

VIRGINIA COMMONWEALTH UNIVERSITY (VCU)
Preliminary Analysis of House and Senate Budget and Capital Outlay Proposals
Based on Committee Reports
February 8, 2009

Introduced Budget	House Amendments	Senate Amendments
A. Compensation		
1. <u>Faculty</u>		
- Salary increase funding eliminated.	- No change.	- No change.
2. <u>Classified Staff</u>		
- Salary increase funding eliminated in each year.	- No change.	- No change.
B. Operating Budget		
1. <u>Base Adequacy/Budget Reductions</u>		
- FY 2009 General Fund Reduction = \$10,136,449	- No change	- No change in either year.
- FY 2010 General Fund Reduction = \$30,382,260	- Provided \$4.3 million in FY 2010 for the access and affordability initiative, to lower proposed cuts.	
2. <u>Student Financial Assistance</u>		
- In-state undergraduates: additional \$4.3 million GF each year for need-based aid.	- Eliminated \$4.3 million in new funding for student financial aid.	- Increased student financial aid funding by \$516,847.
3. <u>Research Initiative</u>		
- Research cuts are included in total reductions noted above at 5 percent in FY 2009 and 15 percent in FY 2010.	- No change.	- No change.

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4. <u>Higher Education Equipment Trust Fund</u>		
- No change recommended to the existing \$8.1 million in new equipment the first year and \$8.8 million the second year.	- No change.	- No change.
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5. <u>Financial Incentives under Restructuring</u>		
- Provides \$13.3 million in financial incentives for the institutions of higher education which will be certified next June as having met the state's expectations under the Higher Education Restructuring Act. VCU's incentive payment in FY 2009 was \$1.5 million.	- Reduced incentive funding by \$5.0 million with the notation that it would "fund interest earnings per current rates."	- No change.
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6. <u>Autism Services</u>		
- Transfers Autism funding to the Department of Mental Health, Mental Retardation, and Substance Abuse Services.	- No change.	- No change.
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7. <u>Tuition Incentive Fund</u>		
- Governor's budget recommendations eliminate funding (\$17.5 million) for the Tuition Moderation Incentive Fund in FY 2010.	- No change.	- No change.
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8. <u>Eminent Scholars</u>		
- Eliminates the \$6.0 million appropriation for Eminent Scholars in FY 2010. VCU's allocation under the existing allocation formula would have been \$346,793.	- No change.	- Restored \$4.0 million for Eminent Scholars in FY 2010. VCU's allocation under the existing allocation formula at two-thirds would be \$231,195.
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9. <u>Capital Fee for Out-of-State Students</u>		
- <i>No proposal.</i>	- <i>No proposal.</i>	- <i>Increase the capital fee for out-of-state students from \$2.00 to \$6.00 per credit hour. For VCU assumes an increase from \$289,108 to \$867,324.</i>
10. <u>Medicaid Funding to the VCU Health System</u>		
- <i>Governor's budget includes a total reduction of \$1.9 million for the VCU Health System in FY 2009, and an additional reduction of \$3.4 million for FY2010, for a cumulative total reduction of \$5.2 million in FY 2010. This is related to Medicaid allowable inflation in FY 2009 being limited to 2 percent, and in FY 2010 to zero percent.</i>	- <i>No change.</i>	- <i>Above the introduced budget -- includes an additional 3 percent reduction to reimbursements to teaching hospitals for a savings and a 3 percent reduction to reimbursements to physicians.</i>
C. Capital Outlay		
Maintenance Reserve:		
- <i>No change.</i>	- <i>No change.</i>	- <i>No change.</i>
Existing Capital Projects:		
- <i>Authorizes the use of University resources and the issuance of University-backed debt for the following projects:</i>	- <i>No change.</i>	- <i>In addition, authorizes institutions with detailed planning and preliminary planning in the 2008 capital outlay bill to proceed to detailed drawings, using the institution's own resources, which "may" be reimbursed from future general fund supported financing</i>
<ul style="list-style-type: none"> ▪ <i>School of Medicine, Phase I (\$58.4 million)</i> ▪ <i>Massey Cancer Center Lab (\$5.0 million)</i> ▪ <i>West Grace Street Parking Deck (\$12.6 million)</i> 		