

Higher Education

Adopted Adjustments (\$ in millions)				
	FY 2015 Adopted		FY 2016 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2014-16 Base Budget, Ch. 806	\$1,717.3	\$7,670.2	\$1,717.3	\$7,670.2
Increases	74.8	327.2	74.9	427.4
Decreases	(0.5)	(9.7)	(0.8)	(9.7)
\$ Net Change	74.3	317.5	74.2	417.7
Chapter 2 (HB 5002, as Adopted)	\$1,791.6	\$7,987.7	\$1,791.5	\$8,087.9
% Change	4.3%	4.1%	4.3%	5.5%
FTEs	17,681.16	38,370.83	17,683.76	38,511.23
# Change	133.47	249.13	136.07	389.53

The introduced budget proposed \$184.5 million GF in new funding for higher education over the base for the 2014-16 biennium. The majority of that new funding, about \$75.0 million GF each year, would have been to support the goals of the Virginia Higher Education Opportunity Act of 2011. Of this amount, \$183.9 million GF funding was removed during the 2014 Special Session I due to an anticipated decline in revenue for the biennium. Therefore, the amount remaining is less than \$0.7 million GF net under the higher education section of the budget. These minor actions under higher education are explained in this section and the other actions under Central Appropriations are also referenced here.

Funding for the distribution of Central Appropriation amounts to the agencies of over \$74.2 million GF each year still appear on the adjustments table above. This is new funding over the previous biennium. However, these actions would have normally been reflected in the base budget of the introduced budget rather than discrete actions or amendments. The Central Appropriations distributions reflect the funding for the continued cost of public employee salary increases, increases in state employee health insurance premiums, changes in state employee retirement and other benefit contribution rates, and other centrally funded items being continued from the 2012-14 biennium into the 2014-16 biennium.

- **Higher Education Actions**

- *State Council of Higher Education for Virginia (SCHEV): Increased Funding for the Virginia Military Survivors Fund.* Includes \$65,000 GF the first year and \$80,000 GF the second year for enrollment growth and a change in program eligibility.
- *VCCS Technical Rent Adjustment.* Contains \$214,115 GF the first year and \$443,420 GF the second year for rent costs at the System Office. These amounts should have been included in the base budget.
- *Transfer Center for Manufacturing to VCCS.* Transfers \$195,000 GF each year for the Center for Manufacturing in the Shenandoah Valley from Virginia Economic Development Partnership to the Virginia Community College System.
- *Eliminate Base Support for the Biotechnology Research Park.* Eliminates \$250,000 GF each year from the base budget contained under Virginia Commonwealth University’s research budget for support of the Biotechnology Research Park in Richmond.

- **Other Higher Education Actions**

- *Fund Higher Education Equipment Trust Fund.* Provides an allocation of \$64.2 million each year to support the replacement of computers and specialized research equipment (identical to the FY 2014 allocation) at Virginia’s public colleges and universities.
- *In-State Undergraduate Seats and Operation and Maintenance Funding.* Includes about \$5.1 million GF each year of the biennium for in-state undergraduate seats and operation and maintenance funding under Central Appropriations. Within this amount, \$3.1 million GF each year is for the continued expansion of in-state undergraduate seats at the College of William and Mary, the University of Virginia, James Madison University, and Virginia Tech. The remaining \$2.0 million GF each year is for operation and maintenance funding at the New College Institute, Southwest Virginia Higher Education Center, Southern Virginia Higher Education Center, Roanoke Higher Education Center, and the Virginia Tech Extension. The tables below provide detailed amounts by institution or agency.

In-State Undergraduate Seats – GF Amounts by Fiscal Year

<u>Institution</u>	<u>FY 2015</u>	<u>FY 2016</u>
College of William & Mary	\$440,000	\$440,000
University of Virginia	860,000	860,000
James Madison University	1,200,000	1,200,000
Virginia Tech	<u>600,000</u>	<u>600,000</u>
Total	\$3,100,000	\$3,100,000

Operations and Maintenance GF Amounts by Fiscal Year

<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>
New College Institute	\$440,037	\$440,037
Southwest Virginia Higher Education Center	95,327	95,327
Southern Virginia Higher Education Center	150,000	150,000
Roanoke Higher Education Authority	150,000	150,000
Virginia Tech Extension	<u>1,149,966</u>	<u>1,173,129</u>
Total	\$1,985,330	\$2,008,493

- *Higher Education Revenue Reserve Fund.* Appropriates \$20.0 million GF the second year under Central Appropriations for an undistributed Higher Education Reserve Fund as part of the economic contingency funding.
- *Eliminate Higher Education Interest Earnings and Credit Card Rebates.* Under Central Appropriations, this action eliminates funding of \$5.5 million GF and \$1.2 million NGF (Higher Education Operating) per year that went to higher education institutions for interest on earnings for Educational and General Revenues and credit card rebates from purchasing cards. Institutions received these benefits under Restructuring (legislation that resulted from decentralization and additional autonomy efforts) as long as they met certain performance metrics. A language action is taken under transfers because the Level III institutions no longer have to deposit these funds with the State. This action was required to forfeit the interest on these funds and captures the \$1.2 million NGF referenced above.