

# Higher Education

The adopted budget for higher education results in a net increase of \$111.1 million GF. This reflects an increase of \$112.8 million GF offset by a \$1.7 million GF decrease to reduce the Eminent Scholars program administered by the State Council of Higher Education for Virginia (SCHEV) and operating efficiencies at Virginia Commonwealth University related to increased autonomy. Of the \$112.8 million GF increase, over 96 percent (\$108.3 million) is provided in four areas: funding for base adequacy and enrollment, tuition moderation incentives, student financial aid, and higher education research initiatives.

The adopted base budget continues the strategies announced by the Governor in October 2007 for a savings of \$80.9 million GF per year for colleges and universities and \$4.8 million GF per year for affiliated higher education agencies.

<b>Major GF Increases and Reductions</b> (2008-10 biennium, \$ in millions)	
<b>Increases</b>	
Tuition Moderation Incentive Fund	\$35.0
Base Adequacy	22.1
Continuation of Research at Colleges and Universities	20.8
Higher Education Research Initiative	10.2
Undergraduate Student Financial Aid	18.2
Various Program Enhancements	4.4
Tuition Assistance Grant (TAG)	1.1
Restore Nursing Workforce Funding	<u>1.0</u>
<b>Subtotal</b>	<b>\$112.8</b>
<b>Reductions</b>	
VCU Tier 3 Operating Efficiencies	(1.2)
SCHEV Reduce Eminent Scholars	<u>(0.5)</u>
<b>GRAND TOTAL</b>	<b>\$111.1</b>

- Base Adequacy.** Increases base operating support by almost \$11.1 million GF and \$11.0 million NGF in each year of the biennium. The base adequacy funding calculation was based on actual FY 2007 enrollment levels and course data. For those institutions that are below 95 percent of the funding guidelines, the budget provides funding to move one-fourth the distance to 95 percent. Institutions above 95 percent received a one-half

percent increase. Prior to this additional funding, higher education institutions had reached on average 96 percent of the base adequacy funding guidelines. The increase for base adequacy amounts to \$22.1 million GF and \$21.9 million NGF for the 2008-10 biennium and would bring the system of higher education to about 97 percent of the base adequacy funding guideline.

<b>Base Adequacy Funding</b> (2008-10 GF \$ increases)			
<u>Institution</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Biennial Total</u>
Christopher Newport University	\$172,424	\$172,424	\$344,848
College of William & Mary	279,526	279,526	559,052
George Mason University	914,873	914,873	1,829,745
James Madison University	489,281	489,281	978,562
Longwood University	190,057	190,057	380,114
University of Mary Washington	149,857	149,857	299,714
Norfolk State University	157,497	157,497	314,994
Old Dominion University	781,601	781,601	1,563,202
Radford University	314,028	314,028	628,056
Richard Bland College	26,781	26,781	53,562
University of Virginia	952,831	952,831	1,905,661
UVA – Wise	65,967	65,967	131,934
Virginia Commonwealth University	2,424,167	2,424,167	4,848,334
Virginia Community Colleges	2,203,075	2,203,075	4,406,150
Virginia Military Institute	42,836	42,836	85,672
Virginia State University	126,544	126,544	253,088
Virginia Tech	<u>1,779,333</u>	<u>1,779,333</u>	<u>3,558,666</u>
<b>TOTAL</b>	<b>\$11,070,678</b>	<b>\$11,070,678</b>	<b>\$22,141,356</b>

- Tuition Moderation Incentive Fund.** Provides \$35.0 million GF over the biennium for additional operating support in the form of a Higher Education Tuition Moderation Incentive Fund for those institutions that elect to participate and limit their increase of tuition and mandatory educational and general fees for in-state undergraduate students to not more than three percent for each year of the biennium. An institution may go to a four percent increase provided that the additional 1 percent is used solely to increase student financial aid for in-state undergraduate students. The State Council of Higher Education for Virginia (SCHEV) and the Department of Planning and Budget (DPB) shall

determine whether each institution has met the tuition requirements of the fund and report their findings by August 15, 2008. Potential allocations to institutions are included in the table below. For institutions electing not to participate, 50 percent of their funding will be returned to the general fund and the other 50 percent to be redistributed to the institutions meeting the requirements of the Fund.

