



Virginia Commonwealth University

2006-07
University Budget Plan

Executive Committee
VCU Board of Visitors

July 17, 2006

**Virginia Commonwealth University
2006-07 University Budget Plan**

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**VIRGINIA COMMONWEALTH UNIVERSITY
2006-07 UNIVERSITY BUDGET PLAN**

Highlights

TABLE A

**Virginia Commonwealth University
2006-07 University Budget Plan
(in thousands)**

	2005-06 Budget	2006-07 Budget Plan	Change Over 2005-06
Sources			
State General Fund*	\$ 181,244	\$ 210,942	16.4%
Nongeneral Funds			
Student Tuition and Fees	\$ 212,257	\$ 235,404	10.9%
Grants and Contracts	171,104	161,513	-5.6%
Sales and Services	70,285	75,302	7.1%
Other Sources	22,505	29,472	31.0%
Total Nongeneral Funds	<u>\$ 476,151</u>	<u>\$ 501,691</u>	5.4%
Total Sources	<u>\$ 657,395</u>	<u>\$ 712,633</u>	8.4%
Uses			
Instruction	\$ 248,295	\$ 278,227	12.1%
Research and Public Service	125,945	123,988	-1.6%
Academic, Student and Institutional Support	108,634	116,433	7.2%
Operation and Maintenance of Plant	42,065	44,524	5.8%
Scholarships and Fellowships	34,839	37,753	8.4%
Auxiliary Enterprises	73,948	89,284	20.7%
Hospital Services	15,081	14,939	-0.9%
Reserves and Contingencies	4,464	4,424	-0.9%
Total Uses	<u>\$ 653,271</u>	<u>\$ 709,572</u>	8.6%
Budget Balance	<u><u>\$ 4,124</u></u>	<u><u>\$ 3,061</u></u>	

* Includes both direct appropriations and estimated central transfers for 2006-07.

Virginia Commonwealth University 2006-07 University Budget Plan

Highlights

Overview

- ¢ Table A on page I-1 summarizes projected University sources and uses for 2006-07.
 - Projected sources total \$712.6 million - an increase of 8.4% over the current budget.
 - Budgeted uses total \$709.6 million - 8.6% over the current budget.
- ¢ The 2006-07 budget plan reflects a budget balance of \$3.1 million. Of that total, about \$2.7 million is attributable to auxiliary enterprises. Fund balances will be used to replenish reserves and to set aside funds for planned projects involving student recreational facilities, dining facilities, and parking decks associated with the Monroe Park Campus addition.
- ¢ The 2006-07 tuition and fee rates adopted by the Executive Committee of the Board of Visitors on April 14, 2006, are reflected in the budget plan. The following is a summary of typical tuition and fee charges for 2006-07 as approved by the Board:

Full-Time Undergraduates - Private Housing

	<u>2005-06</u>	<u>2006-07</u>	<u>Change</u>
Resident	\$5,385	\$5,819	8.1%
Nonresident	\$17,440	\$17,616	1.0%

Full-Time Undergraduates - University Housing

	<u>2005-06</u>	<u>2006-07</u>	<u>Change</u>
Resident	\$12,427	\$13,082	5.3%
Nonresident	\$24,482	\$24,879	1.6%

Full-Time Graduates - Private Housing

	<u>2005-06</u>	<u>2006-07</u>	<u>Change</u>
Resident	\$7,751	\$8,341	7.6%
Nonresident	\$17,406	\$17,582	1.0%

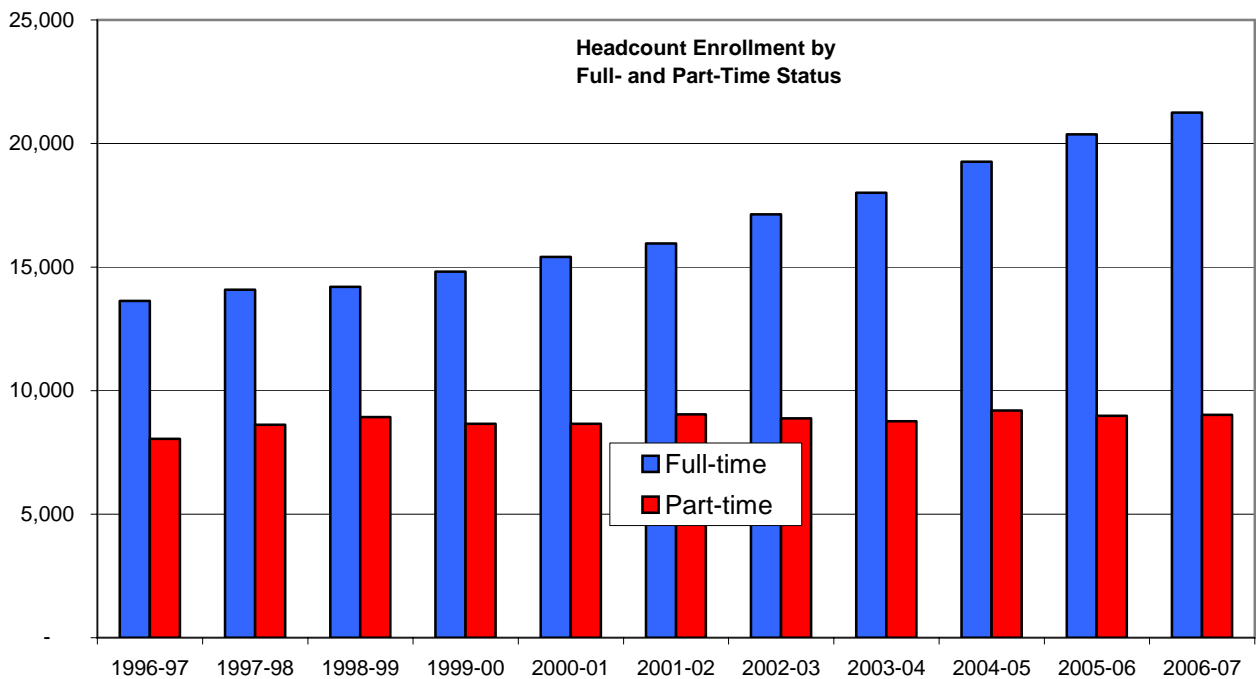
Enrollments

- ¢ The 2006-07 budget plan is based on total projected headcount enrollments of 30,276 for Fall 2006 – an increase of 927 above the current year.
 - J Fall 2006 projected headcount enrollments include 26,732 resident students and 3,544 nonresident students.
 - J The projected headcount increase of 927 students is comprised of 1,033 additional resident students and 106 fewer nonresident students.

- J The Fall 2006 headcount enrollment projections reflect a freshman class of 3,553, comprised of 3,155 resident students and 398 nonresidents.
- J A comparison of actual and projected enrollments for Fall 2005 and Fall 2006 is presented below:

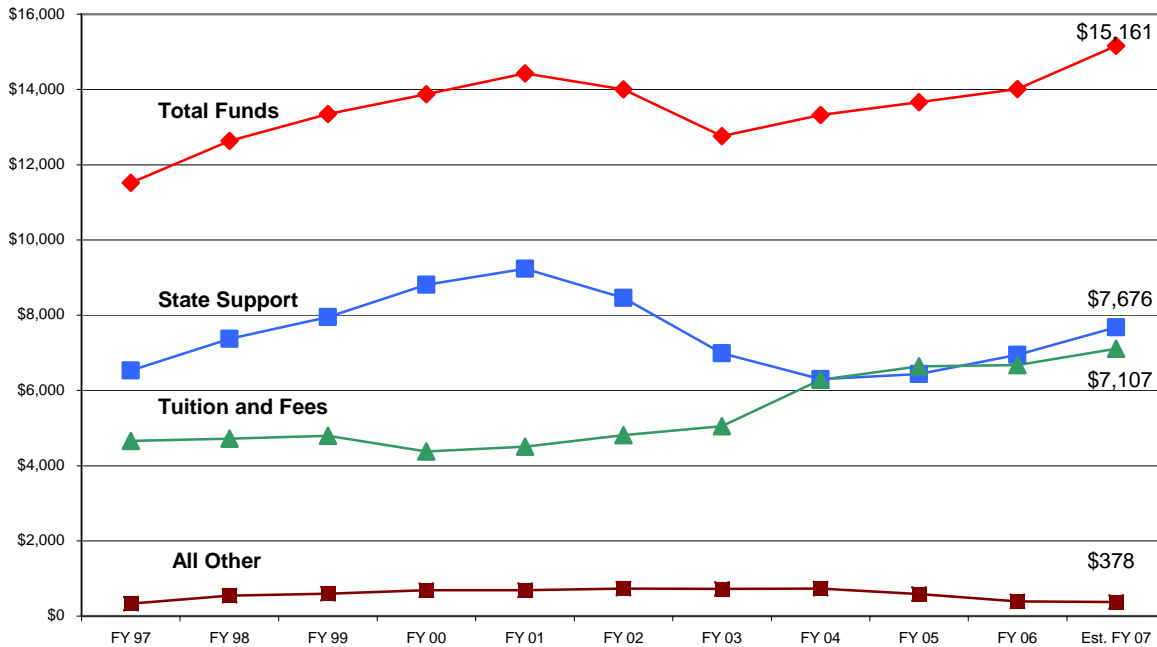
Headcount	Actual Fall 2005			Projected Fall 2006			Change Fall 2005 to 2006		
	Resident	Nonresident	Total	Resident	Nonresident	Total	Resident	Nonresident	Total
On-Campus									
Undergraduate	17,083	1,465	18,548	17,620	1,524	19,144	537	59	596
Special Undergraduate	861	162	1,023	836	162	998	(25)	-	(25)
Graduate	3,074	1,040	4,114	3,386	1,177	4,563	312	137	449
Special Graduate	447	64	511	422	64	486	(25)	-	(25)
First Professional	1,055	516	1,571	1,048	537	1,585	(7)	21	14
Total On-Campus	22,520	3,247	25,767	23,312	3,464	26,776	792	217	1,009
Off-Campus	3,179	403	3,582	3,420	80	3,500	241	(323)	(82)
Total Headcount	25,699	3,650	29,349	26,732	3,544	30,276	1,033	(106)	927
Annual FTE	21,058	3,307	24,365	21,791	3,396	25,187	733	89	822
First-Time Freshmen	3,148	392	3,540	3,155	398	3,553	7	6	13
Transfer Students	1,638	151	1,789	1,638	151	1,789	-	-	-

- J In the ten-year period between Fall 1996 and Fall 2006, headcount enrollments will have increased 40% -- from 21,681 to 30,276 (+8,595 students). Over that same period, the percentage of part-time students will have declined from 37% to 30%.



2006 General Assembly

- ☐ The University's 2006-07 spending plan reflects the state biennial budget adopted by the 2006 General Assembly on June 19, 2006. Key actions taken by the General Assembly affecting the University's budget include:
- J An average salary increase of 4.0% for faculty and a 4.0% increase for classified staff, effective November 25, 2006.
 - J An additional \$14.8 million in general fund support for base adequacy and enrollment growth in 2006-07. Planned uses of these funds, along with the related tuition and fee revenue and other University revenues, are detailed behind Tab II.
 - J \$7.0 million in instructional and research equipment through the Higher Education Equipment Trust Fund (HEETF).
 - J Additional general fund support of \$3.1 million, with \$6.6 million nongeneral fund match for 2006-07 as part of the state's research initiative, and an additional allocation of \$5.0 million from HEETF for research equipment.
 - J Additional general fund support of \$2.3 million for undergraduate and graduate student financial assistance, bringing total general fund support for the state's student financial assistance program to \$14.8 million in 2006-07.
- ☐ The actions of the 2006 session of the General Assembly reflect renewed progress in state funding for higher education in Virginia and for Virginia Commonwealth University. A graph of the University's E&G funding per full-time equivalent (FTE) student from 1996-97 to 2006-07 is presented below:



Per FTE calculations exclude Qatar funding and one-time funding provided for the Higher Education Research Initiative and the School of Engineering for the Infineon expansion.

