

**University of Mary Washington**  
**Governor's Proposed Amendments to the 2018-20 Biennial Budget**  
**December 18, 2018**

Governor Northam presented his proposed amendments to the 2018-20 biennial budget at a joint meeting of the Senate Finance Committee, the House Appropriations Committee, and the House Finance Committee on December 18, 2018.

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 2019 General Assembly, which convenes on January 9, 2019. More detailed information on the Governor's budget may be found at: <http://dpb.virginia.gov/>

**Operating Budget**

- **Compensation:** As reflected in the original 2018-20 budget, funding remains in place to support a 2% salary increase for both faculty and staff and an additional 2% merit increase for classified staff only, all of which are effective June 10, 2019. The Governor's budget amendments also include a 1% bonus for faculty and staff effective December 1, 2019.
- **Health Insurance Premiums:** Based on updated cost estimates for 2019-20, the Governor's budget amendments hold employer health insurance premiums constant with the 2018-19 rates. The original 2018-20 budget assumed a rate increase of 8.5% in 2019-20.
- **Operating Budget Adjustments:** The original budget for 2019-20 included additional general fund operating support in three areas, which remain unchanged in the Governor's recommended budget amendments:
  - Career and Professional Development Center: \$375,000
  - Increased degree production in Data Science and Technology, Science and Engineering, Healthcare, and Education Programs: \$338,550
  - Facilities operation and maintenance: \$50,000
- **Mandatory Non-E&G Fees:** The state budget includes language that limits the annual increase of mandatory non-E&G fees (e.g., UMW's auxiliary comprehensive fee) to three percent, with certain exceptions, including wage, salary and fringe benefit increases authorized by the General Assembly or fee increases to support student health services or for expenses related to capital outlay projects authorized by the General Assembly. Language included in the Governor's amendments authorize UMW to exceed the three percent cap to the extent required to effect budgetary realignment of revenues and expenditures in auxiliary programs.
- **Student Financial Aid:** The Governor's amended budget includes additional general funds of \$309,281 in 2019-20 for UMW to support need-based aid for in-state students. This increase will bring state funding for UMW to a total of \$3.7 million in 2019-20.

- **Higher Education Equipment Trust Fund (HEETF):** The Governor's amended budget does not include an increase in UMW's annual allocation through the HEETF program. For the 2019-20 fiscal year, UMW's annual allocation will continue at \$655,746.
- **Capital Outlay Fee for Out-of-State Students:** The Commonwealth requires institutions of higher education to pay the Virginia College Building Authority (VCBA) for debt service on bonds issued under the 21<sup>st</sup> Century Program. These costs are allocated based on out-of-state enrollments at each institution. For 2018-19, UMW will pay the VCBA \$222,750. The Governor's budget amendments assume an increase of \$12,084 in 2019-20, bringing the total to \$234,834.
- **Tuition and Fee Predictability Plans:** The Governor's budget amendments will require higher education institutions to prepare tuition and fee predictability plans for a period of not less than three years as a part of each institution's six-year financial plan. The predictability plans must cover at least tuition and mandatory educational and general fees and include a percentage and dollar change from one year to the next for the period covered by the plan. Plans are required to include a range of tuition and fee assumptions based upon available state resources and must contain a scenario that assumes no new state general fund support. SCHEV will develop instructions related to the submission of the plans.

### **Capital Outlay**

- **Maintenance Reserve:** The Governor's amended budget does not include adjustments in UMW's maintenance reserve funding. UMW's annual maintenance reserve funding allocation is recommended in the amended budget to continue at its current level of \$1,653,087.
- **Capital Outlay projects:** The Governor's budget amendments include an increase of \$500,000 for equipment for the Jepson Science Center Addition, bringing the total allocation to \$4.5 million. In addition, the Governor's amendments include an equipment allocation of \$2,037,000 for the renovation of Seacobeck Hall.