

Higher Education

| Proposed Adjustments as Introduced | | | | |
|---|-------------------------|------------------|-------------------------|------------------|
| (\$ in millions) | | | | |
| | FY 2015 Proposed | | FY 2016 Proposed | |
| | <u>GF</u> | <u>NGF</u> | <u>GF</u> | <u>NGF</u> |
| 2014-16 Base Budget, Ch. 806 | \$1,717.3 | \$7,670.2 | \$1,717.3 | \$7,670.2 |
| Technical Adjustments | 0.0 | 0.0 | 0.0 | 0.0 |
| Proposed increases | 166.0 | 329.2 | 167.7 | 429.7 |
| Proposed decreases | <u>(0.4)</u> | <u>(9.9)</u> | <u>(1.0)</u> | <u>(10.0)</u> |
| \$ Net Change | 165.6 | 319.3 | 166.7 | 419.7 |
| HB/SB 30, as Introduced | \$1,882.9 | \$7,989.5 | \$1,884.1 | \$8,089.9 |
| % Change | 9.6% | 4.2% | 9.7% | 5.5% |
| FTEs | 17,707.96 | 37,662.58 | 17,711.56 | 38,522.23 |
| # Change | 160.27 | 260.13 | 163.87 | 400.53 |

Proposed Major FY 2014-16 GF Actions

| | <u>FY 2015</u> | <u>FY 2016</u> |
|--|---------------------|---------------------|
| Proposed Reductions and Reallocations: | | |
| Colleges and Universities & Other Higher Education Agencies | | |
| Higher Education Institution Reallocations | See Note* | See Note* |
| Total Reductions & Reallocations | | |
| Proposed Spending: | | |
| Higher Education Opportunity Act (TJ 21) Spending | | |
| TJ 21: Base Operations | \$ 6,750,000 | \$ 6,750,000 |
| TJ 21: Degree Incentive | 31,500,000 | 31,500,000 |
| TJ 21: Enrollment Growth | 10,500,000 | 10,500,000 |
| TJ 21: Financial Aid | 15,749,999 | 15,749,999 |
| TJ 21: Institution Initiatives/Research | 10,700,181 | 10,999,819 |
| Other Higher Education Spending | | |
| HE Centers/Jefferson Lab/VIMS | \$ 4,285,395 | \$ 5,019,184 |
| Tuition Assistance Grant (TAG) Program | 3,088,548 | 3,088,548 |
| VCCS Workforce Development Initiatives | 1,375,000 | 1,095,000 |
| VT Extension O & M New Building | 1,149,966 | 1,173,129 |
| Virtual Library E-Books and Contracts | 1,474,764 | 1,645,249 |
| Old Dominion University Technology | 1,336,250 | 1,336,250 |
| EVMS Increase for Base Support | 1,000,000 | 1,000,000 |
| Veterans' Initiatives for Completion and Workforce | 571,525 | 1,036,890 |
| Commonwealth Graduate Nursing Consortium (ODU) | 500,000 | 500,000 |
| George Mason University Operating/Lyme Disease Test | 375,000 | 125,000 |
| 4-VA Partnership (JMU & VCU) | 325,500 | 589,500 |
| VT & VSU Extension Positions | 220,000 | 220,000 |
| Commonwealth Center for Advanced Logistics (VCU) | 219,375 | 219,375 |
| HE Procurement Cooperative (UVA) | 106,000 | 153,000 |
| VA Military Survivors Fund | 50,000 | 50,000 |
| Radford Mobile Innovation Learning Lab | 187,781 | 198,431 |
| VSU Summer STEM Academy | 60,000 | 0 |
| Total Spending | \$16,325,104 | \$17,449,556 |
| Grand Total | \$91,525,284 | \$92,949,374 |

* Higher education institution proposed reallocations are \$25.2million in FY 2015 and FY 2016 for other items related to the TJ 21 legislation or stated purposes within each institution.

- **Higher Education Reallocation and Reduction Proposals**

- *Internal Higher Education Institution Reallocations.* Proposes internal reallocations of \$25.2 million in FY 2015 and \$25.2 million in FY 2016 to go towards the goals of the Virginia Higher Education Opportunity Act of 2011. The reallocation is based upon a percentage of total FY 2014 Educational and General (E & G) appropriation for all colleges and universities. In each year, the reallocation would be 2 percent, about 1/3 of the new funding provided in each year for public colleges and universities.

