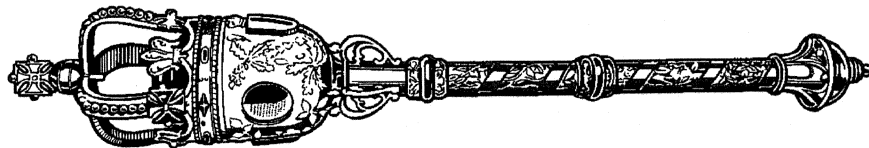


*Report of the
House Appropriations
Subcommittee*

on

Higher Education



House Bill 1500

February 5, 2017

REPORT OF THE SUBCOMMITTEE

on

HIGHER EDUCATION

Mr. Chairman and Members of the Committee:

Mr. Chairman, before preparing my comments for today I consulted with the sage of St. Louis, Yogi Berra, who once said, "When you come to a fork in the road, take it." Mr. Chairman, we are at a fork in the road with higher education. We cannot continue traveling the well-worn path littered with yesterday's ideas. The Subcommittee's budget recommendations and work this session reflect a change in direction with the ultimate goal to improve affordable access to our public colleges and universities.

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

- Changing the way budget reductions are allocated to public colleges and universities to reflect total educational and general (E & G) budget as well as minimizing and equalizing the impact on in-state students;
- \$20 million in budget reduction relief distributed to improve the general fund support for in-state undergraduates and minimizing overall E & G impact to less than 1.4 percent for all institutions; and
- \$17.9 million for a three percent salary increase for all classified, faculty and university staff with general fund

allocations reflecting institutional salary actions unilaterally taken in 2017. I want to thank Mr. Poindexter for his work on this issue. Mr. Chairman, thank you for your leadership in making this possible for our hard working state employees.

These recommendations also eliminate any proposed reductions for extension and the Virginia Institute for Marine Science. In addition, the reductions exempt the research programs that we have supported in recent years.

Mr. Chairman, the Subcommittee also recommends the creation of the Online Virginia Network Authority pursuant to our House Bill 2262 this session. The amendment transfers the funding provided last session in SCHEV to the new Authority and, thanks to you Mr. Chairman, provides an additional \$1 million in 2018. I want to commend George Mason and Old Dominion Universities for taking a leadership role the last three years on this initiative. It's a new day in Virginia higher education. We must look to break down walls created by geography, time and ultimately cost, to deliver quality programs to our citizens. This online initiative has that potential. And we must see it succeed.

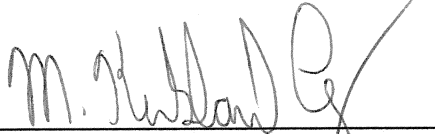
In addition to these funds, Mr. Chairman, the Subcommittee addressed state policy with an eye on affordability with two key pieces of legislation. First, the Subcommittee passed legislation to change the way the Commonwealth provides financial aid in order to incentivize students to complete their degrees in four years. Less time to degree completion should result in less student debt. Second, thanks to your leadership Mr. Chairman, the Subcommittee addressed the long-standing issue of out-of-state enrollment. Under the new policy, institutions that exceed thirty percent out-of-state students would be required to use the excess net revenues to lower the in-state tuition

cost. I would be remiss if I did not acknowledge the long-time efforts of our colleagues Dave Albo and Tim Hugo to push this issue.

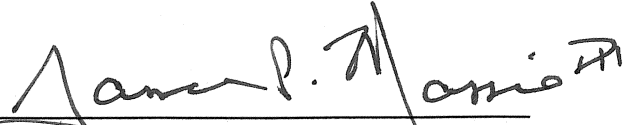
Mr. Chairman, in recent years we have reformed athletic fees, financial aid and provided greater autonomy with the goal to make higher education more efficient. These recommendations will continue to build on our recent successes and offer Virginia students more opportunities to get a high quality, affordable education.

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.