TABLE B
Virginia Commonwealth University
2006-07 University Budget Plan
Sources and Uses Summary
(in thousands)

	Educational & General Programs			Sponsored Programs			Auxiliary Enterprises			University Funds			Student Financial Assistance		Hospital Services		Total University		Change from 2005-06 Budget	
	Programs	Direct Costs	Facilities & Admin. Costs	Direct Costs	Facilities & Admin. Costs	Facilities & Admin. Costs	Admin. Costs	Enterprises	University Funds	University Funds	Financial Assistance	Assistance	Services	University	Amount	Percent	Amount	Percent		
FY 2006-07 Sources																				
State General Fund																				
Direct Appropriations	\$ 185,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,830	\$ -	\$ -	\$ -	\$ 200,555	\$ 24,392	13.8%	\$ 24,392	13.8%		
Central Transfers	9,327	641	-	-	-	-	-	-	-	419	-	-	-	10,387	5,306	104.4%	5,306	104.4%		
Total General Fund	\$ 195,052	\$ 641	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,249	\$ -	\$ -	\$ -	\$ 210,942	\$ 29,698	16.4%	\$ 29,698	16.4%		
Nongeneral Funds																				
Student Tuition and Fees	\$ 174,937	\$ -	\$ -	\$ -	\$ 60,467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 235,404	\$ 23,147	10.9%	\$ 23,147	10.9%		
Grants and Contracts	8,222	120,316	19,778	-	-	-	-	-	-	13,197	-	-	-	161,513	(9,591)	-5.6%	(9,591)	-5.6%		
Gifts	-	-	-	-	-	-	-	-	1,000	-	-	-	-	1,000	100	11.1%	100	11.1%		
Endowment and Investment Earnings	-	-	-	-	-	-	-	-	16,193	-	-	-	-	16,193	3,133	24.0%	3,133	24.0%		
Sales and Services	33,940	-	-	-	26,473	-	-	-	-	-	-	14,889	-	75,302	5,017	7.1%	5,017	7.1%		
Transfers	-	-	-	-	-	-	-	-	3,000	-	-	-	-	3,000	(1,000)	-25.0%	(1,000)	-25.0%		
Other Revenues	354	-	-	-	6,725	-	-	-	-	-	-	2,200	-	9,279	4,734	104.2%	4,734	104.2%		
Total Nongeneral Funds	\$ 217,453	\$ 120,316	\$ 19,778	\$ 93,665	\$ 20,193	\$ 13,197	\$ 17,089	\$ 501,691	\$ 501,691	\$ 28,446	\$ 17,089	\$ 17,089	\$ 501,691	\$ 25,540	5.4%	\$ 25,540	5.4%			
Total University Sources	\$ 412,505	\$ 120,957	\$ 19,778	\$ 93,665	\$ 20,193	\$ 28,446	\$ 17,089	\$ 712,633	\$ 712,633	\$ 55,238	\$ 55,238	\$ 55,238	\$ 712,633	\$ 55,238	8.4%	\$ 55,238	8.4%			
Uses for FY 2006-07																				
Instruction	\$ 242,734	\$ 29,159	\$ -	\$ -	\$ 6,334	\$ -	\$ -	\$ -	\$ 278,227	\$ 29,932	\$ 29,932	\$ 29,932	\$ 278,227	\$ 29,932	12.1%	\$ 29,932	12.1%			
Research	8,888	91,329	13,167	-	4,809	-	-	-	118,193	(2,906)	-	-	-	118,193	(2,906)	-2.4%	(2,906)	-2.4%		
Public Service	4,915	469	-	-	411	-	-	-	5,795	949	-	-	-	5,795	949	19.6%	949	19.6%		
Academic Support	55,368	-	1,265	-	1,830	-	-	-	58,463	3,273	-	-	-	58,463	3,273	5.9%	3,273	5.9%		
Student Services	13,270	-	-	-	199	-	-	-	13,469	824	-	-	-	13,469	824	6.5%	824	6.5%		
Institutional Support	41,909	-	397	-	2,195	-	-	-	44,501	3,702	-	-	-	44,501	3,702	9.1%	3,702	9.1%		
Operation and Maintenance of Plant	38,834	-	3,012	-	778	-	1,900	-	44,524	2,459	-	-	-	44,524	2,459	5.8%	2,459	5.8%		
Scholarships and Fellowships	4,237	-	1,533	-	3,537	28,446	-	-	37,753	2,914	-	-	-	37,753	2,914	8.4%	2,914	8.4%		
Auxiliary Enterprises	-	-	-	-	89,284	-	-	-	89,284	15,336	-	-	-	89,284	15,336	20.7%	15,336	20.7%		
Hospital Services	-	-	-	-	-	-	14,939	-	14,939	(142)	-	-	-	14,939	(142)	-0.9%	(142)	-0.9%		
Subtotal Uses	\$ 410,155	\$ 120,957	\$ 19,374	\$ 89,284	\$ 20,093	\$ 28,446	\$ 16,839	\$ 705,148	\$ 705,148	\$ 56,341	\$ 56,341	\$ 56,341	\$ 705,148	\$ 56,341	8.7%	\$ 56,341	8.7%			
Reserves and Contingencies																				
University Contingency	\$ 2,000	\$ -	\$ 374	\$ 1,670	\$ -	\$ -	\$ -	\$ -	\$ 4,044	\$ (40)	\$ -	\$ -	\$ -	\$ 4,044	\$ (40)	-1.0%	\$ (40)	-1.0%		
Other	350	-	30	-	-	-	-	-	380	-	-	-	-	380	-	0.0%	-	0.0%		
Subtotal Contingencies	\$ 2,350	\$ -	\$ 404	\$ 1,670	\$ -	\$ -	\$ -	\$ -	\$ 4,424	\$ (40)	\$ -	\$ -	\$ -	\$ 4,424	\$ (40)	-0.9%	\$ (40)	-0.9%		
Total University Uses	\$ 412,505	\$ 120,957	\$ 19,778	\$ 90,954	\$ 20,093	\$ 28,446	\$ 16,839	\$ 709,572	\$ 709,572	\$ 56,301	\$ 56,301	\$ 56,301	\$ 709,572	\$ 56,301	8.6%	\$ 56,301	8.6%			

Key 2006-07 Budget Plan Highlights

¢ **Budget Development Environment and Key Spending Drivers:** The 2006-07 University Budget Plan was developed within the overall framework of the University's Strategic Plan, the six-year financial plans developed last year, 2006 General Assembly actions, and tuition and fee rates adopted by the Board of Visitors for 2006-07. Allocation of resources reflect two principal drivers:

- 1) Presidential priorities
 - Research;
 - Medicine;
 - Life Sciences;
 - International Education;
 - Engineering;
 - Business;
 - Interdisciplinary Film Program, and
- 2) Strategic Plan priorities
 - University College;
 - School of Medicine (Public Health);
 - Honors College; and
 - VCU Libraries.

The 2006-07 budget includes funding to support capital commitments and unavoidable cost increases, such as operation and maintenance costs for new facilities coming on-line, lease costs for Theatre Row, and utility price increases.

Funding has also been provided to address state-mandated cost increases for faculty and staff fringe benefit rate increases, property insurance rate increases, and eVa procurement system transaction fees.

¢ **Revenues and Expenditures:** Table B on page I-5 presents the 2006-07 revenue and expenditure budget by major fund source and program classification. Budgeted revenue is derived from two sources – state general fund appropriations and a variety of nongeneral fund revenues.

State general fund appropriations come from state tax revenue appropriated by the General Assembly. General Fund appropriations are used primarily to support Educational and General (E&G) programs and Student Financial Assistance programs.

Nongeneral funds describe revenues raised by VCU from six major sources:

- Student tuition and fees;
- Grants and contracts (expenditures by federal, state and local agencies' sponsored projects and student aid grants);
- Gifts (private money received from donors);
- Investment and endowment earnings (interest earned on the University's cash investment pool and endowment payouts from the University's affiliated foundations);

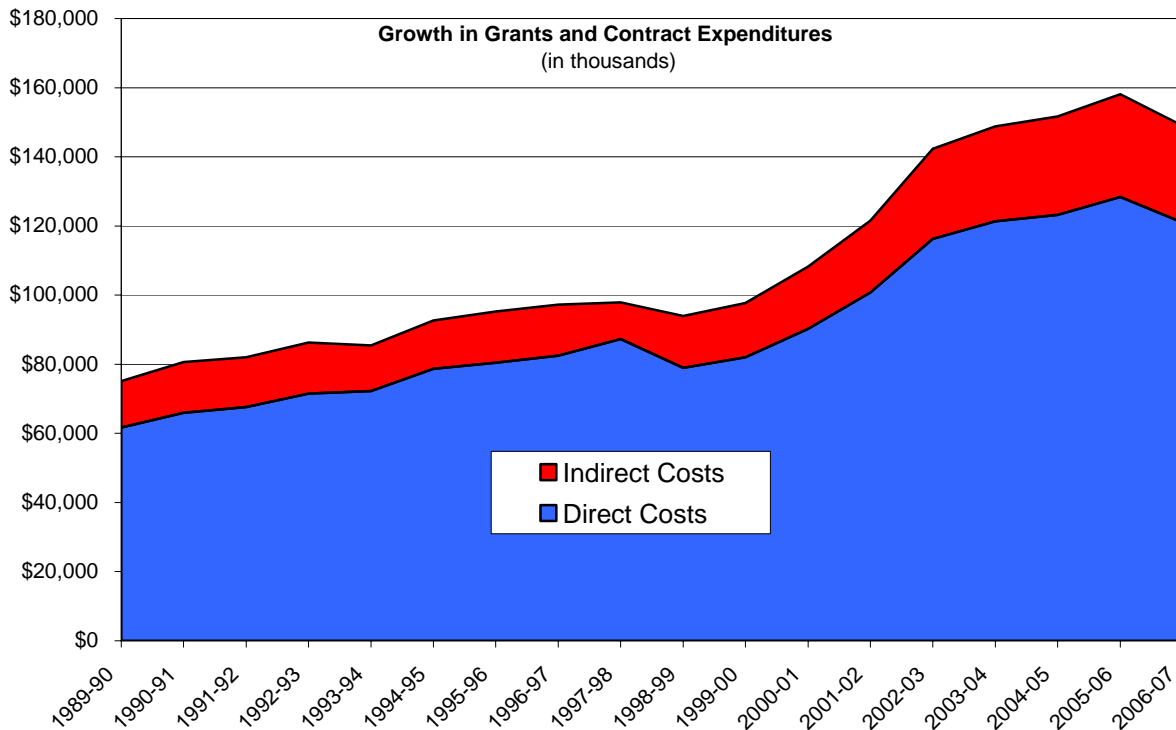
- Sales and services (charges made by organizational units for goods and services, such as University housing and food services); and
- Unrestricted gifts from MCV Physicians to support the academic mission of the School of Medicine.

Nongeneral fund revenues support a variety of program purposes, including E&G programs, auxiliary enterprises, sponsored research activities, student financial assistance, and other programs.

¢ **Grants and Contracts:** Awards in sponsored programs are estimated to total about \$171.1 million in 2006-07. The graph below shows the growth in total grants and contracts for both direct and indirect costs, exclusive of grants for student assistance.

