

**Comparison of Proposed General Fund Appropriations for Higher Education Operations in 2008-10
(In Millions)**

	<u>SCHEV</u>	<u>Governor</u>	<u>House</u>	<u>Senate</u>	<u>Conference</u>
• Base adequacy	\$197.1	\$44.3	\$44.3	\$22.1	\$22.1
• Tuition Moderation Incentive Fund ¹	\$0.0	\$0.0	\$40.7	\$0.0	\$35.0
• Faculty salary increase ²	\$74.4	\$26.0	\$27.3	\$12.0	\$37.0
• O&M for new facilities coming-online	\$24.9	\$0.0	\$0.0	\$0.0	\$0.0
• Investment in Research ³	\$90.0	\$50.0	\$37.8	\$32.6	\$33.9
• HEETF ⁴	\$13.0	\$12.9	\$12.9	\$12.9	\$12.9
• Need-based financial aid	\$102.1	\$18.2	\$18.2	\$18.2	\$18.2
• Graduate financial aid	\$18.9	\$0.0	\$0.0	\$0.0	\$0.0
• Tuition Assistance Program (TAG) ⁵	\$19.7	\$0.0	\$1.0	\$1.1	\$1.1
• College Scholarship Assis Pgm (CSAP)	\$6.6	\$0.0	\$0.0	\$0.0	\$0.0
• Eminent Scholar program	\$0.2	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.5)
• Virtual Library of Virginia (VIVA)	\$4.2	\$0.0	\$0.0	\$0.0	\$0.0
• Value-added assessment	\$5.9	\$0.0	\$0.0	\$0.0	\$0.0
• UVA doctoral nursing program	\$1.5	\$0.0	\$0.0	\$0.3	\$0.5
• NVCC regional nursing program	\$1.5	\$0.0	\$0.0	\$0.3	\$0.5
• Virginia Space Grant Consortium	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
• Funding private inst. for nursing shortage	\$1.6	\$0.0	\$0.0	\$0.0	\$0.0
• Course redesign	\$0.6	\$0.0	\$0.0	\$0.0	\$0.0
• SCHEV website development	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0
• VCCS career coaches & mid college pgm	\$0.0	\$3.7	\$0.0	\$1.8	\$0.0
• EVMS undergraduate medical education	\$0.0	\$0.6	\$0.6	\$0.3	\$0.5
• VCU autism srv & dental clinic in Va. SW	\$0.0	\$0.2	\$0.2	\$0.1	\$0.2
• VCU Tier 3 reduction	\$0.0	\$0.0	(\$2.4)	\$0.0	(\$1.2)
• VIMS base operating support	\$0.0	\$0.4	\$0.4	\$0.2	\$0.3
• VIMS Wetlands Advisory	\$0.0	\$0.0	\$0.4	\$0.0	\$0.0
• Va. Women's Leadership Institute at MBC	\$0.0	\$0.1	\$0.0	\$0.1	\$0.1
• New College Institute	\$0.0	\$1.0	\$0.0	\$0.5	\$0.8
• Southern Virginia Higher Education Center	\$0.0	\$1.0	\$1.3	\$0.5	\$1.2
• Southwest Virginia Higher Education Center	\$0.0	\$0.0	\$0.0	\$0.0	\$0.3
• Roanoke Higher Education Center	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1
• NSU doctoral program in materials science	\$0.0	\$0.0	\$0.2	\$0.0	\$0.0
• VSU VECTEC	\$0.0	\$0.0	\$0.3	\$0.0	\$0.0
• SCHEV budget adjustment	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1
• Transfer program grant	\$0.0	\$3.6	\$1.8	\$3.6	\$2.1
• Interest earnings and credit card rebates	\$0.0	\$16.7	\$0.0	\$16.7	\$16.7
• Reserve Fund ⁶	\$0.0	\$0.0	\$21.3	\$0.0	\$0.0
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Total	\$562.8	\$178.2	\$206.0	\$123.0	\$181.8

