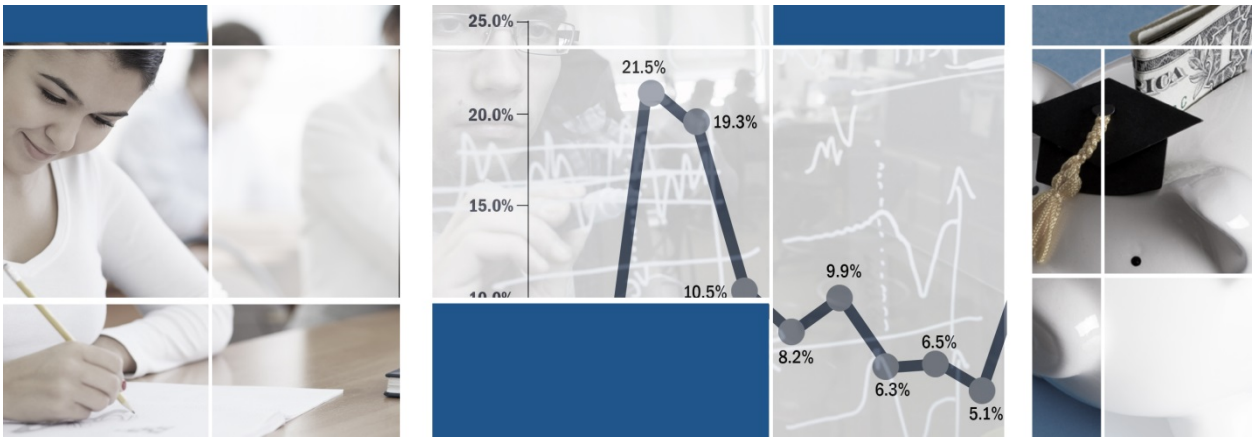


November 2017



## 2018-20 Systemwide Operating and Financial Aid Budget Recommendations for Higher Education in Virginia

## Table of Contents

Statutory Rationale for Systemwide Operating Calculations .....	2
Recommendations and Resolution .....	4
SCHEV 2018-20 Operating and Financial Aid Budget Recommendations .....	6
<i>A. Educational and General Programs</i> .....	7
(A.1) Base Operations Funding .....	7
(a) Base Adequacy/Cost of Education .....	7
(b) Faculty Recruitment and Retention .....	7
(c) Operation and Maintenance of New Facilities Coming Online .....	9
(A.2) Virginia Plan Initiatives.....	9
(d) Student Access, Success and Talent Development.....	9
<i>B. Student Financial Aid</i> .....	11
(e) Undergraduate Student Financial Aid .....	11
(i) Virginia Student Financial Assistance Program.....	11
(ii) Two-year College Transfer Grant.....	16
(f) Graduate Student Financial Aid .....	18
(g) Tuition Assistance Grant Program (TAG).....	19
(h) New Economy Workforce Credential Grant Program (NEWCG) .....	21
(i) Cybersecurity Public Service Scholarship .....	22
<i>C. Other Systemic Budget Items</i> .....	22
(j) Higher Education Equipment Trust Fund (HEETF).....	22
(k) Virginia Research Investment Fund (VRIF) .....	24
(l) Restoration of Financial Benefits – Interest Earned on E&G Programs .....	24
<i>D. Systemic Budget Items with SCHEV Budget</i> .....	25
(m) Fund for Excellence and Innovation.....	25
(n) Virtual Library of Virginia .....	26
(o) SCHEV staffing for Virginia Research Investment .....	27
<i>E. Policy Considerations in Support of More Sustainable and Efficient Funding</i> .....	28

## Statutory Rationale for Systemwide Operating Calculations

The enabling legislation for systemwide operating calculations can be found, in part, in Sections 23.1-208 A through C, 23.1-203 and 23.1-303 of the Code of Virginia. These sections outline the responsibilities of the State Council of Higher Education for Virginia (SCHEV) as they pertain to the calculation of systemwide operating financial requirements of public higher education in Virginia.

Section 23.1-208 A through C charges the Council to develop policies, formulae, and guidelines for the fair and equitable distribution and use of public funds among the public institutions of higher education. Further, this section states that such policies, formulae and guidelines as are developed by the Council shall include provisions for operating expenses and capital outlay programs and shall be utilized by all public institutions of higher education in preparing requests for appropriations.

Section 23.1-203 charges the Council to provide periodic updates on base adequacy funding guidelines adopted by the Joint Subcommittee for Higher Education Funding Policies.

Part A of 23.1-303 requires that SCHEV, following consultation with each institution and the Higher Education Advisory Committee, calculate each institution's basic operations and instruction funding need for each year of the next biennium and shall make that calculation available to the governor, the General Assembly, and all public institutions of higher education.

### **Summary of Major Elements:**

This item presents higher education operating and financial aid budget recommendations for the 2018-20 biennium. Principles governing these recommendations include the following:

- They are aligned with The Virginia Plan for Higher Education, notably affordable access, student success and economic and cultural prosperity.
- They seek more stable and predictable funding, with the expectation that students and families also will find an affordable college education within their reach.
- They incentivize efficient delivery of high-quality education.
- They are measured in light of revenue estimates and demands for statewide revenue reserves.

- They reaffirm the Council's support for institutional autonomy and the judgment of institutional governing boards.

**Financial Impact:**

The recommendations total \$241.1 million for the biennium from the general fund and \$111.3 million for the biennium in nongeneral funds. This represents a 3.5% increase in general fund support in FY2019 and 7.9% increase in FY2020 for Educational and General Programs, and 7.5% in FY2019 and 15.3% in FY2020 for student financial aid. This recommendation would provide resources to institutions that will improve access, student success and economic development capacity and continue recent conservative tuition increases.

Of the total general fund recommendation, \$84.3 million is designated for faculty recruitment and retention. To the extent the Governor and the General Assembly do not provide general statewide compensation increases, then the general fund recommendation would be reduced to \$156.8 million. Of that amount, over 40% — \$66.7 million — is designated for student financial aid.

The tables on the following pages provide additional details.

**Timetable for Further Review/Action:**

Following Council action, the staff will convey the recommendation to the Governor and the General Assembly for their consideration. The recommendations will guide Council and staff in its discussions with the governor and the General Assembly prior to and during the 2018 General Assembly session.

**Recommendations and Resolution:**

**WHEREAS, higher education, in all its forms, has transformative powers and is both a public and a private good, and**

**WHEREAS, the erosion of state funding has resulted in students and their families shouldering an ever increasing portion of the financial burden through tuition increases and,**

**WHEREAS, Goal #1 of the Virginia Plan for Higher Education is to provide affordable higher education access for all, with the alignment of state appropriations, financial aid, and tuition and fees being critical to attaining this goal and thereby enabling our graduates to compete in the market place and to contribute to a healthy economy and,**

**WHEREAS it is the objective of the Council that Virginia become the best-educated state by 2030 and that objective is dependent on both institutional reforms and more predictable and sustained support from the Commonwealth, now therefore,**

**BE IT RESOLVED that the State Council of Higher Education for Virginia recommends that additional operating budget appropriations be provided in the 2018-2020 biennium for:**

- **Cost of Education, \$7.2 million from the general fund and \$7.4 million in nongeneral funds for a total of \$14.6 million in FY2019 and \$14.4 million from the general fund and \$14.7 million from nongeneral funds for a total of \$29.1 million in FY2020;**
- **Faculty Salaries, \$27.7 million from the general fund and \$28.7 million from nongeneral funds for a total of \$56.4 million in FY2019 and \$56.6 million from the general fund and \$58.5 million from nongeneral funds for a total of \$115.1 million in FY2020;**
- **Operation and Maintenance of New Facilities Coming Online, \$8.6 million from the general fund in FY2019 and \$17.2 million from the general fund in FY2020 for a total of \$25.8 million for the biennium;**
- **Virginia Plan Initiatives: student access, success and talent development, \$6.5 million from the general fund in FY2019 and \$8.5 million from the general fund in FY2020;**

- Higher Education Equipment Trust Fund, \$16.2 million from the general fund for debt service in FY2020;
- Undergraduate student financial aid, \$16.2 million from the general fund in FY2019 and \$29.3 million from the general fund in FY2020;
- Graduate student financial aid, \$3 million from the general fund in FY2019 and \$6 million from the general fund in FY2020;
- Two-year transfer grant, \$300,000 from the general fund in FY2019 and \$775,000 from the general fund in FY2020.
- Tuition Assistance Grant, \$1.4 million from the general fund in FY2019 and \$7.7 million from the general fund in FY2020;
- New economy workforce credential grant, \$1 million from the general fund per year in 2018-20 biennium.
- Restoration of financial benefits, \$4 million from the general fund and \$1 million from nongeneral funds per year in 2018-20 biennium.
- Fund for excellence and innovation, \$275,000 from the general fund per year in 2018-20 biennium;
- Virtual Library of Virginia, \$945,000 from the general fund in FY2019 and \$1.3 million from the general fund in FY2020;
- Staffing for Virginia research investment, \$350,000 from the general fund in FY2019 and \$460,000 from the general fund in FY2020;

**BE IT FURTHER RESOLVED** that the State Council of Higher Education for Virginia recommends that additional funding for cost of education and institutional priorities recommended here come primarily from the general fund, thereby mitigating the need for institutions to increase tuition revenue.

**BE IT FURTHER RESOLVED** that the State Council of Higher Education for Virginia recommends that institutions would have discretion to use the additional appropriations for priorities that improve affordable access, enhance student success, foster change and improvement and promote economic and cultural prosperity — the four goals of The Virginia Plan for Higher Education.

**BE IT FINALLY RESOLVED** that the State Council of Higher Education for Virginia recommends the pursuit of further restructuring, as set forth in Section E. (Policy Considerations in Support of More Sustainable and Efficient Funding) of the

**attached document, that advances stable and predictable funding, institutional autonomy and efficiency, and more affordable options to high quality education.**

## Operating and Financial Aid Budget Recommendations for 2018-20 Biennium

Fluctuations in state funding that result from cyclical economic conditions in Virginia present a tremendous challenge to the well-being of our public higher-education institutions and the state's students and families. However, an even greater challenge to Virginia's public higher-education system is emerging as both internal and external data indicate an aggregate decline in state support over the past 25 years.

Between 1992 and 2018, general fund appropriations to public higher education in Virginia fell from 14.4% to 10.2% of total state appropriations based on the Appropriation Act of 2017. This aggregate decline in state funding has been masked by increases in funding when the economy is doing well followed by decreases in funding when the economy contracts.

A good example is the recent pattern of state funding for the 2016-18 biennium. The 2016 General Assembly provided additional general fund support of \$314 million for all higher education related agencies in 2016-18 biennium — a notable reinvestment in Virginia public higher education. Due to a projected budget shortfall for the biennium, the 2017 General Assembly reduced general fund appropriations to institutions for educational and general (E&G) programs in FY2018 by \$37.9 million or 2.5% over the original FY2018 appropriations. While our public higher education institutions experienced a rare and significant increase in state support of more than 8% in FY2017, they faced an average reduction of 2.5% in FY2018.

Although the Commonwealth ended the 2017 fiscal year with a budget surplus, the looming budget and policy changes at the federal level may have adverse impacts on state revenue collections for the coming biennium. With this in mind, SCHEV staff presents the following 2018-20 budget recommendations for the Council's consideration. The recommendations combine funding strategies and priorities designed to meet the goals of The Virginia Plan with a phased approach so that the required additional support will be more moderate. In addition, recommendations are presented on a true two-year or biennial budget basis that would afford institutions

more predictability and allow for better planning — something that has been missing for the better part of this century.

## **A. Educational and General Programs**

### **(A.1) Base Operations Funding**

#### **(a) Base Adequacy/Cost of Education**

Base adequacy/cost of education represents a calculation of the “basic operations and instruction funding need of each public institution of higher education,” as defined by the Higher Education Opportunity Act of 2011.

Following the base adequacy guidelines, SCHEV staff used the actual FY2017 student enrollment and institutions’ 2018-20 activity-based budget (ABB) to calculate the institutions’ funding need. Staff compared that amount with the available resources for FY2019 as represented in ABB. The calculation showed four institutions that remain under full funding, with a total one-year funding need of \$29.1 million.

Staff proposes a two-year phased approach to provide additional funding for Old Dominion University, Virginia Military Institute, Richard Bland College and Eastern Virginia Medical School to reach full funding by FY2020. According to the state funding split policy established in the Appropriation Act, the estimated additional funding need is \$21.6 million from the general fund and \$22.1 million from nongeneral funds for a total of \$43.7 million in the 2018-20 biennium.

#### **(b) Faculty Recruitment and Retention**

Thanks to the 2%-3% state salary increases in FY2018, staff estimates that the ranking of average teaching and research faculty salary at four-year institutions to national peers would be at the 34th percentile in FY2018. The Commonwealth’s policy is for each institution to be at the 60th percentile of its peer group.

Institutions stated in their 2017 six-year plans that faculty salaries falling behind those of their peer institutions represent the greatest threat to faculty recruitment and retention. SCHEV staff believes that maintaining the commitment to faculty salaries is critical to meeting the goals outlined in the Virginia Plan.

