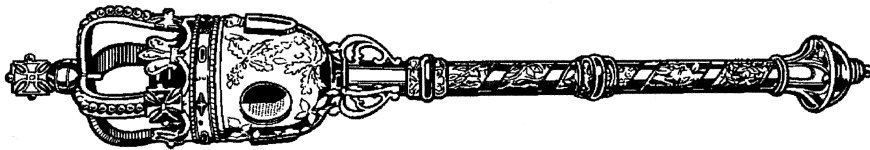


*Report of the
House Appropriations
Subcommittee*

on

Higher Education



House Bill 29

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House Bill 30

February 17, 2008

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 continue this Committee's priority of affordable access at our colleges and universities.

Mr. Chairman, in the last four years we made historic investments in higher education. We have moved as a system from about 85 percent of our recommended funding guideline level to more than 95 percent, with every institution at or above 90 percent of its individual funding goal. We believe that any attempt to reduce state support for higher education in order to address new priorities puts this progress at risk.

Therefore, Mr. Chairman, I am pleased to report that the Subcommittee **rejects** the additional \$63 million across-the-board reductions for higher education recommended by the Governor. We cannot afford to move backward in higher education support.

Instead, Mr. Chairman, we recommend additional funding for higher education in order to keep our institutions affordable. First, we recommend \$44.3 million in base operating support. Second, we recommend adding \$40.7 million in a Tuition Moderation Incentive Fund similar to what this Committee adopted in the 2007 Session. The Fund provides general fund allocations in each year to public colleges and universities. However, in order to receive an allocation from the fund in a given fiscal year, we are asking that tuition and fees not be increased for in-state undergraduates. Let me be very clear, this is not mandatory nor is it a tuition cap or freeze. Institutions have a choice; their Boards of Visitors can set tuition and fees to levels that they deem necessary. However, when one considers that

public institutions have been held harmless from any reductions, have received additional base operating support, and have access to a tuition moderation fund, we believe this to be a very reasonable request. Our hard-working Virginia families need a respite from continued steep increases in the cost of a college education.

The Subcommittee also recommends \$18.2 million for undergraduate need-based student financial. In addition, the Subcommittee has recommended an additional \$2.8 million for the Tuition Assistance Grant (TAG) program. The additional funding will increase the annualized TAG award for undergraduate students to \$3,300 by the second year of the biennium.

In the area of higher education research, the Subcommittee continues the \$25.1 million in investments we began two years ago at our colleges and universities. In addition, we have been able to recommend an additional \$2.0 million for cancer research at the University of Virginia and Virginia Commonwealth University.

Finally, I would like to thank Delegate Jones and the work of his Subcommittee, which enables us to recommend a two percent faculty salary increase effective November 2008.

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

**House Bill 29
HIGHER EDUCATION
Amendments**

2006-08 BIENNIAL TOTAL

General <u>Fund</u>	Nongeneral <u>Fund</u>	<u>FTE</u>
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Radford University

Doctoral Language	Language	0	0.00
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Central Appropriations

Defer Interest Earnings	(3,978,402)	0	0.00
Transfer Grant Residual	(200,000)	0	0.00
Revert CTRF Balances	Language	0	0.00

**House Bill 30
HIGHER EDUCATION
Amendments**

2008-10 BIENNIAL TOTAL
General Nongeneral
Fund Fund FTE

State Council Of Higher Education For Virginia

TAG Technical (HB 979)	0	Language	0.00
Military Survivors Program (Technical)	0	Language	0.00
Fund TAG Enrollments	1,040,000	0	0.00
Correct Reduction Error in Introduced Budget	120,000	0	0.00
Technical FTE Amendment	0	0	3.00
Level Fund VWIL	(49,826)	0	0.00
SCHEV Review Faculty Salary Peer	0	Language	0.00
SCHEV Analyze EVMS	0	Language	0.00
Increase TAG Award to \$3,300 in FY 2010	Reserve Fund	0	0.00
Space Consortium Grants	Reserve Fund	0	0.00

