

Higher Education

The Governor's proposed 2000-2002 budget for higher education provides a net increase of \$109.0 million GF, an increase of 3.6 percent over the adjusted base budget. The Governor also proposes equipment allocations of \$79 million from the Higher Education Equipment Trust Fund and a \$20.0 million Technology Competitiveness Fund to encourage research at Virginia's public colleges and universities. Nongeneral funds of \$5.4 billion also are recommended for higher education, an increase of 5.7 percent.

Major GF Spending Items	
	<u>(\$ in mil.)</u>
Faculty Salaries	\$44.3
Enrollment Growth	16.6
Facilities Maintenance	12.2
Institution-Specific Initiatives	29.7
Tuition Assistance Grants @ \$2,700	<u>6.2</u>
Total General Funds	\$109.0
Other Higher Education Initiatives:	
Equipment Allocations	\$79.0
Technology Competitiveness Fund	\$20.0

Major institution-specific initiatives include \$15 million GF at George Mason University for instructional technology and to improve academic programs; \$6.7 million GF at Norfolk State University for upgrades to the telecommunications network and for academic program improvements; and \$6.7 million GF at Virginia State University for academic program improvements and cooperative extension programs.

Additional funding of \$6.2 million GF is recommended to maintain the annual Tuition Assistance Grant at \$2,700 per student, based on projected private college enrollments.

- **Faculty Salaries.** Provides \$44.3 million GF to maintain faculty salaries at the 60th percentile of each institution's respective peer group. The

objective of bringing faculty salaries to the 60th percentile was achieved in fiscal year 2000. Increases range from 2.4 to 3.4 percent, with an average of 2.46 percent. A minimum increase of 2.4 percent was provided to each institution. Part-time faculty, graduate teaching assistants, and administrative faculty salary increases are funded at 2.4 percent. All increases are provided in the first year only.

Faculty Salaries		
	<u>GF</u>	<u>Percent Increase</u>
CWM	\$ 2,009,384	2.4%
UVA	7,218,032	3.4
VPI	6,083,677	2.5
VPI-E	1,564,101	2.5
VCU	5,573,444	2.4
ODU	2,573,977	2.4
GMU	3,724,206	2.4
CNU	673,262	2.4
JMU	2,313,445	2.4
LC	478,164	2.4
MWC	693,321	2.4
NSU	994,151	2.4
RU	1,129,614	2.4
UVA-W	209,467	2.4
VMI	361,152	2.4
VSU	553,597	2.4
VSU-E	9,067	2.4
RBC	110,008	2.4
VCCS	7,723,601	2.4
VIMS	<u>255,102</u>	2.4
Total	\$ 44,250,775	2.46% (Avg)

- **Enrollment Growth.** Provides \$16.6 million GF and \$15.3 million NGF to fund projected enrollment increases at all but two institutions, based on the enrollment projections developed by the State Council of Higher Education. The methodology used to calculate the additional funding provides 50 percent of the average total instructional funding per FTE student, based on the institutional type (doctoral, comprehensive, two-year, or community colleges). Estimated tuition and fee revenue from enrollment growth is subtracted from the marginal funding required to arrive at the general fund cost.

For the community colleges, funding is based on current enrollment, rather than projected enrollment growth. The funding for the VCCS also includes \$852,137 GF in each year to address a shortfall in funds provided to cover the 20 percent tuition rollback authorized in 1999, because VCCS enrollment was greater than expected this year.

	Enrollment			
	Change*	<u>GF</u>	<u>NGF</u>	<u>Total</u>
CWM	(80)	-	-	-
UVA	94	\$ 280,734	\$ 398,184	\$ 678,918
VPI	18	17,334	252,560	269,894
VCU	547	2,047,860	2,284,506	4,332,366
ODU	331	1,233,230	1,352,875	2,586,105
GMU	374	1,426,110	1,431,408	2,857,518
CNU	137	377,946	427,442	805,388
JMU	59	132,482	186,634	319,116
LC	317	842,800	1,056,700	1,899,500
MWC	173	479,370	622,340	1,101,710
NSU	9	11,916	126,900	138,816
RU	181	634,390	501,511	1,135,901
UVA-W	30	84,105	86,850	170,955
VMI	(7)	-	-	-
VSU	238	747,318	529,564	1,276,882
RBC	12	28,845	27,936	56,781
VCCS	<u>2,629</u>	<u>8,264,576</u>	<u>6,016,834</u>	<u>14,281,410</u>
Total	5,062	\$ 16,609,016	\$ 15,302,244	\$ 31,911,260

* Change in the number of annual in-state FTE students from FY 2000 to FY 2002.

- Higher Education Equipment Trust Fund.** Proposes an allocation of \$79.7 million from the Higher Education Equipment Trust Fund for new instructional and computing equipment in the 2000-02 biennium. The \$14.4 million in general fund lease payments, which support equipment bonds, are reflected in the Treasury Board budget. Debt service payments assume a three-year payback to reflect the shorter useful life of most new computing equipment. In prior years, the payback assumed a five-year useful life for such equipment.

