

State Council of Higher Education for Virginia



**2022-24 Systemwide Operating  
and Financial Aid Budget  
Recommendations for Higher  
Education in Virginia**

November 2021



## Table of Contents

<b>SCHEV BUDGET AND POLICY CONSIDERATIONS FOR THE 2022-24 BIENNIUM .....</b>	<b>1</b>
<b>Overview of Higher Education and Funding in Virginia .....</b>	<b>4</b>
<b>Section 1: Summary of recent funding and areas of need .....</b>	<b>5</b>
<b>Section 2: Operations .....</b>	<b>9</b>
<b>Section 3: Financial Aid.....</b>	<b>18</b>
<b>Section 4: Budget language requests and other policy considerations .....</b>	<b>22</b>
<b>Appendix A: Costs of Nonpersonal Services (NPS) by Institution .....</b>	<b>25</b>
<b>Appendix B: Operations and maintenance of new facilities opening in 2022-24.....</b>	<b>26</b>
<b>Appendix C: Talent, recruitment and retention.....</b>	<b>27</b>
<b>Appendix D: SCHEV Budget Requests for 2022-24 Biennium .....</b>	<b>28</b>
<b>Appendix E: Undergraduate Aid .....</b>	<b>29</b>

## SCHEV BUDGET AND POLICY CONSIDERATIONS FOR THE 2022-24 BIENNIUM

### Executive Summary

Each year, SCHEV provides budget and policy recommendations for higher education. These recommendations are intended to serve as an overview of the system needs and to provide options for the Governor' and General Assembly's consideration to meet statewide needs.

For the 2022-24 biennium, SCHEV recommends approximately \$700 million in new state general fund. The following are key highlights of the funding proposal. Full details and assumptions are included in the remaining sections.

- **\$208 million in financial aid programs to improve student success and funding for low- and middle-income students.** This includes a \$130 million request in the second year for undergraduate need-based aid, with an expected increase in the average award of \$960. While funding benefits all institutions, the primary increase is at six institutions with the highest percentages of low-income students and student financial need (GMU, NSU, ODU, RU, UVA-Wise and VSU). Average awards at these institutions would increase by as much as \$1,500 to nearly \$2,000 and potentially lower debt. It also includes funding to support expansion of financial aid through the tuition equity and aid provision that was passed in the prior session and increases the Tuition Assistance Grant program from a current level of \$4,000 to \$4,250 in the first year and \$4,600 in the second year.
- **\$224 million for recruitment and retention of talent.** In addition to aid, recruitment and retention of faculty was a primary topic of discussion during meetings with institutions during the six-year plan process. Funds in this area could be used to improve quality and availability of faculty by: increasing the number of classes available, reducing class sizes, addressing salary compression and inequities, recruiting diverse and competitive faculty, and meeting student demand for new academic programs.
- **\$60 million to address equity and fairness in funding among institutions.** This funding would support matters related to potential funding inequities based on enrollment, institutional mission and other factors. Funding would be set aside in a central account, pending the recommendations of the cost and funding need study approved in the 2021 General Assembly session. The final report is expected by July 1, 2022.
- **\$20 million to bring work-based learning and paid internships to scale.** This would expand the existing Virginia Talent and Opportunity Partnership (V-TOP) program by increasing employer awareness and capacity to offer paid internships, providing

support programs to students to ensure they are work-ready and supporting institutional planning to better assist students in finding and completing an internship.

- **\$85 million for institution-specific initiatives that support student success, talent pathways and inclusive excellence.** This funding provides flexibility to the Governor and General Assembly to support the unique funding requests of institutions. SCHEV recommends prioritizing institution requests for initiatives that increase student success, completion, program development in high-demand areas and inclusion initiatives on campus.

Other funding initiatives include investments in cost increases in non-personal services, enrollment growth at institutions below the state general-fund-per-student average, research, community outreach, collaborative initiatives and SCHEV agency requests.

For the biennial budgeting, the funding recommendations in the second year build on increases in the first year and recognize the full impact of the budget over the two years. This allows institutions to plan for more than one year, which leads to improved tuition predictability for students and families. In addition, for several investment areas, SCHEV recommends an institutional match totaling \$130.7 million for the biennium.

In addition, to address ongoing concerns regarding the well-being and mental health of students, SCHEV requests budget language to review critical issues in student-support and to provide recommendations to improve student persistence and completion. SCHEV also seeks funding and budget language to support the implementation of the cost and funding need study authorized during the 2021 General Assembly session and to review state support of equipment, capital and maintenance.

Finally, SCHEV identified several other areas of consideration to support student access, success and completion over the last year that do not include a formal recommendation. SCHEV will continue to seek input in these areas for later consideration. These areas primarily focus on aid to better support and attract low-income students and include: need-based aid to private institutions, support to institutions seeking to increase endowment funds for low-income students and aid to support enrollment of more low-income students at public institutions.

