

VIRGINIA COMMONWEALTH UNIVERSITY (VCU)
Preliminary Analysis of House and Senate Budget Amendments to HB 1500 / SB 700
Based on Half-Sheets
February 8, 2005

Governor's Budget	House Amendments	Senate Amendments
A. Compensation		
1. Faculty		
<i>The Governor's budget recommendations provide for an average faculty salary increase of 3% effective November 25, 2005. A portion of the cost is to be supported with tuition revenue.</i>	<i>The House recommends a 3% salary increase for faculty effective November 25, 2005.</i>	<i>The Senate recommends a 4.2% statewide average salary increase (4.5% for VCU) for teaching and research faculty effective November 25, 2005. The additional 1.2% average increase provided by the Senate will support the beginning of a phased-in approach to reaching the 60th percentile for faculty salary averages by fiscal year 2010. For administrative faculty, adjunct faculty and graduate assistants, the recommended salary increase is 4.0% for all institutions.</i>
2. Classified Staff		
<i>The Governor's budget recommendations provide for a base salary increase of 3% effective November 25, 2005 for classified employees with a "contributor" or higher rating on their latest performance evaluation. A portion of the cost is to be supported with tuition revenue.</i>	<i>The House recommends a 3% salary increase for classified staff effective November 25, 2005. Also, funding is recommended to address salary compression for full-time, salaried employees through a salary adjustment equal to \$50 for each full year of state service.</i>	<i>The Senate recommends a 4% salary increase for classified staff effective November 25, 2005. The salary increase will be based on performance rather than across-the-board increases. Also, the Senate recommendations include language authorizing higher education institutions to supplement annual salaries of classified employees from private gifts, endowment funds, or income from endowments and gifts, subject to the policies approved by the board of visitors.</i> <i>No amendment similar to the House's salary compression funding is included in the Senate's recommendations.</i>
3. Fringe Benefits		
<i>Increased costs in the Commonwealth's health benefit plans are reflected in the Governor's recommended budget and will be supported by a combination of general funds, tuition revenue, and employee premium increases.</i>	<i>The House recommends funding to remove the current 30-year cap on the retiree health care credit. Other recommendations of the House with regard to fringe benefits appear to mirror the Governor's budget.</i>	<i>No change to the Governor's budget recommendations.</i>

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B. University Operating		
1. <u>Increases in State General Fund Support</u>		
<i>The Governor's budget recommendations include additional general fund support of \$766,890 in 2005-06 to recognize enrollment growth and to support progress in the Governor's goal of rewarding 10,000 additional degrees by 2010. Also, the additional general funds are provided to recognize increases in the number of nursing graduates for addressing the shortage of nurses in Virginia. The funding recommendation was determined using a weighted calculation for enrollment growth, the increase in degrees awarded and the increase in nursing degrees.</i>	<i>No change to the Governor's budget recommendations.</i>	<i>The Senate recommends a reduction of \$453,578 in general fund support related to the degrees conferred component of the Governor's recommendation. The general funds have been redirected to increase faculty salaries at Virginia's public colleges and universities to the 60th percentile of peer institutions by the end of the decade. This recommendation also includes language to clarify the General Assembly's intention that higher education institutions place a priority on increasing the number of students graduating with degrees, particularly in fields such as nursing and education, where the Commonwealth faces critical workforce shortages.</i>
2. <u>Family Practice Program</u>		
<i>The Governor's budget recommendations include additional general funds of \$250,000 in 2005-06 for VCU's Family Practice Program. These funds are provided to establish and maintain special training tracks for residents who want to serve inner city and rural populations, along with providing family medical care.</i>	<i>No change to the Governor's budget recommendations.</i>	<i>The Senate recommendations include an additional \$100,000 in general fund support.</i>

