

Higher Education

Adopted Amendments				
(\$ in millions)				
	FY 2015 Adopted		FY 2016 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2014-16 Current Budget (Chapter 3, 2014 Special Session I)	\$1,791.6	\$7,987.7	\$1,791.5	\$8,087.9
Increases	0.5	250.4	51.3	265.0
Decreases	<u>(45.1)</u>	<u>(1.1)</u>	<u>(45.1)</u>	<u>(7.4)</u>
\$ Net Change	(44.7)	249.3	6.2	257.6
Chapter 665 (HB 1400, as Adopted)	\$1,747.0	\$8,237.0	\$1,797.6	\$8,345.5
% Change	(2.5%)	3.1%	0.3%	3.2%
Central Account Reversions	(\$2.1)	\$0.0	(\$3.5)	\$0.0
% Change*	(0.01%)	0.0%	(0.02%)	0.0%

Spending

- **Higher Education Institution Allocations**
 - *Operating/Enrollment Growth/Budget Reduction Relief/Institution Specific Initiatives.* Provides funding of \$20.5 million GF the second year toward various operating purposes including specific initiatives. Includes support for 2,100 new in-state seats and some relief from budget reductions approved in Chapter 3 (see allocations in the table below). Specific initiatives included in FY 2016 are: \$250,000 GF for the Hylton Center at George Mason University, \$250,000 for the Commonwealth Center for Advanced Logistics at VCU, \$245,000 GF for the Puller Veteran’s Clinic at the College of William and Mary, \$75,000 GF for unique military activities at Virginia Military Institute, and \$85,000 GF for the Virginia Foundation for the Humanities at the University of Virginia.
 - *Financial Aid.* Includes almost \$8.9 million GF the second year for additional need-based financial assistance for in-state undergraduates. The allocation brings all four-year institutions up to 32 percent of need under the partnership model for need-based financial aid for undergraduates (University of Mary Washington, George Mason University, Norfolk State University, Old Dominion University,

Virginia Commonwealth University, and Virginia State University). For those institutions already at 30 percent, each four-year institution received \$100,000 GF. The Virginia Community College System (VCCS) (\$1.2 million) and Richard Bland College (\$125,000) were brought up to 21 percent of the partnership model. In addition, over \$1.0 million GF was provided to VCCS to provide need-based aid to students pursuing industry-based certifications (see allocations in the table below).

- **Research.** Provides \$5.1 million GF the second year for research at multiple higher education institutions (see allocations in the table below). The research funding includes support for cancer research at the University of Virginia and the Virginia Commonwealth University, bioelectrics at Old Dominion University, modeling and simulation gaming and Lyme disease research at George Mason University, brain injury research at Virginia Tech, and fishing surveys and monitoring at the Virginia Institute of Marine Science (\$500,000).
- **Faculty Salary Increase.** Includes \$14.4 million GF for a 2 percent salary increase for instructional and administrative faculty starting in September of 2015. A classified salary increase for higher education employees is included in the central accounts. The table below provides allocations for the institutions. Other agencies included are the Virginia Institute for Marine Science (\$134,396), the Virginia State University Extension (\$9,653), and the Virginia Tech Extension (\$470,979).

Higher Education FY 2016 Additional Allocations				
<u>Institution</u>	<u>Operating</u>	<u>Financial Aid</u>	<u>Research</u>	<u>Faculty Salary Increase</u>
Christopher Newport	\$299,332	\$100,000		\$300,400
William & Mary	740,720	100,000		585,565
George Mason	3,121,569	1,253,231	\$625,000	1,716,801
James Madison	1,740,552	100,000		865,269
Longwood	286,504	100,000		277,468
Mary Washington	930,028	1,277,380		268,282
Norfolk State	500,337	400,000		282,739
Old Dominion	2,182,606	600,000	750,000	1,015,584
Radford	662,812	100,000		507,132
University of Virginia	1,693,886	100,000	1,000,000	1,271,036
UVA at Wise	240,877	100,000		100,128
VA Commonwealth	1,483,852	1,050,000	1,000,000	1,792,749
VA Military Institute	333,910	100,000		95,218
Virginia State	558,992	1,050,000		222,197

Higher Education FY 2016 Additional Allocations

<u>Institution</u>	<u>Operating</u>	<u>Financial Aid</u>	<u>Research</u>	<u>Faculty Salary Increase</u>
Virginia Tech	1,964,939	100,000	1,250,000	1,648,534
Richard Bland	214,053	120,000		42,009
VCCS	<u>3,500,031</u>	<u>2,275,000</u>	<u>0</u>	<u>2,758,469</u>
Total	\$20,455,000	\$8,880,611	\$4,625,000	\$13,749,580

Other Higher Education Spending

- Jefferson Lab Funding for Collider Project.** Includes almost \$4.0 million GF in FY 2016 in an effort to compete for the United States Department of Energy's (USDOE) \$618.0 million electron ion collider project. With this support, the Lab would be able to complete site characterization and recruit the required expertise to meet minimum requirements in submitting a bid to USDOE. Of that amount, \$3.7 million GF for the site characterization is now funded under economic development incentive payments and \$250,000 GF (of the original \$500,000) has been retained for expertise recruitment.
- State Council for Higher Education in Virginia.** Provides \$335,000 for additional operating support, including for use for the statewide strategic plan, and for several legislative requests. These requests include a mandate to establish a uniform policy for granting undergraduate course credits from Advanced Placement or other similar exams and an update of a previous report related to college access services and resources.
- Two-Year Transfer Grant.** Includes \$50,000 GF the first year and \$600,000 GF the second year for enrollment growth in the program. In addition, \$600,000 GF the second year is included for a transfer grant incentive of an additional \$1,000 per student for a set number of students at institutions with graduation rates below 60 percent. These institutions include: Norfolk State University (80 students, \$80,000); Old Dominion University (140 students, \$140,000); Radford University (140 students, \$140,000); the University of Virginia-Wise (20 students, \$20,000); Virginia Commonwealth University (140 students, \$140,000); and Virginia State University (80 students, \$80,000).

