

# Higher Education

Amendments, as adopted, for higher education result in an increase of \$97.8 million GF for the biennium (includes funding in Central Accounts). The FY 2012 increase in Educational and General Programs of \$55.6 million GF addresses the initiatives of the Virginia Higher Education Opportunity Act of 2011 (“Top Jobs” legislation) including access, affordability, increased use of technology and additional STEM (Science, Technology, Engineering and Mathematics) degrees. Additionally, almost \$13.3 million was included for undergraduate student financial assistance. The budget has an additional \$3.4 million in federal stimulus funding in FY 2011.

## Major FY 2010-12 GF Actions

<b>Reductions:</b>	<b><u>FY 2011</u></b>	<b><u>FY 2012</u></b>
<b>Colleges and Universities &amp; Directly Affiliated Agencies</b>		
VECTEC Program At CNU	(\$300,000)	(\$326,875)
SCHEV Reductions (Operating & Optometry Scholarships)	<u>(22,000)</u>	<u>(244,025)</u>
<b>Total, Reductions</b>	<b><u>(\$322,000)</u></b>	<b><u>(\$570,900)</u></b>
<b>Spending:</b>		
<b>Colleges and Universities &amp; Directly Affiliated Agencies</b>		
FT/ PT Faculty Ratio, Base Adequacy & Enrollment, New Seats	-	\$30,146,500
Operation and Maintenance Funding for New Facilities	-	13,583,546
Financial Aid	-	13,286,627
STEM and 4VA Initiatives	-	11,916,725
VCU Massey Cancer Center	-	5,000,000
UVA Cancer Research	3,000,000	-
VCCS Workforce Development	-	3,000,000
VT and VSU Extension Service	-	2,024,410
UMW Dahlgren Center	-	1,000,000
Center Restorations	19,031	63,817
ODU TELETECHNET	-	60,527
<b>Other Higher Education Centers &amp; Agencies</b>		
SCHEV Funding Related to Top Jobs Legislation	-	\$250,000
SCHEV – Other Program Funding	-	910,000
TAG Program	-	2,500,000
EVMS Increase for Instruction	-	4,098,679
<b>Central Accounts</b>		
Interest Earnings and Credit Card Rebate	<u>-</u>	<u>\$7,863,990</u>
<b>Total, Spending</b>	<b>\$3,019,031</b>	<b>\$95,704,821</b>
<b>Grand Total</b>	<b>\$2,697,031</b>	<b>\$95,133,921</b>
<b>Federal Stimulus Funding (NGF)</b>	<b>\$3,431,113</b>	<b>-</b>

## ***Reductions***

- ***VECTEC Program at Christopher Newport University.*** Reduces funding of \$300,000 in FY 2011 and \$326,875 in FY 2012 to the VECTEC program which has been eliminated by the University.
- ***State Council of Higher Education for Virginia (SCHEV): Targeted Reduction.*** This action was initially included in the introduced budget and reduces funding by \$222,025 GF and 2.0 positions in the second year. This reduction will be netted against a \$250,000 increase related to workload (net increase of \$27,975 and one position).
- ***Optometry Scholarships.*** This action was initially included in the introduced budget and reduces funding by \$22,000 GF in each year for optometry scholarships. This will be netted against a \$10,000 increase in FY 2012 and language that increases the maximum amount of the awards to \$5,000 (net decrease of \$34,000).

## ***Increases***

- ***Base Adequacy and Enrollment Growth.*** Provides \$16.0 million GF in the second year to address base operating needs at Virginia's public colleges and universities related to enrollment growth and funding guideline requirements.
- ***Improve Full-Time/Part-Time Faculty Ratios.*** Provides \$11.5 million GF in the second year to address full-time/part-time faculty ratios at Old Dominion University, the College of William and Mary, Christopher Newport University, University of Virginia-Wise, James Madison University, University of Mary Washington, Virginia Military Institute, and the Virginia Community College System.
- ***New In-state Undergraduate Seats.*** Allocates \$2.6 million GF in the second year to fund 351 additional in-state undergraduate seats in FY 2012 at the University of Virginia, Virginia Tech, the College of William and Mary, and James Madison University as part of a multi-year phase-in of 1,725 new in-state undergraduate seats. Allocations were for additional undergraduate seats above planned enrollment growth by these institutions.
- ***Operation and Maintenance of New Facilities.*** Provides almost \$13.6 million GF in the second year to provide funding for new E&G facilities coming on-line in FY 2012.
- ***Virginia Tech Cooperative Extension Program Funding.*** Provides an additional \$1.5 million GF in FY 2012 to support 32 new extension agent positions.

- **Virginia State University Extension Services Funding.** Allocates \$530,000 GF in FY 2012 to match federal grant funds for extension services at Virginia State University.

