

Higher Education

Proposed Adjustments as Introduced				
(\$ in millions)				
	FY 2017 Proposed		FY 2018 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2016-18 Base Budget, Ch. 665	\$1,797.6	\$8,345.5	\$1,797.6	\$8,345.5
Proposed Increases	173.5	451.0	180.5	539.8
Proposed Decreases	<u>(2.3)</u>	<u>(50.1)</u>	<u>(2.3)</u>	<u>(50.1)</u>
\$ Net Change	171.2	401.0	178.2	489.8
HB/SB 30, as Introduced	\$1,968.8	\$8,746.5	\$1,975.9	\$8,835.3
% Change	9.5%	4.8%	9.9%	5.9%
FTEs	17,716.87	39,340.35	17,717.87	39,482.35
# Change	87.51	734.38	88.51	876.38

Proposed Major FY 2016-18 GF Actions

	<u>FY 2017</u>	<u>FY 2018</u>
Proposed Spending:		
Higher Education Institution Spending		
Access and Completion	\$ 25,000,000	\$ 25,000,000
Undergraduate Need-Based Aid	24,098,663	24,098,663
Old Dominion University Base Adequacy	<u>1,500,000</u>	<u>1,500,000</u>
Subtotal:	\$50,598,663	\$50,598,663
Other Higher Education Spending		
Eastern Virginia Medical School Base Adequacy	\$770,246	\$1,540,431
Cyber Security (Range, Scholarship, Curriculum, & Pathway)	6,647,000	8,385,000
VA Community College System (VCCS) Workforce	9,000,000	15,600,000
Other Workforce (So. VA HEC & Inst. for Adv. Learn. & Research)	614,625	955,250
Sec. of Education/GMU/ODU VA Degree Completion Network	4,400,000	3,700,000
Tuition Assistance Grant (TAG) Program	1,000,000	1,000,000
Virtual Library E-Books and Contracts	1,220,994	1,282,045
SCHEV Innovation Fund	2,500,000	2,500,000
Other SCHEV Funding	2,192,000	2,212,000
VCCS Veterans Advising	1,100,000	1,100,000
VCCS Access Programs for High Schools Students	300,000	300,000
VCCS Rural Horseshoe	250,000	250,000
VCCS Pre-hire Immersion Training Transfer	250,000	250,000
Virginia Tech Radar Equipment/Unmanned Aircraft Test Range	950,000	0
Old Dominion University Recurrent Flooding	465,100	409,200
Virginia Institute of Marine Science Sea-Level-Rise/Flooding	426,841	432,894
College of William and Mary – Presidential Precinct Initiative	500,000	0
University of Mary Washington – Information Technology	400,000	400,000
University of Virginia – Discovery Virginia	250,000	250,000
Univ. of VA – Wise Nuclear Magnetic Resonance Spectrometer	520,000	0
Virginia Commonwealth University Parkinson’s Center	100,000	100,000
Richard Bland College Information Technology	200,000	0
Instit. for Adv. Learning and Research Communication Upgrade	45,789	45,789
Jefferson Lab	1,400,000	1,000,000
HE Research Initiative (Plus \$50.0 million/year bonds)	<u>20,000,000</u>	<u>20,000,000</u>
Subtotal	\$55,502,595	\$61,712,609
All HE Initiative Spending	\$105,851,258	\$112,061,272
Central Approp. Actions (mostly related to benefit actions)	\$69,497,192	\$69,596,530
Grand Total Spending in HE	\$175,598,450	\$181,907,802

