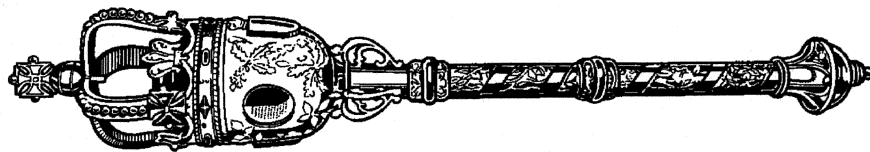


*Report of the
House Appropriations
Subcommittee*

on

Higher Education



House Bill 1600

February 8, 2009

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 address the challenges of our current economic condition.

Mr. Chairman, the Subcommittee's recommendations are structured to address two priorities:

- 1) **expand access** to our excellent public colleges, universities and community colleges for Virginia students, and
- 2) keep the cost of attending our public higher education institutions **affordable** for **all Virginia families**.

Therefore, Mr. Chairman, the Subcommittee recommends \$53.5 million in new higher education funding to address both access and affordability. These funds will allow our public colleges and universities the ability to keep tuition and fee hikes on undergraduate Virginia students well below the double digit increases experienced in the last several years.

It would appear, Mr. Chairman, that we are no longer alone in this endeavor. Both houses of Congress have indicated that any federal stimulus funding would be tied to mitigating tuition increases for in-state students. By the way, Mr. Chairman, you will not see the word "cap" or "freeze" in any of our amendments. We do plan to maintain an open dialogue with our institutions and look forward to discussing the ramifications of the decisions that their Boards of Visitors will ultimately make.

The Subcommittee provides \$12.5 million for new enrollment growth at our institutions. By providing funding for new seats, we will

expand access for undergraduate Virginians across our higher education system.

Mr. Chairman, a college degree is more important than ever for success in today's economy. Our state policies must ensure that deserving Virginia students are able to access our public colleges and universities. Therefore, Mr. Chairman, we recommend a change in our enrollment mix policy to create more opportunity for Virginia students.

The policy requires those institutions that enroll in excess of thirty (30) percent of their undergraduate class from out-of-state students to reserve at least 70 percent of their future enrollment growth for Virginia students and at least 80 percent of their new transfer slots for Virginia students. It is our intent to examine funding requirements in light of this proposed policy as evidenced by the \$12.5 million in funding we recommend today.

There are some areas of the state budget -- and higher education is high on the list -- where the dollars we spend produce a strong economic return on investment, both in terms of opportunity for individuals and growth for the economy as a whole. We understand that we cannot expect Virginia to lead the nation's economic recovery if we do not make well-targeted investments. Combined with our capital program for higher education, this investment in higher education support and new enrollment policy reflect a pro-growth, pro-job investment strategy.


Mr. Chairman, our remaining recommendations are fairly modest. We recommend less than \$1.0 million in budget restorations at higher education centers and at the State Council of Higher Education for Virginia. However, we generate about \$9.0 million in savings across higher education agencies to offset those restorations that which can be directed to other priorities of the Committee.

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

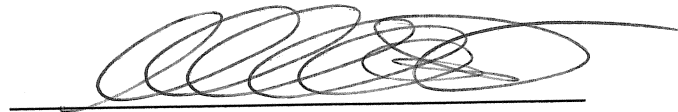
**House Access and Affordability Initiative
Allocations By Public College and University**

Institution	General Fund	Nongeneral Fund	Total
CNU	1,485,408	897,913	2,383,321
CWM	672,527	5,043,738	5,716,265
GMU	4,003,362	17,223,841	21,227,203
JMU	2,108,241	8,137,568	10,245,809
LU	2,438,528	1,753,097	4,191,625
UMW	599,640	1,129,628	1,729,268
NSU	2,868,673	4,648,499	7,517,172
ODU	5,966,198	8,323,729	14,289,927
RU	1,907,410	2,213,573	4,120,983
UVA	2,556,245	18,009,190	20,565,435
UVAW	836,538	455,479	1,292,017
VCU	4,337,715	8,403,687	12,741,402
VMI	376,109	1,444,035	1,820,144
VSU	2,519,731	1,482,295	4,002,026
VT	2,424,807	16,309,903	18,734,710
RBC	97,349	100,712	198,061
VCCS	18,322,969	27,210,589	45,533,558
Total	53,521,450	122,787,476	176,308,926

Respectfully Submitted by the House Appropriations Subcommittee
on Higher Education:



