



BOARD OF VISITORS

AUDIT, FINANCE & PLANNING COMMITTEE

TUESDAY, 12 SEPTEMBER 2023

2:00 – 3:30 PM

Turman Room

BOARD OF VISITORS
AUDIT, FINANCE AND PLANNING COMMITTEE
Tuesday, 12 September 2023

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VIRGINIA MILITARY INSTITUTE
Lexington, Virginia
Board of Visitors
Audit, Finance and Planning (AFP) Committee
Friday, 28 April 2023

MINUTES

Board Members Present:

Mr. John Adams '96
LTG Charles E. Dominy, USA (Ret)
Mr. Hugh M. Fain III '80
Mr. J. Conrad Garcia
Mr. Thomas E. Gottwald '83 (Committee Chair)
Ms. Gussie Lord '01
Mr. Thomas R. Watjen '76 (President)
Mr. Damon Williams '90

Others Present:

MG Cedric T. Wins '85, Superintendent
BG Dallas B. Clark '99, Deputy Superintendent for Finance and Support
Mr. Corey J. Bachman '07, Assistant Director, Auxiliary
COL Jeffrey R. Boobar '86, Senior Director of Finance and Support
Ms. Pamela S. Brown, Assistant Director, Finance and Budget
Mr. Howard L. Clark III '93, Director, Auxiliary Services
Mr. Andrew C. Deal '12, Chief Operating Officer, VMI Keydet Club
Ms. Crissy Elliot, Chief Financial Officer, VMI Alumni Agencies
LTC Shannon M. Eskam, Director of Financial Aid
COL Keith E. Gibson '77, Executive Director, VMI Museum System
Mr. Thomas K. Jarvis '82, Director, Facilities Management
Mr. Jeffrey L. Lawhorne, Director, Finance and Budget
Ms. Corey A. Matteson, Bursar
COL Kimberly C. Parker, Government Relations Director
Mr. David L. Prasnicki, Chief Executive Officer, VMI Alumni Agencies
COL Wes L. Robinson, Chief Information Officer
Mr. David G. Sigler, Financial Analyst
COL Kathy H. Tomlin, Director of Procurement Services
LTC John M. Young, Chief of Staff
Mr. Thomas H. Zarges '70, President, Board of Trustees, VMI Foundation
Ms. April Cassada, Project Manager, Auditor of Public Accounts
Ms. Kristina Kemp, Auditor of Public Accounts
Ms. Sydney S. Rampey, Auditor-in-Charge, Auditor of Public Accounts

Mr. Gottwald, AFP Committee Chair, presided and called the meeting to order at 2:45 PM in the Turman Room, Preston Library.

1. Minutes from the 12 April 2023 BOV-AFP Interim Committee Meeting.

The committee unanimously approved the minutes from 12 April 2023.

2. Minutes from the 27 January 2023 BOV-AFP Committee Meeting

The committee unanimously approved the minutes from 27 January 2023.

3. Auditor of Public Accounts (APA) – FY 2022 Audit Report

Mr. Gottwald welcomed Ms. April Cassada, Project Manager, Ms. Sydney Rampey, Auditor-in-Charge, and Ms. Kristina Kemp from the Auditor of Public Accounts. Ms. Cassada reviewed the draft Audit Summary in detail and shared an unmodified opinion is expected to be issued on the Institute's financial statements for the year ended June 30, 2022. The audit identified three significant deficiencies: 1) Conduct Information Security Audits (written), 2) Develop a Baseline Configuration for the Operating System Server Environment (written), and 3) Improve Asset Tagging (verbal). The team also discussed prior year findings and discussed the implementation of GASB Statement 87. Ms. Cassada spoke positively of Institute personnel interactions and the audit support provided. Final June 30, 2022, financial statements are expected to be issued directly to the Committee electronically and will require Board approval at a subsequent meeting.

4. Information Technology Report

COL Robinson reviewed the Information Technology Report. Ms. Lord asked about retention practices for sensitive data. COL Robinson shared that different types of data have different requirements (Federal and Library of Virginia) regulating the length of time it is retained and how it is destroyed or stored. Mr. Gottwald thanked COL Robinson for his service to VMI and congratulated him on his upcoming retirement.

Board Motions

5. FY 2024 VMI Operating Budget

Mr. Gottwald asked BG Clark to provide updates on the FY 2023 budget and development of the FY 2024 budget. BG Clark also discussed ongoing efforts to control and decrease expenditures through various means.

Mr. Gottwald recounted VMI's approach to setting the 2022-2023 tuition rates, which included a 0% tuition increase for Virginians, and reminded the Committee that some Virginia schools increased tuition but utilized a rebate to counter the increase. He then discussed the 12 April 2023 Audit, Finance and Planning Interim Committee Meeting, which took a hard look at VMI's projected use of fund balance and laid the groundwork to likely recommend a tuition increase of 4% and a fee increase of 3% for both Virginian and Non-Virginian cadets. Mr. Gottwald, however, shared a recent communication from Virginia Secretary of Education Aimee Guidera outlining the administration's request that VMI not increase tuition more than 3%. Considering Secretary Guidera's request, BG Clark presented significant budget assumptions and budget models based on projected enrollments comparing a 3% tuition and 3% fee increase to a 4% tuition and 3% fee increase.

Significant discussion occurred about the importance of keeping costs down for families, especially non-Virginia families, and honoring the Secretary of Education's request. Additionally, acceptable use of the fund balance, funding challenges within the Athletics Department and the importance of continuing to reduce expenditures considering budgetary and enrollment pressures were also discussed.

Mr. Gottwald moved to recommend a tuition increase and fee increase of 3% for both Virginian and Non-Virginian cadets with three caveats; 1) If enrollment is below projections, the budget will be revisited and adjusted, 2) additional \$1M of savings should be achieved during the FY 2024, FY 2025, and FY 2026 budget years with a goal of keeping the fund balance above \$8M, and 3) review of the NCAA Athletics Department must occur, and necessary changes made, to insure it is on more solid financial footing.

The Committee unanimously agreed to recommend that the Board approve and adopt the FY24 Operating Budget with recommended tuition and fee increases of 3% for all cadets.

Briefing/Discussion Items

6. Key Financial Indicators and Budget Performance Reports

Key Financial Indicators and Budget Performance Reports were provided as supplementary information to the Committee. Due to time constraints, there were no specific discussions on this topic however the reports were referenced during the discussion of the FY 2024 Operating Budget.

7. VMI Foundation Report

Due to time constraints, there were no discussions on this topic.

8. SCHEV Pell Initiative

Information related to SCHEV's Pell Grant initiative was included in the Agenda book provided to the Committee. Due to time constraints, there were no discussions on this topic.

9. Capital Projects and Planning Update

The Capital Projects and Planning Update was included in the Agenda book provided to the Committee. Due to time constraints, there were no discussions on this topic.

10. Non-Capital Projects and Planning Update

The Non-Capital Projects and Planning Update was included in the Agenda book provided to the Committee. Due to time constraints, there were no discussions on this topic.

11. VMI Annual Debt Report

The VMI Annual Debt Report was included in the Agenda book provided to the Committee. Due to time constraints, there were no discussions on this topic.

12. AFP Duties Summary

The AFP Duties Summary chart was included in the Agenda book provided to the Committee as information.

There being no further business to come before the Committee, the meeting adjourned at 4:30 PM.

VIRGINIA MILITARY INSTITUTE

LEXINGTON, VIRGINIA 24450-0304

OFFICE OF THE SUPERINTENDENT

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12 September 2023

MEMORANDUM for the Record

SUBJECT: Delegation of Contractual Authority

TO: Board of Visitors

The Board of Visitors reaffirm that the Superintendent and the Deputy Superintendent for Finance and Support shall be authorized to sign, execute, and implement without limitation or restriction such agreements and contracts as necessary to accomplish the objectives of the Institute.

The Superintendent and the Deputy Superintendent for Finance and Support may grant authorization for designees for the same, provided that such authorization shall be in writing and include specific types of contracts and agreements and any other applicable restrictions or limitations.

Pursuant to the authority vested in the Superintendent (and the Deputy Superintendent for Finance and Support) by the Board of Visitors, contracting authority is hereby delegated as follows:

CONTRACTUAL AUTHORITY

1. The Deputy Superintendent for Academics and Dean of the Faculty, Chief Information Officer, the Commandant of Cadets, the Director of Intercollegiate Athletics, the Chief of Staff, and the Director of the Center for Leadership & Ethics are authorized to execute contracts for the employment of all teaching faculty, administrative and professional staff, classified and part-time employees subject to the following stipulations:
 - a. Contracts for *full-time* teaching faculty and administrative and professional staff shall be executed only after consultation with the Superintendent, and
 - b. Contracts shall be executed only after the confirmation of the adequacy of funding.
 - c. The authority to execute contracts for the employment of part-time teaching faculty and other academic support part-time employees may be delegated by the Deputy Superintendent for Academics and Dean of the Faculty to the Associate Dean of the Faculty.
 - d. The authority to execute contracts for the employment of part-time administrators in the Office of the Commandant may be delegated by the Commandant of Cadets to the Deputy Commandant.

NOTE: The above stipulations shall also apply to contracts executed by the Deputy Superintendent for Finance and Support.

1. The Director of Intercollegiate Athletics is authorized to execute individual contracts whereby VMI will receive revenues up to \$100,000 for athletic games, events and game guarantees.

Contracts for athletic games, events and game guarantee expenditures exceeding \$20,000 may be executed by the Director of Intercollegiate Athletics after the confirmation of the adequacy of funding and consultation with the Superintendent; for these contracts below \$20,000 the Director of Intercollegiate Athletics or the Assistant Athletics Director for Operations and Finance may approve the expenditures after the confirmation of the adequacy of funding.

2. The Director of Procurement Services & Accounts Payable is authorized to execute individual contracts for the procurement of all goods and services up to \$250,000 after the confirmation of the adequacy of funding. The authority to execute individual contracts for the procurement of all goods and services up to \$250,000 may be delegated to the Assistant Director of Procurement Services in the absence of the Director.
3. The Director of Facilities Management is authorized to execute Change Orders up to \$250,000 on construction contracts, provided the Change Order is consistent with the policies of the Commonwealth of Virginia and after the confirmation of the adequacy of funding. In addition, the Director of Facilities Management is authorized to execute agreements and contracts for the rental of VMI housing and other facilities or properties, based on rates as approved in advance by the VMI Board of Visitors or the Deputy Superintendent for Finance and Support.
4. All contracts, other than those: a) created by conduct of a formal procurement process pursuant to statute and executed on prescribed state forms; or b) those employment contracts which adhere in all material respects in form and in substance to a model previously approved by counsel, must be reviewed by counsel and approved by counsel as to form.

APPROVED SIGNATORY

Pursuant to current Institute policies, all purchases over \$2,000, regardless of the funding source, require written authorization *in advance* by the appropriate signatory. Prior to making any purchases of goods and/or services, department heads must ensure that the purchase is critical to daily operations. Consideration is to be given to existing resources in an attempt to meet the current need.

1. **ACADEMICS:** The Deputy Superintendent for Academics & Dean of the Faculty or the Associate Dean for Academic Administration & Planning must authorize purchases exceeding \$2,000 by all academic departments and the Registrar.
2. **FINANCE and SUPPORT:** The Deputy Superintendent for Finance & Support or the Director of Finance & Budget must authorize purchases exceeding \$2,000 for Auxiliary Services, Cadet Counseling, Construction, Infirmary, Institute Planning, Museum Programs. Purchases exceeding \$7,500 for Physical Plant & Facilities require advance authorization.
3. **ATHLETICS:** The Director of Intercollegiate Athletics or the Assistant Athletics Director for Operations & Finance must authorize purchases exceeding \$2,000 for all Athletic departments and Athletic Academic Advising.
4. **COMMANDANT:** The Commandant of Cadets or Commandant's Chief of Staff must authorize purchases exceeding \$2,000 for the Office of the Commandant, Regimental Band, Marksmanship and Institute Chaplain.
5. **INFORMATION TECHNOLOGY:** The Chief Information Officer must approve the purchase of all computers, cellular phones and/or computing devices regardless of value in addition to other related purchases exceeding \$2,000.

6. CHIEF OF STAFF: The Chief of Staff or Assistant Superintendent for Operations & Planning must approve purchases exceeding \$2,000 for the offices of Admissions, Communications & Marketing, Inspector General, Financial Aid, Institutional Research, Human Resources, Emergency Management, Police, Protocol, and the Office of Diversity, Opportunity and Inclusion.
7. CENTER FOR LEADERSHIP & ETHICS: The Executive Director of the Center for Leadership & Ethics or Deputy Director must approve purchases exceeding \$2,000 for all staff assigned to this area.

Any and all contracting authority and signature authority delegated prior to the issuance of this memorandum, is hereby revoked and terminated. Further delegation must be submitted in writing to the Chief of Staff in advance when events dictate such delegation. No authority to contract on behalf of the Institute exists in any individual, office, position or title except as set forth herein.

A handwritten signature in black ink, appearing to read "Cedric T. Wins". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

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

VIRGINIA MILITARY INSTITUTE

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12 September 2023

MEMORANDUM

TO: The Board of Visitors

THROUGH: The Audit, Finance and Planning Committee

SUBJECT: Approval of SWaM Plan

Each year in September, the Institute is required to submit a plan to the Secretary of Administration detailing efforts to increase and/or maintain spending with small, woman-owned, and minority-owned (SWaM) businesses for the current fiscal year. The plan also includes spending goals for three categories of disadvantaged businesses. The SWaM Plan that will be submitted to the State later this month sets spending goals for fiscal year 2024 as follows:

35.0%	Small Businesses
3.5%	Woman-Owned Businesses
2.5%	Minority Owned Businesses
<u>1.0%</u>	Other Spend (Micro, ESO, SDV)
42.0%	Total SWaM Spending Goal

In order for VMI to maintain compliance with its Memorandum of Understanding for Level 2 Procurement authority under the 2005 *Restructured Higher Education Financial and Administrative Operations Act*, Board approval is required for the SWaM Plan annually.

I recommend that you approve the SWaM Plan as submitted.

Recommended Motion

It is moved that the Board of Visitors approve the 2023-2024 SWaM Plan as outlined in Attachment A.



MG Cedric T. Wins
Superintendent

ATTACHMENT A



ANNUAL SWaM PROCUREMENT PLAN FY 2024

Presented to the Board of Visitors

Virginia Military Institute is committed to increasing participation of Small, Woman- and/or Minority- (SWaM) owned businesses in procurement opportunities and ensuring barriers are removed that might adversely affect their ability to participate.

AGENCY: 211 - Virginia Military Institute
SUPERINTENDENT: MG Cedric T. Wins
CHIEF FINANCIAL OFFICER: BG Dallas B. Clark
PRESIDENT, Board of Visitors: Mr. Thomas R. Watjen
SECRETARIAT: EDUCATION
The Honorable Aimee Rogstad Guidera, Secretary

PREPARED BY: COL Kathleen H. Tomlin, Director
Procurement Services / Accounts Payable

DATE: 12 September 2023

Procurement Services is responsible for the entire procurement process for academic and administrative departments from requisition and contract negotiation through ordering, invoicing and payment as well as the disposal of goods no longer needed by departments.

It is the mission of Procurement Services to obtain quality goods and services at reasonable costs in a professional, efficient, and responsive manner while adhering to the applicable governing laws of the Commonwealth of Virginia and the policies of the Institute.

In compliance with the Memorandum of Understanding authorized through the *Restructured Higher Education Financial and Administrative Operations Act of 2005* and Chapter 829 of the *2008 Acts of Assembly*, the Institute requires that "all procurement procedures be conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety, that all qualified vendors have access to public business and that no offeror be arbitrarily or capriciously excluded."

DEPARTMENTAL OVERSIGHT

COL Kathleen H. Tomlin,
VCO, VCCO, CUPO

Director, Procurement Services

LTC Lynn W. Carmack
CUPO, CPSM, CPPO

Assistant Director, Procurement Services

Ms. Shana Pooley O'Quinn

Procurement Officer, VASCUPP SWaM Committee Representative

Ms. Gina Parker

Procurement Officer

EXECUTIVE OVERSIGHT

MG Cedric T. Wins

Superintendent

BG Dallas B. Clark

Deputy Superintendent for Finance and Support

Mr. Jeffrey L. Lawhorne

Director of Finance and Budget

HISTORICAL FISCAL SPENDING

Percentages of Discretionary Expenditures for Small, Woman-Owned, and Minority-Owned Businesses

FISCAL YEAR	SMALL		WOMAN-OWNED		MINORITY-OWNED		OTHER*		TOTAL SWaM	
	GOAL	27%	GOAL	3.0%	GOAL	2.5%	GOAL	9.0%	GOAL	42%
2023	ACTUAL	27.46%	ACTUAL	4.31%	ACTUAL	2.89%	ACTUAL	3.47%	ACTUAL	38.13%

2020	38.34%	3.57%	2.94%	N/A	44.85%
2021	35.90%	2.93%	3.24%	2.12	44.19%
2022	32.99%	3.63%	2.61%	2.85	42.08%

VMI's faces many challenges in doing business with SWaM vendors directly related to several factors:

- **Geographic location** – There is a relatively small number of local minority-owned and woman-owned vendors in our area - the current Department of Small Business and Supplier Diversity (DSBSD) database lists a very limited number of certified vendors in our immediate area. VMI, JMU, Radford and Virginia Tech, all with strong capital construction programs, compete for the small number of available vendors in the Shenandoah and New River Valley regions.
- **Limited number of established cooperative (State, VASCUPP) contracts** - In the past only a limited number of these contracts were awarded to SWaM firms; however, the Virginia Association of Schools, Colleges and University Procurement Professionals (VASCUPP) and the Virginia Higher Education Procurement Cooperative (VHEPC) are awarding more contracts to SWaM vendors.

STATE AVERAGES FY 2023

Statewide and Secretariat Percentages of Discretionary Expenditures for Small, Woman-Owned and Minority-Owned businesses:

FISCAL YTD FY 2023	SMALL	WOMAN-OWNED	MINORITY-OWNED	OTHER*	TOTAL SWaM
Higher Education	24.03%	4.82%	5.59%	3.09%	37.54%
Statewide	17.16%	5.73%	6.46%	2.95%	32.29%

Information source: www.sbsd.virginia.gov

*Micro, SDV, ESO

GOVERNOR'S EXECUTIVE ORDER 35

On 3 July 2019, former Governor Northam signed Executive Order 35: Advancing Equity for Small, Woman and Minority Owned Business. To date, current Governor Youngkin has not issued a new EO for SWaM spending requirement.

As written, EO35:

- requires a SWaM goal from 42% of discretionary spend for goods and services; and 50% for new capital outlay construction;
- creates a micro-business designation for businesses with fewer than 25 employees and revenues of no more than \$3 million annually;
- requires set-aside solicitations for procurements less than \$100,000;
- requires all procurements under \$10,000 be set-aside for micro-businesses only;
- requires a uniform method of evaluating SWaM procurement plans submitted by prime contractors;
 - certifying that the contractor is in compliance with the submitted plan;
 - requiring a written explanation when goals are not met;
 - including a provision in contracts and renewals to withhold final payments from contractors until they are compliant with their proposed SWaM plan; and
- requires agency heads, presidents of institutions of higher education, and senior managers with procurement oversight to complete annual, once developed, Equity in Procurement training.

The Institute currently engages in the activities mandated by EO35 in the following ways:

- Staff actively recruit and assist vendors with eVA registration and SWaM certification;
- SWaM champions have been designated to ensure equity in all solicitations;
- prime contractors are encouraged (and often required) to remove any actual or perceived barriers from sub-contracting opportunities;
- mandating SWaM goals for both prime contractors *and* professional service providers;

SWaM GOALS FOR FY 2024

Anticipated Percentages of Discretionary Expenditures for Small, Woman-Owned, and Minority-Owned businesses:

FISCAL YEAR	SMALL	WOMAN-OWNED	MINORITY-OWNED	OTHER*	TOTAL SWaM
2024	35.00%	3.50%	2.50%	1.0%	42.00%

VMI has analyzed all possibilities to provide realistic goals. These aspirational goals include Architect/Engineer and/or Construction Manager at Risk services for the start of two major projects during FY 2024: Post Wide Safety and Security; and the renovation/addition to Nichols Engineering Laboratories. Barracks Safety and Security; Barracks Window replacement; and the Moody Hall demolition/renovation are all in the design phase and solicitation for A/E Services has been publicly solicited for the Center for Leadership and Ethics, (Phase II).

Small non-capital projects considered in the development of these goals include the following projects: Memorial Hall Water Infiltration; Cocke Hall Building Envelope; Clarkson-McKenna Team Meeting Room; and Gray-Minor Field Improvements, as well as smaller building maintenance and repair projects.

Non-capital On-Demand Construction (up to \$500k) and Trades Pool (up to \$50k) contracts are administered by Facilities Management for mandatory use across Post. All vendors awarded a contract through these two programs are DSBSD-certified SWaM vendors.

In 2015, Joint Legislative Audit and Review Commission (JLARC) presented their study on the benefits of cooperative procurement and found that it streamlined the procurement process saving time and valuable resources. The study also revealed several problems among institutions when employees with purchasing responsibilities are given too much freedom to choose their own vendors and are not required to utilize existing contracts, which often leads to choices driven by preference rather than cost or efficiency. JLARC recommended that policies that standardized procurement sources be instituted and adherence enforced. To that end, VMI works closely with VASCUPP and VHEPC to ensure that there is collaboration, buying power is aggregated, and duplicative contracts are reduced or eliminated among higher ed institutions. VMI has many mandatory contracts across Post, including an office supply contract with The Supply Room Company (TSRC), a certified small business located in the Commonwealth.

DESIGNATION OF SWaM CHAMPIONS

Purchases and Supply Division

Name: COL Kathleen H. Tomlin,
VCO, VCCO, CUPO
Title: Director, Procurement Services
& Accounts Payable
Address: Office of Budget and Finance
314 Smith Hall, Lexington, VA 24450
Telephone: 540-464-7166
E-mail: tomlinkh@vmi.edu

Building Maintenance and Construction Division

Name: Mr. T. Keith Jarvis
VCCO
Title: Director of Facilities Management
Address: Construction Office
320 Institute Hill, Lexington, VA 24450
Telephone: 540-464-6797
E-mail: jarvistk@vmi.edu

CURRENT PROCUREMENT PRACTICES:

VMI's procurement process is primarily centralized. Most individual departments have delegated purchasing authority up to \$2,000 using the Small Purchases Charge Card (SPCC) and the Electronic Virginia (eVA) procurement system. Some departments whose P-Card holders have received Virginia Contracting Associate (VCA) certification have delegated authority up to \$10,000.

The following policies are currently in effect for purchases:

- \$0-\$9,999.99 – Staff with delegated procurement duties are **required** to use small, woman-owned, and/or minority-owned businesses for all purchases when such businesses are available. Procurement Services staff assist in locating DSBSD-certified SWaM suppliers and solicit through eVA Quick Quote when deemed advantageous.
- \$10,000 - \$100,000 - Procure through eVA Quick Quote with potential to reach multiple SWaM firms with preference given to SWaM vendors when advantageous to the Institute. These solicitations are regularly "set aside" for SBSB-certified vendors.
- Over \$100,000 - Procure through sealed Invitations for Bid (IFB) or Request for Proposals (RFP), require direct solicitation and posting on eVA. Construction IFB's and RFPs are advertised in at least one statewide newspaper.

SWaM Procurement Strategies:

- A. Responsibilities, duties, and scope of authority of the SWaM Procurement Champions in implementing and monitoring the SWaM Plan:

The Director of Procurement Services:

- is the designated VMI SWaM Procurement Champion who is responsible for all procurement at VMI, including capital and non-capital construction-related procurement;
- is in charge of and supervises all procurement staff as well as personally leading all construction-related procurements in cooperation with the VMI Facilities Management;
- enters subcontracting data in the state's SBSB dashboard for accountability;
- reviews the monthly SWaM report and evaluates procurement staff on their efforts to increase SWaM spending; and
- directs activities of all Procurement staff members in an effort to meet SWaM spend goals.

The Director of Facilities Management:

- is the designated VMI SWaM Procurement Champion for Capital Projects who is responsible for construction-related procurement with the assistance of the Director of Procurement Services;
- is in charge of and supervises staff in leading all construction-related and maintenance procurement; and
- meets with Architects, Engineers, Contractors and Vendors to ensure that SWaM participation in subcontracting is achieved in accordance with policy and as stated in submitted plans.

Designating the Procurement and Construction directors as SWaM Co-Champions indicates that VMI recognizes the importance of this initiative and places a high emphasis on SWaM spending in all areas. Because of the small size of the office of Procurement Services, each staff member serves as a SWaM procurement champion on a day-to-day basis so that SWaM development activities are not limited to the formally designated procurement champions.

B. SWaM procurement strategies and training programs designed to increase the procurement opportunities with certified SWaM vendors:

1. Set-aside solicitations

All Small Purchase Credit Cardholders (SPCC) and staff with delegated procurement duties are to use small, woman-owned and/or minority-owned businesses for all purchases when such businesses are available. Procurement staff will assist in locating DSBSD certified SWaM suppliers or granting permission to purchase from majority (large) businesses after due diligence has been performed.

Additional set-aside programs include the On-Demand Construction Contract (ODCC) for projects ranging from \$50,000 up to \$500,000 and the Single Trades Contracts for renovation and repair projects with values up to \$50,000.

2. Construction

VMI currently requires prime contractors to submit a SWaM subcontracting plan with goals of no less than 50% in accordance with EO35 and to provide evidence of payments to subcontractors. VMI also uses SWaM business participation plan(s) as weighted criteria when evaluating proposals. A minimum of 20 points is assigned to this criterion.

RFPs, including those for Construction Manager at Risk, include a requirement that the prime contractor submit a detailed schedule of past use of SWaM vendors on similar projects, and a schedule of projected future use of SWaM vendors on the specific VMI project. This requirement is included in the evaluation criteria and is reviewed and scored by a member of the Procurement Services staff. The terms of the RFP require the prime contractor to provide subcontracting data to VMI on a quarterly basis.

3. Identifying and removing barriers

VMI strives to ensure that all vendors, regardless of size, have fair opportunities to compete for VMI business. Whenever possible and reasonable, procurements are structured to ensure that SWaM vendors are not limited in competing. VMI actively assists businesses in receiving their SWaM certification and believes this will increase the number of historically disadvantaged businesses available to meet the procurement needs of the Institute as well as other state agencies and institutes of higher education.

4. Modification of Evaluation Criteria

Procurement Services reviews all evaluation criteria, related specifications, and scopes of work prior to issuance to ensure that they are reasonable, fair, and in no way prevents qualified firms from competing for VMI business. All requirements based on past experience, years in business, etc., are closely reviewed to confirm that they are in fact absolutely necessary to ensure only qualified contractors are eligible to submit bids or proposals and do not arbitrarily prevent vendors from participating.

5. Electronic Virginia (eVA) website

Every procurement is posted on the eVA procurement website to allow for sufficient notice to businesses to participate in the projects of the Institute. Notification occurs in two ways: Quick Quote (QQ) is used for current solicitations less than \$100,000; and the Virginia Business Opportunities (VBO) is used for posting current RFPs and IFBs.

6. Internal SWaM training program

The Director of Procurement Services has worked to implement SWaM training for staff with purchasing responsibilities that includes those employees who are responsible for initiating procurements as well as Small Purchase Charge Cardholders (SPCC). In addition, departmental SPCC holders attend a virtual educational program provided by the Virginia Department of Accounts (DOA) delivered to their computers to ensure adherence to the Institute's procurement policies. This training is mandatory during each academic year.

7. SWaM outreach events or activities

As a member of the Virginia Association of State Colleges and University Purchasing Professionals (VASCUPP), VMI has supported, both financially and by attendance, the highly successful SWaMfest events hosted by VASCUPP over the past sixteen years. This event allows VMI personnel to connect with many SWaM vendors from across the state and beyond and network with their peers from sister institutions.

As a result of the COVID-19 pandemic, SWaMfest migrated to a virtual platform with much success, but will return to the in-person conference in October 2023.

8. Implementing unbundling of selected contracts

Because of its size and the fact that VMI is a frequent user of state and VASCUPP contracts, the Institute typically does not have contracts that lend themselves to unbundling. VMI works with prime contractors to reduce scopes of work when appropriate to allow for inclusion of historically disadvantaged businesses. The Procurement Staff has made concerted efforts to link these prime contractors with SWaM businesses.

To reach more DSBSD certified vendors, VMI will issue solicitations that specifically target these vendors by writing annual service contracts to encourage their participation. The focus of this initiative is in, but not limited to, the areas of maintenance reserve and Facilities Management operations.

C. SWaM certification:

Procurement Services staff routinely approach potential SWaM-eligible firms and explain the SWaM certification requirements. If a vendor is not certified by DSBSD, they cannot be counted as such in VMI statistics and that may negatively affect their consideration for some procurements. Potential vendors are informed how certification may help them obtain business from other state agencies and institutions across the Commonwealth.

D. SWaM subcontracting data:

Standard Department of Engineering and Buildings (DEB) forms are used to obtain construction-related subcontracting data. Internal procedures require that the prime contractor certify the accuracy of information provided to VMI. By certifying this data, the prime contractor takes responsibility for this submission. Any fraudulent reporting could be grounds for contract termination. In addition, VMI Procurement Services staff actively work with prime contractors to help identify SWaM subcontracting opportunities and to assist subcontractors with DSBSD registration. VMI now requires third tier reporting from Prime Contractors including the Institute's food service vendor who must report sub-contracting data quarterly.

E. Barriers or Limitations and Solutions:

As noted earlier, VMI utilizes both state and VASCUPP contracts, thus many of our procurements are small dollar that do not have inherent barriers to SWaM participation. It should be noted, however, that the number of state contracts awarded to SWaM businesses is low compared to the total number of state contracts available for use.

On larger procurements, Requests for Proposal (RFP) in particular, evaluation criteria is closely reviewed to ensure it does not limit, but rather, encourages SWaM participation.

The Department of Small Business and Supplier Diversity (DSBSD), reports that certification for new SWaM businesses or recertification for currently registered SWaM business, takes approximately 60 days and in some cases procurements are often completed before certification is approved. When this occurs the spend is not calculated towards the goal.

F. Evaluation of SWaM procurement progress and achievement:

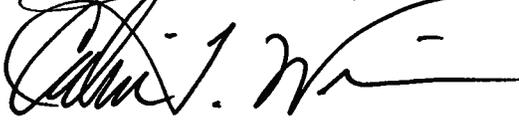
The Deputy Superintendent for Finance and Support receives a copy of the SWaM report regularly to monitor past, current and future SWaM activity and for awareness of SWaM-related activities. The Director of Procurement Services is responsible for submitting VMI's SWaM Plan to the Institute's Board of Visitors annually for approval.

IV. Signatures

Completed by:

Signature: 
COL Kathleen H. Tomlin, Director, Procurement Services & Accounts Payable Date: 18 August 2023

Approved by:

Signature: 
MG Cedric T. Wins, Superintendent Date: 24 Aug 23

VIRGINIA MILITARY INSTITUTE

LEXINGTON, VIRGINIA 24450-0304

OFFICE OF THE SUPERINTENDENT

Phone 540-464-7311

Fax 540-464-7660

Virginia Relay/TDD dial 711

23 August 2023

MEMORANDUM

TO: The Audit, Finance and Planning Committee

SUBJECT: Audited Financial Statements for the Year Ended 30 June 2022

Please find enclosed VMI's Audited financial statements for the fiscal year ended 30 June 2022.

These statements have been prepared in accordance with generally accepted accounting principles. VMI's report also includes the financial statements of the VMI Alumni Agencies and the VMI Research Laboratories as component units of the Institute in compliance with Governmental Accounting Standards Board Statement No. 39 *Determining Whether Certain Organizations Are Component Units*. The Commonwealth's Auditor of Public Accounts has issued an unmodified opinion (clean report) which is also enclosed with the FY2022 financial statements.

We will brief you on the report at the September 2023 meeting and recommend that the statements be adopted as submitted.

Recommended Motion:

It is moved that the Board of Visitors approve VMI's audited financial statements for the fiscal year ended 30 June 2022.



