

Higher Education

The amendments for higher education result in a net decrease of \$320.7 million GF or 8.3 percent when compared to the original appropriation. This reflects a decrease of \$336.9 million GF offset by \$16.2 million GF in new spending primarily for student financial aid. In addition, the budget eliminates faculty pay raises in both years of the biennium in Central Accounts for a reduction of \$37.0 million GF. Federal stimulus funding of \$126.7 million is included for FY 2010, primarily to mitigate educational and general program tuition and fee increases for in-state students at public colleges and universities.

Major 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)
Reduction to Eminent Scholars Program	(2.0)
Elimination of Pay Practice Funding	(2.2)
Phase-out TAG Support for Graduate Students (except health-related degree programs)	(1.3)
Set VWIL equal to TAG	(0.3)
Reduce Commonwealth Technology Research Fund - Increase for Proton Beam Research at Hampton Univ.	(0.9)
Transfer Autism Program at Virginia Commonwealth University to Health and Human Resources	(0.9)
Reductions Total	(\$336.9)
Increase Student Financial Aid	\$10.0
Various Program Enhancements, Restorations, or Initiatives	<u>6.2</u>
Spending Increase Total	\$16.2
Federal Education Stimulus Funding	126.7
Federal Stimulus Total	126.7
Total For Higher Education	(\$194.3)

- **Across-the-Board Reductions to Colleges and Universities.** Provides 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.** Reduces funding by \$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 Reduction</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.** Eliminates \$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. This was recommended by the Governor in the introduced budget. 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 not in Health-Related Degree Programs.** Reduces funding for the graduate student TAG

program by \$1.3 million GF for FY 2010. This would phase-out support for graduate tuition assistance grant awards except for students that are in health-related degree programs. As of July 1, 2009, additional graduate students will not be eligible for this program, unless in a health-related degree program. Currently, graduate TAG awards are approximately \$2,200 per year. The Governor's introduced budget had recommended phasing-out the program for all graduate students.

- **Reduce Eminent Scholar Program.** Restores \$4.0 million GF or two-thirds of the Governor's proposed funding elimination of the Eminent Scholar program, a decrease of \$2.0 million GF for FY 2010. The Governor had recommended the elimination of the Eminent Scholar program, 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.
- **Reduce Overall GF Support for the Higher Education Research Initiative.** Replaces \$1.0 million GF in the second year for the Commonwealth Technology Research Fund with \$1.0 million of federal stimulus funding. Provides an additional \$100,000 GF in FY 2010 for proton beam research for Hampton University.
- **Set VWIL Equal to TAG.** Reduces funding for the Virginia Women's Institute for Leadership at Mary Baldwin by \$264,000 in FY 2010. This reduction sets the per student funding amount equal to individual awards under the Tuition Assistance Grant (TAG) program for all other undergraduate in-state private college students
- **Undergraduate Student Financial Aid.** Provides \$10.0 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 about an 8.5 percent increase system-wide. 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>
Christopher Newport University	\$150,960
College of William and Mary	109,335
George Mason University	1,254,933
James Madison University	261,644
Longwood University	192,953
University of Mary Washington	56,489
Norfolk State University	635,582
Old Dominion University	1,362,671
Radford University	247,817
Richard Bland College	22,675
University of Virginia	196,094
University of Virginia - Wise	67,787
Virginia Commonwealth Univ.	1,735,698
Virginia Community Colleges	2,684,823
Virginia Military Institute	28,870
Virginia State University	481,376
Virginia Tech	<u>510,293</u>
Total	\$10,000,000

- **Various Program Enhancements, Restorations, and Initiatives.** Recommends \$6.2 million GF in FY 2010 to provide additional funding for academic and research initiatives or to partially restore reductions at the higher education centers.

Various Programs Enhancements, Restorations and Initiatives

<u>Agency or Institution</u>	<u>Program</u>	<u>FY 2010</u>
SCHEV	Restore Optometry Grants	\$32,000
SCHEV	Virginia Space Grant Consortium Increase	75,000
IALR	Partially Restore Reductions	240,000
RHEA	Partially Restore Reductions	60,000
SOVAHEC	Partially Restore Reductions	208,708
SWVAHEC	Partially Restore Reductions	80,000
GMU	Cultural Community Collaborations	300,000
Old Dominion Univ.	Continue Modeling & Simulation Funding*	2,099,838
Norfolk State Univ.	Ph.D. in Materials Science	500,000
Virginia State Univ.	Manufacturing & Logistics Program Increase	1,000,000
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		\$6,240,224

*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 \$8.3 million GF and 2.1 million NGF 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. The amounts for FY 2010 reflect estimated changes in balances and interest rates for FY 2010.
- Restructuring Language.** Provides for 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.

- **Federal Stimulus Funding.** The American Recovery and Reinvestment Act (ARRA) of 2009 has two different categories of funding that will be used in higher education in FY 2010. The education portion of ARRA provided higher education with \$126.7 million for FY 2010. The funding from the education portion of ARRA is to be used to mitigate the need to raise educational grant program tuition and fees for in-state students at public colleges and universities. Within the flexible stimulus funds under ARRA, \$1.0 million was provided for funding for the Commonwealth Technology Research Fund in FY 2010.