

Higher Education

The Governor's proposed 2002-04 budget for Higher Education results in a net increase of \$92.6 million GF for the biennium when compared to the adjusted appropriation for current operations. Funding increases of \$95.0 million GF are offset by funding decreases of \$2.4 million GF.

However, this does not include the \$167.6 million in higher education reductions that are included in the Central Appropriations as part of the 6 percent across-the-board cut. Actions for achieving these across-the-board savings are not specified in the budget. When these reductions are counted, higher education budgets will be reduced by \$75.0 million in the 2002-04 biennium.

In addition, institutions' general fund budgets are reduced in the Central Appropriations by \$133.2 million over the biennium, with the provision that the amount can be replaced, in part, by tuition revenue, pending approval by the Governor. The proposed budget includes language directing institutions to submit a tuition plan that may include a tuition increase of no more than \$200 per year.

Major increases in HB/SB 30 include \$46.5 million for a 2 percent faculty salary increase, effective November 25, 2002, \$12.7 million for student financial aid, and \$11.3 million for operations of new educational facilities. The Governor also proposes equipment allocations of \$50.0 million from the Higher Education Equipment Trust Fund and \$2.0 million for a microelectronics initiative.

In addition to these system wide initiatives, the Governor includes \$8.5 million for academic programs and instructional equipment at Norfolk State University and \$7.7 million for academic programs, instructional equipment, and cooperative extension programs at Virginia State University.

Major GF Increases and Decreases	
Increases	In Millions
2% Faculty Salary Increase	\$46.5
Student Financial Aid	12.7
Operation of New Facilities	11.4
Microelectronics Initiative	2.0
Norfolk State University	8.5
Virginia State University	7.7
Decreases in Central Appropriations	
Across-the-Board GF Reduction	(\$165.7)
GF Reduction Tied to Tuition Plan	(\$133.2)

- Faculty Salaries.** Provides \$16.3 million GF the first year and \$30.2 million GF the second year for a 2 percent salary increase, effective November 25, 2002, for full-time faculty, part-time faculty, administrative faculty, and graduate teaching assistants. No salary increases are provided in the second year of the biennium.

Faculty Salary Increase	
Christopher Newport University	\$703,852
College of William and Mary	2,123,757
George Mason University	4,526,397
James Madison University	2,286,450
Longwood College	483,755
Mary Washington College	617,152
Norfolk State University	1,005,849
Old Dominion University	2,301,536
Radford University	1,158,780
Richard Bland College	98,966
University of Virginia	7,812,725
University of Virginia's College at Wise	218,296
Virginia Commonwealth University	6,394,327
Virginia Community College System	7,047,396
Virginia Military Institute	335,329
Virginia State University	631,568
Virginia Tech	7,208,558
Virginia State University - Extension	56,616
Virginia Tech - Extension	1,273,112
Virginia Institute of Marine Science	255,709
Total	\$46,540,130

- ***Student Financial Assistance.*** Provides \$5.7 million GF the first year and \$7.0 million GF the second year for student financial assistance. The methodology for allocating the additional financial aid differs from that previously used by the General Assembly. The General Assembly has

attempted to provide funding to meet at least 50 percent of the “remaining need,” after subtracting grants, scholarships, family contributions, and self-help from the total cost of education. The general fund appropriation currently meets about 40 percent of remaining need. The proposed new methodology, recommended by the State Council of Higher Education, assumes a higher level of self-help, thereby reducing the amount of “remaining need.” Under this approach, the goal would be to meet 100 percent of “remaining needs.”

Proposed Increase in Student Financial Aid	
Christopher Newport University	\$598,015
College of William and Mary	167,663
George Mason University	806,456
James Madison University	1,158,891
Longwood College	327,477
Mary Washington College	41,034
Norfolk State University	779,905
Old Dominion University	1,778,842
Radford University	750,523
Richard Bland College	9,888
University of Virginia	190,574
University of Virginia's College at Wise	242,839
Virginia Commonwealth University	2,068,499
Virginia Community College System	2,251,677
Virginia Military Institute	45,530
Virginia State University	710,539
Virginia Tech	726,203
Total	\$12,654,555

- Higher Education Equipment Trust Fund (HEETF).** Proposes an allocation of \$25.0 million each year from the Higher Education Equipment Trust Fund for new instructional and computing equipment, an amount that is about half of the HEETF allocation for the current biennium. The proposed budget includes \$6.9 million GF in FY 2004 in the Treasury Board's budget as the first lease payment on the new HEETF bonds, which would be repaid in four years.

