

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 October 20, 2008 in Richmond. Because the House Appropriations Committee was still meeting elsewhere in the General Assembly building, Vice-chairman Delegate Franklin Hall opened the meeting, with Chairman Delegate Philip Hamilton joining shortly thereafter.

Speakers

The first presentations both related to the process of securing funding for and completing capital projects at private institutions of higher education. First, the subcommittee heard from Paul Baker, Vice President for College Relations and Administration at Hampden-Sydney College. He gave a detailed presentation on their recent experience building a new library. In total, it was a 20 year project, conceived in 1987 and ready for occupancy in 2007. He spoke of the difficulties in having to raise the \$18 million required for this project with no state aid. Fundraising for the project began in 2001, and is still ongoing. When asked if Hampden-Sydney considered using the Virginia College Building Authority, he replied that they looked into it, but the process was cumbersome and not the most cost-efficient option.

Next Robert Lindgren, President of Randolph-Macon College spoke more generally about capital projects. He underscored the difficulties in raising money for capital projects without state assistance. He mentioned that most donations are not made for building purposes. If the project is for renovations of existing structures, which have presumably already been named, the challenges are even greater. He also spoke about his experience in Maryland, when he was working for Johns Hopkins University. There he took advantage of a Maryland program, where each year they appropriate \$ 8-9 million to their equivalent of the Council of Independent Colleges in Virginia, which is then doled out to private institutions for capital projects. He mentioned that having state support for a program also helped lure private investors. When asked, he also stated that while Randolph-Macon has in the past used the Virginia College Building Authority, it is not the most cost-effective method of financing a project.

Robert Lambeth, President of the Council of Independent Colleges in Virginia, then provided the joint subcommittee with an overview of publicly supported programs for private institutions in other states. Several states provide support for capital projects, similar to the Maryland program, although Maryland appears to be the only state provided regular, annual support. Mr. Lambeth pointed out that Virginia is currently one of only 11 states that do not offer a state sponsored student loan program. Members were

interested to learn this, and it was eventually added to the list of topics to be discussed next year. Forty-eight states, including Virginia, offer state funding to students attending private institutions. Four states offer additional state funding to private institutions, based on either enrollment, enrollment of low income students, in-state enrollment, or degree completion.

Mr. Lambeth explained that there are a variety of additional measures states have taken to assist private institutions, including tuition tax credits or deductions, special funding for high needs areas, such as nursing, and a state match program to encourage federal or private research funding. In addition to his presentation, he also provided members with a binder full of detailed information on various state programs.

Future meetings

After presentation of a tentative two-year work-plan by staff, subcommittee members added several topics they would like more information on in coming meetings. It was decided that the subcommittee would not meet again until the 2009 interim, but permission would be sought to carry over the two unused meetings from 2008. It is anticipated that the next meeting will be sometime during the spring of 2009.

Jessica R. Eades, DLS Staff

Nicole S. Cheuk, DLS Staff

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