To ensure Virginia institutions stay competitive in faculty recruitment and retention, staff recommends using the peer-group-based approach to benchmark faculty salary



increases in 2018-2020. Recognizing the disparity of percentile ranking in teaching and research (T&R) faculty salaries to peers among institutions, staff proposes to provide an annual salary increase of 5% for institutions with ranking below the 20th percentile, 4% increase for institutions between 20th and 40th percentile, 3% increase for institutions between 40th and 60th percentile, and 2% for institutions that are at or above the 60th percentile in each year of the 2018-20 biennium.

Additional funding to support this recommendation will be \$84.3 million in the general fund and \$87.2 million in nongeneral funds for a total of \$171.5 million in 2018-20 biennium. Salary increases for faculty should be based on merit and provided as an incentive for meeting state and institutional priorities.

Staff acknowledges that salary increases are a statewide issue and that it is unlikely that colleges and universities would receive general fund support for faculty recruitment and retention when other agencies and institutions do not. Should the governor and the General Assembly decide to provide a general salary increase to all state employees, however, staff recommends the state use the peer-group-based approach to allocate funds to help each institution raise its ranking relative to its peers.

In addition to the state-authorized amounts recommended above, it is important that our institutions have the flexibility to award additional merit-based and board-approved salary increases using nongeneral funds in order to attract and retain high-performing faculty and move closer to the Commonwealth's 60th percentile goal. The combination of a state-authorized faculty salary increase and the flexibility for supplemental actions by the institutions may allow our institutions to maintain or perhaps slightly increase their percentile ranking in 2018-20 biennium and to reward faculty and also be attuned to growth in programs (recruitment) in high-demand areas as well.

While administrative faculty, part-time faculty and other support staff (classified employees) are not included in this option, the institutions and the Commonwealth ultimately will need to address the appropriate level of compensation needed to attract and retain high-performing employees.

(c) Operation and Maintenance of New Facilities Coming Online

The 2017 General Assembly provided no additional state support for the operation and maintenance (O&M) of new space coming online in 2016-18 biennium. In fact, no state funds have been provided explicitly for this purpose since 2011.

Without additional state support for O&M of new facilities, institutions rely on tuition revenue to operate and maintain these facilities, putting additional financial burdens on students and their families as a result.

It is the policy of the Commonwealth that institutions are expected to maintain their facilities. Section 4-4.01.m.7. of the Appropriation Act states that “institutions of higher education shall treat the maintenance of facilities as a priority for allocation of resources.” This applies to both capital appropriations and operating appropriations and is why the Council continues to recognize the need for additional support for O&M. Without additional general fund support, funding O&M for these new facilities will require an average tuition increase of 0.5% with an increase range from 0.1% to 2.4% among institutions in FY2019.

Staff recommends \$8.6 million in 2018-19 and \$17.2 million in 2019-20 for a total of \$25.8 million in the 2018-20 biennium — all from the general fund — to support new educational facilities coming online without placing an undue burden on students and families.

**(A.2) Virginia Plan Initiatives**

(d) Student Access, Success and Talent Development

The Virginia Plan for Higher Education, the statewide strategic plan for higher education developed by SCHEV and endorsed by the General Assembly, set four goals that include affordable access, student success, change and improvement, and economic and cultural prosperity, in order to establish a framework to guide higher education in the Commonwealth. The plan identifies strategies for achieving the goals and measures to determine if progress is being made over time toward the overall goal of being the best-educated state by 2030.

To meet this goal and address the growing demands of the workforce, Virginia must increase its educational attainment rate for working-aged adults from approximately 51% today to approximately 70% by 2030. Indeed, 99% of new jobs since the Great Recession are occupied by someone with postsecondary education or training.

Moreover, employers continue to demand not only the academic and technical skills for a job, but also soft skills, such as problem solving, communication and writing.

Efforts that expand access to education and training after high school are critical. As the Southern Region Education Board noted in its report “No Time to Waste,” academic readiness, affordability and greater participation of underrepresented students are crucial components for states seeking to meet educational goals. In particular, a recent study, “Landscape of Postsecondary Access Resources in Virginia,” commissioned by SCHEV, identified that while there are pockets of need throughout the commonwealth, 30% of Virginia school divisions need additional postsecondary access resources to increase student matriculation.

Furthermore, The Virginia Plan’s strategy 2.2 seeks to provide “effective academic and student services infrastructures focused on persistence and completion.”

Once enrolled, institutions must provide appropriate student support services to positively impact student retention and completion. This aspect is especially important given that findings indicate that Virginia’s high rate of educational attainment could shift in the coming years. While Virginia ranks sixth nationally in educational-attainment rates for the population ages 25-64 (those with a degree or credential), the population ages 25-34 ranks lower, at 11th, for those with an associate degree or above. Fewer high school graduates and shifting demographics of the population — to one that is traditionally harder to serve; i.e., first generation, low income or from a minority race or ethnicity — may impact the rate at which students complete a credential or require additional resources for/from institutions to serve them. Institutions will incur additional costs associated with providing services tailored to students’ needs.

In recent years, institutions have redoubled their efforts to ensure that students not only enroll but also progress to completion and into the workforce. The governor and the General Assembly have supported institutional efforts, and SCHEV recommends that they continue to fund activities that have demonstrable outcomes.

**To improve outreach to students who might not consider education beyond high school a possibility, SCHEV seeks \$2.5 million annually to develop and implement postsecondary-preparatory programming and capacity-building**

**efforts statewide. Institutions should seek opportunities to reallocate existing resources to support these efforts.**

**To assist institutions with efforts to provide appropriate student support services and experiential learning programs, SCHEV staff recommends funding in the amount of \$4 million in the first year and \$6 million in the second year of the biennium. Institutions should seek opportunities to reallocate existing resources to support these efforts.**

Funds should be distributed based on an allocation strategy tied to performance, such as student access, retention and graduation, number of high-demand degrees, percent of under-represented student enrollment and graduates, and other student success performance metrics. This funding approach favors outcomes and performance, and it provides targeted incentives to institutions to promote efforts to provide high value at an affordable price.

In total, SCHEV staff recommends \$6.5 million from the general fund and \$6.5 million from nongeneral funds in 2018-19 and \$8.5 million from the general fund and \$8.5 million from nongeneral funds in 2019-20 for a total \$30 million in 2018-20 biennium.

## **B. Student Financial Aid**

### **(e) Undergraduate Student Financial Aid**

#### *(i) Virginia Student Financial Assistance Program*

Recent Demand and Funding: The Virginia Student Financial Assistance program (VSFAP) is awarded to Virginia undergraduates demonstrating financial need at public institutions. Recent reforms to the program, which provide for larger awards as a student progresses, are designed to improve retention and graduation. These funds directly address Goal 1 of the Virginia Plan: provide affordable access for all.

In 2016, the governor and the General Assembly provided an additional \$24.1 million to the VSFAP – the largest increase in history. The additional funding came at an important time, as demand for the program grew substantially during the Great Recession. They boosted total funding to just under \$190 million and halted a six-year decline in “percent of need met” by the program. For FY2017, VSFAP funding met 33.2% of projected need. No new funds were appropriated

## 2018-20 Budget Recommendations for Higher Education in Virginia

in the 2017 session of the General Assembly for FY2018. Consequently, the percent of need met dropped slightly to 32.5%.

The recession resulted in increasing need totals over multiple years, including consecutive increases of over 11%, 26%, 22%, 19%, and 13%. Since FY2014, the rate of increase in need declined to a modest 2.2% increase between FY2017 and FY2018. Need is now projected to decline slightly between FY2018 and FY2019. These figures are reflected in the table below.

With a leveling off of the number of projected students demonstrating need, the next biennium provides an opportunity to gain ground on affordability rather than just maintain pace. Furthermore, the Commonwealth is experiencing a documented loss of enrollment from the lowest-income group – perhaps an indication that students believe that an affordable education is beyond their reach.

In developing recommendations for need-based financial aid, SCHEV uses the most recently available student-specific financial aid data file (FY2016) and applies projected cost factors for the target year (FY2019 and FY2020) to calculate projected expenses for each student. SCHEV then applies a calculation allowing for shared responsibility among the state and the student to determine aggregate institutional student need for the target year.

Year	Projected Number of Students Demonstrating Need	Projected Need Under the Partnership Model	VSFAP Appropriation	Percent of Projected Need Met	Percent Increase in Students w/Need	Percent Increase in Need	Percent Increase in Funding	Increase in Dollars
2005-06	N/A	172,798,695	84,196,041	48.7%	N/A	N/A	N/A	
2006-07	N/A	171,363,919	95,062,986	55.5%	N/A	-0.8%	12.9%	10,866,945
2007-08	62,766	179,737,319	108,808,782	60.5%	N/A	4.9%	14.5%	13,745,796
2008-09	64,404	195,153,152	118,017,023	60.5%	2.6%	8.6%	8.5%	9,208,241
2009-10	66,103	210,108,256	127,819,523	60.8%	2.6%	7.7%	8.3%	9,802,500
2010-11	71,043	233,376,286	127,819,523	54.8%	7.5%	11.1%	0.0%	-
2011-12	80,044	295,501,432	141,206,151	47.8%	12.7%	26.6%	10.5%	13,386,628
2012-13	101,636	361,462,825	149,517,224	41.4%	27.0%	22.3%	5.9%	8,311,073
2013-14	117,628	431,766,961	158,078,595	36.6%	15.7%	19.4%	5.7%	8,561,371
2014-15	126,716	489,437,861	158,078,595	32.3%	7.7%	13.4%	0.0%	-
2015-16	128,485	539,158,258	165,889,206	30.8%	1.4%	10.2%	4.9%	7,810,611
2016-17	129,760	571,445,516	189,987,869	33.2%	1.0%	6.0%	14.5%	24,098,663
2017-18	127,207	584,193,170	189,987,869	32.5%	-2.0%	2.2%	0.0%	-
2018-19	117,572	582,572,095	189,987,869	32.6%	-7.6%	-0.3%	0.0%	-
2019-20	117,572	618,100,784	189,987,869	30.7%	0.0%	6.1%	0.0%	-

"Number of students" not archived in FY06 and FY07.

2018-20 is based on FY18 appropriations and will be adjusted according to the 2018 General Assembly session results.

2019-20 need data is preliminary and will be updated in 2018.

From FY2013 to FY2016, the combined enrollment across all public institutions dropped by just over 11,200 students, but students demonstrating need declined by over 13,000 students. More concerning is the loss of students from the \$0 to \$50,000 income group, which declined by nearly 17,000 (-14.8%). This means that all other income groups collectively had a net increase in students across the system.

Reviewing the enrollment patterns of “first-time-in-college” (FTIC) students, the table below illustrates that whether enrollment is increasing (senior institutions) or declining (VCCS), the percent of enrollment for FTIC low-income students is declining across the public system.

	2012-13		2013-14		2014-15		2015-16	
	FTIC	% of Total	FTIC	% of Total	FTIC	% of Total	FTIC	% of Total
<b>Senior Institutions</b>								
In-state undergraduates	24,810		24,901		24,916		25,635	
Demonstrating need	12,876	51.9%	13,251	53.2%	13,185	52.9%	13,597	53.0%
\$0 to \$50,000	5,567	22.4%	5,274	21.2%	5,199	20.9%	5,369	20.9%
\$50,001 to \$100,000	4,625	18.6%	4,745	19.1%	4,652	18.7%	4,731	18.5%
Greater than \$100,000	2,682	10.8%	3,226	13.0%	3,326	13.3%	3,496	13.6%
<b>VCCS</b>								
In-state undergraduates	27,648		29,436		29,135		26,669	
Demonstrating need	16,944	61.3%	18,416	62.6%	17,179	59.0%	15,390	57.7%
\$0 to \$50,000	13,296	48.1%	13,961	47.4%	12,752	43.8%	10,941	41.0%
\$50,001 to \$100,000	3,293	11.9%	3,966	13.5%	3,935	13.5%	3,912	14.7%
Greater than \$100,000	355	1.3%	489	1.7%	492	1.7%	537	2.0%

VSFAP Performance: The VSFAP awarding policies vary among the institutions. The total number of students and average awards, shown below, reflect some having policies of making fewer but larger awards (higher percent of tuition) while others choose to spread the funding thinner (lower percent of tuition) to reach more students. The policy differences reflect the differing needs of the student enrollments and availability of other resources at each institution.



