

(k) Virginia Tuition Assistance Grant Program (TAG)

- TAG is designed to make private colleges in Virginia more affordable for Virginia residents and thus increase the level of student choice and access in higher education. TAG was established in 1973 and will provide over \$64.8 million of assistance to over 22,000 students enrolled into 31 institutions in FY2014. The maximum annual undergraduate awards are expected to be \$3,100 while graduate/professional students are expected to receive \$1,550.

Actual maximum undergrad and graduate awards for the previous ten years:

Fiscal Year	Annual Award Amount
2004-05	\$2,500 / \$1,900
2005-06	\$2,500 / \$1,900
2006-07	\$2,750 / \$1,900
2007-08	\$3,200 / \$1,900
2008-09	\$3,190 / \$1,890
2009-10	\$3,000 / \$1,300
2010-11	\$2,600 / \$1,130
2011-12	\$2,750 / \$1,200
2012-13	\$2,800 / \$1,300
2013-14	\$3,100 / \$1,550 projected

- TAG funding recommendations are based on the projected fall participation by priority students (returning students and on-time new applicants are prioritized; late applicants are not guaranteed an award) and historical trends to determine the average award amounts and attrition rates. Additional factors include the current economic conditions and the periodic addition/deletion of institutions or academic programs.
- The maximum annual TAG award reached a high of \$3,200 in 2007-08 and then declined for three consecutive years until 2011-12. After restrictions were imposed on eligible graduate programs, the participation rate for graduate students declined steadily until FY2013 when participation increased by over 20 percent.
- Considering the recent trends, staff has is projecting a participation growth rate for undergraduate students of 2.0 percent. Adjusting for the increased growth of graduate students, the projected number of TAG-eligible students for fall 2014 and fall 2015 is approximately 22,700 and 23,250 respectively.
- In years past, the Council has affirmed its commitment to increase the TAG award to \$3,700, and staff recommends that the Council reaffirm that commitment. The Council also recognizes the Commonwealth's fiscal condition and competition for resources. In light of these factors, staff recommends an increase of \$3,817,000 in FY2015 and \$6,444,000 in FY2016. These amounts will enable the Commonwealth to support eligible undergraduate students at \$3,250 in FY2015 and \$3,300 in FY2016, with a commensurate increase for graduate students in health profession fields of study. To the extent TAG balances and actual enrollment permit, staff recommends that the undergraduate award be increased to \$3,300 in FY2015.

Recommendations and Resolution:

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends that additional operating budget appropriations be provided for the 2014-16 biennium for:

- **Faculty salaries, \$23.7 million from the general fund and \$24.1 million in nongeneral funds in FY2015 and \$48.2 million from the general fund and \$49.0 million in nongeneral funds in FY2016 for additional salary increases for teaching and research faculty;**
- **Operation and maintenance of new facilities, \$8.7 million from the general fund and \$8.6 million in nongeneral funds in FY2015 and \$12.7 million from the general fund and \$12.3 million in nongeneral funds in FY2016;**
- **Undergraduate student financial aid, \$12.9 million from the general fund in FY2015 and \$24.9 million from the general fund in FY2016;**
- **Graduate student financial aid, \$3.6 million from the general fund in FY2015 and \$5.3 million from the general fund in FY2016;**
- **Higher Education Equipment Trust Fund debt service, \$13.5 million from the general fund in FY2016;**
- **Access and retention, \$21.2 million from the general fund and \$15.5 million in nongeneral funds in FY2015 and \$42.4 million from the general fund and \$30.9 million in nongeneral funds in FY2016;**
- **Tuition moderation, \$10.1 million from the general fund in FY2015 and (\$10.1 million) reduction in nongeneral funds in FY2015 and \$20.2 million from the general fund and (\$20.2 million) reduction in FY2016;**
- **Completion and efficiency, \$21.2 million from the general fund in FY2015 and \$42.4 million from the general fund in FY2016.**
- **TJ21 initiatives (i.e., high-demand programs, STEM-H degrees, public-private collaborations, and serving underrepresented populations), \$10.6 million from the general fund and \$10.6 million in nongeneral funds in FY2015 and \$21.2 million from the general fund and \$21.2 million in nongeneral funds in FY2016.**
- **Virtual Library of Virginia, \$1.9 million from the general fund in FY2015 and \$2.2 million from the general fund in FY2016.**
- **Tuition Assistance Grant, \$3.8 million from the general fund in FY2015 and \$6.4 million from the general fund in FY2016.**
- **Two Year Transfer Grant, \$8.8 million from the general fund in FY2015 and \$10.0 million from the general fund in FY2016.**
- **Virginia Military Survivor and Dependent Education Program, \$50,000 from the general fund in FY2015 and \$250,000 from the general fund in FY2016.**

- **Fund for Excellence and Innovation, \$1.0 million from the general fund in FY2015 and \$1.5 million from the general fund in FY2016.**
- **SCHEV initiatives, \$1.6 million from the general fund in FY2015 and \$1.2 million from the general fund in FY2016.**