



Report of the Subcommittee on  
Education

(Senate Bill 700, As Introduced)

Senate Finance Committee  
Virginia General Assembly

February 2, 2003



**2003 REPORT OF THE EDUCATION SUBCOMMITTEE  
JOHN H. CHICHESTER, CHAIRMAN**

Members of the Committee:

The members of the Education Subcommittee are pleased to present to you our package of budget recommendations. I would like to bring your attention first to our recommendations in Public Education.

**Public Education**

If you will recall, a sigh of relief was heard across the state in December when the Governor revealed that he would not have to cut public education in order to balance the budget. Most agreed that the public education budget that we received was a good one, given the fiscal circumstances. It could have been worse, much worse. Instead, the introduced budget included:

- funding to cover increased enrollment projections,
- \$44.5 million in new lottery revenues for school divisions,
- no new reductions,
- substitution of Literary Funds for operating costs rather than for capital – a step that we have reluctantly taken ourselves in the past when times were tight, and
- retention of the funding enhancements that we approved last session in response to JLARC Tier 1 recommendations.

As you will recall, at the beginning of the biennium, in addition to funding routine re-benchmarking of the SOQ model, we provided \$133 million to begin to address two of JLARC's Tier 1 recommendations. We provided \$75 million to phase out the deduction of locally generated revenues from the SOQ calculation. And we provided \$58 million to

phase-in the restoration of certain administrative costs. **As a result of those actions, school divisions are seeing in this budget an additional \$104 million in fiscal year 2004.** We look forward to continued consideration of the JLARC options as we regain our financial footing.

The really good news *this session* is that we have been able to include teachers in our recommended salary increase package. We have earmarked in Central Appropriations \$16.2 million for teacher salary increases. This will support *all* school divisions in their efforts to raise teacher salaries. We feel very fortunate to have found the dollars necessary to contribute toward a teacher salary increase, and feel certain that this funding, when combined with the windfall in lottery proceeds that school divisions are enjoying in this budget, will enable local school boards to offer their employees a meaningful raise.

Finally, the subcommittee was told by localities that they want to retain the flexibility to use funding for dropout prevention services, if that is their most pressing need. We know school divisions face different challenges and that a one-size-fits-all approach does not work in public education. Therefore, we recommend a change in the allowable uses of the new Student Achievement block grant, as proposed in the introduced budget, to include dropout prevention programs.

At the end of the day we are offering recommendations that increase funding for Public Education by \$78 million from the original appropriation.

### **Higher Education**

Now, I ask that you turn your attention to higher education. In the face of a continued economic shortfall, we have once again reduced higher education budgets for the biennium. The budget we offer today adopts the general fund reductions proposed by the Governor this fall -- \$100 million in FY 2003 and \$139 million in FY 2004. These reductions come on top of those taken last year, which left the base budgets at Virginia's public colleges and universities underfunded by \$240 million according to the

guidelines adopted by the Joint Subcommittee Studying Higher Education Funding Policies. Regrettably, we find ourselves once again unable to make progress towards full funding of the guidelines.

Nonetheless, Virginia's public colleges and universities continue to be among the best in the nation. Much of their success is due to the talented, dedicated, and world-renowned faculty they employ. The budget we adopt here today recognizes their commitment by providing the state share of a two percent salary increase for all faculty and staff at our public higher education institutions. Admittedly, this increase is only a small step as we work to return our faculty averages to the 60<sup>th</sup> percentile of peer institutions nationally, but it is an important step. It reflects our dedication to Virginia's public colleges and universities and our recognition that public higher education continues to be a priority for the Commonwealth, even in these difficult economic times.

In addition, this subcommittee continues to recognize that higher education institutions, unlike many state agencies, have the ability to supplement state resources with tuition revenue and other nongeneral funds in order to continue meeting the needs of students, faculty, and their communities. This recognition led us last year to remove the "tuition freeze" that had been in place since the mid-1990s. In removing the freeze, we returned authority to the institutions' boards of visitors for setting tuition rates, with a recommendation that institutions not return to the double-digit percentage increases we experienced during the recession of the early 1990s.

Unfortunately, faced with additional general fund reductions this year, we have once again seen double-digit increases. While this subcommittee recognizes that moderate tuition increases are essential to ensuring the quality and integrity of our institutions' academic programs, we believe that tuition increases must be made deliberately and methodically. We must stop the "tuition pendulum" from swinging back and forth. Neither institutions nor students and their families can plan effectively when the state moves erratically from double-digit percentage tuition *increases* to a tuition freeze to double-digit percentage tuition

*decreases* and back again. Therefore, our budget includes a policy that provides institutions with some flexibility in setting tuition rates for next year, while maintaining reasonable increases for students and their families. Also, as part of our efforts to keep higher education affordable, we have included \$3.0 million in additional financial aid in FY 2004 for in-state, undergraduates at public institutions.

Admittedly, this “solution” is only a short-term fix. As we move forward, the Commonwealth must develop a long-term plan for achieving adequate base funding for our public higher education institutions. We must develop state policies on tuition and student financial aid that clearly set out stable and rational expectations for our institutions, students, and their families. To address the longer-term issues, we have directed the Joint Subcommittee Studying Higher Education Funding Policies over the coming year to establish clear guidance for the 2004 General Assembly as we continue to strive for full funding of the base adequacy guidelines.

In addition, the subcommittee has recognized that Virginia’s public higher education institutions now, more than ever, must be innovative and entrepreneurial in the way they conduct their business. To this end, we have included in this budget several items that delegate additional authority to institutions of higher education allowing them to conduct business on campus without undue oversight by central government agencies. The pilot programs we establish, and strengthen, here make good business sense and provide better accountability for institutions and central agencies in conducting the day-to-day business of the Commonwealth.

Spreadsheets outlining the Subcommittee’s recommendations and language amendments in Public Education, Higher Education, and Other Education are attached. We offer them to the Committee for its consideration.

Respectfully Submitted,

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The Honorable John H. Chichester, Chairman

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The Honorable Charles J. Colgan

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The Honorable Benjamin J. Lambert III

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The Honorable William C. Wampler, Jr.

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The Honorable R. Edward Houck

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The Honorable Richard L. Saslaw

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The Honorable Malfourd W. Trumbo

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The Honorable Thomas K. Norment, Jr.





**Public Education and Other Education  
Budget Recommendations  
and  
Related Language Amendments**



**Public Education and Other Education  
Recommendations of the Education Subcommittee**

RECOMMENDED ADJUSTMENTS	GF	GF	NGF	NGF	Positions	Positions
	FY 2003	FY 2004	FY 2003	FY 2004	FY 2003	FY 2004
<b>Direct Aid to Public Education:</b>						
Salary Supp.: For 2% Jan. 1, 2004 (in C.A.)	0	16,200,000	0	0	0.00	0.00
Language: Block Grant - Dropout Prevention	Language	Language	0	0	0.00	0.00
Adjust Sales Tax for Locals	0	5,289,036	0	0	0.00	0.00
Adjust Basic Aid Offset for Sales Tax	0	(2,948,370)	0	0	0.00	0.00
Adjust Enrollment Loss Offset for Sales Tax	0	(7,073)	0	0	0.00	0.00
Increase Gov. Sch. Cap to 1300 Students	0	21,171	0	0	0.00	0.00
Language: Report Due Dates	Language	Language	0	0	0.00	0.00
Technical: Triennial Census Data Correction	(1,382,481)	(2,795,474)	0	0	0.00	0.00
Technical: State Operated Programs Correction	0	(449,810)	0	0	0.00	0.00
Technical: K-3 Class Size Balance	(69,735)	0	0	0	0.00	0.00
Technical: At-Risk Fours Correction	69,725	0	0	0	0.00	0.00
Technical: Spec. Ed. Homebound Correction	49,627	0	0	0	0.00	0.00
Technical: Governor's School Correction	19,542	32,478	0	0	0.00	0.00
Technical: Remedial Summer School Correction	0	78,311	0	0	0.00	0.00
Technical: Assume Early Reading Test Score Incr.	0	(487,664)	0	0	0.00	0.00
Technical: Assume Algebra Readiness Score Incr.	0	(277,196)	0	0	0.00	0.00
Update Fed. Funds: Eng. Lang. Acquisition	0	0	0	4,000,000	0.00	0.00
Update Fed. Funds: Teacher/Princ. Training	0	0	0	50,200,000	0.00	0.00
Update Fed. Funds: Technology	0	0	0	10,100,000	0.00	0.00
Update Fed. Funds: 21st Century CLCs	0	0	0	8,750,000	0.00	0.00
Update Fed. Funds: IDEA - Special Ed	0	0	0	18,000,000	0.00	0.00
<b>Central Office (Department of Education):</b>						
Restore 1.0 FTE	0	65,000	0	0	0.00	1.00
Technical: Balance Reduction	(175,000)	175,000	0	0	0.00	0.00
Update Fed. Funds: Teacher Qual. Enhancement	0	0	0	1,100,000	0.00	0.00
Update Fed. Funds: State Assessment Grant	0	0	0	8,200,000	0.00	0.00
Update Fed. Funds: Teacher/Principal Training	0	0	0	2,000,000	0.00	0.00
Update Fed. Funds: Technology	0	0	0	550,000	0.00	0.00
Update Fed. Funds: 21st Century	0	0	0	460,000	0.00	0.00
Update Fed. Funds: Special Ed	0	0	0	2,000,000	0.00	0.00
Update Fed. Funds: Community Service	0	0	0	979,085	0.00	0.00

**Public Education and Other Education  
Recommendations of the Education Subcommittee**

RECOMMENDED ADJUSTMENTS	GF	GF	NGF	NGF	Positions	Positions
	FY 2003	FY 2004	FY 2003	FY 2004	FY 2003	FY 2004
<b>Other Education:</b>						
Language: VMFA - Estab. Special NGF Acct.	Language	Language	0	0	0.00	0.00
JYF - O&M for New Visitor Center & Theater Wings	0	183,490	0	0	0.00	0.00
Language: JYF License Plate Fee	Language	Language	0	0	0.00	0.00
Reverse Natural History and Sci. Museums Consol.	0	(1,513,966)	0	(444,601)	0.00	(31.00)
<b>Non-State Agencies:</b>						
Language: Clarify Name - VA Agri. & Nature Center	Language	Language	0	0	0.00	0.00
	(1,488,322)	13,564,933	0	105,894,484	0.00	(30.00)

