

Recommendations for 2016-18 Budget Amendments and Enrollment and Degree Update

Senate Finance Committee
Education Subcommittee

Peter Blake

Director of State Council of Higher Education for Virginia

October 20, 2016



The Virginia Plan for Higher Education

Be the best-educated state by 2030

- **Goal 1: Provide Affordable Access for All**
- **Goal 2: Optimize Student Success for Work and Life**
- **Goal 3: Drive Change and Improvement through Innovation and Investment**
- **Goal 4: Advance the Economic & Cultural Prosperity of the Commonwealth & its Regions**

The Virginia Plan for Higher Education

Strategy

Align state appropriations, financial aid and tuition and fees such that students have broader access to postsecondary education opportunities regardless of their ability to pay.

SCHEV Budget Priorities in FY2018

- **Faculty Salaries**
 - Affects faculty retention and recruitment.
 - State planned 3% salary increase in FY2017 was redirected due to the budget shortfall.
- **Operating and Maintenance of New Facilities Coming Online**
 - Institutions reported 33 new facilities coming online in 2016-18 biennium.
 - Without additional funding, institutions divert existing budgets or increase tuition to cover the costs.
- **Base Adequacy/Cost of Education**
 - 3 institutions (ODU, VMI and EVMS) are currently below full funding.
- **Higher Education Equipment Trust Fund**
 - Additional funding needed to renew an aging inventory.
 - Debt-service payment not due until FY 2019

SCHEV Budget Priorities in FY2018

- **Undergraduate Financial Aid**

- \$24 million remains unallocated for FY 2018.
- A hold-harmless approach involving either a 1% increase in funding or the maintenance of the FY2017 percent of need met.

- **Two-Year College Transfer Grant**

- Student participation in the program has more than doubled in the past 3 years.
- The program will likely experience a budget shortfall in the 2016-18 appropriations.

- **Tuition Assistance Grant**

- Staff will affirm the Council's prior commitment and recommend increasing the maximum award for undergraduate students in FY2018 from \$3,300 to \$3,350.

Summary of SCHEV Budget Amendments in FY2018

(In Millions)

Item	GF	NGF	Total
Base Adequacy/Cost of Education	\$4.4	\$3.8	\$8.2
Faculty Salaries	\$21.6	\$21.6	\$43.2
Operation and Maintenance of New Facilities	\$8.1	\$5.8	\$13.9
Undergraduate Financial Aid	\$8.9		\$8.9
Transfer Grant ¹	\$2.8		\$2.8
Subtotal for Operating Budget	\$34.1	\$31.2	\$65.3
Subtotal for Financial Aid	\$11.7		\$11.7
Total	\$45.8	\$31.2	\$77.0
Higher Education Equipment Trust Fund - Allocation ²	\$8.9 million for all equipment		

Notes:

(1) Includes \$900,000 in general fund in FY2017.

(2) Estimated \$1 million in general fund to finance the debt service will not be needed till FY2019.

