 3. The increase in Physical Plant costs primarily reflects the addition of new full-time employees associated with the operation of the Cadet Recreation Facility and the CPTF Indoor Training Facility. In addition, unavoidable including utilities, insurance and repairs and maintenance increased physical plant costs.*

**E&G Program
Revenue and Expenditure Budget Changes
FY 2018 Compared to FY 2017**

Revenue Increase (Decrease)

General Funds

State budget reduction (5.4%)	(543,000)	
Elimination of State salary increase (Nov 2016)	(157,000)	
Adjust estimated FY 2017 budgeted central appropriations to actual	(319,000)	
State share of FY 2018 salary and fringe benefit increases	401,000	
Total General Funds		(618,000)

Cadet Tuition/Other Income

Tuition rate increase for in-state cadets (5.0%)	426,000	
Tuition rate increase for out-of-state cadets (5.5%)	1,142,000	
Net enrollment increase for in-state cadets	385,000	
Net enrollment decrease for out-of-state cadets	(371,000)	
Summer School (2.5% tuition increase)	140,000	
Reduction in Foreign Study Programs	(144,000)	
Increase in refunds and uncollected tuition at year end	(25,000)	
Net increase (decrease) in other revenue	(17,000)	
Total Cadet Tuition/Other Income		1,536,000

Total Revenue Increase (Decrease) 918,000

Expenditures Increase (Decrease)

Personal Services:

State-initiated 3% VMI employee salary increase (eff. 10 Jul 2017)	266,000	
State-mandated employer health insurance rate increase (8.7%)	358,000	
Addition of five new full-time positions	298,000	
Net other adjustments (mostly employee turnover savings)	12,000	
Total Personal Services		934,000

Non-Personal Services:

Increase in utilities/insurances	115,000	
Increase in facilities maintenance	20,000	
Increase in fees charged by State (eVA, Cardinal, debt)	40,000	
VP Requests	94,000	
Eliminate CLE Support	(115,000)	
Decrease Foreign Study programs	(98,000)	
Contingencies Non-Personnel Budget--Decrease to \$600,000	(74,000)	
Net other budget adjustments	2,000	
Total Non-Personal Services		(16,000)

Total Expenditures Increase (Decrease) 918,000

**Auxiliary Enterprises Budget
Revenue and Expenditure Budget Changes
FY 2018 Compared to FY 2017**

Revenue Increase (Decrease)

Cadet fees revenue--rate increase (\$479 per cadet or 3.1%)	798,000	
Cadet fees revenue--enrollment increase/improved attrition	509,000	
Less athletic fee portion of rate and enrollment increase	(268,000)	
Increase in Summer Session revenues	34,000	
Increase interest income on Auxiliary cash balances paid by State	4,000	
Increase in employee housing rental income	34,000	
Decrease in use of Auxiliary Fund Balance	(386,000)	
Net other changes	10,000	
Total Revenue Increase (Decrease)		<u>735,000</u>

Expenditures Increase (Decrease)

Personal Services

State-initiated 3% VMI employee salary increase (eff. 10 Jul 2017)	38,000	
State-mandated employer health insurance rate increase (8.7%)	119,000	
Addition of nine new full-time positions	509,000	
Decrease in wage budgets	(45,000)	
Total Personal Services		621,000

Nonpersonal Services

Food Service--cadet meals (3.0% rate increase, more meal days)	251,000	
Facilities operations/maint cost increases (Barracks/Athletics/Housing)	40,000	
Utilities (water/electric/gas) cost increases	50,000	
CPTF/Cocke operations/maint costs	70,000	
Increase contingencies budget	80,000	
Increase cadet accident insurance	83,000	
Decrease in indirect costs payable to E&G Program	(522,000)	
Increase small maintenance projects	78,000	
Net change in debt service costs	121,000	
Contingencies - Transfer to Reserves	(178,000)	
Net other budget adjustments	41,000	
Total Nonpersonal Services		<u>114,000</u>

Total Expenditures Increase (Decrease)		<u>735,000</u>
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State Funds
E&G Expenditures

Department	Instruction	FTE	Salaries & Fringes		Supplies	Travel	Contract Services	Equip	Other	2018 Total	2017 Total	Inc (Dec)	%	Notes
			Wages	Benefits										
	Biology	11	656,027	299,490	19,000	-	3,500	1,385	200	979,602	966,570	13,032	1.3%	
	Chemistry	10	592,838	261,281	15,584	1,000	7,000	500	-	878,203	897,135	(18,932)	-2.1%	
	Physics/Astronomy	8	487,598	214,423	5,000	2,237	4,000	-	-	713,258	698,517	14,741	2.1%	
	Civil Engineering	13	937,219	384,125	6,890	-	1,000	-	-	1,329,234	1,361,459	(32,225)	-2.4%	
	Mechanical Engineering	10	850,216	346,773	12,500	-	7,552	1,000	-	1,218,041	1,268,409	(50,368)	-4.0%	
	Electrical Engineering	9	722,371	274,303	3,000	-	2,162	1,000	500	1,003,336	1,000,837	2,499	0.2%	
	Applied Mathematics	13	709,558	314,043	2,000	5,000	13,519	1,000	-	1,045,120	1,238,300	(193,180)	-15.6%	1
	Computer Info Science	7	463,785	210,803	1,000	1,000	5,500	3,000	-	685,088	453,877	231,211	50.9%	2
	English, Rhetoric, Hmn St	16	871,714	451,331	2,000	-	4,154	-	-	1,329,199	1,249,206	79,993	6.4%	
	History	13	871,194	375,431	1,500	1,000	1,795	-	-	1,250,920	1,237,529	13,391	1.1%	
	Internat'l Studies	9	509,074	236,404	2,424	1,000	3,000	-	500	752,402	821,491	(69,089)	-8.4%	3
	Economics	14	1,189,733	486,846	-	-	6,669	-	-	1,683,248	1,653,114	30,134	1.8%	
	Modern Language	11	647,258	296,790	3,500	4,500	6,706	2,500	1,000	962,254	951,858	10,396	1.1%	
	Psychology	10	564,510	290,636	4,000	3,500	7,716	-	-	870,362	772,414	97,948	12.7%	4
	Physical Education	8	465,737	232,418	5,541	500	3,500	700	-	708,396	696,129	12,267	1.8%	
	ROTC - Army	4	164,644	50,932	800	1,500	5,510	-	-	223,386	219,886	3,500	1.6%	
	ROTC - Navy	1	28,577	27,809	820	-	3,381	-	-	60,587	58,666	1,921	3.3%	
	ROTC - Air Force	1	33,183	15,821	3,669	200	500	-	-	53,373	52,370	1,003	1.9%	

State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2018 Total	2017 Total	Inc (Dec)	%	Notes
ROTC - Army FTX		-	-	-	500	500	3,120	-	-	4,120	4,120	-	0.0%	
ROTC - Navy FTX		-	-	-	500	4,400	1,500	-	-	6,400	6,400	-	0.0%	
ROTC - AF FTX		-	-	-	4,000	3,800	5,000	-	-	12,800	12,800	-	0.0%	
CEE-FTX		-	-	-	-	-	-	-	-	-	3,400	(3,400)	0.0%	
Writing Center		22,776	1,742	24,518	-	-	-	-	-	24,518	24,279	239	1.0%	
MERC	1	41,922	28,202	70,124	2,000	-	1,580	1,000	-	74,704	72,644	2,060	2.8%	
Undergrad Research		20,036	3,227	23,263	2,000	500	1,160	-	-	26,923	13,671	13,252	96.9%	5
Teacher Education		19,179	1,467	20,646	-	-	-	-	-	20,646	20,446	200	1.0%	
Elect Maint Shop		-	-	-	1,370	-	-	-	-	1,370	1,370	-	0.0%	
Metal Shop	2	76,256	60,258	136,514	960	-	-	-	-	137,474	68,693	68,781	100.1%	6
PT Faculty-Reg Ses		1,171,103	89,589	1,260,692	-	-	-	-	-	1,260,692	1,248,423	12,269	1.0%	
PT Faculty-Sum Ses		385,313	29,476	414,789	-	-	-	-	-	414,789	410,753	4,036	1.0%	
PT Faculty-STP		118,163	9,039	127,202	-	-	-	-	-	127,202	125,964	1,238	1.0%	
PT Faculty-Sum FS		77,000	5,891	82,891	-	56,000	168,000	-	4,000	310,891	474,966	(164,075)	-34.5%	7
Equipment Lease		-	-	-	-	-	-	-	88,900	88,900	88,900	-	0.0%	
Dean's Discretionary		-	-	-	12,000	50,000	145,314	150,000	5,000	362,314	362,314	-	0.0%	
Dean Faculty Research		-	-	-	20,000	10,000	5,000	5,000	-	40,000	40,000	-	0.0%	
Dean's Faculty Funds		124,205	30,169	154,374	-	-	-	-	-	154,374	169,994	(15,620)	-9.2%	
Dean's Software		-	-	-	-	-	41,300	25,000	-	66,300	66,300	-	0.0%	
Dean's Faculty Travel		-	-	-	-	8,100	-	-	-	8,100	8,100	-	0.0%	
Total Instruction	170	12,821,189	5,028,719	17,849,908	132,558	154,737	459,138	192,085	100,100	18,868,526	18,821,304	67,222	0.4%	

State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2018 Total	2017 Total	Inc (Dec)	%	Notes
<i>Public Service</i>														
Museum	1	84,925	23,055	107,980	1,000	-	700	-	-	109,680	100,609	9,071	9.0%	
Total Public Serv	1	84,925	23,055	107,980	1,000	-	700	-	-	109,680	100,609	9,071	9.0%	
<i>Academic Support</i>														
Preston Library	13	745,748	296,038	1,041,786	6,000	3,000	110,000	261,745	100	1,422,631	1,448,555	(25,924)	-1.8%	
Info Technology	19	1,260,076	603,790	1,863,866	3,000	10,000	874,461	192,500	5,000	2,948,827	2,846,176	102,651	3.6%	
Dean of Faculty	6	608,419	198,407	806,826	2,000	2,969	4,000	1,000	-	816,795	805,011	11,784	1.5%	
Inst Research/Analysis	5	301,537	117,282	418,819	6,000	6,000	27,500	3,140	3,000	464,459	454,509	9,950	2.2%	
Internat Programs	2	120,218	30,650	150,868	3,000	8,000	9,660	1,000	-	172,528	183,847	(11,319)	-6.2%	
Ctr Leadership & Ethics		-	-	-	-	-	-	-	-	-	115,000	(115,000)	-100.0%	8
Sum Sch Adm--Reg	0	129,464	19,013	148,477	-	-	3,027	-	-	151,504	148,682	2,822	1.9%	
Sum Sch Adm--STP		-	-	-	5,152	-	-	-	-	5,152	5,152	-	0.0%	
Institute Assessment		21,380	1,636	23,016	20,000	10,400	30,000	-	-	83,416	83,192	224	0.3%	
Program Review		-	-	-	-	4,000	2,500	1,500	1,150	9,150	9,150	-	0.0%	
SACSCOC Accreditation		79,000	6,044	85,044	1,000	1,000	-	-	-	87,044	-	87,044	100.0%	9
Inst Writing Program		-	-	-	1,500	2,000	5,500	-	500	9,500	9,500	-	0.0%	
Inst Honors Program		18,280	1,398	19,678	200	200	300	300	-	20,678	20,487	191	0.9%	
VMIRL Support		-	-	-	-	-	55,000	-	-	55,000	55,000	-	0.0%	
Cadet Assist-Instruction		40,332	-	40,332	-	-	-	-	-	40,332	39,940	392	1.0%	
Media Services		-	-	-	1,000	-	10,000	7,400	-	18,400	18,400	-	0.0%	
Moving/Relocation		-	-	-	-	15,000	-	-	-	15,000	15,000	-	0.0%	

State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2018 Total	2017 Total	Inc (Dec)	%	Notes
Total Acad Supt	45	3,324,454	1,274,258	4,598,712	48,852	62,569	1,131,948	468,585	9,750	6,320,416	6,257,601	62,815	1.0%	
<i>Student Services</i>														
Admissions	12	658,257	301,297	959,554	14,000	30,000	423,000	2,000	5,000	1,433,554	1,419,155	14,399	1.0%	
Financial Aid	4	236,504	131,451	367,955	500	1,200	3,100	200	-	372,955	326,809	46,146	14.1%	10
Registrar	5	258,611	136,732	395,343	13,000	100	7,000	1,395	1,000	417,838	470,307	(52,469)	-11.2%	11
Cadet Counseling	2	152,997	60,083	213,080	2,000	1,000	2,000	1,000	-	219,080	211,492	7,588	3.6%	
Disabilities Services		-	-	-	1,000	1,000	1,500	-	-	3,500	3,500	-	0.0%	
Miller Academic Center	2	105,319	45,596	150,915	5,638	1,000	1,500	-	-	159,053	174,453	(15,400)	-8.8%	
Career Services	4	204,632	91,962	296,594	2,800	5,340	6,500	-	-	311,234	305,429	5,805	1.9%	
Commandant Cadet Pgms	1	41,100	22,347	63,447	-	-	-	-	-	63,447	-	63,447	0.0%	12
Cadet Assist-Other		91,838	2,105	93,943	-	-	-	-	-	93,943	93,028	915	1.0%	
Orientation		-	-	-	-	-	10,000	-	-	10,000	10,000	-	0.0%	
Enrollment Mgmt		-	-	-	500	500	2,500	-	500	4,000	4,000	-	0.0%	
Total Student Serv	30	1,749,258	791,573	2,540,831	39,438	40,140	457,100	4,595	6,500	3,088,604	3,018,173	70,431	2.3%	

