

Higher Education

The adopted amendments to the 2006-08 biennial budget result in a net increase of \$55.6 million GF. This reflects an increase of \$57.7 million GF offset by a \$2.1 million GF decrease to adjust O & M costs at the community colleges. Of the \$57.7 million GF increase, about three-quarters (\$43.2 million) is provided in three areas: funding for base adequacy and enrollment, student financial aid, and faculty salary increases.

In addition, the amended budget provides \$24.2 million in central accounts for a Tuition Incentive Fund (\$7.2 million), an additional one percent increase for faculty salaries (\$4.3 million) and higher education restructuring incentives (\$12.7 million). This funding brings the total net increase for higher education to \$79.8 million GF, or about a 2.2 percent increase over the biennial budget adopted in 2006. When combined with the legislative actions in the 2006 Session, the biennial increase for higher education is about 16.7 percent.

Adopted Major GF Increases (2006-08 Biennium) (\$ in millions)	
Base Adequacy & Enrollment	\$14.8
Undergraduate Student Financial Aid	13.7
Distribute 3% Faculty Salary Increase	12.9
Higher Education Research Supplement	5.0
Various Program Enhancements	3.9
Operation and Maintenance of New Facilities	3.1
10% Nursing Faculty Salary Increase in FY 2008	1.8
Tuition Assistance Grants	1.5
Virginia Military Survivors and Dependents Program Reimbursements	<u>1.0</u>
Subtotal	57.7
Central Accounts	
Interest Earnings Incentive Funding	12.7
Tuition Incentive Fund	7.2
Additional 1% Faculty Salary Increase	<u>4.3</u>
Subtotal Central Accounts	24.2
 GRAND TOTAL	 \$ 81.9

- Base Adequacy and Enrollment Growth.** Supplements base operating support and provides for enrollment growth by including \$14.8 million GF in the second year. Based on projected FY 2007 enrollment levels, the 2006 General Assembly provided \$113.4 million GF in the first year and \$123.9 million GF in the second year to move average core funding for higher education institutions closer to the “base adequacy” funding guidelines adopted by the Joint Subcommittee Studying Higher Education Funding Policies. The approved amendments bring the total general fund increase for base adequacy to \$138.7 million in the second year.

Base Adequacy Funding (2007-2008 GF \$ Increases)	
<u>Institution</u>	<u>FY 2008</u>
Christopher Newport University	\$209,745
College of William & Mary	384,064
George Mason University	1,270,189
James Madison University	1,620,287
Longwood University	150,000
University of Mary Washington	248,695
Norfolk State University	150,000
Old Dominion University	536,367
Radford University	1,385,043
Richard Bland College	102,020
University of Virginia	845,310
UVA - Wise	150,000
Virginia Commonwealth University	2,152,877
Virginia Community Colleges	2,074,062
Virginia Military Institute	271,254
Virginia State University	598,741
Virginia Tech	<u>2,676,346</u>
TOTAL	\$14,825,000

- Undergraduate Student Financial Aid.** Includes \$13.7 million GF in the second year for need-based student financial assistance for in-state undergraduate students to help address recent tuition and fee increases. This funding is allocated under the Partnership Model, a model that directs funding to students with the greatest need.

Student Financial Aid Increases for FY 2008
(Allocations by Institution)

<u>Institution</u>	<u>FY 2008</u>
Christopher Newport Univ.	\$319,867
College of William & Mary	215,481
George Mason University	1,418,382
James Madison University	630,754
Longwood University	364,227
University of Mary Washington	135,196
Norfolk State University	667,105
Old Dominion University	1,692,778
Radford University	723,669
Richard Bland College	13,621
University of Virginia	290,163
UVA - Wise	221,751
Virginia Commonwealth Univ.	2,056,744
Va. Community Colleges	3,490,688
Virginia Military Institute	25,148
Virginia State University	576,233
Virginia Tech	<u>903,989</u>
TOTAL	\$13,745,796

- **Tuition Assistance Grant Program (TAG).** Provides an additional \$1.5 million GF in the second year for an increase to the undergraduate TAG awards. The additional funding will increase the awards to an estimated \$3,200 in FY 2008. The 2006 General Assembly provided \$4.4 million GF in the first year and \$12.9 million GF in the second year for undergraduate increases for the program.
- **Tuition Incentive Fund.** Provides \$7.2 million GF in the second year for additional operating support in the form of a Higher Education Tuition Incentive Fund for those institutions that limit the increase of tuition and mandatory educational and general fees for in-state undergraduate students to not more than six percent for the 2007-2008 academic year. An institution can go above the six percent increase provided that the additional revenue is used solely to increase student financial aid for in-state undergraduate students. Also, an institution may not exceed the in-state undergraduate increase reflected in its six-year financial plan. The State Council of Higher Education for Virginia (SCHEV) and the Department of Planning and Budget (DPB) shall determine whether each institution has met the tuition requirements of the fund. Their findings are

to be reported by August 15, 2007. Potential allocations to institutions are included in the table below.