Resolutions Under Consideration

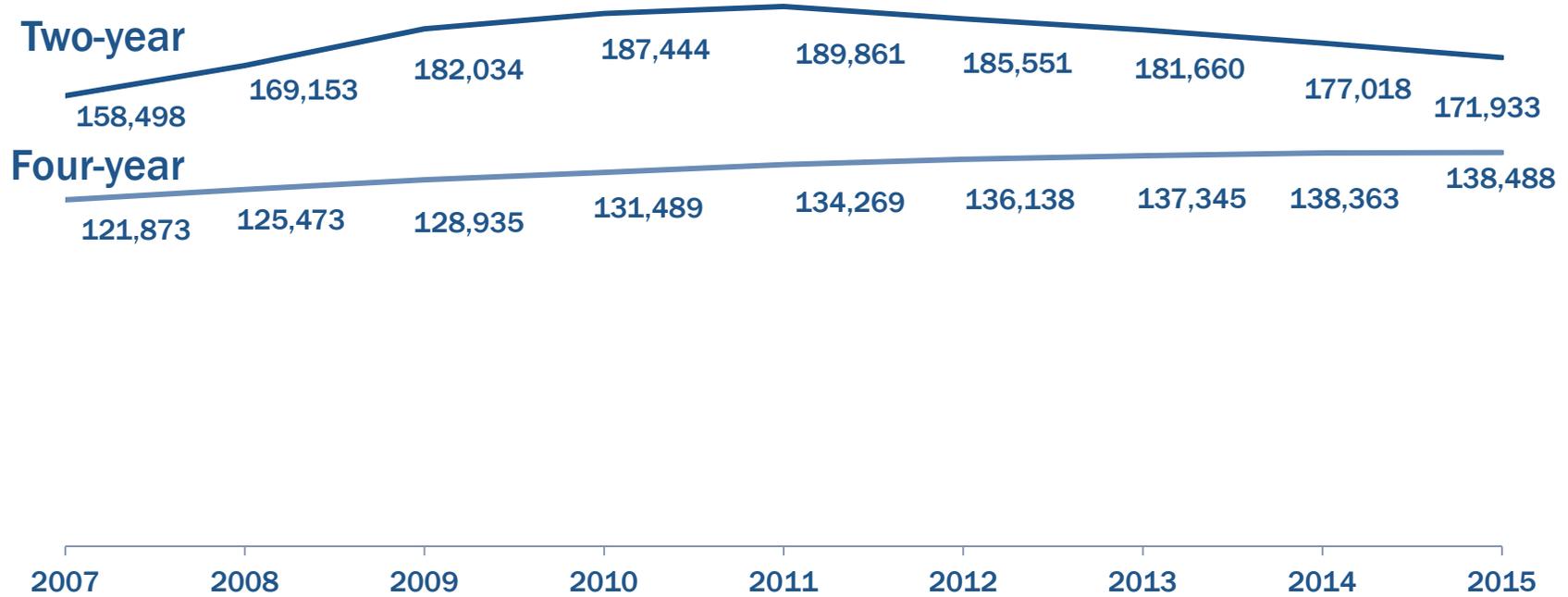
- Commending our public institutions of higher education for their financial management strategies – best practices that have allowed them to maintain their viability through economic downturns.
- Affirming support for the flexibility and autonomy provided to our public institutions through the Restructured Higher Education Act of 2005 – within the framework of accountability and transparency required of our colleges and universities to perform and be measured on that performance.
- Affirming support for the protection provided to our public institutions of higher education by the Code of Virginia related to the treatment of endowment funds and unrestricted gifts from private sources.



