

**Summary of  
Major Items in the Governor's Introduced Budget  
for Higher Education Operations in the 2010-12 Biennium  
(General Fund)**

Item	Amended 2008-10 Budget
<b><i>(A) Operating Budget for All Institutions</i></b>	
FY10 Budget Cut Adjustments for Base Operations	Restore \$150.1 million September reduction in order to meet the ARRA funding requirements, making the total FY10 higher education general fund support greater than the FY06 level.
American Recovery and Reinvestment Act (ARRA)	Reduce total ARRA funding from \$126.7 million to \$75 million due to the partial restoration of the September general fund budget cuts.
Auxiliary Savings	<ul style="list-style-type: none"> <li>▪ Transfer auxiliary furlough savings of \$0.7 million in FY10 to general fund.</li> <li>▪ Transfer auxiliary VRS/benefit holiday savings of \$2.3 million in FY10 to general fund.</li> </ul>
Interest on Auxiliary Balances	Transfer \$5.4 million interest earnings in FY10 to general fund.
Deferred Compensation Cash Match Program	Suspend the deferred compensation cash match program starting with the last 5 pay periods of FY10.
<b>Proposed 2010-12 Budget</b>	
Base Operations	Continue FY10 \$46.7 million general fund cut in FY11. Reduce general fund support by \$196.8 million in FY12. By FY12, the total state support for the system would be just slightly higher than it was in FY04.
Faculty Salary	No salary increase in each year of the biennium.
Eminent Scholars Program	No additional reductions over the FY10 level.
Tuition Assistance Grant (TAG)	Transfer \$568,910 to EVMS.
Undergraduate Student Financial Aid	No additional funding.
Central Account Adjustments	Reduce \$39.4 million in total due to rate changes in contributions to retirement, group life, disability and health credit etc.
Interest Earnings and Credit Card Rebates	Continue current year estimate of \$8.4 million for FY11.
Tuition and Fee Policy	No restriction on tuition and fee increases.
Auxiliary Cash Balances	Transfer \$18.8 million auxiliary cash balances to general fund in FY11. It is about 5% reduction of auxiliary revenue per institution.

Interest on Auxiliary Balances	Transfer \$7.2 million interest earnings to general fund annually in FY11 and FY12.
Virginia Retirement System (VRS)	Require state employees to contribute 1% of their salaries in FY11 and 2% in FY12 to fund their retirement..
Optional Retirement Plan (ORP)	State will reduce its contribution and require employees, mostly teaching and research faculty, to pay 1% of salary in FY11 and 2% of salary in FY12. Unlike VRS, ORP is a defined contribution plan that has no guarantee of retirement benefit.
Furlough	No furlough days proposed for the biennium.
Revenue Enhancement	End car tax subsidy.
Deferred Compensation Cash Match Program	Continue the suspension of the deferred compensation cash match program. Currently state employees can receive up to \$20 per pay period or \$480 per year in state matching amounts.
Graduate Financial Aid Language	Section 4-5.01 b.3.d is modified that only graduate students not meeting the criteria of Section 4-2.01 b.6 would qualify for financial aid under this criterion.
<b>(B) Institution-Specific Operating Budget</b>	
GMU	<ul style="list-style-type: none"> <li>▪ Distribute amounts for real estate fees to agency budgets \$508.</li> <li>▪ Remove one-time funding for performing arts (\$600,000).</li> </ul>
LU	<ul style="list-style-type: none"> <li>▪ Distribute amounts for real estate fees to agency budgets \$6,930.</li> <li>▪ Provide additional funding of \$475,664 for the Bachelor of Science in nursing program.</li> <li>▪ Remove funding for information technology payments \$999,000.</li> </ul>
RU	<ul style="list-style-type: none"> <li>▪ Remove funding for information technology payments \$840,781.</li> <li>▪ Remove equipment funding for nursing program \$327,852.</li> </ul>
UMW	Distribute amounts for real estate fees to agency budgets \$2,112.
VCCS	<ul style="list-style-type: none"> <li>▪ Distribute amounts for real estate fees to agency budgets \$2,368.</li> <li>▪ Remove \$20,296 funding for the lease purchase for the medical building at NVCC.</li> </ul>
VSU	Provide an additional \$600,000 to support the manufacturing engineering and logistics technology programs.

