



# **BOARD OF VISITORS**

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## **AUDIT, FINANCE AND PLANNING COMMITTEE**

**FRIDAY 28 APRIL 2023 - 2:45 PM  
Turman Room, Preston Library**

**BOARD OF VISITORS  
AUDIT, FINANCE AND PLANNING COMMITTEE  
AGENDA  
Friday, 28 April 2023**

**Page**

1. Minutes of 12 April 2023 BOV-AFP Interim Committee Meeting
2. Minutes of 27 January 2023 BOV-AFP Committee Meeting
3. Auditor of Public Accounts (APA) – FY22 Audit Report

***Board Motions***

4. FY24 VMI Operating Budget

***Briefing/Discussion Items***

5. Key Financial Indicators and Budget Performance Reports
6. Information Technology Report
7. VMI Foundation Report
8. SCHEV Pell Initiative
9. Capital Projects and Planning Update
10. Non-Capital Projects and Planning Update
11. VMI Annual Debt Report
12. AFP Duties Summary

**VIRGINIA MILITARY INSTITUTE**  
**Lexington, Virginia**  
**Audit, Finance and Planning (AFP) Committee**  
**Wednesday, 12 April 2023**

**MINUTES**

**Board Members Present:**

Mr. John Adams '96  
LTG Charles E. Dominy, USA (Ret)  
Mr. C. Ernest Edgar IV '87  
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  
Mr. Damon Williams '90

**Others Present:**

MG Cedric T. Wins '85, Superintendent  
BG Dallas B. Clark '99, Deputy Superintendent for Finance and Support  
COL Jeffrey R. Boobar '86, Senior Director of Finance and Support  
Ms. Pamela S. Brown, Assistant Director, Finance and Budget  
Mr. Jeffrey L. Lawhorne, Director, Finance and Budget  
COL Kimberly C. Parker, Government Relations Director  
LTC Kevin A. Ryan '01, Executive Assistant to the Superintendent  
Mr. David G. Sigler, Financial Analyst  
COL William J. Wyatt, Director of Communications and Marketing

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Mr. Gottwald, AFP Committee Chair, presided and called the meeting to order at 11:00 AM in the Smith Hall Board Room.

Mr. Gottwald commented about the importance of understanding the current year's budget in order to understand the FY 2024 budget and the impact of potential tuition and fee increases.

MG Wins offered opening comments on the cost of tuition and his goal to ensure VMI is providing an affordable education with regards to admissions and enrollment.

*1. State Budget Update*

BG Clark provided an overview of the existing 2022-2024 State Budget, as well as budget amendments recently passed by the House and Senate that may impact the second year of the two-year budget. Since budget conferees are presently negotiating, it is unlikely the budget will be finalized until after the April

meeting of the Board of Visitors. Therefore, VMI is building its FY 2024 budget conservatively, showing potential new expenditures but not new potential sources of revenue.

## *2. Enrollment Assumptions*

BG Clark presented Enrollment Assumptions and explained the methodology on which they are based. He explained the budgetary impacts of the multi-year enrollment challenge that will require moving several smaller classes toward graduation and the importance of backfilling with larger incoming classes.

## *3. FY 2024 Preliminary Budget Notes and Assumptions*

BG Clark presented FY 2024 preliminary budget notes and significant assumptions related to enrollment, tuition and fees, State funding and potential employee salaries and benefits.

## *4. Proposed Tuition and Fee Schedule*

BG Clark introduced a chart depicting proposed FY 2024 increases to tuition (Virginia and Non-Virginia), room, board, auxiliary fees, and quartermaster charges.

Discussion about VMI's advertised range of potential tuition and fee increases occurred and members were reminded of VMI's approach to FY 2023 increases with relation to the Governor's request, as well as actions taken by other Virginia public institutions. Mr. Watjen asked if VMI was potentially pricing itself out of the market for families and Mr. Gottwald asked about the feasibility of holding increases flat over the course of one's cadetship.

Charts were provided displaying VMI's in-state and out-of-state tuition and fees compared to other Virginia public colleges.

## *5. Budget Modeling and Fund Balance*

BG Clark presented a handout for discussion depicting budget modeling and fund balance levels from FY 2023 through FY 2029. The spreadsheet was explained in detail and significant discussion occurred regarding potential sources of budgetary savings, use of fund balance and overall cost-drivers. Mr. Gottwald reminded the committee about the importance of maintaining a minimum level of fund balance and BG Clark shared that \$11M-12M is typically needed to support regular operations.

Discussion about potential additional state support occurred and BG Clark explained that although the House and Senate budgets presently include between \$1M and \$1.1M in additional support for the Education and General program, these funds are not included in the modeling since they are not approved. Additionally, receipt of additional funds may include an expectation to limit in-state tuition increases.

Mr. Fain asked about relevant assumptions pertaining to support from the VMI Foundation in FY 2024. BG Clark shared that the majority of the Foundation's support is designated for specific purposes. The Committee learned VMI expects to receive \$2.7M of unrestricted support in FY 2024, which is an increase of \$200,000 over FY 2023. BG Clark reported conversations with Mr. David Prasnicki, CEO of the Alumni Agencies, have occurred, but stated he is committed to reducing expenditures before engaging in additional conversations that include specific requests.

## *6. Key Questions and Answers*

BG Clark shared a “Key Questions and Answers” document for discussion that addressed in-state and out-of-state enrollment, the impact of rising tuition on the overall financial aid budget and ability of NCAA coaches to recruit cadet-athletes. The document also explained that in FY 2024, each 1% increase of out-of-state tuition is estimated to generate an additional \$212,000 in tuition revenue. Conversely, for FY 2024, each 1% increase of in-state tuition is estimated to generate an additional \$84,000 in tuition revenue.