Higher Education Equipment Trust Fund	
Biennial Allocation	
CWM	\$ 2,310,750
UVA	13,431,148
VPI	14,543,418
VCU	10,962,488
ODU	5,437,238
GMU	4,625,322
CNU	1,017,862
JMU	3,062,022
LC	711,300
MWC	945,350
NSU	2,005,440
RU	1,863,280
UVA-W	376,786
VMI	833,350
VSU	1,591,204
RBC	193,756
VCCS	15,012,104
VIMS	752,768
Total	\$ 79,675,586

The budget as introduced also moves \$44.6 million GF and \$4.8 million NGF earmarked for Equipment Trust Fund Lease payments from the base budgets of the institutions of higher education to the Treasury Board to facilitate actual debt service payments.

- Operation and Maintenance of New Facilities.** Provides \$12.2 million GF for the biennium to support the additional costs of lighting, heating, cooling, and maintaining new facilities that are scheduled to open during the 2000-02 biennium.

Operation and Maintenance Of New Facilities	
	GF
CWM	\$255,843
UVA	710,249
VPI	633,174
ODU	179,839
VCU	1,559,392
JMU	3,247,893
RU	371,833
UVA-W	69,000
VCCS	4,680,836
SWV HE Ctr.	<u>494,026</u>
Total	\$ 12,202,085

- **Technology Competitiveness Fund.** Proposes \$20 million GF in the second year to be appropriated to and administered by the Center for Innovative Technology for promotion of research and economic development through Virginia's public institutions of higher education. The initiative has three components:

- 1) A matching funds program to leverage federal and private research dollars, and to help research institutions compete for research grants.
- 2) An academic enhancement program to help institutions recruit and outfit the labs of outstanding research faculty.
- 3) An industry program to attract specific firms to locate or expand their operations in Virginia.

The funds are to be awarded on a one-time basis through competitive grants, to be decided by representatives from CIT, the Virginia Economic Development Partnership, and the State Council for Higher Education (SCHEV).

- **Virginia Community College System**
 - **Equipment.** Authorizes the Tobacco Indemnification and Community Revitalization Commission to provide \$3.8 million

NGF in each year for replacement of obsolete occupational and technical equipment at the 11 community colleges in Southside and Southwest Virginia.

- **Workforce Development Training Fund.** Authorizes the transfer of \$4.5 million NGF the first year and \$6.0 million NGF the second year, contingent upon the enactment of legislation to create the Workforce Development Training Fund from balances in the Unemployment Trust Fund. The fund would be administered by the Virginia Employment Commission.

The proposed allocation of funds within the Virginia Community College System includes \$1.2 million each year for workforce development coordinator positions; \$1.0 million each year for noncredit and industry-related courses; \$295,000 each year for an economic development center at Thomas Nelson Community College; and \$500,000 each year for a training center in Southwest Virginia. Funding of \$1.45 million the first year and \$2.95 million the second year is provided for the Virginia Microelectronics Consortium, a cooperative venture of the community colleges and four-year institutions.

- **George Mason University**

- **Expand Technology in Instruction.** Provides \$5.2 million GF to hire, train, and support faculty in order to add more technology related degrees, improve technology support infrastructure, and provide technology services and support to students.
- **Expand Funding for Academic Quality.** Provides \$5.7 million GF for additional full-time faculty, academic support staff and wage positions to reduce class sizes and provide new degree programs and research, as well as decrease the use of part-time faculty.
- **Expand Funding for Academic Support.** Provides \$1.0 million GF for merit scholarships, advising, counseling and placement services for students.
- **Expand Oracle Partnership.** Provides \$3.3 million GF for a new administrative system to replace GMU's current student, finance and human resources information systems.

- **Virginia State University**

- **Expand Funding for Academic Quality.** Provides \$3.4 million GF for the creation of an evening and weekend program in high-demand degree areas. Funds will also be used for instructional technology training for faculty, and to expand library and support services for students.

- **Campus-wide Communications.** Provides \$535,000 GF to complete the last phase of a campus-wide communications system.
- **Expand/Enhance Academic Programs.** Provides \$1.1 GF to expand three existing undergraduate programs, and create two new programs in computer engineering and manufacturing technology. In addition, \$0.6 million is provided for four new faculty positions to help achieve faculty/student ratios required by accreditation standards.
- **Match of Federal Funds for Land Grant Institution.** Provides \$1.2 million GF to the Extension division of VSU for compliance with federal law requiring a 100 percent state match for federal funds provided for land grant institutions created under the 1890 legislation. The funds will be used to set up demonstration projects to educate farmers in the development of alternative farm products.
- **Norfolk State University**
 - **Enhance Library Resources.** Provides \$3.1 million GF to upgrade library services and automation. The initiative will include upgrading of collections and equipment.
 - **Applied Research Center.** Provides \$461,240 GF to support NSU’s partnership in the Applied Research Center facility located in Newport News. The ARC is a collaboration of the College of William and Mary, Old Dominion University, Christopher Newport University, and the Thomas Jefferson National Accelerator Facility.
 - **Faculty Development/Technology.** Provides \$1.4 million GF to increase the technological skills of faculty and staff. Also provides \$642,000 GF to support the development of new methods and techniques for the delivery of instruction and services.
 - **Preventive Maintenance Program.** Provides \$1.0 million GF for development of a preventive maintenance program for the university’s facilities.
- **Radford University**
 - **Technology Education.** Authorizes the Tobacco Indemnification and Community Revitalization Commission to provide \$5.4 million NGF to expand technology education at Radford University. The funding would be used to create a new college of information technology by combining existing information technology degree programs and developing new majors. The funds also would be combined with \$257,000 NGF in each year from non-credit