**(C) Fixed-Assets/Capital Outlay Budget for All Institutions**

Funding is contingent upon a debt financing plan developed by the Secretary of Finance and taking into account of the debt capacity prior to the 2011 session. Funding priority is in the following sequence.

Maintenance Reserve	Provide \$35.6 million in debt each year.
Higher Education Equipment Trust Fund (HEETF)	Provide \$50 million allocation in each year of the biennium. The debt service is estimated at \$8.3 million in FY12.
Equipment and Furnishings	Provide \$25.8 million in FY11 for previously funded projects that will be completed during 2010-12 biennium.
Construction Projects	Propose \$1.1 billion based on the recommendation of the Council of Presidents.

**General Fund Adjustments to E&G Programs in the Governor's Introduced 2010-12 Budget**

Institution	2010-11			2011-12			Biennial Total
	Central Account Adjustment <sup>1</sup>	GF Cut (Base Operations)	Inst-Specific	Central Account Adjustment <sup>1</sup>	GF Cut (Base Operations)	Inst-Specific	
CNU	(421,829)	(851,385)		(421,829)	(3,587,102)		(5,282,145)
CWM	(744,412)	(1,442,974)		(744,412)	(6,079,615)		(9,011,413)
GMU	(2,009,634)	(4,171,140)	(299,746)	(2,009,634)	(17,574,072)	(299,746)	(26,363,972)
JMU	(1,118,973)	(2,347,055)		(1,118,973)	(9,888,736)		(14,473,737)
LU	(384,476)	(836,798)	189,138	(384,476)	(3,525,641)	(705,544)	(5,647,797)
UMW	(328,337)	(715,197)	1,056	(328,337)	(3,013,308)	251,056	(4,133,067)
NSU	(500,132)	(1,241,942)		(500,132)	(5,232,617)		(7,474,823)
ODU	(1,270,443)	(3,375,864)		(1,270,443)	(14,223,369)		(20,140,119)
RU	(672,317)	(1,521,624)		(672,317)	(6,410,987)	(1,168,633)	(10,445,878)
UVA	(1,421,687)	(4,569,031)		(1,421,687)	(19,250,486)		(26,662,891)
UVAW	(180,794)	(460,396)		(180,794)	(1,939,766)		(2,761,750)
VCU	(2,515,683)	(5,973,081)		(2,515,683)	(25,166,106)		(36,170,553)
VMI	(170,208)	(422,553)		(170,208)	(1,780,323)		(2,543,292)
VSU	(302,069)	(799,869)	300,000	(302,069)	(3,370,052)	300,000	(4,174,059)
VT	(2,527,972)	(5,185,234)		(2,527,972)	(21,846,706)		(32,087,884)
RBC	(68,282)	(162,291)		(68,282)	(683,772)	(109,256)	(1,091,883)
VCCS <sup>2</sup>	(3,677,978)	(10,861,417)	(8,964)	(3,677,978)	(45,761,904)	(8,964)	(63,997,205)
<b>All Inst.</b>	<b>(18,315,226)</b>	<b>(44,937,851)</b>	<b>181,484</b>	<b>(18,315,226)</b>	<b>(189,334,562)</b>	<b>(1,741,087)</b>	<b>(272,462,468)</b>
VIMS	(285,683)	(662,682)		(285,683)	(2,792,047)		(4,026,095)
VT-Ext	(1,050,016)	(1,074,931)		(1,050,016)	(4,528,956)		(7,703,919)
VSU-Ext	(62,879)	(25,748)		(62,879)	(108,484)		(259,990)
<b>Higher Ed.</b>	<b>(19,713,804)</b>	<b>(46,701,212)</b>	<b>181,484</b>	<b>(19,713,804)</b>	<b>(196,764,049)</b>	<b>(1,741,087)</b>	<b>(284,452,472)</b>
EVMS		(102,379)			(102,379)		(204,758)
NCI		(159,702)			(159,702)		(319,404)
IALR		(619,477)			(619,477)		(1,238,954)
RHEA		(124,655)			(124,655)		(249,310)
SVHEC		(213,022)			(213,022)		(426,044)
SWVHEC		(211,160)			(211,160)		(422,320)
Jefferson Lab		(127,766)			(127,766)		(255,532)
SCHEV		(1,125,152)			(1,125,152)		(2,250,304)
Res Initiatives		(3,090,000)			(6,090,000)		(9,180,000)
<b>Hi Ed related</b>		<b>(5,773,313)</b>			<b>(8,773,313)</b>		<b>(14,546,626)</b>
<b>Grand Total</b>	<b>(19,713,804)</b>	<b>(52,474,525)</b>	<b>181,484</b>	<b>(19,713,804)</b>	<b>(205,537,362)</b>	<b>(1,741,087)</b>	<b>(298,999,098)</b>