Mr. Edgar shared concerns about VMI’s escalating out-of-state costs of \$60,000-\$65,000. He stated the costs are likely a barrier for many families to even consider VMI unless an emotional pull to the Institute exists. This challenge may lead families to never learn about financial aid opportunities and consider other schools.

## *7. Budget Reduction Strategies*

A discussion on budget reduction strategies occurred and questions about non-personnel savings, vacancy savings, the potential for a hiring freeze and reduction of force were answered.

## *8. Update on Six-Year Plan Process and Timeline*

An update on the Six-Year Plan Process and Timeline was included in the Agenda book provided to the Committee. Due to time constraints, there were no discussions on this topic.

## *9. Update on Submission of SCHEV Enrollment Projections*

An update on the SCHEV Enrollment Projections was included in the Agenda book provided to the Committee. Due to time constraints, there were no discussions on this topic.

There being no further business to come before the Committee, the meeting adjourned at 12:53 PM.

**VIRGINIA MILITARY INSTITUTE**  
**Lexington, Virginia**  
**Audit, Finance and Planning (AFP) Committee**  
**Friday, 27 January 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  
Mr. Damon Williams '90

Others Present:

MG Cedric T. Wins '85, Superintendent  
BG Dallas B. Clark '99, Deputy Superintendent for Finance and Support  
COL Wesley L. Robinson, Chief Information Officer  
COL Kathy H. Tomlin, Director, Procurement Services  
MAJ Lynn Carmack, Assistant Director, Procurement Services  
MAJ Grace A. Moyer, Site Director, Jackson House Museum  
Ms. Pamela S. Brown, Assistant Director, Finance and Budget  
Mr. Lee Clark '93, Director, Auxiliary Services  
Mr. Andrew Deal '12, COO, VMI Keydet Club  
Ms. Crissy S. Elliott, CFO, VMI Alumni Agencies  
Mr. Jeffrey L. Lawhorne, Director, Finance and Budget  
Ms. Corey Matteson, Bursar  
Mr. David Prasnicky, CEO, VMI Alumni Agencies  
Mr. David G. Sigler, Financial Analyst

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Mr. Gottwald, AFP Committee Chair, presided and called the meeting to order at 2:01 PM in the Smith Hall Board Room.

**Approval of Minutes**

*1. Minutes from the 20 September 2022 BOV-AFP Committee Meeting*

The committee unanimously approved the minutes from 20 September 2022.

## 2. *Auditor of Public Accounts Report*

BG Clark reported the Auditor of Public Accounts (APA) held its regular entrance meetings with staff, MG Wins, and Mr. Gottwald. It is expected that representatives from the APA will attend the Spring 2023 Board of Visitors meeting to discuss the annual audit when concluded.

### **Board Motions**

## 3. *Amendment of the FY 2023 Operating Budget*

Mr. Gottwald asked BG Clark to expand on the underlying amendment factors, to include the carry-over FY 2022 funds and additional State-support (*One Corps, One VMI*), which increased revenues but were offset by decreases in tuition and fees. BG Clark shared that the amounts of additional funds included in the State's budget were not finalized until after the Board approved the FY 2023 Budget in May 2022. Similarly, the actual size of the matriculating class was not known until after FY 2023 commenced.

The Committee unanimously agreed to recommend that the Board of Visitors approve the Amendment of the 2022-2023 Operating Budget to reflect increased revenues of \$2,436,000 and expenditures of \$288,000.

## 4. *VMI Post Facilities Master Plan 2023*

BG Clark provided relevant contextual background related to the purpose of the Post Facilities Master Plan and alignment with VMI's Six-Year Plan and overall Capital Improvement Plan. He stated the approval of the Post Facilities Master Plan 2023 would not trigger immediate actions or expenditures, but rather the overall concept, scope and direction of VMI's facilities. Mr. Gottwald requested comment on the updates and changes from the previous year's Plan. BG Clark stated the main changes are in the operational space-unit requests derived from senior leadership reflective of evolving needs within their areas of oversight. No substantive changes, however, have been made to the Capital Improvement Plan.

The Committee unanimously agreed to recommend that the Board of Visitors approve the Post Facilities Master Plan dated January 2023.

### **Briefing/Discussion Items**

## 5. *Information Technology Report*

COL Robinson presented the Information Technology Report to the Committee and highlighted VMI's efforts within the areas of security, operations and equipment, and services. Mr. Fain asked if all cadets were required to have a phone to implement two-factor authentication and COL Robinson shared that special provisions were made related to Rats to ensure security since they do not always have access to their phone.

## 6. *VMI Foundation Update*

Mr. Prasnicky shared that in November 2022, the VMI Foundation adjusted its twelve-quarter average calculation to September, which is anticipated to assist with the Institute's budgeting process. Mr. Prasnicky reported no changes to the VMI Foundation's asset allocation occurred during VMI

Investment Holdings, LLC's recent annual meeting in New York City with Cliffwater, LLC. Mr. Gottwald asked the value of the total endowment under management and Mr. Prasnicky reported it stood at \$645M at the end of December 2022.

### **Information Items**

#### **7. Budget Performance Reports FY 2023 and Key Financial Indicators**

BG Clark introduced the Budget Performance Reports FY 2023 and Key Financial Indicators and said Agenda Item 8 (FY 2024 Preliminary Budget-Significant Budget Assumptions) and Agenda Item 9 (Financial Planning Forecasts and Discussions) would tie together to summarize the present financial landscape and budgeting strategies proposed related to revenues associated with projected future enrollments.