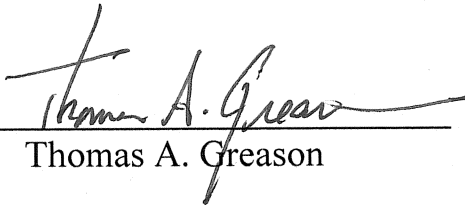
Respectfully Submitted by the House Appropriations Subcommittee on Higher Education:



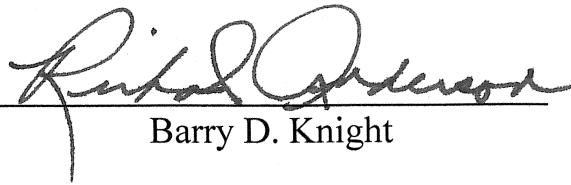
M. Kirkland Cox, Chairman



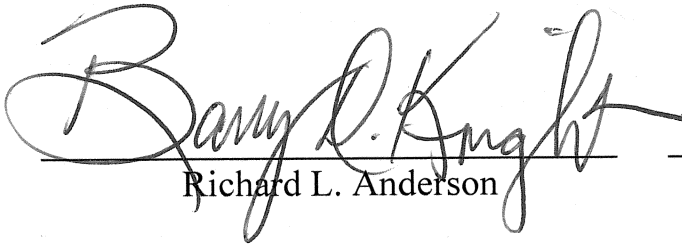
James P. Massie, III



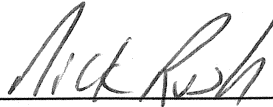
Thomas A. Greason



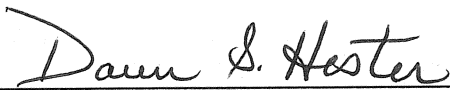
Barry D. Knight




Richard L. Anderson



L. Nick Rush



Daun S. Hester



Mark D. Sickles

**House Bill 1500
HIGHER EDUCATION
Amendment**

General Fund	Nongeneral Fund	FTE
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State Council Of Higher Education For Virginia

Defer New Cyber Scholarship & Remove Unnecessary Language	(500,000)	Language	0.00
Defer New Spending in Workforce & Transfer Grants	(1,699,667)	0	0.00
Increase Operating Support	250,000	0	0.00
Restore VWIL	23,092	0	0.00
Defer New Grant Initiative	(600,000)	0	0.00
Transfer Degree Completion to Virginia Online Authority	(3,000,000)	0	0.00
Substance Abuse Awareness	0	Language	0.00

Christopher Newport University

Restore Proposed VRS GF Reduction (Part 3)	650,512	0	0.00
HAC Budget Redistribution & Relief	737,267	0	0.00
3% Faculty Salary	516,419	337,166	0.00

College Of William And Mary

Restore Proposed VRS GF Reduction (Part 3)	1,701,576	0	0.00
HAC Budget Redistribution & Relief	(791,525)	0	0.00
3% Faculty Salary	0	3,159,493	0.00

Richard Bland College

Restore Proposed VRS GF Reduction (Part 3)	71,191	0	0.00
HAC Budget Redistribution & Relief / APA Recommendations	308,006	0	0.00
3% Faculty Salary	84,718	45,019	0.00

Virginia Institute Of Marine Science

HAC Budget Redistribution & Relief	1,039,390	0	0.00
3% Faculty Salary	0	384,289	0.00

George Mason University

Restore Proposed VRS GF Reduction (Part 3)	3,225,703	0	0.00
HAC Budget Redistribution & Relief	1,669,396	0	0.00
3% Faculty Salary	1,124,439	5,555,395	0.00

James Madison University

Restore Proposed VRS GF Reduction (Part 3)	2,586,382	0	0.00
HAC Budget Redistribution & Relief	1,207,642	0	0.00
3% Faculty Salary	1,729,540	1,866,177	0.00

Longwood University

Restore Proposed VRS GF Reduction (Part 3)	544,167	0	0.00
HAC Budget Redistribution & Relief	728,903	0	0.00
3% Faculty Salary	0	832,967	0.00

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Norfolk State University

Restore Proposed VRS GF Reduction (Part 3)	810,492	0	0.00
3% Faculty Salary	460,425	353,047	0.00

Old Dominion University

Restore Proposed VRS GF Reduction (Part 3)	1,671,552	0	0.00
HAC Budget Redistribution & Relief	3,349,945	0	0.00
3% Faculty Salary	608,099	2,632,216	0.00

