

**UNIVERSITY OF THE VIRGIN ISLANDS
BOARD OF TRUSTEES
RESOLUTION ON APPROPRIATION REQUEST
FOR FISCAL YEAR 2013-2014**

Authorizing submission of the FY 2014 appropriation-request for operating expenses, debt service and mandated programs.

WHEREAS, the Government of Virgin Islands’ appropriation to the University of the Virgin Islands (“the University”) for Fiscal Year (FY) 2012-2013 was as follows:

Regular Operating Appropriation	\$22,908,637
SBDC Appropriation.....	300,000
Senior Citizens Tuition.....	87,773
Valedictorian and Salutatorian Scholarships	400,966
Community Engagement and Lifelong Learning (CELL)	100,000
Green Technology Program.....	200,000
Hotel Management Program.....	100,000
John Brewers Beach Bathroom Maintenance	\$15,000
Restoration of 8% Salary Reduction (Act 7261)	\$400,267
Upward Bound Program.....	\$355,901
Total	<u>\$24,868,544</u>

WHEREAS, the University was advised by the Office of Management and Budget (OMB) via letter dated February 15, 2013 that the Fiscal Year 2013 General Fund allotment level for the University was set at \$23,742,936, which effectively reduced the expected allotment by \$725,341 and eliminated \$400,267 for the restoration of the 8% salary reduction as authorized by Act 7261; and

WHEREAS, the reduced allotment level of \$23,742,936 does not include \$3,992,205 for debt service which was appropriated to the Department of Finance for the payment of debt service costs of the University of the Virgin Islands; and

WHEREAS, the reduced allotment level will enable the University to fund the following:

- (a) The cost of employee-salaries and benefits, equipment, supplies, incidental expenses, and other expenses related to the operations of the University;
- (b) The cost of servicing the University’s debt for capital projects;
- (c) The cost to provide legislatively mandated programs for senior citizens, valedictorians, salutatorians, SBDC local match, and CELL;
- (d) Operating expenses for the Green Technology Program pursuant to Act No. 7222;

- (e) The implementation of the Hotel Management Program;
- (f) Maintenance of the bathroom facility at John Brewers Beach; and
- (g) Upward Bound¹ program.

WHEREAS, the Finance and Budget Committee of the Board of Trustees of the University has recommended an appropriation-request of \$27,417,712 for FY2013-2014 based on the General Fund Expenditure Ceiling set by the Office of Management and Budget of the Government of the Virgin Islands, which ceiling was communicated to the University by the Director of the Office of Management and Budget in a letter dated February 15, 2013, and

WHEREAS, the Board of Trustees of the University believes that implementation of this General Fund Expenditure Ceiling amount of \$27,417,712, after two consecutive years of reduction in funding from the Government of the Virgin Islands, will result in a severe adverse impact on the University, its academic programs, and its students.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES:

Section 1. The University is hereby reluctantly authorized to request from the Government of the Virgin Islands an appropriation of only \$27,417,712 for FY 2013-2014 to fund the operations of the University, including salaries, benefits, equipment, supplies, incidental expenses, debt service requirements, Legislatively Mandated Programs, and for other purposes, as detailed in Exhibit “A”.

Section 2. The President and the Vice President for Administration and Finance of the University are authorized to submit for Legislative consideration, the following appropriation-request:

Regular Operating Appropriation	\$21,865,867
Debt Service Appropriation	3,992,205
SBDC Appropriation.....	300,000
Senior Citizens Tuition.....	87,773
Valedictorian and Salutatorian Scholarships	400,966
Community Engagement and Lifelong Learning.....	100,000
Green Technology Program.....	200,000
Hotel Management Program.....	100,000
John Brewers Beach Bathroom Maintenance	\$15,000
University Bound Program.....	<u>355,901</u>
Total	<u>\$27,417,712</u>

¹ Because the program is no longer funded by the federal government, the name “Upward Bound” can no longer be used. The University is now offering the program “University Bound” to high school students who would traditionally be served through the “University Bound” program.