BG Clark provided overviews of the Educational and General (E&G), Auxiliary Enterprises (AUX), and Unique Military Activities (UMA) programs, as well as VMI's total full-time employees during FY 2023. Within E&G, AUX and UMA, BG Clark also presented Fund Balance data as of 1 July 2022, as well as projected fund balances for 30 June 2023. He shared a combination of budget savings and use of fund balance will assist the Institute until enrollment right-sizes.

Ms. Lord asked about savings attributed to vacancies and BG Clark explained the amount attributes to both savings from existing unfilled positions, as well as funds not yet operationalized from the State's *One Corps, One VMI* allocation. He stated portions of these funds have not yet been operationalized since the funding was not approved until after the FY 2023 Budget was approved and funded priorities include positions requiring minor organizational adjustments followed by advertisements to fill the positions.

Mr. Garcia asked about the debt serviced by Auxiliary Enterprises. BG Clark stated the parking lot at Lackey Park, Crozet Hall renovation, and Post Infrastructure improvements are examples of projects financed through the Virginia College Building Authority, which pools debt and is part of the State's larger bond issuance.

Mr. Gottwald clarified that total overall beginning fund balance as of 1 July 2022 was approximately \$24.1M and that projected total fund balance at 30 June 2023 would be \$18.3M.

#### **8. FY 2024 Preliminary Budget – Significant Assumptions**

Additional briefing materials were provided to the Committee. BG Clark presented significant assumptions, with emphasis on current enrollment assumptions. He stated the incoming class size, typically targeted at 500, informs numerous decisions across Post. For example, it drives staffing numbers for administrators, faculty, laundry workers, etc. Smaller than normal matriculants in FY 2023 and 450 projected matriculants in FY 2024 will lead to multiple years of budgetary impacts as these classes move toward graduation in FY 2026 and FY 2027 until the entire Corps is again right-sized in FY 2028.

Mr. Watjen inquired why VMI planned to keep expenses relatively flat in light of decreasing revenue over the next few years. BG Clark shared that one of VMI's core priorities, historically, has been to avoid cuts in personnel, other than vacancy-savings. This was demonstrated during COVID when



remote-learning occurred temporarily and VMI was reluctant to lose valuable experience, only to need to re-tool when in-person learning resumed. This approach does mean, however, that discretionary spending, deferred maintenance and other areas will need to be scrutinized by senior leadership.

Discussion occurred related to the Auxiliary Fund Balance and its benefits and uses across Post. For example, although the current fund balance is approximately \$24M, \$11M is essentially needed to assist VMI with annual cash flow for the purposes of payroll and other expenses that do not align with the semi-annual billing of tuition and fees. The Auxiliary Fund Balance is also necessary when completing Athletics Department and other auxiliary enterprises projects like Crozet Hall. Finally, when approaching capital projects with the State, VMI has been able to utilize its own funds to jump-start projects by completing necessary studies and planning, allowing projects to accelerate to the point where the State's eventual approval of funding pays back VMI's initial outlay.

#### *9. Financial Planning Forecasts and Discussions*

BG Clark provided financial planning forecasts, tied to enrollment assumptions and tuition and fee increases. He stated the projected tuition and fee increases are not new and align with the previously approved Six-Year Plan. Within the forecast for FY 2024, he noted the State-initiated increases to personnel in the form of salaries (5% increase), health insurance, and inclusion of an employee bonus which collectively already total almost \$4.3M. Mr. Lawhorne explained that of these FY 2024 increases attributed to E&G employees, the State will fund approximately 40%, while VMI must fund the remaining 60%. For increases tied to Auxiliary, UMA, Athletics, and Museums/CLE employees, VMI must cover 100%.

Mr. Adams asked if VMI has any sense of planned tuition increases at other institutions. BG Clark shared he is part of a tuition work-group, comprised of senior business officers, tasked by the State's college presidents to unify its voices. Since it is expected the Governor's Office, as well as the House and Senate, will work to limit tuition increases, the work-group will ensure higher education's priorities and interests are presented and communicated clearly.

BG Clark then presented potential cost savings strategies through FY 2027 in conjunction with projected use of reserves. He reported recent budget meetings with senior leadership were not shocking, as they recognize a multi-year effort is needed to gain back sound financial footing. In addition to non-personnel savings, senior leaders know vacancy savings is an integral part of the strategy and that some positions may remain vacant for six months, one-year or longer.

Mr. Gottwald indicated his appreciation for the effort undertaken to demonstrate the length and magnitude of the issue facing the Institute.

Recognizing the VMI Foundation is separate from VMI, Mr. Garcia asked about the possibility of adjustments (increases) to the support provided VMI by the Foundation given the upcoming projected budget pressures. BG Clark shared he is appreciative of the support of the Agencies and his relationship with its leadership. Furthermore, while preliminary conversations have occurred, he stated he is committed to reducing expenditures and enacting strategies to approach the fiscal challenges before having additional conversations that include specific financial requests with the VMI Foundation.

LTG Dominy commended the Committee Chair (Mr. Gottwald) and BG Clark for putting the spotlight on the important issues facing the Institute.

***10. Agency Risk Management and Internal Control Standard (ARMICS) FY 2022 Assessment/Certification***

Information related to FY 2022 ARMICS certification was included in the Agenda book provided to the Committee. Due to time constraints, there were no discussions on this topic.

