

Key Elements of Joint Conference Committee Report on the 2008-10 Budget

- Overall general fund (GF)¹ budget declined by 2.4% in 2008-09 over 2007-08.
- Final budget includes a 2% salary increase for faculty, GTAs, and staff effective November 25, 2008 and November 25, 2009.
- Additional base operating funds totaling \$952,831 from GF in each year of the biennium.
- Tuition Moderation Incentive Fund – In order to encourage institutions to limit the increase in tuition and E&G fees charged to in-state undergraduate students the State has put \$17 million of GF in a special incentive fund. UVa's share of the fund is \$1,580,000 in each year. To access the fund we would have to limit in-state undergraduate tuition and E&G fees increases to no more than 4% (1% of which must be for undergraduate financial aid). Participation is voluntary. If we choose to exceed the 4% we could not go beyond a 12% increase in 2008-09 and maintain eligibility for the allotment in 2009-10. We will need to have conversations among the senior administration and with Board members before we develop a recommendation.
- \$250,000 GF was allocated in each year to address nursing workforce issues.
- \$70,094 in incremental undergraduate financial aid was provided in each year.
- Funding for the special research initiative was reduced from \$5,275,000 in 2007-08 to \$2,146,875 in each year of the new biennium. There is no additional Equipment Trust Fund (ETF) money associated with the research initiative as there was in the current biennium.
- The \$1 million in cancer research funding was continued in each year of the 2008-10 biennium.
- The normal ETF allocation was increased by \$1.3 million over the current year's allocation for a total of \$9,985,000 in each year of the biennium.
- The Maintenance Reserve appropriation for the biennium is \$14,501,000.
- The capital bond bills are still in conference. Conferees will continue work on a bond package with a final bill to be acted upon at the Reconvened Session on April 23, 2008.

¹ General funds are direct tax support from the State.

**KEY ELEMENTS OF JOINT CONFERENCE COMMITTEE 2008-10 BUDGET
2008-09 FY**

	<u>GF</u>	<u>NGF</u>	<u>TOTAL</u>
2006-08 Base Budget	\$164,915,329	\$870,480,788	\$1,035,396,117
Continue 07-08 budget reduction	(\$9,156,960)	\$2,750,000	(\$6,406,960)
Annualize 07-08 O&M	\$847,214	\$1,200,000	\$2,047,214
Adjust estimated NGF		(\$73,400,000)	(\$73,400,000)
2006-08 Adjusted Target	\$156,605,583	\$801,030,788	\$957,636,371
Base budget adequacy	\$952,831	\$1,451,458	\$2,404,289
Nursing workforce issues	\$250,000		\$250,000
UG financial aid	\$70,094		\$70,094
Research initiative	\$2,146,875	\$14,350,000	\$16,496,875
Cancer research	\$1,000,000		\$1,000,000
2008-10 Budget	\$161,025,383	\$816,832,246	\$977,857,629

Additional Actions:

2% Salary increase for faculty, GTAs, and staff as of 11/25/08 and 11/25/09

Tuition Moderation Incentive Fund - Eligible to receive \$1,580,000 GF in each year if we limit in-state UG tuition and E&G fees increases to 3% for operating budget plus 1% for financial aid. If increase in 2008-09 exceeds 12% we are not eligible for the allotment in either year.

Maintenance Reserve - \$14,501,000 for biennium GF supported debt.

Capital bond bills are still in conference. Expect to be voted on April 23, 2008.

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Annualize 07-08 O&M	\$847,214	\$1,200,000	\$2,047,214
Adjust estimated NGF		(\$51,100,000)	(\$51,100,000)
2006-08 Adjusted Target	\$156,605,583	\$823,330,788	\$979,936,371
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