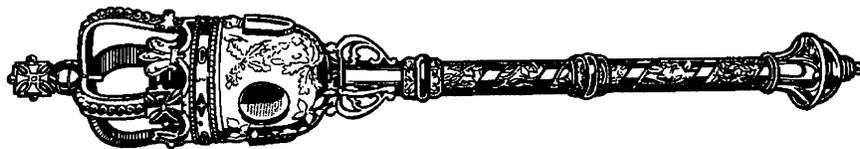


*Report of the
House Appropriations
Subcommittee*

on

Higher Education



House Bill 29

&

House Bill 30

February 19, 2006

REPORT OF THE SUBCOMMITTEE

on

HIGHER EDUCATION

Mr. Chairman and Members of the Committee:

On behalf of the Higher Education Subcommittee, I am pleased to offer budget recommendations that address the priorities of the Commonwealth's institutions and advance our shared commitment to superior and affordable colleges and universities.

Mr. Chairman, in the last two years we made an historic investment in higher education; this year the Subcommittee's recommendations build on that effort. Using our funding guidelines, we have allocated sufficient funds in each year of the biennium to bring every institution up to at least ninety percent of its calculated funding need as well as to address anticipated enrollment growth. In total the budget reflects an additional biennial investment of \$221.5 million for operating costs alone.

By focusing our resources toward enrollment growth and base operating needs, the Subcommittee continues to provide the incentive for colleges and universities to keep the increases to tuition and required fees reasonable. However, some tuition increases will take place this biennium; therefore, the Subcommittee also recommends \$21.7 million for undergraduate need-based student financial. In addition, the Subcommittee has recommended an additional \$17.3 million for the Tuition Assistance Grant (TAG) program. This is \$4.0 million more than the Governor's proposed budget. The additional funding will increase the annualized TAG award for undergraduate students to \$3,100 by the second year of the biennium.

In the area of higher education research, the Subcommittee is pleased to make a significant investment at our colleges and universities. The Subcommittee's recommendations focuses the research in-

vestment in four key areas - facilities, equipment, graduate aid, and faculty and staff recruitment. Our investments have an on-going funding component reflecting the Subcommittee's belief that a one-time investment in this area would not yield the anticipated results. Specifically, the research package recommended by the Subcommittee includes state support for equipment and faculty to our research institutions totaling about \$125 million. This is about \$25 million more than the introduced budget and includes an on-going component of nearly \$33 million. In addition, the Subcommittee's recommendations include \$11.9 million for graduate financial aid which is about \$900,000 more than the introduced budget.

The Subcommittee also tackled two significant issues that will begin to chart a new course for higher education. First, the Subcommittee recommended legislation to create a new higher education entity in the Martinsville area. To that end, the Subcommittee recommends \$1.2 million in each year for the new center. Approximately half of the funding will be used to establish three visiting faculty programs. Under this partnership, Longwood will bring teacher education, Radford will bring nursing and the University of Virginia will bring its computer science and technology programs. We believe that this will jumpstart the center and offer significant educational opportunity to the citizens of the region.

Second, Mr. Chairman, the Subcommittee also spent a considerable amount of time examining the three management agreements negotiated by the College of William and Mary, the University of Virginia and Virginia Tech. Mr. Chairman, I want to thank you for your leadership in having House Bill 1502 drafted thus ensuring that the three agreements come before this body in a form that respects the role the legislative branch in this process. While I am sure many of us were overwhelmed by the length of the bill, I think it is an historic step in reforming how we conduct business with regard to higher education.

In other education areas, the Subcommittee recommends \$4.2 million for the Jamestown-Yorktown Foundation to support education programs, staffing needs, and promotions to accommodate in-

creased visitation and revenue-generating activities leading up to 2007 and the celebration of 400 years of Virginia history.