Enrollment and Degrees

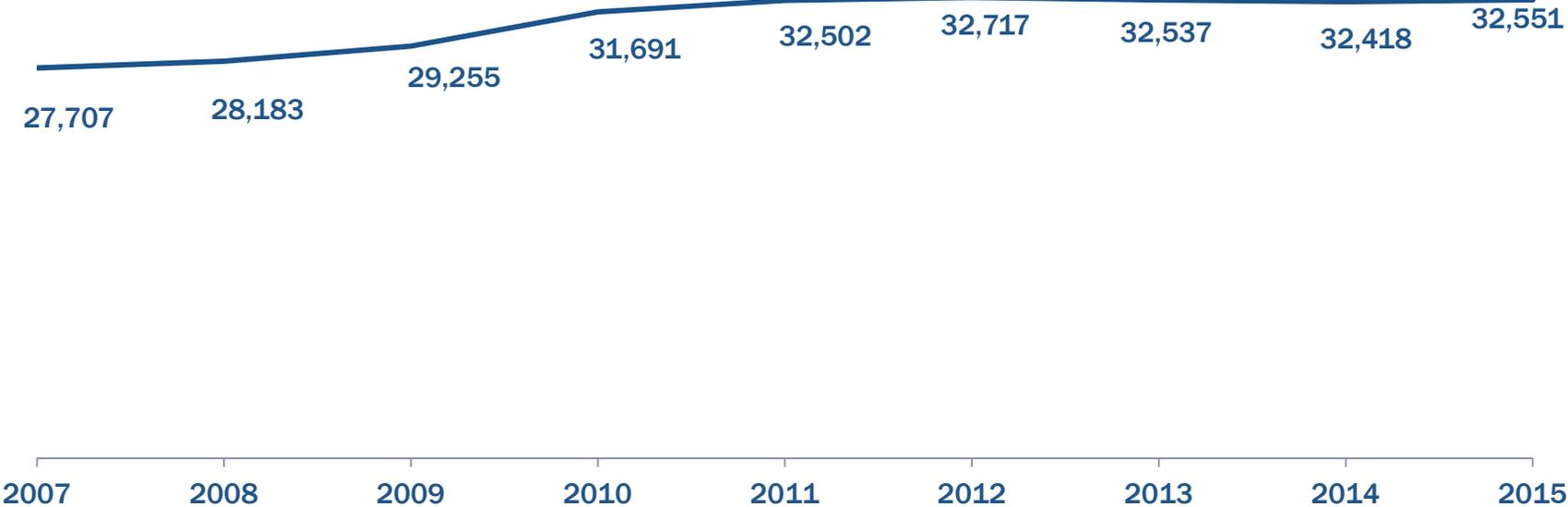
Fall Enrollment Trends

Public, In-State Undergraduates



Fall Enrollment Trends

Private, Nonprofit, In-State Undergraduates

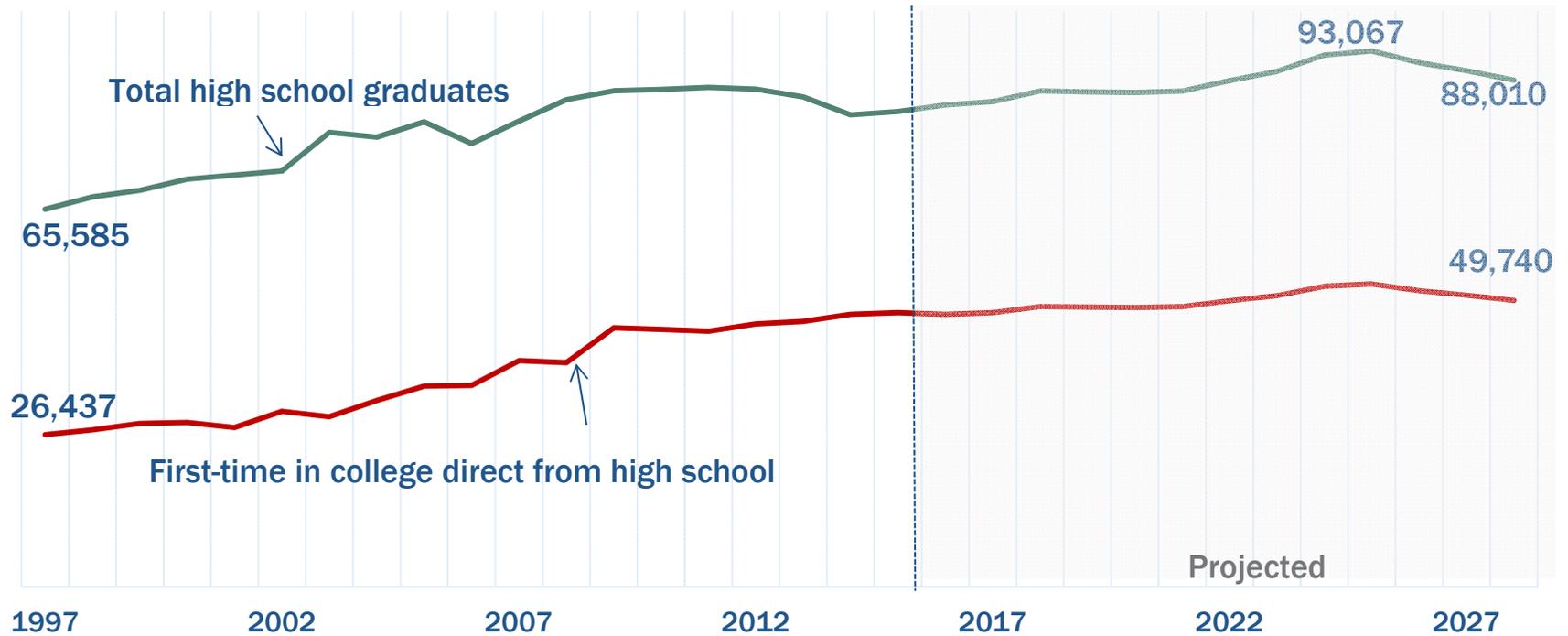


Fall 2016 Early Enrollment Estimates*

	2015 Actual Total	2016 Projected	2016 Early Enrollment Estimates	2015 Actual vs. 2016 Estimates	% 2015 Actual vs. 2016 Estimates
Four-Year Public Institutions	215,852	216,510	215,579	-273	-0.1%
Two-Year Public Institutions	181,650	183,629	171,483	-10,167	-5.9%
Four Year Private, Non-profit Institutions	128,274	141,945	125,482	-2,792	-2.2%