### Higher Education Selected E&G Allocations

<u>Institution</u>	<u>Base Adequacy / Enrollment Growth</u>	<u>O&amp;M</u>	<u>FT/PT Faculty</u>	<u>Buy Seats</u>	<u>Extension</u>
Christopher Newport Univ	\$128,390	\$712,527	\$600,000	-	-
College of William & Mary	5,000	-	-	\$340,000	-
George Mason University	1,126,628	2,864,461	-	-	-
James Madison University	1,024,762	2,104,733	600,000	1,100,000	-
Longwood University	121,716	472,499	-	-	-
Univ of Mary Washington	884,707	-	500,000	-	-
Norfolk State University	151,414	927,674	-	-	-
Old Dominion University	7,008,137	258,577	3,900,000	-	-
Radford University	218,678	200,439	-	-	-
University of Virginia	5,000	2,060,300	-	705,000	-
Univ of Virginia at Wise	5,000	562,336	400,000	-	-
Va Commonwealth Univ	1,719,658	6,102	-	-	-
Virginia Military Institute	155,000	94,486	108,000	-	-
Virginia State University	150,000	69,822	-	-	-
Virginia Tech	1,263,375	311,349	-	500,000	-
Richard Bland College	150,000	154,852	-	-	-
Va Community Colleges	<u>1,871,035</u>	<u>2,653,001</u>	<u>5,400,000</u>	-	-
<b>Subtotal Colleges &amp; Univ</b>	<b>\$15,988,500</b>	<b>\$13,453,158</b>	<b>\$11,508,000</b>	<b>\$2,645,000</b>	-
Va Inst. of Marine Science	\$5,000	\$130,388	-	-	-
Virginia Tech Extension	-	-	-	-	<b>\$1,494,4100</b>
Virginia State Extension	-	-	-	-	<b>530,000</b>
<b>Subtotal Directly Affiliated</b>	<b>\$5,000</b>	<b>\$130,388</b>	-	-	<b>\$2,024,510</b>
<b>Grand Total</b>	<b>\$15,993,500</b>	<b>\$13,583,546</b>	<b>\$11,508,000</b>	<b>\$2,645,000</b>	<b>\$2,024,510</b>

- **Science, Technology, Engineering and Math (STEM) Initiatives.** Provides \$8.5 million GF in FY 2012 for STEM initiatives, including health-related fields, at George Mason University, Old Dominion University, College of William and Mary, Longwood University, Norfolk State University, Radford University, and the Virginia Institute of Marine Science.

<b>STEM Allocations</b>	
<u>Institution</u>	<u>FY 2012</u>
College of William & Mary	\$410,000
George Mason University	3,000,000
Longwood University	885,800
Norfolk State University	790,000
Old Dominion University	250,000
Radford University	2,705,925
Virginia Institute of Marine Science	<u>475,000</u>
<b>Grand Total</b>	<b>\$8,516,725</b>

- **4VA Initiative.** Allocates \$850,000 GF each to George Mason University, the University of Virginia, Virginia Tech, and James Madison University (\$3.4 million total) in FY 2012 for the 4VA Initiative. This is a public-private partnership between those institutions and CISCO for innovative technology in the classroom.
- **Undergraduate Student Financial Assistance.** Increases funding for in-state undergraduate financial aid by almost \$13.3 million GF in FY 2012. This allocation was made using the partnership model in accordance with State Council recommendations.

<b>Undergraduate Student Financial Assistance</b>	
<u>Institution</u>	<u>FY 2012</u>
Christopher Newport University	\$245,070
College of William & Mary	148,839
George Mason University	1,242,509
James Madison University	405,045
Longwood University	261,671
University of Mary Washington	147,529
Norfolk State University	587,792
Old Dominion University	1,253,011
Radford University	345,133
University of Virginia	208,879
University of Virginia at Wise	149,016
Virginia Commonwealth University	1,549,484
Virginia Military Institute	48,600

## **Undergraduate Student Financial Assistance**

<u>Institution</u>	<u>FY 2012</u>
Virginia State University	535,952
Virginia Tech	733,310
Richard Bland College	67,917
Virginia Community Colleges	<u>5,356,871</u>
<b>Grand Total</b>	<b>\$13,286,628</b>

