

University of Mary Washington
Governor's Proposed Amendments to the 2014-16 Budget
December 17, 2014

Governor McAuliffe presented his proposed amendments to the 2014-16 budget at a joint meeting of the Senate Finance Committee, the House Appropriations Committee, and the House Finance Committee on December 17, 2014.

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 2015 General Assembly, which convenes on January 8, 2015. More detailed information on the Governor's budget may be found at: <http://dpb.virginia.gov/>

Operating Budget

- **General Fund Reductions:** The Governor's budget does not include any new general fund reductions for the public higher education institutions. The Governor's recommended budget has been amended, however, to include the targeted general fund reductions identified in October 2014. Beginning in 2014-15, the permanent general fund reduction for UMW totals \$635,447 and has already been included in the university's adjusted operating budget.
- **Base Adequacy:** The Governor's budget amendments include additional funding of \$2.3 million for base adequacy. Recommended funding allocations affect four institutions: Old Dominion University, Norfolk State University, Virginia State University, and UVA-Wise. No additional funds are recommended for UMW.
- **Compensation:** The Governor's budget does not include funding for salary increases for faculty or staff.
- **Fringe Benefits:** Fringe benefit rates for 2015-16 are recommended to remain level with 2014-15 rates with the exception of health insurance. The Governor's budget reflects an employer premium increase of 2.9%. Increases to the employee's share of the health insurance premium have not yet been identified, but are anticipated to range from 2.5% to 2.9%, depending on the employee's health plan.
- **Tuition and Fees:** The 2014 General Assembly included language in the Appropriation Act that prohibited institutions from addressing state funding reductions through new rate increases on tuition, fees, or other nongeneral fund enhancements. Amendments proposed by the Governor eliminate this restriction.
- **Student Financial Aid:** The Governor's budget amendments include additional general funds of \$577,380 for UMW for need-based aid for in-state students. This is the largest recommended increase among the public institutions and will bring state funding to a total of \$2.4 million for UMW in 2015-16.
- **Higher Education Equipment Trust Fund (HEETF):** The Governor's budget amendments include an additional \$10.0 million for the HEETF program. As amended,

UMW's allocation will increase from \$528,581 in 2014-15 to \$625,200 in 2015-16, which is an increase of \$96,619.

Capital Outlay

- ***Maintenance Reserve:*** The Governor's amendments include an increase of \$3.0 million for public higher education under the maintenance reserve program. For 2015-16, UMW's amended allocation is \$770,988, which is an increase of \$47,942 over the 2014-15 allocation.
- ***Capital Outlay projects:*** The Governor's budget amendments for capital outlay reflect limited changes. For UMW, a general fund allocation of \$1.5 million is recommended for equipment for the Woodard and Mercer Halls renovation project.

In addition, UMW has received nongeneral fund authorization of \$3.1 million for renovation of the Amphitheater and \$15.2 million to renovate residence halls.