

University of Mary Washington
Governor's Proposed Amendments to the 2013-14 Budget
December 17, 2012

Governor McDonnell presented his proposed amendments to the 2013-14 budget at a joint meeting of the Senate Finance Committee, the House Appropriations Committee, and the House Finance Committee on December 17, 2012.

A summary of the key components related to higher education and the University of Mary Washington (UMW) is presented below. The Governor's budget recommendations will be considered by the 2013 General Assembly, which convenes on January 9, 2013. More detailed information on the Governor's budget may be found at: <http://dpb.virginia.gov/>

Operating Budget

- **Compensation:** The original 2013-14 budget included a 2% permanent salary increase for faculty and staff effective July 10, 2013, if within 5 days of the preliminary close of the fiscal year ending June 30, 2013, the Comptroller determines that no revenue reforecast is required. The Governor's budget proposals do not amend this provision.
- **Actions Supporting the Virginia Higher Education Opportunity Act:** The Governor's recommended budget actions include an additional general fund allocation of \$219,317 to support the goals of the Higher Education Opportunity Act and UMW's six-year plan. Also, an additional \$22,424 in general funds is provided to support need-based aid for in-state undergraduate students.

The Governor's budget also requires an increase in the reallocation of funds to support initiatives in UMW's six-year plan or that advance the objectives of Higher Education Opportunity Act. As reflected in the Governor's amendments, UMW's 2013-14 reallocation requirement increases from \$361,240 in the original budget to \$903,101.

- **Administrative Efficiencies:** For 2012-13, general fund appropriations were reduced for higher education institutions and state agencies to reflect required savings from administrative efficiencies. For UMW, this unanticipated general fund reduction totaled \$97,851 and will continue into 2013-14.
- **State Employee Health Insurance:** The Governor's budget includes a net increase of \$64.4 million for anticipated increases in the employer cost of health insurance for state employees. The allocation of these funds has not yet been determined. However, any allocation to UMW will have a funding match requirement from institutional nongeneral fund (tuition and fees) revenue.
- **Tuition and fees:** The Governor's budget amendments do not include any restrictions on E&G tuition and fee increases, although institutions are encouraged to limit increases for in-state undergraduate students.
- **Higher Education Equipment Trust Fund (HEETF):** The Governor's budget amendments do not include any changes to UMW's allocation under the HEETF program. UMW's allocation is expected to be \$528,587 in 2013-14, which is the same allocation the University received in 2012-13 and 2011-12.

- ***Dahlgren Education and Research Center:*** The Governor's budget does not amend funding for the Dahlgren Campus in 2013-14 beyond that reflected in the original budget. For 2013-14, general fund support will decrease from \$1,900,000 to \$1,750,000 and nongeneral funds, primarily from facilities rental and leases, will increase from \$100,000 in 2012-13 to \$250,000 in 2013-14.

Capital Outlay

- ***Maintenance Reserve:*** The Governor's amendments do not include any changes to UMW's allocation for maintenance reserve. For 2013-14, UMW's allocation is expected to be \$562,604, which is the same amount UMW received in 2012-13 and 2011-12.
- ***Capital Outlay projects:*** The Governor's amendments include the allocation of \$262.8 million in funding to support pooled projects statewide moving from planning to construction. Included in this category of projects is the renovation of Mercer and Woodard Halls.