Potential Tuition Incentive Fund Allocations (Allocations by Institution)	
<u>Institution</u>	<u>FY 2008</u>
Christopher Newport University	\$101,512
College of William & Mary	185,879
George Mason University	614,746
James Madison University	784,186
Longwood University	72,597
University of Mary Washington	120,363
Norfolk State University	72,597
Old Dominion University	259,591
Radford University	670,333
Richard Bland College	49,376
University of Virginia	409,113
UVA - Wise	72,597
Virginia Commonwealth University	1,041,949
Virginia Community Colleges	1,003,804
Virginia Military Institute	131,281
Virginia State University	289,779
Virginia Tech	<u>1,295,297</u>
TOTAL	\$7,175,000

- **Faculty Salary Increase.** The budget distributes \$12.9 million GF to the institutions in the second year for the three percent increase approved by the 2006 General Assembly. An extra \$4.3 million GF is provided in central appropriations in the second year for the additional one percent bringing the total faculty salary increase to four percent.
- **Nursing Faculty Salary Increases.** Includes \$1.8 million GF in the second year for a ten percent salary increase for nursing faculty for FY 2008. This funding is intended to address the nursing shortage by improving the retention of faculty in nursing education programs.

FY 2008 10% Salary Increase for Nursing Faculty

<u>Institution</u>	<u>FY 2008</u>
George Mason University	\$206,456
James Madison University	93,397
Norfolk State University	58,988
Old Dominion University	132,722
Radford University	113,059
University of Virginia	255,613
University of Virginia - Wise	24,578
Virginia Commonwealth University	127,807
Virginia Community Colleges	781,584
Virginia State University	<u>24,578</u>
TOTAL	\$1,818,782

- **Various Program Enhancements.** Provides \$3.9 million GF for additional funding for academic and research initiatives as well as targeted support for affiliated higher education agencies.

Various Program Enhancements

<u>Agency or Institution</u>	<u>Program</u>	<u>FY 2008</u>
Virginia State Univ.	Logistics Training Program Expansion	\$352,500
UVA-Wise	Technical Training Program	246,358
EVMS	Base Support for Graduate Programs	288,960
Jefferson Labs	Lab Upgrades	500,000
VIMS	Clean Marina and Blue Crab Monitoring	275,000
Radford	Nursing Simulation Laboratories (technical)	100,001
CNU	VA Electronic Commerce Technology Cntr.	250,000
GMU	Housing Policy Research Center	100,000
ODU	Center for Teacher Quality	500,000
UVA	Blandy Farm	150,000
VT-Extension	Extension Staffing	461,000
VT-Extension	Bee Programs	250,000
VMI	Unique Military Programs	330,000
VCU	Palliative Care Program Supplement	50,000
VCU	Commonwealth Autism Services	<u>50,000</u>
TOTAL		\$3,903,819

- **Higher Education Research Initiative.** Includes \$5.0 million GF in the second year for technology, energy, cancer, and stem cell research. These funds are provided in addition to the \$76.3 million GF included by the 2006 General Assembly.
 - *Virginia Coastal Energy Research Consortium (VCERC).* Includes funding of \$1.5 million GF to implement research and development of Virginia's marine renewable energy resources.
 - *Commonwealth Technology Research Fund.* Provides \$1.0 million GF for the Commonwealth Technology Research Fund to support strategic enhancement, matching funds, industry inducement, and commercializing technologies.
 - *Cancer Research.* Includes \$2.0 million for cancer research, \$1.0 million GF each for the University of Virginia and Virginia Commonwealth University.
 - *Christopher Reeve Stem Cell Research Fund.* Includes \$500,000 GF to support medical and biomedical stem cell research at the Commonwealth's higher education institutions.
- **Operation and Maintenance (O&M) of New Facilities.** Provides \$0.1 million GF and \$0.1 NGF in the first year and \$3.0 million GF and \$4.2 million NGF in the second year for 21 Educational & General facilities coming on-line in FY 2007 and FY 2008. These funds are in addition to the \$9.7 million GF and \$8.4 million NGF provided for O&M by the 2006 General Assembly that addressed facilities expected to come on-line in both years of the biennium. A technical adjustment to the Virginia Community College System provides for a decrease of \$0.9 million in the first year and \$1.2 million in the second year due to construction delays.
- **Virginia Military Survivors and Dependents Program.** Includes \$1.0 million GF in the second year to provide up to a \$1,500 annual stipend to offset the costs of room, board, books, and supplies for all qualified survivors and dependents of military service members.
- **Higher Education Restructuring Financial Incentives.** Includes \$12.7 million GF for FY 2008 (to be transferred from Central Accounts) for estimated interest earnings from tuition and fees/other nongeneral fund E&G revenues and a rebate on certain credit card purchases. Those were two of the incentives under restructuring that the institutions will be granted if they successfully meet stated performance benchmarks.
 - *Interest Earnings.* An estimated \$11.0 million GF is provided in the second year for interest earnings from tuition and fees and other nongeneral fund E&G revenues.
 - *Credit Card Purchase Rebate.* Provides \$1.7 million GF for FY 2008 to pay higher education institutions a pro rata amount of the rebate paid to the Commonwealth for credit card purchases not exceeding \$5,000 made during the previous fiscal year.