2018-20 Budget Recommendations for Higher Education in Virginia

**VSFAP Awards for 2015-16**

Commonwealth Award				
Institution	# Unique Students	Dollars	Average Award	Percent of Tuition & Total Fees
CNU	345	\$1,235,313	\$3,581	28.6%
CWM	112	\$1,220,276	\$10,895	56.2%
GMU	2,602	\$6,873,840	\$2,642	24.1%
JMU	698	\$3,564,722	\$5,107	50.7%
LU	160	\$499,810	\$3,124	26.2%
NSU	1,538	\$6,544,055	\$4,255	50.9%
ODU	2,747	\$7,942,275	\$2,891	29.6%
RU	856	\$4,130,743	\$4,826	49.2%
UMW	259	\$841,018	\$3,247	29.3%
UVA	172	\$644,357	\$3,746	25.9%
UVA-W	238	\$713,268	\$2,997	32.5%
VCU	2,406	\$8,191,544	\$3,405	26.7%
VMI	2	\$10,203	\$5,102	30.9%
VSU	1,094	\$3,984,221	\$3,642	44.3%
VT	1,644	\$4,777,013	\$2,906	23.3%
RBC	212	\$288,741	\$1,362	24.8%
VCCS	37,429	\$36,438,524	\$974	22.8%
<b>System</b>	<b>52,514</b>	<b>\$87,899,923</b>	<b>\$1,674</b>	

Virginia Guaranteed Assistance Program				
Institution	# Unique Students	Dollars	Average Award	Percent of Tuition & Total Fees
CNU	727	\$3,421,183	\$4,706	37.6%
CWM	183	\$2,062,553	\$11,271	58.2%
GMU	2,744	\$9,915,430	\$3,613	33.0%
JMU	675	\$3,962,508	\$5,870	58.3%
LU	848	\$3,776,773	\$4,454	37.4%
NSU	168	\$1,107,702	\$6,593	78.8%
ODU	2,096	\$9,193,687	\$4,386	44.9%
RU	558	\$3,385,875	\$6,068	61.9%
UMW	549	\$2,208,048	\$4,022	36.3%
UVA	456	\$5,261,595	\$11,539	79.8%
UVA-W	454	\$1,486,190	\$3,274	35.5%
VCU	2,374	\$13,678,981	\$5,762	45.1%
VMI	149	\$918,125	\$6,162	37.3%
VSU	683	\$3,072,669	\$4,499	54.7%
VT	2,730	\$10,188,499	\$3,732	29.9%
RBC	125	\$259,100	\$2,073	37.7%
VCCS	1,345	\$2,386,083	\$1,774	41.5%
<b>System</b>	<b>16,864</b>	<b>\$76,285,000</b>	<b>\$4,524</b>	

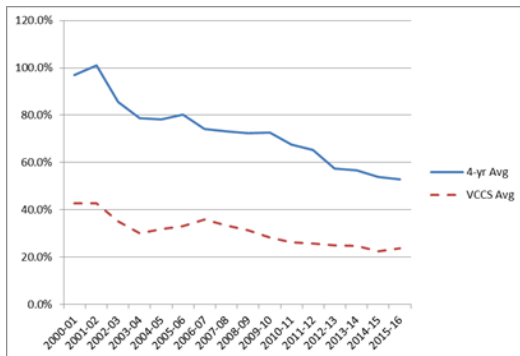
Each year, the VSFAP program continues to lose purchasing power as the average award as a percent of tuition has steadily declined. Not all students demonstrating need are eligible for a VSFAP award; however, the percent of those students receiving an award has declined overall since FY2008. The VCCS colleges have regained some ground since FY2011 while the senior institutions have remained somewhat stagnant over the same period of time.

These two charts combine to illustrate the decisions that institutions must make in awarding state aid: balancing awarding more students v. making larger awards. Senior institutions have been awarding more students, but those increases are not keeping up with the increasing number of students demonstrating need, hence the percentage drops. Meanwhile the VCCS has been able to secure gains due to a decreasing number of students demonstrating need; therefore, their percentage goes up even as the number of awards holds relatively steady.

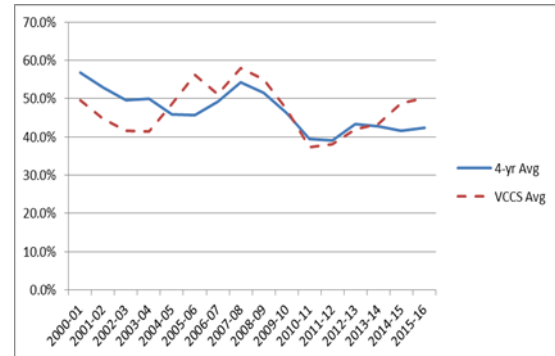
## 2018-20 Budget Recommendations for Higher Education in Virginia

### Average VSFAP Award as Percentage of Tuition

(average of combined Commonwealth and VGAP awards; does not include non E&G fees)



### Percent of Students With Need Receiving Awards



In a comprehensive study of Virginia higher education, the Joint Legislative Audit and Review Committee reported on a study (the Delta Cost Project) of students who did not complete their degree. This study found that 29% of non-completers cited “financial” as the reason for not remaining enrolled. The other factors cited, including “Personal” (58%) and “Family Responsibilities” (18%), could each have financial implications as well, such as paying for child care or helping with the family’s monthly bills. JLARC also reported that a consensus of research demonstrates that a \$1,000 change in need, either through decreased published price or through financial aid, can result in a “3- to 5-percentage point increase in college attendance.” These studies and other research clearly recognize the critical role financial aid has not only for affordability but also for retention and completion.

### 2018-20 Virginia Student Financial Assistance Program Recommendation

Institution	FY18 Funds	FY18 PM % Met	2018-19			2019-20		
			Funding Goal	Recommended Funding	Increase	Funding Goal	Recommended Funding	Increase
Christopher Newport University	\$4,981,000	40.2%	\$12,184,217	\$5,130,430	\$149,430	\$13,373,003	5,630,995	\$649,994
College of William & Mary	\$3,483,669	59.2%	\$5,564,348	\$3,588,179	\$104,510	\$6,409,009	4,132,860	\$649,191
George Mason University	\$19,550,931	29.1%	\$74,491,199	\$26,071,920	\$6,520,989	\$79,267,065	27,743,473	\$8,192,542
James Madison University	\$8,294,329	32.8%	\$27,593,355	\$9,657,674	\$1,363,345	\$30,516,938	10,680,928	\$2,386,599
Longwood University	\$4,637,111	34.6%	\$14,920,367	\$5,222,128	\$585,017	\$15,845,572	5,545,950	\$908,839
Norfolk State University	\$9,641,667	39.3%	\$19,956,093	\$9,930,917	\$289,250	\$21,198,471	10,549,172	\$907,505
Old Dominion University	\$22,218,684	36.1%	\$58,728,752	\$22,885,245	\$666,561	\$61,317,694	23,894,096	\$1,675,412
Radford University	\$9,450,398	35.8%	\$28,668,579	\$10,257,733	\$807,335	\$30,257,498	10,826,255	\$1,375,857
University of Mary Washington	\$3,468,383	38.4%	\$9,260,738	\$3,572,434	\$104,051	\$9,966,328	3,844,623	\$376,241
University of Virginia	\$6,346,308	51.6%	\$11,447,193	\$6,536,697	\$190,389	\$12,826,788	7,324,488	\$978,180
University of Virginia - Wise	\$2,565,576	48.3%	\$5,760,473	\$2,783,828	\$218,252	\$6,081,316	2,938,880	\$373,303
Virginia Commonwealth University	\$27,358,390	35.4%	\$84,750,985	\$30,021,870	\$2,663,480	\$90,077,725	31,908,794	\$4,550,405
Virginia Military Institute	\$1,058,719	66.0%	\$1,410,502	\$1,090,481	\$31,762	\$1,552,138	1,199,982	\$141,263
Virginia State University	\$8,274,766	46.6%	\$17,411,380	\$8,523,009	\$248,243	\$18,207,223	8,912,580	\$637,814
Virginia Tech	\$15,807,919	38.3%	\$40,905,850	\$16,282,157	\$474,238	\$43,663,244	17,379,709	\$1,571,790
<b>Four-Year Institution Totals</b>	<b>\$147,137,851</b>	<b>36.7%</b>	<b>\$413,054,031</b>	<b>\$161,554,702</b>	<b>\$14,416,852</b>	<b>\$440,560,012</b>	<b>172,512,786</b>	<b>\$25,374,935</b>
Richard Bland College	\$625,436	21.2%	\$4,677,608	\$1,169,402	\$543,966	\$5,178,392	1,294,598	\$669,162
Virginia Community College System	\$42,224,583	23.4%	\$164,840,456	\$43,491,320	\$1,266,737	\$172,362,380	45,475,896	\$3,251,313
<b>Two-Year Institution Totals</b>	<b>\$42,850,018</b>	<b>23.4%</b>	<b>\$169,518,064</b>	<b>\$44,660,722</b>	<b>\$1,810,704</b>	<b>\$177,540,772</b>	<b>46,770,494</b>	<b>\$3,920,476</b>
<b>Totals</b>	<b>\$189,987,869</b>	<b>32.5%</b>	<b>\$582,572,095</b>	<b>\$206,215,425</b>	<b>\$16,227,556</b>	<b>\$618,100,784</b>	<b>219,283,280</b>	<b>\$29,295,411</b>



This recommendation brings all four-year institutions to at least 35% of need met and 25% for two-year colleges, with each institution receiving a minimum 3% increase, for FY19 and then maintaining the resulting percent of need for FY20.

Recommendations: Staff recommends \$16.2 million in 2018-19 and \$29.3 in 2019-20 for a total of \$45.5 million in the 2018-20 biennium — all from the general fund to address affordability concerns and to reduce funding disparities among institutions. This recommendation brings all four-year institutions to at least 35% of need met and 25% for two-year colleges, with each institution receiving a minimum 3% increase, for FY2019 and then maintaining the resulting percent of need for FY2020. The additional funds also will give institutions greater capacity to provide larger increases as students progress.

Finally, the emerging institutional practice of reserving a portion of tuition for financial aid is in response to institutional responsibility set out under the Code of Virginia, § 23.1-301: to mitigate the impact of increasing tuition costs for low- and middle-income students. Today, SCHEV estimates that, on average, institutions are using approximately 5% of in-state tuition revenue for (primarily) need-based financial aid for in-state students. The practice, while necessary, must be balanced against creating an undue burden on those not receiving an award. Each institution should have a clear understanding of the impact of general tuition increases on its student body compared to the benefit of offering financial aid with that tuition revenue. The governor and the General Assembly might wish to consider whether additional state financial aid support (beyond that recommended here) could reduce the reliance of some institutions on increasing tuition to seek affordability for its low- and middle-income students.

*(ii) Two-Year College Transfer Grant*

The Governor and the General Assembly adopted the Two-Year College Transfer Grant program in 2007 and began awarding students as of FY2009. The program encourages utilization of Virginia's two-year colleges by rewarding students who complete their associate degree at a two-year college before transferring to a participating Virginia four-year public or private nonprofit college or university within one year. The program also requires full-time enrollment, maintenance of a 3.0 grade point average, and a maximum federally calculated Expected Family Contribution (EFC) of no more than \$12,000.

## 2018-20 Budget Recommendations for Higher Education in Virginia

Eligible students receive \$1,000 annually for up to three years. Students enrolled into a program of study in engineering, mathematics, science, teaching or nursing.

The College Transfer Grant program grew by an increasing number of students from FY2014 through FY2016. However, there are little data to explain the dramatic growth as enrollments into two-year institutions have declined recently and the numbers of associate-degree graduates and transfer students have stabilized. The only factor that has increased in correspondence with participation growth is the number of associate-degree earners graduating with at least a 3.0 grade point average. Consequently, funding projections for the program are subject to a large margin of error.

### 2016-17 Two Year College Transfer Grant Totals

Annual Systemic Total of Unique Students

	Unique Students	# Change	% Change
2010-11	576	336	140.0%
2011-12	799	223	38.7%
2012-13	812	13	1.6%
2013-14	1,013	201	24.8%
2014-15	1,395	382	37.7%
2015-16	1,909	514	36.8%
2016-17	2,077	168	8.8%

2016-17 Totals by Institution

Institution	Unique #
Christopher Newport University	24
College of William and Mary	21
George Mason University	750
James Madison University	191
Longwood University	54
Norfolk State University	22
Old Dominion University	144
Radford University	77
Uni. Of Mary Washington	34
University of Virginia	46
UVA-Wise	53
Virginia Commonwealth	181
Virginia State	4
Virginia Tech	230
Participating private institutions	246
<b>Total</b>	<b>2,077</b>

Based on current information, staff projects program participation to be 2,550 (\$3.8 million) in FY2019 and 2,940 (\$4.3 million) in FY2020. The current appropriation available for FY2018 is \$3,549,667.

Beginning in FY2016, a new incentive portion of the grant was added to encourage students to transfer to one of six institutions: Norfolk State, Old Dominion, Radford, UVA-Wise, Virginia Commonwealth and Virginia State. The program is also intended as an incentive for these institutions to actively recruit College Transfer Grant-eligible students as they complete their associate degrees.

Students transferring to these six institutions receive an additional \$1,000. The institutions were provided enrollment goals for CTG-eligible students. A total of \$600,000 is provided annually to support this component of the program.

Institution	Goal	FY16		FY17	
		New Students	Total Unique	New Students	Total Unique
Norfolk State University	80	7	13	18	22
Old Dominion University	140	59	109	81	144
Radford University	140	54	82	36	77
UVA's College at Wise	20	25	38	34	53
Virginia Commonwealth University	140	102	143	105	181
Virginia State University	80	0	0	4	4
<b>Totals</b>	<b>600</b>	<b>247</b>	<b>385</b>	<b>278</b>	<b>481</b>

Staff recommends \$300,000 in 2018-19 and \$775,000 in 2019-20 for a total of \$1.1 million in the 2018-20 biennium — all from the general fund to ensure that all eligible students are fully funded.

