

# Higher Education Funding: Baselines and Trends in Education and General Support

SCHEV Council Meeting  
January 2021



STATE COUNCIL OF HIGHER  
EDUCATION FOR VIRGINIA

# FY 2020 Appropriations to Higher Education

Program	General Fund		Non-General Fund		Total Appropriations	
	Amount	% Total	Amount	% of Total	Amount	% of Total
<b>Public Institutions</b>						
Educational and General <sup>1</sup>	\$1,703.2	75%	\$3,562.3	47%	\$5,265.5	54%
Financial Aid to Public Institutions <sup>1</sup>	\$249.2	11%	\$294.2	4%	\$543.4	6%
Auxiliary Enterprise <sup>1</sup>			\$1,789.9	24%	\$1,789.9	18%
Sponsored Research <sup>1</sup>	\$37.8	2%	\$1,649.9	22%	\$1,687.7	17%
<b>Sub-total Public Institutions</b>	<b>\$1,990.2</b>	<b>87%</b>	<b>\$7,296.3</b>	<b>97%</b>	<b>\$9,286.5</b>	<b>95%</b>
<b>Other Ares of Funding</b>						
Tuition Assistance Grant	\$71.1	3%		0%	\$71.1	1%
Other Higher Education Funding <sup>2</sup>	\$218.9	10%	\$229.4	3%	\$448.3	5%
<b>Grand Total</b>	<b>\$2,280.2</b>	<b>100%</b>	<b>\$7,525.7</b>	<b>100%</b>	<b>\$9,805.9</b>	<b>100%</b>

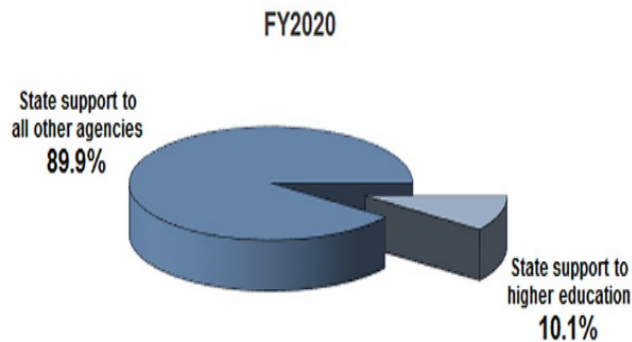
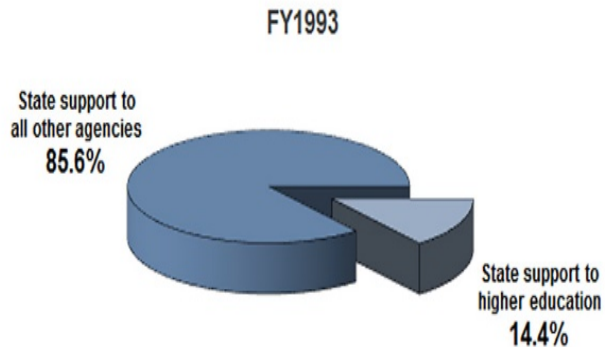
**Notes:**

(1) Includes funding for Virginia public institutions, Va Institute for Marine Science, VT and VSU extensions.

(2) Includes funding for higher education centers, other financial aid, SCHEV, private institutions, and special programs.