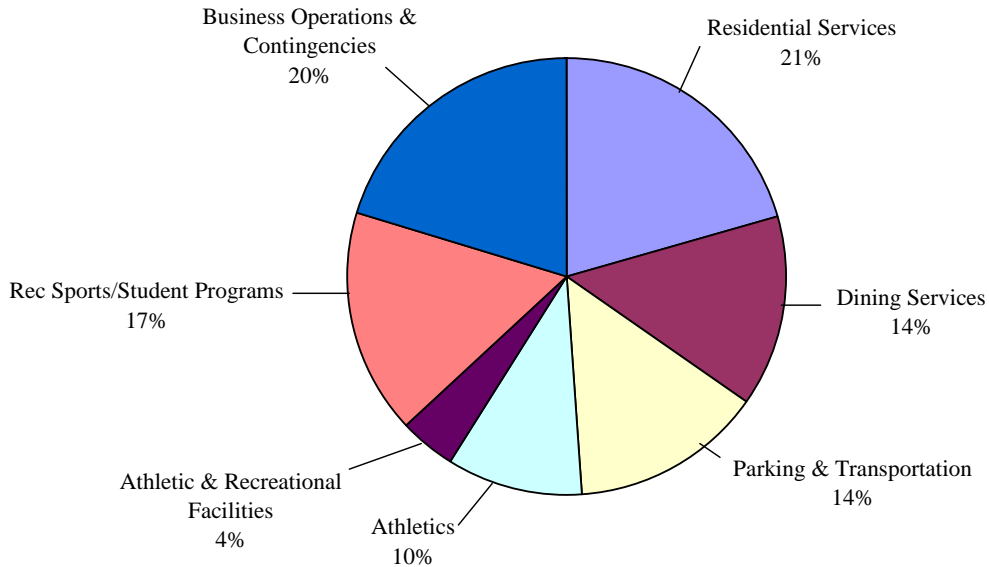
- Since 1989-90, direct costs have risen from \$61.7 million to \$121.0 million in 2006-07. Indirect costs have increased from \$13.4 million to an estimated \$28.0 million over the same period.
- Projected levels for 2006-07 reflect stagnant federal funding for sponsored programs, including a decline in research funding through the National Institutes of Health.

Note: Award totals for sponsored programs for a given year routinely differ from revenues and expenditures for that year because awards often apply to more than one year and expenses may occur over more than one year.



¢ **Auxiliary Enterprises:** Auxiliary Enterprises provide a variety of goods and services to students, faculty and staff, including residential and food services, student health programs, parking and transportation, student recreational programs, student centers, bookstores, and

intercollegiate athletics. Auxiliary programs receive no state taxpayer support and are funded through user fees, sales, and mandatory student fees. For 2006-07, sources supporting auxiliary programs total about \$93.7 million. The allocation of sources supporting the auxiliary enterprises budget by program area is depicted below:



Auxiliary Enterprises accumulate reserves in order to maintain facilities, finance renovation and construction costs, and address unanticipated costs. During the fiscal year, auxiliary enterprise programs are projected to use about \$4.7 million in balances and add \$2.7 million to reserves. A full accounting of sources and uses is detailed behind Tab II under Auxiliary Enterprises.

- Ⓒ **Reserves and Contingencies:** A total of \$4.4 million is budgeted University-wide for reserves and contingencies in 2006-07. The largest contingency -- \$2.0 million -- is budgeted in E&G programs and represents about 0.5% of the total E&G operating budget. The second largest contingency is the University Fee contingency in auxiliary enterprises at about \$1.7 million. This reserve provides a pool of funds to be allocated during the year to address unanticipated cost increases and other one-time funding needs.
- Ⓒ **Staffing:** State appropriated full-time equivalent (FTE) staffing includes instructional faculty, administrative and professional faculty, classified staff, adjunct/part-time faculty, and graduate teaching assistants. State appropriated staffing applies to all fund sources (general funds and nongeneral funds) for which the expenditure of funds is contingent upon state spending authority. As a result of an amendment adopted by the 2003 General Assembly, E&G state appropriated staffing levels are now used for reference and may fluctuate depending upon workload and funding availability. For 2006-07, the University's internal authorized full-time equivalent (FTE) staffing level is 5,425.30.

- ¢ A summary of all new initiatives funded through the University's key discretionary budgets (E&G Programs, FACR, Auxiliary Enterprises, and University Funds) is presented in Table C.

- ¢ A more detailed discussion of the 2006-07 budget by fund group (Educational and General Programs, Sponsored Programs, Facilities and Administrative Cost Recoveries, Auxiliary Enterprises, University Funds, Student Financial Assistance, and Hospital Services) is included at Tab II.

TABLE C
Virginia Commonwealth University
2006-07 University Budget Plan
Initiatives by Fund Source

	New E&G Funding	E&G Reallocations	FACR Funding	University Fee	University Funds	Total All Funds
1. Instruction						
Establish University College	\$1,008,732	\$0	\$0	\$0	\$0	\$1,008,732
School of Allied Health Professions	278,950	-	-	-	-	278,950
School of the Arts	349,377	-	-	-	-	349,377
School of Business	1,879,000	-	-	-	-	1,879,000
School of Dentistry	392,000	-	-	-	-	392,000
School of Engineering	3,990,807	-	-	-	-	3,990,807
School of Mass Communications	500,000	-	-	-	-	500,000
School of Medicine	2,417,075	-	-	-	-	2,417,075
School of Nursing	294,739	-	-	-	-	294,739
School of Pharmacy	140,000	-	-	-	-	140,000
School of Social Work	38,000	-	-	-	-	38,000
College of Humanities and Sciences	1,260,000	-	-	-	-	1,260,000
Grace E. Harris Leadership Institute	100,000	-	-	-	-	100,000
Health Sciences	1,175,222	-	-	-	-	1,175,222
Honors College	102,758	-	-	-	-	102,758
Interdisciplinary Film Program	250,000	-	-	-	-	250,000
International Education	628,104	-	-	-	-	628,104
Life Sciences	250,000	-	-	-	-	250,000
Monroe Park Campus space needs	210,000	-	-	-	-	210,000
Nonresident Enrollment Initiative - School allocations	900,000	-	-	-	-	900,000
Total Support for Instructional Programs	\$16,164,764	-	-	-	-	\$16,164,764
2. Academic Support						
University Libraries	\$960,856	-	-	-	-	\$960,856
Total Academic Support	\$960,856	-	-	-	-	\$960,856
3. Student Services						
Student financial assistance and Financial Aid Office staffing	\$551,795	-	-	-	\$157,000	\$708,795
Student recruitment initiatives	327,590	-	-	-	-	327,590
Student Services - staffing	92,000	-	-	-	-	92,000
Total Student Services	\$971,385	-	-	-	\$157,000	\$1,128,385
4. Institutional Support and Operation & Maintenance of Plant						
Utility rate increases	\$1,791,000	-	-	-	-	\$1,791,000
Facilities, rent, insurance, state mandates, and other cost increases	1,213,261	-	-	-	-	1,213,261
Controller's Office - staffing	130,279	-	-	-	-	130,279
University Advancement - staffing	-	-	-	-	69,415	69,415
Human Resources Office staffing and programming	184,760	-	-	-	-	184,760
Creative Services - staffing	66,750	-	-	-	-	66,750
Total Institutional Support and Operation & Maintenance of Plant	\$3,386,050	-	-	-	\$69,415	\$3,455,465
5. Technology						
Information security management	\$488,862	-	-	-	-	\$488,862
Security and Network Operations Center	312,357	-	-	-	-	312,357
VCUNet infrastructure upgrade	899,453	-	602,280	-	-	1,501,733
Maintenance for reporting, cashiering, and course scheduling modules	95,000	-	-	-	-	95,000
Total Technology	\$1,795,672	-	\$602,280	-	-	\$2,397,952
6. General Fund Initiatives - 2006 General Assembly						
Council on Economic Education	\$75,000	-	-	-	-	\$75,000
Center on Aging	45,000	-	-	-	-	45,000
Virginia Geriatric Education Center	375,000	-	-	-	-	375,000
Palliative Care Program	100,000	-	-	-	-	100,000
Autism Services	150,000	-	-	-	-	150,000
Total General Fund Initiatives	\$745,000	-	-	-	-	\$745,000

TABLE C
Virginia Commonwealth University
2006-07 University Budget Plan
Initiatives by Fund Source

	New E&G Funding	E&G Reallocations	FACR Funding	University Fee	University Funds	Total All Funds
7. Auxiliary Enterprises						
Intercollegiate Athletics						
Staffing	-	-	-	\$190,431	-	\$190,431
Programs for student athletes	-	-	-	382,225	-	382,225
Utilities, facilities, insurance, and other operating costs	-	-	-	464,000	-	464,000
Total Intercollegiate Athletics	-	-	-	\$1,036,656	-	\$1,036,656
Student Facilities and Programs						
Student Affairs - student programming and staffing	-	-	-	\$192,587	-	\$192,587
Facilities, debt service, repair and reserve funding and other operating	-	-	-	2,171,040	-	2,171,040
Total Student Facilities and Programs	-	-	-	\$2,363,627	-	\$2,363,627
Other Programs						
Monroe Park Campus Addition parking deck	-	-	-	\$540,610	-	\$540,610
Belvidere and West Grace parking deck	-	-	-	385,529	-	385,529
Eighth and Duvall parking deck	-	-	-	449,425	-	449,425
Safe Ride Program	-	-	-	123,000	-	123,000
Reserve for Monroe Park Campus expansion and other needs	-	-	-	58,900	-	58,900
Total Other Programs	-	-	-	\$1,557,464	-	\$1,557,464
Total Auxiliary Enterprises	-	-	-	\$4,957,747	-	\$4,957,747
8. Research and Research-Related Support						
Higher Education Research Initiative	\$3,100,000	-	-	-	-	\$3,100,000
Grants and Contracts Accounting	-	109,368	87,000	-	-	196,368
Sponsored Programs Administration	-	262,809	10,000	-	-	272,809
Compliance Office	62,500	-	188,000	-	-	250,500
Animal Resources and Research Education and Compliance	-	-	248,000	-	-	248,000
Graduate Scholarships and Fellowships	-	-	73,000	-	-	73,000
School of Engineering - FACR revenue growth (estimated)	-	-	100,000	-	-	100,000
VP Research pool	-	-	141,000	-	-	141,000
Reserve for Master Lease	-	-	200,000	-	-	200,000
Total Research and Research Related	\$3,162,500	\$372,177	\$1,047,000	-	-	\$4,581,677
9. Presidential Priority Fund	\$3,915,000	-	-	-	-	\$3,915,000
10. Grand Total	\$31,101,227	\$372,177	\$1,649,280	\$4,957,747	\$226,415	\$38,306,846

**VIRGINIA COMMONWEALTH UNIVERSITY
2006-07 UNIVERSITY BUDGET PLAN**

Educational and General Programs

TABLE A
Virginia Commonwealth University
2006-07 University Budget Plan
Educational and General Programs
(in thousands)

	2005-06 Budget	2006-07 Budget Plan	Change Over 2005-06
A. SOURCES			
1. State General Fund*	\$ 167,676	\$ 195,052	16.3%
2. Nongeneral Fund			
a. Student Tuition and Fees	\$ 159,115	\$ 174,937	9.9%
b. Grants and Contracts	8,222	8,222	0.0%
c. Sales and Services	30,940	33,940	9.7%
d. Other	354	354	0.0%
e. Total Nongeneral Fund Sources	<u>\$ 198,631</u>	<u>\$ 217,453</u>	9.5%
Total Sources	<u><u>\$ 366,307</u></u>	<u><u>\$ 412,505</u></u>	12.6%
B. USES			
1. Instruction	\$ 211,569	\$ 242,734	14.7%
2. Research	5,623	8,888	58.1%
3. Public Service	3,981	4,915	23.5%
4. Academic Support	52,197	55,368	6.1%
5. Student Services	12,468	13,270	6.4%
6. Institutional Support	38,727	41,909	8.2%
7. Operation and Maintenance of Plant	35,712	38,834	8.7%
8. Scholarships and Fellowships	3,680	4,237	15.1%
9. Reserves and Contingencies			
a. University Contingency	2,000	2,000	0.0%
b. Other	350	350	0.0%
Total Uses	<u><u>\$ 366,307</u></u>	<u><u>\$ 412,505</u></u>	12.6%

* State taxpayer support. Includes both direct appropriations and estimated central transfers for 2006-07.