**Higher Education General Fund Recommendations for the 2022-2024 Biennium (in millions)**

AREA	FY 2023	FY 2024	Total
<b>Operations</b>			
<b>Base operations growth</b>			
Non-personal cost increases and operations and maintenance of new buildings in the first year*	\$15.18	\$29.28	\$44.46
Enrollment growth for institutions funding below the general fund average per student	\$4.84	\$4.84	\$9.68
<b>Talent, degrees and internships</b>			
Recruit, retain and diversify faculty talent	\$73.92	\$150.02	\$223.94
Cost and funding study: Institutional equity adjustments based on recommendations	\$30.00	\$30.00	\$60.00
Institution-specific operation requests: Student success, talent pathways, inclusive excellence*	\$35.00	\$50.00	\$85.00
Internship expansion: Virginia Talent + Opportunity Partnership (V-TOP)	\$5.00	\$15.00	\$20.00
<b>Collaborative initiatives, research, community outreach</b>			
Institution-specific: Research and community outreach	\$15.00	\$15.00	\$30.00
Collaborative initiatives: SCHEV, Virtual Library of Virginia and other system support	\$10.00	\$10.00	\$20.00
<b>Total Operations</b>	<b>\$188.94</b>	<b>\$304.14</b>	<b>\$493.08</b>
<b>Financial aid</b>			
Undergraduate need-based financial aid	\$20.00	\$130.00	\$150.00
Tuition Assistance Grant (TAG)	\$1.30	\$7.64	\$8.94
Tuition equity and aid provision: Undergraduate aid	\$8.00	\$8.80	\$16.80
Tuition equity and aid provision: TAG	\$0.40	\$0.88	\$1.28
Other equity and affordability initiatives	\$5.00	\$5.00	\$10.00
Graduate aid: Recruitment of students into high-need programs	\$4.00	\$6.00	\$10.00
Military Survivors Program: Stipends for eligible students	\$5.40	\$5.40	\$10.80
<b>Total Aid</b>	<b>\$44.10</b>	<b>\$163.72</b>	<b>\$207.82</b>
<b>Total Higher Education Funding</b>	<b>\$233.04</b>	<b>\$467.86</b>	<b>\$700.90</b>

\*Cost estimates do not include expected nongeneral fund match, estimated to be \$45.7 million for non-personal and operations and maintenance of new building and \$85 million for institution-specific requests.

## OVERVIEW OF HIGHER EDUCATION AND FUNDING IN VIRGINIA

Advanced education contributes to state and regional prosperity and to individual success and well-being. It is associated with increased earnings, economic growth, greater levels of community engagement and improved health outcomes.

Over the years, Virginia has made significant gains in the capacity and quality of its system of higher education. It now ranks as one of the best in the country when considering factors such as graduation rates, average net price, low loan default rates and high return on investment.

*Pathways to Opportunity*, Virginia's statewide [strategic plan for higher education](#), sets a vision to make Virginia the best state for education by 2030. This objective focuses on increasing our degree and credential attainment rate from 57% of the working-age population to 70%, thereby meeting workforce demands and improving the well-being of individuals and communities.

To become the best state for education, the *Pathways to Opportunity Plan* has three main goals to be equitable, affordable and transformative. Each year, SCHEV develops budget and policy recommendations for higher education in Virginia related to operations, financial aid and capital, and aligns the recommendations to the plan to better meet state needs. The following provides an overview of the general fund areas, recommended funding amounts and policy considerations.

The overview is provided in four sections:

- Section 1: Overview of recent funding and areas of need
- Section 2: Operations
- Section 3: Financial aid
- Section 4: Budget language requests and other policy considerations

## SECTION 1: SUMMARY OF RECENT FUNDING AND AREAS OF NEED

This section provides an overview of recent state investments in higher education over the last few years, additional funding provided by the federal government as a result of the COVID pandemic, a preliminary review of higher education needs and a summary of budget and policy recommendations aligned to the goal areas of the *Pathways to Opportunities* plan.

### State Investments to Support Higher Education

In the past two biennium (from FY 2018 to FY 2022), the Commonwealth provided significant investments to public higher education, including funding to mitigate the impact of the COVID-19 pandemic to institutions and students.

The total additional state funding was \$614.1 million during this period. State funding for education and general programs (E&G) – those related to instructional activities – increased by \$384.2 million over the FY 2018 amount. Total state support for various financial aid programs increased by \$134.3 million between FY 2018 and FY 2022.

**Table 1: Change of General Fund Appropriations to Higher Education from FY 2018 to FY 2022 (in millions)**

	General Fund Appropriations		Change over FY 2018 Level		
	FY 2018	FY 2022	Amount	Percent	Avg Annual % Change
E&G	\$1,431.2	\$1,815.3	\$384.2	27%	6%
Financial Aid*	\$293.7	\$423.0	\$134.3	46%	10%
Other Higher Ed.	\$288.7	\$389.3	\$95.6	33%	8%
<b>Total</b>	<b>\$2,013.6</b>	<b>\$2,627.7</b>	<b>\$614.1</b>	<b>30%</b>	<b>7%</b>

Note: \*includes Higher Education Student Financial Assistance program; Two-Year College Transfer Grant; Virginia Military Survivors and Dependents program; Tuition Assistance Grant; New Economy Workforce Credential Grant; and Early Awareness and Readiness for Undergraduate programs.

A large portion of the state funding increase in E&G programs was for college affordability. In FY 2020, the state created a tuition moderation fund as a set-aside if institutions did not raise in-state undergraduate tuition and fees. In FY 2021 and FY 2022, additional funding was provided to maintain affordability, and many institutions kept tuition and fees low. The cumulative funding totaled \$186 million during this period. As a result, institutions had historic low tuition and fee increases over the last three years.



With the additional funding from the state and low tuition and fee increases, the cost share between the state and in-state undergraduate students shifted from 45 percent provided by the state in FY 2018 to 50 percent of the cost provided by the state in FY 2022. This results in a decrease of five percentage points of the total cost of education borne by in-state undergraduate students.

Another state investment focused on salaries of faculty and staff in FY 2020 and FY 2022. Each year, institutions submit six-year plans to the state to provide an overview of their goals and funding needs. Many institutions stated in their recent submission that the state salary increases in recent years helped them recruit and retain faculty and staff.

In addition, the state made targeted investments to institutions that serve more low- and middle-income students and students who are Black/African-American or Hispanic. This included additional operational support for Old Dominion University and George Mason University; additional undergraduate financial aid to waive or lower tuition and fee costs at community colleges for students meeting certain income levels and who were enrolled in high-demand programs (the G3 program); and investments at Norfolk State University and Virginia State University to support tuition and fees for students living within a 25-mile radius of the campus (the Virginia College Affordability Network).

### **Federal stimulus investments as a result of the COVID-19 pandemic**

To better support institutions' increased costs and lost revenues during the pandemic, the federal government provided colleges and universities with unprecedented levels of funding. Congress passed three statutes, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSAA) Act, 2021, and the American Rescue Plan (ARP) Act, over the course of one year (March 2020 to March 2021). Each law varied in the amount and size, and each subsequent aid package was larger than the previous ones.

