

Higher Education

Proposed Adjustments as Introduced				
(\$ in millions)				
	FY 2019 Proposed		FY 2020 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Base Budget, Ch. 836	\$1,939.4	\$8,571.8	\$1,939.4	\$8,571.8
Proposed Increases	102.0	558.5	129.5	590.8
Proposed Decreases	<u>(0.1)</u>	<u>(50.5)</u>	<u>(0.1)</u>	<u>(50.5)</u>
\$ Net Change	101.9	508.0	129.4	540.3
HB/SB 30, as Introduced	\$2,041.3	\$9,079.8	\$2,068.9	\$9,112.1
% Change	5.3%	5.9%	6.7%	6.3%
FTEs	17,801.83	40,651.39	17,831.70	40,824.52
# Change	83.96	524.54	113.83	697.67

Proposed Major FY 2018-20 GF Actions

	<u>FY 2019</u>	<u>FY 2020</u>
<u>Proposed Spending:</u>		
Higher Education Institution Spending		
Base Operations (including EVMS)	\$ 10,988,351	\$ 24,104,824
Undergraduate Need-Based Aid	<u>16,227,555</u>	<u>29,295,410</u>
Subtotal:	\$27,215,906	\$53,400,234
Other Higher Education Spending		
Technology Infrastructure (UVA-Wise, VSU, & VIMS)	\$2,494,396	\$1,756,136
UVA-Wise Enhance Academic Programs	2,000,000	1,750,000
UVA – Weldon Cooper Census Addresses	115,000	0
UVA – Weldon Cooper Population Estimates (transfer)	175,000	175,000
UVA Foundation for the Humanities	100,000	100,000
Workforce Credential Grant Program (under SCHEV)	2,000,000	2,000,000
Higher Ed Centers (So. VA HEC, Inst. for Adv. Learn. & Research, Roanoke HEC)	802,497	977,180
Tuition Assistance Grant (TAG) Program (Award to \$3,350)	0	1,560,638
Expand TAG for Teacher Career Supplement	0	225,000
Two-Year Transfer Grant	0	335,589
Virtual Library Contracts	300,000	600,000
SCHEV – VA Research Investment Comm. (VRIC) Support	232,647	252,652
SCHEV – New Student Loan Ombudsman	115,333	124,000
SCHEV Restore Cyber Scholarships Funding	500,000	500,000
NSU – Cyber-Security & Cyber-Psych. Programs and Biofuel Research (under Educational and General Programs)	501,410	782,420
Richard Bland College – Audit Positions	256,070	279,350
College of William & Mary – Veterans Counseling Programs	160,050	287,850
VCCS Planning Funds for No Tuition Degrees or Credentials	200,000	0
VCCS – Transfer Computer Science Teacher Training from Direct Aid	550,000	550,000
VA Institute for Marine Science – Chesapeake Bay Monitoring	378,486	490,753
New College Institute – Removes Planning Funds	(100,000)	(100,000)
Jefferson Lab	<u>500,000</u>	<u>0</u>
Subtotal:	\$11,280,889	\$12,646,568
All HE Initiative Spending	\$38,496,795	\$66,046,802
Technical Actions	\$63,373,394	\$63,373,394
Central Approp. Restoration of Interest Earnings & Credit Card Rebates	\$6,543,416	\$6,543,416
Grand Total Spending in HE	\$108,413,605	\$135,963,612

Note: Proposes \$8.0 million GF each year for grants to promote research and development in accordance with criteria established in Chapter 775 of the 2017 Acts of Assembly. This amount represents level funding of the program compared to the FY 2018 appropriation.

- **Higher Education Institution Spending Proposals**

- **Base Operations.** Recommends funding of \$21.1 million GF over the biennium for base adequacy for four institutions (Old Dominion University, Eastern Virginia Medical School, Virginia Military Institute, and Richard Bland College) and \$14.0 million GF over the biennium for base operations at George Mason University (\$4.0 million the first year and \$10.0 million the second year). Base adequacy is a formula, driven by student enrollment and average faculty salaries, which identifies amounts needed to support the operations and academic mission of public colleges and universities. The Governor proposes to increase colleges and universities that are below 100 percent to 100 percent of the guidelines by the end of the biennium (Old Dominion University at \$5.0 million the first year and \$10.1 million the second year; Eastern Virginia Medical School at \$1.7 million the first year and \$3.4 million the second year; Virginia Military Institute at \$269,721 the first year and \$539,422 the second year; and Richard Bland College at \$128,143 the second year).
- **Financial Aid.** Recommends \$16.2 million GF the first year and \$29.3 million GF the second year for additional need-based financial assistance for in-state undergraduates. The distribution of funding for undergraduate aid is based on the partnership model with greater emphasis on certain institutions and/or students with higher needs.

