



Report of the Subcommittee on
Higher Education

Senate Finance &
Appropriations Committee
Virginia General Assembly

February 10, 2021



SENATE OF VIRGINIA

Senate Finance & Appropriations Committee

2021 Report of the Higher Education Subcommittee

The Honorable Mamie E. Locke, Chair

February 10, 2021

Madam Chair and Members of the Committee:

Your Subcommittee has reviewed the Governor's proposed budget amendments for Higher Education in light of the significant impacts of the pandemic over the last 11 months. Fortunately, the Fall enrollment impacts have not been as severe as originally feared last Spring. However, there have been additional costs and decreased revenue, especially in the area of auxiliaries. Federal funds and Virginia's higher education debt restructuring have provided meaningful relief, and our recommendations further supplement that with additional state support, and our restorations focus again on student financial aid.

- The CARES Act provided \$210.3 million in Higher Education Emergency Relief Funding for the public institutions and their students, and \$72.6 million for the private non-profit colleges. We endorse also allocating over \$138.3 million in Coronavirus Relief Funds to Higher Education.
- Additional funding under the December relief act (the "CRRSAA") totals \$378.2 million for the public institutions and students via the HEERF2, and our recommended amendments further allocate an additional \$22.0 million for financial aid and \$17.3 million for testing, from federal sources.
- The Committee previously reported the Chair's bill (Senate Bill 1134) to authorize prudent debt restructuring, given the current interest rate environment, to provide relief in FY 2021, FY 2022, and in FY 2023, potentially totaling up to \$232 million in savings.
- In addition, our recommendations add to the FY 2021 funding provided in the Special Session, with an additional \$73.5 million in FY 2022 with flexibility to be used for financial aid, operations,

or other impacts of COVID-19. We also offer some temporary flexibility regarding certain requirements related to athletics revenues and fees.

- Our other recommendations focus primarily on restorations, especially in the areas of financial aid, and on health-related initiatives.
- We are pleased to again endorse a major new initiative for the Commonwealth, with \$36.0 million for the G3 “last dollar plus” community college workforce initiative program we originally approved in 2020. Our recommendations move forward with this program for the 2021-22 academic year, with an additional \$5.0 million for advisors to better ensure student success. This program is focused on low- and middle-income students pursuing applied degrees in high demand areas. Students can expect to earn 60 percent more after gaining these skills. The program will provide businesses with needed workers in health care, skilled trades, technology, law enforcement, and early childhood education.
- Our recommendations also endorse the restorations of \$30.3 million for need-based financial aid, \$13.5 million for new last-dollar plus scholarship programs at Norfolk State University and Virginia State University, and \$7.9 million for Tuition Assistance Grants.

Taking the longer view, we also recommend restoring support for a needed review of higher education costs, funding needs, appropriations, and efficiencies. This will assist us going forward in meeting our goals for affordability, access, completion, workforce alignment and underrepresented student populations, and will be all the more important now, in evaluating the changes in technology facilitating education even after the pandemic.

Our other recommendations are summarized in the attached materials. We hope it will be the pleasure of the Committee to adopt our amendments.

Respectfully Submitted,

The Honorable Mamie E. Locke, Chair

The Honorable Janet D. Howell

The Honorable Richard L. Saslaw

The Honorable Thomas K. Norment, Jr.

The Honorable Frank M. Ruff, Jr.

The Honorable John S. Edwards

Report of the Subcommittee on Higher Education
(Recommended Amendments to SB 1100, As Introduced)

