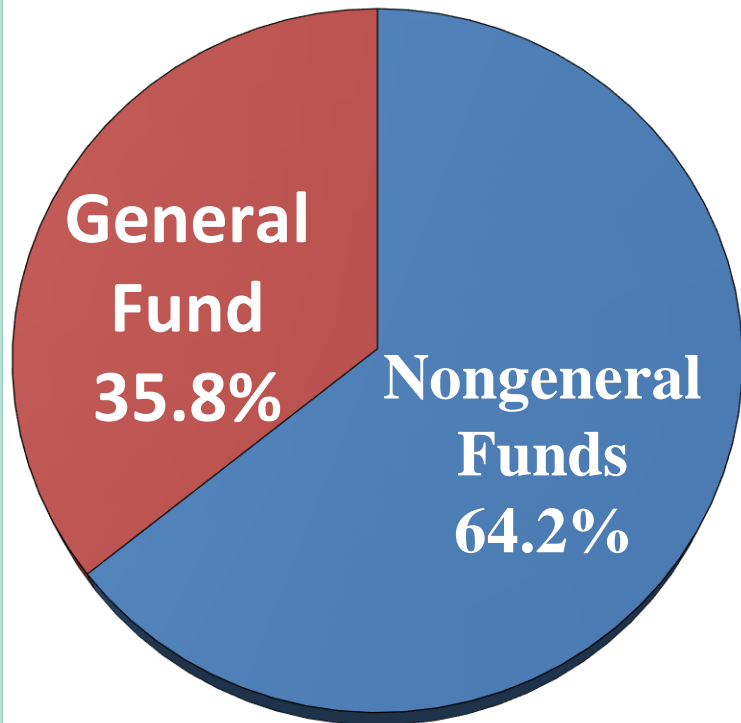


# Virginia's Budget

Virginia Department of Planning and Budget (DPB)



# 2018-2020 Budget: Nongeneral fund vs. General fund



## The General Fund (35.8%)

- From income and sales taxes paid by citizens and businesses
- Can be used for a variety of government programs
- Governor and General Assembly have the most discretion

## Nongeneral Funds (64.2%)

- Receipts set aside for specific purposes:
  - motor vehicle and gas taxes for transportation programs
  - student tuition and fees for higher education
  - federal grants for specific activities

# Where the operating money goes- General Fund 2018-2020

<b>Government (Administration &amp; Finance)</b>	<b>11.9 %</b>
<b>Commerce &amp; Trade/Agriculture and Forestry</b>	<b>1.4 %</b>
<b>Education</b>	<b>40.2 %</b>
<b>Health and Human Resources</b>	<b>32.3 %</b>
<b>Natural Resources</b>	<b>0.8 %</b>
<b>Public Safety/Veterans/Homeland Security</b>	<b>12.1 %</b>
<b>Transportation</b>	<b>0.2 %</b>
<b>Other (legislative &amp; judicial branch, executive offices, independent agencies, central appropriations, and nonstate agencies)</b>	<b>1.1 %</b>

# Budgetary authorization for higher education involves several major programs

- Educational and General (E&G)
  - General fund (GF) and nongeneral fund (NGF) sources (tuition and fee revenue)
- Student Financial Assistance
  - General fund and nongeneral fund (federal assistance and tuition revenue)
- Sponsored Programs (Research)
  - General fund and nongeneral fund (federal and private grants)
  - Institution specific initiatives
- Auxiliary Enterprises
  - Nongeneral fund only (self-supporting activities such as residential facilities, dining halls, and parking)

