

VIRGINIA MILITARY INSTITUTE



2019-2020 OPERATING BUDGET

Budget Contents

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Executive Summary

Executive Summary

FY 2020 Operating Budget

1. The Budget is comprised of three main sources of operating funds that total \$95,825,000:
 - State General Funds of \$18,998,000, a 21.2 % increase from FY 2019 for a total increase of \$3,325,000 (Exhibit 1).
 - Cadet tuition/fees and other revenue of \$54,497,000, an increase of \$1,673,000 or 3.2% (Exhibit 2).
 - Private fund support primarily from the VMI Alumni Agencies of \$22,330,000, an increase of \$847,000 or 3.9%. This consists of \$2,406,000 in unrestricted funds (10.8%) and \$19,924,000 in restricted funds (89.2%). Unrestricted funds reflect an increase of \$147,000 or 6.5% over 2019 (Exhibit 3).
2. The Budget includes cadet financial assistance from all sources of \$17,267,000, a reduction of \$190,000 or 1.1%. This overall decrease is primarily a result of not increasing tuition for both in-state and out-of-state cadets from FY 2019 rates. (Exhibit 4).
3. The Budget for all programs totals \$113,092,000 and reflects an increase of \$5,655,000 or 5.3% (Exhibits 5 and 6).
4. The Educational and General Program (E&G) Budget totals \$53,941,000 and represents an increase of \$4,035,000 or 8.1% (Exhibit 7).
5. The Budget includes 500 new cadets (60% Virginians and 40% Non-Virginians) and a total Corps of 1,726 (63% Virginians and 37% Non-Virginians). This is an increase of 23 cadets in the total Corps or 1.4% compared to the 2019 budget and 14 more than the 2019 actual (Exhibit 8). The average enrollment for FY 2020 (fall and spring) is budgeted to be 1,648.

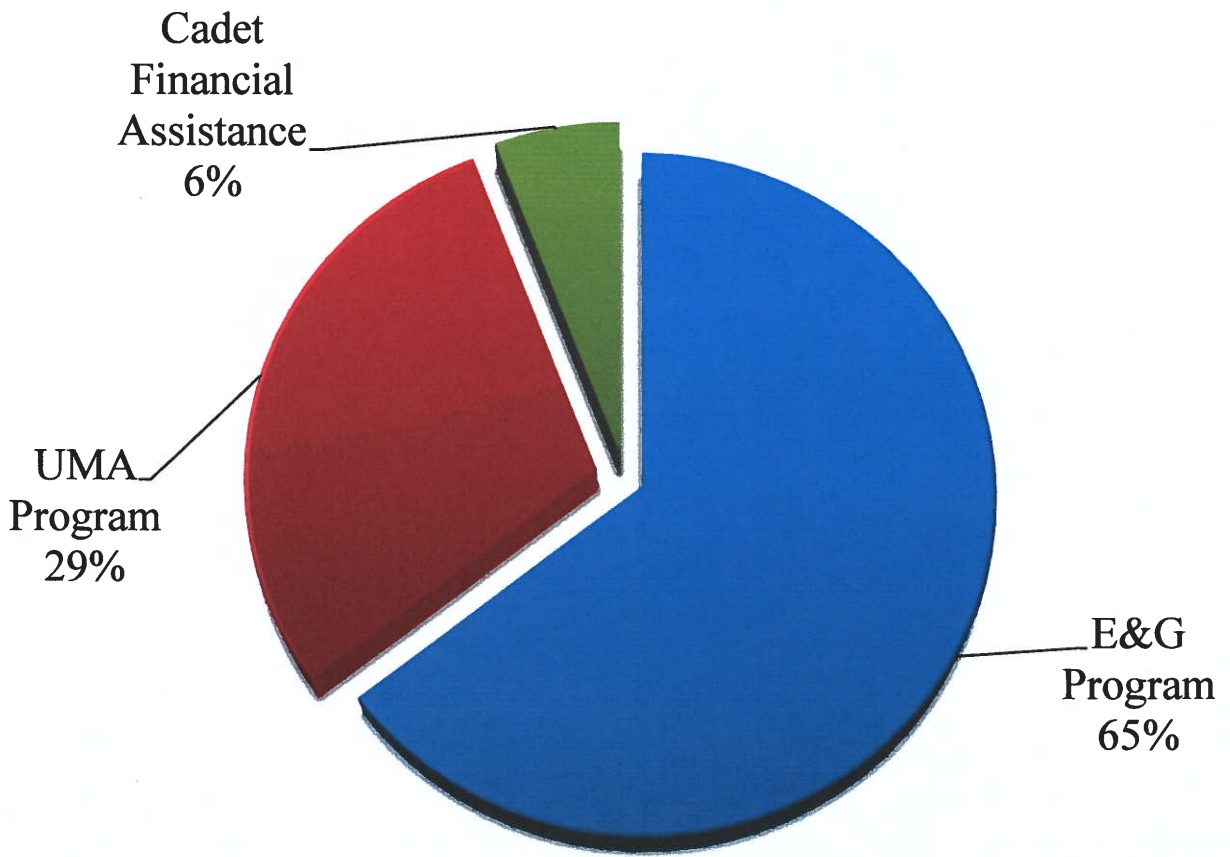
6. Tuition and fees for in-state cadets total \$28,884 and represent an increase of \$540 or 1.9% over 2019. Tuition and fees for out-of-state cadets total \$55,728 and represent an increase of \$540 or 1.0% (Exhibit 9).
7. The State approved salary increases of 2.75% for all classified employees with an additional 2.25% merit increase for employees with at least three years of service. The State approved a 3% raise for faculty and administrative professional staff. VMI budgeted a 5% pay increase for all employees and will fund the additional costs above the state approved amount. For FY 2020, the State is giving agencies a one-month insurance premium holiday. These savings are budgeted in Contingencies to allow for purchases of equipment and supplies which will not result in an increase to the base budget.

Total personnel costs are budgeted for \$58.3 million or 61% of the total Budget (excluding cadet financial aid) and include 615 full-time positions (personnel costs comprise 80% of the State E&G budget which has 388 or 63% of the full-time positions). This is an increase of \$3.1 million or 5.6% over 2019 and primarily reflects provision for the 5% salary increase and 3 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.

8. The Budget projects a year-end Auxiliary Fund Balance (30 June 2019) of \$18.3 million (Exhibit 11).

State General Funds

	FY 2019	FY 2020	Inc (Dec)	%
E&G Program	10,415,000	12,270,000	1,855,000	17.8%
UMA Program	4,210,000	5,610,000	1,400,000	33.3%
Cadet Financial Assistance	1,048,000	1,118,000	70,000	6.7%
Total State General Funds	15,673,000	18,998,000	3,325,000	21.2%

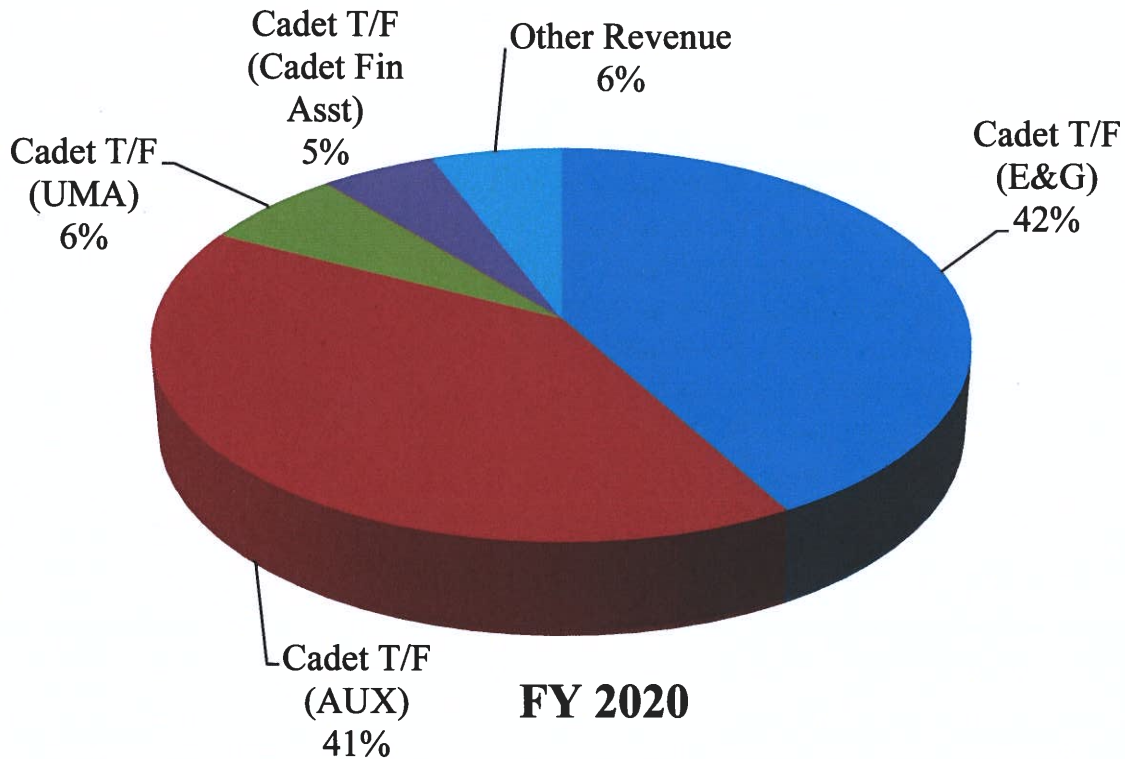


FY 2020

Cadet Tuition/Fees and Other Revenue

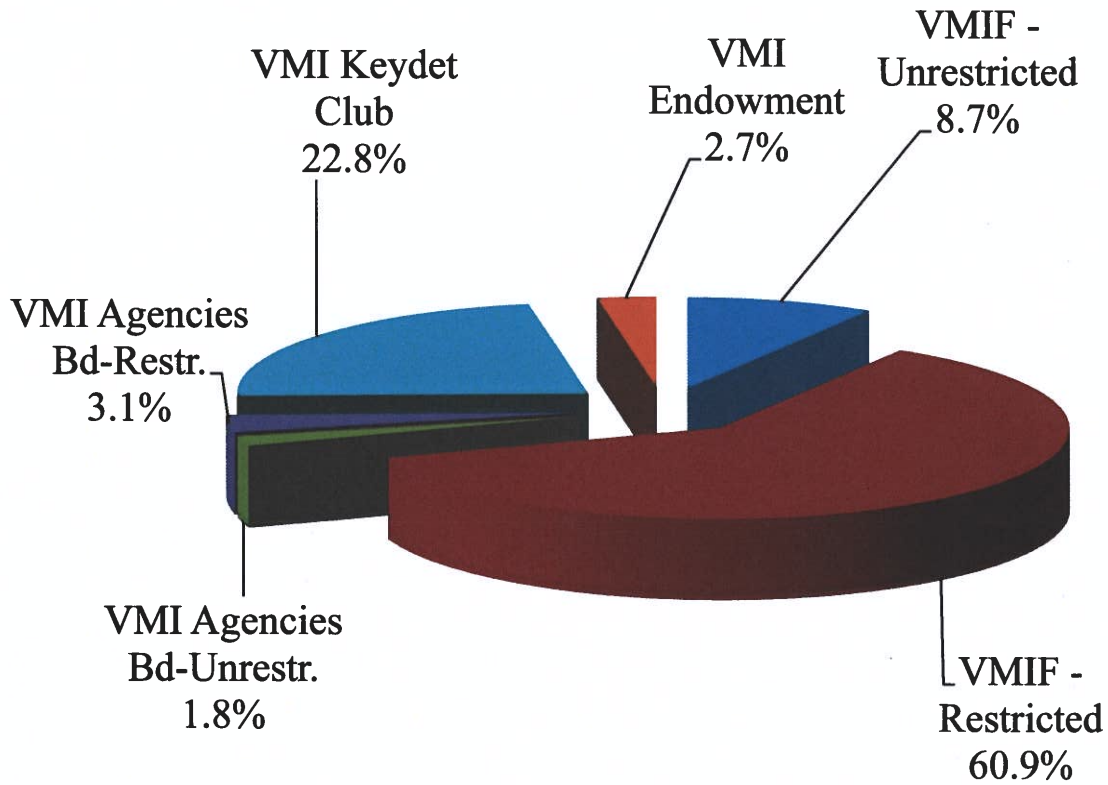
	FY 2019	FY 2020	Inc (Dec)	%
<i>Cadet Tuition and Fees</i>				
E&G Program	28,685,000	30,077,000	1,392,000	4.9%
Auxiliary Program	28,013,000	29,150,000	1,137,000	4.1%
UMA Program	4,424,000	4,632,000	208,000	4.7%
Cadet Financial Assistance	4,000,000	3,700,000	(300,000)	-7.5%
	<u>65,122,000</u>	<u>67,559,000</u>	<u>2,437,000</u>	<u>3.7%</u>
Less: Cadet Financial Assistance *	(17,457,000)	(17,267,000)	190,000	-1.1%
Total Cadet Tuition/Fees	<u>47,665,000</u>	<u>50,292,000</u>	<u>2,627,000</u>	<u>5.5%</u>
<i>Other Revenue</i>				
Athletic, CLE and Museum Revenue	2,772,000	2,556,000	(216,000)	-7.8%
Fund Balances	629,000	(214,000)	(843,000)	-134.0%
Other (includes federal grants)	1,758,000	1,863,000	105,000	6.0%
Total Other Revenue	<u>5,159,000</u>	<u>4,205,000</u>	<u>(954,000)</u>	<u>-18.5%</u>
Total Cadet Tuition/Fees and Other	<u>52,824,000</u>	<u>54,497,000</u>	<u>1,673,000</u>	<u>3.2%</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.*



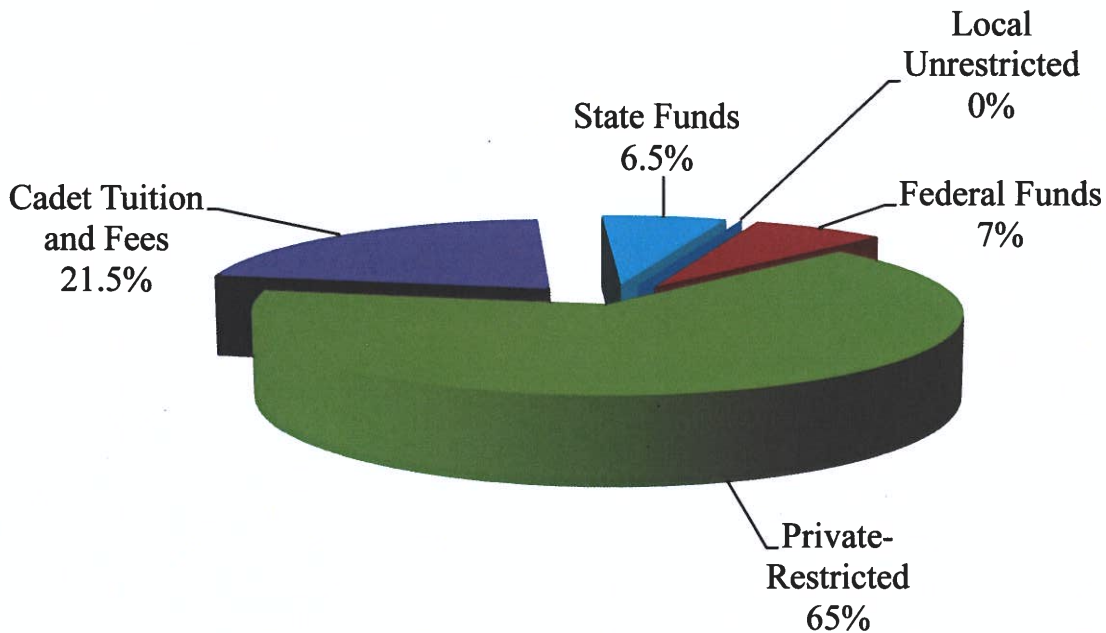
Private Funds

	FY 2019	FY 2020	Inc (Dec)	%
VMIF - Unrestricted	1,771,000	1,935,000	164,000	9.3%
VMIF - Restricted	12,840,000	13,604,000	764,000	6.0%
VMI Agencies Bd-Unrestr	400,000	400,000	-	0.0%
VMI Agencies Bd-Restr.	678,000	697,000	19,000	2.8%
VMI Keydet Club	5,150,000	5,084,000	(66,000)	-1.3%
VMI Endowment	644,000	610,000	(34,000)	-5.3%
Total Private	21,483,000	22,330,000	847,000	3.9%



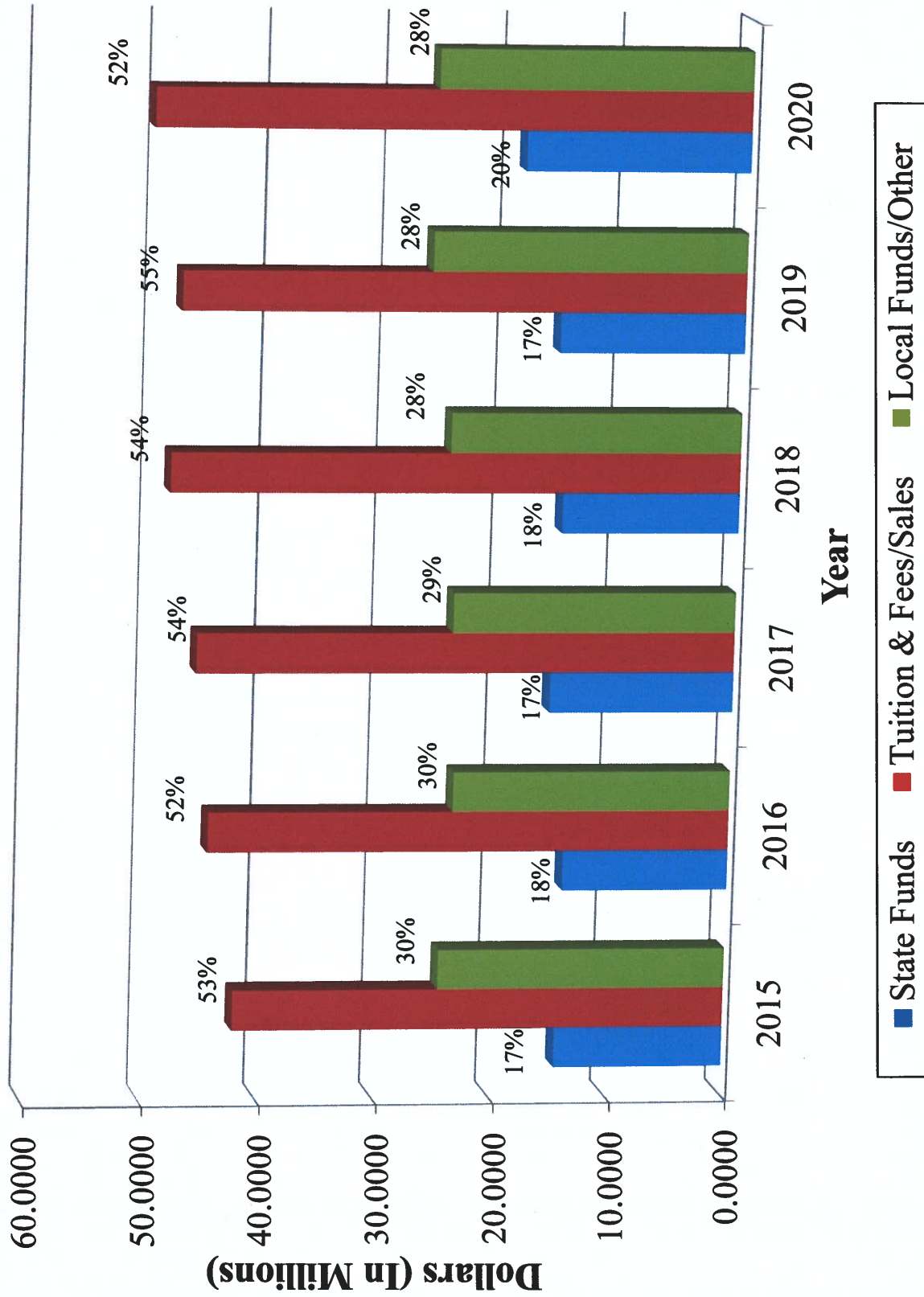
Cadet Financial Assistance

Sources	FY 2019	FY 2020	Inc (Dec)	%
State General Funds	1,048,000	1,118,000	70,000	6.7%
Cadet Tuition and Fees	4,000,000	3,700,000	(300,000)	-7.5%
Private Funds--Restricted				
VMI Foundation	5,238,000	5,444,000	206,000	3.9%
VMI Alumni Agencies Board	313,000	330,000	17,000	5.4%
VMI Keydet Club	5,084,000	5,018,000	(66,000)	-1.3%
VMI Endowment/Other	480,000	466,000	(14,000)	-2.9%
Total Restricted Funds	11,115,000	11,258,000	143,000	1.3%
Local Funds--Unrestricted				
VMI Foundation (primarily)	203,000	-	(203,000)	-100.0%
Federal Funds	1,091,000	1,191,000	100,000	9.2%
Total	17,457,000	17,267,000	(190,000)	-1.1%



