

FOR THE NEXT 150 YEARS

Financing the margin of excellence

Worldwide, 70 of the 85 institutions that have survived since the Middle Ages are universities.¹

Why such longevity? Altruistic purposes, for one thing. Education is a cause we can all rally around. To last through the ages, however, excellence must be sustainable.

How?

Recently, only 36 U.S. higher education institutions were engaged in fundraising campaigns of \$1 billion or more.²

Count Virginia Tech among them. To finance the margin of excellence—the achievements that take Tech from good to great—and to adapt to a changing business model, the university community embarked on *The Campaign for Virginia Tech: Invent the Future*.

Goal: \$1 billion.



LEGEND



Sources appear on page 14.

Raised:

\$1,112,703,977

UNIVERSITY Operating Budget

FY12³; E&G stands for "Educational and General"

Total Revenue: **\$1.146 billion**

\$347.47 million

Tuition and fees

\$280.64 million

Financial assistance for E&G programs, such as grants and contracts

\$249.68 million

Auxiliary fees, sales, and services

\$217.37 million

General Fund

\$50.82 million

Federal funds, E&G sales and services, and all other income

Total Expenditures: **\$1.138 billion⁴**

\$589.28 million

Educational & general

\$283.19 million

Financial assistance for E&G programs

\$241.68 million

Auxiliary operations

\$18.17 million

State student financial aid

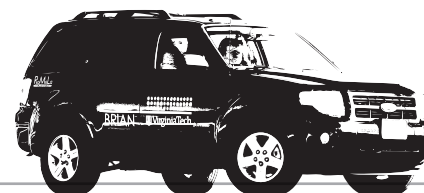
\$5.66 million

All other programs

Undergraduate scholarships, graduate fellowships, the Multicultural Academic Opportunities Program, and soil scientist scholarships.³

Blind Driver Challenge

Projects with the "wow factor"—like giving blind people the ability to drive—are often achieved via multiple funding streams. The Blind Driver Challenge relied upon **\$1.486 million** from the National Federation of the Blind, **\$7,000** from the Student Engineers' Council (which draws upon a \$500,000-plus endowment held by the Virginia Tech Foundation), **\$550** in private donations, and **\$2,000** from the College of Engineering's Ware Lab.¹⁴



Just how does a \$1 billion campaign raise the bar? Let's look first at the university budget without private dollars.

STATE FUNDING

\$197.9 million
instructional, research, and Extension programs

\$18.2 million
student financial assistance

\$1.3 million
unique military activities (Corps of Cadets)

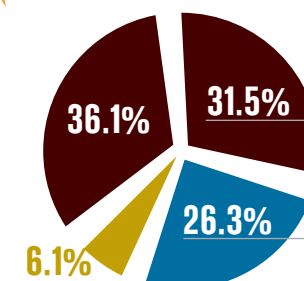


\$217.4 million

Funding sources, UNIVERSITY DIVISION⁷

The University Division funds faculty and staff, graduate assistants, benefits, and more—essentially, **direct educational costs**.⁶ In FY12, the total was \$514.2 million.

■ in-state tuition and fees (36.1%)
■ out-of-state tuition and fees (31.5%)
■ general fund
■ other



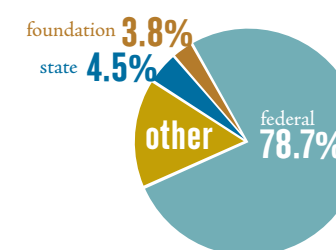
Out-of-state tuition has now surpassed state funding in its support of educational delivery—much like the funding model of a private university.

RESEARCH

National Science Foundation research expenditures⁸



Funding sources for EXTERNALLY SPONSORED RESEARCH¹²



In 2008, Dr. X.J. Meng, a professor of molecular virology in the Virginia-Maryland College of Veterinary Medicine, landed two grants totaling almost \$3 million from the National Institutes of Health to develop a vaccine to protect people and animals from hepatitis E.



