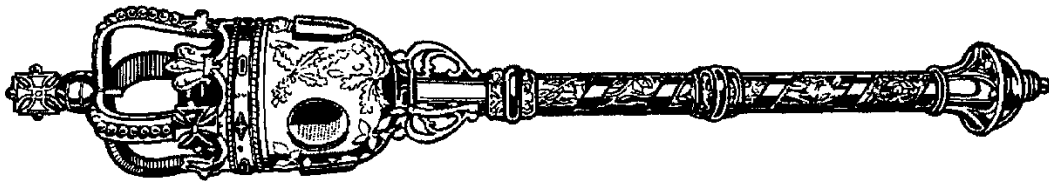


*Report of the
House Appropriations
Subcommittee*

on

Higher Education



*House Bill 29
&
House Bill 30*

February 22, 2004

February 22, 2004

**Respectfully Submitted by the House Appropriations
Subcommittee on Higher Education:**

Harvey B. Morgan, Chairman

S. Chris Jones

Lacey E. Putney

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REPORT OF THE SUBCOMMITTEE

on

HIGHER EDUCATION

Mr. Chairman and Members of the Committee:

On behalf of the Higher Education Subcommittee, I am pleased to offer budget recommendations that address the priorities of the Commonwealth's institutions and advance our shared commitment to superior and affordable colleges and universities.

Mr. Chairman, over the last three years, the cost of attending our public institutions has increased by a significant 36 percent. Similar to the rest of the nation, our public colleges and universities have shouldered a major portion of general fund reductions. At the same time, 15,000 more in-state students were enrolling. In order to accommodate this growing population, the colleges backfilled with tuition increases. The result is that our public higher education institutions have become less affordable. Moreover, if this trend were to continue, our college pre-pay program would be adversely impacted and potentially curtailed. As you have said many times, Mr. Chairman, this is not a policy that we can continue.

With that in mind, the Subcommittee recommends an additional \$85.8 million for student enrollment and base operating needs. In addition, we also recommend \$4.9 million for new facilities coming on-line during this biennium. These two proposals will begin a four- to six-year phase-in toward funding the base operating needs for undergraduate education identified by the General Assembly's funding guidelines. By focusing our resources toward undergraduate needs, we have provided an "incentive" to colleges and universities to keep the increases to tuition and required fees reasonable. In fact, while we do not recommend a cap on tuition and fees, the Subcommittee believes strongly that tuition and fe-

quired fee increases on in-state undergraduate students need not increase by more than four to eight percent to achieve the phase-in toward undergraduate base adequacy.

Because some tuition increases will take place this biennium, the Subcommittee recommends \$9.1 million for student financial aid to ensure access and continue to meet student need at our public institutions. In addition, the Subcommittee has recommended an additional \$4 million for the Tuition Assistance Grant (TAG) program focused on undergraduate Virginians attending the Commonwealth's private institutions. This will increase the annual TAG award for undergraduate students from \$2,210 to \$2,500 by 2006.

In addition to the above recommendations, the Subcommittee is pleased to begin meeting the funding requirements for the Medical Education campus of Northern Virginia Community College. To that end, the Subcommittee recommends \$7.0 million in new general fund support over the base budget to support faculty and staff in training more students to respond to the demands of the health care professions.

The Subcommittee further recommends \$3.1 million for operating support for the new Institute for Advanced Learning and Research in Danville. In addition to the operating support, the Subcommittee recommends \$3.0 million in allocations from the Higher Education Equipment Trust Fund to ensure that when the facility is opened, the laboratories and workspace are fully equipped and the facility is ready to begin moving forward.

The Subcommittee has approved allocations of \$110.2 million from the Higher Education Equipment Trust Fund over the biennium. This will provide the necessary instructional equipment and technology to keep our colleges and universities on the cutting edge.

The Subcommittee recommends \$4.1 million for Norfolk State and Virginia State to continue our commitment under the Office of Civil Rights Accord.

The Subcommittee also recommends \$2.9 million to purchase electronic database licenses for the Virtual Library of Virginia in support of enrollment growth at public and private institutions.

Finally, I would like to thank Delegate Tata and the work of his Subcommittee, which enables us to recommend a three percent faculty salary increase effective December 2005. This long-overdue raise will allow us to reward our hard-working faculty.

Mr. Chairman, in summary, let me say that the Higher Education Subcommittee appreciates your leadership and the concerted effort that every member of this committee has made to keep higher education at the forefront of funding priority. As a result, the Subcommittee is able to recommend over \$130 million in additional general funds for higher education which, along with the \$12 million for faculty salary increases, will bring the total new funding over the current higher education base budget to more than \$140 million. As you said earlier, Mr. Chairman, this represents more than 30 percent of the discretionary spending of this Committee and sends a clear signal as to the value it places our higher education system.

