

# HJ 91 Joint Subcommittee

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# Higher Education Funding

- Educational & General Programs
  - Focus of the funding guidelines
  - Supported by the general fund and nongeneral funds (primarily tuition and fees)
- Auxiliary Enterprise
  - Self-supporting – only NGF support
  - Revenues derived from sales and student fees
  - Includes bookstores, dorms, dining, student unions, athletics, parking, telecommunications, recreation
- Sponsored Programs
  - Primarily the research activities
  - Revenues derived from federal, state, and private grants and contracts – predominantly NGF

# Educational and General Programs

- Instruction
  - Single largest component of E & G
  - Undergraduate, graduate and first professional instruction
  - Community education: Non-credit training programs for computer software skills, foreign language skills
  - Family practice: Community-based residency programs for graduate medical students in generalist medicine
- Research
  - Primarily state-supported research centers
  - Does not include sponsored research
- Public Service
  - Outreach programs for area K-12 school children
  - Public lecture series
  - Self-supporting

# Educational and General Programs

- Support Programs
  - Academic Support
    - Libraries
    - Academic administration
    - Academic computing
  - Student Services
    - Admissions offices and registrars
    - Guidance and counseling
    - Financial aid administration

# Educational and General Programs

- Support Programs
  - Institutional Support
    - Executive management of the institution
    - Fiscal, legal, and personnel operations
    - Campus police
  - Operation and Maintenance of Plant
    - Building and grounds maintenance
    - Utilities
    - Custodial

# State Support of Public Colleges and Universities

# Financing Public Higher Education

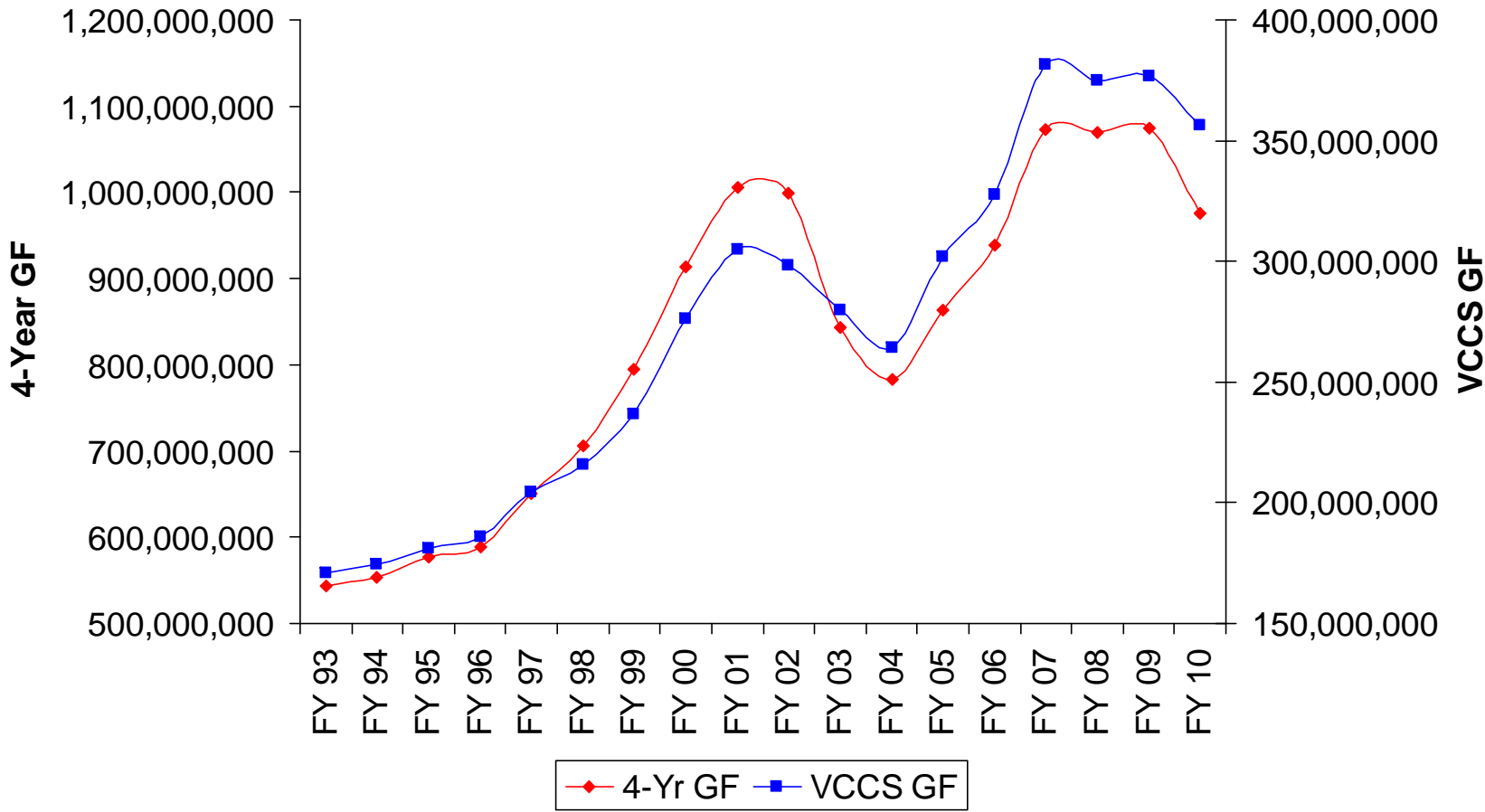
- Public colleges and universities are supported through a combination of general and nongeneral funds
  - State has a fund split policy of GF & NGF for E & G
  - Fund splits are primarily a function of in-state / out-of-state student mix and program mix (graduate & 1<sup>st</sup> professional, community ed, public service, etc)
  - General fund used to support in-state students
  - Out-of-state students pay at least 100 percent of cost of education
- General fund support for higher education has varied with state's economic condition
  - In early 1990s, funding declined in response to recession
  - During the mid-1990s to 2001, general fund support grew rapidly
  - The early 2000s saw a similar pattern as the early 1990s
  - As the state came out of the recession in 2004, higher education GF growth again was significant

