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HOUSE BILL NO. 499

Offered January 8, 2020

Prefiled January 3, 2020

A BILL to amend and reenact § 23.1-309 of the Code of Virginia, relating to the Higher Education Advisory Committee; higher education funding.

Patron—Davis

Referred to Committee on Education

Be it enacted by the General Assembly of Virginia:**1. That § 23.1-309 of the Code of Virginia is amended and reenacted as follows:****§ 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 this section. 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.

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

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

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

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

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

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59 as they decide how to allocate scarce resources;

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

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

68 The Advisory Committee shall submit its recommendations to the Council, which shall review the
69 recommendations and report its recommendations to the Governor and the Chairmen of the House
70 Committees on Appropriations and Education and the Senate Committees on Finance and on Education
71 and Health.

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

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

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

85 The Advisory Committee shall submit its recommendations to the Council, which shall review the
86 recommendations and report its recommendations to the Governor and the Chairmen of the House
87 Committees on Appropriations and Education and the Senate Committees on Finance and on Education
88 and Health.

89 D. The Advisory Committee shall periodically assess, based upon the institutions' six-year plans and
90 other relevant factors, the degree to which the Commonwealth's system of higher education is meeting
91 the statewide objectives of economic impact, reform, affordability, and access reflected in this chapter
92 and the strategic impact of new general fund investments on achieving those objectives. The Advisory
93 Committee shall submit its assessment and recommendations to the Council, which shall review the
94 assessment and recommendations and report its recommendations to the Governor and the Chairmen of
95 the House Committees on Appropriations and Education and the Senate Committees on Finance and on
96 Education and Health.

97 E. *The Advisory Committee shall (i) develop a methodology by which to rate the performance of*
98 *each public institution of higher education and (ii) review and make recommendations for changes to*
99 *the funding methodology and targeted financial incentives provided for in this chapter. In making such*
100 *recommendations, the Advisory Committee shall consult with national and state policy experts and*
101 *institutional innovators in other states and consider trends in the implementation of various*
102 *performance-based funding models and shall account for institutional differences. Such recommendations*
103 *shall be designed to achieve increased degree and credential attainment within high-demand fields,*
104 *reduction of average time-to-degree, improved affordability for Virginia students and families, reduction*
105 *of debt of former students and graduates, and improved graduate employment outcomes. The resulting*
106 *funding methodology and targeted financial incentives shall allocate at least 80 percent of state*
107 *appropriations for public higher education according to a set of performance metrics to include*
108 *performance metrics for overall degree and credential attainment; on-time graduation rates;*
109 *high-demand degree completion; job placement or continuing education rates; wages of former students*
110 *and graduates one, three, and five years after attending; increases in tuition and mandatory fees;*
111 *debt-to-income ratio of former students and graduates; credit accumulation; prioritization of*
112 *underrepresented students; and remedial and developmental success. Such recommendations shall be*
113 *submitted to the General Assembly and the Governor no later than the first day of the regular session of*
114 *the General Assembly in 2021.*

115 F. In addition to providing advice and making recommendations on the matters set forth in
116 subsections B, C, and D this section, the Advisory Committee shall perform such other duties and
117 undertake such other responsibilities as requested by the Governor or the General Assembly.