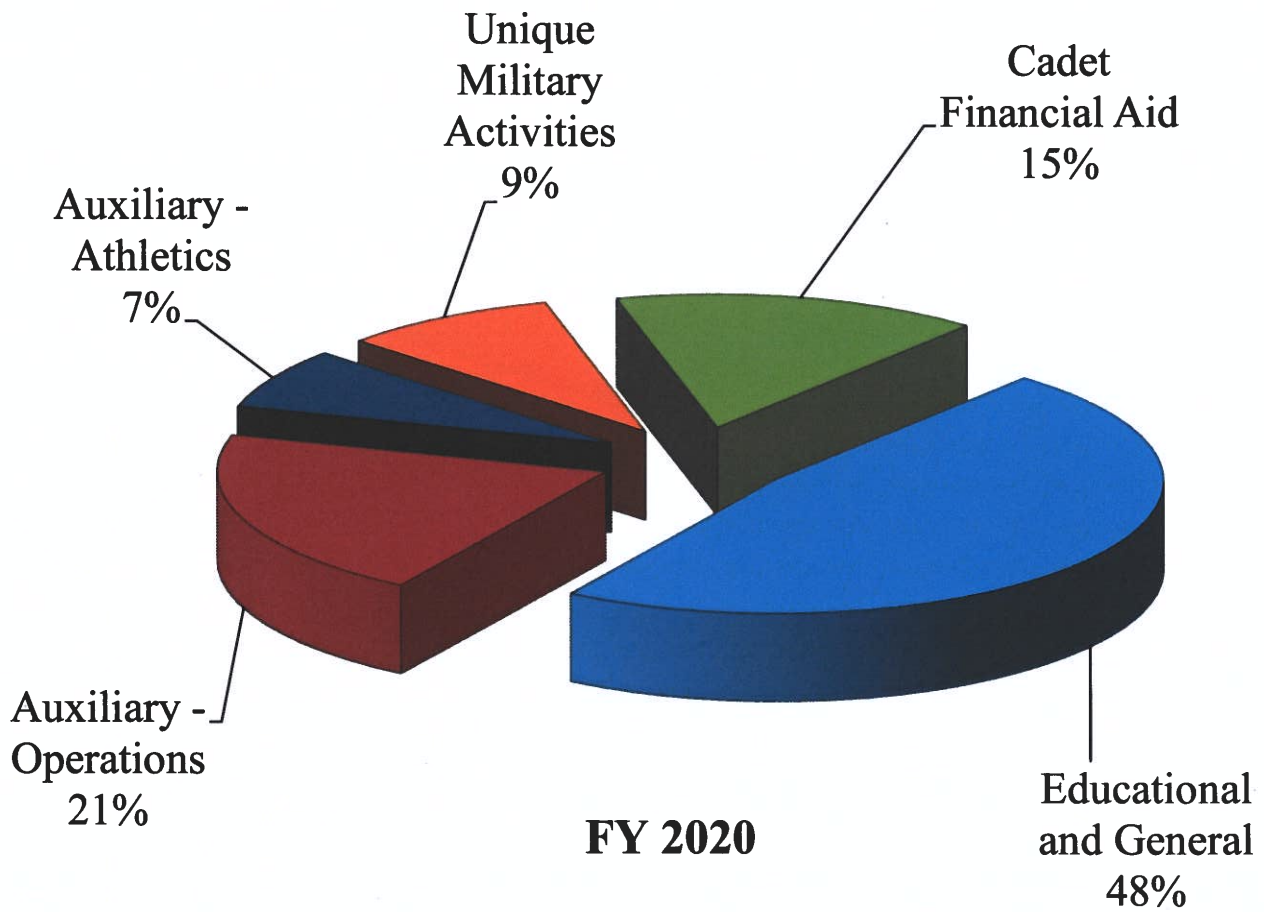
FY 2020

Sources of Revenue



Expenses

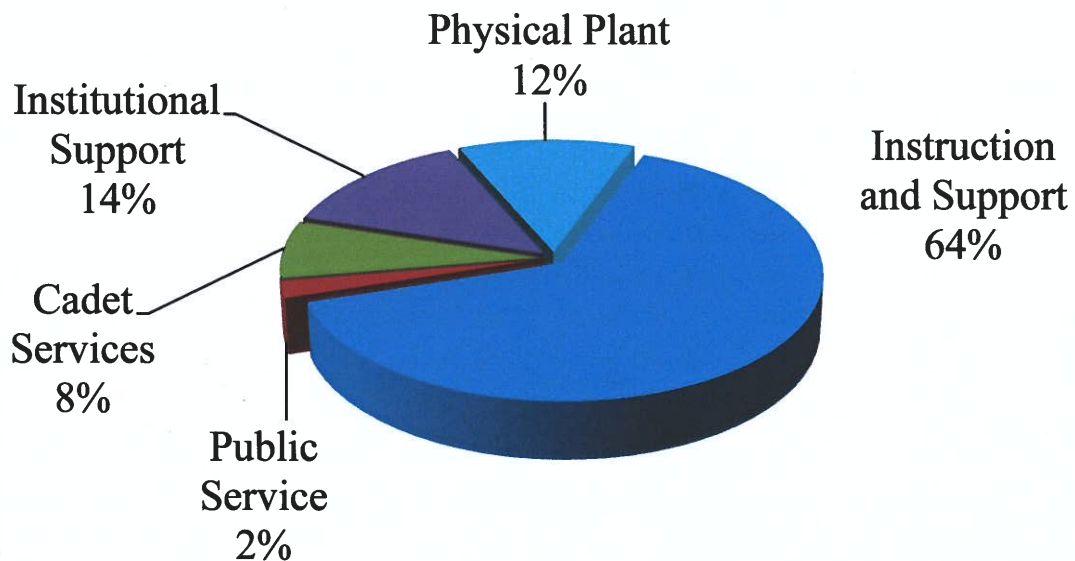
	FY 2019	FY 2020	Inc (Dec)	%
Educational and General	49,906,000	53,941,000	4,035,000	8.1%
Auxiliary - Operations	23,232,000	23,283,000	51,000	0.2%
Auxiliary - Athletics	8,209,000	8,359,000	150,000	1.8%
Unique Military Activities	8,633,000	10,242,000	1,609,000	18.6%
Cadet Financial Aid	17,457,000	17,267,000	(190,000)	-1.1%
Total Expenses	107,437,000	113,092,000	5,655,000	5.3%



Educational and General Program

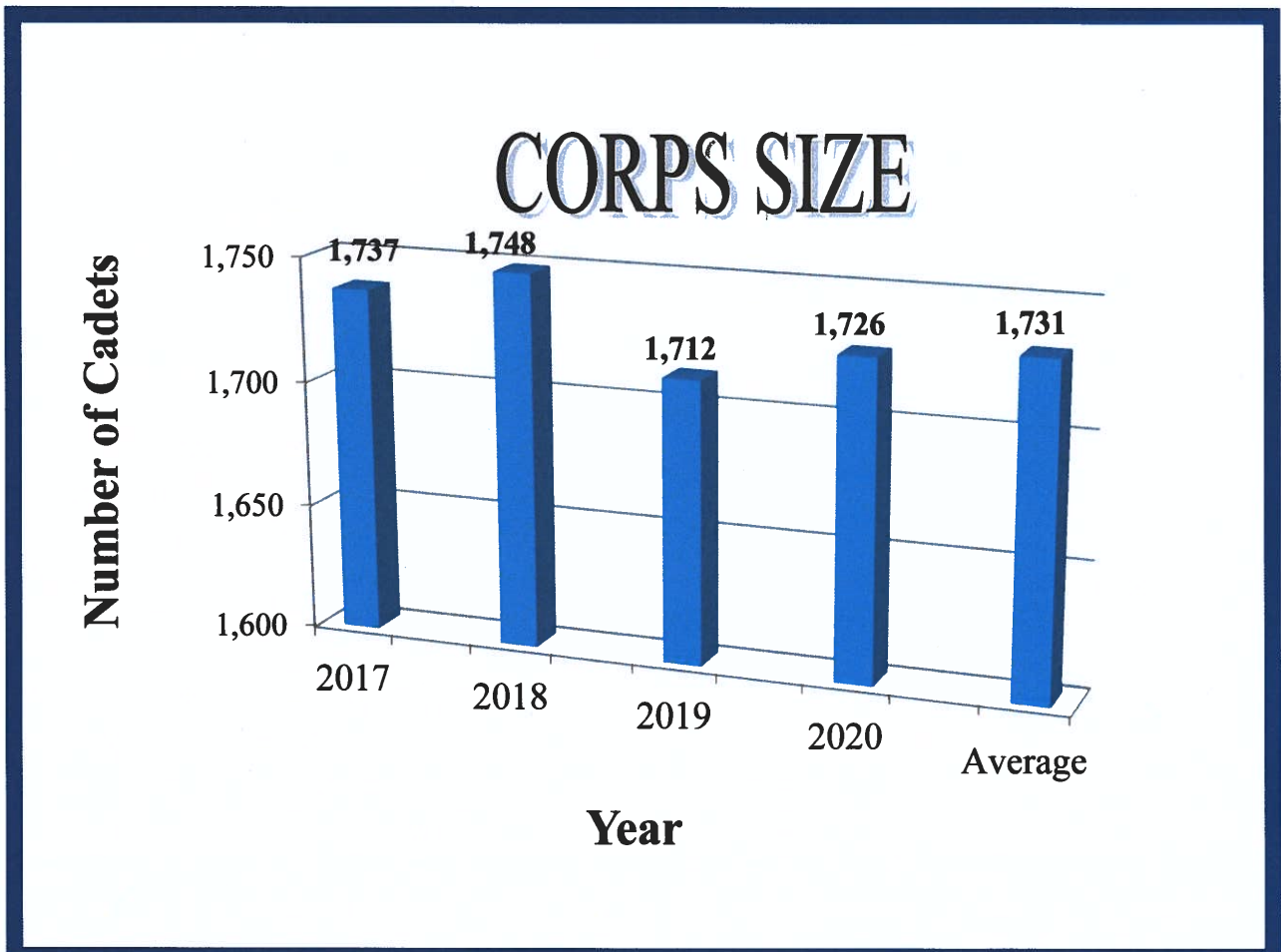
	2019	%	2020	%
Instruction & Support	32,809,000	66%	34,772,000	64%
Public Service	1,393,000	3%	1,240,000	2%
Cadet Services	4,052,000	8%	4,034,000	8%
Institutional Support	5,801,000	12%	7,383,000	14%
Physical Plant	5,851,000	12%	6,512,000	12%
Total E & G Program	49,906,000	100%	53,941,000	100%

Note: The State E&G Program budget totals \$42.3 million in FY 2020 and \$39.1 million in FY 2019.



Enrollment - Fall

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Budgeted 2020</u>	<u>Average</u>
New Cadets	506	506	519	500	508
Upperclass	1,231	1,242	1,193	1,226	1,223
Total	1,737	1,748	1,712	1,726	1,731
% In-State	60.9%	62.7%	62.0%	62.6%	60.3%



Tuition and Fees

	FY 2019	FY 2020	Inc (Dec)	%
Tuition				
In-State	9,284	9,284	-	0.0%
Out of State	36,128	36,128	-	0.0%
Fees	19,060	19,600	540	2.8%
Total Cost				
In-State	28,344	28,884	540	1.9%
Out-of-State	55,188	55,728	540	1.0%

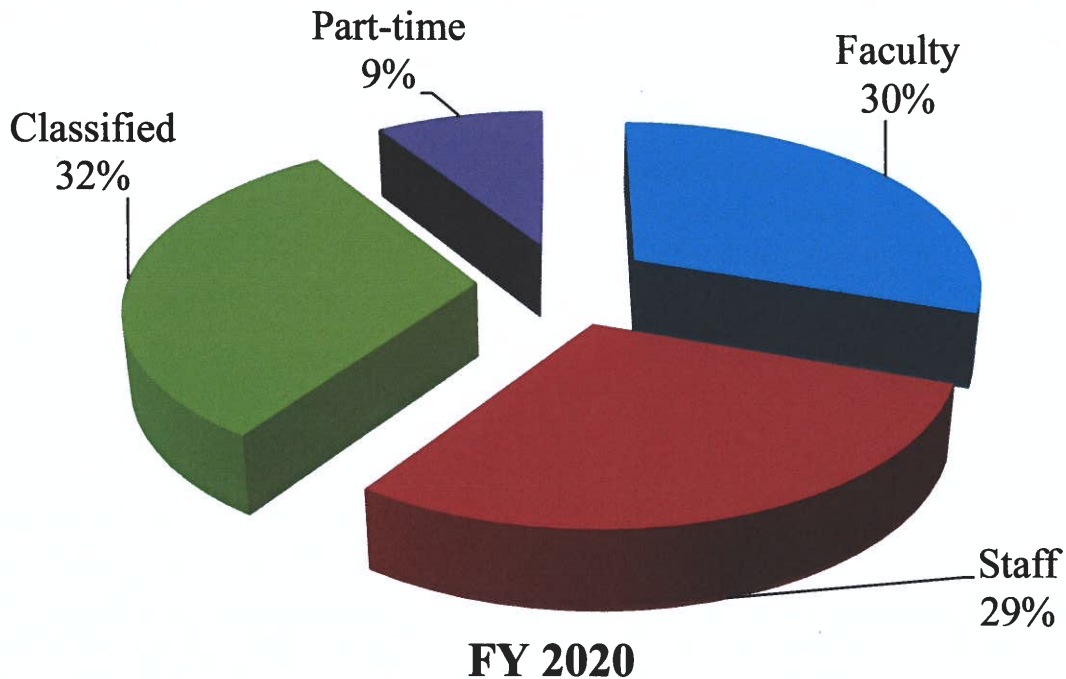
Note: Fees include room, board, medical, cadet activities/facilities, athletic, laundry/pressing, haircuts, and UMA activities.

Budgeted Dollars for Personnel

	FY 2019		FY 2020	
	FTE	Salaries/Fringes	FTE	Salaries/Fringes
Full-time Staff				
Faculty	147	16.3 million	150	17.6 million
Staff	155	16.4 million	156	17.1 million
Classified	308	17.2 million	309	18.3 million
Part-time Staff		5.3 million		5.3 million
Total	610	55.2 million	615	58.3 million

Notes:

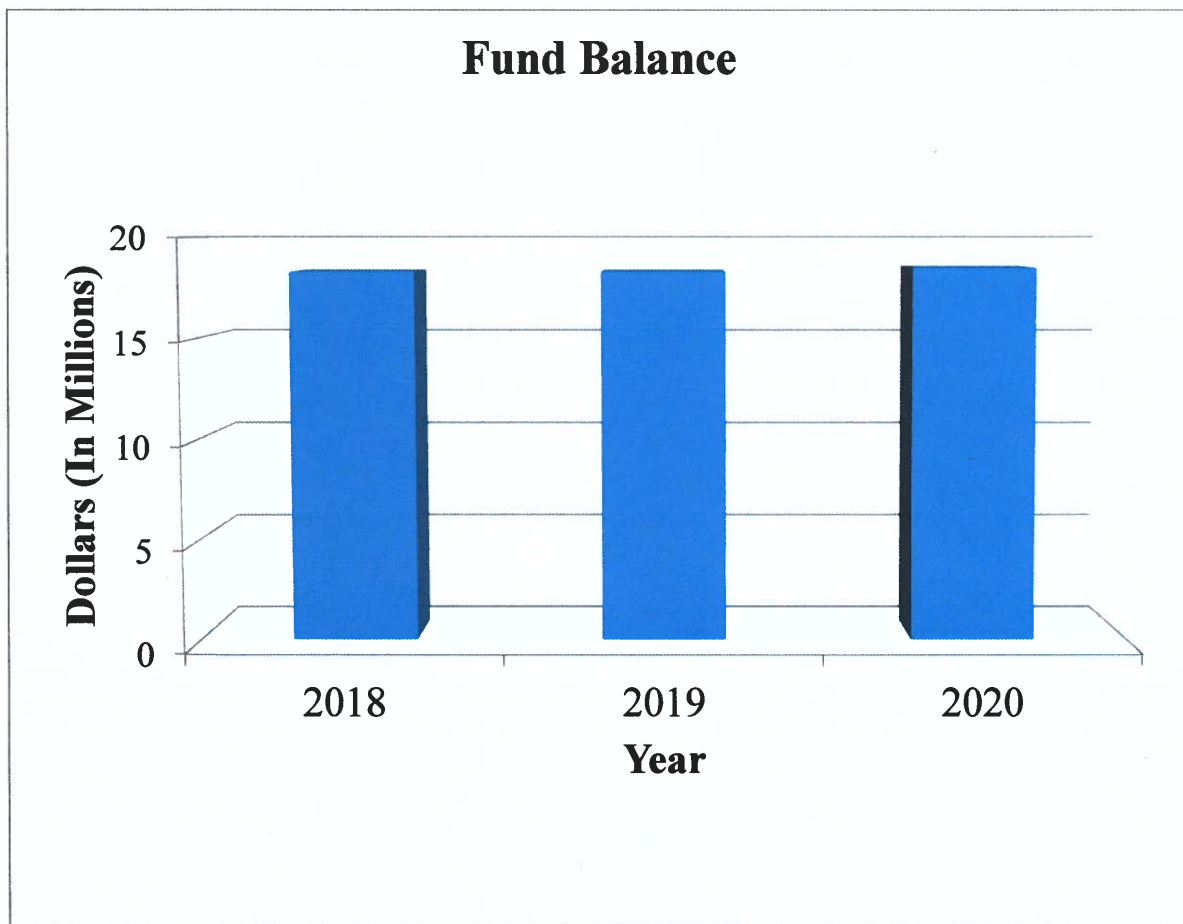
1. FTE counts full-time employees; however, the dollars also include part-time employee wages.
2. The budget reflects an increase of 5 FTE or 0.82%.
3. Salaries and fringe benefits represent 63% of the total operating budget.
4. VMI's 11:1 student-to-faculty ratio (average) is the lowest of the State's public colleges.
5. FTE and dollars include 5 full-time positions budgeted in Maintenance Reserve/Capital Projects.



Auxiliary Fund Balance

	Actual 6/30/18	Projected 6/30/19	Projected 6/30/20
Fund Balance	18,341,162	18,300,000	18,500,000

Note: Goal is to maintain Fund Balance at about \$10 million for working capital and for renewal and replacement of facilities. This balance will fluctuate over the next few years as VMI undertakes Auxiliary funded 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 2019 and ending 30 June 2020 (hereinafter referred to also as 2020). 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

	2019	2020	Increase (Decrease)	%
Educational and General				
General Funds	10,415,000	12,270,000	1,855,000	17.8%
Cadet Tuition and Other Income	28,685,000	30,077,000	1,392,000	4.9%
Total Educational & General	39,100,000	42,347,000	3,247,000	8.3%
Unique Military Activities				
General Funds	4,210,000	5,610,000	1,400,000	33.3%
Cadet Fees and Other Income	4,424,000	4,632,000	208,000	4.7%
Total Unique Military	8,634,000	10,242,000	1,608,000	18.6%
Auxiliary Enterprises				
Cadet Fees and Other Income	22,416,000	23,309,000	893,000	4.0%
Transfer from/(to) Reserves	629,000	(214,000)	(843,000)	-134.0%
Total Auxiliary	23,045,000	23,095,000	50,000	0.2%
Cadet Financial Assistance				
General Funds	1,048,000	1,118,000	70,000	6.7%
Cadet Tuition and Fees	4,000,000	3,700,000	(300,000)	-7.5%
Total Cadet Financial Assistance	5,048,000	4,818,000	(230,000)	-4.6%
Total State Funds	75,827,000	80,502,000	4,675,000	6.2%

	2019	2020	Increase (Decrease)	%
LOCAL FUNDS				
Restricted Funds				
VMI Foundation/Agencies Bd	13,518,000	14,301,000	783,000	5.8%
VMI Keydet Club	5,150,000	5,084,000	(66,000)	-1.3%
VMI Endowment	556,000	539,000	(17,000)	-3.1%
Federal Funds/NCAA Income	1,329,000	1,430,000	101,000	7.6%
Total Restricted	20,553,000	21,354,000	801,000	3.9%
Unrestricted Funds				
VMI Foundation/Agencies Bd	2,171,000	2,335,000	164,000	7.6%
VMI Endowment Income	88,000	71,000	(17,000)	-19.3%
Cadet Athletic Fees	5,597,000	5,841,000	244,000	4.4%
Athletic Revenue/Support	1,729,000	1,701,000	(28,000)	-1.6%
Museum Revenue	756,000	645,000	(111,000)	-14.7%
Conference Income	287,000	210,000	(77,000)	-26.8%
Concessions Income	429,000	433,000	4,000	0.9%
Total Unrestricted	11,057,000	11,236,000	179,000	1.6%
Total Local Funds	31,610,000	32,590,000	980,000	3.1%
TOTAL ALL FUNDS	107,437,000	113,092,000	5,655,000	5.3%
Less: Cadet Financial Assistance	(17,457,000)	(17,267,000)	190,000	-1.1%
TOTAL REVENUE	89,980,000	95,825,000	5,845,000	6.5%

EXPENDITURES

	2019	2020	Increase (Decrease)	%
STATE FUNDS				
Educational & General				
Instruction	19,533,000	20,479,000	946,000	4.8%
Public Service	110,000	115,000	5,000	4.5%
Academic Support	6,666,000	6,832,000	166,000	2.5%
Cadet Services	3,071,000	3,133,000	62,000	2.0%
Institutional Support	4,014,000	5,400,000	1,386,000	34.5%
Physical Plant	5,706,000	6,388,000	682,000	12.0%
Total Educational & General	39,100,000	42,347,000	3,247,000	8.3%
Unique Military Activities				
	8,634,000	10,242,000	1,608,000	18.6%
Auxiliary Enterprises				
Operations	19,824,000	19,961,000	137,000	0.7%
Debt Service	2,138,000	2,134,000	(4,000)	-0.2%
Maintenance projects	1,083,000	1,000,000	(83,000)	-7.7%
Total Auxiliary Enterprises	23,045,000	23,095,000	50,000	0.2%
Cadet Financial Assistance				
	5,048,000	4,818,000	(230,000)	-4.6%
Total State Funds	75,827,000	80,502,000	4,675,000	6.2%

	2019	2020	Increase (Decrease)	%
LOCAL FUNDS				
Educational & General				
Instruction	5,145,000	5,864,000	719,000	14.0%
Research	32,000	36,000	4,000	12.5%
Public Service	1,283,000	1,125,000	(158,000)	-12.3%
Academic Support	1,432,000	1,561,000	129,000	9.0%
Cadet Services	981,000	901,000	(80,000)	-8.2%
Institutional Support	1,787,000	1,983,000	196,000	11.0%
Physical Plant	145,000	124,000	(21,000)	-14.5%
Total Educational & General	10,805,000	11,594,000	789,000	7.3%
Cadet Financial Assistance	12,409,000	12,449,000	40,000	0.3%
Auxiliary Enterprises				
Intercollegiate Athletics	8,209,000	8,359,000	150,000	1.8%
Debt Service	187,000	188,000	1,000	0.5%
Total Auxiliary Enterprises	8,396,000	8,547,000	151,000	1.8%
Total Local Funds	31,610,000	32,590,000	980,000	3.1%
TOTAL ALL FUNDS	107,437,000	113,092,000	5,655,000	5.3%
Less: Cadet Financial Assistance	(17,457,000)	(17,267,000)	190,000	-1.1%
TOTAL EXPENDITURES	89,980,000	95,825,000	5,845,000	6.5%

SOURCES OF REVENUE

	2019	% of Total	2020	% of Total	Inc (Dec)	%
State General Funds	15,673,000	17.4	18,998,000	19.8	3,325,000	21.2%
Cadet Tuition/Fees and Sales	47,665,000	53.0	50,292,000	52.5	2,627,000	5.5%
VMI and Alumni Agencies Support						
<i>VMI Alumni Agencies</i>						
VMI Foundation	14,611,000	16.2	15,539,000	16.2	928,000	6.4%
VMI Alumni Agencies Board	1,078,000	1.2	1,097,000	1.1	19,000	1.8%
Total Foundation/ Agencies Bd	15,689,000	17.4	16,636,000	17.3	947,000	6.0%
VMI Keydet Club	5,150,000	5.7	5,084,000	5.3	(66,000)	-1.3%
Total Alumni Agencies	20,839,000	23.1	21,720,000	22.6	881,000	4.2%
<i>VMI Endowment</i>						
VMI General Endowment	394,000	0.4	368,000	0.4	(26,000)	-6.6%
VMI Collins Endowment	179,000	0.2	167,000	0.2	(12,000)	-6.7%
Outside Trusts (scholarships)	71,000	0.1	75,000	0.1	4,000	5.6%
Total VMI Endowment	644,000	0.7	610,000	0.7	(34,000)	-5.3%
Total VMI and Alumni Agencies	21,483,000	23.8	22,330,000	23.3	847,000	3.9%

	2019	% of Total	2020	% of Total	Inc (Dec)	% Inc (Dec)
Other Revenue						
Athletic Revenue/Support	1,729,000	1.9	1,701,000	1.8	(28,000)	-1.6%
Concessions Income	429,000	0.5	433,000	0.5	4,000	0.9%
Museum Revenue	756,000	0.8	645,000	0.7	(111,000)	-14.7%
Program/Conference Income	287,000	0.3	210,000	0.2	(77,000)	-26.8%
Auxiliary Reserves	629,000	0.7	(214,000)	-0.2	(843,000)	-134.0%
Federal Funds/Other Income	1,329,000	1.5	1,430,000	1.4	101,000	7.6%
Total Other Revenue	5,159,000	5.7	4,205,000	4.4	(954,000)	-18.5%
TOTAL	89,980,000	100.0	95,825,000	100.0	5,845,000	6.5%

General Information

GENERAL INFORMATION

Total Operating Budget

The 2020 Operating Budget totals \$113.0 million and includes \$17.3 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 \$95.8 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 because they are spent by Intercollegiate Athletics which is accounted for as a local auxiliary enterprise. State procurement regulations also apply to the expenditures of all local funds. Restricted local funds are subject to donor restrictions as to use. Unrestricted funds carry no restrictions by the donor.

