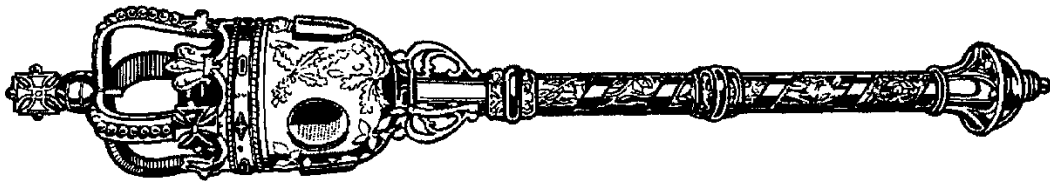


*Report of the
House Appropriations
Subcommittee*

on

Higher Education



*House Bill 29
&
House Bill 30*

February 16, 2014

REPORT OF THE SUBCOMMITTEE

on

HIGHER EDUCATION

Mr. Chairman and Members of the Committee:

Mr. Chairman, as I contemplated my remarks today, I was reminded of something Roger Maris once said, “You hit home runs not by chance, but by preparation.” In 2011, the roadmap for our preparation was adopted in the form of the Higher Education Opportunity Act, often referred to as the “Top Jobs” or TJ 21 legislation. Mr. Chairman, the Subcommittee’s recommendations reflect the goals of the “Top Jobs” legislation. The recommendations are focused on increasing access for Virginia students, keeping college affordable for those very same students, enhancing the quality of their educational experience and improving their job opportunities.

With that in mind, Mr. Chairman, the Subcommittee recommends amendments that provide for the following:

- \$71.2 million for an enrollment growth package;
- \$35.4 million in degree incentive funding;
- \$21.8 million to enhance research;
- \$21.5 million for the operations and maintenance of new buildings; and
- \$20.0 million to further moderate the growth of in-state undergraduate tuition and fee increase.

The enrollment package has three components. First, \$6.2 million is recommended to complete the phase-in of more than 1,700 additional in-state undergraduate slots at College of William and Mary, James Madison University, the University of Virginia, and Virginia

Tech which began in the 2011 session. Second, the package provides \$50.9 million for additional full-time faculty needed to accommodate the growth in enrollment. Finally, the package recommends \$14.0 million to improve retention and graduation rates across higher education. The additional faculty and retention and graduation funding were identified by the institutions during the review of their six-year plans last fall. We must continue to improve both the retention of students and graduating students in a timely manner.

The degree incentive funding follows a model proposed by the State Council of Higher Education for Virginia and college presidents. The funding is weighted toward the second year and provides for a two percent bonus for faculty and staff. Institutions will be required to reallocate up to two percent of their existing general fund base in order to cover the nongeneral portion of bonus.

The research funds are provided for the initiatives we have focused on in recent years such as cancer, brain disorders and Parkinson's Disease. The Subcommittee recommendations also include \$32.6 million in Higher Education Equipment Trust Fund allocations to support research efforts. The \$21.5 million recommendation for operations and maintenance simply recognizes the everyday costs associated with operating a higher education institution.

The Subcommittee also recommends \$20.0 million in order to moderate the growth of in-state undergraduate tuition targeted at our smaller institutions and those with high in-state enrollment. These funds along with the other recommendations represent more than a five percent increase in general fund support for the system. While no language specifies limits to Board of Visitor actions, in-state undergraduate tuition increases should be minimal under these recommendations. This is something we intend to closely evaluate.

Finally, Mr. Chairman, our Commonwealth has a unique opportunity to benefit from a growing industry sector, advanced manufacturing. In recent years we began the Commonwealth Center for Advanced Manufacturing to support this industry. To continue the progress the Subcommittee recommends the creation of the Advanced Manufacturing Advisory Council to provide industry-led technical advice on the myriad of requests from colleges and universities that intend to further the goals of advanced manufacturing. We will now have access to the experts to aid in our deliberations. This Council will also provide us with recommendations on streamlining the credentialing of military and veterans. Finally, this recommendation also includes the support for the development of an apprentice academy and four regional centers of excellence to help create the technical workforce needed to fill the demands of medium- and high-skilled jobs.

Mr. Chairman, details of our Subcommittee recommendations are attached. Committee staff will review our report and the attached listing of our recommendations in greater detail and I hope that it will be the pleasure of the Committee to adopt them.