Notes:

(1) Central account adjustments include changes in retirement and other benefit contribution rates and other centrally funded items.

(2) Excludes \$150,000 moved from E&G to Student Financial Aid program.

The Governor's Introduced Budget for 2010-12 Biennium  
For Educational and General Programs

Institution	General Fund						Nongeneral Fund						Total Additional Funding						
	2010-11			2011-12			2010-11			2011-12			2010-11		2011-12		Biennium		
	Central Account Adjustment <sup>1</sup>	GF Cut	Inst-Specific	Central Account Adjustment <sup>1</sup>	GF Cut	Inst-Specific	ARRA	Tuition Revenue	O&M	Inst-Specific	Tuition Revenue	O&M	Inst-Specific	GF	NGF	GF	NGF	GF	NGF
CNU	(421,829)	(851,385)		(421,829)	(3,587,102)		3,505,271	980,000	288,420		980,000	595,320		(1,273,214)	4,773,691	(4,008,931)	1,575,320	(5,282,145)	6,349,011
CWM	(744,412)	(1,442,974)		(744,412)	(6,079,615)		6,884,042	2,500,000	1,086,284	139,000	2,500,000	1,267,551	139,000	(2,187,386)	10,609,326	(6,824,027)	3,906,551	(9,011,413)	14,515,877
GMU	(2,009,634)	(4,171,140)	(299,746)	(2,009,634)	(17,574,072)	(299,746)	19,894,643	9,459,575	2,374,743		9,459,575	2,374,743		(6,480,520)	31,728,961	(19,883,452)	11,834,318	(26,363,972)	43,563,279
JMU	(1,118,973)	(2,347,055)		(1,118,973)	(9,888,736)		11,292,799	(1,361,977)			(1,361,977)			(3,466,028)	9,930,822	(11,007,709)	(1,361,977)	(14,473,737)	8,568,845
LU	(384,476)	(836,798)	189,138	(384,476)	(3,525,641)	(705,544)	3,305,208			55,000			124,475	(1,032,136)	3,360,208	(4,615,661)	124,475	(5,647,797)	3,484,683
UMW	(328,337)	(715,197)	1,056	(328,337)	(3,013,308)	251,056	3,406,157	(1,379,187)			(1,379,187)			(1,042,478)	2,026,970	(3,090,589)	(1,379,187)	(4,133,067)	647,783
NSU	(500,132)	(1,241,942)		(500,132)	(5,232,617)		3,915,635	(1,000,000)	659,683		(1,000,000)		905,774	(1,742,074)	3,575,318	(5,732,749)	(94,226)	(7,474,823)	3,481,092
ODU	(1,270,443)	(3,375,864)		(1,270,443)	(14,223,369)		12,664,227		301,017		0	781,466		(4,646,307)	12,965,244	(15,493,812)	781,466	(20,140,119)	13,746,710
RU	(672,317)	(1,521,624)		(672,317)	(6,410,987)	(1,168,633)	6,060,300	(3,607,980)			(3,607,980)		(753,462)	(2,193,941)	2,452,320	(8,251,937)	(4,361,442)	(10,445,878)	(1,909,122)
UVA	(1,421,687)	(4,569,031)		(1,421,687)	(19,250,486)		21,892,717	6,042,422			6,042,422			(5,990,718)	27,935,139	(20,672,173)	6,042,422	(26,662,891)	33,977,561
UVAW	(180,794)	(460,396)		(180,794)	(1,939,766)		1,702,856	(442,000)	178,281		(442,000)			(641,190)	1,439,137	(2,120,560)	(442,000)	(2,761,750)	997,137
VCU	(2,515,683)	(5,973,081)		(2,515,683)	(25,166,106)		23,160,921	(4,831,132)		8,042,271	(4,831,132)		8,042,271	(8,488,764)	26,372,060	(27,681,789)	3,211,139	(36,170,553)	29,583,199