With the adoption of this budget, the Board of Visitors directs that the expenditure of all budgeted funds shall be in accordance with the policies and procedures as outlined in the VMI 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 2018. The next plan submission is required by 1 July 2019.

VMI Budget Process and Calendar

VMI adopts an annual operating budget at the May meeting of the Board of Visitors. The Deputy Superintendent - 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 Deputy Superintendent - Finance, Administration and Support (FAS) presents VMI's draft local unrestricted funds budget to the VMI Foundation Finance Committee usually in April for its review and information.

Programs

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

Educational and General Program (E&G)

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

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

Unique Military Activities (UMA)

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

Auxiliary Enterprises (AUX)

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

Cadet Financial Assistance (CFA)

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

State Funding

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

Educational and General Program

The Appropriations Act provides that in establishing the appropriate State share of funding for in-state students in the E&G Program the General Assembly “shall seek to cover at least 67 percent of educational costs associated with providing full funding of the base adequacy guidelines, raising average salaries for teaching and research faculty to the 60th percentile of peer institutions, and other priorities set forth in the act.” The Appropriations Act requires out-of-state students to pay at least 100% of the cost of their education. Accordingly, this policy provides that VMI should receive State general fund support of its E&G Program that is equal to approximately 67% times the percentage of its in-state students. **For FY 2020, VMI projects an in-state enrollment of about 63% which would indicate that State general fund support of the E&G Program should approximate 42% of the total State E&G budget (67% times 63%). State general fund support budgeted for FY 2020 totals about 29% of the total State E&G budget. The shortfall in State funding is about \$5.5 million and largely reflects State general fund reductions from FY 2008 to FY 2012 due to the economic recession and relatively 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 \$5.6 million in FY 2020 and includes one-time funding of \$1.4 million to support conversion of cadet uniforms new Army standards. Excluding this one-time funding, State general fund support of the UMA program 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 2020 shortfall in State general funds for the UMA Program is estimated to be approximately \$4.1 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 2020 (the regular session and the summer session held the summer of 2019) 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 2020 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 2023 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

	2019	2020	Inc (Dec)	%
<i>Tuition</i>				
Virginia Cadet	9,284	9,284	-	0.0%
NonVirginia Cadet	36,128	36,128	-	0.0%
<i>Room</i>	2,840	2,924	84	3.0%
<i>Board</i>	6,642	6,842	200	3.0%
<i>Auxiliary Fees</i>				
Athletic	3,440	3,544	104	3.0%
Medical	498	512	14	2.8%
Cadet Facilities/Activities	2,266	2,302	36	1.6%
Total	6,204	6,358	154	2.5%
<i>Quartermaster Charges</i>				
Laundry/Pressing	404	418	14	3.5%
Haircuts	280	288	8	2.9%
Uniforms/UMA Activities	2,690	2,770	80	3.0%
Total	3,374	3,476	102	3.0%
Total Virginia Cadet	28,344	28,884	540	1.9%
Total NonVirginia Cadet	55,188	55,728	540	1.0%

Significant Budget Assumptions Tuition and Fees Notes

Tuition

The FY 2020 budget includes no increases in in-state tuition or out-of-state tuition rates. The in-state tuition freeze is directly attributed to new funding from the State specifically for this purpose. The out-of-state tuition freeze is attributable to several factors including increased enrollment, receipt of additional base adequacy funding, and funding for O&M costs. Historically, the lack of base adequacy and O&M funding resulted in out-of-state cadets bearing a disproportionate share of these costs. In addition, the budget is based on many considerations to include the following:

- a) General Assembly authorization for the Board of Visitors of State institutions to set tuition at levels they deem to be appropriate based on, but not limited to, competitive market rates, 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 increase in State General Funds for the E&G program of approximately \$1,855,000 or 17.8% for FY 2020 compared to FY 2019. This reflects \$396,000 to support increased STEM degree production, \$611,000 for O&M costs and the Math That Matters program, \$661,000 to hold in-state tuition at FY 2019 levels, and approximately \$187,000 to cover the State share of salary and benefit cost increases. In addition, there is one-time UMA funding of \$1,400,000 to support uniform changes and \$70,000 additional for need based financial aid. .
- c) No increase in the employer contribution rates for health insurance.
- d) Increases in funding of approximately \$400,000 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 budget of tuition revenue used for cadet financial assistance of \$3,700,000 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 \$84 or 3.0% to \$2,924 provides for increases in facility operations and maintenance costs. This includes State-initiated or mandated salary and fringe benefit cost increases as described in the Tuition Note.

The board fee increase of \$200 per cadet or 3.0% to \$6,842 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 \$154 or 2.5% to \$6,358. It consists of a \$104 increase in the cadet athletic fee, a \$14 increase in the medical fee, and a \$36 increase in the cadet facilities/activities fee. The net fee increase primarily funds State-initiated or mandated salary and fringe benefit cost increases as described in the Tuition Note, increased debt service costs on bonds issued for facilities improvements, and operation and maintenance of newly renovated and new facilities coming on line. It also funds Athletic Program cost increases.

The Appropriations Act limits auxiliary fee increases to 3% excluding the requirements for wage, salary, and fringe benefit increases authorized by the General Assembly. The restriction does not apply to medical services or to fees (such as debt service) directly related to General Assembly approved capital projects. VMI's proposed auxiliary fee increase for FY 2020 complies with the Act.

Quartermaster Charges

VMI's comprehensive quartermaster charges covering laundry/pressing, haircuts, cadet uniforms, and Unique Military Activities will increase \$102 or 3.0% to \$3,476. The increase primarily funds the State-initiated or mandated 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 for 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 2019 for the Fall Semester and 15 December 2019 for the Spring Semester. In addition, a \$100 late registration fee will be assessed to all cadets who fail to pre-register by the appropriate due date.

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

All cadets from foreign countries are assessed a fee for health insurance coverage. The fee is expected to approximate \$1,000 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 Deputy Superintendent for 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)	%
	2018	2019		
Tuition (Per Credit Hour)				
<i>Virginia</i>				
Regular	340	340	-	0.0%
Student Transition (STP)	376	376	-	0.0%
<i>Non-Virginia</i>				
Regular	1060	1060	-	0.0%
Student Transition (STP)	1178	1178	-	0.0%
Room (Per Week)	135	138	3	2.2%
Board (Per Week)				
5-Meal Plan	61	62	1	1.6%
10-Meal Plan	118	119	1	0.8%
15-Meal Plan	153	154	1	0.7%
19-Meal Plan	194	196	2	1.0%
Auxiliary Fee (Per Term)				
Regular	72	75	3	4.2%
Summer Transition	130	135	5	3.8%
Other Charges/Fees				
Late Registration Fee (Per Term)	70	70	-	0.0%
Security Deposit (Per Session)	100	100	-	0.0%
Parking Permit (Per Session)	40	40	-	0.0%

Notes:

1. Tuition increases, where applicable, help to fund increasing costs for programs and facilities operations and maintenance.
2. Tuition for Student Transition Program students is greater than regular session students because additional faculty instruction and supervision is provided.
3. Room rate increase 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 recreational facilities during the summer.

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

Tuition and Fees--Summer Session Foreign Study

	Summer		Inc(Dec)	%
	2018	2019		
Morocco	4,900	-		
Morocco - Project GO	-	9,842		
Germany (ME)	4,900	4,900	-	0.0%
Paris	6,895	6,925	30	0.4%
Spain	5,000	5,000	-	0.0%
Belize	-	3,100		
Economics/Politics of EU		5,700		
Central Europe	4,700	-		
China	5,600	-		

Notes:

1. The tuition and fees for the programs above generally include tuition, room, a portion of board, excursion expenses, and medical insurance. Airfare is not included. The tuition also includes some provision for VMI's 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 Morocco program will be funded through a Project GO grant in 2019. This is a federally funded (DOD) program to improve the language skills, regional expertise, and intercultural communication skills of future military officers through resident language training and summer overseas language and cultural immersion.

5. The Belize program is conducted every other year.

6. The Economics/Politics of EU program is new for 2019.

7. The Central Europe and China programs will not be conducted in 2019.

Facility Use Fees

	Fee Per Day		Inc (Dec)	%
	Fiscal Year			
	2019	2020		
<i>Fee per Camp/School/Other</i>				
Baseball Field (day)	175	200	25	14.3%
Baseball Field (night)	260	285	25	9.6%
Cameron Hall Arena	345	395	50	14.5%
Cameron Hall Racquetball Courts	200	200	-	0.0%
Cocke Hall Basketball Arena	130	150	20	15.4%
Cocke Hall Swimming Pool	115	200	85	73.9%
Cocke Hall (Wellness Studio)	65	65	-	0.0%
Cormack Wrestling Arena	105	105	-	0.0%
Cormack Fitness/Weight Room	105	105	-	0.0%
Football Practice Field (day)	215	235	20	9.3%
Football Practice Field (night)	310	330	20	6.5%
Foster Stadium Track/Upper Field	510	510	-	0.0%
Foster Stadium Upper Throwing Field	60	60	-	0.0%
Indoor Training Facility	1,040	8,072	7,032	676.2%
Indoor Training Facility Climbing Wall	50	50	-	0.0%
Indoor Training Facility Endurance Obstacle Course	40	40	-	0.0%
Indoor Training Facility Fitness/Weight Room	50	50	-	0.0%
Indoor Training Facility High Ropes Course	110	110	-	0.0%
Indoor Training Facility Jump Area	60	60	-	0.0%
Indoor Training Facility Mobile Initiatives Course	40	40	-	0.0%
Indoor Training Facility Sprint Track	60	60	-	0.0%
Indoor Training Facility Throwing Areas	60	60	-	0.0%
Kilbourne Hall Indoor Range	260	260	-	0.0%
King Hall Boxing Room	65	65	-	0.0%
McKethan Park Pavilion	75-150	75-150	-	0.0%
McKethan Park Training Area	310	310	-	0.0%
McKethan Park Skeet Range	185	185	-	0.0%
North Post Field #1 and #3	160	160	-	0.0%
North Post Field #2 (day)	235	235	-	0.0%
North Post Field #2 (night)	260	330	70	26.9%
North Post Leadership Reaction Course	40	40	-	0.0%
North Post High Ropes Course	110	110	-	0.0%
North Post Outdoor Range	335	335	-	0.0%

Facility Use Fees

	Fee Per Day		Inc (Dec)	%
	Fiscal Year			
	2019	2020		
North Post Red/White/Blue Loops	40	40	-	0.0%
North Post Tennis Courts (All)	260	260	-	0.0%
Patchin Field (Soccer/Lacrosse)	125	125	-	0.0%
Classrooms	75	75	-	0.0%
Academic Lecture Halls	160	160	-	0.0%
JM Hall Chapel/Rooms	750	750	-	0.0%
<i>Fee per Camper/Participant</i>				
Barracks	20	20	-	0.0%
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. Additional fees may be assessed for certain facilities as appropriate for supervision and other services.

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

Enrollment

	2019				2020		Budget	
	Budget	%	Actual	%	Budget	%	Inc(Dec)	%
Fall Semester								
New Cadets								
Virginia	300	60.0	311	59.9	300	60.0	-	0.0%
NonVirginia	200	40.0	208	40.1	200	40.0	-	0.0%
Total	500	100.0	519	100.0	500	100.0	-	0.0%
Old Cadets								
Virginia	776	64.5	750	62.9	780	63.6	4	0.5%
NonVirginia	427	35.5	443	37.1	446	36.4	19	4.4%
Total	1,203	100.0	1,193	100.0	1,226	100.0	23	1.9%
Total Fall								
Virginia	1,076	63.2	1,061	62.0	1,080	62.6	4	0.4%
NonVirginia	627	36.8	651	38.0	646	37.4	19	3.0%
Total	1,703	100.0	1,712	100.0	1,726	100.0	23	1.4%
<i>Cadets on Foreign Study</i>	2		3		2		-	0.0%
Total Potential	1,705		1,715		1,728		23	1.3%
Spring Semester								
Virginia	1,010	63.9	996	62.6	1,014	63.3	4	0.4%
NonVirginia	571	36.1	594	37.4	588	36.7	17	3.0%
Total	1,581	100.0	1,590	100.0	1,602	100.0	21	1.3%
<i>Cadets on Foreign Study</i>	33		32		33		-	0.0%
Total Potential	1,614		1,622		1,635		21	1.3%
Average enrollment for the Year (Fall census and Spring)								
	1,630		1,638		1,648		18	1.1%

New Cadet Enrollment *Opening Day*

	FY 2019 Actual			FY 2020 Estimated/Budgeted		
	VA	NVA	Total	VA	NVA	Total
Total Applications	836	1,008	1,844	726	902	1,628
Total Acceptances	417	537	954	415	474	889
% of Applicants Accepted	50%	53%	52%	57%	53%	55%
Matriculants	311	208	519	300	200	500
% of Accepted (Yield)	75%	39%	54%	72%	42%	56%

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 2019 with 60% in-state cadets and enrolled 519 cadets with about 60% in-state cadets.

Old Cadets

An Old Corps (returning cadets) of 1,226 is budgeted for fall 2019; 23 more than budgeted for FY 2019 and 33 more than actually enrolled last fall. The percentage of in-state old cadets is projected to be 63.6% compared to 62.9% actually enrolled in FY 2019.

Total Cadets

The budget is based on a total projected “opening” day enrollment of 1,726 cadets with 62.6% in-state cadets. Opening day refers to matriculation day for new cadets and registration day for old cadets. The old cadets usually return and register about 9 to 10 days after new cadet matriculation; usually about 20-25 new cadets will have withdrawn by then resulting in a total projected Barracks enrollment of about 1,700 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 1,693; this compares to 1,685 last census date.

Spring Semester

The spring semester enrollment is budgeted to total 1,602 or 93% 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 2020 is 1,648 and consists of 1,693 cadets at the fall census date and 1,602 in the spring semester. The average enrollment for FY 2019 is 1,638. **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

	2019		2020		Inc (Dec)		
	FTE	Dollars	FTE	Dollars	FTE	Dollars	%
State Funds							
Educational and General Program	385	36,172,000	388	38,089,000	3	1,917,000	5.3%
Auxiliary Enterprises Program	114	6,984,000	114	7,229,000	-	245,000	3.5%
Unique Military Program	25	2,509,000	25	2,645,000	-	136,000	5.4%
Total State Funds	524	45,665,000	527	47,963,000	3	2,298,000	5.0%
Local Funds							
Intercollegiate Athletics	50	4,177,000	50	4,249,000	-	72,000	1.7%
Museum Programs	9	616,000	9	646,000	-	30,000	4.9%
Local Restricted	11	2,002,000	13	2,582,000	2	580,000	29.0%
Local Unrestricted	11	2,423,000	11	2,582,020	-	159,020	6.6%
Total Local Funds	81	9,218,000	83	10,059,020	2	841,020	9.1%
Total State and Local	605	54,883,000	610	58,022,020	5	3,139,020	5.7%
Capital Programs							
Maintenance Reserve/Projects	5	332,000	5	334,000	-	2,000	0.6%
Total All	610	55,215,000	615	58,356,020	5	3,141,020	5.6%

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 2020

Department	Position	Type Change	# FTE
<i>E&G Program</i>			
Applied Math	Teaching Faculty	Move to a chair position	(1)
Physics and Astronomy	Teaching Faculty	Move to a chair position	(1)
Computer Information Systems	Teaching Faculty	New position	1
Physical Education	Teaching Faculty	Buyback from Jackson Hope	1
Physical Education	Teaching Faculty	New Position	1
Institutional Research	Admin Prof	Convert from Classified	1
Information Services	Admin Prof	Convert from Classified	1
Career Services	Admin Prof	Eliminate position	(1)
O&M Plant	Classified staff	New position (Engineer Tech)	1
Institutional Research	Classified staff	Convert position to AP	(1)
Information Services	Classified staff	Convert position to AP	(1)
Information Services	Classified staff	New position (printer tech)	1
Comm. & Marketing	Classified staff	New position (digital content)	1
			3

Auxiliary Enterprises

NONE

Local Funds

Applied Math	Teaching Faculty	Chair position local funded	1
Physical Education	Teaching Faculty	Buyback to E&G	(1)
Physics and Astronomy	Teaching Faculty	Chair position local funded	1
JH Distinguished Professor	Teaching Faculty	New position	1
			2

Net Increase 5

See accompanying Notes on following page

Total Employment Notes

1. Two new full-time teaching faculty positions are budgeted in FY 2020 and reflect VMI's continuing "Right-Sizing" initiative to replace some part-time teaching faculty positions with full-time positions. One of the new positions is in Computer Information Systems and the other is in Physical Education. As a result of a position "buy-back" from Jackson-Hope (JH) local funds, another full time teaching position will be added in the Physical Education department. Two teaching faculty will move into local funded chair positions, one in Applied Mathematics and the other in Physics and Astronomy. The overall impact to the E&G Teaching Faculty is an increase of one position.

Administrative Professional (AP) staff will increase one position in FY 2020. Two positions moved from Classified to Administrative Professional, one position in Institutional Research and one position in Information Services. This plus up of two positions is offset by a reduction of one position in Career Services.

Classified Staff added three new positions, an Engineering Technician at the Physical Plant, a Printer Technician in Information Services and a Digital Content Specialist in Communications and Marketing. The net result in E&G Classified staff is a plus up of one due to the conversion of the Information Service and Institutional Research positions to AP.

2. Local funded positions increased by two as a result of the movement of two previously E&G funded positions to local funded chair positions and a new JH Distinguished Professorship, offset by the "buy-back" JH Physical Education position to E&G.

Salary Increases and Fringe Benefits

	2019	2020	Inc (dec)	%
State Appropriated Salary Increases				
Teaching Faculty	0.00%	3.00%		
Administrative and Professional Staff	0.00%	3.00%		
Classified Employees	0.00%	5.00%		
VRS Employees (hired prior FY 2010)--Note 1	0.00%	0.00%		
VMI Funded Salary Increases				
Teaching Faculty	0.00%	2.00%		
Administrative and Professional Staff	0.00%	2.00%		
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)	14.14%	14.14%		
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	1.17%	1.17%		
Social Security Rate	7.65%	7.65%		
Group Life Insurance	1.31%	1.31%		
Total for VRS Employee	24.27%	24.27%		
Total for ORP Employee-Before 7/1/2010	20.53%	20.53%		
Total for ORP Employee-After 6/30/2010	18.63%	18.63%		
Health Insurance (Employer share)				
Single	8,244	8,244	-	0.0%
Family	21,624	21,624	-	0.0%
Employee plus one	14,748	14,748	-	0.0%

Notes:

1. The State initiated salary increases are effective 10 June 2019 for Administrative and Professional Staff and for Classified Employees, and effective 1 August 2019 for Teaching Faculty. The additional 2% VMI funded increases will also be effective 1 August 2019.
2. The FY 2020 and FY 2019 Budgets include provision for salary increases to selected employees due to added responsibilities, promotions, merit, and/or market/benchmark adjustments.
3. 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.
4. 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 \$46.0 million for an increase of \$2.9 million or 6.8% over FY 2019.
2. State general funds are budgeted at \$12.3 million for an increase of \$1,855,000 or 17.8% compared to FY 2019. This increase reflects \$396,000 in funding to support increased STEM degree production, \$611,000 for O&M costs and the Math That Matters program, \$661,000 to hold in-state tuition at FY 2019 levels, and approximately \$187,000 to cover the State share of salary and benefit cost increases.
3. Cadet tuition/other revenue is budgeted at \$33.8 million, for an increase of \$1.1 million or 3.3% compared to FY 2019. This generally reflects the increase in enrollment as compared to FY 2019.
4. Cadet tuition revenue allocated for cadet financial aid is budgeted at \$3.7 million, \$300,000 less than in FY 2019. The funding mostly reflects efforts to meet financial need of NVA cadets and limited increases in other funding for cadet financial assistance.
5. The percentage of cadet tuition/other revenue allocated for cadet financial aid will total 11.0% compared to 12.2% in FY 2019.

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 60% to 55% which began in FY 2018. It also includes on-going consideration of balancing NVA cadet enrollment and with VA cadet enrollment while maintaining a target average enrollment for the year of 1,625 cadets. Any significant shift to more VA cadets could require significant increases in VA cadet tuition rates to help offset the loss of NVA cadet tuition (NVA cadet tuition is \$26,844 greater or 3.9 times more than a VA cadet tuition in FY 2020).

6. E&G budgeted revenues and support after deducting cadet financial aid totals \$42.3 million for an increase of \$3.2 million or 8.3% over FY 2019.
7. E&G personal services costs are budgeted to total \$37.7 million (before recoveries) for a net increase of \$2.5 million or 7.0% over FY 2019. The net increase consists mostly of the following:
 - 5.0% salary increases for all employees
 - Provision for a study and resulting salary increases for high turnover and difficult to fill positions

- One new teaching faculty position in Computer and Information Sciences and one new faculty position in Physical Education. One buy-back position in Physical Education from Local Funds.
 - Elimination of prior year budgeted transfer of \$467,000 in E&G personal services costs to the Auxiliary program
 - Reduction in estimated vacancy savings of \$75,000
8. E&G non-personal services costs (excluding contingencies) are budgeted to total \$10.7 million, for an increase of \$400,000 or 4.0% compared to FY 2019.
 9. Indirect costs recovered from the Auxiliary Enterprises and the Unique Military Activities Programs are budgeted to be \$7.3 million for an increase of \$60,000 or 0.8% over FY 2019.
 10. E&G Contingencies are budgeted at \$1,112,000, or \$362,000 more than FY 2019. This budget represents about 2.4% of total E&G expenditures including cadet financial aid.