# Fund Split Policy

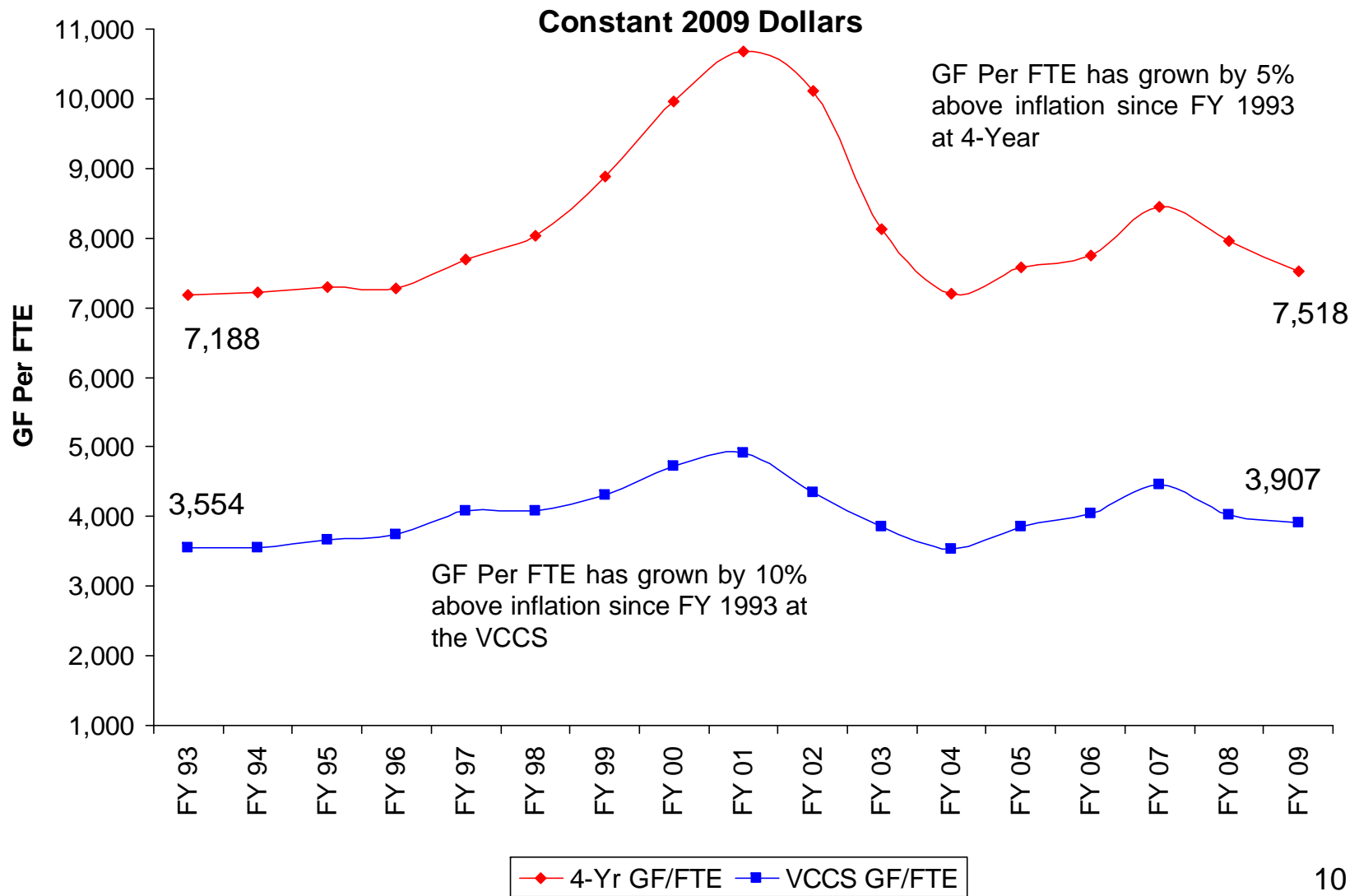
Institution	FY 2008 Student FTE		Fund Split Policy	
	% In-State	% Out-of-State	GF	NGF
CNU	96%	4%	64%	35%
CWM	64%	36%	42%	58%
GMU	83%	17%	54%	46%
JMU	70%	30%	47%	53%
LU	94%	6%	62%	38%
UMW	78%	22%	53%	47%
NSU	81%	19%	54%	46%
ODU	88%	12%	57%	43%
RU	92%	8%	61%	39%
UVA	58%	42%	39%	61%
UVA-W	94%	6%	63%	37%
VCU	84%	16%	52%	48%
VMI	59%	41%	39%	61%
VSU	70%	30%	48%	52%
VT	69%	31%	42%	58%
RBC	99%	1%	66%	34%
VCCS	94%	6%	59%	41%