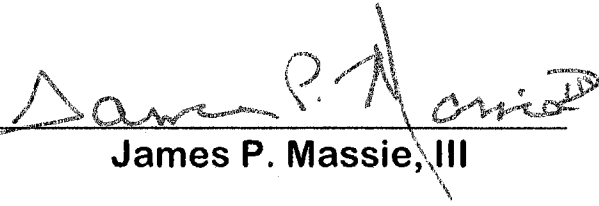
Respectfully Submitted by the House Appropriations Subcommittee
on Higher Education:



M. Kirkland Cox, Chairman



R. Steven Landes



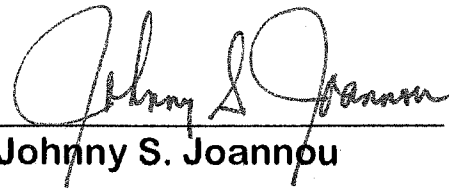
James P. Massie, III



Edward T. Scott



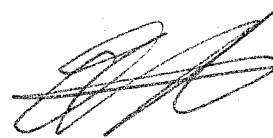
Thomas A. Greason



Johnny S. Joannou



Robert H. Brink



Algie T. Howell, Jr.

House Bill 30
HIGHER EDUCATION
Amendments

General Fund	Nongeneral Fund	FTE
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Auditor of Public Accounts

Athletics Reporting	0	Language	0.00
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State Council Of Higher Education For Virginia

TAG Grant	2,000,000	0	0.00
Research & Evaluation Efforts	700,000	0	2.00
Eliminate New Program	(503,415)	0	0.00

Christopher Newport University

Redirect Operating	(2,372,627)	0	0.00
House Access and Affordability	4,405,657	0	0.00
Redirect Financial Aid	(200,000)	0	0.00

The College Of William And Mary In Virginia

Redirect Operating	(2,839,426)	0	0.00
House Access and Affordability	1,928,170	0	0.00
Redirect Financial Aid	(200,000)	0	0.00

Richard Bland College

Innovative Education Delivery	500,000	0	0.00
Redirect Operating	(1,323,073)	0	0.00
House Access and Affordability	1,332,554	0	0.00
Redirect Financial Aid	(200,000)	0	0.00

Virginia Institute Of Marine Science

2nd Year Bonus and O & M New Buildings	299,446	0	0.00
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George Mason University

Cyber Security Degree	306,000	0	0.00
Nursing Military Pathway	325,042	0	0.00
Redirect Operating	(10,423,910)	0	0.00
House Access and Affordability	15,049,884	0	0.00
Redirect Financial Aid	(6,300,000)	0	0.00

James Madison University

Redirect Operating	(7,961,568)	0	0.00
House Access and Affordability	9,358,267	0	0.00
Redirect Financial Aid	(200,000)	0	0.00

Longwood University

Quality Enhancement Plan	458,259	0	2.00
Redirect Operating	(1,749,335)	0	0.00
House Access and Affordability	3,378,722	0	0.00
Moton Partnership	150,000	0	0.00
Redirect Financial Aid	(730,000)	0	0.00

Norfolk State University

Campus Safety	316,512	248,688	2.00
Financial Staffing	521,534	352,893	6.00
Redirect Operating	(4,750,894)	0	0.00
House Access and Affordability	4,614,115	0	0.00
Redirect Financial Aid	(390,000)	0	0.00

House Bill 30
HIGHER EDUCATION
Amendments

General Fund	Nongeneral Fund	FTE
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Old Dominion University

Redirect Operating	(21,603,576)	0	0.00
Eliminate New Inline Program	(1,172,500)	(577,500)	(10.00)
House Access and Affordability	23,960,474	0	0.00
Redirect Financial Aid	(3,200,000)	0	0.00
Bioelectrics Research	1,000,000	0	0.00

Radford University

Redirect Operating	(5,529,461)	0	0.00
House Access and Affordability	6,544,618	0	0.00
Redirect Financial Aid	(398,000)	0	0.00

University Of Mary Washington

Nursing Program	350,000	0	2.00
Redirect Operating	(2,842,604)	0	0.00
House Access and Affordability	3,626,019	0	0.00
Redirect Financial Aid	(1,200,000)	0	0.00
Technical Appropriation Correction	0	0	0.00

