

Higher Education

The proposed amendments to the adjusted base budget result in a net increase of \$117.2 million GF. This reflects an increase of \$117.7 million GF offset by a \$0.5 million GF decrease to reduce the Eminent Scholars program administered by the State Council of Higher Education in Virginia. Of the \$117.2 million GF increase, over 70 percent (\$83.8 million) is provided in three areas: funding for base adequacy and enrollment, student financial aid, and new higher education research initiatives.

The adjusted base budget continues the strategies announced by the Governor in October 2007 for a savings of \$85.7 million GF each year. The adjusted base budget reduces colleges and universities by \$80.9 million GF per year and affiliated higher education agencies by \$4.8 million GF per year.

Proposed Major GF Increases and Reductions (2008-10 Biennium, \$ in millions)	
Increases	
Base Adequacy	\$44.3
Continuation of Research at Colleges and Universities	25.5
Higher Education Research Initiative	21.3
Undergraduate Student Financial Aid	18.2
Various Program Enhancements and New Initiatives	8.4
Subtotal	117.7
Reductions	
SCHEV Reduce Eminent Scholars	<u>(0.5)</u>
GRAND TOTAL	\$117.2

- Base Adequacy.** Proposes supplementing base operating support by \$22.1 million GF and \$21.9 million NGF in each year of the biennium. The base adequacy funding calculation was based on actual FY 2007 enrollment levels and course data. For those institutions that are below 95 percent of the funding guidelines, the proposed budget provides funding to move half the distance to 95 percent. Institutions above 95 percent received a one percent increase. Prior to this additional funding, higher education institutions had reached on average 96 percent of the base adequacy funding guidelines. The proposed increase for base adequacy amounts to \$44.3 million GF and \$43.8 million NGF for the 2008-10 biennium and would bring the system of higher education to about 97 percent of the base adequacy funding guideline.

Base Adequacy Funding
(2008-2010 GF \$ Increases)

<u>Institution</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Biennial Total</u>
Christopher Newport University	\$344,847	\$344,847	\$689,694
College of William & Mary	559,052	559,052	1,118,104
George Mason University	1,829,745	1,829,745	3,659,490
James Madison University	978,562	978,562	1,957,124
Longwood University	380,114	380,114	760,228
University of Mary Washington	299,714	299,714	599,428
Norfolk State University	314,995	314,995	629,990
Old Dominion University	1,563,203	1,563,203	3,126,406
Radford University	628,056	628,056	1,256,112
Richard Bland College	53,563	53,563	107,126
University of Virginia	1,905,661	1,905,661	3,811,322
UVA - Wise	131,935	131,935	263,870
Virginia Commonwealth University	4,848,334	4,848,334	9,696,668
Virginia Community Colleges	4,406,149	4,406,149	8,812,298
Virginia Military Institute	85,671	85,671	171,342
Virginia State University	253,089	253,089	506,178
Virginia Tech	<u>3,558,666</u>	<u>3,558,666</u>	<u>7,117,332</u>
TOTAL	\$22,141,356	\$22,141,356	\$44,282,712

- Undergraduate Student Financial Aid.** Recommends an additional \$9.1 million GF in each year of the biennium for need-based student financial assistance for in-state undergraduate students to help address tuition and fee increases. This funding is allocated under the SCHEV Partnership Model, a model that directs funding to students with the greatest need. The total proposed increase for student financial aid is \$18.2 million GF for the 2008-10 biennium.

**Undergraduate, Need-Based Student Aid at
Virginia's Public Colleges and Universities**
(2008-2010 GF \$ Increases)

<u>Institution</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Biennial Total</u>
Christopher Newport University	\$161,414	\$161,414	\$322,828
College of William & Mary	74,059	74,059	148,118
George Mason University	1,016,110	1,016,110	2,032,220
James Madison University	376,269	376,269	752,538
Longwood University	181,130	181,130	362,260
University of Mary Washington	92,624	92,624	185,248
Norfolk State University	372,696	372,696	745,392
Old Dominion University	1,082,819	1,082,819	2,165,638
Radford University	474,538	474,538	949,076
Richard Bland College	15,538	15,538	31,076
University of Virginia	70,094	70,094	140,188
UVA - Wise	118,984	118,984	237,968
Virginia Commonwealth University	1,527,170	1,527,170	3,054,340
Virginia Community Colleges	2,594,461	2,594,461	5,188,922
Virginia Military Institute	4,994	4,994	9,988
Virginia State University	537,073	537,073	1,074,146
Virginia Tech	<u>408,268</u>	408,268	816,536
TOTAL	\$9,108,241	\$9,108,241	\$18,216,482

- **Higher Education Research Initiative.** Proposes \$21.3 million GF in funding for higher education research. Previously allocated funding for some programs was removed from the base budget.
 - **Commonwealth Technology Research Fund.** Proposes funding of \$2.0 million GF the first year and \$8.5 million GF the second year to support research proposals that are submitted by colleges and universities. FY 2008 funding for this program was \$1.0 million GF.
 - **Jefferson Lab.** Recommends \$1.0 million GF the first year and \$6.5 million GF the second year as the state share of upgrading the nuclear physics research facilities. These funds will be used to leverage a federal investment of \$310.0 million.

