

## **Joint Subcommittee Studying Ways in which the Commonwealth May Work More Closely with Virginia's Private, Nonprofit Colleges to Meet State Higher Education Needs**

### **HJR 91**

Pursuant to House Joint Resolution 91 (2008), the Joint Subcommittee Studying Ways in which the Commonwealth May Work More Closely with Virginia's Private, Nonprofit Colleges to Meet State Higher Education Needs held its second meeting on August 17, 2009 in Richmond. Delegate Hamilton, the subcommittee's chairman, called the meeting to order.

### **Speakers**

The first presentation was given by Higher Education Consultant Eugene Cattie, who gave an overview of the former Virginia Education Loan Authority (VELA), along with suggestions for how to create a new state student loan program more in line with current lending practices. Mr. Cattie first explained the struggles many families are face in trying to finance higher education. He then offered three possible solutions to the subcommittee: one, they could create a hybrid-VELA to offer alternative and federal loans to Virginia residents, two, they could partner with another state who already has such a program, to offer loans to Virginia residents, or three, do nothing and let the schools find their own solutions. He then went through the pros and cons of each option.

Subcommittee members expressed some interest in the first option, creating a hybrid VELA, and asked for details as to how such a program could be implemented. Mr. Cattie indicated that a program could be established in less than a year, with as little as \$5 million for the guarantee fund.

The second presentation, given by Robert Dean Pope of Hunton and Williams, gave suggestions ways in which the Commonwealth could help private institutions finance capital projects. Mr. Pope suggested a two-pronged approach: first, the Commonwealth could offer a form of credit enhancement modeled after the Virginia Resources Authority, and second, the Commonwealth could offer selective incentive grants. Together, he believes these two measures could have a profound effect on private institutions' ability to finance capital projects.

Finally, staff gave a summary of a presentation given last year by Robert Lambeth, President of the Council for Independent Colleges in Virginia, detailing programs in other states that provide financial support to private institutions. Staff reviewed the capital funding programs in Maryland and New York, and briefly reminded the subcommittee members of other types of existing funding programs, such as the per capita funding available in New Jersey, Pennsylvania, and Maryland, and the shortage area programs in Illinois and Maryland.

## **Future meetings**

After a brief discussion, the subcommittee members agreed that there was no need for more presentations on the relevant issues, and instead the next and final meeting should focus on what recommendations, if any, the subcommittee will make. The chairman directed staff to prepare a list of ideas discussed throughout the course of the study, along with any suggestions submitted by subcommittee members, to be distributed in advance of the final meeting. The final meeting was scheduled for November 16, at 10:00 am, where the subcommittee will discuss and vote on any recommendations they wish to put forward.

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Study website: <http://dls.state.va.us/nonprofitedu.htm>