



## State Council of Higher Education for Virginia

The Higher Education Equipment Trust Fund was established in 1986 by the General Assembly to provide funding to upgrade equipment needed for instruction and research. A large infusion of equipment was needed in a short period of time and the state could not afford to pay for it directly from operating appropriations. The State Council of Higher Education shares administrative responsibility for the program with the Virginia College Building Authority (VCBA).

The financing for the Trust Fund is handled by the VCBA. The Authority issues revenue bonds with five-year maturity dates (four-year maturity dates will begin in 2001). The term of the bonds is matched to the useful life of most eligible equipment to maximize the leveraging effect of debt financing. The institutions purchase equipment using their operating funds and are reimbursed by the Trust Fund. They then make debt payments (lease payments prior to 1998-99) on the equipment to the Authority over the period of financing. The General Assembly appropriates funds for the debt service.

While the financing of the Trust Fund is handled by the Virginia College Building Authority and bond counselors, the Council recommends how it is to be distributed among institutions based on identified equipment needs. The Council's recommendation is then communicated to the Governor and the General Assembly for consideration in the budget process. The General Assembly makes the final decision on dollar allocations. For the first several years Trust Fund allocations were based on addressing discipline specific equipment deficiencies. After these initial allocations, general equipment obsolescence became the focus. Since 1996, the Trust Fund has been used to accomplish the following goals.

- Significantly reduce the amount of obsolete technology and equipment.
- Provide every student with access to an appropriate level of information and technology.
- Establish a statewide network that supports and encourages sharing and cooperation.
- Provide every faculty member with appropriate equipment and training to use technology in support of teaching and learning.

- Support faculty in the introduction of new ways of instruction and learning, provide courses customized to student needs, and take advantage of distance-learning opportunities.
- Install high quality, easy-access, network-deliverable student support services such as transcripts, grades, class scheduling, and account balance and payment information.
- Install management information systems that are flexible and directly accessible to users to help support administrative restructuring and cost-containment.

To date, a total of \$804.4 million has been or will be allocated as follows:

Date	Allocation (in millions of dollars)
May 1987	\$15.9
May 1988	\$18.9
November 1988	\$19.0
May 1989	\$31.2
June 1991	\$20.7
July 1992	\$40.0
March 1994	\$20.0
May 1995	\$25.0
May 1996	\$25.0
May 1997	\$39.7
May 1998	\$39.6
May 1999	\$42.7
May 2000	\$47.3
May 2001	\$49.3
May 2002	\$49.8
May 2003	\$35.0
May 2004	\$39.5
June 2005	\$52.7
June 2006	\$56.2
June 2007	\$85.2
June 2008	\$51.7
<b>TOTAL</b>	<b>\$804.4</b>