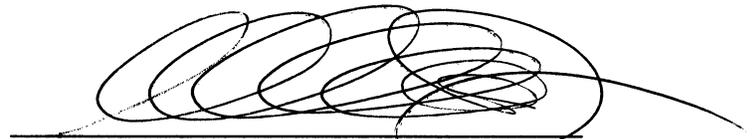
Finally, I would like to thank Delegate Putney and the work of his Subcommittee, which enables us to recommend a four percent faculty salary increase effective November 2006 and two percent second year pay raise, which was not part of the introduced budget.

Mr. Chairman, details of our Subcommittee recommendations are attached, and I hope that it will be the pleasure of the Committee to adopt them.

Respectfully Submitted by the House Appropriations Subcommittee
on Higher Education:



Harvey B. Morgan, Chairman



S. Chris Jones



Lacey E. Putney



Clarence E. Phillips



Riley E. Ingram



Lionell Spruill, Sr.



Joe T. May



Algie T. Howell, Jr.

| House Bill 30 Amendments | 2006-08 BIENNIAL TOTAL | | |
|-----------------------------|------------------------|------------|-----|
| | General | Nongeneral | FTE |
| | Fund | Fund | |

State Council Of Higher Education For Virginia

| | | | |
|--|-------------|------------|------|
| Increase U/G TAG Award to \$3,100 | 4,000,000 | 0 | 0.00 |
| Level Fund Doctoral Fellows | (40,000) | 0 | 0.00 |
| Remove Waiver Reimbursement | (8,980,336) | 0 | 0.00 |
| Level Fund Eminent Scholars | (1,316,673) | 0 | 0.00 |
| Nursing Initiative | 3,000,000 | 85,910,000 | 0.00 |
| Dental School Study | 0 | Language | 0.00 |
| NGF Technical Adjustment | 0 | 310,000 | 2.00 |
| Operating Support | 600,000 | 0 | 2.00 |
| Virginia Academic Research Corporation | 700,000 | 0 | 0.00 |

Christopher Newport University

| | | | |
|-------------------------------------|---------|---|------|
| Legislative Base Funding Guidelines | 522,276 | 0 | 0.00 |
| Utility Cost Adjustments | 52,506 | 0 | 0.00 |
| Increase Faculty Pay Raise | 72,365 | 0 | 0.00 |
| VECTEC | 500,000 | 0 | 0.00 |

The College Of William And Mary In Virginia

| | | | |
|-------------------------------------|-----------|---------|------|
| Legislative Base Funding Guidelines | 2,484,132 | 0 | 0.00 |
| Utility Cost Adjustments | 384,698 | 0 | 0.00 |
| Increase Faculty Pay Raise | 156,495 | 0 | 0.00 |
| Graduate Financial Aid | 600,000 | 0 | 0.00 |
| House Research Package | 800,000 | 800,000 | 0.00 |

Richard Bland College

| | | | |
|-------------------------------------|---------|---|------|
| Legislative Base Funding Guidelines | 288,896 | 0 | 0.00 |
| Utility Cost Adjustments | 2,664 | 0 | 0.00 |
| Increase Faculty Pay Raise | 7,535 | 0 | 0.00 |

Virginia Institute Of Marine Science

| | | | |
|----------------------------------|-------------|---|------|
| Base Operating Support | 800,000 | 0 | 3.00 |
| Technical Amendment | 0 | 0 | 8.00 |
| Remove New Assessment Initiative | (2,918,121) | 0 | 0.00 |
| Increase Faculty Pay Raise | 44,675 | 0 | 0.00 |

George Mason University

| | | | |
|-------------------------------------|-------------|------------|------|
| Legislative Base Funding Guidelines | (4,877,642) | 0 | 0.00 |
| Utility Cost Adjustments | 467,144 | 0 | 0.00 |
| Increase Faculty Pay Raise | 423,205 | 0 | 0.00 |
| Graduate Financial Aid | 1,500,000 | 0 | 0.00 |
| House Research Package | 8,225,000 | 11,700,000 | 0.00 |

| House Bill 30 Amendments | 2006-08 BIENNIAL TOTAL | | |
|-----------------------------|------------------------|------------|-----|
| | General | Nongeneral | FTE |
| | Fund | Fund | |