(f) Graduate Student Financial Aid

The graduate Virginia Student Financial Assistance Program (otherwise known as the Virginia Graduate Commonwealth Award) may be awarded as need-based grants, merit-based scholarships, or awards for duties that require work. Graduate student financial aid is integral to institutional and student success for graduate education and research.

Graduate research programs are critical economic drivers within the Commonwealth. Funding for these programs not only supports higher education but also assists with the state’s economic health. As such the program supports all four Virginia Plan goals: (1) provide affordable access for all; (2) optimize student success for work and life; (3) drive change and improvement through innovation and investment; and (4) advance the economic and cultural prosperity of the Commonwealth and its regions.

The below funding recommendations for FY2019 and FY2020 provide an allocation of \$3 million the first year and \$6 million the second year. The allocation places a heavy priority on the doctoral programs that are the primary drivers for research, development, and associated economic benefits.

The recommendation includes an additional “bump” for the Virginia Institute of Marine Sciences (VIMS). VIMS is responsible for a wide range of research programs and advisory services mandated in the Code of Virginia. Additional funding is recommended to regain a portion of the lost enrollment over the last seven years and to achieve a level sufficient to meet the Institute’s responsibilities.

Institutions	FY2018 Funding	FY2019		FY2020	
		New Allocation	Total Funding	New Allocation	Total Funding
College of William & Mary	925,924	119,000	1,044,924	244,000	1,169,924
George Mason University	2,753,941	356,000	3,109,941	729,000	3,482,941
James Madison University	915,971	46,000	961,971	92,000	1,007,971
Norfolk State University	519,279	26,000	545,279	52,000	571,279
Old Dominion University	2,710,695	350,000	3,060,695	717,000	3,427,695
Radford University	918,747	46,000	964,747	92,000	1,010,747
University of Virginia	5,327,945	689,000	6,016,945	1,411,000	6,738,945
Va. Institute of Marine Sciences	321,002	250,000	571,002	375,000	696,002
Virginia Commonwealth University	3,424,984	443,000	3,867,984	907,000	4,331,984
Virginia State University	359,059	20,000	379,059	36,000	395,059
Virginia Tech	5,077,625	655,000	5,732,625	1,345,000	6,422,625
<b>Totals</b>	<b>23,312,132</b>	<b>3,000,000</b>	<b>26,312,132</b>	<b>6,000,000</b>	<b>29,312,132</b>

(g) Virginia Tuition Assistance Grant Program (TAG)

TAG is designed to make private colleges in Virginia more affordable for Virginia residents and thus increase the level of student choice and access in higher education. TAG was established in 1973 and will provide over \$65.8 million of assistance to over 22,500 students enrolled into 30 institutions in FY2018. The

maximum annual undergraduate awards are expected to be \$3,300 while graduate/professional students are expected to receive \$1,650.

TAG funding recommendations are based on the projected fall participation by priority students (returning students and on-time new applicants are prioritized; late applicants are awarded only if funds are available) and historic trends to determine the average award amounts and attrition rates. Additional factors include the current economic conditions and the periodic addition/deletion of institutions or academic programs.

**Actual maximum undergrad and graduate awards in previous years:**

<b>Fiscal Year</b>	<b>Annual Award Amount Undergrad/Grad</b>
<b>2007-08</b>	\$3,200 / \$1,900
<b>2008-09</b>	\$3,190 / \$1,890
<b>2009-10</b>	\$3,000 / \$1,300
<b>2010-11</b>	\$2,600 / \$1,130
<b>2011-12</b>	\$2,750 / \$1,200
<b>2012-13</b>	\$2,800 / \$1,300
<b>2013-14</b>	\$3,100 / \$1,550
<b>2014-15</b>	\$3,100 / \$1,550
<b>2015-16</b>	\$3,100 / \$1,550
<b>2016-17</b>	\$3,200 / \$1,600
<b>2017-18</b>	\$3,300 / \$1,650 projected

In recent years TAG participation of undergraduate students has fallen short of the projected annual growth rate. This has resulted in unspent funds for both FY2015 (\$2 million) and FY2016 (\$1.3 million). The accumulated surplus enabled the maximum TAG award to be increased to \$3,200 for FY2017 and \$3,300 for FY2018 without significant amounts of new funding.

The program surplus will enable awards to remain at \$3,300 for FY2019 but projections indicate that the carry forward surplus is nearly exhausted by end of FY2019. New funding will be needed to support TAG award amounts in excess of \$3,300 in FY2019 and, because the available funding includes approximately \$2.7

million carry forward from FY2018, an additional \$3.5 million is required just to maintain the \$3,300 award in FY2020.

Based on projected enrollments for FY2019 and FY2020, TAG participation is expected to hold at 0.5% for FY2018 and could then grow as much as 1% annually for FY2019 and FY2020.

**Incremental Cost of Increasing the Maximum Annual TAG Award**

FY2018 Base Appropriation = \$65,812,665

Award	2018-19		2019-20	
	Total Cost	Funds Needed	Total Cost	Funds Needed
\$3,300	\$68,261,585	(\$630,279)	\$69,270,069	\$3,457,404
\$3,350	\$69,295,852	\$403,988	\$70,319,615	\$4,506,950
\$3,400	\$70,330,118	\$1,438,254	\$71,369,162	\$5,556,497
\$3,450	\$71,364,385	\$2,472,521	\$72,418,708	\$6,606,043
\$3,500	\$72,398,651	\$3,506,787	\$73,468,255	\$7,655,590
\$3,700	\$76,535,717	\$7,643,853	\$77,666,441	\$11,853,776

Staff recommends increases of \$1.4 million in 2018-19 and \$6.6 million in 2019-20 for a total of \$8 million in the 2018-20 biennium — all from the general fund to ensure that all eligible students are fully funded at \$3,400 first year and \$3,500 second year. Such increases are appropriately aspirational and not out of line with recommended funding for public institutions.

**(h) New Economy Workforce Credential Grant Program**

The governor and the General Assembly created the New Economy Workforce Credential Grant program in 2016 to address the growing demand in workforce careers that require a credential rather than completion of a degree program. The program was initially funded at \$4 million for FY2017 and \$8.5 million for FY2018, but due to unexpectedly high usage, the governor and the General Assembly moved \$1 million from the second year to the first year of the biennium. During 2016-17, the program served 5,050 students with over 90% completing the academic portion of the process. Because the program is still new, some outcome information is not yet available. SCHEV, therefore, recommends that funding for the program be set to the original \$8.5 million established in 2016, which would add \$1 million in each year to the base appropriation. SCHEV further recommends that the Virginia Community College System develop additional strategies whereby it further prioritizes services

when demand exceeds funding. Such factors could include program, region and outcome data, such as employment and wages, as they become available.

(i) **Cybersecurity Public Service Scholarship**

The Virginia Cybersecurity Public Service Scholarship, available beginning with the 2016-17 award year, provides a scholarship in exchange for a commitment to work in Virginia for one year per year of scholarship received. Eligible students must be enrolled into a degree program that prepares for a career in cybersecurity; Virginia domicile or obtaining in-state tuition via a military exception; maintain full-time enrollment; have a minimum 3.0 grade point average; be within two years of degree completion; and commit to one year of public service. The program prioritizes applications by degree level and then by application received date.

In 2016-17, staff received over 90 applications and awarded 25 students \$20,000 scholarships. The students represented seven different institutions, including five public institutions and two private nonprofit institutions; 10 recipients were in graduate programs and 15 in bachelor programs. Four of the recipients graduated in May 2017.

Staff has identified 25 recipients for the 2017-18 award and is working to confirm eligibility and acceptance of the award. Staff recommends level funding of \$500,000 per year for the 2018-20 biennium.

***C. Other Systemic Budget Items***

(j) **Higher Education Equipment Trust Fund (HEETF)**

In 2000, the Council established an equipment allocation methodology for the HEETF based on institutional needs for (1) regular inventory replacement and (2) technology upgrades. A nine-year replacement cycle, issued for instructional and research equipment, is applied to the current institutional equipment inventories in the Educational and General programs of Instruction, Research and Academic Support. Staff has provided a summary table of 2017-18 HEETF allocations by institution for information purposes. The HEETF addresses half of the identified need and institutional operating funds cover the other half. To continue the progress made in the 2016-18 biennium with updating institutional equipment inventories, the annual replacement need to be covered by the HEETF will be \$77.8 million per year or \$155.6 million for the 2018-20 biennium.



The HEETF model also includes funding for computers for student use. The Council established a goal of providing 7% of the full-time equivalent students with a microcomputer. In 2000, this rate was considered adequate to accommodate students' need for access to computer resources. Since then, allocations have been sufficient to maintain this level of coverage. To continue supporting the 14:1 students-to-computer ratio at a cost of \$1,800 per computer, an additional allocation of \$13.2 million per year is needed. This policy allows for computer replacement approximately once every three years.

For the 2014-16 biennium, the Council recommended the allocation of over \$19 million a year in support of research equipment through HEETF. In 2015, SCHEV staff recommended that the Commonwealth establish a pooled bond authorization to finance, as needed and over time, new or renovated facilities and equipment for research activities. This funding for research equipment in 2016-18 biennium was presented in under the Research Competitiveness initiative. This year, staff has returned to the 2014-16 methodology for equipment funding based on research equipment replacement. Under this methodology, staff calculates \$25.9 million to maintain current funding levels in research.

Universities receiving an allocation for research equipment should be guided by the research-asset assessment underway by the Virginia Research Investment Committee (VRIC) when making purchases. The intent of VRIC is to concentrate the Commonwealth's research investments on those fields that the committee deems to hold the most promise of economic, health and civic benefits for Virginia citizens by targeting public resources at collaborative research projects, facilities, equipment and personnel that more closely align institutions' strategic research strengths in ways that promote and increase licensing, business start-up and job creation.

In addition to the allocation recommended for George Mason based on their equipment replacement needs, we would also recommend, in light of GMU's recent strides in research, including the "Highest Research Activity" classification by the Carnegie Foundation/Center for Postsecondary Research of the Indiana University, that the governor and General Assembly consider further support through the HEETF to encourage future growth, particularly in the areas of biomedical research, neuroscience, cybersecurity, information technology and other scientific and technological domains.



Estimated debt service payments by institution total \$14.2 million from the general fund for the traditional HEETF calculation and \$4 million from the general fund for the Research HEETF calculation in FY2020. Total debt service for the biennium estimated at \$16.2 million will not begin until FY2020.

(k) Virginia Research Investment Fund (VRIF)

Created in the 2016 legislative session, the VRIF is a special non-reverting revolving fund to support “innovative and collaborative research, development and commercialization efforts ... with a high potential for economic development and job creation” at public institutions of higher education. Grants from the fund are awarded by the Virginia Research Investment Committee (VRIC), which the SCHEV director chairs, and the grant competition is administered by SCHEV staff. VRIC will award the first round of VRIF grants in late 2017.

VRIF’s initial general-fund appropriation was \$8 million in FY2017 and \$12 million in FY2018, with an additional \$29 million in bond authority to support equipment purchases or laboratory renovations associated with researcher incentive packages and the translation of research into commercial use. During the 2017 legislative session’s budget-reduction efforts, the general fund appropriations were reduced to \$4 million in FY2017 and \$8 million in FY2018. The VRIF call for proposals for the first round of awards advised applicants that VRIC intended to award about \$4 million in VRIF funding in this year’s initial grant competition.

The above amounts, while unlikely to impact Virginia’s research-expenditure national rankings, are large enough to generate interest, and more importantly proposals, from researchers at public universities that will lead to more collaboration between them and between higher education and industry, as well as to more patents, licenses and entrepreneurship. For this reason, and to signal ongoing support for this initiative and academic research generally, the VRIF should be maintained at its current appropriation level; i.e., ensure that the fund balance is at least \$8 million in each year of the next biennium.

(l) Restoration of Financial Benefits – Interest Earned on E&G Programs Revenue

Each public institution of higher education certified by the Council as having met the financial and administrative management and educational-related performance benchmarks is entitled to financial benefits set forth in subsection C of § 23.1-1002.

These benefits include interest on the tuition and fees and other nongeneral fund educational and general revenues deposited in the state treasury by the institution, a pro rata amount of the rebate due to the Commonwealth on credit card purchases of \$5,000 or less made during the fiscal year, a rebate of any transaction fees for the prior fiscal year paid for sole source procurements (eVa Sole Source Fees), and any unexpended appropriations of the institution at the end of the fiscal year.

The financial benefits of interest earnings and credit card rebates, typically included as central appropriation items, have not been available to the institutions from FY2014 to the present due to budget reductions. SCHEV staff requests to restore these financial benefits in the amount of \$4 million from the general fund and \$1 million from nongeneral funds for a total of \$5 million per year.