State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2018 Total	2017 Total	Inc (Dec)	%	Notes
<i>Institutional Support</i>														
Board of Visitors		-	-	-	500	14,500	7,000	-	-	22,000	22,000	-	0.0%	
Superintendent	6	529,517	187,819	717,336	1,000	1,000	17,000	1,000	2,000	739,336	692,245	47,091	6.8%	
Chief of Staff		-	-	-	2,000	3,000	3,500	-	-	8,500	8,500	-	0.0%	
Finance and Admin	5	501,574	157,575	659,149	2,000	7,000	12,600	-	5,000	685,749	807,432	(121,683)	-15.1%	13
Treasurer	4	343,112	166,841	509,953	200	200	1,700	100	400	512,553	382,625	129,928	34.0%	13
Comptroller	11	611,653	289,381	901,034	3,500	2,000	32,700	2,540	100	941,874	926,491	15,383	1.7%	
Human Resources	5	262,838	126,629	389,467	1,200	300	17,629	-	300	408,896	421,948	(13,052)	-3.1%	
Purchasing	4	212,595	96,891	309,486	400	2,500	5,500	100	500	318,486	278,043	40,443	14.5%	14
Communications/Mkt	9	495,582	212,894	708,476	10,000	7,000	78,700	12,000	1,000	817,176	810,639	6,537	0.8%	
Post Security	11	523,813	328,096	851,909	13,000	11,000	11,000	5,000	-	891,909	843,130	48,779	5.8%	
Protocol	2	86,729	49,097	135,826	3,400	-	2,300	-	-	141,526	132,663	8,863	6.7%	
Post Mail	3	110,385	52,405	162,790	8,000	-	148,000	-	14,000	332,790	305,825	26,965	8.8%	
Post Transportation	2	64,291	38,242	102,533	91,500	12,500	5,500	1,500	10,500	224,033	234,812	(10,779)	-4.6%	
Legislative Affairs		-	-	-	300	14,800	1,800	-	-	16,900	16,900	-	0.0%	
Title IX		20,550	1,572	22,122	1,000	7,000	20,500	1,800	-	52,422	47,825	4,597	9.6%	
Institute Planning		-	-	-	500	500	5,500	500	-	7,000	7,000	-	0.0%	
Telephone		-	-	-	-	-	126,000	-	-	126,000	126,000	-	0.0%	
Central Dispatch		-	-	-	-	-	74,000	-	-	74,000	74,000	-	0.0%	
Duplicating		-	-	-	45,000	-	35,000	-	-	80,000	80,000	-	0.0%	
Printer Services		-	-	-	-	-	40,000	-	-	40,000	40,000	-	0.0%	

State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2018 Total	2017 Total	Inc (Dec)	%	Notes
Printing/Publications	-	-	-	-	4,000	1,000	19,100	5,000	-	29,100	29,100	-	0.0%	
Videography	-	-	-	-	-	-	3,200	-	-	3,200	3,200	-	0.0%	
General Insurance	-	-	-	-	-	-	-	-	265,000	265,000	215,000	50,000	23.3%	15
Debt Service Fee	-	-	-	-	-	-	400,470	-	-	400,470	377,000	23,470	6.2%	16
State Fees (eVA/Cardinal)	-	-	-	-	-	-	-	-	21,000	21,000	5,000	16,000	320.0%	17
State Fees ("ORP")	-	-	-	-	3,200	-	-	-	-	3,200	3,200	-	0.0%	
Credit Card Discounts	-	-	-	-	-	-	12,000	-	-	12,000	12,000	-	0.0%	
Dues & Memberships	-	-	-	-	-	-	22,172	-	-	22,172	22,172	-	0.0%	
Recruiting	-	-	-	-	5,000	-	10,000	-	-	15,000	12,500	2,500	20.0%	
Staff Uniforms	-	-	-	-	4,500	-	-	-	-	4,500	4,500	-	0.0%	
Trash Collection	-	-	-	-	5,000	-	3,000	-	44,000	52,000	52,000	-	0.0%	
Commencement	-	-	-	-	-	-	9,500	-	500	10,000	10,000	-	0.0%	
Vacancy Savings/Transfers	-	(327,000)	(140,000)	(467,000)	-	-	-	-	-	(467,000)	(150,000)	(317,000)	0.0%	18
Contingencies	-	61,650	12,663	74,313	50,000	25,000	425,000	100,000	94,000	768,313	773,590	(5,277)	-0.7%	19
Subtotal	61	3,497,289	1,580,105	5,077,394	255,200	109,300	1,550,371	129,540	458,300	7,580,105	7,627,340	(47,235)	-0.6%	

State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2018 Total	2017 Total	Inc (Dec)	%	Notes
Recoveries-Athletics		(332,000)	(143,000)	(475,000)	(22,000)	(10,000)	(133,000)	(11,000)	(39,000)	(690,000)	(673,000)	(17,000)	2.5%	
Recoveries-Aux		(848,000)	(363,000)	(1,211,000)	(56,000)	(24,000)	(339,000)	(28,000)	(100,000)	(1,758,000)	(1,907,000)	149,000	-7.8%	
Recoveries -UMA		(447,000)	(192,000)	(639,000)	(29,000)	(13,000)	(179,000)	(15,000)	(53,000)	(928,000)	(878,000)	(50,000)	5.7%	
UMA (Demands)		(72,000)	(6,000)	(78,000)	-	-	-	-	-	(78,000)	(75,000)	(3,000)	4.0%	
Total Recoveries		(1,699,000)	(704,000)	(2,403,000)	(107,000)	(47,000)	(651,000)	(54,000)	(192,000)	(3,454,000)	(3,533,000)	(79,000)	2.2%	20
Total Insit Support	61	1,798,289	876,105	2,674,394	148,200	62,300	899,371	75,540	266,300	4,126,105	4,094,340	(126,235)	-3.1%	
Physical Plant														
Administration	9	561,178	245,621	806,799	3,400	6,500	16,600	-	1,500	834,799	691,752	143,047	20.7%	21
Construction Office	2	128,124	51,187	179,311	-	-	-	-	-	179,311	175,170	4,141	2.4%	
Bldg Repair/Maint	28	1,025,629	651,963	1,677,592	245,000	1,000	778,500	7,000	3,500	2,712,592	2,629,431	83,161	3.2%	
Custodial Service	18	378,730	274,883	653,613	98,700	-	2,000	1,500	-	755,813	694,987	60,826	8.8%	22
Energy Savings/Demand		-	-	-	2,000	-	21,000	2,000	-	25,000	25,000	-	0.0%	
Grounds Maintenance	11	257,978	211,273	469,251	48,000	500	50,000	25,500	1,000	594,251	526,548	67,703	12.9%	23
Heating Plant	4	150,222	95,635	245,857	39,800	1,500	24,000	3,000	200	314,357	294,317	20,040	6.8%	
Utilities		-	-	-	879,000	-	10,000	-	2,274,750	3,163,750	3,113,750	50,000	1.6%	
Property Insurance		-	-	-	-	-	-	-	380,500	380,500	365,000	15,500	4.2%	
Plant Contingencies		-	-	-	34,000	-	76,000	15,000	-	125,000	125,000	-	0.0%	
Part-time wages		261,214	19,983	281,197	-	-	-	-	-	281,197	279,124	2,073	0.7%	
Alumni Hall Maint	2	40,453	25,348	65,801	6,400	-	-	-	-	72,201	95,784	(23,583)	-24.6%	
Special Projects		71,934	5,503	77,437	4,000	1,000	20,000	3,000	2,000	107,437	106,683	754	0.7%	
Vacancy Savings		(175,000)	(75,000)	(250,000)	-	-	-	-	-	(250,000)	(100,000)	(150,000)	150.0%	24
Subtotal	73	2,700,462	1,506,396	4,206,858	1,360,300	10,500	998,100	57,000	2,663,450	9,296,208	9,022,546	273,662	3.0%	

State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2018 Total	2017 Total	Inc (Dec)	%	Notes
Recoveries-UMA KiUPar				-	(62,000)	-	(59,000)	-	(99,000)	(220,000)	(215,000)	(5,000)	2.3%	
Recoveries-UMA		(101,000)	(43,000)	(144,000)	(44,000)	(1,000)	(32,000)	(2,000)	(86,000)	(309,000)	(292,000)	(17,000)	5.8%	
Recoveries-Athletics		(267,000)	(115,000)	(382,000)	(117,000)	(1,000)	(85,000)	(5,000)	(228,000)	(818,000)	(867,000)	49,000	-5.7%	
Recoveries-Aux		(682,000)	(292,000)	(974,000)	(298,000)	(2,000)	(218,000)	(12,000)	(582,000)	(2,086,000)	(2,459,000)	373,000	-15.2%	
Total Recoveries		(1,050,000)	(450,000)	(1,500,000)	(521,000)	(4,000)	(394,000)	(19,000)	(995,000)	(3,433,000)	(3,833,000)	(400,000)	10.4%	20
Total Physical Plant	73	1,650,462	1,056,396	2,706,858	839,300	6,500	604,100	38,000	1,668,450	5,863,208	5,189,546	673,662	13.0%	
<i>E&G Summary</i>														
Before recoveries	381	24,177,577	10,204,106	34,381,683	1,837,348	377,246	4,597,357	851,805	3,238,100	45,283,539	44,847,573	435,966	1.0%	
Recoveries		(2,749,000)	(1,154,000)	(3,903,000)	(628,000)	(51,000)	(1,045,000)	(73,000)	(1,187,000)	(6,887,000)	(7,366,000)	(479,000)	6.5%	20
Total E&G	381	21,428,577	9,050,106	30,478,683	1,209,348	326,246	3,552,357	778,805	2,051,100	38,396,539	37,481,573	914,966	2.4%	

State Funds E&G Expenditure Notes

Note: The Budgets for all departments with personal services include a 3% State-initiated employee salary increase effective 10 July 2017. They also include an 8.7% increase in employer health insurance premiums.

1. The Applied Mathematics increase reflects the transfer of one faculty position to Computer and Information Sciences and turnover savings from the retirement of a senior faculty member.
2. The Computer and Information Sciences (CIS) budget increase reflects one new teaching position in FY 2018 as part of the Institute's ongoing Right Sizing initiative and the establishment of CIS as a stand-alone department.
3. The International Studies decrease reflects turnover savings from the retirement of a senior faculty member.
4. The Psychology increase reflects the addition of one new faculty position in FY 2018 as part of the Institute's ongoing Right Sizing initiative.
5. The Undergraduate Research increase reflects the conversion of the wage stipend paid to the director to a salary supplement with full fringe benefit charges. This change was necessary to attract qualified candidates.
6. The Metal Shop increase reflects the transfer of an existing Lab Mechanic position from the Mechanical Engineering department budget to the Metal Shop budget.
7. The PT Faculty-Summer Foreign Study decrease is due to the cancellation of several programs for 2018. The Morocco, Paris-Berlin, and Bolivia programs will not be conducted in summer 2017 (FY 2018) primarily due to turnover of faculty members who previously led these programs.
8. The Center for Leadership and Ethics (CLE) reduction represents elimination of E&G support during FY 2018 due to budget constraints. CLE operations will continue unchanged and will be funded by private donations, conference revenues, and accumulated reserves.
9. The SACSCOC Accreditation increase reflects costs for the new Quality Enhancement Plan (QEP). The QEP is a mandatory component of reaffirmation of accreditation and spans five years. The budgeted costs primarily support faculty training and course development.
10. The Financial Aid increase reflects increased personnel costs primarily due to employee turnover and hiring of a new Director.

11. The Registrar decrease reflects the transfer of an existing position to the Miller Academic Center.
12. The Commandant Cadet Programs account reflects the addition of a facility manager for the newly renovated Cocke Hall.
13. The decrease in Finance and Administration reflects the transfer of an existing employee to the Treasurer's Office budget to more closely align the funding of the position to the duties and organizational structure.
14. The increase in the Purchasing budget reflects the conversion of a contracting officer position to Assistant Director. This change allowed for the hiring of a more qualified individual and enhances succession planning.
15. The General Insurance budget increase reflects increased payments to the State for property and worker's compensation coverage. This increase brings the budget in line with FY 2017 actual costs.
16. The Debt Service Fee budget funds State-mandated fees charged to out-of-state cadets for their share of the debt service on new buildings and renovations funded by the State (the State expects out-of-state cadets to fully fund the cost of their education). The General Assembly increased this fee by \$1 per credit hour for FY 2018 resulting in a total fee increase of \$23,470.
17. The increase in State Fees reflects charges for the new "Cardinal" State accounting system. These charges are mandated by the State and are assessed based on transactions processed through the Cardinal system by VMI.
18. Vacancy Savings/Transfers reflects expected savings from staff turnover and are based on past experience. This also reflects transfers of certain personnel costs to the Auxiliary program due to E&G budget constraints.
19. Contingencies are generally budgeted to mitigate revenue shortfalls and provide for emergencies and other unforeseen costs. The E&G Contingency budget totals \$768,000 in FY 2018, an increase of \$5,000 from FY 2017. The FY 2018 Contingencies budget includes \$94,000 reserved for VP budget requests. The FY 2017 funding for VP budget requests were budgeted in the individual department budget line items. VMI also budgets for contingencies in its Auxiliary Enterprises Program (\$1,000,000), Unique Military Activities Program (\$42,000), and Local Unrestricted Funds Budget (\$73,000) bringing total contingency budgets to about \$1.9 million, compared to \$1.8 million in FY 2017.
20. Recoveries represent the "cost sharing" of indirect costs (institutional support and physical plant costs paid by the E&G Program) by the Auxiliary and UMA Programs to the E&G Program as required by the State. The FY 2018 recoveries or indirect costs budgets reflect a total decrease of \$479,000 or 6.5% over FY 2017. The amount of the recovery is based on a

State-mandated biennial cost study conducted by VMI and certified to the State Comptroller to determine the appropriate indirect cost rate for use each biennium.

21. The Physical Plant Administration increase reflects full E&G funding for the Deputy Director position that was previously funded partially from Maintenance Reserve capital outlay funds. In addition, a position was transferred within the E&G program to the Physical Plant in response to a consultant's report on Physical Plant maintenance staffing.
22. The Custodial Services increase reflects the addition of one new position in response to a consultant's report on Physical Plant maintenance staffing.
23. The Grounds Maintenance increase reflects the addition of one new position in response to a consultant's report on Physical Plant maintenance staffing
24. Vacancy savings reflect expected savings from staff turnover and are based on past experience.

