

Budget Request
Council of Independent Colleges in Virginia
FY 20-22
Summary

Virginia Tuition Assistance Grant (TAG) 2020-2022

On behalf of the 23,000 Virginia residents receiving the Virginia Tuition Assistance Grant, CICV requests an increase in the amount of the award from the current level of \$3,400 to \$4,400 for undergraduate students and a pro rata increase in the award for graduate students in health professions.

Capital Assistance

CICV requests that the Commonwealth establish a program providing capital assistance to Virginia private institutions pursuant to a contract with the Commonwealth of Virginia. We request that the Commonwealth establish a private college capital grant program similar to a long standing program funding capital programs in Maryland.

Innovation Fund for Non-Profit Private Institutions

CICV requests that the Commonwealth of Virginia establish an innovation fund for new market responsive programs at non-profit private institutions.

TAG Funding Request

In support of our request for an increase for the TAG award to \$4,400 per year for undergraduate Virginia students and a pro rata increase for graduate students in health professions, we ask the State Council of Higher Education to consider the following:

1. Virginia's private institutions are making a major contribution toward achieving SCHEV's goal of providing greater access to the Virginia higher education system for students from under-represented populations. Virginia's private colleges are the access institutions in the Commonwealth's system of higher education. We are mindful that access is one of the important goals of the SCHEV strategic plan. Virginia's private colleges are making a significant contribution to the achievement of this goal.
2. 69.3% of students attending Virginia's private institutions come from underrepresented populations as defined by SCHEV.
3. Virginia's private colleges have a higher percentage of Pell Grant eligible students than either the Virginia Community College system or Virginia's four-year public institutions.
 - a. 45% of Virginia's private college students are Pell Grant eligible.
 - b. 27 % of Virginia's public college students are Pell Grant eligible.
 - c. 34 % of Virginia's community college students are Pell Grant eligible.(Refer to attachment A)

4. Virginia's private institutions have the capacity to enroll in excess of 10,000 additional students.
 - a. Virginia's private institutions are in a position to assist the Commonwealth of Virginia significantly in granting more degrees and enrolling more Virginia students in higher education degree programs. An increase in the TAG award to \$4,400 would assist Virginia's private colleges to use their enrollment capacity to recruit, enroll, and graduate more Virginia students.
 - b. 37% of Virginia's private college students are over the age of 25. For many years, private institutions have excelled in enrolling and graduating non-traditional students. This expertise is helpful in achieving SCHEV's goal of degree completion for individuals with partial credit.
5. Over the past few years, the Commonwealth of Virginia has funded multiple new programs to assist public institutions. These programs are not available to students in non-profit private institutions. The new public only programs are creating challenges to private institutions in remaining competitive in enrolling Virginia students and meeting the needs of the Commonwealth. An increased TAG award would assist private institutions in their ability to enroll more Virginia students and to compete with heavily subsidized public institution programs. While not expressing a judgement on the value of these programs, it is important for Virginia policymakers to understand that the new programs established have a noticeable effect on the viability of the private sector in higher education and affect the general higher education equilibrium which has existed for many years in the Commonwealth of Virginia.
6. If the TAG were increased to \$4,400 over the next biennium, the percentage of higher education funding going to the TAG program is projected to increase from the current 4% to approximately 5.5% of total higher education funding in the Commonwealth of Virginia.
7. The effectiveness of the TAG award has declined over the last 20 years. In 1999-2000, the TAG award covered 27.3% of the gap between average public and private tuitions. In 2019-20, TAG makes up just 16.3% of the tuition gap.

A Program to Provide Capital Assistance to Virginia's non-profit private colleges

Since 1986, the Commonwealth of Virginia has authorized \$7.5B in bond funding for capital projects at Virginia's public institutions through the 21st Century College Program. The increase in capital spending for public higher education has not only provided multiple new capital

facilities on public college campuses, but there has been a noticeable change in the quality of buildings constructed on public college campuses.

The massive increase in capital spending at public institutions is influencing enrollment decisions made by college applicants. The “glitz” factor is significant in enrollment decisions. All capital facilities and equipment purchases at private institutions must be funded by the institution. It is not possible for most private institutions to compete with the massive increase in quality and quantity of public college facilities.

