2010-11 Budget Training
ALL DIVISIONS
Major Funding Sources 2009-2010
$2.25 Billion

- Patient Revenue: 43.9%
- Tuition & Fees: 16.9%
- Private: 9.4%
- Grants & Contracts: 13.3%
- Other: 2.5%
- State GF: 6.9%
- Auxiliaries: 7.1%
ACADEMIC DIVISION
Major Funding Sources 2009-2010
$1.23 Billion

- Tuition & Fees: 30.5%
- Grants & Contracts: 24.3%
- Private: 17.0%
- State GF: 11.5%
- Auxiliaries: 12.4%
- ARRA: 0.9%
- Other: 3.4%
ACADEMIC DIVISION
2009-2010 Expenditure Budget
$1.23 Billion

- Instruction: 25.9%
- Public Service: 24.8%
- Research & Public Service: 24.8%
- Academic Support: 9.7%
- Other: 16.1%
- Financial Aid: 11.1%
- Auxiliaries: 12.4%
# ACADEMIC DIVISION

## New Commitments - Key Initiatives

*(in Thousands)*

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Incremental in 2009-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student System Implementation</td>
<td>$5,106</td>
</tr>
<tr>
<td>Student System Maintenance and Support</td>
<td>3,945</td>
</tr>
<tr>
<td>Access UVa</td>
<td>6,295</td>
</tr>
<tr>
<td>Deferred Maintenance (5th year of ten-year plan)</td>
<td>1,500</td>
</tr>
<tr>
<td>Other</td>
<td>170</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$17,016</strong></td>
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</tbody>
</table>
# ACADEMIC DIVISION

## New Commitments - Base Operating Support

*(in Thousands)*

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Incremental in 2009-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Arts &amp; Sciences – Base Budget Allocation</td>
<td>$ 4,005</td>
</tr>
<tr>
<td>College of Arts &amp; Sciences – Faculty Start-ups</td>
<td>1,900</td>
</tr>
<tr>
<td>College of Arts &amp; Sciences – New Dean Commitment</td>
<td>1,250</td>
</tr>
<tr>
<td>Graduate Support</td>
<td>970</td>
</tr>
<tr>
<td>Exec/Admin Support</td>
<td>644</td>
</tr>
<tr>
<td>Registrar/Admissions/Classroom Technology</td>
<td>477</td>
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<tr>
<td>Batten School Base Operating</td>
<td>225</td>
</tr>
<tr>
<td>School of Architecture – New Dean Commitment</td>
<td>221</td>
</tr>
<tr>
<td>Museum Support</td>
<td>88</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 9,780</strong></td>
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</tbody>
</table>
## ACADEMIC DIVISION

### New Commitments - Unavoidable Increases

(in Thousands)

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Incremental in 2009-2010</th>
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</thead>
<tbody>
<tr>
<td>FLSA Compliance (one-time)</td>
<td>$ 5,179</td>
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<tr>
<td>Utility Costs</td>
<td>3,559</td>
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<tr>
<td>New Facilities and Security</td>
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<tr>
<td>Fringe Benefit Cost Increases</td>
<td>1,244</td>
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<tr>
<td>Learning Needs/Accommodations (Section 504)</td>
<td>121</td>
</tr>
<tr>
<td>Residence Life</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>$ 11,849</td>
</tr>
</tbody>
</table>
ACADEMIC DIVISION
Faculty and Staff Salaries

• Critical Issue: What is an appropriate ongoing goal for faculty compensation as compared to other priorities?

• In 2002-2003, you identified faculty compensation as a critical issue. UVa’s average salary was $7,000 below our goal of 19th position among AAU peers.

• For four years, we supplemented state’s increase and reduced gap to $600 in 2006-2007.

• With 1 year without an increase, we have fallen to $6,400 below the goal.

• Similar concerns exist for staff employees.
ACADEMIC DIVISION
Replacement of ARRA

• Critical Issue: American Reinvestment and Recovery funds are supporting base operating budget in 2009-2010. How do we transition to full support from on-going sources by 2011-2012?

• Limited in-state undergraduate tuition increase to 5%, giving up $3.4 million in new revenue.

• Using $6.9 million in base budget in 2009-2010.

• Must replace at least half with tuition (requiring a 3% undergraduate tuition surcharge) in 2010-2011.

• Replace remaining half with tuition (requiring a 3% undergraduate tuition surcharge) in 2011-2012.
ACADEMIC DIVISION
Research

• *Critical Issue: How do we address higher research infrastructure costs funded from a relatively flat revenue stream?*

• Sponsored research reimburses indirect facilities and administrative (F&A) costs.

• 100% of recoveries are not returned to units that incur the cost.

• Re-invest recovery of F&A in research facilities and activities.

• Cost of facilities and compliance are increasing, while flat research funding has resulted in flat recoveries.