***11. COVID-19 Financial Related Activities***

An update on COVID-19 Financial Related Activities was included in the Agenda book provided to the Committee. Due to time constraints, there were no discussions on this topic.

***12. Capital and Non-Capital Projects Update***

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

***13. VMI Accounting Policies and Procedures Compliance Reporting***

Information related to VMI Accounting Policies and Procedures Compliance Reporting was included in the Agenda book provided to the Committee. Due to time constraints, there were no discussions on this topic.

***14. BOV-AFP Motion and Standing Reporting Summary***

A summary chart of Board of Visitors – Audit, Finance and Planning Committee motions and standing reporting items was included in the Agenda book provided to the Committee. Due to time constraints, there were no discussions on this topic.

There being no further business to come before the Committee, the meeting adjourned at 3:30 PM.

**VIRGINIA MILITARY INSTITUTE**  
LEXINGTON, VIRGINIA 24450-0304

Deputy Superintendent for Finance, Administration and Support  
Phone 540-464-7321  
Fax 540-464-7169

28 April 2023

**MEMORANDUM**

**TO:** The Audit, Finance and Planning Committee  
**FROM:** BG Dallas B. Clark  
**SUBJECT:** FY 24 VMI Operating Budget

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This information will be updated prior to the AFP Committee meeting.

Thank you!

# VIRGINIA MILITARY INSTITUTE

LEXINGTON, VIRGINIA 24450-0304

Department of Information Technology  
Phone 540-464-7341  
Fax 540-464-7222

28 April 2023

## MEMORANDUM

**TO:** The Audit, Finance and Planning Committee  
**FROM:** COL Wesley L. Robinson  
**SUBJECT:** Information Technology Report

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- Security
  - Implemented a suite of software packages to Analyze Active Directory for security enhancement opportunities and provide insight into any file or configuration changes occurring in Active Directory.
  - Implemented Active Directory Disaster Recovery, a technology used to create an immutable backup of Active Directory. The purpose is to protect Active Directory from Ransomware or other destructive malware by creating a backup unreachable from the network.
  - Implemented numerous new vulnerability scans on server and network systems checking for vulnerabilities based on various baseline security standards. This technology provides the ability to improve system security in accordance with industry baseline standards.
  - Completed Security Awareness training for faculty, staff, and cadets.
- Operations and Equipment
  - Server virtualization: Upgraded the systems comprising the hypervisor server cluster. Existing virtual servers have been migrated from “end of life” host servers to the new hardware.
  - In process of upgrading the file server with new hardware providing additional file and data storage for cadets, faculty, and staff.
  - Desktop virtualization: Discontinuing the use of Citrix virtual desktops and replacing servers used for that purpose with new hardware dedicated to static virtual desktops. This action will enable the creation of specialized virtual desktops for test environments and



**VIRGINIA MILITARY INSTITUTE**  
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Department of Information Technology  
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secure workstations used to access and manage sensitive data protected by security standards such as financial aid information.

- Upgrading the backup and disaster recovery environment with expanded server hardware and storage to accommodate growing file and data storage needs.
- Services
  - Museum Point of Sale: Working with Campus Guard, our PCI consultant, regarding implementation of the system around PCI compliance.
  - SharePoint Portal: IT staff migrated the SharePoint database to new server hardware and installed an upgraded SQL database. This activity is in preparation for a future multistep upgrade to the Intranet portal site.
  - Colleague: New development was completed for summer school specific operations such as processes for meal plans and room assignments.
  - Scheduling software: Reviewed and chose a vendor pending purchase. If procured this software will allow electronic scheduling of classrooms and events.
  - Updated process for configuring public kiosk terminals and remote desktop capability from off Post. This technology change will save the Institute significant annual license fees by discontinuing use of Citrix.
  - Implemented additional updates to System Center Configuration Manager used to manage, image, and update Institute owned desktop and laptop computers.
  - Currently reviewing options for a new printer contract. The current contract expires in July.



# VIRGINIA MILITARY INSTITUTE

LEXINGTON, VIRGINIA 24450-0304

Deputy Superintendent for Finance and Support

Phone 540-464-7321

Fax 540-464-7169

## MEMORANDUM

**TO:** The Audit, Finance and Planning Committee

**FROM:** BG Dallas B. Clark

**SUBJECT:** Competitive Grant Process to Recruit and Retain Pell-eligible Students

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The General Assembly appropriated \$25,000,000 in FY 2024 to assist institutions in recruiting and retaining students eligible for Pell grant assistance from the federal government. These funds are to be awarded through a competitive grant process conducted by the State Council of Higher Education for Virginia (SCHEV).

Attached is VMI's proposal for an award. Applications were due on 31 March 2023 and funds could be requested over a period of four years. The Institute should learn the outcome of this process later this month. If selected as a recipient, the funds would be available on 1 July.



**A Holistic Approach to Expanding College and Degree  
Access to Pell-Eligible Virginians at VMI**

Virginia Military Institute  
Lexington, Virginia 24450  
(540) 464-7311

Funds Requested: \$4,133,025.90

Authorized Signer:

A handwritten signature in blue ink, appearing to read "Cedric T. Wins". The signature is fluid and cursive, with a large initial "C" and a long horizontal stroke at the end.

Maj. Gen. Cedric T. Wins, Superintendent

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## **Project Description**

### **Brief History**

The mission of VMI's Office of Assessment and Institutional Research (OAIR) is to promote a culture of continuous improvement at VMI by providing evidence-based information for the purposes of decision making, planning, and resource allocation. Through sound assessment and evaluation practices involving an array of constituencies across Post, OAIR disseminates actionable information designed to improve operations that affect student learning, both directly (e.g., classroom pedagogy) and indirectly (e.g., campus climate).