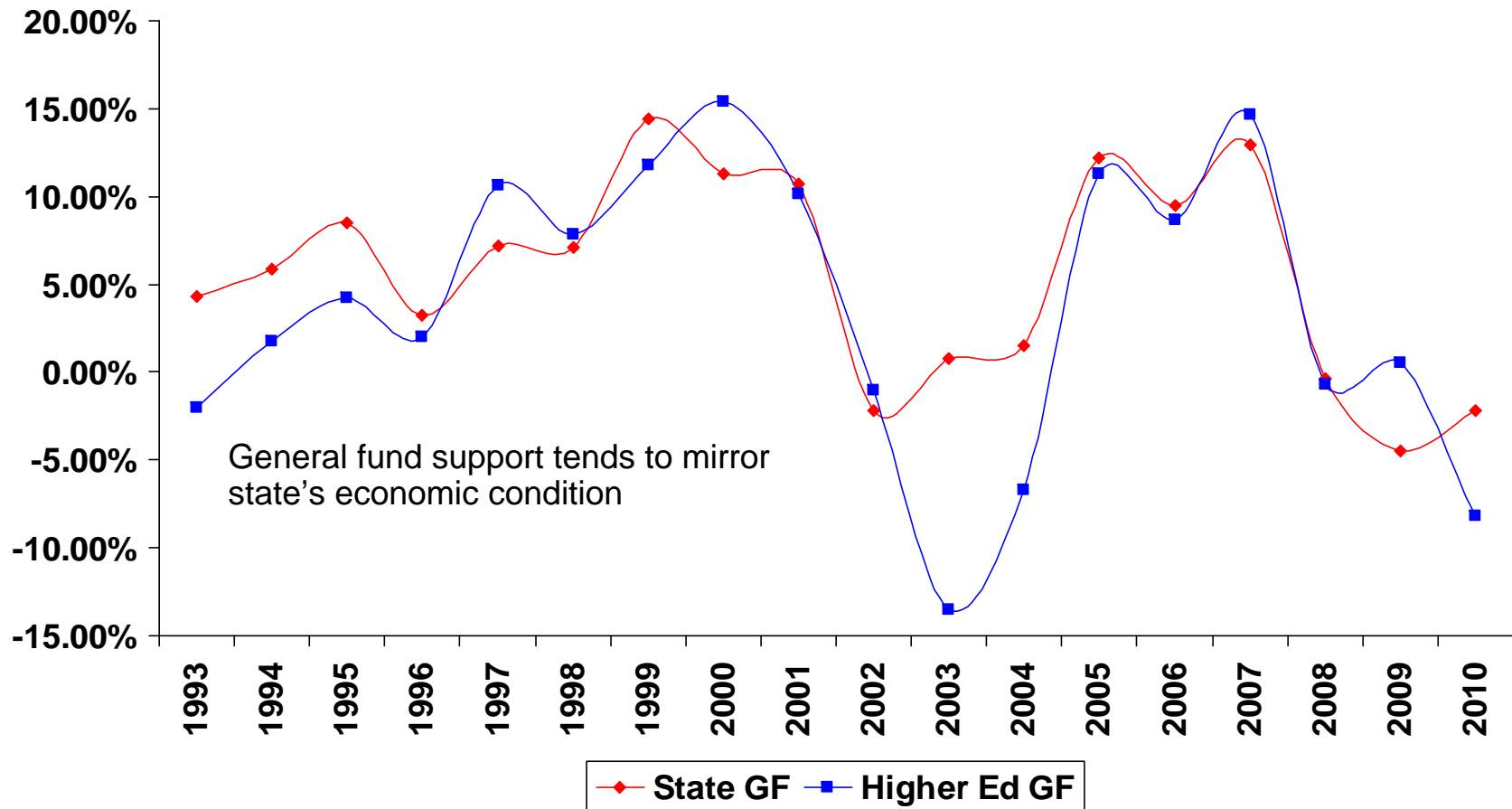
# General Fund Support at Public Colleges and Universities