Higher Education Institution GF Allocations for Financial Aid FY 2018-20		
<u>Institution</u>	<u>FY 2019</u>	<u>FY 2020</u>
Christopher Newport	\$149,430	\$649,994
William & Mary	104,510	649,191
George Mason	6,520,989	8,192,542
James Madison	1,363,345	2,386,599
Longwood	585,017	908,839
Mary Washington	104,051	376,241
Norfolk State	289,250	907,505
Old Dominion	666,561	1,675,412
Radford	807,335	1,375,857
University of Virginia	190,389	978,180
UVA at Wise	218,252	373,304
VA Commonwealth	2,663,480	4,550,404

**Higher Education Institution GF Allocations
for Financial Aid
FY 2018-20**

<u>Institution</u>	<u>FY 2019</u>	<u>FY 2020</u>
VA Military Institute	31,762	141,263
Virginia State	248,243	637,814
Virginia Tech	474,238	1,571,790
Richard Bland	543,966	669,162
VCCS	<u>1,266,737</u>	<u>3,251,313</u>
Total	\$16,227,555	\$29,295,410

- **Other Higher Education Spending Proposals**

- *Support Local Update of Census Addresses - University of Virginia.* Proposes \$115,000 GF the first year to support the Weldon Cooper Center’s participation in the federal Local Update of Census Addresses.
- *Transfer Funding to Weldon Cooper Center for Population Estimates - University of Virginia.* Proposes the transfer of \$175,000 GF each year from the Department of Planning and Budget to the University’s Weldon Cooper Center to support the cost of the production of population estimates at least every other year in between census years.
- *Foundation for Humanities – University of Virginia.* Proposes \$100,000 GF each year to support community-based educational programs.
- *Enhance Academic Programs at the University of Virginia-Wise.* The Governor’s introduced budget proposes \$3.8 million GF over the biennium at the University for the enhancement of academic programs and to aid in attracting additional students.
- *Expand Research and Innovation of Programs at Norfolk State University.* Recommends \$1.3 million GF over the biennium for research and innovation in cyber-security/cyber psychology programs and the efficient and eco-friendly production of biofuel at the University.
- *Fill Positions to Address Audit Findings at Richard Bland College.* Proposes \$256,070 GF the first year and \$279,350 GF the second year to support three vacant

positions in order to address concerns identified by the Auditor of Public Accounts.

- ***Establish Specialized Programs for Counseling Veterans at the College of William and Mary.*** Recommends \$160,050 GF the first year and \$287,850 GF the second year to develop a specialization in military and veterans counseling within the institution’s mental health counseling degree program and a post-graduate certificate for professionals that already have a degree.
- ***Virginia Community College System Planning Funds for No Cost Degrees or Credentials.*** Proposes \$200,000 GF the first year for planning for an initiative that would allow Virginians to obtain a workforce credential or associate degree in targeted fields at no cost to the student but that would also require a one-year public service commitment upon completion.
- ***Transfer Teacher Computer Science Training Funding from Direct Aid.*** Transfers \$1.1 million GF over the biennium from Direct Aid to the VCCS for computer science training funding for teachers that is provided at Northern Virginia Community College.
- ***Technology Infrastructure.*** Recommends almost \$2.5 million GF the first year and almost \$1.8 million GF the second year for various technology enhancements or upgrades at the University of Virginia-Wise, Virginia State University, and the Virginia Institute for Marine Science (see the table below for details).

Infrastructure Initiatives FY 2018-20			
(GF \$ in millions)			
<u>Agency</u>	<u>Initiative</u>	<u>FY 2019</u>	<u>FY 2020</u>
University of VA – Wise	Expand College Network and Security Systems	\$892,880	\$832,069
VA Institute for Marine Science	Upgrade Technology Infrastructure	605,210	202,869
Virginia State University	Modernize Network Communications	737,063	617,176
	Upgrade Police Radio System	<u>259,243</u>	<u>104,022</u>
Total		\$2,494,396	\$1,756,136

- ***Virginia Institute of Marine Science – Chesapeake Bay Water Quality Monitoring.*** Proposes \$378,486 GF the first year and \$490,753 GF the second year and 2.70 FTE each year to provide support for enhanced water quality monitoring and modeling for the Chesapeake Bay.
- ***Workforce.*** Recommends \$2.8 million GF in FY 2019 and almost \$3.0 million GF in FY 2020. The following table summarizes the various initiatives:

Workforce Funding Initiatives – FY 2018-20

(GF \$ in millions)

<u>Agency</u>	<u>Initiative</u>	<u>FY 2019</u>	<u>FY 2020</u>
State Council of Higher Ed.	New Economy Workforce Credential Grant	\$2,000,000	\$2,000,000
Southern VA Higher Education Center	Career Tech Academy with local high schools	346,497	521,180
	Workforce Training Resource Specialist Position, backfill eliminated NGF	70,000	70,000
Institute for Advanced Learning and Research	Workforce Credentialing Program Enrollment Growth	300,000	300,000
Roanoke Higher Education Authority	Expand the Culinary Institute O&M	<u>86,000</u>	<u>86,000</u>
Total		\$2,802,497	\$2,977,180