VMI	(170,208)	(422,553)		(170,208)	(1,780,323)		1,940,755	(900,000)			(900,000)			(592,761)	1,040,755	(1,950,531)	(900,000)	(2,543,292)	140,755
VSU	(302,069)	(799,869)	300,000	(302,069)	(3,370,052)	300,000	3,314,396	(1,588,959)			(1,588,959)			(801,938)	1,725,437	(3,372,121)	(1,588,959)	(4,174,059)	136,478
VT	(2,527,972)	(5,185,234)		(2,527,972)	(21,846,706)		20,892,536	313,236			313,236	593,382		(7,713,206)	21,205,772	(24,374,678)	906,618	(32,087,884)	22,112,390
RBC	(68,282)	(162,291)		(68,282)	(683,772)	(109,256)	701,736	250,000	76,645		250,000	78,944		(230,573)	1,028,381	(861,310)	328,944	(1,091,883)	1,357,325
VCCS <sup>2</sup>	(3,677,978)	(10,861,417)	(8,964)	(3,677,978)	(45,761,904)	(8,964)	45,796,200	20,265,877	1,388,615		20,265,877	2,281,219		(14,548,359)	67,450,692	(49,448,846)	22,547,096	(63,997,205)	89,997,788
<b>All Inst.</b>	<b>(18,315,226)</b>	<b>(44,937,851)</b>	<b>181,484</b>	<b>(18,315,226)</b>	<b>(189,334,562)</b>	<b>(1,741,087)</b>	<b>190,330,399</b>	<b>24,699,875</b>	<b>6,353,688</b>	<b>8,236,271</b>	<b>24,699,875</b>	<b>8,878,399</b>	<b>7,552,284</b>	<b>(63,071,593)</b>	<b>229,620,233</b>	<b>(209,390,875)</b>	<b>41,130,558</b>	<b>(272,462,466)</b>	<b>270,750,791</b>
VIMS	(285,683)	(662,682)		(285,683)	(2,792,047)		3,076,343							(948,365)	3,076,343	(3,077,730)		(4,026,095)	3,076,343
VT-Ext	(1,050,016)	(1,074,931)		(1,050,016)	(4,528,956)		4,756,374							(2,124,947)	4,756,374	(5,578,972)		(7,703,919)	4,756,374
VSU-Ext	(62,879)	(25,748)		(62,879)	(108,484)		140,205							(88,627)	140,205	(171,363)		(259,990)	140,205
EVMS		(102,379)			(102,379)									(102,379)		(102,379)			(204,758)
NCI		(159,702)			(159,702)									(159,702)		(159,702)			(319,404)
IALR		(619,477)			(619,477)									(619,477)		(619,477)			(1,238,954)
RHEA		(124,655)			(124,655)									(124,655)		(124,655)			(249,310)
SVHEC		(213,022)			(213,022)									(213,022)		(213,022)			(426,044)
SVVHEC		(211,160)			(211,160)									(211,160)		(211,160)			(422,320)
Jefferson Lab		(127,766)			(127,766)									(127,766)		(127,766)			(255,532)
SCHEV		(1,125,152)			(1,125,152)									(1,125,152)		(1,125,152)			(2,250,304)
Res Initiatives		(3,090,000)			(6,090,000)									(3,090,000)		(6,090,000)			(9,180,000)
<b>Total</b>	<b>(19,713,804)</b>	<b>(52,474,525)</b>	<b>181,484</b>	<b>(19,713,804)</b>	<b>(205,537,362)</b>	<b>(1,741,087)</b>	<b>198,303,321</b>	<b>24,699,875</b>	<b>6,353,688</b>	<b>8,236,271</b>	<b>24,699,875</b>	<b>8,878,399</b>	<b>7,552,284</b>	<b>(72,006,845)</b>	<b>237,593,155</b>	<b>(226,992,253)</b>	<b>41,130,558</b>	<b>(298,999,096)</b>	<b>278,723,713</b>

Notes:

(1) Central account adjustments include changes in retirement and other benefit contribution rates and other centrally funded items.

