

UNIVERSITY OF MARY WASHINGTON (UMW)
Preliminary Analysis of Conference Committee Report
HB/SB 29 (2009-10) and HB/SB 30 (2010-12)
March 14, 2010

Introduced Budget	House Amendments	Senate Amendments	Conference Report
A. Compensation			
1. <u>Furloughs</u>			
- Mandatory 1 day furlough in FY10 only.	- No furlough days in either FY10 or 2010-12.	- One day furlough in FY10 and 3 days in FY11 and 3 days in FY12. Higher education institutions are permitted to address their share of the reduction through "alternative means".	- Mandatory 1 day furlough in FY10 only. Higher education institutions are permitted to address their share of the reduction through "alternative means".
2. <u>Retirement Contributions</u>			
- Requires employees to contribute 1% of salary in FY11 and 2% in FY12 in place of employer contributions to VRS and optional plans.	- No change in current employee/employer contributions for existing employees. New employees will be required to pay 5% of salary toward retirement. Also, reduces state contribution for new employees in ORPs from 10.4% to 8.0%.	- No change to Introduced Budget. <i>(Note: Senate substitute for HB1189 reduces the state contribution for ORPs for new employees from 10.4% to 8.9% and requires new employees to contribute 5% of their pay.)</i>	- No change in contribution rates for employees hired before July 1, 2010. New employees will be required to contribute 5% of salary toward retirement for both VRS and ORPs. Employer contribution rate for ORPs drops to 8.5% for new employees. The employer contribution may go up to 8.9% if differential (0.4%) is funded with nongeneral funds.
3. <u>Health Insurance</u>			
- Increases employee and employer health insurance premiums by 5% in FY11 and 10% in FY12.	- No change.	- Continues 5% increase in FY11 but no additional increase for FY12.	- 3% premium increase in FY11. No additional increase in FY12.
3. <u>Deferred Compensation Match</u>			
- Suspends the cash match on deferred compensation accounts in 2010-12. Currently funded up to \$20 per pay period.	- Restores cash match program.	- No change.	- Phased restoration in FY11 of \$10 match per pay period. Full \$20 match in FY12.
4. <u>Employee Bonus</u>			
- No action.	- One-time bonus of 3% in December 2011.	- One-time bonus of 3% in December 2011.	- One-time bonus of 3% in December 2010 contingent upon FY10 revenues exceeding projections by \$82.2 million. The bonus will be prorated if revenues exceed forecast by an amount less than \$82.2 million.

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B. Operating Budget

1. Budget Reductions

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| <ul style="list-style-type: none"> - For FY10, the September 2009 general fund cut was reduced by \$809,000 and ARRA funding was reduced by about the same amount. - For FY11, additional ARRA allocation of \$1.0 million with no further general fund cuts. - For FY12, additional general fund reduction of \$2.2 million and elimination of \$3.4 million in ARRA funding. - No action. | <ul style="list-style-type: none"> - No change. - Provides additional ARRA funding of \$176,848. - No change except the level of ARRA funding eliminated in FY12 increases by the additional FY11 allocation of \$176,848. - No recommendation. | <ul style="list-style-type: none"> - No change. - No change. - No change. - No recommendation. | <ul style="list-style-type: none"> - No change to the Introduced Budget. - No change to the Introduced Budget. - No change to the Introduced Budget. - Establishes a \$10 million higher education reversion account for FY12. The allocation of the additional reductions will be determined in FY11. |
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2. Tuition and Fees

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| <ul style="list-style-type: none"> - No restrictions. | <ul style="list-style-type: none"> - No change. | <ul style="list-style-type: none"> - No change. | <ul style="list-style-type: none"> - No change. |
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3. Eminent Scholars

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| <ul style="list-style-type: none"> - No additional reductions. | <ul style="list-style-type: none"> - Eliminates remaining general fund support for Eminent Scholars Program. Currently, UMW receives about \$35,000 in annual state support. | <ul style="list-style-type: none"> - No change. | <ul style="list-style-type: none"> - Reduces program funding by \$1.7 million or 50%. This action will reduce UMW's funding by an estimated \$17,500. |
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4. Dahlgren Education and Research Center

