

**Comparison of Major Features for SB 1459
(Houck, Norment)
Virginia Higher Education Opportunity Act of 2011**

Issue	Current/Comment	SB 1459
<p>§23-38-87:10 <i>Short Title, Purpose</i> Pages 13-14, Lines 756-818</p>		<p>The objective of this chapter is to fuel strong economic growth in the Commonwealth and prepare Virginians for the top job opportunities in the knowledge-driven economy of the 21st Century by establishing a long-term commitment, policy, and framework for sustained investment and innovation that will enable the Commonwealth to build upon the strengths of its excellent higher education system and achieve national and international leadership in college degree attainment and personal income, and that will ensure these educational and economic opportunities are accessible and affordable for all capable and committed Virginia students.</p>
<p>§23-38-87:11 <i>Definitions</i> Page 14, Lines 819-851</p>		
<p>§23-38-87:12 <i>Higher Education Funding Policy</i> Pages 14-15, Lines 852-861</p>		<p>The four components identified by the Higher Education Commission:</p> <ol style="list-style-type: none"> 1. Incentives for Economic Impact and Innovation 2. Need-Based Financial Aid 3. Per-Student Enrollment-Based Funding 4. Basic Operations and Instruction
<p>§23-38-87:13 <i>Cost of Education</i> Page 15, Lines 862-894</p>	<p>Current formula is the base adequacy model with additions taken into account (OCR funds, etc.).</p>	<p>A. Provides that an institution's basic operations and instruction funding need will be calculated biennially, and along with the Commonwealth's funding split policy of 67/33 will be taken into account by the Governor and General Assembly.</p>

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	<p>There is a 60th percentile faculty salary goal that is aspirational and has a different set of peers.</p> <p>Section is confusing as to whether the 60th percentile goal and other such funding for E&G as appropriate goes in to basic operations and instruction funding need vs. the cost of education.</p> <p>It is not clear how C. is defined (fixing the 67/33 split or same percentage under the model).</p>	<p>Between biennial recalculations, appropriation for basic operations and instruction funding can be increased or decreased for changes in enrollment, meeting targeted financial incentives, and any other purpose deemed appropriate by the General Assembly.</p> <p>B. States that the institution’s basic operations and instructional funding shall be the sum of the institution’s total cost of education for the total enrollment using a cost reimbursement model (current base budget adequacy) with adjustments to the model based on particular state policies related to institution specific policies/conditions, the amount required to reach the Commonwealth’s faculty salary goal of the 60th percentile of the most recently reported average faculty salaries paid by the institution’s peer institutions, and other such funding for educational and general services as the General Assembly may appropriate.</p> <p>C. States the Governor’s goal of providing the same <u>percentage</u> of General Funds to all public institutions based on the cost of education.</p>
<p>§23-38-87:14 <i>Per student enrollment funding</i> Page 15, Lines 895-914</p>	<p>Currently, there is not an individual per student amount that is in a model. The intent has been stated to be that they would take a portion of existing funding from the institutions of higher education and make it a per student funding pot.</p>	<p>Describes the second funding model component-Per Student Enrollment Funding.</p> <p>Recommendations on this area are to be developed by the Higher Education Advisory Committee.</p>

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	<p>The amount would be tied to the TAG award.</p> <p><u>This is a departure from current practice.</u></p>	<p>Statement to recognize that significant enrollment growth occurred between the 2005-2006 fiscal year and the effective date of this chapter and that the Governor and General Assembly should consider and provide additional general funds for this unfunded enrollment growth.</p> <p>States SCHEV's role to approve or disapprove all enrollment projections for the public institutions of higher education. Private not-for-profit institutions of higher education shall submit their Virginia student enrollment projections to the Council.</p>
<p>§23-38-87:15 <i>Need-Based Financial Aid</i> Pages 15-16, Lines 915-922</p>	<p>Funding is provided for need-based financial aid for undergraduates. There is a small amount for graduate students.</p> <p>No real provision for middle income students.</p> <p>TAG is available to private not-for-profit VA institution students and is not need-based.</p>	<p>Each institution should include in its six-year plan an institutional student financial aid commitment. This includes low-income and middle income students.</p> <p>"Low- and middle-income" is to be defined by the Higher Education Advisory Committee.</p>

