



# Higher Education and Workforce Development Budget Priorities

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# Background

- During the 2011 General Assembly session, the legislature unanimously passed the Virginia Higher Education Opportunity Act of 2011 (TJ21) focused on increased access, affordability and innovation.
- Funding of approximately \$230 million, over the biennium, was approved to support the goals of the Top Jobs legislation.



# Successes of the Top Jobs legislation

- With additional general fund support for both FY'12 and FY'13, we saw the lowest tuition increases in a decade with a average of 4.1 percent.
- The number of in-state Virginia students is projected to increase by almost 22,000 during Governor McDonnell's term. Enrollment is expected to continue to grow, providing the enrollment levels necessary to award a cumulative 100,000 more degrees by 2025.
- Institutions have responded in many different ways to the objectives of TJ21. They have increased STEM-H offerings and production, enhanced facility usage, reallocated resources, expanded use of technology, and increased efficiency.



# Introduced Budget

- The Governor's introduced budget proposed an additional \$30 million in FY 2014 to higher education.
- Over \$19 million is allocated in five specific areas of the TJ21 legislation:
  - \$7.8 million (40%) for Degree Incentives
  - \$4.9 million (25%) for Enrollment Growth
  - \$3.9 million (20%) for Base Funding
  - \$1.9 million (10%) for Financial Aid
  - \$1.0 million (5%) for Research



# Introduced Budget

- Through the work of the Higher Education Advisory Committee, the newly developed incentive funding model was created and funding was allocated to institutions based on a revision of the formula in 2011.
- The incentive funding formula recognized institutional performance in the production of in-state associate and baccalaureate degrees with additional consideration given to:
  - STEM-H degrees
  - On-time graduation
  - Degrees earned by students from underrepresented populations
- Enrollment funding was proposed to address in-state undergraduate enrollment at Virginia's public college and universities
- Calculations were based on actual enrollment in FY'12 to projected enrollment in FY'14.



# Introduced Budget

- Base funding was proposed for those institutions under 90 percent of the base budget adequacy funding guideline. At this time, only Old Dominion University is in this category.
- Additional financial assistance was proposed for in-state undergraduates. The distribution of funding is based on the partnership model.
- In the research area, almost \$1 million is proposed to fund brain disorders research at Virginia Tech.



# Specific Operating Initiatives

- Tuition Assistance Grant (TAG) Program – Proposed to transfer \$3.8 million from FY '13 to FY'14 from the TAG program to allow for an increase from \$2,800 to \$3,100 for undergraduate awards and \$1,300 to \$1,500 for graduate awards.
- Military Survivors Program – Provides SCHEV \$600,000 for enrollment growth of the program.
- Unique Military Funding – \$600,000 for enrollment growth in the Corps of Cadets at Virginia Tech.
- Parkinson's Center – \$250,000 for funding to support the Parkinson's and Movement Disorders Center at Virginia Commonwealth University.
- Eastern Virginia Medical School (executive amendment) – \$200,000 to study increased collaboration and development of academic and research programs and to evaluate options for the applicable relationship between EVMS, the College of William and Mary or other Virginia higher education institutions.



# Reallocation

- The introduced budget proposes that the public colleges and universities reallocate 5 percent of their Educational and General (E & G) general fund appropriations in FY '14 instead of the previously approved 2 percent, for a total amount of \$60.2 million.
- All institutions have submitted reallocation plans and have met or exceeded the 5 percent requirement.





# Workforce Development

## Three primary goals:

- increasing the number of education and workforce credentials attained by Virginians.
- increasing the number of Virginians trained and prepared for technician level jobs in key industry sectors.
- increasing collaboration and resource sharing between federal and state funded career and technical education and workforce programs in Virginia to drive improved performance against common outcomes identified by the Governor, Virginia Workforce Council, and industry advisory groups.



# Workforce Development

- **State and Regional Career Pathways Development (\$1,750,000)**
  - Provides for 15 regional career pathways grants to support priority industry sectors (manufacturing, IT, life sciences, energy, logistics) and lifelong career pathways development statewide
  - Requires engagement of WIBs, community colleges, other higher education entities, school divisions, economic development and business and industry
- **Virginia Longitudinal Data System (\$291,355)**
  - Provides for sustainability and improvements in multi-agency VLDS system
  - Funding for acquiring additional data through National Student Clearinghouse and technology and data analysis functions
- **Regional Schools for Entrepreneurship (\$210,000)**
  - Provides funding in FY'14 to establish Summer Regional Schools for entrepreneurship education to middle school students. This two-week program will focus on entrepreneurship in a global market and product innovation.



# Workforce Development

- **Planning Grant for Advanced Manufacturing Center at Thomas Nelson Community College (\$125,000)**
  - Supports community college and WIB planning of advanced manufacturing center to meet projected regional needs for more than 11,000 positions in 11 occupations in 14 major manufacturing companies.
  - Proposed center will provide high school career and technical education, community college credit bearing courses and programs, and non-credit workforce training
- **Planning Grant for Governor's Academy for Student Apprenticeships and Trades (\$100,000)**
  - Supports regional planning team of school divisions, community college, business and industry and other stakeholders in developing a Governor's Academy to target high school students who want to graduate and go to work.
  - Focus on improving and expanding high school training in trades through applied math and science for targeted occupations and a robust pre-apprenticeship program
- **Precision Machining Center at Danville Community College (\$3,700,000)**
  - Supports expansion of Center and equipment to double the training capacity of precision machining programs with a job placement rate of over 90% and current wait list of 40.
  - Will provide high school dual-enrollment instruction in advanced manufacturing as well as community college credit and non-credit instruction
  - \$2 million committed through private sources and \$1,075,000 by the college.



# Questions?