# Support for educational and general is a shared cost

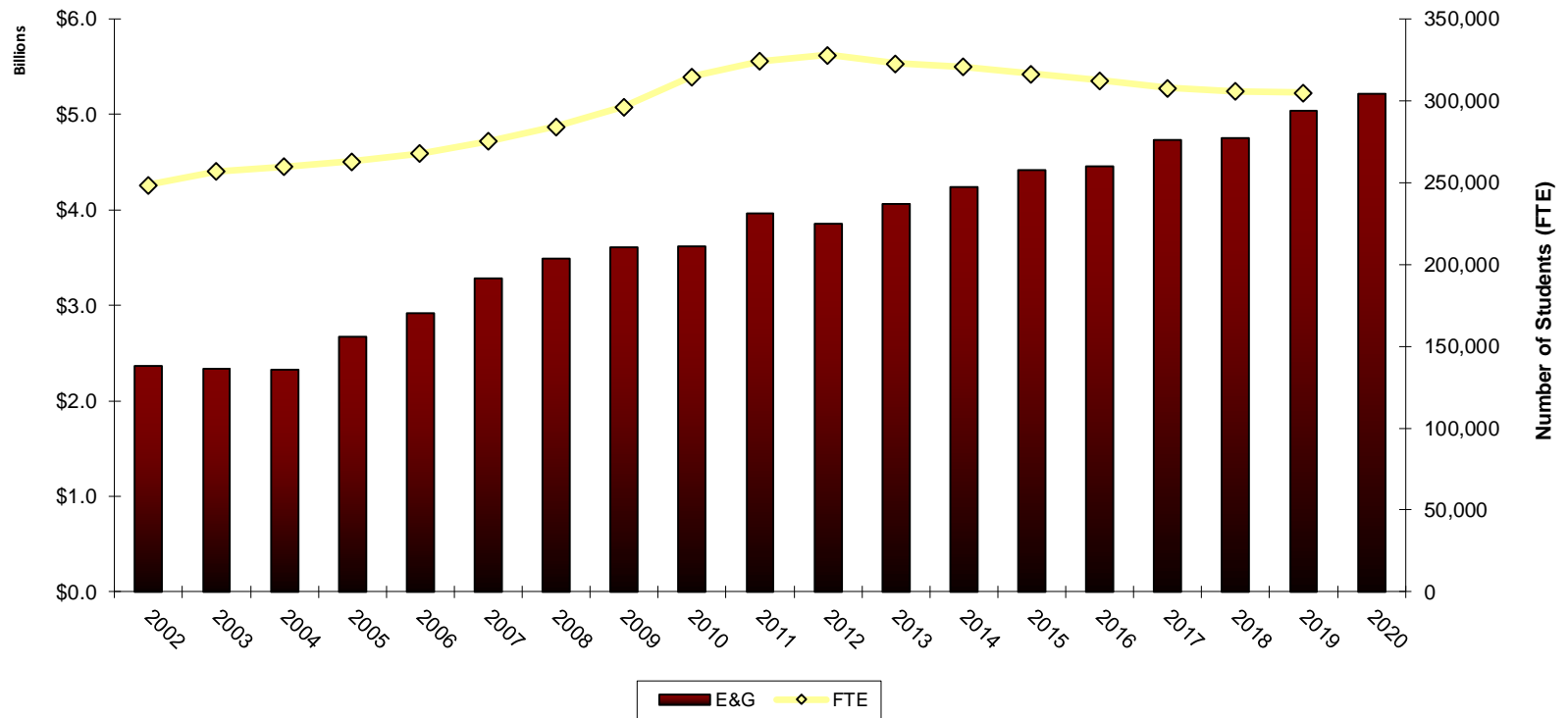
Institution	GF Share	NGF Share
Richard Bland College	64%	36%
Virginia Community College System	63%	37%
Longwood University	62%	38%
Radford University	61%	39%
Christopher Newport University	60%	40%
University of Virginia at Wise	60%	40%
University of Mary Washington	60%	40%
Norfolk State University	57%	43%
Old Dominion University	56%	44%
George Mason University	50%	50%
Virginia Commonwealth University	50%	50%
James Madison University	50%	50%
Virginia State University	47%	53%
Virginia Military Institute	41%	59%
College of William and Mary	39%	61%
Virginia Tech	38%	62%
University of Virginia	35%	65%

