

## Higher Education

<b>Governor's Proposed Amendments</b> (\$ in millions)				
	<b>FY 2013 Proposed</b>		<b>FY 2014 Proposed</b>	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2012-14 Current Budget (Ch. 3, Special Session I)	\$1,659.3	\$7,313.4	\$1,678.7	\$7,408.3
Proposed Increases	(3.8)	238.1	23.2	266.4
Proposed Decreases	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(16.3)</u>
\$ Net Change	(3.8)	238.1	23.2	250.1
<b>HB 1500/SB 800, as Introduced</b>	<b>\$1,655.5</b>	<b>\$7,551.5</b>	<b>\$1,701.9</b>	<b>\$7,658.4</b>
% Change	-0.2%	3.3%	1.4	3.4%
FTEs	17,533.27	37,926.77	17,538.47	38,117.57
# Change	25.85	254.59	26.85	255.59

- **Proposed Spending**

- *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 each year was previously approved to support the goals of the legislation which include: affordable access, reform-based investment and increased degree production.

The introduced budget proposes an additional \$19.5 million GF in FY 2014 to support the goals of TJ 21. The funding is allocated to five specific areas: 40 percent or \$7.8 million for Degree Incentives; 25 percent or \$4.9 million for Enrollment Growth; 20 percent of \$3.9 million for Base Funding; 10 percent or \$1.9 million for Financial Aid; and, 5 percent or \$1.0 million for Research. The Governor also proposes language under each institution regarding the allocation of any future funding for higher education. Specific spending and the percent of total allocation are as follows:

- *Degree Incentives (40%).* Recommends \$7.8 million GF in the second year for degree incentives related to TJ 21 goals. Institution specific funding is based on the original formula proposed last year with some suggested modifications by SCHEV.

- **Enrollment (25%).** Proposes \$4.9 million GF in the second year to address in-state undergraduate enrollment at Virginia’s public colleges and universities. Enrollment growth calculations were based on actual enrollment in FY 2012 to projected enrollment in FY 2014. The amounts were then prorated based on the funding available for this category.
- **Base Funding (20%).** Recommends funding of \$3.9 million GF in the second year toward base adequacy/operations. Under this proposed amount, institutions under 90 percent of the funding guideline would be eligible. Old Dominion University was the only instituion in this category.
- **Financial Aid (10%).** Recommends \$1.9 million GF in the scond year for additional financial assistance for in-state undergraduates. The distribution of funding is based on the partnership model and prorated down to the suggested funding amount. To maintain the current level of funding in FY 2013, an additional \$28.0 million GF would be needed.
- **Research (5%).** Proposes \$972,883 GF in the second year to fund brain disorders research at Virginia Tech.

### Higher Education TJ 21 FY 2014 Additional Allocations

<u>Institution</u>	<u>Degree Incentives</u>	<u>Enrollment</u>	<u>Base Funding</u>	<u>Financial Aid</u>	<u>Research</u>
Christopher Newport	\$160,212	\$54,733	\$0	\$56,344	\$0
William & Mary	180,122	73,939	0	39,830	0
George Mason	850,066	326,919	0	191,237	0
James Madison	586,975	397,062	0	91,323	0
Longwood	121,790	80,350	0	51,411	0
Mary Washington	147,448	71,869	0	22,424	0
Norfolk State	147,483	292,572	0	96,179	0
Old Dominion	681,537	472,692	3,891,533	205,482	0
Radford	292,034	413,980	0	91,293	0
University of Virginia	516,045	116,432	0	71,101	0
UVA at Wise	47,677	33,084	0	25,849	0
VA Commonwealth	861,041	389,386	0	260,598	0
VA Military Institute	33,664	21,743	0	10,720	0
Virginia State	107,764	72,469	0	73,940	0
Virginia Tech	908,669	363,003	0	186,087	972,833
Richard Bland	29,356	15,582	0	5,590	0
VCCS	<u>2,111,183</u>	<u>1,668,601</u>	<u>0</u>	<u>466,358</u>	<u>0</u>
<b>Total</b>	<b>\$7,783,066</b>	<b>\$4,864,416</b>	<b>\$3,891,533</b>	<b>\$1,945,766</b>	<b>\$972,833</b>