Virginia's public institutions received \$1.4 billion, with \$545 million of those funds set aside for student aid through the Higher Education Emergency Relief Fund (HEERF). Private institutions received \$396 million, with \$147 million set aside for student aid. While this is a significant amount, SCHEV calculated that the \$1.4 billion for public institutions is allowed to be used over three years (FY 2020 to FY 2022). The \$1.4 billion accounts for less than 5% of the total budget for higher education in Virginia when accounting for both general fund and nongeneral funds over the same time period.



The CARES Act contained two other funding sources: The Coronavirus Relief Fund (CRF) and the Governor's Emergency Education Relief (GEER) Fund. The CRF reimbursed expenses directly connected with addressing COVID-19. Both public and private institutions applied for reimbursement to the state with itemized expenses. GEER funds were applied at the discretion of the Governor, split between higher education and K-12. The CRRSAA funded another round of GEER funds, but not CRF. The ARP funded new state and local recovery funds with broad flexibility for use, but did not fund GEER again.

The General Assembly met in August to determine how the state ARP funds would be used. The budget agreement provided \$111 million for financial aid for low- and moderate-income students attending public and private nonprofit institutions. SCHEV is charged with the distribution of those funds.

Over the last year, SCHEV has tracked the distributions and guidance from all three statutes; discussed their implications with advisory groups at the institutions and with state officials; assisted the General Assembly and the Governor's Office with guidance and calculations for distributing the discretionary funds; and surveyed public institutions on their use of the funds.

## **Current needs for higher education and Commonwealth**

As part of *Pathways to Opportunity*, SCHEV annually assesses the needs of higher education to meet the goals of the plan. The needs are based on a review of measures related to the plan, stakeholder input and needs identified by institutions in their six-year plans.

A preliminary review of the measures related to *Pathways to Opportunity* indicate the areas of greatest need focus on closing gaps in overall attainment by race/ethnicity, regions of the state and income groups. In order to address these gaps, the state needs to reduce disparities in enrollments and completions, debt and earnings upon completion to meet the objective of 70% attainment of the working age population by 2030.

In addition, SCHEV recently concluded preliminary six-year plan meetings with institutions. These plans identify priorities and funding needs over the upcoming biennium. While each institution has specific initiatives, the following is a summary of initial areas of priority for institutions in their six-year plans:

- **Operational funding support**, including continuation of one-time funding provided by the General Assembly in FY 2022 (\$40 million), support for salaries, information technology costs, rising costs in non-personal services, enrollment growth and operations and maintenance of new buildings.

- **Financial aid**, including additional aid for undergraduates, graduates and certain affordability focused programs.
- **Student success initiatives**, including advising and counseling, mental health services, transfer support and support to students with disabilities.
- **Talent pathways**, including new academic programs, internships and work-based learning opportunities.
- **Equity initiatives**, including salary adjustments and additional staffing to better support students and staff.
- **Research and community outreach initiatives** to better support the Commonwealth and regions of the state.

The following sections provide details of costs (where appropriate) and funding needs based in the areas of operations and financial aid.

## **SECTION 2: OPERATIONS**

Each year, institutions assess costs, both non-discretionary and discretionary, and prioritize funding needs. These needs are initially conveyed in the institution's six-year plan that is submitted to the state and approved by their board. While the plans can change based on feedback provided during the review process, the plans serve as a general guide for institutional needs.

In addition, SCHEV is charged to calculate various categories of increased costs based on methodologies outlined in the Top Jobs Act, which the Governor and the General Assembly codified in 2011.

The following section provides estimated growth costs in the areas of non-discretionary and discretionary increases. The costs are provided as a total cost. The state has traditionally provided funding for areas, such as salaries based on a cost share (currently at approximately 50% for the system). If the state were to fund fully the cost estimates, tuition and fees increases could be significantly impacted to further reduce costs to students.

### **Base operations growth**

#### **Growth in non-personal services**

With the impacts of the pandemic, changes in the minimum wage and other economic factors, institutions are expected to have additional unavoidable cost increases in the areas of insurance premium rates, contractual services, operations and maintenance of facilities and several other areas. Non-personal services constitute approximately 25% of total costs for the institutions. Based on FY 2022 available resources, if costs in these areas were to increase by 2% each year, it would result in an additional \$26 million in FY 2023 and \$52 million in FY 2024 of funding need. SCHEV recommends split funding this area to better support institutions between general fund and nongeneral fund sources to better support equity in funding. Institutional amounts are included in Appendix A.

#### **Operation and maintenance of new facilities coming online**

In addition to growth in costs, each year the state supports the development of capital at institutions. As a result, new buildings that are expected to open in the coming year will require additional funding for operation and maintenance (O&M) of the facilities. SCHEV surveyed institutions for new facilities coming online in 2022-24 and received funding requests for a total of 34 new facilities. The total funding need is approximately \$22.2 million for the biennium; however, SCHEV recommends funding for buildings scheduled to open in the first half of the biennium. SCHEV would like to review requests for O&M in FY 2024 to

better estimate costs in the second year in partnership with the institutions. SCHEV proposes funding for O&M using a split fund approach. The estimated general fund costs are \$3.0 million in the first and \$4.7 million in the second year. Nongeneral funds costs are \$3.5 million in the first and \$5.3 million in the second. Institution amounts are included in Appendix B.

### **Approved enrollment growth**

The Top Jobs Act includes language that allows funding “[t]o incentivize undergraduate Virginia student enrollment growth at the Commonwealth's public institutions of higher education in furtherance of the increased degree conferral....”

Institutions submitted enrollment projections earlier this year, and the projections were part of the review and discussion at the recent six-year-plan meetings.

Further, in accordance with its statutory authority, the Council approved enrollment projections at its October 2021 meeting. Several institutions project higher enrollment in the next biennium. One institution – George Mason University – projects growth and has a general fund appropriation per in-state student that is lower than the system average. While SCHEV is engaged in a cost and funding study that will make recommendations related to base budgets for all colleges and universities, to avoid getting further behind in its funding per student, SCHEV recommends \$4,840,000 in each year of the biennium to keep up with approved enrollment growth at George Mason University.

