

Summary of Joint Conference Committee Budget – March 2, 2009

- \$10.7 million from American Recovery and Reinvestment Act (ARRA) funds has been allocated in 2009-10 which helps offset the Governor's original recommended \$23.1 million GF cut leaving a net reduction of \$12.4 million in 2009-10. There is an expectation that this funding will mitigate increases in in-state student tuition and fees next year. In total the allocation of ARRA funds to higher education in 2009-10 is \$126.7 million.
- The final budget restores \$4 million in eminent scholar funds from the original \$6 million cut by the Governor. Assuming these funds are allocated proportionately the University will incur a net reduction in eminent scholar matching funds of \$938,749.
- UVa receives \$196,094 GF for undergraduate financial aid.
- The total GF reduction in 2009-10 compared to the FY08 base is 14.1 percent. Adding the ARRA funds results in a reduction of 7.4 percent.
- Final budget restored the employer-paid VSDP long-term care program while also making changes to the VSDP Short Term Disability Program to bring it in line with best practices prevalent in the private sector.
- Final budget substitutes ARRA funds for GF for the commitment to the Rolls-Royce partnership. The use of ARRA funds is of concern since part of this money is to fund chaired professorships and ARRA funds are not permitted to be added to an institution's endowment.
- \$1 million for CTRF is funded in 2009-10 with ARRA funds.
- Confirms the following actions included in the Governor's introduced budget:
 - No salary increases in 2009-10
 - No incremental funds for O&M for new facilities
 - \$1.1 million GF for the state share of health care premium increases

Capital

- The budget increases the out-of-state student capital fee from \$2/credit hour to \$10/credit hour, requiring the University to generate an additional \$2.1M to return to the state related to the capital funding plan authorized in the 2008 General Assembly. This will require a \$295 fee increase to all OOS students at the University bringing the total fee related to capital facilities to \$400. Across the state, this action captures \$10 million in GF savings related to debt service.

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- General language is provided to advance detailed planning projects through construction documents (New Cabell Hall) and pre-planning projects (Ruffner Renovation) to detailed planning, using an institution's NGF. The NGF may be later reimbursed from any construction GF appropriation. \$1.1 million of the planning money needed for Ruffner will come from ARRA.
- The balance of the funds (\$720,000) needed to complete New Cabell Hall planning is provided in 2008-09 from NGF to be reimbursed later from any construction GF appropriation. Also provides \$3M in NGF authorization in 2009-10 to complete the New Cabell Hall to South Lawn connection.

Medicaid

- The final budget reverses a number of actions recommended in the Governor's introduced budget that would jeopardize the state's ability to qualify for additional funding under the ARRA provisions for Medicaid. It reduces the Commonwealth's GF share of Medicaid funding by \$368.8 million in 2008-09 and \$593.7 million in 2009-10 reflecting the increase in the federal share of Medicaid funding from 50% to 56.85% in 2009 and 60.19% in 2010. The enhanced Medicaid funding will continue until December 2010.

Other

- The budget requires management agreement institutions in cooperation with DPB and the State Comptroller to develop uniform reporting requirements for revenue and expenditure data.
- Language is included which eliminates a number of higher education reporting requirements and calls for a study with recommendations by November 1, 2009 for further eliminations.