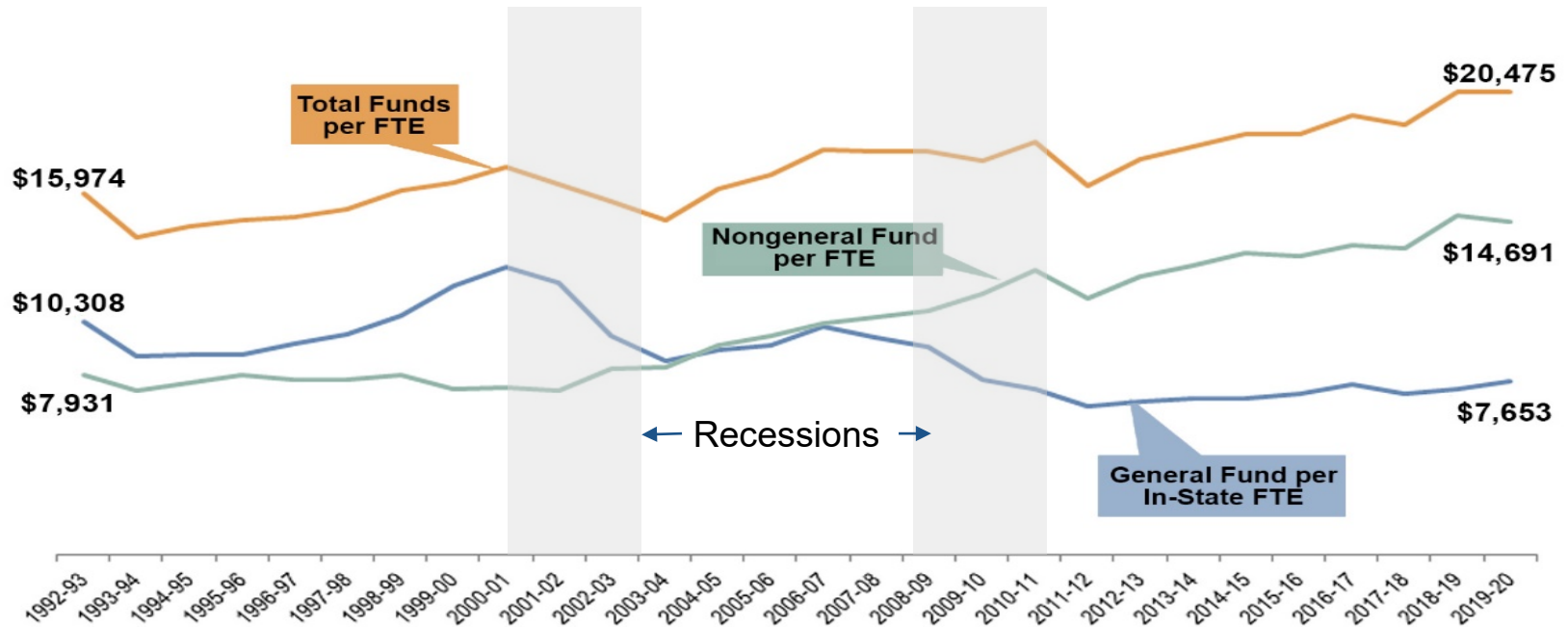
# Share of State Funds to Higher Education

- State support for higher education as a percentage of general fund has declined 4 percentage points, from 14% in FY 1993 to 10% in FY 2020
- Largest cost drivers of the state budget: Pre-K-12, Medicaid, General Government