Source: SCHEV

# Many factors and perspectives influence budget development:



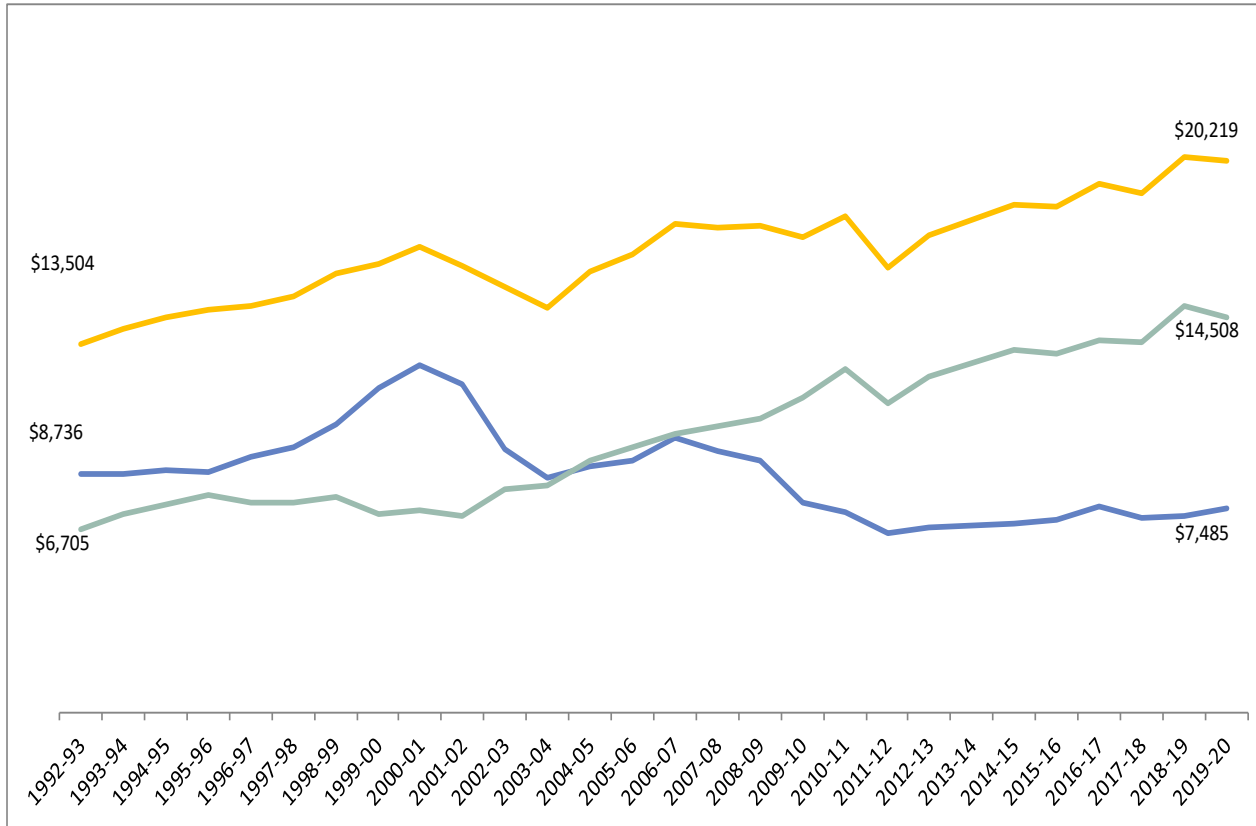
# Both E&G support and FTE students have grown



Notes: Data includes E&G appropriation for 17 institutions, VIMS and extension services.  
FY 2010-11 includes SFSF appropriation.

# Average Funding per FTE Student at Four-Year Institutions for E&G programs has grown

(in 2019-20 constant dollars)



Total per FTE: 50% increase FY93-FY20, average annual increase 1.8%

NGF (tuition and fees)/FTE: 116% increase FY93-FY20, average annual increase 4.2%

