

Provost Employee Communication Council
Tuesday, January 11, 2011 Meeting Minutes

January 11, 2011 PECC Meeting:

Members Present: Darlene Branch, Susan Chisholm, Bill Corey, Zeke Crater, Barbara Graves, Pam Hoover, Laura Mellusi, Debbie Mincarelli, Deanna Palombo, Susan Pott, Leigh Rockey, Raj Seneviratne, Tony Townsend, Linda Vaughan, Margaret Weeks, Jess Wenger, Erica Wheat, Paul R. Willis, Erinn Wilmott, Susan Witzel.

Guest Speakers: Sarah Collie and Penelope Cabaniss from the Office of State Governmental Relations.

3 Handouts were given out and are included within the minutes.

Key Points discussed:

- Over 600 Bills have been introduced.
- Governor's interim report will introduce legislation.
- Virginia Higher Education Act of 2011 focused on economic opportunity.
- The governor has called for 100,000 more degrees-very interested in Research and Development and has inquired how we can use our space throughout the year and promote technology advances.
- President Sullivan promoting a 3 year degree with 1 year masters within a 4 year period.
- Part of the work of the Governor's commission is to advance the areas of education, funding, etc.
- Other legislation we expect to see include; violent behavior protection, marijuana behavior (synthetic marijuana), Freedom of Information Act, related to current events, Bills related to current immigration, guns and Bills related to instate/out of state acceptances to the universities to increase growth.
- Political climate- resolution for the General Assembly to call to Congress, the repeal of any federal law if they have 2/3 appeal.
- This year is an election year and all 140 members are up for election.
- Bills ,that the Office of State Governmental Relations office is reporting on and watching ,can be found on the SGR website, <http://www.virginia.edu/governmentalrelations/>

Questions asked by council members:

- Q) It is very clear that something must be done in shoring up the VRS and it seems that President Sullivan is totally against this hidden tax, do we have an official capacity to do this? And how is it legal that they can borrow from the VRS fund?
- A) Probably what happened is that the VRS has been underfunded, with nothing really being taken away from the VRS, and it will affect all state employees.
- Q) How the state comes up with the Budget, we have overhead (personnel included) and how can they say that they don't have money when it has been underfunded? Why is there not enough money when we had a surplus this year? Most of it was dedicated to the 3 % one-time bonus and transportation.
- A) In Virginia, we have a balanced budget system whereby we have to balance the budget every year.

Q) But at the same time, we are hearing we are going to create new jobs. How are we going to be able to do this when we are constantly borrowing from the infrastructure?

A) It becomes a fund more that we have and then we will have debt. This is how the state has gotten into this situation.

Q) Once all of the bills have been introduced, when will be a good time to check the website regarding the bills that UVA is looking at constantly.

A) By next Friday, January 21st.

Q) Re-districting is coming up; does Uva have any input to these issues?

A) No, this falls to the legislators. This issue will not be taken up during the 45 day session.

Q) Under Capital Outlay, regarding ETF money, what do we do? Sit with an empty building now?

A) Yes.

Q) Are we now looking at ratio change regarding in-state and out of state legislation?

A) Currently it is a 70% to 30% ratio. It has been helpful that UVA is embracing growth.

- The committee meetings are open to everyone.
- UVA employees are encouraged to express concerns to the legislators as private citizens. Remember not to use UVA email or letterhead to express those concerns.
- Handwritten letter or an email to their Richmond addresses-because they will be in session during this time.
- There is a link on the SGR website to all legislators and their contact information.

Closed Meeting:

- Discussion regarding the correct amount of years without a pay raise: 3 years or 5 years. Every year without a raise does affect retirement.
- Proposal made to change 3 years to 5 years.
- Discussion around Draft Amendments:
- Draft Resolution from the PECC on the Governor's Proposed 2011 VRS Change: a draft was sent to 4 other councils and to the Faculty Senate: (see draft below)

WHEREAS: The employees of the University of Virginia have not had a salary increase in six of the past ten years; and

WHEREAS: The employees of the University of Virginia have helped overcome the Commonwealth's current revenue shortfall by doing the work of the University's unfilled positions; and

WHEREAS: The current Virginia Retirement System funding shortfall was not created by the employees of the University of Virginia; and

WHEREAS: The current Virginia Retirement System promised benefits are a necessary component of the University of Virginia employee compensation package.

