

Council of Independent Colleges in Virginia

Recommendations to the HJ91 Study Committee

1. INCREASED FUNDING FOR TAG

In the last decade, TAG has lost considerable ground. When Virginia families research college options, they are faced with (and often intimidated by) the “tuition gap” – the difference between average Virginia public and private college tuition. In 1998, TAG covered 29% of the tuition gap. Eleven years later, a \$3,000 TAG award will cover only 18% of the gap.

Better Use of Private College Enrollment Capacity. A significant increase in TAG is necessary to maintain the effectiveness of the grant program and to help private colleges enroll more Virginians and use available capacity. Private colleges have the capacity to enroll more Virginia students of all backgrounds and academic levels.

More College Graduates in Virginia. The economic benefits of higher education and the need to improve Virginia’s college-going rate have been studied extensively. The Commonwealth is encouraged to provide additional financial support to enable both public and private nonprofit colleges to increase degree production. TAG is a vehicle to assist private colleges in this important endeavor.

16,000 students earned a degree last year from a private college in Virginia -- 27 percent of the total degrees conferred by four-year colleges in Virginia (24% of undergraduate, 31% of master’s, and 44% of first professional degrees).

2. INCREASED STATE PROMOTION OF TAG

The General Assembly is encouraged to explore ways to use existing resources of the state to promote the grant program and to inform Virginia families about TAG. According to a recent survey of all students admitted to a Virginia private college for Fall 2008, 24% had never heard of TAG. Only 49.8% indicated they were “familiar” or “very familiar” with the Virginia Tuition Assistance Grant program.

Recommendations 1& 2 address the following objective of the HJ91 study:

“Review the success of the Tuition Assistance Grant Program and develop recommendations to increase the effectiveness and awareness of the program among Virginia families”

3. STATE ASSISTANCE WITH CAPITAL PROJECTS AT PRIVATE COLLEGES

It is becoming increasingly difficult for private institutions to compete in Virginia's higher education marketplace. Prospective students and prospective faculty take into consideration an institution's facilities, technological capabilities, and research equipment.

The recent \$1 billion higher education bond package will result in 2-3 new buildings for each Virginia public college. The average private college in Virginia does not have the capacity to borrow the funds needed for campus construction, maintenance, and renovation projects.

Ideas for further General Assembly examination include:

- A credit enhancement program to reduce the interest rate, through a model similar to the programs of the Virginia Public School Authority and Virginia Resources Authority (as proposed by Hunton & Williams Attorney Dean Pope in his presentation to the HJ91 study committee in August 2009).
- Matching grants and/or direct appropriation for capital projects. Even a modest amount of state funding could be leveraged effectively by the resources of private institutions.
- Tax-exempt bonds issued by the Commonwealth to assist nonprofit, private colleges with facilities needs (ex. New York's *Higher Education Facilities Capital Matching Grant Program*).

4. STATE ASSISTANCE WITH TECHNOLOGY & EQUIPMENT NEEDS AT PRIVATE COLLEGES

- Campus safety - ex. surveillance, locks, id systems, alarms, fire systems, and code compliance
- Technology - bandwidth, computers, laboratory & studio equipment
- Increased state investment in the private college share of VIVA (Virtual Library)

Recommendations 3 and 4 address the following objective of the HJ91 Study:

"Examine the ability of private colleges to provide the technology, equipment, and facilities necessary to serve Virginia students"

5. CREATION OF A VIRGINIA HIGHER EDUCATION STUDENT LOAN PROGRAM

A state-sponsored loan program could offer families a dependable and trustworthy source of college financing at a potentially lower interest rate than the typical loan available in the private market.

Virginia is one of 10 states without such a program, which would help students at public and private colleges finance the remaining college costs after state and federal aid.

The surpluses generated by the loan program could be used to fund special scholarship or grant programs for Virginia students.

Recommendation 5 addresses the following objective of the HJ91 study:

“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”

6. STATE CONTRACTS WITH NONPROFIT PRIVATE COLLEGES FOR EDUCATIONAL SERVICES

An RFP process would give private colleges the opportunity to compete (“bid”) on providing educational services. Private colleges can respond quickly with little bureaucracy.

The Commonwealth could issue an RFP in areas identified as higher education priorities for the state, such as:

- increasing the number of Virginians with a college degree
- preparing more students for careers in shortage areas including teaching and health professions

A framework is already in place to facilitate public/private partnerships. The Virginia Constitution permits contracting with nonprofit private colleges (Article VIII, Education, Section 11, Aid to Nonpublic Higher Education).

Recommendation 6 addresses the following objective of the HJ91 study:

“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”

7. MODIFICATIONS IN CORPORATE TAX POLICY

The General Assembly is encouraged to explore changes in Virginia tax policy to provide greater incentives for targeted contributions to higher education institutions.