Line #	Amendment #	Short Title	GF Dollars FY2021	GF Dollars FY2022	NGF Dollars FY2021	NGF Dollars FY2022	GF Positions Biennium	NGF Positions Biennium
1	150 #1s	SCHEV - Restore Funding for Military Survivors Stipend	\$150,000	\$300,000				
2	152 #1s	SCHEV - Restore Guidance to Postsecondary Success		\$250,000				
3	152 #2s	SCHEV - Restore Cost Study		\$300,000			1	
4	152 #3s	SCHEV - Financial Aid Application Portal (SB 1387)		\$200,000				
5	152 #4s	SCHEV - Wage Records for Data Commission		Language				
6	156 #1s	CNU - O&M New Facilities-Fine Arts Center		\$1,019,000		\$651,500	11.5	7.5
7	164 #1s	RBC - Re-conversion of Dorm to Classrooms		(\$299,000)				
8	168 #1s	VIMS - Restore Manage Aquatic Diseases		\$225,000			2.2	
9	168 #2s	VIMS - Restore Saltwater Fisheries Surveys		\$250,000			2.7	
10	183 #1s	NSU - Joint School of Public Health		\$1,250,000				
11	184 #1s	NSU - VCAN Funding for Spring Semester	(\$1,729,795)					
12	187 #1s	ODU - Joint School of Public Health		\$1,250,000				
13	191 #1s	RU - Higher Education Operating Support		\$2,000,000				
14	196 #1s	UMW - Restore Workforce Development Initiative		\$568,000				
15	205 #1s	UVA - Focused Ultrasound Center		(\$1,000,000)				
16	214 #1s	VCU - Wilder School RISE	\$192,793					
17	214 #2s	VCU - Virginia Center for Aging		\$150,000				
18	216 #1s	VCU - Massey Cancer Center	(\$5,000,000)	(\$2,500,000)				
19	220 #1s	VCCS - Restore VWCC Healthcare Programs from RUC		\$385,177				
20	220 #2s	VCCS - Marketing, Outreach, Advising, and Public Awareness for G3		\$5,000,000			60	

Report of the Subcommittee on Higher Education
(Recommended Amendments to SB 1100, As Introduced)

Line #	Amendment #	Short Title	GF Dollars FY2021	GF Dollars FY2022	NGF Dollars FY2021	NGF Dollars FY2022	GF Positions Biennium	NGF Positions Biennium
21	226 #1s	VMI - Restore Core Leadership Course		\$103,048			1	
22	226 #2s	VMI - Restore Math Education and Miller Academic Centers		\$126,000				
23	236 #1s	VT Ext. - Coop. Ext. & Agricultural Experiment Stations		\$1,600,000				
24	238 #1s	VSU - VCAN Funding for Spring Semester	(\$1,886,745)					
25	256 #1s	NCI - Restoration		\$95,000				
26	257 #1s	IALR - Restoration		\$95,000				
27	258 #1s	RHEC - Restoration - Security		\$98,817				
28	258 #2s	RHEC - Restoration - Student Success		\$213,254				
29	259 #1s	SVHEC - Restoration		\$388,972				
30	260 #1s	SWVHEC - Restoration		\$95,000				
31	260 #2s	SWHEC - Restore Va. Rural IT Apprenticeship Program		\$1,000,000				
32	262.80 #1s	Unified Higher Education Amendment		\$73,500,000				
33	481 #1s	HE - Tech Talent - MOU Requirements		Language				
34		TOTAL	(\$8,273,747)	\$86,663,268	\$0	\$651,500	78.4	7.5

SCHEV - Cost Study

Education	FY20-21	FY21-22	
State Council of Higher Education for Virginia	\$0 0.00	\$300,000 1.00	GF FTE

Language:

Page 205, line 6, strike "\$18,335,818" and insert "\$18,635,818".

Page 208, after line 36, insert:

"U. 1. Out of this appropriation, \$300,000 the second year from the general fund is designated to support related costs of undertaking a review of higher education costs, funding needs, appropriations and efficiencies.

2. The State Council of Higher Education, in consultation with representatives from House Appropriations Committee, Senate Finance and Appropriations Committee, Department of Planning and Budget, Secretary of Finance, and Secretary of Education, as well as representatives of public higher education institutions, shall review methodologies to determine higher education costs, funding needs, and appropriations in Virginia. The review shall identify and recommend: (1) methods to determine appropriate costs; (2) measures of efficiency and effectiveness; (3) provisions for any new reporting requirements; (4) strategies to allocate limited public resources based on outcomes that align with state needs related to affordability, access, completion, and workforce alignment, including with regard to nonresident pricing; (5) the impact of funding on underrepresented student populations; and (6) a timeline for implementation.

3. The review shall build on existing efforts including the assessment of base adequacy, recommendations provided through the Strategic Finance Plan, and peer institution comparisons to determine if existing funding models should be updated or replaced. It shall also build on promising practices and include input from Virginia's institutions, policy makers, and other education experts.

4. The Council shall present a proposed workplan to the Joint Subcommittee on the Future Competitiveness of Higher Education in Virginia by August 15, 2021. The Council shall submit a preliminary report and any related recommendations to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by December 1, 2021 with a final report by July 1, 2022."

Explanation:

(This amendment restores funding for a review to benchmark costs for higher education using historic trends and comparisons to other state, institution, and national data and to identify methods to allocate additional funds to higher education when available.)