NOW THEREFORE the Provost Employee Council of the University of Virginia hereby requests that President Sullivan send a statement to the Governor and to the members of the General Assembly requesting that the Virginia Retirement System program benefits remain unchanged and a method for fully funding the Virginia Retirement System be found that does not reduce the salary of University of Virginia employees.

- Motion was made to pass the Amendment to the Resolution. For the minutes, let it be known that there was a unanimous show of hands.
- Proposal made to send to media "can we do this? Don't send it on UVA letterhead or equipment". We can send as private email but not on Uva email.
- Suggestion to speak with Carol Woods to see how to go about sending this to the media.
- Raj Seneviratne will check with Provost Area of how to reach out to the media, later today.
- Before we send anything to the media, do we want to wait for the other councils' response?

Zeke will ask other councils, if/and when they want to join us with our resolution, perhaps 2 weeks from today? Barbara Graves suggested that two weeks is too long to wait as the deadline is Wednesday, January, 19th. Laura Mellusi suggested that it would be a good idea to speak to Carol Wood today to see what guidelines we need to follow in order to send the resolution to the media. Zeke agreed and offered to speak to Carol Wood later today regarding the process. We should also send the same text out to all constituents. Barbara Graves will work on the basic draft/text to send out to all employees with suggestions, guidelines, work, etc.

UHR Updates: Erica Wheat

- Taxes (W-2 forms will be available on January 18th-online only through employee self service.)
- Employees that do not trigger the online option will receive a paper copy. Paper copies will be mailed on January 31.
- VITA-Tax assistance- UHR located at 1918 Emmet Street-Michie Building. Employees can receive a free service provided by Law students for those who make under \$49,000.00, individually or jointly. VITA Tax Assistance offered January 31 through April 18th. There is an appointment system for folks to come to office on Monday and Wednesdays to file short form only from 5:30 – 7:30. (The law students are not qualified to do the long form.)
- Look on the News and Notes on the HR website for updates:
- All benefit changes for Academic employees are now done online in Benefits@. Documentation of a mid-year event is no longer required; however, employees may be asked to provide documentation during a periodic audit.
- Approximately 160 University Staff employees received the use or lose leave payouts for the 2010 leave year.
- The Making Work Pay tax credits expired at the end of 2010. The extension of the Bush tax credit included a one year 2% 'tax holiday' reduction in FICA taxes for 2011.
- Question asked: Can something be sent out to employees from Payroll to better explain what happened at the federal level? A) Employees can find info on the IRS website.

From the Provost office: Raj Seneviratne

- Recent email sent out from President Sullivan regarding the launch of the search committee search for the Provost and the submission of nominations. Staff members are welcome. Raj

suggested bringing it back to the PECC council by nominating someone from council to serve on the Provost Search committee.

- Zeke asked if anyone would like to serve from our council and Tony Townsend offered to serve. Tony was then nominated and the council voted in his support.

Follow up items: Zeke Crater

- Officers of the 4 employee councils are asked to meet 2/7 or 2/8. Send agenda to them regarding possibilities of how can we make a quick resolution with all councils, etc., and resources of contacts.
- See attached documents from the Office of State Governmental Relations.
- Our next meeting will be a working meeting on February 8, 2011.


UNIVERSITY of VIRGINIA
OFFICE OF STATE GOVERNMENTAL RELATIONS

Key Dates for the 2011 General Assembly Session

Official Dates

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|-----------------------|--|
| Monday, July 19 | Prefiling begins |
| Friday, December 17 | Governor presents Budget Bill (<u>UVa report will follow</u>) |
| Wednesday, January 12 | Session Convenes Prefiling ends at 10:00 a.m. Last day to file charter, claims, sales and property tax exemption, local fiscal impact, and VRS bills |

Tentative Dates (pending adoption of 2010 Procedural Resolution)

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|------------------------|--|
| Wednesday, January 12 | Last day to file legislation creating or continuing a study |
| Friday, January 21 | Bill Cut-off (Last day to introduce bills and certain joint resolutions) |
| Sunday, February 6 | House Appropriations and Senate Finance Committees to complete action on Budget Bills by midnight (<u>UVa report will follow</u>) |
| Tuesday, February 8 | Cross-over (Last day for each house to act on its own legislation, excluding Budget Bills) Amendments to Budget Bills available by noon |
| Thursday, February 10 | Houses of origin to complete action on Budget Bills |
| Tuesday, February 15 | Committees to complete action on Budget Bills and revenue bills of other house |
| Wednesday, February 16 | Last day to act on Budget Bills and revenue bills of other house and appoint Conferees |
| Monday, February 21 | Committees to complete action on remaining legislation |
| Tuesday, February 22 | Budget Conference Committees to complete work |
| Thursday, February 24 | Budget Conference Reports available by noon (<u>UVa report will follow</u>) Last day to act on remaining bills and appoint Conferees |
| Saturday, February 26 | Session Adjourns Sine Die |
| Monday, March 28 | Last day for Governor's action on legislation by midnight |
| Wednesday, April 6 | Reconvened Session |

(Budget and legislative reports will be posted to the State Governmental Relations website, <http://www.virginia.edu/governmentalrelations/>.)