<b>Potential Tuition Moderation Incentive Fund Allocations</b> (2008-10 GF \$)			
<u>Institution</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Biennial Total</u>
Christopher Newport University	\$570,000	\$570,000	\$1,140,000
College of William & Mary	610,000	610,000	1,220,000
George Mason University	1,620,000	1,620,000	3,240,000
James Madison University	1,000,000	1,000,000	2,000,000
Longwood University	615,000	615,000	1,230,000
University of Mary Washington	440,000	440,000	880,000
Norfolk State University	200,000	200,000	400,000
Old Dominion University	1,090,000	1,090,000	2,180,000
Radford University	500,000	500,000	1,000,000
Richard Bland College	45,000	45,000	90,000
University of Virginia	1,580,000	1,580,000	3,160,000
UVA – Wise	120,000	120,000	240,000
Virginia Commonwealth University	1,330,000	1,330,000	2,660,000
Virginia Community Colleges	4,910,000	4,910,000	9,820,000
Virginia Military Institute	120,000	120,000	240,000
Virginia State University	250,000	250,000	500,000
Virginia Tech	<u>2,500,000</u>	<u>2,500,000</u>	<u>5,000,000</u>
<b>TOTAL</b>	<b>\$17,500,000</b>	<b>\$17,500,000</b>	<b>\$35,000,000</b>

- Undergraduate Student Financial Aid.** Provides an additional \$9.1 million GF in each year of the biennium for need-based student financial assistance for in-state undergraduate students to help address tuition and fee increases. This funding is allocated under the SCHEV Partnership Model, a model that directs funding to students with the greatest need.

**Undergraduate, Need-Based Student Aid at  
Virginia's Public Colleges and Universities**  
(2008-10 GF \$ increases)

<u>Institution</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Biennial Total</u>
Christopher Newport University	\$161,414	\$161,414	\$322,828
College of William & Mary	74,059	74,059	148,118
George Mason University	1,016,110	1,016,110	2,032,220
James Madison University	376,269	376,269	752,538
Longwood University	181,130	181,130	362,260
University of Mary Washington	92,624	92,624	185,248
Norfolk State University	372,696	372,696	745,392
Old Dominion University	1,082,819	1,082,819	2,165,638
Radford University	474,538	474,538	949,076
Richard Bland College	15,538	15,538	31,076
University of Virginia	70,094	70,094	140,188
UVA - Wise	118,984	118,984	237,968
Virginia Commonwealth University	1,527,170	1,527,170	3,054,340
Virginia Community Colleges	2,594,461	2,594,461	5,188,922
Virginia Military Institute	4,994	4,994	9,988
Virginia State University	537,073	537,073	1,074,146
Virginia Tech	<u>408,268</u>	<u>408,268</u>	<u>816,536</u>
<b>TOTAL</b>	<b>\$9,108,241</b>	<b>\$9,108,241</b>	<b>\$18,216,482</b>

- **Higher Education Research Initiative.** Provides \$10.2 million GF for higher education research.
  - ***Commonwealth Technology Research Fund.*** Includes funding of \$1.0 million GF the first year and \$1.0 million GF the second year to support research proposals that are submitted by colleges and universities. FY 2008 funding for this program was \$1.0 million GF.
  - ***Jefferson Lab.*** Includes \$6.0 million GF in the second year as the state share of upgrading the nuclear physics research facilities. These funds will be used to leverage a federal investment of \$310.0 million.

- **Virginia Coastal Energy Research Consortium (VCERC).** Provides \$1.6 million GF the first year for research and development of Virginia’s marine renewable energy resources.
- **Hampton University.** Includes \$500,000 GF the second year for the construction of a proton therapy institute at Hampton University that would be devoted to the treatment of cancerous tumors. The Virginia Economic Development Partnership must confirm that the project is financially feasible.
- **Research at Higher Education Institutions (Continuation of Funding).** Provides \$10.9 million GF the first year and \$9.9 million GF the second year to continue the higher education research initiative adopted by the 2006 General Assembly and cancer funding for the University of Virginia (UVA) and Virginia Commonwealth University (VCU) adopted by the 2007 General Assembly. In addition, the General Assembly provided \$2.0 million second year funding for cancer research at UVA and VCU. The first year funding for cancer research was included in the adjusted base budget.

