

Higher Education

The Governor's proposed amendments for higher education result in a net increase of \$51.6 million GF or 1.4 percent when compared to the original appropriation. However, \$12.9 million of this increase reflects the transfer of the FY 2008 three percent faculty salary increase previously provided by the General Assembly during the 2006 Session. Therefore, the proposed budget would provide about \$38.8 million in new higher education funding (a \$40.9 million increase minus a \$2.1 million decrease for delayed facility openings). When combined with the legislative actions in the 2006 Session, the increase for higher education is about 16 percent over the previous biennium.

Of the \$40.9 million proposed general fund increase, \$32.3 million or over three-fourths is recommended in three areas: base adequacy, student financial aid and operating support for new facilities. In total, \$38.4 million GF or almost 94 percent of the Governor's proposed operating budget amendments in higher education support on-going programmatic or administrative costs.

Proposed Major GF Increases (2006-08 Biennium) (\$ in millions)	
Base Adequacy	\$15.3
Undergraduate Student Financial Aid	13.7
Operation and Maintenance of New Facilities	3.3
Higher Education Research Supplement	2.5
10% Nursing Faculty Salary Increase in FY 2008	1.7
Southside Virginia Educational Expansion and Cooperation	1.5
Various Program Enhancements	1.4
Virginia Military Survivors and Dependents Program Reimbursements	1.0
Virginia Military Scholarship Program	<u>0.5</u>
TOTAL	\$ 40.9

- **Base Adequacy.** Recommends supplementing base operating support by \$15.3 million GF in the second year to provide a one percent increase to those institutions that have not reached 100 percent of the base adequacy funding guidelines.

Based on projected FY 2007 enrollment levels, the 2006 General Assembly provided \$113.4 million GF in the first year and \$123.9 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 \$139.2 million in the second year.

Base Adequacy Funding (2007-2008 GF \$ Increases)	
<u>Institution</u>	<u>FY 2008</u>
Christopher Newport University	\$299,323
George Mason University	2,480,795
Old Dominion University	1,171,935
Radford University	587,633
Richard Bland College	59,038
University of Virginia	1,681,839
Virginia Commonwealth University	2,313,375
Virginia Community Colleges	4,531,724
Virginia State University	244,790
Virginia Tech	<u>1,924,208</u>
TOTAL	\$15,294,660

- **Undergraduate Student Financial Aid.** Includes \$13.7 million GF in the second year for need-based undergraduate student financial assistance for in-state undergraduate students to help address recent tuition and fee increases. This funding is allocated under the Partnership Model, a model that directs funding to students with the greatest need.

Student Financial Aid Increases for FY 2008 (Allocations by Institution)	
<u>Institution</u>	<u>FY 2008</u>
Christopher Newport Univ.	\$319,867
College of William & Mary	215,481
George Mason University	1,418,382
James Madison University	630,754
Longwood University	364,227
University of Mary Washington	135,196
Norfolk State University	667,105

Old Dominion University	1,692,778
Radford University	723,669
Richard Bland College	13,621
University of Virginia	290,163
UVA - Wise	221,751
Virginia Commonwealth Univ.	2,056,744
Va. Community Colleges	3,490,688
Virginia Military Institute	25,148
Virginia State University	576,233
Virginia Tech	<u>903,989</u>
TOTAL	\$13,745,796

- Nursing Faculty Salary Increases.** Proposes \$1.7 million GF in the second year for a ten percent salary increase for nursing faculty for FY 2008. This funding is intended to address the nursing shortage by improving the retention of faculty in nursing education programs. An additional \$200,000 is proposed for scholarships for advanced degrees for nursing educators in the second year under the Department of Health.

FY 2008 10% Salary Increase for Nursing Faculty	
<u>Institution</u>	<u>FY 2008</u>
George Mason University	\$196,625
James Madison University	93,397
Norfolk State University	54,072
Old Dominion University	113,059
Radford University	113,059
University of Virginia	255,613
Virginia Commonwealth University	98,313
Virginia Community Colleges	781,584
Virginia State University	<u>24,578</u>
TOTAL	\$1,730,300

- Various Program Enhancements.** Recommends \$1.4 million GF to provide additional funding for academic and research initiatives as well as targeted support for affiliated higher education agencies.