Virginia Commonwealth University 2006-07 University Budget Plan Educational and General Programs

Overview

Educational and General (E&G) programs include all of the University's instructional programs and related support services. Revenue is derived mainly from state general fund appropriations, student tuition, and instructional fees. The 2006-07 budget reflects the actions of the 2006 General Assembly and tuition and fee rates as approved by the Executive Committee of the Board of Visitors at its meeting on April 14, 2006.

Highlights

A summary of E&G sources and uses, which total \$412.5 million, is presented in Table A.

The 2006-07 E&G budget plan was guided by the framework of the University's Strategic Plan and its six-year financial plan. Available funding for 2006-07 includes additional state general fund support for base adequacy and enrollment growth, salary increases for faculty and staff, and other actions of the 2006 General Assembly.

Allocation of resources is consistent with a series of presidential priorities and with the priorities identified in the University's Strategic Plan. Those priorities are detailed below.

Presidential priorities

- Research;
- Medicine;
- Life Sciences;
- International Education;
- Engineering;
- Business;
- Interdisciplinary Film Program, and

Strategic Plan priorities

- University College;
- School of Medicine (Public Health);
- Honors College; and
- VCU Libraries.

Funding also has been provided to address state-mandated fringe benefit rate increases for faculty and staff, rate increases for property and casualty insurance, and increased transaction fees for the state's procurement system (eVA).

The 2006-07 budget includes funding to support capital commitments and unavoidable cost increases, such as operation and maintenance costs for new facilities coming on-line, lease costs for Theatre Row, and utility price increases.

Finally, the E&G budget includes \$3.9 million for a pool of funds to be allocated during the fiscal year for Presidential priorities. This is a one-time source of funds for 2006-07 and will be fully allocated in the base budget for 2007-08.

Changes to the University's general fund (state taxpayer) support are summarized below:

- Compensation. The budget plan includes an average 4.0% salary increase for full-time teaching and research faculty, adjunct faculty, administrative faculty, and graduate assistants. The budget plan also reflects a 4.0% increase for classified staff. Salary actions for both faculty and staff are effective November 25, 2006. The University's 2006-07 budget plan includes about \$3.2 million in additional general fund support for the cost of the salary increase in 2006-07. In addition, the University will contribute approximately \$2.6 million in 2006-07 from nongeneral fund (tuition) revenue to fund its share of the salary increases.
- Base Adequacy and Enrollment Growth. The 2006 Session of the General Assembly allocated an additional \$14.8 million in general fund support for base adequacy in 2006-07. Coupled with tuition and fee revenue and other University budget and revenue sources, these additional resources will be directed to Presidential priorities, Strategic Plan priorities, state mandated cost increases, capital commitments and unavoidable costs as presented in Table D.
- Higher Education Research Initiative. An additional \$3.1 million in general funds is included in the budget for the Higher Education Research Initiative.
- School of Engineering. An additional \$3.0 million in general funds will be provided to the School of Engineering in support of the Infineon Technologies, Inc. major expansion.
- Center on Aging. An additional \$420,000 in general funds is included in the budget for the Center on Aging, including \$375,000 for the Virginia Geriatric Education Center.
- Virginia Autism Center. An additional \$150,000 in general funds is provided for the creation of satellite offices in Northern Virginia, Tidewater, Southside Virginia, and Southwest Virginia.
- Palliative Care Program. An additional \$100,000 in general funds is included in the budget for VCU's palliative care program.
- Council on Economic Education. An additional \$75,000 in general funds is included in the budget for the Council on Economic Education.

Table B presents a summary of 2006-07 changes in state general fund support for the University's core operating programs, as well as for new initiatives and other priorities of the Governor and General Assembly.

Table C presents a summary of changes in projected tuition and fee revenue above the 2005-06 budget, including enrollment growth, tuition rate changes, and other program and fee adjustments.

Table D presents a summary of all 2006-07 initiatives funded through the E&G budget.

Table E summarizes adjustments to the base budget of each school or other operating unit for all new funding in the 2006-07 budget.

TABLE B
Virginia Commonwealth University
2006-07 University Budget Plan
State General Fund Adjustments - E&G Budget

	Additional General Funds 2006-07
1. Base Adequacy	\$14,792,743
2. Compensation Adjustments	
a. Faculty salary increase - 4.0% <i>(Requires estimated tuition match of \$1.9 million)</i>	2,355,413
b. Classified salary increase - 4.0% <i>(Requires estimated tuition match of \$664,000)</i>	816,500
c. 2006-07 fringe benefit rate changes <i>(Requires estimated tuition match of \$2.3 million)</i>	2,410,000
3. Subtotal - Compensation Adjustments	\$5,581,913
4. Higher Education Research Initiative	3,100,000
5. School of Engineering - Infineon Technologies	3,000,000
6. Center on Aging and Virginia Geriatric Education Center	420,000
7. Autism Program of Virginia	150,000
8. Palliative Care Program	100,000
9. Council on Economic Education	75,000
10. Operation and maintenance - School of Nursing Building	57,124
11. Central state agency charges and technical adjustments	99,220
12. Total of 2006-07 State General Fund Changes	\$27,376,000

TABLE C
Virginia Commonwealth University
2006-07 University Budget Plan
Projected Tuition and Fee Budget Adjustments Above 2005-06 Budget

	Tuition and Fee Revenue
1. Projected 2006-07 enrollment growth (excluding dedicated tuition revenue)	\$5,013,600
2. Additional revenue from general 6.5% resident rate increase	6,625,500
3. Dedicated Tuition and Fee Revenues	
a. Mass Communications - Strategic Public Relations	\$500,000
b. Business - Fast Track Information Systems	530,000
c. Business - Cairo MBA	600,000
d. Business - undergraduate resident enrollment growth	63,000
e. Engineering - undergraduate resident enrollment growth	208,000
f. Engineering - undergraduate tuition differential	436,000
g. Dentistry - enrollment mix and nonresident rate adjustment	392,000
h. School of Medicine - enrollment mix and nonresident rate increase	1,270,000
i. PharmD nonresident rate increase	50,000
j. Nurse Anesthesia - market based rate adjustment	92,500
k. Engineering - lab fees	41,600
4. Subtotal - Dedicated Tuition and Fee Revenue	\$4,183,100
5. Total of Tuition and Fee Increases Above 2005-06 Budget	\$15,822,200

TABLE D
Virginia Commonwealth University
2006-07 University Budget Plan

E&G Initiatives

	New E&G Funding	E&G Reallocations	Total
1. Instruction			
Establish University College	\$1,008,732	-	\$1,008,732
School of Allied Health Professions	\$278,950		278,950
School of the Arts	\$349,377		349,377
School of Business	1,879,000	-	1,879,000
School of Dentistry	392,000		392,000
School of Engineering	3,990,807	-	3,990,807
School of Mass Communications	500,000		500,000
School of Medicine	2,417,075		2,417,075
School of Nursing	294,739	-	294,739
School of Pharmacy	140,000	-	140,000
School of Social Work	38,000		38,000
College of Humanities and Sciences	1,260,000		1,260,000
Grace E. Harris Leadership Institute	100,000		100,000
Health Sciences	1,175,222		1,175,222
Honors College	102,758	-	102,758
Interdisciplinary Film Program	250,000	-	250,000
International Education	628,104	-	628,104
Life Sciences	250,000	-	250,000
Monroe Park Campus space needs	210,000	-	210,000
Nonresident Enrollment Initiative - School allocations	900,000	-	900,000
Total Support for Instructional Programs	\$16,164,764	-	\$16,164,764
2. Academic Support			
University Libraries	\$960,856	-	\$960,856
Total Academic Support	\$960,856	-	\$960,856
3. Student Services			
Need-based student financial assistance	\$500,000	-	\$500,000
Financial Aid Office staffing	51,795	-	51,795
Student recruitment initiatives	327,590	-	327,590
Student Services - staffing	92,000	-	92,000
Total Student Services	\$971,385	-	\$971,385
4. Institutional Support and Operation & Maintenance of Plant			
Utility rate increases	\$1,791,000	-	\$1,791,000
Campus Police - staffing and access control maintenance costs	261,905	-	261,905
Operation and maintenance and repair and reserve funding	181,500	-	181,500
State administrative mandates - eVA and supplier diversity program	494,025	-	494,025
Rent, insurance, and contract cost increases	275,831	-	275,831
Controller's Office - staffing	130,279	-	130,279
Human Resources Office staffing and programming	184,760	-	184,760
Creative Services - staffing	66,750	-	66,750
Total Institutional Support and Operation & Maintenance of Plant	\$3,386,050	-	\$3,386,050

TABLE D
Virginia Commonwealth University
2006-07 University Budget Plan

E&G Initiatives

	New E&G Funding	E&G Reallocations	Total
5. Technology			
Information security management	\$488,862	-	\$488,862
Security and Network Operations Center	312,357	-	312,357
VCUNet infrastructure upgrade	899,453	-	899,453
Maintenance for reporting, cashiering, and course scheduling modules	95,000	-	95,000
Total Technology	\$1,795,672	-	\$1,795,672
6. General Fund Initiatives - 2006 General Assembly			
Council on Economic Education	\$75,000	-	\$75,000
Center on Aging	45,000	-	45,000
Virginia Geriatric Education Center	375,000	-	375,000
Palliative Care Program	100,000	-	100,000
Autism Services	150,000	-	150,000
Total General Fund Initiatives	\$745,000	-	\$745,000
7. Research and Research-Related Support			
Higher Education Research Initiative	\$3,100,000	-	\$3,100,000
Grants and Contracts Accounting	-	109,368	109,368
Sponsored Programs Administration	-	149,340	149,340
Electronic Research Administrative System	-	113,469	113,469
Compliance Office	62,500	-	62,500
Total Research and Research Related	\$3,162,500	\$372,177	\$3,534,677
8. Presidential Priority Fund	\$3,915,000	-	\$3,915,000
9. Grand Total	\$31,101,227	\$372,177	\$31,473,404