- **Higher Education Institution Spending Proposals:**
 - ***Base Operations.*** Recommends funding of almost \$2.3 million GF in FY 2016 and \$3.0 million for FY 2018 for base operations. 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. The Governor proposes to increase colleges and universities that are below 100 percent to 91 percent of the guidelines (Old Dominion University at \$1.5 million each year and \$770,246 in FY 2017 and \$1.5 million in FY 2018 for Eastern Virginia Medical School).
 - ***Access and Completion.*** The Governor’s introduced budget proposes \$25.0 million GF each year for “access and completion”. Under previous budgets funding in this category was called degree incentives. The funding is allocated based on a formula or “the points system” which was initially proposed by the institution presidents to the Higher Education Advisory Committee (HEAC) with a focus on Science, Technology, Engineering and Mathematics (STEM) measures. Funding is distributed to institutions based on this “points system” with modification by SCHEV staff. The model rewards institutions for their efforts to graduate students, especially students in STEM majors and in underrepresented groups.
 - ***Financial Aid.*** Recommends \$24.1 million GF each 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. The introduced budget also proposes changes to the Virginia Guaranteed Assistance Program eligibility criteria as language in Part 4, overriding the Code.

**Higher Education Institution GF Allocations for Access/Completion
and Financial Aid for Each Year – FY 2016-18**

<u>Institution</u>	<u>Access and Completion</u>	<u>Financial Aid</u>
Christopher Newport	\$859,540	\$186,591
William & Mary	715,930	131,919
George Mason	2,536,420	3,064,841
James Madison	1,943,880	301,326
Longwood	643,690	366,214
Mary Washington	598,640	234,822
Norfolk State	570,260	2,950,444
Old Dominion	2,202,120	4,340,632
Radford	1,103,960	1,685,000
University of Virginia	1,651,960	232,735
UVA at Wise	191,540	365,638
VA Commonwealth	3,090,610	4,417,541
VA Military Institute	259,860	45,312
Virginia State	415,810	1,199,616
Virginia Tech	2,761,670	590,288
Richard Bland	145,330	57,911
VCCS	<u>5,308,780</u>	<u>3,927,747</u>
Total	\$25,000,000	\$24,098,663

- **Other Higher Education Spending Proposals**

- *Workforce.* Recommends \$9.6 million GF in FY 2017 and \$16.6 million GF in FY 2018. The following table summarizes the various initiatives:

Workforce Funding Initiatives – FY 2016-18
(GF \$ in millions)

<u>Agency</u>	<u>Initiative</u>	<u>FY 2017</u>	<u>FY 2018</u>
VA Community College System	Workforce Credentialing Programs in high-demand fields (incentives and marketing)	\$9,000,000	\$15,600,000
Southern VA Higher Education Center	Workforce Training Programs with expiring Tobacco Commission funding	390,625	731,250
Institute for Advanced Learning and Research	Double the cohort size of the Integrated Machining Program in cooperation with Danville Community College	224,000	224,000
Total		\$9,614,625	\$16,555,250

- **Cyber Security.** Proposes \$6.6 million GF the first year and \$8.4 million GF the second year for cyber security initiatives.

Proposed Cyber Security Initiatives – FY 2016-18 (GF \$ in millions)			
<u>Agency</u>	<u>Project</u>	<u>FY 2017</u>	<u>FY 2018</u>
Virginia Tech	Cyber Range (for students to practice their skills)	\$2.0	\$2.0
State Council of HE	Cyber Scholarship w/ State Work Commitment	1.5	1.5
State Council of HE	Grant Funding to Qualify as a Center of Excellence	1.0	1.0
James Madison/ Virginia Tech	Collaborative Undergrad Cyber Security Core Curriculum/Specialization Database	1.2	2.4
Virginia Community College System	Funding to Qualify as a Center of Excellence	0.5	1.1
George Mason	Cyber Pathway for Veterans	<u>0.4</u>	<u>0.4</u>
Total, GF Cash Supported Capital Projects		\$6.6	\$8.4

- **Secretary of Education: Establish the Virginia Degree Completion Network.** Proposes \$4.4 million GF the first year and \$3.7 million GF the second year to create the Network in order to provide flexible degree training targeted at adults and other nontraditional students. Included in the funding is support for competency-based course completion opportunities, student support, and marketing toward the targeted groups. Old Dominion University and George Mason University will be the initial providers of these services with future expansion planned with other public institutions of higher education.
- **College of William and Mary: Fund Presidential Precinct Initiative.** Proposes \$500,000 GF in FY 2017 for this initiative which would involve collaboration between the College and the University of Virginia, Monticello, Montpelier, and Ash Lawn-Highland to empower young leaders from the world’s emerging democracies via education and digital networking.

