

Preparing for the Top Jobs of the 21st Century:

The Virginia Higher Education Opportunity Act of 2011 SB1459/HB2510

Chief Co-Patrons: Senators Houck and Norment and Delegates Cox and Dance

Outline of Key Sections (pdf version)-January 2011

New language begins on page 13 where a chapter is added to Title 23-Chapter 4.9.1-before Restructuring Act (pg 13)

23-38.87:10-Short title and purpose- “*Preparing for the Top Jobs of the 21st Century: The Virginia Higher Education Opportunity Act of 2011,*” the “*Top Jobs Act*” or “*TJ21.*”

Section 23-38.87:11-Definitions (pg 14)

Section 23-38.87:12-Higher Education Funding Policy (pg 14)

-Outlines the four components (colored boxes) identified by the Higher Education Commission

Section 23-38.87:13-Describes the state general fund share of an institution’s basic operations and instruction funding need: Cost of Education (pg 15)

A: Provides that an institution’s basic operations and instruction funding need will be calculated biennially, and along with the Commonwealth’s funding split policy of 67/33 will be taken into account by the Governor and General Assembly.

B. States that the institution’s basic operations and instruction funding shall be the sum of the institution’s total cost of education for the total enrollment using a cost reimbursement model (current base budget adequacy) with adjustments to the model based on particular state policies related to institution specific policies/conditions, and the amount required to reach the Commonwealth’s faculty salary goal of the 60th percentile of the most recently reported average faculty salaries paid by the institution’s peer institutions.

C. States the Governor’s goal of providing the same percentage of General Funds to all public institutions.

Section 23-38.87:14-Describes the second funding model component-Per Student Enrollment Funding (pg 15)

A: Allows the General Assembly to decide a per-student amount that shall follow each Virginia undergraduate student to the institution in which the student enrolls and states that recommendations regarding the incentive should be developed by the Higher Education Advisory Committee.

B. Statement to recognize that significant enrollment growth occurred between the 2005-2006 fiscal year and the effective date of this chapter and that the Governor and General Assembly should consider and provide additional general funds for this unfunded enrollment growth.

C. Private not-for-profit institutions of higher education eligible to participate in the Tuition Assistance Grant Program shall submit their Virginia student enrollment projections to the Council.

Section 23-38.87:15-Need Based Financial Aid (pg 15)

Each institution should include in its six year plan an institutional student financial aid commitment.

Section 23-38.87:16-Targeted Economic and Innovation Incentives (pg 16)

- A. The Governor shall consider and recommend to the General Assembly for funding targeted economic and innovation incentives. Such incentives may include, but are not limited to:
 - 1. Increased enrollment of Virginia students, in addition to the per student enrollment growth funding provided by § 23-38.87:105;
 - 2. Increased degree completion for Virginia residents who have partial credit completion for a degree;
 - 3. Increased degree completion in a timely or expedited manner;
 - 4. Improved retention and graduation rates;
 - 5. Increased degree production in the areas of science, technology, engineering, and mathematics and other high-need areas such as the healthcare-related professions;
 - 6. Increased research, including regional and public-private collaboration;
 - 7. Optimal year-round utilization of resources and other efficiency reforms;
 - 8. Technology-enhanced instruction, including course redesign, online instruction, and resource sharing among institutions;
 - 9. Enhanced community college transfer programs and grants and other enhanced degree path programs; and
 - 10. Other incentives based on the economic opportunity metrics developed
- B. The criteria for measuring where the incentives have been met and the benefits for meeting shall be developed and reviewed by the Higher Education Advisory Committee.

Section 23-38.87:17-Institutional Six Year Plans (pg 16)

- A. Governing board of each public institution shall develop and adopt a six year plan in each odd-numbered year and amendments in each even-numbered year. SCHEV, the Governor, and the chair of the money committees shall review and provide comments by September 1. Institutions must respond to the comments by October 1.
- B. Plan should be presented in the form specified by the Council and in consultation with the Higher Education Advisory Committee.
- C. Specifies each item that should be addressed in the plan including those items recommended by the Higher Education Commission (financial aid for low and middle income, degree conferral targets for Virginia undergraduates, year round use of facilities and instructional resources, instructional resource sharing, and plans for responding to other incentives.)
- D. States that each institution shall give consideration to the potential impacts of tuition increases on the Virginia College Savings Plan (same language from management agreements.)

Section 23-38.87:18-Articulation, transfer, and dual enrollment and admissions agreements; admission of certain community college graduates. (Current Code sections except added section (B) on uniform certificate of general studies) (pg 17)

Section 23-38.87:19-Creation of the Higher Education Revenue Stabilization Fund (pg 17)

Section 23-38.87:20-Carry-forward non-general funds: institutional revenue stabilization fund (pg 18)

Section 23-38.87:21-Tuition and Fees (pg 18)

- A. Describes Board of Visitors authority to set tuition and fees (pulled from existing Code language)
- B. Describes tuition limitation calculation (does not apply to any portion of tuition and fees allocated for financial aid, an institution's share of state-mandated salary and fringe increase, or increases with funds other than general funds for the improvement of faculty salary competitiveness)
- C. Outlines process for institutions submitting in the six year plan new programs, initiatives, or other matters that may exceed the tuition limitation calculation in Section B.

Section 23-38.87:22-Creation of a STEM Public-Private Partnership (pg 19)

Section 23-38.87:23-Creation of a Higher Education Advisory Committee (pg 19)

- A. Addresses membership
- B. Describes new responsibilities for advisory committee
 - 1. Methodology and timing for the per student enrollment growth funding
 - 2. Criteria for determining which families qualify for “low income” and “middle income” and how this relates to federal, state, and institutional policies and programs
 - 3. Criteria for the financial incentives and the benefits or consequences for not meeting the incentives in the Six Year plan
 - 4. Economic opportunity metrics
 - 5. Additional authority, state goals, and objective criteria for evaluating, and benefits and consequences for meeting and not meeting goals and objectives.
- C. Describes current policies that the advisory committee should review every 5 years
 - 1. Review of the elements of the funding model
 - 2. Factors in selecting the peer institutions
 - 3. State policies related to institutional factors to adjust the cost of education calculation
 - 4. Federal and state financial aid programs and institutional practices to ensure that the appropriate level of financial assistance is being provided to both low-income and middle-income families
 - 5. The content of the six year plans
 - 6. Additional operational autonomy
- D. Periodically assess the degree to which the Commonwealth’s system of higher education is meeting the statewide objectives of economic impact, reform, affordability, and access, as well as the strategic impact of the new general fund investments.
- E. The Advisory Committee shall perform other such duties as requested by the Governor or the General Assembly.

Section 23-38.87:24-Certification by Council (pg 20)

Page 21-27 Conforming amendments which keeps in Level I authority, removes the “State Ask” and requires the Higher Education Advisory Committee to develop new goals, objectives, criteria and benefits or consequences for meeting or not meeting the new goals and objectives

Page 27--Enactment clauses detailing a transition period for six year plans and incentives