#### *D. Systemic Budget Items with SCHEV Budget*

##### (m) Fund for Excellence and Innovation

The Fund for Excellence and Innovation was established during the 2016 General Assembly to focus on two primary activities: (1) to stimulate collaborations among public school divisions, community colleges and universities and to expand affordable student pathways and (2) to pursue shared services and other efficiency initiatives at colleges and universities that lead to measureable cost reductions. The initial fund provided \$500,000 annually for FY 2017 and FY2018 to support these efforts. During the 2017 session, the fund was reduced to \$450,000 in FY 2017 and \$225,000 in FY 2018.

As part of the fund, through a competitive grant process to public higher education institutions, SCHEV funded five programs that aim to improve transitions from high school to postsecondary education, reduce costs to students, increase college-completion rates, and lead to a degree, certificate or workforce credential.

Descriptions of the programs can be found through this link:

<http://schev.edu/index/institutional/grants/affordable-pathways/affordable-pathways-partnership-2016-grants>

SCHEV also provided grant funding for projects related to shared services and efficiencies initiatives. The Virtual Library of Virginia (VIVA) received a \$10,000 grant to conduct a project to enhance access to VIVA resources. The Virginia Community College System obtained a \$30,000 grant to support a study to evaluate

the feasibility of other public higher education institutions receiving services from the Shared Services Center. The final report for that study is due in January 2018.

For 2018-20 biennium, SCHEV requests additional funding of \$275,000 per year from the general fund so as to restore the original funding of \$500,000 annually provided by the General Assembly to support initiatives designed to pilot and assess projects that “cultivate innovations, enrich quality, promote collaboration and improve efficiency,” which is strategy 3.2 from The Virginia Plan. Grants will continue to be awarded to public institutions of higher education on a competitive basis, with eligibility criteria determined by SCHEV. Grantees will be required to conduct an evaluation and submit a report on outcomes, lessons learned and long-term sustainability of the project.

(n) Virtual Library of Virginia

The Virtual Library of Virginia (VIVA) is the consortium of the nonprofit academic libraries within the Commonwealth of Virginia. Members include all of Virginia’s 39 public colleges and university, as well as 32 private institutions and the Library of Virginia. SCHEV recommends an additional \$945,000 in the first year of the biennium and \$1,260,000 in the second year of the biennium.

Affordable and Open Course Content-Expansion of Open Textbook Network (OTN): Financial challenges for students and their families continue to be one of the highest predictors of non-degree completion in higher education. Tuition, fees, housing and living expenses are only part of the problem. Research shows that the price of course materials, including textbooks, can be a determining factor in everything from chosen majors to degree completion. As a library consortium that aims to level the academic playing field for Virginia’s students by providing shared access to high quality educational resources, VIVA is well-positioned to provide students relief on this financial pressure point and demonstrate significant statewide savings.

Over the past year, VIVA has piloted a statewide membership in the Open Textbook Network (OTN), which has demonstrated strong early successes in identifying and adopting into the curricula low-cost and free course materials for Virginia students. Eager to build upon this momentum, VIVA proposes a statewide initiative to develop, identify, promote and make widely available affordable and open course content. The initiative includes centralized staffing to coordinate efforts statewide; an

expansion of the highly successful OTN program; the launch of a curriculum-driven program to purchase affordable course materials that can be used by students free of charge; and a grant program to support faculty in open course redesign efforts. The total cost for this initiative is estimated at \$600,000 per year.

Shared Collections and Support for Independent Institutions: The negotiated contracts for VIVA's databases and subscriptions include, by necessity, negotiated annual price increases, and additional funding is needed to maintain these resources through the 2018-20 biennium. Without funds to sustain current collections, VIVA will have to cancel collections. The amount proposed for sustaining VIVA's collections for the public institutions is \$300,000 in the first year and \$600,000 in the second year.

Finally, support for the independent colleges and universities in VIVA has not increased in 17 years, and their ability to acquire materials is under increasing strain. There have been a number of VIVA-negotiated deals, such as the successful e-book acquisitions mentioned above, that the independent institutions have been unable to take advantage of due to a lack of shared, central funding. With additional support, these institutions would be able to participate more fully in the e-resource deals negotiated through VIVA. The amount proposed for the independent colleges and universities is \$45,000 in the first year and \$60,000 in the second year.

(o) SCHEV staffing for Virginia Research Investment

The Code of Virginia, effective January 1, 2018, will require SCHEV to develop the Research and Technology (R&T) Roadmap (§23.1-203.29), which is the framework through which the Commonwealth encourages collaboration between higher education, federal labs and private sector on applied research, development and commercialization (§23.1-3134). Prior to this fiscal year, responsibility for the Roadmap has resided with Center for Innovative Technology. SCHEV is not currently staffed to fulfill this responsibility. Additional expertise, services and resources (human, physical and financial) will be required to conduct R&T Roadmap work and to provide technical support and assistance to the Virginia Research Investment Committee.

SCHEV requests \$350,000 from the general fund and two full-time positions in FY2019 and \$460,000 from the general fund and three full-time positions in FY2020 in order to fulfil the new statutory responsibilities.

*E. Policy Considerations in Support of More Sustainable and Efficient Funding*

Our public system of higher education has endured eight state budget reductions in the past 10 years, and tuition for in-state undergraduate students has risen, in part, in an effort to offset these cuts. Access, affordability and quality — the cornerstones of our system — are in jeopardy. For these reasons, the State Council of Higher Education for Virginia has been reviewing options that could result in greater continuity and predictability of funding for our colleges and their students. Our public institutions of higher education, however, are diverse and have differing missions, student demographics and tuition capacities. It is not practical to consider a one-size-fits-all funding approach for the distribution of scarce state resources.

In July, the Council’s Resources and Planning Committee discussed options that focused on developing funding mechanisms that might sustain our system of public higher education by amending current funding policies such as the cost share policy under the umbrella of expanded restructuring or allowing selected institutions to pursue greater autonomy through their enrollment and tuition capacity. Such changes could free up general fund resources to support institutions that have a more limited capacity to generate additional tuition revenues. These changes would not be easy or without risk, but the alternative may be diminished access to a generally degraded system. If the next 10 years are similar to the last 10 years for Virginia public higher education, our system is indeed in peril and all options to improve its future should be considered.

Last year, as part of its 2016-18 budget amendment recommendations, the Council commended our public institutions of higher education for their financial management strategies — best practices that allowed them to maintain their viability through economic downturns. The Council also resolved to support the protection provided by the Code of Virginia to institutional endowment funds and unrestricted gifts from private sources. These funds must not be taken into consideration nor used to reduce state appropriations to our public institutions.

Higher-education restructuring, which was made part of the Code of Virginia in 2005, has been beneficial to higher education — and the Commonwealth — as evidenced by the following information:

- Improved efficiencies and streamlined activities in core administrative functions — finance, human resources, information technology, procurement, capital outlay and leases.
- Increased economies of scale for procurement through the Virginia Association of State College and University Purchasing Professionals (VASCUPP) and the Virginia Higher Education Procurement Collaborative (VHEPC). As of May 2017, savings through VHEPC efforts have totaled \$7.1 million.
- Authority to implement competitive compensation practices to recruit and retain top-rated faculty and staff.
- Greater institutional accountability through institutional performance standards and six-year planning process.

Restructuring has provided institutions critical flexibility to manage operations in the changing higher education environment, in part a result of the severe economic downturn of the last decade, which, among other challenges, has resulted in continued disinvestment in higher education across the nation. Restructuring also advances the general principles of institutional autonomy and board decision-makings, which are hallmarks of Virginia’s system of higher education. The following restructuring-related policies could build upon these already established best practices.

**1. Institutional reserve fund:** Public higher education institutions currently have the authority to carry over unexpended appropriations from one year to the next, subject to provisions of the Appropriation Act. SCHEV recommends that the Commonwealth reinforce and encourage this practice and provide greater assurances that the funds will be available for institutional use. By establishing an institutional reserve fund, an institution will be able to promote more efficient resource utilization, reduce sudden spikes in tuition, and foster more long-term planning, thereby increasing affordability for Virginia’s families. Such fund balances would be subject to the usual expectations of transparency. SCHEV recommends language changes to the Appropriation Act that would highlight this policy priority,

including an authorization to establish reserve funds independent of the institutional performance standards process.

**2. Enrollment of out-of-state students:** Institutions with out-of-state undergraduate student enrollment that exceeds 25% of their total undergraduate enrollment are currently prevented from increasing this proportion. These out-of-state students are currently paying, on average, 163% of their cost of education through tuition. Under the umbrella of expanded restructuring and board governance, institutions with additional out-of-state enrollment capacity could generate additional tuition revenue that would not only benefit these selected institutions, but in future appropriation decisions could provide a source of general fund appropriations to be allocated within the system. The Commonwealth should consider allowing increases in out-of-state undergraduate students, subject to board approval, beyond the current caps, provided that these institutions meet their approved enrollment projections for in-state undergraduate students.

**3. Two-year budget:** Virginia is said to be on a biennial budgeting system. Until this century, institutions received their state appropriations for a two-year period, with necessary amendments made in the second year of that period. More recently, however, biennial budgets exist in name only. A return to a two-year budget cycle could provide, at least minimally, for a more stable and predictable planning cycle for our public institutions. There is a clear and strong relationship between predictable state support and lower tuition increases. Affordable access to Virginia public higher education would be improved by returning to such a policy.

**4. Level II certification requirement:** Level II institutions (as defined by the Restructured Higher Education Financial and Administrative Operations Act of 2005) are required to adopt at least one education-related measure for each area of operational authority. These measures have been included in the institutional performance management system used for certification purposes. Since Level III institutions do not have a similar requirement, these measures should be removed from consideration in the certification process. SCHEV will continue to monitor and report results for these measures.

**5. Language updates, technical changes:** In areas where state agency operating reforms have provided authorities that exceed those originally provided by restructuring, the state should ensure that restructured institutions, at a minimum,



maintain the authority granted to all state agencies. In addition, institutions and state agencies should continue to seek administrative and operational streamlining of a more technical matter. SCHEV staff is working with institutions and state officials to identify such opportunities.

**6. Restructuring-related financial benefits:** Each public institution of higher education that is certified by the Council as having met the financial and administrative management and educational-related performance benchmarks is entitled to the financial benefits set forth in subsection C of § 23.1-1002. The financial benefits of interest earnings and credit card rebates, typically included as central appropriation items, have not been available to the institutions since FY2014 due to budget reductions. Since institutions must still participate in the certification process, the state should restore these financial benefits.

**7. Reduce increase limit for mandatory non-E&G fee:** Affordable access also can be dependent on costs not directly related to educational programs. Since FY 2003, increases in mandatory fees charged to Virginia undergraduate students for activities such as athletics, transportation and student life have been restricted to not more than 5% annually with a few exemptions. In the September Council meeting agenda materials, staff noted that these fees, capped at a 5% rate of increase at our four-year institutions between 2001 and 2018 would have yielded an average increase of \$3,670. An annual increase rate of 3% would have yielded an increase of \$2,646 — a difference of \$1,024 and 28%. Reducing the capped rate of increase to 3% or less (between FY 1999 and FY 2002 these fee increases were capped at the Consumer Price Index rate of inflation), while retaining the same exemptions, could significantly improve affordability over time.



## 2018-20 Budget Recommendations for Higher Education in Virginia

### Summary of SCHEV Budget Recommendations for 2018-20 Biennium

(in millions)

