

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 first meeting on August 18, 2007 in Richmond. The first order of business was the election of Delegate Philip A. Hamilton as chairman and Delegate Franklin P. Hall as vice-chair of the joint subcommittee.

Speakers

Staff first gave a brief overview of the resolution and the charges of HJR 91. The resolution first provides a few justifications for the subject matter of the study, including that: (1) trends show an increasing demand for enrollment in the Commonwealth's institutions of higher education; (2) Virginia's private colleges have existing capacity to enroll more Virginia students and have no financial incentive to enroll out-of-state students; and (3) the Commonwealth realizes substantial savings in general fund and capital expenditures when Virginia students enroll in a private college. Staff also highlighted that, in accordance with Article VII §11 of the Constitution of Virginia, the Commonwealth is able to contract with private, nonprofit colleges for educational services.

Thus, during the two-year study, the joint subcommittee is required to: (1) review the success of the Tuition Assistance Grant Program and develop recommendations to increase the effectiveness and awareness of the program among Virginia families; (2) evaluate current and future higher education enrollment needs and identify ways in which the Commonwealth can partner or enter into contracts with Virginia private colleges to meet these needs; (3) examine the ability of private colleges to provide the technology, equipment, and facilities necessary to serve Virginia students; (4) review publicly supported programs for private higher education in other states and consider the applicability of such programs to Virginia; and (5) examine the success of private colleges in educating disadvantaged students and recommend ways in which the Commonwealth can help private colleges continue this important public mission. Technical assistance to the committee is to be provided by the staffs of the House Committee on Appropriations and the Senate Committee on Finance. Additionally, the resolution sets a maximum of four meetings during the 2008 interim and provides that all meetings must be completed by November 30, 2008.

Dr. Daniel LaVista, Executive Director of the State Council of Higher Education for Virginia (SCHEV); **Mr. Lee Andes**, Assistant Director for Financial Aid, SCHEV; and **Mr. Tod Massa**, Policy Research and Data Warehousing Director, SCHEV gave an overview of the history of the Tuition Assistance Grant Program and the enrollment

needs of Virginia's public institutions of higher education. Dr. LaVista began with introductory remarks about Virginia's system of higher education. As the 12th largest system in the country, it is made up of public and private; two-year and four-year; non-profit and for-profit; and includes liberal arts, applied and professional offerings. He also discussed some background information on Virginia's nonprofit private institutions, including statistics on Pell Grant recipients vs. Pell Grant recipients at public institutions and statistics on the population of African-American students.

Lee Andes provided the joint subcommittee with a historical overview of the Tuition Assistance Grant program (TAG), as well as some current enrollment information. TAG began in 1972 as an undergraduate loan program mainly because the Constitution of Virginia restricted aid to students attending private institutions to the form of a loan. After the Constitution was amended to allow for grants, the program became an exclusively grant-based program. TAG was extended to graduate students in 1984. In order to participate in the TAG program full-time students must be Virginia domiciles enrolled at a participating private, accredited, non-profit Virginia institution and in an eligible degree program. The amount of the TAG award varies from year to year, but pursuant to statute, it cannot exceed the annual average appropriation per full-time student for the previous year from the general fund for operating costs at two-and four-year public institutions in Virginia. Historically, the amount of the award has been consistent in relation to the state tuition subsidy to public institutions and for 2007-2008 the TAG award of \$3,300 amounted to 51.2% of that per student appropriation. Finally, Mr. Andes concluded with some advantages for the Commonwealth in supporting private education including the ability for private institutions to play an important role in providing access and diverse academic options.

Mr. Massa discussed enrollment trends and projections in Virginia's public institutions of higher education, in order for the joint subcommittee to gain some baseline knowledge of possible future needs in enrollment. Mr. Massa emphasized that although generally enrollment projections establish that there is adequate access relative to demand projections, there still needs to be thought given to whether a school will be the right match for a certain student. The data that SCHEV collects is at the macro level and does not indicate for example, whether there are enough spots within majors or how many students will get their first-choice school, etc. SCHEV does project that the number of high school graduates will peak in 2009 and that there will be modest increases in the number of students likely to enroll in Virginia institutions through 2016. Mr. Massa also mentioned that the ultimate goal of increasing postsecondary participation among high school graduates cannot be achieved by the public institutions alone and thus for the health of state's economy private institutions have an important role as well.

Mr. Robert Lambeth, President of the Council of Independent Colleges in Virginia, provided the joint subcommittee with an overview of contributions made by private institutions to the Commonwealth, challenges that private institutions are currently facing, and suggestions for possible new ideas for the joint subcommittee to consider over the next two interims. The Council of Independent Colleges is comprised of 25 nonprofit colleges and over 70,000 students that are equal to over 25% of the total

enrollment in Virginia's four-year institutions. Mr. Lambeth began by discussing the TAG program and emphasized the efficiencies that result to the state from a student attending a private institution because it currently costs the state \$8,062 per student attending a public institution vs. \$3,200 per student attending a private institution under the TAG program. He encouraged the joint subcommittee to consider enhancing the TAG program as it has not been amended since the 1970s and while in 1999 the grant covered 29.3% of the tuition gap between public and private school tuition, it now only covers about 19.9%.

The joint subcommittee also heard about the variety of challenges facing private institutions including funding deficiencies for campus safety, technology and equipment, financial aid, capital projects, faculty salaries and health insurance and underscored the need for exploration into re-balancing at the state level. He contends that since those items are subsidized to a certain extent at state institutions it is becoming increasingly difficult for private institutions to compete for faculty and students.

Mr. Lambeth discussed several possible meeting topics and offered to assist the joint subcommittee in its work over the next two interims to find the most effective balance between private and public institutions in the Commonwealth.

Future meetings

Delegate Hamilton requested staff to generate a two-year work-plan to direct the joint subcommittee in its work through the 2009 interim. The next meeting, and possibly the only other 2008 meeting, will be held in mid-October. During that meeting presentations will be given on the official work-plan, information on publicly supported programs in higher education in other states, and possibly a closer look at capital support and/or capital needs of nonprofit private institutions.

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