Reductions/Restorations

- Higher Education Reductions/Restorations.** The reductions for the higher education institutions adopted in Chapter 3 of the 2014 Acts of Assembly, Special Session I, in Central Appropriations have been moved to each institution's budget. The higher

education institutions did not receive additional reductions in the adopted budget and received allocations on the operating side that would offset a portion of these reductions (see information on the next page). The Higher Education Centers, Eastern Virginia Medical School, and the State Council of Higher Education for Virginia (SCHEV) received reductions of five percent in FY 2015 and seven percent in FY 2016 in Chapter 3 and those reductions remain in Central Appropriations. The other higher education agencies or centers received restorations of the additional two percent reduction in FY 2016, a total of \$642,806. The Virginia Institute for Marine Science and the extensions at Virginia Tech and Virginia State did not receive reductions in either Chapter 3 or in the adopted budget.

- **Other Restorations.** Two additional restorations were included in the adopted budget: an amount of \$148,064 GF in FY 2016 for the Virtual Library of Virginia (VIVA) and \$21,553 for the Virginia Women’s Institute for Leadership (VWIL).

Higher Education Institution Reductions		
<u>Institution</u>	<u>FY 2015</u>	<u>FY 2016</u>
Christopher Newport	\$601,975	\$601,975
William & Mary	2,338,873	2,338,873
George Mason	4,705,571	4,705,571
James Madison	3,113,308	3,113,308
Longwood	542,707	542,707
Mary Washington	635,447	635,447
Norfolk State	550,089	550,089
Old Dominion	2,230,669	2,230,669
Radford	1,113,249	1,113,249
University of Virginia	8,160,065	8,160,065
UVA at Wise	126,330	126,330
VA Commonwealth	5,377,759	5,377,759
VA Military Institute	441,825	441,825
Virginia State	637,174	637,174
Virginia Tech	6,133,525	6,133,525
Richard Bland	64,754	64,754
VCCS	<u>8,226,680</u>	<u>8,226,680</u>
Subtotal	\$45,000,000	\$45,000,000
VIMS	0	0
VT-Ext.	0	0
VSU-Ext.	<u>0</u>	<u>0</u>
Total	\$45,000,000	\$45,000,000

Other Higher Education Actions

- **Higher Education Equipment Trust Fund.** Provides an additional allocation of \$10.0 million the second year, an increase of about 8 percent per institution. EVMS is added for the first time with an allocation of \$500,000.
- **Language Allowing Financial Aid Funding for Individuals Pursuing Industry-Based Certifications.** Language in Part IV allows individuals pursuing industry-based certifications to qualify for funding under need-based financial aid. Funding of over \$1.0 million in FY 2016 was included under the VCCS for this purpose.
- **Eliminates Language Regarding Tuition Increases to Cover Higher Education Institution Reductions.** Eliminates language that was included under Item 471.20 of Chapter 3 of the 2014 Acts of Assembly, Special Session I that stated that tuition and fee revenue increases cannot be used to address the budget reductions of \$45.0 million GF per year allocated to the higher education institutions.
- **Language Amendment for George Mason University.** States that George Mason University, in consultation with other institutions, shall develop a plan for a comprehensive on-line course offering in Virginia. A report on the plan is due on September 1, 2015 to the House Appropriations and Senate Finance Committees.
- **Language Amendment for Workforce Plan for Virginia Community College System.** Requires the System to develop a specific plan related to expanding workforce training credentials and certifications to a level needed to meet the demands of Virginia's workforce. The plan is due by September 1, 2015 to a number of entities including the House Appropriations and Senate Finance Committees.
- **Out-of-State Capital Outlay Fee.** Provides an additional \$236,907 NGF for the out-of-state capital outlay fee by updating for current enrollment and hours. This fee is paid by out-of-state students to defray the cost of GF debt service on higher education facilities.
- **JLARC Recommendations.** Language in Part IV of the budget is included to implement selected Joint Legislative Audit and Review Commission (JLARC) recommendations related to its series of reports on higher education costs and efficiencies.
- **Higher Education Joint Subcommittee.** Language amendment that creates a new Joint Subcommittee on the Future Competitiveness of Higher Education to review ways to maintain and improve the quality of higher education, while providing for broad access and affordability. The Joint Subcommittee while also look at the sustainability of Virginia's higher education system, identify best practices in multiple fields, examine need-based aid, review JLARC's recommendations on costs and efficiencies, and study the interaction with the K-12 system in several areas.

- **Richard Bland College.** Language in the adopted budget provides Richard Bland College authority to develop educational approaches across Virginia to include partnering with industry, non-profit and school districts.
- **Athletic Fee Legislation.** Legislation adopted in Chapter 704 of the 2015 Acts of Assembly (HB 1897) prohibits the combined sum of school funds and student fees used to support intercollegiate athletics programs from exceeding a certain percentage of athletics revenues. The bill has an effective date of July 1, 2016.