James Madison University

| | | | |
|-------------------------------------|-----------|---|------|
| Legislative Base Funding Guidelines | 4,923,308 | 0 | 0.00 |
| Remove One-time Funding | (609,000) | 0 | 0.00 |
| Utility Cost Adjustments | 274,672 | 0 | 0.00 |
| Increase Faculty Pay Raise | 210,290 | 0 | 0.00 |

Longwood University

| | | | |
|-------------------------------------|-----------|---|------|
| Legislative Base Funding Guidelines | 2,641,362 | 0 | 0.00 |
| Utility Cost Adjustments | 14,454 | 0 | 0.00 |
| Increase Faculty Pay Raise | 64,950 | 0 | 0.00 |

Norfolk State University

| | | | |
|--|-------------|---|------|
| Remove Research Center Program Expansion | (1,595,438) | 0 | 0.00 |
| Legislative Base Funding Guidelines | 175,830 | 0 | 0.00 |
| Utility Cost Adjustments | 114,782 | 0 | 0.00 |
| Increase Faculty Pay Raise | 77,405 | 0 | 0.00 |

Old Dominion University

| | | | |
|-------------------------------------|------------|------------|------|
| Supplement Wind Tunnel Acquisition | 1,000,000 | 0 | 0.00 |
| Legislative Base Funding Guidelines | 12,715,198 | 0 | 0.00 |
| Remove Lambda Rail Initiative | (750,000) | 0 | 0.00 |
| Utility Cost Adjustments | 155,634 | 0 | 0.00 |
| Increase Faculty Pay Raise | 234,120 | 0 | 0.00 |
| Graduate Financial Aid | 1,500,000 | 0 | 0.00 |
| House Research Package | 9,000,000 | 9,000,000 | 0.00 |
| Auxiliary Revenues Adjustment | 0 | 14,000,000 | 0.00 |

Radford University

| | | | |
|-------------------------------------|-----------|---|------|
| Legislative Base Funding Guidelines | 2,903,798 | 0 | 0.00 |
| Utility Cost Adjustments | 180,264 | 0 | 0.00 |
| Increase Faculty Pay Raise | 227,665 | 0 | 0.00 |

University Of Mary Washington

| | | | |
|-------------------------------------|-----------|---|------|
| Legislative Base Funding Guidelines | 1,316,266 | 0 | 0.00 |
| Utility Cost Adjustments | 222,496 | 0 | 0.00 |
| Increase Faculty Pay Raise | 58,190 | 0 | 0.00 |

University Of Virginia

| | | | |
|-------------------------------------|-------------|---------|------|
| Blandy Farm / State Arboretum | 300,000 | 0 | 0.00 |
| Graduate Engineering Nanotechnology | 300,000 | 300,000 | 0.00 |
| Legislative Base Funding Guidelines | (2,646,174) | 0 | 0.00 |
| Reduce New Folklore Funding | (200,000) | 0 | 0.00 |
| Utility Cost Adjustments | 2,252,104 | 0 | 0.00 |
| Increase Faculty Pay Raise | 457,160 | 0 | 0.00 |