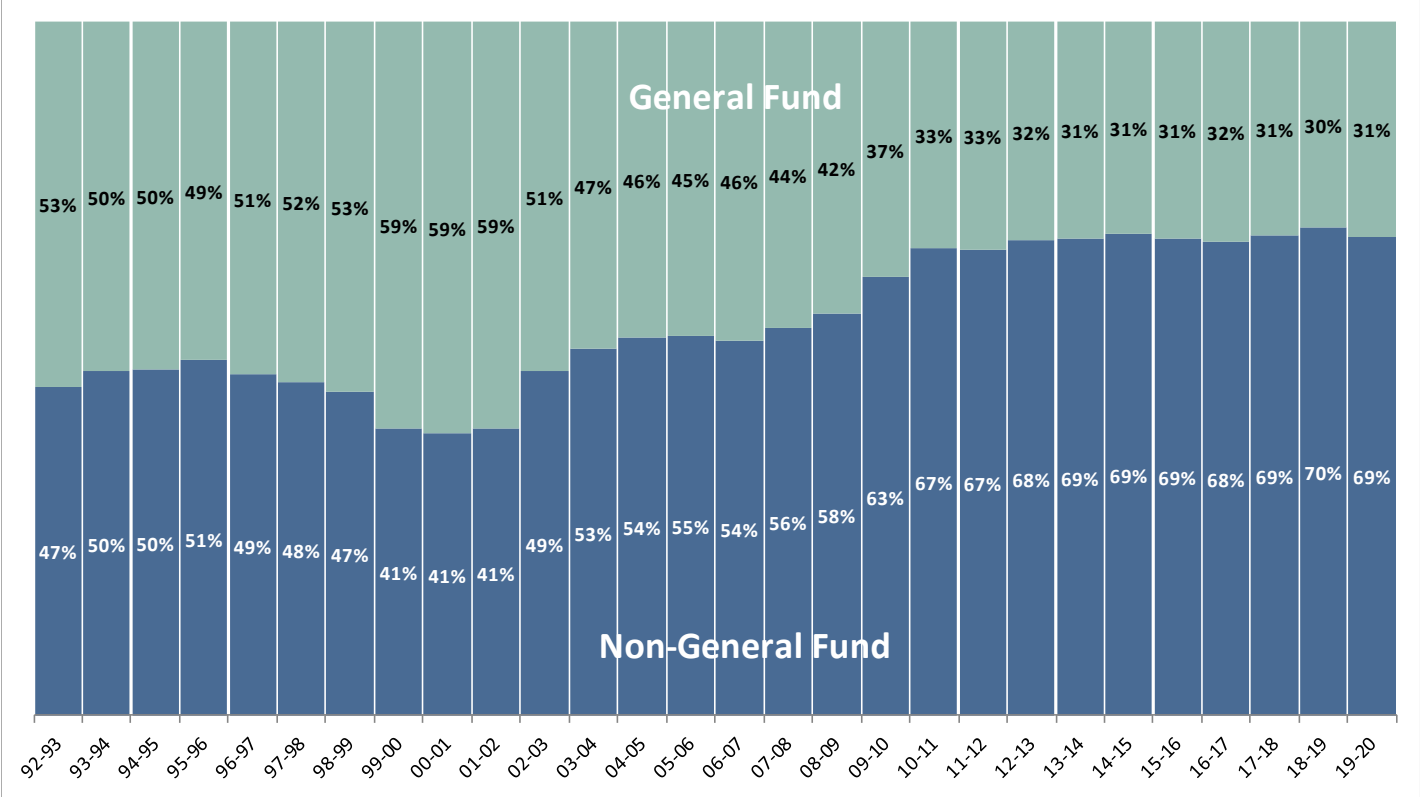
# Average Funding per FTE Student

Public Baccalaureate-degree Granting Institutions (in FY2020 constant dollars)