University Of Virginia

Foundation for the Humanities	150,000	0	0.00
Authorize operation of off-campus	0	Language	0.00
Redirect Operating	(6,813,160)	0	0.00
House Access and Affordability	5,956,418	0	0.00
Redirect Financial Aid	(200,000)	0	0.00
Economic Development Accelerator	2,000,000	0	0.00
Technical Title Change	0	Language	0.00

University Of Virginia's College At Wise

STEM Program	520,766	100,000	3.00
Redirect Operating	(819,648)	0	0.00
House Access and Affordability	1,115,982	0	0.00
Redirect Financial Aid	(700,000)	0	0.00

Virginia Commonwealth University

Business Accelerator	500,000	0	0.00
Mental Health Website	45,000	0	0.00
Redirect Operating	(9,554,396)	0	0.00
House Access and Affordability	11,480,456	0	0.00
Theater Program Partnership	100,000	0	0.00
Redirect Financial Aid	(1,268,000)	0	0.00
Biotech Park GF Subsidy	(500,000)	0	0.00
Cancer Research	2,000,000	0	0.00

Virginia Community College System

Redirect Operating	(18,501,496)	0	0.00
Eliminate New Initiative	(1,000,000)	0	0.00
House Access and Affordability	36,256,455	0	0.00
Redirect Financial Aid	(11,641,746)	0	0.00
Shenandoah Manufacturing Services	200,000	0	0.00
Eliminate New Workforce Initiative	(1,530,000)	0	0.00
Parking Policy	0	Language	0.00

House Bill 30
HIGHER EDUCATION
Amendments

<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>FTE</u>
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Virginia Military Institute

Redirect Operating	(776,402)	0	0.00
House Access and Affordability	1,138,239	0	0.00
Redirect Financial Aid	(200,000)	0	0.00
Unique Military Activities	200,000	0	0.00

Virginia Polytechnic Institute And State University

Center for the Arts & Technology Operating	600,000	0	0.00
Transportation Institute Support	500,000	0	0.00
Redirect Operating	(8,286,460)	0	0.00
House Access and Affordability	11,508,901	0	0.00
Redirect Financial Aid	(200,000)	0	0.00
Brain Disorder Research	2,000,000	0	0.00

Virginia Cooperative Extension And Agricultural Experiment Sta

2nd Year Bonus	989,369	0	0.00
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Virginia State University

Small Farm Program	210,000	0	0.00
Redirect Operating	(2,605,338)	0	0.00
House Access and Affordability	3,617,544	0	0.00
Redirect Financial Aid	(2,122,254)	0	0.00

Cooperative Extension And Agricultural Research Services

Food Desert Taskforce	0	Language	0.00
2nd Year Bonus	43,198	0	0.00

Eastern Virginia Medical School

Academic Info System	5,000,000	0	0.00
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New College Institute

Operating Support	580,000	0	0.00
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Southwest Virginia Higher Education Center

O & M New Building	360,000	0	0.00
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Advanced Manufacturing Advisory Council

Adv. Mftg. Advisory Council & Apprenctice Acad.	0	Language	0.00
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Virginia College Building Authority

HEETF Research Equipment	0	Language	0.00
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Frontier Culture Museum Of Virginia

Additional Part-time Staff	321,300	0	0.00
Land Transfer	0	Language	0.00

Jamestown-Yorktown Foundation

Operating Support	122,000	0	0.00
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The Library Of Virginia

Petersburg Library	200,000	0	0.00
Digital Resources Local Aid	500,000	0	0.00

Virginia Museum Of Fine Arts

Convert Part-time to Full-time	543,606	0	0.00
Operating Support	172,282	0	0.00

House Bill 30
HIGHER EDUCATION
Amendments

General Fund	Nongeneral Fund	FTE
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Central Appropriations

SCHEV SREB Authorization	0	Language	0.00
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Part III

Auxiliary Reporting Subject to Audit	0	Language	0.00
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Part IV

Adv. Mftg. Advisory Council	0	Language	0.00
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Eliminate Redundant Reporting	0	Language	0.00
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HB 573 Technical Changes	0	Language	0.00
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Level III Authority	0	Language	0.00
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Higher Education Funding Process			
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Higher Education Subcommittee

Item 2 #1h

Legislative Department

Auditor Of Public Accounts

Language

Language:

Page 9, after line 6, insert:

"D. On or before October 1, 2014, the Auditor of Public Accounts, in collaboration with the State Council of Higher Education for Virginia, the State Comptroller, the Department of Planning and Budget, and institutions of higher education, shall develop a standardized reporting format for intercollegiate revenues and expenses to include treatment of student fees and classification of specific sports. Institutions of higher education shall resubmit its fiscal year 2012 report using this new format by December 1, 2014."

