

Higher Education

The Governor's proposed amendments for higher education result in a net decrease of \$309.7 million GF or 8 percent when compared to the original appropriation. This reflects a decrease of \$340.8 million GF offset by \$31.1 million GF in new spending primarily for student financial aid. In addition, the Governor proposes the elimination of faculty pay raises in both years of the biennium in Central Accounts for a reduction of \$37.0 million GF.

Major Proposed GF Actions (2008-10 biennium, \$ in millions)	
Across-the-Board Reductions to Colleges and Universities	(\$296.2)
Elimination of Tuition Moderation Incentive Funding	(18.8)
Across-the-Board Reductions to Affiliated Institutions	(14.6)
Elimination of Eminent Scholars Program	(6.0)
Elimination of Pay Practice Funding	(2.2)
Phase-out TAG Support for Graduate Students	(2.1)
Transfer Autism Program at Virginia Commonwealth University to Health and Human Resources	(0.9)
Reductions Total	(\$340.8)
Increase Student Financial Aid	\$25.9
Various Program Enhancements	5.2
Spending Increase Total	\$31.1
Total For Higher Education	(309.7)
*Note: This table does not reflect the amounts in Central Accounts.	

- Across-the-Board Reductions to Colleges and Universities.** Proposes a reduction of \$86.1 million GF the first year and \$210.1 million GF the second year. Reductions in the first year range from about 5 percent to 7 percent. Institutions received a 5 percent reduction if they (1) were either below 93 percent of their funding guideline as of June 2008 or (2) have more than 50 percent of their students applying for financial aid. The remaining institutions were assessed a 7 percent reduction. The second year reductions are about 15 percent for all four-year institutions and 10 percent for the community colleges and Richard Bland College.

**Public Colleges and Universities
FY 2008-10 Across-the-Board Reductions**

<u>Institution</u>	<u>FY 2009</u>	<u>FY 2009 Percent Reduction</u>	<u>FY 2010</u>	<u>FY 2010 Percent Reduction</u>
Christopher Newport University	(\$1,430,977)	5.0%	(\$4,292,932)	15.0%
College of William and Mary	(3,426,462)	7.0%	(7,342,419)	15.0%
George Mason University	(9,799,203)	7.0%	(20,998,292)	15.0%
James Madison University	(5,447,520)	7.0%	(11,673,257)	15.0%
Longwood University	(1,356,876)	5.0%	(4,070,629)	15.0%
University of Mary Washington	(1,656,014)	7.0%	(3,548,600)	15.0%
Norfolk State University	(2,044,145)	4.4%	(6,132,434)	13.0%
Old Dominion University	(5,645,898)	5.0%	(16,487,695)	15.0%
Radford University	(2,496,321)	5.0%	(7,488,962)	15.0%
University of Virginia	(10,619,554)	7.0%	(22,756,186)	15.0%
University of Virginia at Wise	(754,459)	5.0%	(2,263,377)	15.0%
Virginia Commonwealth University	(10,136,449)	5.0%	(30,100,797)	15.0%
Virginia Military Institute	(982,653)	7.0%	(2,105,684)	15.0%
Virginia State University	(1,261,557)	3.8%	(3,784,670)	11.3%
Virginia Tech	(8,888,823)	5.0%	(26,666,470)	15.0%
Richard Bland College	(295,397)	5.0%	(590,794)	10.0%
Virginia Community Colleges	<u>(19,874,910)</u>	5.0%	<u>(39,745,194)</u>	10.0%
Total	(\$86,117,218)		(\$210,048,392)	

- **Across-the-Board Reductions to Affiliated Higher Education Agencies.** Proposes a reduction of \$7.6 million GF the first year and \$7.0 million GF the second year.

**Affiliated Higher Education Institutions
FY 2008-10 Reductions**

<u>Institution</u>	<u>FY 2009</u>	<u>FY 2009 Percent Reductio n</u>	<u>FY 2010</u>	<u>FY 2010 Percent Reduction</u>
Virginia Inst. of Marine Science	(\$1,477,885)	7.0%	(\$2,242,975)	10.6%
Virginia Tech Extension	(2,307,994)	3.4%	(2,307,994)	3.4%
Virginia State Extension	(26,542)	0.6%	(26,542)	0.6%
Southwest Va. Higher Educ. Ctr.	(215,499)	10.0%	(215,499)	10.0%
Southern Va. Higher Educ. Ctr.	(194,166)	10.0%	(215,166)	10.0%
Roanoke Higher Educ. Ctr.	(131,839)	10.0%	(131,839)	10.0%
Inst. for Advanced Learning & Research	(623,558)	10.0%	(656,060)	10.0%
New College Institute	(111,000)	6.7%	(111,000)	6.4%
Jefferson Labs	(225,469)	15.0%	(225,469)	15.0%
State Council for Higher Education in Virginia ¹	(1,771,455)	31.0%	(373,858)	8.5%
Eastern Virginia Medical School	(500,000)	2.9%	(500,000)	2.9%
Total	(\$7,585,407)		(\$7,006,402)	

Note (1): The reduction base for SCHEV excludes funding for Tuition Assistance Grants, Eminent Scholars, the Va. Women's Institute for Leadership and Virtual Library in each year. The first year base takes into account \$1.3 million in financial aid balances which were reverted as part of the proposed reduction actions.