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<p>3. <u>Student Financial Assistance</u> <i>The Governor's budget recommendations include additional general fund support of \$707,803 for need-based financial aid for in-state undergraduate students and \$402,880 in additional general fund support for graduate student aid. The graduate student aid is intended to help attract highly qualified students to advance research in Virginia.</i></p>	<p><i>The House recommendations eliminate the increase in general fund support for graduate student aid in the Governor's budget. Additional nongeneral fund authorization of \$666,149 is recommended to replace the general funds. Also, general funds may not be used for financial aid for nonresident graduate students. Instead, graduate aid for nonresidents must be supported entirely from nongeneral funds and the nongeneral funds must be from sources other than tuition and fee revenues.</i></p>	<p><i>The Senate recommendations include an additional \$21,231 in general fund support for graduate student aid. The Senate also includes language that prohibits the use of general funds for new graduate student aid awards to nonresidents. Out-of-state students currently receiving student aid will not be affected. New awards for nonresident graduate students must be made using nongeneral fund revenues.</i></p>
<p>4. <u>Grace E. Harris Leadership Institute</u> <i>The Governor's budget recommendations include \$100,000 in additional general fund support in 2005-06 for the Grace E. Harris Leadership Institute in VCU's L. Douglas Wilder School of Government and Public Affairs.</i></p>	<p><i>The House recommendations eliminate the \$100,000 general fund support included in the Governor's budget.</i></p>	<p><i>The Senate recommendations eliminate the \$100,000 general fund support included in the Governor's budget.</i></p>
<p>5. <u>Center on Aging - Alzheimer's Research</u> <i>No similar recommendation.</i></p>	<p><i>The House recommendations include \$80,000 in general fund support for Alzheimer's Research through the Center on Aging.</i></p>	<p><i>No similar recommendation.</i></p>
<p>6. <u>Virginia Autism Center</u> <i>No similar recommendation.</i></p>	<p><i>No similar recommendation.</i></p>	<p><i>The Senate recommendations include \$140,150 in general fund support.</i></p>
<p>7. <u>Palliative Care Program Support</u> <i>No similar recommendation.</i></p>	<p><i>The House recommendations include \$250,000 in general fund support for the VCU Massey Cancer Center's Palliative Care Program.</i></p>	<p><i>No similar recommendation.</i></p>

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<p>8. <u>Operating Costs for Massey Cancer Center Addition</u> <i>The Governor's budget amendments provide supplemental funding for operation and maintenance costs for the Massey Cancer Center addition scheduled to open in 2006. The supplemental funding includes \$30,935 in general funds with \$39,150 provided from the University's nongeneral fund sources.</i></p>	<p><i>No change to the Governor's budget recommendations.</i></p>	<p><i>No change to the Governor's budget recommendations.</i></p>
<p>9. <u>Semi-conductor Education Grant</u> <i>The Governor's budget recommendations include \$2.0 million in additional general fund support in 2005-06 in the state's economic contingency fund. The \$2.0 million is intended for VCU's School of Engineering in support of the major expansion planned by Infineon Technologies.</i></p>	<p><i>The House recommendations eliminate the \$2.0 million in general funds included in the Governor's budget.</i></p>	<p><i>No change to the Governor's budget recommendations.</i></p>
<p>10. <u>Graduate Course in Nanotechnology</u> <i>The Governor's budget recommendations include \$155,000 for a collaborative effort among the College of William and Mary, Old Dominion University, Virginia Commonwealth University, George Mason University, the University of Virginia, and Virginia Tech to develop and share graduate courses in nanotechnology.</i></p>	<p><i>The House recommendations eliminate the \$155,000 in general funds included in the Governor's budget.</i></p>	<p><i>The Senate recommendations eliminate the \$155,000 in general funds included in the Governor's budget.</i></p>
<p>11. <u>Virtual Library of Virginia (VIVA)</u> <i>The Governor's budget includes an additional \$430,000 in general funds for 2005-06 for SCHEV's Virtual Library of Virginia (VIVA) program.</i></p>	<p><i>The House recommendations appear to include the additional funding recommended in the Governor' budget.</i></p>	<p><i>The Senate recommendations eliminate the additional \$430,000 in general funds included in the Governor's budget.</i></p>