THE CAMPAIGN FOR VIRGINIA TECH: Invent the Future

\$1,112,703,977

CAMPAIGN USES⁹

54 .07%
current operations

27 .30%
endowment

14 .71%
capital facilities

3.92%
private grants

SOURCES⁹

The campaign included five broad priority areas:

Academic Excellence: \$308.93 million

The Undergraduate Experience: \$183.59 million

Research Facilities: \$67.44 million

Virginia Tech and the Community: \$70.05 million

The President's Discovery Fund: \$15.15 million

42.62%
alumni

27.11%
friends

23.47%
corporations and foundations

4.17%
parents and faculty/staff

10,067 prospective donors received personal visits during the campaign.⁵

GIFTS⁵

185 gave seven-figure gifts

992 gave six-figure gifts

2,206 gave five-figure gifts above \$25,000

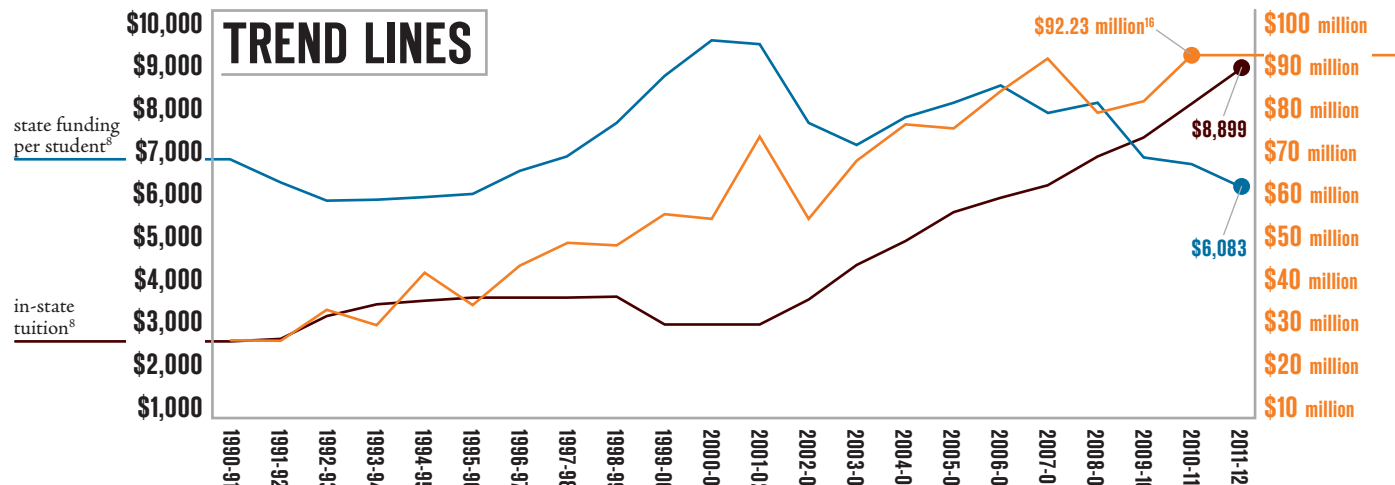


Signature Engineering Building

- A key component of Tech's capital construction plan
- Expected to draw **\$50 million** in state support and **\$50 million** in private donations for its construction¹⁰
- **\$31.72 million** committed during the campaign⁵



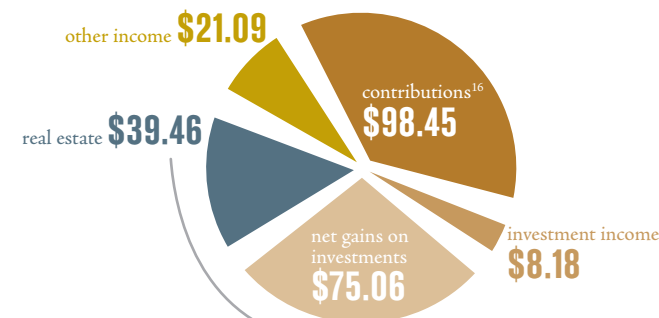
State funding per in-state student is lower now than it has been in 20-plus years—and the trend line isn't even adjusted for inflation. Express the 2011-12 dollars as inflation-adjusted 1990-91 dollars, and state funding per in-state student becomes \$3,050 instead of \$6,083 and tuition becomes \$4,462 instead of \$8,899. Meanwhile, private contributions have accelerated, helping the university to continue to excel.