Item 152 #3s

SCHEV - Financial Aid Application Portal (SB 1387)

Education	FY20-21	FY21-22	
State Council of Higher Education for Virginia	\$0	\$200,000	GF

Language:

Page 205, line 5, strike "\$18,335,818" and insert "\$18,535,818".

Explanation:

(This amendment provides \$200,000 GF for SCHEV to develop and maintain an application portal related to implementation of Senate Bill 1387, which provides that students who meet the criteria in the Code of Virginia that determine eligibility for in-state tuition regardless of their citizenship or immigration status shall be afforded the same educational benefits, including access to state financial assistance programs, as any other individual who is eligible for in-state tuition. The bill has a delayed effective date of August 1, 2022, but directs the State Council of Higher Education for Virginia, in coordination with institutions of higher education in the Commonwealth, to promulgate regulations to implement the provisions of the bill and develop the application portal in the interim. The portal will require additional privacy and security to collect financial aid data that SCHEV and institutions do not currently collect.)

Item 152 #4s

SCHEV - Wage Records for Data Commission

Education

State Council of Higher Education for Virginia

Language

Language:

Page 207, after line 21, insert:

"In addition, the office of the workforce development advisor shall also have access to wage records collected by the Council."

Explanation:

(This amendment allows the office of the workforce development advisor access to wage records under SCHEV's existing authority, as a result of language adopted in 2019 specifying certain needed data exchange with the U.S. Census in order to get wage outcomes for graduates working outside the Commonwealth.)

Item 183 #1s

NSU - Joint School of Public Health

Education	FY20-21	FY21-22	
Norfolk State University	\$0	\$1,250,000	GF

Language:

Page 227, line 13, strike "\$100,293,110" and insert "\$101,543,110".

Page 228, after line 34, insert:

"H. Out of this appropriation, \$1,250,000 in the second year from the general fund is designated for the development and operation of a joint School of Public Health in partnership with Old Dominion University and Norfolk State University. This is to be a recurring appropriation."

Explanation:

(This amendment provides \$1.25 million GF beginning in the second year for the development and operation of a joint School of Public Health in partnership with Old Dominion University and Norfolk State University. This is to be a recurring appropriation.)

Item 184 #1s

NSU - VCAN Funding for Spring Semester

Education	FY20-21	FY21-22	
Norfolk State University	(\$1,729,795)	\$0	GF

Language:

Page 228, line 37, strike "\$21,647,706" and insert "\$19,917,911".

Page 229, line 3, strike "\$3,459,590" and insert "\$1,729,795".

Page 229, line 23, after "program." strike the remainder of the line.

Page 229, strike lines 24 and 25.

Explanation:

(This amendment adjusts first year funding for the new VCAN affordability initiative approved during the 2020 Regular Session. The funding was unallotted at the Reconvened Session, then restored, for FY 2021, during the Special Session. The required detailed budget and implementation plan was submitted in December 2020 and to be impactful beginning spring semester 2021. Funding remains for the spring semester and for the 2021-22 academic year. The amendment provides for the release of first year funding by removing existing language that required certain approvals prior to release of the funding.)

Item 187 #1s

ODU - Joint School of Public Health

Education	FY20-21	FY21-22	
Old Dominion University	\$0	\$1,250,000	GF

Language:

Page 230, line 6, strike "\$326,951,395" and insert "\$328,201,395".

Page 231, after line 47, insert:

"K. Out of this appropriation, \$1,250,000 in the second year from the general fund is designated for the development and operation of a joint School of Public Health in partnership with Old Dominion University and Norfolk State University. This is to be a recurring appropriation."

Explanation:

(This amendment provides \$1.25 million GF beginning in the second year from for the development and operation of a joint School of Public Health in partnership with Old Dominion University and Norfolk State University. This is to be a recurring appropriation.)

Item 214 #2s

VCU - Virginia Center for Aging

Education	FY20-21	FY21-22	
Virginia Commonwealth University	\$0	\$150,000	GF

Language:

Page 246, line 8, strike "\$661,732,918" and insert "\$661,882,918".

Page 246, line 50, strike "\$386,685" and insert "\$536,685".

Page 247, after line 9, insert:

"All other funding support for the center shall be maintained by the university at least at the level provided in fiscal year 2019."

Explanation:

(This amendment restores funding in FY 2022 to the Virginia Center on Aging that was removed in the 2020 Special Session, and provides clarifying language.)