Harvey B. Morgan, Chairman



S. Chris Jones



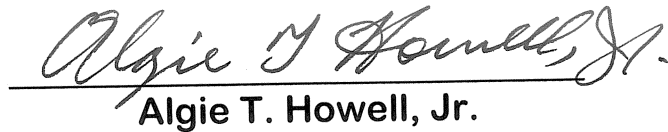
Riley E. Ingram



Clarence E. Phillips



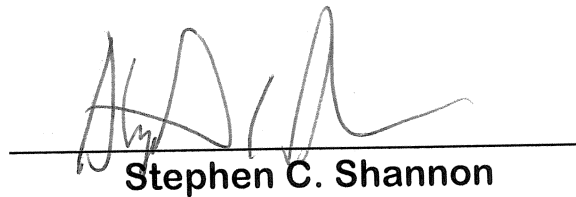
Joe T. May



Algie T. Howell, Jr.



M. Kirkland Cox



Stephen C. Shannon

House Bill 1600
HIGHER EDUCATION
Amendment

<u>General</u> <u>Fund</u>	<u>Nongeneral</u> <u>Fund</u>	<u>FTE</u>
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State Council Of Higher Education For Virginia

Restore Optometry Grants	32,000	0	0.00
Restore Graduate TAG	Language	0	0.00
Restore Science Scholarship	75,000	0	0.00
VWIL Equal to TAG	(264,000)	0	0.00
Improve Transfer	Language	0	0.00
Federal GEAR-Up Grant (Technical)	0	550,699	0.00
Federal GEAR-UP Grant (Technical)	0	752,730	0.00
Partially Restore Budget Reductions	225,000	0	0.00

Christopher Newport University

Provide Access and Affordability	1,485,408	897,913	0.00
Transfer VECTEC Funding From CIT	125,000	0	0.00

The College Of William And Mary In Virginia

Provide Access and Affordability	672,527	5,043,738	0.00
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Richard Bland College

Provide Access and Affordability	97,349	100,712	0.00
Redirect Proposed Aid Increase	(41,219)	0	0.00

George Mason University

Provide Access and Affordability	4,003,362	17,223,841	0.00
Redirect Proposed Aid Increase	(3,056,124)	0	0.00

James Madison University

Provide Access and Affordability	2,108,241	8,137,568	0.00
Redirect Proposed Aid Increase	(635,950)	0	0.00

Longwood University

Provide Access and Affordability	2,438,528	1,753,097	0.00
Redirect Proposed Aid Increase	(395,244)	0	0.00

Norfolk State University

Provide Access and Affordability	2,868,673	4,648,499	0.00
Redirect Proposed Aid Increase	(747,309)	0	0.00

Old Dominion University

Provide Access and Affordability	5,966,198	8,323,729	0.00
Redirect Proposed Aid Increase	(2,796,059)	0	0.00

Radford University

Provide Access and Affordability	1,907,410	2,213,573	0.00
Redirect Proposed Aid Increase	(458,578)	0	0.00

University Of Mary Washington

Provide Access and Affordability	599,640	1,129,628	0.00
Redirect Proposed Aid Increase	(39,047)	0	0.00

University Of Virginia

Provide Access and Affordability	1,423,941	18,009,190	0.00
Eliminate State Climatologist	(78,000)	0	0.00

University Of Virginia's College At Wise

Provide Access and Affordability	836,538	455,479	0.00
Redirect Proposed Aid Increase	(19,271)	0	0.00