# “What We See Depends Mainly On What We Look For” – John Lubbock



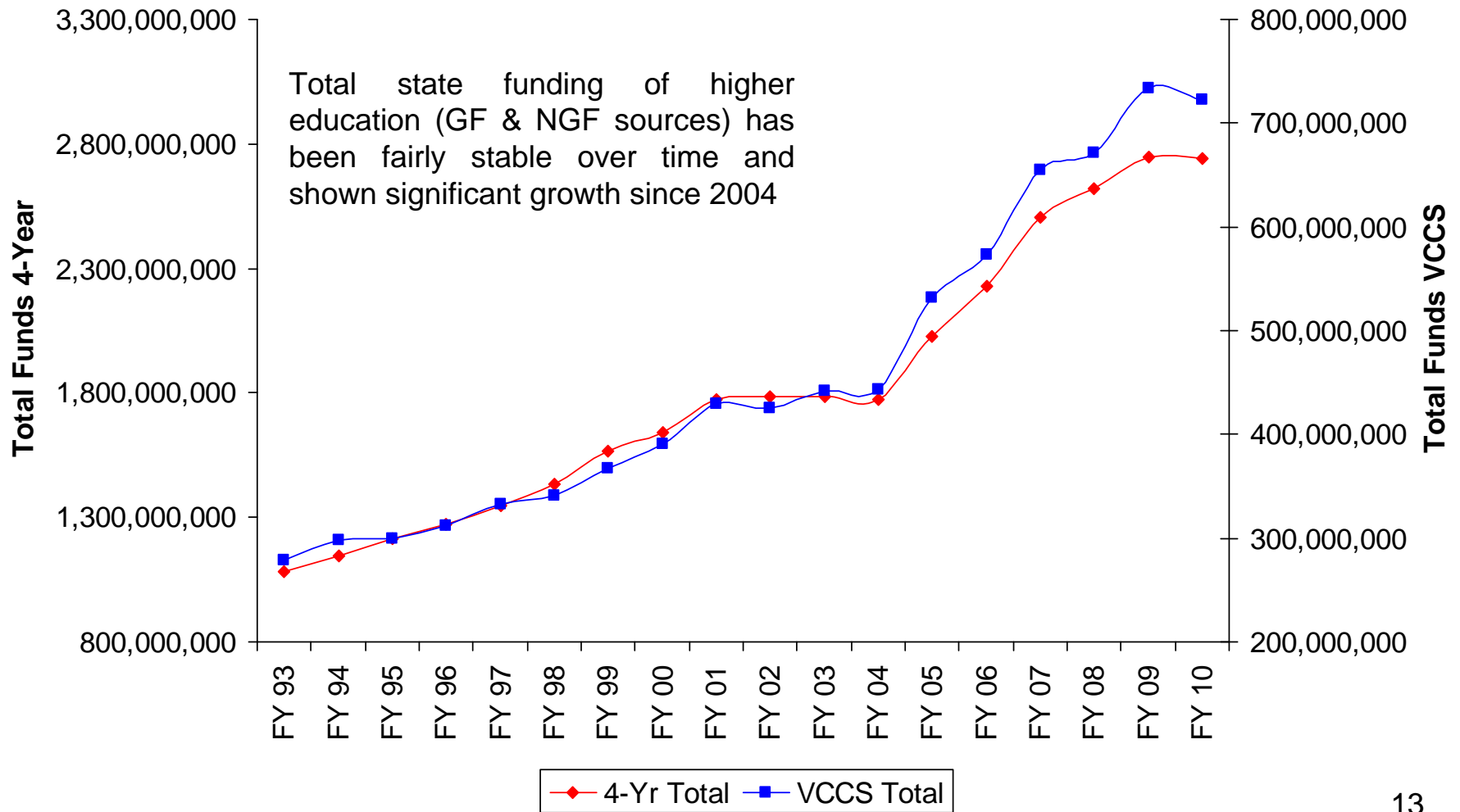
# Percent Change in Higher Education General Fund vs. State General Fund



