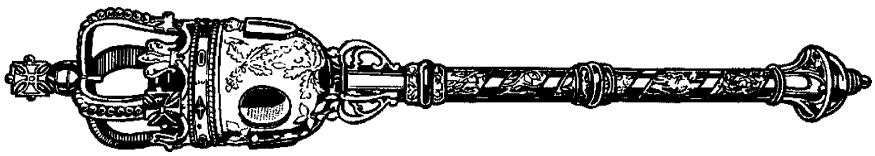
Report of the House Appropriations Subcommittee

on

Higher Education



House Bill 29

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House Bill 30

February 19, 2012

REPORT OF THE SUBCOMMITTEE
on
HIGHER EDUCATION

Mr. Chairman and Members of the Committee:

Mr. Chairman, as I contemplated my remarks today, I was reminded of something Yogi Berra once said, "You've got to be very careful if you don't know where you're going, because you might not get there." For many years, this Committee has consistently presented amendments to address our shared commitment of affordable access to our public colleges and universities. Last year, these goals were reaffirmed in the "Top Jobs" legislation. So, we now have a roadmap for higher education through the six-year plan process outlined in that legislation. The Subcommittee recommendations reflect targeted investments for enrollment, base operating support, and incentive funding therefore, ensuring access, affordability and accountability in higher education funding.

With that in mind, Mr. Chairman, the Subcommittee recommends amendments that provide for the following:

- $42.6 million for an enrollment growth package;
- $58.5 million to support basic operating costs; and
- $30.7 million for an incentive fund which will also require colleges and universities to reallocate a portion of existing resources.

The enrollment package has three components. First, $5.5 million is recommended to continue the phase-in of more than 1,700 additional in-state undergraduate slots at College of William and Mary, James Madison University, the University of Virginia, and Virginia

Tech which began last session. Second, the package provides $8.0 million for projected growth in transfer students at senior institutions and $13.8 million for projected enrollment at the community colleges. Finally, the package recommends $15.4 million to improve retention and graduation rates across higher education. This part of the package contains programs that were identified by the institutions during the review of their six-year plans last fall. If we are to achieve 100,000 new degrees, colleges need to improve both their retention of students and graduating students in a timely manner. Anything less is a disservice to the student and the Commonwealth.

Basic operations simply recognize the everyday costs associated with operating a higher education institution. Hiring new full-time faculty, operating and maintaining facilities, and meeting the demands for library and technology services are vital to have a successful institution of higher learning. Again the institutions six-year plans provided us a roadmap to target these dollars where they will have the most impact.

The initiative funds require institutions to reallocate up to one percent of their existing general fund base, or about $21 million. The use of these funds is specifically directed in language to achieve the initiatives outlined in each institutions' six-year plan. Many of the initiatives focus on increasing degree production in science, technology, engineering, mathematics, and health-related disciplines, however a number of others look to leverage each institution's unique strengths to achieve our common goals.

Mr. Chairman, the Subcommittee was also able to address two major higher education priorities. First, our recommendations provide $13 million in the second year to help pay for a two percent salary increase for faculty and classified staff. I want to thank Delegate Jones for his leadership on this item and you, Mr. Chairman, for your unwavering support of our state employees. Second, being mindful

of the need to have a structurally sound budget, the Subcommittee recommends restoration of the $10.4 million of auxiliary interest earnings. These funds were removed several years ago due to fiscal exigency; however this is not a policy that we should continue.

Mr. Chairman, details of our Subcommittee recommendations are attached. Committee staff will review our report and the attached listing of our recommendations in greater detail and I hope that it will be the pleasure of the Committee to adopt them.

Respectfully Submitted by the House Appropriations Subcommittee on Higher Education:

M. Kirkland Cox, Chairman

Joe T. May

R. Steven Landes

S. Chris Jones

L. Scott Lingamfelter

James P. Massie, III

James M. Scott

Johnny S. Joannou

Algie T. Howell, Jr.

