

# Higher Education

<b>Adopted Adjustments</b>				
(\$ in millions)				
	FY 2013		FY 2014	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2012-14 Current Budget (Ch. 3, 2012 Special Session I)	\$1,659.3	\$7,313.4	\$1,678.7	\$7,408.3
Approved Increases	(0.1)	248.7	40.1	278.2
Approved Decreases	<u>(3.8)</u>	<u>(0.0)</u>	<u>(1.4)</u>	<u>(16.3)</u>
\$ Net Change	(3.7)	248.7	38.7	261.9
<b>Chapter 806 (HB 1500, as Adopted)</b>	<b>\$1,655.6</b>	<b>\$7,562.0</b>	<b>\$1,717.3</b>	<b>\$7,670.2</b>
% Change	(0.2%)	3.4%	2.3%	3.5%
FTEs	17,533.27	37,926.77	17,547.69	38,121.70
# Change	25.85	254.59	36.07	259.72

- **Major Spending Items**

- *Higher Education Legislation: Virginia Higher Education Opportunity Act of 2011 (TJ 21).* Chapters 828 and 869 of the 2011 Acts of Assembly established the Virginia Higher Education Opportunity Act of 2011 with the intent of fueling economic growth in the Commonwealth and preparing Virginians for top job opportunities. Funding of \$74.7 million GF the first year and \$74.7 million GF the second year was previously approved to support the goals of the legislation which include: affordable access, reform-based investment and increased degree production.

Chapter 806 of the 2013 Acts of Assembly (HB 1500) includes an additional \$29.4 million GF in FY 2014 to support the goals of TJ 21 and \$6.9 million GF for an additional 1 percent faculty salary increase for higher education institutions. The funding is allocated to five areas besides the faculty salary increase: \$3.4 million for enrollment or additional undergraduate seats at four institutions; \$1.9 million for initiatives at specific institutions; \$11.0 million for base funding; \$8.6 million for financial aid; and, \$4.5 million for research. Specific spending allocations are as follows:

- ***Institution-Specific Initiatives.*** Provides \$1.9 million GF the second year for institution-specific initiatives related to TJ 21 goals and in support of the institutions's six-year plan. The specific items funded under this category include: \$1.1 million GF for the expansion of STEM programs at George Mason University; \$10,000 GF for support of the James Monroe Museum at the University of Mary Washington; \$100,000 GF for the expansion of the nursing program at Norfolk State University; \$125,000 GF for planning of a public health program at Old Dominion University in conjunction with Eastern Virginia Medical School; \$75,000 GF for the Virginia Foundation for the Humanities and Public Policy at the University of Virginia; \$150,000 GF for the expansion of summer courses at the University of Virginia-Wise; \$175,000 GF for increased Alzheimer's grants and the Virginia Palliative Care Partnership at the Virginia Commonwealth University; and \$125,000 GF for the expansion of distance education programs at Richard Bland College.
- ***Enrollmen/Seats.*** Allocates \$3.4 million GF the second year to address continued growth toward 1,700 new in-state undergraduate seats at the College of William and Mary, James Madison University, the University of Virginia, and Virginia Tech.
- ***Base Funding.*** Includes funding of \$11.0 million GF the second year toward base adequacy/operations. Under this amount, Old Dominion University was the only instituion under 90 percent of the funding guidelines and therefore received an allocation of \$3.9 million GF. The additional \$7.2 million GF was distributed to the institutions via a proration for all TJ 21 categories included in the SCHEV recommendations other than financial aid and research.
- ***Financial Aid.*** Provides \$8.6 million GF the second year for additional financial assistance for in-state undergraduates. The distribution of funding is based on the partnership model and prorated down to the approved funding amount. To maintain the current level of funding in FY 2013, an additional \$28.0 million GF would be needed.
- ***Research.*** Allocates \$4.5 million GF the second year to fund research at four institutions. Specific funding includes the following: \$250,000 GF at George Mason University for gaming and simulation research; \$1.0 million GF for cancer research and \$1.0 million GF for an economic development accelerator at the University of Virginia; \$1.0 million GF for cancer research and \$250,000 GF to support the Parkinson's and Movement Disorders Center research at the Virginia Commonwealth University; and \$1.0 million GF for brain disorders research at Virginia Tech.