House Bill 1600
HIGHER EDUCATION
Amendment

<u>General</u> <u>Fund</u>	<u>Nongeneral</u> <u>Fund</u>	<u>FTE</u>
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Virginia Commonwealth University			
Provide Access and Affordability	4,337,715	8,403,687	0.00
Redirect Proposed Aid Increase	(4,337,715)	0	0.00
Virginia Community College System			
Provide Access and Affordability	18,322,969	27,210,589	0.00
Redirect Proposed Aid Increase	(11,460,760)	0	0.00
Technical Adjustment to Workforce Amendment	Language	0	0.00
Virginia Military Institute			
Provide Access and Affordability	376,109	1,444,035	0.00
Virginia Polytechnic Institute And State University			
Provide Access and Affordability	2,424,807	16,309,903	0.00
Virginia State University			
Provide Access and Affordability (\$2.6 million)	1,019,731	1,482,295	0.00
Redirect Proposed Aid Increase	(1,897,870)	0	0.00
Eastern Virginia Medical School			
Equalize Reductions to Other Affiliated Agencies	(338,000)	0	0.00
Institute For Advanced Learning And Research			
Partially Restore Budget Reductions	240,000	0	0.00
Roanoke Higher Education Authority			
Partially Restore Budget Reductions	60,000	0	0.00
Southern Virginia Higher Education Center			
Partially Restore Budget Reductions	208,708	0	0.00
Southwest Virginia Higher Education Center			
Partially Restore Budget Reductions	80,000	0	0.00
Higher Education Research Initiative			
Remove Unused Technology Grant	(2,000,000)	0	0.00
The Science Museum Of Virginia			
Aviation Museum Merge with Air & Space Center	Language	0	0.00
Innovative Technology Authority			
Transfer VECTEC Funding to CIT	(125,000)	0	0.00
Central Appropriations			
Fund Interest Earnings Per Current Rates	(5,000,000)	5,516,300	0.00
Transfer Grant Increase	(1,317,440)	0	0.00
	<u>16,927,268</u>	<u>129,607,205</u>	<u>0.00</u>

Part IV Language

Research (4-0.01)	Language
Out-of-State Enrollment Policy (4-0.01)	Language
Student Registration (4-0.01)	Language
Streamline Reporting Requirements (4-8.01)	

Amendments to House Bill 1600, as Introduced

Higher Education Subcommittee

Item 149 #2h

Education: Higher Education

State Council Of Higher Education
For Virginia

Language

Language:

Page 186, after line 39, insert:

"M. 1. The State Council of Higher Education for Virginia, with the full cooperation of the Virginia Community College System, Richard Bland College and four-year public colleges and universities, shall explore the feasibility of designing a transfer certificate of up to 36 credit hours that would have full portability to the Commonwealth's public institutions of higher education and satisfy general education requirements at the receiving institution provided that such certificate does not substitute for meeting the criteria established under § 22-38.10:10. The Council shall submit a report on the feasibility of such a certificate, including budgetary implications, to the Chairmen of the House Appropriations Committee, House Committee on Education, the Senate Finance Committee and the Senate Committee on Education and Health by December 31, 2009.

2. The cost of producing this feasibility analysis shall be borne by the Virginia Community College System."

Explanation:

(This amendment requires that the State Council of Higher Education for Virginia, working with public colleges and universities, develop a parallel general education track at two-year colleges for which the credits earned are transferable to a four-year public college or university. The feasibility analysis would include budgetary implications and examination of potential savings from this parallel track. The cost of producing this feasibility analysis will be paid by the Virginia Community College System.)

Higher Education Subcommittee

Item 242 #1h

Education: Other

The Science Museum Of Virginia

Language

Language:

Page 250, after line 21, insert:

Amendments to House Bill 1600, as Introduced

"D. The Virginia Aviation Museum in Richmond, Virginia and the Virginia Air and Space Center in Hampton, Virginia shall jointly report to the Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2009 on the possibility of the merger of the two entities in order to provide greater educational and cultural opportunities for the citizens of Virginia. The report shall include, but not be limited to, (1) the effectiveness and costs of maintaining a satellite facility in the Richmond area, (2) the funding requirements of a merged facility in the Hampton area, and (3) the disposition of the current assets of the Virginia Aviation Museum including land, buildings and exhibits under various merger scenarios."

Explanation:

(This amendment is self-explanatory.)

Higher Education Subcommittee

Item 4-0.01 #1h

General Provisions

Operating Policies

Language

Language:

Page 622, after line 9, insert:

"d. No funding in this budget, or matching funds related to funding included in this budget, may be provided for human stem cell research from stem cells directly obtained from human embryos; however, research conducted using stem cells other than embryonic stem cells may be funded.

e. No funding in this budget, or matching funds related to funding included in this budget, may be provided for research on cells or tissues derived from induced abortions on humans."

Explanation:

(This amendment would prohibit state funding of embryonic stem cell research itself, but it would also permit entities that conduct such research (without using state money) to receive state funding. Entities that receive funding for embryonic stem cell research from federal and private sources may also receive state dollars for purposes other than embryonic stem research. State funding of research on aborted fetuses would be prohibited.)