- **Higher Education Opportunity Act of 2011 (TJ 21) Spending Proposals**

- *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. The bill provided for reform-based investment and affordable access through a revised higher education funding policy. Funding is proposed in the Governor’s budget of about \$75.0 million GF each year to support the goals of the legislation. The funding is allocated in six areas - base operations, enrollment growth, degree incentives, institution-specific performance-based initiatives, financial aid, and research. The following will explain funding in each category.
 - *Base Operations.* Recommends funding of almost \$6.8 million each year toward base operations. Base adequacy is a formula, driven by student enrollment and average faculty salaries, that 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 93 percent of the guidelines to receive about a 2 percent increase (Old Dominion University and Norfolk State University).
 - *Degree Incentives.* The Governor’s introduced budget proposes \$31.5 million GF each year for degree incentives. The funding is allocated based on a formula proposed by the institution presidents to the Higher Education Advisory Committee (HEAC) with a focus on Science, Technology, Engineering and Mathematics (STEM) measures.
 - *Institution-Specific Performance-Based Initiatives and Research.* In addition to the degree production formula, the Governor proposes approximately \$10.7 million GF the first year and \$11.0 million GF the second year for institution-specific initiatives related to the TJ 21 legislation and research initiatives at specified institutions. Recommends \$7.3 million GF each year to fund research goals under TJ 21 and \$3.4 million GF the first year and \$3.7 million the second year for agency-specific initiatives.

The research amount includes \$500,000 GF each year for the Virginia Institute for Marine Science that will not be reflected in the table below.

- ***Enrollment Growth.*** Proposes \$10.5 million GF each year to address in-state undergraduate enrollment growth at Virginia's public colleges and universities. Amounts for four-year institutions were set equal to the proposed tuition assistance grant (TAG) award amount of \$3,300 for undergraduates and the two-year amount was set at 50 percent of this amount. Enrollment growth funding was given for projected growth that would occur between FY 2014 and FY 2016.

- ***Financial Aid.*** Recommends \$14.2 million GF each year for additional need-based financial assistance for in-state undergraduates and \$1.6 million GF per year for graduate financial aid. The distribution of funding for undergraduate aid is based on the partnership model and trying to achieve 40 percent of the need calculated by the model. The minimum amount was set at \$100,000. There is an additional \$500,000 GF per year under institution-specific initiatives that are for financial aid programs (Virginia State University and the University of Virginia-Wise). The graduate financial aid amount includes \$500,000 GF in each year for the Virginia Institute for Marine Science that will not be reflected in the table below.

Higher Education TJ 21 Allocations – Biennial Amount for FY 2015 -FY 2016

| <u>Institution</u> | <u>Base Operations</u> | <u>Degree Incentives</u> | <u>Initiatives</u> | <u>Enrollment Growth</u> | <u>Research</u> | <u>Financial Aid</u> |
|------------------------|----------------------------|------------------------------|--------------------|------------------------------|---------------------|----------------------|
| Christopher Newport | \$0 | \$1,490,368 | \$504,133 | \$378,126 | 0 | \$200,000 |
| William & Mary | 0 | 1,575,756 | 607,302 | 656,368 | 0 | 344,644 |
| George Mason | 0 | 6,585,288 | 0 | 3,588,622 | 1,000,000 | 7,053,820 |
| James Madison | 0 | 4,942,624 | 786,004 | 1,747,940 | 0 | 200,000 |
| Longwood | 0 | 1,155,504 | 287,049 | 306,782 | 0 | 730,000 |
| Mary Washington | 0 | 1,373,882 | 213,060 | 1,255,662 | 0 | 1,200,000 |
| Norfolk State | 2,700,000 | 1,356,870 | 1,394,612 | 0 | 0 | 390,000 |
| Old Dominion | 10,800,000 | 5,533,930 | 0 | 2,548,646 | 1,950,000 | 3,641,984 |
| Radford | 0 | 2,473,204 | 729,475 | 1,940,570 | 0 | 398,000 |
| University of Virginia | 0 | 4,142,886 | 0 | 2,190,274 | 4,000,000 | 975,320 |
| UVA at Wise | 0 | 501,002 | 668,822 | 149,824 | 0 | 200,000 |
| Va Commonwealth | 0 | 6,773,782 | 0 | 1,690,864 | 3,300,000 | 1,759,390 |
| Va Military Institute | 0 | 349,188 | 927,214 | 0 | 0 | 200,000 |
| Virginia State | 0 | 1,070,720 | 500,000 | 1,474,618 | 0 | 1,622,254 |
| Virginia Tech | 0 | 6,888,276 | 0 | 1,177,184 | 3,300,000 | 742,840 |
| Richard Bland | 0 | 303,440 | 532,329 | 487,304 | 0 | 200,000 |
| VCCS | <u>0</u> | <u>16,483,280</u> | <u>0</u> | <u>1,407,216</u> | <u>0</u> | <u>11,641,746</u> |
| Total | \$13,500,000 | \$63,000,000 | \$7,150,000 | \$21,000,000 | \$13,550,000 | \$31,499,9980 |

