

Higher Education

Proposed Adjustments as Introduced				
(\$ in millions)				
	FY 2021 Proposed		FY 2022 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Base Budget, Ch. 854	\$2,192.3	\$9,506.0	\$2,192.3	\$9,506.0
Proposed Increases	260.3	482.0	280.1	615.2
Proposed Decreases	<u>(83.2)</u>	<u>(6.0)</u>	<u>(83.2)</u>	<u>(6.0)</u>
\$ Net Change	177.0	476.0	196.9	609.3
HB/SB 30, as Introduced	\$2,369.3	\$9,982.1	\$2,389.2	\$10,115.3
% Change	8.1%	5.0%	9.0%	6.4%
FTEs	18,004.62	41,692.29	18,004.62	41,807.29
# Change	143.97	336.97	143.97	451.97

Proposed Major 2020-22 GF Actions		
	<u>FY 2021</u>	<u>FY 2022</u>
<u>Proposed Spending:</u>		
Higher Education Institution Spending		
VCCS – “Last-Dollar” Workforce Initiative (“G3”)	\$ 72,540,937	\$ 72,540,937
Undergraduate Need-Based Financial Aid	<u>15,143,200</u>	<u>30,285,800</u>
Subtotal:	\$87,684,137	\$102,826,737
Other Higher Education Spending		
GMU – Enrollment Growth	\$10,000,000	\$12,000,000
ODU – Enrollment Growth	10,000,000	12,000,000
VCCS – Hospitality Apprenticeship	250,000	250,000
SCHEV – Workforce Credential Grant	4,000,000	4,000,000
SCHEV – Tuition Assistance Grant	3,000,000	3,000,000
SCHEV – Military Survivors & Dependents Education	750,000	750,000
SCHEV – Adjust for One-Time Funding for Graduate Survey	(750,000)	(750,000)
JMU – Montpelier	1,000,000	1,000,000
LU – 2+2 Degree Pathway in Early Childhood Education	137,410	137,410
NSU – Affordability Initiative	3,459,590	4,872,765
NSU – Information Technology	3,000,000	2,500,000

Proposed Major 2020-22 GF Actions

	<u>FY 2021</u>	<u>FY 2022</u>
NSU – Student Success	775,000	775,000
VSU – Affordability Initiative	3,773,490	4,872,765
VSU – Data Center Modernization	1,644,000	144,000
VSU – Student Success	1,039,900	1,162,350
ODU – Symphony Orchestra Minority Fellowships	250,000	250,000
Jefferson Lab – Electron Ion Collider, Cntr. for Nuclear Femtography	3,250,000	3,250,000
UVA – Foundation for the Humanities	1,000,000	1,000,000
UVA – Focused Ultrasound	1,000,000	1,000,000
UVA-Wise – Adjust for Transfer from Second Year to First Year	(2,000,000)	(2,000,000)
VCU – Massey Cancer Center	7,500,000	7,500,000
VIMS – Saltwater Fisheries Survey	250,000	250,000
Cooperative Extension – State Match	1,461,956	1,535,054
Higher Education Research Initiative (See Commerce & Trade)	<u>(28,000,000)</u>	<u>(28,000,000)</u>
All HE Initiative Spending	\$114,475,483	\$134,326,081
Technical Actions – Distribute from Central Approp.	<u>\$62,566,144</u>	<u>\$62,566,144</u>
UVA Health Insurance (Central Approp.)	479,937	479,937
Tech Talent (Central Approp.)	15,200,000	15,200,000

- **Higher Education Spending Proposals**
 - *Virginia Community College System – New “Get Skilled, Get a Job, Give Back” Initiative.* Proposes \$72.5 million GF for a new “Get Skilled, Get a Job, Give Back” (G3) initiative, covering the full cost of tuition, fees, and books for students with a family income less than 400 percent of the federal poverty limit enrolled in select pathways at community colleges, in high-demand fields approved by the Chief Workforce Development Advisor as advised by the Board for Workforce Development. Students must submit the Federal and State Student Financial Aid forms, agree to complete Community Engagement requirements of two hours per credit hour, and maintain a required grade point average and satisfactory academic progress (federal Higher Education Act of 1963 Title IV requirements), and make reasonable progress towards completion within three years.

Payments include (i) grants up to the last-dollar cost of tuition, mandatory fees, and textbook costs (for up to 150 percent of required credits of certificate or degree), (ii) a student incentive grant up to \$2,500 per year full-time students who are eligible for full Pell grant awards, and (iii) performance payments to institutions when a student incentive grant recipient reaches 30 hours (\$400) and earns a degree (\$500).

SCHEV and VCCS must work collaboratively to compile annual data on program participation and completion.