### **Other cost considerations**

In addition to the costs considerations above, the state also should consider other costs that could arise as a result of the pandemic. Last year, institutions were allocated approximately \$40 million in funding to support institutional needs, but due to budget limitations, these funds are allocated as one-time funding. Ensuring that these funding amounts remain as recurring funds for the upcoming biennium can help support unexpected costs that may continue to arise.

## **Talent, degrees and internships**

### **Recruit and retain talent**

Funding to help colleges and universities recruit, retain and diversify their faculty is central to the quality and effectiveness of higher education. Institutions use the additional funds to provide base salary increases, to increase the number of classes available to students, to address issues related to salary compression and equity, and to meet student demand for new academic programs.

In all cases, colleges and universities base their faculty salary decisions on merit. While salary increases for other state employees usually apply equally, language in the state appropriation act specifically gives flexibility to institutions of higher education to consider merit for those actions.

In their six-year plans, nearly every institution said that additional resources to recruit and retain faculty is a high priority. They spoke of the need to address faculty diversity and differentials in high-demand program areas where salaries are higher in the private sector, such as nursing, computer science and other STEM-H (science, technology, engineering, math and health) fields. Also, as in prior years, several institutions indicated a need to improve pay for adjunct faculty.

The Commonwealth provided the state share of salary increases for state employees, including college and university faculty, of 5% in FY 2022, the largest single-year increase in many years. Institutions of higher education paid their share of the 5% increase with other agency funds (including the \$40 million in additional general fund the General Assembly provided for discretionary use).

SCHEV recommends that the Commonwealth continue the momentum it has made in recent years by appropriating additional funds to help colleges and universities recruit, retain and diversify their faculty. To continue to remain competitive and to address institutional priorities, SCHEV recommends that the Governor and the General Assembly provide a general fund increase equal to 3% of faculty salaries (and 1.5% of benefits) in each year of the biennium. Institutions should continue to use those funds based on merit and to address a range of issues related to recruitment and retention of faculty talent. Further, with modest tuition increases or reallocation of existing resources, institutions would be able to provide an increase of the same magnitude (5%) as in FY 2022. Adjustments are made to factor the proportion of out-of-state students and those institutions operating at or near their calculated base adequacy costs. This provides greater alignment of state funds to institutions with higher need.

The biennial cost of providing a general fund increase equal to 3% of faculty salaries (and 1.5% of benefits) costs is \$223.9 million. Included in these amounts are funds to support teaching and research faculty, administrative faculty, graduate teaching assistants and adjunct faculty. Institution amounts are included in Appendix C.

SCHEV also recommends that the Governor and the General Assembly continue to provide salary increases for all college and university classified staff, in accordance with provisions for state employees in other state agencies.

**Equipment (Higher Education Equipment Trust Fund)**

Each year, institutions receive funding for equipment through the higher education equipment trust fund (HEETF). The program focuses on supporting equipment needs for institutions in the areas of instruction and research. Current funding is approximately \$80 million per year. SCHEV is responsible for administering this program.

For the upcoming biennium, SCHEV recommends maintaining support for HEETF. SCHEV also recommends that staff identify opportunities for greater equity in funding and efficiency and effectiveness of the administrative process. Budget language is included in SCHEV's request related to the implementation of the cost and funding need study and review of other cost areas in Section 4.

**Institution-specific requests: student success initiatives, affordable talent pathways and inclusive excellence**

In addition to general operating support, the Governor and General Assembly may wish to support institution-specific initiatives that could improve the quality of instruction and retention of students – particularly for students with the largest gaps in completion. As part of the six-year plan process, SCHEV asked institutions to submit proposals aligned with *Pathways to Opportunity* goals. SCHEV recommends funding institution-specific requests in these priority areas of \$35 million in the first year and \$50 million in the second year of general fund with an expected institution match.

- **Student success initiatives:** Ensuring student retention and completion are an increasing need to meet the state attainment goal of 70%, particularly with the changing student demographics to better serve students with traditionally lower completion rates, such as first-generation, low-income, Black/African-American and Hispanic students. In addition, during the pandemic, students and institutions identified a growing need to address mental health services on campus. Funding to support institutional needs in the areas of advising and mentoring programs, disability support initiatives, mental health support services and transfer could help increase student success and completion.
- **Affordable talent pathways and internships:** Another approach to increasing student success is the development of affordable pathway programs. This can include new program development in high-demand areas, such as healthcare, information technology, public health and the enhancement of existing programs to include additional work-based learning and increased internships. SCHEV and institutions have identified a growing need to ensure that students have opportunities to incorporate work-based learning to further their academic experience, gain on-the-job skills and increase their opportunities for employment while meeting employer needs.



- **Inclusive excellence:** Many institutions and boards have undertaken efforts to better address equity, diversity and inclusion on campus both in academic programming and support service areas. Increased support for staffing and to effectively retain and recruit faculty also can increase student retention and completion.

If funding is provided in these areas, the state should consider methods to evaluate the effectiveness of the initiatives through periodic reporting or staffing support at the state level to increase collaboration and sharing of promising practices.

**Internship expansion: Virginia Talent + Opportunity Partnership V-TOP**

The Innovative Internship Fund and Program – rebranded externally in collaboration with the Virginia Chamber of Commerce as the Virginia Talent + Opportunity Partnership (V-TOP) – has reached a critical stage in its development. The statutory purpose is two-fold: (1) grants to institutions to support paid internships in partnership with Virginia employers and (2) a statewide initiative to facilitate the readiness of employers, students and institutions to scale significantly work-based learning such as internships. The planning of the statewide initiative has resulted in the development of meaningful strategies for student learning and workforce and economic development that now require additional investment to implement statewide at scale.