Va Plan Goals*	Item	2018-19			2019-20			Biennial Total		
		GF	NGF	Total	GF	NGF	Total	GF	NGF	Total
	<b>(A) Educational and General Programs</b>									
All	<b>(A.1) Base Operations Funding</b>									
	Cost of education	\$7.2	\$7.4	\$14.6	\$14.4	\$14.7	\$29.1	\$21.6	\$22.1	\$43.7
	Faculty recruitment and retention	\$27.7	\$28.7	\$56.4	\$56.6	\$58.5	\$115.1	\$84.3	\$87.2	\$171.5
	Operation and maintenance of new facilities	\$8.6		\$8.6	\$17.2		\$17.2	\$25.8		\$25.8
1,3,4	Higher Education Equipment Trust Fund (debt service)				\$16.2		\$16.2	\$16.2		\$16.2
	<b>Subtotal</b>	<b>\$43.5</b>	<b>\$36.1</b>	<b>\$79.6</b>	<b>\$104.4</b>	<b>\$73.2</b>	<b>\$177.6</b>	<b>\$147.9</b>	<b>\$109.3</b>	<b>\$257.2</b>
All	<b>(A.2) Virginia Plan Initiatives -- student success</b>									
	Total for Operating Budget	\$50.0	\$36.1	\$86.1	\$112.9	\$73.2	\$186.1	\$162.9	\$109.3	\$272.2
	% Increase over FY2018 E&G appropriations	3.5%	1.1%	1.9%	7.9%	2.3%	4.0%			
	<b>(B) Student Financial Aid</b>									
1.4	<b>(B.1) Institution-based financial aid</b>									
	Undergraduate financial aid	\$16.2		\$16.2	\$29.3		\$29.3	\$45.5		\$45.5
	Graduate financial aid	\$3.0		\$3.0	\$6.0		\$6.0	\$9.0		\$9.0
	<b>Subtotal</b>	<b>\$19.2</b>		<b>\$19.2</b>	<b>\$35.3</b>		<b>\$35.3</b>	<b>\$54.5</b>		<b>\$54.5</b>
1.4	<b>(B.2) Systemic financial aid with the SCHEV Budget</b>									
	Two-year college transfer grant	\$0.3		\$0.3	\$0.8		\$0.8	\$1.1		\$1.1
	New economy workforce credential grant	\$1.0		\$1.0	\$1.0		\$1.0	\$2.0		\$2.0
	Tuition Assistance Grant (TAG)	\$1.4		\$1.4	\$7.7		\$7.7	\$9.1		\$9.1
	<b>Subtotal</b>	<b>\$2.7</b>		<b>\$2.7</b>	<b>\$9.5</b>		<b>\$9.5</b>	<b>\$12.2</b>		<b>\$12.2</b>
	Total for Financial Aid	\$21.9		\$21.9	\$44.8		\$44.8	\$66.7		\$66.7
	% Increase over FY2018 financial aid appropriations	7.5%		7.5%	15.3%		15.3%			
	<b>Total</b>	<b>\$71.9</b>	<b>\$36.1</b>	<b>\$108.0</b>	<b>\$157.7</b>	<b>\$73.2</b>	<b>\$230.9</b>	<b>\$229.6</b>	<b>\$109.3</b>	<b>\$338.9</b>
	<b>(C) Systemic Budget Items within the SCHEV Budget</b>									
1,2,3	Restoration of Financial Benefits	\$4.0	\$1.0	\$5.0	\$4.0	\$1.0	\$5.0	\$8.0	\$2.0	\$10.0
3	Fund for Excellence and Innovation	\$0.3		\$0.3	\$0.3		\$0.3	\$0.6		\$0.6
1,2,3	Virtual Library of Virginia (VIVA)	\$0.9		\$0.9	\$1.3		\$1.3	\$2.2		\$2.2
4	Staffing for Virginia Research Investment	\$0.4		\$0.4	\$0.5		\$0.5	\$0.8		\$0.8
	<b>Subtotal</b>	<b>\$5.6</b>	<b>\$1.0</b>	<b>\$6.6</b>	<b>\$6.0</b>	<b>\$1.0</b>	<b>\$7.0</b>	<b>\$11.6</b>	<b>\$2.0</b>	<b>\$13.6</b>
	<b>Grand Total</b>	<b>\$77.5</b>	<b>\$37.1</b>	<b>\$114.6</b>	<b>\$163.7</b>	<b>\$74.2</b>	<b>\$237.9</b>	<b>\$241.1</b>	<b>\$111.3</b>	<b>\$352.4</b>

## 2018-20 Budget Recommendations for Higher Education in Virginia

### **\*Virginia Plan for Higher Education**

#### **Goal 1: Provide Affordable Access for All**

##### Strategies:

- 1.1 Expand outreach to PK-12 and traditionally underserved populations
- 1.2 Improve the college readiness of all students
- 1.3 Cultivate affordable postsecondary education pathways for traditional, non-traditional and returning students
- 1.4 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

#### **Goal 2: Optimize Student Success for Work and Life**

##### Strategies:

- 2.1 Strengthen curricular options to ensure that graduates are prepared with the competencies necessary for employment and civic engagement
- 2.2 Provide effective academic and student services infrastructures focused on persistence and completion
- 2.3 Increase on-time completion of certificates and degrees
- 2.4 Engage adults and veterans in certificate and degree completion and lifelong learning

#### **Goal 3: Drive Change and Improvement through Innovation and Investment**

##### Strategies:

- 3.1 Identify and implement public funding strategies to sustain long-term planning and responsiveness
- 3.2 Cultivate innovations that enrich quality, promote collaboration and improve efficiency
- 3.3 Foster faculty excellence, scholarship and diversity
- 3.4 Enhance higher education leadership, governance and accountability

#### **Goal 4: Advance the Economic and Cultural Prosperity of the Commonwealth and its Regions**

##### Strategies:

- 4.1 Build a competitive, future-ready workforce for all regions
- 4.2 Become a catalyst for entrepreneurship and a model for business incubation
- 4.3 Target funding, resources and partnerships to support research and development
- 4.4 Expand participation and engagement in public service and institutional service to the community
- 4.5 Demonstrate the impact of higher education on state and regional economic development

## Summary of SCHEV Recommended Budget Items In Relation to the Virginia Plan Goals

### **Goal 1: Provide Affordable Access for All**

- *Base adequacy/cost of education*
- *Operation and maintenance of new facilities coming online*
- *Undergraduate student financial aid*
- *Two-year college transfer grant*
- *Tuition Assistance Grant (TAG)*
- *New Economy Workforce Credential Grant*

### **Goal 2: Optimize Student Success for Work and Life**

- *Student access, success and talent development*
- *Virtual Library of Virginia (VIVA)*
- *Higher Education Equipment Trust Fund replacement allocation*

### **Goal 3: Drive Change and Innovation through Improvement and Investment**

- *Faculty recruitment and retention*
- *Fund for excellence and innovation*
- *Restoration of financial benefits*
- *Policy considerations in support of more sustainable and efficient funding*

### **Goal 4: Advance the Economic and Cultural Prosperity of the Commonwealth and its Regions**

- *Virginia Research and Investment Fund (VRIF)*
- *Staffing for Virginia research investment*
- *Graduate financial aid*
- *Higher Education Equipment Trust Fund research competitive allocation*

2018-20 Budget Recommendations for Higher Education in Virginia

Calculation of the Cost of Education in the 2018-20 Biennium

Inst	Calculated Need <sup>1,2</sup>	Available Resources <sup>3,4,5</sup>	% Funding to Guide	Funding Shortfall	GF Share	Phase Full Funding over Two Years					
						2018-19			2019-20		
						GF	NGF	Total	GF	NGF	Total
CNU	\$70,839,754	\$76,678,023	>100%		60%	\$0	\$0	\$0	\$0	\$0	\$0
CWM	\$170,585,322	\$208,094,878	>100%		40%	\$0	\$0	\$0	\$0	\$0	\$0
GMU	\$492,343,219	\$533,889,394	>100%		50%	\$0	\$0	\$0	\$0	\$0	\$0
JMU	\$291,753,302	\$310,091,848	>100%		49%	\$0	\$0	\$0	\$0	\$0	\$0
LU	\$68,536,460	\$73,099,295	>100%		62%	\$0	\$0	\$0	\$0	\$0	\$0
NSU	\$65,473,968	\$77,176,800	>100%		55%	\$0	\$0	\$0	\$0	\$0	\$0
ODU	\$310,589,901	\$292,675,108	94%	(\$17,914,793)	56%	\$5,034,057	\$3,923,340	\$8,957,396	\$10,068,114	\$7,846,679	\$17,914,793
RU	\$125,246,594	\$127,840,301	>100%		62%	\$0	\$0	\$0	\$0	\$0	\$0
UMW	\$64,348,032	\$76,735,742	>100%		60%	\$0	\$0	\$0	\$0	\$0	\$0
UVA	\$553,416,956	\$646,902,017	>100%		35%	\$0	\$0	\$0	\$0	\$0	\$0
UVAW	\$25,498,133	\$26,553,073	>100%		60%	\$0	\$0	\$0	\$0	\$0	\$0
VCU	\$585,623,479	\$606,371,407	>100%		49%	\$0	\$0	\$0	\$0	\$0	\$0
VMI <sup>6</sup>	\$32,848,527	\$31,509,961	96%	(\$1,338,566)	40%	\$269,721	\$399,562	\$669,283	\$539,442	\$799,124	\$1,338,566
VSU	\$60,642,870	\$65,007,055	>100%		48%	\$0	\$0	\$0	\$0	\$0	\$0
VT	\$685,916,591	\$721,571,468	>100%		39%	\$0	\$0	\$0	\$0	\$0	\$0
RBC	\$12,806,803	\$12,176,983	95%	(\$629,820)	65%	\$203,747	\$111,163	\$314,910	\$407,493	\$222,326	\$629,820
VCCS	\$814,634,142	\$920,170,135	>100%		63%	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$4,431,104,055	\$4,806,543,488	108%	(\$19,883,179)	50%	\$5,507,525	\$4,434,065	\$9,941,589	\$11,015,049	\$8,868,130	\$19,883,179
EVMS	\$82,216,526	\$72,979,890	89%	(\$9,236,636)	36%	\$1,684,573	\$2,933,745	\$4,618,318	\$3,369,145	\$5,867,491	\$9,236,636
Grand Total	\$4,513,320,581	\$4,879,523,378		(\$29,119,815)		\$7,192,097	\$7,367,810	\$14,559,907	\$14,384,195	\$14,735,620	\$29,119,815

Notes:

- (1) Based on actual FY17 student FTE and FY15-FY17 3-year average discipline credit hours.
- (2) The blended salary is from 2018-20 Activity-Based Budget (ABB)
- (3) Available resources are from 2018-20 ABB and preliminary NGF increases submitted through decision package.
- (4) GF adjustments are OCR funding at NSU and VSU, and VCCS central office (FY 18 adjustment).
- (5) NGF includes required funding for programs 101-40, 102 and 103 made in October 2009.
- (6) Available resources are adjusted for "uniquely military" mission.

2018-20 Budget Recommendations for Higher Education in Virginia

Recommended Salary Increase for Teaching and Research Faculty in 2018-2020 Biennium  
Effective July 1

Inst	Est. FY2018 Ranking to Peers	Annual Salary Increase	Req Tuit Incr if no add'l GF in FY2019	Estimated Incremental Funding								
				2018-19			2019-20			Biennial Total		
				GF	NGF	Total	GF	NGF	Total	GF	NGF	Total
CNU	34%	4.0%	2.2%	\$593,675	\$390,861	\$984,536	\$1,211,097	\$797,356	\$2,008,453	\$1,804,772	\$1,188,216	\$2,992,989
CWM	25%	4.0%	1.9%	\$1,151,310	\$1,748,715	\$2,900,025	\$2,348,673	\$3,567,379	\$5,916,052	\$3,499,983	\$5,316,095	\$8,816,077
GMU	4%	5.0%	2.4%	\$4,743,189	\$4,724,254	\$9,467,444	\$9,723,538	\$9,684,722	\$19,408,260	\$14,466,727	\$14,408,976	\$28,875,703
JMU	36%	4.0%	1.8%	\$1,987,269	\$2,085,004	\$4,072,273	\$4,054,029	\$4,253,408	\$8,307,437	\$6,041,298	\$6,338,411	\$12,379,710
LU	42%	3.0%	1.5%	\$375,533	\$229,190	\$604,724	\$762,333	\$465,256	\$1,227,589	\$1,137,866	\$694,446	\$1,832,312
NSU	55%	3.0%	1.9%	\$380,920	\$310,405	\$691,325	\$773,267	\$630,122	\$1,403,389	\$1,154,187	\$940,527	\$2,094,714
ODU	24%	4.0%	2.3%	\$2,011,117	\$1,567,383	\$3,578,500	\$4,102,679	\$3,197,462	\$7,300,140	\$6,113,796	\$4,764,845	\$10,878,641
RU	25%	4.0%	2.2%	\$1,031,345	\$640,203	\$1,671,547	\$2,103,943	\$1,306,013	\$3,409,956	\$3,135,287	\$1,946,216	\$5,081,503
UMW	29%	4.0%	2.5%	\$601,003	\$400,668	\$1,001,671	\$1,226,045	\$817,364	\$2,043,409	\$1,827,048	\$1,218,032	\$3,045,080
UVA	40%	3.0%	1.3%	\$2,304,277	\$4,241,965	\$6,546,242	\$4,677,683	\$8,611,188	\$13,288,871	\$6,981,960	\$12,853,153	\$19,835,113
UVAW	75%	2.0%	2.1%	\$115,100	\$75,463	\$190,563	\$232,502	\$152,435	\$384,937	\$347,602	\$227,898	\$575,500
VCU	29%	4.0%	1.9%	\$3,794,402	\$3,886,574	\$7,680,976	\$7,740,580	\$7,928,610	\$15,669,190	\$11,534,982	\$11,815,184	\$23,350,166
VMI	28%	4.0%	1.2%	\$138,196	\$204,721	\$342,917	\$281,919	\$417,632	\$699,550	\$420,114	\$622,353	\$1,042,467
VSU	33%	4.0%	3.0%	\$467,644	\$502,572	\$970,216	\$953,994	\$1,025,246	\$1,979,240	\$1,421,638	\$1,527,818	\$2,949,456
VT	27%	4.0%	1.7%	\$3,483,478	\$5,564,517	\$9,047,995	\$7,106,296	\$11,351,615	\$18,457,910	\$10,589,774	\$16,916,132	\$27,505,906
RBC	68%	2.0%	1.2%	\$38,705	\$21,117	\$59,822	\$78,184	\$42,657	\$120,841	\$116,889	\$63,774	\$180,664
VCCS	47%	3.0%	1.1%	\$3,434,347	\$2,025,664	\$5,460,010	\$6,971,723	\$4,112,098	\$11,083,821	\$10,406,070	\$6,137,761	\$16,543,831
VIMS		4.0%		\$243,654	\$12,824	\$256,478	\$497,054	\$26,161	\$523,214	\$740,708	\$38,985	\$779,692
VSU-E		4.0%		\$21,560	\$1,135	\$22,695	\$43,982	\$2,315	\$46,297	\$65,542	\$3,450	\$68,992
VT-E		4.0%		\$842,762	\$44,356	\$887,118	\$1,719,234	\$90,486	\$1,809,720	\$2,561,996	\$134,842	\$2,696,838
Total				\$27,759,485	\$28,677,591	\$56,437,076	\$56,608,755	\$58,479,523	\$115,088,278	\$84,368,240	\$87,157,114	\$171,525,354
4-yr Avg	34%											
Avg Incr		3.6%	1.9%									

Notes:

- (1) Faculty base salary came from 2018-20 activity-based budget.
- (2) General fund share is derived from FY2017 base adequacy calculation.