State Funds
Auxiliary Expenditures

Department	FTE	Salary & Wages	Fringe Benefits	Less: Uma	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2018 Total	2017 Total	Inc (Dec)	%	Notes
Food Service		-	-	-	-	10,000	-	6,806,000	25,000	10,000	6,851,000	6,600,000	251,000	3.8%	1
Food Service Maint	1	28,770	20,893	-	49,663	37,000	-	102,000	-	40,000	228,663	217,049	11,614	5.4%	
Barracks Maintenance	17	456,967	324,387	-	781,354	170,000	-	212,000	82,000	-	1,245,354	1,163,911	81,443	7.0%	2
Barracks Utilities		-	-	-	-	-	-	10,000	-	390,000	400,000	350,000	50,000	14.3%	3
Barracks Network	3	139,659	67,977	-	207,636	-	-	67,000	8,000	1,000	283,636	273,425	10,211	3.7%	
Military Store	9	301,739	170,249	(448,389)	23,599	14,000	1,000	500	-	2,500	41,599	39,322	2,277	5.8%	
Tailor Shop	11	307,235	212,531	(519,766)	-	-	-	-	-	-	-	-	-	0.0%	4
Laundry/Pressing	29	649,033	499,836	(861,651)	287,218	19,000	-	2,000	2,500	19,500	330,218	325,630	4,588	1.4%	5
Barber Shop	2	238,022	37,751	-	275,773	12,000	-	3,000	1,000	5,000	296,773	293,572	3,201	1.1%	
Student Health	12	634,466	325,746	(715,358)	244,854	8,700	-	7,100	-	2,550	263,204	228,439	34,765	15.2%	6
Cadet Insurance		-	-	-	-	-	-	-	-	433,000	433,000	350,000	83,000	23.7%	7
Student Union	3	203,054	78,069	-	281,123	6,000	5,000	6,000	27,500	2,000	327,623	322,637	4,986	1.5%	
Cadet Programs		181,465	13,882	-	195,347	125,000	162,000	150,000	30,000	20,000	682,347	680,446	1,901	0.3%	
Career Services		-	-	-	-	1,000	-	-	-	-	1,000	1,000	-	0.0%	
Cadet Counseling	2	108,877	37,281	-	146,158	15,000	-	20,000	4,600	5,000	190,758	176,903	13,855	7.8%	8
Corps Trips		-	-	-	-	-	110,000	-	-	-	110,000	110,000	-	0.0%	
Glee Club		22,472	1,719	-	24,191	1,000	7,500	1,000	-	500	34,191	33,956	235	0.7%	
Academic Clubs		-	-	-	-	500	2,000	3,450	-	-	5,950	5,950	-	0.0%	

State Funds
Auxiliary Expenditures

Department	FTE	Salary & Wages	Fringe Benefits	Less: Uma	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2018 Total	2017 Total	Inc (Dec)	%	Notes
Honor Court		31,504	2,410	-	33,914	-	-	2,500	2,500	-	38,914	42,196	(3,282)	-7.8%	
Inspector General	1	87,338	16,760	-	104,098	-	-	-	-	-	104,098	103,089	1,009	1.0%	
Parents Council		-	-	-	-	500	500	5,500	-	-	6,500	6,500	-	0.0%	
Post Housing-Maint	4	139,263	97,229	-	236,492	25,000	-	161,000	4,000	2,000	428,492	429,846	(1,354)	-0.3%	
Post Housing-Utilities		-	-	-	-	-	-	5,000	-	97,000	102,000	102,000	-	0.0%	
Cameron Hall-Oper	1	30,784	13,632	-	44,416	1,000	-	18,000	6,000	3,000	72,416	82,600	(10,184)	-12.3%	
Cameron Hall-Maint		-	-	-	-	1,500	-	48,500	-	-	50,000	50,000	-	0.0%	
Athletic Facilities/Sup	3	146,638	52,653	-	199,291	85,000	2,000	138,000	1,000	3,000	428,291	407,979	20,312	5.0%	
Weight Room	0	26,187	11,160	-	37,347	10,000	1,000	1,000	16,000	1,000	66,347	65,668	679	1.0%	
Cadet Recreation Faci	3	87,707	60,697	-	148,404	10,000	2,000	23,000	-	-	183,404	-	183,404	100.0%	9
CPTF Indoor Training	3	106,100	59,487	-	165,587	10,000	2,000	23,000	-	-	200,587	-	200,587	100.0%	9
MLFTG Maintenance		-	-	-	-	3,000	-	6,000	6,000	-	15,000	10,000	5,000	50.0%	10
Auxiliary-Admin	3	161,087	47,931	-	209,018	18,000	3,000	8,000	4,500	6,500	249,018	246,054	2,964	1.2%	
Master Planning		-	-	-	-	-	-	10,000	-	-	10,000	10,000	-	0.0%	
COOP	1	53,536	23,198	-	76,734	1,000	100	3,000	900	-	81,734	70,892	10,842	15.3%	11
Post Security	2	165,201	62,653	-	227,854	5,500	-	15,000	8,000	2,500	258,854	254,742	4,112	1.6%	
State Fees (eVA/Cardinal)		-	-	-	-	-	-	-	-	42,000	42,000	10,000	32,000	320.0%	12
Wellness Program		-	-	-	-	-	-	3,000	-	-	3,000	-	3,000	0.0%	13

State Funds
Auxiliary Expenditures

Department	FTE	Salary & Wages	Fringe Benefits	Less: Uma	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2018 Total	2017 Total	Inc (Dec)	%	Notes
Museum Support	2	76,503	55,606	-	132,109	10,000	-	52,800	-	-	194,909	188,696	6,213	3.3%	14
Indirect Costs-E&G		-	-	-	-	-	-	-	-	3,844,000	3,844,000	4,366,000	(522,000)	-12.0%	15
Contingencies		40,000	6,669	-	46,669	30,000	2,000	230,000	300,000	438,000	1,046,669	966,669	80,000	8.3%	16
Vacancy Savings		(63,000)	(27,000)	-	(90,000)	-	-	-	-	-	(90,000)	(90,000)	-	0.0%	
Parking - On Post		-	-	-	-	5,000	-	12,000	12,000	1,000	30,000	30,000	-	0.0%	17
Parking/Storage-Off Post		-	-	-	-	-	-	-	-	44,000	44,000	44,000	-	0.0%	
Maintenance Projects	1	62,630	26,891	-	89,521	62,000	-	865,500	150,000	500	1,167,521	1,083,918	83,603	7.7%	18
Debt Service-Crozet		-	-	-	-	-	-	-	-	888,000	888,000	887,000	1,000	0.1%	
Debt Service-Cocke		-	-	-	-	-	-	-	-	162,000	162,000	165,000	(3,000)	-1.8%	
Debt Service-SIH		-	-	-	-	-	-	-	-	205,000	205,000	206,000	(1,000)	-0.5%	
Debt Service-Post Imp I		-	-	-	-	-	-	-	-	301,000	301,000	304,000	(3,000)	-1.0%	
Debt Service-Post Imp II		-	-	-	-	-	-	-	-	290,000	290,000	290,000	-	0.0%	
Debt Service-Post Imp III		-	-	-	-	-	-	-	-	286,000	286,000	159,000	127,000	79.9%	19
Total Auxiliary	111	4,423,237	2,300,297	(2,545,164)	4,178,370	696,700	300,100	9,020,850	691,500	7,547,550	22,435,070	21,664,089	770,981	3.6%	

State Funds

Auxiliary Expenditure Notes

1. The Food Service budget increase reflects an estimated 3% increase in contracted food and labor costs, increased enrollment, and two more feeding days than in FY 2017.
2. The Barracks Maintenance budget increase reflects the addition of one custodial position along with overall salary and fringe benefit increases.
3. The increase in Barracks Utilities reflects increased utilities costs, primarily water/sewer, due to the increased Corps size and rising rates.
4. Tailor Shop costs are budgeted 100% in the UMA Program although the employee positions are included in the Auxiliary Enterprise Program in accordance with State budget policy.
5. Laundry/Dry Cleaning costs are allocated 75% to the UMA Program and 25% to the Auxiliary Program in accordance with State budget policy (the UMA portion is considered costs above the normal amount for laundry services encountered by students at non-military institutions).
6. Student Health costs are allocated 74.5% to the UMA Program and 25.5% to the Auxiliary Program in accordance with State budget policy (the UMA portion is considered costs above the normal amount for health services encountered by students at non-military institutions).
7. The increase in Cadet Insurance reflects increased premium costs for the cadet accident insurance program. This budget increase aligns the budget more closely with actual premium costs.
8. The Cadet Counseling program has budgets in all three State programs—E&G, Auxiliary Enterprises, and Unique Military Activities (UMA). The UMA budget originated when new State funding was appropriated due to the assimilation of female cadets. This increase reflects increased personnel costs due to the State salary increase and rising fringe benefit costs.
9. The Cadet Recreation Facility and CPTF Indoor Training Facility increases reflect new budgets to support operation and maintenance of new or renovated facilities. The budgets include the cost of staffing the facilities with managers and maintenance positions, and operating costs for supplies and contractual services.
10. The MLFTG Maintenance increase reflects increased costs to support maintenance of outdoor training facilities to ensure safety of cadets.
11. The Continuity of Operations (COOP) budget increase reflects employee turnover with the position being filled by a more senior Institute official.

12. The increase in State Fees reflects charges for the new “Cardinal” State accounting system. These charges are mandated by the State and are assessed based on transactions processed through the Cardinal system by VMI.
13. The Wellness program increase reflects fund allocated for the employee wellness program. In previous years, these costs were funded through the Contingencies budget.
14. The Museum Support budget funds 2 of the 8 total employees at the Virginia Museum of the Civil War (VMCW) in New Market and some operating costs of the facility. Auxiliary Program support of the VMCW recognizes the use of this facility for annual new cadet orientation activities and other VMI activities.
15. The Indirect Costs—E&G budget represents indirect cost reimbursements paid to the E&G Program for Institutional Support and Operation and Maintenance of Plant support provided by the E&G Program to the Auxiliary Program. The decrease reflects a reduction in the biannual recalculation of the recovery rate.
16. The Contingencies non-personal services budget increased \$80,000 to \$1.0 million. It represents about 5% of total Auxiliary Enterprise expenses less debt service payments. The increase will help fund unforeseen emergency repairs and maintenance of facilities and equipment.
17. The Parking/Storage – Off Post budget relates to the lease of off post cadet parking due to limited availability of on-post cadet parking.
18. The Maintenance Projects budget increase reflects increased funding for maintenance and improvement projects in FY 2018. These projects are being coordinated with the planned Post Infrastructure capital project which will address many areas typically funded through this account.
19. The Debt Service—Post Imp III budget increase reflects a full year of debt service payments in FY 2018 on the third of the three VCBA bond financings. The VMI Board of Visitors previously authorized a total of \$12 million in bond financing for various Post improvements consisting of three separate \$4.0 million financings through the Virginia College Building Authority (VCBA).

State Funds
UMA Expenditures

Department	FTE	Salary & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2018 Total	2017 Total	Inc (Dec)	%	Notes
Commandant	12	1,165,382	371,218	1,536,600	20,000	13,500	31,500	3,000	3,000	1,607,600	1,570,751	36,849	2.3%	
Corps Marksmanship	1	58,081	10,628	68,709	15,000	1,000	39,000	4,000	-	127,709	121,627	6,082	5.0%	
Commandant--FTX		-	-	-	2,000	4,500	2,000	1,000	500	10,000	10,000	-	0.0%	
Band	2	130,078	73,332	203,410	5,000	6,000	1,500	-	1,000	216,910	217,041	(131)	-0.1%	
Rat Activities		-	-	-	9,000	38,000	14,000	5,000	6,800	72,800	72,800	-	0.0%	
Rat Challenge	1	61,002	25,153	86,155	9,000	500	7,000	500	-	103,155	100,959	2,196	2.2%	
Chief of Staff-HQ	1	85,827	35,089	120,916	-	-	-	-	-	120,916	114,940	5,976	5.2%	
Cadet Counseling	1	56,513	21,488	78,001	500	1,900	3,800	-	-	84,201	98,361	(14,160)	-14.4%	1
Armory	1	74,248	26,834	101,082	10,370	-	1,500	2,500	-	115,452	113,548	1,904	1.7%	
Academic Advising		-	-	-	2,000	2,000	2,000	-	-	6,000	6,000	-	0.0%	
Honor Court		-	-	-	-	-	4,000	-	-	4,000	4,000	-	0.0%	
Wages--E&G Demand		-	-	-	-	-	-	-	78,000	78,000	75,000	3,000	4.0%	
Indirect Costs--E&G		-	-	-	-	-	-	-	1,237,000	1,237,000	1,170,000	67,000	5.7%	2
Contingencies		23,871	4,858	28,729	-	-	-	-	42,000	70,729	104,729	(34,000)	-32.5%	3
Parade Ground Main	3	58,534	43,645	102,179	-	-	-	-	31,000	133,179	122,512	10,667	8.7%	4
Kilbourne Hall Main	1	18,166	4,413	22,579	-	-	-	-	189,000	211,579	226,170	(14,591)	-6.5%	
Barracks	1	18,166	18,317	36,483	-	-	-	-	83,000	119,483	115,303	4,180	3.6%	

State Funds
UMA Expenditures

Department	FTE	Salary & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2018 Total	2017 Total	Inc (Dec)	%	Notes
Student Health		-	-	-	-	-	-	-	761,000	761,000	667,000	94,000	14.1%	5
Military Store	1	58,364	14,657	73,021	1,450,000	-	-	-	458,000	1,981,021	1,929,315	51,706	2.7%	
Tailor Shop		39,981	3,059	43,040	37,000	-	2,000	5,000	520,000	607,040	605,621	1,419	0.2%	
Laundry		-	-	-	-	-	-	-	996,000	996,000	995,000	1,000	0.1%	
Less: Vacancy Savings		(10,000)	(5,000)	(15,000)	-	-	-	-	-	(15,000)	(15,000)	-	0.0%	
Total UMA	25	1,838,213	647,691	2,485,904	1,559,870	67,400	108,300	21,000	4,406,300	8,648,774	8,425,677	223,097	2.6%	

State Funds

UMA Expenditure Notes

1. The decrease in Cadet Counseling represents turnover savings primarily attributable to a lower salary and reduced employer paid fringe benefit costs.
2. The Indirect Costs paid by the UMA Program to the E&G Program funds is increased to bring the amount paid closer to the UMA Program's share of general and administrative costs.
3. The Contingencies decrease aligns the contingency amount to past actual expenditures.
4. The Parade Ground Maintenance budget increase primarily reflects increased personnel costs for the State salary increase and increases in employer paid fringe benefit costs.
5. The increase in Student Health costs represents the addition of a new nurse and conversion of a part-time nurse practitioner to full-time. The UMA program reimburses the Auxiliary program for 74.5% of expenditures.