FOUNDATION

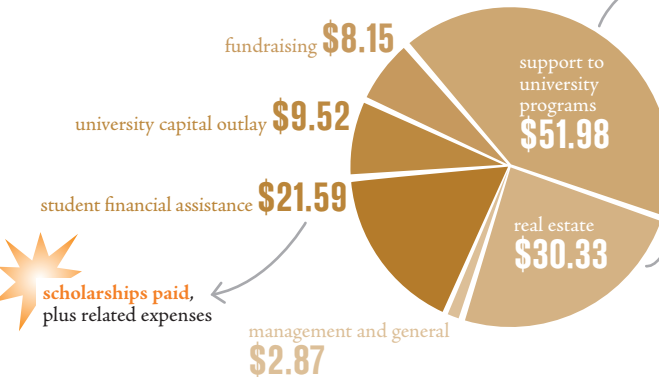
FOUNDATION REVENUE

FY11⁵ in millions



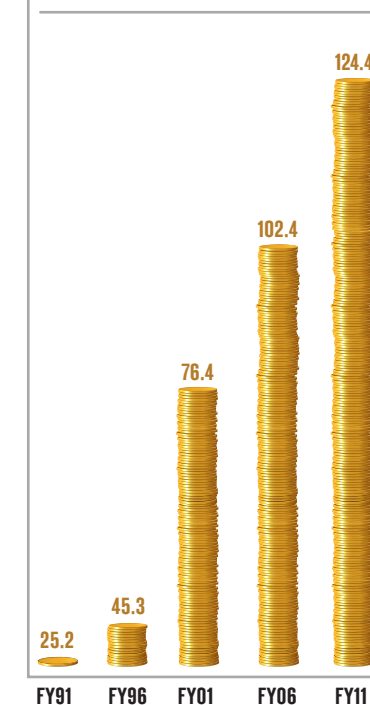
FOUNDATION EXPENDITURES

FY11⁵ in millions



FOUNDATION EXPENDITURES

FY91 to FY11⁵ in millions

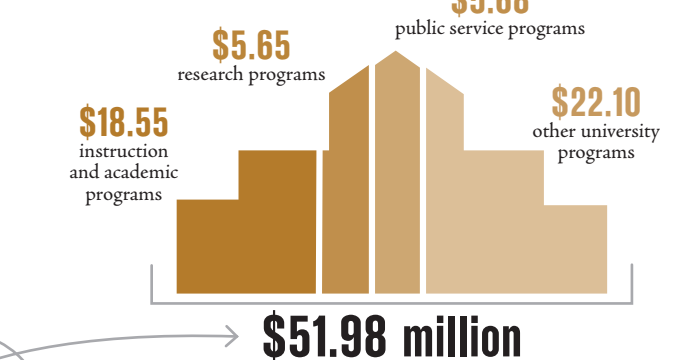


Contributing resources to university priorities, the foundation has responded to the trends of state funding, tuition, and enrollment.

Going above and beyond the university operating budget's capabilities, the Virginia Tech Foundation allocates resources to enhance university programs. Private funds, then, can be viewed as supplemental funds for excellence.