Mr. Chairman, details of our Subcommittee recommendations are attached, and I hope that it will be the pleasure of the Committee to adopt them.

BUDGET AMENDMENT RECOMMENDATIONS

<u>Amendment</u>	2004-06 BIENNIAL TOTAL		
	<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>FTE</u>
HB 30			
General Assembly			
Joint Subcommittee Charter University Review			Language
Secretary of Administration			
Library of Virginia Corrective Action			Language
Secretary of Education			
Remove New Cancer Research Fund Initiative	(50,000)		
Remove Language Related to Contingency Funding			Language
State Council Of Higher Education For Virginia			
Remove Contingent TAG Appropriation	(4,520,537)		
Eliminate New Initiatives for Private Grants, Military Tuition & Student Participation	(2,580,748)		(1.00)
Tuition Assistance Grants for Undergraduates	4,000,000		
Complete Phase Out of Optometry & Eastern Shore Regional Grants	(278,800)		
VCCS Endowment Eligibility			Language
Implement HJR 197 Study			Language
Eliminate VWIL Program	(1,093,972)		
Christopher Newport University			
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(1,726,260)	(861,610)	
House Enrollment and Base Operations Funding	3,099,665	1,476,813	
The College Of William And Mary In Virginia			
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(1,067,735)	(1,259,748)	
Remove Contingent Advanced Communications Initiative	(403,250)		
House Enrollment and Base Operations Funding	1,203,250	4,075,679	
Richard Bland College			
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(126,000)	(88,000)	
House Enrollment and Base Operations Funding	100,000	225,478	
Virginia Institute Of Marine Science			
Remove 2003 Funding Increase for Aquaculture Program	(100,000)		
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(976,339)		
House Enrollment and Base Operations Funding	1,000,000		
George Mason University			
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(8,550,051)	(1,057,866)	
Operations and Maintenance for New Facilities	289,552	269,503	
Remove Contingent Advanced Communications Initiative	(403,250)		
House Enrollment and Base Operations Funding	9,003,250	7,161,812	
James Madison University			
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(3,761,597)	(2,794,237)	
House Enrollment and Base Operations Funding	3,711,061	6,660,825	
Longwood University			
Phase Out Public Service Centers	(419,242)		(2.00)
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(1,291,971)	(442,804)	
House Enrollment and Base Operations Funding	3,800,895	1,301,465	
Mary Washington College			
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(818,874)		
House Enrollment and Base Operations Funding	400,000	1,965,257	
Reduce Melchers-Monroe Museum	(48,000)		
Norfolk State University			
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(250,950)		
House Enrollment and Base Operations Funding	200,000	1,673,464	
Old Dominion University			
Phase Out Public Service Centers	(67,500)		(1.00)
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(11,201,235)	(6,026,831)	
Remove Contingent Advanced Communications Initiative	(403,250)		
House Enrollment and Base Operations Funding	10,963,048	3,695,102	