- ***Tuition Assistance Grant Program: Increase Funding.*** Allocates \$2.5 million GF in FY 2012 for the tuition assistance grant (TAG) program.
- ***Two-Year College Transfer Grant.*** Provides \$300,000 GF in the second year for enrollment growth in this program.
- ***Optometry Scholarships.*** Allocates an additional \$10,000 GF in the second year for optometry scholarships and increases the maximum amount of the awards to \$5,000.
- ***Space Grant Consortium Matching Funds.*** Provides \$350,000 GF in the second year for matching funds for the Virginia Space Grant Consortium to increase participation by 350 students.
- ***Virginia Military Survivors and Dependents Program.*** Allocates an additional \$250,000 GF in the second year for growth in the program. The program provides funding to offset some higher education costs for qualified survivors and dependents of military service members.
- ***State Council of Higher Education for Virginia (SCHEV): Increased Workload.*** Provides \$250,000 GF and 3.0 positions in the second year to support requirements and increased workload from the Top Jobs for the 21<sup>st</sup> Century legislation.
- ***State Council of Higher Education for Virginia (SCHEV): Capital Planning Process.*** Provides \$290,000 NGF and 2.0 positions in the second year to support the six-year capital planning process. This will be an internal service fund from fees imposed on approved capital outlay projects for institutions of higher education.
- ***Old Dominion University: Expand Distance Learning Center.*** Provides funding of \$60,527 GF in FY 2012 to expand coursework offerings to provide a bachelor's

degree program rather than the associate degree at the Lord Fairfax Community College's Luray-Page Center under the TELETECHNET program.

- ***University of Mary Washington: Dahlgren Center Funding.*** Allocates \$1.0 million GF in FY 2012 to support the Dahlgren Education and Research Center. This funding will allow the University to operate the facility without charging rent. A separate amendment reclassifies this funding to a non-educational and general program.
- ***Virginia Commonwealth University: Restoration for Virginia Council on Economic Education.*** Partially restores funding from previous reductions that had been passed through to this center; \$13,401 for FY 2011 and \$41,000 for FY 2012.
- ***Virginia Commonwealth University: Increase Funding for Cancer Research.*** Provides additional funding of \$5.0 million GF in FY 2012 for the Massey Cancer Center. The objective of the funding is to strengthen the Center's research to meet the National Cancer Institute's requirements for designation as a comprehensive cancer center.
- ***University of Virginia: Increase Funding for Cancer Research.*** Provides additional funding of \$3.0 million GF in FY 2011 for cancer research. The objective of the funding is to strengthen the University's research to meet the National Cancer Institute's requirements for designation as a comprehensive cancer center.
- ***University of Virginia: Restoration for Virginia Center for Diabetes Professional Education.*** Partially restores funding from previous reductions that had been passed through to this center; \$5,630 for FY 2011 and \$22,817 for FY 2012.
- ***Virginia Community College System: Workforce Development Funding.*** Allocates \$3.0 million GF in FY 2012 to support non-credit courses at the Virginia Community College System to enhance workforce development. The funding would be utilized based on recommendations of the Governor's Commission on Economic Development and Jobs Creation and the Special Advisor to the Governor for Workforce Development.
- ***Eastern Virginia Medical School (EVMS): Instructional Funding.*** Provides almost \$4.1 million GF in FY 2012 to increase funding to support instruction for medical and health professions students.
- ***Higher Education Restructuring Financial Incentives.*** Provides \$7.9 million GF and \$0.9 million NGF in FY 2012 (Central Accounts) for estimated interest earnings from tuition and fees and other nongeneral fund E&G revenues and rebates on certain credit card purchases. FY 2011 contained \$8.4 million GF and \$2.1 million NGF for the same purpose. This was one of the incentives under restructuring that institutions were granted if they successfully met stated performance benchmarks.

***Federal Stimulus Funding***

- ***Adjust Federal Stimulus Allocation in FY 2011.*** Provides an additional appropriation of \$3.4 million NGF in FY 2011 due to technical adjustments between the allocation to higher education and K-12. When combined with previous allocations, stimulus funding offset approximately 88.3 percent of higher education budget reductions.

<b>FY 2011 Federal Stimulus Amended Distribution</b>			
<u>Institution</u>	<u>Total Previous Stimulus Allocations</u>	<u>Additional FY 2011 Stimulus Allocation</u>	<u>Total</u>
Christopher Newport University	\$6,036,963	\$58,823	\$6,095,786
College of William & Mary	9,072,230	59,384	9,131,614
George Mason University	26,067,785	178,993	26,276,778
James Madison University	15,941,617	97,594	16,039,211
Longwood University	5,527,197	59,933	5,587,130
University of Mary Washington	4,985,264	77,439	5,062,703
Norfolk State University	6,741,687	81,551	6,823,238
Old Dominion University	21,630,196	107,020	21,737,216
Radford University	9,821,302	90,297	9,911,599
University of Virginia	27,451,817	542,279	27,994,096
University of Virginia at Wise	2,800,465	144	2,800,609
Virginia Commonwealth University	36,959,589	411,299	37,370,888
Virginia Military Institute	2,705,756	28,918	2,734,674
Virginia State University	3,712,086	87,583	3,799,669
Virginia Tech	32,372,497	233,127	32,605,624
Richard Bland College	857,275	18,833	876,108
Virginia Community Colleges	<u>52,633,091</u>	<u>1,095,297</u>	<u>53,728,388</u>
<b>Subtotal Colleges &amp; Universities</b>	<b>\$265,346,817</b>	<b>\$3,431,113</b>	<b>\$268,575,331</b>
Virginia Institute of Marine Science	\$3,076,343	-	\$3,125,094
Virginia Tech Extension	4,756,374	-	4,905,773
Virginia State Extension	<u>140,205</u>	<u>-</u>	<u>144,654</u>
<b>Subtotal Directly Affiliated</b>	<b>\$7,972,922</b>	<b>-</b>	<b>\$8,175,521</b>
<b>Grand Total</b>	<b>\$273,319,739</b>	<b>\$3,431,113</b>	<b>\$276,750,852</b>