Cedric T. Wins '85
Major General, U.S. Army (Retired)
Superintendent

VIRGINIA MILITARY INSTITUTE

LEXINGTON, VIRGINIA 24450-0304

OFFICE OF THE SUPERINTENDENT

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12 September 2023

MEMORANDUM

TO: VMI Board of Visitors

THROUGH: The Audit, Finance and Planning Committee

SUBJECT: Approval of VMI's Six-Year Plan (2023)

The purpose of this memorandum is to transmit VMI's Six-Year Plan Update (FY 2025 to FY 2030) for your review and approval. A copy of the Plan is included with this memorandum.

State Requirements and Process

1. The development and adoption of VMI's Six-Year Plan (the Plan) by the Board of Visitors is mandated in The Virginia Higher Education Opportunity Act of 2011 (The Act).
2. The Act requires that six-year plans be submitted biennially by 1 July of each odd-numbered year and amended or affirmed by 1 July on each even-numbered year. This year's due date was extended and VMI submitted its updated Plan to the State Council of Higher Education (SCHEV) on 17 July 2023.
3. The Plan uses the "template" issued by SCHEV. It is based on SCHEV's instructions to assume no increase in State general funds beyond the current legislative appropriation for FY 2024. It also focuses primarily on Fiscal Years 2025 and 2026 for the Educational and General Program (E&G).
4. The six-year plans address the institution's academic, financial, and enrollment plans for the six-year period and address certain specific objectives outlined in the Act. These objectives include provision of financial aid to help mitigate the impact of tuition and fee increases on low-income and middle-income students; degree conferral targets for Virginia students; and plans for optimal year-round use of facilities.
5. Each institution was required to meet with a committee (Op-Six Review Committee) consisting of the Director of SCHEV, Secretaries of Education and Finance, Director of Department of Planning and Budget, and the Staff Directors of the House Appropriation and Senate Finance Committees to review the six-year plan and obtain comments. VMI had its meeting in Richmond on 10 August.

6. The Review Committee is scheduled to provide its general comments that apply to all institutions and institution-specific comments on 1 September 2023. Institutions are required to respond to these comments by 1 October 2023.

Highlights of VMI's Updated Plan (E&G Program)

Revenues

1. VMI's updated Plan reflects a projected fall enrollment of 1,487 in FY 2025 and 1,552 in FY 2026.
2. VA tuition and fees total \$32,388 in FY 2025 and \$33,284 in FY 2026 for an increase of 2.9% and 2.8%, respectively. Tuition only reflects an increase of 3.0% in FY 2025 and 3.0% in FY 2026.
3. NVA tuition and fees total \$64,010 in FY 2025 and \$65,856 in FY 2026 for an increase of 2.9% in both years. Tuition only reflects an increase of 3.0% in FY 2025 and 3.0% in FY 2026.
4. Tuition and other income total \$33.0 million in FY 2025 and \$35.4 million in FY 2026 for an increase of \$900,000 (2.8%) and \$2.4 million (7.3%), respectively.

Note: For the Six-Year Plan, the FY 2026 increase in tuition and other income below is the sum of the increase for both FY 2025 and FY 2026; this use of a "cumulative" total for FY 2026 also applies to all new spending or costs shown in the Six-Year Plan and is similarly reflected below in the notes).

Expenses

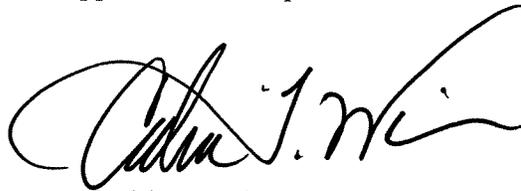
5. Salary increases of 2.0% in both years are projected for teaching faculty, administrative and professional faculty, and classified employees as provided in the Six-Year Plan instructions.
6. Employer health insurance premiums are projected to increase 3% each year as provided in the Six-Year Plan instructions.
7. Utilities and insurance are projected to increase 3.0% in both FY 2025 in FY 2026.
8. Contingencies are budgeted for \$750,000 in FY 2025 and \$1.0 million in FY 2026 reflecting about 1.3% to 1.7% of total E&G Program costs to include cadet financial assistance.
9. Tuition revenue used for cadet financial assistance is projected to increase \$25,000 for in-state cadets and \$75,000 for out-of-state cadets in FY 2025. For FY 2026, the increase is \$50,000 for in-state cadets and \$150,000 for out-of-state cadets.

Summary

10. VMI's amended Six-Year Plan (Academic and Financial) reflects its initiatives and activities in support of the goals and objectives of The Virginia Higher Education Opportunity Act of 2011 and the Statewide Strategic Plan.
11. The financial projections in VMI's revised Six-Year Plan do not commit VMI or the State to any specific set of revenues and spending. The annual operating budget process, to include BOV reviews and approval, will continue to establish the Institute's actual operating budget for each fiscal year.

Recommended Motion

It is moved that the VMI Board of Visitors approve VMI's updated Six-Year Plan for FY 2025 to FY 2030.



Cedric T. Wins '85
Major General, U.S. Army (Retired)
Superintendent

INSTRUCTIONS FOR SUBMITTING 2023 INSTITUTIONAL SIX-

Due Date: July 17, 2023

PLEASE READ INSTRUCTIONS CAREFULLY

Six-year Plan Requirement

The Higher Education Opportunity Act of 2011 (TJ21) requires Virginia's public institutions of higher education to prepare and submit six-year plans. (See below for complete code reference.) During the 2015 General Assembly session, joint resolutions approved by the House (HJR 555) and Senate (SJ 228) also require that the mission, vision, goals, and strategies expressed in the Virginia Plan, the statewide strategic plan, guide the development of the strategic plan and six-year plan at each public institution of higher education, as well as the agency plan for SCHEV, and that SCHEV report annually on the Commonwealth's progress toward achieving these goals and targets to the Governor, General Assembly, institutions of higher education and the public.

2023 Six-Year Plan Format

The 2023 Six-Year Plan consists of a workbook and an accompanying narrative. The workbook has an Instructions page, Institution ID page and eight parts/worksheets: Enrollment, Undergraduate Tuition and Fee Increase Rates, Revenue, Financial Aid, Academic-Financial, General Fund (GF) Request, and Pro Forma. **Note: Shaded cells contain formulas.** Instructions for the narrative are provided in a separate attachment. Though the Enrollment/Degree Projections are being developed in a separate

The 2023 Six-Year Plans are due July 17, 2023. The review group (referred to as Op Six) as outlined in § 23.1-306 - see Legislative Reference section below - will meet with each institution in August to review the institution's plan and provide comments. If changes to the plans are recommended, revised institutional submissions are due no later than October 1 or immediately following an institution's Board of Visitors' meeting, if it is later than October 1.

INSTRUCTIONS FOR SECTIONS

1. Undergraduate Tuition and Fee Increase Rate Plan

Provide annual planned increases in undergraduate tuition and mandatory E&G fees and mandatory non-E&G fees for both in-state and out-of-state students in 2024-26 biennium. The tuition and fee charges for in-state undergraduate students should reflect the institution's estimate of reasonable and necessary charges to students based on the mission, market capacity and other factors with the assumption of no new state general fund support.

2. Revenue

For FY2023- FY2026: Based on assumptions of no new general fund, enrollment changes and other institution-specific conditions, provide total collected or projected to collect revenues (after discounts and waivers) by student level and domicile (including tuition revenue used for financial aid), and other NGF revenue for educational and general (E&G) programs; and mandatory non-E&G fee revenues from in-state undergraduates and other students as well as the total auxiliary revenue. **DO NOT INCLUDE STIMULUS FUNDS.** In line 25, enter E&G GF revenues for the current bienium. The formulas will automatically hold that constant for the remaining years.

For 2027-FY2030: Provide a pro forma analysis of total tuition revenue in years 2026-2030 by holding T&F constant at the planned 2025-26 rate while incorporating your institution's submitted enrollment projections for each year through 2030. These columns are NOT meant to be a projection and do NOT make any assumption about GF support. The calculations will be used to support the pro forma analysis in tab 5.

3. Financial Aid

Provide a breakdown of the projected source and distribution of tuition and fee revenue redirected to financial aid. To ensure compliance with the state prohibition that in-state students not subsidize out-of-state students and to provide the review group with a scope of the strategy, projections must be made for each of the indicated categories. Please be aware that this data will be compared with similar data provided by other institutional offices in order to ensure overall consistency. (Please do not alter shaded cells that contain formulas.) "Other Discounts and Waiver" means the totals of any unfunded full or partial tuition waiver reducing the students' charges, including Virginia Military Survivors and Dependent Education Program and the Senior Citizens Tuition Waiver. Do not include the tuition differential for the tuition exceptions. Note: If you do not have actual amounts for Tuition Revenue for Financial Aid by student category, please provide an estimate. If values are not distributed for Tuition Revenue for Financial Aid, a distribution may be calculated for your institution.

4. Academic-Financial Plan

Instructions: The Academic Plan should contain academic, finance, and support service strategies the institution intends to employ in meeting state needs/goals as found in the Virginia Plan. (Please see the main instructions sheet in this workbook for more detailed information about The Virginia Plan. Please provide short titles to identify institutional strategies and other expenditure increases. Provide a concise description in the "Notes" column (column O), including a % increase where relevant and a specific reference as to where more detailed information can be found in the Narrative document.

Complete the lines appropriate to your institution, adding lines within the relevant categories as needed. As completely as possible, the items should represent a complete picture of your anticipated use of projected tuition revenues and strategic focus areas. Categories are listed in bold; you may not change the categories but you may add lines where indicated. Please update total cost formulas if necessary. For every line, the total amount and the sum of the reallocation and tuition revenue (and GF when indicated) should equal one another.

Funding amounts in the first year should be incremental. However, if the costs continue into the second year and beyond, they should be reflected cumulatively (i.e. cost increases vs. 2023-24). Please update total cost formulas if necessary. Institutions should assume no general fund (GF) support in 2024-26 in this worksheet other than for salaries, health insurance and VITA charges per the instructions below. A separate worksheet (Part 6) is provided for institutions to request additional GF support for 2024-26. Strategies for student financial aid, other than those that are provided through tuition revenue, should not be included on this table; they should be included in Part 6, General Fund Request, of the plan.

For the 2026-28 bienium and 2028-2030 bienium, total amounts should be provided as estimates of future expenditures on these items but delineation of reallocation vs. tuition revenue vs. GF does not need to be provided by the institution.

Funding amounts shall assume an annual 2% salary increase for each year from FY2025 to FY2030 for those employees eligible for the state-supported salary increases in the 2022-2024 biennium. Funding amounts shall also assume an annual 3% health insurance increase and a 5.36% VITA cost increase. Institutions shall calculate the GF portion of these increases in columns H and L using the appropriate fund share, which can be found in Tab 4b. If an institution plans to use its own funds to provide additional salary increases, add lines below the "increased fringe benefits costs" and specify salary amount by employee type and associated fringe benefit costs, but do not put any dollar amount in Columns H and L.

NOTE: In light of ongoing budget negotiations, please complete the template assuming only what has already been signed into law as the baseline 2022-23 and 2023-24 appropriation. In the event that a new budget results in additional funding for institutions in 2023-24, OpSix will provide guidance at that time on whether and how to modify or resubmit plans.

Pathways to Opportunity: The Virginia Plan for Higher Education. In the column labeled "VP Goal," identify the goal of the The Virginia Plan (VP) that applies to each institutional strategy using the appropriate number (i.e., 1, 2, or 3). The three VP goals are listed below. In the Narrative document (Section B), institutions should provide more detailed information.

The Virginia Plan has three major goals (please refer to the Plan at <https://www.schev.edu/research-publications/strategic-plan> for more information about the strategies under each goal):

GOAL 1 EQUITABLE: CLOSE ACCESS AND COMPLETION GAPS.

GOAL 2 AFFORDABLE: LOWER COSTS TO STUDENTS.

GOAL 3 TRANSFORMATIVE: EXPAND PROSPERITY.

5. Six-Year Pro Forma Calculations

Instructions: No new data needs to be added on this tab; it is entirely comprised by formulas. The top section pulls in data from the previous tabs to calculate a pro forma budget surplus/deficit for the 6 years. The following section calculates what T&F (price) and GF increases would theoretically need to occur each year in order to cover the deficit and maintain the 2022-23 GF/NGF split. At the bottom is a blended scenario calculator that a user can leverage to calculate custom "shared" scenarios where deficits can be covered by a combination of expenditure reduction, T&F increases, and GF increases. Cells D28:30 should be set by the user (so long as they add up to 100%) and the results will flow into the rows below that automatically. This analysis is intended to be directional and pro forma; it is not intended to be interpreted as a projection or plan/budget of any kind.

Note: this pro forma does not include any of the additional GF requests in the following tab; those requests would require GF funding on top of what is calculated in this tab. It does account for the salary/health insurance/VITA increases from tab 4, including the corresponding GF increases.

6. General Fund (GF) Request

Instructions: Indicate items for which you anticipate making a request for state general fund in the 2024-26 biennium. The item can be a supplement to a strategy or item from the academic and financial plan or it can be a free-standing request for which no tuition revenue would be used. If it is a supplement to a strategy or item from the academic and financial plan, use the same title used in Part 4 and place it in bold print to draw attention to its connection to Part 6. Also, describe in the Notes column how additional general fund will enhance or expand the strategy. Requests for need-based financial aid appropriated in program 108 should be included here. If additional rows are added, please update the total costs formulas.

NOTE: In light of ongoing budget negotiations, please complete the template assuming only what has already been signed into law as the baseline 2022-23 and 2023-24 appropriation. In the event that a new budget results in additional funding for institutions in 2023-24, OpSix will provide guidance at that time on whether and how to modify or resubmit plans.

Enrollment/Degree Projections: Detailed six-year enrollment/degree projections are being collected through a separate process. These projections will be incorporated in the Six-Year Plan as part of the July and August institutional meetings with the Op Six.

BOV Approval: Final board approval of the Six-Year Plan should be done at the earliest possible fall meeting. HB 897 (2018) specified that initial plans do not get posted on the General Assembly's website and that final plans should be submitted to DLAS no later than December 1. However, we are requesting that institutions submit final plans with their responses to Op Six Comments on October 1 (or as soon after fall board meetings as possible) as has been done in the past. We post the responses and final plans for review by the Op Six for a period of time prior to posting to SCHEV's website.

Accessibility: All files need to be checked for accessibility prior to submitting them. Information on accessibility is provided at this link on SCHEV's website: <http://schev.edu/index/accessibility/creating-accessible-content>. The first link, "How to Make Your MS Office Documents Accessible" can be used to learn how to check documents. Only errors, not warnings, must be addressed.

Contacts for Questions:

General Questions - Thomas Allison (tomallison@schev.edu)

Academic - Joe DeFilippo (joedefilippo@schev.edu)

Finance - Yan Zheng (yanzheng@schev.edu)

Financial Aid - Lee Andes (leeandes@schev.edu)

Enrollment/Degree Projections - Tod Massa (todmassa@schev.edu)

Legislative Reference:

§ 23.1 - 306. Institutional Six-Year Plans.

A. The governing board of each public institution of higher education shall (i) develop and adopt biennially and amend or affirm annually a six-year plan for the institution;
(ii) submit such plan to the Council, the General Assembly, the Governor, and the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on Finance no later than July 1 of each odd-numbered year; and (iii) submit amendments to or an affirmation of that plan no later than July 1 of each even-numbered year or at any other time permitted by the Governor or General Assembly to the Council, the General Assembly, the Governor, and the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on Finance. Each such plan and amendment to or affirmation of such plan shall include a report of the institution's active contributions to efforts to stimulate the economic
Budget, Executive Director of the Council, Staff Director of the House Committee on Appropriations, and Staff Director of the Senate Committee on Finance, or their designees, shall review each institution's plan or amendments and provide comments to the institution on that plan by September 1 of the relevant year. Each institution shall respond to any such comments by October 1 of that year.
C. Each plan shall be structured in accordance with, and be consistent with, the objective and purposes of this chapter set forth in § 23.1-301 and the criteria developed pursuant to § 23.1-309 and shall be in a form and manner prescribed by the Council, in consultation with the Secretary of Finance, the Secretary of Education, the Director of the Department of Planning and Budget, the Director of the Council, the Staff Director of the House Committee on Appropriations, and the Staff Director of the
D. Each six-year plan shall (i) address the institution's academic, financial, and enrollment plans, including the number of Virginia and non-Virginia students, for the six-year period; (ii) indicate the planned use of any projected increase in general fund, tuition, or other nongeneral fund revenues; (iii) be based upon any assumptions provided by the Council, following consultation with the Department of Planning and Budget and the staffs of the House Committee on Appropriations and the Senate Committee on Finance for funding relating to state general fund support pursuant to §§ 23.1-303 23.1-
1. Financial planning reflecting the institution's anticipated level of general fund, tuition, and other nongeneral fund support for each year of the next biennium;
2. The institution's anticipated annual tuition and educational and general fee charges required by (i) degree level and (ii) domiciliary status, as provided in § 23.1-307;
3. Plans for providing financial aid to help mitigate the impact of tuition and fee increases on low-income and middle-income students and their families as described in subdivision 9, including the projected mix of grants and loans;
4. Degree conferral targets for undergraduate Virginia students;
5. Plans for optimal year-round use of the institution's facilities and instructional resources;
6. Plans for the development of an instructional resource-sharing program with other public institutions of higher education and private institutions of higher education;
7. Plans with regard to any other incentives set forth in § 23.1-305 or any other matters the institution deems appropriate.

8. The identification of (i) new programs or initiatives including quality improvements and (ii) institution-specific funding based on particular state policies or institution-specific programs, or both, as provided in subsection C of § 23.1-307; and

9. All institutional student financial aid commitments that, in conjunction with general funds appropriated for that purpose, provides assistance to students from both low-income and middle-income families and takes into account the information and recommendations resulting from the review of federal and state financial aid programs and institutional practices conducted pursuant to subdivisions B 2 and C 1 of § 23.1-300.

In developing such plans, each public institution of higher education shall consider potential future impacts of tuition increases on the Virginia College Savings Plan and ABLE Savings Trust Accounts (§ 23.1-700 et seq.) and shall discuss such potential impacts with the Virginia College Savings Plan. The chief executive officer of the Virginia College Savings Plan shall provide to each institution the Plan's assumptions underlying the contract pricing of the program.

F. 1. In conjunction with the plans included in the six-year plan as set forth in subsection D, each public institution of higher education, Richard Bland College, and the Virginia Community College System may submit one innovative proposal with clearly defined performance measures, including any request for necessary authority or support from the Commonwealth, for a performance pilot. If the General Assembly approves the proposed performance pilot, it shall include approval language in the general appropriation act. A performance pilot shall advance the objectives of this chapter by addressing innovative requests related to college access, affordability, cost predictability, enrollment management subject to specified commitments regarding undergraduate in-state student enrollment.

2. A performance pilot may include or constitute an institutional partnership performance agreement, which shall be set forth in a memorandum of understanding that includes mutually dependent commitments by the institution, the Commonwealth, and identified partners, if any, related to one or more of the priorities set forth in subdivision 1 or set forth in a general appropriation act. No such institutional partnership performance agreement shall create a legally enforceable obligation of the Commonwealth.

3. No more than six performance pilots shall be approved in a single session of the General Assembly.

4. Development and approval of any performance pilot proposal shall proceed in tandem with consideration of the institution's six-year plan, as follows:

a. An institution that intends to propose a performance pilot shall communicate that intention as early as practicable, but not later than April 1 of the year in which the performance pilot will be proposed, to the reviewers listed in subsection B, the co-chairmen of the Joint Subcommittee on the Future Competitiveness of Virginia Higher Education, and the Governor. In developing a proposed performance pilot, the institution shall consider the Commonwealth's educational and economic policies and priorities, including those reflected in the Virginia Plan for Higher Education issued by the Council, the economic development policy developed pursuant to § 23.2-205, the strategic plan developed by the institution, and the Commonwealth's strategic plan.

b. An institution that submits a performance pilot shall include the one innovative proposal with clearly defined performance measures, and any corresponding authority and support requested from the Commonwealth, with its submission of the preliminary version of its six-year plan pursuant to clause (ii) of subsection A or with its preliminary amendment or affirmation submission pursuant to clause (iii) of subsection A.

c. The reviewers listed in subsection B, or their designees, shall review and comment on any proposed performance pilot in accordance with the six-year plan review and comment process established in subsection B and may expedite such review and comment process to facilitate the executive and legislative budget process or for other reasons. No later than October 15 of the relevant year, the reviewers shall communicate to the Governor and the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance their recommendations regarding each performance pilot proposal. Such recommendations shall include the reviewers' comments regarding the proposal.

d. Each performance pilot proposal shall include evidence of its approval by the institution's governing board and, if accepted, shall be referenced in the general appropriation act.

Six-Year Plans (2023): 2024-25 through 2029-30

Due: July 15, 2023

Institution:

Institution UNITID:

Individual responsible for plan

Name(s) & Title(s):	Dallas B. Clark, Deputy Superintendent
Email address(es):	clarkdb@vmi.edu
Telephone number(s):	540-464-7321

Part 1: Undergraduate Tuition and Mandatory Fee Increase Plans in 2024-26 Biennium Virginia Military Institute

Instructions: Provide annual planned increases in undergraduate tuition and mandatory E&G fees and mandatory non-E&G fees for both in-state and out-of-state students in 2024-26 biennium. The tuition and fee charges for in-state undergraduate students should reflect the institution's estimate of reasonable and necessary charges to students based on the mission, market capacity and other factors with the assumption of no new state general fund support.

	Undergraduate Tuition and Mandatory Fees			
	2023-24 Charge (BOV approved)	2024-25	2025-26	
		Planned Charge	Planned Charge	% Increase
In-State UG Tuition	\$10,076	\$10,378	\$10,690	3.0%
In-State UG Mandatory E&G Fees	\$0	\$0	\$0	%
In-State UG Mandatory non-E&G Fees	\$10,408	\$10,688	\$10,934	2.7%
In-State UG Total	\$20,484	\$21,066	\$21,624	2.8%
Out-of-State UG Tuition	\$40,778	\$42,000	\$43,260	3.0%
Out-of-State UG Mandatory E&G Fees	\$0	\$0	\$0	%
Out-of-State UG Mandatory non-E&G Fees	\$10,408	\$10,688	\$10,934	2.7%
Out-of-State UG Total	\$51,186	\$52,688	\$54,194	2.9%

Part 2: Revenue: 2022-23 through 2029-30
Virginia Military Institute

Instructions: Based on assumptions of no new general fund, enrollment changes, and other institution-specific conditions, **provide total collected or projected to collect revenues (after discounts and waivers)** by student level and domicile (including tuition revenue used for financial aid), and other NGF revenue for educational and general (E&G) programs; and mandatory non-E&G fee revenues from in-state undergraduates and other students as well as the total auxiliary revenue. **DO NOT INCLUDE STIMULUS FUNDS.**
 In line 25, enter E&G GF revenues for the current biennium. The formulas will automatically hold that constant for the remaining years.
 NOTE: In light of ongoing budget negotiations, please complete the template assuming only what has already been signed into law as the baseline 2022-23 and 2023-24 appropriation. In the event that a new budget results in additional funding for institutions in 2023-24, OpSix will provide guidance at that time on whether and how to modify or resubmit plans.

Items	2022-2023 (Actual)		2023-2024 (Estimated)		2024-2025 (Planned)		2025-2026 (Planned)		2026-2027 (Pro Forma)		2027-2028 (Pro Forma)		2028-2029 (Pro Forma)		2029-2030 (Pro Forma)		CAGR	
	Total Collected Tuition Revenue	Chg	Total Collected Tuition Revenue	Chg	Total Projected Tuition Revenue	Chg	Total Projected Tuition Revenue	Chg	Total Calculated Tuition Revenue	Chg	Total Calculated Tuition Revenue	Chg	Total Calculated Tuition Revenue	Chg	Total Calculated Tuition Revenue	Chg		
E&G Programs																		
Undergraduate, In-State	\$9,437,241	-3.2%	\$9,130,706	-3.2%	\$9,328,462	-2.2%	\$10,017,269	7.4%	\$10,764,372	7.5%	\$11,111,769	3.2%	\$11,313,194	1.8%	\$11,322,634	0.1%	\$11,322,634	2.6%
Undergraduate, Out-of-State	\$20,972,905	8.3%	\$22,718,900	8.3%	\$23,416,390	3.1%	\$25,132,706	7.3%	\$26,867,908	6.9%	\$27,670,448	3.0%	\$28,285,418	2.2%	\$28,300,395	0.1%	\$28,300,395	4.4%
Graduate, In-State	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
Graduate, Out-of-State	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
Law, In-State	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
Law, Out-of-State	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
Medicine, In-State	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
Medicine, Out-of-State	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
Dentistry, In-State	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
Dentistry, Out-of-State	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
PharmD, In-State	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
PharmD, Out-of-State	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
Veterinary Medicine, In-State	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
Veterinary Medicine, Out-of-State	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
First Professional, In-State (Total)	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
First Professional, Out-of-State (Total)	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%	\$0	%
Other NGF	\$238,901	1.2%	\$241,801	1.2%	\$242,595	0.3%	\$243,414	0.3%	\$244,258	25.0%	\$305,724	0.3%	\$306,018	0.9%	\$306,899	0.3%	\$306,899	3.6%
Total E&G NGF Revenue	\$30,649,047	4.7%	\$32,091,007	4.7%	\$32,967,447	2.6%	\$35,363,389	7.3%	\$37,366,236	7.2%	\$39,067,041	3.0%	\$39,904,630	2.1%	\$39,929,988	0.1%	\$39,929,988	3.9%
E&G GF Revenue (assume flat after 2024)	\$21,677,121	2.5%	\$22,216,907	2.5%	\$22,216,907	0.0%	\$22,216,907	0.0%	\$22,216,907	0.0%	\$22,216,907	0.0%	\$22,216,907	0.0%	\$22,216,907	0.0%	\$22,216,907	0.4%
Total E&G Revenue	\$52,326,168	3.8%	\$54,307,914	3.8%	\$55,204,354	1.7%	\$57,610,296	4.4%	\$60,153,443	4.4%	\$61,303,948	1.9%	\$62,127,537	1.3%	\$62,146,875	0.0%	\$62,146,875	2.5%

Instructions: Provide a pro forma analysis of total tuition revenue in years 2026-2030 by holding T&F constant at the planned 2025-26 rate while incorporating your institution's submitted enrollment projections for each year through 2030. These columns are NOT meant to be a projection and do NOT make any assumption about GF support. The calculations will be used to support the pro forma analysis in tab 5.

Auxiliary Revenue	2022-2023 (Actual)		2023-2024 (Estimated)		2024-2025 (Planned)		2025-2026 (Planned)	
	Total Revenue	Chg	Total Revenue	Chg	Total Revenue	Chg	Total Revenue	Chg
In-State undergraduates	\$9,680,044	-0.6%	\$9,627,203	-0.6%	\$9,836,467	2.2%	\$10,488,691	6.6%
All Other Students	\$5,080,840	13.7%	\$5,176,322	1.7%	\$5,927,102	14.5%	\$6,320,109	6.6%
Total non-E&G fee revenue	\$14,760,884	4.3%	\$14,803,525	0.3%	\$15,763,569	6.6%	\$16,808,800	6.9%
Total Auxiliary Revenue	\$31,654,499	2.6%	\$32,366,987	2.2%	\$33,179,229	2.5%	\$35,476,630	6.9%

Part 3: Financial Aid Plan: 2022-23 through 2029-30
Virginia Military Institute

Instructions: Provide a breakdown of the projected source and distribution of tuition and fee revenue redirected to financial aid for the revenue numbers in Tab 2. To ensure compliance with the state prohibition that in-state students not subsidize out-of-state students and to provide the review group with a scope of the strategy, projections must be made for each of the indicated categories. Please be aware that this data will be compared with similar data provided by other institutional offices in order to ensure overall consistency. (Please do not alter shaded cells that contain formulas.)

"Other Discounts and Waiver" means the totals of any unfunded full or partial tuition waiver reducing the students' charges, including Virginia Military Survivors and Dependent Education Program and the Senior Citizens Tuition Waiver. Do not include the tuition differential for the tuition exceptions.

Note: If you do not have actual amounts for Tuition Revenue for Financial Aid by student category, please provide an estimate. If values are not distributed for Tuition Revenue for Financial Aid, a distribution may be calculated for your institution.

Allocation of Tuition Revenue Used for Student Financial Aid

***2022-23 (Actual) Please see footnote below**

T&F Used for Financial Aid	Total Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid	Unfunded Scholarships	Other Tuition Discounts and Waivers	Gross Tuition Revenue (Cols. B+F+G)	Implied Discount Rate	Compliance with § 4-5.1.a.i
Undergraduate, In-State	\$9,437,241	\$0	%	\$483,439	\$0	\$542,901	\$9,980,142	5.4%	-\$483,439 Compliant
Undergraduate, Out-of-State	\$20,972,905	\$2,017,144	9.6%	\$1,533,705	\$0	\$42,000	\$21,014,905	0.2%	
Graduate, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
Graduate, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
First Professional, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
First Professional, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
Total	\$30,410,146	\$2,017,144	6.6%	\$2,017,144	\$0	\$584,901	\$30,995,047	1.9%	

2023-24 (Estimated)

T&F Used for Financial Aid	Total Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid	Unfunded Scholarships	Other Tuition Discounts and Waivers	Gross Tuition Revenue (Cols. B+F+G)	Implied Discount Rate	Compliance with § 4-5.1.a.i
Undergraduate, In-State	\$9,130,706	\$0	%	\$575,000	\$0	\$575,000	\$9,705,706	5.9%	-\$575,000 Compliant
Undergraduate, Out-of-State	\$22,718,500	\$2,300,000	10.1%	\$1,725,000	\$0	\$50,000	\$22,768,500	0.2%	
Graduate, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
Graduate, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
First Professional, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
First Professional, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
Total	\$31,849,206	\$2,300,000	7.2%	\$2,300,000	\$0	\$625,000	\$32,474,206	1.9%	

2024-25 (Planned)

T&F Used for Financial Aid	Total Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid	Unfunded Scholarships	Other Tuition Discounts and Waivers	Gross Tuition Revenue (Cols. B+F+G)	Implied Discount Rate	Compliance with § 4-5.1.a.i
Undergraduate, In-State	\$9,328,462	\$0	%	\$600,000	\$0	\$625,000	\$9,953,462	6.3%	-\$600,000 Compliant
Undergraduate, Out-of-State	\$23,416,390	\$2,400,000	10.2%	\$1,800,000	\$0	\$50,000	\$23,466,390	0.2%	
Graduate, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
Graduate, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
First Professional, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
First Professional, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
Total	\$32,744,852	\$2,400,000	7.3%	\$2,400,000	\$0	\$675,000	\$33,419,852	2.0%	

2025-26 (Planned)

T&F Used for Financial Aid	Total Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid	Unfunded Scholarships	Other Tuition Discounts and Waivers	Gross Tuition Revenue (Cols. B+F+G)	Implied Discount Rate	Compliance with § 4-5.1.a.i
Undergraduate, In-State	\$10,017,269	\$0	%	\$625,000	\$0	\$640,000	\$10,657,269	6.0%	-\$625,000 Compliant
Undergraduate, Out-of-State	\$25,132,706	\$2,500,000	9.9%	\$1,875,000	\$0	\$50,000	\$25,182,706	0.2%	
Graduate, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
Graduate, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
First Professional, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
First Professional, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
Total	\$35,149,975	\$2,500,000	7.1%	\$2,500,000	\$0	\$690,000	\$35,839,975	1.9%	

2026-27 (Pro Forma)

T&F Used for Financial Aid	Total Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid	Unfunded Scholarships	Other Tuition Discounts and Waivers	Gross Tuition Revenue (Cols. B+F+G)	Implied Discount Rate	Compliance with § 4-5.1.a.i
Undergraduate, In-State	\$10,764,372	\$0	%	\$675,000	\$0	\$0	\$10,764,372	0.0%	-\$675,000 Compliant
Undergraduate, Out-of-State	\$26,867,608	\$2,700,000	10.0%	\$2,025,000	\$0	\$50,000	\$26,917,608	0.2%	
Graduate, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
Graduate, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
First Professional, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
First Professional, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
Total	\$37,631,980	\$2,700,000	7.2%	\$2,700,000	\$0	\$50,000	\$37,681,980	0.1%	

2027-28 (Pro Forma)

T&F Used for Financial Aid	Total Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid	Unfunded Scholarships	Other Tuition Discounts and Waivers	Gross Tuition Revenue (Cols. B+F+G)	Implied Discount Rate	Compliance with § 4-5.1.a.i
Undergraduate, In-State	\$11,111,769	\$0	%	\$725,000	\$0	\$0	\$11,111,769	0.0%	-\$725,000 Compliant
Undergraduate, Out-of-State	\$27,670,148	\$2,900,000	10.5%	\$2,175,000	\$0	\$50,000	\$27,720,148	0.2%	
Graduate, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
Graduate, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
First Professional, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
First Professional, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%	
Total	\$38,781,917	\$2,900,000	7.5%	\$2,900,000	\$0	\$50,000	\$38,831,917	0.1%	

2028-29 (Pro Forma)								
T&F Used for Financial Aid	Total Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid	Unfunded Scholarships	Other Tuition Discounts and Waivers	Gross Tuition Revenue (Cols. B+F+G)	Implied Discount Rate
Undergraduate, In-State	\$11,313,194	\$0	%	\$775,000	\$0	\$0	\$11,313,194	0.0%
Undergraduate, Out-of-State	\$28,285,418	\$3,100,000	11.0%	\$2,325,000	\$0	\$50,000	\$28,335,418	0.2%
Graduate, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%
Graduate, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%
First Professional, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%
First Professional, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%
Total	\$39,598,612	\$3,100,000	7.8%	\$3,100,000	\$0	\$50,000	\$39,648,612	0.1%

2029-30 (Pro Forma)								
T&F Used for Financial Aid	Total Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid	Unfunded Scholarships	Other Tuition Discounts and Waivers	Gross Tuition Revenue (Cols. B+F+G)	Implied Discount Rate
Undergraduate, In-State	\$11,322,634	\$0	%	\$825,000	\$0	\$0	\$11,322,634	0.0%
Undergraduate, Out-of-State	\$28,300,395	\$3,300,000	11.7%	\$2,475,000	\$0	\$50,000	\$28,350,395	0.2%
Graduate, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%
Graduate, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%
First Professional, In-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%
First Professional, Out-of-State	\$0	\$0	%	\$0	\$0	\$0	\$0	%
Total	\$39,623,029	\$3,300,000	8.3%	\$3,300,000	\$0	\$50,000	\$39,673,029	0.1%

* Please note that the totals reported here will be compared with those reported by the financial aid office on the institution's annual S1/S2 report. Since the six-year plan is estimated and the S1/S2 is "actual," the numbers do not have to match perfectly but these totals should reconcile to within a reasonable tolerance level. Please be sure that all institutional offices reporting tuition/fee revenue used for aid have the same understanding of what is to be reported for this category of aid.