Auxiliary Enterprises Program

11. Auxiliary Enterprise revenues and support are budgeted to total \$23.1 million for an increase of \$50,000 or 0.2% over FY 2019. The increase mostly reflects an overall 2.8% increase in Auxiliary Fees and includes a budgeted transfer to reserves of \$214,000. In addition to Room and Board fees, the primary components of this increase is a \$104 (3%) increase in the Athletic fee, and a \$36 (1.6%) increase in the cadet facilities/activities fee.
12. Room and Board fees will both increase 3.0% to support increasing operations and maintenance costs and to cover State mandated salary and fringe benefit increases.
13. Auxiliary Enterprise personal services costs are projected to total \$4.5 million or about \$150,000 or 3.4% more than FY 2019.
14. Auxiliary non-personal services are projected to total \$10.4 million, an increase of \$360,000 or 3.6% from FY 2019. This decrease is primarily attributed to increased cadet meal costs and utilities 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 \$4.1 million, about the same as in FY 2019.
16. Auxiliary contingencies are budgeted for \$1,000,000 the same as in the FY 2019 budget.
17. Small non-capital repairs and improvements to facilities are budgeted for \$1,000,000; about the same as budgeted in FY 2019.

18. Auxiliary Enterprises debt service is budgeted for \$2.1 million, about the same as in FY 2019.

Note: VMI's three \$4.0 million bond financings through the Virginia College Building Authority (VCBA) began in FY 2014 and continued through FY 2019. The bonds are funding repairs and improvements to Barracks (turrets, parapets, stoops, hot water/showers, and windows), Cocks 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 \$884,000 and are being financed with cadet fees.

19. The Auxiliary Fund Balance is projected to total approximately \$18.3 million at the end of FY 2019 and approximately \$18.5 million at the end of FY 2020.
20. State guidelines indicate that the Auxiliary Fund Balance should be about \$10.0 million for FY 2019. The projected fund balance includes accumulated reserves to fund several construction projects to be completed over the next few years.

Unique Military Activities Program (UMA)

21. UMA revenues and support are budgeted at \$10.2 million, an increase of \$1.6 million compared to FY 2019. The total consists of \$5.6 million in State general funds and \$4.6 million in cadet fees and sales, and includes one-time State funding of \$1.4 million for uniform conversions.
22. The funding reflects a UMA fee increase of 3.0%. No additional base UMA funding was received from the State for FY 2020.
23. UMA personal services expenditures are budgeted for \$2.63 million, for an increase of \$135,000 or 5.4% compared to FY 2019. 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 \$7.6 million, for an increase of \$1.5 million compared to FY 2019. These costs consist mostly of cadet uniform purchases, (\$2.7 million), cadet uniform maintenance and other support services (Laundry, Tailor shop, Military Store, Hospital, Regimental Band, and Armory).
25. The UMA Program's share of indirect costs (payable to the E&G Program for administration and facilities support) are budgeted for \$1.59 million, about the same as in FY 2019. This represents continued efforts to achieve full indirect cost recovery from the UMA program; however, 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

	2019	2020	Inc (Dec)	%
<i>State General Funds--Operating</i>				
<i>Educational and General Program</i>				
State Appropriation--VMI	10,265,000	12,202,000	1,937,000	18.9%
State funding reduction	-	-	-	
State Central Allocation	150,000	68,000	(82,000)	-54.7%
Total	10,415,000	12,270,000	1,855,000	17.8%
<i>Unique Military Activities</i>				
State Appropriation--VMI	4,210,058	5,610,058	1,400,000	33.3%
New Funding ("anticipated")	-	-	-	
	4,210,058	5,610,058	1,400,000	33.3%
<i>Cadet Financial Assistance</i>				
State Appropriation--VMI	1,048,000	1,118,000	70,000	6.7%
Total General Funds--Operating	15,673,058	18,998,058	3,325,000	21.2%
<i>Other State Appropriations--Capital*</i>				
Equipment Trust Fund (ETF)	886,000	886,000	-	0.0%
Maintenance Reserve Program	1,715,000	1,715,000	-	0.0%
Total	2,601,000	2,601,000	-	0.0%
Total All	18,274,058	21,599,058	3,325,000	18.2%

* 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 increase of \$1,855,000 or 17.8% consists of the following:

- \$661,000 to hold in-state tuition rates at FY2019 levels
- \$490,000 for Operation and Maintenance costs
- \$396,000 to increase STEM degree production
- \$121,000 for the Math that Matters program
- \$187,000 for state-approved salary increase and benefit costs

Unique Military Activities

State general funds increased \$1,400,000 to \$5,610,000 for FY 2020. This additional funding represents a one-time appropriation to convert the Corps to the new Army Operational Combat Pattern uniforms.

VMI continuously submits 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.

Cadet Financial Assistance

State general funds for cadet financial assistance is limited to in-state cadets with demonstrated need. The general funds budget increased by \$70,000 over FY 2019. 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 \$4.5 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 2019	Budget 2020	Inc (Dec)	%
<i>E&G Program</i>				
<i>Tuition--Regular Session</i>				
Gross tuition--current year	31,187,000	31,875,000	688,000	2.2%
Less: refunds	(316,000)	(324,000)	(8,000)	2.5%
Net potential	30,871,000	31,551,000	680,000	2.2%
Less: uncollected	(150,000)	(150,000)	-	0.0%
Net tuition	30,721,000	31,401,000	680,000	2.2%
<i>Tuition--Collection of Prior Years</i>	75,000	75,000	-	0.0%
<i>Tuition--Summer Session</i>				
First Term	474,000	486,000	12,000	2.5%
Second Term	460,000	514,000	54,000	11.7%
STP	370,000	454,000	84,000	22.7%
Foreign Study	300,000	526,000	226,000	75.3%
Total Summer	1,604,000	1,980,000	376,000	23.4%
Total tuition	32,400,000	33,456,000	1,056,000	3.3%
<i>Student Fees</i>				
Application fees	70,000	70,000	-	0.0%
Forfeited deposits	12,000	12,000	-	0.0%
Late fees	49,000	50,000	1,000	2.0%
Total fees	131,000	132,000	1,000	0.8%
<i>Other Income</i>				
Interest on notes--Cadets	14,000	14,000	-	0.0%
Transcripts	15,000	15,000	-	0.0%
Energy Demand	35,000	35,000	-	
Miscellaneous	60,000	60,000	-	0.0%
Total other	124,000	124,000	-	0.0%
<i>Indirect Costs & Admin Fees</i>				
Indirect Costs--grants/contracts	20,000	55,000	35,000	175.0%
Total indirects	20,000	55,000	35,000	175.0%

	Budget 2019	Budget 2020	Inc (Dec)	%
<i>Prior Year Expenses Reimbursed</i>	10,000	10,000	-	0.0%
Subtotal	32,685,000	33,777,000	1,092,000	3.3%
<i>Transfer to Cadet Financial Aid</i>	(4,000,000)	(3,700,000)	300,000	-7.5%
Total E&G Program	28,685,000	30,077,000	1,392,000	4.9%
<i>Auxiliary Program</i>				
<i>Cadet Fees--Regular Session</i>				
Gross fees--current year	26,847,000	27,968,000	1,121,000	4.2%
Less: refunds	(217,000)	(227,000)	(10,000)	4.6%
Net potential	26,630,000	27,741,000	1,111,000	4.2%
Less: uncollected	-	-	-	
Net collections	26,630,000	27,741,000	1,111,000	4.2%
Transfer fees to Athletics Program	(5,597,000)	(5,841,000)	(244,000)	4.4%
Net cadet fees	21,033,000	21,900,000	867,000	4.1%
<i>Food Service</i>				
Cadet fees--summer session	290,000	298,000	8,000	2.8%
Commission revenue-ARA	96,000	99,000	3,000	3.1%
Total food service	386,000	397,000	11,000	2.8%
<i>Barracks</i>				
Cadet fees--summer session	239,000	246,000	7,000	2.9%
Rents--summer camps/others	25,000	26,000	1,000	4.0%
Total Barracks	264,000	272,000	8,000	3.0%
<i>Military Store/Other Sales</i>	21,000	22,000	1,000	4.8%
<i>Medical/Other--Cadet fees (summer)</i>	61,000	63,000	2,000	3.3%
<i>Parking Fees and Fines</i>	40,000	40,000	-	0.0%
Total cadet fees/sales	21,805,000	22,694,000	889,000	4.1%
<i>Other Income</i>				
Rents--Post Housing	376,000	370,000	(6,000)	-1.6%
Rents--Cameron Hall	2,000	2,000	-	0.0%
Interest earned on Reserves	200,000	200,000	-	0.0%

	Budget 2019	Budget 2020	Inc (Dec)	%
Miscellaneous	33,000	43,000	10,000	30.3%
Total Other	611,000	615,000	4,000	0.7%
Subtotal	22,416,000	23,309,000	893,000	4.0%
Add: Transfer in from Reserves	629,000	(214,000)	(843,000)	100.0%
Total AUX Program	23,045,000	23,095,000	50,000	0.2%

Unique Military Activities

Cadet Fees

Gross fees--current year	4,401,000	4,610,000	209,000	4.7%
Less: refunds	(42,000)	(44,000)	(2,000)	4.8%
Net potential	4,359,000	4,566,000	207,000	4.7%
Less: uncollected				
Net cadet fees	4,359,000	4,566,000	207,000	4.7%

Sales and Other Income

Military Store Sales	65,000	66,000	1,000	1.5%
Total UMA	4,424,000	4,632,000	208,000	4.7%

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 \$688,000 or 2.2% and is attributed solely to a projected enrollment increase of 23 cadets, along with a projected increase in the percentage of out-of-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 \$22,950 a year for the last 10 years.

Write-Off of Uncollectible Accounts

VMI Board policy authorizes the Superintendent to write-off uncollectible accounts up to \$2,500 and requires Board approval for accounts over \$2,500. VMI currently has two accounts greater than \$2,500 that is proposed for write-off by the Board. These accounts total \$34,447.43 (ranging from \$8,163 to \$26,284) and are from former cadets who resigned. VMI has expended considerable effort to collect these accounts including sending it to the Office of the Attorney General for assistance in collection. It is now deemed uncollectible and should be written off. However, VMI will continue to hold official transcripts until full payment is received from these former cadets. The Board's approval of the FY 2020 budget includes approval to write-off this account.

The Superintendent is expected to approve the write-off of seven former cadet accounts during FY 2020 that are under \$2,500 each and that total \$6,432.

Tuition Revenue—Summer Session

Summer session tuition revenue is budgeted to increase \$376,000 or 23.4%. It reflects no tuition increases but projects an increase in budgeted enrollment to bring it closer to actual enrollment in summer 2018, and an increase in the number of study abroad programs.

Transfer to Cadet Financial Aid

Tuition revenue used to fund cadet financial aid is budgeted at \$3.7 million, \$300,000 less than FY 2019. The actual cost for FY 2019 was about \$3.3 million.

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 2018, it revised VMI's financial aid policy by bringing grants and loans from 60% to 55% 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 \$1,121,000 or 4.2%. This reflects an increase of \$540 or 2.8% in total cadet auxiliary fees consisting of room, board, athletic, medical, cadet activities/facilities, debt service, laundry/dry cleaning, and haircuts, and a projected enrollment increase.

Athletic fee revenue is transferred to the Intercollegiate Athletics Program which operates as a Local auxiliary activity. The \$244,000 increase in fees transferred to the Athletics Program reflects the \$104 or 3% increase in the Athletic Fee, and a projected enrollment increase.

Cadet Fee Revenue—Summer Session

The summer session food service and Barracks cadet fee revenue budgets consist of fee increases of about 2.0%, and an increase in budgeted cadet enrollment to bring it closer to actual summer 2018.

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 2020 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 17 November 2017, and previous exceptions granted by the Superintendent, the following 11 officials are required to live on Post: Superintendent, Deputy Superintendent for Finance, Administration, and Support, Deputy Superintendent for Academics and Dean of the Faculty, Commandant, Chief of Staff, Deputy Commandant, Director of Intercollegiate Athletics, Chaplain, Institute Sergeant Major to the Corps, Head Football Coach, and Head Basketball Coach. Exceptions to this policy may be approved by the Superintendent.

Interest on Reserves

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

Transfer to Reserves

The transfer to the Auxiliary Fund Balance (or reserves) totals \$214,000 for FY 2020 and represents a projected surplus in the Auxiliary program for FY 2020.

VMI's Auxiliary Fund Balance is projected to approximate \$18.3 million at 30 June 2019 and \$18.5 million at 30 June 2020. Based on past experience for working capital needs, VMI's minimum target for the fund balance is about \$10.0 million. In addition, the fund balance includes reserves for future capital improvements to auxiliary facilities.

Unique Military Activities Program

Cadet Fee Revenue

Cadet fee revenue before refunds are budgeted to increase \$209,000 or 4.7%. This reflects an increase of 3.0% in the cadet UMA fee and a projected enrollment increase. The cadet UMA fee totals \$2,770 for FY 2020 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	2019	%	2020	%	Inc (Dec)	%
Instruction	19,533,000	50.0%	20,479,000	48.4%	946,000	4.8%
Public Service	110,000	0.3%	115,000	0.3%	5,000	4.5%
Academic Support	6,666,000	17.0%	6,832,000	16.1%	166,000	2.5%
Cadet Services	3,071,000	7.9%	3,133,000	7.4%	62,000	2.0%
Institutional Support	4,014,000	10.3%	5,400,000	12.8%	1,386,000	34.5%
Physical Plant	5,706,000	14.6%	6,388,000	15.1%	682,000	12.0%
Total E&G Program	39,100,000	100.0%	42,347,000	100.0%	3,247,000	8.3%

Notes:

1. The percentage of E&G Program funds allocated for Instruction, Academic Support and Cadet Services totals 72.0% in 2020, down from 75% in 2019.
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 faculty salary increases.
3. The increase in Institutional Support is due to a larger Contingency budget and less budgeted vacancy savings from turnover of full-time positions.
4. The increase in Physical Plant is attributed to an increase in Admin cost, building repair and maintenance

**E&G Program
Revenue and Expenditure Budget Changes
FY 2020 Compared to FY 2019**

Revenue Increase (Decrease)

General Funds

STEM Degree Production	396,000	
New Operation and Maintenance Base Funding	611,000	
Tuition Moderation Fund	661,000	
Adjust estimated FY 2018 budgeted central appropriations to actual	119,000	
State share of FY 2020 salary and fringe benefit changes	252,000	
Health Insurance Premium Holiday - State Share of Cost Savings	(184,000)	
Total General Funds		1,855,000

Cadet Tuition/Other Income

Tuition rate increase for in-state cadets (0.0%)	-	
Tuition rate increase for out-of-state cadets (0.0%)	-	
Net enrollment increase for in-state cadets	46,000	
Net enrollment increase for out-of-state cadets	635,000	
Summer Sessions	376,000	
Other	35,000	
Add decrease in tuition allocated for Cadet Financial Aid	300,000	
Total Cadet Tuition/Other Income		1,392,000

Total Revenue Increase (Decrease) 3,247,000

Expenditures Increase (Decrease)

Personal Services:

Faculty/Staff salary increases	1,978,000	
State-mandated employer health insurance rate increase (6.9%)		
Health Insurance Changes - Premium Holiday	(500,000)	
Addition of net five new full-time positions	439,000	
Reduction to Budgeted Transfers to Auxiliary Program	467,000	
Indirect Costs - Increase Recoveries from Auxiliary and UMA	88,000	
Net other adjustments (mostly employee turnover savings)	(93,000)	
Total Personal Services		2,379,000

Non-Personal Services:

Increase in utilities/insurances	65,000	
Increase in facilities maintenance	70,000	
QEP Implementation	(15,000)	
Change in fees charged by State (eVA, Cardinal, debt)	23,000	
Elimination of Employee Benefit Advisors	(25,000)	
CLE Support	10,000	
Increase Foreign Study programs	168,000	
Contingencies Non-Personnel Budget--Decrease to \$600,000	541,000	
Indirect Costs - Decrease Recoveries from Auxiliary and UMA	(28,000)	
Net other budget adjustments	59,000	
Total Non-Personal Services		868,000

Total Expenditures Increase (Decrease) 3,247,000

Auxiliary Enterprises Budget Revenue and Expenditure Budget Changes FY 2020 Compared to FY 2019

Revenue Increase (Decrease)

Cadet fees revenue--rate increase (\$540 per cadet or 2.8%)	586,000	
Cadet fees revenue--enrollment increase	280,000	
Increase in Summer Session revenues	18,000	
Decrease in employee housing rental income	(6,000)	
Decrease in use of Auxiliary Fund Balance	(629,000)	
Net other changes	14,000	
Transfer to Reserves	(213,000)	
Total Revenue Increase (Decrease)	50,000	50,000

Expenditures Increase (Decrease)

Personal Services

Faculty/Staff salary increases	362,000	
Increase in Recoveries fomr UMA	(70,000)	
Health Insurance Changes - Premium Holiday	(117,000)	
Addition of new full-time positions	-	
Decrease in Budgeted transfers from E&G Program	(467,000)	
Increase in Vacancy/Transfer Savings	(25,000)	
Total Personal Services	(317,000)	(317,000)

Nonpersonal Services

Food Service--cadet meals (rate increase, greater enrollment)	216,000	
Food Service - Equipment Replacements	100,000	
Facilities operations/maint costs (Barracks/Athletics/Housing)	(1,000)	
Utilities (water/electric/gas) cost increases	33,000	
Increase Corps Trip funding	16,000	
Increase in indirect costs payable to E&G Program	11,000	
Net change in debt service costs	(4,000)	
Net other budget adjustments	(4,000)	
Total Nonpersonal Services	367,000	367,000

Total Expenditures Increase (Decrease)	50,000	50,000
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State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2020 Total	2019 Total	Inc (Dec)	%	Notes
<i>Instruction</i>														
Biology	11	714,546	298,774	1,013,320	15,585	1,000	5,600	1,900	-	1,037,405	991,503	45,902	4.6%	
Chemistry	10	661,511	324,281	985,792	16,500	2,084	5,400	100	-	1,009,876	919,421	90,455	9.8%	
Physics/Astronomy	7	460,266	184,241	644,507	4,200	1,700	4,837	500	-	655,744	731,469	(75,725)	-10.4%	1
Civil Engineering	13	1,004,075	393,292	1,397,367	7,000	200	450	-	240	1,405,257	1,342,967	62,290	4.6%	
Mechanical Engineering	10	970,211	352,107	1,322,318	12,552	1,400	7,100	-	-	1,343,370	1,258,533	84,837	6.7%	
Electrical Engineering	9	758,360	271,518	1,029,878	4,662	-	1,500	300	200	1,036,540	953,952	82,588	8.7%	
Applied Mathematics	13	832,631	349,971	1,182,602	2,000	3,000	16,019	500	-	1,204,121	1,257,737	(53,616)	-4.3%	1
Computer Info Science	9	718,430	281,374	999,804	3,000	2,000	6,000	1,000	500	1,012,304	833,317	178,987	21.5%	2
English, Rhetoric, Hmn St	16	914,634	441,734	1,356,368	1,000	-	5,154	-	-	1,362,522	1,346,268	16,254	1.2%	
History	14	1,025,246	409,655	1,434,901	1,500	900	1,500	95	300	1,439,196	1,352,684	86,512	6.4%	
Internat'l Studies	8	512,430	203,187	715,617	2,924	500	3,500	-	-	722,541	685,741	36,800	5.4%	
Economics	14	1,291,731	483,499	1,775,230	-	-	6,669	-	-	1,781,899	1,685,922	95,977	5.7%	
Modern Language	11	757,993	301,050	1,059,043	4,200	4,500	7,006	2,500	-	1,077,249	1,030,597	46,652	4.5%	
Psychology	10	542,633	289,083	831,716	2,700	4,800	7,716	-	-	846,932	896,572	(49,640)	-5.5%	
Physical Education	10	638,028	283,922	921,950	4,500	1,500	3,400	800	41	932,191	759,279	172,912	22.8%	3
ROTC - Army	4	177,260	47,365	224,625	800	3,000	6,010	-	-	234,435	227,452	6,983	3.1%	
ROTC - Navy	1	30,078	27,602	57,680	500	-	3,701	-	-	61,881	62,071	(190)	-0.3%	
ROTC - Air Force	1	28,350	20,400	48,750	3,669	200	500	-	-	53,119	53,998	(879)	-1.6%	
ROTC - Army FTX	-	-	-	-	100	800	720	-	500	2,120	2,120	-	0.0%	
ROTC - Navy FTX	-	-	-	-	500	3,400	2,500	-	-	6,400	6,400	-	0.0%	

State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2020 Total	2019 Total	Inc (Dec)	%	Notes
ROTC - AF FTX	-	-	-	-	5,400	2,400	3,500	500	1,000	12,800	12,800	-	0.0%	
Writing Center	-	23,973	1,834	25,807	-	-	-	-	-	25,807	24,578	1,229	5.0%	
MERC	1	44,125	28,043	72,168	2,000	-	1,580	1,000	-	76,748	76,225	523	0.7%	
Undergrad Research	-	20,617	3,307	23,924	1,700	500	1,100	360	-	27,584	26,438	1,146	4.3%	
Teacher Education	-	-	-	-	-	-	-	-	-	-	20,697	(20,697)	-100.0%	
Elect Maint Shop	-	-	-	-	1,370	-	-	-	-	1,370	1,370	-	0.0%	
Metal Shop	2	89,318	62,282	151,600	960	-	-	-	-	152,560	140,497	12,063	8.6%	
PT Faculty-Reg Ses	-	1,232,651	94,298	1,326,949	-	-	-	-	-	1,326,949	1,263,760	63,189	5.0%	
PT Faculty-Sum Ses	-	405,563	31,026	436,589	-	-	-	-	-	436,589	415,798	20,791	5.0%	
PT Faculty-STP	-	124,373	9,514	133,887	-	-	-	-	-	133,887	127,511	6,376	5.0%	
PT Faculty-Sum FS	-	106,036	8,112	114,148	-	89,307	282,383	-	1,500	487,338	286,163	201,175	70.3%	4
Equipment Lease	-	-	-	-	-	-	-	-	88,900	88,900	88,900	-	0.0%	
Dean's Discretionary	-	-	-	-	60,000	58,000	120,314	114,000	10,000	362,314	362,314	-	0.0%	
Dean Faculty Research	-	-	-	-	16,500	16,500	5,500	1,000	500	40,000	40,000	-	0.0%	
Dean's Faculty Funds	-	5,329	1,293	6,622	-	-	-	-	-	6,622	173,554	(166,932)	-96.2%	5
Dean's Software	-	-	-	-	-	-	52,300	14,000	-	66,300	66,300	-	0.0%	
Dean's Faculty Travel	-	-	-	-	-	7,550	550	-	-	8,100	8,100	-	0.0%	
Total Instruction	174	14,090,398	5,202,764	19,293,162	175,822	205,241	562,509	138,555	103,681	20,478,970	19,533,008	945,962	4.8%	