| House Bill 30 Amendments | 2006-08 BIENNIAL TOTAL | | |
|--|------------------------|--------------------|-------|
| | General Fund | Nongeneral Fund | FTE |
| Graduate Financial Aid | 3,200,000 | 0 | 0.00 |
| House Research Package | 12,500,000 | 28,700,000 | 0.00 |
| University Of Virginia's College At Wise | | | |
| Technical Amendment | 0 | 0 | 30.00 |
| Legislative Base Funding Guidelines | 1,248,572 | 0 | 0.00 |
| Utility Cost Adjustments | 54,912 | 0 | 0.00 |
| Increase Faculty Pay Raise | 29,320 | 0 | 0.00 |
| Virginia Commonwealth University | | | |
| Palliative Care Program Supplement | 200,000 | 0 | 0.00 |
| Autism Offices | 300,000 | 0 | 0.00 |
| Center on Aging | 120,000 | 0 | 0.00 |
| Geriatric Education Program | 1,500,000 | 0 | 0.00 |
| Legislative Base Funding Guidelines | (11,205,970) | 0 | 0.00 |
| Utility Cost Adjustments | 255,414 | 0 | 0.00 |
| Remove New Harris Institute | (200,000) | 0 | 0.00 |
| Increase Faculty Pay Raise | 589,945 | 0 | 0.00 |
| Graduate Financial Aid | 1,892,034 | 0 | 0.00 |
| House Research Package | 2,600,000 | 13,200,000 | 0.00 |
| Virginia Community College System | | | |
| SSVCC Heavy Equipment Program | 400,000 | 200,000 | 0.00 |
| CVCC Amherst Center | 300,000 | 0 | 0.00 |
| Legislative Base Funding Guidelines | (24,986,694) | 0 | 0.00 |
| Utility Cost Adjustments | 531,614 | 0 | 0.00 |
| Remove New Workforce Scholarship Program | (2,206,576) | 0 | 0.00 |
| Remove New Middle College | (9,433,500) | 0 | 0.00 |
| Remove New Small Business Assistance | (200,000) | 0 | 0.00 |
| Increase Faculty Pay Raise | 946,970 | 0 | 0.00 |
| Virginia Military Institute | | | |
| Legislative Base Funding Guidelines | 365,608 | 0 | 0.00 |
| Utility Cost Adjustments | 139,732 | 0 | 0.00 |
| Increase Faculty Pay Raise | 24,865 | 0 | 0.00 |
| Virginia Polytechnic Institute And State University | | | |
| Legislative Base Funding Guidelines | 2,490,556 | 0 | 0.00 |
| Utility Cost Adjustments | 517,588 | 0 | 0.00 |
| Increase Faculty Pay Raise | 513,885 | 0 | 0.00 |
| Graduate Financial Aid | 3,200,000 | 0 | 0.00 |
| House Research Package | 19,550,000 | 30,000,000 | 0.00 |

| House Bill 30 Amendments | 2006-08 BIENNIAL TOTAL | | |
|-----------------------------|------------------------|--------------------|-----|
| | General Fund | Nongeneral Fund | FTE |

Virginia Cooperative Extension And Agricultural Experiment Station

| | | | |
|----------------------------|-----------|---|------|
| Extension Staffing | 1,000,000 | 0 | 9.00 |
| Increase Faculty Pay Raise | 201,745 | 0 | 0.00 |

Virginia State University

| | | | |
|-------------------------------------|-----------|---|------|
| Logistics Training Program | 450,000 | 0 | 2.00 |
| Legislative Base Funding Guidelines | (680,326) | 0 | 0.00 |
| Utility Cost Adjustments | 230,326 | 0 | 0.00 |
| Remove One-time Network Funding | (374,000) | 0 | 0.00 |
| Increase Faculty Pay Raise | 52,280 | 0 | 0.00 |

Cooperative Extension And Agricultural Research Services

| | | | |
|----------------------------|--------|---|------|
| Increase Faculty Pay Raise | 10,005 | 0 | 0.00 |
|----------------------------|--------|---|------|

Eastern Virginia Medical School

| | | | |
|------------------------|-----------|-----------|------|
| House Research Package | 3,700,000 | 2,400,000 | 0.00 |
|------------------------|-----------|-----------|------|

New College Institute

| | | | |
|-----------------------|-------------|---|------|
| Adjust Center Funding | (2,000,000) | 0 | 0.00 |
|-----------------------|-------------|---|------|

Institute For Advanced Learning And Research

| | | | |
|------------------------|-----------|---|------|
| Base Operating Support | 4,445,587 | 0 | 0.00 |
|------------------------|-----------|---|------|

Roanoke Higher Education Authority

| | | | |
|------------------------|---------|---|------|
| Base Operating Support | 500,000 | 0 | 0.00 |
|------------------------|---------|---|------|

Southwest Virginia Higher Education Center

| | | | |
|-------------|---------|--------|------|
| IT Training | 600,000 | 60,000 | 6.00 |
|-------------|---------|--------|------|