TABLE E

**Virginia Commonwealth University
2006-07 University Budget Plan
Educational and General Programs**

Allocation of New E&G Funding by Major Budget Unit

	2005-06 Budget	Instructional Programs	Academic Support	Student Services	Institutional Support / O&M	Research / Public Service	2006-07 Adjusted Budget
President	\$4,292,757	-	-	-	62,500	-	\$4,355,257
Provost / Academic Affairs							
Office of the Provost	\$2,296,517	-	-	-	-	-	\$2,296,517
Community Programs	3,409,268	-	-	-	-	-	3,409,268
Graduate Studies	2,275,115	-	-	-	-	-	2,275,115
Office of International Education	1,850,158	628,104	-	-	-	-	2,478,262
Life Sciences	3,142,028	250,000	-	-	-	-	3,392,028
Off-Campus Studies	1,789,420	-	-	-	-	-	1,789,420
Student Affairs	9,789,085	-	-	971,385	-	-	10,760,470
VCU Libraries	12,132,528	-	960,856	-	-	-	13,093,384
Office of VP Academic Affairs	7,255,750	102,758	-	-	-	-	7,358,508
School of the Arts	40,895,909	3,599,377	-	-	-	-	44,495,286
College of Humanities and Sciences	40,494,161	2,768,732	-	-	-	100,000	43,362,893
School of Business	18,157,524	1,879,000	-	-	-	75,000	20,111,524
School of Education	9,087,139	-	-	-	-	-	9,087,139
School of Engineering	9,363,849	3,990,807	-	-	-	-	13,354,656
School of Social Work	4,442,475	38,000	-	-	-	-	4,480,475
Executive Level Total	\$166,380,926	\$13,256,778	\$960,856	\$971,385	\$0	\$175,000	\$181,744,945
Health Sciences							
Office of the Vice President	\$4,236,753	\$500,000	-	-	-	-	\$4,736,753
School of Allied Health Professions	10,015,947	278,950	-	-	-	-	10,294,897
School of Dentistry	17,231,916	392,000	-	-	-	-	17,623,916
School of Medicine	65,914,484	2,417,075	-	-	-	670,000	69,001,559
School of Nursing	5,987,228	294,739	-	-	-	-	6,281,967
School of Pharmacy	9,933,806	140,000	-	-	-	-	10,073,806
Executive Level Total	\$113,320,134	\$4,022,764	\$0	\$0	\$0	\$670,000	\$118,012,898
Research	\$3,286,032	-	-	-	-	-	\$3,286,032
Finance and Administration							
Office of the Senior Vice President	\$861,170	-	-	-	-	-	\$861,170
Business Services and Treasurer	4,928,159	630,750	-	-	1,219,236	-	6,778,145
Human Resources	3,041,394	-	-	-	184,760	-	3,226,154
Facilities Management	27,717,692	-	-	-	2,181,972	-	29,899,664
Budget and Controller	3,284,981	-	-	-	130,279	-	3,415,260
Technology Services	20,088,901	700,428	299,818	15,000	780,428	-	21,884,575
Campus Police and Security	4,314,503	-	-	-	261,905	-	4,576,408
Executive Level Total	\$64,236,800	\$1,331,178	\$299,818	\$15,000	\$4,758,580	\$0	\$70,641,376
Advancement	\$2,074,327	-	-	-	-	-	\$2,074,327
Government Relations	\$514,253	-	-	-	-	-	\$514,253
External Relations	\$2,996,585	-	-	-	\$66,750	-	\$3,063,335
University Contingency	\$1,900,000	-	-	-	-	-	\$1,900,000
Central Accounts*	\$7,305,053	-	-	-	(\$346,380)	-	\$6,958,673
a. Salary and fringe benefits	-	7,739,100	1,910,113	315,561	1,820,216	254,480	12,039,470
b. Nonresident enrollment initiative	-	900,000	-	-	-	-	900,000
c. Higher Education Research Initiative	-	-	-	-	-	3,100,000	3,100,000
d. Presidential Priorities	-	3,915,335	-	-	-	-	3,915,335
Subtotal - Central Accounts	\$7,305,053	\$12,554,435	\$1,910,113	\$315,561	\$1,473,836	\$3,354,480	\$26,913,478
Grand Total	\$366,306,867	\$31,165,155	\$3,170,787	\$1,301,946	\$6,361,666	\$4,199,480	\$412,505,901

* Central accounts refers to a budget category for University expenses or reserves that are held centrally and are not attributable to a school, department or administrative unit. During the year, the budget is reduced based on actual expenses or, for contingency accounts, the budget is reallocated to other budget accounts in the University. The allocation of funding for the 2006-07 salary increase and the Higher Education Research Initiative will be determined later in the fiscal year. Examples of central accounts include the University contingency, leased property, insurance, debt service, and an expenditure budget pool for the student technology fee.

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**VIRGINIA COMMONWEALTH UNIVERSITY
2006-07 UNIVERSITY BUDGET PLAN**

**Sponsored Programs
Facilities and Administrative Cost Recoveries**

Table A
Virginia Commonwealth University
2006-07 University Budget Plan
Sponsored Programs
(in thousands)

	2005-06 Budget	2006-07 Budget Plan	Change Over 2005-06
A. SOURCES			
DIRECT COSTS			
1. Federal Grants and Contracts Revenue			
Associated with Direct Costs			
a. Department of Health and Human Services	\$ 54,663	\$ 52,284	-4.4%
b. Department of Education	4,897	4,512	-7.9%
c. Other Federal Agencies	16,328	15,168	-7.1%
d. Total Federal Grants and Contracts	<u>\$ 75,888</u>	<u>\$ 71,964</u>	-5.2%
2. Other Grants and Contracts Revenue			
Associated with Direct Costs			
a. State Agency Grants and Contracts	\$ 28,495	\$ 26,732	-6.2%
b. Private and Local Agency Grants and Contracts	23,389	21,620	-7.6%
c. State General Fund Grants and Transfers	641	641	0.0%
d. Total Other Grants and Contracts	<u>\$ 52,525</u>	<u>\$ 48,993</u>	-6.7%
3. Total Sources Associated with Direct Costs	\$ 128,413	\$ 120,957	-5.8%
FACILITIES & ADMINISTRATIVE COST RECOVERIES	<u>\$ 29,704</u>	<u>\$ 28,000</u>	-5.7%
4. Total Sources	<u><u>\$ 158,117</u></u>	<u><u>\$ 148,957</u></u>	-5.8%
B. USES			
1. Instruction	\$ 31,096	\$ 29,159	-6.2%
2. Research	111,602	104,422	-6.4%
3. Public Service	500	469	-6.2%
4. Academic Support	1,573	1,477	-6.1%
5. Student Services	-		n/a
6. Institutional Support	1,033	970	-6.1%
7. Operation and Maintenance of Plant	1,764	1,799	2.0%
8. Scholarships and Fellowships	1,938	2,035	5.0%
9. Transfer Facilities & Administrative Cost Recoveries to E&G	8,222	8,222	0.0%
10. Contingencies			
a. University Contingency	359	374	4.2%
b. Budget Correction Pool	30	30	0.0%
11. Total Uses	<u><u>\$ 158,117</u></u>	<u><u>\$ 148,957</u></u>	-5.8%

Virginia Commonwealth University
2006-07 University Budget Plan
Sponsored Programs
Facilities and Administrative Cost Recoveries

Overview

Sponsored programs include research projects, training grants, and similar activities that are funded through revenues received from governmental and private agencies for specific purposes. Sponsored programs are administered in accordance with the terms of the applicable grant or contract and the agency awarding the grant or contract. Because grant awards often apply to more than one year and expenses may occur over more than one year, revenues and expenditures for sponsored programs in a given year differ from award totals. In 2006-07, awards are estimated to total about \$171.1 million.

Highlights

A summary of projected sources and uses is presented in Table A. The budget plan assumes sources and uses of approximately \$148.9 million in 2006-07. Table A details direct research activity as well as administrative overhead and other support costs associated with the grants, which are known as Facilities and Administrative Cost Recoveries (FACR).

Table B presents a summary of the sources and uses for Facilities and Administrative Cost Recoveries. For 2006-07, total FACR revenue is estimated at \$28.0 million. Revenue estimates are based on projected levels of grants and contracts, direct expenditures, and the current recovery rate of 49% for on-campus federal facilities and administrative costs.

Table C presents a summary of budgeted FACR uses. In general, the FACR budget is allocated using a combination of a set percentage allocation of total sources; fixed commitments such as support for research institutes, graduate scholarships, and fellowships; capital requirements for debt service and facilities maintenance reserve; and new initiatives. The remaining balance after these allocations are met is directed to the Research Pool for the Vice President for Research.

Highlights of the 2006-07 FACR budget are as follows:

- Additional funding is provided for research support areas, including \$200,000 for animal resources and \$48,000 for Research Education and Compliance.
- An allocation of \$602,000 is budgeted for the research share of the VCUNet infrastructure upgrade. A total of \$1.3 million will be allocated to this project from the FACR budget over a four-year period.
- Additional funding of \$100,000 for facilities maintenance reserve projects is included, consistent with the state's increased general fund support for the maintenance reserve projects.
- An increase of \$73,000 is budgeted for graduate scholarships and fellowships, to compensate for 2006-07 tuition increases.
- Other new FACR budget allocations include \$188,000 for the VCU Compliance Office and \$97,000 for Grants and Contract Accounting, to support Banner and the Effort Reporting System.

- The 2006-07 FACR budget also includes continued support for the School of Medicine Research Plan. An estimated \$400,000 will be returned to the School for projected growth in FACR revenue generated from new researchers in the School of Medicine. Additional FACR allocations also will be made to the School consistent with the University's commitment to the Research Plan and actual FACR revenues in 2006-07.
- The University has also committed to returning 100% of growth in FACR revenue generated by the School of Engineering back to the School. For planning purposes, this allocation has been estimated at \$100,000 for 2006-07 but will be adjusted during the year based on actual revenue growth above the School's 2005-06 base.

TABLE B
Virginia Commonwealth University
2006-07 University Budget Plan
Facilities and Administrative Cost Recoveries
(in thousands)

	2005-06 Budget	2006-07 Budget Plan	Change Over 2005-06
SOURCES			
A. Total Estimated Revenue	\$ 29,704	\$ 28,000	-5.7%
B. Allocation to E&G	<u>(8,222)</u>	<u>(8,222)</u>	0.0%
C. Net Revenue Available	\$ 21,482	\$ 19,778	-7.9%
USES			
A. Academic VPs and Schools	\$ 6,832	\$ 6,325	-7.4%
B. Support for Research Operations	5,382	3,887	-27.8%
C. University Institutes and Centers	2,364	2,364	0.0%
D. Research Park Support	209	409	95.7%
E. Capital Related Activities	2,597	1,847	-28.9%
F. Graduate Scholarships & Fellowships	1,460	1,533	5.0%
G. Special Allocations	1,458	2,581	77.0%
H. School of Medicine Research Plan	791	428	-45.9%
I. Contingencies	<u>389</u>	<u>404</u>	3.9%
J. Total Uses	<u>\$ 21,482</u>	<u>\$ 19,778</u>	-7.9%
BUDGET BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	

TABLE C
Virginia Commonwealth University
2006-07 University Budget Plan
Facilities and Administrative Cost Recoveries (70%)
(in thousands)

	2005-06 Budget	2006-07 Budget Plan	Change Over 2005-06
1. Academic VPs / Schools Allocations			
Allocation to Vice Presidents - 18.4%	\$5,466	\$5,060	-7.4%
Depreciation Reserve - 4.6%	1,366	1,265	-7.4%
Total Academic VPs / Schools Allocations	<u>\$6,832</u>	<u>\$6,325</u>	-7.4%
2. Support for Research Operations			
Animal Resources	\$791	\$991	25.3%
Animal Facilities - capital needs	1,000	1,000	0.0%
Research Education and Compliance	121	169	39.7%
Research Subjects Protection	623	623	0.0%
Technology Transfer	342	342	0.0%
VP Research Special Projects	621	621	0.0%
VP Research Pool	1,884	141	-92.5%
Total Support for Research Operations	<u>\$5,382</u>	<u>\$3,887</u>	-27.8%
3. Institutes / Centers			
Behavioral / Psychiatric Genetics	\$655	\$655	0.0%
FACR Earnings to Behavioral / Psychiatric Genetics	45	45	0.0%
Center for Urban Development	150	150	0.0%
Proteomics	449	449	0.0%
Molecular Imaging Center	263	263	0.0%
Structural Biology / Drug Discovery	500	500	0.0%
Substance Abuse Treatment	302	302	0.0%
Total Institutes / Centers	<u>\$2,364</u>	<u>\$2,364</u>	0.0%
4. Research Park Support			
Research Park staff salary support	\$44	\$44	0.0%
Reserve for Master Lease	-	200	n/a
Other lease costs	165	165	0.0%
Total Research Park Support	<u>\$209</u>	<u>\$409</u>	95.7%
5. Capital Related Activities			
Facilities Maintenance Reserve	\$200	\$300	50.0%
Life Sciences Building - debt service	386	386	0.0%
Massey Cancer Center - equity contribution	350	-	-100.0%
Massey Cancer Center - debt service	120	120	0.0%
Medical Science Building - debt service	563	563	0.0%
Sanger Hall renovations - debt service	392	392	0.0%
Sanger Hall - research space renovations	500	-	-100.0%
Steam Plant - debt service	86	86	0.0%
Total Capital Related Activities	<u>\$2,597</u>	<u>\$1,847</u>	-28.9%
6. Graduate Scholarships and Fellowships	\$1,460	\$1,533	5.0%
7. Special Allocations			
Technology Services - 4% of FACR growth	\$73	\$0	-100.0%
University Libraries - 4% of FACR growth	19	-	-100.0%
University Libraries	100	100	0.0%
Honors Undergraduate Research Program	101	101	0.0%
School of Medicine - University budget reimbursement	1,165	1,165	0.0%
VCUNet infrastructure upgrade	-	602	n/a
School of Engineering FACR growth (estimated)	-	100	n/a
Compliance Office	-	188	n/a
Grants and Contracts Accounting	-	87	n/a
Effort Reporting System	-	10	n/a
Salary adjustment pool	-	228	n/a
Total Special Allocations	<u>\$1,458</u>	<u>\$2,581</u>	77.0%
8. School of Medicine Research Plan			
Growth from new SOM researchers	\$0	\$400	n/a
Growth above E&G 30% base	791	28	-96.5%
Total School of Medicine Research Plan	<u>\$791</u>	<u>\$428</u>	-45.9%
9. Contingencies			
University Contingency	\$359	\$374	4.2%
Budget Correction Pool	30	30	0.0%
Total Contingencies	<u>\$389</u>	<u>\$404</u>	3.9%
10. Grand Total Expenditures	<u><u>\$21,482</u></u>	<u><u>\$19,778</u></u>	-7.9%