- Eliminate Tuition Moderation Incentive Fund.** Proposes a reduction of \$6.3 million GF the first year and \$12.6 million GF the second year to phase out the additional operating support provided by the General Assembly in the form of a Higher Education Tuition Moderation Incentive Fund. The Fund provided support to those institutions that moderated their increase of tuition and mandatory educational and general fees for in-state undergraduate students to not more than 4 percent for each year of the biennium (1 percent of the increase was to be used solely for student financial aid for in-state undergraduate students.) The first year amount is the required reversion of 50 percent of the funding that would have been allocated to nonparticipating institutions. The higher education institutions that participated in the first year of the Fund will retain almost \$5.0 million GF in the second year.
- Phase-out Tuition Assistance Grant Program (TAG) for Graduate Students.** Recommends a decrease of \$2.1 million GF in FY 2010 to phase-out support for graduate

tuition assistance grant awards. As of July 1, 2009, additional graduate students will not be eligible for this program. Currently, graduate TAG awards are approximately \$2,200 per year.

- **Eliminate Eminent Scholar Program.** Recommends the elimination of the Eminent Scholar program for a reduction of \$6.0 million GF in FY 2010. The program was established in 1964 and designed to match endowment earnings on a dollar-for-dollar basis with funds used to supplement faculty salaries and attract eminent faculty. The fund is meeting less than 25 percent of eligible funding levels with about two-thirds of the funding allocated to the University of Virginia and the College of William and Mary.
- **Eliminate Faculty Salary Increases.** Eliminates \$9.6 million GF the first year and \$27.4 million GF the second year in Central Appropriations for a 2 percent faculty salary increase in each year of the 2008-10 biennium. The increase would have been provided to instructional and administrative faculty, adjunct faculty, and graduate teaching assistants.
- **Eliminate Pay Practice Funding.** Removes the one-half percent pay practices funding granted to higher education and affiliated institutions in the prior biennium, which saves \$2.2 million GF the second year.
- **Undergraduate Student Financial Aid.** Proposes \$25.9 million GF in the second year for need-based undergraduate student financial assistance for in-state undergraduate students to help address recent and anticipated tuition and fee increases. This funding is allocated to 12 of 17 institutions in order to bring all institutions to 65 percent of the amount recommended under the SCHEV Partnership Model, a model that directs funding to students with the greatest need. Over \$18.2 million GF was previously provided for this purpose for the 2008-10 biennium.

Student Financial Aid Increases for FY 2010
(Allocations by Institution)

<u>Institution</u>	<u>FY 2010</u>
George Mason University	\$3,056,124
James Madison University	635,950
Longwood University	395,244
University of Mary Washington	39,047
Norfolk State University	747,309
Old Dominion University	2,796,059
Radford University	458,578
Richard Bland College	41,219
UVA - Wise	19,271
Virginia Commonwealth Univ.	4,337,715
Va. Community Colleges	11,464,760
Virginia State University	<u>1,897,870</u>
Total	\$25,889,146

- **Various Program Enhancements and New Initiatives.** Recommends \$5.2 million GF in FY 2010 to provide additional funding for academic and research initiatives.

Various Programs Enhancements and Initiatives

<u>Agency or Institution</u>	<u>Program</u>	<u>FY 2010</u>
Old Dominion Univ.	Continue Modeling & Simulation Funding*	\$2,099,838
Virginia State Univ.	Manufacturing & Logistics Program Increase	1,500,000
University of Virginia	Fund Health Insurance Premium Increase	1,132,304
Virginia Community College System	Fund New Equipment Lease	271,932
Longwood Univ.	Create Nursing Program	<u>240,442</u>
Total		\$5,244,516

*Old Dominion University originally received \$1.5 million GF per year for modeling and simulation as part of the continuation of research funds at higher education institutions in the 2008-10 budget passed by the General Assembly. An executive amendment moved the entire appropriation to the first year.

- **Higher Education Restructuring Financial Incentives.** Includes \$13.3 million GF for FY 2010 (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. This was one of the incentives under restructuring that institutions were granted if they successfully meet stated performance benchmarks. Funding of \$16.7 million GF was previously included for FY 2009. However, no funding was provided for FY 2010 in the 2008 General Assembly Session.
- **Restructuring Language.** Proposes several changes to the annual assessment of institutional performance required under the Higher Education Restructuring Act. Changes include having both annual and biennial performance measures, revising affordability measures around graduation rates and financial aid, and redefining the administrative and financial measures depending upon the level of autonomy in which each institution operates.
- **Transfer Grant Program.** Proposes an additional \$1.3 million GF the second year (Central Accounts) for the two-year college transfer grant program based on estimated participation and proposed changes in eligibility requirements for the maximum award. The total FY 2010 appropriation would increase to \$3.1 million GF.