

# Higher Education

The 2004-06 biennial budget, as adopted, provides a net increase of \$268.2 million GF, or 10.1 percent, for higher education when compared to the adjusted base budget. Almost two-thirds of the additional support is earmarked for “base adequacy,” in an effort to close the gap in higher education base budget funding identified by the Joint Subcommittee Studying Higher Education Funding Policies. Other key funding priorities in the adopted budget include \$31.0 million GF for a three-percent increase in faculty salaries in FY 2005, and \$12.3 million GF to increase need-based student financial aid. In addition, included separately under the Treasury Board, the adopted budget appropriates \$9.1 million GF for debt service, which will allow institutions to acquire \$108.8 million in academic technology and equipment through the Higher Education Equipment Trust Fund.

<b>Major GF Increases</b> (2004-06 Biennium, \$ in millions)	
Base Adequacy	\$175.8
3% Faculty Salary Increase in FY 2005	31.0
Need-Based Student Financial Aid	12.3
NVCC Medical Education Campus	9.4
One-Time Seed Money for Research	8.3
Tuition Assistance Grants (TAG)	7.0
Operation and Maintenance of New Facilities	5.6
Institute for Advanced Learning & Research	4.5
Program Enhancements at NSU and VSU	4.1
Critical Staffing for Cooperative Extension	2.5
Virtual Library of Virginia	2.1
Military Dependents’ Tuition Waiver	2.0
Operating Support for Other Higher Ed. Agencies	1.2
Brown v. Board of Education Scholarships	1.1
VCU Family Practice Programs	0.8
Technical and Other Adjustments	<u>0.5</u>
<b>TOTAL</b>	<b>\$268.2</b>

- Base Adequacy.** Provides \$63.3 million GF the first year and \$112.5 million GF the second year to begin addressing the base operating needs at Virginia’s public colleges and universities. It is anticipated that this additional GF support, in combination with estimated nongeneral fund revenues over the biennium, will bring average core funding for higher education institutions above 90 percent of the funding levels recommended by the Joint Subcommittee Studying Higher Education Funding Policies.

<b>Base Adequacy Funding</b> (Allocations by Institution)		
<u>Institution</u>	<u>FY 2005</u>	<u>FY 2006</u>
Christopher Newport Univ.	\$1,987,100	\$3,269,600
College of Wm. & Mary	1,336,600	2,096,300
George Mason University	4,500,900	7,557,400
James Madison University	3,543,600	7,170,600
Longwood University	1,969,600	3,572,100
University of Mary Washington	688,200	1,079,400
Norfolk State University	125,000	314,100
Old Dominion University	7,073,200	10,973,000
Radford University	2,997,600	5,243,100
Richard Bland College	63,000	63,000
University of Virginia	3,843,200	7,547,100
UVA - Wise	465,000	515,000
Virginia Commonwealth Univ.	7,202,100	15,097,900
Va. Community Colleges	22,000,200	38,039,200
Va. Institute of Marine Science	660,500	660,500
Virginia Military Institute	350,000	350,000
Virginia State University	358,100	659,400
Virginia Tech	<u>4,182,700</u>	<u>8,257,300</u>
<b>TOTAL</b>	<b>\$63,346,700</b>	<b>\$112,465,000</b>

Note: Figures may not add due to rounding.

- **Faculty Salary Increases.** Provides \$10.9 million GF in the first year for the state share of a three-percent salary increase for all faculty, effective November 25, 2005. Almost \$20.1 million GF is provided in the second year to cover the full annual cost of this salary increase.
- **Need-Based Student Financial Aid.** Provides \$6.2 million GF each year for student financial assistance to address anticipated tuition increases and to provide sufficient funding for all institutions to meet at least 35 percent of remaining student need.