**Recommendations for Direct Aid to Public Education for FY 2003 (SB700)**

Division	Key Data				SB 700 As Introduced FY 2003 Distribution <sup>3,4</sup>	Recommended Changes <sup>5</sup>	SB 700 Recommended FY 2003 Distribution
	Proj. Unadj. ADM <sup>1</sup>	Initial Census Data	Corrected Census Data <sup>2</sup>	Composite Index			
Accomack	5,207	7,388	7,388	0.2929	\$ 24,916,183	\$ (11,067)	\$ 24,905,116
Albemarle	12,101	15,146	15,146	0.6220	32,204,669	29,166	32,233,836
Alleghany	2,858	3,286	3,286	0.2975	12,572,723	2,903	12,575,626
Amelia	1,717	2,180	2,180	0.3360	7,252,436	2,268	7,254,704
Amherst	4,632	5,785	5,785	0.3034	19,896,053	5,434	19,901,487
Appomattox	2,314	2,721	2,721	0.2899	10,378,242	2,417	10,380,659
Arlington	18,413	23,070	23,070	0.8000	35,113,758	57,127	35,170,885
Augusta	10,622	13,224	13,224	0.3532	41,068,482	14,403	41,082,885
Bath	777	912	912	0.8000	1,578,683	2,253	1,580,937
Bedford	9,751	10,853	10,853	0.3943	34,315,466	13,249	34,328,714
Bland	905	1,117	1,117	0.3019	4,805,326	1,043	4,806,369
Botetourt	4,702	5,992	5,992	0.4256	17,295,683	7,896	17,303,578
Brunswick	2,343	3,155	3,155	0.2702	12,083,478	2,587	12,086,064
Buchanan	3,735	4,324	4,324	0.2452	18,785,705	3,016	18,788,720
Buckingham	2,189	2,591	2,591	0.2709	11,155,710	2,111	11,157,822
Campbell	8,598	10,324	10,324	0.2837	35,062,113	9,052	35,071,166
Caroline	3,651	4,291	4,291	0.3104	15,098,996	4,036	15,103,032
Carroll	4,021	5,023	5,023	0.3123	17,519,530	4,857	17,524,387
Charles City	903	1,291	1,291	0.4370	3,730,034	1,733	3,731,767
Charlottesville	2,180	2,471	2,471	0.2392	11,002,551	1,779	11,004,330
Chesterfield	53,155	61,805	61,805	0.3882	180,672,006	74,279	180,746,284
Clarke	2,034	2,422	2,422	0.5297	6,219,762	3,972	6,223,734
Craig	700	960	960	0.3410	3,212,739	1,000	3,213,739
Culpeper	6,013	7,488	7,488	0.3849	21,962,279	8,922	21,971,202
Cumberland	1,373	2,072	2,072	0.3203	6,472,377	2,055	6,474,432
Dickenson	2,633	3,129	3,129	0.2624	12,610,277	2,529	12,612,806
Dinwiddie	4,433	4,592	4,592	0.2877	18,624,257	4,089	18,628,346
Essex	1,590	2,039	2,039	0.4122	6,550,370	2,590	6,552,959
Fairfax	157,744	204,440	195,920	0.7518	312,964,656	(2,782,033)	310,182,622
Fauquier	10,018	11,533	11,533	0.5848	27,134,283	20,880	27,155,163
Floyd	2,030	2,234	2,234	0.3470	8,579,878	2,400	8,582,278
Fluvanna	3,255	3,428	3,428	0.3721	12,478,081	3,949	12,482,030
Franklin	7,134	8,506	8,506	0.3874	26,873,738	10,202	26,883,940
Frederick	10,928	12,506	12,506	0.3756	39,668,374	14,542	39,682,917
Giles	2,553	3,195	3,195	0.3140	10,746,429	3,106	10,749,536
Gloucester	6,314	7,933	7,933	0.3132	25,784,501	7,617	25,792,118
Goochland	2,073	2,585	2,585	0.8000	3,851,803	6,403	3,858,206
Grayson	2,292	2,756	2,756	0.2912	11,352,934	2,485	11,355,419
Greene	2,657	3,020	3,020	0.3183	11,850,016	2,977	11,852,992
Greensville	1,700	1,859	1,859	0.2196	8,800,056	1,263	8,801,320
Halifax	5,871	7,515	7,515	0.2380	30,182,135	5,339	30,187,474
Hanover	17,635	19,409	19,409	0.4756	52,308,265	28,578	52,336,844
Henrico	43,357	52,646	52,646	0.5113	132,673,779	83,336	132,757,114
Henry	8,315	11,063	11,063	0.2930	37,292,439	9,674	37,302,112
Highland	285	408	408	0.6224	1,118,680	772	1,119,452
Isle Of Wight	4,988	6,402	6,402	0.3632	19,185,971	7,199	19,193,170
James City	7,860	10,028	10,028	0.6228	18,981,121	19,335	19,000,455
King George	3,044	3,514	3,514	0.3514	11,464,829	3,823	11,468,652
King And Queen	886	1,081	1,081	0.3658	4,408,508	1,170	4,409,678
King William	1,895	2,140	2,140	0.3459	8,176,256	2,291	8,178,548
Lancaster	1,405	1,822	1,822	0.6258	3,849,483	3,508	3,852,990
Lee	3,769	4,581	4,581	0.1859	21,044,815	2,605	21,047,420
Loudoun	36,988	40,000	40,000	0.6851	79,907,558	84,840	79,992,397
Louisa	4,234	5,472	5,472	0.6086	11,418,929	10,311	11,429,240

**Recommendations for Direct Aid to Public Education for FY 2003 (SB700)**

Division	Key Data				SB 700 As Introduced FY 2003 Distribution <sup>3,4</sup>	Recommended Changes <sup>5</sup>	SB 700 Recommended FY 2003 Distribution
	Proj. Unadj. ADM <sup>1</sup>	Initial Census Data	Corrected Census Data <sup>2</sup>	Composite Index			
Lunenburg	1,768	2,403	2,403	0.2481	9,180,435	1,799	9,182,235
Madison	1,805	2,360	2,360	0.4150	7,329,330	2,991	7,332,321
Mathews	1,326	1,532	1,532	0.4786	4,764,994	2,270	4,767,264
Mecklenburg	4,929	5,495	5,495	0.3346	21,225,376	5,692	21,231,068
Middlesex	1,290	1,775	1,775	0.5572	4,328,555	3,051	4,331,606
Montgomery	9,119	12,786	12,786	0.3875	35,950,282	15,339	35,965,621
Nelson	2,015	2,674	2,674	0.4831	7,245,518	3,974	7,249,492
New Kent	2,456	3,006	3,006	0.4219		3,926	9,013,596
Northampton	2,048	2,869	2,869	0.3407	9,7	2,892	9,792,621
Northumberland	1,450	1,808	1,808	0.5972	4,149,738	3,318	4,153,056
Nottoway	2,385	3,028	3,028	0.2451	12,017,003	2,198	12,019,201
Orange	3,973	4,866	4,866	0.4221	14,436,265	6,359	14,442,624
Page	3,546	4,176	4,176	0.2959	15,479,483	3,825	15,483,308
Patrick	2,628	2,985	2,985	0.2813	11,739,232	2,587	11,741,819
Pittsylvania	8,820	11,426	11,426	0.2793	39,649,889	9,577	39,659,466
Powhatan	3,836	4,469	4,469	0.3956	13,768,521	5,474	13,773,994
Prince Edward	2,700	3,551	3,551	0.3108	12,104,024	3,417	12,107,441
Prince George	5,958	6,628	6,628	0.2596	25,467,203	5,328	25,472,530
Prince William	59,033	65,307	65,307	0.3895	220,412,633	78,751	220,491,384
Pulaski	4,951	6,261	6,261	0.3263	20,620,446	6,324	20,626,771
Rappahannock	1,047	1,506	1,506	0.7170	2,623,662	3,342	2,627,004
Richmond	1,216	1,433	1,433	0.3455	4,907,743	1,488	4,909,232
Roanoke	14,102	17,635	17,635	0.4177	49,928,727	22,805	49,951,532
Rockbridge	2,820	3,454	3,454	0.4271	10,642,157	4,554	10,646,712
Rockingham	10,887	14,407	14,407	0.3516	41,751,353	15,683	41,767,036
Russell	4,161	5,868	5,868	0.2548	19,475,901	4,617	19,480,518
Scott	3,702	4,487	4,487	0.2286	18,312,872	3,175	18,316,047
Shenandoah	5,620	6,695	6,695	0.3825	21,247,040	7,928	21,254,968
Smyth	5,035	6,310	6,310	0.2498	24,041,732	(19,521)	24,022,211
Southampton	2,756	4,155	4,155	0.2919	13,506,288	3,734	13,510,022
Spotsylvania	21,302	23,074	23,074	0.3548	78,842,077	25,346	78,867,422
Stafford	23,715	25,638	25,638	0.3296	85,391,763	26,162	85,417,924
Surry	1,121	1,254	1,254	0.8000	2,331,922	3,092	2,335,015
Sussex	1,369	1,682	1,682	0.3003	6,479,820	1,494	6,481,315
Tazewell	6,997	7,985	7,985	0.2678	32,115,046	6,620	32,121,666
Warren	5,187	6,192	6,192	0.3781	18,860,461	101,279	18,961,739
Washington	7,142	8,787	8,787	0.3484	27,967,137	59,104	28,026,241
Westmoreland	1,916	2,522	2,522	0.3719	7,855,991	2,847	7,858,838
Wise	6,738	8,004	8,004	0.2146	32,022,737	5,100	32,027,836
Wythe	4,297	5,240	5,240	0.3125	18,301,245	5,040	18,306,285
York	11,989	13,279	13,279	0.3792	41,760,070	15,571	41,775,641
Alexandria	10,883	13,507	13,507	0.8000	21,285,593	(17,999)	21,267,594
Bristol	2,310	2,682	2,682	0.3748	10,278,457	3,085	10,281,543
Buena Vista	1,085	1,268	1,268	0.2373	5,351,316	889	5,352,204
Charlottesville	4,132	6,859	6,859	0.5710	15,845,354	12,118	15,857,472
Colonial Heights	2,783	3,282	3,282	0.4755	8,734,481	4,832	8,739,313
Covington	875	970	970	0.3407	3,980,295	945	3,981,240
Danville	7,317	10,337	10,337	0.2927	32,321,683	9,166	32,330,849
Falls Church	1,826	2,102	2,102	0.8000	3,280,493	5,207	3,285,700
Fredericksburg	2,364	3,078	3,078	0.7011	5,780,035	6,681	5,786,716
Galax	1,313	1,162	1,162	0.3378	5,170,840	1,215	5,172,055
Hampton	22,899	31,227	31,227	0.2613	101,797,823	44,682	101,842,504
Harrisonburg	4,011	4,509	4,509	0.5286	12,702,214	7,378	12,709,592

## Recommendations for Direct Aid to Public Education for FY 2003 (SB700)

Division	Key Data				SB 700	Recommended Changes <sup>5</sup>	SB 700
	Proj. Unadj. ADM <sup>1</sup>	Initial Census Data	Corrected Census Data <sup>2</sup>	Composite Index	As Introduced FY 2003 Distribution <sup>3,4</sup>		Recommended FY 2003 Distribution
Hopewell	3,865	4,567	4,567	0.2496	17,921,849	3,312	17,925,161
Lynchburg	8,857	12,867	12,867	0.3833	35,919,043	14,754	35,933,797
Martinsville	2,672	3,501	3,501	0.2990	11,722,228	3,241	11,725,469
Newport News	31,516	43,801	43,801	0.2675	137,227,996	36,274	137,264,270
Norfolk	34,384	46,704	46,704	0.2655	163,846,370	37,721	163,884,091
Norton	703	951	951	0.3435	3,101,184	965	3,102,149
Petersburg	5,474	6,169	6,169	0.2196	28,092,396	3,929	28,096,324
Portsmouth	15,965	19,647	19,647	0.2164	78,531,478	12,626	78,544,104
Radford	1,543	1,613	1,613	0.3232	6,162,201	1,599	6,163,800
Richmond City	24,827	35,262	35,262	0.4456	102,940,773	48,138	102,988,912
Roanoke City	13,127	16,031	16,031	0.3949	54,831,976	19,598	54,851,574
Staunton	2,666	3,874	3,874	0.3959	12,878,906	4,707	12,883,614
Suffolk	12,585	16,074	16,074	0.3018	54,156,599	15,018	54,171,617
Virginia Beach	75,435	93,920	93,920	0.3394	280,727,767	98,513	280,826,281
Waynesboro	2,925	3,490	3,490	0.3651	10,807,942	3,908	10,811,850
Williamsburg	710	853	853	0.8000	2,680,798	1,990	2,682,788
Winchester	3,478	4,132	4,132	0.5587	10,779,624	7,146	10,786,771
Fairfax City	2,708	3,620	3,446	0.8000	4,670,548	(62,655)	4,607,893
Franklin City	1,374	1,672	1,672	0.3173	6,741,017	1,643	6,742,660
Chesapeake City	38,948	48,699	48,699	0.3344	152,098,680	50,416	152,149,096
Lexington	644	605	605	0.4544	2,221,246	851	2,222,097
Emporia	965	1,161	1,161	0.2889	4,537,477	1,005	4,538,482
Salem	3,919	4,604	4,604	0.4166	13,146,698	5,856	13,152,554
Bedford City	963	1,062	1,062	0.3446	3,866,622	1,133	3,867,755
Poquoson	2,496	2,665	2,665	0.3294	9,018,525	2,718	9,021,242
Manassas City	6,507	7,761	7,761	0.4109	23,866,591	9,873	23,876,465
Manassas Park	2,275	2,362	2,362	0.3200	10,104,345	2,340	10,106,684
Colonial Beach	562	594	594	0.2921	2,676,662	518	2,677,180
West Point	773	666	666	0.2823	3,462,894	517	3,463,411
	<b>1,156,599</b>	<b>1,428,649</b>	<b>1,419,955</b>		<b>\$ 4,086,560,492</b>	<b>\$ (1,313,324)</b>	<b>\$ 4,085,247,168</b>

Note: This table includes state funds for Standards of Quality accounts (Group 1), Incentive-Based accounts (Group 2), and Categorical accounts (Group 3). Federal funds are not included in this analysis.