(2) Excludes \$150,000 general fund moved from E&G to Student Financial Aid program.

**Change in General Fund Appropriations to E&G Programs  
2010-12 Biennium over FY2010**

Inst.	2009-10 Adjusted Base <sup>1</sup>	Proposed 2010-11	FY11 Change over FY10		Proposed 2011-12	FY12 Change over FY10		% Cut over Orig FY10 <sup>2</sup>
			Amount	Percent		Amount	Percent	
CNU	\$23,781,712	\$23,381,851	(\$399,861)	-1.7%	\$20,646,134	(\$3,135,578)	-13.2%	-27.5%
CWM	\$39,681,727	\$39,291,864	(\$389,863)	-1.0%	\$34,655,223	(\$5,026,504)	-12.7%	-27.4%
GMU	\$114,484,737	\$111,733,347	(\$2,751,390)	-2.4%	\$98,330,415	(\$16,154,322)	-14.1%	-27.6%
JMU	\$65,091,186	\$63,577,853	(\$1,513,333)	-2.3%	\$56,036,172	(\$9,055,014)	-13.9%	-27.7%
LU	\$24,146,592	\$23,855,610	(\$290,982)	-1.2%	\$20,272,085	(\$3,874,507)	-16.0%	-28.0%
NSU	\$39,798,642	\$39,557,466	(\$241,176)	-0.6%	\$35,566,791	(\$4,231,851)	-10.6%	-27.8%
ODU	\$91,558,743	\$89,771,848	(\$1,786,895)	-2.0%	\$78,924,343	(\$12,634,400)	-13.8%	-27.9%
RU	\$43,060,697	\$42,386,924	(\$673,773)	-1.6%	\$36,328,928	(\$6,731,769)	-15.6%	-27.8%
UMW	\$19,153,410	\$18,887,067	(\$266,343)	-1.4%	\$16,838,956	(\$2,314,454)	-12.1%	-27.7%
UVA	\$121,859,606	\$120,946,433	(\$913,173)	-0.7%	\$106,603,758	(\$15,255,848)	-12.5%	-27.7%
UVAW	\$12,373,725	\$11,829,222	(\$544,503)	-4.4%	\$10,349,852	(\$2,023,873)	-16.4%	-27.9%
VCU	\$161,731,176	\$159,638,456	(\$2,092,720)	-1.3%	\$140,445,431	(\$21,285,745)	-13.2%	-27.5%
VMI	\$8,484,514	\$8,306,364	(\$178,150)	-2.1%	\$6,948,594	(\$1,535,920)	-18.1%	-27.7%
VSU	\$30,133,409	\$30,129,353	(\$4,056)	0.0%	\$27,559,170	(\$2,574,239)	-8.5%	-28.4%
VT	\$144,916,835	\$144,789,971	(\$126,864)	-0.1%	\$128,128,499	(\$16,788,336)	-11.6%	-27.3%
RBC	\$5,304,163	\$5,234,621	(\$69,542)	-1.3%	\$4,603,884	(\$700,279)	-13.2%	-21.6%
VCCS	\$345,955,255	\$341,647,732	(\$4,307,523)	-1.2%	\$306,747,245	(\$39,208,010)	-11.3%	-21.5%
<b>Total</b>	<b>\$1,291,516,129</b>	<b>\$1,274,965,982</b>	<b>(\$16,550,147)</b>	<b>-1.3%</b>	<b>\$1,128,985,480</b>	<b>(\$162,530,649)</b>	<b>-12.6%</b>	<b>-26.0%</b>

Notes:

(1) 2009-10 adjusted base includes amended appropriations, budget cut and interest earnings in Chapter 781, revised second budget cut in the Caboose bill, and central account adjustments estimated in May 2008.

(2) The percentage is derived by using DPB data for the original FY10 appropriations (Chapter 879) excluding funding such as OCR and debt service against the FY10 first budget cut and proposed FY12 cut.