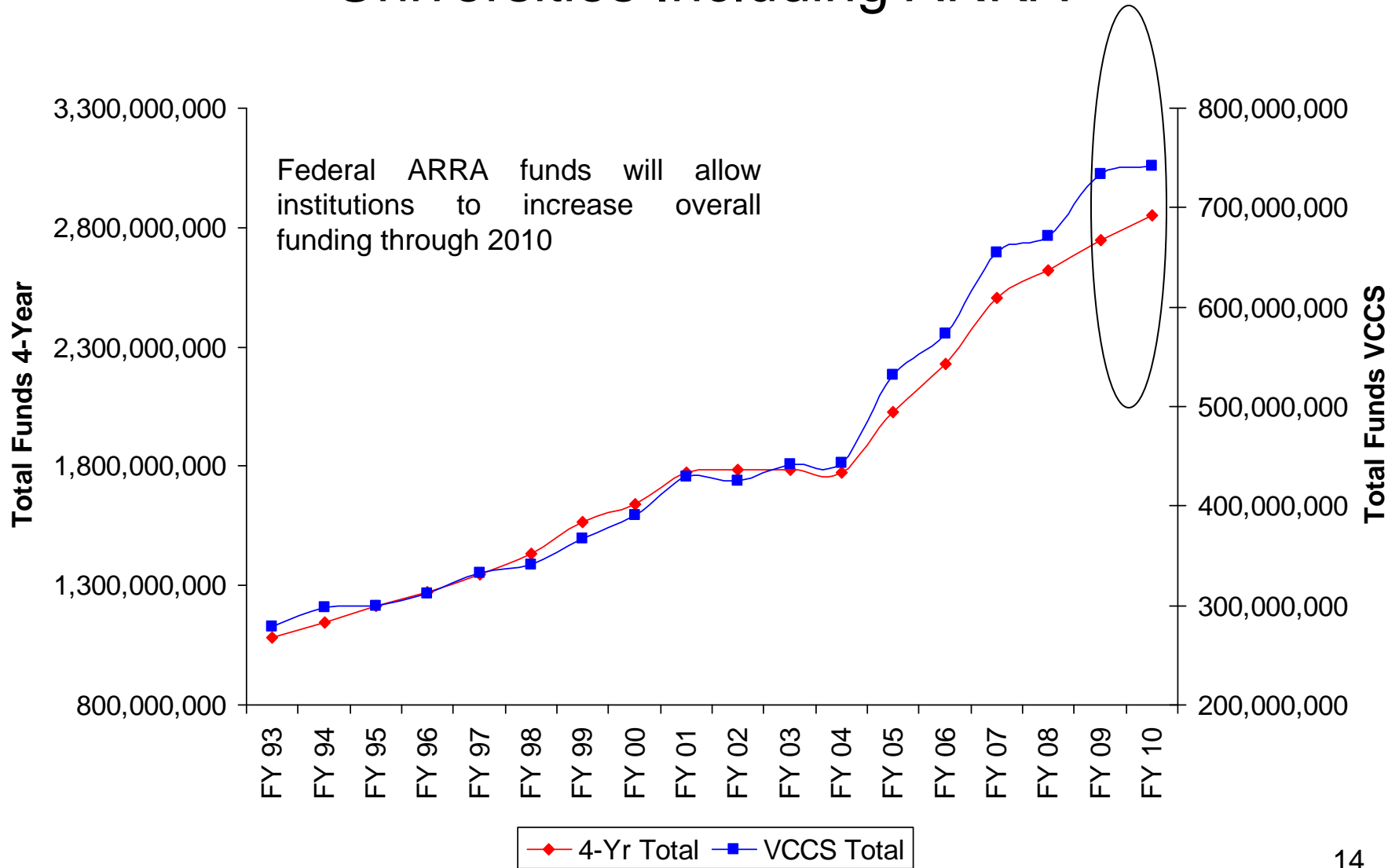
# State General Fund Support for E & G Programs at Public Colleges and Universities

- Since FY 1993 general fund per FTE has risen in constant dollars at both 4-Year Institutions and the VCCS
- General fund support tends to mirror state's economic condition
- Amounts shown do not include other state support for higher education
  - Capital outlay: Since FY 2002 over \$3.4 billion in GF supported projects plus an additional \$1.0 billion in planned projects
  - HEETF: About \$60 million per year and over \$800 million since the program began
  - Maintenance Reserve: About \$50 million annually
  - Financial Aid: About \$145 million annually which is equivalent to 15 percent of in-state tuition revenue