The College Of William And Mary In Virginia

Research language	0	Language	0.00
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Virginia Institute Of Marine Science

Wetlands Advisory	400,000	0	4.00
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George Mason University

Research language	0	Language	0.00
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Norfolk State University

Materials Science PhD	200,000	0	0.00
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Old Dominion University

ODU Maritime Program	Language	800,000	0.00
Research language	500,000	Language	0.00

Radford University

Doctoral Language	0	Language	0.00
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University Of Virginia

Research language	1,000,000	Language	0.00
Produced in Virginia Engineering Program	Reserve Fund	0	0.00

Virginia Commonwealth University

Collaborate with Via on Vaccination Literature	0	Language	0.00
Tier 3 Reduction Consistent With Other Schools	(2,434,000)	0	0.00
Research language	1,000,000	Language	0.00

Virginia Community College System

Middle College and New Initiatives	(4,096,546)	0	0.00
Clarify Legislative Intent	0	Language	0.00
House Bill 1526 Workforce Language	0	Language	0.00
Produced in Virginia Engineering Program	Reserve Fund	0	0.00

Virginia Polytechnic Institute And State University

VT Medical Research Center and School	0	Language	0.00
Research language	0	Language	0.00

Virginia State University

VECTEC E-Commerce Program	250,000	0	0.00
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New College Institute

Level Fund / Defer Increase	(1,000,000)	0	0.00
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**House Bill 30
HIGHER EDUCATION
Amendments**


2008-10 BIENNIAL TOTAL
General Nongeneral
Fund Fund FTE

Southern Virginia Higher Education Center			
SVHEC Increase to Reflect Enrollment	250,000	0	0.00
Higher Education Affordability			
Tuition Moderation Incentive Fund	40,700,000	0	0.00
Higher Education Research Initiative			
Adjust Research Package	(14,250,000)	0	0.00
VCERC Coastal Research	Reserve Fund	0	0.00
Virginia College Building Authority			
HEETF Allocations	0	Language	0.00
The Science Museum Of Virginia			
Bring Science Programs to Western Virginia	600,000	0	0.00
Central Appropriations			
Defer Interest Earnings	(16,678,402)	0	0.00
Transfer Grant (FY 2010 Awards)	(1,800,000)	0	0.00

Respectfully Submitted by the House Appropriations Subcommittee
on Higher Education:



Harvey B. Morgan, Chairman



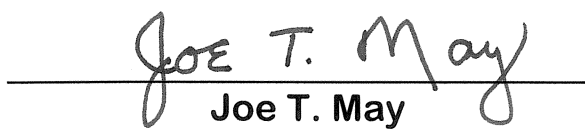
S. Chris Jones



Riley E. Ingram



Clarence E. Phillips



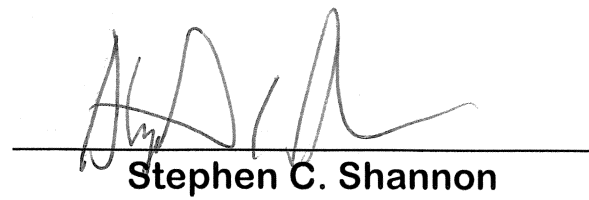
Joe T. May



Algie T. Howell, Jr.



M. Kirkland Cox



Stephen C. Shannon

Higher Education Subcommittee

Item 147 #2h

Education: Higher Education

State Council Of Higher Education
For Virginia

Language

Language:

Page 160, line 41, after "program", insert:

"or by the Commission on Osteopathic College Accreditation of the American Osteopathic Association in the case of freestanding institutions of higher education that offer the Doctor of Osteopathic Medicine (DO) as the sole degree program".

Explanation:

(This amendment is self-explanatory.)