Continuation of Research Funding (\$ General Fund)		
<u>Institution</u>	<u>FY 2009</u>	<u>FY 2010</u>
College of William and Mary	\$75,000	\$75,000
George Mason University	1,125,000	1,125,000
Old Dominion University	3,000,000	0
University of Virginia	2,146,875	3,146,875
Virginia Commonwealth University	1,162,500	2,162,500
Virginia Tech	2,821,875	2,821,875
Eastern Virginia Medical School	<u>562,500</u>	<u>562,500</u>
<b>Total</b>	<b>\$10,893,750</b>	<b>\$9,893,750</b>

- **Various Program Enhancements and New Initiatives.** Provides \$1.6 million GF the first year and \$2.8 million GF the second year for academic and research initiatives as well as targeted support for affiliated higher education agencies.

**Various Program Enhancements**  
(\$ General Fund)

<b><u>Institution/Program</u></b>	<b><u>FY 2009</u></b>	<b><u>FY 2010</u></b>
<b>Eastern Virginia Medical School</b>		
Operating Support	\$155,230	\$310,460
<b>New College Institute</b>		
Program Expansion	250,000	500,000
<b>Institute for Advanced Learning and Research</b>		
Research Program Support	325,012	650,025
<b>Roanoke Higher Education Center</b>		
Operating Support	70,000	70,000
<b>SCHEV</b>		
VWIL funding	24,913	24,913
Correct introduced budget funding error	60,000	60,000
<b>Southern Virginia Higher Education Center</b>		
Operating Support	449,000	699,000
Workforce Needs	50,000	10,000
<b>Southwest Virginia Higher Education Center</b>		
Operating Support	125,000	125,000
<b>Virginia Institute of Marine Science</b>		
Operating Support	87,500	175,000
<b>Virginia Commonwealth University</b>		
Southwest Virginia Dental Clinic	50,000	0
Autism Research	<u>0</u>	<u>150,000</u>
<b>Total</b>	<b>\$1,646,655</b>	<b>\$2,774,398</b>

- **Tuition Assistance Grant Program (TAG).** Provides an additional \$1.1 million GF over the biennium to level fund the undergraduate TAG awards. The additional funding will keep the awards to an estimated \$3,200 in FY 2009.
- **Nursing Workforce Funding.** Partially restores \$500,000 GF per year, split between the University of Virginia and the Northern Virginia Community College, to address shortages in the nursing workforce. Previously, funding of \$1.5 million GF per year was provided for competitive grants to develop innovative public-private partnerships that sought to maximize the number of newly licensed nurses and increase the supply of graduate nursing faculty. Two pilot projects were funded in each year, at the previously

mentioned institutions. The entire funding had been eliminated in the Governor's introduced budget.

- **Unique Military Activities.** Transfers \$1.5 million GF each year from Virginia Military Institute (VMI) to Virginia Tech to support military training provided to the Corps of Cadets. This action eliminates the need for the administrative transfer of these funds from VMI to Virginia Tech during the fiscal year. VMI also retains \$199,600 GF each year that was previously provided to the Virginia Women's Institute for Leadership (VWIL) at Mary Baldwin College. All funding for VWIL is now contained solely in SCHEV's budget.
- **Eminent Scholars Program Reduction.** Reduces the Eminent Scholars program at SCHEV by four percent or \$0.5 million GF for the 2008-10 biennium. The Eminent Scholars program provides state matching funds on private monies to institutions for endowed faculty positions.
- **Higher Education Restructuring Financial Incentives.** Provides in Central Appropriations \$16.7 million GF the first year in financial incentives as part of higher education restructuring. This funding represents interest earnings from tuition and fees and other nongeneral fund E&G revenues and rebates on certain credit card purchases. These incentives are granted if institutions successfully meet stated performance benchmarks.
- **Faculty Salary Increase.** Includes \$9.6 million GF the first year and \$27.4 million GF the second year in Central Appropriations for a 2 percent faculty salary in each year of the 2008-10 biennium. The increase would be provided to instructional and administrative faculty as well as adjunct faculty and graduate teaching assistants.