Various Program Enhancements

<u>Agency or Institution</u>	<u>Program</u>	<u>FY 2008</u>
Virginia State Univ.	Logistics Training Program Expansion	\$352,500
UVA-Wise	Technical Training Program	246,358
EVMS	Base Support for Graduate Programs	288,960
VIMS	Clean Marina and Blue Crab Monitoring	275,000
Radford	Nursing Simulation Laboratories (technical)	100,001
VCU	Grace E. Harris Institute	<u>100,000</u>
TOTAL		\$1,362,819

- **Higher Education Research Initiative.** Proposes \$2.5 million GF in the second year for technology and stem cell research. These funds are offered in addition to the \$76.3 million GF provided by the 2006 General Assembly.
 - *Commonwealth Technology Research Fund.* Out of this amount, the Governor recommends providing \$2.0 million GF for the Commonwealth Technology Research Fund to support strategic enhancement, matching funds, industry inducement, and commercializing technologies.
 - *Christopher Reeve Stem Cell Research Fund.* Proposes \$500,000 GF to support medical and biomedical stem cell research at the Commonwealth's higher education institutions.
- **Operation and Maintenance (O&M) of New Facilities.** Recommends \$0.1 million GF and \$0.1 NGF in the first year and \$3.2 million GF and \$3.8 million NGF in the second year for 22 Educational & General facilities coming on-line in FY 2007 and FY 2008. These funds are in addition to the \$9.7 million GF and \$8.4 million NGF provided for O&M by the 2006 General Assembly that addressed facilities expected to come on-line in both years of the biennium. A technical adjustment to the Virginia Community College System provides for a decrease of \$0.9 million in the first year and \$1.2 million in the second year due to construction delays.
- **Virginia Military Scholarship Program.** Proposes \$448,000 GF in the second year for a scholarship program at Virginia Military Institute (VMI) that would provide 40 cadets with the scholarship annually. The cadets receiving the scholarships would have an eight-year obligation to serve as a commissioned officer, with four years of the obligation required with the Virginia Army National Guard. This program would also be directed to help with minority recruitment issues at VMI.

- **Virginia Military Survivors and Dependents Program.** Recommends \$1.0 million GF in the second year for financial assistance for room and board under this program. The funding would provide general fund reimbursement for revenue lost under this program to the Commonwealth's higher education institutions.

- **Southside Virginia Educational Expansion and Cooperation.** Proposes \$1.5 million GF in the second year to be divided between the Institute for Advanced Learning and Research, New College Institute, and the Southern Virginia Higher Education Center in support of regional cooperation. Funding is proposed to provide an increase in the number of academic degree programs, community outreach programs, and staff available during peak demand periods. The 2006 General Assembly has already articulated the desire for the three centers to coordinate activities to meet the needs of the citizens in the region without duplicating their efforts.
 - *Institute for Advanced Learning and Research.* Out of this amount, the Governor recommends providing \$500,000 GF to establish additional academic degree and community outreach programs.

 - *New College Institute.* Proposes \$500,000 GF to expand the number of academic programs offered by allowing an increase of up to six additional baccalaureate programs. The additional programs would be offered in conjunction with partnering institutions.

 - *Southern Virginia Higher Education Center.* Out of this amount, the Governor recommends \$500,000 GF to increase the number of programs offered and the staff available during peak demand times.

- **Higher Education Restructuring Financial Incentives.** Includes \$12.7 million GF for FY 2008 (to be transferred from Central Accounts) for estimated interest earnings from tuition and fees and other nongeneral fund E&G revenues and a rebate on certain credit card purchases. Those were two of the incentives under restructuring that institutions were granted if they successfully meet stated performance benchmarks.
 - *Interest Earnings.* Out of this amount, the Governor recommends up to an estimated \$11.0 million GF in the second year for interest earnings from tuition and fees and other nongeneral fund E&G revenues.

 - *Credit Card Purchase Rebate.* Proposes \$1.7 million GF for FY 2008 to pay higher education institutions a pro rata amount of the rebate paid to the Commonwealth for credit card purchases not exceeding \$5,000 made during the previous fiscal year.