

Higher Education

Adopted Adjustments (\$ in millions)				
	FY 2019 Adopted		FY 2020 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Base Budget, Ch. 836	\$1,939.4	\$8,571.8	\$1,939.4	\$8,571.8
Adopted Increases	89.8	558.6	157.7	590.9
Adopted Decreases	<u>(0.1)</u>	<u>(50.5)</u>	<u>(0.1)</u>	<u>(50.5)</u>
\$ Net Change	89.7	508.1	157.6	540.4
Ch. 2 (HB 5002, as Adopted)	\$2,029.1	\$9,079.9	\$2,097.0	\$9,112.2
% Change	4.6%	5.9%	8.1%	6.3%
FTEs	17,800.13	40,651.39	17,835.70	40,824.52
# Change	82.26	524.54	117.83	697.67

Major FY 2018-20 GF Actions (Chapter 2, as Adopted)

	<u>FY 2019</u>	<u>FY 2020</u>
<u>Spending:</u>		
Higher Education Institution Spending		
Degree Production	\$0	\$28,400,000
Base Operations (including EVMS)	1,684,573	4,036,710
Operation and Maintenance (including VT-ext. & VIMS)	1,125,000	3,250,000
Undergraduate Need-Based Aid	<u>10,442,924</u>	<u>18,852,485</u>
Subtotal:	\$13,252,497	\$54,589,195
Other Higher Education Spending		
Research – Cyber X	\$0	\$20,000,000
Research – UVA Focused Ultrasound Center	1,000,000	0
Technology Infrastructure (UVA-Wise, VSU, & VIMS)	2,494,396	1,756,136
Online Virginia Network: Include the VCCS	1,000,000	1,000,000
ODU – Digital Shipbuilding	1,000,000	1,000,000
VMI – Unique Military Activities Uniforms	0	1,400,000
VT – Unique Military Activities	0	300,000
VT-ext. – Soil Scientist Assistance Program	200,000	200,000
UMW – Career and Professional Development Center	0	375,000
UVA-Wise - Enhance Academic Programs	0	1,750,000
UVA – Weldon Cooper Census Addresses	115,000	0
UVA – Weldon Cooper Population Estimates (transfer)	175,000	175,000
UVA – Foundation for the Humanities	0	100,000
Workforce Credential Grant Program (under SCHEV)	2,000,000	2,000,000
Higher Ed Centers (So. VA HEC, Inst. for Adv. Learn. & Research, Roanoke HEC)	802,497	977,180
Tuition Assistance Grant (TAG) Program (Award to \$3,350)	0	1,560,638
Expand TAG for Teacher Career Supplement	0	225,000
Two-Year Transfer Grant	0	335,589
VIVA - Virtual Library Contracts, Private Institutions, and Open Textbook Network Pilot	945,000	1,260,000
SCHEV – VA Research Investment Comm. (VRIC) Support	232,647	252,652
SCHEV – New Student Loan Ombudsman	115,333	124,000
SCHEV – Change Cyber Scholarships Funding to Student Loan Repayment Program	500,000	500,000
SCHEV – Internship Pilot Program	200,000	200,000
SCHEV – Virginia Space Grant Consortium Pilot Scholarships	100,000	100,000
GMU – STEP Program	0	150,000
RBC – Audit Positions	556,070	579,350
CWM – Veterans Counseling Programs	0	287,850
CWM – Whole of Government Public Policy Program	0	250,000

VCCS – Transfer Computer Science Teacher Training from Direct Aid	550,000	550,000
VCCS – Develop a Statewide College Transfer Portal	0	480,000
VCCS – Blue Ridge Community College Distance Learning Service Center	100,000	100,000
VCCS – Career/Technical Pilot for a Dual Track Program	0	300,000
VA Institute for Marine Science – Chesapeake Bay Monitoring and Elizabeth River Scorecard	0	893,753
New College Institute – Restore Planning Funds/Academic Program Needs	500,000	500,000
Jefferson Lab	<u>500,000</u>	<u>0</u>
Subtotal:	\$13,085,943	\$39,682,148
All HE Initiative Spending	\$26,338,440	\$94,221,343
Technical Actions	\$63,373,394	\$63,373,394
Central Approp. Restoration of Interest Earnings & Credit Card Rebates	\$6,543,416	\$6,543,416
Grand Total Spending in HE	\$96,255,250	\$164,138,153
Note: Higher Education Research Initiative includes \$8.0 million GF each year for grants to promote research and development in accordance with criteria established in Chapter 775 of the 2017 Acts of Assembly. This amount represents level funding of the program compared to the FY 2018 appropriation.		