With strategic investments in internship initiatives, Virginia can retain its position as the top state for business and achieve our goals to be the best state for education and the top state for talent. The following initiatives support expansion of this program:

**Services to small employers:** In addition to services available to all employers using current funding (a readiness toolkit and online modules that lead employers step-by-step through the process of designing and implementing an internship program, as well as personal support to be provided by regional organizations that have received V-TOP grants), SCHEV proposes more intensive services for small employers.

SCHEV would procure a staffing company to serve as a clearinghouse for matching students to internship opportunities at small employers. Employers would gain access to these free services by completing the online modules to ensure they are ready to host interns. Students would gain access to the opportunities through their institution’s job posting site and would be required to complete the student readiness modules either prior to being matched with a small employer or during their internship if the opportunity is part of the new freshman/sophomore experience. (Note: Employers would still be responsible for paying interns at least the state minimum wage.) The expected cost is \$200,000 in the first year and \$3.5 million in the second year of the biennium.

**Accelerate and scale the current plan for regional support.** Using only current funding, SCHEV is implementing a four-year plan to roll out and maintain regional support for employers, develop additional readiness modules for students and implement statewide the Career Champions approach, which is an all-of-campus support system for all students as they develop career-ready competencies. Further, SCHEV is operating on an even longer timeline to: (1) scale an alternative readiness curriculum for community college and high school students currently being piloted at two community colleges; (2) develop creative ways to gather data on non-credit experiences (including implementing zero-credit, "transcriptable" experiences at each institution); (3) gather and analyze other baseline data; (4) identify measures of success; and more. The expected costs are \$3.8 million in the first year and \$10.5 million in the second year of the biennium.

**Leverage federal work study.** Clemson University significantly increased the availability of internships for its students by transforming Federal Work-Study (FWS) recently. Clemson's effort garnered national attention, and Virginia institutions, both public and private, subsequently asked SCHEV to form a work group to develop a roadmap through the regulatory and practical issues involved. While such can be accomplished with current funding, institutions will need additional resources to implement the changes.

SCHEV proposes to issue competitive three-year grants for selected institutions to implement the transformation on a pilot basis for a limited number of students. The grants would fund a full-time or part-time person, depending on the number of students who participate in FWS, along with materials and supplies. Institutions would evaluate the success of the program and, if the impact is clear, would then request a direct appropriation from the General Assembly or use institution funds to continue and scale the program to additional students. (Note: The South Carolina legislature appropriates \$1 million per year to Clemson to pay student wages for those students not paid by FWS funds; the institution contributes an additional \$1 million for student wages and covers the staffing costs.) Estimated costs for this initiative are \$1 million (an average of five \$200,000 three-year pilots at five institutions per year) in each fiscal year.

**Equity and funding adjustments based on outcomes of cost and funding need study**

During the 2021 session, the General Assembly charged SCHEV to review and update costs and funding needs for higher education and provide recommendations to allocate state resources. This work is currently underway, and the final report is due July 1, 2022.

In many years, institutions request funding to address real or perceived funding disparities. To support the results of this cost review and promote equity and fairness among Virginia's

public institutions, SCHEV recommends setting aside \$30 million in each year for distribution based on the outcomes of the report. SCHEV also requests budget language to work on implementation of the study in the upcoming biennium and to continue to assess other areas of cost including capital, equipment and maintenance reserve. (See section 4 for more details.)

Institution and other entity-specific: research, innovation, economic development and community outreach

In addition to traditional services provided to students, institutions and other entities provide valuable services in the areas of research and community outreach. SCHEV recommends \$15 million in each year of the biennium to support institution-specific needs. The following is a brief overview of potential initiatives in these areas that the state may wish to prioritize.

- **Research and innovation:** Virginia historically has provided research support to institutions, research facilities and other initiatives across the Commonwealth. Several institutions indicated in their six-year plans an interest to support research that aligns with the needs of the state, including the areas of health and public health, social mobility/equity, information technology and cybersecurity.
- **Community and economic development outreach:** Higher education centers and some institutions provide outreach and support to their surrounding communities through economic development initiatives, museums and cultural centers, pre-K-12 support and equity initiatives that also are funded through the budget process.

**Collaborative initiatives: SCHEV, Virtual Library of Virginia and other system support**

While Virginia's successful system of higher education operates in a decentralized model, it also benefits from increases in efficiencies and effectiveness when it also supports initiatives that further collaborations across institutions and at the system level. This includes the following initiatives:

**Virtual Library of Virginia (VIVA):** [VIVA](#) is a consortium of non-profit academic libraries within the Commonwealth of Virginia. Members include all of the 39 state-assisted colleges and universities (the six doctoral universities, nine four-year institutions, and 24 community and two-year branch colleges), as well as 31 of the independent (private, nonprofit) institutions and the Library of Virginia. VIVA supports resource sharing of Virginia's print and microform collection through shared access to online library resources and educational and training opportunities for member libraries. VIVA also leads initiatives related to the use of open educational resources (OER) to help lower textbook costs for students.

Funding is provided annually to support several initiatives through VIVA. The following is a list of priority items for the program:

- **Priority 1:** Sustain current collections, expand equity, diversity and inclusion materials and sustain streaming media collection access (\$1 million in FY 2023 and \$1.3 million in FY 2024)
- **Priority 2:** Create a publishing infrastructure for open educational resources in Virginia (\$500,000 in each fiscal year)
- **Priority 3:** Open up Virginia faculty research to the world -- greater infrastructure support to institutions (\$400,000 in each fiscal year)

**SCHEV agency operation support and other agency requests:** SCHEV provides ongoing support for a variety of tasks charged by the state. Over the last several years, SCHEV has assumed new responsibilities and assignments, sometimes without adequate resources to keep up with the expectations. Consistent with the goals of *Pathways to Opportunity*, SCHEV staff seeks funding to increase capacity for additional staff in the areas of data security, programming evaluation and diversity, equity and inclusion/human resources. SCHEV requests additional financial support for staffing of the new data system to support the tuition equity and aid implementation and ongoing funding for the cost and funding need study for implementation and other reviews.