Local Funds

Local Funds

Overview of Section

This section provides the details of the Local Funds Budget including notes explaining significant variances between the current and the proposed budget. The following budget schedules are presented:

- ***Budget Highlights***—Provides significant notes and assumptions underlying the Local Funds Budget.
- ***VMI and VMI Alumni Agencies Income and Support***—Summarizes the restricted and unrestricted income support from VMI and the VMI Alumni Agencies comprising the VMI Foundation, the VMI Development Board, and the VMI Keydet Club.
- ***Expenditures Summary***—Summarizes the Restricted and the Unrestricted Expenditure Budgets and shows how the budgets are consolidated to produce the total Local Funds Budget.
- ***Restricted Funds Budget***—Provides by source of support the allocation of funds to programs and activities.
- ***Jackson-Hope Program***—Provides the allocation of funds to programs and activities.
- ***Local Unrestricted Budget***— Provides by source of support the allocation of funds to programs and activities.
- ***Intercollegiate Athletics Revenues and Expenditures Budget***—Provides the components of athletic revenues and support and presents by sport and supporting activities the expenditures for personnel, supplies, travel, recruiting, officials, and other. Also includes separate schedule for details of significant other expenditures.
- ***Museum Operations***--Provides the components of revenue and support and the details of expenditures for the VMI Museum, the Virginia Museum of the Civil War at New Market, and the Stonewall Jackson House.
- ***Center for Leadership and Ethics***—Summarizes the budgeted revenues, support and expenditures for the program.

- ***Cadet Financial Assistance Summary***—Provides by source the components of the various grants and scholarships budgeted for cadets.

Local Funds Budget Highlights

Local Unrestricted Funds

1. Local Unrestricted Funds are budgeted for \$10.8 million for an increase of \$183,000 or 1.7% over FY 2017.
2. Private unrestricted income from the VMIF and DB decreased \$206,000 to \$2.1 million in FY 2018 bringing the total reduction to \$723,000 since FY 2014.

Note: The VMIF and DB income reduction was necessary to bring the VMIF into compliance with its endowment spending policy and meet increasing debt service costs on bonds issued in the past on behalf of VMI for major construction projects.

3. The Local Unrestricted Funds budget supports faculty salary supplements, a portion of the Superintendent's salary, mortgage subsidies, cadet financial assistance, Chaplain's Office support, and academic programs. The budget also includes unrestricted revenues and support for Intercollegiate Athletics, Museum Operations, and the Center for Leadership and Ethics.
4. The Local Unrestricted Fund Balance is projected to total \$394,000 at the end of FY 2017, and about \$392,000 at the end of FY 2018.

Athletics Programs

5. Athletics Program revenues and support are budgeted at \$13.0 million for an increase of \$749,000 or 6.2% over FY 2017. Expenses consist of \$8.0 million for operations and \$5.0 million for scholarships. The increase is attributable to a 3% increase in cadet athletic fees and increased support from the VMI Keydet Club.
6. Athletic operating expenses provide for employee salary and fringe benefit increases (see State Funds Budget Highlights Note #7).
7. The Athletics Program budget assumes Keydet Club private donations for scholarships and operations will total \$4.7 million, an increase of \$700,000 over FY 2017.
8. Cadet athletic fee revenues are budgeted at \$5.62 million for an increase of about \$270,000 or 5.0%. This reflects an increase of \$97 or 3% in the cadet fee from \$3,243 to \$3,340 in FY 2018.

Museum Systems

9. Museum revenues and expenditures are budgeted to total about \$1.0 million or about the same as in FY 2017.

Center for Leadership and Ethics

10. Center for Leadership and Ethics (CLE) revenues and expenditures are budgeted to total about \$1.5 million with no significant change from FY 2017.

Cadet Financial Assistance

11. VMI funding for cadet financial aid is budgeted for \$4.4 million, the same as FY 2017. This funding consists of tuition revenue of \$4.25 million and Local Unrestricted Funds of \$150,000. The Administration continues to closely monitor and adjust its financial aid policies to ensure sustainability (See State Funds Budget Highlights Note #5).

Local Funds

VMI and Alumni Agencies Income and Support

	2017	2018	Inc (Dec)	%	Notes
VMI Alumni Agencies					
Unrestricted Funds					
VMI Foundation, Inc.					
Endowment Income/Annual Funds	1,611,000	1,509,000	(102,000)	-6.3%	
Debt Service-JM Hall	191,000	187,000	(4,000)	-2.1%	
Total VMI Foundation	1,802,000	1,696,000	(106,000)	-5.9%	
VMI Development Board					
Endowment Income/Donations	500,000	400,000	(100,000)	-20.0%	
Total Unrestricted	2,302,000	2,096,000	(206,000)	-8.9%	1
Restricted Funds					
VMI Foundation, Inc.					
Endowment Income/Donations	12,033,000	12,379,000	346,000	2.9%	
VMI Development Board					
Endowment Income/Donations	590,000	634,000	44,000	7.5%	
Total VMI Foundation/Dev Board	12,623,000	13,013,000	390,000	3.1%	
VMI Keydet Club					
Endowment Income/Donations	4,000,000	4,700,000	700,000	17.5%	
Total Restricted Funds	16,623,000	17,713,000	1,090,000	6.6%	2
Total VMI Alumni Agencies	18,925,000	19,809,000	884,000	4.7%	
VMI					
Unrestricted Funds					
VMI General Endowment	80,000	79,000	(1,000)	-1.3%	
Interest Income and Other	10,000	9,000	(1,000)	-10.0%	
Total Unrestricted	90,000	88,000	(2,000)	-2.2%	
Restricted Funds					
VMI General Endowment	322,000	317,000	(5,000)	-1.6%	
VMI Collins Endowment--Operations	188,000	172,000	(16,000)	-8.5%	
Outside Trusts and Other	100,000	72,000	(28,000)	-28.0%	
Total Restricted Funds	610,000	561,000	(49,000)	-8.0%	
Total VMI Endowment	700,000	649,000	(51,000)	-7.3%	3
Total VMI and Alumni Agencies	19,625,000	20,458,000	833,000	4.2%	

Local Funds

VMI and Alumni Agencies Income and Support Notes

1. VMI Foundation (VMIF) and VMI Development Board (DB) unrestricted spendable income for FY 2018 totals \$2.1 million or about \$206,000 less than in FY 2017. This decrease by the VMIF was necessary to bring the income to VMI closer to the spending policy on endowments. It is also necessary to help grow the endowment so that future income will be available to meet the repayment requirements on the \$45 million in bonds issued on VMI's behalf in 2006 to fund various capital projects. This debt service currently totals about \$2.1 million annually and is part of the income support to VMI.

Spendable endowment income is based on a 12-quarter rolling average endowment market value and a spending rate of 4.8%. The VMIF spendable income rate of 4.8% combined with an administrative fee rate of 1.25% on all endowment funds results in a total spending rate of 6.05%. Spendable income is combined with donations from the Annual Fund and used to fund Alumni Agencies operating expenses and provide unrestricted income to VMI.

2. VMIF, DB, and Keydet Club (KC) restricted income is budgeted for \$17.7 million or an increase of \$1,090,000 or 6.6%. The increase mostly reflects increases in Keydet Club support for the Athletic Program and restricted support from the VMI Foundation. Both increases can be attributed to the recent campaign.
3. VMI endowment income derives mostly from VMI's General Endowment and Collins Endowment. These funds had a 31 March 2017 market value of \$8.0 million and \$3.6 million, respectively, or about 6% above the same date as last year. The General Endowment consists mostly of scholarship funds and the Collins Endowment is restricted to support of the Virginia Museum of the Civil War at New Market. Spendable endowment income is based on a 5% spending rate applied to the average endowment market value for the past 12 quarters. VMI's endowments are pooled and invested with endowment funds of the VMI Alumni Agencies.

Local Funds Expenditure Summary

	Restricted Budget	Unrestricted Budget	2018 Total	2017 Total	Inc (Dec)	%
<i>Educational and General</i>						
Instruction	4,624,000	463,000	5,087,000	4,841,000	246,000	5.1%
Research	32,000	-	32,000	33,000	(1,000)	-3.0%
Public Service	531,000	789,000	1,320,000	1,271,000	49,000	3.9%
Academic Support	1,027,000	329,000	1,356,000	1,284,000	72,000	5.6%
Cadet Services	833,000	123,000	956,000	902,000	54,000	6.0%
Institutional Support	345,000	1,160,000	1,505,000	1,518,000	(13,000)	-0.9%
Physical Plant	188,000	-	188,000	149,000	39,000	26.2%
Total E&G	7,580,000	2,864,000	10,444,000	9,998,000	446,000	4.5%
<i>Cadet Financial Assistance</i>	11,165,000	560,000	11,725,000	11,096,000	629,000	5.7%
<i>Auxiliary Enterprises</i>						
Intercollegiate Athletics	806,000	7,172,000	7,978,000	7,821,000	157,000	2.0%
Debt Service	-	187,000	187,000	191,000	(4,000)	-2.1%
Total Auxiliary	806,000	7,359,000	8,165,000	8,012,000	153,000	1.9%
Total	19,551,000	10,783,000	30,334,000	29,106,000	1,228,000	4.2%

**Local Funds
Restricted Funds Budget
2017-2018**

Source/Activity	VMI Foundation	Development Board	Keydet Club	VMI Endowment	Federal Grants/Other	2018 Total	2017 Total	Inc (Dec)
<i>Expenditures</i>								
Instruction	4,623,000	-	-	2,000		4,625,000	4,377,000	248,000
Research	32,000			-		32,000	33,000	(1,000)
Public Service	359,000			172,000		531,000	524,000	7,000
Academic Support	1,027,000					1,027,000	989,000	38,000
Student Services	802,000	7,000		24,000		833,000	773,000	60,000
Institutional Support	345,000					345,000	480,000	(135,000)
Physical Plant	105,000	82,000	-			187,000	149,000	38,000
Total Educ & General	7,293,000	89,000	-	198,000		7,580,000	7,325,000	255,000
Auxiliary Enterprises	50,000	266,000	374,000	-	116,000	806,000	881,000	(75,000)
Cadet Financial Assistance	5,037,000	279,000	4,326,000	362,000	1,161,000	11,165,000	10,300,000	865,000
Total	12,380,000	634,000	4,700,000	560,000	1,277,000	19,551,000	18,506,000	1,045,000

Local Funds Restricted Funds Budget

Source/Activity	VMI Foundation	Development Board	Keydet Club	VMI Endowment	Federal Grants/Other	2018 Total	2017 Total	Inc (Dec)	Notes
<i>Revenue</i>									
Income/Donations	12,379,454	634,240	4,700,000	560,000		18,273,694	17,233,590	1,040,104	1
Federal Funds					1,041,000	1,041,000	1,043,000	(2,000)	2
Outside Grants					236,000	236,000	230,000	6,000	
Total Revenue	12,379,454	634,240	4,700,000	560,000	1,277,000	19,550,694	18,506,590	1,044,104	

Expenditures

Instruction

92 Professorial Chair Funds

Biology	26,330					26,330	26,880	(550)	
Chemistry	36,920					36,920	37,830	(910)	
Economics	23,440					23,440	23,905	(465)	
Engineering	296,390					296,390	300,400	(4,010)	
English, Rhetoric & HS	55,340					55,340	56,210	(870)	
History	95,710					95,710	97,645	(1,935)	
International Studies	59,470					59,470	59,390	80	
Physics	31,500					31,500	32,220	(720)	
Dean's Funds	75,600					75,600	38,720	36,880	
Total Prof Chairs	700,700					700,700	673,200	27,500	
<i>Departmental Funds</i>									
Biology	53,640					53,640	52,280	1,360	
Civil Engineering	191,710					191,710	203,600	(11,890)	
Chemistry	25,350					25,350	23,320	2,030	
Computer Science	6,090					6,090	6,090	-	
Economics	78,080					78,080	66,980	11,100	
Electrical Engineering	4,630			2,000		6,630	6,340	290	

Local Funds Restricted Funds Budget

Source/Activity	VMI Foundation	Development Board	Keydet Club	VMI Endowment	Federal Grants/Other	2018 Total	2017 Total	Inc (Dec)	Notes
English, Rhetoric & HS	89,760					89,760	89,850	(90)	
History	181,296					181,296	131,116	50,180	
International Studies	77,750					77,750	65,220	12,530	
Mathematics	29,430					29,430	17,830	11,600	
Mechanical Engineering	12,730					12,730	12,240	490	
Modern Languages	1,960					1,960	1,950	10	
Physical Education	4,340					4,340	4,350	(10)	
Physics	23,940					23,940	52,590	(28,650)	
Psychology	69,640					69,640	65,660	3,980	
Total Dept Funds	850,346			2,000		852,346	799,416	52,930	
Faculty Development	281,310					281,310	261,450	19,860	
Jackson-Hope	1,587,300					1,587,300	1,442,500	144,800	3
Visiting Scholars	84,180					84,180	85,250	(1,070)	
Curriculum Development	91,070					91,070	89,120	1,950	
Other Instruction	1,026,550					1,026,550	1,026,080	470	
Total Instruction	4,621,456	-	-	2,000	-	4,623,456	4,377,016	246,440	
Research									
Biology	8,730					8,730	8,935	(205)	
Chemistry	15,570					15,570	15,675	(105)	
Undergraduate Res	8,000					8,000	8,000	-	
Total Research	32,300					32,300	32,610	(310)	