Radford University

Restore Proposed VRS GF Reduction (Part 3)	861,827	0	0.00
HAC Budget Redistribution & Relief	1,317,228	0	0.00
3% Faculty Salary	946,042	594,743	0.00

University Of Mary Washington

Restore Proposed VRS GF Reduction (Part 3)	523,465	0	0.00
HAC Budget Redistribution & Relief	648,388	0	0.00
3% Faculty Salary	81,916	742,745	0.00
Regional Economic Development / Adult Education	250,000	0	0.00

University Of Virginia

Restore Proposed VRS GF Reduction (Part 3)	8,414,869	0	0.00
HAC Budget Redistribution & Relief	(2,695,886)	0	0.00
3% Faculty Salary	0	10,813,339	0.00

University Of Virginia's College At Wise

Restore Proposed VRS GF Reduction (Part 3)	195,647	0	0.00
HAC Budget Redistribution & Relief / O & M Library	719,172	0	0.00
3% Faculty Salary	63,855	338,962	0.00

Virginia Commonwealth University

Restore Proposed VRS GF Reduction (Part 3)	5,351,578	0	0.00
HAC Budget Redistribution & Relief	2,345,129	0	0.00
3% Faculty Salary	1,057,932	5,485,977	0.00

Virginia Community College System

Restore Proposed VRS GF Reduction (Part 3)	5,629,723	0	0.00
HAC Budget Redistribution & Relief	7,290,313	0	0.00
3% Faculty Salary	2,987,819	6,497,321	0.00
Defer New E & G Initiatives from 2016 Session	(932,000)	0	0.00
Virginia Western CC - Botetourt Pilot	310,000	0	0.00
Defer New Workforce Initiatives from 2016 Session	(725,000)	0	0.00

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Virginia Military Institute

Restore Proposed VRS GF Reduction (Part 3)	480,893	0	0.00
HAC Budget Redistribution & Relief	217,346	0	0.00
3% Faculty Salary	181,283	271,924	0.00
Defer Proposed New Out-of-State Tuition Initiative	(900,000)	0	0.00

Virginia Polytechnic Institute And State University

Restore Proposed VRS GF Reduction (Part 3)	6,850,325	0	0.00
HAC Budget Redistribution & Relief	(131,407)	0	0.00
3% Faculty Salary	1,115,920	7,647,850	0.00

Virginia Cooperative Extension And Agricultural Experiment Station

HAC Budget Redistribution & Relief	2,040,693	0	0.00
3% Faculty Salary	420,470	907,329	0.00
Correct Fund Split	Language	0	0.00
Agriculture and Natural Resource Economic Development	Language	0	0.00

Virginia State University

Restore Proposed VRS GF Reduction (Part 3)	796,602	0	0.00
3% Faculty Salary	472,530	491,817	0.00

Cooperative Extension And Agricultural Research Services

3% Faculty Salary	91,346	4,808	0.00
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Frontier Culture Museum

Operating Support	300,000	0	0.00
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Jamestown-Yorktown Foundation

Operating Support	165,433	0	2.00
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Jamestown-Yorktown Commemorations

Procurement Authority	Language	0	0.00
Partially Restore Budget Reductions	5,000,000	0	0.00

State Library

Restore Budget Reductions Records Management	294,250	0	0.00
Restore Budget Reductions Archives and Hours of Operation	428,571	0	0.00
Budget Reduction Rent Plan Exemption	Language	0	0.00

New College Institute

Restructuring Institute Mission and Facilities	Language	0	0.00
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Online Virginia Network Authority

Transfer Funds from SCHEV & Supplement Second Year	4,000,000	0	0.00
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Virginia College Savings Plan

ABLE Program	0	750,000	0.00
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<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>FTE</u>
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Part III Transfers

VRS NGF Recovery	0	Language	0.00
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Part IV General Provisions

Credit Award for AP / CLEP Testing	0	Language	0.00
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VCCS Procurement	0	Language	0.00
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GRAND TOTAL	74,973,936	49,712,584	2.00
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