GF per In-State FTE: 14% decrease FY93-FY20, average annual decrease 0.5%

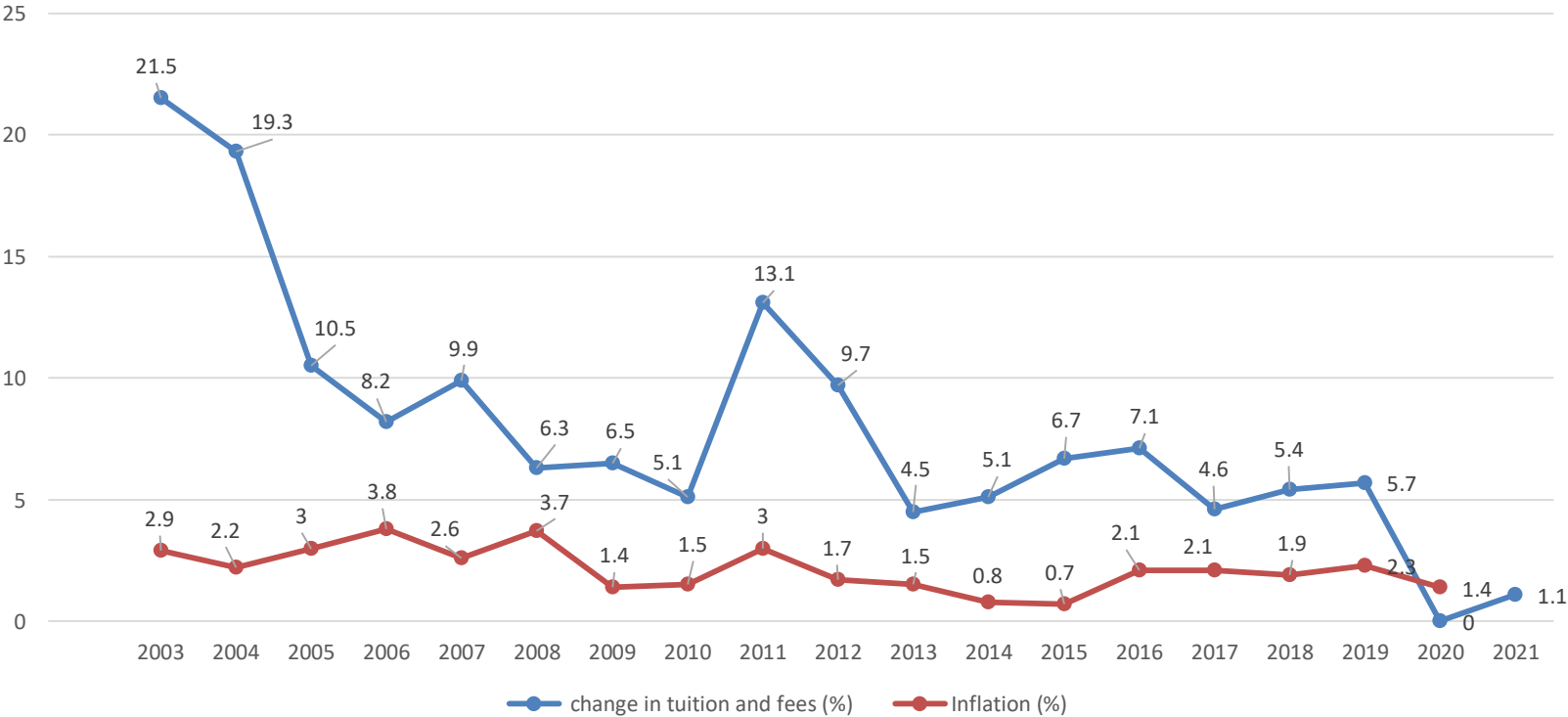
Notes:

- (1) Total Funding per Total FTE is not the sum of General Fund per In-State FTE and Nongeneral Fund per Total FTE.
- (2) FY19 and FY20 enrollments were projected. All other years were based on actual enrollments.
- (3) Funding by fund comes from Chapter 854, 2019.
- (4) FY10 and FY11 Nongeneral Fund per Total FTE include funding from the American Recovery and Reinvestment Act of 2009.
- (5) General fund per in-state FTE has decreased by 41.2% from the peak year of FY2001 to FY2020.



Increases in tuition is one of the few state funding issues that historically has surpassed inflation...

Average Percent Change in Annual Tuition and E&G Fees vs Inflation



## But what about the pandemic?!!

- The closure of all institutions in the spring resulted in increased costs to implement distance education and telework, as well as procuring personal protection equipment and installing social distancing infrastructure.
- Biggest impact, though, was the lost auxiliary revenues (room, board, parking, book store) with students no longer living on campus.
- Although most institutions showed less loss of student enrollment than expected this fall, tuition and fee revenues are generally down. Revenue from sporting events have dramatically declined.
- For those institutions where students returned to campus in the fall, dorms hold fewer students for social distancing, and testing costs are significant.

## Some of the lost revenues and increased costs as a result of COVID have been offset by federal support

CARES Funding by Sector and Source								
Sector	18004(a)(1) - Institution Aid	18004(a)(1) - Student Aid	18004(a)(2) - HBCU/MSI/SIP	18004(a)(3) - FIPSE	Governor's Emergency Education Relief Fund	Coronavirus Relief Fund	Total	Institutional Use (Total - Student Aid)
Public 4 Year	\$68,970,890	\$68,970,890	\$24,069,706	\$170,347	\$14,380,500	\$27,049,179	\$203,611,511	\$134,640,621
(Public 2 Year) VCCS + RBC	\$36,189,297	\$36,189,297	\$2,311,962	\$178,040	\$5,024,500	\$3,436,400	\$83,329,495	\$47,140,199
Medical Centers						\$31,877,497	\$31,877,497	\$31,877,497
<b>Grand Total</b>	<b>\$105,160,187</b>	<b>\$105,160,187</b>	<b>\$26,381,668</b>	<b>\$348,387</b>	<b>\$19,405,000</b>	<b>\$62,363,076</b>	<b>\$318,818,503</b>	<b>\$213,658,317</b>