

**Governor’s Amendments to the 2014-16 Appropriation Act
December 2014
Preliminary Summary of Higher Education Budget Outlook**

- The Governor continues the \$45 million reduction to higher education base budgets in FY2016, including \$8.16 million for UVa and \$126,330 for the College at Wise. No additional reductions were proposed in FY2016 for institutions of higher education.
- The Governor’s proposal removes the language providing that reductions be covered through productivity and operating efficiencies and not through new rate increases on tuition, fees, or other nongeneral fund enhancements imposed by the Boards of Visitors after September 1, 2014.
- The Governor proposes \$56.4 million new funding in FY2016 to support higher education:

Proposed Incremental Funding	Higher Education	UVa	College at Wise
<i>Operating</i>			
Undergraduate Financial Aid	\$3,480,611	\$100,000	\$100,000
Base Adequacy	\$2,292,182	\$0	\$115,613
<i>Equipment</i>			
Equipment Trust Fund	\$10,000,000	\$1,540,979	\$36,936
<i>Capital</i>			
Maintenance Reserve	\$3,041,276	\$479,474	\$17,221
Equipment (previously authorized projects)	\$37,628,000	\$0	\$0

- Medical Center – The Governor’s proposal includes no direct budget actions related to the Medical Center, but there is language related to Medicaid allowing the Department of Medical Assistance Services (DMAS) to develop a pilot program, contingent on federal approvals, to implement an assessment of up to 6% of revenue on hospitals. No less than 35% of the proceeds from the assessment shall be transferred to the Virginia Health Care Fund. The remaining proceeds may be used to supplement hospital reimbursements, graduate medical education, and indigent care after the methodology for allocating the proceeds is developed by the Secretary of Health and Human Resources.