<sup>1</sup>Latest projected FY 2003 Average Daily Membership (ADM), based on updating the projections used for the Chapter 899 distributions with actual September 30, 2002, Fall Membership. ADM is used to distribute funding for the SOQ and several incentive-based accounts. Final entitlements are based on actual March 31

<sup>2</sup>Reflects revised submissions in January to the department by Fairfax County and Fairfax City.

<sup>3</sup>Includes VPSA Technology grants from non-general funds.

<sup>4</sup>Estimated distributions are based on projected ADM and participation rates. Final entitlements will be calculated based on actual March 31 ADM and/or final participation rates.

<sup>5</sup>Includes census correction, at-risk fours update, special education homebound update, K-3 class size reduction update, and Governor's Schools update.

**Recommendations for Direct Aid to Public Education for FY 2004 (SB700)**

Division	Key Data				SB 700 As Introduced FY 2004 Distribution <sup>3,4</sup>	Recommended Changes (not including salary supp.) <sup>5</sup>	SB 700 Recommended FY 2004 Distribution
	Proj. Unadj. ADM <sup>1</sup>	Initial Census Data	Corrected Census Data <sup>2</sup>	Composite Index			
Accomack	5,224	7,761	7,761	0.2929	\$ 25,599,306	\$ 22,418	\$ 25,621,724
Albemarle	12,161	15,253	15,253	0.6220	32,989,638	93,561	33,083,200
Alleghany	2,802	3,296	3,296	0.2975	12,489,378	9,356	12,498,734
Amelia	1,708	2,129	2,129	0.3360	7,350,963	7,004	7,357,966
Amherst	4,673	5,814	5,814	0.3034	20,391,126	17,396	20,408,522
Appomattox	2,300	2,700	2,700	0.2899	10,511,464	7,641	10,519,105
Arlington	18,397	22,542	22,542	0.8000	35,566,365	177,833	35,744,199
Augusta	10,551	13,256	13,256	0.3532	41,737,965	45,918	41,783,883
Bath	763	917	917	0.8000	1,585,448	7,227	1,592,675
Bedford	9,863	11,291	11,291	0.3943	35,430,574	43,904	35,474,478
Bland	910	1,038	1,038	0.3019	4,888,791	3,090	4,891,882
Botetourt	4,732	6,028	6,028	0.4256	17,679,189	25,300	17,704,489
Brunswick	2,318	3,070	3,070	0.2702	12,117,126	8,023	12,125,150
Buchanan	3,654	4,008	4,008	0.2452	18,561,767	9,239	18,571,006
Buckingham	2,148	2,764	2,764	0.2709	11,177,093	7,126	11,184,218
Campbell	8,625	10,372	10,372	0.2837	35,790,956	29,018	35,819,974
Caroline	3,607	4,190	4,190	0.3104	15,166,044	12,610	15,178,654
Carroll	4,135	4,948	4,948	0.3123	18,235,153	15,240	18,250,392
Charles City	887	1,130	1,130	0.4370	3,671,720	4,820	3,676,540
Charlotte	2,159	2,426	2,426	0.2392	11,058,772	5,590	11,064,362
Chesterfield	53,939	60,907	60,907	0.3882	186,756,915	233,171	186,990,086
Clarke	2,069	2,423	2,423	0.5297	6,401,740	12,657	6,414,397
Craig	690	976	976	0.3410	3,233,465	3,212	3,236,677
Culpeper	6,263	7,942	7,942	0.3849	23,333,817	30,146	23,363,962
Cumberland	1,439	2,055	2,055	0.3203	6,846,794	6,492	6,853,286
Dickenson	2,607	2,988	2,988	0.2624	12,711,850	7,586	12,719,435
Dinwiddie	4,518	4,741	4,741	0.2877	19,364,018	13,451	19,377,469
Essex	1,580	2,057	2,057	0.4122	6,647,351	8,329	6,655,681
Fairfax	159,620	219,847	202,808	0.7518	328,281,232	(5,073,225)	323,208,007
Fauquier	10,293	12,893	12,893	0.5848	28,704,849	74,356	28,779,204
Floyd	2,057	2,438	2,438	0.3470	8,846,659	8,343	8,855,002
Fluvanna	3,386	3,407	3,407	0.3721	13,248,611	12,502	13,261,113
Franklin	7,203	8,570	8,570	0.3874	27,585,417	32,741	27,618,158
Frederick	11,118	12,594	12,594	0.3756	41,172,646	46,649	41,219,295
Giles	2,576	3,162	3,162	0.3140	11,027,312	9,791	11,037,103
Gloucester	6,316	7,686	7,686	0.3132	26,192,728	23,740	26,216,467
Goochland	2,119	2,502	2,502	0.8000	3,926,262	19,739	3,946,001
Grayson	2,313	2,657	2,657	0.2912	11,602,725	7,630	11,610,355
Greene	2,682	3,136	3,136	0.3183	12,073,577	9,843	12,083,420
Greensville	1,695	1,896	1,896	0.2196	8,917,077	4,078	8,921,155
Halifax	5,791	7,250	7,250	0.2380	30,263,649	16,456	30,280,105
Hanover	18,063	19,863	19,863	0.4756	54,536,452	93,163	54,629,615
Henrico	44,333	53,368	53,368	0.5113	138,212,695	269,096	138,481,791
Henry	8,123	10,735	10,735	0.2930	37,091,117	29,809	37,120,926
Highland	266	391	391	0.6224	1,064,136	2,372	1,066,507
Isle Of Wight	5,026	6,674	6,674	0.3632	19,707,738	23,905	19,731,643
James City	7,981	10,112	10,112	0.6228	19,547,788	62,106	19,609,894
King George	3,056	3,501	3,501	0.3514	11,689,950	12,132	11,702,082
King And Queen	880	1,100	1,100	0.3658	4,428,777	3,946	4,432,723
King William	1,937	2,174	2,174	0.3459	8,461,275	7,415	8,468,690
Lancaster	1,370	1,742	1,742	0.6258	3,833,698	10,698	3,844,396
Lee	3,736	4,646	4,646	0.1859	21,154,536	8,237	21,162,774
Loudoun	39,676	45,904	45,904	0.6851	88,480,552	310,139	88,790,690
Louisa	4,255	5,519	5,519	0.6086	11,763,086	33,125	11,796,211



**Recommendations for Direct Aid to Public Education for FY 2004 (SB700)**

Division	Key Data				SB 700 As Introduced FY 2004 Distribution <sup>3,4</sup>	Recommended Changes (not including salary supp.) <sup>5</sup>	SB 700 Recommended FY 2004 Distribution
	Proj. Unadj. ADM <sup>1</sup>	Initial Census Data	Corrected Census Data <sup>2</sup>	Composite Index			
Lunenburg	1,745	2,305	2,305	0.2481	9,224,974	5,478	9,230,452
Madison	1,773	2,414	2,414	0.4150	7,352,994	9,764	7,362,758
Mathews	1,338	1,544	1,544	0.4786	4,911,739	7,287	4,919,027
Mecklenburg	4,928	5,464	5,464	0.3346	21,573,113	18,024	21,591,137
Middlesex	1,268	1,669	1,669	0.5572	4,303,151	9,131	4,312,282
Montgomery	9,215	12,476	12,476	0.3875	36,830,629	47,676	36,878,305
Nelson	1,990	2,690	2,690	0.4831	7,295,173	12,737	7,307,910
New Kent	2,548	3,124	3,124	0.4219	9,483,050	12,998	9,496,047
Northampton	1,984	2,671	2,671	0.3407	9,643,229	8,572	9,651,800
Northumberland	1,421	1,753	1,753	0.5972	4,126,872	10,280	4,137,152
Nottoway	2,348	3,060	3,060	0.2451	12,001,211	7,137	12,008,348
Orange	3,984	5,092	5,092	0.4221	14,740,516	21,196	14,761,712
Page	3,580	4,038	4,038	0.2959	15,901,450	11,783	15,913,233
Patrick	2,619	3,009	3,009	0.2813	11,924,516	8,297	11,932,812
Pittsylvania	8,687	11,432	11,432	0.2793	39,702,096	30,557	39,732,653
Powhatan	4,005	4,673	4,673	0.3956	14,621,571	18,231	14,639,801
Prince Edward	2,745	3,620	3,620	0.3108	12,604,488	11,095	12,615,583
Prince George	6,046	6,822	6,822	0.2596	26,345,284	17,464	26,362,748
Prince William	61,602	70,576	70,576	0.3895	236,822,140	271,091	237,093,231
Pulaski	4,985	6,184	6,184	0.3263	21,123,052	19,900	21,142,951
Rappahannock	1,051	1,492	1,492	0.7170	2,669,489	10,550	2,680,039
Richmond	1,205	1,343	1,343	0.3455	4,902,723	4,523	4,907,246
Roanoke	14,396	17,866	17,866	0.4177	51,754,350	73,594	51,827,944
Rockbridge	2,810	3,440	3,440	0.4271	10,773,817	14,457	10,788,274
Rockingham	11,019	14,724	14,724	0.3516	43,028,789	51,053	43,079,842
Russell	4,130	5,288	5,288	0.2548	19,614,252	13,092	19,627,344
Scott	3,741	4,295	4,295	0.2286	18,764,819	9,682	18,774,501
Shenandoah	5,725	6,845	6,845	0.3825	22,136,437	25,820	22,162,257
Smyth	4,994	6,282	6,282	0.2498	24,292,929	(19,383)	24,273,546
Southampton	2,743	3,963	3,963	0.2919	13,600,082	11,317	13,611,399
Spotsylvania	22,534	26,002	26,002	0.3548	85,314,508	90,979	85,405,486
Stafford	25,152	27,657	27,657	0.3296	92,326,455	89,897	92,416,352
Surry	1,090	1,166	1,166	0.8000	2,286,482	9,181	2,295,662
Sussex	1,338	1,482	1,482	0.3003	6,491,675	4,216	6,495,891
Tazewell	7,013	8,350	8,350	0.2678	32,786,970	22,052	32,809,022
Warren	5,325	6,203	6,203	0.3781	19,787,010	23,129	19,810,139
Washington	7,108	7,518	7,518	0.3484	28,238,648	25,687	28,264,336
Westmoreland	1,868	2,550	2,550	0.3719	7,831,720	9,180	7,840,901
Wise	6,620	7,970	7,970	0.2146	32,060,142	16,125	32,076,267
Wythe	4,272	5,194	5,194	0.3125	18,524,407	15,867	18,540,274
York	12,013	13,426	13,426	0.3792	42,600,638	50,207	42,650,845
Alexandria	10,892	13,964	13,964	0.8000	22,002,171	110,167	22,112,338
Bristol	2,293	2,812	2,812	0.3748	10,482,790	10,333	10,493,123
Buena Vista	1,069	1,285	1,285	0.2373	5,366,329	2,906	5,369,235
Charlottesville	4,171	6,689	6,689	0.5710	16,276,511	(31,536)	16,244,975
Colonial Heights	2,797	3,315	3,315	0.4755	8,973,404	15,544	8,988,949
Covington	858	1,004	1,004	0.3407	3,923,707	3,290	3,926,997
Danville	7,225	10,259	10,259	0.2927	32,571,820	28,969	32,600,789
Falls Church	1,885	2,241	2,241	0.8000	3,473,304	17,680	3,490,985
Fredericksburg	2,450	2,909	2,909	0.7011	5,990,885	20,113	6,010,997
Galax	1,333	1,226	1,226	0.3378	5,361,208	4,084	5,365,292
Hampton	22,795	31,155	31,155	0.2613	103,362,101	112,032	103,474,133
Harrisonburg	4,167	4,767	4,767	0.5286	13,543,237	24,851	13,568,088
Hopewell	3,845	4,663	4,663	0.2496	18,041,032	11,352	18,052,384