Part 4: ACADEMIC-FINANCIAL PLAN: 2024-25 through 2029-30
Virginia Military Institute

Instructions: The Academic Plan should contain academic, finance, and support service strategies the institution intends to employ in meeting state needs/goals as found in the Virginia Plan. (Please see the main instructions sheet in this workbook for more detailed information about The Virginia Plan. Please provide short titles to identify institutional strategies and other expenditure increases. Provide a concise description in the "Notes" column (column O), including a % increase where relevant and a specific reference as to where more detailed information can be found in the Narrative document.

Complete the lines appropriate to your institution, adding lines within the relevant categories as needed. As completely as possible, the items should represent a complete picture of your anticipated use of projected tuition revenues and strategic focus areas. Categories are listed in bold; you may not change the categories but you may add lines where indicated. Please update total cost formulas if necessary. For every line, the total amount and the sum of the reallocation and tuition revenue (end GF when indicated) should equal one another.

Funding amounts in (Part 6) should be incremental. However, if the costs continue into the second year and beyond, they should be reflected cumulatively (i.e. cost increases vs. 2023-24). Please update total cost formulas if necessary. Institutions should assume no general fund (GF) support in 2024-26 in this worksheet other than for salaries, health insurance and VITA charges per the instructions below. A separate worksheet (Part 6) is provided for institutions to request additional GF support for 2024-26. Strategies for student financial aid, other than those that are provided through tuition revenue, should not be included on this table; they should be included in Part 6, General Fund Request, of the plan.

Also, given the long standing practice that agencies should not assume general fund support for operation and maintenance (O&M) of new facilities, O&M strategies should not be included in an institution's plan, unless they are completely supported by tuition revenue.

Lines 5 and 6 are newly added to collect the estimated E&G expenditures of 2022-23 and 2023-24 as baselines for Tab 5 Pro Forma.

For the 2026-28 biennium and 2028-2030 biennium, total amounts should be provided as estimates of future expenditures on these items but delineation of reallocation vs. tuition revenue vs. GF does not need to be provided by the institution.

Funding amounts shall assume an annual 2% salary increase for each year from FY2025 to FY2030 for those employees eligible for the state-supported salary increases in the 2022-2024 biennium. Funding amounts shall also assume an annual 3% health insurance increase and a 5.36% VITA cost increase. Institutions shall calculate the GF portion of these increases in columns H and L using the appropriate fund share, which can be found in Tab 4b. If an institution plans to use its own funds to provide additional salary increases, add lines below the "increased fringe benefits costs" and specify salary amount by employee type and associated fringe benefit costs, but do not put any dollar amount in Columns H and L.

NOTE: In light of ongoing budget negotiations, please complete the template assuming only what has already been signed into law as the baseline 2022-23 and 2023-24 appropriation. In the event that a new budget results in additional funding for institutions in 2023-24, OpSsk will provide guidance at that time on whether and how to modify or resubmit plans.

Please estimate total E&G expenditures for 2022-23 and 2023-24		(Auto-calculated)
Total Estimated 2022-23 E&G Expenditures	\$47,605,000	Implied GF share 42.10%
Total Estimated 2023-24 E&G Expenditures	\$52,601,000	

Short Title	Incremental amounts relative to 2023-24 estimated baseline						2025-2026	2025-2026 (Auto-calculated) Implied GF share 42.10%	2025-2027	2027-2028	2028-2029	2029-2030	Explanation Please be brief; reference specific narrative question for more detail. Explicitly state key assumptions, including any additional salary increases beyond the 2% increase baseline.
	2024-2025	2024-2025	Reallocation	Amount from Tuition Revenue	Amount from GF (Salaries & benefits only)	Amount from GF (Salaries & benefits only)							
Salary & benefit increases for existing employees													
Increase T&R Faculty Salaries	\$408,927	\$0	\$236,537	\$171,990	\$740,334	\$0	\$428,654	\$1,078,777	\$1,423,989	\$1,776,105	\$2,135,263		
Increase Admin. Faculty Salaries	\$314,530	\$0	\$182,113	\$132,417	\$569,991	\$0	\$330,025	\$830,562	\$1,096,344	\$1,367,442	\$1,643,961		
Increase Classified Staff Salaries	\$287,888	\$0	\$166,688	\$121,200	\$521,711	\$0	\$302,071	\$760,210	\$1,003,481	\$1,251,616	\$1,504,713		
Increase University Staff Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Increase GTA Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Increase Adjunct Faculty Salaries	\$33,909	\$0	\$19,633	\$14,276	\$68,496	\$0	\$39,659	\$103,774	\$139,759	\$176,463	\$213,901		
3% annual state health insurance cost	\$188,923	\$0	\$109,387	\$79,636	\$393,514	\$0	\$222,095	\$583,942	\$790,383	\$1,003,018	\$1,222,031		
Increase Part-Time Wages	\$36,781	\$0	\$36,781	\$79,636	\$74,297	\$0	\$74,297	\$112,565	\$151,597	\$191,410	\$232,019		
[Add lines & descriptions here]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Inflationary non-personnel cost increases													
5.36% annual VITA charge increase	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Contractual services	\$103,380	\$0	\$103,380		\$313,241	\$0	\$313,241	\$529,399	\$752,041	\$981,362	\$1,217,563		
Utilities	\$119,714	\$0	\$119,714		\$243,020	\$0	\$243,020	\$370,025	\$500,840	\$635,580	\$774,361		
Increased Contingencies	\$0	\$0	\$0		\$250,000	\$0	\$250,000	\$500,000	\$750,000	\$1,000,000	\$1,000,000		
[Add lines & descriptions here]	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Financial aid expansion													
Add'l In-State Student Financial Aid from Tuition Rev	\$25,000	\$0	\$25,000		\$50,000	\$0	\$50,000	\$100,000	\$150,000	\$200,000	\$250,000		
Add'l Out-of-State Student Financial Aid from Tuition Rev	\$75,000	\$0	\$75,000		\$150,000	\$0	\$150,000	\$300,000	\$450,000	\$600,000	\$750,000		
[Add lines & descriptions here]	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0		
[Add lines & descriptions here]	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0		
New/expanded academic programs													
Core Course in "American Constitutional History"	\$0	\$0	\$0		\$112,000	\$0	\$112,000	\$226,240	\$342,765	\$461,620	\$582,852	Continued delivery, assessment, and improvement of a Core Curriculum courses that provides all cadets with a solid understanding of US History, the Constitution, and Civics. Additional faculty may be required.	
Accreditation for the Computer Science Program	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Obtain initial ABET accreditation of the Computer Science program's Theory and Application track.
Summer Undergraduate Entrepreneurship Program	\$0	\$0	\$0		\$61,000	\$0	\$61,000	\$122,000	\$183,000	\$244,000	\$305,000	The Summer Undergraduate Entrepreneurship Program is a five-week, privately funded program that will provide coursework and experiential learning to help the participants develop an entrepreneurial mindset that will support their future plans - whether those plans involve starting a new business, employment.	

Part 4b General Fund Share in FY2022

Institution	GF Share FY2022
Christopher Newport University	60.5%
George Mason University	49.7%
James Madison University	51.4%
Longwood University	60.3%
Norfolk State University	48.2%
Old Dominion University	56.3%
Radford University	59.0%
University of Mary Washington	59.4%
University of Virginia	31.3%
University of Virginia at Wise	56.9%
Virginia Commonwealth University	50.4%
Virginia Military Institute	42.1%
Virginia State University	47.1%
Virginia Tech	38.2%
William & Mary	38.2%
Richard Bland College	62.0%
Virginia Community College Sys	62.8%
Total, All Institutions	48.2%

Source: SCHEV 2022 Base Adequacy Calculation.

Part 5: Six-year Pro Forma Calculations: 2022-23 through 2029-30
Virginia Military Institute

Instructions: No new data needs to be added on this tab; it is entirely comprised by formulas. The top section pulls in data from the previous tabs to calculate a pro forma budget surplus/deficit for the 6 years. The following section calculates what T&F (price) and GF increases would theoretically need to occur each year in order to cover the deficit and maintain the 2022-23 GF/NGF split. At the bottom is a blended scenario calculator that a user can leverage to calculate custom "shared" scenarios where deficits can be covered by a combination of expenditure reduction, T&F increases, and GF increases. Cells D28:30 should be set by the user (so long as they add up to 100%) and the results will flow into the rows below that automatically. This analysis is intended to be directional and pro forma; it is not intended to be interpreted as a projection or plan/budget of any kind.

Note: this pro forma does not include any of the additional GF requests in the following tab; those requests would require GF funding on top of what is calculated in this tab. It does account for the salary/health insurance/VITA increases from tab 4, including the corresponding GF increases.

	2022-2023 (Actual)	2023-2024 (Estimated)	Chg	2024-2025	Chg	2025-2026	Chg	2026-2027	Chg	2027-2028	Chg	2028-2029	Chg	2029-2030	Chg	Total Chg	Avg Annual Chg
Baseline Pro Forma Surplus/Deficit																	
Total E&G GF Revenue (includes tab 4, not tab 6)	21,877,121	22,216,907	1.9%	22,736,326	2.0%	23,178,489	2%	23,630,314	2%	24,092,020	2%	24,563,829	2%	25,045,968	2%	16%	2%
Tuition discount rate	1.9%	1.9%	0.038pt	2.0%	0.095pt	1.9%	-0.095pt	0.1%	1.793pt	0.1%	-0.004pt	0.1%	-0.003pt	0.1%	0pt	-1.761pt	0%
Total E&G NGF Revenue	30,649,047	32,091,007	5%	32,987,447	3%	35,393,389	7%	37,936,236	7%	39,087,041	3%	39,904,630	2%	39,929,968	0%	30%	4%
Incremental E&G NGF Revenue vs. prior yr		1,441,960	-38%	896,440	-38%	2,405,942	168%	2,542,847	6%	1,150,805	-55%	817,589	-29%	25,338	-97%	-96%	4%
Total E&G Revenue	52,326,168	54,307,914	4%	55,723,773	3%	58,571,878	5%	61,566,550	5%	63,179,061	3%	64,468,459	2%	64,975,936	1%	20%	3%
Implied GF % of E&G	41.4%	40.9%	-0.5pt	40.8%	-0.1pt	39.6%	-1.2pt	38.4%	-1.2pt	36.1%	-2.2pt	36.1%	0pt	36.5%	0.4pt	-2.9pt	20%
Total E&G Expenditures	47,605,000	52,601,000	10%	54,108,996	3%	56,415,429	4%	58,413,443	4%	60,496,584	4%	63,090,096	4%	65,577,615	4%	38%	5%
Incremental E&G Expenditures vs. 2023-24				1,507,996		3,814,429	153%	5,812,443	52%	7,895,584	36%	10,489,096	33%	12,976,615	24%	761%	38%
Reallocation of existing dollars (flat after 2025-26)																	
Pro Forma Surplus/Deficit	4,721,168	1,706,914	-64%	1,614,777	-5%	2,156,449	34%	3,153,107	46%	2,682,477	-15%	1,378,363	-49%	(601,679)	-144%	-137%	-20%
Incremental Surplus/Deficit	4,721,168	(3,014,254)	-164%	(92,137)	-97%	541,672	-688%	996,658	84%	(470,630)	-147%	(1,304,114)	177%	(1,980,042)	52%	2049%	293%

From FY23-FY30

What would a constant GF/NGF ratio at 2022-23 levels imply for T&F and GF increases?

	2022-2023 (Actual)	2023-2024 (Estimated)	Chg	2024-2025	Chg	2025-2026	Chg	2026-2027	Chg	2027-2028	Chg	2028-2029	Chg	2029-2030	Chg	Total Chg	Avg Annual Chg
GF % of E&G	41.4%	41.4%	0pt	41.4%	0pt	41.4%	0pt	41.4%	0pt	41.4%	0pt	41.4%	0pt	41.4%	0pt	0pt	0pt
Implied incremental T&F increase (%)	-9.0%	5.5%	14.5pt	0.2%	-5.3pt	-0.9%	-1.5%	-0.7%	2.2pt	1.9%	1.2pt	2.2%	1.9%	1.2pt	1pt	11.9pt	1.7pt
Implied incremental GF increase (%)	-9.0%	5.6%	14.6pt	0.2%	-5.5pt	-1.0%	-1.7%	-0.8%	2.6pt	2.2%	1.4pt	2.2%	1.4pt	1.3%	1.1pt	12.3pt	1.8pt

Blended Scenario Calculator - Share of Deficit Covered by Each Source (Must add up to 100%)

	2022-2023 (Actual)	2023-2024 (Estimated)	Chg	2024-2025	Chg	2025-2026	Chg	2026-2027	Chg	2027-2028	Chg	2028-2029	Chg	2029-2030	Chg	Total Chg	Avg Annual Chg
Expenditure reductions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
T&F increases	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
GF increases	0%	0%	0%	40.8%	-0.1pt	39.6%	-1.2pt	38.4%	-1.2pt	38.1%	-0.2pt	38.1%	0pt	38.5%	0.4pt	-2.9pt	-0.4pt
TOTAL	0%	0%	0%	40.8%	-0.1pt	39.6%	-1.2pt	38.4%	-1.2pt	38.1%	-0.2pt	38.1%	0pt	38.5%	0.4pt	-2.9pt	-0.4pt

**Part 6: General Fund (GF) Request: 2024-2026 Biennium
Virginia Military Institute**

Instructions: Indicate items for which you anticipate making a request for state general fund in the 2024-26 biennium. The item can be a supplement to a strategy or item from the academic and financial plan or it can be a free-standing request for which no tuition revenue would be used. If it is a supplement to a strategy or item from the academic and financial plan, use the same title used in Part 4 and place it in bold print to draw attention to its connection to Part 6. Also, describe in the Notes column how additional general fund will enhance or expand the strategy. Requests for need-based financial aid appropriated in program 108 should be included here. If additional rows are added, please update the total costs formulas.

NOTE: In light of ongoing budget negotiations, please complete the template assuming only what has already been signed into law as the baseline 2022-23 and 2023-24 appropriation. In the event that a new budget results in additional funding for institutions in 2023-24, OpSix will provide guidance at that time on whether and how to modify or resubmit plans.

Priority Ranking	Initiatives Requiring General Fund Support						Notes/Explanation Please be brief, reference specific narrative question for more detail.
	Strategies (Match Academic-Financial Worksheet Short Title)	Category (Select best option from dropdown menu)	Biennium 2024-2026 (7/1/24-6/30/26)				
			2024-2025	2025-2026		GF Support	
			Total Amount	GF Support	Total Amount		GF Support
1	Associate Dean for Academic Support	Student Success	\$169,000	\$169,000	\$34,1380	\$34,1380	Adding an Associate Dean Academic Support whose responsibilities are solely focused on academic support and cadet success through a 4-year SCHEV Pell eligible student initiative. Continuation of this position beyond the 4-year grant period would be contingent upon GF support.
2	Employer relations/internship coordinator	Career Readiness & Placement	\$63,000	\$63,000	\$127,260	\$127,260	Add a full-time, Employer relations/internship coordinator position in the Office of Career Services. Assumes \$46K annual salary and approx. 40% cost of benefits; 2% annual cost increase.
3	Core Course in "American Constitutional History"	Curriculum	\$0	\$0	\$112,000	\$112,000	Continued delivery, assessment, and improvement of a Core Curriculum course that provides all cadets with a solid understanding of US History, the Constitution, and Civics. Additional faculty may be required.
4	Global Education Staff	Curriculum	\$63,000	\$63,000	\$127,260	\$127,260	Add a full-time support staff position in the Office of Global Education to expand the opportunities for global education provided to cadets. Assumes \$48K annual salary and approx. 40% cost of benefits; 2% annual cost increase.
5	Summer Undergraduate Entrepreneurship Program	Curriculum	\$0	\$0	\$61,000	\$61,000	The Summer Undergraduate Entrepreneurship Program is a five-week, privately funded program that will provide coursework and experiential learning to help the participants develop an entrepreneurial mindset that will support their future plans – whether those plans involve starting a new business, employment within an existing organization, as military leaders, or self-employment. Grant funded through 2025; may require GF support to continue the program beyond the grant.
			\$0	\$0	\$0	\$0	
			\$0	\$0	\$0	\$0	
			\$0	\$0	\$0	\$0	
			\$295,000	\$295,000	\$768,900	\$768,900	

2023 SIX-YEAR PLAN NARRATIVE (Part II)

INSTITUTION: Virginia Military Institute

OVERVIEW

The six-year plan should describe the institution's goals as they relate to the Commonwealth's goals as articulated in the *Pathways to Opportunity: The Virginia Plan for Higher Education*; the Higher Education Opportunity Act of 2011 (TJ21); the Restructured Higher Education Financial and Administrative Operations Act of 2005; and the Governor's objectives to prepare every graduate for success in life. Please use this opportunity to outline your institution's plans and objectives, especially as they relate to the Commonwealth's goals.

The instructions within the institutional mission and priorities section below ask for specific strategies related to affordability and access to quality postsecondary education that prepare students for success in life. Other sections offer institutions the opportunity to describe additional strategies to advance institutional goals and Commonwealth needs.

Please be comprehensive but as concise as possible with responses; you are encouraged to use bullet points vs. prose. Consider this a starting point for the dialogue with OpSix; you will have the opportunity to further elaborate on the narrative in your review sessions later this summer.

Please save this narrative document with your institution's name added to the file name.

SECTION A: MISSION & PRIORITIES

Key question: What are your institution's unique strengths and how do those inform your strategic priorities?

A1. What is your institutional mission? Please share any plans you have to change your mission over the six-year period.

Established by the Virginia General Assembly in 1839, the Virginia Military Institute (VMI) is a four-year, state-supported college whose student body is organized as a military corps under the command of the Superintendent. The Governor of Virginia is VMI's Commander in Chief.

VMI is the oldest state-supported military college in the United States. It exists as an in-person, undergraduate-only institution focused on producing educated, honorable men and women, ready as citizen-soldiers to defend their country in time of national peril.

As a wholly undergraduate military college, VMI meets society's need for educated citizens and leaders and contributes significantly to the diversity of the Commonwealth's system of state-supported, independent institutions of higher education (15 senior institutions and 24 two-year colleges). The Institute's mission statement amplifies VMI's special statutory role.

VMI believes that the measure of a college lies in the quality and performance of its graduates and their contributions to society.

Therefore, it is the mission of Virginia Military Institute to produce educated, honorable men and women, prepared for the varied work of civil life, imbued with love of learning, confident in the functions and attitudes of leadership, possessing a high sense of public service, advocates of the American Democracy and free enterprise system, and ready as citizen-soldiers to defend their country in time of national peril.

To accomplish this result, Virginia Military Institute shall provide to qualified young men and women an undergraduate education of the highest quality -- embracing engineering, science, and the arts -- conducted in, and facilitated by, the unique VMI system of military discipline.

Honor, excellence, self-discipline, courage, esprit de corps, selfless service, and resilience combine as VMI's values.

Annually, the VMI Board of Visitors reviews, reaffirms, or amends (as appropriate), the mission of the Institute.

There are no plans to change the Institute's mission in the next six years.

A2. What are your institution's greatest strengths and areas of distinctiveness that it should continue to invest in? What are your institution's greatest opportunities for improvement?

Strengths/Distinctiveness

VMI has many great strengths and factors that contribute to its distinctiveness. It is an in-person, undergraduate-only institution focused on producing educated, honorable men and women, ready as citizen-soldiers. As a military institution, VMI makes a unique contribution to the diversity of the Commonwealth's system of state-supported and independent institutions of higher education as it contributes to meeting society's need for educated citizens and leaders.

As of Fall 2022, the Institute enrolled 1,512 cadets from 48 states, District of Columbia, and 9 countries. The population comprised 13.4% women, 6.7% Black/African American, 8.2% Hispanic, and 5.4% Asian or Pacific Islander. The ratio of cadets to faculty was 9.1 to 1.

VMI offers 14 majors (listed below) and a highly focused and personalized educational experience. Currently, VMI does not offer certificate programs or graduate degrees but may consider such in the future. The academic program consists of a demanding curriculum across all 19 degree programs within 14 majors which require 136 to 140 credit hours for graduation (above the national average of 120) or the equivalent of nine semesters of coursework completed in eight semesters.

Additionally, the Institute's leadership development focus includes comprehensive activities within Reserve Officer Training Corps (ROTC), daily formations, fitness training, ceremonies and parades, NCAA and club sports, and involvement in various leadership roles.

VMI Degree Programs

Engineering

Civil Engineering	B.S.
Electrical & Computer Engineering	B.S.
Mechanical Engineering	B.S.

Natural Sciences

Applied Mathematics	B.S.
Biology	B.A.
Biology	B.S.
Chemistry	B.A.
Chemistry - Pre-Medical Track	B.S.
Chemistry - Research Track	B.S.
Computer Science - Theory and Application Track	B.S.
Computer Science - Cybersecurity Track	B.S.
Computer Science - Information Technology Track	B.S.
Physics	B.S.

Arts & Humanities

English	B.A.
History	B.A.
Modern Languages & Cultures	B.A.

Social Sciences

Economics & Business	B.A.
International Studies & Political Science	B.A.
Psychology	B.S.

The Institute's three greatest strengths are its:

1. Leader development model
2. Premier academic program
3. Strong sense of community and lifelong commitment to the Institute

Leader development model. The country's need for leaders of character is immense and VMI serves this need by developing men and women who think and act ethically, lead by example, inspire confidence, and are willing to work hard to achieve their goals. They endure rigorous training that promotes resilience and perseverance all within the construct of VMI's leader development model. This development model has produced Rhodes Scholars, numerous general and flag officers, captains of industry, a civil rights martyr, and scores of citizen-soldiers prepared to defend the nation.

Successful completion of VMI's unique educational system enables cadets to enter the armed forces, civilian professions, or to continue at graduate and professional schools. Approximately 98% of each class has full-time employment or has entered graduate school within five months of graduation, with greater than 50% of graduates accepting a military commission. Notably, VMI's officer commissioning rate is among the top 5 in the nation for all branches of service.

VMI's facilities include a robust system of leadership training initiatives (obstacle courses, leadership reaction course, high and low rope courses, and access to various exercise trails and remote lands for field training exercises) that are a significant component of the overall educational model specific to leader development.

Premier Academic Program. VMI has a renowned reputation for its commitment to highly personalized educational experiences. With average class sizes of around 16 or fewer and a cadet-to-faculty ratio of about 9 to 1, VMI is a standout among competitors in providing engaging learning experiences. VMI's core curriculum, the nucleus of effective leadership, is both broad and comprehensive in scope. Key competencies include critical and creative thinking, written and oral communication, quantitative reasoning, scientific analysis, and physical education.

VMI's full-time faculty are leaders in their disciplines and in the classroom, and three have received the SCHEV Outstanding Faculty Award within the past five years. Performance domains include teaching, research, cadet development, and service. Faculty are hired and developed as "teachers/mentors to cadets first, scholars second." All VMI faculty are deeply engaged in scholarship, both their own and mentoring undergraduate research. Faculty are available to help cadets both in the classroom and out. The teaching culture is one of mentorship. Faculty routinely make themselves available to cadets in the evenings and weekends.

The VMI community. The entirety of the VMI community, to include faculty, staff, cadets, and alumni, deliberately accepts and promotes their connection to the Institute. The strong sense of belonging is a hallmark of VMI directly connected to recruitment, retention, job placement, post-graduation networking, and a long-term connection and service to the Institute including philanthropic support. Often described as the "bonds of VMI," these lifelong connections extend to the VMI community and are a significant part of one's VMI experience from day one. The

bonding occurs through adherence to the mission and values and their inculcation into the daily schedule and individual lives of the cadets.

The involvement of alumni through service and philanthropy to the Institute has direct financial impact on the ability to sustain and deliver excellence in all aspects of the VMI Mission.

Graduates of VMI are connected closely with each other but also to the Commonwealth of Virginia and the nation through service in the military and state and federal governmental agencies (e.g., intelligence services and the diplomatic corps).

VMI's rural location along the Appalachian Mountains in the heart of the Shenandoah Valley in an Appalachian Designated County provides some of the most beautiful natural resources the state has to offer.

The characteristics of this strong community attract faculty, staff, and cadets to VMI. Graduates of the Institute remain steadfastly involved and connected to each other and to the institution.

Opportunities for Improvement

A confluence of factors, including the COVID-19 pandemic and the negative publicity from the state-initiated Equity Audit, had a negative impact on VMI's enrollment. In Fall 2022, enrollment was approximately 1,500 cadets, about 200 cadets fewer than typical. Since VMI does not have a graduate school and does not enroll cadets in non-fall semesters, the ability to offset the financial shortfall presented a challenge.

VMI's greatest opportunities for improvement include the following:

1. Build and maintain a Corps strength of more than 1,700 cadets by using national recruitment strategies and implementing a new enrollment management model.
 - a. Prepare for changes in college enrollment trends (monitor and respond to changes in student preferences, as well as birth rates and high school graduation rates).
 - b. Implement new strategies that promote greater cadet success – i.e., increase retention and graduation rates.
2. Increase opportunities for high impact learning experiences including internships and service to the Commonwealth and nation.
3. Improve brand strength with new Institute marketing efforts.
4. Implementation of the VMI Strategic Plan.

A3. What are the top 3-5 strategic priorities you are currently pursuing or planning to pursue in the next six years? Please explain how each strategy relates to the strengths and/or opportunities for improvement mentioned above and will ultimately drive better outcomes for students.

The VMI Board of Visitors began the process of updating the Institute's strategic plan in Fall 2022. Focus groups comprised of VMI faculty, staff, and cadets met regularly to determine the highest strategic priorities in the areas of military, academics, athletics, and culture/environment. Simultaneously, VMI alumni, parents, cadets, and other stakeholders completed a survey in which they shared priorities that they believed were most important for the future of VMI. The

focus groups produced draft reports detailing strategic priorities, and they presented them to the VMI executive committee, along with results from the stakeholder survey. In January 2023, the Strategic Plan Steering Committee conducted a retreat to synthesize and incorporate feedback from all stakeholder groups into the strategic plan. The culmination of this effort resulted in five strategic initiatives and dozens of corresponding objectives and metrics. The five initiatives are provided below along with an abbreviated list of objectives.

1. Prepare Exceptional Leaders

- Expand leadership training and educational experiences (e.g., new courses, additional faculty, and state-of-the-art leader development methods and facilities).
- Expand recruitment opportunities for service to the nation upon graduation (Commissioning, government agencies, and non-profit organizations).
- Ensure future leaders receive a well-rounded, exceptional educational experience in general education courses, with emphasis on math, communication, scientific reasoning, history, the Constitution, and civics.

2. Enhance Academic Excellence

- Develop innovative pedagogical approaches to promote cadet engagement and enhance academic achievement.
- Integrate new educational technology.
- Strengthen high impact practices (internships, undergraduate research, global learning, service learning).

3. Recruit Top Cadets and Boost Success

- Return to an overall enrollment of 1,733 (at census date) cadets through the adoption of a strategic enrollment management model (new staff, enhanced analytics, and reorganization of support units).
- Improve retention and graduation rates to be among the best in the Commonwealth (new technology/analytics, additional academic support coordinators, and reorganization of support units)
- Invest in financial aid programs and privately funded scholarships to attract the desired mix of in-state and out-of-state targets for all classes.
- Prioritize affordability of tuition and fees in budget process with growth levels equal to or less than the Higher Education Price Index, annually.

4. Foster Esprit de Corps

- Achieve and maintain average Teaching and Research faculty salaries among the top five Virginia publics.
- Adopt a new Administrative/Professional faculty compensation model to achieve salary satisfaction on par with Teaching and Research faculty.
- Advance efforts that foster a safe, diverse, and inclusive environment.
- Using the Superintendent's statement on free speech, engage cadets and the VMI community in enhancing civil discourse through classroom practice and exposure to invited speakers who address challenging topics.

5. Exceptional Facilities

- Update the Capital Improvement Plan annually to include a modernization plan of facilities.
- Strengthen and enhance overall facilities maintenance.

An alignment map of VMI’s strategic initiatives and the strengths and opportunities outlined in A2 is presented in the table below.

Strategic Initiatives	Strength 1 Leader Development	Strength 2 Premier Academic Program	Strength 3 The VMI Community	Opp. 1 Enrollment	Opp. 2 Expand Service/Internships	Opp. 3 Brand Strength
Prepare Exceptional Leaders	X	X	X		X	X
Enhance Academic Excellence	X	X	X	X	X	
Recruit Top Cadets & Enrich Success	X	X	X	X	X	X
Foster Esprit de Corps		X	X	X		
Exceptional Facilities	X	X	X	X		

Recent enrollment decreases have prompted VMI to adopt a strategic enrollment management model that integrates admissions, financial aid, marketing, and cadet support. This model is designed to not only recruit talented cadets, but also enhance their success. Actions in the Academic Excellence initiative build on and reinforce this approach by working to enhance cadets’ academic motivation in the classroom and by strengthening high impact practices like internships and study abroad, activities that, according to research from the Association of American Colleges & Universities (AAC&U), increase the likelihood of retention and success.

VMI’s cadet leadership development model is one of its greatest strengths. Improving the model, expanding opportunities for service to the nation, and ensuring well-rounded general education experience will ensure that VMI enhances cadet success post-graduation and produces honorable, educated, ready-to-lead citizen-soldiers.

The VMI brand benefits from successes in these aforementioned areas. The more VMI demonstrates its value to the public, the easier it becomes to recruit and retain the best and brightest cadets, faculty, and staff.

Esprit de Corps is synonymous with morale. Sense of community and market-appropriate compensation for faculty and staff are important factors contributing to morale and enhance efforts to foster a safe, diverse, and inclusive environment. These efforts will be aligned with the Commonwealth's (published) Diversity, Opportunity, and Inclusion strategic plan. Exceptional facilities supports morale as well. Properly maintained and equipped facilities engender a sense of pride within the community and help recruit talented prospective cadets and faculty.

A4. What support can OpSix provide to help you achieve those strategies? Please include both budget and policy requests and reference Part I of your submission where appropriate.

