



Overview of Higher Education Proposed Budget SB 800 (Governor's Proposed Amendments to 2022-24 Budget)

January 17, 2023

Overview of Higher Education

- Chapter 2 (2022 Special Session I) included an increase of **\$852.8 million** in GF over Chapter 552 (2021 Session I). Major GF amendments include the following:
 - \$286.0 million in affordable access funds to provide operating support;
 - \$150.0 million increase in undergraduate financial aid;
 - \$35.0 million to provide expanded services at Norfolk and Virginia State;
 - \$25.3 million to increase enrollment and retention of Pell students;
 - \$18.5 million to increase Tuition Assistance Grants;
 - \$40.6 million to support cancer and focused ultrasound research; and
 - the state share of the 5% salary increase in each fiscal year in central accounts.

Higher Education: Summary of Proposed Amendments

SB 800: The proposed amendments provide an additional **\$45.8 million GF**, including the following:

GF Actions for the 2022-24 Biennium (\$ in millions)	Prop. Gov. Amend.
Virginia Community College System	
Pilot Industry Credentials in High School	\$15.0
Career Placement Centers	3.0
Promote G3 & Fast Forward	3.0
Eastern Virginia Medical School - Merger with Old Dominion	10.0
State Council of Higher Education for Virginia - Support Mental Health	9.0
Virginia Commonwealth University - Massey Cancer Center	5.0
University of Virginia – Wise - Explore Research Status (in FY 2023)	0.5
University of Virginia – Wise - Expand Center for Teaching Excellence	0.3
Total	\$45.8

Old Dominion/EVMS Merger

- Provides \$10.0 million to EVMS to support one-time costs associated with planning and integration.
- Requires a report by August 31, 2023, to include:
 - A five-year strategic and financial plan;
 - Metrics that will measure healthcare and community outcomes;
 - A funding plan;
 - A time and effort matrix to distribute positions across various programs (education and general programs, research, clinical and hospital activity, etc.); and
 - A governance model.
- Once written approval is provided by the Governor and Chairs of the House Appropriations and Senate Finance and Appropriations Committees, ODU and EVMS shall complete the merger no later than July 1, 2024.

Higher Education: Other

- **Central Accounts:**
 - **Internships:** \$5.0 million GF the second year to expand paid or credit-bearing student internships at SCHEV.
 - **Bonuses:** Funds the state share of one bonus of \$1,500 and one merit bonus of up to 10 percent.
 - **Adjustments:** Adjusts to credit card rebates based on actual interest earnings and the Tech Talent Investment program to align with current allocations to institutions.
- **DHCD (Virginia Initiative for Growth and Opportunity):** Language states funds shall focus on business-education collaborations, align education and training curricula incorporate work-based learning, and provide students with the opportunity for full-time employment.
 - **Direct Funding:** \$10.0 million in direct funding to four regions for related higher education programs.
 - **Competitive Grants – Talent Pathways:** \$20.0 million for talent pathway grants.

Language Amendments

- **Alternative Financing Approval Requirements.** Proposes language in Sections 2-0 and 4-4.01 to require approval of the responsible Cabinet Secretary, the Secretary of Finance, and the Secretary of Administration for alternative financing arrangements prior to reviewing a detailed proposal and prior to entering into an agreement. Language in Section 4-4.01 also requires Treasury Board approval of financing arrangements for capital projects executed by private foundations in instances where an institution of higher education has agreed to provide financial or non-financial types of support related to the project.
 - Under § 56-575.4, Code of Virginia, any state agency or institution must submit proposals under the Public-Private Education Facilities and Infrastructure Act of 2002 to the Public-Private Partnership Advisory Commission (§ 30-279, Code of Virginia) prior to entering into the negotiation of an interim or comprehensive agreement.
 - Currently, alternative financing arrangements have to comply with the guidelines of the Department of General Services and the Department of Treasury and be submitted for comment to the Six-Year Capital Outlay Plan Advisory Committee.
- **Standardized Financial Reporting:** Requires reporting of all state and local funds that are not recorded in the state's central financial reporting system to be provided to SCHEV.
- **Virginia Commonwealth University:** Authority changes to allow separate officers to serve in the role of vice president for health sciences and chief executive officer at the discretion of the University president.
- **Workforce Credential Grant:** Changes the maximum reimbursement from \$3,000 to \$4,000.