Higher Education Subcommittee

Item 4-0.01 #5h

Amendments to House Bill 1600, as Introduced

General Provisions
Operating Policies

Language

Language:

Page 622, after line 9, insert:

"d. Public higher education institutions are not subject to the provisions of § 2.2-4800 or the provisions of the Department of Accounts' Commonwealth Accounting Policies and Procedures manual (CAPP) topic 20505 with regard to students who are veterans of the United States armed services and National Guard and are in receipt of federal educational benefits under the G.I. Bill. Public higher education shall establish internal procedures for the continued enrollment of such students to include resolution of outstanding accounts receivable."

Explanation:

(This amendment allows public colleges and universities to enroll students receiving benefits under the G.I. Bill and not be subject to the delinquent account regulations of the Department of Accounts for those students. This will permit these students to advance register for classes prior to receipt of G.I. Bill benefits.)

Higher Education Subcommittee

Item 4-0.01 #7h

General Provisions
Operating Policies

Language

Language:

Page 622, after line 9, insert:

"d. 1. The State Council of Higher Education for Virginia shall report to the Chairmen of the House Appropriations and Senate Finance Committees by October 1 of each year the three-year rolling average number of nonresident undergraduate students enrolled at each four-year public college or university, as a percentage of total undergraduate enrollment.

2. With the exception of Norfolk State University, Virginia Military Institute, and Virginia State University, any four-year public college or university with a three-year rolling average nonresident undergraduate enrollment that exceeds thirty (30) percent shall be subject to the following provisions beginning with the Fall 2010 entering class:

a) The institutions shall not increase the overall undergraduate proportion of nonresident students from the previous Fall;

Amendments to House Bill 1600, as Introduced

- b) The institution shall reserve at least 70 percent of any increase in new freshmen over the previous Fall for resident undergraduate students;
 - c) The institution shall reserve at least 80 percent of new transfer student slots for resident students.
3. In determining the appropriation for educational and general programs at the institutions of higher education, the General Assembly shall take into consideration the increase in new resident undergraduate student enrollment prescribed in d. 2."

Explanation:

(This amendment clarifies the policy of the Commonwealth with regard to out-of-state undergraduate enrollment. If an institution has an out-of-state undergraduate percentage enrollment level three-year rolling average that exceeds thirty (30) percent, then the institution would be subject to the enrollment provisions of this item which require not increasing the current proportion of out-of-state students, reserving 70 percent of the increase in new freshmen seats for in-state undergraduate students and reserving 80 percent of new transfer student seats for in-state students.)

Higher Education Subcommittee

Item 4-8.01 #1h

Reporting Requirements

Governor

Language

Language:

Page 684, after line 48, insert:

"3. a) It is the intent of the General Assembly that reporting requirements affecting state institutions of higher education be limited to instances where (1) there is a compelling state interest for state agencies to collect, use, and maintain the information collected; (2) substantial risk to the public welfare or safety would result from failing to collect the information; or (3) the information collected is central to an essential state process mandated by the Code of Virginia.

b) The Governor is authorized to suspend reporting requirements which in his judgment do not meet these criteria, provided however that prior to July 15, 2009, he reports to the Speaker of the House of Delegates, and the Chairman of the House Appropriations Committee, and the Chairmen of the Senate Committees on Finance and Rules those reporting requirements he intends to suspend.

Amendments to House Bill 1600, as Introduced

c) State institutions of higher education, working with the Director, State Council of Higher Education for Virginia, the Secretary of Education, the Secretary of Finance, and the Director, Department of Planning and Budget, shall identify a list of reporting requirements that may not meet the criteria specified above, and which the Governor should consider suspending.

Upon the effective date of this act, and until its expiration date, the following reporting requirements are hereby suspended:

Agency	Report Title of Descriptor	Source
Department of Accounts	Intercollegiate Athletics Receipts & Disbursements	Code of Virginia § 23-1.1.
Department of General Services	Usage of State-Assigned and State-Owned Vehicles Report	Agency Directive -- Executive Order 89 (2005)
State Employee Worker's Compensation Program	Work-related injuries and illnesses report -- goals, strategies, and results	Agency Directive -- Executive Order 94 (2006)
Department of Planning and Budget	Organizational Memberships over \$5,000	Appropriations Act
Secretary of Commerce and Trade	Recruitment of National and Regional Conferences Report	Agency Directive -- Executive Order 14 (2006)
State Council of Higher Education for Virginia	Generalists Initiative	Item 145 F1. UVA, VCU and EVMS only. Specific performance measures deleted in 2006-08 Appropriations Act. Biennial reporting still required."

Explanation:

Amendments to House Bill 1600, as Introduced

(This amendment continues efforts to streamline reporting requirements under higher education restructuring.)
