

Committee on Financial Affairs

Board of Visitors
February 7, 2020

Agenda

- Update on the State Budget (info only)
- Muscarelle Quasi-Endowment Policy Revision (Resolution 17)

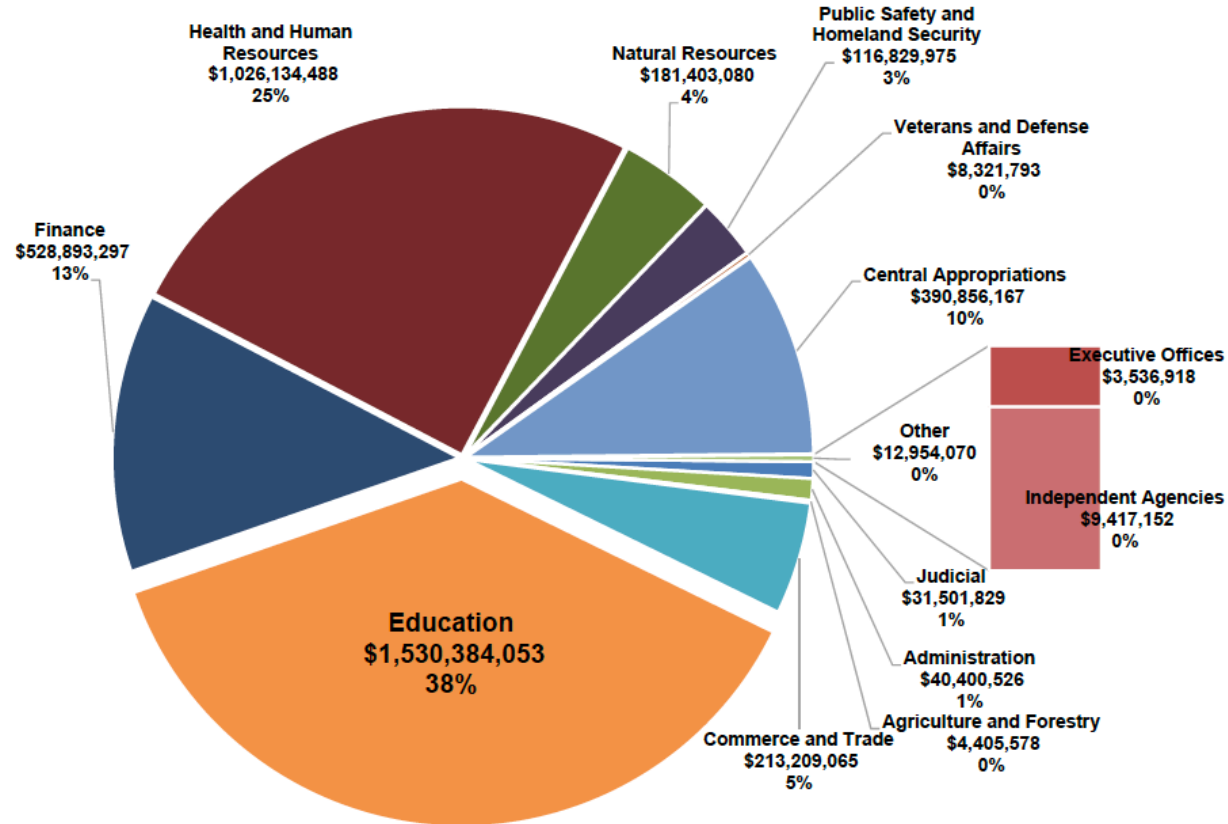
Overview of Governor Northam's Budget Recommendations

Statewide Priorities

Goals of the Governor's Budget

- Improve Commonwealth's financial position
 - Increase reserve balances
 - Improve fiscal liquidity
 - Maintain structural balance
- Fund mandates, commitments, and core services
- Grow Virginia's economy
 - Focus on K-12 and higher education, broadband expansion, and workforce development

Education Tops Incremental New Spending



K-12 Slated to Increase \$1.3 Billion Over the Biennium

Top 5 priorities total \$1.2B in increased funding

- \$808.5M for Standards of Quality
- \$145.1M for 3% teacher salary increase in FY22
- \$ 99.3M for additional school counselors
- \$ 94.7M for early childhood education
- \$ 52.6M for at-risk students

Higher Ed Increases Total \$261.2 Million for the Biennium

Almost \$250M provided in four areas

- \$145.1M to implement G3 “free college” program
- \$ 45.4M for need-based financial aid
- \$ 22.0M each for ODU and GMU to support in-state enrollment and increases in transfer students
- \$ 15.0M for VCU’s Massey Cancer Center

W&M Priorities

W&M Operating Budget

General Fund Appropriations

Initiative	W&M Request		Introduced Budget		Requested Amendments	
	<u>FY21</u>	<u>FY22</u>	<u>FY21</u>	<u>FY22</u>	<u>FY21</u>	<u>FY22</u>
Data Sciences	\$380,000, 2 FTE	\$380,000, 2 FTE	\$0	\$0	Not requested	
Faculty Industry Partners	\$200,000, 1 FTE	\$200,000, 1 FTE	\$0	\$0	Not requested	
Expand Student Internships	\$401,900, 1 FTE	\$466,700, 1 FTE	\$0	\$0	Not requested	
O&M for New Facilities	\$77,900	\$507,700	\$0	\$0	\$77,900	\$436,100
Financial Aid	\$0	\$0	\$66,500	\$133,000	Not requested	
Arbitrage language	Allows contracts that require arbitrage w/ nonprofits for search		Included with OAG approval			
Tech Talent Pipeline			Consistent w/ MOU, increases annual funding from \$782,000 to \$1.4 million			

W&M Capital Budget

State Funded Projects

Initiative	W&M Request	Introduced Budget	Requested Amendments
Supplement Fine & Performing Arts	\$19.6 million	\$15 million included in caboose bill for current FY	\$1.66 million to bring total supplement to \$16.66 million
Integrated Science Center 4	\$68.6 million and authorization to move to construction	\$0	\$68.6 million and authorization to move to construction
Replace Swem Library Windows	\$3.3 million	\$3.3 million	-
Renovate Swem for Teaching & Learning Studio	\$11.3 million	\$0	Not requested
Highland Learning Center	\$5.1 million	\$0	Not requested
Maintenance Reserve	\$3.7 million each year	\$3.7 million each year	-
Repairs for Sanitary Sewer Lines	\$3.75 million	\$3.75 million	-

W&M Capital Budget

University Funded Projects

Project	W&M Request	Budget Bill	Requested Amendments
Construct Parking	\$11.3 million	\$11.3 million	
Renovate Dormitories	\$11.85 million	\$11.85 million	
Renovate Kaplan Arena & Construct Sports Performance Center	\$55.0 million	\$55.0 million	

State Budget Process

December 2019

December 17 – Governor introduced amendments to 2018-2020 Budget

December 17 – Governor introduced 2020-2022 budget bill

February 2020

February 16 –Money Committees release amendments to budget bills

February 20 – House and Senate vote on proposed amendments

Week of February 23 – Budget conferees named in each chamber

March- April 2020

March 7 - General Assembly scheduled to adjourn

April 22 – Reconvened Session

Revision to the Muscarelle Quasi-Endowment Policy and Procedures

Recommended Changes

- Modify current policy to:
 1. Allow BOV to approve use of principal via resolution, but not necessarily at a regularly scheduled meeting of the Board (Para. 4)
 2. Allow for, but not require, transfer of annual income to the Muscarelle Museum of Art Foundation (Para. 6)