Higher Education Subcommittee

Item 147 #3h

Education: Higher Education

State Council Of Higher Education
For Virginia

Language

Language:

Page 161, strike lines 1 through 12 and insert:

"G.1. Out of this appropriation, \$1,000,000 the first year and \$1,000,000 the second year from the general fund is designated for the Virginia Military Survivors and Dependents program, § 23-7.4:1, Code of Virginia.

2. Any appropriations in the Virginia Military Survivors and Dependents Education Fund which are unexpended at the close of business on June 30, 2008, June 30, 2009, and June 30, 2010, shall be reappropriated for use in the program in the following year."

Explanation:

(This amendment is self-explanatory.)

Higher Education Subcommittee

Item 149 #15h

Education: Higher Education

State Council Of Higher Education

Language

For Virginia

Language:

Page 165, after line 26, insert:

"K.1. In consultation with the Secretary of Education and the Chairmen of the House Appropriations Committee and Senate Finance Committee, or their designees, and representatives from the state-supported medical schools, the State Council of Higher Education for Virginia (SCHEV) shall review the programmatic, personnel, financial, oversight and governance issues of Eastern Virginia Medical School (EVMS). SCHEV's assessment of these issues shall include, but not be limited to, EVMS organizing as an affiliated institution within an existing public four-year college or university or as a stand-alone state agency with a memorandum of understanding with a suitable hospital or medical system. The Virginia Retirement System, Department of Human Resource Management, State Comptroller, State Treasurer, and any other appropriate state agency, as determined by SCHEV, shall cooperate in this evaluation.

2. The State Council shall take no action but shall submit its findings for consideration by the Governor and the General Assembly no later than November 15, 2008."

Explanation:

(This amendment is self-explanatory.)

Higher Education Subcommittee

Item 224 #6h

Education: Higher Education

Virginia Polytechnic Institute And
State University

Language

Language:

Page 207, after line 5, insert:

"K.1. The General Assembly supports and approves the proposal for the establishment of a new school of medicine and research institute to be created by Virginia Tech, in partnership with the Carilion Clinic, in downtown Roanoke.

2. Virginia Tech is hereby granted approval, pursuant to the Public-Private Educational Facilities and Infrastructure Act of 2002 (§ 56-575.1 et seq, Code of Virginia), to enter into an interim and/or comprehensive agreement with a private entity for the design and construction of the School of Medicine and Research

Institute. In order to accelerate development of the project and pursuant to the Memorandum of Understanding between Virginia Tech and Carilion, the General Assembly hereby finds that the project authorization for the School of Medicine and Research Institute granted to Virginia Tech pursuant to House Bill 1547 is sufficient to satisfy the review requirements of § 30-278 et seq., Code of Virginia. Virginia Tech may proceed with evaluation of any PPEA proposal it receives pursuant to guidelines adopted by its Board of Visitors."

Explanation:

(This amendment is self-explanatory.)

Higher Education Subcommittee

Item 254.10 #2h

Education: Higher Education
Higher Education

FY 08-09	FY 09-10	
\$20,350,000	\$20,350,000	GF

Language:

Page 224, after line 5, insert:

"254.10. Higher Education	\$20,350,000	\$20,350,000
Fund Sources: General	\$20,350,000	\$20,350,000."

"A.1. Out of this appropriation, \$20,350,000 the each year from the general fund is designated for the Higher Education Tuition Moderation Incentive Fund with potential allocations to public colleges and universities as follows:

Institution	Annual Amount
Christopher Newport University	\$670,000
College of William and Mary	750,000
George Mason University	1,900,000
James Madison University	1,180,000
Longwood University	625,000
University of Mary Washington	350,000
Norfolk State University	250,000
Old Dominion University	1,280,000
Radford University	590,000
University of Virginia	2,150,000
University of Virginia at Wise	120,000
Virginia Commonwealth University	2,700,000
Virginia Military Institute	130,000

Virginia Polytechnic Institute & State University	2,945,000
Virginia State University	310,000
Richard Bland College	50,000
Virginia Community College System	4,350,000
Total	\$20,350,000

2. Allocations listed in paragraph A.1. of this item shall be granted to public colleges and universities each year so long as they do not increase tuition and mandatory E & G fees for in-state undergraduate students in that year.

