

SENATE OF VIRGINIA

Senate Finance Committee

Overview of the Governor's Proposed Amendments to the 2010-2012 Budget for Higher Education

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Education Subcommittee

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Overview of Higher Education

2

- Governor's proposed amendments result in a net **increase of \$216,501 GF** in FY 2011 and **\$80.2 million** in FY 2012.
 - **Includes \$50.0 million** GF budgeted under Central Appropriations to address access, affordability, increased use of technology and STEM (Science, Technology, Engineering and Mathematics) program initiatives under consideration by the Higher Education Commission.
 - This funding is not appropriated by institution and would allow institutions to apply for funding through a grant process.
 - The Governor's Commission on Higher Education Reform, Innovation and Investment was created in March of 2010 and was charged with considering the current state of Virginia's public and private higher education system. The Commission was to provide recommendations on the following:
 - Increasing the number of higher education degrees;
 - Expanding degrees in STEM (science, technology, engineering, and math) and other disciplines where unmet demand is anticipated;
 - Crafting a sustainable higher education funding model;
 - Developing innovative ways to deliver quality instruction;
 - Evaluating strategies to reduce costs through testing and accelerated degree completion; and
 - Creating effective workforce development programs.

Overview of Higher Education (continued)

3

- Additional stimulus funding of \$3.4 million is proposed for FY 2011.
- Funding of \$5.0 million each is recommended for Old Dominion University, Virginia Commonwealth University and Eastern Virginia Medical School to address various initiatives.
- Funding of \$3.0 million is proposed for workforce development programs at the Virginia Community College System.
- Additional funding of \$2.5 million GF for the Tuition Assistance Grant (TAG) program in FY 2012 (to raise awards \$100 to \$2,700/student).
- Higher education institutions and affiliated agencies received reductions of \$324.0 million GF for the biennium during the 2010 Session.
 - The \$10.0 million GF reduction to higher education approved for FY 2012 during the 2010 Session remains in Central Accounts and has not been distributed to individual institutions.

Summary of Proposed Amendments

4

GF Actions for the 2010-12 Biennium - (\$ in millions)	
Higher Education Commission Initiatives	\$50.0
Higher Education Interest Earnings/Credit Card Rebate	7.9
Old Dominion University Base Funding and TELETECHNET	5.1
Virginia Commonwealth University Massey Cancer Center	5.0
Eastern Virginia Medical School Instruction Funding	5.0
Virginia Community College System Workforce Development	3.0
Tuition Assistance Grant	2.5
University of Mary Washington Dahlgren Center	1.0
Virginia Tech/Virginia State Extension Funding	1.0
Southwest VA Higher Ed. Center Pond Repair	0.3
Reductions	(0.3)
Total	\$80.4

Cooperative Extension Funding

5

- **Virginia Cooperative Extension Program Funding (Virginia Tech).**
 - Funding of \$494,410 GF in FY 2012 is recommended to support the restructuring plan required by the 2010 General Assembly.
 - Changes approved in budget conference during the 2010 Session required a restructuring plan and an additional targeted reduction of \$1.0 million GF in FY 2012 (a decrease in appropriations to Extension funding from original FY 2010 of almost \$9.0 million GF).

- **Virginia State University Extension Services Funding.**
 - Recommends \$530,000 GF in FY 2012 to match federal grant funds for extension services at Virginia State University.

Reductions

6

- **State Council of Higher Education for Virginia** received proposed reductions in the amount of \$22,000 GF in FY 2011 and \$244,045 in FY 2012.
 - Proposed reductions include \$22,000 GF per year for the optometry grant program.
 - The budget amendments also propose a \$222,025 GF reduction in FY 2012 or about a 6 percent reduction of the Council's remaining administrative appropriation.
 - Results in the elimination of three positions.
 - This is more than a 30 percent staffing reduction since FY 2009.
- **Jefferson Labs** would receive a \$11,499 GF or 1 percent reduction in each year for operating support at Jefferson Lab's free electron laser.

Other Actions

7

Actions Impacting Higher Education	FY 2012
State Employee Optional Retirement Plan Contributions	(\$7.1)
Research and Technology Investment Fund	25.0

- **Adjust Nongeneral Fund to Reflect FY 2011 Tuition and Fee Actions.** Recommends \$201.7 million NGF in FY 2011 and \$184.4 million NGF in FY 2012 to account for tuition actions taken by the Boards of Visitors in the *Spring* of 2010.
 - The proposed adjustments are based on requests for all institutions except VCU.
 - The proposed second year adjustment for VCU reflects 50 percent of the FY 2011 level in order to allow VCU to re-evaluate its Spring, 2010 tuition increase of 32 percent.