CERTIFICATION

The undersigned does hereby certify that the foregoing is a true and exact copy of a resolution approved by the Board of Trustees of the University of the Virgin Islands at a meeting on Saturday, March 9, 2013 as recorded in the minutes of that meeting.



Secretary of the Board

March 9, 2013

Date

Exhibit A

**UNIVERSITY OF THE VIRGIN ISLANDS
FY2014 PROPOSED APPROPRIATION REQUEST**

Appropriation Requirements	FY2013 Appropriation - Act No. 7434	FY2013 Appropriation - Act No. 7457	FY2013 Reduced Allotment	Proposed FY2014 Appropriation	Variance (FY2014- 2013)
General Operating Requirements	\$22,908,637	\$0	\$22,183,296	\$21,865,867	(\$317,429)
Debt Service	\$0	\$3,992,205*	\$0	\$3,992,205	\$0
SBDC Local Matching Requirements	\$0	\$300,000	\$300,000	\$300,000	\$0
Veterans Tuition Requirements	\$0	\$0	\$0	\$0	\$0
Senior Citizens Tuition Requirements	\$0	\$87,773	\$87,773	\$87,773	\$0
National Guard Tuition Requirements	\$0	\$0	\$0	\$0	\$0
Valedictorian & Salutatorian Scholarships	\$0	\$400,966	\$400,966	\$400,966	\$0
Academic & Cultural Awards Endowment	\$0	\$0	\$0	\$0	\$0
Community Engagement and Lifelong Learning	\$0	\$100,000	\$100,000	\$100,000	\$0
Green Technology	\$0	\$200,000	\$200,000	\$200,000	\$0
Hotel Management Program	\$0	\$100,000	\$100,000	\$100,000	\$0
John Brewers Beach Bathroom Maintenance	\$0	\$15,000	\$15,000	\$15,000	\$0
Restoration of 8% Salary Reduction (Act 7261)		\$400,267	\$0	\$0	\$0
Upward Bound Program/University Bound Program	\$0	\$355,901	\$355,901	\$355,901	\$0
Total Operating Requirements	\$22,908,637	\$5,952,112	\$23,742,936	\$27,417,712	(\$317,429)

*FY2013 Debt Service in the amount of \$3,992,205 appropriated through Department of Finance and not subjected to reduction in FY2013.

Assumptions for Fiscal Year 2013-2014 Appropriation Request

1. The University's Fiscal Year 2013-2014 appropriation request is \$27,417,712 based on the ceiling established by the Director of the Office of Management and Budget of the Government of the Virgin Islands as communicated via letter dated February 15, 2013.
2. The General Operating Requirements amount of \$21,865,867 is \$317,429 less than the amount allotted in Fiscal Year 2013.
3. The amount for debt service will remain at \$3,992,205 as appropriated in Fiscal Year 2013.
4. The matching requirement for SBDC will remain at \$300,000 as appropriated in Fiscal Year 2013.
5. The University will use the Veterans Tuition Requirements fund balance for the Veterans Tuition Requirements in Fiscal Year 2014.
6. The Senior Citizens Tuition Requirements of \$87,773 will remain as appropriated in Fiscal Year 2013.
7. The University will use the National Guard Tuition Requirements fund balance for the National Guard Tuition Requirements in Fiscal Year 2014.
8. The Valedictorian and Salutatorian Scholarships amount of \$400,966 will remain the same as appropriated in Fiscal Year 2013.
9. The University will use the Academic & Cultural Awards Endowment fund balance for the Academic and Cultural awards in Fiscal Year 2014.
10. The Community Engagement and Lifelong Learning amount will remain at \$100,000 as appropriated in Fiscal Year 2013.
11. The amount for the Green Technology program will remain at \$200,000 as appropriated in Fiscal Year 2013.
12. The amount for the Hotel Management program will remain at \$100,000 as appropriated in Fiscal Year 2013.
13. The amount for the maintenance of the John Brewers Beach bathroom will remain at \$15,000 as appropriated in Fiscal Year 2013.
14. The amount for the University Bound program will be \$355,901, the same amount as was appropriated for the Upward Bound program in Fiscal Year 2013. The Program can no longer be referred to as the Upward Bound Program because it is no longer funded by the U.S. Department of Education.