Funding requests to support VMI's strategic initiatives are provided below. They are not indicative of all actions that VMI is pursuing in its new strategic plan. Funding support for these initiatives is integral to short-term successes and will thus make long-term success more likely.

Prepare Exceptional Leaders: Execute the premier leadership development program in the nation and develop a Corps of Cadets that is mentally tough, academically astute, and physically fit, with the Rat Line and Regimental, Class, and Honor Systems as the foundational backbone.

- Funding support for a new, full-time faculty member in the History Department to support the addition of a course in American Constitutional History to the Core Curriculum.
- Funding to construct the Center for Leadership and Ethics Phase II and bring together portions of the leadership development program and the VMI Museum in a new facility, allowing them to share resources, collaborate on programming, and grow the leadership development experience.

Enhance Academic Excellence: Produce the Nation's and the Commonwealth's future leaders with contemporary education and training.

- Funding to support an employer relations/internship coordinator position in the Office of Career Services that supports increased internship opportunities.
- Funding to reduce adjuncts teaching of general education courses and replace them with full-time lecturers who receive on-going professional development in the science of human learning and academic motivation.
- Funding to support a new full-time support staff position in the Office of Global Education to expand the opportunities for global education provided to cadets.

Recruit Top Cadets and Boost Success: Recruit and retain talented cadets who embody VMI's core values of honor, courage, and excellence.

- Funding for ongoing support of a new full-time staff position to lead the strategic enrollment management office (synchronize key enrollment management functions across the Institute, including marketing, admissions, and financial aid) provided through SCHEV's initiative (4-year award) to enhance recruitment and retention of Pell-eligible students.

- Funding to support new technology and analytics that help predict cadet success, assist with earlier and more frequent interventions.
- Funding to support an Associate Dean for Academic Support to lead the offices and programs promoting academic success, retention, and timely progress toward degree completion for all cadets.
- Funding for ongoing support of two new academic support coordinators provided through SCHEV's initiative (4-year award) to enhance recruitment and retention of Pell-eligible students.
- Increase affordability through more state financial aid funding.
- Adjust SCHEV's financial aid formula to focus on demonstrated need instead of unmet need.

Foster Esprit de Corps: Facilitate a supportive, respectful, and professional operating environment for cadets, faculty, staff, and alumni.

- Funding to support VMI's goal to achieve the average Teaching and Research faculty salaries among the top 5 Virginia publics.
- Funding to support a new Administrative/Professional faculty compensation model that helps achieve more competitive compensation.

Exceptional Facilities: Advance capital investments in facility maintenance, operations, physical plant and auxiliary facilities to advance VMI's academic, military, and athletics priorities.

- Funding to support investment in facilities maintenance and capital improvements.

See section K for suggestions on policy changes.

SECTION B: STRATEGIC DEEP DIVE – ENROLLMENT VOLUME & COMPOSITION

Key question: How is your institution managing enrollment in light of state and national trends, and what are the financial implications?

B1. What do you see as the primary drivers of recent enrollment trends for your institution? Please reference any specific academic programs that have had a significant (positive or negative) effect on enrollment, if relevant.

Opportunities:

- Implementation of new programs (e.g., Call to Duty Scholarship program which provides an award to cover VMI's housing and food costs to recipients of three and four-year ROTC national scholarships) have attracted more prospective cadets with an affinity to attend VMI than in previous years. Additionally, these efforts have neutralized any competitive advantage that other Senior Military Colleges had over VMI through similar programs.

- The ongoing integration of admissions, financial aid, and enrollment marketing has streamlined both departmental and cross-departmental processes. This action has created a clearer and more intentional approach to recruitment.
- Shifting the Institute’s recruitment strategy towards prospective cadets with an affinity for a world-class education in a military environment has increased conversion rates and output from the admissions funnel.

Challenges:

- The propensity to serve in the U.S. military has declined to its lowest level in more than a decade. Reports are fewer young Americans want to serve, and fewer are qualified.
- Updating the admissions and recruiting infrastructure and strategies in a timely manner so VMI can meet its recruitment and enrollment goals.
- Applications to the federal service academies and their preparatory schools have decreased resulting in increased competition as the service academies’ wait lists are reduced.
- National demographic and resulting enrollment trends and more specific enrollment for males is declining. VMI has a predominantly male student population.
- College application rates have not returned to pre-pandemic levels and high school graduates continue to have more post-secondary education/training options than in previous years.
- The negative publicity resulting from the state-initiated Equity Audit has affected the brand reputation of VMI.
- Affordability by limiting tuition and fee increases while simultaneously enhancing the Institute’s comprehensive offerings.

B2. Please summarize your enrollment management strategy moving forward and the specific actions (if any) you are taking to implement that strategy.

Strategic enrollment management focuses efforts on the recruitment, retention, and graduation of cadets consistent with the Institute’s mission, vision, values, and strategic plan. VMI is implementing a strategic enrollment management framework that synchronizes key functions across the Institute, including marketing, admissions, financial aid, academic achievement, and retention.

VMI is improving the communication and coordination of the Admissions and Financial Aid Offices. A primary strategy is a targeted national “all hands” admissions recruitment plan. Aligning various on Post departments and personnel with VMI alumni chapter networks will broaden and strengthen recruitment efforts. This recruiting strategy will be coupled with integrated recruitment software that provides targeted messaging and leverages financial aid award offers.

VMI has a robust honors program (Institute Honors) that provides merit aid (Institute Scholarships, using private funds) to outstanding applicants. Candidates for these scholarships must complete a secondary application and interview with a faculty selection committee. In the past academic year, the dean’s office coordinated with Admissions and Financial Aid to become

proactive in extending awards earlier in the admissions process. In addition, private funds are now available to provide merit scholarships to excellent applicants who are not provided an Institute Scholarship nor extended an offer to join the Honors program. VMI anticipates that having an earlier award notification window and providing merit aid to worthy applicants who are not offered entry to the honors program will boost the overall yield of this applicant pool.

B3. How ambitious/realistic/conservative are the enrollment projections you most recently submitted to SCHEV? What are the greatest unknowns or risks that could lead enrollment to differ significantly from your projections? Please reference national and statewide enrollment trends/projections and cite any other data (e.g. regional trends, performance of prior enrollment strategies) that informed your projections.

VMI is mindful of trend data that projects enrollment difficulties for colleges in the future and show males, a large demographic at VMI, are enrolling in college less frequently than in previous years. The Institute remains optimistic it can attain its goals based on the new initiatives already being implemented. For example, with the addition of the Common Application, most schools see a natural increase in application numbers, and it is expected application numbers will continue to increase as compared to pre-pandemic levels from this change alone. However, the new recruitment strategies are believed to also help account for these unknown trends. In addition, the value of VMI in terms of return on investment, salary post-graduation, and VMI's commitment to having cadets commission into one of the branches of the armed services remains high. Therefore, the Institute's recruitment and retention strategies will also focus on strategy to help clarify the value of a college education to potential and existing cadets.

VMI's goal is to incrementally improve enrollment numbers from an overall Corps size of approximately 1,500 to 1,733 by 2029-2030. This is achievable because:

- VMI has made recent enhancements to its Admissions and Financial Aid operations, including new directors in each unit. One premise of enrollment management is to leverage financial aid in terms of recruitment and retention while also working on more targeted approaches to recruitment in general. Additionally, enrollment marketing is now part of the admissions and financial aid strategy to help streamline communications and track enrollment and recruitment initiatives.
- Preliminary Fall 2023 Admissions data indicate that anticipated matriculation numbers are well ahead of last year's decade low of 374. This success is due in part to the new strategies in place by Admissions and Financial Aid. Through their combined approach to recruitment, VMI expects to matriculate an incoming class on par with historical entering classes even before all the new initiatives are fully implemented (see below).
- VMI is undertaking efforts to implement the frameworks of strategic enrollment management through multiple changes in its existing structure. First, as mentioned, the targeted and combined efforts by Admissions and Financial Aid will continue to be developed and enhanced. VMI will add the Common Application as an option for prospective cadets to use to apply for admission and believes it will ease the burden of

completing multiple admission applications by letting prospective cadets submit one application to multiple schools. VMI is also changing the internal admissions application form through the implementation of a customer relationship management program (CRM). This action will further reduce barriers to admissions by easing the process for high school graduates and transfer students while simultaneously improving communication. As most of these processes have been historically completed manually, the CRM will allow for automatic communication, better data utilization, and improved admissions funnel management to help move prospective cadets through the process at VMI.

VMI intends to reconfigure cadet support to enhance academic achievement (retention/graduation) without sacrificing academic rigor. This effort correlates back to the strategic enrollment management model where a more holistic approach will help retain and graduate students. VMI will identify and help at-risk cadets earlier and provide a clearer path towards successful course completion and graduation through improving access to academic resources, early alerts management for at-risk cadets, and better communication across Post.

B4. Explain the implications of your enrollment strategy on your institution's financials. Please consider impacts on both revenues (e.g., discounting, financial aid, net tuition revenue) and expenditures (e.g., costs to implement enrollment management strategies, costs of enrolling more students or students with different needs, cost-per-student impact of flat/decreased enrollment).

VMI's annual enrollment goals are to maintain an average fall/spring Corps size of approximately 1,625 cadets, based on Barracks capacity, with 55% in-state and 45% out-of-state. VMI historically matriculates 500 first-year cadets. Smaller than average classes in FY2022 and FY2023 will have a multi-year effect on overall tuition and fee revenues as these classes progress through their cadetships toward graduation.

As a result of lower enrollments and corresponding tuition revenue, VMI is reducing expenditures and is projected to utilize portions of its fund balance through FY2026 to provide balanced budgets. VMI will not reduce its robust need-based financial aid. VMI strives to provide 100% of demonstrated financial need to Virginians through federal loans, scholarships and grants for cadets meeting the priority application deadline of 1 March. The Institute also intends to continue awarding additional (merit) financial aid through the Call to Duty Scholarship program, which provides an award to cover VMI's housing and food costs to recipients of three-year and four-year ROTC national scholarships, as funding allows.

SECTION C: STRATEGIC DEEP DIVE – PROGRAM ALIGNMENT & PERFORMANCE

COMPLETION OUTCOMES

Key question: How is your institution supporting all students to succeed in completing their degree in a timely manner?

C1. What are your highest-priority completion outcomes targets, both overall and for particular student segments? Please include aspirational targets, realistic expectations, and qualitative targets and specify by when you are aiming to meet those targets (e.g., X% 6-year graduation rate for Pell students by 2030).

VMI's baccalaureate education is organized so that qualified cadets with no prior post-secondary experience can complete degree requirements within four years of matriculation. In special circumstances, however, the Institute permits cadets to extend their residency to five years and/or to complete their degree requirements in absentia up to 10 years. Nearly all cadets graduate within six years of enrolling.

VMI monitors aggregated retention and graduation rates within the institution and in relation to peer institutions using data compiled by SCHEV. VMI's peer institutions for this purpose include the 14 other four-year, publicly funded colleges and universities in the Commonwealth of Virginia.

VMI has very respectable retention and graduation rates. The most recent six-year graduation rate is 77%, which is 15-points above the national average (NSC, 2016 cohort) and three-points higher than the previous cohort. Among Virginia four-year public institutions, VMI's graduation rate is five-points higher than the average. However, the most recent retention rate was 82% (2021 cohort, FTF), which is 10th place among Virginia Publics, 15-points below the frontrunner, and 5-points lower than the previous cohort.

In Fall 2022, underrepresented cadets comprised about 37% of VMI's population, 8-points higher than in Fall 2014. There were no differences in the most recent (2016 cohort) six-year graduation rates for underrepresented cadets vs. their counterparts (78%). However, retention rates in the last two years are more dissimilar than desired (76% underrepresented populations vs 84% non-underrepresented populations, 2021 cohort).

Examining the most recent data available, cadets who receive the Pell Grant (~15%) show similar disparities in retention rates (73% Pell vs. 84% non-Pell, 2021 cohort). Pell Grant recipients' most recent 6-year graduation rates are close, but slightly lower than, their counterparts (75% vs. 77%, 2016 cohort).

In general, there are no concerning long-term graduation or retention trends in the aggregate, but VMI will continue monitoring certain underrepresented groups, particularly Black/African American and Asian cadets, closely. Retention rates for these two groups is significantly lower than the overall rate of 82% (2021 cohort, FTF), coming in at 68% and 74%, respectively.

Notably, it's not uncommon for Black cadet rates to fluctuate dramatically from year to year. For example, 70% of Black cadets were retained in Fall 2019, 87% in Fall 2020, and 68% in Fall 2021. Unlike the recent peak and valley shape of Black cadet rates, Asian cadet rates have steadily decreased in the last three years, moving from 92% in Fall 2019 to 86% in Fall 2020 and

74% in Fall 2021. The last time this group's rates were in the 70s was Fall 2018, before that, Fall 2013, otherwise being in the 80s, 90s, or 100%.

Of positive note, Hispanic/Latino retention rates are trending upward, moving from 64% in Fall 2019 to 77% in Fall 2020 and 85% in Fall 2021, the highest since Fall 2016.

Examining graduation rates by biological sex, data shows that both males and females have, generally, been near or above 70%, especially within the last five years. Males tend to graduate at higher rates than females, but that was not the case most recently (84%(f) vs. 76%(m), 2016 cohort). Retention rates for both groups have been historically similar, with differences of only a few percentage points. The most recent retention rate for females was 84%, males 81% (2021 cohort); the year prior it was 85% female, 87% male.

VMI currently provides a wide variety of academic support services, to include faculty serving as academic advisors, tutoring services in written and oral communication (from The Writing Center), in math (Math Education Resource Center), and learning support services from the professional staff of the Miller Academic Center. In addition, NCAA athletes have access to weekly academic mentoring. These services are offered at no cost to cadets but use is generally on a voluntary basis.

VMI realizes that to be able to make a sincere attempt at improving retention and graduation rates, additional resources will need to be available for a variety of academic support services. Funding from the state for the *One Corps, One VMI* initiative provided resources to hire three additional academic support personnel. In addition, the resources that will be available due to the state funding VMI's application for the recruitment and retention of Pell-eligible students will provide resources to specifically support at-risk cadets. Changes in academic support currently underway in the Summer Transition Program (STP- an optional four-week summer session for incoming cadets, where they take one academic class, designed to improve the academic and physical fitness readiness) are designed to identify incoming cadets at-risk in reading, math, and comprehension skills. During the period from matriculation day to the start of the fall semester, additional time is being allocated for academic orientation, to include topics such as study skills, keeping a calendar, and note taking. The new initiatives during orientation are for all incoming first-year cadets. The additional academic support personnel make it feasible to provide more academic support in the Miller Academic Center, the Writing Center, and the Math Education Resource Center. Once the academic year commences, cadets identified as at-risk will continue to receive appropriate support services during the academic year. Cadets not at-risk will have access to the full range of academic support services but unlike an at-risk cadet, will engage with academic support on a voluntary or as-needed basis.

In summary, VMI's objective is to improve retention and graduation rates to be among the best in the Commonwealth – top 5 among Virginia public institutions. By monitoring academically vulnerable cadets more closely, and intervening with academic support sooner, VMI can achieve this goal.

C2. What specific strategies/actions are you planning to take to achieve those goals? How will you draw on successes/challenges from your prior completion outcome improvement strategies?

- Continue implementing a strategic enrollment management model and other strategies initiated via VMI's SCHEV-approved grant application for the recruitment and retention of Pell-eligible cadets.
- Implement a new technology and analytics system to help predict cadet success and facilitate earlier and more frequent interventions.
- Increase faculty development, especially in core curriculum general education courses, with a focus on human learning and academic motivation.
- Expand internship and experiential learning opportunities by developing more partnerships with business and public and private entities.
- Address access and success, climate and intergroup relations, education and scholarship, organizational culture and accountability, and community engagement within the context of VMI's Esprit de Corps strategy in its draft Strategic Plan.
- Recruit and retain the best faculty from diverse backgrounds who are excellent teachers, productive scholars, active in their professions, and engaged in the lives of cadets – it is imperative that the Institute offer competitive salaries and continue to strive towards the goal of raising VMI's average faculty salary into the top five among Virginia public colleges and universities; contributes to high Esprit de Corps among the faculty.

C3. How will you use existing/recently provided resources to execute those strategies? Will you be requesting incremental state resources? Please state the request and rationale and explicitly tie to Part I of your planning template.

- VMI provides a wide range of robust, academic support services to cadets through the following support centers:
 - Miller Academic Center (MAC). Focusing on the academic success of the entire Corps across all majors, the MAC offers academic success workshops, faculty and peer-led group study sessions, disability services, and assistance to cadets in choosing/switching to the major best fitting their academic strengths and interests.
 - Mathematics Education and Resource Center (MERC). The MERC supports cadets in their math studies largely through professional and peer tutors in the Open Math Lab. In addition, the MERC offers course-specific tutoring and one-on-one appointments.
 - Writing Center. The Writing Center offers a variety of writing assistance to cadets including professional and peer writing consultation, one-on-one writing process conferences, and assistance on writing papers ranging from initial planning to polishing the final draft.

- In FY2023, the state provided VMI funding to add three full-time, academic support positions. These positions will enable VMI to provide additional academic tutoring to cadets thereby improving academic success in support of the outcomes listed above in C1.

POST-COMPLETION OUTCOMES

Key question: How is your institution preparing all students for success beyond completion (e.g., career preparation)?

C4. Please explain how you monitor post-completion outcomes (e.g., employment rates, wage attainment, debt load, upward mobility). What data do you collect? What metrics are you monitoring most closely? What do the data reveal about your institution's greatest strengths and areas for improvement with respect to post-completion outcomes? Please include any relevant data/reports in the appendix or as a separate attachment, including any data that captures outcomes by school/department/program.

VMI's Office of Career Services (OCS) collects data from multiple sources, including First Destination Surveys, alumni records, and an online database (Handshake). The collected data includes first destination after VMI, employment rates, wage, and location within six months of graduation. Following are VMI highlights from the First Destination Report for 2021-2022 graduates (98% response rate):

- 59.9% commissioned in military service,
- 97.1% employed or enrolled in graduate school,
- 0.8% seeking employment.

The extracted data from July 2023 from the U.S. Department of Education College Scorecard and the median debt of graduates as reported by SCHEV shows that VMI's graduates have median earnings of \$76,984 compared to the midpoint for 4-yr schools, \$50,391. SCHEV data (EOM 06) show that the median debt of VMI graduates in 2021-2022 was \$26,722, approximate to the statewide median for 4-yr public institutions (\$26,000).

Overall, the data shows VMI graduates have a very high probability of full-time employment with above average salaries and with median debt generally at, or below, the median debt of graduates from Virginia 4-yr public institutions.

As a Senior Military College (SMC), developing citizen-soldiers with a commitment to service to the nation is one VMI's greatest strengths. Annually, over 50% of graduates commission in the military, a large percentage of them serve the nation through law enforcement occupations or at other federal or state agencies, and are highly diverse in career attainment.

C5. What specific strategies/actions, including potential changes to your program portfolio or curriculum, are you planning to take to maximize the career readiness and job attainment of all students across programs of study, including increasing early

career exposure for students (e.g., internships) during their time at your institution? How will you draw on successes/challenges from prior initiatives?

According to the Association of American Colleges and University's survey of employers (hiring managers and executives), some of the most desired skills in college graduates are:

- The ability to work effectively in teams
- Critical thinking skills
- Data analysis and interpretation
- Ethical judgement and reasoning
- Ability to apply knowledge in real world settings

VMI's unique blend of military, academics, and athletics provides cadets with substantial opportunities to develop these skills in a variety of settings, making them coveted assets to employers in a wide variety of organizations and industries. The ability to work effectively in teams is required for success at VMI- cadets must work together in the barracks, in the classroom, and on the ROTC training grounds in order to accomplish their goals. Their time schedule is intentionally tight. They must negotiate their heavy commitments without compromising their honor and integrity. Confronted with the constant enticement to take an easier path, they must make the ethical choice or face severe consequences – just as one faces in the “real world.” Lastly, in the classroom, rote memorization will not suffice to achieve success. Cadets must apply what they have learned, be it in math, science, English, or history, and demonstrate their ability think critically and creatively as part of VMI's Core Curriculum requirements. In sum, the VMI experience is thoughtfully and intentionally designed to serve the needs of many organizations – be it the U.S. Armed Forces or in the public or private sector.

VMI will continue its strategy of producing graduates who serve the nation through commissioned, military service in addition increased service by working for government agencies or non-profit organizations. To achieve this, the Institute will maintain (or increase) the number of recruitment events for the United States Armed Forces, government agencies, and non-profit organizations. The Institute also intends to award additional (merit) financial aid through the Call to Duty Scholarship program in order to attract additional ROTC Scholarship recipients.

While almost all cadets who receive a commission will participate in at least one period of summer, experiential learning with the military branch in which they will serve, VMI plans to increase the number of cadets who participate in experiential learning, internship, for or not for credit. Currently, three academic departments (i.e., Economics and Business, Biology, Computer and Information Sciences) are offering internships for credit.

VMI will continue to expand its cybersecurity education offerings, supporting the needs of the Department of Defense (DoD) and other government agencies, as well as industries within the Commonwealth, through funding support from DoD and the Commonwealth Cyber Initiative.

VMI's Leadership Development Program, which combines classroom training through the Core Curriculum leadership course LEAD 344 (Leadership in Organizations) with practical leadership experience within the Corps of Cadets, is uniquely positioned among Virginia's state supported

colleges and universities to prepare cadets for future leadership and management roles in the military, government service, non-profit organizations, and private industry.

Beginning in summer 2024, VMI will offer a privately funded, Summer Undergraduate Entrepreneurship Program. This five-week program will provide coursework and experiential learning to help the participants develop an entrepreneurial mindset that will support their future plans – whether those plans involve starting a new business, employment within an existing organization, as military leaders or self-employment. Skills associated with an entrepreneurial-mindedness typically include adaptability, perseverance, creativity, managing ambiguity, and being action-oriented – all skills that could lead to personal success in any setting.

VMI will maintain the principles of the Core Curriculum supporting a baseline STEM education, and continue enrollment practices and academic support programs in order to support 50% enrollment in STEM majors. In doing so, the Institute will produce graduates prepared to enter an employment market that increasingly relies on technology and requires a strong baseline of knowledge in STEM.

C6. How do you intend to use existing/provided resources to execute those strategies? Will you be requesting incremental state resources? Please explicitly tie to Part I of your planning template.

VMI will continue to increase partnerships with alumni and both private and public sector employers to increase internship opportunities. Following COVID-19, there has been an increase in remote internships, which appear to work well with cadets during the fall and spring semesters. In recent years, VMI has encouraged employers to list paid opportunities to ensure that all cadets, including those from low-income backgrounds, can participate. To support increased internship opportunities, VMI is requesting funding support for a full-time, employer relations/internship coordinator position in the Office of Career Services.

WORKFORCE ALIGNMENT

Key question: How are your institution's programs of study and degree conferrals aligned with the evolving talent needs of the Commonwealth?

C7. For which specific workforce needs is your institution best positioned to supply talent, based on regional, industry, or occupation alignment?

VMI produces leaders with a strong commitment to service. As a Senior Military College, approximately 50% of graduates enter military service and many graduates who do not enter the military serve the nation/Commonwealth in other federal or state agencies. By concentrating on 14 versatile majors, VMI graduates receive a strong, liberal arts education that prepares them for a wide variety of occupations or for continued, specialized education at the graduate level. In addition, the following areas of the academic program contribute more specialized talent to the workforce:

- The Computer Science program within the Computer and Information Sciences Department, supported through the Department of Defense and the Commonwealth Cyber Initiative, and the Electrical and Computer Engineering program support “Computer Occupations.”
- The Association to Advance Collegiate Schools of Business accredited Economics and Business program supports “Business Operations and Financial Specialists.”
- The three ABET (*Accreditation Board for Engineering and Technology, Inc.*) accredited engineering programs produce graduates who support a variety of engineering and construction related industries.
- The Psychology program supports “Counselors, Social Workers, and Other Community and Social Service Specialists.”
- Programs in the life sciences and natural sciences, as well as graduate school partnerships with several medical schools, support a wide variety of occupations on the area of “Healthcare Diagnosing or Treating Practitioners.”

C8. What specific strategies/actions is your institution planning to take to better align your program offerings or degree conferrals to current and projected workforce needs? Please provide a list of specific programs you intend to sunset or grow in the next 6 years to increase alignment, partnerships/initiatives you intend to launch or deepen, etc. If you intend to launch any new programs, please explain why your institution is particularly well-suited to succeed in that area.

VMI intends to continue offering the same 14, versatile academic majors, and staff regularly reviews offerings for relevance. Starting in the 2023-2024 AY, the Computer and Information Sciences Department will separate the computer science major into three distinct tracks, which enable majors to concentrate studies and better align skills with different aspects of the various “Computer Occupations.” The tracks are (1) Theory and Application, (2) Cybersecurity, and (3) Information Technology. The Department intends to obtain accreditation via ABET (Accreditation Board for Engineering and Technology, Inc.) for the Theory and Application track.

SECTION D: STRATEGIC DEEP DIVE – FINANCIAL EFFECTIVENESS & SUSTAINABILITY

AFFORDABILITY FOR STUDENTS & FAMILIES

Key question: How is your institution accounting for and improving affordability for students and families?

D1. What specific strategies/actions do you plan to take to improve affordability moving forward across your overall student body and priority subpopulations, and what is the expected impact? Please account for a broad range of factors including the full cost of attendance, net price, time to degree, debt load, etc.

Since all VMI cadets are enrolled as full-time students each semester, VMI’s academic advising efforts are prioritized to ensure cadets are successful and targeted to graduate in four-years,

allowing them to minimize potential debt. Additionally, VMI annually evaluates its expenditures (personnel and non-personnel) to ensure it is a good steward of public, private, and tuition dollars. VMI also continues to use available financial aid funds to meet 100% of demonstrated need of Virginia cadets who apply for aid by the annual priority deadline. Finally, the VMI Alumni Agencies consistently prioritize need-based financial aid in their fundraising efforts in order to ensure that financial pressures are not determining factors in a cadet's decision to attend, or remain, at VMI.

As further discussed in D2, many factors impact decisions on tuition and fee increases with affordability being an overriding consideration. VMI's robust financial aid resources help ensure the Institute remains accessible and affordable to qualified individuals.

REVENUE

Key question: How is your institution approaching pricing and revenue management? What are the implications on long-term top-line financial health?

D2. Please explain the rationale behind your full pricing (i.e. published tuition & fees, including mandatory non-E&G fees) and financial aid award strategy (i.e. net tuition revenue projections). What data informed your assessment of T&F increase feasibility (e.g., market comparisons, student capacity to pay) and estimates of discounts/waivers/unfunded scholarships? What informed your strategy around financial aid awards, merit and need-based, particularly for various student segments by income level and academic preparation?

VMI's tuition and fees are more comprehensive than most colleges and cover the majority of expenses a cadet must incur while enrolled. In addition to covering costs of the educational program, fees cover housing for all cadets as VMI is 100% residential, a full meal plan of 21 meals per week for every cadet, provision and maintenance (including laundry/dry cleaning) of uniforms, and costs of participating in various military and athletics (including club sports) co-curricular activities.

VMI limits tuition and fee increases as much as possible. Key factors considered in setting tuition and fee amounts include unavoidable cost increases such as employee salary/benefit increases, inflation driven cost increases in normal operating expenses such as utilities, supplies, contractual services etc. In addition, the Institute considers various cost measurement metrics such as changes in Consumer Price Index (CPI) and Higher Education Price Index (HEPI) to ensure tuition and fee increases are in line with current economic conditions.

VMI's financial aid policy is to meet 100% of the demonstrated need of all in-state cadets. The Institute has a robust financial aid program which utilizes extensive private financial aid funding, Federal grants/loans, State financial aid funding, and significant Federal ROTC scholarship funding. These sources provide both need-based and merit aid to cadets to help ensure that qualified individuals have the opportunity to attend VMI regardless of their economic status.

Out-of-state cadet tuition in FY2023 represented about 141% of the total cost of education, significantly exceeding the State minimum requirement of 100%. In-state tuition represented only about 42% of the total cost of education. Tuition revenue from out-of-state cadets has helped to mitigate the shortfall in State general funds in meeting its goal of funding 67% of the cost of education for in-state cadets. Out-of-state tuition revenue is significantly helping to minimize in-state tuition increases that would otherwise be necessary to make up this shortfall in State general funds. In FY2023, out-of-state cadet tuition is four times greater (4.06) than in-state tuition (\$40,778 versus \$10,076) and out-of-state tuition revenue comprised 70% of the total E&G tuition revenue in FY2023 although out-of-state cadets comprised only 37% of the total Corps.

In response to strategies undertaken by several Senior Military Colleges, including The Citadel and Norwich University, and to remain competitive with the Service Academies, VMI is utilizing private support to provide additional (merit) financial aid through the Call to Duty Scholarship Program, providing an award to cover VMI's housing and food costs to recipients of three and four-year ROTC national scholarships.

To attract and retain out-of-state cadets, it is important that VMI provide sufficient financial aid to help meet their demonstrated need. Approximately 60-65% of out-of-state cadets qualify for need-based aid versus 40-45% of in-state cadets. VMI continues to meet 100% of demonstrated need for in-state cadets and between 60-65% for out-of-state cadets.

Although VMI used \$2,017,000 of tuition revenue from out-of-state cadets for need-based financial aid in FY2023, this amount represents less than 8.5% of total tuition revenue.

VMI will continue to rely heavily on State-provided need-based aid for in-state cadets (\$1,187,018 in FY2023), as well as significant private endowments that provide scholarships for needy in-state cadets.

D3. What do you expect to be the impact of your pricing/discounting approach on enrollment numbers/mix (if any) and net tuition revenue moving forward and why?

The impact of the Free Application for Federal Student Aid (FAFSA) Simplification and Student Aid Index on middle-class families is being analyzed in financial aid industry publications and VMI expects it will need to continue investing in need-based aid for both in-state and out-of-state cadets to ensure continued affordability. VMI is also working hard in the competitive area of attracting ROTC scholarship recipients and believes investment in additional financial aid through the Call to Duty Scholarship program will benefit enrollment and net tuition revenue in the future.

VMI's robust financial aid program helps ensure the Institute remains affordable to both in-state and out-of-state cadets. Various sources of aid, particularly ROTC scholarships, are key to ensuring that out-of-state cadets can afford to attend VMI. These efforts to ensure affordability to all cadets helps maintain the current mix of in-state and out-of-state cadets.

COST EFFECTIVENESS

Key question: How has your institution maintained bottom-line financial health and focused investment on the levers that will drive improvements in student outcomes?

D4. Reflect on the categories/subcategories of cost that have recently experienced the most significant increases on an absolute or per-student basis. What have been the primary drivers of those increases? Please be specific and include supporting data.

VMI has not been immune to inflationary stresses as personnel expenses have increased significantly in order to recruit talented and qualified staff to rural Virginia, as well as to retain staff who have key skills. Several key retirements and higher than normal turnover have necessitated hiring replacements at increased salaries.

Additionally, the cost of services has increased in Lexington and the surrounding region as qualified contractors are being pulled toward large and high-dollar projects due to the amount of infrastructure and stimulus funds being invested.

VMI has also experienced an average water and sewer rate increase of 7.7% per year for the last five years as the City of Lexington has undertaken numerous projects to upgrade and replace aging infrastructure.

D5. What specific strategies/actions do you plan to take to contain/reduce key costs and improve fiscal health going forward while improving student outcomes? What are your objectives and what have been your results to date of any already-launched initiatives? What is the expected impact and timeframe of these strategies? Include any short-term costs that would need to be incurred to implement the strategies.

Within the context of VMI's overall strategic enrollment management efforts, a significantly enhanced emphasis on retention will improve fiscal health by maintaining corps strength.

Specifically, all cadets are now required to work with their academic advisors and support services if they are at risk (retention) and this will improve cadet outcomes.

Components of the SCHEV- Recruitment and Retention of Pell-Eligible Students Memorandum of Understanding will expand the admissions funnel by reaching a greater population of potential cadets.

Additionally, beginning in January 2023, VMI's budget team began individual monthly budget strategy sessions with Information Technology, Police, Academics, Athletics, Cadet Life, Auxiliary Services, Physical Plant, Human Resources and the Chief of Staff to discuss specific areas (operational and personnel vacancies) where costs may be contained or reduced. The meetings are ongoing and emphasis is placed on managing vacancy savings and on areas which would not directly impact academic instruction and cadets' daily lives.