<b>Need-Based Student Financial Aid</b> (Allocations by Institution)		
<u>Institution</u>	<u>FY 2005</u>	<u>FY 2006</u>
Christopher Newport Univ.	\$496,400	\$496,400
College of Wm. & Mary	116,600	116,600
George Mason University	421,900	421,900
James Madison University	265,600	265,600
Longwood University	253,200	253,200
University of Mary Washington	56,300	56,300
Norfolk State University	207,000	207,000
Old Dominion University	438,000	438,000
Radford University	656,600	656,000
Richard Bland College	9,800	9,800
University of Virginia	235,600	235,600
UVA - Wise	271,900	271,900
Virginia Commonwealth Univ.	598,000	598,000
Va. Community Colleges	1,400,200	1,400,200
Virginia Military Institute	27,800	27,800
Virginia State University	205,300	205,300
Virginia Tech	<u>511,700</u>	<u>511,700</u>
<b>TOTAL</b>	<b>\$6,171,800</b>	<b>\$6,171,800</b>

Note: Figures may not add due to rounding.

- **Northern Virginia Community College Medical Education Campus.** Adds \$4.7 million GF and \$1.9 million NGF each year to support the hiring of faculty and staff needed to accommodate enrollment demand in nursing and allied health training programs in Northern Virginia.
- **Seed Money for Research.** Provides \$8.3 million GF in the second year as one-time seed money to enhance selected research programs at Virginia's public colleges and universities, based on recommendations from a national review panel. In addition, language is included which allows the Governor to transfer the second year funding to the first year if sufficient funds are available.
- **Tuition Assistance Grants.** Includes \$3.3 million GF the first year and \$3.7 million GF the second year to increase the annual undergraduate award from \$2,210 to an estimated \$2,500 in both years. Additional funding will also be used to increase the annual graduate award from \$1,700 to an estimated \$1,900 in both years.
- **Operation and Maintenance of New Facilities.** Provides \$2.1 million GF and \$1.7 million NGF the first year and \$3.5 million GF and \$2.3 million NGF the second year for new Educational & General facilities coming on-line in FY 2005.
- **Institute for Advanced Learning and Research.** Provides almost \$2.3 million GF each year to support operating costs associated with the Institute for Advanced Learning and Research in Danville. The budget, as adopted, also authorizes the Institute to purchase up to \$1 million in equipment the first year and \$2.5 million in the second year through the Higher Education Equipment Trust Fund.
- **Program Enhancements at Norfolk State University (NSU) and Virginia State University (VSU).** Includes a total of \$4.1 million GF over the biennium to enhance academic programs identified in the Accord between the Commonwealth of Virginia and the U.S. Office of Civil Rights (OCR).
  - Provides NSU with \$517,000 GF the first year and \$952,000 GF the second year for new academic programs in engineering and computer science.
  - Provides VSU with \$568,000 GF the first year and \$615,000 GF the second year to support the accreditation of its business and education programs and to upgrade the campus telecommunications network.

- Provides \$1.4 million GF to meet 100 percent of the required federal match for cooperative extension at VSU by the end of the biennium.
- Additional funding identified in the Accord is budgeted separately through capital outlay. Specifically, the adopted budget includes a total of \$5.3 million GF for maintenance reserve at NSU and VSU, as well as VCBA authorization totaling \$3.0 million to improve technology infrastructure at NSU.
- **Cooperative Extension Agents.** Provides almost \$1.3 million GF each year to fund 23 critical extension positions. The cooperative extension division of Virginia Tech will use these funds to fill positions in localities impacted by previous budget reductions and to support priority agricultural research initiatives.
- **Virtual Library of Virginia.** Increases funding for the Virtual Library of Virginia by \$1.0 million GF in the first year and \$1.1 million GF in the second year. The Virtual Library of Virginia is a cost-sharing consortium that allows Virginia's colleges and universities to share in the purchase and acquisition of library materials at lower rates. Additional funding will be used to expand capacity for growing enrollments and to enhance undergraduate and research materials.
- **Military Tuition Waivers.** Provides \$2.0 million GF the first year to offset anticipated losses in tuition revenue associated with providing in-state tuition rates to military dependents as provided in §23-7.4:2, *Code of Virginia*. Accompanying language provides that the waiver shall be limited to a period of one year so that students or their parents can actively pursue Virginia residency status.
- **Brown v. Board of Education Scholarships.** Provides \$1.1 million GF in the first year to support scholarships for students who were enrolled in public schools in Virginia between 1954 and 1964 in jurisdictions where schools were closed to avoid desegregation. Funding will be awarded to eligible students who are interested in completing their high school studies or pursuing postsecondary studies.
- **Operating Support for Other Higher Education Agencies.** Increases base operating support for higher education agencies that provide instruction to Virginia students, including \$200,000 GF each year for Roanoke Higher Education Authority, \$175,000 GF each year for the Southwest Virginia Higher Education Center, and \$175,000 GF each year for Eastern Virginia Medical School.