- **Other Higher Education Spending Proposals**

- ***VCCS Workforce Development Funding.*** Recommends an additional \$5.6 million GF in FY 2014 for workforce development activities at the Virginia Community College System (VCCS). Specifically, \$3.7 million GF in capital outlay for the construction of a manufacturing training program facility at Danville Community College, about \$1.8 million GF for the support of regional career pathways, and \$125,000 GF for a planning grant at Thomas Nelson Community College for advanced integrated manufacturing technologies.
- ***Tuition Assistance Grant Program.*** Proposes to transfer a balance of \$3.8 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 would allow the undergraduate awards to increase from \$2,800 to \$3,100 and graduate awards to increase from \$1,300 to \$1,500. This amount should also allow for some enrollment growth in the program.
- ***Virginia Tech - Unique Military Funding.*** Recommends \$600,000 GF in FY 2014 for enrollment growth in the Corps of Cadets or the Unique Military program.
- ***State Council of Higher Education for Virginia (SCHEV) - Military Survivors Program.*** Recommends \$600,000 GF in additional funding in FY 2014 for the Military Survivors Program based on growth in the program.
- ***Virginia Commonwealth University - Parkinson's Center.*** Proposes \$250,000 GF in FY 2014 for funding to support the Parkinson's and Movement Disorders Center at the University.
- ***SCHEV - Data System.*** The introduced budget proposes \$135,295 GF for the Virginia Longitudinal Data System in the second year. This system will track students' productivity and outcomes and is related to workforce development activities.
- ***Southwest Virginia Higher Education Center - Operating and Maintenance Funds.*** Proposes \$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.

- **Other Higher Education Actions**

- ***Higher Education Equipment Trust Fund.*** Proposes an additional allocation of \$2.0 million the second year for workforce development equipment needs. However, because the issuance of bonds for the FY 2013 allocation has been delayed, higher education institutions may need to use their own funding to purchase the equipment with reimbursement expected in the first quarter of FY 2014.

- *Turnover and Vacancy Savings for Higher Education in Central Appropriations.* Language remains that is being applied to higher education institutions in both years resulting from required savings from turnover and vacancy. This is a reduction of about \$5.7 million GF in each year.
- *Higher Education Restructuring Financial Incentives.* Proposes 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.
- *Language Allowing Additional VITA Oversight.* Part IV Language allows for additional VITA oversight of technology projects under \$1.0 million if the project is complex, has high risks, or is critical to the safety of Virginia.

- **Proposed Reallocations**

- *Internal Higher Education Institution Reallocations.* The introduced budget proposes that the public colleges and universities reallocate 5 percent of their Educational and General (E & G) general fund appropriation in FY 2014 instead of the previously approved 2 percent, a total amount of \$60.2 million GF. Language adopted during the 2012 Session stipulated internal reallocations for institutions of higher education of \$17.3 million in FY 2013 and \$23.1 million in FY 2014 to go towards the goals of the Virginia Higher Education Opportunity Act of 2011 or those goals stated in the adopted budget language for each institution. The reallocation is based upon a percentage of FY 2012 E & G general fund appropriation for colleges and universities. In FY 2013 the reallocation was 1.5 percent of the FY 2012 E & G amount and in FY 2014 the reallocation was slated to be 2 percent. Language approved through an Executive Amendment during the Reconvened Session required that the institutions report the amounts and specific purposes for which they were used in their six-year plan submissions in the fall of 2012 and 2013.

## Higher Education TJ 21 FY 2014 Reallocations

<u>Institution</u>	<u>Original FY 2014</u>	<u>Additional FY 2014</u>	<u>New Total FY 2014</u>
Christopher Newport	\$446,394	\$669,592	\$1,115,986
William & Mary	714,432	1,071,647	1,786,079
George Mason	2,140,980	3,211,470	5,352,450
James Madison	1,245,331	1,867,996	3,113,327
Longwood	438,749	658,123	1,096,872
Mary Washington	361,240	541,861	903,101
Norfolk State	594,817	892,226	1,487,043
Old Dominion	1,815,581	2,723,371	4,538,952
Radford	793,227	1,189,841	1,983,068
University of Virginia	2,242,847	3,364,271	5,607,118
UVA at Wise	227,913	341,870	569,783
VA Commonwealth	2,867,172	4,300,758	7,167,930
VA Military Institute	148,107	222,161	370,268
Virginia State	407,180	610,770	1,017,950
Virginia Tech	2,652,698	3,979,046	6,631,744
Richard Bland	98,930	148,396	247,326
VCCS	<u>5,919,022</u>	<u>8,878,534</u>	<u>14,797,556</u>
<b>Subtotal</b>	<b>\$23,114,620</b>	<b>\$34,671,933</b>	<b>\$57,786,553</b>
VIMS	\$0	\$497,089	\$497,089
VT-Ext.	0	1,799,753	1,799,753
VSU-Ext.	<u>0</u>	<u>154,101</u>	<u>154,101</u>
<b>Total</b>	<b>\$23,114,620</b>	<b>\$37,122,876</b>	<b>\$60,237,496</b>