

Higher Education

The Governor’s proposed amendments for higher education result in a net increase of \$50.9 million GF or 1.8 percent when compared to the original appropriation. This reflects an increase of \$51.6 million GF offset by a \$0.8 million GF decrease. In addition, the Governor proposes \$1.5 million in central accounts to plan for a new university in Southside Virginia. When combined with the legislative actions in the 2004 Session, the biennial increase for higher education is about 12 percent.

Of the \$51.6 million proposed general fund increase, \$33.0 million or almost two-thirds is recommended in three areas: base adequacy, faculty salaries, and student financial aid. In total, almost 90 percent or \$45.9 million GF of the Governor’s proposed operating budget amendments in higher education support on-going programmatic or administrative costs.

Major GF Increases (2004-06 Biennium, \$ in millions)	
Base Adequacy	\$12.2
3% Faculty Salary Increase in FY 2006	11.7
Undergraduate and Graduate Student Aid	9.1
Various Program Enhancements	3.5
One-Time Seed Money for University Research	2.5
Operation and Maintenance of New Facilities	2.5
State Match for Federal GEAR-UP Program	2.1
Continuation of Military Dependents’ Tuition Waiver	2.0
Compensation Adjustments	1.9
Tuition Assistance Grants (TAG)	1.8
NVCC Medical Education Campus	1.2
Workforce Certification Scholarships	<u>1.1</u>
TOTAL	\$51.6

- **Base Adequacy.** Recommends supplementing base operating support by \$12.2 million GF in the second year to reflect increased costs associated with higher than anticipated enrollments for FY 2004 and to recognize institutions' efforts to increase the number of students who receive degrees, particularly in the field of nursing.

Based on projected FY 2004 enrollment levels, the 2004 General Assembly provided \$63.3 million GF in the first year and \$112.5 million GF in the second year to move average core funding for higher education institutions closer to the "base adequacy" funding guidelines adopted by the Joint Subcommittee Studying Higher Education Funding Policies. If adopted, the Governor's amendments would bring the total general fund increase for base adequacy to \$124.7 million in the second year.

Base Adequacy Funding (Allocations by Institution)	
<u>Institution</u>	<u>FY 2006</u>
Christopher Newport University	\$155,000
College of William & Mary	274,000
George Mason University	2,824,000
James Madison University	383,000
Longwood University	131,000
University of Mary Washington	422,000
Norfolk State University	108,000
Old Dominion University	1,545,000
Radford University	284,000
Richard Bland College	17,000
University of Virginia	493,000
UVA - Wise	421,000
Virginia Commonwealth University	767,000
Virginia Community Colleges	3,111,000
Virginia Military Institute	7,000
Virginia State University	24,000
Virginia Tech	<u>1,279,000</u>
TOTAL	\$12,245,000

- **Faculty Salary Increases.** Proposes \$11.7 million GF in the second year for the state share of a three-percent salary increase for teaching and research faculty, administrative faculty, part-time faculty, and graduate assistants, effective November 25, 2005.

FY 2006 3% Salary Increase for Faculty (Allocations by Institution)	
<u>Institution</u>	<u>FY 2006</u>
Christopher Newport University	\$201,000
College of William & Mary	442,000
George Mason University	1,077,000
James Madison University	552,000
Longwood University	156,000
University of Mary Washington	150,000
Norfolk State University	258,000
Old Dominion University	674,000
Radford University	315,000
Richard Bland College	34,000
University of Virginia	1,276,000
UVA - Wise	70,000
Virginia Commonwealth University	1,618,000
Virginia Community Colleges	2,490,000
Virginia Institute of Marine Science	220,000
Virginia Military Institute	61,000
Virginia State University	158,000
VSU Cooperative Ext. and Ag. Services	33,000
Virginia Tech	1,337,000
VT Cooperative Ext. and Ag. Services	<u>607,000</u>
TOTAL	\$11,729,000

- **Student Financial Aid.** Includes \$9.1 million GF for undergraduate and graduate student financial aid in the second year.

- *Need-Based Undergraduate Student Financial Aid.* Out of this amount, the Governor recommends providing \$6.7 million GF for need-based student financial assistance for in-state undergraduate students to address anticipated tuition increases and to provide sufficient funding for all institutions to meet at least 30 percent of remaining student need.
- *Graduate Student Aid.* Proposes \$2.4 million GF to increase graduate student financial aid for all students. The Commonwealth's current \$11.1 million GF annual appropriation for graduate financial aid has not been increased since FY 1995.