- **VCU Family Practice Programs.** Includes \$400,000 GF each year to partially restore reductions to the program made by the University in its implementation of the across-the-board budget cuts imposed prior to the 2003 General Assembly session.
- **Equipment Trust Fund.** Authorizes the Virginia College Building Authority to acquire \$52.7 million in new academic computers and equipment the first year and \$56.2 million the second year through the Higher Education Equipment Trust Fund. Amendments in the Treasury Board provide \$9.1 million GF and \$2.4 million NGF in FY 2006 to support the lease payments on these purchases.

### **Higher Education Equipment Trust Fund**

(Allocations by Institution)

<u>Institution</u>	<u>FY 2005</u>	<u>FY 2006</u>
Christopher Newport Univ.	590,000	590,000
College of Wm. & Mary	1,547,800	1,547,800
George Mason University	2,892,600	2,892,600
James Madison University	2,014,300	2,014,300
Longwood University	547,100	547,100
University of Mary Washington	634,400	634,400
Norfolk State University	1,023,800	3,023,800
Old Dominion University	3,482,500	3,482,500
Radford University	1,134,300	1,134,300
Richard Bland College	125,300	125,300
University of Virginia	9,360,000	9,360,000
UVA - Wise	267,300	267,300
Virginia Commonwealth Univ.	7,145,700	7,145,700
Va. Community Colleges	10,388,500	10,388,500
Va. Institute of Marine Science	478,300	478,300
Virginia Military Institute	817,700	817,700
Virginia State University	1,079,500	1,079,500
Virginia Tech	8,030,700	8,030,700
Southwest Va. Higher Ed. Ctr.	55,200	55,200
Roanoke Higher Ed. Ctr.	54,900	54,900

Institute for Advanced Learning and Research	<u>1,000,000</u>	<u>2,500,000</u>
<b>TOTAL</b>	<b>\$52,669,800</b>	<b>\$56,169,800</b>

Note: Figures may not add due to rounding.

- Public Service Centers.** Removes \$211,500 GF the first year and \$378,000 GF the second year to continue the phase-out of general fund support for public service centers at colleges and universities. The General Assembly has indicated that general fund support for these centers should not continue indefinitely, but be used as seed money while institutions pursue philanthropic or other nongeneral fund sources to support their activities.

In addition to changes in funding, the General Assembly adopted several changes in existing policy. A brief description of those actions follows:

- Eastern Shore Tuition Assistance Program.** Eliminates \$18,700 GF the first year and \$68,000 GF the second year for this program, which provides tuition assistance to residents of Virginia's Eastern Shore who attend college in Maryland. The program was established originally to provide Eastern Shore students with access to higher education. Since then, the Commonwealth has provided increased access to these students through the development of Eastern Shore Community College and the expansion of Old Dominion University's TELETECHNET programs on the Eastern Shore.
- Virginia Women's Institute for Leadership (VWIL).** Reduces funding by \$150,000 GF the second year to begin phasing-out general fund support for the program. Accompanying language clarifies that beginning with the incoming class of 2005, VWIL students will become eligible for the tuition assistance grant (TAG) program in lieu of receiving the VWIL stipend. In addition, the Commonwealth will continue providing general fund support for the program's unique military activities.
- Generalist Physician Initiative.** Reduces funding by \$207,900 GF, or 10 percent, in each year to reflect lower than anticipated outcomes on performance criteria established by the General Assembly for the generalist physician programs at Eastern Virginia Medical Center, the University of Virginia, and Virginia Commonwealth University.

In addition to changes in general fund support, the adopted budget provides for anticipated increases in nongeneral fund revenue and sets out a policy for monitoring nongeneral fund increases, particularly for tuition and fees, through budget language.

- **Tuition and Fee Policy.** Returns authority for setting tuition and fees to the institutions' boards of visitors within the limits of the nongeneral fund appropriation provided.