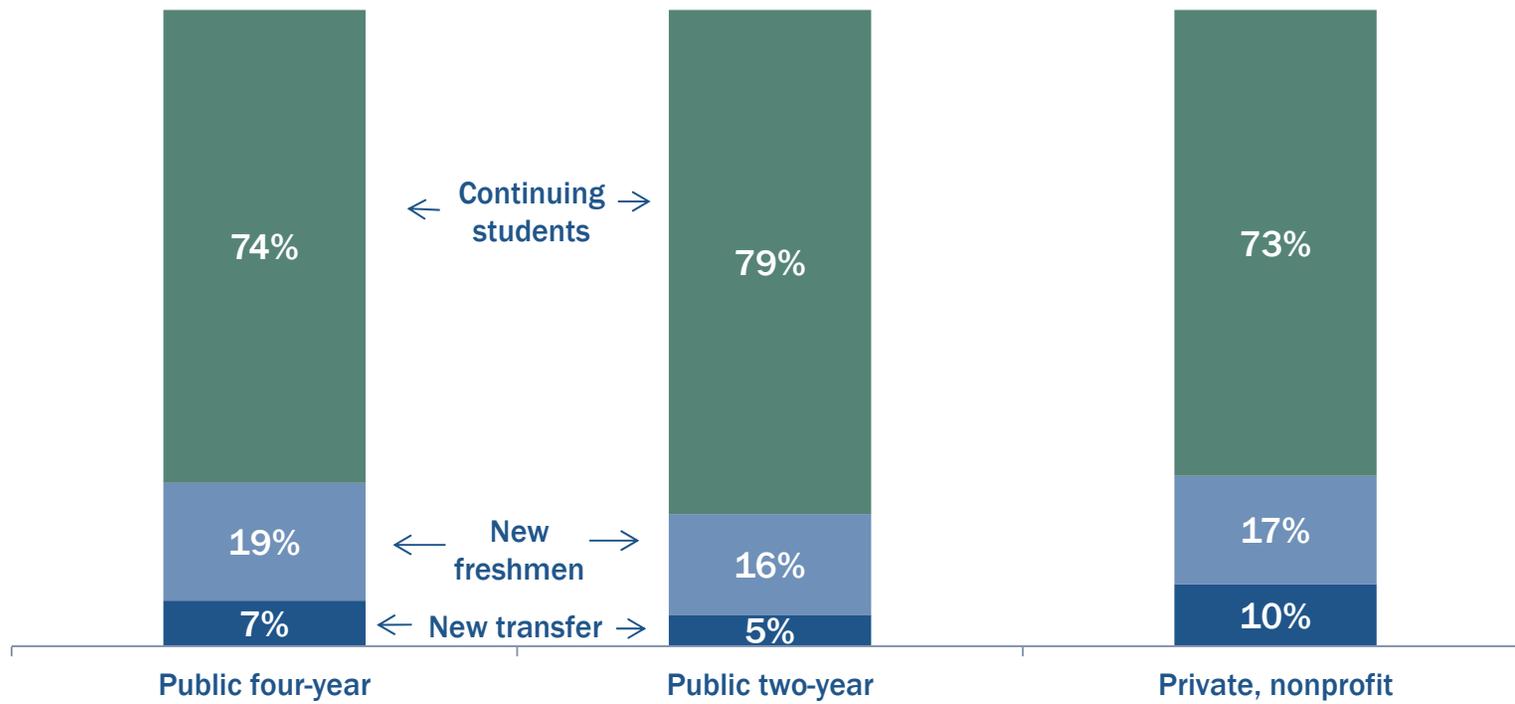
*Includes all students at all levels

Historic and Projected High School Graduates

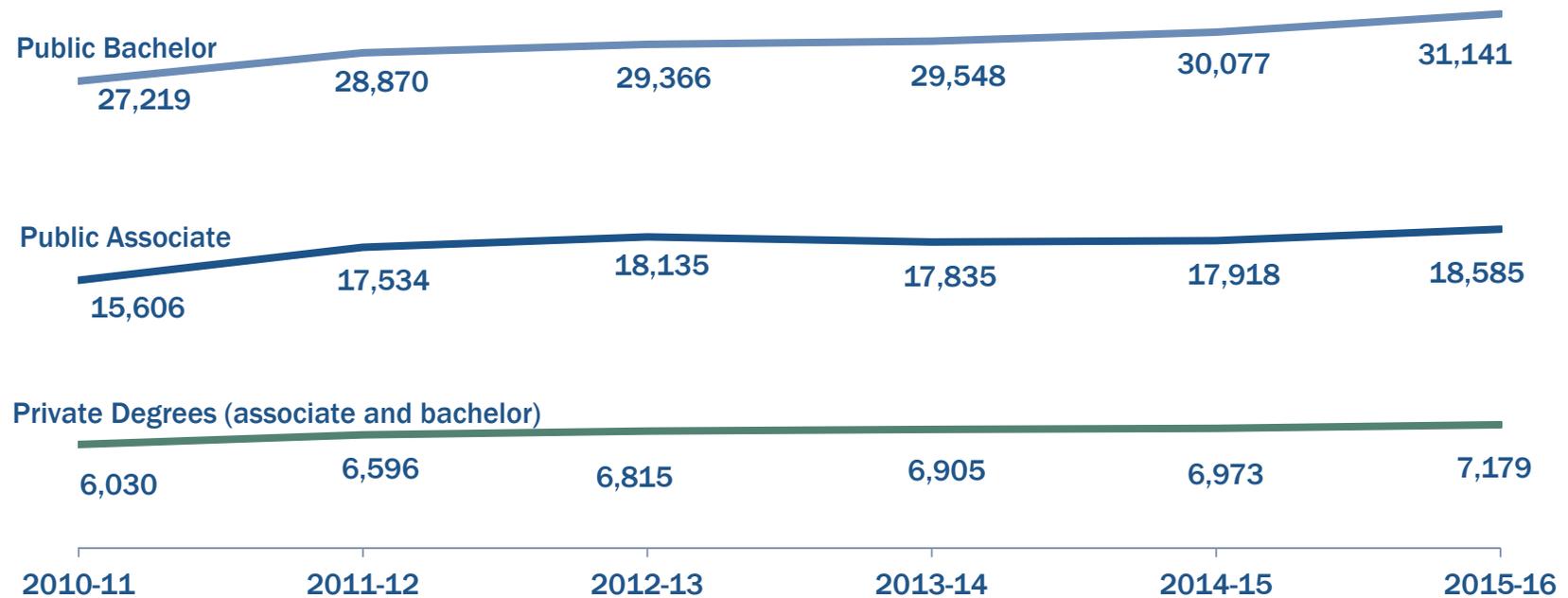


Enrollments by % New versus Continuing Students

In-state Undergraduate



Degree Completions by In-state Undergraduates



Progress toward best-educated state status

Grant 1.5 million cumulative degrees and workforce credentials by 2030, including those that close the gap in unfilled jobs