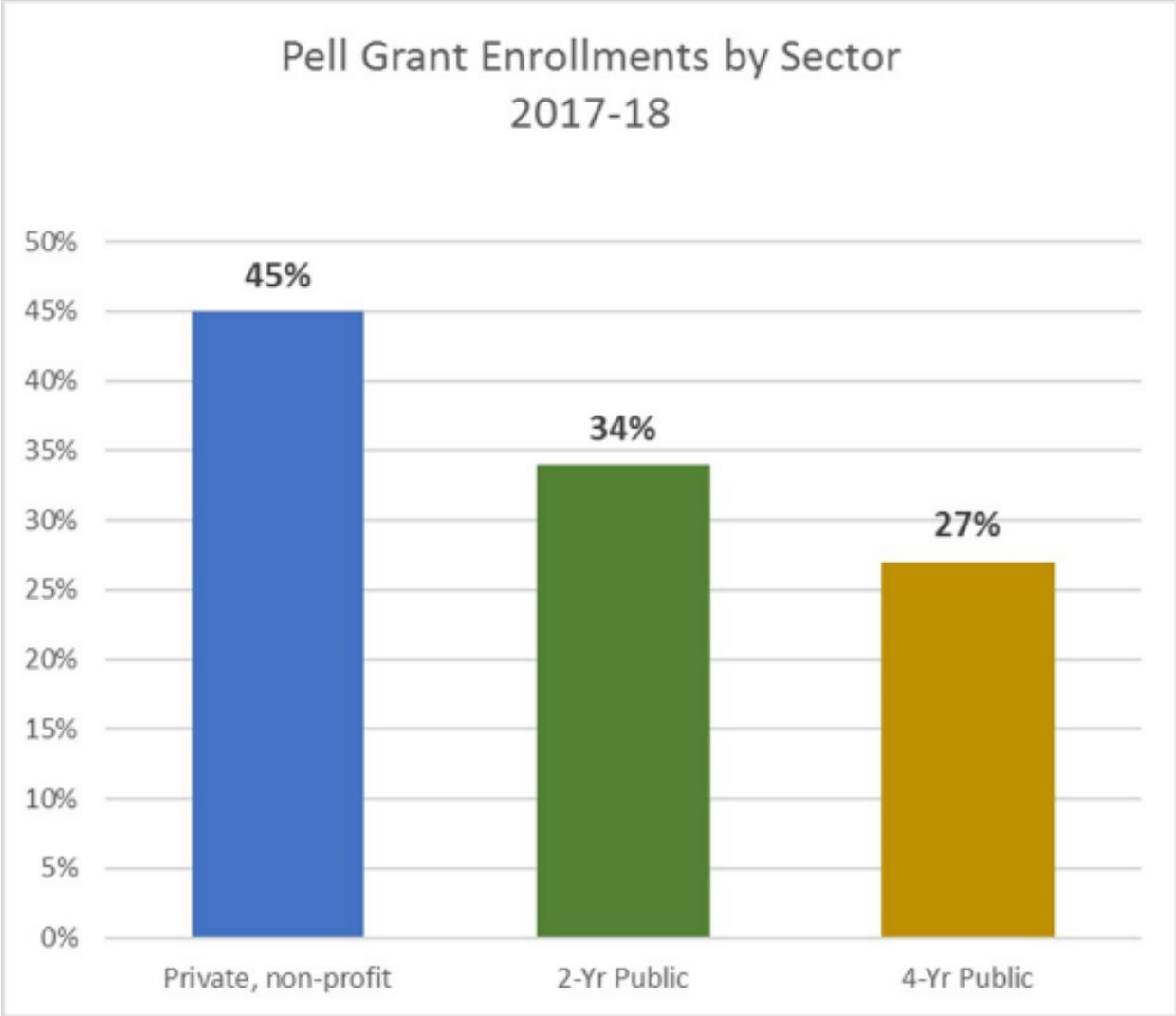
Since 1976, the state of Maryland has operated a modest but effective program of assisting private institutions with capital facilities. The Maryland program, each year, provides a matching grant to a small number of private institutions for the construction or renovation of academic facilities. The grant awards are based on merit and are subject to oversight by Maryland state government entities. The leveraging effect of this program has been very helpful to Maryland private institutions in improving their capital facilities. The state grants must be matched by private funds and has been very helpful to Maryland’s private colleges in generating private gifts for capital facilities.

The current cost of the Maryland program is \$11.6M. CICV requests that the Commonwealth of Virginia establish program similar to the Maryland program with the funding scaled to size of the Virginia higher education system. Enactment of a capital program would assist private institutions in remaining competitive with academic facilities on their campuses. This program would be especially helpful in STEM areas where laboratory and science facilities are very costly. This request is modest when considered in the context of Virginia’s higher education spending and the amount expended for capital improvements at public institutions.

An Innovation Fund Available to non-profit private institutions to establish market responsive program

Private institutions in Virginia have the capacity to establish new programs which respond to new areas of demand. Private institutions have the potential to be nimble and flexible in establishing new programs. Currently, private institutions are inhibited from establishing programs of this type because funding for new program establishment must be raised privately, which in many cases, can take several years. Private institutions have a history of being innovative and able to make changes quickly. Private institutions are well positioned to be very helpful to the Commonwealth in meeting new demands as they develop. Given the enrollment capacity available at private institutions, it would be in the best interest of the Commonwealth to use available enrollment capacity at private institutions rather than starting capital intensive new programs at public institutions. The innovation fund would allow private institutions to compete for new streams of students and would help maintain the viability of private institutions.

ATTACHMENT A



Source: SCHEV research report FA09