House Bill 29 HIGHER EDUCATION Amendment	General Fund	Nongeneral Fund	FTE
Virginia Commission for the Arts			
Organization Memberships	(50,355)	0	0.00

House Bill 30 HIGHER EDUCATION Amendments	General Fund	Nongeneral Fund	FTE
State Council Of Higher Education For Virginia			
VAST STEM Initiative	200,000	0	0.00
Adjust VWIL	(9,873)	0	0.00
TJ 21 Staff Support	300,000	0	0.00
Defer Virtual Library Increase	(2,800,000)	0	0.00
Christopher Newport University			
House TJ 21 Initiative	384,626	0	0.00
Redirect Financial Aid	(242,938)	0	0.00
The College Of William And Mary In Virginia			
House TJ 21 Initiative	16,893	0	0.00
Redirect Financial Aid	(105,120)	0	0.00
Richard Bland College			
House TJ 21 Initiative	1,095	0	0.00
Redirect Financial Aid	(72,780)	0	0.00
George Mason University			
4VA Language	0	Language	0.00
House TJ 21 Initiative	264,644	0	0.00
Redirect Financial Aid	(1,201,460)	0	0.00
James Madison University			
4VA Language	0	Language	0.00
House TJ 21 Initiative	2,982,531	0	0.00
Redirect Financial Aid	(422,890)	0	0.00
Longwood University			
NGF Technical Adjustment	0	1,291,192	26.00
House TJ 21 Initiative	130,091	0	0.00
Redirect Financial Aid	(260,680)	0	0.00
Technical Correction	0	Language	0.00
Norfolk State University			
House TJ 21 Initiative	1,522,714	0	0.00
Redirect Financial Aid	(1,032,620)	0	0.00
Old Dominion University			
House TJ 21 Initiative	337,647	0	0.00
Redirect Financial Aid	(1,196,828)	0	0.00
Defer Research	(1,536,000)	0	0.00
Radford University			
House TJ 21 Initiative	960,263	0	0.00
Redirect Financial Aid	(345,120)	0	0.00

House Bill 30 HIGHER EDUCATION Amendments	General Fund	Nongeneral Fund	FTE
University Of Mary Washington			
House TJ 21 Initiative	235,109	0	0.00
Redirect Financial Aid	(162,680)	0	0.00
Dahlgren Education Center	1,150,000	350,000	0.00
University Of Virginia			
4VA Language	0	Language	0.00
House TJ 21 Initiative	1,741,358	0	0.00
Redirect Financial Aid	(237,712)	0	0.00
Defer Research	(3,000,000)	0	0.00
Cancer Research	3,000,000	0	0.00
University Of Virginia Medical Center			
Community Health	0	Language	0.00
University Of Virginia's College At Wise			
House TJ 21 Initiative	4,728	0	0.00
Redirect Financial Aid	(663,820)	0	0.00
Virginia Commonwealth University			
House TJ 21 Initiative	14,670	0	0.00
Redirect Financial Aid	(1,462,470)	0	0.00
Cancer Research	3,000,000	0	0.00
Virginia Community College System			
NGF Technical Adjustment	0	74,258,680	0.00
House TJ 21 Initiative	2,190,844	0	0.00
Redirect Financial Aid	(5,165,372)	0	0.00
Non-Credit Instruction	(4,000,000)	0	0.00
Virginia Military Institute			
House TJ 21 Initiative	10,688	0	0.00
Redirect Financial Aid	(37,366)	0	0.00
Virginia Polytechnic Institute And State University			
4VA Language	0	Language	0.00
House TJ 21 Initiative	36,109	0	0.00
Redirect Financial Aid	(678,554)	0	0.00
Defer Research	(3,000,000)	0	0.00
Unique Military Enrollment	600,000	0	0.00
Virginia Cooperative Extension And Agricultural Experiment Station			
Agriculture / 4H Agents	1,000,000	0	0.00
Virginia State University			
Technical FTE Adjustment	0	0	15.00
House TJ 21 Initiative	593,268	0	0.00
Redirect Financial Aid	(438,868)	0	0.00
Eastern Virginia Medical School			
Indigent Care Same As UVA & VCU	(369,486)	0	0.00

