

# VIRGINIA MILITARY INSTITUTE

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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*

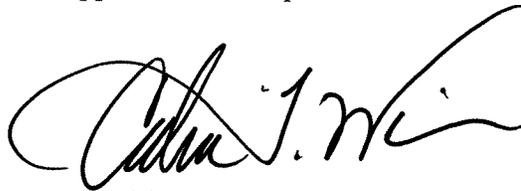
5. Salary increases of 2.0% in both years are projected for teaching faculty, administrative and professional faculty, and classified employees as provided in the Six-Year Plan instructions.
6. Employer health insurance premiums are projected to increase 3% each year as provided in the Six-Year Plan 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