Summary of the Governor's Amendments to the 2010-12 Biennial Budget December 20, 2010

State Budget

- Revised revenue forecast upward to add \$337 million in the biennium.
- Budget includes \$191.5 million in savings based on agency reduction plans.
- Three high priority spending proposals
 - Improve funding available for transportation
 - Increase investment in higher education
 - Increase investment in economic development

Higher Education

- \$50 million general fund investment to move toward the goal of producing 100,000 additional degrees over 15 years by increasing access and reducing tuition growth
 - \$33 million to support student enrollment, retention, and graduation with a focus on increasing the number of students majoring in STEM and health care.
 - \$13 million for undergraduate financial aid
 - \$3 million to enhance on-line course availability
 - \$1 million to target academic transformation through technology
 - Institutions are to provide proposals to the Secretary of Education for potential use of the funding. Proposals will be evaluated on the basis of criteria consistent with the recommendation of the Higher Education Commission. Performance and reporting expectations will be required.
 - Each proposal should include productivity, innovation, and savings strategies to streamline operations and reduce operating costs in low priority areas along with approaches to reprogram these resources to increase access, increase the number of degrees awarded, and reduce the level of tuition increases. Strategies cannot include a corresponding increase in tuition and fees or reductions in financial aid.
- \$25 million general fund to establish the Virginia Research and Technology Innovation Fund
- \$7.8 million general fund to provide for interest earned on nongeneral fund balances deposited with the state and credit card rebates earned under the terms of the Restructuring Act's financial incentives.
- \$5 million for VCU's Massey Cancer Center

Summary of the Governor's Amendments to the 2010-12 Biennial Budget December 20, 2010

- \$5 million for ODU to increase base budget adequacy attainment from 75% to 78%
- \$3 million for workforce development programs in the community colleges
- \$2.5 million to raise the TAG from \$2,600 to \$2,700 per student
- \$1 million to UMW to support operating costs at the new Dahlgren Education and Research Center
- \$1 million to VT and VSU for extension services
- \$5 million to EVMS for core instructional requirements
- \$0.6 million for incentive grants to support college lab schools
- Higher education reversion clearing account of \$10 million remains unallocated in the budget. If spread proportionately to four-year and two-year institutions UVa would get a reduction of \$900,000 and Wise would receive a \$90,000 cut.
- Additional \$3.4 million in ARRA funds reallocated from K-12 to higher education. UVa would receive \$542,279 in FY11. Wise would receive \$144.
- Virginia Commonwealth University - Tuition Authority - Governor McDonnell said that he has withheld state money equal to half of Virginia Commonwealth University's 24 percent tuition increase as a message to colleges and universities about rising tuition rates. VCU raised tuition and fees by \$1,700 for in-state undergraduates – the largest increase in the state. VCU expected the increase to generate \$33.4 million in fiscal year 2011. "What I have done is only appropriate half of the tuition increase money (in fiscal year 2012) and have reserved the rest of the money and depending on what happens with the Board of Visitors' decision on tuition increases this year, perhaps we can release the rest of the money next year,"

Compensation

- VRS Defined Benefit Plan
 - Effective July 1, 2011 Plan 1 VRS employees (those hired before July 1, 2010) will contribute 5% to retirement.
 - Base salary of VRS Plan 1 participants will be increased by 3% on July 1, 2011 (faculty and staff).
 - Effective reduction in take home pay of 2%.
- Optional Retirement Plan (Defined Contribution)
 - State contribution rate for current Plan 1 employees (those hired before July 1, 2010) will decrease from 10.4% to 8.5% with provision for employer to supplement to 8.9%.

