

Virginia Commonwealth University
Governor's 2008-10 Budget Recommendations
December 17, 2007

Operating Budget

- ***Salary Increases for Faculty and Classified Employees:*** Provides for an average three percent salary increase for teaching and research faculty and administrative faculty, and a three percent salary increase for graduate teaching assistants and part-time faculty. For classified employees, the Governor's budget includes a three percent salary increase for employees with a "contributor" or higher rating on their latest performance evaluation. The increases are effective July 1, 2009.
- ***Base Adequacy:*** Includes additional general fund support of \$4.8 million each year for VCU. In total, the Governor's budget recommendations provide an additional \$44.3 million in state support based on the state's base adequacy guidelines.
- ***Student Financial Assistance:*** Provides additional general fund support of \$1.5 million each year for need-based financial aid for in-state undergraduates. In total, the Governor's budget includes an increase for all higher education institutions of \$9.1 million each year.
- ***Higher Education Equipment Trust Fund (HEETF):*** Provides \$8.1 million for VCU in each year to purchase equipment to enhance instructional and research activity.
- ***Research Funding:*** Continues VCU's allocation of \$3.1 million of state general fund support for 2008-09 for research in bioengineering and regenerative medicine and \$1.0 million for cancer research. No funding is provided in the second year.

In a separate allocation, the Governor's budget includes \$10.5 million over the biennium for the Commonwealth Technology Research Fund (CTRF) to enhance research opportunities and \$30 million through HEETF for laboratory and research equipment. A CTRF grant committee will determine the allocation of these funds to participating institutions.

- ***Financial Incentives Under Higher Ed Restructuring:*** Includes a total pool of \$16.7 million to be allocated to individual higher education institutions that have successfully met the state's expectations under the Higher Education Restructuring Act. The funds represent interest on tuition and fees and other nongeneral fund E&G revenues and a pro rata amount of the rebate paid to the Commonwealth on credit card purchase not exceeding \$5,000. VCU's 2007-08 incentive payment was \$1.7 million.

- **Satellite Dental Clinic in Southwest Virginia:** Provides \$100,000 in state general fund support in the first year to establish a satellite dental clinic in Southwest Virginia (Wise County). The clinic will accommodate five dental students, two dental hygiene students, and two full-time faculty members in a 6,000 square foot facility near the Wise Airport.
- **Autism Services:** Provides \$150,000 in additional state general fund support in the second year to cover increased assessment and early intervention clinics, provide a new clinic in Fredericksburg, add additional staff for the Bedford/Roanoke site, and open two satellite offices in Fredericksburg and Northern Virginia.

Capital Outlay

- **Maintenance Reserve:** Provides an additional \$50 million for maintenance reserve funding for 2007-08, contingent on revenue collections meeting forecast levels of the year. The earliest these funds would be allocated is May 15, 2008. For 2009-2010, provides \$50.0 million in state general fund support for deferred maintenance needs. VCU's allocation from each \$50 million is \$3.4 million.
- **General Obligation Bond Bill:** The Governor proposed a \$1.5 billion general obligation bond bill for critical projects in higher education, which includes \$105.9 million for VCU. Equipment for the projects will be funded when construction is nearing completion.

New School of Medicine, Phase I (\$12 million for equipment delayed)	New Construction	\$59.0M
General Classroom Building (\$3 million of equipment delayed)	New Construction	41.0M
Massey Cancer Center Vivarium	Renovation	<u>5.9M</u>
Total General Obligation Bond Support		\$105.9M

- **Building Equipment:** Includes general fund support for \$3.7 million of equipment and furnishing for Medical Sciences Building II.
- **Non-general Fund Capital Projects:** Authorizes the following capital projects to be funded using University resources:

Monroe Park Campus Addition Art Gallery	New Construction	\$19.4M
Executive Conference Center	New Construction	34.0M
Belvidere & Grace Street Parking Deck	New Construction	<u>14.9M</u>
Total Non-general Fund Authorization		\$68.3M