

University of Virginia Side-by-Side Analysis of Primary Issues in the 2010-12 Budget

Issue	Governor's Proposal	House Amendments	Senate Amendments
GF and ARRA Funding	<ul style="list-style-type: none"> • Maintains GF reduction at \$4.6M in FY11; increases ARRA funding to \$21.9M. • Realizes full 15% GF reduction (\$19.3M) and eliminates ARRA funding in FY12. Total funding reduction from FY11 to FY12 is \$36.6M. 	<ul style="list-style-type: none"> • Reallocates ARRA funding in FY11 and GF reductions in FY12 to provide funding equity across higher education system. • No change to U.Va. in FY11; additional \$7.4M GF reduction in FY12. • Wise receives additional \$280,491 in FY11 and \$944,461 in GF in FY12. • Contingent on enhanced Medicaid match, allocates \$75M to reduce planned additional GF reductions to higher education. 	<ul style="list-style-type: none"> • No additional cuts to higher education.
Auxiliary Enterprise Cash Balances	<ul style="list-style-type: none"> • Reduces auxiliary balances by 5% of 6/30/09 balance, resulting in a NGF reversion of \$18.8M in FY11. (UVa reversion = \$3.7M; Wise reversion = \$100K). • Captures interest on auxiliary balances in FY10, FY11, and FY12 (inconsistent with the Restructuring Act). FY10 reversion projected to be \$5.4M, \$7.2M in FY11 and FY12. 	<ul style="list-style-type: none"> • Eliminates transfer of auxiliary balances. • Retains interest earnings reversion. 	<ul style="list-style-type: none"> • Eliminates transfer of auxiliary balances. • Retains interest earnings reversion.
Public Service Centers	<ul style="list-style-type: none"> • No action. 	<ul style="list-style-type: none"> • Eliminates GF allocations to non-health public service centers. For U.Va., \$625,865 from Center for Politics and \$1,140,583 from Virginia Foundation for the Humanities. 	<ul style="list-style-type: none"> • No changes to Governor's proposal.
Research	<ul style="list-style-type: none"> • Provides no additional research funding. 	<ul style="list-style-type: none"> • Provides \$1.5 M GF in each year for the creation of a biotechnology wet-laboratory facilities program. 	<ul style="list-style-type: none"> • Provides \$1.5M GF in each year for the creation of a biotechnology wet-laboratory facilities program. • Provides \$1M in each year to fund the GAP program for technology and life-science program administered by the CIT.
Eminent Scholars	<ul style="list-style-type: none"> • Funds Eminent Scholars Program at current levels. 	<ul style="list-style-type: none"> • Eliminates remaining Eminent Scholars Program; a \$1.6M reduction to UVa. 	<ul style="list-style-type: none"> • No changes to Governor's proposal.
Financial Aid	<ul style="list-style-type: none"> • Funding and methodology are unchanged. 	<ul style="list-style-type: none"> • Changes methodology to reduce state undergraduate financial aid an estimated \$20M for the system in FY12. No specific allocations provided. 	<ul style="list-style-type: none"> • No changes to Governor's proposal.
Indigent Care	<ul style="list-style-type: none"> • Reduces disproportionate share and indigent care payments by \$10.8M in FY11 and \$10.9M in FY12. 	<ul style="list-style-type: none"> • Reduces indigent care to teaching hospitals; for UVa, the reduction is \$2.7M in each year. 	<ul style="list-style-type: none"> • No changes to Governor's proposal.

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Employee Compensation	<ul style="list-style-type: none"> • Provides no pay increases or bonuses. • 1 mandatory furlough day in FY10; none in FY11 and FY12. • Adds language that prohibits performance-based salary increases funded from NGF. 	<ul style="list-style-type: none"> • Contingent on enhanced Medicaid match, provides a 3% bonus to state staff and faculty in December 2011 . • Eliminates FY10 furlough; no furloughs in FY11 or FY12. 	<ul style="list-style-type: none"> • Provides a 3% bonus for employees on December 16, 2011. • Allows higher education institutions to grant salary increases supported by NGF. • Retains FY10 furlough; adds 3 additional furlough days in each year. Provides higher ed with flexibility to achieve savings through other means. • Exempts higher education from language that prohibits performance-based salary increases funded from NGF.
Deferred Compensation Cash Match Program	<ul style="list-style-type: none"> • Suspends cash match employer paid contribution on employee deferred compensation accounts for the last five pay periods of FY10 and all of FY11 and FY12. 	<ul style="list-style-type: none"> • Restores funding for deferred compensation cash match program. 	<ul style="list-style-type: none"> • No changes to Governor's proposal.
VRS & ORP Contribution	<ul style="list-style-type: none"> • Requires employees to pay 1% of VRS & ORP employee contributions in FY11 (state pays 4%) and 2% in FY12 (state pays 3%). • Provides for 55/30 age/service requirement for employees hired after 7/1/10 (currently 50/30) . 	<ul style="list-style-type: none"> • Eliminates proposal to require current state employees to contribute 1% in FY11 and 2% in FY12 toward retirement. • Requires employees hired after 7/1/10 to pay 5% into VRS and reduces ORP contribution by 1.5% (contingent on enactment of HB1189). 	<ul style="list-style-type: none"> • Provides that retirement benefits for public employees shall be governed by the provisions of such legislation as may be passed by the General Assembly and signed by the Governor.
Capital Projects & Debt Service	<ul style="list-style-type: none"> • Allows for debt financing of several items after a debt study and issuance schedule is developed by the Secretary of Finance based on recommendations from the Debt Capacity Advisory Committee. 	<ul style="list-style-type: none"> • Authorized additional projects to use \$80-100M of unused bond authority, but no projects at U.Va. or Wise. • Eliminates Ruffner and Wise's Library from list of projects eligible for funding on recommendation from Secretary of Finance because planning review has not been completed by BCOM. 	<ul style="list-style-type: none"> • \$2.50 per credit hour fee to in-state students for capital debt service (U.Va.=\$1,004,789; Wise=\$117,963). • Substitutes treasury loans for GF for planning costs: \$791,277 for New Cabell Hall and \$1,100,230 for Ruffner Hall. • Adds language allowing the use of debt for equipment and maintenance to proceed pending review of debt capacity.
Higher Education Equipment Trust Fund	<ul style="list-style-type: none"> • Reduces ETF allocation; for UVa a decrease of \$1.5M per year. 	<ul style="list-style-type: none"> • Adds a research allotment to ETF, \$1.97M to UVa's allocation - a net increase of nearly \$500k. 	<ul style="list-style-type: none"> • No changes to Governor's proposal.