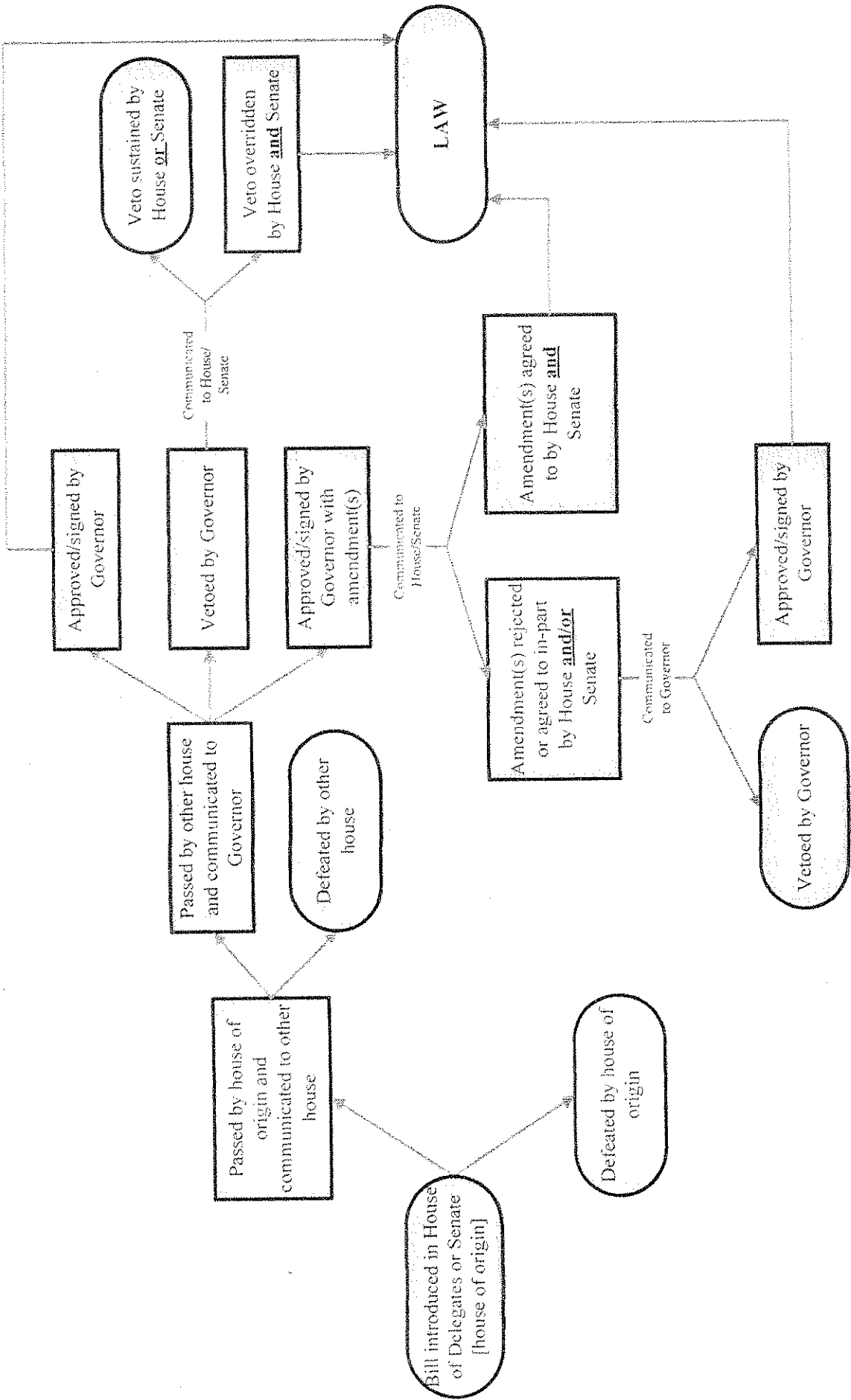
**Summary of the Governor's Amendments to the 2010-12 Biennial Budget
December 20, 2010**

- There will be no salary increase for these individuals.
- State to offer optional defined contribution plan to employees beginning July 1, 2011.
- All salaried full-time employees employed on January 1, 2011 and still employed on December 1, 2011 will receive a two percent bonus on December 1, 2011 provided the state's year end surplus is twice the cost of the bonus. Employees must have satisfactory performance (an equivalent performance rating of "Meets Expectations") in order to receive the bonus.