**Recommendations for Direct Aid to Public Education for FY 2004 (SB700)**

Division	Key Data				SB 700 As Introduced FY 2004 Distribution <sup>3,4</sup>	Recommended Changes (not including salary supp.) <sup>5</sup>	SB 700 Recommended FY 2004 Distribution
	Proj. Unadj. ADM <sup>1</sup>	Initial Census Data	Corrected Census Data <sup>2</sup>	Composite Index			
Lynchburg	8,743	13,174	13,174	0.3833	36,267,817	49,337	36,317,154
Martinsville	2,686	3,487	3,487	0.2990	12,006,714	10,282	12,016,995
Newport News	31,585	44,601	44,601	0.2675	140,062,209	117,657	140,179,866
Norfolk	34,071	45,967	45,967	0.2655	165,348,996	48,961	165,397,957
Norton	686	847	847	0.3435	3,066,025	2,774	3,068,799
Petersburg	5,305	5,662	5,662	0.2196	27,682,015	11,316	27,693,331
Portsmouth	15,669	18,085	18,085	0.2164	78,175,501	36,730	78,212,231
Radford	1,531	1,611	1,611	0.3232	6,238,198	5,076	6,243,274
Richmond City	24,249	35,245	35,245	0.4456	102,728,447	14,396	102,742,843
Roanoke City	13,082	15,966	15,966	0.3949	55,650,358	62,016	55,712,373
Staunton	2,629	3,980	3,980	0.3959	13,199,631	(88,413)	13,111,219
Suffolk	13,105	16,678	16,678	0.3018	57,371,373	49,638	57,421,012
Virginia Beach	75,360	93,572	93,572	0.3394	285,901,092	312,776	286,213,867
Waynesboro	2,921	3,615	3,615	0.3651	10,992,731	13,002	11,005,733
Williamsburg	723	938	938	0.8000	2,854,119	(27,201)	2,826,918
Winchester	3,509	4,223	4,223	0.5587	11,082,171	101,599	11,183,769
Fairfax City	2,736	3,891	3,544	0.8000	4,931,522	(117,131)	4,814,391
Franklin City	1,368	1,563	1,563	0.3173	6,836,411	4,861	6,841,272
Chesapeake City	39,643	49,980	49,980	0.3344	157,791,903	164,821	157,956,724
Lexington	659	573	573	0.4544	2,296,709	2,568	2,299,277
Emporia	962	1,169	1,169	0.2889	4,548,764	3,311	4,552,075
Salem	3,860	4,618	4,618	0.4166	13,180,457	18,786	13,199,243
Bedford City	974	1,117	1,117	0.3446	4,127,991	3,796	4,131,786
Poquoson	2,505	2,724	2,724	0.3294	9,234,026	8,848	9,242,875
Manassas City	6,597	8,246	8,246	0.4109	24,880,224	33,413	24,913,637
Manassas Park	2,441	2,480	2,480	0.3200	11,043,964	7,826	11,051,790
Colonial Beach	549	569	569	0.2921	2,679,875	1,575	2,681,450
West Point	743	706	706	0.2823	3,376,697	1,818	3,378,516
	<b>1,170,222</b>	<b>1,462,037</b>	<b>1,444,651</b>		<b>\$ 4,212,351,356</b>	<b>\$ (779,711)</b>	<b>\$ 4,211,571,645</b>

Note: This table includes state funds for Standards of Quality accounts (Group 1), Incentive-Based accounts (Group 2), and Categorical accounts (Group 3). Federal funds are not included in this analysis.

<sup>1</sup>Latest projected FY 2004 Average Daily Membership (ADM), based on updating the projections used for the Chapter 899 distributions with actual September 30, 2002, Fall Membership. ADM is used to distribute funding for the SOQ and several incentive-based accounts. Final entitlements are based

<sup>2</sup>Reflects revised submissions in January to the department by Fairfax County and Fairfax City.

<sup>3</sup>Includes VPSA Technology grants from non-general funds.

<sup>4</sup>Estimated distributions are based on projected ADM and participation rates. Final entitlements will be calculated based on actual March 31 ADM and/or final participation rates.

<sup>5</sup>Includes census correction, sales tax revenue update, Governor's Schools update, Governor's Schools cap increase, special education in hospitals and detention homes update, and remedial summer school update. Assumed savings in early reading and algebra readiness are not reflected. The \$16.2 million salary supplement distribution is reflected on a separate sheet.

## Salary Supplement Distribution: FY 2004

Division	Proj. Unadj. ADM	Composite Index	Salary Supplement
Accomack	5,224	0.2929	\$ 99,323
Albemarle	12,161	0.6220	117,596
Alleghany	2,802	0.2975	48,541
Amelia	1,708	0.3360	29,467
Amherst	4,673	0.3034	82,429
Appomattox	2,300	0.2899	42,436
Arlington	18,397	0.8000	105,969
Augusta	10,551	0.3532	163,871
Bath	763	0.8000	4,169
Bedford	9,863	0.3943	139,351
Bland	910	0.3019	20,738
Botetourt	4,732	0.4256	70,639
Brunswick	2,318	0.2702	49,525
Buchanan	3,654	0.2452	75,337
Buckingham	2,148	0.2709	44,886
Campbell	8,625	0.2837	144,138
Caroline	3,607	0.3104	59,715
Carroll	4,135	0.3123	75,018
Charles City	887	0.4370	13,641
Charlotte	2,159	0.2392	43,773
Chesterfield	53,939	0.3882	749,997
Clarke	2,069	0.5297	24,011
Craig	690	0.3410	12,420
Culpeper	6,263	0.3849	92,513
Cumberland	1,439	0.3203	26,772
Dickenson	2,607	0.2624	51,244
Dinwiddie	4,518	0.2877	79,425
Essex	1,580	0.4122	24,750
Fairfax	159,620	0.7518	1,047,288
Fauquier	10,293	0.5848	106,800
Floyd	2,057	0.3470	35,866
Fluvanna	3,386	0.3721	53,143
Franklin	7,203	0.3874	108,871
Frederick	11,118	0.3756	165,283
Giles	2,576	0.3140	45,934
Gloucester	6,316	0.3132	106,929
Goochland	2,119	0.8000	11,294
Grayson	2,313	0.2912	46,986
Greene	2,682	0.3183	47,561
Greensville	1,695	0.2196	35,272
Halifax	5,791	0.2380	126,456
Hanover	18,063	0.4756	214,733
Henrico	44,333	0.5113	521,714
Henry	8,123	0.2930	147,251
Highland	266	0.6224	3,346
Isle Of Wight	5,026	0.3632	76,780
James City	7,981	0.6228	68,192
King George	3,056	0.3514	47,539
King and Queen	880	0.3658	17,476
King William	1,937	0.3459	37,378
Lancaster	1,370	0.6258	12,637
Lee	3,736	0.1859	87,154
Loudoun	39,676	0.6851	322,956
Louisa	4,255	0.6086	41,074

## Salary Supplement Distribution: FY 2004

Division	Proj. Unadj. ADM	Composite Index	Salary Supplement
Lunenburg	1,745	0.2481	37,608
Madison	1,773	0.4150	29,023
Mathews	1,338	0.4786	19,056
Mecklenburg	4,928	0.3346	87,457
Middlesex	1,268	0.5572	16,085
Montgomery	9,215	0.3875	149,060
Nelson	1,990	0.4831	26,783
New Kent	2,548	0.4219	39,285
Northampton	1,984	0.3407	36,800
Northumberland	1,421	0.5972	13,347
Nottoway	2,348	0.2451	49,066
Orange	3,984	0.4221	56,801
Page	3,580	0.2959	63,873
Patrick	2,619	0.2813	47,828
Pittsylvania	8,687	0.2793	164,276
Powhatan	4,005	0.3956	60,954
Prince Edward	2,745	0.3108	47,895
Prince George	6,046	0.2596	107,425
Prince William	61,602	0.3895	956,926
Pulaski	4,985	0.3263	85,114
Rappahannock	1,051	0.7170	8,330
Richmond	1,205	0.3455	19,005
Roanoke	14,396	0.4177	207,766
Rockbridge	2,810	0.4271	42,916
Rockingham	11,019	0.3516	167,886
Russell	4,130	0.2548	82,244
Scott	3,741	0.2286	79,487
Shenandoah	5,725	0.3825	84,990
Smyth	4,994	0.2498	94,931
Southampton	2,743	0.2919	53,055
Spotsylvania	22,534	0.3548	349,230
Stafford	25,152	0.3296	384,438
Surry	1,090	0.8000	6,390
Sussex	1,338	0.3003	24,949
Tazewell	7,013	0.2678	133,420
Warren	5,325	0.3781	79,511
Washington	7,108	0.3484	111,085
Westmoreland	1,868	0.3719	30,273
Wise	6,620	0.2146	130,556
Wythe	4,272	0.3125	75,274
York	12,013	0.3792	175,486
Alexandria	10,892	0.8000	61,166
Bristol	2,293	0.3748	40,077
Buena Vista	1,069	0.2373	21,728
Charlottesville	4,171	0.5710	45,511
Colonial Heights	2,797	0.4755	35,257
Covington	858	0.3407	15,644
Danville	7,225	0.2927	122,911
Falls Church	1,885	0.8000	10,364
Fredericksburg	2,450	0.7011	19,117
Galax	1,333	0.3378	20,835
Hampton	22,795	0.2613	415,662
Harrisonburg	4,167	0.5286	50,343

## Salary Supplement Distribution: FY 2004

<b>Division</b>	<b>Proj. Unadj. ADM</b>	<b>Composite Index</b>	<b>Salary Supplement</b>
Hopewell	3,845	0.2496	73,107
Lynchburg	8,743	0.3833	138,628
Martinsville	2,686	0.2990	47,916
Newport News	31,585	0.2675	546,407
Norfolk	34,071	0.2655	604,687
Norton	686	0.3435	11,402
Petersburg	5,305	0.2196	103,259
Portsmouth	15,669	0.2164	294,504
Radford	1,531	0.3232	25,345
Richmond City	24,249	0.4456	351,150
Roanoke City	13,082	0.3949	202,916
Staunton	2,629	0.3959	43,523
Suffolk	13,105	0.3018	225,606
Virginia Beach	75,360	0.3394	1,153,443
Waynesboro	2,921	0.3651	42,112
Williamsburg	723	0.8000	4,079
Winchester	3,509	0.5587	39,743
Fairfax City	2,736	0.8000	14,218
Franklin City	1,368	0.3173	25,529
Chesapeake City	39,643	0.3344	627,746
Lexington	659	0.4544	9,103
Emporia	962	0.2889	18,686
Salem	3,860	0.4166	51,042
Bedford City	974	0.3446	17,437
Poquoson	2,505	0.3294	38,051
Manassas City	6,597	0.4109	99,635
Manassas Park	2,441	0.3200	44,505
Colonial Beach	549	0.2921	10,616
West Point	743	0.2823	13,500
	<b>1,170,222</b>		<b>\$ 16,200,000</b>

**Education: Elementary &  
Secondary**

Direct Aid To Public Education

Language

**Language:**

Page 132, line 3, strike "Effective July 1, 2003, these funds".

