

# VIRGINIA MILITARY INSTITUTE

LEXINGTON, VIRGINIA 24450-0304

## OFFICE OF THE SUPERINTENDENT

Phone 540-464-7311

Fax 540-464-7660

Virginia Relay/TDD dial 711

15 July 2024

State Council of Higher Education for Virginia  
Secretary of Education  
Secretary of Finance  
Director of the Department of Planning and Budget  
Staff Director of the House Appropriations Committee  
Staff Director of the Senate Finance and Appropriations Committee

Dear Members of the Op-Six:

Virginia Military Institute is pleased to provide updates on requested information and outline progress and strategic adjustments since our last comprehensive submission in July 2023.

### **Utilization of Fact Pack Data**

The following are ways in which the Fact Pack was used with the Board of Visitors and Institute leadership:

1. The Fact Pack was reviewed by Institute staff for accuracy and staff held a virtual meeting with Boston Consulting Group to address some questions and corrections on the data.
2. The Fact Pack was transmitted to the VMI Board of Visitors in early November 2023. This transmittal included an executive summary of the Six-Year Plan process and the use of the Fact Pack in that process.
3. A discussion session on the Fact Pack was incorporated into a work session at the January 2024 VMI Board of Visitors meeting. The Superintendent provided a detailed briefing and staff responded to questions from the members on the data presented.

### **Admissions, Enrollment, and Retention**

The introduction of the new FAFSA form has posed challenges in the areas of admissions, enrollment, and retention. The Institute has observed disruptions in the financial aid process and in the subsequent decision-making of prospective cadets. To address these disruptions, VMI implemented targeted outreach efforts to provide prospective and current cadets with guidance in navigating the new FAFSA requirements.

Since the FAFSA indicates eligibility for Federal Aid and is used to inform VMI's institutional need-based aid awards, upper-class cadets have also experienced significant disruption. Changes to the FAFSA methodology have resulted in some cadets qualifying for Pell Grants for the first time while other cadets have experienced a reduction of aid. To assist families in avoiding



unexpected debt and allow cadets to continue their studies, VMI has increased flexibility in its awarding policies. For instance, the Financial Aid Office awarded upper-class cadets earlier than usual to allow ample time for families to plan and/or appeal. However, due to the formulaic changes on the FAFSA and because of VMI's commitment to meet 100% of the demonstrated need of Virginians, concern remains that some cadets will lose all or some of their eligibility for need-based aid which will impact overall recruitment and retention efforts.

### **Changes in “Key Metrics at a Glance”**

Although there are differences in how the “Key Metrics at a Glance” are displayed between the revised June 2023 Fact Pack and 2024 Fact Packs, one key metric is highlighted on overall enrollment.

As a result of larger than expected attrition during the 2021-2022 academic year and a small matriculating class in the 2022-2023 academic year, VMI is experiencing an enrollment cycle where the overall Corps size is below target. However, through increased and coordinated efforts, the matriculating class in the 2023-2024 academic year met the enrollment goal, and the class matriculating in the 2024-2025 academic year is again expected to meet the Institute's enrollment goal.

Notably, VMI will still exhibit lower than normal overall Corps size as the two above-referenced small classes advance toward graduation in 2025 and 2026. Fortunately, the Institute is well-positioned to build on the recruiting and enrollment successes of the last two recruiting cycles and is positioned to continue positive enrollment trends due to the implementation of its focused Strategic Enrollment Management effort and continued emphasis on affordability through significant private and institutional investments in financial aid.

### **Cost Control Measures and Expenditure Trends**

VMI has a history of operating efficiently in the pursuit of its unique mission. Given the recent decreases in enrollment, the Institute implemented a range of cost control measures including 5% reductions in non-personnel spending, delaying non-capital project improvements, and managing personnel vacancies to maximize savings where practical while maintaining focus on the delivery of VMI's robust academic programs. These measures have allowed VMI to balance the budget each year while facing steep, short-term enrollment declines.

The Institute is also tracking increased expenditures per student FTE as a result of several factors expected to level as enrollment increases and the Corps returns to full strength in FY2027. In 2021, the Institute undertook a deep dive resulting in comprehensive findings leading to increased staffing in targeted operational and academic support areas to provide enhanced cadet support. Additionally, targeted increases in compensation for classified employees were funded. These important and positive initiatives, along with several years of well-deserved and appreciated state-directed compensation increases, have increased personnel costs at a time when enrollment declined as VMI emerged from the pandemic. As enrollment continues to return to normal levels, VMI expects the expenditures on a per-student FTE basis to normalize.

## **Anticipated Impact of Legislative and Regulatory Requirements**

**Title IX:** Significant impacts due to potential changes to Title IX are not currently expected since VMI has recently enhanced the Office of the Inspector General through key staffing changes, increased training, and adoption of new case management software.