**VIRGINIA COMMONWEALTH UNIVERSITY
2006-07 UNIVERSITY BUDGET PLAN**

Auxiliary Enterprise Programs

TABLE A
Virginia Commonwealth University
2006-07 University Budget Plan
Auxiliary Enterprise Programs
(in thousands)

	2005-06 Budget	2006-07 Budget Plan	Change Over 2005-06
A. SOURCES			
1. Sales & Services	\$ 24,313	\$ 26,473	8.9%
2. University Fee	23,430	28,674	22.4%
3. Room Plan	15,986	16,844	5.4%
4. Board Plan	10,719	11,727	9.4%
5. Health Fee	3,007	3,222	7.1%
6. Other			
a. Use of Balances	-	4,734	n/a
b. Interest Earnings	303	303	0.0%
c. Other Revenues	1,688	1,688	0.0%
7. Total Sources	<u>\$ 79,447</u>	<u>\$ 93,665</u>	17.9%
B. USES			
1. Intercollegiate Athletics	\$ 8,510	\$ 9,409	10.6%
2. Siegel Center & Other Facilities	3,492	3,818	9.3%
3. Residential Services	16,614	19,127	15.1%
4. Dining Services	11,912	12,701	6.6%
5. Student Unions	4,093	5,040	23.1%
6. Recreational Sports	2,864	3,733	30.3%
7. Student Services			
a. Student Health	3,657	4,184	14.4%
b. Student Development Programs	1,320	1,508	14.2%
8. Retail Services and Other Shops	2,535	2,340	-7.7%
9. Parking & Transportation	9,325	12,916	38.5%
10. Telecommunications	6,941	10,782	55.3%
11. Steam Plant	2,240	3,230	44.2%
12. Other	445	496	11.5%
13. Contingencies	1,725	1,670	-3.2%
14. Total Uses	<u>\$ 75,673</u>	<u>\$ 90,954</u>	20.2%
C. ADDITION TO RESERVES	\$ 3,773	\$ 2,711	n/a

Virginia Commonwealth University 2006-07 University Budget Plan Auxiliary Enterprise Programs

Overview

An auxiliary enterprise is a self-supporting unit that exists to serve students, faculty, or staff through the sale of goods or services. Auxiliary enterprises include intercollegiate athletics, residential facilities, student centers, student gymnasiums, student development programs, counseling services, student health services, food service facilities, bookstores, print shops, telecommunications, and parking and transportation.

Auxiliary enterprises are funded through user fees (e.g., dorm charges), revenue from sales and services (e.g., book sales, basketball tickets), and mandatory fees (University Fee and Student Health Fee). Auxiliary enterprise activities are required to be self-supporting. This means that the state does not provide any support, either for operating costs or for the maintenance or construction of facilities. Accordingly, auxiliary enterprises must accumulate reserves in order to meet unanticipated revenue shortfalls or expenditure needs, maintain facilities, and finance renovations and construction costs.

Highlights

A summary of sources and uses is presented on Table A. The budget for 2006-07 assumes sources of \$88.9 million and uses of approximately \$78.7 million. The budget reflects adjustments for rate increases approved by the Board of Visitors at its meeting on April 14, 2006. During the fiscal year, auxiliary enterprise programs are projected to use about \$4.7 million in balances and add \$2.7 million to reserves for planned projects involving student recreational facilities, dining facilities, and parking decks associated with the Monroe Park Campus addition.

Table B presents a summary of revenue by source and by specific auxiliary program. At \$28.7 million, the University Fee represents the largest category of auxiliary program revenues, followed by room and board fees at \$28.6 million and sales and services at \$26.5 million.

Table C presents a schedule of 2006-07 initiatives funded from the University Fee. The University Fee is a mandatory fee that supports a wide variety of student programs and services.

Table D presents a schedule of 2006-07 student parking rates.

TABLE B
Virginia Commonwealth University
2006-07 University Budget Plan
Auxiliary Enterprise Programs
(in thousands)

Program	Sources					Uses		
	Room and Board Fees	Sales and Services	University Fee	Health Fee	Other*	Total Revenue	Expenditures (net of Recoveries)	Planned Addition to Reserves
1. Intercollegiate Athletics	\$ -	\$ 1,456	\$ 8,014	\$ -	\$ -	\$ 9,470	\$ 9,409	\$ 61
2. Siegel Center & Other Facilities	-	792	3,061	-	-	3,853	3,818	35
3. Residential Services	16,844	-	421	-	1,862	19,127	19,127	-
4. Dining Services	11,727	1,756	-	-	-	13,483	12,701	782
5. Student Unions	-	162	4,833	-	45	5,040	5,040	-
6. Recreational Sports	-	243	4,513	-	-	4,756	3,733	1,023
7. Student Services								
a. Student Health	-	435	226	3,222	301	4,184	4,184	-
b. Student Development Programs	-	-	1,508	-	-	1,508	1,508	-
8. Retail Services and Other Shops	-	2,495	-	-	-	2,495	2,340	155
9. Parking & Transportation	-	9,080	3,996	-	100	13,176	12,916	260
10. Telecommunications	-	6,568	-	-	4,214	10,782	10,782	-
11. Steam Plant	-	3,363	-	-	-	3,363	3,230	133
12. Other	-	123	373	-	-	496	496	-
13. Contingency	-	-	1,729	-	-	1,729	1,670	59
14. Interest Earnings	-	-	-	-	203	203	-	203
15. Total	\$ 28,571	\$ 26,473	\$ 28,674	\$ 3,222	\$ 6,725	\$ 93,665	\$ 90,954	\$ 2,711

* Includes use of fund balances.

TABLE C
Virginia Commonwealth University
2006-07 University Budget Plan
Auxiliary Enterprise Programs
Changes in University Fee Supported Activities

A. Intercollegiate Athletics and Athletic Facilities	<u>2006-07</u>
1. Competitive Coaches' Salaries	\$ 88,450
To raise the compensation of VCU's coaches to the mean salary of coaches at competitive athletic programs.	
2. Women's Sports Operating Expenses	100,000
To support equal opportunities and resources for all athletic program participants.	
3. Inflationary Cost Increases	60,000
To fund unavoidable cost increases such as student-athlete accident insurance, game official fees, physical plant charges, utilities, and indirect cost charges.	
4. Athletic Grant Rate Increases	41,475
To provide additional funds for athletic grants to cover the cost of rate increases.	
5. Athletic Grants Expansion	48,750
To fund additional out-of-state athletic grants, increasing the potential for success programs that are not fully funded.	
6. Degree Completion	100,000
To provide additional resources allowing student-athletes to complete degree requirements.	
7. Staff Reorganization	101,981
To fund the reorganization of Athletics' staff in conjunction with their new strategic plan.	
8. Women's Sports Additional Grants	92,000
To fund new grants for women's sports.	
9. Student Athlete Insurance	60,000
To fund increased costs of student athlete insurance.	
10. Game Official Fees	23,000
To pay increased costs of game official's fees for athletic events.	
11. Repair and Reserve Fund	100,000
To increase repair and reserve funds for Athletics' facilities.	
12. Sports Backers Stadium Locker Rooms	51,000
To fund costs of locker room improvements at Sports Backers Stadium.	

TABLE C
Virginia Commonwealth University
2006-07 University Budget Plan
Auxiliary Enterprise Programs
Changes in University Fee Supported Activities

13. Utilities and Physical Plant Cost Increases	170,000
To provide funding for unavoidable cost increases for utilities and physical plant.	
 B. Student Facilities and Programs	
1. Counseling Services Staff Alignment	28,587
To align clinical staff salaries with national averages.	
2. New Staff Positions	96,000
To fund new staff positions supporting increased demand placed upon student life services as a result of the increased student population.	
3. Student Life Weekend Programming	52,000
To increase funding for weekend student programs.	
4. Recreational Sports Repair and Reserve	50,000
To increase repair and reserve funds for Recreational Sports' Siegel Center equipment.	
5. Hunton Hall Debt Service	156,000
To fund debt service costs for renovation of Hunton Hall on the MCV Campus.	
6. Hunton Hall Operations and Maintenance	235,987
To fund operation and maintenance costs for Hunton Hall.	
7. Hunton Hall New Programming	142,477
To fund programming costs for Hunton Hall.	
8. Expand Flu Shot Program	16,000
Provide additional funds for flu shots.	
9. Student Commons Repair and Reserve	35,000
To increase repair and reserve funds for Student Commons equipment.	
10. Student Recreation Center	1,471,576
To begin set-aside of funds for construction of new student recreation center; expected project cost \$47 million.	
11. Utility Cost Increases for University Fee Space	80,000
To fund utility cost increases in University Fee-funded facilities.	

TABLE C
Virginia Commonwealth University
2006-07 University Budget Plan
Auxiliary Enterprise Programs
Changes in University Fee Supported Activities

C. Parking and Transportation	
1. Monroe Park Campus Addition Deck	540,610
To provide funding for operating and debt service requirements of the Monroe Park Campus Addition deck.	
2. Belvidere and West Grace Streets Parking Deck	385,529
To fund operating and debt service requirements of the Belvidere and West Grace Streets parking deck.	
3. Eighth and Duvall Streets Parking Deck	449,425
To fund operating and debt service requirements of the Eighth and Duvall Streets deck.	
4. Safe Ride Program	123,000
To expand funding for former Escort Services program.	
D. Other Programs	
1. Monroe Park Campus and Other Needs	58,900
To provide funding for site development costs.	
E. Compensation and Fringe Benefit Rate Changes	286,000
F. Total	\$ 5,243,747

TABLE D
Virginia Commonwealth University
2006-07 University Budget Plan
University Parking Rates

	2005-06 Rates	2006-07 Rates	Change Over 2005-06
Student Rates (per semester)			
<i>Monroe Park Campus</i>			
Student Commuters - All decks and on-campus lots	\$ 150.00	\$ 155.00	3.3%
Student Commuters - Off-campus lots	111.00	115.00	3.6%
Student Residential - All decks and on-campus lots	228.00	245.00	7.5%
Student Residential - All decks - 12-month lease	n/a	275.00	n/a
<i>MCV Campus</i>			
Student Commuters - All decks and on-campus lots	150.00	155.00	3.3%
Student Commuters - Off-campus lots	111.00	115.00	3.6%
Student Residential - All decks and on-campus lots	228.00	245.00	7.5%
Student Daily Rates - All lots	3.25	3.25	0.0%

**VIRGINIA COMMONWEALTH UNIVERSITY
2006-07 UNIVERSITY BUDGET PLAN**

University Funds

TABLE A
Virginia Commonwealth University
2006-07 University Budget Plan
University Funds
(in thousands)

	2005-06 Budget	2006-07 Budget Plan	Change Over 2005-06
A. SOURCES			
1. Gifts	\$ 900	\$ 1,000	11.1%
2. Endowment Income and Foundation Support	11,000	13,000	18.2%
3. Income from Trust Funds	700	750	7.1%
4. Investment Income	1,360	2,443	79.6%
5. Other Transfers	4,000	3,000	-25.0%
6. Total Sources	<u>\$ 17,960</u>	<u>\$ 20,193</u>	12.4%
B. USES			
1. Personal Services	\$ 12,971	\$ 13,664	5.3%
2. General Operating Costs	4,414	5,929	34.3%
3. Fixed Costs	575	600	4.3%
4. Recoveries and Transfers	(100)	(100)	0.0%
5. Total Uses	<u>\$ 17,860</u>	<u>\$ 20,093</u>	12.5%
C. BUDGET BALANCE	<u>\$ 100</u>	<u>\$ 100</u>	0.0%

Virginia Commonwealth University

2006-07 University Budget Plan

University Funds

Overview

University Funds include both restricted and unrestricted funds for which the sources of revenue are gifts to University departments, investment earnings, endowment income and foundation support, and other transfers. University Funds are deposited and disbursed through local bank accounts and are not included in funds appropriated by the General Assembly.