Page 132, strike lines 4 through 6.

**Explanation:**

(This amendment includes dropout prevention services as one of the allowable uses of funding from the new Student Achievement Grants. The Student Achievement block grant, included as a policy change in the Governor's proposed budget, is comprised of funds previously directed towards Dropout Prevention, School Health Incentive, and Technology Support. Under the block grant, it is at the discretion of the school division to use the funding for one or more of the following: K-3 Class Size Reduction, Early Reading Intervention, At-Risk Four-Year-Olds, or Dropout Prevention. There is a companion amendment in Item 147.)

**Education: Elementary &  
Secondary**

Direct Aid To Public Education

Language

**Language:**

Page 158, after line 40, insert "5) providing dropout prevention services."

Page 159, line 2, after "years.", insert "The provisions of this paragraph shall not apply to Dropout Prevention."

**Explanation:**

(This amendment includes dropout prevention services as one of the allowable uses of funding from the new Student Achievement Grants. The Student Achievement block grant, included as a policy change in the Governor's proposed budget, is comprised of funds previously directed towards Dropout Prevention, School Health Incentive, and Technology Support. Under the block grant, it is at the discretion of the school division to use the funding for one or more of the following: K-3 Class Size Reduction, Early Reading Intervention, At-Risk Four-Year-Olds, or Dropout Prevention. There is a companion amendment in Item 145.)

**Education: Elementary &  
Secondary**

**FY 02-03**

**FY 03-04**

Direct Aid To Public Education

\$0

\$21,171 GF

**Language:**

Page 161, line 23, strike "\$11,852,830" and insert "\$11,874,001".

Page 161, line 25, strike "\$9,352,830" and insert "\$9,374,001".

Page 162, line 20, strike "D." and insert "D.1."

Page 162, line 24, strike "1,275" and insert "1,300".

Page 162, after line 38, insert:

"2. Fairfax County Public Schools shall not reduce local per pupil funding for the Thomas Jefferson Governor's School below the amounts appropriated for the 2001-2002 school year."

**Explanation:**

(This amendment increases the cap on Governor's Schools' enrollment for funding purposes from 1,275 to 1,300. The only school that would be immediately affected is the Thomas Jefferson High School for Science and Technology in Fairfax. Increasing the cap would allow the school to receive the state share of funding for more of its students. In addition, it inserts a "maintenance of effort" requirement for local funding.)

**Education: Other**

Virginia Museum Of Fine Arts

Language

**Language:**

Page 245, after line 27, insert:

"C. The Comptroller of Virginia shall establish a special nongeneral fund account detail code for monies contributed to the Virginia Museum of Fine Arts by private donors and volunteers who sponsor fund raising activities to support the Museum's general operations, exhibitions, and programs. Revenues included in the account code will be restricted for the uses specified by the donors and shall not be subject to

interagency transfers or appropriation reductions."

**Explanation:**

(This amendment is self-explanatory.)

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Education Subcommittee

Item 257 #1s

**Education: Other**

Jamestown 2007

Language

**Language:**

Page 239, line 40, strike "two" and insert "one"

Page 239, line 41, strike "dollars" and insert "dollar"

Page 239, lines 44-46, strike ", unless the registered owner of each pickup or panel truck and each motor vehicle elects not to pay the charge,"

Page 239, strike line 59 and insert:

"educational programs sponsored or approved by the Jamestown-Yorktown Foundation, community programs, open-space and historic preservation, and other activities"

**Explanation:**

(This amendment reduces the vehicle registration fee collected on behalf of the Jamestown 2007 Commemoration from \$2 to \$1 and makes the fee mandatory for all new registrants.)



<b>Central Appropriations</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	
Central Appropriations	\$0	\$52,450,000	GF

**Language:**

Page 476, line 26, strike "\$16,723,273" and insert "\$35,726,727".

Page 479, after line 52, insert:

- "J.1. This appropriation includes \$52,450,000 to provide a 2 percent increase in base compensation on November 25, 2003 and December 1, 2003, respectively for:
- 2. State classified employees, as established in subparagraphs 2 a through 2 d of paragraph B of this item;
- 3. Teaching and Research and Administrative faculty of state-supported institutions of higher education, and;
- 4. State-supported local employees as set out in subparagraph 2 e of paragraph B of this item.
- 5. Included in the amounts provided in this paragraph is \$16,200,000 which shall be transferred to the Department of Education. It is the intent of the General Assembly that these funds be combined with half of the additional Lottery profits over the amount in Chapter 899, 2002 Acts of Assembly, estimated at \$8,132,356, for a total of \$24,332,356. The \$16,200,000 appropriated in this paragraph shall be provided to school divisions which certify to the Department of Education, no later than March 1, 2004, that salary increases of 2 percent for instructional and support staff employed by local school divisions effective on January 1, 2004 have been granted in FY 2004.
- 6. Not later than August 15, 2003, the Governor shall prepare a revised general fund revenue forecast for the fiscal year 2003-2004, as provided for in section 2.2-1503 of the Code of Virginia, based on actual general fund revenue collections for fiscal year 2002-2003 and the most recent data on the national and state economic outlook for fiscal year 2003-2004. Following the preparation of this forecast, the salary actions authorized in Paragraphs J.1, J.2, J.3, J.4 and that portion of the amount in paragraph J.5. that is provided in this item, may be decreased as one of the actions taken to reduce the general fund budget by the amount that is required to offset a further downward revision of the 2003-2004 revenue estimate prepared subsequent to February 22, 2003."

**Explanation:**

(This amendment provides for a second year salary increase of 2 percent for state classified employees, faculty, state-supported local employees, and teachers.)



**Higher Education  
Operating Budget Recommendations  
and  
Related Language Amendments**



## Higher Education Recommendations of the Education Subcommittee

<b>OPERATING BUDGET AMENDMENTS</b>	GF	GF	NGF	NGF	Positions	Positions
	FY 2003	FY 2004	FY 2003	FY 2004	FY 2003	FY 2004
<b>All Colleges and Universities<sup>1</sup></b>						
Increase student financial aid		3,000,000				
Adjust FY 2003 appropriations to reflect additional tuition revenue			116,416,539			
Reduce general fund support for research and public service centers		(1,103,446)				
Revise mandatory non-E&G fee language	Language					
<b>Higher Education Decentralization Package</b>						
Exempt higher education from centralized personnel advertising	Language					
Increase the threshold for maintenance reserve projects	Language					
Increase the threshold for NGF capital projects	Language					
Exempt higher education from motor vehicle purchase authorization	Language					
Establish GF capital outlay pilot program	Language					
Provide UVA with authority to acquire easements	Language					
Strengthen accountability process for decentralization	Language					
Require evaluation of NGF pilot programs	Language					
Expand lease pilot program to include income and capital leases	Language					
Provide for third-party review of fire and life safety compliance	Language					
Delegate authority for alternative construction methods	Language					
Provide flexibility for maximum employment levels	Language					
<b>Secretary of Education</b>						
Remove study language for Richard Bland College consolidation	Language					
Modify tuition policy	Language					
<b>State Council of Higher Education for Virginia</b>						
Eliminate funding for discretionary scholarships		(170,000)				
Restore two positions		150,000				2.00
Restore GF support for Virginia Women's Institute for Leadership		546,986				
Remove TAG eligibility for VWIL students	Language					
Clarify off-campus site approval process	Language					
Amend strategic planning language to reflect 2003 plan	Language					
Reinstate priority for TAG awards to undergraduate students	Language					

**Higher Education  
Recommendations of the Education Subcommittee**

<b>OPERATING BUDGET AMENDMENTS</b>	<b>GF</b>	<b>GF</b>	<b>NGF</b>	<b>NGF</b>	<b>Positions</b>	<b>Positions</b>
	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2003</b>	<b>FY 2004</b>
<b>Institution-Specific</b>						
Provide O&M for Academic IV facility (GMU)		600,000				
Provide O&M for NVCC Medical Education Campus (VCCS)		300,000				
Provide O&M for Engineering & Computational Sci. Bldg. (ODU)		145,551				
Reduce O&M for delayed openings (VT)	(9,562)	(39,628)				
Reduce O&M for delayed openings (VCCS)	(39,949)	(141,024)				
Restore unique military funding at Mary Baldwin (VMI pass-through)		99,830				
Restore unique military funding at Virginia Tech (VMI pass-through)		586,412				
Provide equipment funds for Academic IIIA (GMU)						
Establish reduction limit for family practice programs (VCU)						
	<b>Language</b>					
	<b>Language</b>					
<b>Total, Operating Budget Amendments</b>	(\$49,511)	\$3,974,681	\$116,416,539	\$0	\$0	2.00

<sup>1</sup> The General Government Subcommittee's recommendations include the state share (about \$9 million) of a 2 percent salary increase for faculty, effective 11/25/03.

**Higher Education**  
**Estimated Supplemental Financial Aid Allocations<sup>1</sup>**

<b>Institution</b>	<b>GF</b>	<b>GF</b>
	<b>FY 2003</b>	<b>FY 2004</b>
Christopher Newport University		\$132,062
College of William and Mary		121,782
George Mason University		375,426
James Madison University		92,384
Longwood College		79,595
Mary Washington College		27,798
Norfolk State University		44,709
Old Dominion University		133,156
Radford University		208,607
University of Virginia		302,591
University of Virginia - College at Wise		43,709
Virginia Commonwealth University		413,227
Virginia Military Institute		8,939
Virginia Tech		278,709
Virginia State University		78,105
Richard Bland College		6,770
Virginia Community College System		652,431
<b>Total, All Institutions</b>		<b>\$3,000,000</b>

<sup>1</sup> These figures reflect estimated allocations. Actual allocations will be determined by the State Council of Higher Education for Virginia.

**Higher Education  
Research and Public Service Center Reductions**

<b>Institution</b>	<b>Center Name</b>	<b>GF FY 2004</b>
CNU	Applied Research Center	(19,980)
CWM	Jefferson Laboratory (CEBAF)	(41,788)
CWM	Applied Research Center	(34,884)
CWM	Bureau of Business Research	(2,139)
CWM	Institute for Early American History & Culture	(8,371)
GMU	Center for Conflict Resolution	(37,125)
GMU	School of Law Special Funding	(90,000)
LU	Small Business Development Center	(6,893)
LU	Institute for Teaching Through Technology & Innovative Practices	(24,225)
LU	Center for Economics Education	(845)
NSU	Applied Research Center	(32,400)
ODU	Applied Research Center	(53,136)
ODU	Physical Oceanography Commonwealth Center	(29,821)
ODU	International Maritime Ports, Logistic Management Institute	(5,000)
ODU	Chance Program	(6,660)
ODU	Lamberts Point	(6,750)
UVA	Diabetes Research Center	(19,387)
UVA	O'Brien Center of Excellence in Urology	(27,000)
UVA	Virginia Institute of Government	(31,500)
UVA	Institute for Nuclear & Particle Physics	(22,202)
UVA	Office of the Virginia State Climatologist	(10,170)
UVA	Fishery Resource Grant Fund	(25,515)
UVA	State Arboretum	(10,000)
UVA	Foundation for the Humanities	(103,480)
UVA	Virginia Youth Leadership	(4,000)
VCU	Massey Cancer Center	(50,000)



**Higher Education  
Research and Public Service Center Reductions**

<b>Institution</b>	<b>Center Name</b>	<b>GF FY 2004</b>
VCU	Autism Training/Family Support Program	(53,100)
VCU	Commonwealth Center for Head Injury	(29,370)
VCU	Alzheimer's & Related Disease Research Awards	(9,000)
VCU	Center for the Advancement of Generalist Medicine	(25,361)
VCU	Virginia Executive Institute/Commonwealth Management Institute	(14,070)
VCU	Virginia Labor Center	(17,715)
VCU	Education Policy Institute	(11,250)
VCU	Council on Economic Education	(30,000)
VCU	Center on Urban Development	(15,000)
VCU	Gang Prevention Project	(10,000)
VCU	Center for Public/Private Initiatives	(15,719)
VCU	HIV/AIDS Center	(4,680)
VCU	Drug and Alcohol Studies Center	(2,610)
VSU	Agriculture Research Programs	(11,564)
VSU	Hybrid Striped Bass Program	(39,211)
VSU-E	Small-Farmer Outreach Training and Technical Assistance Program	(39,400)
VT	Center for Coal and Energy Research	(15,750)
VT	Va. Water Resources Research Center	(9,375)
VT	Center for Organizational and Technological Advancement	(42,500)
VT	Reynolds Homestead Continuing Education	(4,500)
<b>Total</b>		<b>(\$1,103,446)</b>



## **Decentralization Package**



**Office of Administration**

Department Of Human Resource  
Management

Language

**Language:**

Page 71, after line 11, insert:

"E. The institutions of higher education shall be exempt from the centralized advertising requirements identified in Executive Order 73 (01)."