- **Higher Education Institution Spending**

- ***Degree Production.*** Provides funding of \$28.4 million GF in FY 2020 to increase degree production in the fields of data science & technology, science & engineering, healthcare, and education. The initiative allocates this funding in order to increase degrees in these fields by 880 degrees over the biennium above 2017 levels or equal to roughly 4 percent growth.
- ***Base Operations.*** Includes funding of \$1.7 million GF the first year and \$4.0 million GF the second year for base adequacy for three institutions (Eastern Virginia Medical School, Virginia Military Institute, and Richard Bland College). Base adequacy is a formula, driven by student enrollment and average faculty salaries, which identifies amounts needed to support the operations and academic mission of public colleges and universities. This funding increases these three colleges and universities that are currently below 100 percent to 100 percent of the guidelines by the end of the biennium (Eastern Virginia Medical School at \$1.7 million the first year and \$3.4 million the second year; Virginia Military Institute at \$539,422 the second year; and Richard Bland College at \$128,143 the second year). Other institutions that are below 100 percent may alternatively benefit from the degree production funding or operation and maintenance funding.

- **Operation and Maintenance.** Allocates funding of \$1.1 million GF the first year and \$3.3 million GF the second year for new facilities or buildings coming on-line over the biennium.

Higher Education Institution GF Allocations for Operation and Maintenance Funding FY 2018-20		
<u>Institution</u>	<u>FY 2019</u>	<u>FY 2020</u>
Christopher Newport	\$0	\$450,000
William & Mary	0	75,000
George Mason	0	700,000
Longwood	0	600,000
Mary Washington	0	50,000
Old Dominion	0	75,000
Virginia State	0	75,000
VA Tech-Ext.	500,000	500,000
VIMS	625,000	625,000
VCCS	<u>0</u>	<u>100,000</u>
Total	\$1,125,000	\$3,250,000

- **Financial Aid.** Includes \$10.4 million GF the first year and \$18.9 million GF the second year for additional need-based financial assistance for in-state undergraduates. The distribution of funding for undergraduate aid is based on the partnership model with greater emphasis on certain institutions and/or students with higher needs. Language adopted in Chapter 2 of the 2018 Special Session I Acts of Assembly (HB 5002) allows up to 15 percent of funding to be used to support Virginia Guaranteed Assistance Program (VGAP) eligible students in the previously identified degree production degrees or that participate in a newly created internship program under the State Council of Higher Education for Virginia.

**Higher Education Institution GF Allocations
for Financial Aid FY 2018-20**

<u>Institution</u>	<u>FY 2019</u>	<u>FY 2020</u>
Christopher Newport	\$96,163	\$418,291
William & Mary	67,255	417,774
George Mason	4,196,454	5,272,149
James Madison	877,354	1,535,849
Longwood	376,476	584,865
Mary Washington	66,960	242,122
Norfolk State	186,141	584,007
Old Dominion	428,952	1,078,178
Radford	519,545	885,406
University of Virginia	122,520	629,489
UVA at Wise	140,452	240,232
VA Commonwealth	1,714,030	2,928,323
VA Military Institute	20,440	90,907
Virginia State	159,752	410,453
Virginia Tech	305,187	1,011,495
Richard Bland	350,059	430,626
VCCS	<u>815,184</u>	<u>2,092,319</u>
Total	\$10,442,924	\$18,852,485

- **Other Higher Education Spending**

- *Support Local Update of Census Addresses - University of Virginia.* Includes \$115,000 GF the first year to support the Weldon Cooper Center’s participation in the federal Local Update of Census Addresses.
- *Transfer Funding to Weldon Cooper Center for Population Estimates - University of Virginia.* Provides for the transfer of \$175,000 GF each year from the Department of Planning and Budget to the University’s Weldon Cooper Center to support the cost of the production of population estimates at least every other year in between census years.
- *Foundation for Humanities – University of Virginia.* Includes \$100,000 GF the second year to support community-based educational programs.