D6. Provide information about your institution's highest-priority E&G capital projects and requests (including new construction as well as renovations) over the six-year plan period and how they align to your enrollment trajectory, student outcomes improvement plans, or other strategic priorities. Please also reflect on your current E&G facilities utilization (especially classrooms, labs and student service areas), particularly in light of any recent trends that might impact space needs (e.g., enrollment trends, shifting learning modalities). How has square footage per student changed over time and why? What efforts have you made to reassess and further optimize the use of your existing facilities, and what has been the impact of those efforts to date? What do you intend to do in the next six years to increase utilization?

Current priorities for E&G capital projects. This represents a continuing emphasis on facilities improvement to enhance the cadet experience.

- Improve Admissions and Financial Aid Offices. Provides improvements to the infrastructure and structure of two historic residential office buildings. These facilities are directly related to VMI's enrollment priorities.
- Replace Old and New Barracks Windows. Replaces outdated single-pane windows with a more energy efficient double-pane window system. This project is in design phase and final construction supports VMI's enrollment and leadership development priorities.
- Construct Moody Hall. Replaces the current facility with increased space to support a larger Corps of Cadets, academic collaboration and symposia, networking spaces, and public service events. The facility will also house office and support space for the VMI Alumni Agencies.
- Construct Center for Leadership and Ethics, Phase II. Expands classroom and lecture space to support the cadet leader development program. Also provides an add-on to the existing Center for Leadership and Ethics to provide space for the VMI museum and academic space for cadet collaborative interaction.
- Improve New Market Battlefield and State Historic Park. Improvements and renovations to the museum and visitor center as well as infrastructure improvements throughout the 300-acre site. These facilities support public service priorities for the general public and K-12 standards of learning.

The Corps of Cadets grew from 1,300 to 1,700 with the completion of the expanded barracks in 2008 resulting in additional class sections. While this increased overall utilization significant schedule conflicts occurred with classrooms, laboratory spaces, and providing adequate office space for faculty. Modifications to expand existing E&G facilities has been a priority to relieve constraints on teaching and laboratory space. The recently completed Scott Shipp Hall Renovation and Expansion, the scheduled Nichols Engineering Building Laboratory Renovation and Expansion and Construction of the Center for Leadership and Ethics Phase II are examples of projects addressing the utilization pressures. While pedagogy changes over time, academic instruction remains an in-person experience for VMI with multiple modalities of learning present in each class section and laboratory.

The square footage per cadet has increased over the last decade by approximately 100 square feet (772 square feet in 2012 and 866 in 2017). With completed facility expansions and a

return to normal enrollment levels in the next six years, VMI's overall square feet per cadet is expected to stabilize and be approximately 900 square feet.

Recent efforts to reassess and optimize facility utilization has been conversion of storage spaces (tied heavily to STEM facilities) into teaching or office spaces. Additionally, low utilization spaces (general computer labs) have been repurposed to support research labs. There have not been negative impacts from these reallocations of space, however, in some instances the spaces were not always 'optimal'.

Increases in utilization will result with increased enrollment to maximize the capacity of the barracks in balance with maximum capacities of academic and support facilities. Current analysis optimizes square foot utilization with enrollment at census date of 1,733.

The daily operating schedule for VMI cadets is governed by General Order #1 building in consistency of experience and uniformity to VMI's military structure and organization. Academic facilities are heavily utilized in the evening hours for cadet study. Outside of the regular academic year, VMI continues to offer eight weeks of summer school instruction and the Summer Transition Program, an optional four-week summer session for incoming cadets, where they take one academic class, designed to improve the academic and physical fitness readiness of incoming cadets. Other summer programs, such as athletic camps (resident and day camps), conferences and symposia, the Summer Undergraduate Research Institute, and the College Orientation Workshop for at-risk youth, remain active.

SECTION E: BUDGET REQUESTS

E1. Provide additional information for any budget requests in Part I of your planning template that are not described elsewhere in your narrative.

All requests have been discussed in previous sections.

SECTION F: ECONOMIC DEVELOPMENT ANNUAL REPORT

F1. Provide a link to any report your institution has produced about its economic development contributions. You may also share it in the appendix or as an attachment.

The Institute contributes to both local and regional economic development through outreach and education opportunities for local K-12 students, and development of skilled graduates with in-demand knowledge and leadership abilities.

Highlights include:

- Cyber Fusion and Cyber Cup competitions – hosted at VMI for students at Virginia institutions as well as the six Senior Military Colleges.
- Cyber Smart workshops and summer camps for both high school and middle school students to learn from cyber experts and develop skills to detect, identify, and mitigate cyber-attacks.

- Semester-long internships with the Cyber Defense Laboratory – local high school students work with undergraduate cadets and Virginia Tech graduate students to complete projects in support of cyber defense.
- STARTALK Arabic Language Courses – a summer immersive Arabic language program for Virginia high school and college students sponsored by the National Security Agency.
- Environment Virginia Symposium - Almost 600 environmental professionals exchange ideas, best practices, and knowledge, as well as participate in career and recruitment opportunities for new and emerging “green” jobs throughout the Commonwealth.
- Middle School Math Day – faculty and cadets from the Applied Mathematics Department host up to 600 regional middle school students and conduct a math modelling competition to use creativity and problem-solving skills to answer complicated math challenges.
- Membership in the 4-VA Working Group – facilitating collaborative research, course development and redesign, and other cross-institutions initiatives to promote the advancement of the Commonwealth.
- VMI Museum System – comprised of The VMI Museum, Jackson House Museum, and Virginia Museum of the Civil War located at New Market Battlefield State Historical Park, welcomes 80,000 visitors per year to learn about the rich history of VMI and Virginia. The Virginia Museum of the Civil War, for example, provides educational programs fulfilling Virginia Standards of Learning for school children.

SECTION G: FREEDOM OF EXPRESSION AND INQUIRY, FREE SPEECH, ACADEMIC FREEDOM AND DIVERSITY OF THOUGHT

G1. Provide a copy of any policy or reports your institution has produced and provide information about annual training or orientation related to this topic.

General Order 96 – The Superintendent’s Statement of Free Speech

<https://www.vmi.edu/media/content-assets/documents/general-orders/GO96.pdf>

General Order 72 – Facilities Utilization, Events, and Speech

<https://www.vmi.edu/media/content-assets/documents/general-orders/GO72.pdf>

General Order 79 – Distinguished Visitor and Speaker Policy

<https://www.vmi.edu/media/content-assets/documents/general-orders/GO79.pdf>

2022 Report on Constitutionally Protected Speech

<https://rga.lis.virginia.gov/Published/2022/RD419> - this report contains a transmittal memo certifying compliance with Subsection C of 23.1-401.1, General Order 72 on Facilities Utilization, Events, and Speech, and the Commandant’s Blue Book Chapter on Speech that describes the training cadets receive.

SECTION H: NEW SCHOOLS, SITES, AND MERGERS

H1. Provide information on any new instructional sites, schools, or mergers supported by all types of funding that your institution is considering or planning to undertake during the six-year period.

N/A – no new instructional sites, schools, or mergers planned during the six-year period.

[OPTIONAL] SECTION I: RESEARCH

I1. [OPTIONAL] Highlight any strategic research priorities, programs, or key areas of investment (e.g., hiring plans, critical research agendas, interdisciplinary centers, business partnerships, commercialization efforts) and IP dissemination and commercialization priorities you intend to pursue over the next 6 years that have not already been mentioned in this narrative. What are the anticipated benefits to your faculty attraction/retention strategy, student value proposition, and the economic competitiveness of the Commonwealth?

The strategic research priority at VMI is to provide faculty with meaningful research opportunities while offering cadets unique undergraduate research experiences. VMI's focus is not to be or become a research institution, but rather to maintain a strong faculty/cadet relationship while educating tomorrow's leaders in the fields most in demand.

In addition to expanding the facilities available to cybersecurity and Computer and Information Systems cadets, the Cyber Defense Laboratory (operated through a Department of Defense grant) offers seed funding to faculty across VMI interested in exploring the various intersections of the cyber world. These grants are currently being given to faculty and cadets in the Physics, Applied Mathematics, English & Rhetoric, and Electrical & Computer Engineering departments and engage almost 50 cadets in this high demand field. Through the continuation of this grant and a variety of opportunities through the Commonwealth Cyber Initiative, VMI cadets are prepared for a variety of high-value careers in the cyber realm.

Additional valuable undergraduate research opportunities are funded through the Summer Undergraduate Research Institute which supports cadet-led research projects with one-on-one faculty mentorship. These experiences help to develop the next generation of researchers across STEM and non-STEM disciplines at VMI.

VMI recently began collaborating with the Army Research Lab to offer additional research opportunities with direct benefit to the Department of Defense. This includes faculty engagement with summer programs at the Lab and cadet internships, as well as opportunities for faculty and cadets to partner with the Army Research Lab in research projects throughout the year. Cadets can engage with Department of Defense researchers during their time at VMI and advance their military career options when they commission.

Starting in FY2024, VMI will fill a new, privately funded, part-time Director of Innovation Programming position, which will be responsible for managing and developing academic, industry, and government partnerships, and for coordinating approaches across the Institute for partner engagement. This position will be responsible for building out collaborative teams of faculty, staff, and cadets to maximize the benefits of innovative partnerships and place the

Institute on a path to being an exemplary partner for innovative collaborations in research/business ventures.

VMI believes that the strength of VMI's research opportunities and the opportunities to work closely with a variety of undergraduates is a strong incentive to recruit and retain faculty with strong interest in both teaching and research. The breadth of research opportunities available across disciplines is also a strong opportunity to recruit and inspire cadets to continue their journeys in research-focused fields.

[OPTIONAL] SECTION J: COLLABORATION

Academic Collaboration

VMI has agreements in place with 17 graduate programs, 14 of which are with schools within the Commonwealth. These agreements facilitate cadets pursuing advanced professional and graduate degrees and certificates and support cadet undergraduate research. These programs include medical, engineering, law, business, and arts programs. VMI intends to continue these agreements and explore others which may present enhanced career opportunities for VMI graduates.

A recently executed agreement is with Virginia Tech to launch a new accelerated master's degree program for a Master of Science (MS) and Master of Engineering in computer science and applications/computer engineering. This partnership allows VMI cadets to apply up to 12 credits (4 courses) of VMI Computer Science upper-level elective courses as dual undergraduate/graduate credits. These credit hours will count towards both the bachelor of science degree from VMI and the master's degree from Virginia Tech. The eligible VMI courses are reviewed for content and rigor by Virginia Tech faculty. Cadets must earn an A or B for the course credit to apply towards the master's degree. A cadet earning an A or B in all 12 credit hours will then be able to complete the master's program at Virginia Tech in one year.

Cooperative Procurement

As a member of the Virginia Association of College and University Purchasing Professionals (VASCUPP), VMI contributes to and enjoys access to over 2,000 cooperative contracts that provide volume pricing for goods and services. This volume pricing is much more favorable than VMI could procure with stand-alone contracts. In addition, the ability to use these cooperative contracts eliminates the need to administratively procure and manage many contracts allowing the VMI Procurement Services Office to function with limited staffing. If VMI did not have access to these contracts, there would be an immediate need for two or possibly three additional procurement professional positions at an estimated annual cost of \$130,000 to \$200,000.

VMI is also a member of the Virginia Higher Education Procurement Cooperative (VHEPC). Its purpose is to aggregate and leverage procurement requirements and resources resulting in a greater financial advantage from cooperative procurement. Current member institutions include George Mason University, Old Dominion University, University of Virginia, Virginia Tech,

Virginia Commonwealth University, College of William & Mary, James Madison University, Radford University, Virginia Military Institute, UVA Wise, Longwood University, University of Mary Washington, Christopher Newport University, Norfolk State University, and the Virginia Community College System. The VHEPC's focus is directed to commonly used goods and services unique to higher education and builds upon the strong foundation put in place through the Virginia Association of Schools, Colleges and University Procurement Professionals (VASCUPP). The VHPEC has demonstrated that collaborative procurement has resulted in price reductions leading to increased savings by combining annual spend and resource allocation, ultimately producing economies that reduce the resources (time, people, effort) required by a single institution. VMI has followed the recommendation of the Joint Legislative Action Review Committee (JLARC) by instituting mandatory use contracts that maximize value-added standardization.

[OPTIONAL] SECTION K: STATE POLICY

K1. [OPTIONAL] Use this section to outline any state policy changes you have not already mentioned in this narrative that would enhance your ability to achieve greater success on the topics, strategies, and initiatives referenced in this narrative. What existing policies, if any, are hindering your ability to maximize outcomes and value for students? What new policies might create conditions that are more conducive to achieving those goals? What strategies or initiatives would these policy changes enable your institution to do or try that you are not yet able to do today? Please be as specific as possible.

The Virginia Military Survivors Dependents Education Program (VMSDEP) provides a waiver of tuition and mandatory fees for eight semesters at a Virginia public college or university. This benefit is available to spouses and children of military members killed in service, taken prisoner, missing in action or 90 to 100% permanently disabled resulting from their military service. As a military college, VMI strongly supports this program and is in favor of its continuance but believes that the Code should be amended to require the tuition and fee waivers be funded by state appropriation rather than the costs of the waivers absorbed by the institutions.

Program participation continues to grow. In FY 2018, VMI waived \$103,453 of tuition and fees for seven cadets enrolled in the program. By FY 2021, 40 cadets were enrolled and \$725,965 was waived. Most recently, in FY 2023, 58 cadets were enrolled in the program, resulting in \$1,095,223 in waived tuition and fee revenue. Although enrollment numbers were below average this academic year, this cadet population has continued to increase. As a result, absorbing the costs of the waiver program has become increasingly difficult and is counterproductive to efforts on affordability for other cadets.

[OPTIONAL] SECTION L: ADDITIONAL INFORMATION

L1. [OPTIONAL] Use this final section to provide any additional context and/or supporting materials you feel should be incorporated into the six-year planning process.

1 September 2023

MEMORANDUM

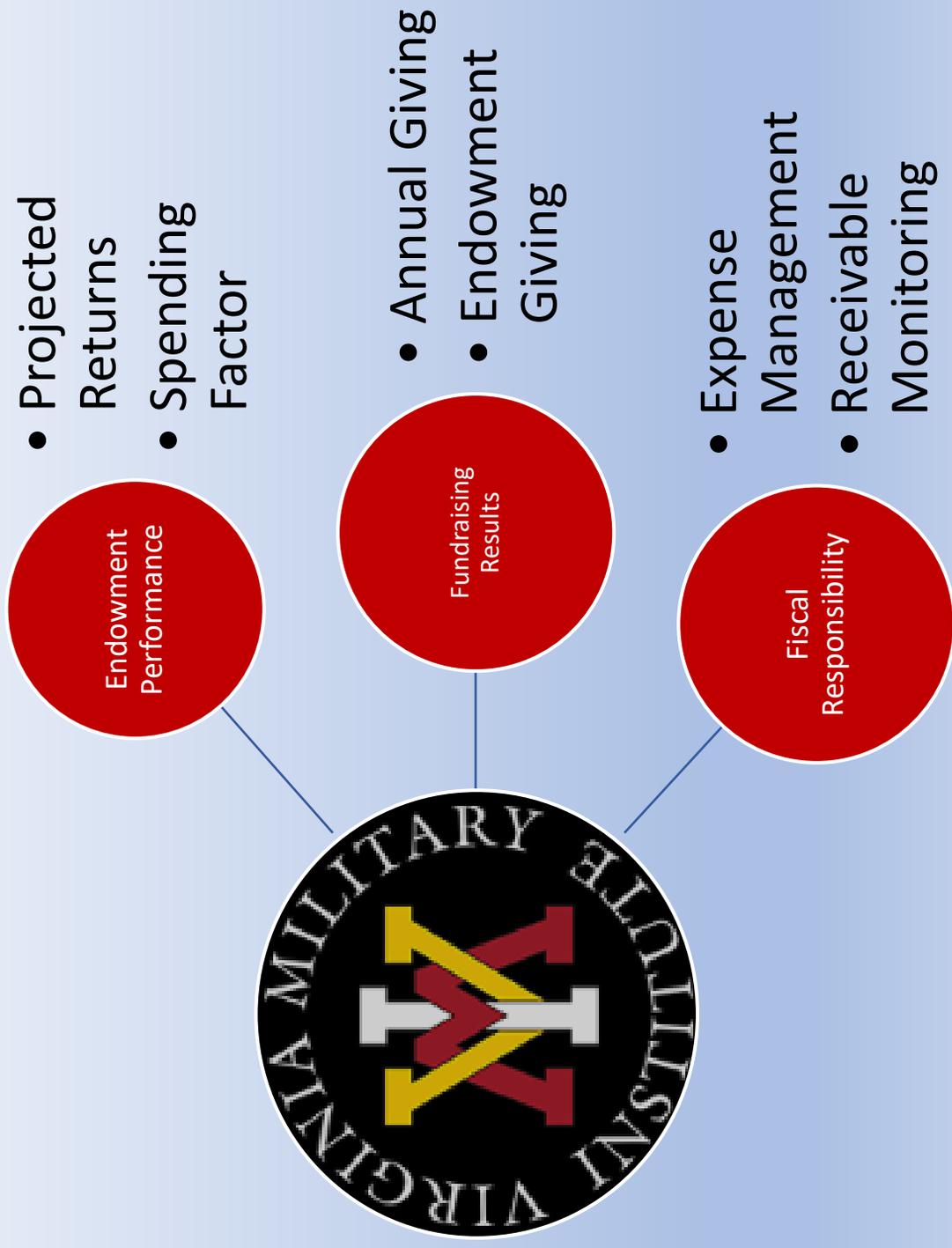
TO: The Audit, Finance and Planning Committee

FROM: BG Dallas B. Clark

SUBJECT: VMI Alumni Agencies Report

Enclosed materials for the VMI Alumni Agencies Report will be presented and discussed by Mr. David L. Prasnicky, Chief Executive Officer of the VMI Alumni Agencies.

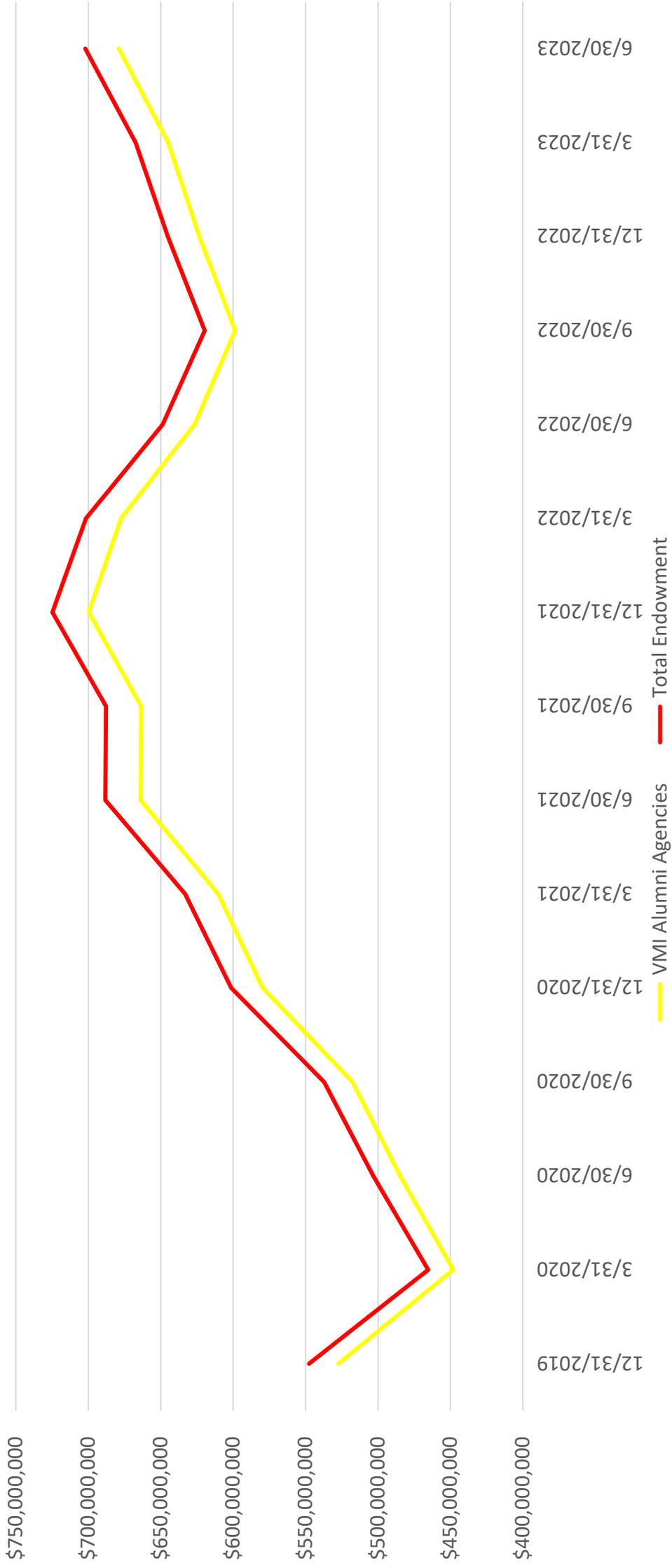
Financial Drivers – Aid to VMI



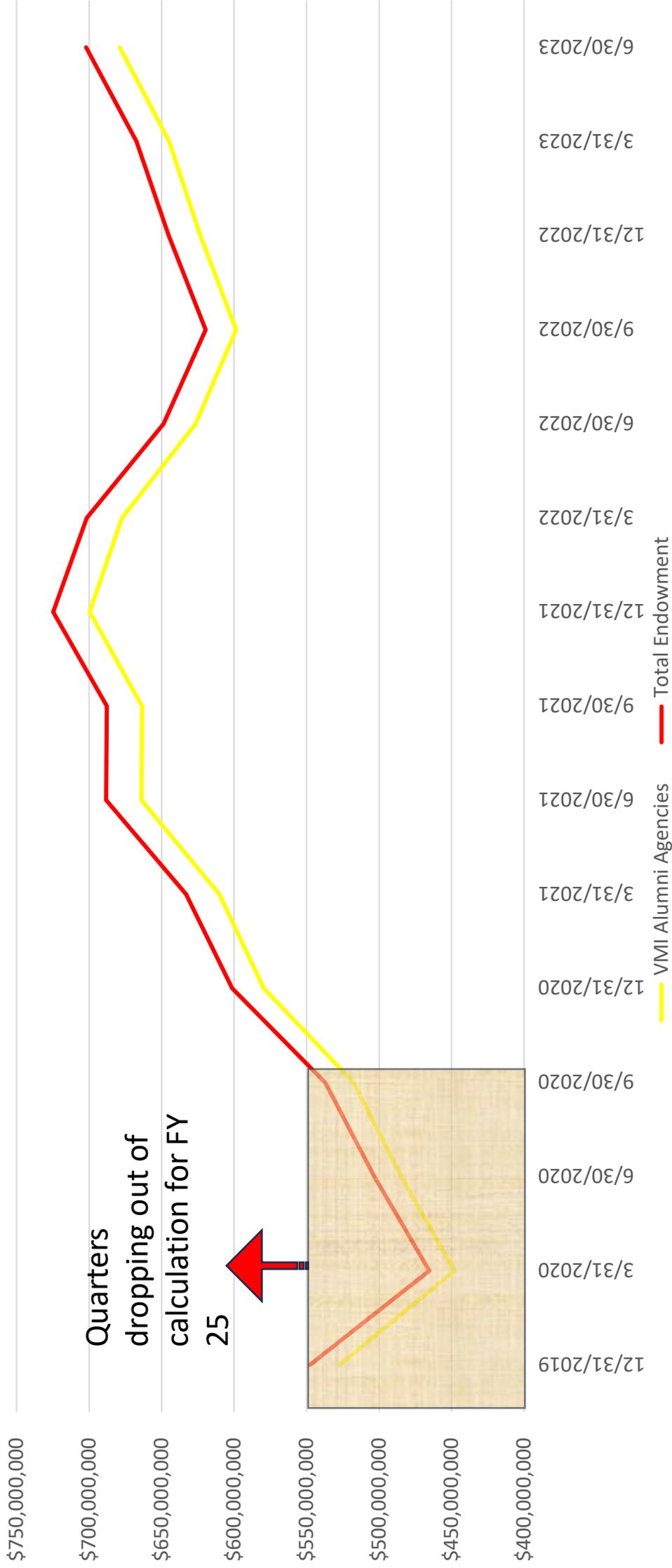
Performance Summary (NOF)

Account/Group	% Rate of Return										
	Ending Market Value USD	Ending Weight	Policy Weight	One Month	Year to Date	Fiscal YTD	Three Years	Five Years	Ten Years	Inception to Date	Inception Date
Total US Equity	211,564,665	29.51	27.00	3.60	20.31	3.60	13.14	11.42	12.08	13.96	06/30/2009
<i>Russell 3000</i>				<i>3.58</i>	<i>20.33</i>	<i>3.58</i>	<i>13.13</i>	<i>11.45</i>	<i>12.14</i>	<i>14.10</i>	<i>06/30/2009</i>
Non-US Equity	62,669,977	8.74	10.00	2.80	15.20	2.80	10.40	4.49	5.17	6.98	06/30/2009
<i>MSCI EAFE ND</i>				<i>3.24</i>	<i>15.28</i>	<i>3.24</i>	<i>9.25</i>	<i>4.55</i>	<i>5.20</i>	<i>6.62</i>	<i>06/30/2009</i>
Non-US Equity Emerging Markets	51,161,748	7.14	10.00	6.18	11.27	6.18	-1.05	-1.99	1.08	3.09	06/30/2009
<i>MSCI Emerging Markets ND</i>				<i>6.23</i>	<i>11.42</i>	<i>6.23</i>	<i>1.46</i>	<i>1.71</i>	<i>3.47</i>	<i>4.79</i>	<i>06/30/2009</i>
Fixed Income	79,197,411	11.05	10.00	2.81	6.36	2.81	3.09	3.46	3.40	5.04	06/30/2009
<i>BBG US Aggregate</i>				<i>-0.07</i>	<i>2.02</i>	<i>-0.07</i>	<i>-4.46</i>	<i>0.75</i>	<i>1.50</i>	<i>2.47</i>	<i>06/30/2009</i>
Cash	4,217,035	0.59	1.00	-2.15	0.13	-2.15	0.78	1.13	1.07	1.12	06/30/2009
Public REIT	22,071,138	3.08	3.00	2.07	5.60	2.07	5.52	4.78	6.33	9.88	10/31/2009
<i>MSCI US IMI Real Estate 25-50</i>				<i>2.04</i>	<i>5.01</i>	<i>2.04</i>	<i>4.41</i>	<i>3.66</i>	<i>-</i>	<i>-</i>	<i>10/31/2009</i>
Absolute Return	43,235,576	6.03	5.00	0.84	4.55	0.84	10.04	7.29	5.56	5.63	06/30/2009
<i>HFRI Fund of Funds Composites</i>				<i>1.04</i>	<i>3.36</i>	<i>1.04</i>	<i>4.63</i>	<i>3.50</i>	<i>3.39</i>	<i>3.45</i>	<i>06/30/2009</i>
Private Investments	242,830,447	33.87	34.00	0.48	5.28	0.48	21.75	14.31	13.81	12.30	10/31/2009
VMI Foundation Total	716,947,998	100.00	100.00	2.29	10.52	2.29	11.49	7.96	7.35	8.42	06/30/2009
VMI Custom Benchmark				2.02	8.55	2.02	11.38	8.77	7.94	8.65	06/30/2009

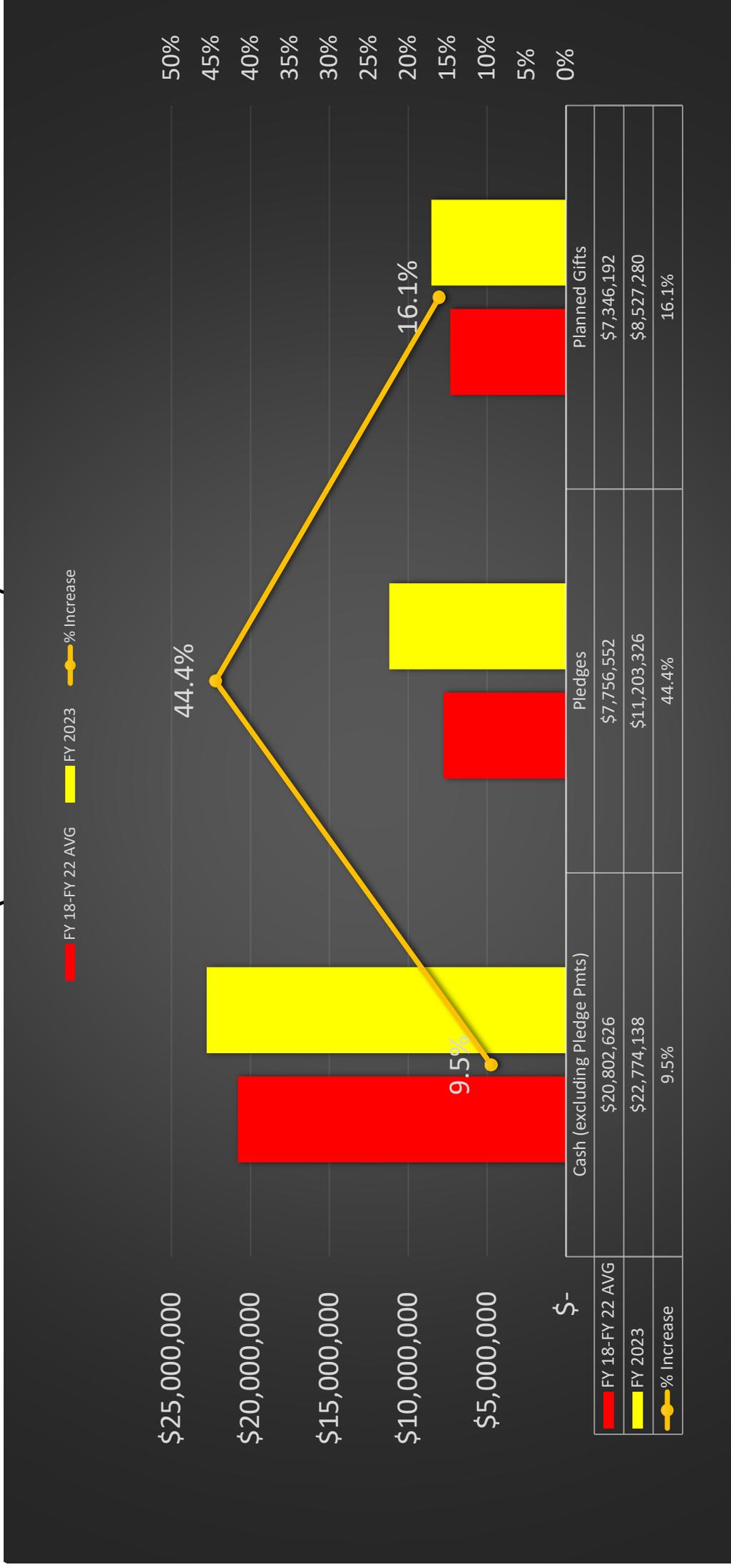
VMI Investment Holdings, LLC Endowment Values



VMI Investment Holdings, LLC Endowment Values



FY 23 FUNDRAISING RESULTS COMPARED TO 5 YEAR AVERAGE (FY 18- FY 22)



- FY 23 results exceeded previous 5-year averages by the following:
Cash 9.5%; Pledges 44.4%, Planned Gifts 16.1%

VIRGINIA MILITARY INSTITUTE

LEXINGTON, VIRGINIA 24450-0304

Department of Information Technology

Phone 540-464-7341

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18 August 2023

MEMORANDUM

TO: The Audit, Finance and Planning Committee

FROM: Darrell Campbell

SUBJECT: Information Technology Report

- Security
 - Security Assessment: An IT security assessment of sensitive systems was conducted by an external vendor as required by Commonwealth of Virginia IT security policies and was rejected by the APA. The assessment VMI had performed included policies and procedures around the families of controls designed to protect Institute sensitive data. The assessment concluded successfully with only minor changes to policy verbiage. No substantiative changes to any system were required or recommended. However, as noted it was rejected by the APA for not meeting “YellowBook” audit standards now required by the Virginia audit standard SEC502. VMI is now in process of searching for an acceptable vendor that can perform the required audit. The goal is to have this audit completed in the March 2024 timeframe.
 - The APA also issued a management point due to documentation of our Windows Operating system that support the systems VMI has deemed sensitive. VMI IT is working on further documenting the documentation of system hardening to meet the APA expectations, and this will be complete prior to engaging with the vendor chosen to perform the external audit.
 - PCI Assessment and attestation: FAS and IT staff in collaboration with our contractor, Campus Guard, successfully completed our next PCI assessment and attestation due in October. VMI will attest this time to the 3.2 standard but are reviewing any necessary change to suit the 4.0 version that will be required for the next attestation. VMI IT has also assisted with the VMI Museum’s new Point of Sale system installation, Athletics Ticket Return system and are working with our vendor for scheduled penetration testing for the PCI related systems.