- Note: 1. Funding provides to institutions that do not increase in-state undergraduate tuition and E&G fees by more than 5% on average in the biennium.
2. (a) The Governor's budget provides funding for a 3% faculty salary increase on July 1, 2009.
 (b) The House budget provides funding for a 2% faculty salary increase in November 2008 and puts \$5.5 million in the reserve fund for the second year increase contingent upon actual state revenue availability.
 (c) The Senate budget provides funding for a 2.5% faculty salary in November 2009.
 (d) The Conference provides funding for a 2% faculty salary in November 25, 2008 and another 2% increase in November 25, 2009.
3. Excludes funds for debt service for research equipment through the HEETF. The Governor's budget provides funds up to \$30 million (\$15 million per year), and the Senate budget provides \$15 million (\$7.5 million each year).
4. The amortization of the equipment useful life is changed from the current 5 years to 7 years. The revised debt service amount is not available. The amount shown is before the change.
5. The House budget adds \$1.8 million to increase the undergraduate award level to \$3,300 in FY10 in the reserve fund contingent upon actual state revenue availability.
6. The House provides \$85.0 million in this fund in the second year contingent upon actual state revenue availability. Of this amount, \$21.3 million, or 25.0% is for higher education including funds for a faculty salary increase in the second year, engineering programs at UVA and VCCS, Virginia Coastal Energy Research Consortium, and Aerospace Technology Scholarship (details in the following table comparison).

Comparison of 2008-10 Budget between SCHEV Recommendations and the Conference Report

Issue Area	SCHEV		Conference Report	
	Policy Recommendation	Recommended Funding	Policy Recommendation	Recommended Funding
<i>Operating Budget: All Institutions</i>				
Base Adequacy	<ul style="list-style-type: none"> ▪ Recommends \$382.5 million to reach the full base funding of FY2008. 	\$197.1 million (GF) \$185.4 million (NGF)	Provides additional funding for institutions' base operation.	\$22.1 million (GF) \$21.9 (NGF)
Tuition Moderation Incentive Fund	No recommendations	None	<ul style="list-style-type: none"> ▪ Funding is allocated contingent upon institutions limiting the increase of tuition and E&G fees for in-state undergraduate students to no more than 3 percent each year in the biennium. ▪ Institutions are permitted to exceed the limit by 1 percent if the additional revenue is used solely to increase student financial aid for in-state undergraduates. ▪ If an institution increases the tuition for in-state undergraduates over 12% in FY09, it will forfeit its ability to take part in the FY10 funding. 	\$35.0 million (GF)
Faculty Salaries	<ul style="list-style-type: none"> ▪ Recommends an average annual 4.0% increase for T&R faculty salaries to reach the 60th percentile by FY2012 ▪ Provides a 3.0% annual increase for non-T&R faculty. 	\$74.4 million (GF) \$68.3 million (NGF)	Provides 2% annual salary increase for all types of faculty in the biennium.	\$37.0 million (GF)
O&M for New Facilities	Recommends funding for the operation and maintenance of new facilities coming on-line in the biennium. (\$19.4 million in FY09 and \$44.0 million in FY10)	\$24.9 million (GF) \$34.6 million (NGF)	Included in the base adequacy funding.	See base adequacy funding
Higher Education Equipment Trust Fund (HEETF)	Recommends funding to continue state's commitment to a 9-year replacement cycle for instructional and research-related equipment, based on existing equipment inventory; Maintains 14:1 student-computer ratio on campus	\$115.8 million allocation or \$13 million for debt service. (GF)	<ul style="list-style-type: none"> ▪ Provides funding based on SCHEV recommendations with updated financing estimates. ▪ The amortization of the equipment useful life is changed from 5 years to 7 years. The revised debt service amount is not yet available. The amount shown is before the change. 	\$116.6 million allocation or \$12.9 million for debt service (GF)
Investment in Research	Recommends funding to continue the Commonwealth Research Initiatives. \$45 million (GF) and \$15 million (NGF) each year.	\$90 million (GF) \$30 million (NGF)	<p>Provides funding to support and strengthen leading research programs at public higher education institutions.</p> <ul style="list-style-type: none"> ▪ Cover the 3rd year of a 3-year commitment to research 	\$21.7 million (GF)