**Explanation:**

(This amendment is part of a package to delegate additional authority to institutions of higher education for handling administrative functions on campus rather than seeking approval from central agencies. The amendment exempts institutions from centralized advertising for position recruitments.)

**General Conditions**

General Conditions

Language

**Language:**

Page 504, strike lines 51 through 54.

Page 505, strike lines 1 through 8 and insert:

"E.1. Expenditures from Items in this act identified as "Maintenance Reserve" are to be made only for the maintenance of property, plant and equipment to the extent that funds included in the appropriation to the agency for this purpose in Part 1 of this act are insufficient. Such expenditures shall be subject to rules and regulations prescribed by the Governor.

2. Institutions of higher education can expend up to \$1,000,000 for a single repair or project through the maintenance reserve appropriation without a separate appropriation. The Department of Planning and Budget is authorized to provide an exemption to the maintenance reserve threshold of \$1,000,000 if a requested project exceeds this amount, but meets all other program criteria and is in the best interests of the institution and the Commonwealth to execute as a single project.

3. Only facilities supported wholly or in part by the general fund shall utilize general

fund maintenance reserve appropriations. Facilities totally supported by nongeneral funds shall accomplish maintenance through the use of nongeneral funds."

**Explanation:**

(This amendment is part of a package to delegate additional authority to institutions of higher education for handling administrative functions on campus rather than seeking approval from central agencies. The amendment increases the current \$500,000 threshold established administratively with \$1 million and allows the Director of the Department of Planning and Budget to grant exemptions, as necessary. Under this amendment, institutions would still be required to comply with all other maintenance reserve policies and guidelines.)

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Education Subcommittee

Item 4-4.01 #1s

**Capital Projects**

General

Language

**Language:**

Page 589, strike lines 28 through 30, and insert:

"6.a) Any new construction project developed by the University of Virginia, Virginia Polytechnic Institute and State University, or the College of William and Mary, with an estimated cost of \$750,000 or less, shall be exempt from the capital outlay review and approval process.

b) All nongeneral fund repair or renovation projects at any institution of higher education costing up to \$1,000,000 shall be exempt from the capital outlay review and approval process provided no additional space is created by the project and the project does not involve the issuance of debt."

**Explanation:**

(This amendment is part of a package to delegate additional authority to institutions of higher education for handling administrative functions on campus rather than seeking approval from central agencies. The amendment incorporates the Governor's recommendation to increase the threshold to \$750,000 for the authority already delegated to UVA, VT, and CWM. It further establishes a new threshold for renovation and repair projects of \$1 million at any institution of higher education. In so doing, this amendment allows institutions to respond quickly to minor capital renovation needs without seeking an appropriation from the General Assembly.)

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**Special Conditions and Restrictions on Expenditures**

Goods and Services

Language

**Language:**

Page 595, strike lines 39 through 43 and insert:

"1. a) No motor vehicles (including station wagons) shall be purchased or leased with public funds by the state or any officer or employee on behalf of the state without the prior written approval of the Director, Department of General Services.

b) The institutions of higher education shall be exempt from this provision but shall be required to report their entire inventory of purchased and leased vehicles including the cost of all vehicles to the Director of the Department of General Services by June 30 of each year.

c) The Director, Department of General Services, is hereby authorized to transfer surplus motor vehicles among the state agencies, and determine the value of such surplus equipment for the purchase of maintaining the financial accounts of the state agencies affected by such transfers."

**Explanation:**

(This amendment is part of a package to delegate additional authority to institutions of higher education for handling administrative functions on campus rather than seeking approval from central agencies. This amendment exempts institutions from seeking approval from the Department of General Services prior to purchasing or leasing a motor vehicle. Institutions of higher education would still be subject to state procurement laws.)

**Special Conditions and Restrictions on Expenditures**

Delegation of Authority

Language

**Language:**

Page 597, after line 44, insert:

"f. The College of William and Mary, Radford University, the University of

Virginia, and Virginia Polytechnic Institute and State University are authorized to enter into a pilot program for selected capital outlay projects through which each named institution shall be delegated all post-appropriation review, approval, administrative, policy and procedural functions performed by the Departments of Planning and Budget and General Services for capital projects supported in part or in whole from the state general fund or state-supported debt. Delegation of authority under this pilot project is subject to the following stipulations and conditions:

1. The following capital projects shall be eligible for the pilot program:

<u>Educational Facility</u>	<u>Project Description</u>	<u>Amount</u>
College of William and Mary	Renovate/Expand Marshall-Wythe Law Library	\$11,821,000
Radford University	Renovate Young Hall	\$4,716,000
University of Virginia	Renovate Cocke Hall	\$6,000,000
University of Virginia	Construct Arts and Sciences Building	\$14,284,000
Virginia Polytechnic Institute and State University	Construct New Engineering Facility (VTRI Phase I)	\$13,996,000
Virginia Polytechnic Institute and State University	Improve/Expand Fine Arts Center and Renovate Henderson Hall	\$6,542,000

2. The Board of Visitors of each institution shall develop policies, procedures and guidelines for carrying out these capital projects, subject to the review and approval of the Secretaries of Finance and Administration. The institutions shall submit any proposed policies, procedures and guidelines to the Secretaries of Finance and Administration no later than August 1, 2003. The Secretaries of Finance and Administration shall review and provide comments to the institutions on the proposed guidelines and provide their final approval no later than October 1, 2003.



3. The cost of each eligible capital project shall not exceed the appropriation or debt authorization provided in the Appropriation Act. The institution will be responsible for covering any cost overruns in the project through available nongeneral funds, excluding revenue from tuition and mandatory educational and general fees. Any supplemental appropriation must be approved by the Governor and General Assembly and are subject to §4-4.01q of this act.

4. Projects included in the pilot program shall be insured separately by the institution rather than through the state's risk management liability program.

5. For projects funded through state-supported debt or other obligations, the institutions of higher education shall comply with (i) all financial and administrative requirements, as identified by the Secretary of Finance or his designee, to facilitate compliance with all legal requirements set out by the General Assembly (including those contained in Chapters 839, 888, 827, 859, 855, 814 and 899 of the 2002 Acts of Assembly), and (ii) all undertakings and covenants made by the institution associated with such debt or other obligations.

6. The institution shall report to the Department of General Services the status of any capital project at the initiation of the project and prior to the commencement of construction.

7. Notwithstanding the provisions of §2.2-4309, Code of Virginia, no approval of the Governor shall be required for contract modifications as specified therein for the pilot programs of the selected institutions of higher education referenced in paragraph 3, provided that contract modifications of such projects, including construction and architectural and engineering change orders, do not require a supplemental appropriation from the general fund or change the scope of the project;

8. Pursuant to §4-4.01k of this Act, the Department of General Services must approve any increase or decrease in scope greater than five percent of the gross square footage of the building and any corresponding cost or savings associated with the requested scope change; and

9. The Department of General Services, acting through the Division of Engineering and Buildings, shall continue to function as the State Building Official pursuant to §36-98.1 of the Code of Virginia for all capital outlay projects, excluding those at the University of Virginia Medical Center pursuant to

Section 23-77.4 B.1. Nothing in this section shall be deemed to relieve the institution of any reporting requirements pursuant to §2.1-403 and §2.1-404 of the Code of Virginia."

**Explanation:**

(This amendment establishes a pilot program to decentralize the post-appropriation capital outlay process for selected projects financed with general fund or state-supported debt at four institutions. With the exception of final building inspection, institutions participating in this program will be exempted from central agency review of the project while under design and construction.)

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Education Subcommittee

Item 4-5.08 #1s

**Special Conditions and Restrictions on Expenditures**

Delegation of Authority

Language

**Language:**

Page 597, after line 44, insert:

"f. The University of Virginia, with approval of its board of visitors, is hereby delegated authority on a pilot basis to acquire easements on property not owned by the University without prior approval by the Department of General Services."

**Explanation:**

(This amendment is part of a package to delegate additional authority to institutions of higher education for handling administrative functions on campus rather than seeking approval from central agencies. The amendment would provide the University of Virginia with authority to acquire easements on property not owned by the university.)

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Education Subcommittee

Item 4-5.08 #2s

**Special Conditions and Restrictions on Expenditures**

Delegation of Authority

Language

**Language:**

Page 597, after line 44, insert:

"f.1. The Cabinet Secretary responsible for any duty or authority delegated to an institution of higher education in this act through a pilot program shall develop a memorandum of understanding with participating institutions by September 1, 2003. The memorandum of understanding shall include, but not be limited to, the duty or authority being delegated to the institution of higher education, any policies or procedures with which the institution of higher education must comply, and criteria upon which the institutions will be evaluated periodically by the responsible Cabinet Secretary, or his designee, to ensure that the participating institutions are performing satisfactorily. If a memorandum of understanding is already in place, the responsible Cabinet Secretary should amend it, if necessary, to ensure that it contains all of the stipulations specified herein.

2. The responsible Cabinet Secretary shall communicate any existing memoranda of understanding to the Auditor of Public Accounts by July 1, 2003 and any subsequent memoranda of understanding or addenda to existing memoranda within 10 business days after the memoranda have been signed.

a. The responsible Cabinet Secretary, or his designee, shall conduct an evaluation of each institution participating in a pilot program at least once every two years. Evaluations of the nongeneral fund capital outlay pilot programs shall be conducted pursuant to paragraph b.1.

b. The Secretary shall report all evaluation findings and recommendations to the Governor and chairmen of Senate Finance and House Appropriations Committees.

c. To the extent an institution participating in a pilot program is not performing to the satisfaction of the responsible Cabinet Secretary, the institution shall have 90 calendar days from receipt of the Secretary's written evaluation in which to develop a remediation plan. The institution shall submit the plan to the appropriate Cabinet Secretary and the Auditor of Public Accounts.

d. The Auditor of Public Accounts shall conduct a functional audit of the delegated program authority within 180 calendar days of receiving the institution's plan. Based on his findings, the Auditor of Public Accounts shall recommend to the chairmen of the Senate Finance and House Appropriations Committees whether the institution shall continue in the pilot program.

4. To the extent institutions are performing satisfactorily under the pilot programs, it is the intent of the General Assembly that they be removed from the pilot program and be delegated authority in the Code of Virginia to administer the specified duty or function on an on-going basis.

5. If during any independent audit conducted by the Auditor of Public Accounts, the audit discloses that an institution is not performing within the terms of the memoranda of understanding or their addenda, the Auditor shall report this information to the Governor, the responsible Cabinet Secretary, and the Chairmen of the Senate Finance and House Appropriations Committees. The responsible Cabinet Secretary shall consider this an evaluation in accordance with paragraph 3. a. and act accordingly.