The University currently has about two thousand University Funds accounts from which expenditures are managed by deans, directors, and department heads. As such, the University Funds budget plan reflects an overall estimate of revenues and expenditures rather than an allocation of resources available centrally to the University.

Highlights

A summary of revenues and expenditures is presented on Table A. The budget plan assumes revenues and expenditures of approximately \$20 million in 2006-07.

Key assumptions regarding changes from the 2005-06 budget are as follows:

- Based on current year trends, revenue from *gifts* is expected to increase by \$100,000 from the 2005-06 budget. The majority of gifts are received by the University's affiliated foundations and then recorded in the *endowment income and foundation support* revenue category when transferred to the University for expenditure.
- Additional revenue of \$2,000,000 from *endowment income and foundation support* is expected in 2006-07, based on current revenue estimates.
- Based on current revenue trends, *income from trust funds* is expected to increase by \$50,000 in 2006-07.
- Revenue from *investment income* is expected to increase by \$1.1 million over 2005-06 budgeted amounts.
- *Other transfers* are expected to decrease by \$1 million from 2005-06 budgeted levels.

Table B presents a summary of estimated expenditures in the University Funds budget by program.

TABLE B
Virginia Commonwealth University
2006-07 University Budget Plan
University Funds
(in thousands)

	2005-06 Budget	2006-07 Budget Plan	Change Over 2005-06
Instruction	\$ 5,630	\$ 6,334	12.5%
Research	4,275	4,809	12.5%
Public Service	365	411	12.6%
Academic Support	1,627	1,830	12.5%
Student Services	177	199	12.4%
Institutional Support	1,951	2,195	12.5%
Operation and Maintenance of Plant	691	778	12.6%
Scholarships and Fellowships	<u>3,144</u>	<u>3,537</u>	12.5%
Total Uses	<u><u>\$ 17,860</u></u>	<u><u>\$ 20,093</u></u>	12.5%

**VIRGINIA COMMONWEALTH UNIVERSITY
2006-07 UNIVERSITY BUDGET PLAN**

Student Financial Assistance

TABLE A
Virginia Commonwealth University
2006-07 University Budget Plan
Student Financial Assistance
(in thousands)

DESCRIPTION	2005-06 Budget	2006-07 Budget Plan	Change Over 2005-06
A. Federal			
1. Grants/Scholarships			
a. Pell	\$ 11,405	\$ 10,992	-3.6%
b. Supplemental Education Opportunity Grants	500	538	7.6%
c. Other	140	154	10.0%
d. Total Grants/Scholarships	<u>\$ 12,045</u>	<u>\$ 11,684</u>	-3.0%
2. Work-Study	1,358	1,288	-5.2%
3. Total Federal	\$ 13,403	\$ 12,972	-3.2%
B. State			
1. Virginia Student Financial Assistance Program			
a. Scholarships	\$ 10,819	\$ 12,195	12.7%
b. Fellowships	1,689	2,635	56.0%
c. Total VA Student Financial Assistance Program	<u>\$ 12,508</u>	<u>\$ 14,830</u>	
2. College Scholarship Assistance Program	<u>419</u>	<u>419</u>	0.0%
3. Total State	\$ 12,927	\$ 15,249	18.0%
C. Private Scholarships	<u>\$ 225</u>	<u>\$ 225</u>	0.0%
D. Total Sources and Uses	<u><u>\$ 26,555</u></u>	<u><u>\$ 28,446</u></u>	7.1%

Virginia Commonwealth University

2006-07 University Budget Plan

Student Financial Assistance

Overview

Student Financial Assistance includes scholarships, grants and fellowships that are awarded to students without requiring work or service, and work-related programs. Amounts for the Federal Work-Study Program and Federal Supplemental Education Opportunity Grant Program are federal matching funds. Related University portions are reported in the various budgets where the expenditures are incurred. Tuition waivers and the undergraduate scholars program are also excluded.

Highlights

A summary of sources and uses is presented in Table A.

Preliminary estimates assume sources and uses of approximately \$28.4 million in 2006-07 through the Student Financial Assistance program budget. This total is in addition to other student aid of \$22.5 million, which is budgeted in other programs in the University's budget (see Table B). Total direct student aid is estimated at \$50.6 million.

Another estimated \$129 million will be available through the Federal Direct Student Loan Program in 2006-07. Alternative loan volume is estimated to be \$15 million in 2006-07.

Changes from the 2005-06 budget include:

- Additional state general fund support of \$2.3 million for the Virginia Student Financial Assistance Program. This increase reflects actions of the 2006 General Assembly, which provided additional general funds of \$1.4 million for undergraduate scholarships and \$946,000 for graduate fellowships.
- A reduced level of federal funding is expected in 2006-07. The Pell Grant Program is expected to be reduced by \$413,000, while Supplemental Educational Opportunity Grants and Other Grants and Scholarships are expected to increase \$38,000 and \$14,000 respectively. Federal funding for Work-Study is expected to decline by \$70,000.

The University supports an estimated additional \$22.5 million of student aid in other programs as shown on Table B.

TABLE B
Virginia Commonwealth University
2006-07 University Budget Plan
Student Financial Assistance
Summary of Other Sources of Student Financial Aid

	<u>2005-06</u>	<u>2006-07</u>
E&G Programs		
Tuition waivers, scholarships and wages for graduate teaching assistants, and need-based aid.	\$11,830,000	\$12,620,000
Facilities and Administrative Cost Recoveries		
Funding for 50 graduate fellowships	1,460,000	1,533,000
Auxiliary Enterprise Programs		
Athletic Scholarships	2,324,000	2,516,000
University Funds		
Scholarships and fellowships	3,144,000	3,537,000
School/departmental awards	2,170,000	2,275,000
Total	<u><u>\$20,928,000</u></u>	<u><u>\$22,481,000</u></u>

Glossary of Financial Aid Terms

Term	Description
<i>College Scholarship Assistance Program (CSAP)</i>	This program is both state and federally funded. This undergraduate grant does not need to be repaid. The CSAP is awarded to students who are Virginia residents and demonstrate need. Students must maintain at least half-time enrollment (6 credit hours) each semester.
<i>Commonwealth Award</i>	This is a state-funded grant that does not need to be repaid. This award is offered to Virginia residents demonstrating financial need and enrolled at least half-time.
<i>Employee Tuition Waiver</i>	This is the tuition cost associated with providing training and professional development opportunities for eligible employees through courses for academic credit at VCU.
<i>Federal Direct PLUS Loan</i>	This Federal Direct Parental Loan for Undergraduate Students (PLUS) is borrowed in one of the parents' names. This loan is dependent upon the parent passing a credit check and can be denied due to poor credit. A parent who is denied this loan may either add an endorser (co-signer) to the loan or may appeal the credit decision with the Loan Origination Center. The Federal loan has an origination fee that is deducted from the initial disbursement. The interest rate is variable annually with a maximum of 9%. Students must maintain at least half-time enrollment (6 credit hours) each semester.
<i>Federal Pell Grant</i>	This grant is awarded by the federal government based on the family contribution. This is an undergraduate grant and does not need to be repaid.
<i>Federal Perkins Loan</i>	This federal loan program is awarded to a limited number of students who demonstrate high financial need. There is no origination fee for this loan. Perkins loans have a fixed 5% interest rate with no interest or payments required until 9 months after the student drops below half-time enrollment. Students must maintain at least half-time enrollment (6 credit hours) each semester.
<i>Federal Supplemental Education Opportunity Grant (SEOG)</i>	This is a grant that does not need to be repaid. It is a federal grant awarded by VCU with preference given to students who are enrolled at least half-time (6 credit hours) and who are federal Pell Grant recipients.
<i>Federal Work-Study Program</i>	This federal program is offered to students with high need who indicate on their Free Application for Federal Student Aid that they are interested in the work-study program. This award allows a student to obtain work-study employment either on campus, off-campus, or through the America Reads program. Students must maintain at least half-time enrollment each semester.

Glossary of Financial Aid Terms

Term	Description
<i>Graduate Fellowship</i>	This is aid to graduate students in the form of tuition and fees and stipends. The amount of aid and the type of aid varies by school.
<i>Subsidized Federal Direct Student Loan</i>	The Subsidized Federal Direct Student Loan is a federally subsidized loan borrowed in the student's name with no interest accrued or payment required until 6 months after the student drops below half-time enrollment. This federal loan has an origination fee that is deducted from the initial disbursement. While the loan is in repayment, the interest rate is variable annually with a maximum of 8.25%. Students must maintain at least half-time enrollment (6 undergraduate credit hours, 5 graduate credit hours) each semester. These loans have a variety of repayment options with a standard repayment period of 10 years.
<i>Unsubsidized Federal Direct Student Loan</i>	The Unsubsidized Federal Direct Student Loan is borrowed in the student's name and has interest accruing from the date of disbursement; however, no payments are required until 6 months after the student drops below half-time enrollment. This federal loan has an origination fee that is deducted from the initial disbursement. The interest rate is variable annually with a maximum of 8.25%. Students must maintain at least half-time enrollment each semester. These loans have a variety of repayment options with a standard repayment period of 10 years.
<i>VCU Scholarship</i>	This award indicates a Deans, Provost, Presidential, or Reynolds Scholarship has been offered by VCU admissions. The amount of this award is confirmed after the Board of Visitors meets every May to approve tuition and fees for the upcoming academic year.
<i>Virginia Guaranteed Assistance Program (VGAP)</i>	This program is a state-funded undergraduate program that does not need to be repaid. VGAP is a need-based award offered to full-time Virginia residents who graduate from a Virginia high school with at least a 2.5 high school GPA. Continuing students must maintain a minimum 2.0 VCU GPA and earn a minimum of 24 credit hours each academic year to be considered for continued funding.

**VIRGINIA COMMONWEALTH UNIVERSITY
2006-07 UNIVERSITY BUDGET PLAN**

Hospital Services

TABLE A
Virginia Commonwealth University
2006-07 University Budget Plan
Hospital Services
(in thousands)

	2005-06 Budget	2006-07 Budget Plan	Change Over 2005-06
A. SOURCES			
Nongeneral Funds			
1. Sales and Services	\$ 15,031	\$ 14,889	-0.9%
2. Other Sales and Services - Rental Income	<u>2,200</u>	<u>2,200</u>	0.0%
3. Total Sources	\$ 17,231	\$ 17,089	-0.8%
B. USES			
1. Instruction	\$ -	\$ -	-
2. Research	-	-	-
3. Public Service	-	-	-
4. Academic Support	-	-	-
5. Student Services	-	-	-
6. Institutional Support	-	-	-
7. Operation & Maintenance of Plant	1,900	1,900	0.0%
8. Scholarships and Fellowships	-	-	-
9. Hospital Services	<u>15,081</u>	<u>14,939</u>	-0.9%
10. Total Uses	\$ <u>16,981</u>	\$ <u>16,839</u>	-0.8%
C. BUDGET BALANCE	<u>\$ 250</u>	<u>\$ 250</u>	0.0%
<i>(Transfer to Plant Funds)</i>			

Virginia Commonwealth University

2006-07 University Budget Plan

Hospital Services

Overview

Hospital Services represents University revenue and expenditures for services provided by the University to the VCU Health System and related activities. This accounting mechanism was initiated with the conversion of the Medical College of Virginia Hospitals from state agency status to an independent authority. At that time, a new state program (Hospital Services) was assigned to the University for recording this activity.