Higher Education Research Initiative

| | | | |
|-----------------------------------|---------------|---------------|------|
| Distribute House Research Package | (102,365,766) | (116,451,148) | 0.00 |
|-----------------------------------|---------------|---------------|------|

Virginia College Building Authority

| | | | |
|------------------------|------------|----------|------|
| House Research Package | 13,250,000 | Language | 0.00 |
|------------------------|------------|----------|------|

| House Bill 30 Amendments | 2006-08 BIENNIAL TOTAL | | |
|-----------------------------|------------------------|------------|-----|
| | General | Nongeneral | FTE |
| | Fund | Fund | |

Jamestown-Yorktown Foundation

| | | | |
|--------------------------|-----------|----------|------|
| Energy Costs | 559,203 | 0 | 0.00 |
| Programming and Security | 2,107,204 | 24,816 | 6.00 |
| Discovery Transfer | 0 | Language | 0.00 |

Jamestown 2007

| | | | |
|-----------------|-----------|---|------|
| Safety for 2007 | 1,483,993 | 0 | 0.00 |
|-----------------|-----------|---|------|

The Library Of Virginia

| | | | |
|--|-----------|---|------|
| Remove New Digital Records Expansion | (655,525) | 0 | 0.00 |
| Remove Collection Program Expansion | (431,910) | 0 | 0.00 |
| Construction Grants (Fluvanna Library) | 50,000 | 0 | 0.00 |

The Science Museum Of Virginia

| | | | |
|-------------------------------|---------|----------|------|
| Western Science Museum SOLs | 0 | Language | 0.00 |
| Western Science Museum Merger | 500,000 | 0 | 0.00 |

Virginia Museum Of Fine Arts

| | | | |
|------------------------------------|-----------|---|------|
| Remove New Administrative Staffing | (111,346) | 0 | 0.00 |
| Remove New A/E Design Staffing | (187,814) | 0 | 0.00 |

Central Appropriations

| | | | |
|---------------------------------|-----------|---|------|
| Remove New Leadership Institute | (200,000) | 0 | 0.00 |
|---------------------------------|-----------|---|------|

Part III

| | | | |
|------------------------|---|----------|------|
| Interest from Colleges | 0 | Language | 0.00 |
|------------------------|---|----------|------|

Part IV

| | | | |
|--|---|----------|------|
| Research Limitation | 0 | Language | 0.00 |
| NSU President Salary | 0 | Language | 0.00 |
| Approval of Management Agreements | 0 | Language | 0.00 |
| Approval of Management Agreements | 0 | Language | 0.00 |
| Approval of Management Agreements | 0 | Language | 0.00 |
| Management Agreements Conflict With Laws | 0 | Language | 0.00 |
| Higher Education Restructuring | 0 | Language | 0.00 |
| Performance Standards | 0 | Language | 0.00 |

| Education: Higher Education | FY 06-07 | FY 07-08 | |
|------------------------------------|-----------------|-----------------|-----|
| State Council Of Higher Education | \$1,500,000 | \$1,500,000 | GF |
| For Virginia | \$41,300,000 | \$44,610,000 | NGF |

Language:

Page 148, line 5, strike "\$11,350,431" and insert "\$54,150,431".

Page 148, line 5, strike "\$11,365,876" and insert "\$57,475,876".

Page 150, strike lines 40 through 51 and insert:

"I.1. The State Council of Higher Education, in consultation with the Healthcare Workforce Task Force described herein, shall develop and recommend criteria for awarding additional state funds via a competitive grant process to innovative regional public-private sector partnerships that seek to maximize the number of newly licensed nurses and increase the supply of graduate nursing faculty. The Healthcare Workforce Task Force will develop criteria for the grant award process, identify aggressive attainment goals, establish mechanisms to monitor results and recommend program scope for the Council and policy makers to consider. The Task Force will be co-chaired by the Secretaries of Education and Health and Human Resources and will also include two members of the Senate appointed by the President pro tempore and three members of the House of Delegates appointed by the Speaker of the House. In addition to these seven policy makers, the Task Force will include six individuals appointed by the co-chairs with experience and knowledge of nursing and other allied health professional supply, training and practice issues as follows: two higher education leaders, two business leaders and two hospital or health system executives. The criteria developed by the Task Force for reviewing potential grant applications will reward a) regions that demonstrate partnerships between education institutions and healthcare employers for addressing the registered nursing shortage; b) applicants that document past, current and new matching private funds applied toward registered nurse education (to leverage potential public funds); c) innovative and cost-effective plans that expand the output of registered nurses (e.g., standardized curricula, improved retention rates and improved pass rates on licensure exams); and d) partnerships that demonstrate a desire and capability to be held accountable for results. The Council and Healthcare Workforce Task Force shall submit a report on the healthcare workforce competitive grant program scope, criteria and structure to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by September 1, 2006.

2. Out of this appropriation \$750,000 each year from the general fund shall be provided to Northern Virginia Community College to support public-private sector

partnerships in order to maximize the number of newly licensed nurses and increase the supply of nursing faculty.

3. Out of this appropriation \$750,000 each year from the general fund shall be provided to the University of Virginia to support public-private sector partnerships in order to maximize the number of newly licensed nurses and increase the supply of nursing faculty."

Explanation:

(This amendment is self-explanatory.)

Education: Higher Education

State Council Of Higher Education
For Virginia

Language

Language:

Page 150, after line 51, insert:

"J. The State Council of Higher Education (SCHEV) shall examine the financial and programmatic feasibility of establishing a six dental chair clinic to serve as a preceptorship site for the Virginia Commonwealth University School of Dentistry on the campus of the University of Virginia at Wise. The site would serve as a pipeline for pre-dental students who are interested in becoming a dentist a returning to the area to serve it citizens. SCHEV shall provide a report of its findings to the Chairman of House Appropriations and Senate Finance Committees by September 1, 2007."

Explanation:

(This amendment is self-explanatory.)

| | | | |
|-------------------------------------|-----------------|-----------------|----|
| Education: Higher Education | FY 06-07 | FY 07-08 | |
| Virginia College Building Authority | \$0 | \$13,250,000 | GF |

Language:

Page 209, line 8, strike "\$0" and insert "\$13,250,000".

Page 210, after line 50, insert:

"D.1. The Director, Department of Planning and Budget shall transfer \$13,250,000 the second year from the General Fund to the Treasury Board for debt service on research equipment purchased through the Higher Education Equipment Trust Fund.

Equipment allocation from Higher Education Equipment Trust Fund

| Institution | FY 2007 |
|--|--------------|
| Virginia Polytechnic Institute | \$15,737,000 |
| University of Virginia | \$26,000,000 |
| Virginia Commonwealth University | \$18,000,000 |
| George Mason University | \$5,400,000 |
| Old Dominion University | \$2,000,000 |
| College of William and Mary | \$1,500,000 |
| Institute for Advanced Learning and Research | \$79,946 |
| Total | \$68,716,946 |

2. Allocations in paragraph D.1. include \$3,137,000 at Virginia Polytechnic Institute for the Infectious Disease Research Facility and \$3,000,000 at Virginia Polytechnic Institute for Agriculture and Natural Resources Research Laboratory at the Virginia Tech Agriculture Experiment Station.

3. Allocations in paragraph D.1. include \$4,000,000 at the University of Virginia designated for expenses related to a focused ultrasound at the University of Virginia. The funding shall be used to support equipment purchases and the development of the physical plant. These funds may not be expended until the Board of Visitors of the University of Virginia reviews and approves a plan for the development of a focused ultrasound program. These funds shall not be used to fund ongoing operations."

Explanation:

(This amendment provides general funding to purchase equipment in support of

research efforts at the colleges and universities as part of the House Research Initiative. Funding will allow the college to recruit faculty and technical support staff and leverage funding from federal and private sources. A companion amendment is found under Item 250.)