2018-20 Budget Recommendations for Higher Education in Virginia

SCHEV Survey of Operation and Maintenance Costs for New E&G and Research Facilities Coming On-Line 2018-2020

Institution	Building Name	Building E&G Percent	Building Research Percent	FY 19 Months	FY 20 Months	GF Share	SCHEV GF Recommendation FY2019	SCHEV NGF Recommendation FY2019	SCHEV GF Recommendation FY2020	SCHEV NGF Recommendation FY2020
<b>CNU</b>	Tribble Library, Phase II	100%	0%	12	12	60.9%	\$464,235	\$298,056	\$464,235	\$298,056
<b>Total</b>							<b>\$464,235</b>	<b>\$298,056</b>	<b>\$464,235</b>	<b>\$298,056</b>
<b>CWM</b>	West Plant	49%	0%	6	12	38.4%	\$76,349	\$329,418	\$155,752	\$672,014
<b>Total</b>							<b>\$76,349</b>	<b>\$329,418</b>	<b>\$155,752</b>	<b>\$672,014</b>
<b>GMU</b>	Potomac Science Center	60%	40%	12	12	50.6%	\$182,160	\$267,840	\$182,160	\$267,840
<b>GMU</b>	Mason Ferry Garage (Potomac Sci Ctr Parking Deck)	0%	0%	12	12	50.6%	\$0	\$0	\$0	\$0
<b>GMU</b>	Academic VII/Peterson Family Health Sciences Hall	80%	20%	12	12	50.6%	\$387,090	\$462,910	\$387,090	\$462,910
<b>GMU</b>	Hylton Performing Arts Center Addition	60%	0%	6	12	50.6%	\$157,872	\$362,128	\$157,872	\$362,128
<b>Total</b>							<b>\$727,122</b>	<b>\$1,092,878</b>	<b>\$727,122</b>	<b>\$1,092,878</b>
<b>JMU</b>	College of Business Expansion and Refurbishment	100%	0%	0	3	48.3%	\$0	\$0	\$136,104	\$145,684
<b>Total</b>							<b>\$0</b>	<b>\$0</b>	<b>\$136,104</b>	<b>\$145,684</b>
<b>LU</b>	Brock Hall	100%	0%	7	12	63.1%	\$193,442	\$113,122	\$201,952	\$118,099
<b>LU</b>	New Heating Plant	100%	0%	3	12	63.1%	\$296,044	\$173,123	\$355,253	\$207,747
<b>LU</b>	Admissions Building	100%	0%	1	12	63.1%	\$104,746	\$61,254	\$178,573	\$104,427
<b>LU</b>	New Academic Building	100%	0%	0	8	63.1%	\$0	\$0	\$353,991	\$207,009
<b>Total</b>							<b>\$594,232</b>	<b>\$347,499</b>	<b>\$1,089,769</b>	<b>\$637,282</b>
<b>NSU</b>	No Request	0%	0%	0	0	56.6%	\$0	\$0	\$0	\$0
<b>Total</b>							<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ODU</b>	New Education Bldg: Child Study Center	100%	0%	12	12	56.1%	\$72,871	\$57,023	\$75,196	\$58,844
<b>Total</b>							<b>\$72,871</b>	<b>\$57,023</b>	<b>\$75,196</b>	<b>\$58,844</b>
<b>RBC</b>	No Request	0%	0%	0	0	65.1%	\$0	\$0	\$0	\$0
<b>Total</b>							<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>RU</b>	No Request	0%	0%	0	0	62.2%	\$0	\$0	\$0	\$0
<b>Total</b>							<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>UMW</b>	Jepson Science Center	100%	0%	4	12	59.0%	\$49,167	\$34,167	\$147,501	\$102,501
<b>UMW</b>	Seacobeck Hall	100%	0%	0	11	59.0%	\$0	\$0	\$152,515	\$105,985
<b>Total</b>							<b>\$49,167</b>	<b>\$34,167</b>	<b>\$300,016</b>	<b>\$208,486</b>
<b>UVA</b>	Old Ivy Road Office Building	100%	0%	7	12	36.4%	\$340,105	\$594,249	\$583,037	\$1,018,713
<b>UVA</b>	Cochran House	100%	0%	12	12	36.4%	\$7,129	\$12,456	\$7,129	\$12,456
<b>UVA</b>	Center for Human Therapeutics	100%	0%	6	12	36.4%	\$33,670	\$58,830	\$67,340	\$117,660
<b>UVA</b>	Ivy Stacks Expansion	100%	0%	12	12	36.4%	\$101,386	\$177,147	\$101,386	\$177,147
<b>UVA</b>	Gilmer Chemistry	66%	34%	0	10	36.4%	\$0	\$0	\$45,318	\$104,682
<b>Total</b>							<b>\$482,290</b>	<b>\$842,682</b>	<b>\$804,210</b>	<b>\$1,430,658</b>
<b>UVA-W</b>	No Request					62.7%	\$0	\$0	\$0	\$0
<b>Total</b>							<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

2018-20 Budget Recommendations for Higher Education in Virginia

SCHEV Survey of Operation and Maintenance Costs for New E&G and Research Facilities Coming On-Line 2018-2020 (cont.)										
Institution	Building Name	Building E&G Percent	Building Research Percent	FY 19 Months	FY 20 Months	GF Share	SCHEV GF Recommendation FY2019	SCHEV NGF Recommendation FY2019	SCHEV GF Recommendation FY2020	SCHEV NGF Recommendation FY2020
VCCS	SSVCC( Christianna) - Student Support and Learning Ctr.	100%	0%	0	12	61.3%	\$0	\$0	\$475,405	\$300,134
VCCS	BRCC-Bio Science Bldg.	100%	0%	2	12	61.3%	\$64,192	\$40,526	\$385,155	\$243,156
VCCS	LFCC (Fauquier) Science Building.	100%	0%	0	12	61.3%	\$0	\$0	\$386,617	\$244,080
VCCS	JTCC-Renovate/Expand Bird-Nicholas Hall	100%	0%	0	12	61.3%	\$0	\$0	\$194,511	\$122,799
VCCS	Armory Building Conveyance from Va. National Guard	100%	0%	9	12	61.3%	\$239,249	\$151,043	\$318,999	\$201,391
VCCS	Replace Anderson Hall	100%	0%	3	12	61.3%	\$29,791	\$18,808	\$119,163	\$75,230
<b>Total</b>							<b>\$333,232</b>	<b>\$210,377</b>	<b>\$1,879,850</b>	<b>\$1,186,790</b>
VCU	Allied Health Professions	100%	0%	0	11	48.7%	\$0	\$0	\$431,760	\$454,811
VCU	Engineering Expansion	0%	100%	0	2	48.7%	\$0	\$0	\$65,886	\$204,692
<b>Total</b>							<b>\$0</b>	<b>\$0</b>	<b>\$497,646</b>	<b>\$659,503</b>
VMI	Post Infrastructure Improvements	90%	0%	0	0	39.1%	\$0	\$0	\$0	\$0
VMI	Renovate Preston Library	100%	0%	2	12	39.1%	\$673	\$1,047	\$4,145	\$6,455
VMI	Renovate Scott Shipp Hall (no O&M costs reported)	100%	0%	0	0	39.1%	\$0	\$0	\$0	\$0
<b>Total</b>							<b>\$673</b>	<b>\$1,047</b>	<b>\$4,145</b>	<b>\$6,455</b>
VSU	MT Carter Addition	0%	100%	2	12	49.2%	\$3,129	\$9,591	\$18,776	\$57,548
VSU	Lockett Hall	100%	0%	12	12	49.2%	\$64,374	\$66,467	\$64,374	\$66,467
<b>Total</b>							<b>\$67,503</b>	<b>\$76,059</b>	<b>\$83,150</b>	<b>\$124,016</b>
VT	Renew/Renovate Academic Buildings	100%	0%	12	12	40.0%	\$106,321	\$159,481	\$109,472	\$164,207
VT	Instructional Laboratory Renovations	100%	0%	10	12	40.0%	\$31,417	\$47,125	\$32,348	\$48,522
VT	VTC Health Sciences & Technology Building	0%	100%	3	12	40.0%	\$100,428	\$401,712	\$413,670	\$1,654,678
<b>Total</b>							<b>\$238,166</b>	<b>\$608,318</b>	<b>\$555,489</b>	<b>\$1,867,408</b>
VT-Ext.	Improve Kentland Facilities	100%	0%	6	12	95.0%	\$244,311	\$12,858	\$377,379	\$19,862
VT-Ext.	Livestock Production & Poultry Research Facility	100%	0%	0	4	95.0%	\$537,790	\$28,305	\$830,706	\$43,721
VT-Ext.	Eastern Shore AREC Storage Facility	100%	0%	12	12	95.0%	\$23,121	\$1,217	\$23,807	\$1,253
<b>Total</b>							<b>\$805,222</b>	<b>\$42,380</b>	<b>\$1,231,892</b>	<b>\$64,836</b>
VIMS	Consolidated Scientific Research Facility	85%	15%	12	12	95.0%	\$440,128	\$60,729	\$450,817	\$62,204
VIMS	Facilities Management Building	100%	0%	12	12	95.0%	\$41,325	\$2,175	\$43,225	\$2,275
VIMS	Research Vessel	70%	30%	12	12	95.0%	\$143,977	\$34,323	\$145,996	\$34,804
<b>Total</b>							<b>\$625,430</b>	<b>\$97,227</b>	<b>\$640,038</b>	<b>\$99,283</b>
<b>Grand Total</b>							<b>\$4,536,492</b>	<b>\$4,037,131</b>	<b>\$8,644,614</b>	<b>\$8,552,192</b>

Please note: Both FY 2019 and FY 2020 are stated in dollars incremental to the base.