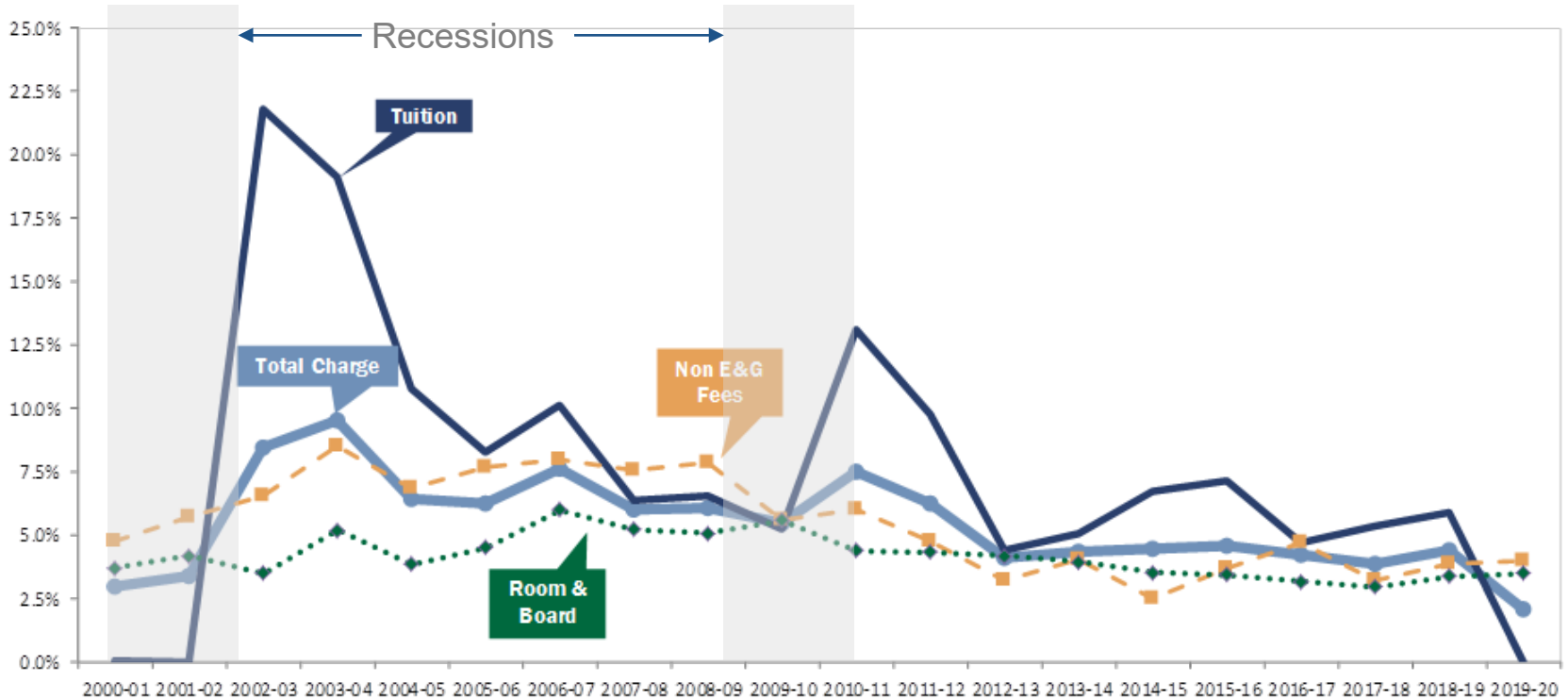


# Share of General Fund and Non-General Fund for Educational and General (E&G) Programs

The share of funding for education and general programs has shifted to students through increases of tuition and fees and enrollment of both in-state and out-of-state students

