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HOUSE BILL NO. 229

Offered January 8, 2020

Prefiled December 28, 2019

A BILL to amend and reenact §§ 23.1-302, 23.1-304, and 23.1-309 of the Code of Virginia, relating to public institutions of higher education; per-student enrollment-based funding; noncredit workforce training programs.

Patron—Freitas

Referred to Committee on Education

Be it enacted by the General Assembly of Virginia:

1. That §§ 23.1-302, 23.1-304, and 23.1-309 of the Code of Virginia are amended and reenacted as follows:

§ 23.1-302. Public institutions of higher education; funding.

Each public institution of higher education shall receive funds from the state general fund or sources other than the state general fund, or both, for each fiscal year of each biennium for:

- 1. Basic operations and instruction, as provided in § 23.1-303;
2. Each Virginia undergraduate student actually enrolled at the institution, as provided in § 23.1-304;
3. Need-based financial aid, as provided in § 23.1-306; and
4. Support for targeted financial incentives that encourage and reward progress toward the policy objectives specified in this chapter, as provided in § 23.1-305.

§ 23.1-304. Per student enrollment-based funding at public institutions of higher education.

A. To incentivize undergraduate Virginia student enrollment growth at the Commonwealth's public institutions of higher education in furtherance of the increased degree conferral purpose of this chapter, the Governor shall recommend and the General Assembly shall determine and appropriate to such institutions a per student amount that follows each Virginia undergraduate student and each Virginia student enrolled in a noncredit workforce training program to the public institution of higher education in which the student enrolls. Recommendations regarding such Virginia undergraduate student enrollment growth incentive shall be developed and reviewed as provided in subdivision B 1 of § 23.1-309.

B. The Governor shall consider and may recommend and the General Assembly shall consider and may provide additional general fund appropriations to address the unfunded enrollment growth that occurred between the 2005-2006 fiscal year and July 1, 2011.

C. To assist the General Assembly in determining the per student amount provided for in subsection A and its relation to the per student amount provided to nonprofit private institutions of higher education pursuant to the Tuition Assistance Grant Act (§ 23.1-628 et seq.), each nonprofit private institution of higher education eligible to participate in the Tuition Assistance Grant Program shall submit to the Council its Virginia student enrollment projections for that fiscal year and its actual Virginia student enrollment for the prior fiscal year in a manner determined by the Council. The student admissions policies for such private institutions and their specific programs shall remain the sole responsibility of the governing boards of such individual institutions.

§ 23.1-309. Higher Education Advisory Committee established; duties.

A. The Secretary of Education, in consultation with the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance, the Secretary of Finance, and each public institution of higher education, shall convene a Higher Education Advisory Committee (Advisory Committee) to provide advice and make recommendations on the matters set forth in subsections B, C, and D. The Advisory Committee shall consist of at least 11 members as follows: one representative of the Office of the Secretary of Education appointed by the Secretary of Education who shall serve as chair of the Advisory Committee; one representative of the Office of the Secretary of Finance appointed by the Secretary of Finance; one representative of the Council appointed by the Chairman of the Council; the staff directors of the House Appropriations Committee and the Senate Finance Committee, or their designees; and the presidents or their designees of five public institutions of higher education, which shall include two doctoral institutions, two comprehensive institutions, and one comprehensive community college, appointed by the presidents of the public institutions of higher education, and a representative from a nonprofit private institution of higher education appointed by the Governor who shall not provide advice or make recommendations concerning policies that solely impact public institutions of higher education. Both the Governor and the Advisory Committee may designate other individuals to serve on the Advisory Committee, including representatives of academic and instructional faculty or fiscal officers of public institutions of higher education.

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59 B. Consistent with the objective and purposes of this chapter identified in § 23.1-301, the Advisory
60 Committee shall develop and subsequently review at least once every five years, in consultation with the
61 staff of the Council and the respective Chairmen of the House Committees on Appropriations and
62 Education and the Senate Committees on Finance and on Education and Health, or their designees,
63 representatives of public institutions of higher education, and such other state officials as may be
64 designated by the Governor, and with assistance from the staff of the Council and such other assistance
65 as it may require:

66 1. The methodology established pursuant to subsection A of § 23.1-304 for determining how a
67 significant increment of state funding shall follow the student to the associate-degree-granting or
68 baccalaureate public institution of higher education in which the student enrolls, how the amount of such
69 per student funding for baccalaureate public institutions of higher education will be made to correspond
70 as nearly as practical to the per student allocation envisioned under the then-existing appropriation for
71 the Tuition Assistance Grant Act (§ 23.1-628 et seq.) for students attending nonprofit private institutions
72 of higher education, how and as of what date the student enrollment at each public institution of higher
73 education shall be calculated, and how an increase or decrease in Virginia undergraduate student
74 enrollment above or below the enrollment level used to calculate the institution's funding pursuant to §
75 23.1-303 shall be reflected in the institution's appropriation pursuant to subsection A of § 23.1-304, and
76 the standards and process for determining whether an increase or decrease in Virginia undergraduate
77 student enrollment qualifies for funding pursuant to § 23.1-304;

78 2. Criteria for determining which families qualify as "low-income" and "middle-income" for purposes
79 of § 23.1-306 and how they relate to federal, state, and institutional policies governing the provision of
80 financial assistance to students of such families;

81 3. Objective performance criteria for measuring the financial incentives set forth in § 23.1-305 and
82 the benefits of meeting or consequences of not meeting the incentives included in an institution's
83 six-year plan pursuant to § 23.1-306;

84 4. Economic opportunity metrics such as marketplace demand, earning potential, and employer
85 satisfaction and other indicators of the historical and projected economic value of degrees that can be
86 used to assess degree programs in order to provide useful information on the economic impact of
87 degrees to students as they make career choices and state policy makers and university decision makers
88 as they decide how to allocate scarce resources;

89 5. The additional authority that should be granted to all public institutions of higher education under
90 the Restructured Higher Education Financial and Administrative Operations Act (§ 23.1-1000 et seq.),
91 state goals and objectives each public institution of higher education should be expected to achieve,
92 objective criteria for measuring educational-related performance with regard to those goals and
93 objectives, and the benefits of meeting or consequences of not meeting those goals and objectives,
94 including those set forth in subsection C of § 23.1-1002; and

95 6. The role of private institutions of higher education in addressing the goals set forth in this chapter
96 and recommendations regarding such matters.

97 The Advisory Committee shall submit its recommendations to the Council, which shall review the
98 recommendations and report its recommendations to the Governor and the Chairmen of the House
99 Committees on Appropriations and Education and the Senate Committees on Finance and on Education
100 and Health.

101 C. Consistent with the objective and purposes of this chapter identified in § 23.1-301, the Advisory
102 Committee shall review at least every five years, in consultation with the staff of the Council, the
103 respective Chairmen of the House Committees on Appropriations and Education and the Senate
104 Committees on Finance and on Education and Health, or their designees, representatives of public
105 institutions of higher education, and such other state officials as may be designated by the Governor,
106 and with assistance from the staff of the Council and such other assistance as it may require:

107 1. Federal and state financial aid programs and institutional practices to ensure that the appropriate
108 level of financial assistance is being provided to both low-income and middle-income families, as
109 required by § 23.1-306, including loan forgiveness programs targeted by purpose in furtherance of the
110 objective of this chapter; and

111 2. The Restructured Higher Education Financial and Administrative Operations Act (§ 23.1-1000 et
112 seq.) to identify additional ways to reduce costs and enhance efficiency by increasing managerial
113 autonomy with accountability at the institutional level.

114 The Advisory Committee shall submit its recommendations to the Council, which shall review the
115 recommendations and report its recommendations to the Governor and the Chairmen of the House
116 Committees on Appropriations and Education and the Senate Committees on Finance and on Education
117 and Health.

118 D. The Advisory Committee shall periodically assess, based upon the institutions' six-year plans and
119 other relevant factors, the degree to which the Commonwealth's system of higher education is meeting
120 the statewide objectives of economic impact, reform, affordability, and access reflected in this chapter

121 and the strategic impact of new general fund investments on achieving those objectives. The Advisory
122 Committee shall submit its assessment and recommendations to the Council, which shall review the
123 assessment and recommendations and report its recommendations to the Governor and the Chairmen of
124 the House Committees on Appropriations and Education and the Senate Committees on Finance and on
125 Education and Health.
126 E. In addition to providing advice and making recommendations on the matters set forth in
127 subsections B, C, and D, the Advisory Committee shall perform such other duties and undertake such
128 other responsibilities as requested by the Governor or the General Assembly.

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