VMI has invested substantially in assessment and institutional research staffing. VMI's institutional research team includes one Research Analyst and the Associate Director of Institutional Research. Other staff include the Director of Institutional Effectiveness, the Assistant Director of Assessment, and the office manager. All team members have expertise in data collection, analysis, and reporting. OAIR staff use the following analytical tools for data warehousing, data extraction, and/or statistical analysis and reporting: SAS, SPSS, MS Excel, MS Access, Tableau, and Qualtrics.

VMI is committed to utilizing well-managed evidence from analysis of student data to guide program improvements. VMI's Office of Assessment and Institutional Research sources data from VMI's student information system, Ellucian Colleague (using Entrisik Informer). Additionally, some student data are periodically collected directly from other offices, including Admissions, the Registrar, and Financial Aid. Staff in Information Technology help facilitate data extraction and warehousing conducted by Institutional Research staff. In addition to information collected from the student information system, OAIR also conducts climate surveys to better understand the experiences of students, faculty, and staff. Some survey data are also collected and analyzed by external vendors (e.g., NSSE, the National Survey of Student Engagement).

OAIR is responsible for submitting data to SCHEV and IPEDS. Some of these data are available on their respective websites: SCHEV, IPEDS and include data related to Pell recipients. Given the mandate to collect and submit data on Pell students, answering research questions internally or for externally funded projects is not overly disruptive to normal workflows.

Additionally, current analytical efforts by Institutional Research staff includes analysis and reporting of disaggregated student enrollment and outcome/achievement data (e.g., commissioning rates, retention rates, and graduation rates). Examples of analytics related to \*Pell recipients from VMI's most recent fact book are provided below as evidence.

VMI's Office of Assessment and Institutional Research has the personnel, expertise, and analytical tools necessary to answer current and new research questions involving Pell recipients and their outcomes compared to other populations at VMI.

enrollment management functions across the Institute, including marketing, admissions, financial aid, and retention. SEM is a data-informed process that aligns an institution's fiscal, academic, co-curricular, and enrollment resources with its changing environment to accomplish the institution's mission and ensure the institution's long-term enrollment success and fiscal health. An executive-level Assistant Superintendent for Strategic Enrollment Management is proposed to lead this effort. The Assistant Superintendent will be supported by an Administrative Assistant. VMI also proposes to realign core enrollment service functions under this proposed office to include admissions, financial aid, and marketing. With this re-focused leadership office, VMI's efforts to reach, recruit, enroll and retain Pell-eligible students can be directed toward the strategic goals of the Institute. This leadership will offer overall direction and coordination services among the various offices and departments which are most involved in these key student milestones.

## 2) Recruitment and Infrastructure

VMI utilizes different recruitment and college search platforms to identify high-quality students to add to its prospect pool each year. In a significant change, VMI will increase its College Board Search subscription level from Access D to Access E, adding 100,000 Virginians (sophomores, juniors, seniors) to its prospect pool each year that are identified as low-income or reside in localities whose households are  $\geq 35\%$  below the Asset Limited Income-Constrained but Employed (ALICE) threshold. There are 114 localities in Virginia that are  $\geq 35\%$  below the ALICE threshold. This strategy is aimed at recruiting presumably Pell-eligible students across the Commonwealth.

Prospect names will be entered into VMI's new CRM (Element 451), which will integrate with the Common Application, VMI's student information system (Colleague), and other post-wide infrastructure. The Institute will proactively engage these students using new communication management strategies that are aimed to drive prospects into inquiries and move them through the admissions funnel.

To further improve opportunities for connection to prospective students, VMI will hire a College Access Coach position for the Office of Admissions. This position's responsibility is to serve as the primary recruiter for VMI in the 114 Virginia localities that are  $\geq 35\%$  below the ALICE threshold. A consistent "boots on the ground" effort will be made to meet Pell-eligible students where they are to promote the VMI educational experience. This position will engage with federal TRIO programs (e.g. Talent Search, Upward Bound) in local high schools, programs at the 23 community colleges in Virginia that work with students from underrepresented populations (RVHI, CSCI, TRIO SSS) and other local/school/state programs that support the secondary completion and postsecondary entry goals of Pell-eligible students.

As the educational choice expands for college-bound seniors, admission yield becomes critically important for colleges. VMI will use the new CRM system to support and track additional marketing/recruiting efforts and drive more applications from Pell-eligible students, as well as increase the number of Pell-eligible matriculants and overall admission yield. This strategy will employ boosted display ads to target specific audiences and drive applicants to deposit. Additionally, this initiative will help VMI create custom videos for accepted students that are tailored based on an individual's interests and characteristics.

In an effort to increase the total number of applications to VMI, as well as the total number of applications from underserved/underrepresented populations, VMI plans to add the Common

The critical need that we see in support of expanding the population of Pell-eligible students on Post reaches beyond VMI's commitment to support financial needs for tuition, room & board, and auxiliary fees. Even with VMI's commitment to helping fund students with need, there are still extenuating circumstances that potentially hinder students' success. Specifically, there is a need to provide emergency financial assistance to students who are struggling due to emergency financial situations. For example, cadets experience the inability to purchase books, travel home during furloughs, cover remaining balances that prevent registration for a future semester, and other similar situations. To successfully support the retention and graduation of Pell recipients, VMI plans to use a new pool of emergency financial assistance, which these students could access through the Financial Aid Office. Much like how HEERF funds were utilized as emergency financial assistance, these funds would be directly provided to the cadet. This would allow VMI to provide financial assistance to help aid with the financial constraints that students face that are unintentional barriers to student success.

