

Governor McAuliffe's Proposed 2018-20 Budget Bill Preliminary Summary of Higher Education Budget Outlook

The Governor's proposal includes **new funding** to support higher education:

Public Higher Education¹

- Base adequacy funding of \$21.6 million for four institutions (Old Dominion University, Virginia Military Institute, Eastern Virginia Medical School, and Richard Bland College) and \$14.0 million for enrollment growth at George Mason University
- Undergraduate Financial Aid: \$16.2 million in FY19 and \$29.3 million in FY20
- Capital Outlay
 - \$25.0 million in each year in maintenance reserve
 - \$49.6 million in equipment for previously-authorized projects

UVA Academic Division

	FY19	FY20
<i>Operating</i>		
Undergraduate Financial Aid	\$190,389	\$978,180
Virginia Foundation for the Humanities Program – Dialogues for Divisive Histories	\$100,000	\$100,000
Weldon Cooper Center Population Estimates (transfer from DPB)	\$175,000	\$175,000
Local Update of Census Addresses	\$115,000	--
Total	\$580,389	\$1,253,180
<i>Capital Outlay</i>		
Maintenance Reserve (total allocation: \$12,916,383)	\$3,954,832	\$3,954,832
Equipment for previously-authorized projects Gilmer Hall/Chemistry Building Renovation	\$12,357,000	
Center for Human Therapeutics	\$525,000	

College at Wise

	FY19	FY20
<i>Operating</i>		
Undergraduate Financial Aid	\$218,252	\$373,304
Academic Programs	\$2,000,000	\$1,750,000
IT Network & Security	\$892,880	\$832,069
Total	\$3,111,132	\$2,955,373
<i>Capital Outlay</i>		
Maintenance Reserve (total allocation: \$772,776)	\$255,863	\$255,863

¹ Not all-inclusive

Restructuring-related financial incentives – Restores funding for interest earnings on tuition and fees and rebates on purchasing cards.

Institutional Reserve Fund – Authorizes institutions to establish reserve fund supported by unexpended educational and general (E&G) appropriations to foster long-term planning and promote efficient utilization of resources. Institutions are authorized to carry over E&G unexpended balances not to exceed 3% of the GF E&G appropriation in the prior fiscal year. Use of the reserve fund must be approved by the Board of Visitors and details reported to the Governor, the Secretary of Education, the Secretary of Finance and the Chairmen of the House Appropriations and Senate Finance Committees. This is in addition to the carry-forward provisions of the Restructuring Act.

Compensation – Proposes a 2% salary increase effective November 2019 (across-the-board for classified employees who *meet* expectations; merit-based for University staff, A&P faculty, and T&R faculty).

Research – Maintains \$8.0 million investment in each year for the Higher Education Research Initiative Fund (VRIF) to (i) promote research and development excellence in the Commonwealth; (ii) foster innovative and collaborative research, development, and commercialization efforts in projects and programs with a high potential for economic development and job creation opportunities; (iii) position the Commonwealth as a national leader in science-based and technology-based research, development, and commercialization; and (iv) attract and recruit eminent researchers at public institutions of higher education.

Medicaid – Expands access to Medicaid services effective October 1, 2018 and includes estimated savings of \$420 million in base budget.

Mandatory fee increases – Changes the limit on increasing mandatory non-E&G fees from 5% to 3%. Exceptions to the cap include requirements for wage, salary, and benefit increases; actions that respond to federal mandates; increases related to capital projects; increases to support student health services; and other fee increases authorized by the General Assembly.