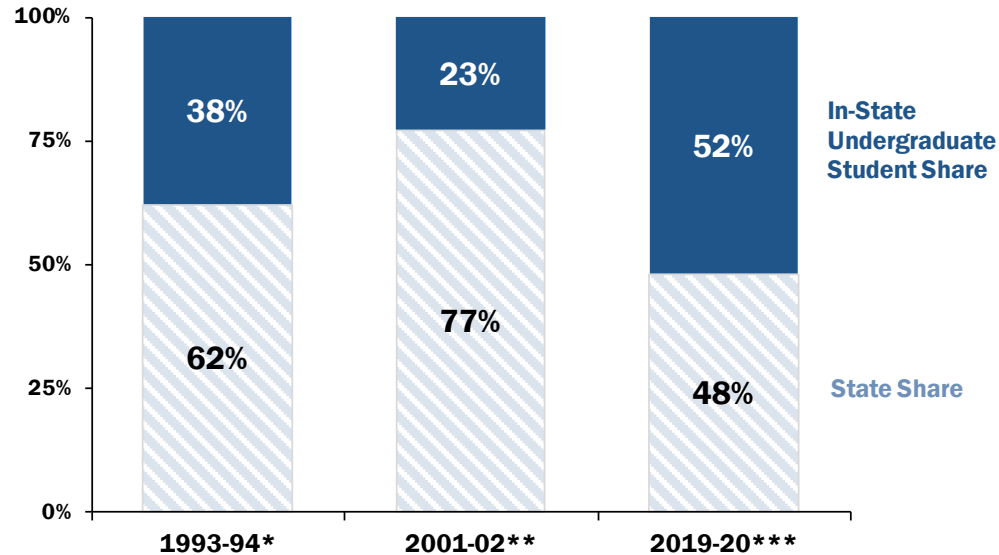


# Percentage Increases of In-state Undergraduate Cost by Type at Baccalaureate Institutions



# Cost Share between State and In-State Undergraduates

The state has a cost share policy that applies to in-state students. The cost share goal is 67/33. The state share increased 3% percentage points from FY 2019 to FY 2020 to due to increased state funding



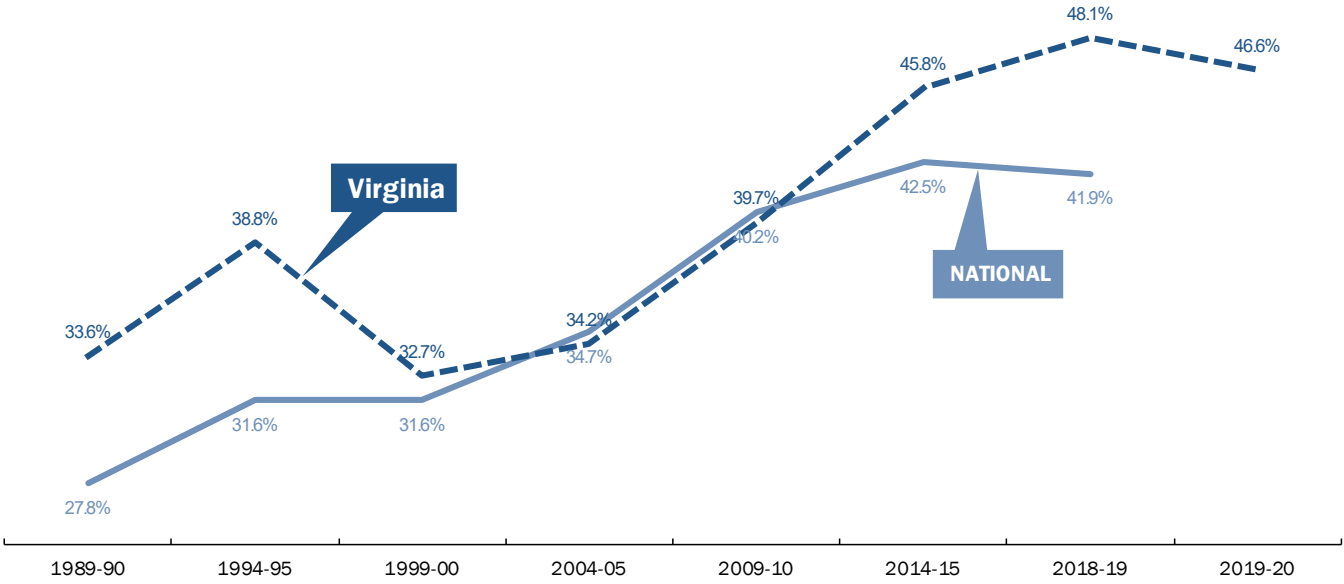
\*The tuition policy required out-of-state students to pay 100% of cost, but had no cost-share requirement for in-state undergraduate students. Calculation based on the average appropriated cost of education.

\*\*The goal of the tuition policy was for in-state undergraduate students to pay 25% of the cost. Calculation based on the average appropriated cost of education.

\*\*\*The goal of the tuition policy is for students to pay 33% of the cost. Calculation based on average guideline calculated cost of education.