- *Virginia Coastal Energy Research Consortium (VCERC)*. Proposes continuation of \$1.5 million GF the first year and \$750,000 GF the second year for research and development of Virginia’s marine renewable energy resources.
- *Hampton University*. Recommends contingent funding of \$1.0 million GF the second year for the construction of a proton therapy institute at Hampton University that would be devoted to the treatment of cancerous tumors. The Virginia Economic Development Partnership must confirm that the project is financially feasible.
- **Research at Higher Education Institutions (Continuation of Funding)**. Recommends \$25.3 million GF the first year and \$0.2 million GF the second year to continue the higher education research initiative adopted by the 2006 General Assembly. The Governor proposes continuing the funding to the seven colleges and universities and the Eastern Virginia Medical School for the first year of the 2008-10 biennium. Funding for the Virginia Community College System’s educational programs related to modeling and simulation are continued in the second year of the biennium.

Continuation of Legislative Research Package (\$ General Fund)		
<u>Institution</u>	<u>FY 2009</u>	<u>FY 2010</u>
College of William and Mary	\$200,000	\$0
George Mason University	3,000,000	0
Old Dominion University	4,000,000	0
University of Virginia	5,725,000	0
Virginia Commonwealth University	3,100,000	0
Virginia Community College System	200,000	200,000
Virginia Tech	7,525,000	0
Eastern Virginia Medical School	<u>1,500,000</u>	<u>0</u>
Total	\$25,250,000	\$200,000

- **Various Program Enhancements and New Initiatives**. Proposes \$4.2 million GF each year of the biennium for academic and research initiatives as well as targeted support for affiliated higher education agencies.

Various Programs Enhancements
(\$ General Fund)

<u>Institution</u>	<u>Program</u>	<u>FY 2009</u>	<u>FY 2010</u>
Eastern Virginia Medical School			
	Operating Support	\$310,460	\$310,460
New College Institute			
	Program Expansion	500,000	500,000
Institute for Advanced Learning and Research			
	Research Program Support	650,025	650,025
Roanoke Higher Education Center			
	Operating Support	70,000	70,000
SCHEV			
	VWIL funding	24,913	24,913
Southern Virginia Higher Education Center			
	Operating Support	449,000	449,000
	Workforce Needs	50,000	10,000
Virginia Institute of Marine Science			
	Operating Support	175,000	175,000
Virginia Commonwealth University			
	Southwest Virginia Dental Clinic	100,000	0
	Autism Research	0	150,000
Virginia Community College System			
	Career Coaches and Middle College Program	<u>1,848,273</u>	<u>1,848,273</u>
	Total	\$4,177,671	\$4,187,671

- Unique Military Activities.** Transfers \$1.5 million GF each year in Virginia Military Institute's (VMI) budget to support costs associated with the military training provided to the Corps of Cadets at Virginia Tech. This action eliminates the need for the administrative transfer of these funds from VMI to Virginia Tech during the fiscal year. VMI also retains \$199,600 GF each year that was previously provided to the Virginia Women's Institute for Leadership (VWIL) at Mary Baldwin College. All funding for VWIL is now contained solely in the State Council of Higher Education for Virginia's budget.
- Governor's October 2007 Budget Reductions.** Continues the strategies announced in October 2007 for a savings of \$85.7 million GF each year. The reductions for colleges and universities are \$80.9 million GF per year and \$4.8 million GF per year for the affiliated higher education agencies.

- **Eminent Scholar Program Reduction.** Reduces the Eminent Scholars program at the State Council of Higher Education for Virginia (SCHEV) by four percent. The Eminent Scholars program provides state matching funds on private monies to institutions for endowed faculty positions. The reduction is \$0.5 million GF for the 2008-10 biennium.
- **Higher Education Restructuring Financial Incentives.** Proposes in Central Appropriations an increase of \$4.0 million GF for the first year for the higher education restructuring financial incentives. *The Governor's proposed budget does not include any funding for the second year of the biennium for this purpose.* The proposed \$4.0 million GF is in addition to the \$12.7 million GF in the base budget that was provided in FY 2008 for estimated interest earnings from tuition and fees, interest from other nongeneral fund E&G revenues and a rebate on certain credit card purchases. These are two of the incentives under restructuring that the institutions are granted if they successfully meet stated performance benchmarks.
- **Faculty Salary Increase.** The introduced budget proposes \$26.6 million GF the second year in Central Appropriations for a three percent salary increase (on average) for faculty effective on July 1, 2009.