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- Security Awareness Training: IT will continue Security Awareness Training for all faculty, staff, and cadets including role-based training for individuals possessing access to specific sensitive data.
- Vulnerability scanning: Continuing with vulnerability scanning software utilizing the upgraded ability to scan for vulnerabilities on servers and network infrastructure. The scan produces reports based on various security policy testing and PCI requirements.
- Implemented an upgraded detection and response system to detect malicious activity on the firewall and servers. The system will notify specified IT staff members of noted threats and recommended remediation.
- Operations and Equipment
 - Ellucian Database Servers: The Ellucian Colleague database was setup on a cluster of two new hardware SQL servers to replace the current Ellucian Colleague database servers last year. One server was in RANA data center and other in the VMI data center. VMI will add a third server to the cluster to further enhance performance and redundancy.
 - VMI IT has purchased two new core routers for our data center. Working and planning on the installation of these new routers has started and will be complete within the next few months. The hardware being replaced is currently over ten years old.
 - IT Staff Update

VMI IT has had significant turnover due to retirements and employees leaving the Institute.

Two people retired- our CIO (42 years of VMI service) and our Desktop Support Manager (over 25 years of VMI service).

Three other employees have left VMI- our Information Security Officer and two additional PC Technicians.

The Desktop Support Manger was replaced with a very qualified internal candidate and her last position is being advertised. A PC Technicians has been hired that will support the Barracks Help Desk. Interviews are still ongoing for the ISO position. Applications are being accepted for the other Helpdesk and PC technician jobs.



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- Services
 - VMI IT has recently completed the move of all current cadets' email and one note drives from the @mail.vmi.edu tenant to the @vmi.edu mail tenant. This will provide many advantages for the cadets and staff. A few advantages would be:
 - 1.) The cadets are now only required to remember one password.
 - 2.) The faculty and cadets will be able to easily add or utilize the Teams Product for easier collaboration.
 - 3.) Simplify management of cadet accounts and security.
 - SharePoint Portal: IT staff have migrated and upgraded the SharePoint database on a new server This action is in preparation for a future multistep upgrade to the Intranet / Portal. The current plan is for the migration of the VMI Portal to Office 365 SharePoint in the Cloud. The migration of the Cadet emails is the first stage of the overall project.



VMI

**Budget Performance
Reports**

FY 2023

**Finance, Administration and Support
1 September 2022**

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 Projects Funding Details

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Key Financial Indicators

VMI Key Financial Indicators

As of 29 August 2023

	Budget	Actual/ Projected	Over (Under)	%	Notes
1. Enrollment					
<i>Fall 2023 Opening Day (Actual)</i>					
New Cadets	450	492	42	9.3%	
% VA Cadets	60.0%	59.3%			
Old Cadets	1,073	1,100	27	2.5%	
Total Cadets	1,523	1,592	69	4.5%	
% VA Total	63.8%	63.0%			
<i>Spring 2024 (Estimated)</i>					
Total Cadets	1,404	1,468	64	4.6%	
% VA Total	63.2%	63.5%			
% of cadets in Fall returning in Spring	92.2%	92.2%			
2. State Revenues					
<i>Educational and General (E&G)</i>					
General Funds	21,730,000	22,104,000	374,000	1.7%	
Cadet Tuition/Other	29,795,000	30,997,000	1,202,000	4.0%	
Total E&G Revenue	51,525,000	53,101,000	1,576,000	3.1%	
<i>Auxiliary Enterprises (AUX) Revenues</i>	22,248,000	23,402,000	1,154,000	5.2%	
<i>Unique Military Activities (UMA)</i>					
General Funds	5,860,000	5,860,000	-	0.0%	
Cadet Fees/Other	3,714,000	3,914,000	200,000	5.4%	
Total UMA Revenue	9,574,000	9,774,000	200,000	2.1%	
3. Total Full-time Employees	646	586	(60)	-9.3%	
4. Fund Balance (Cash Balance)					
	E&G	AUX	UMA	Total	
Beginning Balance, 7/1/23	6,646,121	18,004,820	1,470,677	26,121,618	
Estimated revenue over(under) budget	1,576,000	1,154,000	200,000	2,930,000	
Estimated expenditures (over)under budget	(1,323,941)	(1,783,000)	(882,677)	(3,989,618)	
Budgeted transfers to/from fund balance	(5,000,000)	5,000,000	-	-	
Projected Balance, 6/30/24	1,898,180	22,375,820	788,000	25,062,000	

State Programs

E&G Program
Budget Performance Report
For the fiscal year ended 30 June 2023

	Amended Budget	Year-to-Date		Over (Under) Budget	%	Notes
		Actual				
Revenue						
General Funds	23,765,000	23,843,860	78,860	0.3%		
Cadet Tuition/Other Income	30,081,000	30,894,585	813,585	2.7%		
Total Revenue	53,846,000	54,738,445	892,445	1.7%		
Expenses						
Cadet Financial Assistance	3,400,000	2,013,644	(1,386,356)	-40.8%	1	
Personal Services	42,948,000	41,492,385	(1,455,615)	-3.4%	2	
Nonpersonal Services						
Utilities/Insurance	3,874,000	3,671,205	(202,795)	-5.2%	3	
Supplies/equipment/other	6,392,000	6,799,654	407,654	6.4%		
Contingencies	3,500,000	2,300,186	(1,199,814)	-34.3%	4	
Total nonpersonal	13,766,000	12,771,045	(994,955)	-7.2%		
Total Expenses	60,114,000	56,277,074	(3,836,926)	-6.4%		
Indirect cost recoveries (Aux/UMA)	(8,222,000)	(8,184,750)	37,250	-0.5%		
Net Expenses	51,892,000	48,092,324	(3,799,676)	-7.3%		
Excess (Deficiency) Revenue	1,954,000	6,646,121	4,692,121			
Add Fund Balance, beginning	0	0	0			
Fund Balance, ending	1,954,000	6,646,121	4,692,121			

Notes:

- 1) *Cadet Financial Assistance is less than budgeted for the fiscal year due to lower enrollment and targeted efforts to maximize private scholarships.*
- 2) *Savings a result of the delay in filling vacant positions and filling vacant faculty positions with adjunct professors.*
- 3) *Property insurance expense was \$150,000 less than budget. State rate adjustment resulted in actual expense being less than anticipated for the fiscal year.*
- 4) *Contingency budget included new State funding not spent during the fiscal year.*

Auxiliary Enterprises Program Budget Performance Report

For the fiscal year ended 30 June 2023

	Amended Budget	Year-to-Date Actual	Over (Under) Budget	%	Notes
Revenue					
Cadet Fees/Other Income	21,720,000	22,672,867	952,867	4.4%	
Expenses					
Personal Services	4,178,000	3,072,513	(1,105,487)	-26.5%	1
Nonpersonal Services					
Food Service	7,420,000	7,125,985	(294,015)	-4.0%	2
Other Operating	3,929,000	5,152,687	1,223,687	31.1%	3
Capital/Maintenance Projects	1,500,000	1,204,076	(295,924)	-19.7%	4
Contingencies	1,500,000	1,359,405	(140,595)	-9.4%	5
Debt Service	2,633,000	2,620,356	(12,644)	-0.5%	
Total nonpersonal	16,982,000	17,462,509	480,509	2.8%	
Total Expenses before indirects	21,160,000	20,535,022	(624,978)	-3.0%	
Indirect costs paid to E&G	4,965,000	4,727,250	(237,750)	-4.8%	
Total Expenses	26,125,000	25,262,272	(862,728)	-3.3%	
Excess (Deficiency) Revenue	(4,405,000)	(2,589,405)	1,815,595		
Add: Fund Balance, beginning	20,594,000	20,594,225	225	0.0%	
Less: Planned Transfers	-	-	-		
Fund Balance, ending	16,189,000	18,004,820	1,815,820	11.2%	

Notes:

- 1) An allocation entry of costs from Auxiliary to UMA for FY 2022 was not recorded until FY 2023, resulting in UMA being over budget and Auxiliary under budget by \$404,672.
- 2) Food Service costs is a function of enrollment, therefore FY 2023 was less than budgeted.
- 3) Athletic facilities maintenance \$546k over budget, scoreboard replacement cost \$462k, Barracks maintenance costs of \$312k for painting and replacement of furniture, and Barracks water and sewer costs \$170k over budget.
- 4) Projects not completed in FY 2023 will carryover into FY 2024. At the end of the fiscal year, \$245,000 in encumbrances remained open that will roll into FY 2024.
- 5) Contingency budget is a placeholder for unexpected one-time expenses not budgeted or planned.

Unique Military Activities Budget Performance Report

For the fiscal year ended 30 June 2023

	Amended Budget	Year-to-Date Actual	Over (Under) Budget	%	Notes
Revenue					
General Funds	7,661,000	7,661,861	861	0.0%	
Cadet Fees and Sales	3,614,000	3,710,264	96,264	2.7%	
Total Revenue	11,275,000	11,372,125	97,125	0.9%	
Expenses					
Personal Services	3,112,000	3,741,307	629,307	20.2%	1
Nonpersonal Services					
Cadet Uniform Purchases	2,000,000	1,384,860	(615,140)	-30.8%	2
Other Operating	3,983,000	3,304,281	(678,719)	-17.0%	
Total nonpersonal	5,983,000	4,689,141	(1,293,859)	-21.6%	
Total Expenses before indirects	9,095,000	8,430,448	(664,552)	-7.3%	
Indirect costs paid to E&G	1,471,000	1,471,000	-	0.0%	
Total Expenses	10,566,000	9,901,448	(664,552)	-6.3%	
Excess (Deficiency) Revenue					
Add Fund Balance, beginning	709,000	1,470,677	761,677		
Fund Balance, ending	709,000	1,470,677	761,677		

Notes:

1) An allocation entry to move costs from Auxiliary to UMA for FY 2022 was not recorded until FY 2023, resulting in UMA being over budget and Auxiliary under budget by \$404,672.

2) Uniform orders expected to be received in FY 2023 were delayed until FY 2024.

Local Programs

**Unrestricted Local Budget
Budget Performance Report**

For the fiscal year ended 30 June 2023

	Amended Budget	Year-to-Date Actual	Over (Under) Budget	%	Notes
Revenue					
VMI Endowment	76,000	76,068	68	0.1%	
VMI Foundation	2,725,000	2,716,925	(8,075)	-0.3%	
VMI Development Board	400,000	400,000	-	0.0%	
Keydet Club	200,000	333,157	133,157	66.6%	1
Athletic Revenue	1,664,000	2,089,166	425,166	25.6%	2
Museum Revenue	578,000	570,750	(7,250)	-1.3%	
Cadet Fees - Athletic	5,504,000	5,388,623	(115,377)	-2.1%	
Conference Revenue - CLE	167,000	220,344	53,344	31.9%	
Concessions Commissions	475,000	408,007	(66,993)	-14.1%	
Total Revenue	11,789,000	12,203,040	414,040	3.5%	
E & G Expenditures					
<i>Instruction</i>					
Faculty Salary Supplements	623,000	696,319	73,319	11.8%	
<i>Research</i>					
Faculty Research	-	-	-		
<i>Public Service</i>					
Daniel's Award	70	70	-	0.0%	
Hall of Fame	-	15,909	15,909	100.0%	3
Museum Programs	887,000	896,633	9,633	1.1%	
Total Public Service	887,070	912,612	25,542	2.9%	

Unrestricted Local Budget Budget Performance Report

For the fiscal year ended 30 June 2023

	Amended Budget	Year-to-Date Actual	Over (Under) Budget	%	Notes
<i>Academic Support</i>					
Dean's Official Fund	14,000	14,822	822	5.9%	
Center for Leadership/Ethics	167,000	366,805	199,805	119.6%	4
Total Academic Support	181,000	381,627	200,627	110.8%	
<i>Student Services</i>					
Commandant's Official Fund	10,000	11,947	1,947	19.5%	
Chaplain's Office Support	110,000	88,000	(22,000)	-20.0%	
Total Student Services	120,000	99,947	(20,053)	-16.7%	
<i>Institutional Support</i>					
Staff Salary Supplements	651,000	595,126	(55,874)	-8.6%	
Mortgage Subsidies	45,000	41,690	(3,310)	-7.4%	
Diversity Office			-		
Superintendent's Funds			-		
Quarter's--Rent/Enter	80,000	87,755	7,755	9.7%	
Allotment	30,000	26,068	(3,932)	-13.1%	
Travel--State	10,000	5,399	(4,601)	-46.0%	
VA Hi Ed Business Council	9,000	8,915	(85)	-0.9%	
Protocol Office/Gifts	13,000	12,375	(625)	-4.8%	
Local Bank Fees/Charges	2,000	785	(1,215)	-60.8%	
Hall of Fame	-		-		
Board of Visitors' Meetings	9,000	9,222	222	2.5%	
Membership Dues	3,000	-	(3,000)	-100.0%	
Contingencies	697,000	242,811	(454,189)	-65.2%	
Total Institutional Support	1,549,000	1,030,146	(518,854)	-33.5%	

Unrestricted Local Budget Budget Performance Report

For the fiscal year ended 30 June 2023

	Amended Budget	Year-to-Date Actual	Over (Under) Budget	%	Notes
<i>Athletics</i>					
Operations	7,870,000	9,888,946	2,018,946	25.7%	5
<i>Debt Service</i>					
JM Hall Renovation	189,625	189,625	-	0.0%	
Total Debt	189,625	189,625	-	0.0%	
<hr/>					
Total Expenditures	11,419,695	13,199,222	1,779,527	15.6%	
<hr/>					
Excess (Deficiency) Revenue	369,305	(996,182)	(1,365,487)	-369.7%	
Add Fund Balance, beginning	3,888,634	3,888,634	-	0.0%	
Less: Transfer to Museums	(440,000)	-	440,000	100.0%	
Less VMIAA Direct Pay	(120,000)	(120,000)	-	0.0%	
Fund Balance, ending	<u>3,697,939</u>	<u>2,772,452</u>	<u>(925,487)</u>	<u>-25.0%</u>	

Notes:

- 1) Special donations for sport specific one-time purchases of equipment and team supplies.
- 2) Additional NCAA revenue sharing income and program revenues over budgeted projections.
- 3) The Hall of Fame ceremony is held every five to six years. Therefore, it is not part of the regular annual budget.
- 4) The CLE receives restricted operational funds from several endowments. To see the overall performance to budget, see the CLE operational report which includes endowment funds and conference revenues.
- 5) This report is unrestricted funds only, see Athletic operations report for FY 2023 overall performance to budget.

**Intercollegiate Athletics
Budget Performance Report**

For the fiscal year ended 30 June 2023

	Amended Budget	Year-to-Date Actual	Over (Under) Budget	%	Notes
Revenue and Support					
Cadet Fees	5,504,000	5,388,623	(115,377)	-2.1%	
<i>Guarantees</i>					
Football	380,000	380,000	-	0.0%	
Basketball	250,000	255,000	5,000	2.0%	
Baseball	2,000	11,500	9,500	475.0%	
Soccer		3,200	3,200		
<i>Gate Receipts</i>					
Football	290,000	295,769	5,769	2.0%	
Basketball	42,000	37,354	(4,646)	-11.1%	
Entry Fees - Track Invitationals	85,000	86,160	1,160	1.4%	
Concessions	185,000	185,000	-	0.0%	
NCAA Academic Assistance	65,000	161,767	96,767	148.9%	
NCAA/Conference Revenue Sharing	460,000	848,981	388,981	84.6%	
<i>VMI Development Board</i>					
Unrestricted Aid	250,000	250,000	-		
Restricted Endowment	322,000	313,357	(8,643)	-2.7%	
<i>Keydet Club</i>					
Budgeted Operating Support	68,000	68,287	287	0.4%	
Special Projects	200,000	864,832	664,832	332.4%	1
BOV Endowment					
VMI Unrestricted Aid	12,500	12,500	-	0.0%	
Other Athletic Subsidy					
Program and Other Income	155,000	171,203	16,203	10.5%	
Total Revenue	8,270,500	9,333,533	1,063,033	12.9%	

Intercollegiate Athletics Budget Performance Report

For the fiscal year ended 30 June 2023

	Amended Budget	Year-to-Date Actual	Over (Under) Budget	%
Expenditures				
Football	1,736,000	1,989,651	253,651	14.6%
Basketball	1,010,000	1,392,648	382,648	37.9%
Track--Men/Women	580,000	696,834	116,834	20.1%
Wrestling	254,000	286,367	32,367	12.7%
Baseball	501,000	508,833	7,833	1.6%
Lacrosse	314,000	515,870	201,870	64.3%
Swimming	186,000	218,904	32,904	17.7%
Water Polo	168,000	165,711	(2,289)	-1.4%
Rifle	65,000	79,528	14,528	22.4%
Soccer - Men	176,000	168,866	(7,134)	-4.1%
Soccer - Women	231,000	234,246	3,246	1.4%
Training & Medical	383,000	373,112	(9,888)	-2.6%
Sports Information/Promotions	452,000	420,188	(31,812)	-7.0%
Strength & Conditioning	213,000	208,459	(4,541)	-2.1%
NCAA Tutoring	54,000	60,145	6,145	11.4%
Administration	1,018,000	1,036,503	18,503	1.8%
Indirect Costs	1,786,000	1,986,500	200,500	11.2%
Contingencies	-	83,740	83,740	100.0%
Total Expenditures	9,127,000	10,426,104	1,299,104	14.2%
Excess(Deficiency) Revenue	(856,500)	(1,092,572)	(236,072)	
Add: Beginning Fund Balance	2,137,815	2,137,815		
Ending Fund Balance	1,281,315	1,045,243	(236,072)	-18.4%

Notes:

1) Keydet Club funding for basketball film study room, coaches compensation, lacrosse special projects and compete to win campaign funds.

2) In FY 2024, the Athletic departments spent \$824k on equipment across all programs. The overage in indirect cost is a result of actual expenditures versus budgeted. The equipment expenses were excluded from the indirect cost calculation.

**Museum Operations
Budget Performance Report**

For the fiscal year ended 30 June 2023

	VMI Museum		VMCW	
	Year-to-Date Over (Under)		Year-to-Date Over (Under)	
	Budget	Actual	Budget	Actual
Revenue and Support				
Admissions	-	-	182,000	188,469
Sales	145,000	158,554	75,000	81,592
Donations	5,000	15,212	5,000	2,231
Rents/Other	-	177	-	3,273
Local Unrestricted Funds	-	-	-	-
Endowment Income	34,000	28,850	173,000	173,000
Total Revenue	184,000	202,792	435,000	448,565
Operating Expenses				
Personal Services	143,000	123,753	379,000	367,866
Merchandise for Resale	72,000	90,347	38,000	63,114
Other Operating	50,000	43,226	111,000	84,907
Total Expenses	265,000	257,327	528,000	515,887
Excess (Deficiency)Rev	(81,000)	(54,535)	(93,000)	(67,322)
Add: Fund Balance, begin	(17,460)	(17,460)	(16,374)	(16,374)
Add: Special Endow draw	-	-	-	-
Fund Balance, ending	(98,460)	(71,995)	(109,374)	(83,696)
				25,678

Museum Operations Budget Performance Report

For the fiscal year ended 30 June 2023

<i>Revenue and Support</i>	Jackson House			Total All			
	Year-to-Date Over (Under)			Year-to-Date Over (Under)			
	Budget	Actual	Budget	Budget	Actual	Budget	%
Admissions	90,000	49,473	(40,528)	272,000	237,942	(34,059)	-12.5%
Sales	75,000	68,891	(6,109)	295,000	309,036	14,036	4.8%
Donations	1,000	2,879	1,879	11,000	20,322	9,322	84.7%
Rents/Other	-	-	-	-	3,450	3,450	100.0%
Local Unrestricted Funds	-	-	-	-	-	-	100.0%
Endowment Income	-	-	-	207,000	201,850	(5,150)	-2.5%
Total Revenue	166,000	121,242	(44,758)	785,000	772,600	(12,400)	-1.6%
 <i>Operating Expenses</i>							
Personal Services	192,000	173,573	(18,427)	714,000	665,192	(48,808)	-6.8%
Merchandise for Resale	38,000	49,688	11,688	148,000	203,149	55,149	37.3%
Other Operating	71,000	102,008	31,008	232,000	230,142	(1,858)	-0.8%
Total Expenses	301,000	325,269	24,269	1,094,000	1,098,483	4,483	0.4%
 <i>Excess (Deficiency)Rev</i>	(135,000)	(204,027)	(69,027)	(309,000)	(325,883)	(16,883)	
Add: Fund Balance, begin	(93,564)	(93,564)	-	(127,398)	(127,398)	-	
Add: Special Endow draw				-	-	-	
Fund Balance, ending	(228,564)	(297,591)	(69,027)	(436,398)	(453,281)	(16,883)	

Notes:

**Center for Leadership and Ethics
Budget Performance Report**

For the fiscal year ended 30 June 2023

	Budget	Year-to-Date Actual	Over (Under) Budget	%	Notes
Revenue and Support					
Cash Donations	10,000	-	(10,000)	-100%	
Endowment Income	842,000	1,055,914	213,914	25%	1
Conference Income	167,000	220,344	53,344	32%	2
VMI E&G Program Support	-	-	-		
Rental Income	-	-	-		
Total Revenue	<u>1,019,000</u>	<u>1,276,258</u>	<u>257,258</u>	<u>25%</u>	
Operating Expenses					
Personal Services	1,054,000	983,370	(70,630)	-7%	
Conference Expenses	193,000	161,867	(31,133)	-16%	
Program/Other Expenses	279,000	187,363	(91,637)	-33%	
Total Expenses	<u>1,526,000</u>	<u>1,332,600</u>	<u>(193,400)</u>	<u>-13%</u>	
Excess (Deficiency)Rev	<u>(507,000)</u>	<u>(56,342)</u>	<u>450,658</u>	<u>0%</u>	
Add: Fund Balance, begin	862,756	862,756	-	0%	
Fund Balance, ending	<u><u>355,756</u></u>	<u><u>806,414</u></u>	<u><u>450,658</u></u>		

Notes

1) The increase in endowment funding for FY 2024 is due to \$102k received in FY 2023 from the FY 2022 allocation. The funding available for FY 2024 increased \$98k from the FY 2023 allocation.

2) Fee revenue generated from Environment Virginia more than budgeted.

Capital Budget

VMI
Capital Projects Funding Details
31 July 2023

	<i>Source of Funding (\$ Millions)</i>							Total
	State	VMI Foundation/Dev Bd			VMI			
	GF/Debt	IDA Bond	Other Debt	Gifts	Debt	Gifts	Aux	
<i>Complete/Near Complete Projects</i>								
Barracks Emergency Repairs	4.1						0.4	4.5
Nichols Engineering Bldg/Annex	17.8							17.8
Cocke Hall Annex					2.2			2.2
JM Hall/VMI Museum		1.2	2.6	0.3				4.1
Crozet Hall (Mess Hall)		0.7			12.1	1.2	0.6	14.6
Hinty Hall	4.7	0.2						4.9
Stormwater Drainage	2.1	2.8					0.4	5.3
Foster Stadium		12.7						12.7
Gray-Minor Stadium		6.4		0.5				6.9
Mallory Hall	13.8							13.8
North Institute Hill Parking		1.8						1.8
Kilbourne Hall (ROTC)	13.0	0.4						13.4
Marshall Hall		18.4				4.0		22.4
Barracks Expansion/Renovation	62.7							62.7
Maury House Renovation				0.8			0.4	1.2
Military & Leadership FTG (Phase I)	15.1			1.0			0.7	16.8
Post Hospital Renovation	5.1						-	5.1
South Institute Hill Parking					2.8			2.8
Maury-Brooke Hall Renovation	19.6							19.6
Military & Leadership FTG (Phase II)				1.0			0.5	1.5
Corps Physical Training Fac--Ph I Plan/Const	80.6							80.6
Corps Physical Training Fac--Ph II Plan/Const	38.1							38.1
Post Improvements--Phase I (VCBA)					4.0			4.0
Post Improvements--Phase II (VCBA)					4.0			4.0
Post Improvements--Phase III (VCBA)					4.0			4.0
Clarkson-McKenna Pressbox Expansion							1.7	1.7
Improve Post Infrastructure Phases I - III	29.6				3.4		0.2	33.2
Preston Library Renovation	19.5							19.5
Chessie Nature Trail - South River Bridge						1.2	0.9	2.1
Scott Shipp Renovation	43.3							43.3
Lackey Parking					3.5			3.5
412 Parade Avenue Renovations							2.9	2.9
Corps Physical Training Fac--Ph III Plan/Const	33.0			10.0				43.0
Total Complete/Near Complete	402.1	44.6	2.6	13.6	36.0	6.4	8.7	514.0
<i>On-Going Projects</i>								
Turman House Renovations							2.5	2.5
408 Parade Avenue Renovations					2.0			2.0
Post-Wide Safety and Security	10.0							10.0
Renovate and Expand Engineering Laboratories	57.0							57.0
CLE Phase 2 - Detailed Planning	2.1						1.5	3.6
Cadet Safety and Security	8.7							8.7
Barracks Windows - Detailed Planning	1.0							1.0
Moody Hall - Detailed Planning	2.1							2.1
Total On-Going	80.9	-	-	-	2.0	-	4.0	86.9
Total All	483.0	44.6	2.6	13.6	38.0	6.4	12.7	600.9
Funding Source %	80.4%	7.4%	0.4%	2.3%	6.3%	1.1%	2.1%	100.0%

VMI Capital Projects Budget Report

31 July 2023

Notes

1. **Estimated Cost/Budgets** are based on architect/engineering (AE) estimates or construction managers (CM) estimates. The capital project process normally includes an AE estimate based on a feasibility study prepared by the AE firm. The CM-at-risk project delivery method includes project cost estimates developed by the AE firm and the CM. BCOM reviews and adjusts project budgets based on historical costs from across the Commonwealth.
2. **Projected Costs/Funding** reflect costs based on contractor bids or CM guaranteed maximum prices (GMP) for all projects. The CM's final guaranteed maximum price is developed after a rigorous "value engineering" type process and include reviews and analyses of major sub-contractor bids. The project costs approximate the funding that has been obtained for the projects in all cases except as described in the notes below.
3. JM Hall/VMI Museum projected cost/funding exceeds the original budget and reflects furnishings/equipment and facility improvements (windows, HVAC, lighting, and other electrical) that were not included in the original budget estimate.
4. The Crozet Hall projected cost of \$14.6 million includes final settlement of contractor claims (the Supreme Court of Virginia ruled in the general contractor's favor requiring VMI to work out the amount owed to the contractor for "delay" damages). Costs also reflect the settlement with the A/E for design errors and omissions.
5. Hinty Hall (Physical Plant Building) projected cost/funding exceeds the original budget and reflects furnishings/equipment, additional State-mandated storm water management, and other unforeseen site costs such as rock removal that were not fully included in the original budget estimate.
6. The North Institute Hill Parking projected cost/funding includes the cost of outside consultants to conduct studies (required by the State's Department of Conservation and Recreation) of project related storm water modeling and management. Project costs also reflect unforeseen rock removal that was not fully included in the original budget estimate.
7. Kilbourne Hall (ROTC) projected cost/funding exceeds the original budget and reflects escalating construction costs (labor and materials) due to a "busy" market and to some unforeseen conditions (to include repairs of a failing retaining wall and replacement of an interior asphalt floor with a concrete floor). The State provided "supplemental funding" for construction of about \$3.8 million and another \$485,000 for furnishings and equipment. Private funds of approximately

\$400,000 from the \$45 million VMI Development Board bond financing is included in the projected cost/funding.

8. Marshall Hall (The Center for Leadership and Ethics or CLE) projected cost/funding of \$22.3 million includes \$4.0 million from the Gillis endowment gift for the theater portion of the project.
9. Barracks Expansion/Renovation projected cost/funding of \$62.7 million includes \$14.0 million of “supplemental funding” provided by the State in June 2007. VMI negotiated a credit from the CM for schedule delays and negotiated with the A/E for reimbursements to VMI for errors and omissions. The Barracks Renovation and Expansion was completed in August 2010.
10. The Military and Leadership Field Training Grounds (Phase I) project began construction in October 2009 and was completed in the fall of 2011. A \$5.0 million private gift was pledged to the VMI Foundation and designated for the project with \$1.0 million received up front and another \$1.0 million was received later. The balance of this private gift is due from the donor’s estate upon her death. VMI also provided \$0.7 million from its Auxiliary Fund Balance. Several project elements from the MLFTG Master Plan are being added using these new funds as they become available.
11. The Maury-Brooke Hall Renovation project began construction in February 2012. Phases 1 and 2 were substantially completed in the summer of 2012, and Phase 3 was completed in October 2012. Phases 4-5 were completed in March 2013, and Phase 6 was completed in May 2013. Using project savings several additional items were added late in the project. The project was complete in August 2013.
12. The Corps Physical Training Facilities (CPTF) capital project was completed in 2016. Phase I totaled \$80.6 million and consists of the new Indoor Training Facility (ITF). Phase II totaled \$38.1 million and comprises the renovations to Cormack Hall and Cocke Hall.
13. VMI has three separate \$4.0 million projects financed through bonds issued by the Virginia College Building Authority (VCBA). The projects consist of improvements to various Post facilities to include the Barracks (parapets, turrets, stoops, hot water/showers, windows), Cocke Hall Pool, Foster Stadium, Moody Hall, McKethan Park, Cabell House, Post-wide closed-circuit/TV installation, Richardson Hall HVAC, Cameron Hall roof-replacement, Virginia Museum of the Civil War (New Market) Wastewater Treatment Plant, 450 Institute Hill, and Mallory Hall/Computer and Information Science Department space modifications. Additional projects may be added, or some eliminated from this list. VMI is required to pay the debt service on these bonds.
14. VMI received \$1.0 M in additional private funds to which was added \$550K in Auxiliary Funds for continued work on the North Post Training Area (MLFTG).

The project includes construction of a new maintenance facility and construction of a new Leadership Reaction Course. The initial bids received were higher than the design estimate. The design estimate was reviewed and revised, and the project was re-bid. The project was awarded in December 2014. The construction is complete. Physical Plant took occupancy of the new Maintenance Facility in July 2015. Training at the new LRC is managed by the Commandant.