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12. Nursing Education Programs		
<i>New language in the Governor's budget bill requires SCHEV to report to the Secretary of Education by November 1, 2005 on how institutions are using additional funds to increase the number of nursing students and graduates.</i>	<i>No change to the Governor's budget recommendations.</i>	<i>No change to the Governor's budget recommendations.</i>
C. Capital Outlay		
1. Capital Construction and Renovations		
<i>New School of Business Building Supplement -</i> <i>The Governor's budget recommendations include authorization of \$5.8 million in nongeneral debt financing.</i>	<i>No change to the Governor's budget recommendations.</i>	<i>No change to the Governor's budget recommendations.</i>
<i>New School of Nursing Supplement –</i> <i>The Governor's budget recommendations include \$1.1 million in tax-supported debt funding for this project.</i>	<i>The House recommendations appear to replace the Governor's recommended supplement of \$1.1 million in tax-supported debt with \$1.1 million in general funds. Also, \$1.0 million in nongeneral fund authorization is recommended for construction cost increases.</i>	<i>The Senate recommendations include \$1.0 million in nongeneral fund authorization for construction cost increases.</i>
<i>School of Engineering II Supplement –</i> <i>The Governor's budget recommendations include \$18.2 million in nongeneral fund debt.</i>	<i>No change to the Governor's budget recommendations.</i>	<i>No change to the Governor's budget recommendations.</i>
<i>Hibbs Building Equipment –</i> <i>The Governor's budget recommendations include \$695,000 in general funds for equipment related to the Hibbs Building renovation with an additional \$139,000 to be provided in 2006-07.</i>	<i>The House recommendations include a reduction of \$100,000 in general funds for equipment. Similar reductions in equipment funding were made at other institutions as well.</i>	<i>No change to the Governor's budget recommendations.</i>
<i>Massey Cancer Center –</i> <i>No similar recommendation.</i>	<i>The House recommendations include \$6.0 million in nongeneral fund debt.</i>	<i>The Senate recommendations include \$6.0 million in nongeneral fund debt.</i>
<i>Central Belting Building for the Adcenter –</i> <i>No similar recommendation.</i>	<i>The House recommendations include authorization for \$7.0 million in nongeneral fund debt.</i>	<i>The Senate recommendations include authorization for \$7.0 million in nongeneral fund debt.</i>

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<p>2. <u>Maintenance Reserve/Deferred Maintenance</u> <i>The Governor's budget recommendations include additional general fund support of \$3.2 million in 2004-05 for maintenance reserve funding. The Governor's budget increases VCU's general fund appropriation for maintenance reserve for the 2004-06 biennium from \$3.2 million to \$6.4 million.</i></p>	<p><i>No change to the Governor's budget recommendations.</i></p>	<p><i>The Senate recommendations reduce general funds by \$337,719 in 2004-05, bringing the biennial total to \$6,062,281.</i></p> <p><i>Also, language is included that directs institutions to perform facility condition assessments as quickly and as comprehensively as feasibly possible.</i></p>
<p>3. <u>Delegated Authorization by Boards of Visitors</u> <i>No similar recommendation.</i></p>	<p><i>No similar recommendation.</i></p>	<p><i>The Senate recommendations include language that delegates authority to the boards of visitors at eligible institutions to initiate "unforeseen" nongeneral fund projects without prior approval by the General Assembly. However, such authority does not imply future obligation of general fund support for the operation and maintenance of a facility.</i></p> <p><i>Also, the Senate recommendations exempt any repair, renovation, or new construction project at any higher education institution costing up to \$1.0 million from the capital outlay review and approval process.</i></p>
<p>D. Virginia Biotechnology Research Park</p>		
<p>1. <u>Land Acquisition</u> <i>No similar recommendation.</i></p>	<p><i>No similar recommendation.</i></p>	<p><i>The Senate recommendations include language authorizing the Virginia Biotechnology Research Park to enter into land option agreements to acquire more land to carry out its overall Master Development Plan and strategic initiatives.</i></p>