

Preliminary Analysis of Conference Budget Amendments Impacting VCU

Introduced Budget

House Amendments

Senate Amendments

Conference Report

A. Compensation-All Employees

Salary Increase	Faculty or staff who participate in VRS would receive a 3% salary increase -- offsetting some of the impact of requiring them to pay 5% toward their VRS retirement. Both changes are effective July 1, 2011	Faculty or staff who participate in VRS would receive a 5% salary increase, effective July 1, 2011	Eliminates proposed 5% employee contribution to VRS and the 3% salary increase.	Faculty or staff who participate in VRS would receive a 5% salary increase, effective July 1, 2011
Employee Contributions to VRS	Faculty and staff who participate in VRS will be required to contribute 5% of salaries (pre-tax) toward retirement, effective July 1, 2011. VRS employees hired after July 1, 2010 currently contribute 5% of salary.	VRS participants will be required to contribute 5% of salaries (pre-tax) toward retirement, effective June 25, 2011.	Eliminates proposed 5% employee contribution to VRS and the 3% salary increase.	VRS participants will be required to contribute 5% of salaries (pre-tax) toward retirement, effective June 25, 2011.
Bonus	Salaried employees would be eligible for a 2% one time bonus, effective December 2011, based on merit -- contingent on year-end balances exceeding twice the cost of the bonus.	No change to introduced budget.	Eliminates 2% one-time bonus.	Eliminates 2% one-time bonus.
Changes to Retirement Contribution Rates - Optional Retirement Plan (ORP)	Employer contributions for ORP employees will be reduced from 10.4 to 8.5%, effective July 1, 2011. The current rate for ORP employees hired after July 1, 2010 is 8.5%; those employees are required to contribute 5%, in addition to the 8.5% employer contribution.	Leaves at 10.4 percent the ORP rate for employees hired prior to July 1, 2010.	Leaves at 10.4 percent the ORP rate for employees hired prior to July 1, 2010.	Leaves at 10.4 percent the ORP rate for employees hired prior to July 1, 2010.

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New Optional Defined Contribution Plan	Separate bill creates an optional defined contribution retirement for state and local employees, effective January 1, 2012.	Budget bill language creates an optional defined contribution retirement plan for state and local employees, effective January 1, 2012.	Senate did not adopt a bill to create an optional defined contribution retirement plan for state and local employees.	No language or bill creating an option defined contribution retirement plan for state and local employees was adopted in the 2011 session.

B. Operating Budget

Appropriation of Tuition	Withholds \$17.2 of \$34.4 million in FY 2012 from the tuition increase adopted by the Board for FY 2011.	Restores the FY 2012 tuition authority.	Restores the FY 2012 tuition authority as well as provides \$3.3 million that VCU requested.	Restores the FY 2012 tuition authority as well as provides \$3.3 million that VCU requested.
System-wide Actions: Higher Education Innovation and Performance Incentive Grants	Incentive fund of \$50.0 million in FY 2012. Specific allocations dependent on institutional proposals.	Eliminates \$50.0 million in FY 2012. Redistributes funds.	Eliminates \$50.0 million in FY 2012. Redistributes funds.	Eliminates \$50.0 million in FY 2012. Redistributes funds.
Enhance student enrollment & graduation in science, technology, engineering, and math		\$62.0 million in Access, Affordability, New Degrees & STEM Initiative. <u>VCU to receive \$6.0 million.</u>	Not included	VCU did not receive funding for these initiatives.
Base Adequacy	Not included	Not included	\$23.1 million to strengthen the base operations of public higher education. <u>VCU to receive \$3.5 million.</u>	VCU to receive \$1.7 million in Base Operating Support.
O & M	Not included	Not included	\$10.6 million for operation and maintenance of new facilities coming on-line. <u>VCU to receive \$344,895.</u>	VCU to receive total of \$6,102 for new facilities coming on line.
In-State Undergraduate Seat Initiative	Not Included	\$2.6 million statewide, no funding for VCU.	Not Included	VCU did not receive funding for this initiative.
Academic transformation through the use of technology		Not included	\$3.1 million for academic transformation. Proposals required to Sec'y of Education.	Not funded