# Average Public 4-Year Total Undergraduate Charges As a Percent of Per Capita Disposable Income

The gap of college cost as a % of family income has widened between Virginia and National since FY2010



Note: Cost includes tuition and mandatory fees, and room and board.  
Source: College Board, US Bureau of Economic Analysis, and SCHEV.



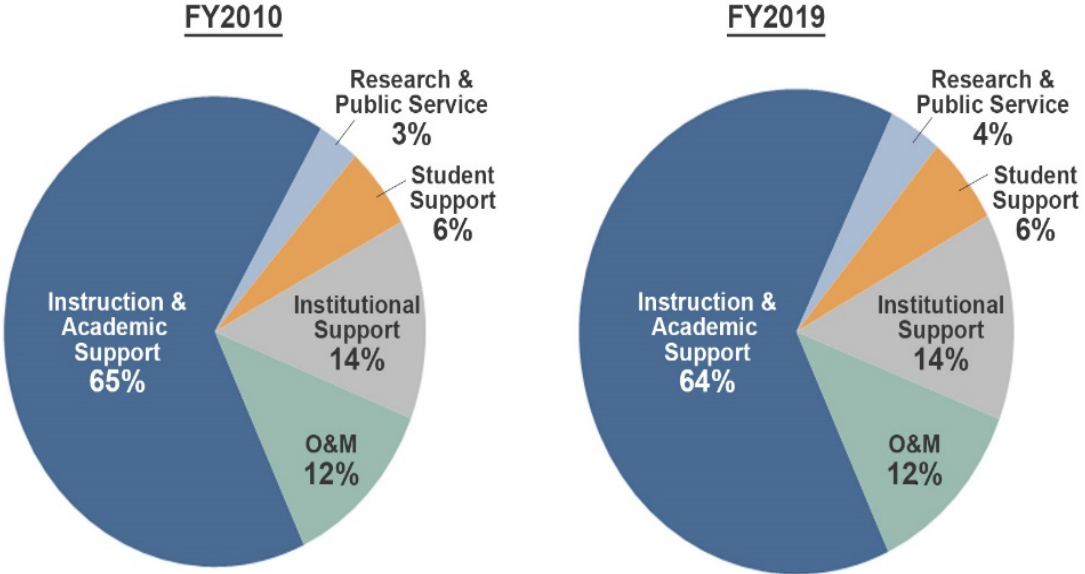
# National Ranking in Per-Student Funding

	State Fund per Student		Tuition per Student		Total Funds per Student	
	Amount	Ranking	Amount	Ranking	Amount	Ranking
VA	\$5,701	39th	\$9,632	15th	\$15,333	25th
NC	\$9,018	10th	\$4,769	44th	\$13,787	28th
MD	\$8,833	12th	\$8,620	19th	\$17,453	11th
National	\$7,853		\$6,713		\$14,566	

Source: State Higher Education Executive Officers.