- *Virginia Community College System – Hospitality Apprenticeship.* Proposes \$250,000 GF to develop workforce apprenticeship programs in hospitality and culinary arts.
- *Financial Aid.* Recommends \$15.1 million GF the first year and \$30.3 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 methodology as proposed in SCHEV’s November 2019 Review of Financial Aid Funding Formulas and Awarding Practices. The adjustments to the current “Partnership Model” include: using the individual student’s Expected Family Contribution amount rather than assuming an alternative minimum (currently \$700 for dependent freshmen; \$900 for sophomore, juniors, and seniors; and \$1200 for independent students); using the sector average Cost of Attendance; using average unmet need rather than percent of need; and a funding bonus that emphasizes low-income enrollments.

Higher Education Institution GF Allocations for Financial Aid		
<u>Institution</u>	<u>FY 2021</u>	<u>FY 2022</u>
Christopher Newport	\$124,800	\$249,600
William & Mary	66,500	133,000
George Mason	3,472,500	6,944,900
James Madison	639,700	1,279,400
Longwood	393,700	787,400
Mary Washington	235,200	470,300
Norfolk State	816,100	1,632,200
Old Dominion	2,668,500	5,337,000
Radford	1,269,200	2,538,400
University of Virginia	160,200	320,300
University of VA at Wise	201,400	402,700
Virginia Commonwealth	2,319,200	4,638,400

**Higher Education Institution GF Allocations
for Financial Aid**

<u>Institution</u>	<u>FY 2021</u>	<u>FY 2022</u>
Virginia Military Institute	13,400	26,700
Virginia State	738,500	1,477,000
Virginia Tech	811,600	1,623,200
Richard Bland	77,200	154,300
VCCS	<u>1,135,500</u>	<u>2,271,000</u>
Total	\$15,143,200	\$30,285,800

- *State Council of Higher Education for Virginia – New Economy Workforce Credential Grant.* Proposes \$4.0 million GF each year additional funding to help individuals earn a workforce credential. This would bring the annual amount to \$17.5 million GF, up from the initial funding level of \$4.0 million in FY 2017. VCCS estimates that every additional \$1.0 million will generate 1,000 credentials.
- *State Council of Higher Education for Virginia – Tuition Assistance Grant (TAG) Award Level, Degree Eligibility, and Review of Student Need.* Proposes a net \$3.0 million GF each year based on increasing the maximum annual undergraduate TAG award from \$3,500 to \$4,000 and removing on-line degree programs from eligibility. (SCHEV estimated the cost to move current and projected additional students to \$4,000 is \$12.1 million the first year and \$13.3 million the second year.)

In addition, SCHEV is directed to review the TAG program, in consultation with representatives from House Appropriations, Senate Finance, Department of Planning and Budget, Secretary of Finance, and Secretary of Education. The Council must evaluate existing and prospective awarding practices including practices that consider student need in award amounts. The Council must submit a report and any related recommendations to the Governor and the Chairs of the Senate Finance and House Appropriations Committee by October 15, 2020.

- *State Council of Higher Education for Virginia – Virginia Military Survivors & Dependents Education Program.* Proposes \$750,000 GF each year for educational stipends for qualifying veterans to account for growth in program participation. This would bring the new annual total to \$2.7 million, and would cover a potential 15 percent increase in participation in the first year.

- ***George Mason University – Funding to Support Enrollment Growth.*** Recommends \$10.0 million GF the first year and \$12.0 million GF the second year, and a like amount of NGF, intended to begin to address funding disparities due to enrollment growth for in-state students, continued increases in two-year transfer students, and educational program development to support economic growth. George Mason’s budget request indicated a calculation of a \$40.0 million base budget adjustment over the next six years.
- ***George Mason University - Adjust NGF Position Level.*** Provides 365.96 NGF FTE positions to true up the university's current position level with that appropriated in Chapter 854 of the 2019 Acts of Assembly. The positions support George Mason's instructional needs, academic support, student services, and infrastructure, in connection with enrollment growth.
- ***James Madison University – Montpelier.*** Proposes \$1.0 million GF each year to support research, memorialization, educational programs, and public programs at James Madison's Montpelier.
- ***James Madison University - Adjust NGF Position Level.*** Provides 301.72 NGF FTE positions for Education and General and Sponsored Programs to more appropriately reflect the university's internal positions.
- ***Longwood University - 2+2 Degree Pathway in Early Childhood Education.*** Proposes \$137,410 GF each year to develop a Bachelor of Science degree program in Inclusive Early Childhood Education for students transferring to Longwood with an Associate of Applied Science degree in Early Childhood Development.
- ***Norfolk State University - Launch Virginia College Affordability Network Initiative.*** Recommends \$3.5 million GF the first year and \$4.9 million GF the second year for the Virginia College Affordability Network (VCAN) Initiative with the goal of enhancing access to undergraduate education for students with high financial needs. The program would provide free tuition and some portion of room and board where applicable to qualifying Pell-eligible students within a 25 mile radius of the campus, with a priority on students from high schools in Norfolk, Portsmouth, and Newport News.
- ***Norfolk State University - Information Technology Services.*** Proposes \$3.0 million GF the first year and \$2.5 million GF the second year to support a range of information technology related initiatives including database upgrades, expanded data storage capabilities, enhanced analytics and engineering capabilities, client services support, and security upgrades.
- ***Norfolk State University – Student Success Initiatives.*** Proposes 1) \$300,000 GF each year to enhance academic advising to support transfer students, online students, and students with disabilities, and for more robust advising software; 2)