3. The State Council of Higher Education for Virginia (SCHEV), in conjunction with the Department of Planning and Budget (DPB), shall determine whether each public college and university has met the tuition requirements of this fund. SCHEV shall report its findings to the Governor, the Chairmen of the House Appropriations and Senate Finance Committees, and the Director of the Department of Planning and Budget by August 15 of each fiscal year.

4. Upon certification by SCHEV and DPB that the requirements in paragraph E.2. have been met, the Director, Department of Planning and Budget, shall transfer the amounts listed above to each of the certified institutions.

5. In each year, any funds in paragraph E.1. not allocated pursuant to the requirements of paragraphs E.2. and E.4. shall be proportionally redistributed among the institutions that have met the requirements of paragraphs E.2. and E.4.

6. No institution shall be eligible for an allocation in the second year, if the average increase in tuition and mandatory E & G fees for in-state undergraduate students over the biennium is greater than five percent. For this purpose, the average increase in tuition and mandatory E & G fees for in-state undergraduate students over the biennium is defined as the increase imposed in the first year plus the increase imposed in the second year divided by two.

7. SCHEV shall evaluate the nongeneral fund component of educational and general program in this budget. The intent of the General Assembly is that nongeneral fund appropriations in the educational and general program approximate actual revenue collections for that fiscal year. SCHEV shall report its findings and recommendations for adjustments to the nongeneral fund educational and general program appropriation to meet the legislative intent by October 1, 2008. The Department of Planning and Budget and public colleges and universities shall

cooperate with SCHEV to this end. No adjustments to nongeneral fund appropriations in the educational and general program shall be implemented without review by SCHEV. All requested and recommended adjustments shall be reported to the Chairman of the House Appropriations and Senate Finance Committees quarterly during the fiscal year."

Explanation:

(This amendment provides for a tuition moderation incentive fund in each year of the biennium. The State Council of Higher Education for Virginia (SCHEV) will certify that an institution has met the requirements of this item by August 15 of each year. Once certified by SCHEV, each institution will receive its allocation. If an institutions chooses to not participate in this program based on the decision of its Board of Visitors, then its allocation will be proportionally awarded among the institutions that have met the requirements of the tuition incentive moderation fund.)

Higher Education Subcommittee

Item 255 #2h

Education: Higher Education

Virginia College Building
Authority

Language

Language:

Page 225, line 10, strike "\$57,899,478" and insert "\$58,049,478".

Page 225, line 11, strike "\$57,899,478" and insert "\$58,824,478".

Page 225, line 20, strike the second "\$8,063,825" and insert "\$8,763,825".

Page 225, line 35, strike the second "\$11,590,719" and insert "\$11,665,719".

Page 225, line 41, strike the first "\$146,003" and insert "\$221,003".

Page 225, line 41, strike the second "\$146,003" and insert "\$221,003".

Page 225, after line 43, insert:

"New College Institute \$0 \$75,000 \$75,000".

Page 225, line 44, strike the first "\$57,899,478" and insert "\$58,049,478".

Page 225, line 44, strike the second "\$57,899,478" and insert "\$58,824,478".

Page 225, after line 44, insert:

"3. Allocations in paragraph C.2. include \$700,000 the second year at Virginia Commonwealth University designated for the Satellite Dental Clinic at Wise. Any unused allocation from this amount shall be reported to the Chairmen of the House Appropriations and Senate Finance Committees.

4. Allocations in paragraph C.2. include \$250,000 the second year to the Virginia Community College System designated for the Booth Education Center of Southwest

Virginia Community College. Any unused allocation from this amount shall be reported to the Chairmen of the House Appropriations and Senate Finance Committees."

Explanation:

(This amendment requests an additional allocation from the equipment trust fund.)