Another area of funding relates to improving FAFSA completion and advising. This year, the Governor formed a FAFSA completion workgroup to identify opportunities for Virginia to improve completion rates (currently [lower than the national average](#)) for low-income schools. The [report](#) identified several improvements to the system. SCHEV will support the recommendations focused on state coordination and education to students and parents through existing staff and funding, but requests funds to increase college advising services at schools with 50% or more students receiving free or reduced priced lunch. (\$750,000 in the first year and \$1.5 million in the second year to support this effort.)

To better support innovation, equity and student completion, the state could consider grants to support institutions that implement innovations, such as those implemented through the [University Innovation Alliance](#) or other promising practices aligned with state needs. SCHEV is planning to support grants through the existing Funds for Excellence and Innovation, but requests funding of \$525,000 for each year of the biennium to allow broader implementation.

In addition, SCHEV also plans to work in partnership with state healthcare organizations, including the Virginia Mental Health Access Program, the Virginia Healthcare Foundation

and legislative and Governor's staff to help improve mental health services and workforce services by proposing pilot programs on campuses to increase mental services while providing clinical opportunities for individuals seeking licensure, supporting greater education to health centers on campus, and identifying peer-led faculty and student groups to support a mental health culture of awareness.

SCHEV also serves as a pass-through agency for several other aid and institution programs, including the Tuition Assistance Grants (TAG), the Virginia Military Survivors Stipend Program and the Virginia Space Grant Consortium. Funding amounts requested by SCHEV for both operations and pass through funds are included in Appendix D.

## SECTION 3: FINANCIAL AID

Funding to support operations is one path to maintain affordability as state funding can help offset growth in tuition and fees. Another path to address affordability is through the use of financial aid.

The following information includes funding recommendations to address affordability while also meeting other priorities of the state.

### **Undergraduate need-based financial aid**

The Commonwealth of Virginia's primary state financial aid program is the Virginia Student Financial Assistance Program. This program provides direct appropriations to public institutions to be used to award both the Virginia Commonwealth Award and the Virginia Guaranteed Assistance Program to Virginia students demonstrating financial need. SCHEV recently reviewed its model for making funding recommendations and in 2019 adopted changes to that model so that state funding is weighted toward institutions whose students have the highest average need. As identified in the [2019 report](#), average student need varies widely among the institutions.

For the 2022-24 biennium, SCHEV recommends that the Commonwealth reduce unmet need – as determined by the funding model – with particular attention on those institutions with the highest levels of unmet need. Additional funds would enable institutions to mitigate increasing costs, stabilize or reduce unmet need, minimize the need for borrowing, support increased enrollment among low-income students and increase completion rates.

A reduction in need could reduce average debt and improve graduation rates. For perspective, a \$2,000 decrease in unmet need correlates to approximately a three-percentage point increase in graduation rates. The graduation rate for the institutions with the highest levels of need are below the system average.

An increase of \$20 million in the first year and \$130 million in the second year could increase the average awards and potentially reduce the average unmet need across the system by an average of over \$950 per student in the second year. In addition, the six four-year institutions demonstrating the highest levels of need could be reduced by between \$1,500 and \$2,000 per student in the second year if tuition and fees do not increase. Institution amounts are included in Appendix E.

### **Virginia Military Survivors and Dependent Education Program (VMSDEP)**

The VMSDEP provides assistance to Virginia's veterans who have made significant personal sacrifices, including loss of life, liberty (prisoner of war or missing in action) or "limb" (90%



or more disabled as a result of service) by waiving tuition and required fees and providing a stipend to their dependents. Usage of the program is difficult to forecast as it is subject to sudden increases and decreases. Currently there is no reliable early projection indicator as the pool of eligible students is not tied to high school completion rates or other standard projection measures.

The Department of Veterans Services (DVS) reported in August 2021 that the number of program applications are at historic levels and new applications continue to be submitted. These numbers indicate participation in FY 2022 is well ahead of previous years with a possible 50% increase following 13% increases in two of the past three years. The increases are reportedly due to enhanced marketing and advising of families by other state and federal offices providing services to veterans and their families, increased assistance in completing the VMSDEP applications, and increased efficiency in obtaining federal records to verify eligibility. A 50% increase in participation would result in 2,400 stipend recipients for FY 2022. At this level, the maximum award is projected to be reduced from \$1,900 to \$1,200 for FY 2022.

According to projections provided by DVS, the participation rate will continue to rise into the next biennium requiring an additional \$5.4 million and \$6.5 million for FY 2023 and FY 2024 respectively (to return to current maximum award of \$1,900). Staff recommends funding the \$5.4 million in the first year and then level funding for the second year while the program continues to be monitored and projections are refined as updated data are available. In addition, for the upcoming biennium, SCHEV will seek flexibility in the use of financial aid funds to avoid reductions in aid to this program if enrollments increase beyond the current funding level.

### **Graduate Education (Virginia Graduate Commonwealth Award)**

While most of the attention on affordability is focused on undergraduate enrollments, graduate programs are also critical to the economic health of the Commonwealth. This program is designed to better position the institutions in attracting the best and most diverse students for their graduate programs. (The institution can decide whether to award based on need or merit criteria.)

Funding for graduate aid has not increased since FY 2018, when the General Assembly increased the appropriation by \$1.3 million, to \$23.3 million. In spring 2020, the General Assembly approved an additional \$1 million and \$1.5 million in FY 2021 and FY 2022 respectively for seven institutions offering research programs; however, these new funds were unallotted at the beginning of the pandemic.

Graduate financial assistance is often associated with economic development. With increasing competition from other states to attract top graduate students, the Commonwealth of Virginia should increase its investment in this program especially for research institutions and high-demand programs. SCHEV recommends an additional \$4 million and \$6 million for FY 2023 and FY 2024, respectively. This request includes the restoration of the unallotted funds from the 2020 General Assembly.

