

**PROPOSED HIGHER EDUCATION BUDGETS FROM THE GOVERNOR AND EACH HOUSE OF THE GENERAL ASSEMBLY**  
as of February 27, 2004  
Amounts in Thousands of Dollars

| OPERATING BUDGET   | Governor's Executive Budget |                |                |                | House           |                |                 |                | Senate          |                 |                 |                 |                 |                 |
|--|-----------------------------|----------------|----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 2004-05                     |                | 2005-06        |                | 2004-05         |                | 2005-06         |                | 2004-05         |                 | 2005-06         |                 |                 |                 |
|  | GF                          | NGF            | GF             | NGF            | GF              | NGF            | GF              | NGF            | GF              | NGF             | GF              | NGF             |                 |                 |
| <b>Funding Proposals for Virginia Tech -- University Division</b>                |                             |                |                |                |                 |                |                 |                |                 |                 |                 |                 |                 |                 |
| Faculty and Staff Salaries   | (a)                         | (a)            | (a)            | (a)            | (a)             | (a)            | (a)             | (a)            | (a)             | (a)             | (a)             | (a)             | (a)             | (a)             |
| Base Budget Adequacy, Including Funding for New Faculty Positions                | \$2,518                     | \$658          | \$976          | \$1,316        | \$1,003         | \$4,586        | \$1,475         | \$9,323        | 10,226          | 8,638           | 8,221           | 17,708          | 10,226          | 8,638           |
| Advanced Communications Network  | 403                         | 0              | 0              | 0              | 0               | 0              | 0               | 0              | 403             | 0               | 0               | 0               | 403             | 0               |
| Reduce Public Service Centers  | 0                           | 0              | 0              | 0              | -100            | 0              | -190            | 0              | 0               | 0               | 0               | 0               | 0               | 0               |
| All Other Operating Budget Actions   | 476                         | 587            | 478            | 604            | 476             | 587            | 478             | 604            | 476             | 587             | 478             | 604             | 476             | 587             |
| <b>Total Proposed Funding for the University Division</b>                        | <b>\$3,397</b>              | <b>\$1,245</b> | <b>\$1,454</b> | <b>\$1,920</b> | <b>\$1,379</b>  | <b>\$5,173</b> | <b>\$1,763</b>  | <b>\$9,927</b> | <b>\$12,340</b> | <b>\$11,458</b> | <b>\$10,978</b> | <b>\$23,394</b> | <b>\$12,340</b> | <b>\$11,458</b> |
| <b>Funding Proposals for Virginia Tech -- Cooperative Extension/AES Division</b> |                             |                |                |                |                 |                |                 |                |                 |                 |                 |                 |                 |                 |
| Faculty and Staff Salaries   | (a)                         | (a)            | (a)            | (a)            | (a)             | (a)            | (a)             | (a)            | (a)             | (a)             | (a)             | (a)             | (a)             | (a)             |
| Critical Staffing Initiative   | \$0                         | \$0            | \$0            | \$0            | \$0             | \$0            | \$0             | \$0            | 2,089           | 0               | 2,089           | 0               | 2,089           | 0               |
| Food, Nutrition, and Health Initiative (High Value Crops)                        | 557                         | 0              | 832            | 0              | 0               | 0              | 0               | 0              | 557             | 0               | 832             | 0               | 557             | 0               |
| All Other Operating Budget Actions   | 0                           | 0              | 0              | 0              | 0               | 0              | 0               | 0              | 0               | 0               | 0               | 0               | 0               | 0               |
| <b>Total Proposed Funding for the CE/AES Division</b>                            | <b>\$557</b>                | <b>\$0</b>     | <b>\$832</b>   | <b>\$0</b>     | <b>\$0</b>      | <b>\$0</b>     | <b>\$0</b>      | <b>\$0</b>     | <b>\$3,274</b>  | <b>\$170</b>    | <b>\$4,081</b>  | <b>\$314</b>    | <b>\$3,274</b>  | <b>\$170</b>    |
| <b>Student Financial Assistance</b>  | <b>\$512</b>                | <b>\$0</b>     | <b>\$512</b>   | <b>\$0</b>     | <b>\$512</b>    | <b>\$0</b>     | <b>\$512</b>    | <b>\$0</b>     | <b>\$512</b>    | <b>\$0</b>      | <b>\$512</b>    | <b>\$0</b>      | <b>\$512</b>    | <b>\$0</b>      |
| <b>Equipment Trust Fund (Purchasing Power)</b>                                   | <b>\$8,031</b>              | <b>\$0</b>     | <b>\$8,031</b> | <b>\$0</b>     | <b>\$8,031</b>  | <b>\$0</b>     | <b>\$8,031</b>  | <b>\$0</b>     | <b>\$8,031</b>  | <b>\$0</b>      | <b>\$8,031</b>  | <b>\$0</b>      | <b>\$8,031</b>  | <b>\$0</b>      |
| <b>CAPITAL BUDGET</b>  |                             |                |                |                |                 |                |                 |                |                 |                 |                 |                 |                 |                 |
| Equipment Funding for Projects Already Under Construction                        | \$5,146                     | \$0            | \$0            | \$0            | \$5,146         | \$0            | \$0             | \$0            | \$5,146         | \$0             | \$0             | \$0             | \$5,146         | \$0             |
| Boiler Pollution Controls  | 3,850                       | 2,000          | 0              | 0              | 3,850           | 2,000          | 0               | 0              | 3,850           | 2,000           | 0               | 0               | 3,850           | 2,000           |
| Institute for Critical Technologies and Applied Sciences                         | 14,000                      | 0              | 0              | 0              | 0               | 0              | 0               | 0              | 0               | 0               | 0               | 0               | 0               | 0               |
| Planning for Renovation of Campus Heating Plant                                  | 0                           | 0              | 0              | 0              | 0               | 0              | 0               | 0              | 2,750           | 0               | 0               | 0               | 2,750           | 0               |
| Improvements to Residence and Dining Hall  | 0                           | 4,000          | 0              | 0              | 0               | 4,000          | 0               | 0              | 0               | 4,000           | 0               | 0               | 0               | 4,000           |
| Maintenance Reserve  | 3,234                       | 0              | 3,234          | 0              | 0               | 0              | 0               | 0              | 584             | 0               | 584             | 0               | 584             | 0               |
| New funding proposals for a building/facility improvement and renewal fund       | 0                           | 0              | 0              | 0              | 12,200          | 0              | 12,200          | 0              | 5,844           | 0               | 0               | 0               | 5,844           | 0               |
| <b>Total Proposed Capital Funding for Virginia Tech</b>                          | <b>\$26,230</b>             | <b>\$6,000</b> | <b>\$3,234</b> | <b>\$0</b>     | <b>\$21,196</b> | <b>\$6,000</b> | <b>\$12,200</b> | <b>\$0</b>     | <b>\$18,174</b> | <b>\$6,000</b>  | <b>\$584</b>    | <b>\$0</b>      | <b>\$18,174</b> | <b>\$6,000</b>  |
| <b>MAJOR LANGUAGE PROPOSALS</b>  |                             |                |                |                |                 |                |                 |                |                 |                 |                 |                 |                 |                 |