Higher Education Equipment Trust Fund	
Christopher Newport University	\$699,528
College of William and Mary	1,549,566
George Mason University	2,881,044
James Madison University	2,308,628
Longwood College	603,958
Mary Washington College	671,926
Norfolk State University	1,013,738
Old Dominion University	3,417,442
Radford University	1,298,990
Richard Bland College	140,500
University of Virginia	7,809,110
University of Virginia's College at Wise	234,002
Virginia Commonwealth University	6,136,402
Virginia Community College System	11,091,618
Virginia Military Institute	538,372
Virginia State University	930,216
Virginia Tech	7,876,360
Virginia Institute of Marine Science	398,600
Southwest Virginia Higher Education Center	400,000
Total	\$50,000,000

- **Operation and Maintenance of New Facilities.** Provides \$4.7 million GF the first year and \$6.7 million GF the second year to support the additional costs of lighting, heating, cooling, and maintaining new educational buildings that are scheduled to open in the 2002-04 biennium.

Operation and Maintenance of New Facilities	
College of William and Mary	\$662,914
University of Virginia	6,998,608
Virginia Tech	873,703
Mary Washington College	168,225
James Madison University	58,070
Virginia Tech-Extension	31,745
Christopher Newport University	132,800
UVA's College at Wise	262,144
Va. Community College System	2,071,804
Southwest Va. Higher Ed. Center	100,000
Total	\$11,360,013

- **Microelectronics Initiative.** Provides \$698,000 GF the first year and \$1.3 million GF the second year for the Virginia Microelectronics Consortium, a cooperative program made up of seven institutions and two semiconductor companies. The proposed funding would provide salaries and benefits for senior faculty, graduate assistants, and laboratory technicians to support an undergraduate and master's education program in microelectronics materials, devices, and circuits.

Microelectronics Initiative	
College of William and Mary	\$315,970
George Mason University	307,911
Old Dominion University	284,060
University of Virginia	320,297
Virginia Commonwealth University	300,154
Virginia Tech	308,445
Va. Community College System	119,211
Total	\$1,956,048

- General Fund Reductions.** Central Appropriation adjustments reduce general fund appropriations by \$128.3 million the first year and \$175.3 million the second year, or about 12 percent for Educational and General Programs by FY 2004. Of the total reduction, \$85.2 million GF each year relates to an across-the-board cut that is applicable to all institutions except Norfolk State University and Virginia State University. The remaining general fund reduction of \$43.1 million the first year and \$90.1 million the second year is applied to all institutions (except VIMS and Cooperative Extension) with the provision that increased tuition and fees can be generated to replace the general fund reduction (within specified limits).
- Tuition and Fee Plans for Colleges and Universities.** Language in the Central Appropriations directs each institution of higher education to submit for 2002-04 a tuition and fee plan to the Governor, who shall approve, modify, or reject the plan. If institutions propose to raise tuition, the increase for in-state undergraduate students cannot exceed \$200 per year. If institutions raised tuition to the maximum level allowed, in-state undergraduate tuition would increase by about 10 percent per year.

Higher Education Reductions			
Institution	Across-the-Board	Tuition Plan	Total
CNU	\$2,746,692	\$1,594,190	\$4,340,882
CWM	5,903,442	7,529,918	13,433,360
GMU	14,131,982	10,790,058	24,922,040
JMU	7,925,708	9,507,417	17,433,125
LC	2,419,744	1,637,304	4,057,048
MWC	2,249,672	2,451,889	4,701,561
NSU	0	3,452,289	3,452,289
ODU	10,198,390	8,326,774	18,525,164
RU	4,741,542	3,924,292	8,665,834
RBC	588,292	302,502	890,794
UVA	19,187,476	26,736,968	45,924,444
UVA-Wise	1,226,982	444,591	1,671,573
VCU	21,407,486	14,677,011	36,084,497
VCCS	36,932,253	16,794,810	53,727,063
VMI	1,324,242	1,578,697	2,902,939
VSU	0	2,811,918	2,811,918
VPI	22,488,502	20,639,372	43,127,874
VSU-E	0	0	0
VPI-E	7,304,516	0	7,304,516
VIMS	2,162,754	0	2,162,754
Total	\$162,939,675	\$133,200,000	\$296,139,675