15. The 2016 Session of the General Assembly authorized VMI's Post Infrastructure Project (Phases I, II and III). The total estimated project cost is \$33.2M, with \$3.6M funded by VMI. Overall scope of work includes energy infrastructure improvements including improvements to the heat plant facility, utility monitoring and control, site improvements and demolition/replacement of the Post Police facility. Design development work began in January 2017. Construction began in April 2019 and was completed in May 2021.
16. The 2016 Session of the General Assembly authorized VMI's project for the renovation of Preston Library. This project consists of a full replacement of mechanical, electrical and plumbing systems, elevator installation to the 700 level, space repurposing, archive expansion, relocation of admin offices, and changes to the 500 level entrance to enhance traffic flow and customer support. Construction began in June 2019 and concluded in March 2021.
17. The 2016 Session of the General Assembly authorized VMI's Scott Shipp Hall Renovation and Expansion Project. The current project estimate is \$43.3 M. Project Phase I includes a 28,000 square foot expansion of the 1955 portion of the building and complete renovation to the annex built in the same year. Goal of the project is to increase office and collaborative spaces, update classrooms and upgrade various utilities. Construction began in August 2019. By February 2021, Phase I was complete with classroom and office space finished prior to the start of the Spring semester. Phase II began in December 2020 with final completion in December 2021. The North Hill parking lot expansion portion of the project began in March 2022 and will be completed in August 2022.
18. The Chessie Nature Trail South River Bridge project will replace the bridge over the South River that was destroyed by Hurricane Isabel in 2003. This new pedestrian bridge will allow access to the entire trail from start to finish without requiring cadets and other trail users to traverse public roads. The funding for this project is a grant from the Federal Highway Administration (FHWA) with additional funding from VMI. The design was put out to bid in May 2020 with all estimates coming in significantly over budget. Additional funds were infused by FHWA and VMI and the project was re-bid and awarded in November 2020. Construction began in December 2020. The project is finished, and a ribbon-cutting ceremony was held in December 2021.
19. The 2018 Session of the General Assembly authorized VMI to expend \$1.8 million to complete detailed planning on the Corps Physical Training Facility

- Phase 3 (Aquatic Center). Construction funding was included in the Governor's proposed budget amendments and was approved during the 2019 General Assembly session. The total estimated cost for this project is \$43 million and includes \$10 million in private funding. Project is a 58,000 square foot facility with a 50-meter pool and space for offices, classrooms, and spectator space to seat 750. Construction began in December 2020 and is scheduled for completion by January 2023.
20. The 2020 Session of the General Assembly authorized VMI's Post-Wide Safety and Security project for an estimated \$10.0 million. Project includes installation of 14 vehicular gates at various entry points around main Post. Intent is to increase safety measures during cadet activities and events on Post while providing a mechanism to lock down entire Post during Post-wide training events or in case of emergency or significant incidents occurring on Post or in the surrounding area. The design development for this project began in September 2021 with construction anticipated to begin in Summer 2023. Construction duration is estimated to be approximately 18 months.
 21. The 2020 Session of the General Assembly authorized VMI's Renovate and Expand Engineering Laboratories project for an estimated \$57.0 million. A 33,029 square foot addition and renovation of the existing 63,133 square feet will allow for the growth of the STEM curriculum. Design development began in September 2021 with construction anticipated to begin in Summer 2023. Construction duration is estimated to be approximately 24 months..
 22. The 2020 Session of the General Assembly authorized VMI to expend \$2.1 million in Institute funds to complete detailed planning on the CLE Phase 2 project. The 2021 Session authorized the use of State funds rather than Institute funds to complete detailed planning. The 2022 Session of the General Assembly authorized an additional \$1.5 million in detailed planning funds related to the addition of the parking facility to this project. This additional detailed planning is to be funded from non-general funds.
 23. The 2022 Session of the General Assembly authorized VMI's Improve Cadet Safety and Security (Barracks Doors and Locks) project for an estimated \$8.7 million. VMI will begin the process to select architects/engineers for design services in Fall 2022.
 24. The 2022 Session of the General Assembly authorized detailed planning for VMI's Replace Windows in Old and New Barracks project for \$1.0 million. VMI will begin the process to select architects/engineers for design services in Fall 2022.
 25. The 2022 Session of the General Assembly authorized detailed planning for VMI's Construct Moody Hall project for \$2.1 million. VMI will begin the process to select architects/engineers for design services in Fall 2022.

26. The Capital Projects Budget Report summarizes all major capital projects in support of Vision 2039 and spans approximately 16 years. These 41 projects have an “estimated cost/budget” totaling \$572.5 million which reflects estimates from architect/engineers or construction managers before the projects were bid or placed under contract. The “projected cost/funding” for these projects total \$600.9 million and mostly reflects costs based on actual contract prices or construction manager guaranteed maximum prices. The total “projected cost/funding” exceeds the total “estimated cost/budget” by \$28.4 million or 5% (the State provided supplemental funding of approximately \$18.7 million).

Note: 38 of the 41 projects have a combined “projected cost/funding” of \$502.4 million which exceeds the combined “estimated cost/budget” of \$496.1 million by \$6.3 million or only 1.3%. For 3 of the 41 projects (Barracks Expansion/Renovation, Kilbourne Hall, and Marshall Hall), the combined “projected cost/funding” is \$98.5 million which exceeds the “estimated cost/budget” of \$76.4 million by \$22.1 million or 29% (the State provided \$18.7 million or 85% of the \$22.1 million).

27. All projects require detail reviews and on-site progress inspections by the State. The State also requires annual reporting on any projects completed in the preceding calendar year with a cost of \$1.0 million or greater as a part of VMI’s Financial Management Standards.

1 September 2023

MEMORANDUM

TO: The Audit, Finance and Planning Committee

FROM: BG Dallas B. Clark

SUBJECT: VMI Operating Budget Discussion FY24 – FY29

Materials for the VMI Operating Budget Discussion FY24 – FY 29 will be provided as a handout at the AFP Committee meeting.

15 August 2023

MEMORANDUM

TO: The Audit, Finance and Planning Committee

FROM: BG Dallas B. Clark

SUBJECT: ARMICS Oversight Committee Annual Report – FY 2023

The ARMICS coordinator, in cooperation with the ARMICS Oversight Committee, coordinates and oversees the annual State mandated Agency Risk Management and Internal Control Standard (ARMICS) assessment process ensuring it is conducted in conformity with directives from the State Comptroller and applicable reporting deadlines are met.

FY 2023 Actions:

The ARMICS coordinator, and Oversight Committee when called upon, is responsible for reviewing and assessing significant fiscal processes. A focused survey of employees potentially involved in significant fiscal processes is also conducted. The deadline for the FY 2023 certification is 31 October 2023, which allows assessment and testing to be conducted after the fiscal year is completed.

During the assessment phase, the responsible department head for each area (ex. Accounts Payable, Admissions, Financial Aid, General Accounting, Payroll, etc.) with significant fiscal processes reviews their processes, determines whether any procedural changes have occurred, and determines whether any new processes should be assessed. Presently, a total of forty-two significant fiscal processes will be reviewed for FY 2023. Samples of transactions are selected, and testing is performed to ensure controls are functioning as intended.

Few changes to existing fiscal processes have been noted however recent personnel changes have occurred resulting in new department heads (Registrar, Admissions, Financial Aid, Human Resources) and reorganization of duties.

The assessment and testing process is currently ongoing and on track to meet the 31 October 2023 certification deadline. ARMICS testing workpapers are now electronic and online certification to the State is required. The Superintendent (Agency Head) and Director of Finance and Budget (Fiscal Officer) are required to certify ARMICS for VMI.

VIRGINIA MILITARY INSTITUTE

LEXINGTON, VIRGINIA 24450-0304

Deputy Superintendent for Finance and Support

Phone 540-464-7321

Fax 540-464-7169

1 September 2023

MEMORANDUM

TO: Members of the Audit, Finance, and Planning Committee

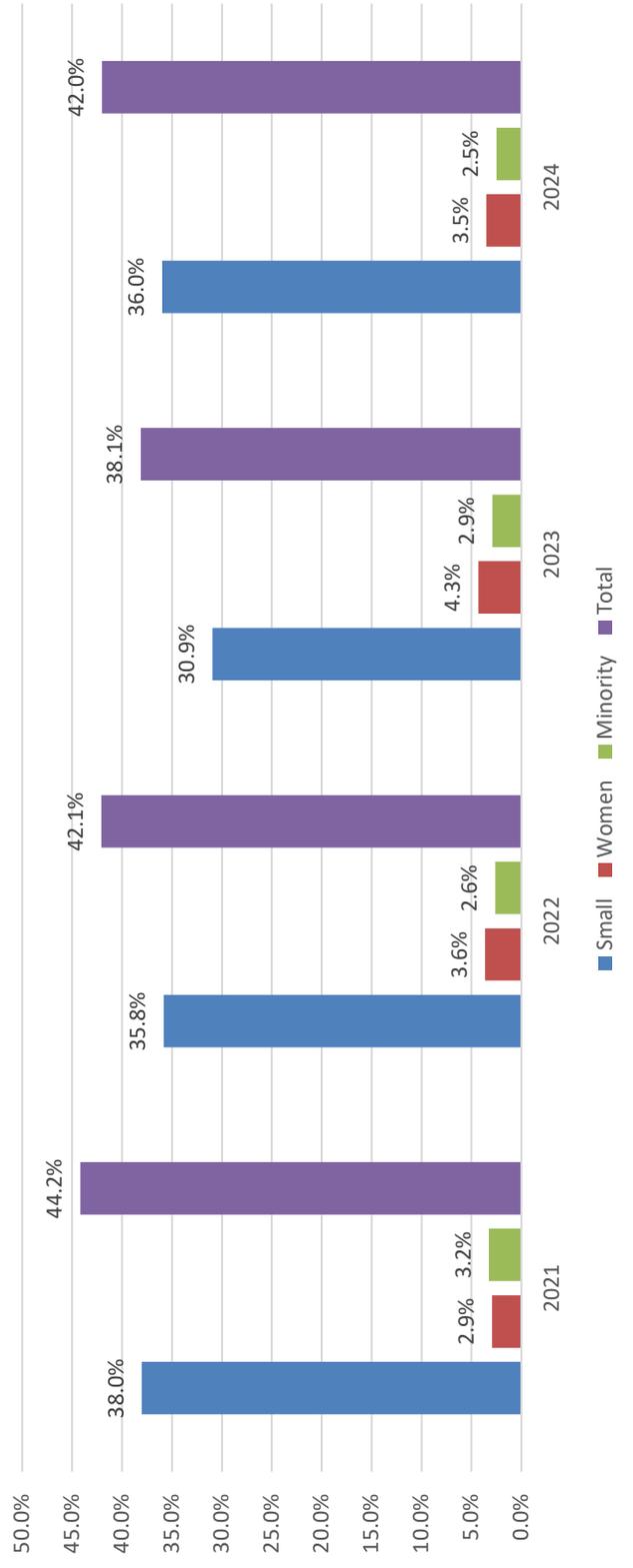
FROM: BG Dallas B. Clark

SUBJECT: Financial Dashboards

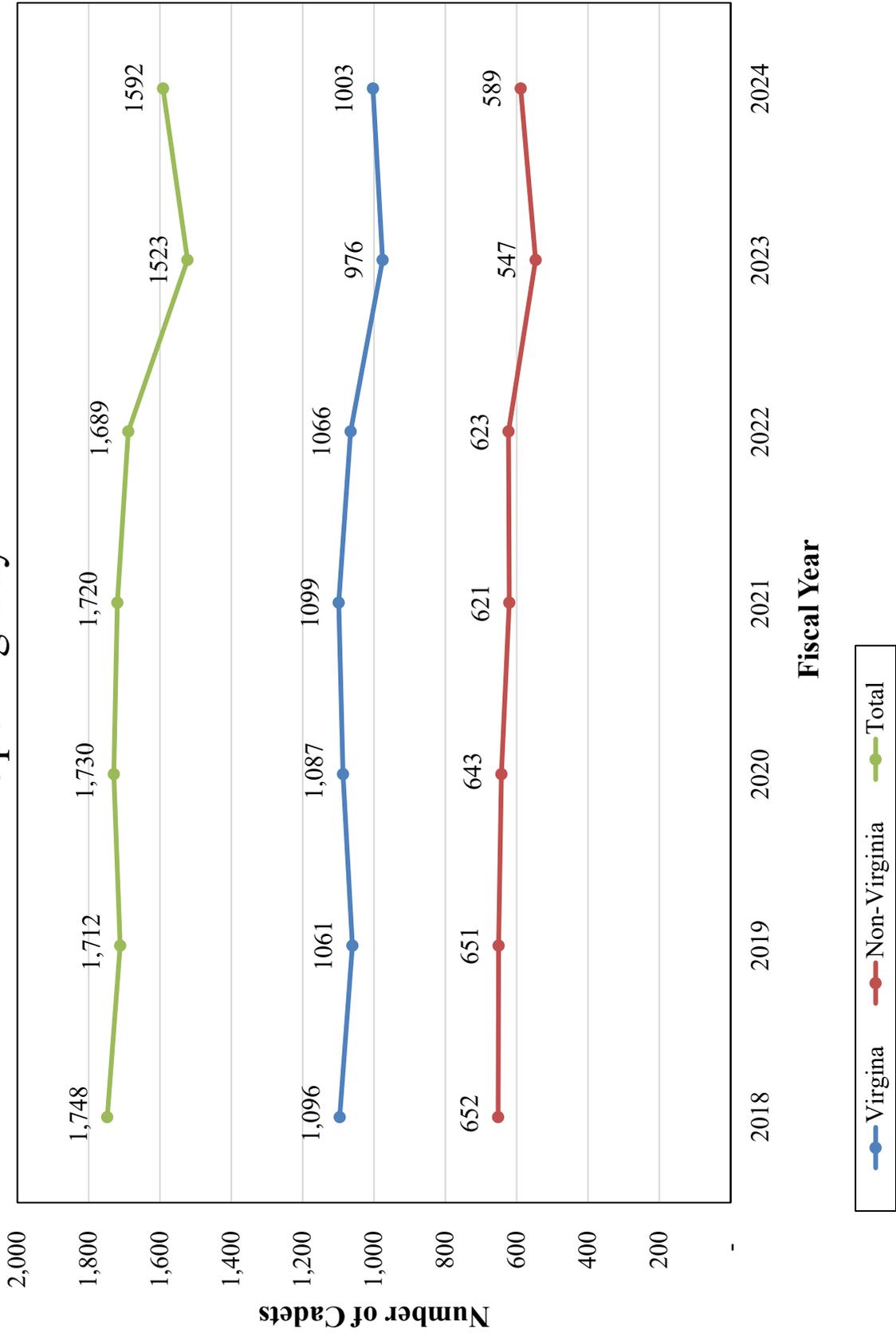
Financial Dashboards provide an overview of selected key metrics tracked overtime to provide visibility on trends. The following dashboards are provided:

- Small, Woman-Owned, and Minority Owned (SWAM) Business Spending
- Enrollment – Opening Day (New Cadet matriculation total plus Old Corps)
- Enrollment – Opening Day % Virginia Cadets
- Sources of Revenue – State Support, Tuition and Fees, Alumni Agencies, Other
- Tuition and Fees – Virginia Cadets
- Tuition and Fees – Non-Virginia Cadets
- Tuition Revenue Used for Financial Aid
- Tuition Revenue Used for Financial Aid - % awarded to Virginia Cadets
- Principal Balance of Outstanding Debt (VMI debt only)

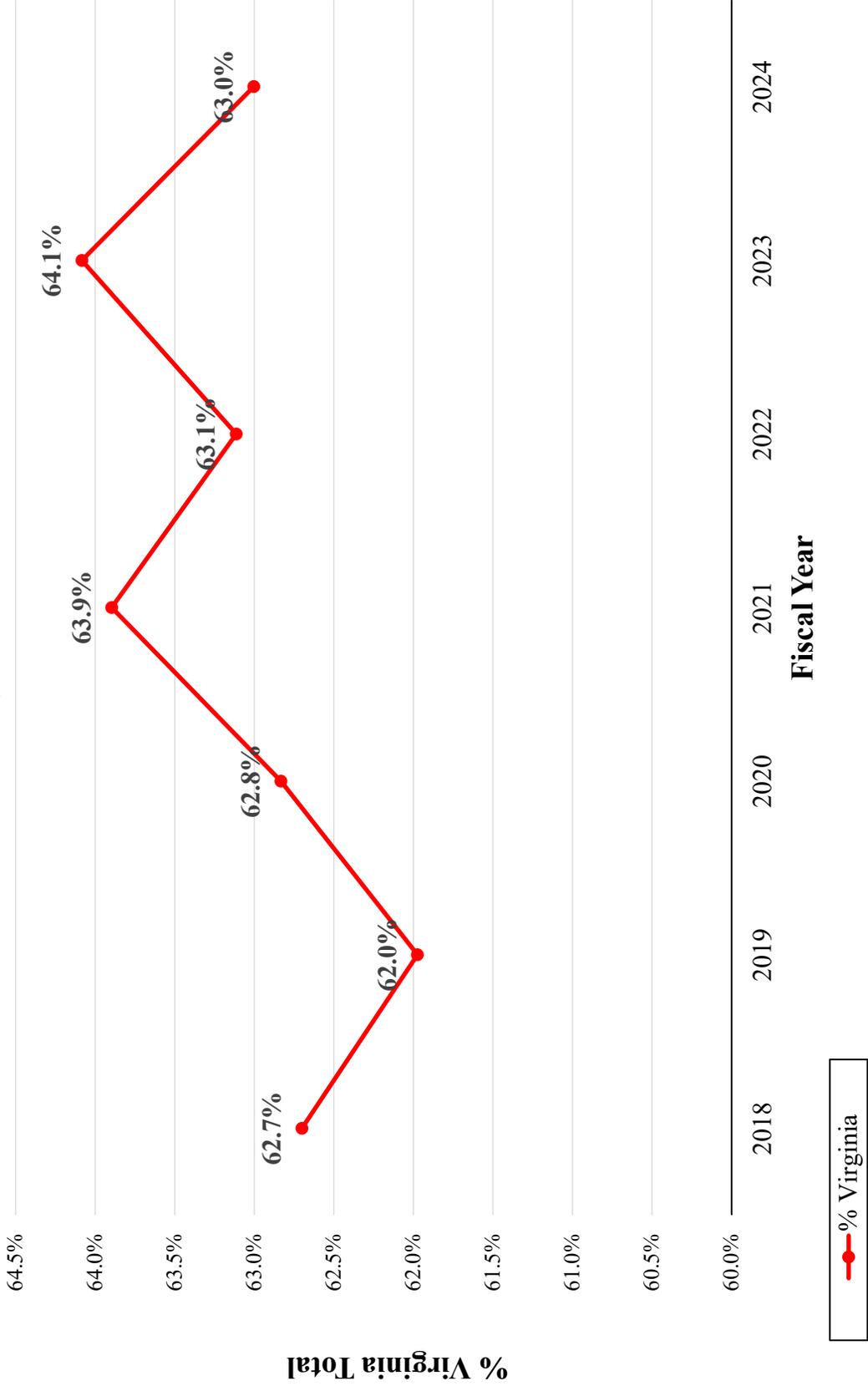
SWaM Actual Results and FY 2024 Goals



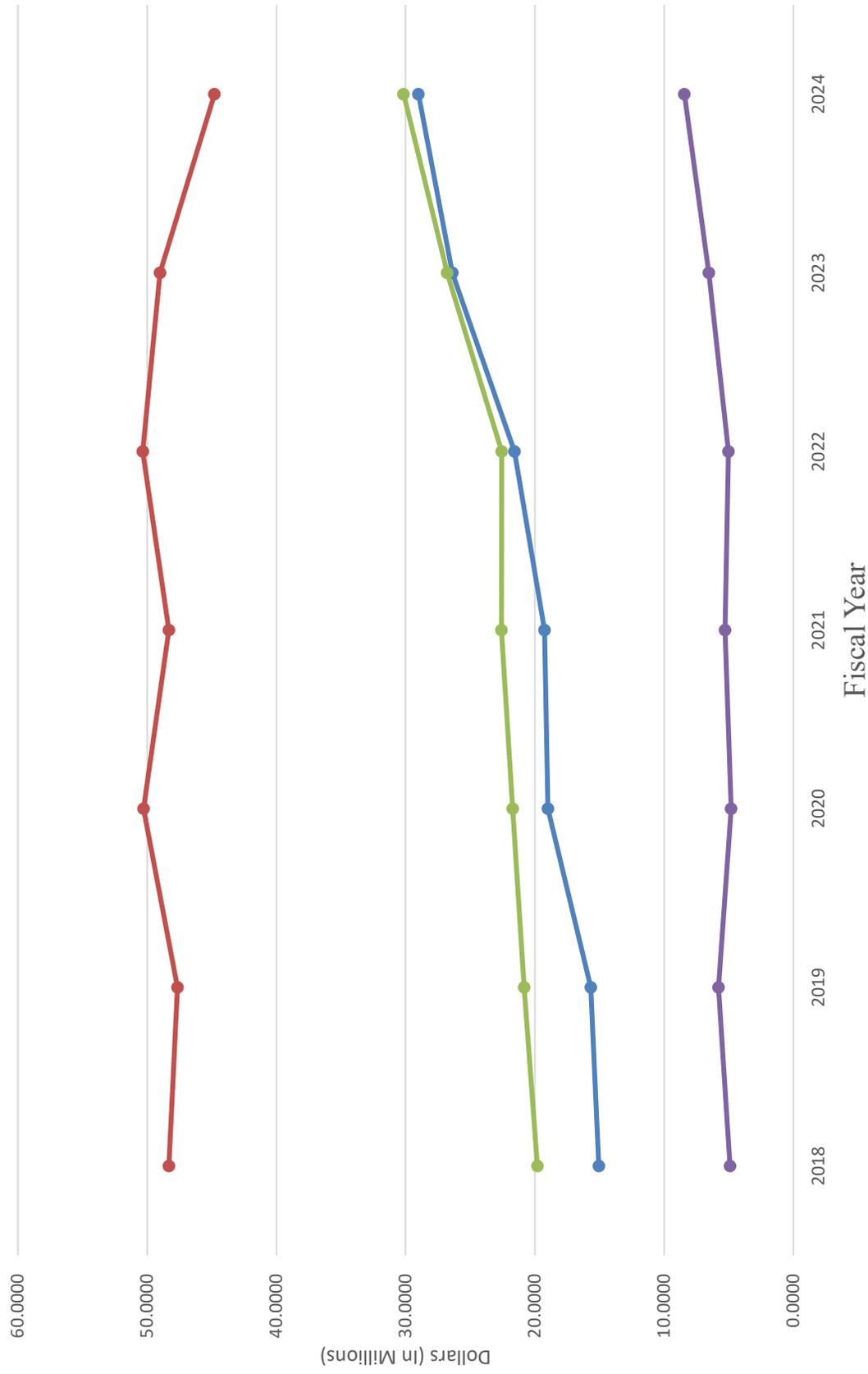
Enrollment Opening Day



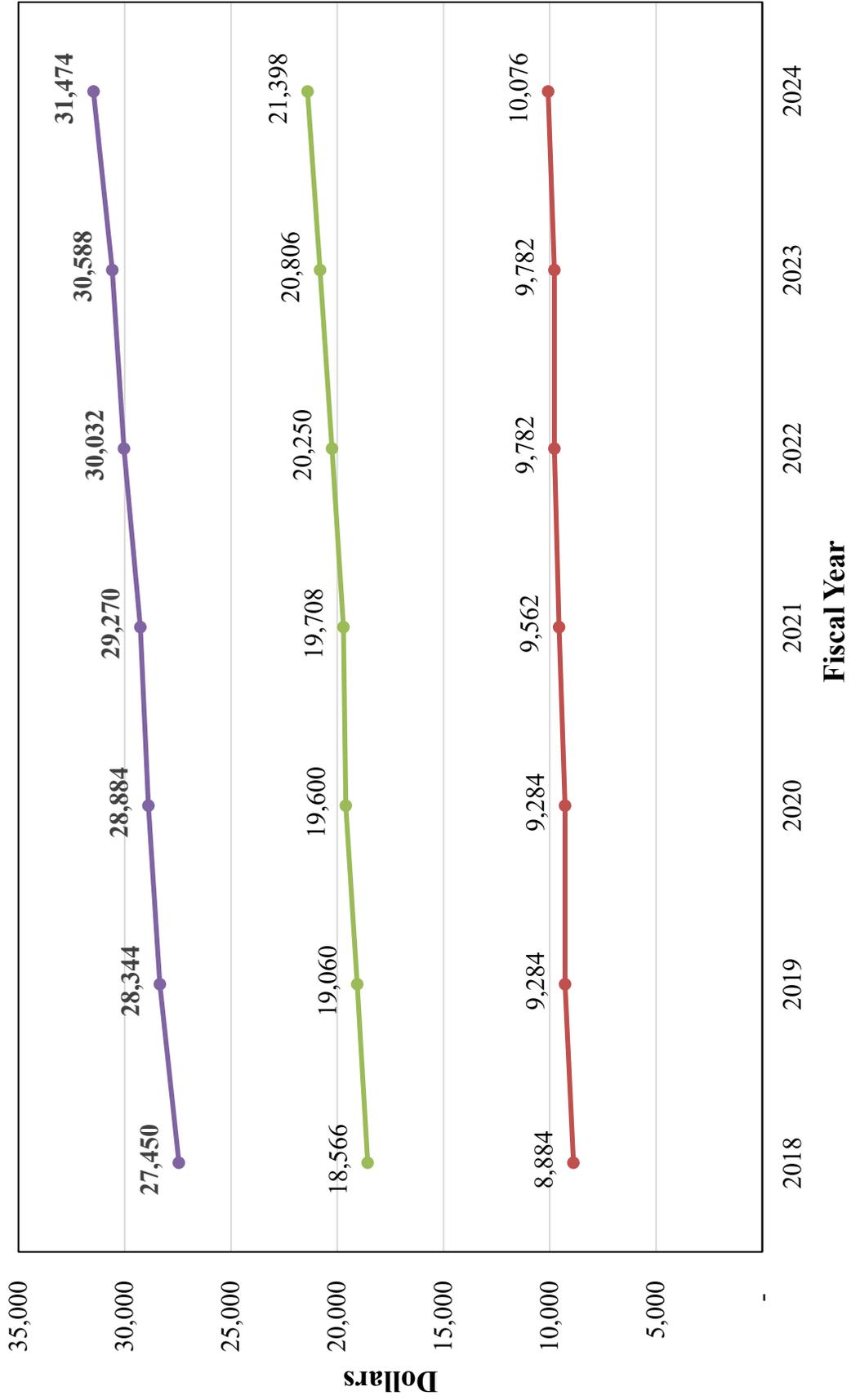
Enrollment Fall Opening Day % Virginia Total