6. The responsible Cabinet Secretary shall establish eligibility criteria for institutions currently not participating in each of the pilot programs and report those criteria to the Chairmen of the Senate Finance and House Appropriations Committees by October 1, 2003. Institutions wishing to participate in a pilot program for the first time shall submit a letter of interest to the appropriate Cabinet Secretary. Within 90 calendar days of the receipt of the institution's request to participate, the responsible Cabinet Secretary shall determine whether the institution meets the eligibility criteria and, if appropriate, establish a pilot program at the institution. The Cabinet Secretary shall report to the Governor and Chairmen of the Senate Finance and House Appropriation Committees by December 1 of each year all institutions that have applied for inclusion in a pilot program and whether the institution has been granted authority to participate in the pilot program."

**Explanation:**

(This amendment establishes a clear process for delegating authority to institutions of higher education through decentralization pilot programs and for evaluating the performance of those institutions on a routine basis.)

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Education Subcommittee

Item 4-5.08 #2s

**Special Conditions and Restrictions on Expenditures**

Delegation of Authority

Language

**Language:**

Page 597, after line 26, insert:

"d) Pursuant to §4-5.08 b.1.a) of this act, institutions of higher education participating in the nongeneral fund capital outlay pilot program are hereby delegated the authority of the Department of General Services to approve the use and administration of design-build or construction management as appropriate contract methods for nongeneral fund capital outlay projects.

e) Christopher Newport University, the College of William and Mary, Old Dominion University, Radford University, the University of Virginia, and Virginia Polytechnic Institute and State University are hereby delegated the authority of the Department of General Services to approve the use of design-build or construction management as appropriate contract methods for general fund capital outlay projects."

**Explanation:**

(This amendment is part of a package to delegate additional authority to institutions of higher education for handling administrative functions on campus rather than seeking approval from central agencies. The amendment gives institutions participating in the nongeneral fund decentralization pilot program the authority to use design-build or construction management as contract methods for all capital outlay projects.)

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Education Subcommittee

Item 4-5.08 #3s

**Special Conditions and Restrictions on Expenditures**

Delegation of Authority

Language

**Language:**

Page 597, line 14, strike "For"

Page 597, strike lines 15-26

Page 597, after line 26, insert:

"b) Pursuant to those provisions, Christopher Newport University, the College of William and Mary, Old Dominion University, Radford University, the University of Virginia, and Virginia Polytechnic Institute and State University are authorized to oversee the capital process for any nongeneral fund capital outlay project appropriated by the General Assembly.

c) The Department of General Services, in conjunction with the Secretary of

Administration, will conduct evaluations of all institutions participating in the nongeneral fund pilot program by July 1, 2003.

d) If the Department of General Services finds an institution not to be in compliance with the policies and procedures currently in effect for the nongeneral fund capital outlay pilot programs, the Secretary of Administration, the institution, and the Auditor of Public Accounts shall follow the process outlined in subparagraphs f.2c. and f.2.d."

**Explanation:**

(This amendment requires the Department of General Services to conduct an evaluation of all institutions currently participating in the nongeneral fund capital outlay pilot program.)

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Education Subcommittee

Item 4-5.08 #4s

**Special Conditions and Restrictions on Expenditures**

Delegation of Authority

Language

**Language:**

Page 597, delete lines 36 and 37, insert:

"c.1. The provisions of §4-5.08 c of Chapter 912 of the Acts of Assembly of 1996 pertaining to pilot programs for real property leases in selected institutions of higher education, including Old Dominion University, are hereby continued and expanded to include approval of income leases.

2. The University of Virginia and Virginia Tech shall be delegated authority for capital leases on a pilot basis, subject to the review and approval of the State Treasury Board and to the authorization by the General Assembly."

**Explanation:**

(This amendment is part of a package to delegate additional authority to institutions of higher education for handling administrative functions on campus rather than seeking approval from central agencies. The amendment expands the existing decentralization pilot program for real estate leases to include income leases and establishes a pilot program for capital leases with the University of Virginia and Virginia Tech.)

**Special Conditions and Restrictions on Expenditures**

Delegation of Authority

Language

**Language:**

Page 597, after line 44, insert:

"f.1. By October 1, 2003, the Secretary of Administration, in consultation with Director of the Department of General Services, is hereby directed to establish a list of independent third party firms or individuals qualified to perform fire and life safety reviews, in lieu of a review by the Department of General Services.

2. The Secretary of Administration, in consultation with the Department of General Services, shall establish a pilot program with at least three institutions of higher education to allow selected institutions to contract with an eligible third-party reviewer for fire and life safety reviews on all capital projects. Pursuant to §4-5.08, the Secretary of Administration shall establish a memorandum of understanding with selected institutions establishing guidelines for the pilot program no later than October 1, 2003."

**Explanation:**

(This amendment is part of a package to delegate additional authority to institutions of higher education for handling administrative functions on campus rather than seeking approval from central agencies. The amendment provides institutions with an alternative third-party reviewer in lieu of going through the Department of General Services for fire and life safety reviews.)

**Statewide Plans**

Manpower Control Program

Language

**Language:**

Page 608, strike lines 45 through 47 and insert:

"2.a) The institutions of higher education shall submit information concerning salary and wage positions to the Director, Department of Human Resource Management, as established in guidelines developed by the Directors of the Departments of Planning and Budget and Human Resource Management, in consultation with the Executive Director of the State Council of Higher Education for Virginia. Institutions shall report all required information quarterly to the Department of Human Resource Management.

b) The information shall include, but not be limited to, the number of filled general fund and nongeneral fund positions in the educational and general, auxiliary, and sponsored research programs, as well as other pertinent information. Among faculty positions, institutions of higher education shall be required to report the number of full-time equivalent teaching and research positions, administrative positions, part-time faculty positions, and graduate teaching assistants filled within the educational and general program.

c) The data shall be used by the Director, Department of Planning in Budget for recording employment in the state budget.

d) The State Council of Higher Education for Virginia shall monitor trends in the data and report any substantive findings pursuant to Item 166 B.2."

Page 609, after line 14, insert:

"d.4. Positions assigned to educational and general programs in the institutions of higher education are for reference only and may fluctuate depending upon workload and funding availability. However, total general fund positions filled by an institution of higher education may not exceed 105 percent of the general fund positions appropriated without prior approval from the Director of the Department of Planning and Budget."

**Explanation:**

(This amendment is part of a package to delegate additional authority to institutions of higher education for handling administrative functions on campus rather than seeking approval from central agencies. This amendment would provide institutions with flexibility to increase staffing positions up to 105 percent of the level appropriated for Educational and General (E&G) programs. The amendment also improves the coordination and reporting of employment data to state agencies.)



## **Tuition and Fees**



**Education: Elementary &  
Secondary**

Secretary Of Education

Language

**Language:**

Page 118, strike lines 24 through 33, and insert:

"E.1. a) Consistent with the authorization provided in § 4-2.01 b. of this act, the boards of visitors or other governing bodies of institutions of higher education shall determine tuition, fees, and charges for each fiscal year of the 2002-2004 biennium, provided that increases for the 2003-04 academic year not exceed five percent of the rates set by the boards for the 2002-03 academic year or \$800 for the biennium, whichever is less. For purposes of calculating the five percent threshold, boards of visitors can include one-time surcharges adopted for the Spring 2003 semester; however, the surcharge amounts may not be annualized for the 2003-04 academic year."

Page 118, after line 33, insert:

"1.b) The provisions of subparagraph 1.a. shall not apply to increases in tuition used to support the second year salary increases provided in Item 511.J. of this act."

Page 119, strike lines 16 through 20, and insert:

"7. In accordance with Item 1.E. of this act and prior to the 2004 General Assembly Session, the Joint Subcommittee Studying Higher Education Funding Policies shall recommend a cost-sharing policy that includes a long-term tuition policy as part of the General Assembly's ongoing efforts to fund higher education pursuant to the base adequacy guidelines. The Joint Subcommittee shall also address funding and policy issues related to student financial aid."

**Explanation:**

(This amendment modifies the existing tuition policy to recognize the spring surcharge adopted by institutions this year and to allow for additional increases in FY 2004 of 5 percent or \$800 for the biennium, whichever is less. The amendment also directs the Joint Subcommittee Studying Higher Education Funding Policies to make recommendations to the 2004 General Assembly with respect to long-term

tuition and financial aid policies.)

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Education Subcommittee

Item 4-2.01 #1s

**Revenues**

Nongeneral Fund Revenues

Language

**Language:**

Page 581, strike lines 33-43 and insert:

"Mandatory fees for purposes other than Educational and General programs shall not be increased for Virginia undergraduates in fiscal year 2003 and in fiscal year 2004 beyond five percent, and beyond the requirements of wage and salary increases, as authorized by the General Assembly. This restriction shall not apply in the following instances: fee increases directly related to capital projects authorized by the General Assembly; fee increases to support student health services, other fee increases specifically authorized by the General Assembly and due to the small mandatory non-Educational and General program fees currently assess students in the Virginia Community College System, increases in any one year of no more than \$15 shall be allowed on a cost-justified, case-by-case basis, subject to approval by the State Board of Community Colleges. Fee increases required to carry out actions that respond to mandates of federal agencies are also exempt from this provisions, provided that a report on the purposes and the amount of the fee increase is submitted to the Chairmen of the House Appropriations and Senate Finance Committees by the institution of higher education at least 30 days prior to the effective date of the fee increase."

**Explanation:**

(This amendment allows boards of visitors to increase mandatory non-E&G fees up to five percent annually. Fees related to student health services are exempted from this provision.)

## **Systemwide Review and Planning**



**Education: Elementary &  
Secondary**

Secretary Of Education

Language

**Language:**

Page 117, strike lines 12 through 31, and insert:

"A.1. It is the intent of the General Assembly that institutions of higher education develop strategic plans, at least every four years, that promote and sustain the quality, access, accountability, and affordability of Virginia's public institutions of higher education.

2. Each four-year public institution of higher education, Richard Bland College, and the Virginia Community College System shall submit to the State Council of Higher Education, pursuant to Item 166, paragraph B.1., a progress report on implementing its current strategic plan, including the progress it has made in meeting the following statewide goals: a) enhancing instructional quality; b) accommodating projected enrollment growth through 2010; and c) increasing Virginia's national standing with regard to sponsored research; and

3. In implementing these statewide goals and their institutional goals, Virginia public colleges and universities shall apply the following guiding principles: a) maximize student access to higher education and minimize the cost to students and the state; b) enhance administrative efficiency and productivity; and c) streamline operations as a means for improving managerial flexibility"

**Explanation:**

(This amendment replaces the current systemwide strategic planning language to reflect the 2003 systemwide strategic plan adopted by the State Council of Higher Education for Virginia.)

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Education Subcommittee

Item 4-5.05 #1s

**Special Conditions and Restrictions on  
Expenditures**

Services and Clients

Language

**Language:**

Page 593, strike lines 46-51, and insert:

"A public college or university seeking to use any funds, whether from the general fund or nongeneral funds, to create, establish, or operate an off-campus instructional location must first refer the matter to the State Council of Higher Education for Virginia for information, consideration, and recommendation to the Governor and the General Assembly. Further, no institution shall establish a new site without legislative action by the Governor and General Assembly. The Governor and General Assembly shall consider the recommendation of the State Council of Higher Education for Virginia before taking legislative action to approve the creation of the new site. For the colleges of the Virginia Community College System, the State Board for Community Colleges shall be responsible for approving off-campus locations. Sites governed by this requirement are those at any locations not contiguous to the main campus of the institution, including locations outside Virginia, for which state funds would be used. The State Council of Higher Education shall establish guidelines to implement this provision."

**Explanation:**

(This amendment clarifies the existing language for establishing an off-campus site of an institution of higher education. The proposed language makes it clear that institutions must seek review from the State Council of Higher Education for Virginia for all newly proposed site plans and must gain approval by the Governor and General Assembly before establishing such centers.)



**Institution-Specific Language  
Operating Budget**



**Education: Higher Education**

Virginia Commonwealth  
University

Language

**Language:**

Page 211, line 30, after "programs.", insert:

"It is the intent of the General Assembly that the funds appropriated for family practice be used for these programs. To the extent the university chooses to reduce general fund support for these programs as part of its budget reduction strategies, the reduction shall be proportional to the percentage net reduction applied to the university's Educational and General budget."

