



# Higher Education Subcommittee Higher Education Overview

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Prepared by House Appropriations Committee Staff

# Higher Education Funding

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- Educational & General Programs
  - Supported by the General Fund and Nongeneral Funds (primarily tuition and fees)
- Auxiliary Enterprise
  - Self-supporting
  - Revenues derived from sales and student fees
  - Includes bookstores, dorms, dining, student unions, athletics, parking, telecommunications, recreation
- Sponsored Programs
  - Primarily the research activities
  - Revenues derived from federal, state, and private grants and contracts



# Educational and General Programs

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- Instruction
  - Single largest component of E & G
  - Undergraduate, graduate and first professional instruction
  - Community education: Non-credit training programs for computer software skills, foreign language skills
  - Family practice: Community-based residency programs for graduate medical students in generalist medicine
- Research
  - State-supported research centers
  - Department-sponsored programmatic research or curriculum development
  - Does not include sponsored research
- Public Service
  - Outreach programs for area K-12 school children
  - Public lecture series



# Educational and General Programs

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- Support Programs
  - Academic Support
    - Libraries
    - Academic administration
    - Academic computing
  - Student Services
    - Admissions offices and registrars
    - Guidance and counseling
    - Financial aid administration



# Educational and General Programs

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- Support Programs
  - Institutional Support
    - Executive management of the institution
    - Fiscal, legal, and personnel operations
    - Campus police
  - Operation and Maintenance of Plant
    - Building and grounds maintenance
    - Utilities
    - Custodial



# Tuition and Fees at Public Colleges & Universities

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- Tuition & Mandatory Educational & General (E & G) Program Fees
  - Used to fund the instructional aspect of an institution
  - Majority of state general fund subsidy to institutions is applied to the E & G programs
- Mandatory Non-E & G Fees (“Comp” Fee)
  - Support auxiliary enterprise programs (athletics, recreation, student life)
  - Has never been subsidized by state general fund
  - In-state and out-of-state students at a given school pay the same comprehensive fee
- User Fees
  - Room & Board



# Out-of-State Students Generate Significant NGF Resources (Undergrad & Grad)

Institution	Student FTE		NGF Revenues	
	% In-State	% Out-of-State	% In-State	% Out-of-State
VCCS	96.4%	3.6%	91.8%	8.2%
RBC	94.9%	5.1%	90.4%	9.6%
CNU	93.1%	6.9%	85.7%	14.3%
LU	93.0%	7.0%	84.5%	15.5%
UVAW	92.6%	7.4%	86.8%	13.2%
RU	92.2%	7.8%	83.6%	16.4%
UMW	91.5%	8.5%	77.9%	22.1%
ODU	88.4%	11.6%	78.8%	21.2%
VCU	86.9%	13.1%	77.7%	22.3%
GMU	79.3%	20.7%	61.8%	38.2%
NSU	76.6%	23.4%	55.7%	44.3%
JMU	75.0%	25.0%	49.1%	50.9%
VSU	72.2%	27.8%	50.5%	49.5%
VT	64.9%	35.1%	47.6%	52.4%
CWM	61.7%	38.3%	44.2%	55.8%
VMI	61.2%	38.8%	29.9%	70.1%
UVA	57.8%	42.2%	38.3%	61.7%



# Enrollment is Shifting at 4-Year Institutions

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## **Undergraduate Students**

- Early Enrollment estimates indicate in-state undergraduate enrollment is relatively flat at four-year institutions
  - However, the percentage of out-of-state undergraduate students is decreasing by almost three percent which would impact NGF revenues
- Another significant trend is decrease in first time in college new students
  - Overall, the early enrollment estimates show a decrease of almost six percent for in-state undergraduate students
  - Out-of-state numbers are dropping nearly 16 percent
- The impact of varies by institution

## **Graduate Students**

- Slight uptick in in-state graduates
- Out-of-state graduates down slightly but first time in college is down almost 25 percent
- Impact varies by institution as well





# Enrollment at 2-Year Institutions is Decreasing

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- Early Enrollment estimates indicate overall in-state enrollment is dropping about five percent
  - Richard Bland estimates a nearly nine percent drop in in-state students
- As with 4-years, there is significant decrease in first time in college new students
  - Overall, the early enrollment estimates show a decrease of almost ten percent at the VCCS and over 25 percent at RBC



# Preliminary Estimated NGF Revenue Impacts

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- When compared to FY 20, in-state undergraduate revenues are down over \$50 million
  - A few institutions are able to make up some revenue losses with increased revenue from out-of-state undergraduate students, but overall out-of-state undergraduate revenue is down about \$10 million
- Auxiliary revenues have experienced an even larger impact
  - “Comp” fee revenues almost \$40 million less in FY 21 compared to FY 20
  - Dorms occupancy is down across the system
  - Other auxiliary revenues from ticket sales, bookstores, royalties etc are also down
  - In total, auxiliary revenues are estimated to be down over \$400 million



# Federal Stimulus Will Provide Some Temporary Relief

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- Actual distributions of the second round of CARES funding is not yet available
- It is estimated that \$488 million in the Higher Education Emergency Relief Fund (HEERF) will be available
  - That is for all Virginia institutions Publics, Privates, and For-Profits
  - Amounts to be distributed directly to the institutions and at perhaps half of the allocation is to then be distributed to students
- These funds are one-time



# HAC Higher Education Options

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- HB 1800 as introduced did not provide operating support except for GMU & ODU
- Financial aid funds are important to provide an affordable pathway for some students
- Continuation of the \$60 million provided in FY 21 by the General Assembly through the next year of the biennium
- Other institution-specific affordability measures are also options to consider in addition to the continuation funding
  - JMU Enrollment Support
  - Radford Carilion Merger