- **Faculty Salaries.** Includes \$6.9 million GF for an additional 1 percent (for a total of up to 3 percent) faculty salary increase for 21 pay periods at higher education institutions. An additional \$353,862 GF is included for the same purpose for the Virginia Institute of Marine Science and at two extension offices. The total allocated for the salary increase is \$7.3 million GF.

### Higher Education TJ 21 and Other FY 2014 Allocations

<u>Institution</u>	<u>Faculty Salaries</u>	<u>Enrollment / Seats</u>	<u>Base Funding</u>	<u>Financial Aid</u>	<u>Initiatives</u>	<u>Research</u>
Christopher Newport	\$135,765	\$0	\$257,199	\$247,913	\$0	\$0
William & Mary	256,219	343,939	66,802	175,252	0	0
George Mason	695,140	0	440,787	841,443	1,100,000	250,000
James Madison	415,823	1,397,062	319,539	401,821	0	0
Longwood	117,084	0	192,426	226,208	0	0
Mary Washington	132,872	0	189,997	98,666	10,000	0
Norfolk State	110,618	0	281,523	423,188	100,000	0
Old Dominion	443,859	0	4,599,345	904,121	125,000	0
Radford	159,181	0	550,586	401,689	0	0
University of Virginia	718,846	1,101,432	193,446	312,844	75,000	2,000,000
UVA at Wise	49,510	0	58,915	113,736	150,000	0
VA Commonwealth	764,815	0	672,212	1,146,631	175,000	1,250,000
VA Military Institute	43,495	0	118,099	47,168	0	0
Virginia State	108,371	0	151,515	325,336	0	0
Virginia Tech	809,612	603,003	689,582	818,783	0	1,000,000
Richard Bland	20,204	0	42,759	24,596	125,000	0
VCCS	<u>1,962,404</u>	<u>0</u>	<u>2,216,801</u>	<u>2,051,975</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b>\$6,943,848</b>	<b>\$3,445,436</b>	<b>\$11,041,533</b>	<b>\$8,561,370</b>	<b>\$1,860,000</b>	<b>\$4,500,000</b>

- **Other Higher Education Spending**

- **VCCS Workforce Development Funding.** Provides \$125,000 GF in FY 2014 for a planning grant at Thomas Nelson Community College for advanced integrated manufacturing technologies.
- **VCCS Grant to Develop Apprenticeships and Trade Academy.** Allocates \$100,000 GF in FY 2014 for a planning grant for the development of a Student Apprenticeships and Trades Governors Academy. This action was agreed to via a Governor’s amendment during the 2013 Reconvened Session.

- ***Tuition Assistance Grant Program.*** Transfers a balance of \$3.0 million GF from FY 2013 to FY 2014 from the tuition assistance grant (TAG) program based on lower than projected enrollment at independent colleges. This allows the undergraduate awards to increase from \$2,800 to \$3,100 and graduate awards to increase from \$1,300 to \$1,550. A balance of \$770,783 GF is returned to the general fund.
- ***Virginia Military Institute – Unique Military Funding.*** Allocates \$275,000 GF in FY 2014 for additional support for the Unique Military program.
- ***Virginia Tech – Unique Military Funding.*** Includes \$600,000 GF in FY 2014 for enrollment growth in the Corps of Cadets.
- ***State Council of Higher Education for Virginia (SCHEV) – Military Survivors Program.*** Provides \$75,000 GF in FY 2013 and \$600,000 GF in additional funding in FY 2014 for the Military Survivors Program based on growth in the program. The \$75,000 GF in FY 2013 was agreed to as a Governor’s amendment during the 2013 Reconvened Session.
- ***SCHEV – Data and Research Support.*** Allocates \$160,295 GF and 1.0 FTE position for the support of research and analysis, including the enhancement of consumer information regarding higher education.
- ***SCHEV – Boards of Visitors (BOV) Training.*** Includes \$50,000 GF the second year for additional funding to support BOV training required under Chapter 577 of the 2013 Acts of Assembly (HB 1952).
- ***SCHEV – Increase Transfer Grant Eligibility.*** Provides language for a change in eligibility under the Two-Year Transfer Grant. The language increases the estimated family contribution (EFC) from \$9,000 to \$12,000. The change would support middle-income families and make approximately 400 additional students eligible in FY 2014. Funding within the program is sufficient to incorporate this change.
- ***Eastern Virginia Medical School – Modeling and Simulation Funds.*** Includes \$250,000 GF the second year to build research capacity in medical modeling and simulation.
- ***College of William and Mary - Fund Planning and Joint Venture Exploration with EVMS.*** Allocates \$200,000 GF in FY 2014 to fund planning activities associated with a potential merger or partnership between the College of William and Mary and Eastern Virginia Medical School