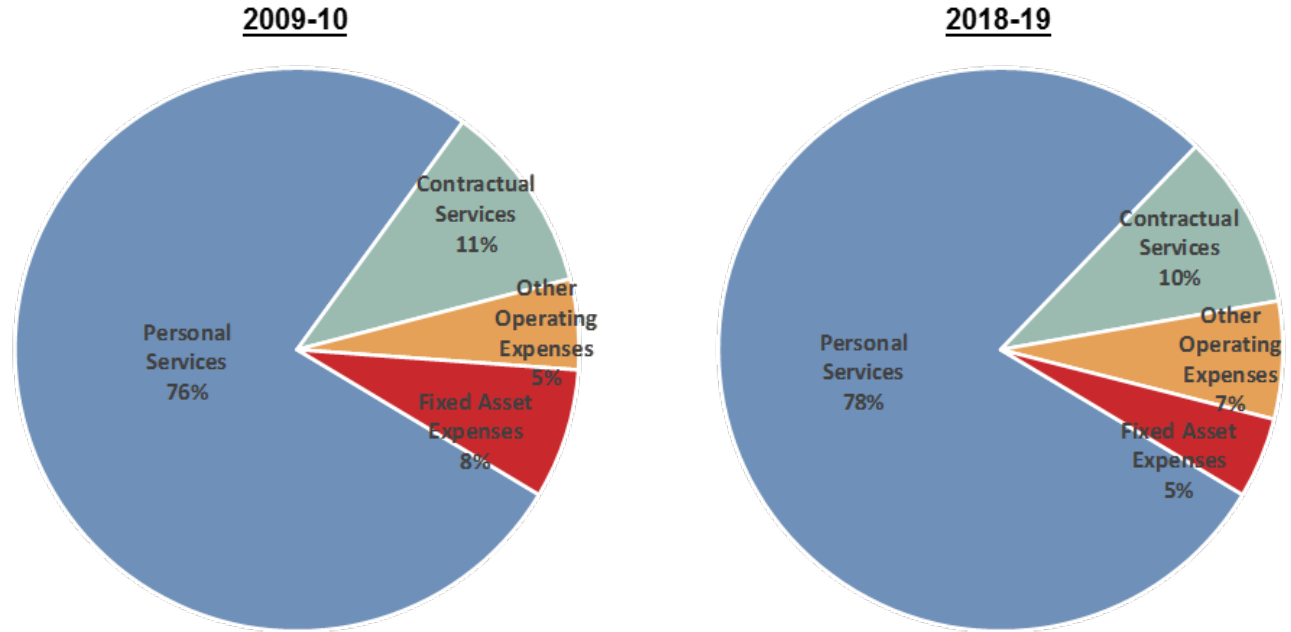
# Where the money is spent

The proportion of expenditures by function has not changed in the last 10 years.



# Higher Education Expenditures by Major Object

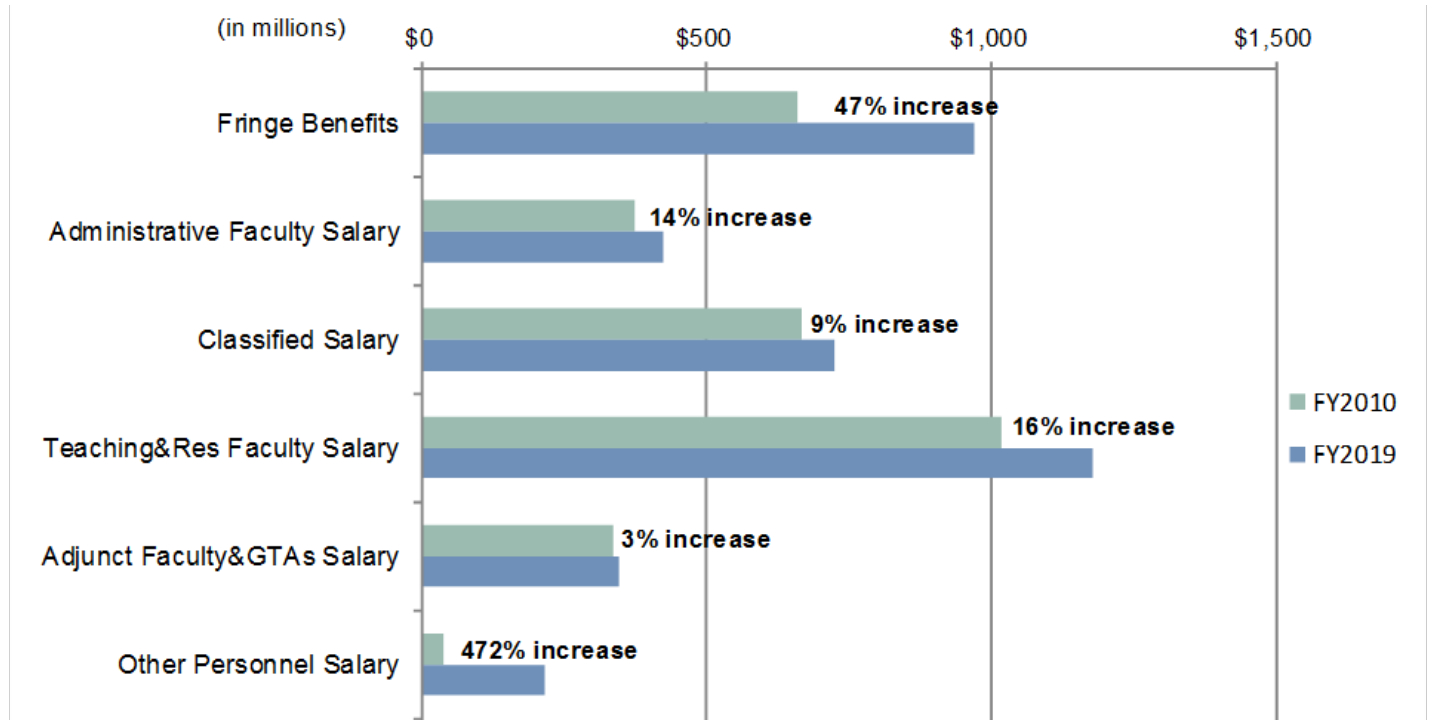
The biggest driver in higher education expenditures is personal services, accounting for  $\frac{3}{4}$  of the total spending in E&G



