

## **Summary of Budget Amendment Recommendations February 26, 2013**

### **Operating**

The Governor's budget amendments included a total of \$30.8 million in new funding for higher education. This was off-set by the "surprise" \$5.7 million budget reduction in FY 2013 and in FY 2014 included in the adopted budget last year that the Governor did not eliminate.

The Conference report increased the total general funds recommended for Higher Education by a net \$17.3 million, above the introduced budget, largely in order to:

- provide an additional 1% faculty salary increase – bringing the total to 3% for a full-year (July 25, 2013) salary increase for faculty;
- provide funds to address salary compression issues for classified staff;
- eliminate the \$5.7 million budget reduction in FY 2014;
- increase need-based undergraduate financial aid by \$6.6 million;
- fund base operations for new faculty, library materials, technology, and operations and maintenance
- provide significant funding for research (including \$1.0 million for cancer at VCU and UVA from one-time funds transferred to the state's general fund from the arbitration settlement with tobacco companies as part of the Master Settlement Agreement) and initiatives at other institutions.

### **Capital Outlay**

The Governor recommended \$262,829,000 from bond proceeds to fund a number of construction projects, including VCU's Information Commons and Library project. The Conference Report provides for \$933,500,000 from bond proceeds for construction funding for projects. Bonds are to be issued for a total of \$877,500,000 of the program, \$250M annually for the first 3 years and the remainder in the 4th year. An additional \$56M of higher education operating funds is appropriated, as well. In addition to the Library, the projects to be funded in the four-year package include the Replacement Facility for the Virginia Treatment Center for Children, the Renovation of the Raleigh Building and the Renovation of Sanger Hall, Phase II project.

### **Reallocation**

The Conference Report eliminates the requirement for institutions of higher education to take additional 3% budget reallocations (for a total 5%) in FY 2014. Instead, language has been included to authorize institutions to use up to 1.5% of their educational and general funds to address institutional priorities such as faculty compensation issues, operation and maintenance of new facilities or "other institutional initiatives or priorities."

### **Higher Education Equipment Trust Fund (HEETF)**

The Conference Report reinstates the research allocation in FY2014 to FY2013 levels, resulting in an increase of \$1,255,569 to VCU's allocation compared to the introduced budget. VCU will receive a total of \$7,969,949 in HEETF funding in FY 2014.

### **Capital Outlay Fee**

VCU will be required to transfer an additional \$418,077, for a total of \$2,132,460, from the Capital Outlay fee.

The specific impacts on VCU are included on the next page.

**Impact on VCU**

The Conference report amendments increase funding available to VCU by \$4,015,712 in FY 2014, above Chapter 3. Additional changes will be made through central accounts and those amounts will be transmitted to VCU staff in the weeks ahead by central state Department of Planning and Budget staff.

<b>VCU - FY 2014 only</b>		
	<b>Introduced</b>	<b>Conference</b>
Enrollment Growth	389,386	-
Degree Incentives	861,041	-
Base Operations/Base Adequacy/New Faculty/Library Materials/Technology/Operations and Maintenance	0	672,212
Faculty Salary - Salary Increase to 3%, changes date to July 25	0	764,815
Classified employees, 2% plus compression adjustment at \$65 per year of service for employees having at least 5 years of service, capped at 30 years	0	Central Approp.
Financial Aid	260,598	1,146,631
VCU - Cancer Research (one-time general funds from a transfer to the general fund of the proceeds from the arbitration settlement with Tobacco companies as part of the Master Settlement Agreement)	0	1,000,000
VCU - Parkinson's	250,000	250,000
VCU - Alzheimer's	0	125,000
VCU - Palliative Care Program	0	50,000
Interest/Credit Card Rebate	Central Approp.	Central Approp.
Line of Duty Act	7,054	7,054
Military Survivors	Central Approp.	Central Approp.
Subtotal	1,768,079	4,015,712
FY 2014 Budget Reversion	<b>(697,613)</b>	0
Total	1,070,466	4,015,712