State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2020 Total	2019 Total	Inc (Dec)	%	Notes
Museum	1	89,388	23,618	113,006	1,100	-	600	-	-	114,706	110,442	4,264	3.9%	
Total Public Serv	1	89,388	23,618	113,006	1,100	-	600	-	-	114,706	110,442	4,264	3.9%	
<i>Academic Support</i>														
Preston Library	13	824,517	329,133	1,153,650	8,000	6,000	211,660	180,000	-	1,559,310	1,506,715	52,595	3.5%	
Info Technology	20	1,389,730	625,351	2,015,081	4,000	15,000	713,897	500,000	1,000	3,248,978	2,997,444	251,534	8.4%	5
Dean of Faculty	6	621,473	215,133	836,606	2,000	3,969	4,000	-	-	846,575	998,412	(151,837)	-15.2%	7
Inst Research/Analysis	5	353,743	132,144	485,887	6,500	6,500	15,000	16,140	1,500	531,527	476,410	55,117	11.6%	
Internat'l Programs	2	130,736	32,393	163,129	500	9,000	11,660	500	2,000	186,789	173,393	13,396	7.7%	
Ctr Leadership & Ethics	-	-	-	-	1,000	1,000	8,000	-	-	10,000	-	10,000		
Sum Sch Adm--Reg	0	134,787	19,169	153,956	-	-	3,027	-	-	156,983	150,530	6,453	4.3%	
Sum Sch Adm--STP	-	-	-	-	5,152	-	-	-	-	5,152	5,152	-	0.0%	
Dean-New Fac Uniforms	-	-	-	-	12,000	-	-	-	-	12,000	12,000	-	0.0%	
Institute Assessmnt	-	22,504	1,722	24,226	15,000	12,000	18,400	15,000	-	84,626	83,472	1,154	1.4%	
Program Review	-	-	-	-	-	3,500	8,500	-	2,150	14,150	9,150	5,000	54.6%	
SACSCOC Accreditation	-	21,500	1,530	23,030	1,500	-	2,000	-	3,000	29,530	94,745	(65,215)	-68.8%	8
Inst Writing Program	-	-	-	-	1,500	2,000	6,000	-	-	9,500	9,500	-	0.0%	
Inst Honors Program	-	11,891	910	12,801	3,000	2,500	2,500	-	-	20,801	20,727	74	0.4%	
VMIRL Support	-	-	-	-	-	-	55,000	-	-	55,000	55,000	-	0.0%	
Cadet Assist-Instruction	-	42,453	-	42,453	-	-	-	-	-	42,453	40,431	2,022	5.0%	
Media Services	-	-	-	-	2,000	-	1,400	15,000	-	18,400	18,400	-	0.0%	

State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2020 Total	2019 Total	Inc (Dec)	%	Notes
Moving/Relocation	-	-	-	-	-	-	-	-	-	-	15,000	(15,000)	-100.0%	9
Total Acad Supt	47	3,553,334	1,357,485	4,910,819	62,152	61,469	1,061,044	726,640	9,650	6,831,774	6,666,481	165,293	2.5%	
Student Services														
Admissions	12	698,083	300,092	998,175	15,000	25,000	433,000	500	500	1,472,175	1,428,979	43,196	3.0%	
Financial Aid	4	243,528	130,924	374,452	1,500	4,000	7,000	500	-	387,452	366,601	20,851	5.7%	
Registrar	5	274,302	132,148	406,450	11,400	200	12,195	1,500	-	431,745	428,245	3,500	0.8%	
Cadet Counseling	2	161,037	66,870	227,907	1,000	1,500	3,500	-	-	233,907	221,441	12,466	5.6%	
Disabilities Services	-	-	-	-	2,000	500	3,500	-	-	6,000	3,500	2,500	71.4%	
Miller Academic Center	2	109,200	48,342	157,542	2,000	500	5,138	500	-	165,680	159,240	6,440	4.0%	
Career Services	3	168,919	78,597	247,516	3,140	5,500	6,000	-	-	262,156	299,213	(37,057)	-12.4%	10
Commandant Cadet Pgrms	1	43,260	24,498	67,758	-	-	-	-	-	67,758	59,491	8,267	13.9%	
Cadet Assist-Other	-	96,664	-	96,664	-	-	-	-	-	96,664	94,171	2,493	2.6%	
Orientation	-	-	-	-	-	-	10,000	-	-	10,000	10,000	-	0.0%	
Total Student Serv	29	1,794,993	781,471	2,576,464	36,040	37,200	480,333	3,000	500	3,133,537	3,070,881	62,656	2.0%	
Institutional Support														
Board of Visitors	-	-	-	-	500	15,500	10,000	-	-	26,000	22,000	4,000	18.2%	
Superintendent	6	592,370	208,755	801,125	1,100	1,100	18,300	500	1,000	823,125	769,431	53,694	7.0%	
Chief of Staff	-	-	-	-	1,000	1,000	4,500	1,000	1,000	8,500	8,500	-	0.0%	
Finance and Admin	5	538,950	176,883	715,813	2,000	5,000	12,500	1,600	5,500	742,413	716,866	25,547	3.6%	
Treasurer	4	344,325	142,062	486,387	250	850	3,400	500	-	491,387	477,192	14,195	3.0%	

State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2020 Total	2019 Total	Inc (Dec)	%	Notes
Comptroller	11	665,955	285,105	951,060	2,600	4,000	36,090	3,800	150	997,700	939,619	58,081	6.2%	
Human Resources	5	295,720	144,680	440,400	1,500	400	20,829	200	300	463,629	469,967	(6,338)	-1.3%	
Procurement	4	215,755	84,456	300,211	1,500	3,200	5,100	900	800	311,711	309,790	1,921	0.6%	
Communications/Mkt	10	615,078	239,386	854,464	9,000	7,000	119,050	8,000	1,000	998,514	830,636	167,878	20.2%	11
Post Security	11	517,399	334,182	851,581	10,000	26,000	11,500	11,000	500	910,581	920,840	(10,259)	-1.1%	
Central Dispatch	-	-	-	-	-	-	55,000	-	-	55,000	55,000	-	0.0%	
Protocol	2	99,687	51,414	151,101	3,400	-	2,300	-	-	156,801	148,666	8,135	5.5%	
Post Mail	3	116,187	52,751	168,938	7,000	-	159,000	1,000	13,000	348,938	345,121	3,817	1.1%	
Post Transportation	2	72,398	33,165	105,563	66,000	15,000	15,500	15,000	10,000	227,063	218,652	8,411	3.8%	
Legislative Affairs	-	-	-	-	100	18,000	1,800	100	-	20,000	16,900	3,100	18.3%	
Title IX	-	21,630	1,655	23,285	500	9,000	20,300	500	-	53,585	52,476	1,109	2.1%	
Institute Planning	-	-	-	-	500	1,000	5,000	500	-	7,000	7,000	-	0.0%	
Post Engineer	-	-	-	-	500	500	800	200	-	2,000	2,000	-	0.0%	
Telephone	-	-	-	-	-	-	90,000	10,000	-	100,000	100,000	-	0.0%	
Duplicating	-	-	-	-	45,000	-	35,000	-	-	80,000	80,000	-	0.0%	
Printer Services	-	-	-	-	-	-	40,000	-	-	40,000	40,000	-	0.0%	
Printing/Publications	-	-	-	-	4,000	1,000	23,100	1,000	-	29,100	29,100	-	0.0%	
Videography	-	-	-	-	-	-	3,200	-	-	3,200	3,200	-	0.0%	
General Insurance	-	-	-	-	-	-	-	-	280,000	280,000	265,000	15,000	5.7%	
Debt Service Fee	-	-	-	-	-	-	-	-	400,470	400,470	377,190	23,280	6.2%	
State Fees (eVA/Cardinal)	-	-	-	-	-	-	-	-	28,000	28,000	28,000	-	0.0%	

**State Funds
E&G Expenditures**

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2020 Total	2019 Total	Inc (Dec)	%	Notes
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	-	-	-	-	-	-	15,000	-	-	15,000	15,000	-	0.0%	
Staff Uniforms	-	-	-	-	15,000	-	-	-	-	15,000	15,000	-	0.0%	
Trash Collection	-	-	-	-	3,000	100	700	200	58,000	62,000	62,000	-	0.0%	
Commencement	-	-	-	-	100	100	6,800	-	7,000	14,000	14,000	-	0.0%	
Vacancy Savings/Transfers	-	(147,000)	(63,000)	(210,000)	-	-	-	-	-	(210,000)	(580,000)	370,000	-63.8%	
Contingencies	-	446,690	91,705	538,395	50,000	30,000	452,000	500,000	80,000	1,650,395	824,488	825,907	100.2%	12
Salary Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bonuses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	62	4,395,124	1,783,199	6,178,323	227,750	138,750	1,200,941	556,000	886,720	9,188,484	7,621,006	1,567,478	20.6%	
Recoveries-Athletics	-	(366,000)	(157,000)	(523,000)	(19,000)	(12,000)	(102,000)	(47,000)	(75,000)	(778,000)	(723,000)	(55,000)	7.6%	
Recoveries-Aux	-	(927,000)	(397,000)	(1,324,000)	(49,000)	(30,000)	(257,000)	(119,000)	(190,000)	(1,969,000)	(1,856,000)	(113,000)	6.1%	
Recoveries -UMA	-	(452,000)	(194,000)	(646,000)	(24,000)	(14,000)	(125,000)	(58,000)	(93,000)	(960,000)	(949,000)	(11,000)	1.2%	
UMA (Demands)	-	(75,000)	(6,500)	(81,500)	-	-	-	-	-	(81,500)	(79,500)	(2,000)	2.5%	
Total Recoveries	-	(1,820,000)	(754,500)	(2,574,500)	(92,000)	(56,000)	(484,000)	(224,000)	(358,000)	(3,788,500)	(3,607,500)	(181,000)	5.0%	13
Total Insit Support	62	2,575,124	1,028,699	3,603,823	135,750	82,750	716,941	332,000	528,720	5,399,984	4,013,506	1,386,478	34.5%	

Physical Plant

Administration	11	749,756	305,472	1,055,228	4,000	6,000	16,500	1,500	-	1,083,228	948,459	134,769	14.2%	14
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State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2020 Total	2019 Total	Inc (Dec)	%	Notes
Construction Office	2	134,858	52,264	187,122	-	-	-	-	-	187,122	181,019	6,103	3.4%	
Bldg Repair/Maint	28	1,122,746	648,144	1,770,890	300,000	1,500	801,000	6,000	4,500	2,883,890	2,742,054	141,836	5.2%	15
Custodial Service	18	403,977	236,100	640,077	100,200	-	1,000	500	500	742,277	710,539	31,738	4.5%	
Energy Savings/Demand	-	-	-	-	5,000	-	19,500	-	500	25,000	25,000	-	0.0%	
Grounds Maintenance	11	282,080	201,933	484,013	42,000	500	38,000	41,500	3,000	609,013	613,259	(4,246)	-0.7%	
Heating Plant	3	133,744	92,886	226,630	30,200	1,000	30,200	12,000	100	300,130	287,769	12,361	4.3%	
Utilities	-	-	-	-	550,000	-	25,000	-	2,638,750	3,213,750	3,163,750	50,000	1.6%	
Property Insurance	-	-	-	-	-	-	-	-	380,500	380,500	380,500	-	0.0%	
Plant Contingencies	-	-	-	-	25,000	-	91,000	8,000	1,000	125,000	125,000	-	0.0%	
Part-time wages	-	271,614	20,777	292,391	-	-	-	-	-	292,391	281,714	10,677	3.8%	
Alumni Hall Maint	2	43,430	26,134	69,564	6,400	-	-	-	-	75,964	74,865	1,099	1.5%	
Special Projects	-	75,714	5,792	81,506	4,000	2,000	19,300	4,000	5,000	115,806	111,925	3,881	3.5%	
Vacancy Savings/Transfers	-	(98,000)	(42,000)	(140,000)	-	-	-	-	-	(140,000)	(312,000)	172,000	-55.1%	
Subtotal	74	3,119,919	1,547,502	4,667,421	1,066,800	11,000	1,041,500	73,500	3,033,850	9,894,071	9,333,853	560,218	6.0%	
Recoveries-UMA Kil/Par	-	-	-	-	(64,000)	-	(61,500)	-	(103,000)	(228,500)	(222,500)	(6,000)	2.7%	
Recoveries-UMA	-	(106,000)	(45,000)	(151,000)	(35,000)	-	(34,000)	(2,000)	(98,000)	(320,000)	(316,000)	(4,000)	1.3%	
Recoveries-Athletics	-	(277,000)	(118,000)	(395,000)	(90,000)	(1,000)	(88,000)	(6,000)	(257,000)	(837,000)	(866,000)	29,000	-3.3%	
Recoveries--Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	
Recoveries-Aux	-	(700,000)	(300,000)	(1,000,000)	(229,000)	(3,000)	(223,000)	(16,000)	(650,000)	(2,121,000)	(2,223,000)	102,000	-4.6%	
Total Recoveries	-	(1,083,000)	(463,000)	(1,546,000)	(418,000)	(4,000)	(406,500)	(24,000)	(1,108,000)	(3,506,500)	(3,627,500)	121,000	-3.3%	13
Total Physical Plant	74	2,036,919	1,084,502	3,121,421	648,800	7,000	635,000	49,500	1,925,850	6,387,571	5,706,353	681,218	11.9%	

State Funds
E&G Expenditures

Department	FTE	Salaries & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2020 Total	2019 Total	Inc (Dec)	%	Notes
<i>E&G Summary</i>														
Before recoveries	388	27,043,156	10,696,039	37,739,195	1,569,664	453,660	4,346,927	1,497,695	4,034,401	49,641,542	46,335,671	3,305,871	7.1%	
Recoveries	-	(2,903,000)	(1,217,500)	(4,120,500)	(510,000)	(60,000)	(890,500)	(248,000)	(1,466,000)	(7,295,000)	(7,235,000)	(60,000)	0.8%	
Total E&G	388	24,140,156	9,478,539	33,618,695	1,059,664	393,660	3,456,427	1,249,695	2,568,401	42,346,542	39,100,671	3,245,871	8.3%	

State Funds

E&G Expenditure Notes

Note: The Budgets for all departments with personal services include a 5.0% salary increase and a one-month savings in employer health insurance premiums.

1. The departmental decrease reflects the movement of one faculty position from E&G to a Local Funded chair position. The full savings from the movement of the position is then offset by the salary increases for remaining E&G funded staff.
2. The Computer and Information Sciences (CIS) budget increase reflects the salary increases and the addition of one new teaching position in FY 2020 as part of the Institute's ongoing Right Sizing initiative and the establishment of CIS as a stand-alone department.
3. The Physical Education department increase reflects the buy-back of a position previously fully funded from Jackson-Hope and the addition of one new faculty position.
4. The Foreign Study program increase is due to travel and contractual services for the program as well as the salary increases for staff.
5. The Dean Faculty fund decrease is a result of the state salary increases for the fiscal year eliminating the pool of funds available for discretionary salary adjustments.
6. The Information Technology department added a new classified staff position, printer technician and was approved for a \$100,000 increase in the Equipment budget to accommodate network improvement and security needs.
7. The Dean of Faculty FY 2019 Personnel Services budget included the outgoing Dean's salary and benefit cost as well as a placeholder for the new Dean. The new Dean is now in place and the FY 2020 budget has been reduced.
8. The SACSCOC budget reduction reflects elimination of start-up training costs incurred only in the beginning of the program.
9. The Moving/Relocation budget reduction reflects coding changes due to federal tax law changes impacting taxability of moving and relocation payments.
10. The Career Services budget included a third Administrative Professional position which had been vacant for all of Fiscal 2019. The Center has been operating effectively with current staff of two AP positions and one Classified position. Therefore, the third AP position was eliminated from the Fiscal 2020 budget.
11. The Communications and Marketing department added a new Classified staff position, digital content manager. Additional increases to the budget included more funding for contractual services.

12. The State budget for FY 2020 includes a one-month insurance premium holiday for all state agencies. Since this is a one-time savings, the funds generated from the premium holiday are added to the Contingency budget for spending on one-time purchases and items not impacting the base budget. Contingencies are generally budgeted to mitigate revenue shortfalls and provide for emergencies and other unforeseen costs. The E&G Contingency budget totals \$1,650,000 in FY 2020, an increase of \$826,000 from FY 2019. VMI also budgets for contingencies in its Auxiliary Enterprises Program (\$1,124,000), Unique Military Activities Program (\$195,000), and Local Unrestricted Funds Budget (\$191,000) bringing total contingency budgets to about \$3.2 million, compared to \$2.0 million in FY 2019.
13. Recoveries represent the “cost sharing” of indirect costs (institutional support and physical plant costs incurred by the E&G Program) by the Auxiliary and UMA Programs to the E&G Program as required by the State. The FY 2020 recoveries or indirect costs budgets reflect a total decrease of \$60,000 or 0.8% under FY 2019. 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.
14. The Physical Plant Administration increase includes full E&G funding for a new Engineering Technician position to assist with physical plant operations as well as the state-wide salary increases.
15. The Building Repair and Maintenance budget increased to accommodate unavoidable cost increases in areas such as HVAC and other preventative maintenance contracts. The supply budget was increased to reflect actual spending over the last three years.

State Funds
Auxiliary Expenditures

Department	FTE	Salary & Wages	Fringe Benefits	Less: Uma	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2020 Total	2019 Total	Inc (Dec)	Notes
Food Service	-	-	-	-	-	20,000	-	6,780,000	100,000	5,000	6,905,000	6,589,000	316,000	4.8% 1
Food Service Maint	1	31,500	21,644	-	53,144	20,000	-	114,000	-	45,000	232,144	229,144	3,000	1.3%
Barracks Maintenance	18	506,377	285,152	-	791,529	158,000	-	200,000	106,000	-	1,255,529	1,250,524	5,005	0.4%
Barracks Utilities	-	-	-	-	-	1,500	-	13,000	-	415,500	430,000	400,000	30,000	7.5% 2
Barracks Network	3	151,010	69,811	-	220,821	-	-	68,000	6,000	2,000	296,821	287,923	8,898	3.1%
Military Store	9	317,769	193,943	(486,126)	25,586	2,000	2,000	2,000	-	12,000	43,586	42,587	999	2.3%
Tailor Shop	11	323,402	219,456	(542,858)	-	-	-	-	-	-	-	-	-	3
Laundry/Pressing	29	677,599	499,566	(882,873)	294,292	20,000	-	3,700	2,000	20,000	339,992	333,896	6,096	1.8% 4
Barber Shop	2	249,696	38,856	-	288,552	11,000	-	3,000	1,000	6,000	309,552	296,952	12,600	4.2%
Student Health	13	676,109	351,648	(765,679)	262,078	9,000	3,500	3,050	300	2,500	280,428	272,225	8,203	3.0% 5
Cadet Insurance	-	-	-	-	-	-	-	-	-	483,000	483,000	483,000	-	0.0%
Student Union	3	197,925	82,714	-	280,639	6,000	500	18,000	20,000	2,000	327,139	325,781	1,358	0.4%
Cadet Programs	-	191,001	14,612	-	205,613	115,000	162,000	155,000	30,000	25,000	692,613	682,822	9,791	1.4%
Career Services	-	-	-	-	-	1,000	-	-	-	-	1,000	1,000	-	0.0%
Cadet Counseling	2	116,384	38,905	-	155,289	18,000	1,500	22,100	1,000	2,000	199,889	192,506	7,383	3.8% 6
Corps Trips	-	-	-	-	-	-	126,000	-	-	-	126,000	110,000	16,000	14.5% 7
Glee Club	-	23,653	-	-	23,653	-	9,000	1,000	-	-	33,653	34,250	(597)	-1.7%
Academic Clubs	-	-	-	-	-	800	2,000	3,150	-	-	5,950	5,950	-	0.0%
Honor Court	-	33,527	2,565	-	36,092	400	-	4,000	600	-	41,092	39,373	1,719	4.4%
Inspector General	1	97,178	18,584	-	115,762	-	-	-	-	-	115,762	106,713	9,049	8.5%

State Funds
Auxiliary Expenditures

Department	FTE	Salary & Wages	Fringe Benefits	Less: Uma	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2020 Total	2019 Total	Inc (Dec)	Notes
Parents Council	-	-	-	-	-	1,000	250	7,250	-	-	8,500	6,500	2,000	30.8%
Post Housing-Maint	5	209,200	119,669	-	328,869	18,000	-	162,500	8,500	3,000	520,869	505,408	15,461	3.1%
Post Housing-Utilities	-	-	-	-	-	-	-	-	-	77,000	77,000	102,000	(25,000)	-24.5%
Cameron Hall-Oper	1	33,267	13,949	-	47,216	1,000	-	18,000	6,000	3,000	75,216	73,929	1,287	1.7%
Cameron Hall-Maint	-	-	-	-	-	-	-	70,665	-	-	70,665	65,665	5,000	7.6%
Athletic Facilities/Support	3	153,176	55,529	-	208,705	85,000	2,000	133,500	3,000	5,500	437,705	444,999	(7,294)	-1.6%
Weight Room	-	-	-	-	-	20,000	1,000	35,000	9,000	1,000	66,000	46,279	19,721	42.6%
Cadet Recreation Facility	3	94,277	52,268	-	146,545	9,000	-	27,230	9,000	8,000	199,775	202,405	(2,630)	-1.3%
CPTF	3	107,225	62,709	-	169,934	29,000	500	3,000	1,500	1,000	204,934	203,419	1,515	0.7%
MLFTG Maintenance	-	-	-	-	-	1,000	-	19,000	-	-	20,000	20,000	-	0.0%
Auxiliary-Admin	3	171,443	49,722	-	221,165	14,000	3,000	9,500	6,000	7,500	261,165	252,050	9,115	3.6%
Master Planning	-	-	-	-	-	-	-	10,000	-	-	10,000	10,000	-	0.0%
COOP	1	56,349	13,676	-	70,025	-	100	4,100	400	400	75,025	71,691	3,334	4.7%
Post Security	2	176,057	64,812	-	240,869	1,000	-	20,000	8,000	2,000	271,869	264,454	7,415	2.8%
State Fees (eVA/Cardinal)	-	-	-	-	-	-	-	-	-	55,000	55,000	55,000	-	0.0%
Wellness Program	-	20,971	1,604	-	22,575	1,000	500	1,400	-	100	25,575	24,500	1,075	4.4%
Museum Support	2	82,098	49,116	-	131,214	10,000	-	52,800	-	-	194,014	200,206	(6,192)	-3.1%
Indirect Costs-E&G	-	-	-	-	-	-	-	-	-	4,090,000	4,090,000	4,079,000	11,000	0.3%
Contingencies	-	104,715	21,498	-	126,213	50,000	40,000	648,000	200,000	60,000	1,124,213	1,046,665	77,548	7.4%
Salary Contingencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-

State Funds
Auxiliary Expenditures

Department	FTE	Salary & Wages	Fringe Benefits	Less: Uma	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2020 Total	2019 Total	Inc (Dec)	Notes	
Vacancy Savings/Transfers	-	(70,000)	(30,000)	-	(100,000)	-	-	-	-	-	(100,000)	392,000	(492,000)	-125.5%	12
Parking - On Post	-	-	-	-	-	11,000	1,000	9,000	5,000	4,000	30,000	30,000	-	0.0%	
Parking/Storage-Off Post	-	-	-	-	-	-	-	-	-	40,000	40,000	44,000	(4,000)	-9.1%	
Maintenance Projects	1	59,342	25,406	-	84,748	20,000	100	948,900	30,000	1,000	1,084,748	1,083,099	1,649	0.2%	
Debt Service-Crozet	-	-	-	-	-	-	-	-	-	886,000	886,000	888,000	(2,000)	-0.2%	
Debt Service-Cocke	-	-	-	-	-	-	-	-	-	162,000	162,000	161,000	1,000	0.6%	
Debt Service-SIH	-	-	-	-	-	-	-	-	-	203,000	203,000	203,000	-	0.0%	
Debt Service-Post Imp I	-	-	-	-	-	-	-	-	-	304,000	304,000	304,000	-	0.0%	
Debt Service-Post Imp II	-	-	-	-	-	-	-	-	-	292,000	292,000	293,000	(1,000)	-0.3%	
Debt Service-Post Imp III	-	-	-	-	-	-	-	-	-	287,000	287,000	289,000	(2,000)	-0.7%	
Total Auxiliary	114	4,791,250	2,337,414	(2,677,536)	4,451,128	653,700	354,950	9,569,845	553,300	7,512,500	23,095,423	23,044,915	50,508	0.2%	

State Funds

Auxiliary Expenditure Notes

1. The Food Service budget increase reflects a 2.9% increase in food costs per cadet and an additional \$123,000 budgeted for equipment and supplies.
2. The Barracks Utilities budget increase is to accommodate anticipated rate changes for water and sewer usage.
3. Tailor Shop costs are budgeted 100% in the UMA Program although the employee positions are included in the Auxiliary Enterprise Program in accordance with the State budget policy.
4. 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).
5. Student Health costs are allocated 74.5% to the UMA Program and 25.5% to the Auxiliary Program in accordance with the State budget policy (the UMA portion is considered costs above the normal amount for health 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). Increase in Student Health cost due to salary adjustments given to staff in high-turnover/competitive positions.
7. The Corps Trip budget increase is a result of budget alignment with actual expenditures based on three year averages.
8. The Post Housing Utilities decrease reflects a reduction to better align budgeted utility costs to actual costs incurred and stems from reductions in the level of on-post housing over the years.
9. The increase in Weight Room supplies and contract service cost reflects increased funding for maintenance costs on weight and cardio equipment.
10. 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.
11. No planned vacancy savings are budgeted for Fiscal 2020.