Local Funds Restricted Funds Budget

Source/Activity	VMI Foundation	Development Board	Keydet Club	VMI Endowment	Federal Grants/Other	2018 Total	2017 Total	Inc (Dec)	Notes
<i>Public Service</i>									
Museum Programs									
VMI Museum	69,460					69,460	66,500	2,960	
Stonewall Jackson House	117,530					117,530	98,440	19,090	
VA Mus of Civil War	48,030			172,000		220,030	235,980	(15,950)	
Total Museums	235,020			172,000		407,020	400,920	6,100	
Lectures and Symposiums	86,070					86,070	85,440	630	
Other Public Service	38,070					38,070	37,540	530	
Total Public Service	359,160	-	-	172,000	-	531,160	523,900	7,260	
<i>Academic Support</i>									
Preston Library	135,323					135,323	135,254	69	
Information Technology Departmental Funds	70,620					70,620	71,900	(1,280)	
International Studies	11,710					11,710	11,880	(170)	
Music	22,750					22,750	22,170	580	
Biology	12,250					12,250	12,480	(230)	
Total Dept Funds	46,710					46,710	46,530	180	
Leadership Program	488,860					488,860	461,210	27,650	
Dean's Office									
Fellowships	18,690					18,690	18,730	(40)	
Faculty Awards	64,040					64,040	64,950	(910)	
Faculty Development	202,490					202,490	190,500	11,990	
Outside Grants	-					-	-	-	
Total Dean's Funds	285,220					285,220	274,180	11,040	
Total Academic Support	1,026,733	-	-	-	-	1,026,733	989,074	37,659	

Local Funds Restricted Funds Budget

Source/Activity	VMI Foundation	Development Board	Keydet Club	VMI Endowment	Federal Grants/Other	2018 Total	2017 Total	Inc (Dec)	Notes
Student Services									
Departmental Funds									
Intercollegiate Athletics	8,316	6,640				14,956	14,778	178	
Band	26,340					26,340	12,710	13,630	
Cadet Programs	328,593					328,593	345,123	(16,530)	
Chaplain's Office	216,560					216,560	159,090	57,470	
Commandant	7,560					7,560	7,400	160	
Cadet Counseling	9,540					9,540	8,950	590	
Music	26,000					26,000	25,110	890	
Total Dept Fund	622,909	6,640				629,549	573,161	56,388	
Graduate Fellowships	71,450					71,450	71,240	210	
Cadet Awards	96,800			24,000		120,800	117,030	3,770	
Other Student Services	11,000					11,000	11,000	-	
Total Student Services	802,159	6,640		24,000		832,799	772,431	60,368	
Institutional Support									
Comm & Marketing	33,890					33,890	188,890	(155,000)	
Superintendent's Office	311,490					311,490	291,520	19,970	
Total Inst Support	345,380					345,380	480,410	(135,030)	
Physical Plant									
	105,180	82,560				187,740	148,960	38,780	
Total E & G	7,292,368	89,200		198,000		7,579,568	7,324,401	255,167	

Local Funds Restricted Funds Budget

Source/Activity	VMI Foundation	Development Board	Keydet Club	VMI Endowment	Federal Grants/Other	2018 Total	2017 Total	Inc (Dec)	Notes
<i>Auxiliary Enterprises</i>									
Intercollegiate Athletics	50,000	266,031	374,000		116,000	806,031	881,541	(75,510)	3
Total Auxiliary	50,000	266,031	374,000	-	116,000	806,031	881,541	(75,510)	
<i>Cadet Financial Assistance</i>									
Athletic Scholarships	42,960	279,009	4,326,000		120,000	4,767,969	3,941,689	826,280	
Cadet Scholarships	4,994,126	-	-	362,000		5,356,126	5,315,959	40,167	
Federal Grants and Loans					1,041,000	1,041,000	1,043,000	(2,000)	
Total Cadet Financial	5,037,086	279,009	4,326,000	362,000	1,161,000	11,165,095	10,300,648	864,447	3
Total Restricted	12,379,454	634,240	4,700,000	560,000	1,277,000	19,550,694	18,506,590	1,044,104	4

Restricted Local Budget Notes

1. The Restricted Funds Budget primarily reflects spendable income from endowment funds and cash donations. See Notes to VMI and Alumni Agencies Income and Support Budget Schedule.
2. Federal Funds consist primarily of PELL grants for cadets with financial need.
3. See the Local Funds Budget section of this Budget Book for the Jackson-Hope, Athletics, and Cadet Financial Assistance program budgets.
4. Total Restricted income of \$19.6 million for FY 2018 is about 5.6% more than FY 2017. 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 Funds
Jackson-Hope Program**

	2018					2017	Inc (Dec)	
	FTE	Salaries/FB	Faculty Develop	Undergrad Research	Other	Total		
<i>Local Restricted</i>								
<i>Academic Programs</i>								
New faculty-Fine Arts	1	86,000				86,000	83,000	3,000
New faculty-Civil & Environmental Eng	1	103,000				103,000	100,000	3,000
New faculty-International Studies	1	86,000				86,000	83,000	3,000
New faculty - Philosophy	-	-				-	94,000	(94,000)
New Faculty - History	1	84,000				84,000	81,000	3,000
New Faculty - Arabic	1	86,000				86,000	83,000	3,000
Faculty development-leaves		60,000				60,000	60,000	-
Faculty development-travel & projects				120,000		120,000	100,000	20,000
Undergraduate Research				190,000		190,000	190,000	-
MERC Tutors		81,000				81,000	61,000	20,000
MERC Equipment					3,000	3,000	-	3,000
Program Development Grants					97,800	97,800	16,500	81,300
Learning Center Tutors		31,000				31,000	61,000	(30,000)
New faculty-Physical Education	1	83,000				83,000	80,000	3,000
Jackson-Hope Distinguished Professor		126,500				126,500	-	126,500
Center for Leadership & Ethics				300,000		300,000	300,000	-
Faculty Recruitment				50,000		50,000	50,000	-
Total Jackson Hope	6	826,500	-	190,000	570,800	1,587,300	1,442,500	144,800

Notes:

1. The Jackson Hope budget is approved annually by the Jackson-Hope Board of Overseers. The goal of the fund is "to provide the capital necessary for the Institute to plan and execute a program that will ensure marked improvement of VMI's academic enterprise."
2. The FY 2018 proposed allocations were approved at the 19 April 2017 Jackson-Hope Board of Overseers meeting.

Local Unrestricted Budget FY 2018

	FY 2018 Allocation				Total	FY 2017 Budget	Inc (Dec)	%	Notes
	FY 2018 Budget	VMI Funds	VMI Foundation	VMI Dev Bd					
<i>Revenue</i>									
VMI Endowment	88,000	88,000			88,000	90,000	(2,000)	-2.2%	1
VMI Foundation	1,696,000		1,696,000		1,696,000	1,802,000	(106,000)	-5.9%	2
VMI Development Board	400,000			400,000	400,000	500,000	(100,000)	-20.0%	2
Athletic Revenue	1,475,000	1,475,000			1,475,000	1,422,000	53,000	3.7%	3
Cadet Fees--Athletics	5,617,000	5,617,000			5,617,000	5,348,000	269,000	5.0%	3
Museum Systems	774,000	774,000			774,000	748,000	26,000	3.5%	4
Conference Revenue--CLE	290,000	290,000			290,000	263,000	27,000	10.3%	5
Concessions Commissions	443,000	443,000			443,000	427,000	16,000	3.7%	6
Total Revenue	10,783,000	8,687,000	1,696,000	400,000	10,783,000	10,600,000	183,000	1.7%	

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E&G Expenditures

Instruction

Faculty Salary Supplements	463,000	463,000			463,000	464,000	(1,000)	-0.2%	7
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Public Service

Daniel's Award	-	-			-	-	-		
Museum Systems--Revenue	789,000	789,000			789,000	747,000	42,000	5.6%	4
Total Public Service	789,000	789,000	-	-	789,000	747,000	42,000	5.6%	

Academic Support

Dean's Funds									
Dean's Official Fund	14,000	14,000			14,000	7,000	7,000	100.0%	
Center for Leadership/Ethics	290,000	290,000			290,000	263,000	27,000	10.3%	5
Computers - IBM Match	25,000		25,000		25,000	25,000	-	0.0%	8
Total Academic Support	329,000	304,000	25,000	-	329,000	295,000	34,000	11.5%	

	FY 2018 Allocation						FY 2017		Notes		
	FY 2018		VMI		VMI		Total	Budget		Inc (Dec)	%
	Budget	VMI	Funds	Foundation	Dev Bd						
<i>Student Services</i>											
Commandant's Official Fund	3,000			3,000			3,000	3,000	-	0.0%	
Chaplain's Office Support	120,000		120,000	-			120,000	126,000	(6,000)	-4.8%	
Total Student Services	123,000		120,000	3,000	-		123,000	129,000	(6,000)	-4.7%	
<i>Institutional Support</i>											
Staff Salary Supplements	728,000		104,000	624,000			728,000	666,000	62,000	9.3%	
Mortgage Subsidies	85,000			85,000			85,000	95,000	(10,000)	-10.5%	
Superintendent's Funds											
Quarter's--Rent/Enter	80,000			80,000			80,000	80,000	-	0.0%	
Allotment	30,000		30,000				30,000	30,000	-	0.0%	
Travel	10,000		10,000				10,000	10,000	-	0.0%	
Protocol Office--Gifts	13,000		13,000				13,000	5,000	8,000	160.0%	
Local Bank Fees/Charges	2,000		2,000				2,000	2,000	-	0.0%	
Board of Visitors' Meetings	9,000		9,000				9,000	9,000	-	0.0%	
Membership Dues	3,000		3,000				3,000	3,000	-	0.0%	
VA Hi-Ed Bus Council Dues	9,000		9,000				9,000	8,000	1,000	12.5%	
Contingencies	73,000		73,000				73,000	80,000	(7,000)	-8.8%	
Total Institutional Support	1,042,000		253,000	789,000	-		1,042,000	988,000	54,000	5.5%	
<i>Cadet Financial Aid</i>											
ROTC Room/Board Grants	110,000			110,000			110,000	170,000	(60,000)	-35.3%	
Cadet Financial Aid	150,000		50,000	-	100,000		150,000	150,000	-	0.0%	
Athletic Scholarships	300,000				300,000		300,000	475,000	(175,000)	-36.8%	
Cocke Scholarships	-						-	1,000	(1,000)	-100.0%	
Total Scholarships/Grants	560,000		50,000	110,000	400,000		560,000	796,000	(236,000)	-29.6%	

	FY 2018 Allocation					FY 2017		Notes
	FY 2018 Budget	VMI Funds	VMI Foundation	VMI Dev Bd	Total	Budget	Inc (Dec)	
Auxiliary Enterprises								
<i>Athletics</i>								
Operations	7,172,000	7,172,000	-	-	7,172,000	6,940,000	232,000	3.3%
<i>Debt Service</i>								
JM Hall Renovation	187,000		187,000		187,000	191,000	(4,000)	-2.1%
Total Debt	187,000	-	187,000	-	187,000	191,000	(4,000)	-2.1%
Total Expenditures	10,665,000	8,688,000	1,577,000	400,000	10,665,000	10,550,000	115,000	1.1%
Excess (Deficiency)	118,000	(1,000)	119,000	-	118,000	50,000	68,000	136.0%
<i>Add: Beginning Fund Bal</i>	<i>394,000</i>	<i>393,000</i>	<i>1,000</i>	<i>-</i>	<i>394,000</i>	<i>464,000</i>	<i>(70,000)</i>	<i>-15.1%</i>
<i>Less: VMIF Direct Pays</i>	<i>(120,000)</i>		<i>(120,000)</i>		<i>(120,000)</i>	<i>(120,000)</i>	<i>-</i>	<i>0.0%</i>
Ending fund balance	392,000	392,000	-	-	392,000	394,000	(2,000)	-0.5%

Local Unrestricted Funds Notes

1. VMI Endowment income of \$88,000 consists primarily of spendable income on the unrestricted portion of VMI's General Endowment; the income is based on 5% of the average endowment market value for the past 12-quarters (the market value of the unrestricted endowment was about \$1.6 million as of 31 March 2017).
2. VMI Foundation (VMIF) and VMI Development Board (DB) spendable income totals \$2.1 million. It consists of \$1.9 million of unrestricted income and about \$200,000 of other income to include the debt service on the Jackson Memorial Hall renovation project.

The VMIF and DB are also providing 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.

VMI was notified by the VMIF in November 2013 that unrestricted income would total \$2.4 million in FY 2015, \$2.2 million in FY 2016, and \$2.0 million in FY 2017, based on certain underlying assumptions. The decrease reflects several factors including the need to grow the unrestricted endowment to meet the repayment requirements on the \$45 million bond issue.

3. Athletic Revenues consists of gate receipts (football and basketball), guarantees (football and basketball), NCAA and Southern Conference sponsorship revenues, track invitational entry fees, and sales and other income. The increase in athletic revenue for FY 2018 primarily reflects a larger football guarantee game and one additional home game. The increase in Cadet Fees - Athletics reflects a 3% increase in the cadet athletic fee for FY 2018.
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 Stonewall Jackson House in Lexington, VA. Museum income and expenses for FY 2018 are generally expected to approximate FY 2017 levels.
5. The Center for Leadership and Ethics (CLE) conducts about four or five conferences annually with income from donations, attendance fees, exhibitor fees, and corporate sponsorships. The CLE generally seeks to cover conference expenses with conference revenues, but some private donations from the VMIF have been necessary to support conferences. VMI also provides support in its State Educational and General Program (E&G) for the CLE as needed. Private support from the VMIF and E&G Program support are budgeted in those programs.