\$250,000 GF each year for the UTeach program, a teacher-preparation program for science, technology, engineering, and math (STEM) majors to receive their teacher license while working on a primary STEM degree; 3) \$150,000 GF each year to support the continuation of the Spartan Pathways program, which supports students to develop critical skills, build effective networks, and explore emerging industry workforce requirements to improve immediate transition to meaningful jobs in chosen fields; and 4) \$75,000 GF each year for the First Day Success model, under which lab materials and e-textbooks are paid for via an upfront fee in the students' tuition and the materials are automatically and immediately accessible to students.

- ***Virginia State University - Launch Virginia College Affordability Network Initiative.*** Recommends \$3.8 million GF the first year and \$4.9 million GF the second year for the Virginia College Affordability Network (VCAN) Initiative with the goal of enhancing access to undergraduate education for students with high financial needs. The program would provide free tuition and some portion of room and board where applicable to qualifying Pell-eligible students within a 25 mile radius of the campus, with a priority on certain high schools.
- ***Virginia State University – Data Center Modernization.*** Proposes \$1.6 million the first year and \$144,000 GF the second year for modernization and upgrades to the university's data center to gain classification as a “Tier III” data center to address VITA audit management points. (Tier III data centers are capable of operating with downtime not exceeding 1.6 hours annually.)
- ***Virginia State University – Student Success Initiatives.*** Proposes 1) \$319,900 GF the first year and \$442,350 GF the second year to implement a summer bridge program designed to help the transition of incoming freshman; 2) \$320,000 GF each year to support expansion of supplemental instruction, including peer assisted study sessions; 3) \$250,000 GF each year for the UTeach program, a teacher-preparation program for science, technology, engineering, and math (STEM) majors to receive their teacher license while working on a primary STEM degree; and, 3) \$150,000 GF each year for an early warning advising system, which uses a predictive model to identify barriers to completion in order to improve advising and student success.
- ***Old Dominion University – Funding to Support Enrollment Growth.*** Recommends \$10.0 million GF the first year and \$12.0 million GF the second year, intended to address funding disparities due to enrollment growth for in-state students, continued increases in two-year transfer students, and educational program development to support economic growth.
- ***Old Dominion University – Virginia Symphony Orchestra Minority Fellowships.*** Proposes \$250,000 GF each year for a minority fellowship program partnership

between Old Dominion University and the Virginia Symphony Orchestra. Participating fellows will be minority string musicians enrolled as graduate certificate students at ODU.

- ***Jefferson Lab - Compete for Federal Electron Ion Collider.*** Recommends \$2.5 million GF each year to support research and development activities associated with risk reduction experiments for a potential electron ion collider project. The U.S. Department of Energy has assembled a panel to assess options for siting between the proposed concept at Jefferson Lab and Brookhaven National Lab in New York, potentially indicating upcoming site selection.
- ***Jefferson Lab – Center for Nuclear Femtography.*** Recommends an additional \$750,000 GF each year for the Center for Nuclear Femtography, a partnership between the Lab and the Commonwealth's public and private research universities. The previous annual total was \$500,000 GF. (Nuclear Femtography is expected to be the next generation of nanotechnology.)
- ***University of Virginia – Foundation for the Humanities & Public Policy.*** Proposes an additional \$1.0 million GF each year (for a total of \$2.8 million per year) to create curriculum materials for K-12 schools, establish a network of Humanities Ambassadors in public schools and libraries across the state, and support classroom visits by program staff.
- ***University of Virginia – Focused Ultrasound.*** Proposes \$1.0 million GF each year to help move focused ultrasound to new levels. (Chapter 854 included \$3.6 million GF in FY 2019 and \$3.1 million GF in FY 2020.)
- ***Virginia Commonwealth University – Massey Cancer Center.*** Proposes \$7.5 million GF each year to support Massey Cancer Center to recruit lead research scientists who specialize in precision oncology, cancer disparities and immuno-oncology. This would bring the annual allocation to \$20.0 million GF per year. (VCU's budget request included an increase of \$2.5 million GF each year toward an optimal funding goal of \$20.0 million to support pursuit of National Cancer Institute-designated Comprehensive Cancer Center status.)
- ***Virginia Institute of Marine Science – Saltwater Fisheries Survey.*** Proposes \$250,000 GF each year to support the continuation of saltwater fisheries surveys that provide scientific data to the Atlantic States Marine Fisheries Commission. Federal funds that flow through the Virginia Marine Resources Commission (VMRC) were reduced due a decision to alter the percentage split between freshwater and saltwater fish survey support. In addition, VMRC's source for their state match was redirected to support the Saltwater Fishing Tournament.
- ***VSU Cooperative Extension State Match.*** Proposes \$1.5 million GF each year to fully fund the state match to maximize federal funds received related to the