- **Other Higher Education Spending Proposals**

- *Tuition Assistance Grant Program.* Recommends \$3.1 million GF each year to increase undergraduate awards to \$3,300 from \$3,100 and provide for enrollment growth (first year only) in the tuition assistance grant (TAG) program.
- *Eastern Virginia Medical School (EVMS): Instructional Funding.* Proposes \$1.0 million GF each year to increase funding to support instruction for medical and health professions students.
- *State Council of Higher Education for Virginia (SCHEV): Increased Funding for the Virtual Library of Virginia (VIVA).* Recommends about \$1.5 million GF the first year and \$1.6 million GF in 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.
- *George Mason University: Increase Hylton Center O&M.* Recommends \$125,000 GF each year to fund operation and maintenance at the Hylton Center.
- *George Mason University: Support Research and Lyme Disease Test.* Proposes \$250,000 GF the first year to support research equipment, contractual support for the Applied Proteomics and Molecular Medicine Center, and to expedite the rollout of a Lyme Disease Test.
- *Old Dominion University: Enhance IT Infrastructure.* Recommends \$750,000 GF each year to enhance cyber infrastructure to support instructional programs and high performance computing.
- *Old Dominion University: Establish Online Program to Complete Degrees.* Proposes \$586,250 GF in each year to start a program to help former students and other Virginia students complete their degree.
- *Old Dominion University: Expand Offerings in the Graduate Nursing Consortium.* Recommends \$500,000 GF in each year to establish a doctoral program at ODU to complement other nursing programs at other institutions and to hopefully help address the nursing faculty shortage.
- *Radford University: Mobile Innovation Learning Lab (MILL) K-12 Consortium.* Proposes \$187,781 GF in the first year and \$198,431 GF in the second year for the MILL K-12 Consortium to enhance entrepreneurship and increase K-12 student achievement.
- *Virginia Commonwealth University: Support Participation in the Commonwealth Center for Advanced Logistics (CCALS).* Recommends \$219,375 each year for VCU to participate in CCALS. Current participants include the University of Virginia, Longwood University, and Virginia State University.
- *Veteran and Military Educational Consortium.* Proposes \$571,525 GF the first year and over \$1.0 million GF the second year for veterans initiatives related to enhancing education and workforce development opportunities at multiple institutions.
- *4VA Partnership Enhancement and Expansion.* Recommends \$325,500 GF the first year to expand the partnership to VCU and \$589,500 GF the second year for the VCU expansion and increased support at JMU.

- ***VCCS Career Pathways Grant.*** Proposes \$500,000 GF each year for Regional Sector Strategies and the Career Pathways program at Virginia’s community colleges.
- ***VCCS Rural Horseshoe Initiative.*** Recommends \$500,000 GF each year 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.
- ***VCCS Additional Support for Planning Governor’s School.*** Proposes \$180,000 GF, for a total of \$280,000 GF in the first year to continue planning a Governor’s School for Student Apprenticeships and Trades.
- ***VT-Extension O&M.*** Recommends over \$1.1 million GF the first year and almost \$1.2 million GF the second year for the operations and maintenance of a new facility. Initial funding for part of a year is incorporated in the base budget, continued from FY 14.
- ***VT-Extension: Staffing.*** Proposes \$110,000 GF per year to support funding for an agricultural education specialist. This position will provide support and professional development to agriculture education teachers in middle and high school.
- ***VSU-Extension: Staffing.*** Recommends \$110,000 GF per year to support funding for two agricultural education specialists. This position will provide support and professional development to agriculture education teachers in middle and high school.
- ***Institute for Advanced Learning and Research (IALR).*** Proposes about \$1.1 million GF the first year and \$585,829 GF the second year for an advanced manufacturing program in cooperation with Danville Community College.
- ***Jefferson Lab.*** Recommends \$1.7 million GF the first year and \$2.9 million GF the second year to support its efforts to host the new federal electron collider project.
- ***New College Institute.*** Proposes \$440,037 GF each year to support the expansion of workforce development programs.
- ***Roanoke Higher Education Center.*** Recommends \$343,000 GF each year to enhance recruitment, retention, and degree completion.
- ***Southern Virginia Higher Education Center.*** Proposes \$300,000 GF each year for workforce training efforts provided at the Innovation Center.

- *Southwest Virginia Higher Education Center.* Recommends \$95,327 GF each year for staffing related to the operation of the Clean Energy Research and Development Center.
- *Transfer Center for Manufacturing to VCCS.* Proposes to transfer \$195,000 GF each year for the Center for Manufacturing in the Shenandoah Valley from VEDP to the Virginia Community College System.

- **Other Higher Education Actions**

- *Fund Higher Education Equipment Trust Fund.* Proposes an allocation of \$64.2 million each year to support the replacement of computers and specialized research equipment (identical to the FY 2014 allocation).
- *Language Implementing the Virginia Higher Education Opportunity Act of 2011 (TJ 21).* Language is proposed to implement TJ 21 and codify and restrict the proposed funding methodologies for base adequacy, enrollment growth, degree incentive funding and research and initiatives to the process proposed in the introduced budget.