## 2018-20 Budget Recommendations for Higher Education in Virginia

### 2018-20 Higher Education Equipment Trust Fund Recommended Allocation

2018-19						2019-20					
Traditional HEETF Guidelines						Traditional HEETF Guidelines					
Institutions	9-Year Cycle, Annual Replacement			Research Initiative <sup>(1)</sup>	Grand Total	Institutions	9-Year Cycle, Annual Replacement			Research Initiative <sup>(1)</sup>	Grand Total
	Need	Microcomputers	Total				Need	Microcomputers	Total		
GMU	\$3,682,106	\$1,250,865	\$4,932,971	\$806,683	\$5,739,653	GMU	\$3,682,106	\$1,250,865	\$4,932,971	\$806,683	\$5,739,653
ODU	\$4,277,881	\$852,840	\$5,130,721	\$467,276	\$5,597,997	ODU	\$4,277,881	\$852,840	\$5,130,721	\$467,276	\$5,597,997
UVA	\$13,874,021	\$1,055,295	\$14,929,316	\$6,930,293	\$21,859,609	UVA	\$13,874,021	\$1,055,295	\$14,929,316	\$6,930,293	\$21,859,609
VCU	\$7,798,937	\$1,224,855	\$9,023,792	\$3,708,748	\$12,732,540	VCU	\$7,798,937	\$1,224,855	\$9,023,792	\$3,708,748	\$12,732,540
VT	\$11,370,899	\$1,481,985	\$12,852,884	\$7,634,317	\$20,487,200	VT	\$11,370,899	\$1,481,985	\$12,852,884	\$7,634,317	\$20,487,200
W&M	\$1,601,289	\$370,755	\$1,972,044	\$659,757	\$2,631,801	W&M	\$1,601,289	\$370,755	\$1,972,044	\$659,757	\$2,631,801
W&M-VIMS	\$291,605	\$3,240	\$294,845	\$694,619	\$989,464	W&M-VIMS	\$291,605	\$3,240	\$294,845	\$694,619	\$989,464
CNU	\$609,513	\$222,120	\$831,633	\$0	\$831,633	CNU	\$609,513	\$222,120	\$831,633	\$0	\$831,633
UVA-Wise	\$180,510	\$71,055	\$251,565	\$0	\$251,565	UVA-Wise	\$180,510	\$71,055	\$251,565	\$0	\$251,565
JMU	\$1,601,288	\$908,865	\$2,510,153	\$0	\$2,510,153	JMU	\$1,601,288	\$908,865	\$2,510,153	\$0	\$2,510,153
LU	\$572,803	\$205,380	\$778,183	\$0	\$778,183	LU	\$572,803	\$205,380	\$778,183	\$0	\$778,183
UMW	\$494,768	\$188,460	\$683,228	\$0	\$683,228	UMW	\$494,768	\$188,460	\$683,228	\$0	\$683,228
NSU	\$1,193,001	\$210,780	\$1,403,781	\$0	\$1,403,781	NSU	\$1,193,001	\$210,780	\$1,403,781	\$0	\$1,403,781
RU	\$1,628,658	\$404,820	\$2,033,478	\$0	\$2,033,478	RU	\$1,628,658	\$404,820	\$2,033,478	\$0	\$2,033,478
VMI	\$1,097,866	\$84,195	\$1,182,061	\$0	\$1,182,061	VMI	\$1,097,866	\$84,195	\$1,182,061	\$0	\$1,182,061
VSU	\$1,239,658	\$195,300	\$1,434,958	\$0	\$1,434,958	VSU	\$1,239,658	\$195,300	\$1,434,958	\$0	\$1,434,958
RBC	\$119,480	\$57,780	\$177,260	\$0	\$177,260	RBC	\$119,480	\$57,780	\$177,260	\$0	\$177,260
VCCS <sup>(2)</sup>	\$10,816,233	\$4,423,590	\$15,239,823	\$5,000,000	\$20,239,823	VCCS <sup>(2)</sup>	\$10,816,233	\$4,423,590	\$15,239,823	\$5,000,000	\$20,239,823
SWVHEC	\$105,297	\$0	\$105,297	\$0	\$105,297	SWVHEC	\$105,297	\$0	\$105,297	\$0	\$105,297
RHEA	\$63,321	\$0	\$63,321	\$0	\$63,321	RHEA	\$63,321	\$0	\$63,321	\$0	\$63,321
IALR	\$237,941	\$0	\$237,941	\$0	\$237,941	IALR	\$237,941	\$0	\$237,941	\$0	\$237,941
SVHEC	\$208,601	\$0	\$208,601	\$0	\$208,601	SVHEC	\$208,601	\$0	\$208,601	\$0	\$208,601
NCI	\$59,672	\$0	\$59,672	\$0	\$59,672	NCI	\$59,672	\$0	\$59,672	\$0	\$59,672
EVMS	\$1,444,637	\$0	\$1,444,637	\$0	\$1,444,637	EVMS	\$1,444,637	\$0	\$1,444,637	\$0	\$1,444,637
<b>TOTAL</b>	<b>\$64,569,984</b>	<b>\$13,212,180</b>	<b>\$77,782,164</b>	<b>\$25,901,692</b>	<b>\$103,683,857</b>	<b>TOTAL</b>	<b>\$64,569,984</b>	<b>\$13,212,180</b>	<b>\$77,782,164</b>	<b>\$25,901,692</b>	<b>\$103,683,857</b>

<sup>(1)</sup> Additional funding provided for original Commonwealth Research Initiative (CRI) institutions.

<sup>(2)</sup> Includes \$5 million additional recommendation to support Workforce development.



2018-20 Budget Recommendations for Higher Education in Virginia

**2017-18 HEETF Allocation**

<b>Institution</b>	<b>Traditional Allocation</b>	<b>Research Allocation</b>	<b>Total Allocation</b>
GMU	\$ 3,947,024	\$ 474,407	\$ 4,421,431
ODU	\$ 5,016,192	\$ 329,078	\$ 5,345,270
UVA	\$ 10,458,476	\$ 5,189,341	\$15,647,817
VCU	\$ 6,853,430	\$ 2,995,552	\$ 9,848,982
VT	\$ 10,331,639	\$ 5,240,458	\$15,572,097
W&M	\$ 2,300,493	\$ 595,857	\$ 2,896,350
W&M-VIMS	\$ 362,100	\$ 175,307	\$ 537,407
CNU	\$ 754,464	\$ -	\$ 754,464
UVA-Wise	\$ 250,681	\$ -	\$ 250,681
JMU	\$ 2,309,646	\$ -	\$ 2,309,646
LU	\$ 743,433	\$ -	\$ 743,433
UMW	\$ 655,746	\$ -	\$ 655,746
NSU	\$ 1,200,108	\$ -	\$ 1,200,108
RU	\$ 1,744,993	\$ -	\$ 1,744,993
VMI	\$ 886,084	\$ -	\$ 886,084
VSU	\$ 1,342,189	\$ -	\$ 1,342,189
RBC	\$ 160,149	\$ -	\$ 160,149
VCCS	\$ 17,596,542	\$ -	\$17,596,542
SWVHEC	\$ 80,111	\$ -	\$ 80,111
RHEA	\$ 77,623	\$ -	\$ 77,623
IALR	\$ 274,172	\$ -	\$ 274,172
SVHEC	\$ 95,790	\$ -	\$ 95,790
New College	\$ 34,486	\$ -	\$ 34,486
EVMS	\$ 524,429	\$ -	\$ 524,429
<b>TOTAL</b>	<b>\$ 68,000,000</b>	<b>\$ 15,000,000</b>	<b>\$83,000,000</b>

2018-20 Budget Recommendations for Higher Education in Virginia

**2018-20 Higher Education Equipment Trust Fund  
Estimated Debt Service Payments<sup>(1)</sup>**

Institutions	HEETF Estimated Debt Service	Research Initiative Debt Service <sup>(2)</sup>	Total Equipment Debt Service
GMU	\$773,728	\$124,576	\$898,304
ODU	\$804,745	\$72,161	\$876,906
UVA	\$2,341,638	\$1,070,246	\$3,411,883
VCU	\$1,415,366	\$572,742	\$1,988,109
VT	\$2,015,953	\$1,178,968	\$3,194,921
W&M	\$309,312	\$101,886	\$411,198
W&M-VIMS	\$46,246	\$107,270	\$153,516
CNU	\$130,440	\$0	\$130,440
UVA-Wise	\$39,458	\$0	\$39,458
JMU	\$393,713	\$0	\$393,713
LU	\$122,057	\$0	\$122,057
UMW	\$107,163	\$0	\$107,163
NSU	\$220,181	\$0	\$220,181
RU	\$318,948	\$0	\$318,948
VMI	\$185,404	\$0	\$185,404
VSU	\$225,071	\$0	\$225,071
RBC	\$27,803	\$0	\$27,803
VCCS	\$2,390,340	\$772,150	\$3,162,491
SWVHEC	\$16,516	\$0	\$16,516
RHEA	\$9,932	\$0	\$9,932
IALR	\$37,321	\$0	\$37,321
SVHEC	\$32,719	\$0	\$32,719
NCI	\$9,359	\$0	\$9,359
EVMS	\$226,589	\$0	\$226,589
<b>TOTAL</b>	<b>\$12,200,000</b>	<b>\$4,000,000</b>	<b>\$16,200,000</b>

<sup>(1)</sup> Assumes a 7year period of debt service with the first payment made in the second year of the biennium. Estimated payments are based on the institutions' share of the recommended total allocation for 2019-20.

<sup>(2)</sup> Additional funding provided for original Commonwealth Research Initiative (CRI) institutions.

2018-20 Budget Recommendations for Higher Education in Virginia

Virginia Student Financial Assistance Program Funding Recommendation for 2018-2020 Biennium

Institution	FY18 Funds	FY18 PM % Met	2018-19			2019-20		
			Funding Goal	Recommended Funding	Increase	Funding Goal	Recommended Funding	Increase
Christopher Newport University	\$4,981,000	40.2%	\$12,184,217	\$5,130,430	\$149,430	\$13,373,003	5,630,995	\$649,994
College of William & Mary	\$3,483,669	59.2%	\$5,564,348	\$3,588,179	\$104,510	\$6,409,009	4,132,860	\$649,191
George Mason University	\$19,550,931	29.1%	\$74,491,199	\$26,071,920	\$6,520,989	\$79,267,065	27,743,473	\$8,192,542
James Madison University	\$8,294,329	32.8%	\$27,593,355	\$9,657,674	\$1,363,345	\$30,516,938	10,680,928	\$2,386,599
Longwood University	\$4,637,111	34.6%	\$14,920,367	\$5,222,128	\$585,017	\$15,845,572	5,545,950	\$908,839
Norfolk State University	\$9,641,667	39.3%	\$19,956,093	\$9,930,917	\$289,250	\$21,198,471	10,549,172	\$907,505
Old Dominion University	\$22,218,684	36.1%	\$58,728,752	\$22,885,245	\$666,561	\$61,317,694	23,894,096	\$1,675,412
Radford University	\$9,450,398	35.8%	\$28,668,579	\$10,257,733	\$807,335	\$30,257,498	10,826,255	\$1,375,857
University of Mary Washington	\$3,468,383	38.4%	\$9,260,738	\$3,572,434	\$104,051	\$9,966,328	3,844,623	\$376,241
University of Virginia	\$6,346,308	51.6%	\$11,447,193	\$6,536,697	\$190,389	\$12,826,788	7,324,488	\$978,180
University of Virginia - Wise	\$2,565,576	48.3%	\$5,760,473	\$2,783,828	\$218,252	\$6,081,316	2,938,880	\$373,303
Virginia Commonwealth University	\$27,358,390	35.4%	\$84,750,985	\$30,021,870	\$2,663,480	\$90,077,725	31,908,794	\$4,550,405
Virginia Military Institute	\$1,058,719	66.0%	\$1,410,502	\$1,090,481	\$31,762	\$1,552,138	1,199,982	\$141,263
Virginia State University	\$8,274,766	46.6%	\$17,411,380	\$8,523,009	\$248,243	\$18,207,223	8,912,580	\$637,814
Virginia Tech	\$15,807,919	38.3%	\$40,905,850	\$16,282,157	\$474,238	\$43,663,244	17,379,709	\$1,571,790
<b>Four-Year Institution Totals</b>	<b>\$147,137,851</b>	<b>36.7%</b>	<b>\$413,054,031</b>	<b>\$161,554,702</b>	<b>\$14,416,852</b>	<b>\$440,560,012</b>	<b>172,512,786</b>	<b>\$25,374,935</b>
Richard Bland College	\$625,436	21.2%	\$4,677,608	\$1,169,402	\$543,966	\$5,178,392	1,294,598	\$669,162
Virginia Community College System	\$42,224,583	23.4%	\$164,840,456	\$43,491,320	\$1,266,737	\$172,362,380	45,475,896	\$3,251,313
<b>Two-Year Institution Totals</b>	<b>\$42,850,018</b>	<b>23.4%</b>	<b>\$169,518,064</b>	<b>\$44,660,722</b>	<b>\$1,810,704</b>	<b>\$177,540,772</b>	<b>46,770,494</b>	<b>\$3,920,476</b>
<b>Totals</b>	<b>\$189,987,869</b>	<b>32.5%</b>	<b>\$582,572,095</b>	<b>\$206,215,425</b>	<b>\$16,227,556</b>	<b>\$618,100,784</b>	<b>219,283,280</b>	<b>\$29,295,411</b>

Note: This recommendation brings all four-year institutions to at least 35% of need met and 25% for two-year colleges, with each institution receiving a minimum 3% increase, for FY19 and then maintaining the resulting percent of need for FY20.

**Funding Recommendation for Graduate Financial Aid for 2018-2020 Biennium**

Institutions	FY2018 Funding	FY2019		FY2020	
		New Allocation	Total Funding	New Allocation	Total Funding
College of William & Mary	925,924	119,000	1,044,924	244,000	1,169,924
George Mason University	2,753,941	356,000	3,109,941	729,000	3,482,941
James Madison University	915,971	46,000	961,971	92,000	1,007,971
Norfolk State University	519,279	26,000	545,279	52,000	571,279
Old Dominion University	2,710,695	350,000	3,060,695	717,000	3,427,695
Radford University	918,747	46,000	964,747	92,000	1,010,747
University of Virginia	5,327,945	689,000	6,016,945	1,411,000	6,738,945
Va. Institute of Marine Sciences	321,002	250,000	571,002	375,000	696,002
Virginia Commonwealth University	3,424,984	443,000	3,867,984	907,000	4,331,984
Virginia State University	359,059	20,000	379,059	36,000	395,059
Virginia Tech	5,077,625	655,000	5,732,625	1,345,000	6,422,625
<b>Totals</b>	<b>23,312,132</b>	<b>3,000,000</b>	<b>26,312,132</b>	<b>6,000,000</b>	<b>29,312,132</b>

**Virginia Tuition Assistance Grant Program**

Incremental Cost of Increasing the Maximum Annual TAG Award

FY2018 Base Appropriation = \$65,812,665

Award	2018-19		2019-20	
	Total Cost	Funds Needed	Total Cost	Funds Needed
\$3,300	\$68,261,585	(630,279)	\$69,270,069	3,457,404
\$3,350	\$69,295,852	403,988	\$70,319,615	4,506,950
\$3,400	\$70,330,118	1,438,254	\$71,369,162	5,556,497
\$3,450	\$71,364,385	2,472,521	\$72,418,708	6,606,043
\$3,500	\$72,398,651	3,506,787	\$73,468,255	7,655,590
\$3,700	\$76,535,717	7,643,853	\$77,666,441	11,853,776