- *Enhance Academic Programs at the University of Virginia-Wise.* Provides \$1.8 million GF the second year at the University for the enhancement of academic programs and to aid in attracting additional students.
- *Fill Positions to Address Audit Findings at Richard Bland College.* Includes \$556,070 GF the first year and \$579,350 GF the second year to support three vacant positions in order to address concerns identified by the Auditor of Public Accounts.
- *Establish Specialized Programs for Counseling Veterans at the College of William and Mary.* Provides \$287,850 GF the second year to develop a specialization in military and veterans counseling within the institution’s mental health counseling degree program and a post-graduate certificate for professionals that already have a degree.
- *Develop a Master of Public Policy for the Whole of Government at the College of William and Mary.* Includes \$250,000 GF the second year for creation of a Master of Public Policy program for the Whole of Government Program. This program will provide a hybrid Master of Public Policy degree that will allow the first year to be completed online.
- *Transfer Teacher Computer Science Training Funding from Direct Aid.* Transfers \$1.1 million GF over the biennium from Direct Aid to the VCCS for computer science training funding for teachers that is provided at Northern Virginia Community College.
- *Develop a Statewide College Transfer Portal at the Virginia Community College System.* Provides \$480,000 the second year to develop a statewide college transfer portal at Richard Bland College and the Virginia Community College System in response to Chapters 832 and 845 of the 2018 Acts of Assembly (HB 919/SB 631).
- *Partnership with the Distance Learning Service Center – Blue Ridge Community College.* Includes \$100,000 GF per year for Blue Ridge Community College to partner with the City of Waynesboro to build and sustain educational access through a distance learning services center.
- *Pilot Career Technical Dual Track Program.* Provides \$300,000 GF the second year to implement a pilot program between Virginia Western Community College, Roanoke City Public Schools and local industry partners to create a Career Technical dual track program to allow high school students the opportunity to complete high school with both a diploma and a workforce credential/certificate.
- *Advising Report – Virginia Community College System.* Directs the VCCS to evaluate and report on how its 23 community colleges can increase their academic advising capacity. This was a recommendation issued in the 2017 JLARC report "Operations and Performance of the Virginia Community College System".

- **Technology Infrastructure.** Includes almost \$2.5 million GF the first year and almost \$1.8 million GF the second year for various technology enhancements or upgrades at the University of Virginia-Wise, Virginia State University, and the Virginia Institute for Marine Science (see the table below for details).

Infrastructure Initiatives FY 2018-20			
(GF \$ in millions)			
<u>Agency</u>	<u>Initiative</u>	<u>FY 2019</u>	<u>FY 2020</u>
University of VA – Wise	Expand College Network and Security Systems	\$892,880	\$832,069
VA Institute for Marine Science	Upgrade Technology Infrastructure	605,210	202,869
Virginia State University	Modernize Network Communications	737,063	617,176
	Upgrade Police Radio System	<u>259,243</u>	<u>104,022</u>
Total		\$2,494,396	\$1,756,136

- **Virginia Institute of Marine Science: Chesapeake Bay Water Quality Monitoring and Elizabeth River Scorecard.** Provides \$490,753 GF the second year and 2.70 FTE the second year to provide support for enhanced water quality monitoring and modeling for the Chesapeake Bay. An additional \$403,000 GF the second year is included for a scorecard for the Elizabeth River.
- **Workforce.** Includes \$2.8 million GF in FY 2019 and almost \$3.0 million GF in FY 2020. The following table summarizes the various initiatives:

Workforce Funding Initiatives – FY 2018-20			
(GF \$ in millions)			
<u>Agency</u>	<u>Initiative</u>	<u>FY 2019</u>	<u>FY 2020</u>
State Council of Higher Ed.	New Economy Workforce Credential Grant	\$2,000,000	\$2,000,000
Southern VA Higher Education Ctr.	Career Tech Academy with Local High Schools	346,497	521,180
	Workforce Training Resource Specialist Position, Backfill Eliminated NGF	70,000	70,000
Institute for Advanced Learning and Research	Workforce Credentialing Program Enrollment Growth	300,000	300,000
Roanoke Higher Education Authority	Expand the Culinary Institute O&M	<u>86,000</u>	<u>86,000</u>
Total		\$2,802,497	\$2,977,180