### **Other equity and affordability initiatives**

Increasing the number of graduates in high-demand fields and growing diversity in the workforce is an important component to helping individuals prosper and employers improve innovation. The state currently supports several aid initiatives in this area, such as:

- **New Economy Workforce Credential Grant program.** This program provides noncredit training to individuals at only  $\frac{1}{3}$  of the cost of the program in high-demand fields. Due to the pandemic, the program currently maintains a surplus, but demand may grow in the coming year.
- **Get Skilled, Get a Job, Get Ahead (G3) program at community colleges.** This newly formed program offers free tuition to low-income students enrolled in certain high-demand programs. Currently enrollments are within the current allocation, but funding may be needed in the second year as awareness grows.
- **Virginia College Affordability Network at VSU and NSU:** This newly formed program also provides funding for tuition and fees for recent high school students living within a 25-mile radius of the campus. These institutions identified a large interest and expected enrollment in these programs which may grow in the coming years.
- **SREB doctoral scholars program.** This program supports equity by providing funding for underrepresented students in doctoral studies programs. It is a cooperative program with the Southern Regional Education Board (SREB). Current state allocations of \$25,000 per student ensures that these students have their tuition and fees covered, provides a modest living stipend and covers professional development and mentoring opportunities. Since 1993, Virginia has funded 185 scholars, 98% of whom are minority students. To increase program participation to 15 students annually would require an additional \$205,000 for each year of the biennium.

### **Virginia Tuition Assistance Grant Program (TAG)**

TAG provides an opportunity for students to consider enrollment in one of Virginia's private, non-profit colleges and universities. While not a need-based program, approximately 80% of recipients are low- and middle-income students. Over the last biennium, the

Governor and the General Assembly have increased the maximum undergraduate award from \$3,400 to \$4,000.

Beginning in FY 2021, the availability of TAG was to be phased-out for students enrolled in an online degree program. This policy decision was reversed in 2021 with the restoration of TAG for these students, though at a lower rate. During the pandemic year of FY 2021, TAG usage declined even further suggesting the possibility of a bounce-back year in FY 2022. These factors have made the short-term projection of TAG usage more uncertain than in prior years.

With the restoration of TAG to online students, the number of TAG recipients is expected to increase for FY 2022 and then level off for the FY 2022-24 biennium. Holding TAG for online students at \$2,000 and increasing TAG for residential students to \$4,250 and \$4,600 over the biennium will require an additional \$1.3 million and \$7.64 million for FY 2023 and FY 2024, respectively. This includes an equivalent increase for graduate students.

### **Tuition equity and aid provision**

In 2020, the General Assembly created a new path to obtaining in-state tuition for those whose legal status does not permit the establishment of domicile. Instead of undergoing a domicile review, students may now be considered for in-state tuition by meeting certain high school and state tax filing requirements. In 2021, the benefits available to qualifying students was extended to include state financial assistance beginning in FY 2023.

SCHEV is reviewing the expected number of eligible students at both public and participating private, non-profit colleges and universities. Funding for state financial assistance programs will need to be increased in order to accommodate these additional students; otherwise program awards will need to be reduced.

For public institutions, to accommodate an additional 2,000 students eligible for the Virginia Student Financial Assistance Program will require an additional \$8 million and \$8.8 million for FY 2023 and FY 2024, respectively.

For private, non-profit institutions, to accommodate an annual increase of an additional 100 students eligible for the Virginia Tuition Assistance Grant program will require an additional \$400,000 and \$800,000 for FY 2023 and FY 2024, respectively.

## SECTION 4: BUDGET LANGUAGE REQUESTS AND OTHER POLICY CONSIDERATIONS

In addition to budget recommendations, each year, SCHEV staff identify budget language and additional areas for policy consideration to address specific needs. The following is a list of language requests and considerations for the upcoming biennium.

### **Budget language requests**

The two language requests relate to strategies and priority initiatives of the *Pathways to Opportunity* plan focus on a review of student support services and further alignment of state funding to higher education through implementation of the cost and funding need study and a review of other cost areas.

SCHEV staff plans to pursue this work regardless of whether the language is included in the budget; however, inclusion in the budget helps ensure that these priorities align with expectations of the Governor and General Assembly.

**Review of student support services.** This is a priority area identified by Council. If Virginia is to close its equity gaps in college-student participation, persistence and completion, then the state must strengthen the support services that its institutions provide to students. The first step toward such strengthening is the identification of critical issues in such services. A review of services coupled with analysis of best practices nationally, can inform recommendations for state and institutional action. SCHEV proposes the following language to support this work:

*The State Council of Higher Education for Virginia shall conduct a review of the critical issues in student-support services facing higher education in the Commonwealth and shall report its findings and recommendations for positively affecting the impacts of support services on student well-being, persistence and completion to the Governor and the General Assembly by November 1, 2022.*

### **Cost study implementation and review of equipment, capital and other program areas.**

Work related to the Council strategy of alignment of funding resources is underway through the existing cost and funding need study approved during the 2021 General Assembly session. A final report is due on July 1, 2022. In order to maintain momentum of the study for the upcoming biennium and continue to review other costs areas, SCHEV requests the following budget language:

*The State Council of Higher Education for Virginia Finance and Appropriations Committee, Department of Planning and Budget, Secretary of Finance, and Secretary of Education, as well as representatives from public higher education institutions, shall: (1) develop an implementation plan, including any proposed legislation based on the recommendations developed as part of the Cost and Funding Need Review authorized in Chapter 552 of the Acts of the General Assembly and (2) complete a review of additional program areas that SCHEV is responsible for providing budget recommendations, including the Higher Education Equipment Trust Fund, operation and maintenance of new facilities, maintenance reserve and capital.*

*The Council shall submit to the Governor and Chairs of Senate Finance and House Appropriations Committees the implementation plan by November 1, 2022 and the report on the review of additional programs areas by July 1, 2023.*

### **Other areas for consideration**

During the development of the 2022-24 budget and policy recommendations, SCHEV staff explored other innovations that are not included in the recommendations. Yet they bear some consideration and might become part of a detailed proposal at a later date. The three below relate directly to the principles of student access and success and closing attainment gaps. SCHEV staff will continue to seek input on these ideas to assess whether the Council would be interested in pursuing them further.

