

§ 4-10.00 IMPLEMENTING VIRGINIA HIGHER EDUCATION OPPORTUNITY ACT OF 2011

a. The Higher Education Opportunity Act of 2011 (HEOA) or "Top Jobs Act" has as one of its three areas of focus, reformed based investment to include development of collaborative initiatives among the Commonwealth's public and private non-profit institutions of higher education, as well as implementation of operational efficiencies that allow for the redirection of resources to meet high priority needs reflected in the HEOA. To advance the objectives of the "Top Jobs Act" there is hereby authorized the establishment of the Higher Education Procurement Cooperative ("the Procurement Cooperative"). The Procurement Cooperative is a consortium of non-profit public four-year and two-year institutions and independent non-profit private institutions of higher education in the Commonwealth of Virginia. Its purpose is to provide a formal network and structure to aggregate and leverage individual higher education institutional procurement requirements and resources to obtain financial advantage from cooperative procurement. The Procurement Cooperative will be organized under the umbrella of the Virginia Association of State College and University Purchasing Professionals (VASCUPP). It will be governed by a Leadership Council comprised of twelve members as follows: representatives from the six public doctoral institutions; three representatives elected from among the nine four-year public comprehensive institutions and Richard Bland College (two-year institution); two representatives of the Virginia Community College System appointed by the Chancellor; and one representative of the private non-profit institutions appointed by the Council of Independent Colleges in Virginia, Inc. Public non-profit institutions of higher education that are not members of VASCUPP are authorized to use the cooperative contracts negotiated by the Procurement Cooperative without prior approval of the Division of Purchases and Supply of the Department of General Services.

b. The following language more specifically delineates the process for providing funding to higher education institutions consistent with the funding elements identified under the Virginia Higher Education Opportunity Act of 2011:

1. For any general fund support provided to institutions of higher education beyond the budgeted general fund appropriation in the education and general, financial aid and sponsored programs, 30 percent shall be directed to base operations and financial aid to help maintain affordability at the institutions, and 70 percent to performance objectives including enrollment growth, incentive funding and initiatives to help achieve the goals and objectives of the "Top Jobs Act". Within this broader framework, the following allocation percentages shall be used:

a) Nine percent for base operations support, with a goal to ensure every institution of higher education is meeting at least 92 percent of the base adequacy calculation.

b) Twenty-one percent for financial aid, with an emphasis towards addressing middle income students and supporting work study programs;

c) Fourteen percent for enrollment growth. Such funding should be spread proportionately to each institution of higher education with enrollment growth of undergraduate Virginians;

d) Forty-two percent for incentive funding, recognizing the accomplishments of institutions in meeting the goals and objectives of the "Top Jobs Act"; and,

e) Fourteen percent for research and other initiatives to recognize the importance of research to innovation and economic development in Virginia and to support institution-specific efforts to enhance student retention, graduation, and other "Top Jobs Act" goals and objectives.

2. For base funding support, the allocation shall be spread among institutions based on the most recent iteration of the base adequacy model, as calculated by the State Council of Higher Education for Virginia;

3. The calculation for enrollment growth of undergraduate Virginians for which any funding shall be prorated as follows: i) For four-year institutions, the amount provided per student shall equal the amount awarded to students under the Tuition Assistance Grant (TAG) Program for private institutions; ii) For two-year institutions, the amount provided per student shall be \$1,000 less than the TAG grant award; and iii) The difference in enrollment between the most recent year for which there is actual enrollment data as compared to the highest of the next two years of projected enrollment growth shall be used to calculate enrollment growth.

4. For incentive funding, the model circulated by the college presidents to the 2011 Higher Education Advisory Committee (Advisory Committee) shall be used to distribute the allocated funding. This model distributes funding proportionately to those schools that graduate the most students, and which have a greater percentage of students that graduate with science, technology, engineering, math or health care majors, as well as graduating more underrepresented students. This model can be adjusted for identified improvements as recommended by the Advisory Committee in the future.

5. The allocation for financial aid funding is intended to enhance affordability for both low-income and middle-income students and their families, as well as for enhancement of work study programs. It shall be spread among the institutions of higher education based on the State Council of Higher Education for Virginia's Partnership Model. The funding provided shall be distributed appropriately to address each institution's funding shortfall, with a goal of providing additional resources to those institutions showing the greatest shortfall in the Partnership Model. For purposes of this funding, the federal percent-of-poverty index used to define low and middle income families is as follows: Low income would fall below 200 percent; and middle income would be in the range of 200 to 400 percent. Institutions shall report annually on their implementation of this policy

via the six-year planning process established under the "Top Jobs Act".

6. The funding allocated for research initiatives shall be provided for efforts included in an institution's six-year plan, that will result in matching grant or investment funding equal to at least two times the amount of state support over a three-year period, or which will result in the commercialization of a product. Institutions receiving funding shall also provide an annual report being submitted to the Governor, Secretaries of Finance, Education, Technology and Commerce and Trade, as well as the Chairmen of the House Appropriations and Senate Finance Committees, and the Director, Department of Planning and Budget, identifying the institution's research accomplishments, including the return on the Commonwealth's investment.

7. Funding allocated for other initiatives shall be directed towards efforts identified by institutions of higher education in their six-year plans that best meet the goals and objectives of the "Top Jobs Act" legislation. These initiatives should be vetted through the six-year planning process as established under the "Top Jobs Act", and should be requested as discrete decision packages through the budget development process.