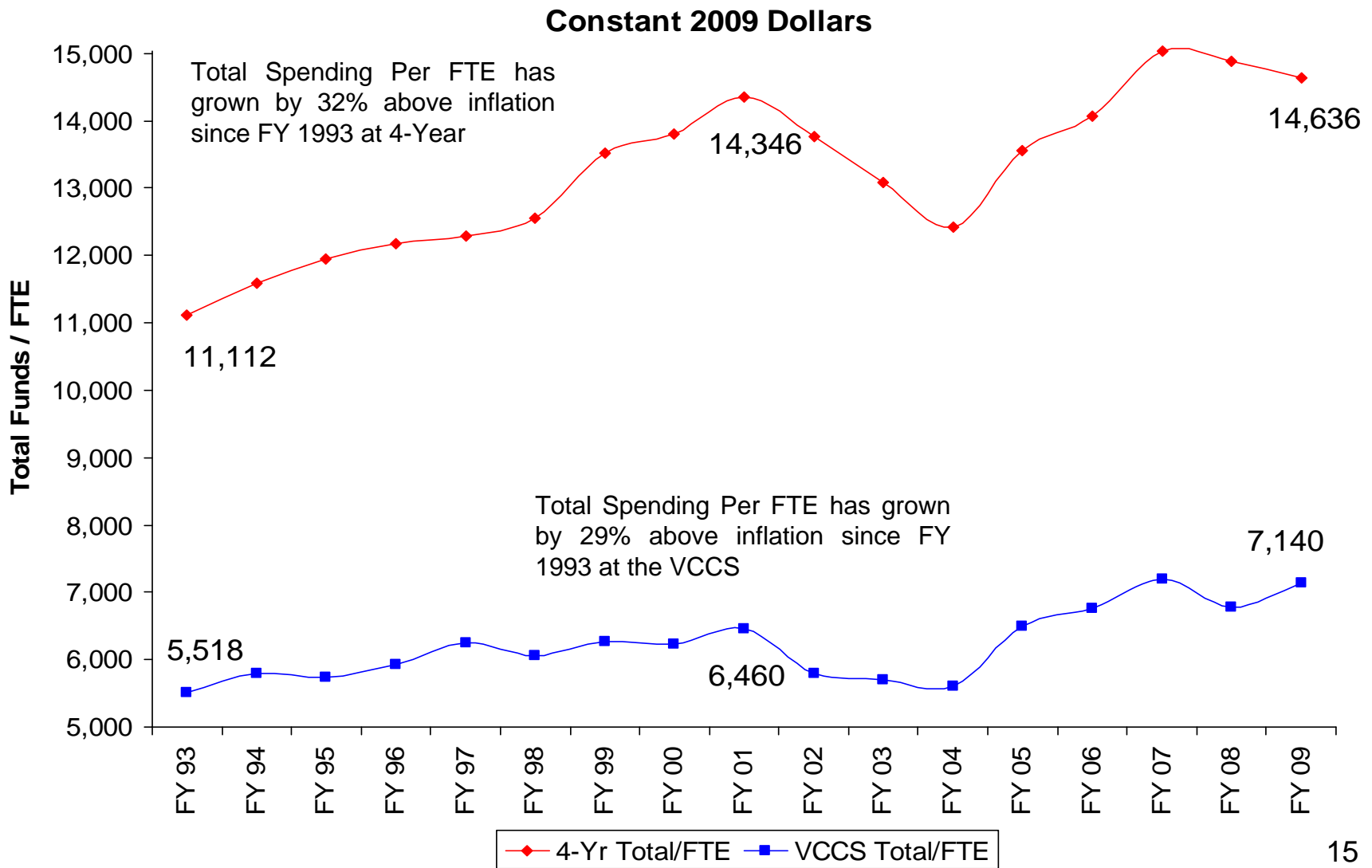
# Total E & G Support at Public Colleges and Universities



# Total E & G Support at Public Colleges and Universities Including ARRA



# Total Spending Per FTE at Colleges and Universities



# Progress Under Higher Education Funding Guidelines



# Joint Subcommittee for Higher Education Funding Policies

- In 1998, the Joint Subcommittee for Higher Education Funding Policies was established and charged with developing funding guidelines for Virginia's public colleges and universities
  - Objective benchmarks for allocating funds
  - Report issued in December 2000
- Because of budget reduction requirements beginning in 2001, the guidelines were not used as an allocation tool until the 2004 Session