State Funds
UMA Expenditures

Department	FTE	Salary & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2020 Total	2019 Total	Inc (Dec)	Notes
Commandant	12	1,170,493	338,367	1,508,860	24,000	13,500	24,000	8,000	1,500	1,579,860	1,604,645	(24,785)	-1.5%
Corps Marksmanship	1	61,193	11,167	72,360	25,000	5,000	28,000	1,000	-	131,360	127,931	3,429	2.7%
Commandant--FTX	-	-	-	-	1,400	7,100	1,000	-	500	10,000	10,000	-	0.0%
Band	2	136,915	73,833	210,748	4,000	6,500	3,000	-	-	224,248	220,086	4,162	1.9%
Rat Activities	-	-	-	-	11,000	38,000	11,800	2,000	10,000	72,800	72,800	-	0.0%
Rat Challenge	1	65,557	25,644	91,201	-	-	-	-	-	91,201	88,885	2,316	2.6%
UMA Training Fac	-	-	-	-	9,000	500	7,500	-	-	17,000	17,000	-	0.0%
Chief of Staff-HQ	1	100,283	38,176	138,459	-	-	-	-	-	138,459	129,539	8,920	6.9%
Cadet Counseling	1	61,058	22,856	83,914	-	2,200	3,200	-	800	90,114	86,755	3,359	3.9%
Armory	1	78,071	27,087	105,158	11,000	-	370	3,000	-	119,528	116,614	2,914	2.5%
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	-	-	-	-	-	-	-	-	81,500	81,500	79,500	2,000	2.5%
Indirect Costs--E&G	-	-	-	-	-	-	-	-	1,280,000	1,280,000	1,265,000	15,000	1.2%
Contingencies	-	124,932	25,649	150,581	2,000	1,000	19,000	10,000	12,000	194,581	64,080	130,501	203.7%
Parade Ground Maint	3	58,487	41,574	100,061	-	-	-	-	33,500	133,561	125,597	7,964	6.3%
Kilbourne Hall Maint	1	19,492	4,731	24,223	-	-	-	-	195,000	219,223	214,069	5,154	2.4%

State Funds
UMA Expenditures

Department	FTE	Salary & Wages	Fringe Benefits	Salaries & Fringes	Supplies	Travel	Contract Services	Equip	Other	2020 Total	2019 Total	Inc (Dec)	Notes
Barracks	1	19,492	18,250	37,742	-	-	-	-	83,000	120,742	119,839	903	0.8%
Student Health	-	-	-	-	-	-	-	-	827,000	827,000	795,000	32,000	4.0%
Military Store	1	61,431	14,909	76,340	2,710,000	-	-	-	486,000	3,272,340	1,886,705	1,385,635	73.4%
Tailor Shop	-	42,082	3,219	45,301	37,000	1,000	2,000	4,000	543,000	632,301	613,144	19,157	3.1%
Laundry	-	-	-	-	-	-	-	-	1,011,000	1,011,000	1,001,000	10,000	1.0%
Less: Vacancy Savings	-	(10,500)	(4,500)	(15,000)	-	-	-	-	-	(15,000)	(15,000)	-	0.0%
Total UMA	25	1,988,986	640,962	2,629,948	2,836,400	76,800	105,870	28,000	4,564,800	10,241,818	8,633,189	1,608,629	18.6%

State Funds

UMA Expenditure Notes

1. The decrease in the Commandant's Office is a result of staff turnover and related salary savings.
2. The Contingencies budget includes funding set aside for salary adjustments pending for classified staff and for merit increases for Administrative staff as deemed appropriate.
3. The Student Health increase represents the UMA share of the salary increases. The UMA program reimburses the Auxiliary program for 74.5% of expenditures.
4. The Military Store supply increase reflects the purchase of the new Army OCP uniforms for cadets. The State provided a \$1.4M increase in General Funds for FY 2020 to cover the cost of the uniform replacement required by the US Army.

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 \$11.2 million, an increase of \$179,000 more than was budgeted for FY 2019.
2. Private unrestricted income from the VMIF and VMIAAB increased \$164,000 to \$2.3 million in FY 2020. This is the second consecutive year of increases and reflects the impact from the recent campaign.
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 \$1.6 million at the end of FY 2019 and about the same at the end of FY 2020. This includes fund balances for the Museum Programs, Center for Leadership and Ethics, Athletics, and the Unrestricted Pool.

Athletics Programs

5. Athletics Program revenues and support are budgeted at \$13.8 million which is relatively flat from FY 2019, an increase of \$102,000. Expenses consist of \$8.3 million for operations and \$5.5 million for scholarships. The 5% salary increase is funded by the 3% increase in cadet athletic fees and turnover savings in personnel services.
6. Athletic operating expenses provide for salary increases (see State Funds Budget Highlights Note #7).
7. The Athletics Program budget assumes Keydet Club private donations for scholarships and operations will total \$5.1 million, unchanged from FY 2019.
8. Cadet athletic fee revenues are budgeted at \$5.8 million, a \$243,800 increase from FY 2019. The athletic fee increased \$104 per cadet, 3.0% over FY 2019 rates.

Museum Systems

9. Museum revenues are anticipated to fall 9.7% below the FY 2019 budget. Sales and admission revenue for the museum systems declined 4.2% in FY 2017 from the previous fiscal year and 6.2% in FY 2018.

Center for Leadership and Ethics

10. Center for Leadership and Ethics (CLE) conference revenues are projected to be \$77,000 less than FY 2019.

Cadet Financial Assistance

11. VMI funding for cadet financial aid is budgeted for \$3.7 million, down \$300,000 from FY 2019. This funding consists solely of tuition revenue after eliminating the Local Unrestricted funding budget 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

	2019	2020	Inc (Dec)	%	Notes
<i>VMI Alumni Agencies</i>					
<i>Unrestricted Funds</i>					
VMI Foundation, Inc.					
Endowment Income/Annual Funds	1,584,000	1,747,000	163,000	10.3%	
Debt Service-JM Hall	187,000	188,000	1,000	0.5%	
Total VMI Foundation	1,771,000	1,935,000	164,000	9.3%	
VMI Alumni Agencies Board					
Endowment Income/Donations	400,000	400,000	-	0.0%	
Total Unrestricted	2,171,000	2,335,000	164,000	7.6%	1
<i>Restricted Funds</i>					
VMI Foundation, Inc.					
Endowment Income/Donations	12,840,000	13,604,000	764,000	6.0%	
VMI Alumni Agencies Board					
Endowment Income/Donations	678,000	697,000	19,000	2.8%	
Total VMI Foundation/Agencies Bd	13,518,000	14,301,000	783,000	5.8%	
VMI Keydet Club					
Endowment Income/Donations	5,150,000	5,084,000	(66,000)	-1.3%	
Total Restricted Funds	18,668,000	19,385,000	717,000	3.8%	2
Total VMI Alumni Agencies	20,839,000	21,720,000	881,000	4.2%	
<i>VMI</i>					
<i>Unrestricted Funds</i>					
VMI General Endowment	79,000	63,000	(16,000)	-20.3%	
Interest Income and Other	9,000	8,000	(1,000)	-11.1%	
Total Unrestricted	88,000	71,000	(17,000)	-19.3%	
<i>Restricted Funds</i>					
VMI General Endowment	315,000	305,000	(10,000)	-3.2%	
VMI Collins Endowment--Operations	170,000	159,000	(11,000)	-6.5%	
Outside Trusts and Other	71,000	75,000	4,000	5.6%	
Total Restricted Funds	556,000	539,000	(17,000)	-3.1%	
Total VMI Endowment	644,000	610,000	(34,000)	-5.3%	3
Total VMI and Alumni Agencies	21,483,000	22,330,000	847,000	3.9%	

Local Funds

VMI and Alumni Agencies Income and Support

Notes

1. VMI Foundation (VMIF) and VMI Alumni Agencies Board (VMIAAB) unrestricted spendable income for FY 2020 totals \$2.3 million or \$164,000 more than in FY 2019. In addition, the VMIF and VMIAAB are funding debt service on the \$45 million in bonds issued on VMI's behalf in 2006 to fund various capital projects. This debt service currently totals about \$2.6 million annually and is part of the overall support to VMI.

Spendable endowment income is based on a 12-quarter rolling average endowment market value and a spending rate of 4.6%. The VMIF spendable income rate of 4.6% combined with an administrative fee rate of 1.0% on all endowment funds results in a total spending rate of 5.6%. The Foundation plans to reduce the overall spend rate to 5.0% (4.25% spending and 0.75% admin) over the next several years. 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, VMIAAB, and Keydet Club (KC) restricted income is budgeted for \$19.4 million or an increase of \$717,000 or 3.8%. The increase is reflective of the recent campaign with the majority of the increase in the restricted support from the VMI Foundation.
3. VMI endowment income derives mostly from VMI's General Endowment and Collins Endowment. These funds had a 31 December 2018 market value of \$7.8 million and \$3.5 million, respectively, down about 7% from the same date 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 4.6% 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	2020 Total	2019 Total	Inc (Dec)	%
<i>Educational and General</i>						
Instruction	5,351,000	512,000	5,863,000	5,145,000	718,000	14.0%
Research	36,000	-	36,000	33,000	3,000	9.1%
Public Service	332,000	793,000	1,125,000	1,283,000	(158,000)	-12.3%
Academic Support	1,337,000	224,000	1,561,000	1,432,000	129,000	9.0%
Cadet Services	768,000	133,000	901,000	981,000	(80,000)	-8.2%
Institutional Support	482,000	1,502,000	1,984,000	1,787,000	197,000	11.0%
Physical Plant	124,000	-	124,000	145,000	(21,000)	-14.5%
Total E&G	8,430,000	3,164,000	11,594,000	10,806,000	788,000	7.3%
<i>Cadet Financial Assistance</i>	12,449,000		12,449,000	12,409,000	40,000	0.3%
<i>Auxiliary Enterprises</i>						
Intercollegiate Athletics	475,000	7,884,000	8,359,000	8,209,000	150,000	1.8%
Debt Service	-	188,000	188,000	187,000	1,000	0.5%
Total Auxiliary	475,000	8,072,000	8,547,000	8,396,000	151,000	1.8%
Total	21,354,000	11,236,000	32,590,000	31,611,000	979,000	3.1%

**Local Funds
Restricted Funds Budget
2019-2020**

Source/Activity	VMI	Alumni	Keydet	VMI	Federal	2019	2020	Inc
	Foundation	Agencies Board		Club	Endowment			
Expenditures								
Instruction	5,349,000	-	-	2,000		4,670,000	5,351,000	681,000
Research	37,000			-		33,000	37,000	4,000
Public Service	173,000			159,000		485,000	332,000	(153,000)
Academic Support	1,337,000					1,131,000	1,337,000	206,000
Student Services	732,000	3,000		32,000		858,000	767,000	(91,000)
Institutional Support	482,000					503,000	482,000	(21,000)
Physical Plant	42,000	82,000	-			145,000	124,000	(21,000)
Total Educ & General	8,152,000	85,000	-	193,000		7,825,000	8,430,000	605,000
Auxiliary Enterprises	8,000	282,000	66,000	-	119,000	523,000	475,000	(48,000)
Cadet Financial Assistance	5,444,000	330,000	5,018,000	346,000	1,311,000	12,206,000	12,449,000	243,000
Total	13,604,000	697,000	5,084,000	539,000	1,430,000	20,554,000	21,354,000	800,000

Local Funds Restricted Funds Budget

Source/Activity	Alumni				Federal Grants/Other	2020 Total	2019 Total	Inc (Dec)	Notes
	VMI Foundation	Agencies Board	Keydet Club	VMI Endowment					
Income/Donations	13,604,393	697,160	5,084,000	539,000	19,924,553	19,224,565	699,988	1	
Federal Funds					1,191,000	1,091,000	100,000	2	
Outside Grants					238,500	237,950	550		
Total Revenue	13,604,393	697,160	5,084,000	539,000	21,354,053	20,553,515	800,538		

Expenditures

Instruction

Professorial Chair Funds

Biology	24,750				24,750	25,870	(1,120)	
Chemistry	35,410				35,410	36,430	(1,020)	
Economics	235,415				235,415	131,105	104,310	
Engineering	287,500				287,500	295,070	(7,570)	
English, Rhetoric & HS	123,990				123,990	122,080	1,910	
History	182,065				182,065	93,965	88,100	
International Studies	58,800				58,800	60,090	(1,290)	
Physics	29,690				29,690	30,930	(1,240)	
Peay Chair	669,180				669,180	-	669,180	
Gottwald Leadership	133,040				133,040		133,040	
New funds	166,380				166,380	316,850	(150,470)	
Dean's Funds	43,140				43,140	38,050	5,090	
Total Prof Chairs	1,989,360				1,989,360	1,150,440	838,920	

Departmental Funds

Biology	57,600				57,600	56,390	1,210	
Civil Engineering	42,690				42,690	120,920	(78,230)	
Chemistry	27,390				27,390	26,830	560	

Local Funds Restricted Funds Budget

Source/Activity	VMI		Alumni		Keydet Club	VMI Endowment	Federal Grants/Other	2020 Total	2019 Total	Inc (Dec)	Notes
	Foundation	Agencies Board	Agencies Board	Keydet Club							
Computer Science	8,300						8,300	5,090	3,210		
Economics	71,570						71,570	63,350	8,220		
Electrical Engineering	5,220					2,000	7,220	6,980	240		
English, Rhetoric & HS	88,270						88,270	90,070	(1,800)		
History	5,390						5,390	99,360	(93,970)		
International Studies	42,400						42,400	57,480	(15,080)		
Mathematics	44,810						44,810	43,040	1,770		
Mechanical Engineering	21,300						21,300	16,840	4,460		
Modern Languages	1,950						1,950	1,980	(30)		
Physical Education	4,390						4,390	4,430	(40)		
Physics	3,330						3,330	8,850	(5,520)		
Psychology	58,940						58,940	52,390	6,550		
Total Dept Funds	483,550					2,000	485,550	654,000	(168,450)		
Faculty Development	318,850						318,850	300,820	18,030		
Jackson-Hope	1,398,080						1,398,080	1,359,760	38,320	3	
Visiting Scholars	83,440						83,440	84,380	(940)		
Curriculum Development	93,790						93,790	93,870	(80)		
Other Instruction	982,541						982,541	1,027,250	(44,709)		
Total Instruction	5,349,611					2,000	5,351,611	4,670,520	681,091		
Research											
Biology	8,300						8,300	8,625	(325)		
Chemistry	15,910						15,910	15,915	(5)		
Undergraduate Res	12,320						12,320	8,000	4,320		
Total Research	36,530						36,530	32,540	3,990		

Local Funds Restricted Funds Budget

Source/Activity	VMI	Alumni	Keydet	VMI	Federal	2020	2019	Inc	Notes
	Foundation	Agencies Board							
Public Service									
Museum Programs									
VMI Museum	69,450					69,450	71,910	(2,460)	
Stonewall Jackson House	22,000					22,000	8,645	13,355	
VA Mus of Civil War	36,200			159,000		195,200	272,050	(76,850)	
Total Museums	127,650			159,000		286,650	352,605	(65,955)	
Lectures and Symposiums	-					-	87,100	(87,100)	
Other Public Service	45,510					45,510	45,500	10	
Total Public Service	173,160	-	-	159,000	-	332,160	485,205	(153,045)	
Academic Support									
Preston Library	133,850					133,850	135,286	(1,436)	
Information Technology	67,140					67,140	69,730	(2,590)	
Departmental Funds									
International Studies	11,310					11,310	11,620	(310)	
Music	-					-	23,580	(23,580)	
Biology	11,690					11,690	12,110	(420)	
Total Dept Funds	23,000					23,000	47,310	(24,310)	
Leadership Program	803,480					803,480	535,030	268,450	
Dean's Office									
Fellowships	18,470					18,470	18,810	(340)	
Faculty Awards	61,770					61,770	63,430	(1,660)	
Faculty Development	228,990					228,990	261,060	(32,070)	
Outside Grants	-					-	-	-	
Total Dean's Funds	309,230					309,230	343,300	(34,070)	
Total Academic Support	1,336,700	-	-	-	-	1,336,700	1,130,656	206,044	

Local Funds Restricted Funds Budget

Source/Activity	VMI	Alumni	Keydet	VMI	Federal	2020	2019	Inc
	Foundation	Agencies Board		Club	Endowment	Grants/Other	Total	Total
Student Services								
Departmental Funds								
Intercollegiate Athletics	-	3,460				3,460	3,370	90
Band	37,750					37,750	32,450	5,300
Cadet Programs	246,562					246,562	293,460	(46,898)
Chaplain's Office	195,700					195,700	243,440	(47,740)
Commandant	20,870					20,870	25,000	(4,130)
Cadet Counseling	-					-	8,090	(8,090)
Music	27,940					27,940	27,330	610
Total Dept Fund	528,822	3,460				532,282	633,140	(100,858)
Graduate Fellowships	69,080					69,080	70,760	(1,680)
Cadet Awards	105,340			32,000		137,340	126,880	10,460
Other Student Services	29,000					29,000	27,010	1,990
Total Student Services	732,242	3,460		32,000		767,702	857,790	(90,088)
Institutional Support								
Comm & Marketing	100,000					100,000	143,890	(43,890)
Superintendent's Office	382,060					382,060	358,710	23,350
Total Inst Support	482,060	-		-		482,060	502,600	(20,540)
Physical Plant								
	41,750	81,900				123,650	144,980	(21,330)
Total E & G	8,152,053	85,360		193,000		8,430,413	7,824,291	606,122

**Local Funds
Restricted Funds Budget**

Source/Activity	Alumni				2019 Total	2020 Total	Inc (Dec)	Notes
	VMI Foundation	Agencies Board	Keydet Club	VMI Endowment Grants/Other				
<i>Auxiliary Enterprises</i>								
Intercollegiate Athletics	8,360	281,702	66,000	118,500	523,420	(48,858)	3	
Total Auxiliary	8,360	281,702	66,000	118,500	523,420	(48,858)		
<i>Cadet Financial Assistance</i>								
Athletic Scholarships	42,930	330,098	5,018,000	120,000	5,560,272	(49,244)		
Cadet Scholarships	5,401,050	-	-	346,000	5,554,532	192,518		
Federal Grants and Loans				1,191,000	1,091,000	100,000		
Total Cadet Financial	5,443,980	330,098	5,018,000	1,311,000	12,205,804	243,274	3	
Total Restricted	13,604,393	697,160	5,084,000	1,429,500	20,553,515	800,538	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 \$21.4 million for FY 2020 is about 4% more than FY 2019. 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

	2020				2019	Inc (Dec)		
	FTE	Salaries/FB	Faculty Develop	Undergrad Research	Other		Total	
Local Restricted								
<i>Academic Programs</i>								
New faculty-Fine Arts	1	92,000				92,000	89,000	3,000
New faculty-Civil & Environmental Eng	1	109,000				109,000	106,000	3,000
New faculty-International Studies	1	92,000				92,000	89,000	3,000
New Faculty - Arabic	1	92,000				92,000	89,000	3,000
Faculty development-leaves		72,000				72,000	54,000	18,000
Faculty development-travel & projects			120,000			120,000	120,000	-
Undergraduate Research				190,000		190,000	190,000	-
MERC Tutors		86,000				86,000	83,500	2,500
MERC Equipment					-	-	2,000	(2,000)
Program Development Grants			93,500			93,500	157,800	(64,300)
Learning Center Tutors		33,000				33,000	32,000	1,000
New faculty-Physical Education	1	-				-	86,000	(86,000)
Jackson-Hope Distinguished Professor (Foster)	1	130,000				130,000	129,030	970
Jackson-Hope Distinguished Professor (Gire)	1	135,000				135,000	150,000	(15,000)
Jackson-Hope Distinguished Professor (TBD)	1	151,000				145,000	-	145,000
Center for Leadership & Ethics					300,000	300,000	300,000	-
Faculty Recruitment					50,000	50,000	50,000	-
Total Jackson Hope	8	992,000	-	190,000	563,500	1,739,500	1,727,330	12,170

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 2020 allocations were approved by the Jackson-Hope Board of Overseers at the 9 April 2019 meeting.
3. The total Jackson Hope budget includes \$41,420 in carryover funding from FY 2019.