**Explanation:**

(This amendment is self-explanatory.)

**Education: Higher Education**

Virginia College Building  
Authority

Language

**Language:**

Page 250, line 27, strike "35,000,000" and insert "\$40,200,000"

Page 250, line 33, strike FY 2004 Allocation of "\$2,016,731" and insert "\$7,216,731"

**Explanation:**

(This amendment allocates \$5.2 million through the Higher Education Equipment Trust Fund for George Mason University's Academic IIIA building on the Prince William campus.)



**Higher Education  
Capital Budget Recommendations  
and  
Related Language Amendments**



**Higher Education  
Recommendations of the Education Subcommittee**

<b>CAPITAL BUDGET AMENDMENTS</b>	<b>GF</b>	<b>GF</b>	<b>NGF</b>	<b>NGF</b>
	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2003</b>	<b>FY 2004</b>
<b>All Colleges and Universities<sup>1</sup></b> Require Treasury Board to approve alternative financing agreements Require financial feasibility studies for 9(d) projects	Language Language			
<b>Christopher Newport University</b> Increase authority to acquire master plan properties			4,000,000	
<b>College of William and Mary</b> Supplement for Marshall-Wythe Law School Supplement for Rogers Hall (VCBA)			5,000,000 5,200,000	
<b>George Mason University</b> Supplement parking deck project Supplement Patriot Center			2,000,000	2,856,000
<b>James Madison University</b> Provide authority to pursue alternative financing for auxiliary projects Provide authority to exchange land with the City of Harrisonburg	Language Language			
<b>Longwood University</b> Provide NGF authority for dormitory project Provide authority to pursue alternative financing for auxiliary projects	Language			25,000,000
<b>Norfolk State University</b> Provide authority to pursue alternative financing agreement for RISE I Provide authority to pursue alternative financing for auxiliary projects Increase authority for purchase of Norfolk Community Hospital Transfer maintenance reserve funds to central accounts	Language Language		500,000	
		(428,143)		
<b>University of Virginia</b> Supplement medical research building Renovate and expand Rouss Hall Fund auxiliary maintenance reserve Construct swing space Construct concert hall			10,800,000 36,100,000 3,000,000 1,500,000 22,000,000	

**Higher Education  
Recommendations of the Education Subcommittee**

	GF	GF	NGF	NGF
	FY 2003	FY 2004	FY 2003	FY 2004
<b>CAPITAL BUDGET AMENDMENTS</b>				
<b>University of Virginia (continued)</b>				
Expand University Hospital			7,600,000	
<b>Virginia Community College System</b>				
Construct VHCC greenhouse with tobacco grant			500,000	
Supplement TCC Portsmouth relocation project with local funds			10,000,000	
Renovate nursing facilities at JSRCC			1,000,000	
<b>Virginia Commonwealth University</b>				
Supplement Academic Campus Housing III			7,000,000	
<b>Virginia Institute for Marine Science</b>				
Supplement planning funds for Marine Research Bldg			200,000	
<b>Virginia Military Institute</b>				
Renovate and enlarge Patchin Field House			887,000	
<b>Virginia State University</b>				
Transfer maintenance reserve funds to central accounts		(787,845)		
<b>Virginia Tech</b>				
Improve Soccer Facilities			750,000	
<b>Total, Capital Outlay (Higher Education)</b>	<b>\$0</b>	<b>(\$1,215,988)</b>	<b>\$118,037,000</b>	<b>\$27,856,000</b>

<sup>1</sup> The General Government Subcommittee has recommended increasing maintenance reserve \$12.5 million GF for FY 2004. Of this amount, \$8.7 million will be allocated to institutions of higher education.



## **Alternative Financing Agreements**



**Education: Higher Education**

James Madison University

Language

**Language:**

Page 515, after line 31, insert:

"C-24.25.

Fund Sources:

"1. The General Assembly authorizes James Madison University, with the approval of the Governor, to explore and evaluate an alternative financing scenario to provide additional parking, student housing, and/or related facilities. The project shall be consistent with the guidelines of the Department of General Services and comply with Treasury Board Guidelines issued pursuant to § 23-19(d)(4), Code of Virginia.

2. Subject to §4-4.01x, the General Assembly authorizes James Madison University to enter into a written agreement with a public or private entity to design, construct, and finance a facility or facilities to provide additional parking, student housing, and/or related facilities. The facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in accordance with the guidelines cited in paragraph 1 of this item. James Madison University is also authorized to enter into a written agreement with said public or private entity to lease all or a portion of said facilities.

3. Subject to §4-4.01x, the General Assembly further authorizes James Madison University to enter into a written agreement with the public or private entity for the support of such parking, student housing, and/or related facilities by including the facilities in the university's facility inventory and managing their operation and maintenance; by assigning parking authorizations, students, and/or operations to the facility or facilities in preference to other university facilities; by restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the university shall not be required to take any action that would constitute a breach of the university's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the university or the Commonwealth of Virginia."

**Explanation:**

(This amendment authorizes James Madison University to enter into a public-private partnership to provide parking, housing or related facilities.)

**Education: Higher Education**

**FY 02-03**

**FY 03-04**

Longwood University

\$0

\$25,000,000 NGF

**Language:**

Page 515, after line 41, insert:

"C-25.05. New Construction: Student Housing

\$25,000,000

Fund Sources: Bond Proceeds

\$25,000,000".

"1. Subject to §4-4.01x, the General Assembly authorizes Longwood University to enter into a written agreement or agreements with the Longwood University Real Estate Foundation (LUREF) to support student housing projects.

2. Longwood University is further authorized to enter into written agreements with LUREF to support such student housing facilities, which support may include agreement to (i) include the student housing facilities in the university's student housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied university-owned housing; (iii) assign students to the facilities in preference to other university-owned facilities; (iv) restrict construction of competing student housing projects; (v) seek to obtain police power over the student housing as provided by law; and (vi) otherwise support the student housing facilities consistent with law, provided that the university shall not be required to take any action that would constitute a breach of the university's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the university or the Commonwealth of Virginia."

**Explanation:**

(This amendment provides authority to pursue alternative financing agreements for dormitory facilities along with nongeneral fund authority to support a project agreed to under such an arrangement. Financing arrangements would be paid through student room fees associated with the facilities.)

**Education: Higher Education**

Norfolk State University

Language

**Language:**

Page 517, after line 2, insert:

"C-28.30.

Fund Sources:

"1. Subject to §4-4.01x, the General Assembly authorizes Norfolk State University to enter into a written agreement or agreements with the Norfolk State University Foundation (NSUF) for the development of one or more student housing projects adjacent to campus subject to the conditions outlined in the Public-Private Education Facilities Infrastructure Act of 2002.

2. Norfolk State University is further authorized to enter into written agreements with NSUF to support such student housing facilities, which support may include agreement to (i) include the student housing facilities in the university's student housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied university-owned housing; (iii) assign students to the facilities in preference to other university-owned facilities; (iv) restrict construction of competing student housing projects; (v) seek to obtain police power over the student housing as provided by law; and (vi) otherwise support the student housing facilities consistent with law, provided that the university shall not be required to take any action that would constitute a breach of the university's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the university or the Commonwealth of Virginia."

**Explanation:**

(This amendment authorizes Norfolk State University to enter a public-private partnership for student housing.)

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Education Subcommittee

Item C-28.30 #5s

**Education: Higher Education**

Norfolk State University

Language

**Language:**

Page 517, after line 2, insert:

"C-28.30. New Construction: Construct

RISE I Facility

Fund Sources:

"1. Subject to §4-4.01x, the General Assembly authorizes Norfolk State University to enter into a written agreement or agreements with the Norfolk State Enterprise and

Empowerment Foundation (E2F) to construct and deliver the RISE I facility, a project authorized under Chapter 859, 2002 Acts of Assembly.

2. Subject to the facility meeting code requirements, Norfolk State University is further authorized to purchase the RISE I facility from E2F at a price not to exceed \$18 million."

**Explanation:**

(This amendment is self-explanatory.)

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Education Subcommittee

Item 4-4.01 #3s

**Capital Projects**

General

Language

**Language:**

Page 590, after line 46, insert:

"x. Any alternative financing agreement entered into between a state agency, institution of higher education, or affiliated foundation, and a private entity must be reviewed and approved by the state Treasury Board."

**Explanation:**

(This amendment requires the state Treasury Board to review and approve all alternative financing agreements, entered into by, or on behalf of, an institution or agency.)

## **Financial Feasibility Studies for 9(d) Projects**





**Capital Projects**

General

Language

**Language:**

Page 588, line 12, strike "and"

Page 588, line 13, after Committees, strike "." and insert ", and the State Council of Higher Education for Virginia if the project is requested by an institution of higher education."

Page 588, strike lines 14 through 19, and insert:

"Institutions shall also prepare and submit copies of financial feasibility studies to the State Council of Higher Education for Virginia for 9(d) obligations where debt service is expected to be paid from project revenues or revenues of the institution by August 15 of each year. The State Council of Higher Education shall identify the impact of all projects requested by the institutions of higher education, and described in §4-4.01 i.1. above, on the current and projected cost to students in institutions of higher education and the impact of the project on the institution's need for student financial assistance. The State Council of Higher Education for Virginia shall report such information to the Secretary of Finance and the Chairmen of the House Appropriations and Senate Finance Committees no later than October 1 of each year."

**Explanation:**

(This amendment reinstates the requirement that institutions of higher education perform financial feasibility studies on projects financed with 9d debt. Language amendments proposed by the Governor would eliminate this requirement. This amendment also changes the reporting dates to comply with the new capital improvement planning process set out in Chapter 839, 2002 Virginia Acts of Assembly.)



**Institution-Specific Language  
Capital Outlay**



**Education: Higher Education**

James Madison University

Language

**Language:**

Page 515, after line 31, insert:

"C-24.25. James Madison University is hereby granted authorization to enter into a no cost exchange of land with the City of Harrisonburg. This exchange transfers to the City of Harrisonburg title to land area adjacent to its Resource Recovery Facility sufficient to support the expansion of said facility. In consideration of the transfer to the City of Harrisonburg, the City conveys that portion of land attributable to James Madison University resulting from the closure of an alley contiguous to James Madison University property that runs east-west, parallel to Patterson Street."

**Explanation:**

(This amendment provides for the exchange of property between the City of Harrisonburg and James Madison University, at no cost to either party. The exchange has already been approved by Harrisonburg's City Council along with the University's Board of Visitors.)

**Education: Higher Education**

Virginia Community College System

Language

**Language:**

Page 527, after line 34, insert:

"C-67.55.

Fund Sources:

1. The State Board for Community Colleges, with the approval of the Governor as otherwise provided by law; is authorized to accept title from the Danville Community College Educational Foundation, Inc., at no cost to the Commonwealth, for certain real property described generally as 0.516 acres, more or less, contiguous to Chatham Avenue for use by Danville Community College in the development of the facilities provided for in Chapter 859, 2002 Acts of Assembly.
2. Prior to the conveyance described above, the Danville Community College Educational Foundation, Inc., shall provide assurance, satisfactory to the Virginia

Community College System Board, that the property is free from hazardous materials and conditions."

**Explanation:**

(This amendment is self-explanatory.)

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Education Subcommittee

Item C-67.55 #6s

**Education: Higher Education**

Virginia Community College  
System

Language

**Language:**

Page 527, after line 34, insert:

"C-67.55.

Fund Sources:

"1. The State Board for Community Colleges, with the approval of the Governor as otherwise provided by law, is authorized to accept at no cost the title to certain real property described generally as up to 30 acres contiguous to the Middletown Campus of Lord Fairfax Community College, including a classroom/community cultural center of approximately 58,000 square feet and related improvements thereon."

**Explanation:**

(This amendment is self-explanatory.)