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On-line course availability/enhancement		Not included	Included in funding for academic transformation. Proposals required to Sec'y of Education.	Not funded
CISCO Public Private Partnership	Not Included	\$3.4 million distributed among UVa, GMU, JMU and Va Tech	Not Included	\$3.4 million distributed among UVa, GMU, JMU and Va Tech
Undergraduate financial aid		Not included	\$7.0 million for Low Income and \$7.0 million for Middle Income students, as determined by SCHEV, but with institutional allocations established. <u>VCU to receive \$805,674 for the low-income allocation and \$977,003 for the middle-income allocation.</u>	\$13.3 million for student financial aid. VCU to receive \$1.55 million.
Funding for Massey Cancer Center	\$5 million increase in GF in FY 2012 for cancer research.	No change to introduced budget.	No change to introduced budget. Adds \$5.0 million for UVa.	No change to introduced budget. Adds \$3.0 million for UVa.
Higher Education Unallocated Budget Reduction	Last year's Appropriation Act included a \$10.0 million lump sum budget reduction for higher education. The Governor's budget did not alter the \$10.0 million reduction, which is still included in the introduced budget.	No change to introduced budget.	Eliminates \$10 million unallocated reduction.	No change to introduced budget. Could result in a \$1.2 million budget reduction for VCU.
Virginia Research and Technology Investment Fund	Incentive fund of \$25.0 million in FY 2012 in the Office of Secretary of Commerce and Trade.	Reduces Incentive fund by \$15.0 million.	Reduces Incentive fund by \$15.0 million.	Reduces Incentive fund by \$15.0 million.

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Higher Education Equipment Trust Fund	\$6.7 million was appropriated last session -- contingent upon the state having adequate debt capacity. The Secretary of Finance recommended issuing both years of the HEETF debt in FY 2012, rather than \$6.7 million in each year.	No change to introduced budget.	No change to introduced budget.	No change to introduced budget.
SOM Equipment	An additional \$12.0 million for equipment for new SOM building has been appropriated in FY 2012 -- contingent on state debt capacity.	No change to introduced budget	No change to introduced budget	No change to introduced budget.
Capital Outlay Fee	No change	Updates enrollment. \$688,000 more to be transferred. Increases VCU transfer by \$52,200.	No change to introduced budget	Updates enrollment. \$688,000 more to be transferred. Increases VCU transfer by \$52,200.

C. Capital Outlay

Maintenance Reserve	The introduced budget included \$3.3 million in FY 2011 and \$2.6 million in FY 2012 for VCU. The Secretary reported on January 12 that capacity is sufficient to support the related debt.	No change to introduced budget	No change to introduced budget	No change to introduced budget.
VCU General Classroom Building	Not included	Adds no construction funding for higher ed capital projects.	Adds construction for 8 higher ed projects but does not include VCU's classroom building.	Adds no GF backed construction funding for higher ed capital projects.
State Reimbursement for VCU Parking Lot	Provides \$3.3 million to reimburse VCU for the cost of property which would be transferred to the City of Richmond.	No change to introduced budget.	Money remains. Language requires VCU to remove asphalt paving prior to transfer to the City.	Money remains. Language requires VCU to remove asphalt prior to transfer to the City.
VCU University Debt	Acquire and renovate Biotech I \$12.9 million.	No change to introduced budget.	No change to introduced budget.	No change to introduced budget.

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	Construct West Grace Street Housing and Parking Project \$33.7 million.	No change to introduced budget.	No change to introduced budget.	No change to introduced budget.
	Refinance Ackell Residence Center	Authorizes \$13.6 million refinancing.	Authorizes \$13.6 million refinancing, and authorizes debt through the VCBA.	Authorizes \$13.6 million refinancing through the VCBA.
Wise Co. Dental Clinic	No action.	Language removes \$5 million in 2008 Virginia College Building Authority bond authority.	No action	No action on the authorized bonds, but language in Department of Health directs a study.
Other Capital Projects	No action.	Provides \$250,000 planning funds for Virginia Treatment Center for Children	Provides \$250,000 planning funds for Virginia Treatment Center for Children, as well as other projects.	No action.

D. Transfers

Transfer of Tuition Revenues	Assumed transfer of NGF portion of employee compensation and benefit actions. Cost to VCU estimated at \$4.7 million.	Reverses transfer of NGF portion of compensation and benefit actions.	Reverses transfer of NGF portion of compensation and benefit actions with the elimination of the VRS proposal.	Reverses transfer of NGF portion of compensation and benefit actions.
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