- ***Richard Bland College: Fund Information Technology Security.*** Recommends \$200,000 GF the first year for the purchase, installation, and configuration of information technology security devices.
- ***University of Mary Washington: Fund Information Technology.*** Recommends \$400,000 GF each year to help address information technology needs at the University.
- ***University of Virginia: Fund Discovery Virginia.*** Proposes \$250,000 GF, \$700,000 NGF, and 6 positions each year of the biennium at the Virginia Foundation for the Humanities for a publically accessible online archive to preserve Virginia history, culture, and heritage.
- ***Virginia Community College System (VCCS): Establish Veterans' Advising Programs.*** Recommends \$1.1 million GF each year to establish veterans' advising programs at the seven community colleges with the highest number of veteran students.
- ***VCCS: Fund Postsecondary Transition Program.*** Recommends \$300,000 GF each year to incentivize more communities to enhance access to existing higher education programs for high school students. This includes funding for comprehensive plans with enhanced student support strategies.
- ***VCCS Rural Horseshoe Initiative.*** Recommends \$250,000 GF and 9 positions each year of the biennium for the Rural Horseshoe Initiative, a joint project between the 14 community colleges in the rural areas of Virginia, their foundations, and the Virginia Foundation for Community College Education. The program provides career coaches in high schools to help identify job and higher education options available to students.
- ***Virginia Tech: Fund Radar Equipment.*** Recommends \$950,000 GF in FY 2017 for radar equipment needed at the institution's unmanned aircraft test range.
- ***University of Virginia-Wise: Fund Specialized Equipment.*** Proposes \$520,000 in FY 2017 for the purchase of a nuclear magnetic resonance spectrometer which is needed to maintain accreditation requirements for the Department of Natural Sciences.
- ***Virginia Commonwealth University: Fund Parkinson's and Movement Disorder Center.*** Recommends an additional \$100,000 GF each year for the Center's research in this area.
- ***Institute for Advanced Learning and Research (IALR).*** Proposes \$45,789 GF each year of the biennium for debt service funding through the Master Equipment

Lease Program (MELP) for the purpose of obtaining a communication system upgrade and software support for the telephone system.

- ***Old Dominion University: Create the Center for Recurrent Flooding Resiliency.*** Recommends \$465,100 GF the first year, \$409,200 GF the second year, and 4 positions to support ODU's expertise in modeling socioeconomic impacts of recurrent flooding. The Center is a collaborative effort involving Old Dominion University, the Virginia Institute of Marine Science, and the College of William and Mary's Coastal Policy Center. These institutions will work together to help proactively adapt coastal zone planning to sea level rise in order to promote economic expansion of the region.
- ***Virginia Institute of Marine Science: Create the Center for Recurrent Flooding Resiliency.*** Proposes \$426,841 GF the first year, \$432,894 GF the second year, and 3.15 FTE positions to support the Institute's research on sea level rise and storm-surge modeling as part of the Center for Recurrent Flooding Resiliency. The Institute will subcontract with the College of William and Mary's Coastal Policy Center to conduct policy and legal analysis of stakeholder adaptation responses to sea level rise. The Center is a collaborative effort involving Old Dominion University, the Virginia Institute of Marine Science, and the College of William and Mary's Coastal Policy Center. These institutions will work together to help proactively adapt coastal zone planning to sea level rise in order to promote economic expansion of the region.
- ***Research.*** There are multiple research initiatives across several Secretarial areas. Under higher education, the main item is the Higher Education Research Initiative (HERI). The introduced budget proposes \$100.0 million in Virginia College Building Authority (VCBA) bonds for the funding of research equipment and the potential renovation of laboratory space over the biennium. In addition, the budget recommends \$40.0 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 following table summarizes the various research initiatives including those in other Secretarial areas:

- *Jefferson Lab.* Recommends \$1.4 million GF the first year and \$1.0 million GF the second year to continue to support its efforts to host the new federal electron collider project.
- *State Council of Higher Education for Virginia (SCHEV): Increased Funding for an Innovation Fund.* Proposes \$2.5 million GF each year for competitive grants as part of a new innovation fund initiative. The goal of the fund is to stimulate collaboration among public school divisions, community colleges, and universities to create and expand affordable pathways.
- *State Council of Higher Education for Virginia (SCHEV): Increased Funding for Tuition Assistance Grant Program.* Recommends \$1.0 million GF each year to increase undergraduate awards. The introduced budget directs that the additional funding will increase the awards to \$3,400; however, staff analysis indicates that awards will likely go up from the current \$3,100 but may not be sufficient to reach this suggested goal.
- *State Council of Higher Education for Virginia (SCHEV): Increased Funding for the Virtual Library of Virginia (VIVA).* Recommends about \$1.2 million GF the first year and \$1.3 million GF the second year to support access to STEM e-books and sustain current contracts.
- *State Council of Higher Education for Virginia (SCHEV): Increased Funding for the Virginia Military Survivors Fund.* Proposes \$50,000 GF each year for enrollment growth in the program.
- *State Council of Higher Education for Virginia (SCHEV): Increased Funding for the Virginia Longitudinal Data System.* Proposes \$1.2 million GF the first year and \$1.3 million the second year for the Virginia Longitudinal Data System (VLDS) to replace federal funding and expand the capacity of the system.
- *State Council of Higher Education for Virginia (SCHEV): Enhance Capacity for Higher Education Analysis.* Proposes \$250,000 GF the first year, \$300,000 GF the second year, and 3 positions for additional staff.
- *State Council of Higher Education for Virginia (SCHEV): Enhance and Promote Data Analytics in Virginia.* Proposes \$562,000 GF, \$426,000 NGF, and 3 positions each year for a new initiative proposed by the Secretary of Technology related to advanced data analytics in teaching, research, and job creation.
- *State Council of Higher Education for Virginia (SCHEV): Study Language for the Creation of an Entity to Investigate Sexual Assaults on College Campuses.* Recommends \$100,000 GF the first year for a study concerning the possible

creation of a higher education regional center for the investigation and adjudication of criminal incidents related to sexual assaults on campuses.

- ***State Council of Higher Education for Virginia (SCHEV): Incentive Grant Funding for Automation of Courses and Low- or No-Cost Textbook Degree Programs.*** Proposes \$50,000 GF the first year for an incentive grant to encourage institutions to use automation in introductory courses to reduce costs and increase student success. Additionally, recommends \$30,000 GF the first year for one-time grant funding to implement low- or no-cost textbook degree programs.
- ***Faculty Salary Increase.*** Proposes a salary reserve account in central accounts in FY 2018, contingent upon the FY 2017 revenues not being more than 1 percent below the official forecast. The proposed salary reserve allows for a 2 percent average increase for full-time teaching and research faculty with an estimated cost of about \$17 million GF. The nongeneral fund portion of the increase would be provided by each institution consistent with its individual fund split. The compensation increases would be effective July 10, 2017.
- ***Virginia Community College System (VCCS): Transfer Pre-Hire Immersion Training Program Funds.*** Proposes transfer of \$250,000 GF each year from the economic development payment fund for the pre-hire immersion training program.

- **Other Higher Education Actions**

- ***Fund Higher Education Equipment Trust Fund.*** Proposes an allocation of \$80.0 million each year to support the replacement of computers and specialized research equipment (an increase of almost \$6.0 million over the FY 2016 allocation).