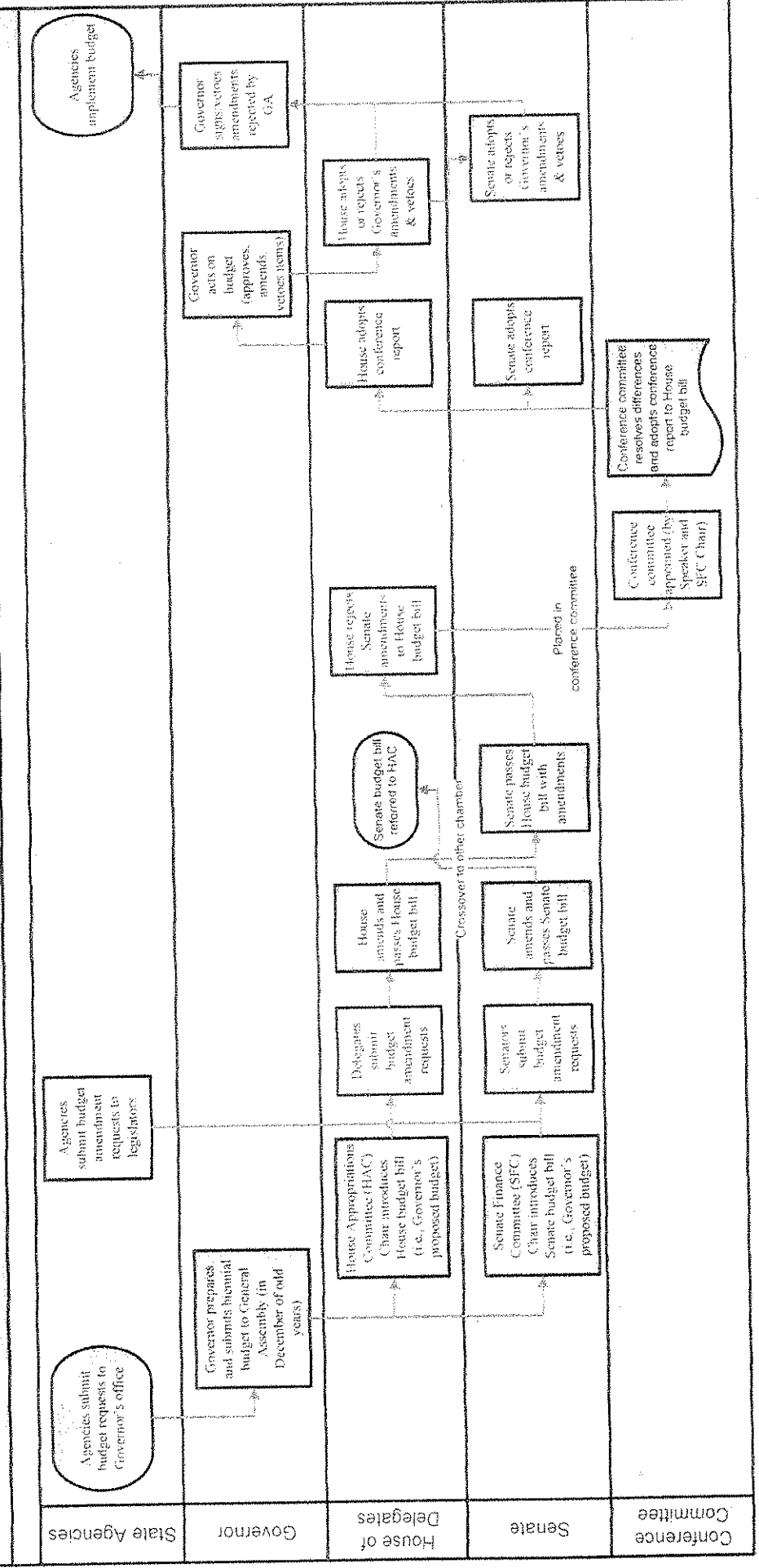
Capital Outlay

- Budget distributes the previously unallocated \$55.1 million for maintenance reserve in FY12. UVa allocation is \$5,026,531. Wise allocation is \$105,349.
- According to DPB, Secretary of Finance will not issue the report from the Debt Advisory Committee until shortly before the session begins. Likely to release maintenance reserve, Equipment Trust Fund, and equipment funding for new buildings coming on line (Rice Hall). This is speculation and has not been confirmed.

HOW A BILL BECOMES A LAW: VIRGINIA'S LEGISLATIVE PROCESS



University of Virginia, Office of State Governmental Relations
 Virginia's Budget Process from Agency Submission to Enactment (06.17.10) *



* The biennial budget is passed in even-numbered years to appropriate projected revenues for the next two fiscal years. In odd-numbered years, the budget must be amended to ensure that the budget remains balanced based on actual and updated revenue projections.