**Financial Value Transparency:** The new Financial Value Transparency requirements will be cumbersome. The sheer amount of data required while working through ongoing FAFSA Simplification challenges will add additional strain on the Financial Aid Office. While national organizations have advanced efforts to request the United States Department of Education to further delay the reporting deadline of 1 October, it is likely the efforts will not be successful. The deadline for this reporting annually in October will add to an already busy time of the year for financial aid offices.

## **Key Funding Priorities**

VMI's first priority is to request assistance in sustaining the Virginia Military Survivors Dependent Educational Program (VMSDEP) in support of the Commonwealth's veterans. During the 2017-2018 academic year, seven cadets received benefits from VMSDEP and VMI waived \$103,453 of tuition and fees. Six years later, during the 2023-2024 academic year, 66 cadets, or 7% of all enrolled Virginians, received benefits resulting in \$1.267 million of waived tuition and fees. In 2025-26, it is expected that waivers will total at least \$1.3 million and VMI strives to ensure tuition-paying cadets do not bear these costs. VMI remains steadfast in its support of the nation's veterans and is appreciative of the work by the Governor and Legislature to ensure this important program is sustainable.

VMI's second priority recognizes the importance of academic achievement and provides cadets with experiential opportunities. To support these initiatives, the Institute is requesting \$252,000 to fund a total of two positions and to continue funding the Summer Undergraduate Entrepreneurship Program under a request titled Academic Enhancements.

The positions include 1) Faculty position (\$112,000) to teach a three-credit hour course in Civics titled "American Constitutional History." The course will cover the foundational development of the Constitution, followed by a rigorous reading of key amendments and Supreme Court rulings, addressing issues such as slavery and civil rights. 2) Assistant Director in the Office of Global Education (\$75,000) to expand global educational opportunities for cadets. 3) The Summer Undergraduate Entrepreneurship Program (\$65,000) consists of a five-week summer course that will include immersive experiences with start-up companies and incubators, as well as significant interaction with invited speakers from emerging industries. The program will be open to all majors and classes, with a target audience of rising third-class cadets (sophomores) from Business and STEM majors. Presently, VMI has launched this program utilizing private funds typically used to jump-start or trial new initiatives.

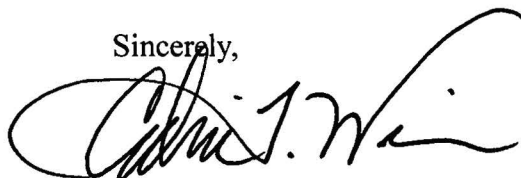
VMI's third priority correlates directly to the challenges upper-class Virginia cadets have faced, and will face, due to the new FAFSA's formulaic changes. At a time when affordability is at the forefront of many decisions being made about higher education, the changes to the FAFSA have resulted in many Virginia families losing access to important financial aid and jeopardizing their

retention and degree completion. With a request for Emergency Financial Assistance (\$250,000), VMI strives to provide level-funding of need-based financial aid for returning Virginia cadets and their families who have been impacted by the new FAFSA through the duration of their cadetship. VMI envisions expending these funds over two years: \$165,000 in 2025-2026 and \$85,000 in 2026-2027 to alleviate the negative impacts on Virginia cadets and support them to graduation.

The fourth priority requests State support of \$785,000 to provide for nine positions to enhance operations and planning across Post and support the utilization of a unique and key facility: 1) A senior-level position, reporting directly to the Superintendent, is requested to formulate and direct the Institute's Forging 21st Century Leaders strategic plan, approved by the Board of Visitors in November 2023. 2) A new position is requested to enhance operations and planning through enhanced technology to promote coordination across departments, facilities, and human capital on Post to better serve the goals of the Institute and the public. 3) VMI's 58,000 square-foot Aquatic Center is now fully operational and supports unique ROTC training opportunities, Human Performance and Wellness course offerings, and Club and NCAA athletics with its diverse and specialized equipment and 800,000-gallon swimming pool. To operate and maintain the state-of-the-art facility, funding is requested to fund an assistant director, three trades technicians, and three custodians.

In conclusion, VMI's Six-Year Plan reflects our priorities and is in alignment with the Pathways for Opportunity: The Virginia Plan for Higher Education and advances VMI's educational and leadership development experience resulting in graduates who exude the Institute's core values and ongoing commitment to the Commonwealth of Virginia.

Sincerely,

A handwritten signature in black ink, appearing to read "Cedric T. Wins". The signature is fluid and cursive, with a large initial "C" and "W".

Cedric T. Wins  
Major General, USA (Ret)  
Superintendent