Issue Area	SCHEV		Conference Report	
	Policy Recommendation	Recommended Funding	Policy Recommendation	Recommended Funding
			initiatives at public institutions. <ul style="list-style-type: none"> ▪ Competitive research grant program through the Commonwealth Technology Research Fund ▪ Jefferson Lab nuclear physics research facility ▪ Virginia Coastal Energy Research Consortium ▪ Hampton University Proton Therapy Institute ▪ Institute for Advanced Learning and Research ▪ EVMS 	\$2.0 million (GF) \$6.0 million (GF) \$1.6 million (GF) \$500,000 (GF) \$975,038 (GF) \$1.125 million (GF) Total Funding is \$33.9 million
Student Financial Aid	Recommends additional funding in order to meet the 100% full funding of the Partnership model by FY2012. (\$34.0 million in FY09 and \$68.1 million in FY10)	\$102.1 million (GF)	Provides additional funding for student financial aid based on funding a portion of the SCHEV's Partnership model.	\$18.2 million (GF)
Graduate Student Financial Aid	Recommends additional funding to increase graduate student financial assistance and return funding support per student to 1994-95 levels. (\$6.3 million in FY08 and \$12.6 million in FY10)	\$18.9 million (GF)	No action.	None.
Two-year College Transfer Grant	No recommendations	None	Provides funding to the Two-Year College Transfer Grant program to encourage Virginia students to continue college education at 4-year institutions after receiving associate's degrees at two-year colleges.	\$2.1 million (GF)
Institution-Specific Initiatives	No recommendations.	None.	<ul style="list-style-type: none"> ▪ ODU collaboration with the Virginia Maritime Foundation ▪ VCU autism services ▪ VCU - Southwest Virginia Dental Clinic ▪ VCU base adjustment to reflect efficiencies expected under the Higher Education Restructuring Act. ▪ EVMS undergraduate medical education 	\$800,000 (GF) \$150,000 (GF) \$50,000 (GF) (\$1.2 million) (GF) \$465,690 (GF)

Issue Area	SCHEV		Conference Report	
	Policy Recommendation	Recommended Funding	Policy Recommendation	Recommended Funding
			<ul style="list-style-type: none"> ▪ VIMS base operating support ▪ Va. Women's Leadership Institute at Mary Baldwin College ▪ Redistribute UMA funding -- Virginia Tech -- move funding from Mary Baldwin College to VMI ▪ Southern Va. Higher Ed Center ▪ Southwest Va. Higher Ed Center ▪ New College Institute ▪ Roanoke Higher Education Center 	\$262,500 (GF) \$50,000 (GF) \$1.5 million (GF) \$199,600 (GF) \$1.2 million (GF) \$250,000 (GF) \$750,000 (GF) \$140,000 (GF)
Central Appropriations	No recommendations.	None.	Provides interest earnings and credit card rebates for institutions under the Higher Education Restructuring Act.	\$16.7 million (GF)
<i>Operating Budget: SCHEV</i>				
Eminent Scholars	Recommends additional funding of \$94,146 in FY09 and \$106,745 in FY10.	\$200,891 (GF)	Reduces the program funding.	(\$502,200) (GF)
TAG Program	Recommends additional funding to attain the maximum award at \$3,500 in FY09 and \$3,700 in FY10. (\$7.9 million in FY09 and \$11.9 million in FY10)	\$19.7million (GF)	Provides funding to maintain the undergraduate award level at \$3,200.	\$1.1 million (GF)
College Scholarship Assistance Program (CSAP)	Recommends additional funding to the program. \$2.2 million (GF) in FY09 and \$4.4 million (GF) in FY10.	\$6.6 million (GF)	No action	None
Virtual Library of Virginia (VIVA)	Recommends additional funding to support the program in 2008-10. (\$2 million in FY09 and \$2.2 million in FY10)	\$4.2 million (GF)	No action	None
Space Grant	Recommends additional funding to support the program (\$150,000 each year)	\$300,000 (GF)	No action	None
Value-Added Assessment	Recommends funding to implement value-added assessment at all Va. public institutions. \$2,975,000 (GF) each year.	\$5.95 million (GF)	No action	None
Funding for Nursing	Recommend providing funds to increase nursing faculty salary by	\$1.59 million (GF)	No action	None

Issue Area	SCHEV		Conference Report	
	Policy Recommendation	Recommended Funding	Policy Recommendation	Recommended Funding
Shortage at Private Institutions	10% at 7 private institutions to address the nursing shortage issue statewide. \$785,000 (GF) each year.			
UVA/NVCC Nursing Programs	Recommends continued funding to the programs. UVA \$750,000 (GF) and NVCC \$750,000 (GF) each year.	\$3.0 million (GF)	Provides each program with \$500,000 general fund.	\$1.0 million (GF)
Agency Operations	Recommends additional funding for program coordination such as <ul style="list-style-type: none"> ▪ course redesign ▪ SCHEV website development ▪ Gear Up ▪ POPE 	\$850,000 (GF) \$336,330 (NGF) 2.0 FTE (GF) 3.0 FTE (NGF)	<ul style="list-style-type: none"> ▪ Correct budget reduction ▪ Provides additional nongeneral funds for Gear-Up and POPE programs 	\$120,000 (GF) \$515,986 (NGF)
<i>Operating Budget: Other</i>				
Workforce Training	No recommendations	None.	Re-organize the state workforce training administration from VEC to VCCS	\$98.5 million (NGF) 38 FTE