BUDGET AMENDMENT RECOMMENDATIONS

	2004-06 BIENNIAL TOTAL		
<u>Amendment</u>	<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>FTE</u>
<u>HB 30</u>			
Radford University			
NGF Technical Adjustment			2,800,000
Eliminate Contingent New Initiative - Economic Bridge	(125,000)		
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(2,272,529)	(1,892,485)	
House Enrollment and Base Operations Funding	4,710,729	2,449,492	
Southwest Virginia Higher Education Center			
Eliminate Contingent New Initiative - Operating Support	(200,000)		
Provide Increased Operating Support	200,000		
University Of Virginia			
Repair Reserve Language			Language
Reduce Generalist Medicine	(300,000)		
Phase Out Public Service Centers	(306,758)		
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(3,669,649)	(1,133,675)	
Remove Contingent Advanced Communications Initiative	(403,250)		
House Enrollment and Base Operations Funding	2,453,250		10,824,156
Family Practice Language			Language
University Of Virginia's College At Wise			
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(442,224)		
House Enrollment and Base Operations Funding	720,000		450,558
Virginia Commonwealth University			
Center on Aging Language			Language
Family Practice Language			Language
Reduce Generalist Medicine	(450,000)		
Phase Out Public Service Centers	(241,500)		
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(5,638,826)	(661,718)	
Remove Contingent Advanced Communications Initiative	(403,250)		
House Enrollment and Base Operations Funding	4,661,627		6,672,576
Virginia Community College System			
Dateline 2009 Language			Language
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(35,389,052)	(10,154,379)	
House Enrollment and Base Operations Funding	35,644,943		19,906,092
Virginia Military Institute			
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(694,100)	(1,213,670)	
House Enrollment and Base Operations Funding	200,000		769,727
Eliminate Unique Military Funding for VWIL	(403,861)		
Virginia Polytechnic Institute And State University			
Phase Out Public Service Centers	(290,000)		
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(3,494,452)	(1,973,527)	
Remove Contingent Advanced Communications Initiative	(403,250)		
House Enrollment and Base Operations Funding	2,478,250		13,908,791
Virginia Cooperative Extension And Agricultural Experiment Station			
Eliminate Contingent New Initiative - High Value Crops	(1,388,960)		
Virginia State University			
Remove Contingency Funding for Research, Enrollment and Base Operating in HB 30	(739,576)		
House Enrollment and Base Operations Funding	997,123		1,573,312
Eastern Virginia Medical School			
Reduce Generalist Medicine	(300,000)		
Institute For Advanced Learning And Research			
Remove Contingency Language			Language
Roanoke Higher Education Authority			
Eliminate Contingent New Initiative - Operating Support	(200,000)		
Provide Increased Operating Support	200,000		
Technical Language			Language
Virginia College Building Authority			
Increase Allocation for Institute for Advanced Learning			Language
Increase Allocation for Prince William III			Language
Increase Allocation for RISE I			Language

BUDGET AMENDMENT RECOMMENDATIONS

<u>Amendment</u>	2004-06 BIENNIAL TOTAL		
	<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>FTE</u>
<u>HB 30</u>			
Gunston Hall			
Reduce Museum Operating Support	(50,000)		
Jamestown 2007			
Exempt Virginia 400th Anniversary funds from Procurement Provisions		Language	
The Library Of Virginia			
Records Preservation Plan		Language	
Internet Access		Language	
Electronic Databases Language Change		Language	
The Science Museum Of Virginia			
Reduce Museum Operating Support	(300,000)		
Collaboration with Science Museum of Western Virginia	300,000		
Virginia Commission For The Arts			
Eliminate Contingent New Initiative - Arts Grants	(640,000)		
Virginia Museum Of Fine Arts			
Reduce Museum Operating Support	(266,666)		
Central Appropriations			
Redirect Technology Research Funding to Undergraduate Programs	(12,784,638)		
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HB 30 Total	(21,600,459)	58,299,552	(4.00)

Legislative Department

General Assembly Of Virginia

Language

Language:

Page 7, after line 49, insert:

"7.a. The Joint Subcommittee shall study the system of Commonwealth-chartered universities proposed in House Bill 1359 and shall report to the 2005 Session of the General Assembly on the feasibility of such a system.

b. To assist the Joint Subcommittee with its study, the University of Virginia, Virginia Tech, and the College of William and Mary shall, working with the Secretaries of Finance, Administration, Education, the State Council of Higher Education, and the staffs of the House Appropriations and Senate Finance Committees, prepare and submit to the Joint Subcommittee by September 1, 2004, proposed draft charter agreements that are consistent with the legislation referenced in Paragraph 7.a. of this item."

Explanation:

(This amendment self-explanatory.)

Administration

Secretary Of Administration

Language

Language:

Page 34, after line 7, insert:

"The Secretary of Administration, in consultation with the Secretary of Education and the Office of the Attorney General, shall prepare a report outlining plans, including a schedule of steps and events, which are to be implemented with a view toward corrective actions addressing remaining design and construction issues associated with the maintenance and operation of the Library of Virginia building in Richmond."

Explanation:

(This amendment is self-explanatory.)

Education: Higher Education

State Council Of Higher Education
For Virginia

Language

Language:

Page 142, after line 55, insert:

"H. Pursuant to House Joint Resolution 197 of the 2004 Session of the General Assembly, the State Council of Higher Education shall consider the establishment of a public four-year degree-granting institution of higher education in South Central Virginia in developing its systemwide needs assessment plan for higher education in the Commonwealth. In its deliberations to develop the plan, the Council shall (i) collaborate with all interested parties and (ii) evaluate all available options, including, but not limited to, the creation of a branch campus of an existing institution in the South Central Virginia region. The State Council of Higher Education shall submit to the Division of Legislative Automated Systems an executive summary and report of its progress in meeting the requirements of this resolution no later than November 1, 2004. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website."

Explanation:

(This amendment is self-explanatory.)