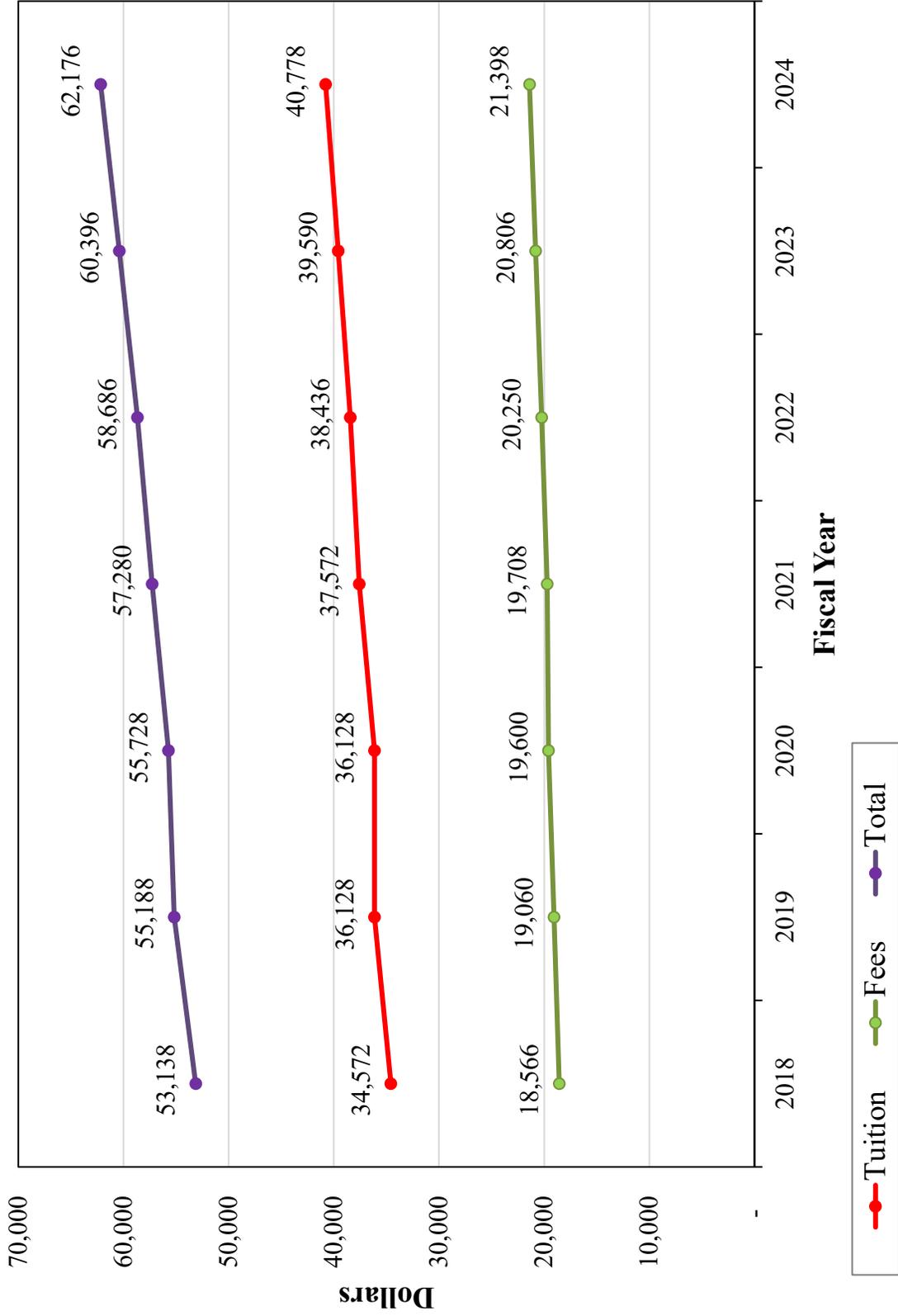
Sources of Revenue



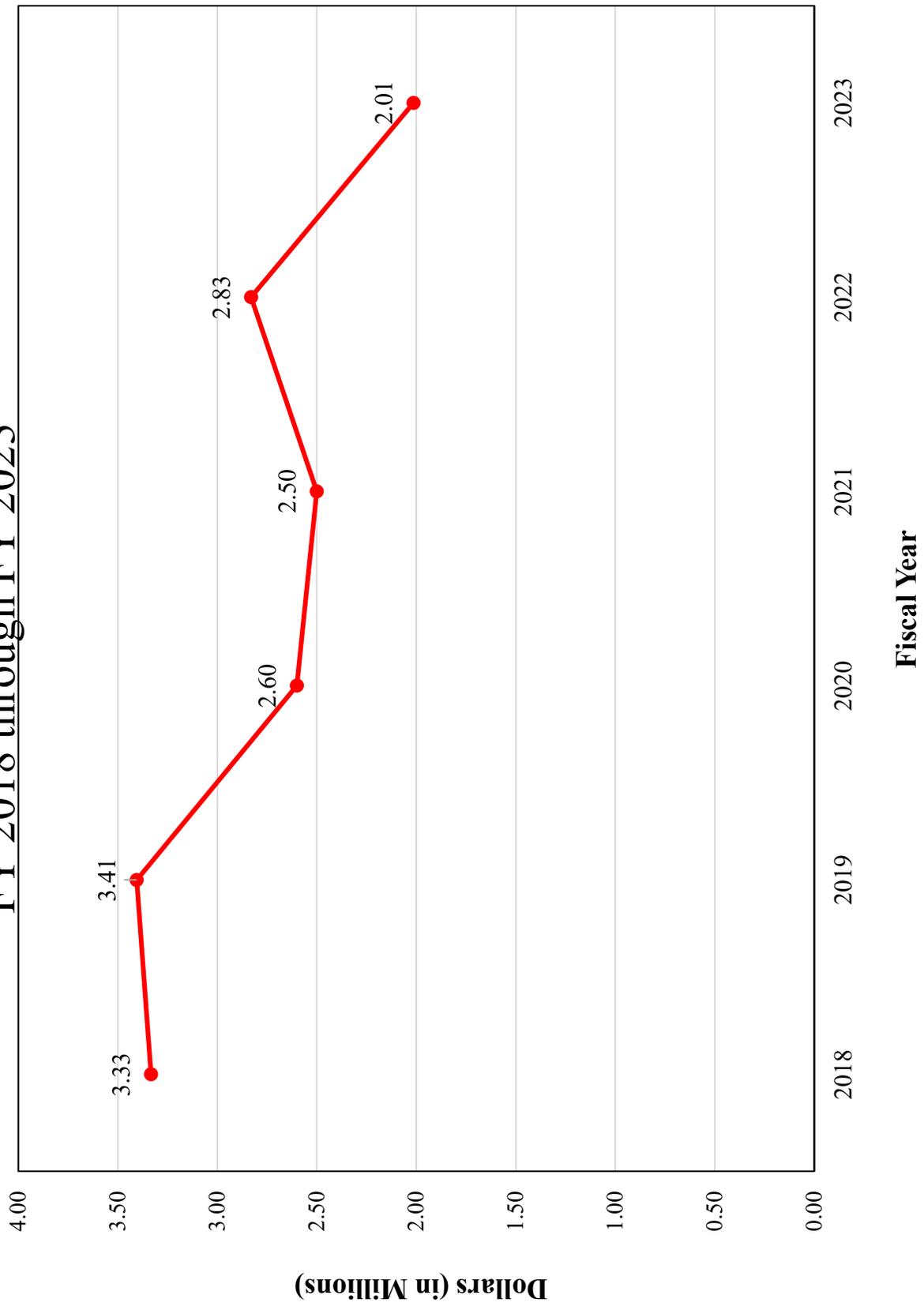
Tuition and Fees Virginia Cadets



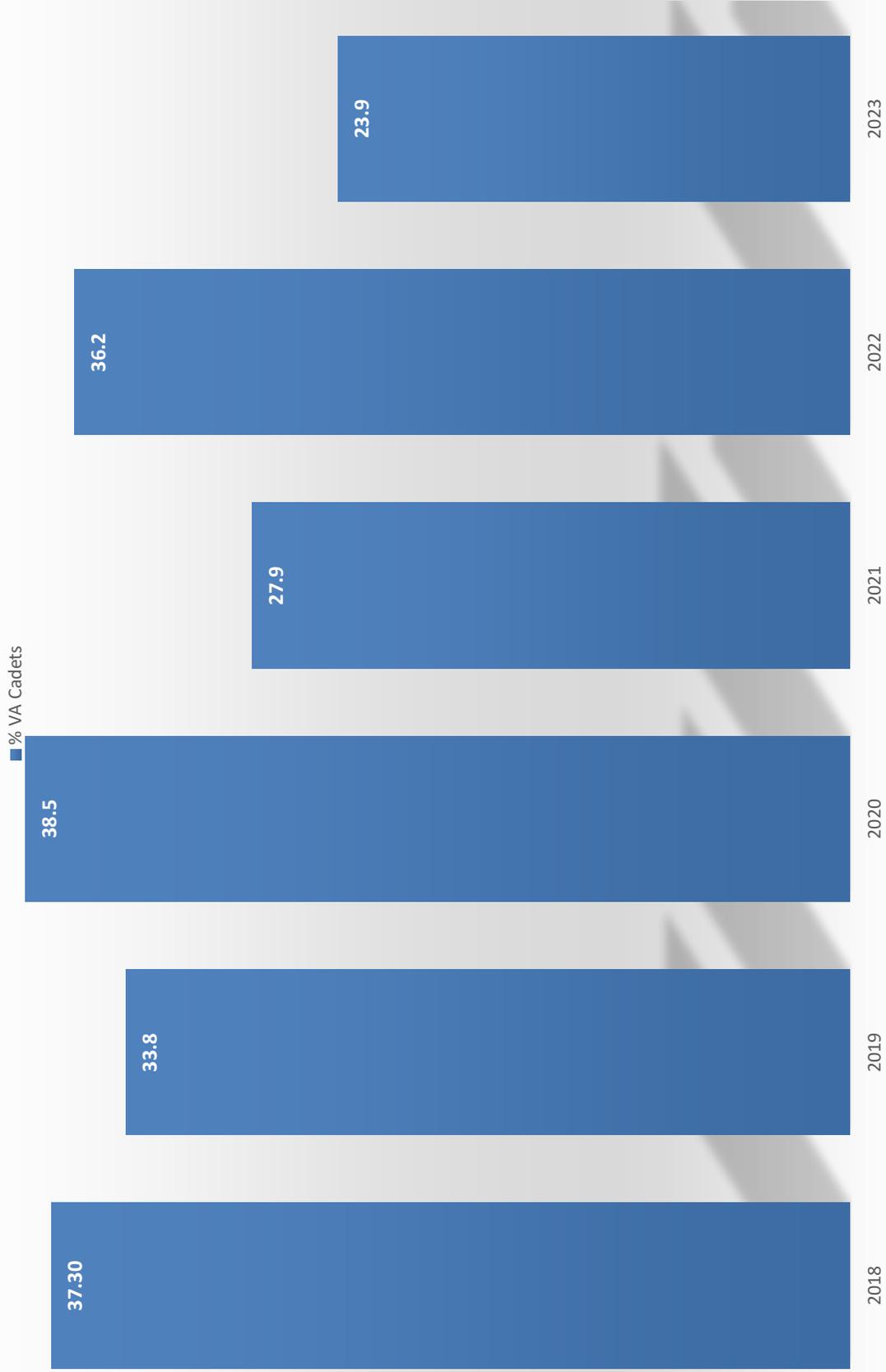
Tuition and Fees Non-Virginia Cadets



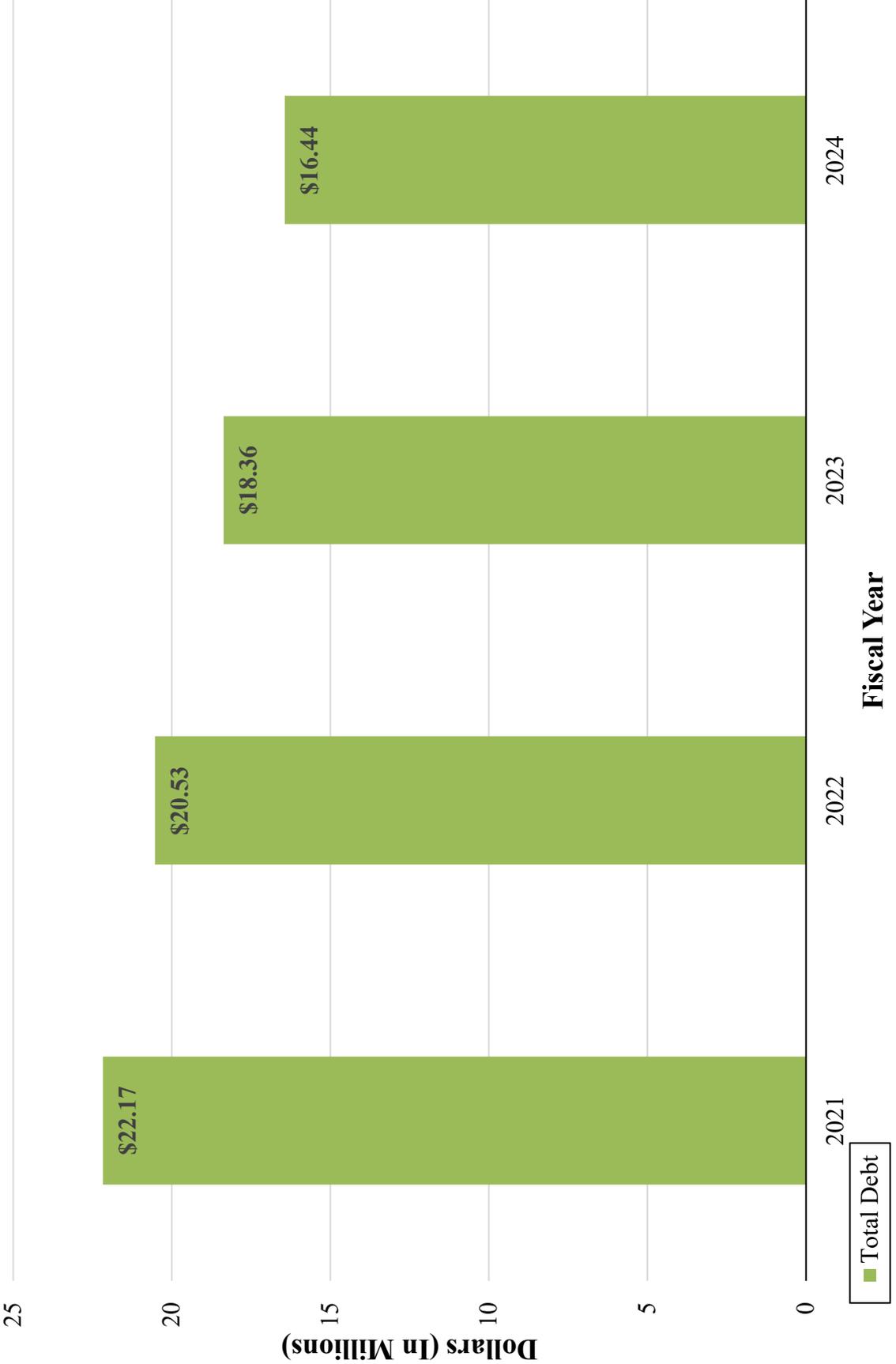
Tuition Revenue Used for Financial Aid FY 2018 through FY 2023



% of Financial Aid from Tuition Revenue Awarded to VA Cadets FY 2018 through FY 2023



Balance of Outstanding Debt Actual 30 June and Projected for 2024



VIRGINIA MILITARY INSTITUTE

LEXINGTON, VIRGINIA 24450-0304

Deputy Superintendent for Finance and Support

Phone 540-464-7321

Fax 540-464-7169

12 September 2023

MEMORANDUM

TO: The Audit, Finance and Planning Committee

FROM: BG Dallas B. Clark

SUBJECT: Compliance Reporting – VMI Accounting Policies & Procedures

Section 10140 of the VMI Accounting Policies & Procedures (VAPP) states that the Deputy Superintendent for Finance, Administration and Support shall semi-annually (January and September) report to the Audit, Finance and Planning Committee on the status of the Institute's compliance with the policies set forth within the VAPP.

Since the last report in January 2023 for the first half of FY2023, one hundred seventy-two (172) instances of noncompliance have occurred. The classification of these exceptions follows:

The Institute's travel policies provide guidelines for meal and lodging rates. These rates mirror those of the Commonwealth's Department of Accounts, which are based upon Federal General Service Administration schedules. Section 40600 states: "VMI may pay higher lodging (and meal) amounts ... however; the Superintendent or his designee shall approve such exceptions in advance of the travel. Such exceptions are limited to 50 percent in excess of the applicable guideline amount." There were thirteen (13) instances where authorization was not obtained in advance during the period.

Section 40110 requires that faculty, staff, and employees obtain advance approval from the appropriate department head (or designee) when traveling on official Institute business. This approval must be signed, dated, and submitted with the travel reimbursement request. There were seventy-six (76) instances where evidence of approval was not obtained in advance (or maintained after-the-fact).

Section 90100 outlines the proper procurement methods for goods and services acquired by the Institute. Procurement Services and/or Accounts Payable reported nineteen (19) policy violations during the period. Violation examples include occurrences whereby purchase requisitions were not present, proper documentation of all approvals was not provided, and/or items were purchased without following appropriate procurement protocol.

Section 45100 states, "Disbursements of funds must be made in a manner that meets the 30-day payment requirements of the Prompt Payment Act..." which is based upon policies prescribed by



the Commonwealth's Department of Accounts. Since prior reporting, the Comptroller's Office noted sixty-four (64) late payments that were processed. The Institute, however, maintained an average of 95% of payments in compliance as monitored and reported by the Department of Accounts for the 2023 fiscal year period. Higher Education Institutions subject to state management standards are in compliance with the *Prompt Payment Act* if a cumulative 95% or greater prompt payment rate is achieved. Agencies and institutions that do not maintain at least 95% compliance may be targeted for assistance and/or submission of a formal workplan to improve compliance.

Executives responsible for the violations reported heretofore have been notified of the violations and are charged with informing department heads and individuals of the specific policy to which they failed to adhere. Violators are subject to additional education/training.

16 August 2023

MEMORANDUM

TO: The Audit, Finance and Planning Committee
FROM: BG Dallas B. Clark
SUBJECT: Non-Capital Projects Update

Non-Capital Construction Projects Completed between January 2023 - September 2023

501 Brooke Lane –Project is now complete. Renovations consisted of bathroom updates, laundry room relocation, hardwood floor refinishing, exterior patio replacement, guttering replacement and tree removal. The total budget for this project was \$191,000.

Cameron Hall Red Seat Replacement – Project installed new, retractable seating in the red seat section of Cameron Hall and rescreened the playing surface of the court. Final cost of this was approximately \$640,000.

Patchin Field Scoreboard – This completed \$100,000 project replaced the 24 year old existing scoreboard with a new fixed-digit scoreboard capable of supporting both soccer and Lacrosse. It also includes a new structure to house the scoreboard that matches other scoreboards on Post.

Football Coach Office Relocation – This \$27,000 project is now complete. The objective of this project was to relocate the head coach’s office to a space adjacent to the Ferebee Lounge. This freed up two additional office spaces for assistant coaches who used to work out of the team meeting room. A sound resistant wall was constructed complete with power and Audio-Visual capabilities. New furniture is on order and will arrive within the next 90 days. The existing furniture is being utilized until the new furnishings arrive.

Mountain Room - The primary goal of this project is to make the Mountain Room a clean, usable, accessible area for use as an interfaith space and counseling/meeting room. The furniture and carpet will be cleaned and freshened up for reuse. This will include sealing of stone walls, interior door with storage lock, exterior threshold, new lighting, and window unit A/C. Completion date for this project is 31 August. The budget for the refresh is \$10,000.

\$1 Million Bricks - This project used “on-hand” bricks that were removed from the original location below the Jackson Statue. There are 60 bricks with the names of donors. VMIAA is

ordering bricks for the names not represented (60), and they will be installed when received. All costs associated with this project were covered by the Alumni Association. Project is complete.

Laundry Heat Exchanger – This \$200,000 project is now complete. The objective replacement of the aged and failing heat exchangers in Richardson Hall. The new units are capable of keeping up with the demands of VMI Laundry Services and provide heated, softened water into the process greatly reducing the need for, and cost of, expensive water treatment chemicals.

Projects Currently in Design Phase or Under Construction

Gray-Minor Field Improvements – New artificial turf will be installed on the baseball field. The project will also consist of new field drainage system, underground stormwater management system, field grading, and dugout expansion. This project is currently under construction and began in May 2023 with completion set for November 2023 at an estimated cost of \$3,265,000. Once complete, the field will be titled “Lamore Field at Gray-Minor Stadium” due to generous project donations provided by Mr. Michael Lamore ’85.

Mallory Hall CIS Server Room – Mallory Hall room 123 will be converted into a computer server room housing 6 server racks for the CIS Department. The room requires electrical and HVAC upgrades to accommodate the servers. The project is currently under construction will finalize in May 2024 at an estimated cost of \$567,000.

CyDef Laboratory – Mallory Hall 107 will be converted into a state of the art laboratory for the CIS Department to study and implement cyber defense. This project is grant funded by the Department of Defense with a budget of \$111,000. The CyDef Lab will be developing a network operations center to be utilized to train cyber captains in network, security, and threat intelligence analysis. The new lab will contain a robotics space for hands on projects. The project will be finished in October 2023 with the installation of new lab furniture, tv’s, and communications connected to the nearby server room.

Memorial Hall Water Infiltration Improvements – The building has had frequent and significant water leaks. The project will consist of drainage system improvements, repairs to the surrounding storm water drainage system, and repairs to damaged stonework and interior finishes. This project will be done in phases over the next 3 years beginning in Fall 2023. The estimated project cost is \$2.2 million.

Cocke Hall Building Envelope – This \$1.1M project will address the leaking building envelope and drainage issues in Memorial Garden. The project will be construction in Fall 2023 and carry through Summer 2024.

Clarkson-McKenna Elevator – This \$395,000 project will replace the elevator equipment and upgrade the cab, while also adding card-access security consistent with other elevators on Post. Construction will begin in February 2024 and be completed by May 2024.

Clarkson-McKenna Hydrotherapy Renovation – This project is only funded for A/E services at \$63,000. The existing 17 year old hydrotherapy facility has several leaks and aging equipment. This project will replace existing cold tubs, replace failing flooring and waterproofing and upgrade finishes.

503 Brooke Lane – This \$70,000 project is currently underway. The project will be very similar in scope and execution to the 501 Brooke Lane project mentioned above with primary focus on, making interior safety related improvements and exterior preventative maintenance. The main objectives of this project include relocating the washer and dryer to the upper floor, installation of interior handrail extensions and gutter replacement.

Football Team Meeting Room Upgrades – The project is still in concept development phase and funded through design. The intent of the project is to add tiered, theater style seating similar in addition to updating A/V and IT capabilities, updating flooring and finishes and replacing the failing ceiling tiles.

VIRGINIA MILITARY INSTITUTE

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16 August 2023

MEMORANDUM

TO: The Audit, Finance and Planning Committee

FROM: BG Dallas B. Clark

SUBJECT: Capital Projects Update

We have no capital projects in the construction phase and five that are in various stages of design. The Nichols Engineering Building Renovation and Expansion project is completing the Preliminary Design phase and must await approval for Construction funding while four additional projects (Cadet Safety and Security, Repair Barracks Windows, Center for Leadership and Ethics Phase II, and Construct Moody Hall) are entering the early stages of Schematic Design development. Additionally, the design of Post-wide Safety and Security project is complete. The project went out for bid and all construction bids were over budget. The project will be placed back out to bid after value engineering is complete. We anticipate the project will enter the construction phase in February 2024.

Projects Background and Summary

Post Wide Safety and Security moved into the bidding phase in July 2023. Bids were received and over budget and the project will have to be placed back out for solicitation. Anticipated construction start is February 2024. The NEB project is in Schematic Design phase and expected to complete Preliminary Design by Spring of 2023 and begin construction Summer 2024. In August 2022 funding approval was received for the Cadet Safety and Security, Repair Barracks Windows, Moody Hall and Center for Leadership and Ethics Phase II. These projects will begin the initial programming and Schematic Design work in Fall 2023. Below is a summary of each capital project.

Post-Wide Safety and Security

Post-Wide Safety and Security is an \$11,127,350 project to enhance overall Post safety/security. The scope includes installation of 20 security barriers & structures (work points) including fixed & operable bollards, drop-arm gates, wedge barriers, fixed walls & landscaping barriers across Post. Central monitoring & control of the automatic gates will be integrated with the existing VMI access control system. Gates will be designed in two concentric perimeters: an inner operable ring of gates & an outer lock-down only ring. Inner gates will be programmable for daily schedules protecting daily Corps exercises, while outer gates will operate only for Post emergencies and lock downs. Design of this project is complete. The project was placed out to bid in July 2023 but bids came in over budget. Smalls parts of the project will be value

engineered out and the project will be placed back out to bid in September 2023. Construction is anticipated to start in February 2024 and complete by June 2025.

Renovate and Expand Engineering Laboratory Facilities (NEB)

This is a \$74.9M project to renovate 63,133 square feet in Nichols Engineering Building and to construct a 33,029 square foot addition to meet the requirements of a growing STEM curriculum. The project is only currently funded through Preliminary Design for \$3.3 million. The project no longer includes demolition of the existing swimming pool facility. DEB approved our Schematic Design in January 2022 and Preliminary Designs were submitted in March 2022. Due to scope issues (retention of the existing pool) and cost inflation, DEB required an updated Schematic Design which they approved in January 2023. The project team completed Preliminary Design work in July 2023 and is responding to DEB comments while awaiting funding to move to Working Drawings and Construction. The design firm is Baskervill and the Construction Manager at Risk firm is Kjellstrom-Lee. Construction is estimated to begin in Summer/Fall 2024. Construction duration is approximately 30 months.

Cadet Safety and Security

This \$8.7 million project will upgrade all doors in the Barracks to key card access locks utilizing VMI's current contracted vendor, install additional security cameras and improve resolution on existing cameras, address issues with gate security systems and improve ability of guard team and Officer-in-Charge or Assistant Officer-in-Charge of the Barracks to monitor camera systems. Project will also include fielding a new post-wide communications system for guard team and commandant staff. The A/E firm selection process is complete, the selected firm is Wiley Wilson based in Lynchburg, Virginia. Wiley Wilson is working on Program Verification and Schematic Design. Construction is anticipated to begin in Spring 2024 and finishing Spring 2027.

Barracks Windows Replacement

Purpose of this \$33.3 million project is to replace existing exterior windows and window frames in New and Old Barracks. This will include repairs to the exterior walls, replacing current fall protection guards with new steel bars as well as new roller shades, window hinges, and hardware for all windows. The state has approved planning funds (\$1 million) through Preliminary Design. SFCS from Richmond was recently selected as the A/E firm and is working on Program Verification and Schematic Design. Construction is anticipated to begin in Fall 2025 and finishing Fall 2028.

Moody Hall Construction

\$2.1 million for detailed planning on this \$54 million project was released in November 2023. Glave and Holmes Architecture has been selected as A/E firm for design. The scope of work for this project includes the demolition of the existing Moody Hall, Neikirk Hall and the Cabell House followed by construction of a new 49,792 square foot building to support cadet activities, fund raising and alumni functions along with associated site work, and landscaping. The new facility will include expanded office spaces, additional reunion and activities space and meeting rooms while maintaining terrace/veranda views across the Parade Ground. Program Verification and Schematic Design are in progress and estimated construction start date is Fall 2025.

Center or Leadership and Ethics Phase II

This \$52.5 million project will result in a 62,500 square foot multi-story addition to the existing Center for Leadership and Ethics. This facility will house cadet leadership development and educational facilities, the VMI museum and includes an adjacent 444 vehicle parking structure. Project will also include associated landscaping, paving and improvements to traffic flow. \$3.6 million in detailed planning funds were released in January 2023. We are currently in the A/E firm selection process and expect to begin Schematic Design in November 2023.

VIRGINIA MILITARY INSTITUTE

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1 September 2023

MEMORANDUM

TO: Members of the Audit, Finance, and Planning Committee

FROM: BG Dallas B. Clark

SUBJECT: Real Estate Update

The FS staff continues to work a number of real estate transactions, much of it related to ongoing or planned construction projects around Post. VMI is working closely with the Office of the Attorney General (OAG) and other State agencies as necessary. Below is a summary of these transactions:

Corps Physical Training Facility – Ownership of Properties

With the exception of the Columbia Gas parcel discussed below, VMI now owns all properties upon which the CPTF facility resides and where the Aquatic Center is being constructed. The City of Lexington approved the elimination of the individual lot lines and consolidating them into one parcel at their May 2020 meeting and the consolidated plat was recorded in the Circuit Court. The title policy covering all the properties, except the small Columbia Gas parcel, is being finalized.

Columbia Gas Parcel

Columbia Gas operated a small natural gas transmission facility on a 20' x 20' parcel in the middle of VMI property on North Main Street. This property is within the construction limits of the planned Aquatics Center. Columbia Gas has relocated the transmission lines coming from this facility and in July 2020 demolished the building, cleared the site, and performed an informal environmental assessment. VMI recently completed the required environmental reviews necessary prior to transfer of ownership. VMI staff continues to work with Columbia Gas and the OAG real estate staff to acquire ownership of this parcel. Once ownership is transferred to VMI, a title policy will be obtained to complete acquisition of all parcels within the Corp Physical Training Facilities footprint.

Chessie Nature Trail – Necessary Easements

The Chessie Nature Trail was acquired from the VMI Foundation in 2010. There were six parcels of property near East Lexington that VMI did not own nor hold an easement or right-of-way to support trail use. Until recently, all of these property owners had allowed access across their properties, thus not affecting use of the trail in this area. In spring 2017, one property owner blocked access to the trail that runs through his two adjacent parcels. VMI created an off street parking area and temporarily relocated the trailhead and efforts to re-open the trail are ongoing. VMI contracted with a firm to prepare fair market value appraisals for permanent easements across each of the private parcels. The appraisals were received in mid-August 2018 and formal offers to purchase easements were extended to owners of all parcels. Two easement purchases were finalized and negotiations are ongoing with the owners of two other parcels. An offer to purchase easements across the remaining two parcels over which access has been blocked was prepared and presented by outside legal counsel. The owner of these two parcels, over which access is currently blocked, has indicated through legal counsel that he is not interested in granting an easement. The remaining two property owners have not yet agreed to grant an easement,; however, they continue to allow trail access across their property.

Maiden Lane – Ownership (no action since last report)

As part of a survey of the VMI-W&L boundary line, it was discovered that the ownership of Maiden Lane is not clear. Maiden Lane generally follows the VMI-W&L boundary connecting Letcher Avenue to Main Street. The W&L property line is clearly defined and does not include ownership of any portion of Maiden Lane; however, it is not clear whether VMI owns title to Maiden Lane. Several of the source deeds for VMI acquisitions along Maiden Lane reference rights of way or ownership interests that may have been retained by the previous owners. The OAG is assisting with a title search of the area. Depending on the results of the title search, VMI may need to take steps to acquire full title to Maiden Lane.

Easement – New W&L Service Road

Work is complete on the new service road (General's Way) near the VMI-W&L property line behind Marshall Hall. Small portions of both ends of the road encroach onto VMI property. VMI will grant W&L an easement for the portions of VMI property on which the road is constructed and W&L will grant VMI use of the new road. Planned construction of VMI's new Moody Hall will likely impact General's Way to include a potential service road from General's Way to the rear of the new facility. VMI staff will work with OAG and W&L to finalize any necessary agreements and easements related to this new construction.

Marshall Library – Boundary Line Adjustment (no actions since last report)

VMI provided land to the Marshall Foundation in 1962 for the construction of the Marshall Library. The original plat developed for the project was not updated to reflect the actual footprint of the facility after construction. A portion of the facility was constructed outside of the area conveyed to the Marshall Foundation and is currently located on VMI property. To address the issue, a new boundary line will be proposed. The intent of the new boundary line is to result in an approximate net zero gain/loss in property through the adjustment of the property boundary line. VMI is working with the Marshall Foundation staff and the OAG on this adjustment.

Language was approved in the 2017 General Assembly Budget giving VMI the necessary authority to proceed with the boundary lot adjustment. The “no-cost” capital project has been created in the Department of Planning and Budgeting system and we will be working on formalizing a new plat with the adjusted boundary lines. VMI staff and the Marshall Foundation staff initially agreed on a proposed boundary line adjustment which was approved by the Board at its May 2018 meeting. VMI engaged a surveyor to prepare a new plat, which has been approved by the City. VMI is working with the OAG to draft the appropriate property transfer documents to resolve this boundary line issue.

Collins Property – Oak Hill, WV

VMI holds a half interest in reversionary rights on a 16.56 acre tract of land in Oak Hill, West Virginia. This property conveyed to the Fayette County School Board in 1948 from the estate of George R. Collins, VMI class of 1911. Mr. Collins’ deed restricted the property use to a school named after Mr. Collins. If the school board ceases usage of the property as a school, the property rights would revert to VMI and the other half interest holder.

In December 2017, VMI received a letter from an attorney representing the Fayette County Board of Education asking us to consider relinquishing our reversionary interest in the property, allowing them to use the property for other educational purposes. VMI engaged attorneys in West Virginia to research the ownership and concluded that VMI does still possess a 50% reversionary interest in the property; however, the school system is still using the property for educational purposes to an extent that could satisfy the requirements to avoid triggering the reversionary interest clause. At this time VMI has taken no further action but has considered the possibility of relinquishing the reversionary interest to the school system either for a fee or possibly as a donation. VMI’s ultimate course of action will depend on the actual value of our ownership interest. In the event VMI desires to relinquish rights to the property, this action will be brought to the BOV for approval.

Massie Street Properties (no action since last report)

The VMI Foundation owns two properties on Massie Street adjacent to existing VMI owned property. The properties consist of a vacant lot and a residential dwelling. In December 2018, the Foundation purchased two other adjacent properties on Massie Street. With the purchase of these properties, the Foundation now owns several properties fronting Massie Street adjoining the VMI owned properties. These properties are immediately adjacent to the location of the Aquatics Center and could prove very valuable in facilitating a future service road and utilities access to the new Aquatics Center.

708 N. Main Street Access

The owners of the home located at 708 Main Street contacted VMI in January 2019 regarding access to their property from Main Street. VMI and the City of Lexington previously blocked access to an abandoned alley from Main Street to Stono Lane during the summer of 2014 as construction began on the Corp Physical Training Facility, Phase 2, Renovation of Cocke and Cormack Halls. This abandoned alley continues to be blocked by a concrete barrier placed at the intersection with North Main Street. Existing access to the rear of the home located at 708 N. Main Street along with two other private properties located at 704 and 614 North Main, is from Letcher Avenue to Stono Lane to an existing driveway.

The current homeowners contend that their property deed provides right of way access through the abandoned alley to Main Street; however, VMI's preliminary review of deeds for the area and meetings with the City Planner and VDOT dispute this claim. A formal title search was conducted but was inconclusive to resolve the right of way question. The VMI Foundation recently purchased the residence at 614 North Main Street which resolved the access issues for this property. Construction of the North Institute Hill parking lot expansion has permanently blocked access to these properties from Main Street. VMI worked with the remaining two properties owners to improve their access from Stono Lane and at this time all parties appear satisfied with this resolution.

New Market Subdivision land transfer to Neikirk Holdings LLC

In early 2020, a developer contacted VMI offering to donate approximately 20 acres of undeveloped wooded property adjacent to VMI owned Shirley's Hill property in New Market, Virginia. Institute staff visited the property and determined it would be advantageous to acquire the property to serve as a buffer to currently owned battlefield land. The VMI Foundation, through Neikirk Holdings, LLC, accepted title to the donated property from the developer. The Foundation desires to transfer title to VMI. VMI obtained State approval to acquire these properties through donation during the 2022 session of the General Assembly. VMI will coordinate the acquisition with the appropriate State agencies.

207 N. Main Street

The attorney for the owners of the garage at 207 N. Main Street contacted VMI and the City of Lexington in late March 2021. The owners asserted that various activities by the City and VMI have adversely impacted their business. The Aquatics Center construction is occurring adjacent to this property; however, VMI and its contractors are following relevant laws and best practices to ensure that our construction activities cause no damage to the garage facility. VMI worked closely with the Office of the Attorney General to respond to and refute these allegations. VMI contracted with an appraiser to determine the fair market value of the property in the event that the Institute desires to pursue purchase the property in the future. The appraisal was shared with the VMI Alumni Agencies who are also considering a potential purchase of the property.

Audit, Finance, and Planning Committee

The Audit, Finance, and Planning Committee is responsible for oversight of all matters relating to the Institute's financial affairs, business operations, risk management, and the audits thereof.

The Committee shall review and present for approval by the Board the annual budget, tuition rates, student fees, and other student charges. The Committee shall also review the performance of the investments controlled by the Board of Visitors, the management of buildings and grounds, and proposals for the purchase and sale of real estate.

This committee is responsible for oversight of all matters relating to the health, safety and security, and emergency management.

This committee, in coordination with the Superintendent, is responsible for the long-range annual and capital planning of the Institute, including an ongoing strategic planning process.

This committee is also responsible for oversight of information technology development and infrastructure and cybersecurity for the Institute.

Adopted by the AFP Committee in January 2022

**VMI Board of Visitors – Audit, Finance and Planning Committee
Motion and Standing Reporting Items Summary**

January	May	September	As Needed
<p><u>Motion Items</u></p> <ul style="list-style-type: none"> • Operating Budget Amendments • Post Facilities Master Plan Update <p><u>Standing Items</u></p> <ul style="list-style-type: none"> • IT Report • APA Financial Statement Audit Kick-Off & NCAA Review Conclusion • Preliminary Budget Notes and Assumptions • Annual Agency Risk Management & Internal Control Standards (ARMICS) • Assessment/Certification Payment Card Industry Data Security Standard (PCI DSS) Annual Update • Compliance Reporting • VMI Foundation Update • BOV-AFP Motion and Standing Reporting Summary • AFP Committee Charter 	<p><u>Motion Items</u></p> <ul style="list-style-type: none"> • Adoption of VMI’s Annual Operating Budget • Financial Statements (Audited) <p><u>Standing Items</u></p> <ul style="list-style-type: none"> • IT Report • APA Financial Statement Audit Conclusion • VMI Foundation Update • VMI Annual Debt Report • Crisis & Emergency Management Planning (CEMP) 	<p><u>Motion Items</u></p> <ul style="list-style-type: none"> • Six Year Plan Update and Enrollment Projections • Strategic Plan • Institute Small, Women-owned, and Minority-owned Business Plan (SWaM) <p><u>Standing Items</u></p> <ul style="list-style-type: none"> • IT Report • APA Report on Compliance – NCAA Subsidy Percentage Requirements • Compliance Reporting • VMI Foundation Update 	<p><u>Motions/Updates</u></p> <ul style="list-style-type: none"> • A/P Faculty Handbook • VMI Accounting Policies and Procedures • Delegation of Authority Update • Real Estate Property Actions • VCBA Bond Authorizations • SACSCOC Reaccreditation Updates • APA Five-Year Federal Financial Aid Update • VMI Museum Accreditation Update • VMI Museum Systems Collections Management Policy and Code of Ethics • Department Specific Accreditations