- ***Southwest Virginia Higher Education Center - Operating and Maintenance Funds.*** Includes \$117,500 GF in FY 2014 for operational and maintenance funding for a new research facility constructed through tobacco settlement funds. The funding represents 50 percent of the total cost based on traditional funding standards for research facilities.
- ***Southern Virginia Higher Education Center – Operating Funds.*** Allocates \$125,000 GF in FY 2014 for additional operating support at the agency.
- ***Virginia State Extension – Matching Funds.*** Provides \$125,000 GF and 1.0 FTE position the second year for matching funds for a USDA Wildlife Services program. The funds would establish an agricultural outreach/wildlife extension specialist position at the University.
- ***Virginia Institute of Marine Science – Expand Blue Crab Survey.*** Includes \$148,514 GF and 1.25 FTE positions for the expansion of the Blue Crab Survey conducted by the Institute.

- **Other Higher Education Actions/Reductions**

- ***SCHEV – Redirect College Scholarship Assistance Program.*** Redirects \$4.4 million GF in FY 2014 from the College Scholarship Assistance Program to other need-based aid priorities in higher education. Federal funding for this program was terminated in FY 2014. The introduced budget had proposed using the state general fund match from this program for retention and graduation aid.
- ***Southside Virginia Community College – Redirect Funding from Defunct Program to Other Programs.*** This language partially redirects funding from a defunct program to other programs at Southside Virginia Community College. Eliminates the funding for the Heavy Equipment Operator program. Funding is provided as follows: \$8,000 GF the first year and \$8,000 GF the second year and for the Estes Community Center in Chase City; \$8,000 GF the first year and \$8,000 GF the second year for the Lake Country Advanced Knowledge Center in South Hill; and \$4,000 GF the first year and \$4,000 the second year for the Clarksville Enrichment Complex.
- ***Higher Education Equipment Trust Fund.*** Provides an additional allocation of \$2.0 million the second year for workforce development equipment needs. Within this allocation, \$500,000 the second year shall be used to support the Machinery and Equipment Program, Chapter 566 of the 2013 Acts of Assembly (HB 1767), to acquire engines, machines, motors, mechanical devices, laboratory trainers, computers, printers, tools, parts, and similar machinery and equipment as set forth in guidelines developed by the State Council of Higher Education and the Virginia Community College System. The research equipment allocation is

increased by \$6.2 million in FY 2014 (matches the funding in FY 2013) for a total research allocation of \$12.2 million the second year.

- ***Turnover and Vacancy Savings for Higher Education – Remove Second Year Amount.*** Provides \$5.7 million GF in FY 2014 to eliminate the turnover and vacancy savings that would have been applied to higher education institutions. The savings requirement was contained under the Central Appropriations section of the budget. The \$5.7 million GF savings for FY 2013 remains.
- ***Higher Education Restructuring Financial Incentives.*** Includes adjustments in the estimated interest earnings from tuition and fees and other nongeneral fund E&G revenues and rebates on certain credit card purchases by providing an additional \$2.4 million GF in FY 2013 and \$1.8 million GF in FY 2014 reflecting higher interest earnings and lower credit card rebates. This was one of the incentives under restructuring that institutions were granted if they successfully met stated performance benchmarks.
- ***Language Allowing Work-Study as an Option for Distributing Financial Aid.*** Language in Part IV allows work-study programs as an option for funding under need-based financial aid.
- ***Language on Performance Measures.*** Part IV language is modified so that it does not conflict with the new performance measures under the “Top Jobs” legislation.

- **Reallocations**

- ***Internal Higher Education Institution Reallocations.*** The introduced budget proposed that the public colleges and universities required institutions to reallocate an additional 3 percent of their Educational and General (E & G) general fund appropriation in FY 2014 on top of the previously approved 2 percent. Instead of the required 3 percent increase in reallocation, language agreed to in the approved budget allows institutions to reallocate up to an additional 1.5 percent in the second year toward faculty compensation issues, operation and maintenance of new facilities or other institutional initiatives or priorities.