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<p>§23-38-87:16 <i>Targeted Economic and Innovation Incentives</i> Page 16, Lines 923-947</p>	<p>Currently there are performance measures tied to the “state ask” that were required under Restructuring. Related to 12 goals.</p> <p>Deletes the current goals and the institutional performance measures. Would allow several years of no measures (see enactment clause 3).</p>	<ol style="list-style-type: none"> 1. Increased enrollment of Virginia students, per student enrollment growth funding; 2. Increased degree completion for Virginia residents with partial credit; 3. Increased degree completion in a timely or expedited manner; 4. Improved retention and graduation rates; 5. Increased degree production in STEM and other high-need areas; 6. Increased research, including regional and public-private collaboration; 7. Optimal year-round utilization of resources and other efficiency reforms; 8. Technology-enhanced instruction, course redesign, online instruction, and resource sharing among institutions; 9. Enhanced community college transfer programs and grants and other enhanced degree path programs; and 10. Other incentives based on the economic opportunity metrics developed
<p>§23-38-87:17 <i>Institutional Six-Year Plans</i> Pages 16-17, Lines 948-990</p>	<p>Currently, there is a six-year plan under Restructuring requirements. Feedback has not been provided. For the most part, they have not been used as a control for tuition.</p>	<p>A. Governing board of each public institution shall develop and adopt a six-year plan in each odd-numbered year. Allows for amendments in each even-numbered year. SCHEV, the Governor, and the chairs of the money committees (or their designees) shall review and provide comments by September 1.</p>

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		<p>B. Plan should be presented in the form specified by SCHEV and in consultation with the Higher Education Advisory Committee.</p> <p>C. Specifies each item that should be addressed in the plan including those items recommended by the Higher Education Commission (financial aid for low and middle income, degree conferral targets for Virginia undergraduates, year round use of facilities and instructional resources, instructional resource sharing, and plans for responding to other incentives.) Includes provisions to address tuition and new initiatives proposed by the institution.</p> <p>D. States that each institution shall give consideration to the potential impacts of tuition increases on the Virginia College Savings Plan (same language from management agreements).</p>
<p>§23-38-87:18 <i>Articulation, transfer and dual enrollment and admissions agreements; admission of certain community college graduates</i> Page 17, Lines 991-1034</p>	<p>Current Code sections are the same except for section (B) on uniform certificate of general studies.</p>	<p>Adds section (B) on uniform certificate of general studies that was adopted last year.</p>

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<p>§23-38-87:19 <i>Creation of Higher Education Revenue Stabilization Fund; deposits; withdrawals</i> Pages 17-18, Lines 1035-1064</p>	<p>Currently, no such Fund exists.</p> <p>This would set a precedent for earmarking funds within the Rainy Day Fund.</p>	<p>Establishes the Higher Education Revenue Stabilization Fund as a subfund of the Revenue Stabilization Fund (or Rainy Day Fund).</p> <p>The Higher Education Fund would consist of a designated portion, not to exceed 10 percent, of the larger fund.</p> <p>Funds could go toward GF appropriations for E&G, financial aid and the College Scholarship Assistance Act, research, TAG grants, and GF appropriations for the higher education centers and institutes.</p> <p>If interest earned in the subfund exceeds the established 10 percent limit, then the overage would be transferred to the Revenue Stabilization Fund. When a withdrawal of the Revenue Stabilization Fund is made, the General Assembly may appropriate from the Higher Education Fund a total amount not to exceed 25 percent of the balance of the subfund or an amount that would cause the Revenue Stabilization Fund to fall below its mandated minimum.</p>
<p>§23-38-87:20 <i>Carry forward nongeneral funds; institutional revenue stabilization funds</i> Page 18, Lines 1065-1082</p>	<p>Currently, higher education institutions can carry forward nongeneral fund educational and general balances.</p>	<p>Authorizes institutions to carry forward to the next year unexpended nongeneral fund educational and general balances.</p>