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| <ul style="list-style-type: none"> - Recommended \$250,000 in general funds for FY12. | <ul style="list-style-type: none"> - Moves \$100,000 of FY12 recommendation to FY11. | <ul style="list-style-type: none"> - Moves \$100,000 of FY12 recommendation to FY11. | <ul style="list-style-type: none"> - Moves \$100,000 of FY12 recommendation to FY11. |
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5. Other Revenue Adjustments

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| <ul style="list-style-type: none"> - Captures interest earnings on auxiliary cash balances. For UMW, about \$75,000 annually. - Transfers 5% of auxiliary revenue balances as of June 30, 2009. For UMW, a one-time reduction of about \$30,000. | <ul style="list-style-type: none"> - No change. - Eliminates auxiliary revenue balance transfer. | <ul style="list-style-type: none"> - No change. - Eliminates auxiliary revenue balance transfer. | <ul style="list-style-type: none"> - No change. - Eliminates auxiliary revenue balance transfer. |
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- In FY12, eliminates allocation of tuition interest earnings and credit card rebates for institutions meeting management standards. For UMW, about \$150,000 annually.	- No change.	- No change.	- No change.
6. <u>In-State Capital Outlay Fee</u>			
- No action.	- No change.	- Recommends initiation of a capital outlay fee for in-state students of \$2.50 per credit hour, which represents about a 2% tuition increase. Requires UMW to pay the State Treasurer \$269,855 each year to help offset debt costs for capital projects.	- Eliminates Senate recommendation to establish a capital outlay fee for in-state students.
7. <u>Out-of-State Capital Outlay Fee</u>			
- No action.	- No change.	- Recalculates each institution's revenue requirement based on updated out-of-state student credit hours. UMW's requirement is reduced from \$292,450 to \$281,990.	- Increases the capital outlay fee by \$5 per credit hour, bringing the total charge to \$15 per credit hour. Increases UMW's share from \$292,450 to \$422,985.
8. <u>Higher Education Equipment Trust Fund (HEETF)</u>			
- Reduces UMW's annual allocation from \$631,660 in FY10 to \$540,000 in each year of the 2010-12 biennium. Also, program funding is contingent upon the Commonwealth's debt capacity.	- Revises UMW's annual allocation to \$528,581. Similar to the Introduced Budget, funding is contingent upon debt capacity.	- No change.	- Sets UMW's annual HEETF allocation to \$528,581 in FY11 and FY12. Funding is contingent upon sufficient debt capacity of the Commonwealth.
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C. Capital Outlay			
1. <u>Maintenance Reserve</u>			
- Allocates \$768,808 to UMW in each year of the 2010-12 biennium. UMW's FY10 allocation was \$640,000. Like the HEETF program, funding is contingent upon the Commonwealth's debt capacity.	- Allocates \$415,196 in each year, contingent upon debt capacity.	- No change.	- Allocates \$415,196 in FY11 contingent upon sufficient debt capacity. FY12 allocations are to be developed by DPB in consultation with the money committees with a report due by October 1, 2010.

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2. <u>Dahlgren Education and Research Center</u>			
- Provides \$4.5 million for equipment, contingent upon the Commonwealth's available debt capacity.	- No change.	- No change.	- No change.
3. <u>Convergence Center</u>			
- Identifies this project as potentially eligible for funding assuming sufficient debt capacity.	- No change.	- Authorizes the State Treasurer to advance a treasury loan up to \$755,333 to UMW for planning.	- Eliminates Senate amendment authorizing a treasury loan. The Convergence Center is eligible for construction funding in FY12 assuming sufficient debt capacity.
4. <u>Residence Hall Renovations</u>			
- Authorizes additional UMW debt of \$5.0 million in FY10 and \$12.0 million in 2010-12 biennium.	- No change.	- No change.	- No change.
5. <u>Battleground Athletic Complex Parking Lot</u>			
- Authorizes UMW debt of \$1.8 million.	- No change.	- No change.	- No change.
6. <u>Battleground Athletic Complex Fields/Facility</u>			
- Authorizes UMW debt of \$300,000.	- Authorizes UMW debt of \$2.5 million.	- Authorizes UMW debt of \$2.5 million.	- Authorizes UMW debt of \$2.5 million.