Item 216 #1s

VCU - Massey Cancer Center

Education	FY20-21	FY21-22	
Virginia Commonwealth University	(\$5,000,000)	(\$2,500,000)	GF

Language:

Page 249, line 26, strike "\$331,699,678" and insert "\$326,699,678".
Page 249, line 26, strike "\$331,699,678" and insert "\$329,199,678".
Page 249, line 39, strike "\$17,500,000" and insert "\$12,500,000."
Page 249, line 40, strike "\$17,500,000" and insert "\$15,000,000."
Page 249, line 41, after "support of cancer research" insert ", including pediatric cancer treatment".

Explanation:

(This amendment provides an additional \$2.5 million for Massey Cancer Center in FY 2022, consistent with the conference report during the 2020 Regular Session. The FY 2021 amount is level funded.)

Item 220 #2s

VCCS - Marketing, Outreach, Advising, and Public Awareness for G3

Education	FY20-21	FY21-22	
Virginia Community College System	\$0	\$5,000,000	GF
	0.00	60.00	FTE

Language:

Page 251, line 14, strike "\$939,748,443" and insert "\$944,748,443".
Page 254, line 9, strike "\$1,500,000" and insert "\$6,500,000".
Page 254, line 10, after "designated for" insert "advising,".

Explanation:

(This amendment provides \$5.0 million GF for Virginia community colleges to hire 60 additional advisors to assist students in identifying appropriate programs, resources and support, related to the G3 initiative.)

Item 236 #1s

VT Ext. - Coop. Ext. & Agricultural Experiment Station

Education	FY20-21	FY21-22	
Virginia Cooperative Extension and Agricultural Experiment Station	\$0	\$1,600,000	GF

Language:

Page 269, line 15, strike "\$93,864,832" and insert "\$95,464,832".

Explanation:

(This amendment supports the enhancement of the Virginia Cooperative Extension and Agricultural Experiment Station in order to support the resiliency and growth of the agricultural and forestry economy in the Commonwealth. Specific needs addressed in this multi-year request include improving internet connectivity, including one-time and on-going costs. Additional needs include modernizing research equipment, adding critical personnel, and supporting the market competitiveness of extension agent salaries.)

Item 238 #1s

VSU - VCAN Funding for Spring Semester

Education	FY20-21	FY21-22	
Virginia State University	(\$1,886,745)	\$0	GF

Language:

Page 272, line 7, strike "\$19,677,956" and insert "\$17,791,211".

Page 272, line 22, strike "\$3,773,490" and insert "\$1,886,745".

Page 272, strike lines 42 and 43.

Explanation:

(This amendment adjusts first year funding for the new VCAN affordability initiative approved during the 2020 Regular Session. The funding was unallotted at the Reconvened Session, then

restored, for FY 2021, during the Special Session. The required detailed budget and implementation plan included a timeline beginning with January 2021 for creating a pipeline for fall 2021. Funding remains for the spring semester and for the 2021-22 academic year. The amendment provides for the release of funding by removing existing language that required certain approvals prior to release of the funding.)

Item 258 #1s

RHEC - Restoration - Security

Education	FY20-21	FY21-22	
Roanoke Higher Education Authority	\$0	\$98,817	GF

Language:

Page 282, line 43, strike "\$1,478,720" and insert "\$1,577,537".

Explanation:

(This amendment restores funding in the second year for the Roanoke Higher Education Center for one-time funding of \$50,873 for equipment and installation of blue light telephones, and a security camera system. Additionally, this budget amendment provides on-going funding of \$47,944 for additional hours of coverage from security officers.)

Item 258 #2s

RHEC - Restoration - Student Success

Education	FY20-21	FY21-22	
Roanoke Higher Education Authority	\$0	\$213,254	GF

Language:

Page 282, line 43, strike "\$1,478,720" and insert "\$1,691,974".

Explanation:

(This amendment restores funding in the second year for the Roanoke Higher Education Center for one-time funding of \$66,898 and on-going funding of \$146,356 for the development and maintenance of a student success center.)

Item 259 #1s

SVHEC - Restoration

Education	FY20-21	FY21-22	
Southern Virginia Higher Education Center	\$0	\$388,972	GF

Language:

Page 283, line 8, strike "\$7,949,697" and insert "\$8,338,669".

Explanation:

(This amendment restores funding in the second year for one-time funding of equipment in the amount of \$293,972 and on-going staffing funding of \$95,000 for personnel and technical training equipment to support high-demand workforce training programs. Equipment includes Zoom classroom equipment and software to allow students access to quality distance and virtual training courses and upgrades to Amatrol training equipment, including new electrical wiring learning system.)