#### 4) Retention/Graduation

VMI's current model for academic support is to require academic advising (course selection, tracking progress to degree completion) for all students. Additionally, all students have access to some peer-based mentoring on a group level (transition to college). However, a variety of additional services to all students are provided only on a voluntary basis (mentoring, coaching, choice of major, tutoring, etc.). While this model has served the Institute successfully to maintain a six-year graduation rate with virtually no difference between Pell and Non-Pell students, is not robust enough to maintain that record with an increased pool of students most likely to benefit from additional support. To improve freshman to sophomore retention and maintain graduation outcomes, VMI will hire additional personnel so that current voluntary services would be provided on a required basis to at-risk students.

The Miller Academic Center (MAC) is the focal point for currently offered academic support programming. The Center currently has a Director plus two additional professionals and an administrative support person. To support the retention and graduation of these targeted student populations, VMI will hire two additional full-time Academic Support Coordinators to provide necessary services to at-risk students. These Academic Support Coordinators would support the work of academic advisors, with a more focused relationship with specific advisees. Coordinators and advisees would meet as often as weekly to help students build study skills, calendar management skills and support student transition and success in the highly regulated environment of VMI's Corps of Cadets.

#### 5) Benefit to the Commonwealth

VMI's population of Pell recipients is currently among the lowest of the 15 State schools. Through this pilot program, efforts to recruit and track potential students should dramatically increase VMI's admissions funnel of Pell-eligible prospects over four years. With these efforts and improvements to the application process, VMI hopes to increase the total number of Pell-eligible applications by up to 15% over four years. With increased applications VMI anticipates at least a 4-5% growth in Pell-recipients over 4 years.

VMI's Pell-eligible student retention lags the overall institute retention rate, currently by 10 percentage points. Current six-year completion rates are similar between these two populations. The goal of this initiative is to move the Pell-eligible student retention rate to the Institute

Annually July	<ul style="list-style-type: none"> <li>• STP including Pell-eligible scholarship awardees</li> </ul>
Ongoing (continuous)	<ul style="list-style-type: none"> <li>• Data collection for Pell-eligible applicants, admissions and retention</li> </ul>

**Conclusion**

VMI has a successful track record of graduating well-educated citizen soldiers ready for all types of careers. This track record includes providing the necessary support for Pell-recipients to graduate on par with all other VMI students. Through the services and personnel described in this proposal, VMI will seek to increase the Pell-eligible population that it can serve through strategic recruitment and retention efforts directed toward continuing VMI's tradition of excellence.

## **Budget Narrative**

In each budget category, VMI's budget requests are listed in order of their priority to the Institute and level of impact on the successful completion of our stated goals.

### ***Salaries/Wages***

Assistant Superintendent for Strategic Enrollment Management: VMI is requesting funds to hire an Assistant Superintendent to lead a newly formed Office of Strategic Enrollment Management. This position will implement a SEM framework that aligns with the institute's strategic vision, institute design, and the urgent need to synchronize key enrollment management functions across the institute, including marketing, admissions, financial aid, and retention. Annual Salary begins at \$137,708 for the 1<sup>st</sup> year with a 5% projected raise in each subsequent year. Total salary for the Assistant Superintendent for Strategic Enrollment Management is \$593,538.80 over 4 years.

Administrative Assistant (SEM): VMI is requesting funds to hire an administrative assistant to support the newly created office of Strategic Enrollment Management. Annual Salary begins at \$42,000 for the 1<sup>st</sup> year with a 5% projected raise in each subsequent year. Total salary for the Administrative Assistant (SEM) is \$181,025.28 over 4 years.

Academic Support Coordinators: VMI is requesting funds for two full-time Academic Support Coordinators to provide additional support services to at-risk students. Annual salary begins at \$50,000 for each hire with a 5% projected raise in each subsequent year. Total salary for Academic Support Coordinators is \$215,517.60 over 4 years for a total of \$431,035.20 to cover both positions.

College Access Coach: VMI is requesting funds for a College Access Coach position for the Office of Admissions. This position's responsibility is to serve as the primary recruiter for VMI in the 68 Virginia localities that are  $\geq 35\%$  below the ALICE threshold. Annual salary begins at \$50,000 with a 5% projected raise in each subsequent year. Total salary for College Access Coach over 4 years is \$215,517.60.

### ***Benefits***

VMI requests funds to cover all costs associated with the full-time hires noted here. Estimated benefits package is \$48,415 for the Assistant Superintendent for Strategic Enrollment Management, \$26,272 for the Administrative Assistant (SEM), and \$25,000 for the Academic Support Coordinators and College Access Coach. Anticipating a 5% increase in benefits costs each year, the total amount requested for benefits is \$645,169.68 over 4 years.

### ***Travel***

VMI requests funds to support prospective and admitted students the ability to travel to VMI for admissions visits, Open Houses and to participate in the Summer Transition Program (STP). Travel vouchers would be for a maximum of \$500 to cover transportation and lodging costs to the students. Total travel voucher funds requested is \$37,500 per year for a total of \$150,000.