• Increased F&A recoveries must be preserved to cover infrastructure costs.
University of Virginia
Historical Educational & General Funding
From General Funds and Tuition (In 2010 dollars)
Per In-State FTE Student

![Graph showing historical educational and general funding per in-state FTE student from 1989-90 to 2009-10](image)
2010-11 Critical Issues

- State Budget Reductions
- Other State Actions
- Machine Room Headcount Fee
- Endowment Distribution
- Salary and Fringe Benefits
State Budget Reductions

- Oct ’07 – $9.2 mill = 3.0% departmental impact
- Oct ’08 – $10.6 mill = 3.0% departmental impact
- Jul ’09 – $12.5 mill = 3.2% departmental impact

- Fall ’09 – between $4.6 mill and $19.25 mill = 2.5% - 3.0% departmental impact so far.
State Budget Reductions and Stimulus Funds

- FY10 – Proposal to reduce budget cut by $14.7 million, but also reduces stimulus funding by $14.1 million. Net effect = +$600,000

- FY11 – Proposal to reduce budget cut by $14.7 million and increase stimulus funding by $11.2 million. Net effect = $25.9 million more than expected!!!

- FY12 – Proposal to implement full budget cut ($14.7 million) and all stimulus funds are gone. Net effect = $36.6 million less than in FY11!!!
Other Governor Kaine Proposals

- Continuation of Eminent Scholar reduction
- Reduced ETF; probable delay in spending authority
- Reduced Maintenance Reserve; probably delay in spending authority
- Reversion of auxiliary cash balances and savings from furlough days and VRS actions
- Elimination of interest paid on balances
Other Governor Kaine Proposals

• No state authorized salary increases; language prohibiting annual merit increases from NGF.

• Contribution by employees to VRS and ORP (1% beginning 7/1/10 and 2% beginning 7/1/11)

• Suspension of deferred compensation cash match to employees (begins FY10)
Endowment Distribution

• Policy: 4%-6% of endowment value, with a 5% target

• 08-09: 5.0% of June 30, 2008 market value

• 09-10: 5.5% of June 30, 2009 market value

• 10-11: to be decided later this year. My recommendation is to plan for a return to 5.0% of June 30, 2010 market value.

(Since June, endowment is up 10%.)
Machine Room Billing

• New Data Center under construction

• 10-11, to be billed on a per headcount basis at $22/year

• Provides new administrative and research computing capacity.
Salary and Fringe Benefits

• No salary increase in 10-11.
• Bi-weekly payroll implemented (and budget adjustment processed for targeted awards)
• *Projected* fringe benefit rates, increased for healthcare:
  - FT Faculty and Staff-Executive: 28.8%
  - FT Staff: 39.5%
  - PT w/ benefits: 27.5%
  - PT w/out benefits, wages: 6.4%
Submission Requirements

• Tuition and Fee Increases
• Budget Submission Narrative
• Planned Expenditures from Selected Fund Sources
• Integrated System Budget Detail Entry
• Capital Reserve Projections
• Addenda Requests – emergency needs only
• Annual Renovation and Infrastructure Projects (ARIP)
Budget Narrative – Impact of Reductions

1. Teaching and Research Faculty
   • How many full-time instructional faculty positions have been left vacant?
   • How have part-time and adjunct faculty positions changed? Have they decreased for short-term savings? Or increased to replace unfilled full-time positions?
   • As a result of changes in all instructional faculty, how many sections have been eliminated? How many classes have been eliminated?
   • As a result of changes in all instructional faculty, how has class size been impacted?
   • Have budget reductions have led directly to the loss of one or more key faculty? If so, please describe how many and specifically why they left the University.
   • As a result of changes in all faculty positions, has research productivity been impacted?

2. Other Staffing
   • How many non-instructional faculty positions have been left vacant?
   • How many staff positions have been left vacant?
   • How has a reduced staffing level impacted your organization?
   • Has your organization achieved any organizational efficiencies as positions have been held vacant, such as consolidating administrative functions?

3. Other
   • How have the specific services that your organization provides to the University changed due to budget reductions?
     Have library collections and subscriptions been impacted?
   • What impact has a reduction in travel, education, or equipment spending had?
   • Has your organization been able to utilize technology or the internet effectively to save money and update processes?
   • Has your organization considered proposing a change in enrollment?
## New BU.Budget Development Report

### University of Virginia

#### GL and GA Budget by MBU, Year and Version

<table>
<thead>
<tr>
<th>Revenue Parent Project</th>
<th>Award</th>
<th>GA Project</th>
<th>Expenditure Type</th>
<th>GL Project</th>
<th>GL Object Code/Description</th>
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<th>2009</th>
<th>2008</th>
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|                        |       |            |                  | 101995    | DV-WTJU Operating | 4230 Fees: Other Auxiliaries | -140,700 | - | - | -141,300 | - |
|                        |       |            |                  |            | Total | -140,700 | - | - | -141,300 | - |

|                        |       |            |                  | 101995    | Total 101995 | 0 | 1.00 | 90,730 | -45,420 | 1.00 |
Due Dates
(w/ VP approval)

• Jan 29: Application, activity fees
• Feb 1: Mandatory fees
• Feb 8 – 22: Auxiliary budgets
• Feb 22: SCPS and ISO budgets; Darden, Law, SOM tuition
• Feb 22: Planned Expenditures from Selected Fund Sources
• Mar 15: Wise budgets
• Mar 22: GL budget detail
• Apr 1: All remaining items, including addenda and ARIP