

**Virginia Commonwealth University  
Preliminary Summary of 2005 General Assembly Actions  
2004-06 State Budget**

**University Operating**

**Compensation.** The General Assembly adopted a 4.2% statewide average salary increase (4.5% for VCU) for teaching and research faculty effective November 25, 2005. For administrative faculty, adjunct faculty and graduate assistants, a 4.0% increase was adopted for all institutions.

The General Assembly provided a 3.0% across-the-board salary increase November 25, 2005, for classified staff with at least a rating of “Contributor” on their performance evaluation. In addition, classified employees with more than five years of state service will receive \$50 per year of service as a compression adjustment factor.

**Base Adequacy.** The 2005-06 budget includes an increase in general fund support for base operating costs of \$10.5 million for institutions of higher education. For VCU, the 2005-06 general fund increase is \$313,300, bringing the total general fund support for base adequacy to \$15,411,200. The following table summarizes general fund appropriations for base adequacy by institution:

	2003-04 FTE Resident Enrollment *	Original Appropriation		Amended
		2004-05	2005-06	Appropriation 2005-06
GMU	18,199	\$4,500,900	\$7,557,400	\$11,581,000
ODU	13,260	7,073,200	10,973,000	13,187,800
UVA	13,745	3,843,200	7,547,100	7,701,000
VCU	19,091	7,202,100	15,097,900	15,411,200
VT	18,651	4,182,700	8,257,300	9,128,600
CWM	5,004	1,997,100	2,756,800	2,856,900
Subtotal	87,950	\$28,799,200	\$52,189,500	\$59,866,500
CNU	4,164	\$1,987,100	\$3,269,600	\$3,269,600
UVA-W	1,437	465,000	515,000	1,601,300
JMU	10,992	3,543,600	7,170,600	7,290,600
LU	3,827	1,969,600	3,572,100	4,902,800
UMW	3,078	688,200	1,079,400	1,311,700
NSU	4,044	125,000	314,100	314,100
RU	7,831	2,997,600	5,243,100	5,243,100
VMI	787	350,000	350,000	350,000
VSU	2,953	358,100	659,400	659,400
Subtotal	39,113	\$12,484,200	\$22,173,300	\$24,942,600
RBC	944	\$63,000	\$63,000	\$113,000
VCCS	87,475	22,000,200	38,039,200	38,039,200
Subtotal	88,419	\$22,063,200	\$38,102,200	\$38,152,200
Total	215,482	\$63,346,600	\$112,465,000	\$122,961,300

*\*Base adequacy allocations for 2004-06 reflect 2003-04 enrollments.*

***Student Financial Aid.*** The General Assembly retained the general fund increase in the Governor's budget for VCU of \$707,803 in 2005-06 for student financial assistance to undergraduates. The amended general fund appropriation for student financial assistance to undergraduates is \$10.8 million in 2005-06.

The increase recommended in the Governor's budget for student financial assistance for graduate students was reduced by one-half to \$201,352. The amended general fund appropriation for student financial assistance to graduate students is \$1.7 million in 2005-06. Also, the General Assembly has included language that prohibits the use of general funds appropriated through the state financial aid program for nonresident graduate students. An institution may use general fund appropriations, however, to continue awards for nonresident students who have received an award prior to July 1, 2005 and are in the process of completing their degree requirements. Institutions may use nongeneral funds, including tuition and fee revenue, to support student financial assistance awards to new nonresident graduate students.

The General Assembly also included language that requires higher education institutions, in their six-year financial plans required by the Restructured Higher Education Financial and Administrative Operations Act (SB 1327/HB 2866), to report the extent to which tuition and fee revenues are used to support graduate student aid and graduate compensation and how the use of these funds affects increases in student tuition and fees.

***Family Practice Program.*** The General Assembly provided additional general fund support of \$300,000 in 2005-06 for the Family Practice Program. This amount includes \$250,000 recommended in the Governor's budget plus \$50,000 added by the General Assembly. Funding for salary increases authorized by the General Assembly for faculty in VCU's Family Practice Program is included in the additional funding for the University.