# VIRGINIA MILITARY INSTITUTE

LEXINGTON, VIRGINIA 24450-0304

Deputy Superintendent for Finance, Administration and Support

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6 April 2023

## MEMORANDUM

**TO:** The Audit, Finance and Planning Committee

**FROM:** BG Dallas B. Clark

**SUBJECT:** Capital Projects Update

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We have no capital projects in the construction phase. The Aquatic Center was substantially complete in January 2023 and is now in the warranty period. The Post-Wide Safety and Security project completed Working Drawings and will enter the construction phase in June 2023. The Nichols Engineering Building Renovation and Expansion project resumed work on the Preliminary Design phase while three additional projects (Cadet Safety and Security, Repair Barracks Windows, and Construct Moody Hall) were approved for detailed planning in March 2023 and will begin design development in Spring and Summer of 2023. We are still awaiting release of detailed design funds for the Center for Leadership and Ethics Phase II project.

### **Projects Background and Summary**

In January 2022 funding was authorized for two additional projects: Renovate and Expand Engineering and Laboratory Facilities (NEB) and Post Wide Safety and Security. Post Wide Safety and Security moved into the Working Drawings phase in August 2022 and is on track for a Summer 2023 construction start. The NEB project completed the Schematic Design phase and resumed Preliminary Design work in March 2023 and expects to begin construction in Spring or Summer 2024 pending approval of our updated Capital Budget Request. In March 2023 funds were released allowing us to begin detailed design for Cadet Safety and Security, Repair Barracks Windows and Moody Hall projects. We are in the process of selecting A/E firms for these projects and expect to begin Schematic Design efforts on these projects this Spring and Summer. Below is a summary of each capital project.

#### ***Corps Physical Training Facility Phase III (Aquatic Center).***

The project is complete and the facility is in use. We are finishing up punch list items, executing warranty work, finishing up commissioning and completing last deliveries of furnishings and equipment. HKS, Inc. is the designer and The Whiting-Turner Contracting Company is the construction manager.

#### ***Post-Wide Safety and Security***

Post-Wide Safety and Security is an \$11,000,000 project to enhance overall Post safety/security by designing and installing 16 access control points at various locations around main Post. These control points will be a combination of hydraulic bollards, drop arms, earthen berms, stone

and drop arm gates. The intent is to develop an inner security loop to separate vehicular traffic from routine cadet group activities and large visitor events and an outer security loop to provide the ability to lock down the entire Post during Post-wide training events or when significant incidents occur, whether on Post or in the surrounding area. Design work began in September 2021 and construction will begin in Summer 2023 and complete in early Fall 2024. Construction duration is approximately 18 months. Wiley Wilson is the design firm and we expect to select a construction firm via competitive bidding in June 2023.

### ***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 no longer includes demolition of the existing swimming pool facility. DEB approved our Schematic Design in January 2022 and is requiring us to resubmit our Preliminary Designs that were originally approved in April 2022 due to the change in scope. The project team began work on updated Preliminary Designs in March 2023. We will not be able to progress to Working Drawings until our updated Capital Budget Request reflecting the change in scope and updated cost estimate is approved. The design firm is Baskervill and the Construction Manager at Risk firm is Kjellstrom-Lee. Construction is estimated to begin in June 2024. Construction duration is approximately 24 months.

### ***Cadet Safety and Security***

This 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. Wiley Wilson was selected in March 2023 as the A/E firm and will begin design work this Spring with construction to follow in Summer 2024.

### ***Barracks Windows***

Purpose of this \$33 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. DEB releases planning funds, and RFP will be issued to solicit A/E firm proposals in April 2023. Anticipate beginning design in Spring 2023 with construction to follow in Summer 2024.

### ***Moody Hall Construction***

\$2.1 million for detailed planning on this \$54 million project was released in March 2023 and we expect to solicit for an A/E firm in Spring of 2023. 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. Design is anticipated to begin Summer of 2023 with construction to begin in Fall 2024.

***Center for 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. Detailed planning funds have been authorized as of December 2022 but not released. Design is anticipated to begin Spring 2023 with construction to follow in Fall 2024.



3 April 2023

**MEMORANDUM**

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

**FROM:** BG Dallas Clark

**SUBJECT:** Non-Capital Projects Update

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The Construction Office completed six non-capital projects from February through April 2023. There are another 16 projects in various phases of design as we prepare for a busy summer construction season.

**Winter 2023 Non-Capital Construction Projects Completed**

***501 Brooke Lane*** – Phase one of the project consisted of interior plumbing, electrical and A/V updates as well as floors and finishes and was complete as of August 2022 for \$77,000. Phase two consisted of bathroom updates, exterior concrete replacement, tree removal work and guttering and was completed in April 2023 at a cost of \$109,893.00. Total cost for the entire project was \$192,000.00.

***Clarkson-McKenna Locker Room Upgrade*** – Installation of two reclining couches, seven recliner chairs (similar to those in basketball film study room) and a love seat recliner in the football locker room. Project also involved installation of additional electrical and data outlets to support the chairs, sofas and loveseat power requirements. Project was complete in January 2023 at a cost of \$17,235.88.

***Gray-Minor Stadium Scoreboard*** – New scoreboard was installed and complete in February 2023 and is now in use. The final cost of construction was \$461,985.00.

***Student Union (The Arsenal)*** – Project was complete in January 2023 and open for business in February 2023 for the Super Bowl weekend. This project converted the Sub-Mess at Crozet Hall into an interim cadet lounge facility with food/beverage stations, new furniture, pool tables, televisions and gaming stations. Final project cost was \$489,425.30.

***New Market Roof Replacements*** – This project was finished in March 2023 and replaced the slate shingle roofs on three of the outbuildings near the Bushong House at a cost of \$41,686.