6. VMI earns commissions on sales in the bookstore, PX, and vending operations. The commissions approximate 16% of sales overall and are paid by the outside contractor (Follett and ARAMARK) to VMI for the use of the space to operate the concessions.
7. Local unrestricted funds provide 4% of the cost of faculty salaries and 3.33% of the cost of certain administrative/professional staff salaries. These funds also provide about 78% of the Superintendent's compensation. The balance of these salaries is funded from State or other private funds.
8. The Computers—IBM Match budget reflects the approximate value of equipment donated to VMI annually from IBM in lieu of cash donations collected from VMI alumni and other employees of IBM in the company's matching program.
9. Chaplain's Office support covers the shortfall in the amount of private restricted donations and other funds available to cover the Chaplain's salary, the Associate Chaplain, and the administrative assistant.
10. 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 70 employees). VMI discontinued this program for new employees effective 1 January 2010 as a cost saving measure.
11. Contingency funds of \$73,000 are budgeted to cover unanticipated costs, especially costs that are not appropriate for State funding.
12. Prior to FY 2017, VMI provided all 3-year and 4-year ROTC scholarship cadets with a \$1,000 room/board grant funded from private restricted scholarship funds and from VMI unrestricted funds. This supplement ended for new scholarship cadets in FY 2017; however, cadets already receiving the supplement will continue to receive this award during their cadetship. Unrestricted funds are allocated to cover any shortfall in the amount of restricted scholarship funds available for these grants.
13. VMI uses unrestricted funds as necessary to supplement "need-based" student financial aid from private restricted funds, State funds, cadet tuition revenue, and federal funds.
14. VMI Development Board income is budgeted for athletic scholarships to help supplement Keydet Club funds raised annually for this purpose. For FY 2018, 75% of Development Board unrestricted income is being budgeted for athletics.
15. 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 and Support

	2017 Budget	2018 Budget	Inc (Dec)	%	Notes
<i>Revenue and Support</i>					
<i>Revenue</i>					
Cadet Fees	5,348,000	5,617,000	269,000	5.0%	1
Guarantees--Football	315,000	400,000	85,000	27.0%	2
Guarantees--Basketball	350,000	350,000	-	0.0%	3
Gate Receipts--Football	144,000	200,000	56,000	38.9%	4
Gate Receipts--Basketball	35,000	40,000	5,000	14.3%	
Entry Fees - Track Invitationals	-	35,000	35,000		5
NCAA Academic Assistance	170,000	80,000	(90,000)	-52.9%	6
NCAA /Conference Revenue	337,000	330,000	(7,000)	-2.1%	6
Sales and Other Income	241,000	120,000	(121,000)	-50.2%	7
Total Revenue	6,940,000	7,172,000	232,000	3.3%	
<i>Support</i>					
VMI Development Board					
Restricted Endowment	252,000	266,000	14,000	5.6%	
Superintendent's Discretionary	50,000	50,000	-	0.0%	8
Keydet Club	409,000	374,000	(35,000)	-8.6%	9
NCAA Distributuion	-	36,000	36,000	100.0%	10
VMI Unrestricted Income	90,000	-	(90,000)	-100.0%	11
VMI Concessions Commissions	80,000	80,000	-	0.0%	
Total Support	881,000	806,000	(75,000)	-8.5%	
Total Revenue and Support	7,821,000	7,978,000	157,000	2.0%	

Local Funds

Intercollegiate Athletics Revenues

Notes

1. The Cadet Fees budget increase primarily reflects a \$97 or 3% increase in the cadet athletic fee bringing it from \$3,243 to \$3,340.
2. Football Guarantees total \$400,000 in FY 2018 for a contest against the Air Force Academy. The FY 2017 guarantee consisted of a contest against the University of Akron (\$315,000).
3. Basketball Guarantees generally consist of four or five games ranging from about \$75,000 to \$85,000 each.
4. The Football Gate Receipts budget totals \$200,000 and consists of 5 home games at \$40,000 per game. The FY 2017 budget was \$144,000 and consisted of 4 home games.
5. The Athletic Department will host several indoor track invitationals in FY 2018. The invitationals are expected to attract numerous teams with each visiting team charged an entry fee to cover costs of the invitationals.
6. The NCAA and Conference provide funding to support academic enhancement, student assistance, and operations. In FY 2017, additional one-time funding was received to support setup costs related to ESPN3 broadcasting.
7. The Sales and Promotions budget includes royalties from outside vendor sales of VMI logo merchandise, sponsorship revenues, advertising fees (ads on scoreboards and around the football, baseball, and Cameron Hall stadiums/arenas), program sales, and other income. The reduction is to better align estimates with recent actual revenue amounts.
8. Superintendent's Discretionary funds remain unchanged at \$50,000 in FY 2018.
9. The Keydet Club is budgeted to provide \$4.7 million in donations and endowment income to the Athletic Program in FY 2018, an increase of \$700,000 over FY 2017. This funding supports athletic scholarships and program operating costs. Most of the funding is needed for scholarship costs which are budgeted for a total \$5.1 million in FY 2018 and include funding from other sources.
10. The NCAA will provide a one-time distribution estimated at \$360,000 to be used over a ten-year period for athlete health/welfare in accordance with an approved spending plan.
11. The decrease in unrestricted income support is a result of increased Athletic funding from other sources and diligent budget management by the Athletic Department.

**Local Funds
Intercollegiate Athletic Expenditures**

Department	FTE	Salaries & Fringes	Supplies & Equip	Travel	Recruiting	Officials	Other	2018 Total	2017 Total	Inc (Dec)	Notes
Football	11	974,693	109,200	192,000	85,000	37,000	113,800	1,511,693	1,397,285	114,408	1
Basketball	5	511,205	41,580	122,000	38,250	63,000	64,170	840,205	789,065	51,140	2
Track--Men	2	136,587	9,741	34,664	2,550	-	25,545	209,087	194,922	14,165	3
Track--Women	2	136,587	9,741	34,664	2,550	-	25,545	209,087	194,923	14,164	3
Wrestling	2	109,613	12,342	40,800	5,812	3,110	11,436	183,113	179,685	3,428	
Baseball	3	222,211	36,261	93,840	12,240	20,400	13,259	398,211	389,750	8,461	
Soccer--Men	1	79,637	12,260	30,000	5,000	8,200	2,040	137,137	121,862	15,275	
Soccer--Women	2	128,602	2,752	50,835	1,325	10,149	1,239	194,902	190,487	4,415	
Lacrosse	2	150,457	37,944	52,530	12,240	10,800	9,486	273,457	254,692	18,765	
Swimming	1	74,270	14,484	45,010	2,652	204	7,650	144,270	136,642	7,628	
Water Polo-Women	1	68,755	4,771	61,650	9,920	1,020	7,140	153,256	149,182	4,074	
Rifle	0	21,080	21,629	8,717	204	-	1,275	52,905	52,284	621	
Training/Medical	4	232,214	41,564	-	-	-	24,736	298,514	289,152	9,362	
Strength/Condition	2	159,519	17,340	-	-	-	3,060	179,919	180,166	(247)	
Sports Information	3	206,339	45,900	-	-	-	74,100	326,339	361,914	(35,575)	4

**Local Funds
Intercollegiate Athletic Expenditures**

Department	FTE	Salaries & Fringes	Supplies & Equip	Travel	Recruiting Officials	Other	2018 Total	2017 Total	Inc (Dec)	Notes
Sports Marketing	1	52,687	-	-	-	10,000	62,687	63,756	(1,069)	
NCAA Acad/Assist	0	86,120	-	-	-	2,500	88,620	172,468	(83,848)	
Administration	9	721,136	10,000	16,000	-	207,675	954,811	954,592	219	
Conf Dues/Penalty		-	-	-	-	-	-	66,400	(66,400)	
Indirect Costs-E&G		-	-	-	-	1,508,257	1,508,257	1,540,000	(31,743)	5
Repay VMI Loan		-	-	-	-	30,000	30,000	30,000	-	6
Transfer to Reserve		-	-	-	-	81,000	81,000	-	-	7
Contingencies		-	-	-	-	140,000	140,000	112,000	28,000	8
Total Athletics	50	4,071,712	427,509	782,710	177,743	2,363,913	7,977,470	7,821,227	156,243	

Note: See Details of Other Expenditures following this schedule.

Intercollegiate Athletic Expenditures
Details of Other Expenditures
2018

	Training/				Notes
	Football	Basketball	Medical	Administration	
Telecommunications					
Home Game Expenses	17,450	10,200			27,650
Guarantees	30,000	6,000			36,000
Medical Services			17,340		17,340
Photography	12,450				12,450
Medical Insurance				71,000	71,000
Dues and Fees	4,000	3,060	1,480	64,200	72,740
Postage				5,100	5,100
Bank Card Charges				8,500	8,500
Plant/Equipment Maintenance				5,100	5,100
Awards and Prizes				12,000	12,000
Rent--AD/Head Coach	21,000	25,500		25,000	71,500
Miscellaneous	28,900	19,410	5,916	16,775	71,001
Total Other Expenditures	113,800	64,170	24,736	207,675	410,381

Notes

1. This represents medical insurance premiums to insure players without personal medical coverage and to enhance coverage for those players without adequate coverage.

Local Funds

Intercollegiate Athletics Expenditures

Notes

1. The Football budget increase reflects a State-initiated 3% employee salary increase and mandatory increases in employer health insurance premiums. It also largely reflects greater team travel including a flight to the Air Force Academy and increased meal costs resulting from an early return for summer practice.

Note: All Athletic Program employees are receiving a 3% employee salary increase (See Significant Budget Assumptions—Salary Increases and Fringe Benefits schedule).

2. The Basketball budget increase includes increased travel costs for a trip to Europe in summer 2017.
3. The Men's and Women's Track budget increase reflect new costs for hosting invitationals in the new Indoor Training Facility.
4. The Sports Information budget decrease reflects elimination of one-time conference contribution to support implementation costs for Southern Conference mandated ESPN3 broadcasting of athletic events.
5. The decrease in Indirect Costs-E&G reflects a reduced recovery rate based on the most recent biennial indirect cost study.
6. The Athletics Program carried over a cumulative fund balance deficit from prior years. VMI currently plans to curtail this deficit over 15 years at about \$30,000 a year.
7. The Transfer to Reserves reflects projected unspent income that will be carried over to help bring the Athletics Program closer to self-sufficiency and to build a reserve fund. These funds may also be used to address the fund balance deficit as described in Note #6.
8. A Contingencies budget of \$140,000 is provided in FY 2018 primarily for unforeseen expenses and shortfalls in budgeted revenues and support. Contingencies in past years have been budgeted well below desired levels due to insufficient available funding.

**VMI Museum Operations
Revenues and Expenses**

	FY 2018 Budget			FY 2017 Budget		Inc (Dec)	%	Notes
	VMIM	VMCW	SJH	Total	Total			
<i>Revenue and Support</i>								
Admissions		200,000	95,000	295,000	285,000	10,000	3.5%	1
Sales	152,000	100,000	60,000	312,000	305,000	7,000	2.3%	1
Contributions and Grants	16,000	4,000	77,000	97,000	96,000	1,000	1.0%	2
Endowment Income	29,000	172,000		201,000	216,000	(15,000)	-6.9%	3
Reserve Funds			56,000	56,000	50,000	6,000		4
Other Income		12,000	2,000	14,000	12,000	2,000	16.7%	
Total Revenue and Support	197,000	488,000	290,000	975,000	964,000	11,000	1.1%	
<i>Operating Expenses</i>								
Personal Services	94,000	321,000	200,000	615,000	604,000	11,000	1.8%	5
Merchandise for Resale	76,000	50,000	30,000	156,000	152,000	4,000	2.6%	
Other Operating	26,000	138,000	55,000	219,000	207,000	12,000	5.8%	6
Total Expenses	196,000	509,000	285,000	990,000	963,000	27,000	2.8%	
<i>Excess (Deficiency)Revenue</i>	1,000	(21,000)	5,000	(15,000)	1,000	(16,000)		
Add: Fund Balance, begin	21,000	111,000	(5,000)	127,000	94,000	33,000	35.1%	
Fund Balance, ending	22,000	90,000	-	112,000	95,000	17,000	17.9%	

Museum Systems Notes

1. Admissions and sales are budgeted for a total of \$607,000 or \$17,000 (2.9%) more than in FY 2017.
2. Contributions and grants consist mostly of gifts to the Stonewall Jackson House (SJH) which are budgeted for a total of \$97,000 in FY 2018 or \$1,000 more than FY 2017. SJH gifts consist mostly of a large grant from the Lee-Jackson Foundation.

Note: VMI's State Educational and General Program and Auxiliary Enterprises Program also provide support of \$100,000 and \$195,000, respectively, in FY 2018 for Museum programs that benefit cadets, faculty, and visitors. This total support of \$295,000 is an increase of about \$7,000 or 2.4% over FY 2017. This support consists mostly of funding for some of the personal services costs of Museum employees.

3. Endowment income consists mostly of 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 Collins Endowment had a market value of \$3.6 million as of 31 March 2017, an increase of about \$200,000 from the same time last year.
4. Reserve funds for the SJH consist of \$56,000 in unexpended cash donations from past years held by the VMI Foundation (VMIF) on behalf of the SJH. The SJH Reserve funds total about \$434,000 as of 31 March 2017 and are mostly spendable for SJH operations as needed.
5. The Museum personal services budget reflects an increase of about \$11,000 or 1.8%. This consists of the net effect of a 3% State-initiated salary increase and mandatory fringe benefit increases that are offset by savings from employee turnover during FY 2017.
6. Other operating costs consists largely of supplies, utilities, facility maintenance, advertising, and contractual services. The budget increase of 5.8% reflects increased budgeted operating costs at all three museums to more closely reflect actual expenditures in past years.