support to UNIVERSITY PROGRAMS¹¹

FY11⁵ in millions



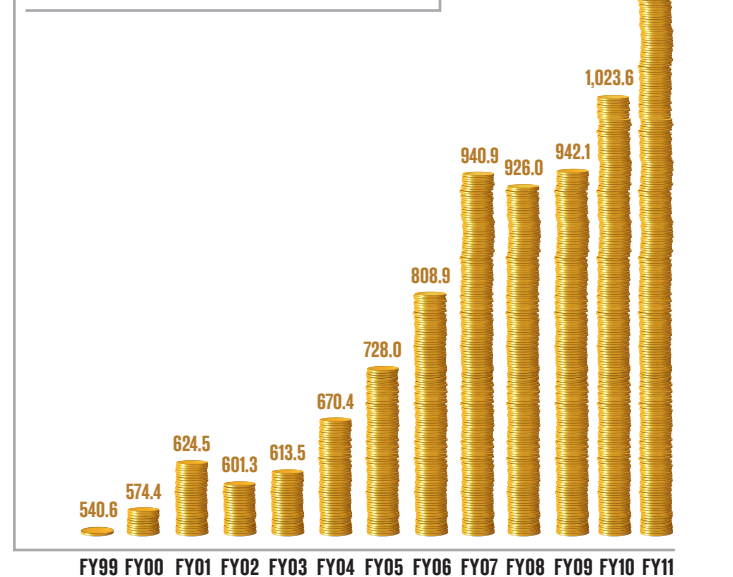
Virginia Tech Research Center—Arlington



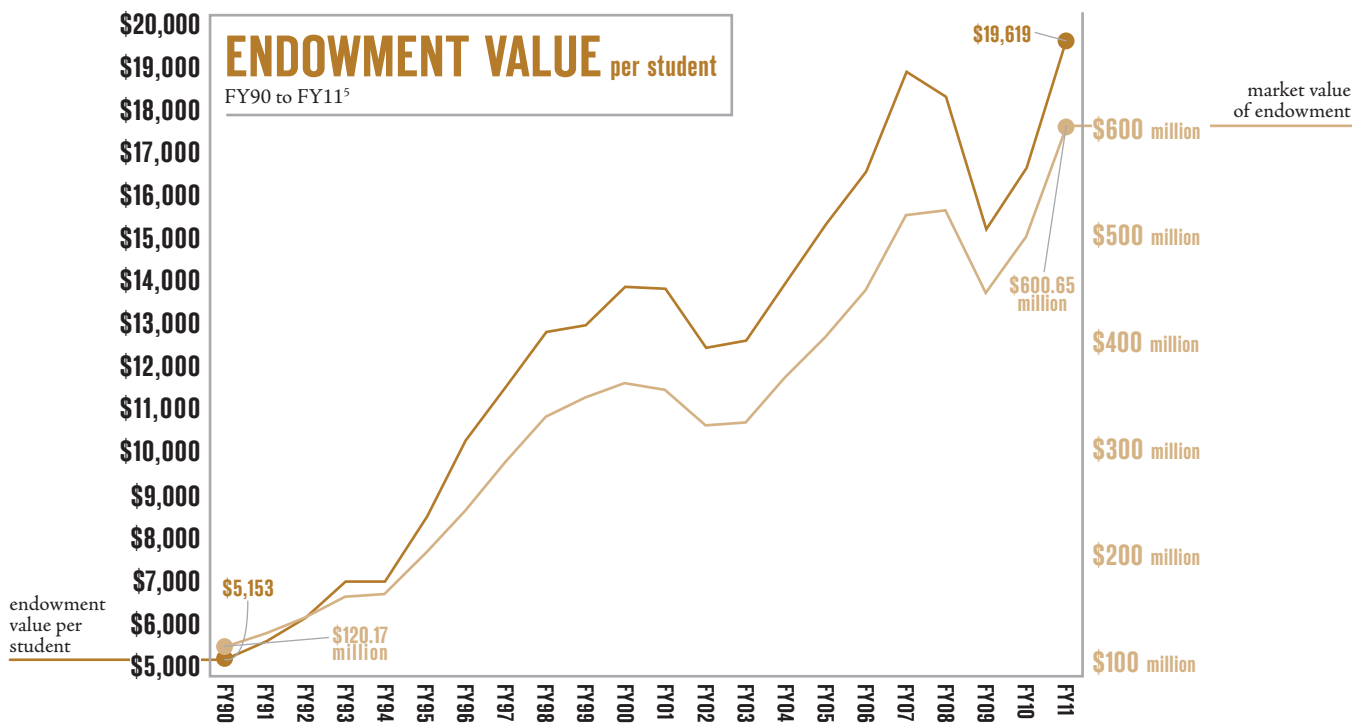
With the completion of the Virginia Tech Research Center—Arlington, the real estate portfolio—including the Corporate Research Center, the Pete Dye River Course, the Hotel Roanoke, and more—continues to further the university's reach.