Local Unrestricted Budget FY 2020

	FY 2020 Allocation				FY 2019 Budget	Inc (Dec)	%	Notes
	FY 2020 Budget	VMI Funds	VMI Foundation	VMI Agencies Bd				
Revenue								
VMI Endowment	71,000	71,000			71,000	(17,000)	-19.3%	1
VMI Foundation	1,935,000		1,935,000		1,935,000	164,000	9.3%	2
VMI Alumni Agencies Board	400,000			400,000	400,000	-	0.0%	2
Athletic Revenue	1,701,000	1,701,000			1,701,000	(28,000)	-1.6%	3
Cadet Fees--Athletics	5,840,881	5,840,881			5,840,881	243,881	4.4%	3
Museum Systems	645,000	645,000			645,000	(111,000)	-14.7%	4
Conference Revenue--CLE	210,000	210,000			210,000	(77,000)	-26.8%	5
Concessions Commissions	433,000	433,000			433,000	4,000	0.9%	6
Total Revenue	11,235,881	8,900,881	1,935,000	400,000	11,235,881	178,881	1.6%	

E&G Expenditures

Instruction

Faculty Salary Supplements	512,000	512,000			512,000	37,000	7.8%	7
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Public Service

Daniel's Award	-	-			-	(35,000)	-100.0%	16
Museum Systems	793,000	793,000			793,000	30,000	3.9%	4
Total Public Service	793,000	793,000	-	-	793,000	(5,000)	-0.6%	

Academic Support

Dean's Funds								
Dean's Official Fund	14,000	14,000			14,000	-	0.0%	
Center for Leadership/Ethics	210,000	210,000			210,000	(77,000)	-26.8%	5
Total Academic Support	224,000	224,000	-	-	224,000	(77,000)	-25.6%	

Local Unrestricted Budget FY 2020

	FY 2020 Allocation								Notes
	FY 2020 Budget	VMI Funds	VMI Foundation	VMI Agencies Bd	FY 2019 Budget	Inc (Dec)	%		
<i>Student Services</i>									
Commandant's Official Fund	3,000		3,000		3,000	-	0.0%		
Chaplain's Office Support	130,000	10,000	20,000	100,000	120,000	10,000	8.3%	8	
Total Student Services	133,000	10,000	23,000	100,000	123,000	10,000	8.1%		
<i>Institutional Support</i>									
Staff Salary Supplements	972,000	-	972,000		768,000	204,000	26.6%	7	
Mortgage Subsidies	62,000		62,000		72,000	(10,000)	-13.9%	9	
Superintendent's Funds									
Quarter's--Rent/Enter	80,000	80,000			80,000	-	0.0%		
Allotment	30,000	30,000			30,000	-	0.0%		
Travel	10,000	10,000			10,000	-	0.0%		
Protocol Office--Gifts	13,000	13,000			13,000	-	0.0%		
Local Bank Fees/Charges	2,000	2,000			2,000	-	0.0%		
Board of Visitors' Meetings	9,000	9,000			9,000	-	0.0%		
Membership Dues	3,000	3,000			3,000	-	0.0%		
VA Hi-Ed Bus Council Dues	9,000	9,000			9,000	-	0.0%		
Contingencies	191,500	83,500	58,000	50,000	125,000	66,500	53.2%	10	
Total Institutional Support	1,381,500	239,500	1,092,000	50,000	1,381,500	260,500	23.2%		
<i>Cadet Financial Aid</i>									
ROTC Room/Board Grants	-	-	-	-	53,000	(53,000)	-100.0%	11	
Cadet Financial Aid	-	-	-	-	150,000	(150,000)	-100.0%	12	
Total Scholarships/Grants	-	-	-	-	203,000	(203,000)	-100.0%		
<i>Auxiliary Enterprises</i>									
<i>Athletics</i>									
Operations	7,884,381	7,634,381		250,000	7,884,381	198,381	2.6%	3, 13	

Local Unrestricted Budget FY 2020

	FY 2020 Allocation				FY 2019 Budget	Inc (Dec)	%	Notes
	FY 2020 Budget	VMI Funds	Foundation	VMI Agencies Bd				
<i>Debt Service</i>								
JM Hall Renovation	188,000		188,000		187,000	1,000	0.5%	14
Total Debt	188,000	-	188,000	-	187,000	1,000	0.5%	
Total Expenditures	11,115,881	8,900,881	1,815,000	400,000	11,115,881	10,894,000	221,881	2.0%
Excess (Deficiency)	120,000	-	120,000	-	120,000	(43,000)	-26.4%	
<i>Add: Beginning Fund Bal</i>	1,600,000	1,600,000	-	-	1,600,000	1,208,000	308.2%	
<i>Less: VMIF Direct Pays</i>	(120,000)		(120,000)		(120,000)	-	0.0%	15
Ending fund balance	1,600,000	1,600,000	-	-	1,600,000	1,165,000	267.8%	

Local Unrestricted Funds Notes

1. VMI Endowment income of \$71,000 consists primarily of spendable income on the unrestricted portion of VMI's General Endowment; the income is based on 4.6% 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 28 February 2019).
2. VMI Foundation (VMIF) and VMI Alumni Agencies Board (VMIAAB) spendable income totals \$2.3 million. It consists of \$2.1 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 VMIAAB are also providing additional financial support of \$3.6 million annually on debt service related to the \$45 million of bonds issued on VMI's behalf in 2006 to fund various capital projects.

3. Athletic Revenues consists of gate receipts (football and basketball), guarantees (football, basketball, and baseball), NCAA and Southern Conference sponsorship revenues, track invitational entry fees, and sales and other income. Guarantees in FY 2020 are projected to be \$69,000 less than FY 2019, however they are partially offset by increased ticket sales revenues and track invitational entry fees. Cadet Athletic Fees increased by 3% for FY 2020, or \$104 per cadet and represent approximately 70% of operating revenues.
4. Museum Systems revenues and expenditures consist of the VMI Museum at VMI, the Virginia Museum of the Civil War (VMCW) at New Market, VA and the Stonewall Jackson House in Lexington, VA. Museum income and expenses for FY 2020 are expected to fall short of FY 2019 levels. Revenue is projected to be down 14.7% below last year's budget primarily due to decreased attendance and sales and on-going construction activities at the Davidson-Tucker House.
5. The Center for Leadership and Ethics (CLE) conducts about four or five conferences each year with income from donations, attendance fees, exhibitor fees, and corporate sponsorships. The CLE generally seeks to cover conference expenses with conference revenues, 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. VMI did not budget direct E&G support to the CLE in FY 2020 although some direct support was given to them in FY 2018.
6. VMI earns commissions on sales in the bookstore, PX, outside catering, and vending operations. The commissions approximate 17% of sales overall and are paid by the outside contractors (Follett, Parkhurst, and Compass) to VMI for the use of the space to operate the concessions.

7. Local unrestricted funds provide 4% of the cost of faculty salaries, 3.33% of the cost of certain administrative professional staff salaries, and a portion of the Superintendent's compensation. The balance of these salaries is funded from State or other private funds.
8. Chaplain's Office support covers the difference in the amount of private restricted donations and other funds available to cover the salaries of the Chaplain, the Associate Chaplain, and the administrative assistant.
9. VMI provides a subsidy up to \$1,500 per year for full-time teaching and administrative faculty who purchase a home as their primary residence. The amount budgeted is based on the number of participants and their mortgage balances (currently about 60 employees). VMI discontinued this program for new employees effective 1 January 2010 as a cost saving measure.
10. Contingency funds of \$191,500 are budgeted to cover unanticipated costs, especially costs that are not appropriate for State funding.
11. 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 continued to receive this award during their cadetship. Unrestricted funds were allocated to cover any shortfall in the amount of restricted scholarship funds available for these grants. The last payments were made to cadets in FY 2019, therefore the budget for FY 2020 is zero.
12. 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. No local unrestricted funds are budgeted for financial aid in FY 2020.
13. A portion of the VMI Alumni Agencies Board income is budgeted to support the Athletic program. In past years, this support was used for scholarships. In FY 2020, these funds will support Athletics operations rather than scholarships. For FY 2020, 62.5% of Development Board unrestricted income is being budgeted for athletics.
14. The JM Hall Debt will be satisfied in FY 2023, thus making these funds available for other Institute uses.
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).
16. The Daniels Award is given periodically and was awarded in FY 2019, therefore the budget for FY 2020 is zero.

Intercollegiate Athletics Operating Revenues and Support

	2019 Budget	2020 Budget	Inc (Dec)	%	Notes
<i>Revenue and Support</i>					
<i>Revenue</i>					
Cadet Fees	5,597,000	5,840,800	243,800	4.4%	1
Guarantees--Football	695,000	625,000	(70,000)	-10.1%	2
Guarantees--Basketball	270,000	275,000	5,000	1.9%	3
Guarantees - Baseball	8,000	6,500	(1,500)	100.0%	
Guarantees - Men's Soccer	2,500	-	(2,500)	100.0%	
Gate Receipts--Football	210,000	240,000	30,000	14.3%	4
Gate Receipts--Basketball	42,000	42,000	-	0.0%	
Football ticket sales - away games	16,000	-	(16,000)	-100.0%	4
Entry Fees - Track Invitationals	35,000	60,000	25,000	71.4%	5
NCAA Academic Assistance	82,000	82,500	500	0.6%	6
NCAA /Conference Revenue	330,000	332,500	2,500	0.8%	6
Sales and Other Income	120,000	120,000	-	0.0%	7
Total Revenue	7,407,500	7,624,300	216,800	2.9%	
<i>Support</i>					
VMI Alumni Agencies Board					
Unrestricted Endowment	280,000	250,000	(30,000)	-10.7%	8
Restricted Endowment	289,500	281,700	(7,800)	-2.7%	
Superintendent's Discretionary	50,000	-	(50,000)	-100.0%	9
VMI Unrestricted		12,500	12,500	100.0%	9
Keydet Club	66,000	66,000	-	0.0%	10
NCAA Distributuion	36,000	36,000	-	100.0%	11
VMI Concessions Commissions	80,000	80,000	-	0.0%	
Total Support	801,500	726,200	(75,300)	-9.4%	
Total Revenue and Support	8,209,000	8,350,500	141,500	1.7%	

Local Funds

Intercollegiate Athletics Revenues

Notes

1. The Cadet Fees budget increase primarily reflects a \$104 or 3% increase in the cadet athletic fee bringing it from \$3,440 to \$3,544.
2. Football Guarantees total \$625,000 in FY 2020, \$275,000 for a game with Army and \$350,000 to play Marshall University. This is a \$70,000 decrease from FY 2019.
3. Basketball Guarantees generally consist of four or five games ranging from about \$75,000 to \$85,000 each. FY 2020 is budgeted to be \$5,000 more than in FY 2019.
4. The Football Gate Receipts budget totals \$240,000 and consists of six home games. The games are at \$40,000 each. The FY 2019 budget was \$210,000 and consisted of five home games.
5. The Athletic Department will host several indoor track events in FY 2020. The invitational events attract numerous teams with each visiting team charged an entry fee to cover costs of hosting the event. The FY 2020 budget is estimated to bring in an additional \$25,000 more than FY 2019.
6. The NCAA and Conference provide funding to support academic enhancement, student assistance, and operations.
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.
8. A portion of VMI Development Board unrestricted support will be used to subsidize Athletic operations in FY 2020. The amount of support for FY 2020 has been reduced from \$280,000 to \$250,000. In past years, this Development Board support was used for Athletic scholarships rather than operations. Because of recent significant increases in Keydet Club scholarship support, these funds became available to support Athletics operations.
9. Superintendent's Discretionary funds subsidy has been discontinued for FY 2020. Other Local Unrestricted funds, \$12,500, will be given to the Athletic Department for athletic strength training support in FY 2020.
10. The Keydet Club is budgeted to provide \$5.1 million in donations and endowment income to the Athletic Program in FY 2020. This funding supports athletic scholarships and program operating costs. Most of the funding is needed for scholarship costs which are budgeted for a total \$5.5 million in FY 2019 and include funding from other sources.

11. In FY 2018, the NCAA provided a one-time distribution of \$360,000 to be used over a ten-year period for athlete health/welfare in accordance with an approved spending plan. FY 2020 is the third year of this support.

**Local Funds
Intercollegiate Athletic Expenditures**

Department	FTE	Salaries & Supplies				Travel	Recruiting	Officials	Other	2020 Total	2019 Total	Inc (Dec)	Notes
		Fringes	& Equip										
Football	11	989,115	109,000	180,000	85,000	59,700	140,300	1,563,115	1,525,303	37,812			
Basketball	5	552,573	47,000	116,000	41,000	72,000	69,000	897,573	868,216	29,357			
Track--Men	2	141,325	10,403	38,925	3,045	-	24,627	218,325	215,776	2,549			
Track--Women	2	141,325	10,403	38,925	3,045	-	24,627	218,325	215,776	2,549			
Wrestling	2	143,262	12,929	44,638	5,889	3,157	11,387	221,262	220,974	288			
Baseball	3	231,971	42,163	97,850	13,195	32,480	3,312	420,971	426,731	(5,760)	1		
Soccer--Men	1	90,902	10,712	35,525	7,562	8,145	2,055	154,901	151,243	3,658			
Soccer--Women	2	131,734	4,263	52,780	1,867	8,374	1,066	200,084	196,229	3,855			
Lacrosse	2	166,224	39,073	56,157	12,180	11,165	9,925	294,724	289,041	5,683			
Swimming	1	69,727	14,923	52,412	2,538	508	9,620	149,728	140,885	8,843			
Water Polo-Women	1	80,969	10,262	63,438	10,658	1,056	7,086	173,469	170,204	3,265			
Rifle	0	22,180	21,474	8,932	254	-	1,340	54,180	53,129	1,051			
Training/Medical	4	235,927	43,509	-	-	-	22,990	302,426	298,698	3,728			
Strength/Condition	2	175,073	17,000	-	-	-	3,500	195,573	193,110	2,463			
Sports Information	3	223,347	46,690	-	-	-	73,311	343,348	330,051	13,297			

**Local Funds
Intercollegiate Athletic Expenditures**

Department	FTE	Salaries & Fringes	Supplies & Equip	Travel	Recruiting	Officials	Other	2020 Total	2019 Total	Inc (Dec)	Notes
Sports Marketing	1	58,805	-	-	-	-	6,500	65,305	64,399	906	
NCAA Acad/Assist	0	86,120	-	-	-	-	2,500	88,620	88,620	-	
Administration	9	707,939	15,000	23,454	-	-	207,521	953,914	942,638	11,276	
Indirect Costs-E&G		-	-	-	-	-	1,614,588	1,614,588	1,589,180	25,408	2
Transfer to Reserve		-	-	-	-	-	75,000	75,000	63,500	11,500	3
Contingencies		-	-	-	-	-	145,000	145,000	165,000	(20,000)	4
Total Athletics	50	4,248,518	454,804	809,036	186,233	196,585	2,455,255	8,350,431	8,208,703	141,728	

Note: See Details of Other Expenditures following this schedule.

Intercollegiate Athletic Expenditures
Details of Other Expenditures
2020

	Football	Basketball	Training/ Medical	Administration	Total	Notes
Telecommunications					-	
Home Game Expenses	17,600	10,658			28,258	
Preseason Meals	20,000				20,000	
Guarantees	40,000	15,000			55,000	
Medical Services			18,270		18,270	
Photography	12,829				12,829	
Medical Insurance				82,621	82,621	1
Dues and Fees	3,000	5,299	2,062	59,645	70,006	
Postage				5,228	5,228	
Bank Card Charges				10,000	10,000	
Plant/Equipment Maintenance				6,500	6,500	
Awards and Prizes				12,424	12,424	
Rent--AD/Head Coach	22,000	23,000		25,000	70,000	
Miscellaneous	24,871	15,043	2,658	6,103	48,675	
Total Other Expenditures	140,300	69,000	22,990	207,521	439,811	

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 Baseball budget decrease reflects a reduction in guarantees paid to visiting teams.
2. Indirect Cost is calculated as a percentage of total Athletic Direct Costs. The recovery rate in FY 2020 24.24% resulting in a \$25,000 increase for FY 2020.
3. The Transfer to Reserve reflects budgeted unspent income that will be carried over to help bring the Athletics Program closer to self-sufficiency, and to build a reserve fund.
4. A Contingencies budget of \$145,000 is provided in FY 2020 primarily for unforeseen expenses and shortfalls in budgeted revenues and support. Contingencies vary each year and are budgeted based on available funding.

VMI Museum Operations Revenues and Expenses

	FY 2020 Budget			FY 2019 Budget		Inc (Dec)	%	Notes
	VMIM	VMCW	SJH	Total	Total			
Revenue and Support								
Admissions	-	185,000	83,000	268,000	295,000	(27,000)	-9.2%	1
Sales	140,000	86,000	45,000	271,000	302,000	(31,000)	-10.3%	1
Contributions and Grants	17,000	5,000	78,000	100,000	99,000	1,000	1.0%	2
Endowment Income	29,000	159,000	-	188,000	199,000	(11,000)	-5.5%	3
Reserve Funds	11,000	71,000	66,000	148,000	51,500	96,500	187.4%	4
Other Income	1,000	5,000	-	6,000	8,000	(2,000)	-25.0%	
Total Revenue and Support	198,000	511,000	272,000	981,000	954,500	26,500	2.8%	
Operating Expenses								
Personal Services	98,000	348,000	200,500	646,500	619,000	27,500	4.4%	5
Merchandise for Resale	70,000	43,000	22,500	135,500	151,000	(15,500)	-10.3%	
Other Operating	30,000	120,000	49,000	199,000	192,000	7,000	3.6%	6
Total Expenses	198,000	511,000	272,000	981,000	962,000	19,000	2.0%	
Excess (Deficiency) Revenue	-	-	-	-	(7,500)	7,500		
Add: Fund Balance, begin	(23,313)	134,152	(64,419)	46,420	167,100	(120,680)	-72.2%	
Fund Balance, ending	(23,313)	134,152	(64,419)	46,420	159,600	(113,180)	-70.9%	

Museum Systems Notes

1. Admissions and sales are budgeted for a total of \$539,000 or \$58,000 (9.7%) less than in FY 2019. For the past four fiscal years, revenue for all museum operations has declined as much as 7% to 9% annually.
2. Contributions and grants, consisting mostly of gifts to the Stonewall Jackson House (SJH), are budgeted for a total of \$100,000 in FY 2020 or \$1,000 more than FY 2019. 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 \$113,000 and \$239,000, respectively, in FY 2020 for Museum programs that benefit cadets, faculty, and visitors. 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 \$3.7 million as of 28 February 2019, a decrease of about \$63,000 from the same time last year.
4. Reserve funds represents use of fund balance and other reserve funds from unexpended cash donations from past years held by the VMI Foundation (VMIF) on behalf of the Museum Programs.
5. The Museum personal services budget reflects an increase of about \$28,000 or 4.4%. This consists of the 5% raise offset by the one month insurance premium holiday.
6. Other operating costs consists largely of supplies, utilities, facility maintenance, advertising, and contractual services. Operating costs are budgeted to increase by \$7,000 in FY 2020.

**Local Funds
Center for Leadership and Ethics**

	2019 Budget	2020 Budget	Inc Dec	%	Notes
Revenue and Support					
Cash Donations	536,000	539,000	3,000	0.6%	1
Endowment Income	512,000	392,000	(120,000)	-23.4%	2
Conference Income	287,000	210,000	(77,000)	-26.8%	3
VMI E&G Program Support	-	-	-		4
Rental Income	10,000	10,000	-	0.0%	
Total Revenue and Support	1,345,000	1,151,000	(194,000)	-14.4%	
Expenses					
Personal Services	1,006,000	906,000	(100,000)	-9.9%	5
Conference Expenses	388,000	166,000	(222,000)	-57.2%	3
Program/Other Expenses	171,000	173,000	2,000	1.2%	6
Total Expenses	1,565,000	1,245,000	(320,000)	-20.4%	
Excess (Deficiency) Revenue					
Beginning Fund Balance	623,000	736,000	113,000		
Ending Fund Balance	403,000	642,000	239,000		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 decrease from FY 2019 is due to the removal of the endowment funds for the visiting chair from the CLE budget to E&G Instruction.
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. For FY 2020, no E&G support is being provided and the CLE fund balance will be used to supplement CLE revenues.
5. The Personal Services budget decrease is due to the removal of the Leadership chair position from the CLE budget. This position was budgeted at \$133,000, but is being offset by the change in salaries and benefits related to the state budgeted salary increase.
6. Program and Other expenses include several cadet programs addressing leadership and ethics. It also includes a faculty/cadet leadership development program, and other military history events. 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	2019	2020	Inc (Dec)	%	Notes
State Funds					
General Funds					
Student Financial Aid	1,048,000	1,118,000	70,000	6.7%	1
Total General Funds	1,048,000	1,118,000	70,000	6.7%	
Cadet Tuition and Fees					
E&G Program	4,000,000	3,700,000	(300,000)	-7.5%	2
Total State Funds	5,048,000	4,818,000	(230,000)	-4.6%	
Local Funds					
Restricted					
VMI Foundation					
Merit and Other Scholarships	5,194,000	5,401,000	207,000	4.0%	
Athletic Scholarships	44,000	43,000	(1,000)	-2.3%	
Total VMI Foundation	5,238,000	5,444,000	206,000	3.9%	3
VMI Alumni Agencies Board					
Athletic scholarships	313,000	330,000	17,000	5.4%	3
VMI Keydet Club--Scholarships	5,084,000	5,018,000	(66,000)	-1.3%	3
VMI BOV Endowment	289,000	271,000	(18,000)	-6.2%	
NCAA/Conference Assistance	120,000	120,000	-	0.0%	
Outside Trusts	71,000	75,000	4,000	5.6%	
Total Restricted	11,115,000	11,258,000	143,000	1.3%	
Federal Grants/Aid					
SEOG	91,000	91,000	-	0.0%	
PELL	1,000,000	1,100,000	100,000	10.0%	
Total Federal Aid	1,091,000	1,191,000	100,000	9.2%	4

Sources/Programs	2019	2020	Inc (Dec)	%	Notes
<i>Unrestricted</i>					
ROTC Room/Board Grants	53,000	-	(53,000)	-100.0%	5
Financial Aid (primarily need-based)	150,000	-	(150,000)	-100.0%	6
Total Unrestricted	203,000	-	(203,000)	-100.0%	
Total Local Funds	12,409,000	12,449,000	40,000	0.3%	
Total All	17,457,000	17,267,000	(190,000)	-1.1%	7

Cadet Financial Assistance Notes

1. State general funds appropriated for cadet financial assistance increased in FY 2020 by \$70,000 over FY 2019 to \$1,118,000. These funds are for in-state cadets with demonstrated financial need.
2. VMI cadet financial aid funded from tuition revenue is budgeted for \$3.7 million, a \$300,000 reduction from the FY 2019 budget. These funds are mostly awarded to out-of-state cadets with demonstrated financial need because these cadets are not eligible for State financial aid funds and VMI lacks sufficient private scholarship funds.

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 2020 and about 65% are projected to qualify for need-based financial aid. Approximately 49% of in-state cadets qualify for need-based aid which results in an overall average of about 55% of the total Corps qualifying for need-based aid.

Sufficient financial aid is needed to help ensure the realization of the budget assumptions regarding total enrollment and the mix of in-state and out-of-state cadets. The VMI cadet financial aid budget is determined in consultation with the Director of Financial Aid and is based on estimates of the funding needed to supplement State, Federal, and private restricted sources of aid. Using a combination of grants and loans, VMI generally funds about 100% of the required need of in-state cadets and about 55%-60% required need of out-of-state cadets.