**Local Funds
Center for Leadership and Ethics**

	2017 Budget	2018 Budget	Inc Dec	%	Notes
<i>Revenue and Support</i>					
Cash Donations	516,000	516,000	-	0.0%	1
Endowment Income	458,000	485,000	27,000	5.9%	2
Conference Income	263,000	290,000	27,000	10.3%	3
VMI E&G Program Support	115,000	-	(115,000)		4
Rental Income	6,000	8,000	2,000	33.3%	
Total Revenue and Support	1,358,000	1,299,000	(59,000)	-4.3%	
<i>Expenses</i>					
Personal Services	866,000	897,000	31,000	3.6%	5
Conference Expenses	345,000	350,000	5,000	1.4%	3
Program/Other Expenses	147,000	218,000	71,000	48.3%	6
Total Expenses	1,358,000	1,465,000	107,000	7.9%	
<i>Excess (Deficiency) Revenue</i>					
	-	(166,000)	(166,000)		
Beginning Fund Balance	586,000	586,000			
Ending Fund Balance	586,000	420,000	(166,000)		7

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 of the gifts are from a few large donors.
2. Endowment income derives from endowment gifts for the CLE for certain positions or operations and programs in general. The growth in endowment income reflects appreciation on endowment investments and the receipt of outstanding pledges.
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. VMI State E&G support is provided to supplement private funding for the CLE. E&G support derives from State funds including cadet tuition revenue. CLE programs and activities are an integral part of a cadet's VMI education. Due to budget constraints in FY 2018, no E&G support is being provided and fund balance will be used to supplement CLE revenues.
5. The Personal Services budget increase provides for a State-initiated 3% salary increase and mandatory increases in employer paid health insurance premiums.
6. Program and Other expenses include several cadet programs addressing leadership and ethics. It also includes a faculty/cadet leadership development program, and a planned study abroad program in summer 2018. Other expenses consist mostly of the 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. These facilities and grounds costs total over \$200,000 annually and are not included in the CLE budget.
7. The CLE fund balance consists mostly of conference income and private support that has been received but not fully spent by the end of the fiscal year.

Cadet Financial Assistance

Sources/Programs	2017	2018	Inc (Dec)	%	Notes
State Funds					
General Funds					
Student Financial Aid	1,016,000	1,016,000	-	0.0%	1
Total General Funds	1,016,000	1,016,000	-	0.0%	
Cadet Tuition and Fees					
E&G Program	4,250,000	4,250,000	-	0.0%	2
Total State Funds	5,266,000	5,266,000	-	0.0%	
Local Funds					
Restricted					
VMI Foundation					
Merit and Other Scholarships	4,921,000	4,994,000	73,000	1.5%	
Athletic Scholarships	43,000	43,000	-	0.0%	
Total VMI Foundation	4,964,000	5,037,000	73,000	1.5%	3
VMI Development Board					
Athletic scholarships	247,000	279,000	32,000	13.0%	3
VMI Keydet Club--Scholarships	3,591,000	4,326,000	735,000	20.5%	
VMI BOV Endowment	295,000	290,000	(5,000)	-1.7%	
NCAA/Conference Assistance	60,000	120,000	60,000		
Outside Trusts	100,000	72,000	(28,000)	-28.0%	
Total Restricted	9,257,000	10,124,000	867,000	9.4%	
Federal Grants/Aid					
SEOG	91,000	91,000	-	0.0%	
PELL	952,000	950,000	(2,000)	-0.2%	
Total Federal Aid	1,043,000	1,041,000	(2,000)	-0.2%	4

Sources/Programs	2017	2018	Inc (Dec)	%	Notes
<i>Unrestricted</i>					
VMI Development Board--Athletics	475,000	300,000	(175,000)	-36.8%	3
ROTC Room/Board Grants	170,000	110,000	(60,000)	-35.3%	5
Financial Aid (primarily need-based)	150,000	150,000	-	0.0%	3
Cocke Scholarship	1,000	-	(1,000)	-100.0%	
Total Unrestricted	796,000	560,000	(236,000)	-29.6%	
Total Local Funds	11,096,000	11,725,000	629,000	5.7%	
Total All	16,362,000	16,991,000	629,000	3.8%	6

Cadet Financial Assistance

Notes

1. State general funds remained at the FY 2017 funding level of \$1,016,000 as approved by the 2016 General Assembly. These funds are for in-state cadets with demonstrated financial need.
2. VMI cadet financial aid consisting of tuition revenue and local unrestricted funds are budgeted for \$4.4 million, unchanged from the FY 2017 budget. These funds are mostly awarded to out-of-state cadets with demonstrated financial need since these cadets are not eligible for State financial aid funds and VMI lacks sufficient private scholarship funds for them.

Non-Virginia tuition and fees are almost twice the amount of in-state tuition and fees. Non-Virginia cadets are projected to comprise approximately 37% of the Corps in FY 2018 and about 65% are projected to qualify for need-based financial aid. Approximately 45% of in-state cadets qualify for need-based aid which results in an overall average of about 53% 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 his estimate of the funding needed to supplement State, Federal, and private restricted sources of aid.

Using a combination of grants and loans, VMI generally funds about 100% of the required need of in-state cadets. VMI generally funded 80% of the required need of out-of-state cadets through FY 2014, but in FY 2015 began funding about 70% of the need of out-of-state cadets starting with the new class of out-of-state cadets. This policy change was a cost savings measure to curtail the growing cost of cadet financial assistance and to bring the program into financial sustainability.

Note: For FY 2016, 59% of VMI's graduates had loans. This consisted of 55% of in-state graduates with an average loan balance of \$26,196 and 64% of out-of-state graduates with an average loan balance of \$27,223. According to The Institute for College Access & Success, average indebtedness nationally for 2014 graduates (last year available) was \$28,950.

3. Cadet financial assistance from the VMI Foundation (VMIF), the VMI Development Board (DB), and the VMI Keydet Club (KC) is budgeted to total \$10.2 million or about \$700,000 more than in FY 2017.

The athletic scholarship budget totals \$5.1 million or about 14.8% more than in FY 2017.

4. Federal aid funding for PELL grants is budgeted to remain consistent with the prior year amount. PELL grants are awarded to needy cadets and 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. Prior to FY 2017, VMI provided all 3-year and 4-year ROTC scholarship cadets with a \$1,000 room/board grant funded from private restricted scholarship funds and from VMI unrestricted funds. This supplement ended for new scholarship cadets in FY 2017; however, cadets already receiving the supplement will continue to receive this award during their cadetship.
6. VMI's cadet financial assistance budget totals \$17.0 million for an increase of \$600,000 or 3.8% over FY 2017. This compares to an increase in tuition and fees of 3.7% for in-state and 4.7% for out-of-state cadets. Taking into account 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 70% of the need of out-of-state cadets with the general policy of requiring needy cadets to assume some loan amount.

This budget represents 28% of VMI's total projected tuition and fee revenues of \$61.1 million for FY 2018 which is comparable to the 28% in FY 2017. This 28% "tuition discount" consists mostly of restricted funds that are required to be used for financial assistance (financial aid budget consists of 72% restricted funds and 28% unrestricted funds). VMI's "tuition discount" is significantly less than private institutions (average discount rate estimated of approximately 35%-40%). 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. However, the increasing number of cadets with demonstrated financial need and the extent of their need have required VMI to use increasingly more of its tuition revenues to meet the demand for financial aid. VMI needs more "restricted" scholarship endowments to minimize the amount of tuition revenues that it must allocate to cadet financial assistance.

Supplementary Information

Key Budget Statistics Six-Year Review

	<i>(Fiscal Year Ending)</i>					
	2013	2014	2015	2016	2017	2018
Corps Data						
Total Enrollment (Fall Opening)						
Budget	1,663	1,695	1,690	1,715	1,726	1,756
Actual	1,689	1,714	1,714	1,738	1,737	
Actual Over (Under)	26	19	24	23	11	
New Cadet Enrollment						
Budget	500	490	500	490	500	500
Actual	509	504	500	495	506	
Actual Over (Under)	9	14	-	5	6	
% Virginians						
Budget	60.1%	58.1%	58.0%	59.4%	61.2%	62.7%
Actual	58.4%	59.0%	58.3%	59.3%	60.9%	
Tuition and Fees						
Virginia	21,568	22,492	23,890	25,202	26,460	27,450
% Increase	4.5%	4.3%	6.2%	5.5%	5.0%	3.7%
Non-Virginia	41,544	43,480	45,946	48,216	50,769	53,138
% Increase	4.9%	4.7%	5.7%	4.9%	5.3%	4.7%
VMI Financial Aid						
Budget	12,148,000	12,825,000	14,353,000	15,552,000	16,362,000	16,991,000
% Increase	3.9%	5.6%	11.9%	8.4%	5.2%	3.8%

(Fiscal Year Ending)

	2013	2014	2015	2016	2017	2018
VMI Workforce						
Total Full-time Employees	547	562	572	581	590	604
Total Full-time Teaching Faculty (included in total above also)	130	132	136	139	143	145
Total Payroll (Salaries and fringes) % Increase	43,588,000 6.2%	46,189,000 6.0%	49,019,000 6.1%	49,821,000 1.6%	51,953,000 4.3%	53,947,000 3.8%
Budgets						
Total Operating Budget % Increase	72,510,000 5.3%	77,765,000 7.2%	81,153,000 4.4%	82,371,000 1.5%	85,615,000 3.9%	89,090,000 4.1%
Total State General Funds % Inc (Dec)	12,340,000 7.7%	13,480,000 9.2%	14,436,000 7.1%	14,130,000 -2.1%	15,676,000 10.9%	15,058,000 -3.9%
Total Cadet Tuition/Fees/Sales % Increase	37,701,000 9.3%	40,873,000 8.4%	42,107,000 3.0%	44,517,000 5.7%	45,795,000 2.9%	48,315,000 5.5%
Total Private Funds Support % Increase	16,916,000 -3.6%	17,631,000 4.2%	19,527,000 10.8%	19,083,000 -2.3%	19,625,000 2.8%	20,458,000 4.2%
Total Other Funds % Increase	5,553,000 3.7%	5,781,000 4.1%	5,083,000 -12.1%	4,641,000 -8.7%	4,519,000 -2.6%	4,259,000 -5.8%

(Fiscal Year Ending)

	2013	2014	2015	2016	2017	2018
Sources of Funds As % of Total Budget						
Total State General Funds	17.0%	17.3%	17.8%	17.2%	18.3%	16.9%
Total Cadet Tuition/Fees/Sales	52.0%	52.6%	51.9%	54.0%	53.5%	54.2%
Total Private Funds Support	23.3%	22.7%	24.1%	23.2%	22.9%	23.0%
Total Other Funds	7.7%	7.4%	6.3%	5.6%	5.3%	4.8%
Total Sources	100.0%	100.0%	100.0%	100.0%	100.0%	98.9%
% of E&G Budget for Instruction/ Academic Support/Student Services	71.0%	71.9%	72.3%	73.2%	75.0%	74.0%

Key Financial Balances

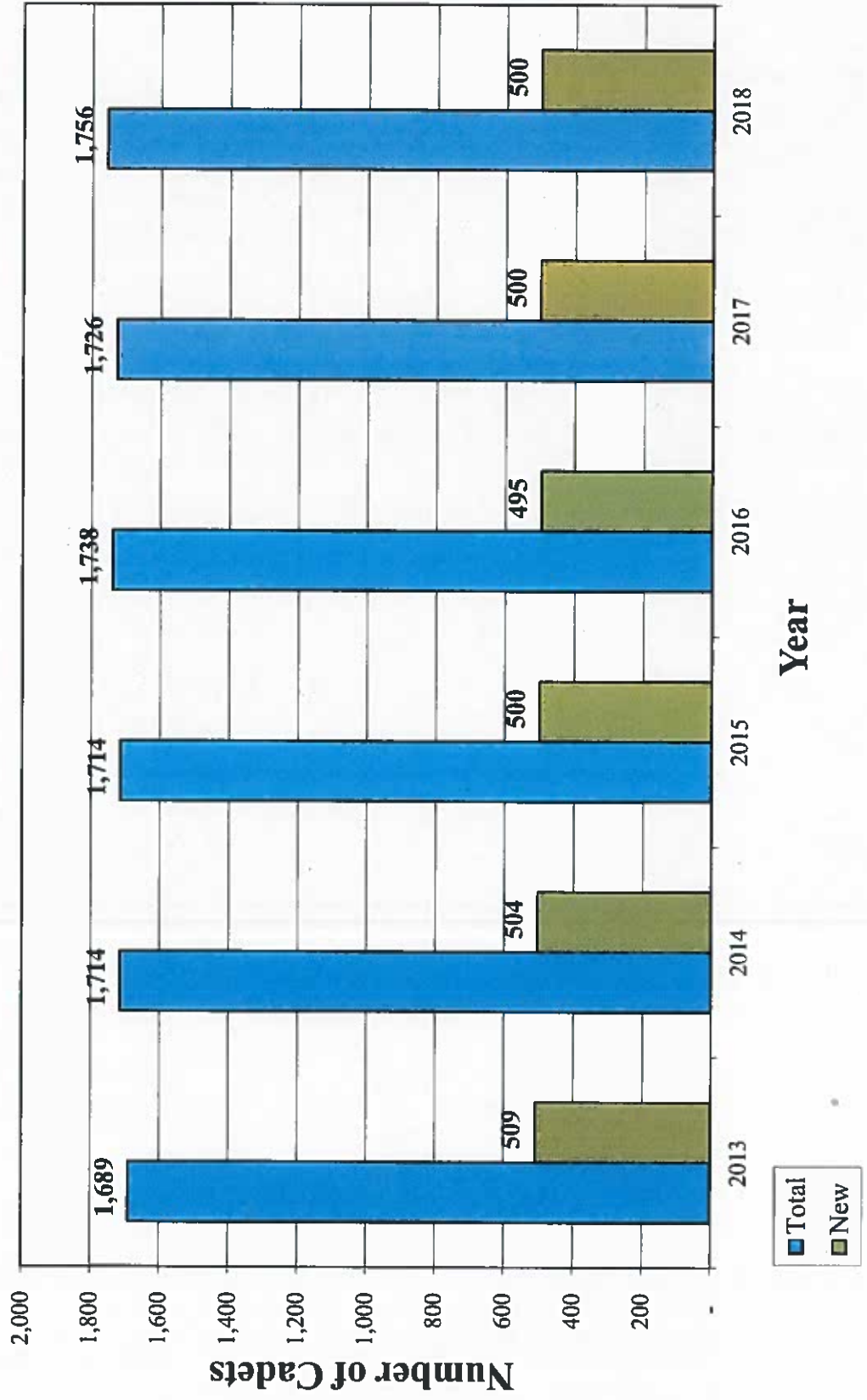
(Actual 30 June or projected for 2017 and 2018)