workforce training courses to create a new technology training center for faculty, students, and the community.

- **University of Virginia**

- **Support for Center.** Provides an additional \$500,000 GF in each year to support the Virginia Center for Governmental Studies. The Center was established in 1998 to chronicle the work of current and former elected officials in Virginia. The additional funding would bring the total annual appropriation for the Center to \$855,000 per year.

- **Virginia Polytechnic Institute and State University**

- **Biotechnology Center.** Establishes a Biotechnology Center for the Advancement of the Life Sciences at Virginia Tech. Federal and private funds of \$5.8 million NGF are appropriated for equipment and technical support for the center. Language also authorizes the Tobacco Indemnification and Community Revitalization Commission to provide \$3.2 million NGF the first year and \$6.5 million NGF the second year to attract and hire top faculty in the biotechnology field.

- **Virginia Commonwealth University**

- **Indigent Care.** Under the Department of Medical Assistance Services, provides \$11.0 million GF the first year to be matched with \$11.0 million NGF in federal Medicaid funds for reimbursement of care provided by MCV Hospitals to indigent patients.
- **Expand School of Engineering.** Provides \$1.0 million GF for VCU to add approximately 125 students to the engineering program. The funds would be used to reduce the number of course sections taught per professor and reduce the student-to-faculty ratio.
- **Centers and Institutes.** Provides an additional \$50,000 GF in each year for the Virginia Executive and Commonwealth Management Institutes; \$150,000 GF in each year to develop a new entrepreneur curriculum to be used in the public schools system; and \$80,000 GF in each year for activities of the Virginia Labor Center.

- **Language: Institutional Performance Agreements.** Language under the Council of Higher Education calls for the consideration of “institutional performance agreements” between the institutions of higher education and the Commonwealth. The agreements would be proposed by the colleges and universities, and approved, modified, or rejected by the Secretary of Education and SCHEV, in consultation with the institution. The agreements would be submitted to the Governor for his review and

inclusion in his 2001 Budget Bill, for subsequent approval by the General Assembly. The agreements would cover a six-year period.

Agreements would include the institution's mission statement; performance measures to be used in assessing the institution's effectiveness in each of the six years of the agreement; projected enrollment; the base budget proposed by the institution, with operating projections for the subsequent five years; a projection of capital outlay and maintenance requirements; and proposals by the institution to improve quality and streamline operations, increase accountability, and enhance research and technology.

Budget language also provides that SCHEV could direct DPB to unallot funds if an institution fails to meet the agreed-upon performance measures.

- **Language: Tuition Policy.** Language continues the freeze on tuition increases for in-state, undergraduate students at Virginia's public colleges and universities, and clarifies that increases in non-educational and general fees to support wage and salary increases must be limited to those salary increases authorized by the General Assembly. Language directs that tuition charges to nonresident students taking courses through Virginia institutions from the Southern Regional Education Board's Southern Regional Electronic Campus must exceed all direct and indirect costs of providing instruction to these students.

Language stating the General Assembly's policy that in-state students at community colleges pay 20 percent of their education, and that in-state undergraduate students at other public institutions of higher education pay 25 percent of the cost of their education has been eliminated.

- **State Council of Higher Education for Virginia**
 - **Tuition Assistance Grants.** Provides \$2.9 million GF the first year and \$3.3 million GF the second year to fully fund anticipated enrollments at Virginia's private colleges which are eligible for TAG. The funding maintains the current grant amount of \$2,700.
 - **Study of Southside Educational Opportunities.** Provides \$50,000 GF the first year for SCHEV to conduct a feasibility study for establishing a four-year university in south central Virginia.
 - **Women's Institute for Leadership.** Reduces funds by \$141,816 GF in each year for the Virginia Women's Institute for Leadership at Mary Baldwin College to reflect lower than anticipated in-state enrollment.
 - **Contract with College of Health Sciences.** Phases-out funding provided for the contract with the College of Health Sciences. In

the first year, general funds are reduced \$120,000. In the second year, full funding of \$420,000 is eliminated. Partial funding in the first year completes the agreement between the Commonwealth and the College of providing approximately \$1.0 million in support from the state.