Tuition and Fee language. The language proposed by the Governor's budget, the House budget, and the Senate budget all provide additional flexibility for the Boards of Visitors to set and manage tuition and fees. Both the House and Senate versions bring new emphasis to adherence to the nongeneral fund appropriation limits set forth in the Appropriation Act. While neither the House or the Senate establish tuition caps, the House suggests tuition rates of 4 to 8 percent for Virginia undergraduates, while the Senate projections are in the 6 to 7 percent range. The House would also require new out-of-state student fees to pay debt service on the Equipment Trust Fund and for the Building System Repair and Replacement Fund with the proceeds from those fees submitted to the state.

Indirect Cost Language. The Executive budget caps the allocation of 30 percent indirect cost recoveries to the institution's instructional programs at the level established in 2003-04. Future increases in this funding source would be used to support research activities. The House and the Senate leave this language in place.

Chartered Universities. Both the House and the Senate reports include proposals to study the chartered universities proposal during 2004; this work would include development of draft agreements for the chartered university status.

**NOTES:**

GF General Fund support; nominally state taxpayer dollars.

NGF Nongeneral Fund support; in general, this represents tuition and required fees, but other revenues, such as sales and services, can also occur.

The Governor's Budget and the House propose a 3 percent salary increase for faculty and staff, effective December 2005; the cost of this salary action is not disclosed in the Executive Budget. The Senate provided funding for a 3 percent faculty and staff salary increase in December 2004, along with the authority to use tuition revenues to increase the faculty rate up to 4.5 percent.

The Governor included one-time funding for research activities of \$2,004,625 in 2004-05.

Virginia Tech total does not include the NGF technical adjustment for the appropriation for tuition increases which were implemented in Fall 2003.

The Senate included an allocation for 2004-05. The 2005-06 allocation will be determined during the 2005 General Assembly Session.