Note: For FY 2018, 63.2% of VMI's graduates had loans. This consisted of 62.3% of in-state graduates with an average loan balance of \$25,707 and 64.9% of out-of-state graduates with an average loan balance of \$40,443. Lending institutions include the Department of Education and private lenders. According to The Institute for College Access & Success, average indebtedness nationally for 2017 graduates of public four-year colleges and universities was \$28,650.

3. Cadet financial assistance from the VMI Foundation (VMIF), the VMI Alumni Agencies Board (VMIAAB), and the VMI Keydet Club (KC) is budgeted to total \$10.8 million or about \$157,000 more than in FY 2019.

The athletic scholarship budget totals \$5.5 million or about 2% more than in FY 2019.

4. Federal aid funding for PELL grants is budgeted to increase by \$100,000 over 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. This support ended in FY 2019.
6. Local Unrestricted funds are used to supplement other financial aid sources as needed; however, none are budgeted for FY 2020.
7. VMI's cadet financial assistance budget totals \$17.3 million for a decrease of \$190,000 or 1.1% over FY 2019. This compares to an increase in fees of 1.9% for in-state and 1.0% for out-of-state cadets. Tuition for both in-state and out-of-state cadets remained unchanged from FY 2019 to FY 2020. 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 55% - 60% 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 \$62.9 million for FY 2020 which is comparable to the 28% in FY 2019. This 28% "tuition discount" consists mostly of restricted funds that are required to be used for financial assistance (financial aid budget consists of 79% restricted funds and 21% unrestricted funds). VMI's "tuition discount" is significantly less than private institutions (average discount rate for private non-profit undergraduate institutions rose to 44.8% in the most recent NACUBO survey released 30 April 2018). The average discount rate for public institutions is not readily available but is estimated to be less than VMI's percentage.

VMI's tuition discount rate is probably higher than most other public institutions due to its relatively larger private endowment which includes a significant portion of restricted scholarships. The number of cadets with demonstrated financial need and the extent of their need continues to require that VMI use significant amounts of tuition revenues to meet the demand for financial aid. 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>					
	2015	2016	2017	2018	2019	2020
Corps Data						
Total Enrollment (Fall Opening)						
Budget	1,690	1,715	1,726	1,756	1,756	1,726
Actual	1,714	1,738	1,737	1,748	1,712	
Actual Over (Under)	24	23	11	(8)	(44)	
New Cadet Enrollment						
Budget	500	490	500	500	500	500
Actual	500	495	506	506	519	
Actual Over (Under)	-	5	6	6	19	
% Virginians						
Budget	58.0%	59.4%	61.2%	62.7%	63.2%	62.6%
Actual	58.3%	59.3%	60.9%	62.7%	62.0%	
Tuition and Fees						
Virginia	23,890	25,202	26,460	27,450	28,344	28,884
% Increase	6.2%	5.5%	5.0%	3.7%	3.3%	1.9%
Non Virginia	45,946	48,216	50,769	53,138	55,188	55,728
% Increase	5.7%	4.9%	5.3%	4.7%	3.9%	1.0%
VMI Financial Aid						
Budget	14,353,000	15,552,000	16,362,000	16,991,000	17,457,000	17,267,000
Actual	11.9%	8.4%	5.2%	3.8%	2.7%	-1.1%

(Fiscal Year Ending)

	2015	2016	2017	2018	2019	2020
VMI Workforce						
Total Full-time Employees	572	581	590	605	610	615
Total Full-time Teaching Faculty (included in total above also)	136	139	143	144	147	150
Total Payroll (Salaries and fringes)	49,019,000	49,821,000	51,953,000	53,947,000	55,215,000	58,356,000
% Increase	6.1%	1.6%	4.3%	3.8%	2.4%	5.7%
Budgets						
Total Operating Budget	81,153,000	82,371,000	85,615,000	88,090,000	89,980,000	95,825,000
% Increase	4.4%	1.5%	3.9%	2.9%	2.1%	6.5%
Total State General Funds	14,436,000	14,130,000	15,676,000	15,058,000	15,673,000	18,998,000
% Inc (Dec)	7.1%	-2.1%	10.9%	-3.9%	4.1%	21.2%
Total Cadet Tuition/Fees/Sales	42,107,000	44,517,000	45,795,000	48,315,000	47,665,000	50,292,000
% Increase	3.0%	5.7%	2.9%	5.5%	-1.3%	5.5%
Total Private Funds Support	19,527,000	19,083,000	19,625,000	20,458,000	21,483,000	22,330,000
% Increase	10.8%	-2.3%	2.8%	4.2%	5.0%	3.9%
Total Other Funds	5,083,000	4,641,000	4,519,000	4,259,000	5,159,000	4,205,000
% Increase	-12.1%	-8.7%	-2.6%	-5.8%	21.1%	-18.5%

(Fiscal Year Ending)

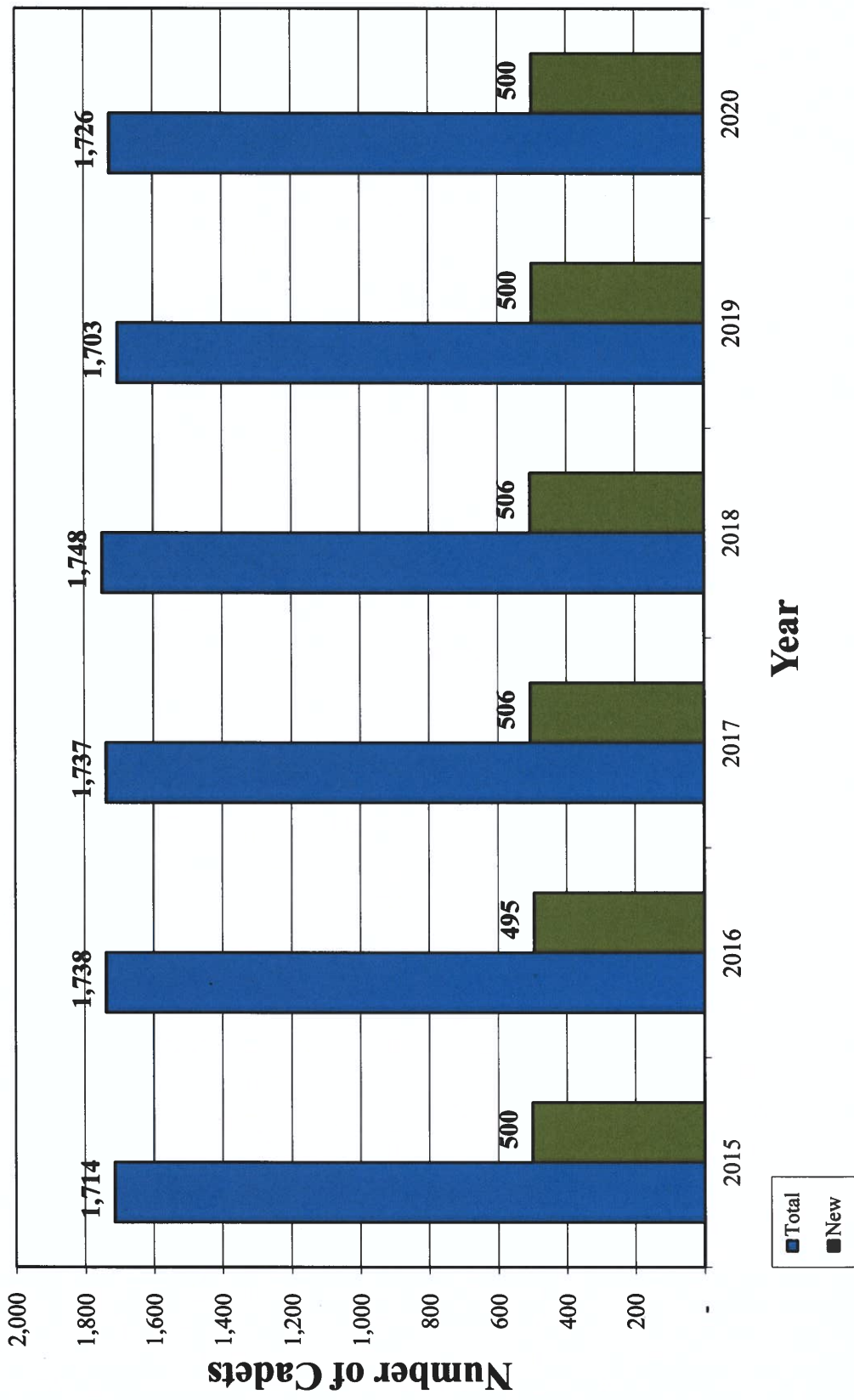
	2015	2016	2017	2018	2019	2020
Sources of Funds As % of Total Budget						
Total State General Funds	17.8%	17.2%	18.3%	17.1%	17.4%	19.8%
Total Cadet Tuition/Fees/Sales	51.9%	54.0%	53.5%	54.8%	53.0%	52.5%
Total Private Funds Support	24.1%	23.2%	22.9%	23.2%	23.9%	23.3%
Total Other Funds	6.3%	5.6%	5.3%	4.8%	5.7%	4.4%
Total Sources	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
% of E&G Budget for Instruction/ Academic Support/Student Services	72.3%	73.2%	75.0%	74.0%	74.9%	71.9%
Key Financial Balances (Actual 30 June or projected for 2019 and 2020)						
VMI General Endowment	8,114,409	7,535,157	8,062,005	8,314,319	9,400,000	9,400,000
VMI Collins Endowment	3,715,261	3,436,993	3,660,724	3,774,072	3,700,000	3,700,000
Auxiliary Fund Balance	12,496,687	12,927,511	16,176,952	18,341,162	18,300,000	18,500,000
Local Unrestricted Fund Balance	377,011	463,982	1,236,572	435,000	435,000	500,000
Total Fund Balances	24,703,368	24,363,643	29,136,253	30,864,553	31,835,000	32,100,000

	<i>(Fiscal Year Ending)</i>					
	2015	2016	2017	2018	2019	2020
Balance of Outstanding Debt						
<i>(Actual 30 June or projected for 2019 and 2020)</i>						
JM Hall (\$2.3M original)	1,259,000	1,125,000	983,000	838,000	688,000	530,000
Cocke Hall Annex (\$2.0M original)	1,086,000	970,000	847,000	722,000	592,000	455,000
Crozet Hall (\$11.2M original)	6,730,000	6,433,000	5,854,000	5,244,000	4,604,000	3,934,000
South Institute Hill (\$2.85M original)	2,535,000	2,415,000	2,290,000	2,160,000	2,025,000	1,885,000
VCBA 2013A Projects (\$4.0M original)	4,085,000	3,935,000	3,780,000	3,620,000	3,450,000	3,275,000
VCBA 2014A Projects (\$4.0M original)	3,565,000	3,565,000	3,450,000	3,330,000	3,200,000	3,065,000
VCBA 2015A Projects (\$4.0M original)	3,915,000	3,915,000	3,915,000	3,785,000	3,645,000	3,500,000
VCBA 2018A Projects (\$3.38M original)				3,240,000	3,240,000	3,240,000
Total Debt Outstanding	19,260,000	22,358,000	21,119,000	19,699,000	21,444,000	19,884,000

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

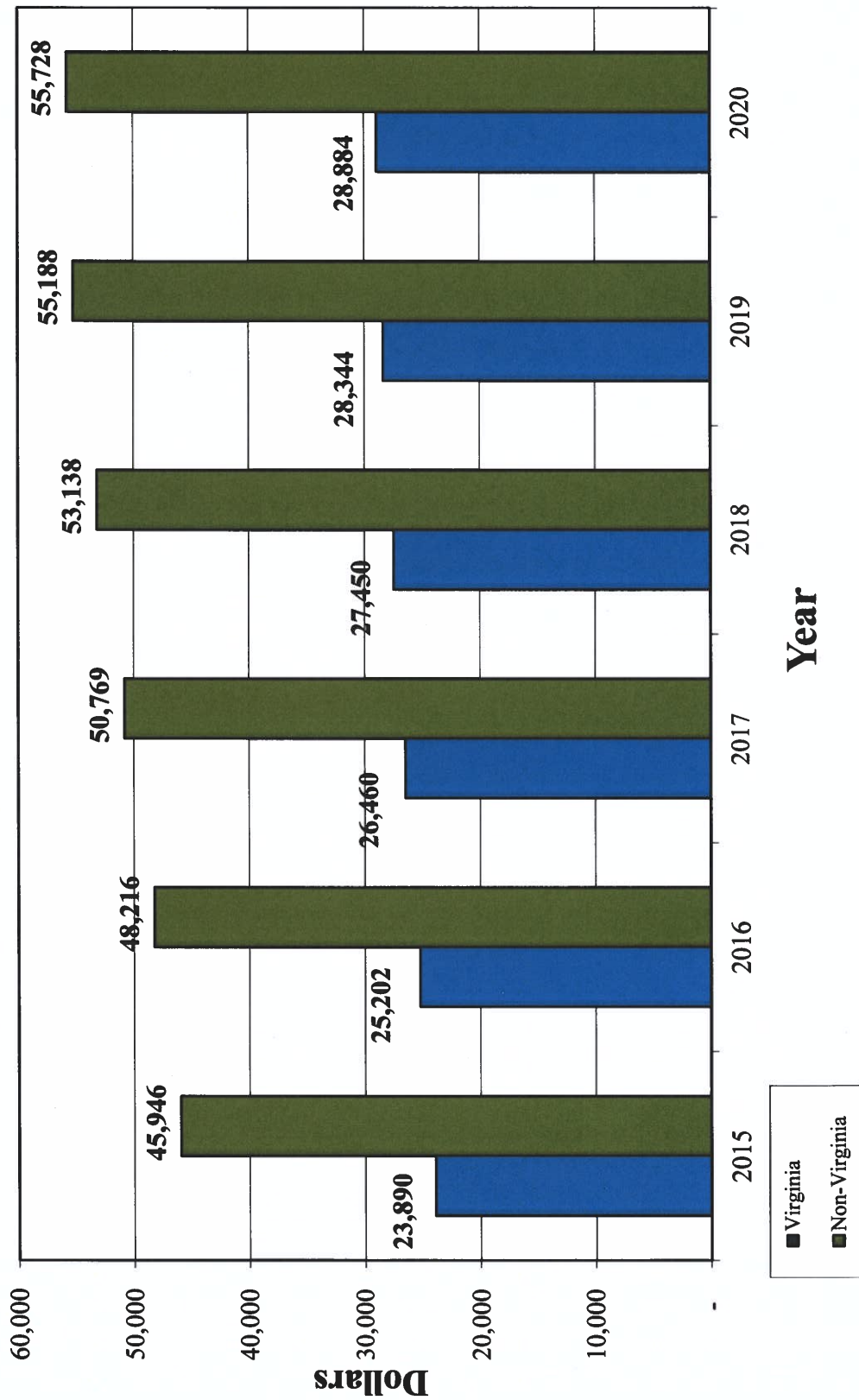
Note: Cocke Hall and JM Hall debt will be satisfied in FY 2023. Crozet Hall debt will be satisfied in FY 2025. Remaining debt will be satisfied between FY 2031 and FY 2039

Enrollment Total and New Cadets



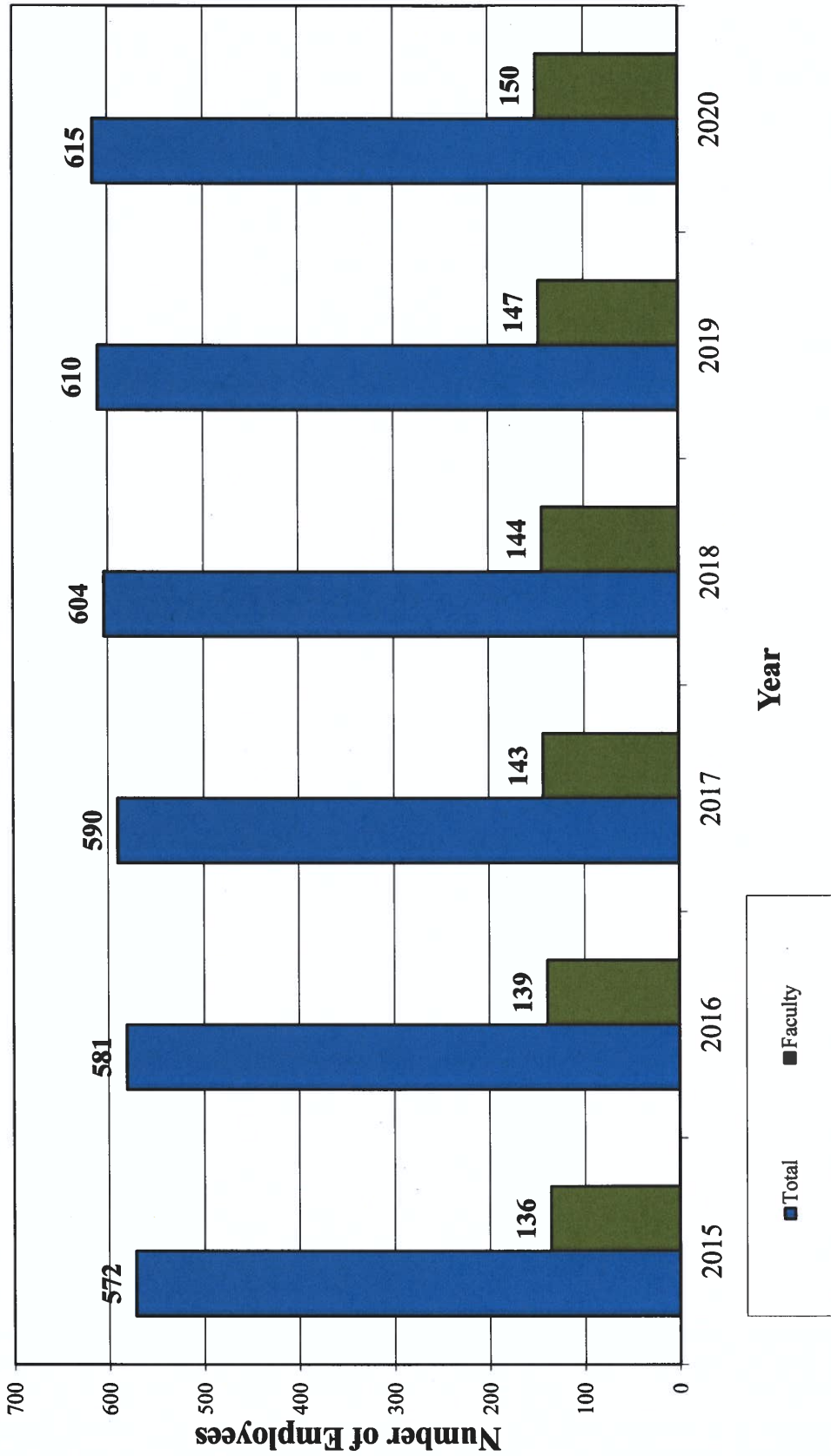
Tuition and Fees

In-State v. Out-of-State

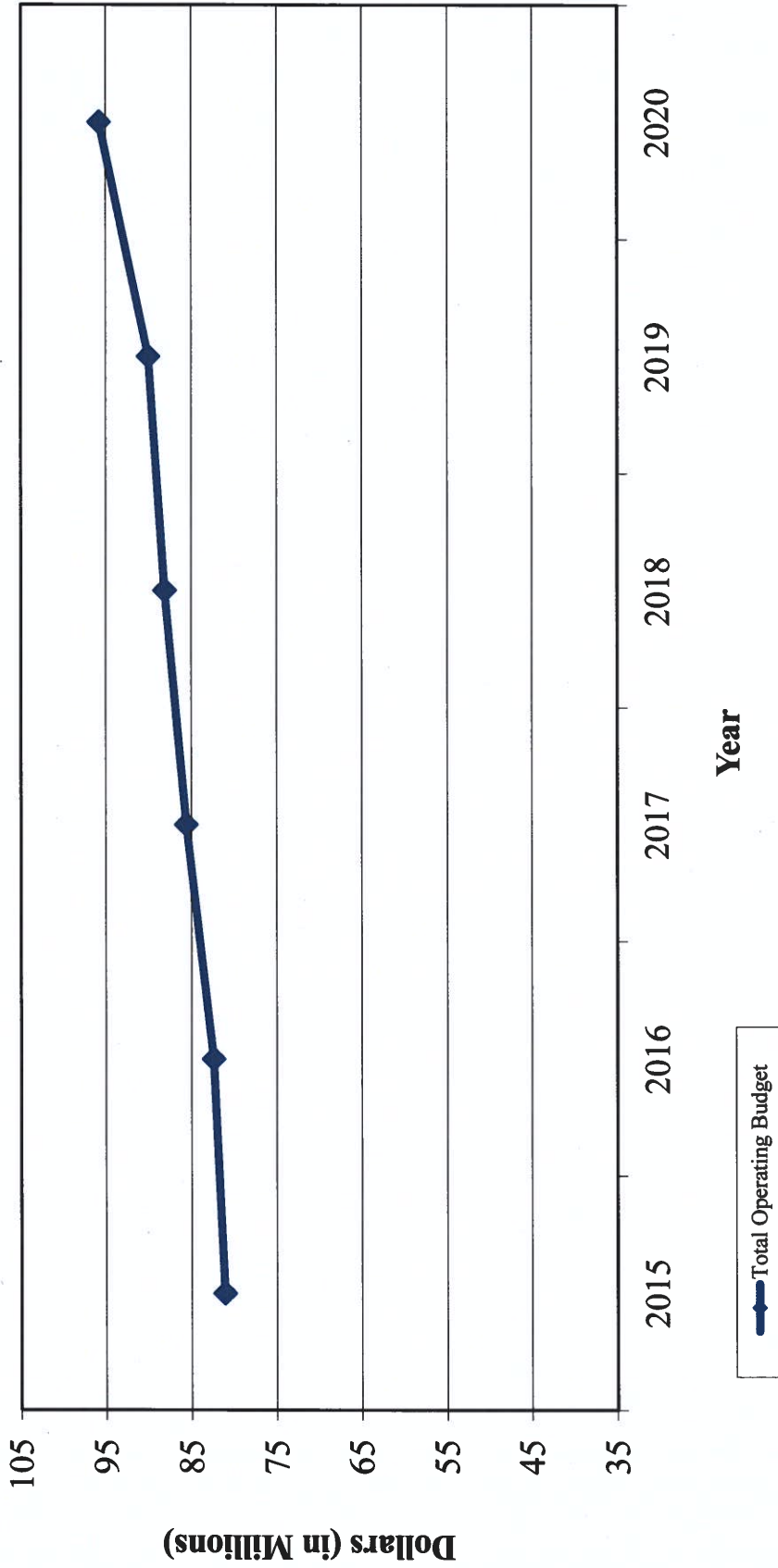


VMI Workforce

Total Employees vs. Teaching Faculty



Total Operating Budget



Key Financial Balances