- *New College Institute – Remove Planning Funds.* Recommends the removal of \$100,000 GF per year that had been allocated for additional operating support and as part of completing a five-year plan.
- *Jefferson Lab Center for Nuclear Femtography.* Proposes \$500,000 GF the first year for one-time seed funding to establish the Center for Nuclear Femtography. This would be in partnership with the Commonwealth’s public and private research universities. Nuclear Femtography is expected to be the next generation of nanotechnology. This funding is in addition to the nearly \$7.0 million allocated since FY 2016 to expand Jefferson Labs in order to compete for federal funding.
- *Research.* Under the Higher Education Research Initiative (HERI), the proposed budget recommends \$16.0 million GF over the biennium in order to offer incentive packages to attract high-performing researchers with a history of commercialization and to create centers of excellence which would allow collaboration and support of research (i.e. biosciences and cyber security). The amount per year matches what was provided in FY 2018.
- *State Council of Higher Education for Virginia (SCHEV): Increased Funding for Tuition Assistance Grant (TAG) Program.* Proposes almost \$1.6 million GF in FY 2020 to increase the TAG award to \$3,350 from \$3,300 per student. An additional amount of \$225,000 GF the second year is proposed to provide an enhanced \$500 award to TAG participants that are seniors and that are going to be school teachers.

- *State Council of Higher Education for Virginia (SCHEV): Increased Funding for the Two-Year Transfer Grant.* Recommends \$335,589 in FY 2020 to address anticipated enrollment growth in the program.
- *State Council of Higher Education for Virginia (SCHEV): Establish a Student Loan Ombudsman Position.* Recommends \$115,333 GF the first year and \$124,000 GF the second year and one position to allow for a student loan ombudsman to assist borrowers of education loan programs.
- *State Council of Higher Education for Virginia (SCHEV): Funding for the Virtual Library of Virginia (VIVA).* Recommends \$300,000 GF the first year and \$600,000 GF the second year to sustain the current level of subscriptions that benefit Virginia’s higher education institutions.
- *State Council of Higher Education for Virginia (SCHEV): Provide Additional Funding for the Virginia Research Investment Committee.* Recommends \$232,647 GF the first year and \$252,652 GF the second year to fill a vacant position in order to help develop the Research and Technology Roadmap and to provide meeting support for the VRIC.
- *State Council of Higher Education for Virginia (SCHEV): Restore Funding for Cybersecurity Public Service Scholarships.* Proposes \$500,000 GF each year to maintain the scholarship program. The General Assembly proposed to eliminate the funding and authorizing language for the program and the Governor vetoed the action.
- *State Council of Higher Education for Virginia (SCHEV): Language to Increase Stipend under Virginia Military Survivors and Dependents Program.* Recommends a language change, but no new funding, to allow the stipend under the program to increase from \$1,800 to \$2,200 to offset for the costs of room, board, books, and supplies for qualified survivors and dependents of military service members.

- **Other Higher Education Actions**

- *Fund Higher Education Equipment Trust Fund.* Proposes an allocation of \$83.0 million each year in bond proceeds to support the replacement of computers and specialized research equipment (these amounts are identical to the FY 2018 allocation).
- *Faculty Salary Increase.* Proposes a 2 percent salary increase in December of FY 2020, the share for faculty is approximately \$11.3 million GF. Amounts appropriated for the salary increase are contained under Central Appropriations.

- *Restore Interest Earnings and Credit Card Rebates as Part of Restructuring Incentives.* Proposes \$6.7 million GF over the biennium for interest earnings and \$6.3 million GF over the biennium for credit card rebates as part of the incentives that higher education institutions are supposed to retain if they meet their performance measures under restructuring. These amounts are appropriated under Central Appropriations.
- *Reserve Fund Language.* Recommends language that would allow for institutional reserve funds to be supported by unexpended educational and general appropriation of the institution at the end of the fiscal year. The reserve fund shall not exceed three percent of the general fund appropriation for the educational and general programs in the most recently-completed fiscal year. Use of the reserve fund must be approved by the Boards of Visitors and a detailed plan on the use of the fund must be reported immediately to the Governor, Secretary of Finance, Secretary of Education, and the Chairmen of the House Appropriations and Senate Finance Committees.
- *Mandatory Fee Increases Language Change.* Proposes to change the limit on mandatory fees for other than educational and general programs from five to three percent. The proposed change would not eliminate current exemptions.
- *Performance Measure Language Change.* Eliminates the additional educational measure required of Level II institutions from being used by the State Council of Higher Education for Virginia for certification of meeting performance measures.