***E & G Nongeneral Fund Appropriation***

- ***Adjust Nongeneral Fund to Reflect FY 2011 Tuition and Fee Actions.*** Provides \$231.1 million NGF the first year and \$224.2 million NGF the second year to account for tuition actions taken by the Boards of Visitors in the Spring of 2010.

<b>Approved E &amp; G NGF Adjustments</b>		
<b><u>Institution</u></b>	<b><u>FY 2011</u></b>	<b><u>FY 2012</u></b>
Christopher Newport University	\$617,900	\$308,100
College of William & Mary	15,600,000	15,600,000
George Mason University	17,608,130	17,608,130
James Madison University	12,632,226	12,632,226
Longwood University	3,131,808	3,131,808
University of Mary Washington	1,500,000	1,500,000
Norfolk State University	120,000	120,000
Old Dominion University	-	-
Radford University	4,098,641	4,098,641
University of Virginia	26,059,531	19,460,527
University of Virginia at Wise	-	-
Virginia Commonwealth University	37,650,798	37,650,798
Virginia Military Institute	2,300,000	2,300,000
Virginia State University	-	-
Virginia Tech	24,000,000	24,000,000
Richard Bland College	300,000	300,000
Virginia Community Colleges	<u>85,442,180</u>	<u>85,442,180</u>
<b>Grand Total</b>	<b>\$231,061,214</b>	<b>\$224,152,410</b>

***Other Actions Impacting Higher Education***

- ***Southwest Virginia Higher Education Center: Repairs.*** Provides \$250,000 under maintenance reserve in FY 2011 to repair a cracked retention pond used to contain water run-off.
- ***Research and Technology Investment Fund.*** Provides \$10.0 million GF in FY 2012 to be deposited in the Virginia Research and Technology Investment Fund under the Secretary of Commerce and Trade. This was a recommendation of the Governor’s Commission on Economic Development and Job Creation.
- ***Across-the-Board Reduction in Central Accounts.*** During the 2010 Session, a \$10.0 million across-the-board reduction was included under central accounts for the public colleges and universities. This reduction was not distributed by institution and was not amended in the current budget.

- ***Higher Education Legislation: Virginia Higher Education Opportunity Act of 2011.*** Chapters 828 and 869 of the 2011 Acts of Assembly establishes the Virginia Higher Education Opportunity Act of 2011 with the intent of fueling economic growth in the Commonwealth and preparing Virginians for top job opportunities. The bill provides for a reform-based investment and affordable access through a revised higher education funding policy. The policy includes:
- (i) an institution's basic operations and instruction funding need;
  - (ii) per student enrollment-based funding determined by policies developed by the Higher Education Advisory Committee and similar to the Tuition Assistance Grant (TAG) program;
  - (iii) need-based financial aid; and
  - (iv) targeted economic and innovation incentives.

In addition, the legislation requires colleges and universities to submit six-year financial and academic plans that provide a roadmap for evaluating the funding requirements of each institution and targeting general fund investments.

Finally, the legislation creates a Higher Education Advisory Committee (a combination of executive, legislative, and institution representatives) that will develop and review: (1) the methodology and timing for the per student enrollment growth funding (2) criteria for determining which families are “low income” and “middle income” and how this relates to federal, state, and financial aid institutional policies and programs, (3) criteria for the financial incentives and the benefits or consequences for not meeting the incentives in the Six Year financial plan, (4) economic opportunity metrics, (5) additional authority, state goals, and objective criteria for evaluating performance, and benefits and consequences for meeting and not meeting goals and objectives, and (6) the utility of creating a Higher Education Revenue Stabilization Fund, as a subfund of the Revenue Stabilization Fund.

The General Assembly embraced the concepts and spirit of the access and affordability initiatives considered by the Governor’s Higher Education Commission and allocated funding directly to the institutions to that end.