

University of Mary Washington
Highlights of the Governor's Proposed Amendments
to the 2008-10 Biennial Budget
December 17, 2008

Governor Kaine presented his proposed amendments to the 2008-10 biennial budget at a joint meeting of the Senate Finance Committee, the House Appropriations Committee, and the House Finance Committee on December 17, 2008.

A summary of the key components related to higher education and the University of Mary Washington (UMW) is presented below. More detailed information on the Governor's budget may be found at: <http://www.dpb.state.va.us/>

Operating Budget

- ***Salary increases for faculty and classified employees:*** The Governor's October 2008 budget reduction plan delayed a 2% pay increase until July 1, 2009. In the Governor's budget amendments, the July 1, 2009 pay increase for faculty and staff has been eliminated.
- ***Budget reductions:*** The Governor's October 2008 reduction plan included a general fund cut for UMW of \$1,656,014 in the current fiscal year, which represented about a 7% reduction in state funding. For 2009-10, the Governor's budget continues UMW's 2008-09 general fund budget reduction and adds an additional cut of \$1,917,808. This brings UMW's state funding reduction in 2009-10 to \$3,573,822. This cut represents about a 15% reduction in state funding for the biennium and is the same level of reduction applied to all of the public four-year institutions.

The general fund reductions in the 2008-10 biennium, however, are on top of state funding cuts implemented during 2007-08. For UMW, the 2007-08 state cut was about \$1.5 million. Assuming the Governor's budget recommendations remain in place, UMW's state funding reduction for the three-year period between 2007-08 and 2009-10 will be about 22%.

See Table 1 for a summary of general fund budget reductions across all of the Virginia higher education institutions.

- ***Tuition and fees:*** The Governor's budget amendments do not include any restrictions on E&G tuition and fee increases. Further, funding for the Tuition Moderation Fund has been recommended for elimination in 2009-10. UMW's 2008-09 allocation of \$440,000 from the Tuition Moderation Fund, however, has been continued on a permanent basis in the 2009-10 recommended budget.

The current five percent annual increase cap on mandatory non-E&G fees, such as UMW's auxiliary Comprehensive Fee, remains in place for 2009-10.

- ***Operation and maintenance for new facilities coming on-line:*** The Governor's budget does not include any additional funding to support operating and maintenance costs for new facilities coming on-line. For 2009-10, UMW had identified additional operating and maintenance costs of \$406,000 for the Lee Hall addition and the houses on William Street and College Avenue. In prior years, about half of the additional operating cost

would be supported with general funds. As recommended by the Governor, the full amount of the additional operating costs must be supported with University funds in 2009-10.

- **Student financial assistance:** Additional state funding for UMW of \$39,047 is recommended for need-based student aid for in-state undergraduate students. These funds are in addition to UMW's 2008-09 base funding level of \$1,412,215.

See Table 2 for an institutional comparison of undergraduate student financial assistance included in the Governor's Budget.

- **Two-year college transfer grants:** The Governor's budget amendments include an additional \$1.3 million in 2009-10 for the two-year college transfer grant program. This program provides financial assistance to eligible students who have received an Associate's degree at a two-year public institution and have enrolled at a participating four-year institution. The recommended increase brings the total program funding to \$3.1 million for 2009-10.
- **Higher Education Equipment Trust Fund (HEETF):** The Governor's budget does not include any changes to institutional allocations through the HEETF program. UMW's allocation for 2009-10 is \$631,660.
- **Eminent Scholars:** The Governor's budget amendments eliminate all general fund support in 2009-10 for the Eminent Scholars program. Total base funding for the Eminent Scholars program is about \$6.0 million. UMW's 2008-09 allocation is \$57,953. Under this program, eligible faculty may receive special salary supplements funded from endowment income and matching general fund appropriations.
- **Interest earnings and credit card rebates:** The Governor's recommended budget includes a central pool of \$12.0 million in 2009-10 for allocation to higher education institutions for interest earned on tuition and fees and other E&G nongeneral fund revenues. In 2007-08, UMW received \$62,416 in E&G interest earnings.

The recommended budget for 2009-10 also includes a central pool of \$1.2 million to be allocated to higher education institutions for rebates paid to the Commonwealth on credit card purchases not exceeding \$5,000. In 2007-08, UMW's rebate was \$85,812.

Allocations for these items are contingent upon certification by the State Council of Higher Education for Virginia (SCHEV) that the institution has achieved all performance benchmarks under the Higher Education Restructuring Act.