Explanation:

(This amendment requires the development of a standardized reporting format for intercollegiate athletics revenues and expenses.)

Higher Education Subcommittee

Item 232 #2h

Education: Other

Frontier Culture Museum Of
Virginia

Language

Language:

Page 192, line 29, before "Any", insert "A."

Page 192, after line 33, insert:

"B. The Governor may authorize the conveyance of any interest in property or improvements thereon held by the Commonwealth to the American Frontier Culture Foundation."

Explanation:

(This amendment allows the Governor to authorize the transfer of land between the Frontier Culture Museum and the museum's supporting foundation.)

Higher Education Subcommittee

Item 250.50 #1h

Education: Higher Education

Virginia Economic Development
Partnership

Language

Language:

Page 200, after line 32, insert:

"§ ADVANCED MANUFACTURING ADVISORY COUNCIL

"250.50.

A. The Advanced Manufacturing Advisory Council (the Council) is established as an advisory council to the Governor and General Assembly to ensure coordination of services, resources, and requests among agencies and institutions of higher education involved or requesting to be involved in the delivery of education and training to Virginians in the area of advanced manufacturing workforce training.

B.1. The Council shall be comprised of eight members. Two members shall be appointed annually by the Board of Directors of the Commonwealth Center for Advanced Manufacturing (CCAM) and shall represent industry members of CCAM. Two members shall be appointed annually by the Chairman, Virginia Manufacturers Association (VMA) Board and shall be industry members of VMA. Three members shall be appointed annually by the Council of Presidents one of which shall represent senior institutions and two shall be from a two-year college or higher education center. The eighth member shall represent the Department of Veterans Services and shall be appointed annually by the Commissioner of the Department of Veterans Services.

2. Any operating or capital request related to advanced manufacturing workforce training from an institution or agency of higher education shall be submitted for review by the Council prior to submission to the Governor or General Assembly.

3. The Council shall review all requests to determine if they advance the efforts of the Commonwealth to create the technical workforce needed to fill the demands for medium- and high-skilled jobs.

C. The Council shall also make recommendations to the Governor and General Assembly on how to use the special knowledge and skills of veterans to expedite them through whatever credentialing process is developed to ensure a sufficient stream of qualified workers in advanced manufacturing jobs.

D. 1. The Treasurer shall advance a loan of \$25,000,000 to the Virginia Economic Development Partnership (VEDP) for the development of an Advanced Manufacturing Apprentice Academy Center as well as four Regional Centers of Excellence. These funds shall be advanced to the Virginia Economic Development Partnership in the form of a short-term Treasury Loan, with no interest, and shall be

Amendments to House Bill 30, as Introduced

matched with like amounts from both federal grants and local or other grants.

2. The VEDP shall report annually to the Chairmen of the House Appropriations and Senate Finance Committees on allocations of this loan for the items noted in paragraph D. 1."

Explanation:

(This amendment provides for an Advanced Manufacturing Advisory Council to assist the Governor and General Assembly in moving Virginia forward in the advanced manufacturing area. The amendment also requests a Treasury loan as matching funds for the development of an apprentice academy and regional centers of excellence. A companion amendment is also in Part IV of this Act.)

Higher Education Subcommittee

Item 4-9.03 #1h

Higher Education Restructuring

LEVEL III AUTHORITY

Language

Language:

Page 502, after line 49, insert:

"§ 4-9.03 LEVEL III AUTHORITY

The Management Agreements negotiated by the institutions contained in Chapters 675 and 685 of the 2009 Acts of Assembly shall continue in effect unless the Governor, the General Assembly, or the institutions determine that the Management Agreements need to be renegotiated or revised."

Explanation:

(This amendment allows the Level III management agreements adopted during the 2009 Session to continue unless revisions or renegotiation is initiated by the Governor, the General Assembly or the four institutions governed by those agreements.)