***Restructured Higher Education Financial and Administrative Operations Act (SB 1327 / HB 2866).*** Legislation provides varying levels of institutional autonomy for several operational areas including capital building projects, procurement, and personnel. The legislation also requires institutions to develop six-year academic, financial and enrollment plans that outline tuition and fee estimates and enrollment projections as well as plans for meeting statewide objectives, and to accept a number of accountability measures.

***Semi-Conductor Education Grant.*** The General Assembly retained the Governor's budget recommendation to increase the state's economic contingency fund by \$2.0 million for VCU's School of Engineering in support of Infineon Technologies' expansion.

***Palliative Care Program.*** The General Assembly included \$150,000 in additional general fund support in 2005-06 for the Palliative Care Program through VCU's Massey Cancer Center.

***Operating Costs for Massey Cancer Center Addition.*** The General Assembly included supplemental general fund support of \$30,935 and additional nongeneral fund authorization of \$39,150 for increased operating costs associated with the Massey Cancer Center Addition as recommended in the Governor's budget.

**Virginia Autism Center.** The General Assembly included \$140,150 in additional general fund support in 2005-06 to restore state support for the Virginia Autism Center.

**Center on Aging – Alzheimer’s Research Fund.** The General Assembly provided additional general fund support of \$80,000 in 2005-06 for the Alzheimer’s and Related Diseases Research Award Fund through VCU’s Center on Aging.

**Grace E. Harris Leadership Institute.** The General Assembly eliminated the \$100,000 in general fund support recommended in the Governor’s budget for the Grace E. Harris Leadership Institute in VCU’s L. Douglas Wilder School of Government and Public Affairs.

**Virtual Library of Virginia (VIVA).** The General Assembly eliminated the general fund increase of \$430,000 in 2005-06 recommended in the Governor’s budget for the Virtual Library of Virginia.

**Graduate Course in Nanotechnology.** The General Assembly eliminated \$155,000 in general funds recommended in the Governor’s budget for a collaborative effort among the College of William and Mary, Old Dominion University, Virginia Commonwealth University, George Mason University, Virginia Tech, and the University of Virginia to develop and share graduate courses in nanotechnology.

### Capital Outlay

**Facilities Maintenance Reserve Program.** The General Assembly’s budget includes a total of \$6,198,168 in general funds for maintenance reserve projects at VCU. This compares to the \$6.4 million recommended in the Governor’s budget.

**Capital Outlay.** The General Assembly took the following additional actions with regard to VCU's capital outlay budget:

- **New School of Business Building supplement:** The General Assembly added \$2.0 million in additional 9(d) nongeneral fund revenue bond authorization for the new School of Business Building.
- **School of Engineering II supplement:** The General Assembly added \$2.0 million in additional 9(d) nongeneral fund revenue bond authorization for the School of Engineering II supplement.
- **New School of Nursing Building supplement:** The General Assembly provided \$1.1 million from the general fund as included in the Governor’s budget and added a \$1.2 million supplement in nongeneral fund authorization for the New School of Nursing building.

- **Massey Cancer Center supplement:** The General Assembly added \$6.0 million in additional 9(d) nongeneral fund revenue bond authorization for the Massey Cancer Center project.
- **Central Belting Building:** The General Assembly authorized VCU to issue \$7.0 million in 9(d) nongeneral fund revenue bonds or enter into a capital lease for the acquisition and renovation of the Central Belting Building, located on the Monroe Park Campus. Under the terms of the capital lease, the University may provide up to \$3.0 million to defray the cost of renovation.
- **Blanket Authorization:** The General Assembly provided VCU with a sum sufficient nongeneral fund blanket authorization to initiate unforeseen capital projects up to \$1.0 million from operating reserves without first seeking approval from the General Assembly, consistent with HB 2866 / SB 1327.

In a language amendment, the General Assembly authorized 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.