***Cameron Hall Scoreboard Feasibility Study*** – This is a structural assessment that began January 2023 and determined that the building has structural and electrical capacity to support installation of a four sided videoboard mounted overhead in the center of the basketball court. Cost of the study was \$26.8K and estimated cost to install a scoreboard is \$3.1M.

***Projects Currently in Design Phase or Under Construction***

***410 Parade Avenue*** – The 2<sup>nd</sup> floor master bathroom will minor renovations completed to remove the existing soaking tub and install a new tub/shower combo complete with tile surround. This will include replacement of the tile floor and reconfiguring of the existing trim to blend the new work into the existing space. Estimated cost for the project is \$10,000.

***New Market Flagpole Replacement*** – The center flagpole at the Virginia Museum of the Civil War was destroyed by a vehicle and full replacement is needed. The pole is on order and will be erected when received. The project cost is \$4,528.

***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 36 months beginning in Summer 2023. The estimated project cost is \$2.2 million.

***New Barracks Courtyard Drainage Improvements*** – The courtyard frequently ponds water on the surface and leaks into the concourse. Concepts are complete for aesthetic improvements to the paver-covered courtyard. The project will be under construction during summer 2024 and has a design budget of approximately \$50,000.

***Mallory Hall CIS Server Room*** – Mallory Hall, room 123 will be converted into a computer server room for the CIS department. The room requires electrical and HVAC upgrades to accommodate the servers. The project has been awarded to Harrisonburg Construction and is set to begin construction in Summer 2023 at an estimated cost of \$567,000. Due to lead times in manufacturing, the CRAC unit purchased to cool the space will not be delivered/installed until April 2024.

***Mallory Hall Space Moves*** – Mallory Hall, room 107 will be converted into a Cyber Defense Laboratory for the CIS Department. Funded by grant money from the Department of Defense (DOD), the space will receive new furniture, new audio/visual components, cosmetic upgrades, etc. The estimated cost of construction is \$50,000 and will be completed over Summer 2023.

***Cameron Hall Red Seat Replacement*** – Project will install new, retractable seating in the red seat section of Cameron Hall. New seats are being built by the manufacturer and enabling electrical work is underway. Installation of seats will begin in May 2023 and complete by August 2023 at estimated cost of \$750,000.

***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. The project is scheduled to begin in May 2023 with completion in September 2023 at an estimated cost of \$3,000,000.

***Cocke Hall Building Envelope*** – This \$1.1M project will address the leaking building envelope and drainage issues in Memorial Garden.

***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 across Post.

***Barracks Summer Painting*** – The 4<sup>th</sup> and 5<sup>th</sup> stoops and rooms, all stairwells, and all railings in New Barracks are scheduled to be painted during the summer of 2023. The original scope was scaled back from the entire New Barracks to the current scope stated above. Estimated cost for this project is \$60,000.

***Clarkson-McKenna Coach Office Relocation*** – Design for this project is complete. Intent of the project is to relocate the head coach's office to a space adjacent to the Ferebee Lounge. This will free up two additional office spaces for assistant coaches who currently work out of the team meeting room. Cost estimated for this project is \$10,000.

***Football Team Meeting Room Upgrades*** – Concept design and furniture selections for this project are complete. Intent of the project is to add tiered, theater style seating for 110 personnel in addition to updating A/V and IT capabilities, updating flooring and finishes and replacing the failing ceiling tiles.

***503 Brooke Lane Renovations*** - This project is very similar in scope and cost to the updates made at 501 Brooke Lane last fall. Primary focus on updating bathrooms, making interior and exterior repairs, relocating washer and dryer to the upper floor and new landscaping. Estimated cost is \$100,000. We are awaiting funding to begin work on this project.

***Clarkson-McKenna Hydrotherapy Renovation*** – The existing 17 year old hydrotherapy facility has several leaks and aging equipment. This project will replace existing tubs, replace failing flooring and waterproofing and upgrade finishes. Design work began January 2023 with a budget of \$62.8K and will include a cost estimate.

***Patchin Field Scoreboard*** – This \$150,000 project will replace the 24 year old existing scoreboard with a new fixed-digit scoreboard capable of supporting both soccer and Lacrosse. It will also include a new structure to house the scoreboard that will match other scoreboards on Post. Construction is scheduled for June to July 2023.

**VIRGINIA MILITARY INSTITUTE**  
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28 April 2023

**MEMORANDUM**

**TO:** The Audit, Finance and Planning Committee

**FROM:** BG Dallas B. Clark

**SUBJECT:** VMI Annual Debt Report

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The VMI Board of Visitors adopted Debt Management Guidelines and Procedures for VMI at its August 2005 meeting and amended those guidelines at its April 2016 meeting. The guidelines call for an annual report to the VMI Board of Visitors that provides information on the outstanding debt of VMI and the VMI Alumni Agencies, the results of specific financial ratios, and various other pertinent information.

The FY 2022 Annual Debt Report of VMI accompanies this transmittal memo. This report consists of two sections as follows:

1. Direct Debt Obligations of the Institute
2. Annual Debt Report - Compliance
  - Unrestricted Net Assets, exclusive of the impact of recording pension liabilities equal at least 25% of the Institute Direct Debt.
  - Maximum Annual Debt Service Costs as a percentage of total Operating Expenses does not exceed 10%.

Other Compliance notes:

- VMI is in compliance with all significant financial and operating covenants of existing indebtedness.
- VMI issued no new debt for FY 2022 or FY 2023.

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

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