# Funding Guideline Progress Since FY 2000

Institution	Dec 2000 Report to Jt Sub	Jan 2004 Report to Jt Sub	FY 2007	FY 2008	Est FY 2009
CNU	92%	76%	99%	91%	92%
CWM	93%	91%	>100%	99%	>100%
GMU	90%	90%	>100%	98%	96%
JMU	82%	91%	>100%	94%	92%
LU	92%	74%	>100%	92%	77%
UMW	92%	87%	>100%	95%	96%
NSU	>100%	>100%	>100%	>100%	>100%
ODU	91%	77%	93%	87%	83%
RU	86%	78%	96%	92%	95%
UVA	95%	90%	97%	94%	95%
UVA-W	>100%	97%	>100%	>100%	>100%
VCU	97%	81%	94%	85%	84%
VMI	>100%	>100%	>100%	>100%	>100%
VSU	98%	90%	99%	>100%	>100%
VT	94%	82%	98%	84%	86%
RBC	97%	95%	97%	>100%	71%
VCCS	87%	82%	97%	84%	89%
Total	90%	85%	99%	90%	90%

# Summary

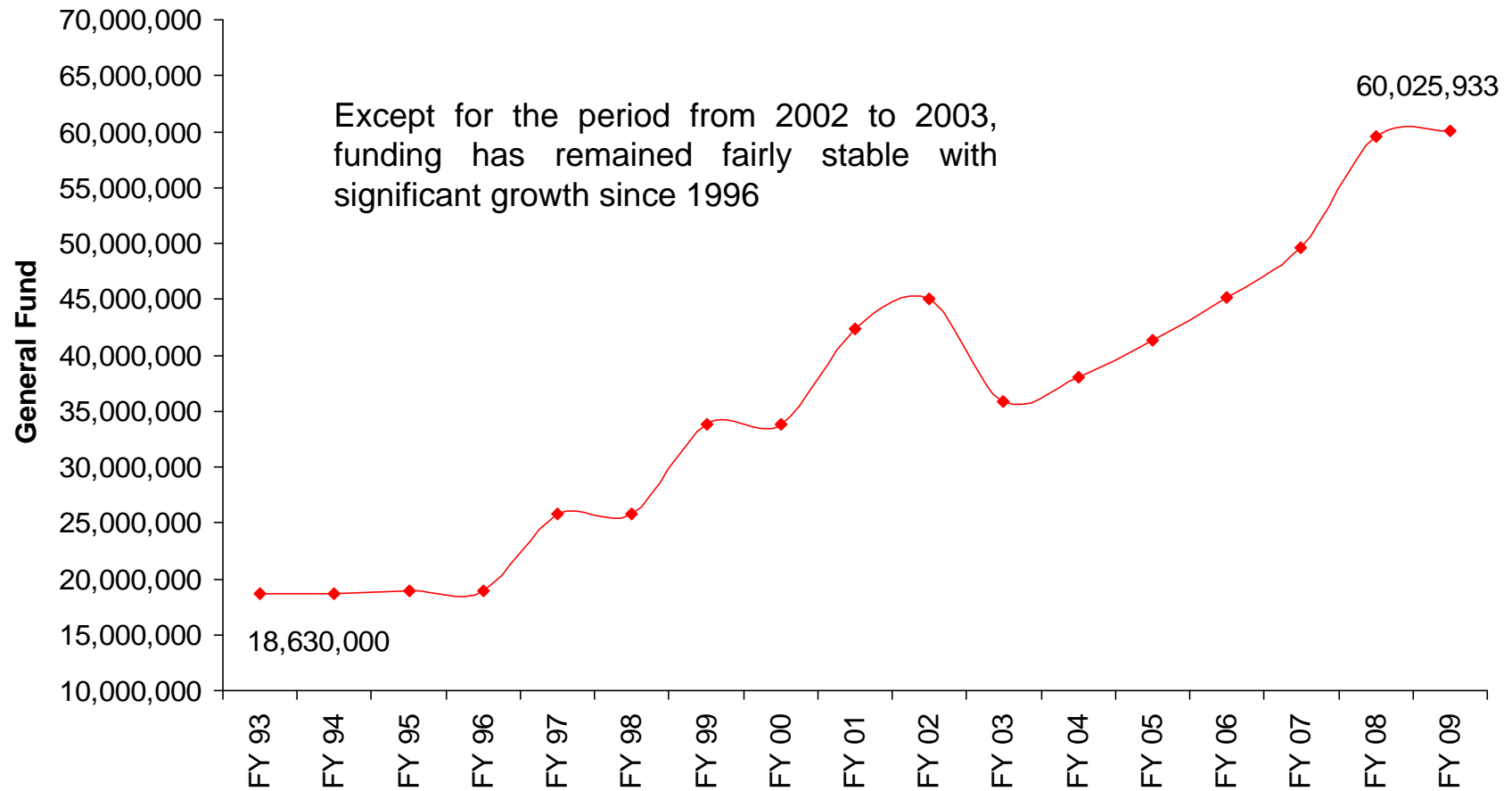
- Funding guidelines were intended to provide an objective analysis tool for higher education
  - Recognize unique nature of each institution
  - Use standard criteria
- Provide a means to allocate funding equitably