FOUNDATION ASSETS

FY99 to FY11⁵ in millions



Endowment value per student is a key measure of a university's ability to support students. Tech's increasing capacity is yet another signal that the university is solidifying its rank among top-tier institutions. Two beneficiaries of endowed funds appear below.



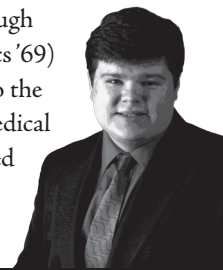
SOURCES

¹ According to the 2001 book, "The Uses of the University," by the late Clark Kerr, once president of the University of California. ² In November 2010, 36 institutions—1.6 percent of the nation's 2,221 not-for-profit four-year colleges or universities—were engaged in \$1 billion campaigns, according to statistics from the Chronicle of Higher Education and the U.S. Department of Education's National Center for Educational Statistics. ³ Tech's 2011-12 Authorized Budget Document, Consolidated Budget Summary. ⁴ The difference between revenue and expenditures is a deposit to auxiliary reserves; 2011-12 Authorized Budget Document, Consolidated Budget Summary. ⁵ Virginia Tech Foundation Inc. 2010-11 Annual Report (based on GAAP rules). ⁶ At \$514.2 million, the University Division is a significant portion of the \$989.3 million Educational and General budget; Authorized Budget Document, Consolidated Budget Summary. ⁷ Office of Budget and Financial Planning. ⁸ Office of Budget and Financial Planning. Tuition figures include the technology fee and academic fee as appropriate to support the educational mission of the university, and do not include the separate comprehensive fee that supports non-educational expenses. For instance, 2011-12 tuition was \$8,852 with an added technology fee of \$47; academic fees were sometimes included in the 2000s. For students attending class on the Blacksburg campus, comprehensive fees for 2011-12 were \$1,610 to support auxiliary services not funded by tuition or state funds. Rounding out the full cost of attendance, some students also pay room and board, according to their preferences, and some may pay course or laboratory fees. For out-of-state students in 2011-12, charges include \$22,254 in tuition, a \$47 technology fee, and a \$569 capital and equipment fee. ⁹ Virginia Tech University Development and the Virginia Tech Foundation. ¹⁰ www.eng.vt.edu/signaturebuilding/timeline. ¹¹ Much of the funding is for salaries, wages, and operating expenses, routed to the Office of Sponsored Programs. ¹² Externally sponsored research is a component of the total reported to the National Science Foundation. ¹³ FY11 Annual Report, Office of the Vice President for Research. ¹⁴ College of Engineering. ¹⁵ Office of University Development. ¹⁶ Figures differ because University Development (\$92.23 million) adheres to Council for Advancement and Support of Education accounting standards while the Virginia Tech Foundation (\$98.45 million) adheres to Generally Accepted Accounting Principles.



James Tyler Mills Jr. (biochemistry '09)

James Tyler Mills Jr. used a Jerry and Leslie Gough Honors Scholarship created by Jerry (economics '69) and Leslie (mathematics '70) Gough to travel to the U.S.-Mexico border and observe the type of medical care available to illegal immigrants. He discussed the trip during a successful entrance interview for medical school.



Donna Dunay (architecture '71, M.S. '71)

"Having a named professorship has helped me collaborate with architects around the world and bring their knowledge to a greater audience," said Donna Dunay, who in June 2007 was named the G. Truman Ward Professor of Architecture. "It's an honor to have received this position, which was created by a generous donor. And in this case, I personally know the donor, which makes it even more special for me."