Item 262.80 #1s

Unified Higher Education Amendment

Education	FY20-21	FY21-22	
Maintain Affordable Access	\$0	\$73,500,000	GF

Language:

Page 287, line 16, strike "\$0" and insert "\$73,500,000".

Page 287, strike lines 16 through 43 and insert:

“Item 262.80

Educational and General Programs (10000)	\$60,000,000	\$73,500,000	
Higher Education Instruction (10001)	\$60,000,000	\$73,500,000	
		Fund Sources:	
		General	

Authority: Discretionary Inclusion

A. Out of this appropriation, \$60,000,000 the first year and \$73,500,000 the second year from

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the general fund is designated to maintain affordable access to public colleges and universities. Institutions may use these funds for operational support, to enhance financial aid, or to address the impacts of the COVID-19 pandemic. For purposes of base budget development, these appropriated funds shall be transferred to the individual institution. Allocations from this item are as follows:

Institution	FY 2021 Allocation	FY 2022 Allocation
Christopher Newport University	\$2,400,000	\$2,400,000
College of William and Mary	3,500,000	3,500,000
George Mason University	0	9,000,000
James Madison University	5,700,000	5,700,000
Longwood University	1,500,000	1,500,000
University of Mary Washington	3,300,000	3,300,000
Norfolk State University	2,000,000	2,000,000
Old Dominion University	0	4,500,000
Radford University	4,900,000	4,900,000
University of Virginia	3,000,000	3,000,000
University of Virginia's College at Wise	1,000,000	1,000,000
Virginia Commonwealth University	10,000,000	10,000,000
Virginia Military Institute	1,000,000	1,000,000
Virginia Polytechnic Institute & State University	4,000,000	4,000,000
Virginia State University	1,700,000	1,700,000
Richard Bland College	1,000,000	1,000,000
Virginia Community College System	15,000,000	15,000,000
Total	\$60,000,000	\$73,500,000"

B. Pursuant to Item 479.10 of this Act, \$17,250,000 from the Coronavirus Relief Fund is provided for the costs of conducting COVID-19 tests at Virginia's public colleges and universities.

C. To address student affordability, \$22,000,000 in Governor's Education Emergency Relief funds from the Coronavirus Response and Relief Supplemental Appropriations Act, (P.L. 116-260) shall be allocated to public institutions of higher education for need-based undergraduate financial aid in the second year.

D. To provide additional operational relief to institutions of higher education, the following reporting and procurement policies shall be modified accordingly:

1. Pursuant to § 4-2.01.b.11 of this act, for future reporting on fiscal year 2023 and beyond required reporting on intercollegiate athletic revenues and expenses, specifically related to the

share of athletic revenues from school funds and student fees, as set out in § 23.1-1309, Code of Virginia, fiscal years 2020, 2021, and 2022 shall be excluded from the calculated five-year rolling average of the change in generated revenue and student fees also outlined in § 23.1-1309, Code of Virginia.

2. Consistent with the 2019 updates to the Virginia Public Procurement Act, institutions of higher education that have entered into memoranda of understanding or management agreements with the state are permitted to conform their Request for Proposal advertising rules to that of § 2.2-4302.2.A.2.”

Explanation:

(This amendment provides funding to Virginia’s public colleges and universities to meet the challenges of the COVID-19 pandemic, support operations, and address access and affordability. Specifically, the amendment provides the following: 1) Continues first-year one-time support of \$60.0 million GF provided in Chapter 56, 2020 Special Session I, into the second year of the biennium, and includes funding for George Mason University and Old Dominion University, for operational support, to enhance financial aid, and to address the impacts of the COVID-19 pandemic; 2) Allocates an additional \$17.3 million from the Coronavirus Relief Fund to address the costs of testing for COVID-19; 3) Allocates \$22.0 million from "GEER2" for additional financial aid, and 4) Provides relief from certain procurement and other requirements to provide institutions with additional flexibility and to generate cost savings.)

Item 481 #1s

HE - Tech Talent - MOU Requirements

Central Appropriations

Central Appropriations

Language

Language:

Page 580, line 1, after "Code of Virginia," insert "for the 2020-22 biennium".

Page 580, line 2, after "MOU." insert "The designated reviewers shall propose any needed technical adjustments for consideration during the 2022 Session."

Explanation:

(This amendment clarifies proposed technical language regarding eligibility for "Tech Talent" grants pursuant to the approved Memorandums of Understanding.)