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<p>§23-38-87:21 <i>Tuition and fees</i> Pages 18-19, Lines 1083-1111</p>		<p>A. Board of Visitors authority to set tuition and fees (existing Code language).</p> <p>B. Describes tuition limitation calculation. If institutions exceeds the difference between the cost of education for all students, and the sum of tuition and E&G fees for non-VA students, state GF for its basic operations and instructions, and per student funding – then the institutions will forgo state funding in amount to be determined by the General Assembly. (Does not apply to any portion of tuition and fees allocated for financial aid, an institution’s share of state-mandated salary and fringe increase, or increases with funds other than general funds for the improvement of faculty salary competitiveness).</p> <p>C. Outlines process for institutions submitting in the six year plan new programs, initiatives, or other matters that may exceed the tuition calculation in Section B.</p>
<p>§23-38-87:22 <i>Creation of STEM Public-Private Partnership</i> Page 19, Lines 1112-1142</p>	<p>Does not currently exist.</p>	<p>Creation of a STEM partnership. Will develop and implement strategies to address priority issues related to this area.</p>

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<p>§23-38-87:23 <i>Higher Education Advisory Committee</i> Pages 19-20, Lines 1143-1224</p>	<p>Does not currently exist.</p> <p>Membership of this group has been under discussion. No agreement on the membership, especially a private not-for-profit institution of higher education.</p> <p>Several items are left for this group to address.</p>	<p>A. Addresses membership: Secretary of Education in consultation with the money committees, Secretary of Finance, public higher education institutions shall convene an advisory committee. (Representatives from Sec. of Education – chair, House Appropriations, Senate Finance, Office of Sec. of Finance, DPB, SCHEV, CFOs of several public institutions of higher education, a public non profit institution of higher education, and such other persons as the Committee shall designate.)</p> <p>B. Describes new responsibilities for advisory committee (develop and review every 5 years):</p> <ol style="list-style-type: none"> 1. Methodology and timing for the per student enrollment growth funding 2. Criteria for determining which families qualify for “low income” and “middle income” and how this relates to federal, state, and institutional policies and programs 3. Criteria for the financial incentives and the benefits or consequences for not meeting the incentives in the Six Year plan 4. Economic opportunity metrics 5. Additional authority, state goals, and objective criteria for evaluating, and benefits and consequences for meeting and not meeting goals and objectives.

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		<p>C. Describes current policies that the advisory committee should review every 5 years:</p> <ol style="list-style-type: none"> 1. Review of the elements in the funding model 2. Factors in selecting the peer institutions 3. State policies related to institutional factors to adjust the cost of education calculation 4. Federal and state financial aid programs and institutional practices to ensure that the appropriate level of financial assistance is being provided to both low-income and middle-income families 5. The content of the six year plans 6. Additional operational autonomy <p>D. Periodically assess the degree to which the Commonwealth's system of higher education is meeting the statewide objectives of economic impact, reform, affordability, and access, as well as the strategic impact of the new general fund investments.</p> <p>E. The Advisory Committee shall perform other such duties as requested by the Governor or the General Assembly.</p>

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<p>§23-38-87:24 <i>Certification by Council</i> Pages 20-21, Lines 1225-1234</p>		<p>Council shall annually assess public and/or private institutions on goals and criteria developed by the Advisory Committee by October 1 of each fiscal year and provide a written report of the assessment.</p>
<p><i>Enactment Clause 2</i> Page 27, Lines 1626-1628</p>		<p>References that the model referenced in the cost education calculation is the base adequacy model adopted by the Joint Subcommittee on Higher Education Funding Policies.</p>
<p><i>Enactment Clause 3</i> Page 27, Lines 1629-1641</p>		<p>States that the Governor must send budget amendments in 2011 to amend the six-year plan requirements for the plan due on July 1. The financial benefits under restructuring would be received through 2013 based on the 2011 certification.</p>