Capital Outlay

- **Capital Outlay projects:** The Governor's budget amendments do not include any reductions to currently authorized capital projects.
- **Maintenance reserve:** The Governor's budget amendments do not include any reductions to the state's maintenance reserve program. For UMW, the budget includes \$640,000 in general funds for maintenance reserve projects in 2009-10. UMW's 2008-09 allocation was \$606,000.

Table 1

**University of Mary Washington
Summary of General Fund Budget Reductions
for the 2008-10 Biennium**

	General Fund Base*	2008-09 October 2008 Reduction	2009-10 Governor's Budget Proposal	Total 2008-10 Biennial Reduction	% Reduction of Base
Virginia Commonwealth University	\$202,728,980	(\$10,136,449)	(\$20,245,811)	(\$30,382,260)	15%
Virginia Tech	177,776,468	(8,888,823)	(18,063,280)	(26,952,103)	15%
University of Virginia	151,707,908	(10,619,554)	(12,462,395)	(23,081,949)	15%
George Mason University	139,988,610	(9,799,203)	(11,369,290)	(21,168,493)	15%
Old Dominion University	112,917,966	(5,645,898)	(10,943,913)	(16,589,811)	15%
James Madison University	77,821,713	(5,447,520)	(6,330,312)	(11,777,832)	15%
Radford University	49,926,410	(2,496,321)	(5,052,434)	(7,548,755)	15%
College of William and Mary	48,949,460	(3,426,462)	(3,968,748)	(7,395,210)	15%
Norfolk State University	40,882,896	(2,044,145)	(4,142,747)	(6,186,892)	15%
Christopher Newport University	28,619,548	(1,430,977)	(2,901,631)	(4,332,608)	15%
Longwood University	27,137,529	(1,356,876)	(2,747,349)	(4,104,225)	15%
Virginia State University	25,231,133	(1,261,557)	(2,550,032)	(3,811,589)	15%
University of Mary Washington	23,657,336	(1,656,014)	(1,917,808)	(3,573,822)	15%
University of Virginia - Wise	15,089,181	(754,459)	(1,522,951)	(2,277,410)	15%
Virginia Military Institute	14,037,893	(982,653)	(1,136,211)	(2,118,864)	15%
Richard Bland College	5,907,944	(295,397)	(301,609)	(597,006)	10%
Virginia Community College System	397,498,192	(19,874,910)	(20,290,891)	(40,165,801)	10%
Total	\$1,539,879,167	(\$86,117,218)	(\$125,947,412)	(\$212,064,630)	14%

**Note: The amounts reflected in the general fund base for each institution include 2007-08 state budget reductions totaling nearly \$82 million. Over the three year period between 2007-08 and 2009-10, the recommended general fund cuts will approach 20% for the Virginia higher education institutions.*

Table 2

**University of Mary Washington
Summary of Additional General Funds
Recommended for Undergraduate Student Financial Assistance
Governor's 2009-10 Budget Amendments**

	2008-09 Appropriation	Proposed Increase	2009-10 General Fund Appropriation	% Change
Virginia Community College System	\$24,407,485	\$11,464,760	\$35,872,245	47.0%
Virginia State University	4,376,142	1,897,870	6,274,012	43.4%
Virginia Commonwealth University	15,779,075	4,337,715	20,116,790	27.5%
George Mason University	11,408,485	3,056,124	14,464,609	26.8%
Old Dominion University	12,387,918	2,796,059	15,183,977	22.6%
Richard Bland College	291,144	41,219	332,363	14.2%
Norfolk State University	5,778,019	747,309	6,525,328	12.9%
Longwood University	3,324,634	395,244	3,719,878	11.9%
James Madison University	6,072,982	635,950	6,708,932	10.5%
Radford University	6,195,433	458,578	6,654,011	7.4%
University of Mary Washington	1,412,215	39,047	1,451,262	2.8%
University of Virginia - Wise	1,694,685	19,271	1,713,956	1.1%
Virginia Tech	12,757,325	-	12,757,325	0.0%
University of Virginia	4,902,354	-	4,902,354	0.0%
Christopher Newport University	3,773,990	-	3,773,990	0.0%
College of William and Mary	2,733,375	-	2,733,375	0.0%
Virginia Military Institute	721,762	-	721,762	0.0%
Total	\$118,017,023	\$25,889,146	\$143,906,169	21.9%