General Fund Reductions in Higher Education-Related Agencies	
Medical College of Hampton Roads	\$873,110
Melchers-Monroe Memorials	62,920
Roanoke Higher Education Authority	79,500
Southeastern University Research Association	98,554
Southwest Virginia Higher Education Center	189,091
State Council of Higher Education for Virginia	1,496,610
Total	\$4,673,458

- **State Council of Higher Education for Virginia**
 - ***Tuition Assistance Grant Program.*** Provides an additional \$325,000 GF each year of the biennium. If the number of awards remains at the current level of 16,315, eligible in-state students will continue to receive \$3,000 annually.
 - ***GEAR UP Grant.*** Provides \$1.1 million GF and \$2.0 million NGF and 3.0 FTE positions each year as the state match to the federal Gaining Early Awareness and Readiness for Undergraduate Programs grant. The grant is designed to prepare middle and high school students for higher education opportunities.
 - ***Reduce Funding for the Virginia Virtual Library (VIVA) Program.*** Reduces general fund support for VIVA by \$426,000, or 10 percent, each year of the biennium.
 - ***Educational Opportunity Programs.*** Transfers \$3.7 million GF from Central Appropriations for programs to expand educational opportunities for college-bound students.
- **Virginia Institute of Marine Science**
 - ***Economic Development Initiative.*** Provides \$198,000 GF the first year and \$150,000 GF the second year for economic development

efforts to be undertaken with the Hampton Roads Economic Development Partnership.

- **Norfolk State University**

- ***Academic Programs and Instructional Equipment.*** Provides \$4.1 million GF the first year and \$4.4 million GF the second year to support six new undergraduate and graduate programs (B.S. in Electronics Engineering, B.S. in Optical Engineering, M.S. in Electronics Engineering, M.S. in Optical Engineering, M.S. in Computer Science, and M.A. in Criminal Justice). This amount also includes debt service to purchase \$1.2 million in instructional equipment. The new programs are part of a recent accord between the Governor and Attorney General with the U.S. Office for Civil Rights and the U.S. Department of Education regarding equal educational opportunities.

- **University of Virginia**

- ***Health Care Cost Increases.*** Provides \$781,500 GF each year to cover the state's share of the increases in employer premiums for employees participating in the university's self-insured health plan.
- ***Center for Politics.*** Provides an additional \$100,000 GF each year for the Youth Leadership Initiative. Under this proposal, total funding for the Youth Leadership Initiative would increase to \$150,000 GF each year.

- **Virginia Commonwealth University**

- ***Virginia Council on Economic Education.*** Provides an additional \$50,000 GF each year for educational programs in entrepreneurship. Under this proposal, total funding for the Virginia Council on Economic Education would increase to \$450,000 GF each year.
- ***VCU Programs in Qatar.*** Provides \$6.2 million NGF the first year and \$6.5 million NGF the second year to support the university's branch campus in Qatar. The funding represents payments by the Qatar Foundation to the university. The university offers academic programs and provides staffing for the Qatar School of Arts.

- **Virginia Military Institute**
 - ***Strategic Business Plan for Academic Excellence.*** Authorizes Virginia Military Institute to use tuition revenues to support a strategic planning process.

- **Virginia State University**
 - ***Academic Programs and Instructional Equipment.*** Provides \$3.3 million GF the first year and \$2.7 million GF the second year to enhance current academic programs, complete the implementation of five newly approved undergraduate programs, and develop a new doctoral program in education. This amount also includes debt service to purchase \$3.6 million in instructional equipment. The academic enhancements and new programs are part of a recent accord between the Governor and Attorney General with the U.S. Office for Civil Rights and the U.S. Department of Education regarding equal educational opportunities.

- **Virginia State University Cooperative Extension and Agricultural Research Services Division**
 - ***State Match for Federal Funds.*** Provides \$878,000 GF and \$335,000 NGF and 4.0 FTE positions each year to provide 100 percent state match of federal funds under the Federal Cooperative Extension and Agricultural Research Program.

- **Southeastern Universities Research Association**
 - ***Free Electron Laser Facility.*** Provides \$3.0 million NGF from Virginia Public Building Authority bonds to construct an addition at the Free Electron Laser building to be occupied by a new Virginia Photonics Center. The new center would accommodate \$68.0 million in donated equipment.