Table 1
Additional Funding in the Conference Report
for E&G Programs, Research Initiative and Student Financial Aid
in the 2008-10 Biennium

Institution	Student Financial Aid	Base Adequacy		Investment in Research		HEETF Debt Service ¹	Institution-Specific Initiatives		Total New Funding		
	GF	GF	NGF	GF	NGF	GF	GF	NGF	GF	NGF	Total
CNU	322,828	344,848	188,974			141,214			808,890	188,974	997,864
CWM	148,118	559,052	775,202	150,000		445,525			1,302,695	775,202	2,077,897
GMU	2,032,220	1,829,746	1,527,588	2,250,000	11,700,000	790,332			6,902,298	13,227,588	20,129,886
JMU	752,538	978,562	1,112,382			478,480			2,209,580	1,112,382	3,321,962
LU	362,260	380,114	234,956			147,151			889,525	234,956	1,124,481
UMW	185,248	299,714	282,254			140,546			625,508	282,254	907,762
NSU ¹	745,392	314,994	307,524			261,793			1,322,179	307,524	1,629,703
ODU	2,165,638	1,563,202	1,213,356	3,000,000	9,000,000	894,458		800,000	7,623,298	11,013,356	18,636,654
RU	949,076	628,056	401,544			333,881			1,911,013	401,544	2,312,557
UVA ²	140,188	1,905,662	2,955,720	6,293,750	28,700,000	2,201,719	500,000		11,041,319	31,655,720	42,697,039
UVAW	237,968	131,934	75,184			54,292			424,194	75,184	499,378
VCU	3,054,340	4,848,334	4,351,540	4,325,000	13,200,000	1,794,217	(1,017,000)		13,004,891	17,551,540	30,556,431
VMI ³	9,988	85,672	143,394			158,210			253,870	143,394	397,264
VSU	1,074,146	253,088	291,188			270,391			1,597,625	291,188	1,888,813
VT	816,536	3,558,666	4,914,348	5,643,750	30,000,000	1,963,418			11,982,370	34,914,348	46,896,718
RBC	31,076	53,562	27,104			29,858			114,496	27,104	141,600
VCCS	5,188,922	4,406,150	3,100,068			2,578,958	500,000		12,674,030	3,100,068	15,774,098
All Inst.	18,216,482	22,141,356	21,902,326	21,662,500	92,600,000	12,684,443	(17,000)	800,000	74,687,781	115,302,326	189,990,107
VIMS						130,853	262,500		393,353		393,353
VT-Ext											
VSU-Ext											
EVMS				1,125,000			465,690		1,590,690		1,590,690
IALR				975,037		32,486			1,007,523		1,007,523
New Coll Inst.							750,000		750,000		750,000
RHEA						13,922	140,000		153,922		153,922
SVHEC						6,678	1,208,000		1,214,678		1,214,678
SWVHEC						14,368	250,000		264,368		264,368
SCHEV	1,146,000						(332,378)		813,622		813,622
CTRF				2,000,000					2,000,000		2,000,000
Jefferson Lab				6,000,000					6,000,000		6,000,000
Otr Research				2,100,000					2,100,000		2,100,000
Central Appr. ²							90,794,631		90,794,631		90,794,631
Total	19,362,482	22,141,356	21,902,326	33,862,537	92,600,000	12,882,750	93,521,443	800,000	181,770,568	115,302,326	297,072,894

Notes:

(1) HEETF deb service amount is before changing the amortization of the equipment to 7 years. The revised amount is not yet available.

(2) Central appropriations include funding for the 2% faculty salary increase each year (\$37 million), the Tuition Moderation Incentive Fund (\$35 million), interest earnings (\$16.7 million), and transfer grant (\$2.1 million).