VMI General Endowment	7,782,482	8,505,582	8,114,409	7,535,157	8,000,000	8,300,000
VMI Collins Endowment	3,551,715	3,874,562	3,715,261	3,436,993	3,600,000	3,700,000
Auxiliary Fund Balance	9,502,646	10,751,154	12,496,687	12,927,511	12,500,000	12,000,000
Local Unrestricted Fund Balance	316,039	250,727	377,011	463,982	394,000	392,000
Total Fund Balances	21,152,882	23,382,025	24,703,368	24,363,643	24,494,000	24,392,000

	<i>(Fiscal Year Ending)</i>					
	2013	2014	2015	2016	2017	2018
Balance of Outstanding Debt						
<i>(Actual 30 June or projected for 2017 and 2018)</i>						
JM Hall (\$2.3 mil original)	1,513,000	1,388,000	1,259,000	1,125,000	983,000	838,000
Cocke Hall Annex (\$2.0 mil original)	1,302,000	1,197,000	1,086,000	970,000	847,000	722,000
Crozet Hall (\$11.2 mil original)	7,760,000	7,260,000	6,730,000	6,433,000	5,854,000	5,244,000
South Institute Hill (\$2.85 mil original)	2,750,000	2,645,000	2,535,000	2,415,000	2,290,000	2,160,000
VCBA 2013A Projects (\$4.0 mil original)		4,000,000	4,085,000	3,935,000	3,780,000	3,620,000
VCBA 2014A Projects (\$4.0 mil original)			3,565,000	3,565,000	3,450,000	3,330,000
VCBA 2015A Projects (\$4.0 mil original)				3,915,000	3,915,000	3,785,000
Total Debt Outstanding	13,325,000	16,490,000	19,260,000	22,358,000	21,119,000	19,699,000

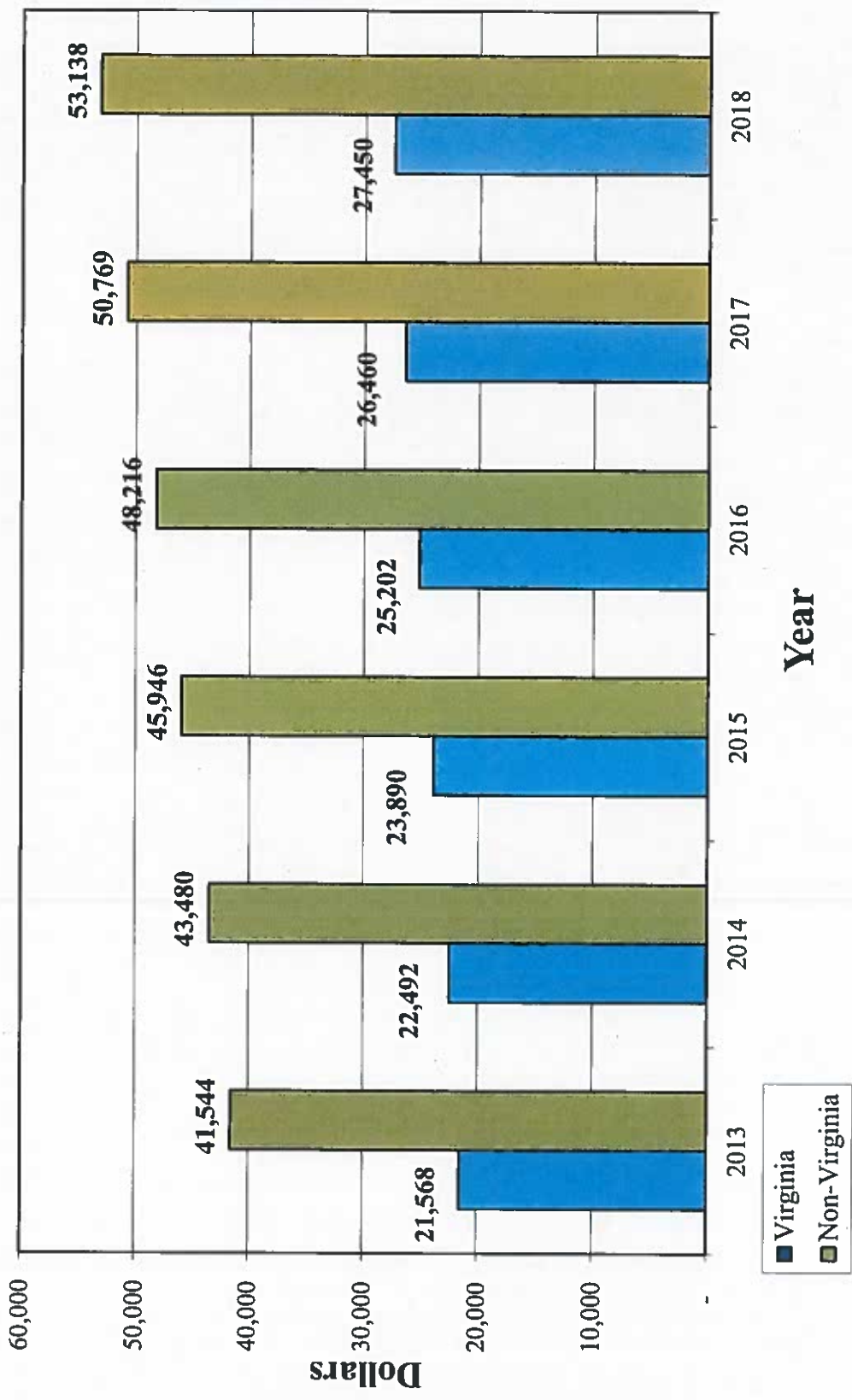
Note: All Supplementary data above reflects budget figures except where "actual" noted

Enrollment Total and New Cadets



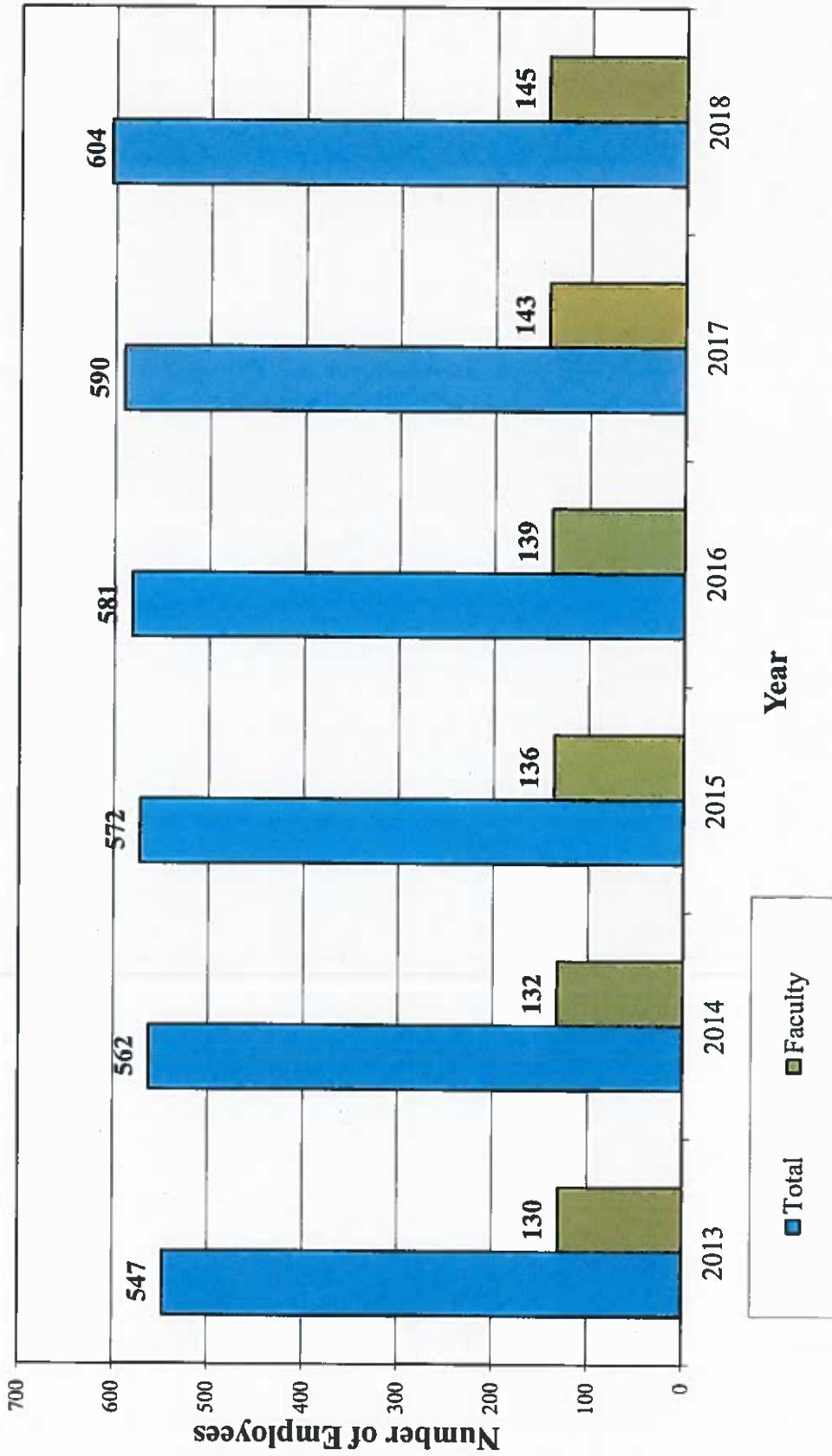
Tuition and Fees

In-State v. Out-of-State

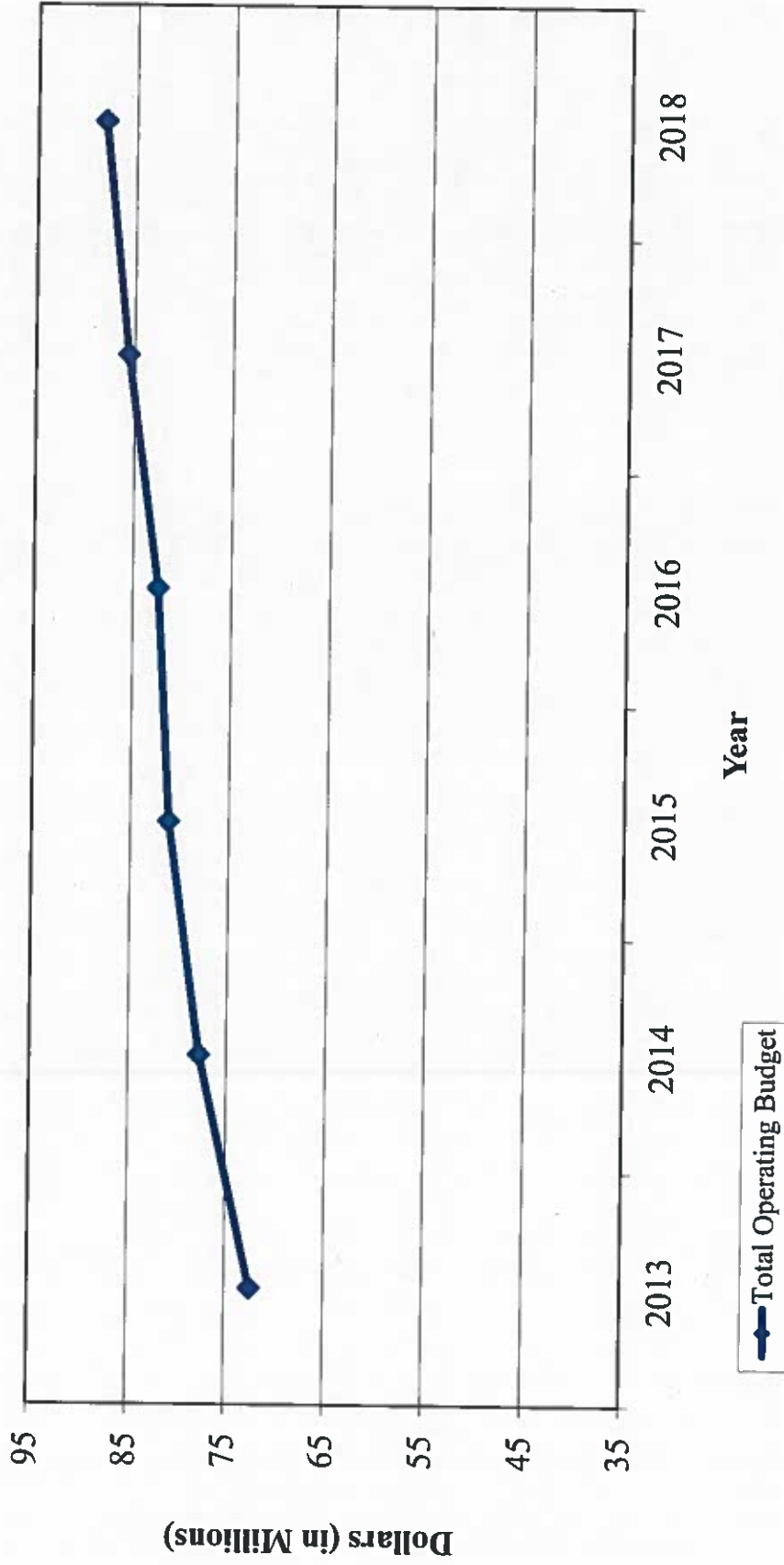


VMI Workforce

Total Employees vs. Teaching Faculty



Total Operating Budget



Key Financial Balances