The Hospital Services budget includes the Clinical, Educational, and Research Services Agreement (CERSA) between the Health Sciences schools and the VCU Health System. The Hospital Services budget also includes funding from the Operations and Services Agreement (OSA) for a variety of administrative services provided to the VCU Health System by the University.

Highlights

A summary of sources and uses, estimated at about \$17 million in 2006-07, is presented in Table A.

Key assumptions related to the 2006-07 Hospital Services budget are detailed below:

- Rental income, estimated at \$2.2 million in 2006-07, is based on a master agreement for space leased to the VCU Health System on a short-term basis by the University. Payments for long-term leases of facilities by the VCU Health System are set at \$1 per year or the amount of debt service, whichever is greater. In general, short-term rental rates are set at the lower of cost or market rates.
- The University reimburses the VCU Health System for certain operation and maintenance services for specific facilities. This includes costs associated with space leased to the Authority on a short-term basis. The University contracts with the Authority through the OSA for the VCU Health System to provide operation and maintenance services for several University facilities. A portion of rental income paid by the VCU Health System is used as a reserve for maintenance on these facilities.
- In addition to the CERSA and the OSA, the Hospital Services budget includes about \$500,000 for services provided to other hospitals and clinics
- Services also are provided through the Clinical Operations and Services Agreement (COSA) between the Hospitals and MCV Physicians. These services, which are not reported in the Hospital Services program, include medical administration services, indigent care services, graduate medical education supervision, Stony Point operations, clinical operation services, joint operations, and special initiatives. The COSA is estimated at approximately \$53.2 million for 2006-07, including \$9.1 million for indigent care.

Table B presents a summary of the CERSA and OSA allocations for 2006-07. The OSA allocations for 2006-07 are still under development and, as such, the amounts presented on Table B are preliminary.

TABLE B
Virginia Commonwealth University
2006-07 University Budget Plan
Hospital Services

Clinical, Educational, and Research Services Agreement

CERSA Allocations	<u>2006-07</u>
School of Allied Health Professions	\$1,277,198
School of Dentistry	213,110
School of Medicine	1,245,231
School of Nursing	545,925
School of Pharmacy	439,268
Massey Cancer Center	83,624
Vice President for Health Sciences	205,765
Total CERSA	<u><u>\$4,010,121</u></u>

Operations and Services Agreement

Service Area	<u>2006-07</u>
Assurance Services	\$790,657
Capital Planning & Facilities Management	1,031,651
Debt Service - Steam Plant	586,390
Employee Health Services	533,394
Indirect Costs	280,000
Library Services	238,498
Mail Services	338,255
Parking E Deck	277,387
Security/Campus Police	1,883,318
Telecommunications	3,698,325
University News Services	345,478
All other OSAs	375,342
Total OSA	<u><u>\$10,378,695</u></u>

**VIRGINIA COMMONWEALTH UNIVERSITY
2006-07 UNIVERSITY BUDGET PLAN**

University Staffing

Table A
Virginia Commonwealth University
2006-07 University Budget Plan
Staffing Summary

	Sponsored Programs			Auxiliary Enterprises			Hospital Services	Total Appropriated	University Funds	Total University	
	E & G	Direct	FACR	Total	State	Local					Total
2005-06											
1. State Appropriated Staffing	3,296.80	-	-	1,133.74	232.69	134.11	366.80	200.00	4,997.34	n/a	n/a
2. Internal Authorized Staffing - 12/31/05	3,440.64	894.48	120.21	1,014.69	203.13	144.62	347.75	89.58	4,892.66	532.64	5,425.30
2006-07											
3. 2006 Session Appropriation Actions											
a. Enrollment Growth	48.00								48.00		48.00
b. Sponsored Programs Growth				16.00					16.00		16.00
c. Auxiliary Programs Growth						16.00	16.00		16.00		16.00
d. Eminent Scholar Program Growth	2.00								2.00		2.00
4. Budget Plan - 2006-07											
a. State Appropriated Staffing	3,346.80	-	-	1,149.74	232.69	150.11	382.80	200.00	5,079.34	n/a	n/a
b. Internal Authorized Staffing	3,440.64	894.48	120.21	1,014.69	203.13	144.62	347.75	89.58	4,892.66	532.64	5,425.30

Note: (1) Section 4-7.01.d.3. of the State Appropriation Act provides that appropriated position levels for E&G, Sponsored Programs, Auxiliary Enterprises, and Hospital Services are for reference only and may fluctuate depending on work load and funding availability.

(2) E&G appropriated staffing and internal staffing include faculty wages at 307.00 FTE and graduate teaching assistants at 50.00 FTE.

(3) Sponsored Programs appropriated staffing includes faculty wages at 60.28 FTE and graduate teaching assistants at 36.72 FTE. This staffing has not been allocated internally between Direct Sponsored and FACR, and it is not included in Internal Authorized Staffing.

(4) The State does not provide authorized staffing for University Funds positions. Internal Authorized Staffing for University Funds excludes faculty wages FTE and graduate teaching assistants FTE.

(5) Internal authorized E&G staffing exceeds State Appropriated Staffing as a result of the Staffing Allocation Management initiative. This plan gives the University greater management flexibility in establishing new positions based on an average University-wide vacancy rate.

Virginia Commonwealth University 2006-07 University Budget Plan

Staffing Summary

Staffing includes state appropriated position levels as well as staffing related to non-appropriated funds. Staffing numbers include salaried positions (Instructional Faculty, Administrative and Professional Faculty, and Classified positions) as well as full-time equivalents (FTE) for part-time/adjunct faculty and for graduate teaching assistants. All other wage staffing categories are excluded.

State appropriated staffing applies to all programs for which the expenditure of funds is contingent upon state spending authority authorized in the State Appropriation Act. These programs include:

1. Educational and General Programs;
2. Sponsored Programs (combined for direct costs and for facilities and administrative cost recoveries);
3. Auxiliary Enterprises; and
4. Hospital Services.

As a result of actions by the 2003 General Assembly, state appropriated staffing levels in E&G programs now serve only as a reference and may fluctuate depending upon workload and funding availability. This provides the University with additional flexibility in establishing E&G positions, as long as actual filled positions are less than 105 percent of appropriated levels.

Appropriated and internally authorized staffing for 2005-06 and 2006-07 are summarized in Table A. For E&G, internal authorized staffing exceeds state appropriated staffing by 93.84 FTE as a result of the University's staffing allocation management initiative, which created additional flexibility in establishing new positions based on an average vacancy rate. For 2006-07, internal authorized staffing for the University totals 5,425.30 FTE positions.

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**VIRGINIA COMMONWEALTH UNIVERSITY
2006-07 UNIVERSITY BUDGET PLAN**

Glossary of Budget Terms

Virginia Commonwealth University 2006-07 University Budget Plan

Glossary of Budget Terms

I. Revenue

Budgeted revenue is derived from either State appropriated general or nongeneral funds.

General Funds (GF) General funds is a term used in the State Appropriation Act to describe State tax dollars. State tax dollars support Educational and General Programs and Student Financial Assistance Programs.

Nongeneral Funds (NGF) Nongeneral funds is a term used to describe all funds raised exclusively by VCU to support its budgeted expenditures. Nongeneral funds are derived from the following sources:

Student Tuition and Fees Revenue from the tuition and fee charges described.

Grants and Contracts Reimbursement of expenditures from Federal, State and local agencies sponsoring projects at the University.

Gifts A gift to the University can be in the form of cash, securities, tangible personal property (works of art, antiques, books, etc.), intangible personal property (copyrights, patents, contract, royalties, etc.), and real estate.

Endowment Income Endowment funds are funds for which the principal is to be maintained in perpetuity. The income from the endowment can generally be used for any purpose, unless certain restrictions have been imposed by the donor.

Foundation Support Revenue received from the VCU Foundation, the MCV Foundation, the VCU Real Estate Foundation, or from the VCU School of Engineering Foundation.

Income from Trust Funds	Income earned from a trust held by the University in a trustee capacity. The income is used for University operations.
Investment Income	Income generated from the University's investment securities.
Sales and Services	Revenue from charges made by a specific organizational unit for the delivery of goods and services.
Federal Loan Funds	Federal funds provided to students through the direct student loan program for subsidized and unsubsidized student loans.

Tuition and Fees

Tuition and fee policy for Virginia's colleges and universities is set by the Governor and the General Assembly through the Appropriation Act. The Boards of Visitors approve tuition and fee rates. Tuition and fee charges at VCU fall under one of the following categories:

- Tuition** A fixed rate charged each student based on the student's instructional program, residency status, and the level of enrollment (undergraduate vs. graduate vs. professional).
- Fees** Charges in excess of tuition, which are related to a specific program, or set of programs. Fees at VCU include:
- Technology Fee** A fee to offset the cost of providing new technology services and enhancements to students.
 - University Fee** A single comprehensive fee covering a wide variety of student-related programs.
 - Health Service Fee** Enrollment in VCU's student health care program is mandatory for full-time students. This fee covers basic health care services provided by the program.
 - Student Activity Fee** A fee set by the two campus-based student government organizations to cover
 - Student Government Fee**

programs managed by the students, such as the student newspaper and student organizations.

Capital Outlay Fee

A fee charged to all on-campus nonresident students for debt service requirements on the capital bond package approved in November 2002 and for the debt service on equipment purchases financed through the Higher Education Equipment Trust Fund. Revenues generated from this fee are transferred to the state Treasury Board.

Housing

A fee charged to students who reside in University Housing.

Board

A fee charged to students who subscribe to the University's meal plans.

Course Fees

A variety of fees separately charged by schools and departments based on a student's enrollment in certain programs and courses. These fees range from a Dentistry Instrument Rental Fee to general application fees and specific course fees in all schools.

II. Expenditures

Expenditures are budgeted on a program basis. The program expenditure classifications used in the budget are nationally recognized by colleges and universities. They allow for comparative reporting and are used for analytical purposes. These expenditure classifications are:

Instruction

Expenditures of the college, schools, departments, and other instructional divisions of the institution. Expenditures for departmental research and public service that are not separately budgeted are included. Expenditures for both credit and non-credit activities are included, as are general academic instruction, special session instruction, off-campus instruction, medical and dental instruction, and non-credit

community education conducted by the teaching faculty.

Research

This category includes all funds expended for activities specifically organized to produce research outcomes and commissioned by an agency either external to the institution or separately budgeted by an organizational unit within the institution.

Public Service

All funds budgeted specifically for public service and expended for activities established primarily to provide non-instructional services beneficial to groups external to the institution.

Academic Support

This category includes expenditures for the support services that are an integral part of the institution's primary mission of instruction, research, or public service. Included are expenditures for libraries, dean's offices, course and curriculum development, and the dental clinic.

Student Services

Funds expended for admissions, registrar activities, financial aid administration, and activities whose primary purpose is to contribute to students' emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instructional program.

Institutional Support

Expenditures for the day-to-day operational support of the institution, excluding expenditures for physical plant operations. Included are general administrative services, executive direction and planning, legal and fiscal operations, and public relations/development.

Operation and Maintenance of Plant	Expenditures for operations established to provide service and maintenance related to the campus grounds and facilities.
Scholarships and Fellowships	Expenditures made in the form of outright grants, tuition and fee remissions, and trainee stipends to students enrolled in formal coursework, either for credit or non-credit.
Auxiliary Enterprises	Self-supporting activities established to furnish goods and services to students, faculty and staff.
Hospital Services	Expenditures made for services in support of the VCU Health System Authority through the Operations and Services Agreement (OSA), the Clinical, Educational, and Research Service Agreement (CERSA), and operation and maintenance services for leased space.