**Table 2
2008-10 Biennial Operating Budget
Comparison of SCHEV and the Conference Report
(General Fund Only)**

Inst.	Student Financial Aid		Graduate Financial Aid		Faculty Salaries		Base Adequacy		O&M for New Facilities		HEETF (Debt Service)		Value-Added Assessment		Investment in Research		Institution-Specific		Total	
	SCHEV	Conference	SCHEV	Conference	SCHEV	Conference	SCHEV	Conference	SCHEV	Conference	SCHEV	Conference	SCHEV	Conference	SCHEV	Conference	SCHEV	Conference	SCHEV	Conference
CNU	2,092,782	322,828	28,848		1,452,587		3,518,335	344,848	333,775		142,499	141,214	184,100						7,752,926	808,890
CWM	1,129,284	148,118	1,039,992		2,395,063		4,104,267	559,052	2,095,413		449,580	445,525	195,428		150,000				11,409,027	1,302,695
GMU	11,089,890	2,032,220	2,474,214		7,896,242		4,173,030	1,829,746	3,038,485		797,525	790,332	277,646		2,250,000				29,747,032	6,902,298
JMU	4,418,598	752,538	2,016,594		3,950,460		5,483,226	978,562	2,408,324		482,835	478,480	274,408						19,034,445	2,209,580
LU	2,199,867	362,260	38,211		791,743		3,451,753	380,114	0		148,490	147,151	179,420						6,809,484	889,525
UMW	1,073,736	185,248	64,989		672,489		1,825,022	299,714	193,800		141,825	140,546	181,102						4,152,963	625,508
NSU	4,336,587	745,392	795,099		1,161,575		n/a	314,994	0		264,175	261,793	185,158						6,742,594	1,322,179
ODU	11,856,852	2,165,638	1,938,684		4,770,537		12,633,184	1,563,202	688,394		902,599	894,458	250,032		3,000,000				33,040,282	7,623,298
RU	5,325,555	949,076	1,480,419		2,761,730		7,067,556	628,056	286,146		336,920	333,881	212,484						17,470,810	1,911,013
UVA	1,459,614	140,188	4,066,092		7,898,352		15,163,141	1,905,662	2,522,804		2,221,757	2,201,719	269,084		6,293,750		500,000		33,600,844	11,041,319
UVAW	1,359,159	237,968			319,863		0	131,934	78,462		54,787	54,292	163,054						1,975,325	424,194
VCU	16,436,838	3,054,340	3,038,433		8,901,368		40,461,946	4,848,334	2,371,022		1,810,547	1,794,217	297,530		4,325,000		(1,017,000)		73,317,684	13,004,891
VMI	106,788	9,988			494,760		n/a	85,672	190,488		159,650	158,210	162,106						1,113,792	253,870
VSU	5,582,499	1,074,146	431,301		1,010,880		1,588,437	253,088	0		272,852	270,391	184,122						9,070,091	1,597,625
VT	5,910,396	816,536	1,438,551		8,096,647		30,647,715	3,558,666	777,404		1,981,287	1,963,418	327,100		5,643,750				49,179,100	11,982,370
RBC	189,276	31,076			123,633		0	53,562	0		30,130	29,858	157,226						500,265	114,496
VCCS	27,542,067	5,188,922			17,566,037		66,995,395	4,406,150	9,883,265		2,602,430	2,578,958	2,450,000				500,000		127,039,194	12,674,030
All Inst.	102,109,788	18,216,482	18,851,427	0	70,263,963	0	197,113,007	22,141,356	24,867,782	0	12,799,888	12,684,443	5,950,000	0	0	21,662,500	0	(17,000)	431,955,855	74,687,781
VIMS					638,100						132,044	130,853							262,500	770,144
VT-Ext					3,318,824															3,318,824
VSU-Ext					198,941															198,941
EVMS															1,125,000			465,690		1,590,690
IALR											32,782	32,486			975,037				32,782	1,007,523
New Coll Inst.																			750,000	750,000
RHEA											14,049	13,922							140,000	14,049
SVHEC											6,739	6,678							1,208,000	6,739
SWVHEC											14,499	14,368							250,000	14,499
SCHEV	26,359,741	1,146,000													90,000,000		10,146,870	(332,378)	126,506,611	813,622
CRTF																2,000,000				2,000,000
Jefferson Lab															6,000,000					6,000,000
Otr Research															2,100,000					2,100,000
Central Appr.						37,016,229		35,000,000											18,778,402	90,794,631
Total	128,469,529	19,362,482	18,851,427	0	74,419,828	37,016,229	197,113,007	57,141,356	24,867,782	0	13,000,000	12,882,750	5,950,000	0	90,000,000	33,862,537	10,146,870	21,505,214	562,818,443	181,770,568