# Higher Education Personal Expenditures by Category

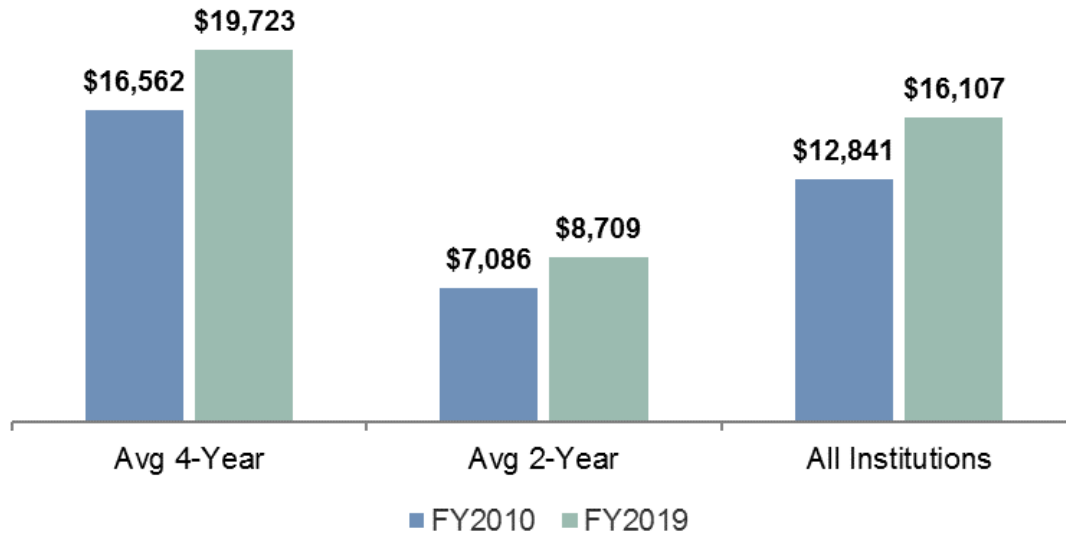
(in 2018-19 constant dollars)

While salary expenditures have increased since FY 2010, fringe benefits also drove cost increases



# Inflation Adjusted Expenditures per FTE by Sector at Public Institutions (in 2018-19 constant dollars)

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# Cost per Degree Year

Virginia's cost per degree is lower than the national average and has decreased over time.

The measures of per FTE spending and Cost per degree year showed Virginia operations more efficiently and effectively in national comparison