Higher Education Subcommittee

Item 213 #4h

Education: Higher Education

University Of Virginia

Language

Language:

Page 164, line 55, strike "Such" and insert "Annual contributions to such".

Page 164, line 56, strike "two" and insert "three".

Page 164, line 58, after "revenues", insert:

"for which such reserves are established".

Page 165, after line 9, insert:

"4. The Comptroller of Virginia shall credit, on a monthly basis, to the special reserve account fund detail for such reserve funds, the imputed interest earned by the investment of such reserve balances on deposit with the State Treasurer."

Explanation:

(This amendment is self-explanatory.)

Higher Education Subcommittee

Item 225 #2h

Education: Higher Education

Virginia Commonwealth University

Language

Language:

Page 169, line 39, strike "\$137,500" and insert "\$262,500".

Page 169, line 40, strike "\$137,500" and insert "\$262,500".

Explanation:

(This amendment is a technical adjustment to reflect the funding level for the Center on Aging and the Alzheimer's Research Award Fund. The funding was included in the budget, as introduced; however, the language which sets this amount out in the item was incorrect.)

Higher Education Subcommittee

Item 230 #15h

Education: Higher Education

Virginia Community College
System

Language

Language:

Page 178, after line 26, insert:

"T. The VCCS is authorized to generate and retain tuition and fees in excess of those provided in § 4-2.01 b herein in order to support the achievement of *Dateline 2009*, the strategic plan approved by the State Board for Community Colleges. These funds, in addition to the VCCS Technology Fee, shall not revert to the surplus of the general fund at the end of the fiscal year and/or biennium, and shall be available for expenditure no later than October 1 of each subsequent fiscal year. These funds shall be used in the calculation of base budget adequacy needs in the same manner as other tuition and fees collected by four-year institutions."

Explanation:

(This amendment would allow the Virginia Community College System to retain any unspent nongeneral fund revenue from tuition and fees and requires that the funds be made available for expenditure by October 1 of the following fiscal year.)

Education: Other

Jamestown 2007

Language

Language:

Page 192, after line 18, insert:

"G. Except as provided otherwise in this paragraph, the provisions of the Virginia Public Procurement Act (§ 2.2-4300 et seq., Code of Virginia) shall not apply to the expenditure of funds from the Virginia 400th Anniversary Fund. However, the provisions of this paragraph shall not be effective until such time as the Board of Trustees of the Jamestown-Yorktown Foundation has adopted guidelines generally applicable to the procurement of goods and services by the Jamestown-Yorktown Foundation and Jamestown 2007 through the expenditure of funds from the Virginia 400th Anniversary Fund. The guidelines shall implement a system of competitive negotiation for professional services; shall prohibit discrimination because of race, religion, color, sex or national origin of the bidder or offeror in the solicitation or award of contracts; may take into account in all cases the dollar amount of the intended procurement, the term of the anticipated contract, and the likely extent of competition; may implement a prequalification procedure for contractors or products; may include provisions for cooperative procurement arrangements; shall incorporate the prompt payment principles of §§ 2.2-4350 and 2.2-4354, Code of Virginia; and may implement provisions of law. The following sections of the Virginia Public Procurement Act shall continue to apply to procurement by the Jamestown-Yorktown Foundation and Jamestown 2007 with funds from the Virginia 400th Anniversary Fund: §§ 2.2-4311, 2.2-4315, 2.2-4330, 2.2-4333 through 2.2-4338, 2.2-4340 through 2.2-4342, and 2.2-4367 through 2.2-4377, Code of Virginia."

Explanation:

(This amendment exempts Virginia 400th Anniversary Fund expenditures from most of the provisions of the Virginia Public Procurement Act. The Amendment will allow Jamestown 2007 and the Jamestown-Yorktown Foundation to use the Fund to contract with corporate sponsors for events commemorating Jamestown's 400th anniversary.)

Education: Other

Language:

Page 192, line 42, before "It", insert "A."

Page 192, after line 45, insert:

"B. The Library of Virginia shall, with due diligence and dispatch, make such operating adjustments as are necessary and prudent to provide proper care for the Library's records and collections, having regard for the capacities and limitations of the Library building's physical plant. Such adjustments may include, but need not be limited to, relocating materials on and among floors of the building or elsewhere including without limitation the Library's Records Center and redeploying and adjusting staff work areas and conditions. The operating plans to accomplish any changes, as well as the implementation of such plans, shall be reported to the Secretaries of Education and Administration no later than August 1, 2004."

Explanation:

(This amendment is self-explanatory.)