- ***New College Institute – Restore Previous Planning Funds and Grant Additional Funding for Academic Programs.*** Restores the recommended removal of \$100,000 GF per year that had been allocated for additional operating support and as part of completing a five-year plan in the base for the previous biennium. Provides an additional \$500,000 GF in each year of the biennium for academic programs and technology needs in advanced manufacturing, cybersecurity, healthcare and education.
- ***Jefferson Lab Center for Nuclear Femtography.*** Includes \$500,000 GF the first year for one-time seed funding to establish the Center for Nuclear Femtography. This would be in partnership with the Commonwealth’s public and private research universities. Nuclear Femtography is expected to be the next generation of nanotechnology. This funding is in addition to the nearly \$7.0 million allocated since FY 2016 to expand Jefferson Labs in order to compete for federal funding.
- ***Research: Base.*** Under the Higher Education Research Initiative (HERI), the introduced budget contained \$16.0 million GF over the biennium in order to offer incentive packages to attract high-performing researchers with a history of commercialization and to create centers of excellence which would allow collaboration and support of research (i.e. biosciences and cyber security). The amount per year matches what was provided in FY 2018.
- ***Research: Commonwealth Cyber-X Initiative.*** Under the Higher Education Research Initiative (HERI), provides \$20.0 million GF the second year for the Commonwealth Cyber-X Initiative, a collaboration of Virginia public universities and anchored by Virginia Tech to partner with industry. An additional \$5.0 million of bond financing is provided over the biennium for lab and facility development (from a previous research authorization). This consortium of universities and industry will establish the Commonwealth as a leader in cyber-physical systems and security and provide access to research ecosystems and educational programs focused on cybersecurity throughout Virginia.
- ***Research: University of Virginia’s Focused Ultrasound Center.*** Includes \$1.0 million GF in the first year to further support research conducted at the Focused Ultrasound Center at the University of Virginia.
- ***State Council of Higher Education for Virginia (SCHEV): Increased Funding for Tuition Assistance Grant (TAG) Program.*** Provides almost \$1.6 million GF in FY 2020 to increase the TAG award to \$3,350 from \$3,300 per student. An additional amount of \$225,000 GF the second year is included to provide an enhanced \$500 award to TAG participants that are seniors and that are going to be school teachers.

- ***State Council of Higher Education for Virginia (SCHEV): Increased Funding for the Two-Year Transfer Grant.*** Allocates \$335,589 in FY 2020 to address anticipated enrollment growth in the program.
- ***State Council of Higher Education for Virginia (SCHEV): Establish a Student Loan Ombudsman Position.*** Includes \$115,333 GF the first year and \$124,000 GF the second year and one position to allow for a student loan ombudsman to assist borrowers of education loan programs.
- ***State Council of Higher Education for Virginia (SCHEV): Funding for the Virtual Library of Virginia (VIVA).*** Provides \$945,000 GF the first year and \$1.3 million GF the second year to sustain the current level of subscriptions that benefit Virginia’s higher education institutions, provide support for private institutions, and enable an open textbook network pilot.
- ***State Council of Higher Education for Virginia (SCHEV): Provide Additional Funding for the Virginia Research Investment Committee.*** Allocates \$232,647 GF the first year and \$252,652 GF the second year to fill a vacant position in order to help develop the Research and Technology Roadmap and to provide meeting support for the VRIC.
- ***State Council of Higher Education for Virginia (SCHEV): Change Funding for Cybersecurity Public Service Scholarships.*** Includes \$500,000 GF each year to change the scholarship program to a student loan repayment program. Previously, the General Assembly proposed to eliminate the funding and authorizing language for the program and the Governor vetoed the action during the 2017 Session. The change to a repayment program allows funds to reduce student loan amounts for college graduates working for state agencies or state contracted companies. The program requires dollar-to-dollar matching funds from agencies or companies.
- ***State Council of Higher Education for Virginia (SCHEV): Internship Pilot Program.*** Provides \$200,000 GF each year for an internship pilot program to be administered by SCHEV. The internship program would require public institutions of higher education to apply for a grant to demonstrate the pilot and would also require one-one matching funds from a non-state source.
- ***State Council of Higher Education for Virginia (SCHEV): Virginia Space Grant Consortium Pilot Scholarships.*** Includes \$100,000 GF each year to provide 30 scholarships to high school students interested in becoming pilots. In conjunction with Averett University and Liberty University, this program would provide students the first ten hours of flight training toward a private pilot license, the solo experience and accompanying ground training. This is intended to address a critical pilot shortage.