# Tuition Assistance Grant

# Background

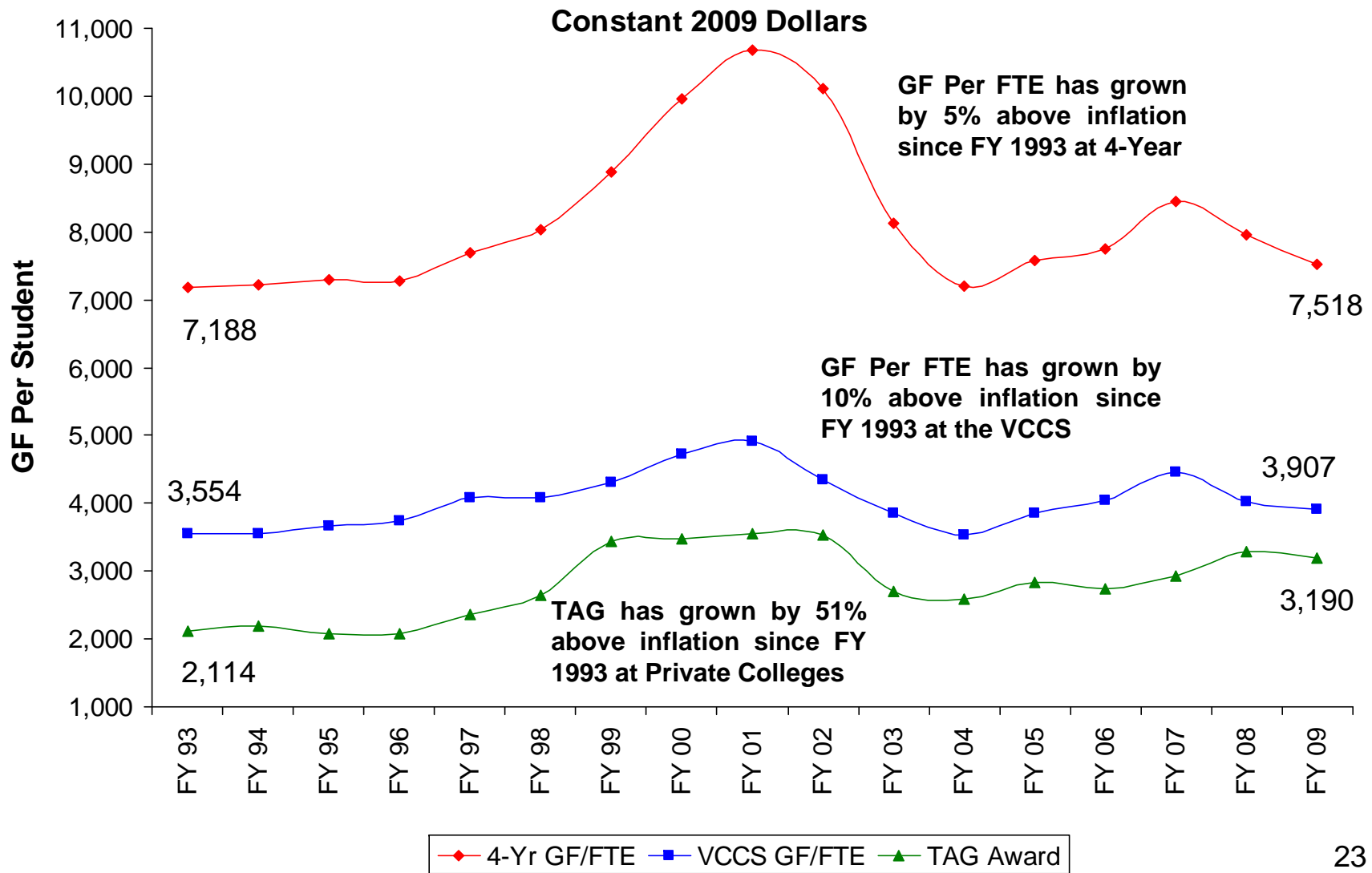
- Established in 1973
- Provides about \$60 million to more than 20,000 students in over 30 private institutions of higher education in Virginia
- Maximum award of \$3,200 for undergraduate students
- Graduate students in health-related professions are eligible to receive up to \$2,200

# TAG Financial History



# Comparison of General Fund Per FTE and TAG Award

*TAG Awards Generally Mirror The Change In GF / FTE*



# TAG Award as a Percent of GF Per FTE Support at Public Institutions