institution's status as an 1890 Land-Grant Institution. A National Institute of Food and Agriculture review found certain funds to be unallowable for required state match.

- **Other Higher Education Actions**

- *Expand Membership in the 4-VA Initiative.* Recommends language that adds VMI, VCU, and CWM to the “4-VA” public-private partnership that launched in 2010 with Cisco Systems Inc. with the goal of increasing research dollars through seed grants for collaborative research, course redesign, course sharing, and prioritizing science, technology, engineering, and mathematics (STEM). Current named institution members include GMU, JMU, UVA, VT, and ODU. Existing language allows the 4-VA Management Board to expand to additional institutions.
- *Fund Higher Education Equipment Trust Fund.* Proposes an allocation of \$86.4 million the first year and \$78.2 million the second year in bond proceeds to support the replacement of computers and specialized research equipment. (Chapter 854 included a total of \$83.0 million each year, \$15.0 million of which was allocated for research at seven institutions.)
- *Fund Tech Talent Investment Fund.* Proposes an increase of \$15.2 million GF each year (for a total of \$31.8 million GF per year) to support additional production of certain computer science degrees at eligible institutions with Memorandums of Understanding. These amounts are appropriated under Central Appropriations. These amounts, plus amounts held for other TTIP-related funding (e.g. new application rounds, community college support) and debt service for capital projects, total \$1.06 billion over 20 years, consistent with amounts referenced in the Amazon HQ2 announcements in November 2018.
- *Maintain Interest Earnings and Credit Card Rebates as Part of Restructuring Incentives.* Proposes \$4.6 million GF each over the biennium for interest earnings and \$2.7 million GF each year credit card rebates as part of the incentives that higher education institutions may retain if they meet their performance measures under restructuring. These amounts are appropriated under Central Appropriations.
- *Adjust UVA Health Insurance Premium.* Proposes \$479,937 GF each year due to premium changes for the UVA Health Insurance Program. These amounts are appropriated under Central Appropriations.
- *Hampton Roads Biomedical Research Consortium.* Recommends \$4.0 million GF per year for a new Hampton Roads Biomedical Research Consortium, involving EVMS, ODU, and Sentara Health System, based on a strategic plan developed in 2019. These amounts are appropriated under Central Appropriations.

Chapter 854 included \$4.0 million GF for initial funding for the Consortium as well as \$10.0 million in bond proceeds for lab renovations and enhancements, and/or research equipment for the Consortium. Funding was contingent upon UVA convening a workgroup to develop a plan and report submitted by December 1, 2019.

- ***UVA-Wise Indirect Costs and Auxiliary Operations.*** Exempts UVA-Wise from the requirement to recover the full indirect cost of auxiliary enterprise programs (food services, residential operations, student health services, parking, and athletics) for the 2020-22 biennium. (Full-time equivalent enrollment is expected to total 1,433 students in FY 2020.)
- ***Binding Arbitration Language.*** Recommends language that allows public institutions of higher education to enter into agreements or contracts with nonprofit organizations that provide funding for research or other mission related activities and require use of binding arbitration or application of the laws of another jurisdiction, upon approval of the Office of the Attorney General.
- ***Performance Measure Language Change.*** Suspends development and administration of education-related measures for institutions with Level II restructuring authority (currently ODU, Radford, VMI, Longwood, Mary Washington, CNU, and VCCS). SCHEV recommended this moratorium while SCHEV reviews the performance assessment process going forward for these measures since some have been in place for almost 10 years and are not tied to performance funding. SCHEV also notes that Level III institutions which have more expanding authority do not have a similar requirement.