Student Financial Aid Increases for FY 2006 (Allocations by Institution)		
<u>Institution</u>	<u>Undergraduate</u>	<u>Graduate</u>
Christopher Newport Univ.	\$236,000	\$ 14,000
College of Wm. & Mary	148,000	146,000
George Mason University	522,000	143,000
James Madison University	304,000	18,000
Longwood University	178,000	14,000
University of Mary Washington	71,000	14,000
Norfolk State University	281,000	18,000
Old Dominion University	547,000	107,000
Radford University	290,000	18,000
Richard Bland College	16,000	0
University of Virginia	275,000	670,000
UVA - Wise	107,000	0
Virginia Commonwealth Univ.	708,000	403,000
Va. Community Colleges	2,044,000	0
Virginia Military Institute	42,000	0
Virginia State University	241,000	26,000
Virginia Tech	<u>687,000</u>	<u>854,000</u>
TOTAL	\$6,697,000	\$2,445,000

Note: Funding for the College of William and Mary includes \$21,000 in graduate aid for students enrolled at the Virginia Institute of Marine Science.

- **Various Program Enhancements.** Includes \$3.5 million GF to provide additional funding for academic and research initiatives as well as targeted support for affiliated higher education agencies.

Various Programs Enhancements		
<u>Agency or Institution</u>	<u>Program</u>	<u>FY 2006</u>
Wm. & Mary/ No. Va. Community College	K-12 Dual Enrollment Pilot Programs	\$565,000
SURA /Jefferson Lab	Adv. Materials, Bioscience, and Nanotechnology Research	440,000
Virtual Library of Va./ SCHEV	Electronic Acquisitions in Engineering and Info. Technology	430,000
Virginia State Univ.	Upgrade Campus Network	374,000
UVA Foundation for the Humanities	Virginia Encyclopedia Project	350,000
Roanoke Higher Education Authority	Facility Repairs	283,000
Va. Commonwealth U.	Family Practice in Underserved Areas	250,000
Virginia State Univ.	Business School Accreditation	223,000
SCHEV	Operating Support	187,000
Univ. of Virginia	Cooperative Graduate Courses in Nanotechnology	155,000
Va. Commonwealth U.	Grace Harris Leadership Institute	100,000
Richard Bland College	Computer Center Relocation	100,000
TOTAL		\$3,457,000

- **One-Time Seed Money for Research.** Proposes \$2.5 million GF in the second year as one-time seed money to enhance selected research

programs at the University of Virginia, Old Dominion University, and Virginia Tech. These funds are recommended in addition to the \$8.3 million GF provided by the 2004 General Assembly for one-time research funds at these institutions as well as George Mason University, James Madison University, Virginia Commonwealth University and the Virginia Institute of Marine Science.

- **Operation and Maintenance (O&M) of New Facilities.** Recommends \$2.5 million GF and \$2.5 million NGF in the second year for new educational & general facilities coming on-line in FY 2006. The \$5.6 million GF provided for O&M by the 2004 General Assembly addressed only those facilities expected to come on-line in the first year of the biennium.
- **State Match for Federal GEAR-UP Program.** Includes \$2.1 million GF in the second year for the fourth and fifth years of a five-year state match for the federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) grant. Over the course of this five-year grant, Virginia will receive \$10.5 million in federal funds to improve college entrance rates among high school students who historically have had low college participation rates. Without these funds, the Commonwealth may be required to return the federal funds that have been received to date.
- **Tuition Waivers for Military Dependents.** Recommends \$2.0 million GF in the second year to continue the 2004 General Assembly's efforts 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.
- **Compensation Adjustments.** Includes \$1.9 million GF and \$2.0 million NGF to address compensation issues at the University of Virginia and the Virginia Institute of Marine Science. Of this amount, \$1.4 million GF is recommended in FY 2006 to cover the state share of health insurance costs at the University of Virginia. In addition, an increase of \$179,000 GF in FY 2005 and \$330,000 GF in FY 2006 offset by a reduction of comparable nongeneral fund amounts is recommended as a technical adjustment for the state share of the FY 2005 salary increase at the Virginia Institute of Marine Science. The proposed funding corrects a calculation error in the current budget.
- **Tuition Assistance Grants.** Includes \$1.8 million GF the second year to increase the annual undergraduate award from \$2,500 in FY 2005 to \$2,600

in FY 2006 and the annual graduate award from \$1,900 in FY 2005 to \$2,000 in FY 2006.

- **Southside University Planning.** Includes \$1.5 million GF in the second year through central accounts to continue developing a coordinated plan to expand access to postsecondary education in Southside Virginia.
- **Northern Virginia Community College Medical Education Campus.** Adds \$1.2 million GF and \$1.6 million NGF in the second year to increase program offerings in nursing and allied health fields. Based on the level of funding provided by the 2004 General Assembly, the medical education campus will be able to serve over 900 students by the end of the biennium. The additional funds proposed by the Governor would allow the college to bring enrollment levels to an estimated 1,300 students in FY 2006.
- **Workforce Certification Scholarships.** Recommends \$1.1 million GF in the second year to provide scholarships for students pursuing technical training in the community colleges' Path to Industry Certification program. Part of the Governor's *Senior Year Plus* initiative, this program encourages students who are not planning to attend college to seek certified technical training.