House Bill 30 HIGHER EDUCATION Amendments	General Fund	Nongeneral Fund	FTE
Technical Fund Split Correction	(1,127,180)	1,127,180	0.00
Jefferson Science Associates, Llc			
Defer New Funding	(1,000,000)	0	0.00
Higher Education Research Initiative			
Redirect & Defer New Research	(18,221,278)	0	0.00
Virginia College Building Authority			
Technical Correction Equipment	0	Language	0.00
Frontier Culture Museum Of Virginia			
Part-time Staff Increase	200,000	0	0.00
Technical VITA adjustment	150,000	0	0.00
Virginia Commission For The Arts			
Organization Memberships	(72,000)	0	0.00
Part III			
Restore Auxiliary Interest	0	Language	0.00
Part IV			
Higher Education Restructuring	0	Language	0.00
Higher Education Funding	0	Language	0.00
Nongeneral Fund Reporting	0	Language	0.00

Higher Education Subcommittee — Item 199 #1h

Education: Higher Education
University Of Virginia Medical Center — Language

Language:
Page 153, after line 15, insert:
"F. The University of Virginia Hospital shall engage in substantive dialogue with Augusta Health to avoid or resolve issues surrounding possible duplication of health services. The University of Virginia Hospital and Augusta Health shall report their progress to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2012."

Explanation:
(This amendment is self-explanatory.)

Higher Education Subcommittee — Item 3-3.03 #2h

General Fund Deposits
Interest Earnings — Language

Language:
Page 394, strike lines 37 and 38.
Page 395, strike lines 1 through 9.
Page 395, strike lines 24 through 46.

Explanation:
(This amendment restores the auxiliary interest earnings for higher education institutions.)

Higher Education Subcommittee — Item 4-8.01 #1h

Reporting Requirements
Governor — Language

Language:
Page 445, after line 14, insert:

"h. Educational and General Program Nongeneral Fund Administrative Appropriations Approved by the Department of Planning and Budget

The Secretary of Finance and Secretary of Education, in collaboration with the Director, Department of Planning and Budget, shall report quarterly to the Chairmen of the House Appropriations and Senate Finance Committees on adjustments made to higher education operating funds in the Educational and General Programs (10000) items for each public college and university contained in this budget. The report shall include adjustments which increase nongeneral funds or adjustments that transfer nongeneral funds to other items within the institution. The report shall provide the justification for the increase or transfer and the relative impact on student groups."

Explanation:

(This amendment requires the Secretary of Finance and Secretary of Education to provide a quarterly report to the General Assembly on increases and transfers to the nongeneral fund appropriation level at public colleges and universities.)

Higher Education Subcommittee Item 4-9.03 #1h

Higher Education Restructuring

Level II Authority Language

Language:

Page 450, after line 6, insert:

"§ 4-9.03 Level II Authority

Notwithstanding the provisions of § 5 of Chapter 824 and 829 of the 2008 Acts of Assembly, institutions of higher education that have met the eligibility criteria for additional operational and administrative authority set forth in Chapters 824 and 829 of the 2008 Acts of Assembly shall be allowed to enter into separate negotiations for additional operational authority for a third and separate functional area provided they have:

a) successfully completed at least three years of effectiveness and efficiencies operating under such additional authority granted by an original memorandum of understanding;

b) successfully renewed an additional memoranda of understanding for a five year term for each of the original two areas.

The institutions shall meet all criteria and follow policies for negotiating and establishing a memorandum of understanding with the Commonwealth of Virginia as

provided in § 2.0 (Information Technology), § 3.0 (Procurement), and § 4.0 (Capital Outlay) of Chapter 824 and 829 of the 2008 Acts of Assembly."

Explanation:

(This amendment provides higher education institutions to request an additional functional area for decentralized authority provided they have successfully demonstrated ability to manage operations under a memorandum of understanding.)