- ***State Council of Higher Education for Virginia (SCHEV): Language to Increase Stipend under Virginia Military Survivors and Dependents Program.*** Provides for a language change, but no new funding, to allow the stipend under the program to increase from \$1,800 to \$2,200 to offset for the costs of room, board, books, and supplies for qualified survivors and dependents of military service members.
- ***Online Virginia Network Authority: Add Virginia Community College System.*** Includes \$1.0 million GF each year of the biennium in order to support the inclusion of the Virginia Community College System in the Online Virginia Network Authority. Existing members include George Mason University and Old Dominion University.
- ***George Mason University: Joint Ventures Language.*** This language amendment allows George Mason University to participate in or create a joint venture or innovation agreement with an individual, corporation, governmental body or agency, partnership, association, or other entity to develop and deliver new, collaborative distance learning and technology-based instruction programs for traditional and non-traditional students, including veterans and military personnel. However, the University, prior to the execution of any joint venture or innovation agreement, must formally seek and receive approval from the majority of the members of the Joint Subcommittee on the Future Competitiveness of Virginia Higher Education.
- ***George Mason University: Student Transition Employment Program (STEP).*** Includes \$150,000 GF the second year to expand the STEP program for first generation college students by an additional 20 students.
- ***Old Dominion University: Digital Shipbuilding.*** Provides \$1.0 million GF each year of the biennium to support the Virginia Modeling, Analysis, and Simulation Center's partnership with the regional shipbuilding and ship repair industry for the Virginia Digital Shipbuilding Workforce Program.
- ***University of Mary Washington: Career and Professional Development Center.*** Includes \$375,000 GF the second year to support the implementation of the Career and Professional Development Center.
- ***Virginia Military Institute: Unique Military Activities Uniforms.*** Provides \$1.4 million GF the second year to the Unique Military Activities (UMA) budget at Virginia Military Institute to outfit the Corps of Cadets, Faculty, and staff in the U.S. Army's new Operational Combat Pattern (OCP) uniform.
- ***Virginia Tech – Unique Military Activities.*** Includes \$300,000 GF the second year for additional support for the Unique Military Activities at Virginia Tech for the Corps of Cadets.

- *Virginia Tech Extension: Soil Scientist Assistance Program.* Provides \$200,000 GF each year of the biennium to grant additional support to the Soil Scientist Assistance Program at the Virginia Tech Extension.

- **Other Higher Education Actions**

- *Fund Higher Education Equipment Trust Fund.* Includes an allocation of \$83.0 million each year in bond proceeds to support the replacement of computers and specialized research equipment (these amounts are identical to the FY 2018 allocation).
- *Faculty Salary Increase.* Provides a 2 percent salary increase in December of FY 2020, the share for faculty is approximately \$29.2 million GF. Amounts appropriated for the salary increase are contained under Central Appropriations.
- *Restore Interest Earnings and Credit Card Rebates as Part of Restructuring Incentives.* Includes \$6.7 million GF over the biennium for interest earnings and \$6.3 million GF over the biennium for credit card rebates as part of the incentives that higher education institutions are supposed to retain if they meet their performance measures under restructuring. These amounts are appropriated under Central Appropriations.
- *Reserve Fund Language.* Includes language that would allow for institutional reserve funds to be supported by unexpended educational and general appropriation of the institution at the end of the fiscal year. The reserve fund shall not exceed three percent of the general fund appropriation for the educational and general programs in the most recently completed fiscal year. Use of the reserve fund must be approved by the Boards of Visitors and a detailed plan on the use of the fund must be reported immediately to the Governor, Secretary of Finance, Secretary of Education, and the Chairmen of the House Appropriations and Senate Finance Committees.
- *Mandatory Fee Increases Language Change.* Provides a change to the limit on mandatory fees for other than educational and general programs from 5 to 3 percent. The change would not eliminate current exemptions.
- *Performance Measure Language Change.* Eliminates the additional educational measure required of Level II institutions from being used by the State Council of Higher Education for Virginia for certification of meeting performance measures.
- *Optional Retirement Plans Language and Surcharge.* Language amendment that authorizes the Virginia Retirement System to adjust the contribution rate charged for university employees in positions that were transitioned from the defined benefit VRS program to an optional defined contribution retirement plan in order to recover stranded unfunded liability costs.

- *Evaluation of Rural Virginia Language.* Language amendment that directs the President of the University of Virginia to lead a collaborative evaluation between the University of Virginia, Virginia Tech, and Virginia State University, with assistance from other institutions of higher education and organizations with expertise in the area, to analyze the problems facing rural Virginia and develop strategic recommendations for improvement. The recommendations shall be reported to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees by October 1, 2018.