**Need-based aid for private colleges.** In its revisions to the state undergraduate need-based financial aid programs, SCHEV has made an effort to allocate more financial aid to those institutions that have students with the greatest financial need. It is a concept that is fundamental to the 2022-24 recommendation to add \$150 million over the biennium, with the institutions with the greatest financial need receiving the largest increases. The Commonwealth might want to explore the possibility of establishing a program for students attending private nonprofit institutions. In 2019-20, more than 40% of in-state fall undergraduate students attending private nonprofit institutions received a Pell grant. One option would be to provide a state grant to all Virginia students who meet certain financial criteria to receive a fixed amount to offset the cost of education.

**Endowment fund for financial aid.** Institutions rely heavily on private giving to meet institutional and student financial needs. The state could create an incentive program so that individuals, businesses and nonprofit organizations would be willing to give money to institutional endowments, provided the money be used specifically to lower the cost of attendance for students with the greatest financial need. The amount of the match could vary

depending on the type of institution, the number of low-income the institution serves or other factors. The incentive could be in the form of a matching fund for eligible contributions.

**Financial aid for more Pell students.** A recent [report](#) from Education Reform Now highlighted the fact that five Virginia public institutions rank in the bottom 15 of institutions nationwide in the number of Pell-grant-eligible students they enroll. While Virginia has made some progress, Virginia’s public institutions still enroll below the national averages. While Pell-grant status is not the only measure of income, it is nationally accepted as a benchmark for enrollment of low-income students. Some of the institutions on the list say that they do not have sufficient resources to recruit more Pell-eligible students. The challenge is complicated by the fact that the financial aid calculations (described above) are based on meeting the financial needs of currently enrolled students. The state might consider a performance-based program that would provide financial aid to institutions that meet certain criteria to increase the number of students that might not otherwise enroll due to financial constraints.



SCHEV 2022-24 Systemwide Operating and Financial Aid Budget Recommendations

**APPENDIX A: COSTS OF NONPERSONAL SERVICES (NPS) BY INSTITUTION**

	<b>Nonpersonal Expenditures</b>	<b>Adjust NPS FY 2022</b>	<b>FY 2023 Total NPS</b>	<b>FY 2024 Total NPS</b>	<b>GF share</b>	<b>FY 2023 GF Share</b>	<b>FY 2023 NGF Share</b>	<b>FY 2024 GF Share</b>	<b>FY 2024 NGF Share</b>
CNU	\$17,195,532	\$17,539,443	\$350,789	\$708,593	59.8%	\$210,000	\$141,000	\$424,000	\$285,000
GMU	\$140,239,408	\$143,044,196	\$2,860,884	\$5,778,986	49.9%	\$1,428,000	\$1,433,000	\$2,884,000	\$2,895,000
JMU	\$73,923,211	\$75,401,676	\$1,508,034	\$3,046,228	49.6%	\$748,000	\$760,000	\$1,511,000	\$1,535,000
LU	\$13,584,552	\$13,856,243	\$277,125	\$559,792	61.8%	\$171,000	\$106,000	\$346,000	\$214,000
NSU	\$18,930,301	\$19,308,907	\$386,178	\$780,080	50.3%	\$194,000	\$192,000	\$392,000	\$388,000
ODU	\$80,660,995	\$82,274,215	\$1,645,484	\$3,323,878	55.8%	\$918,000	\$727,000	\$1,855,000	\$1,469,000
RU	\$26,610,576	\$27,142,787	\$542,856	\$1,096,569	61.0%	\$331,000	\$212,000	\$669,000	\$428,000
UMW	\$13,628,154	\$13,900,717	\$278,014	\$561,589	60.1%	\$167,000	\$111,000	\$338,000	\$224,000
UVA	\$206,542,313	\$210,673,159	\$4,213,463	\$8,511,196	32.2%	\$1,357,000	\$2,856,000	\$2,741,000	\$5,770,000
UVAW	\$8,981,636	\$9,161,268	\$183,225	\$370,115	59.8%	\$110,000	\$73,000	\$221,000	\$149,000
VCU	\$151,695,193	\$154,729,097	\$3,094,582	\$6,251,056	49.8%	\$1,541,000	\$1,554,000	\$3,113,000	\$3,138,000
VMI	\$8,800,386	\$8,976,394	\$179,528	\$362,646	40.8%	\$73,000	\$107,000	\$148,000	\$215,000
VSU	\$24,893,023	\$25,390,884	\$507,818	\$1,025,792	47.0%	\$239,000	\$269,000	\$482,000	\$544,000
VT	\$206,737,934	\$210,872,692	\$4,217,454	\$8,519,257	38.1%	\$1,607,000	\$2,610,000	\$3,246,000	\$5,273,000
W&M	\$60,079,109	\$61,280,691	\$1,225,614	\$2,475,740	38.6%	\$473,000	\$753,000	\$956,000	\$1,520,000
RBC	\$4,512,766	\$4,603,021	\$92,060	\$185,962	63.6%	\$59,000	\$33,000	\$118,000	\$68,000
VCCS	\$197,569,953	\$201,521,352	\$4,030,427	\$8,141,463	62.7%	\$2,527,000	\$1,503,000	\$5,105,000	\$3,036,000
<b>Total</b>	<b>\$1,254,585,041</b>	<b>\$1,279,676,742</b>	<b>\$25,593,535</b>	<b>\$51,698,940</b>	<b>48.7%</b>	<b>\$12,153,000</b>	<b>\$13,440,000</b>	<b>\$24,549,000</b>	<b>\$27,151,000</b>

Notes: Expenditures are from Cardinal submissions. GF share is 2019 data. 2021 GF share calculations will be updated prior to submission.

**APPENDIX B: OPERATIONS AND MAINTENANCE OF NEW FACILITIES OPENING IN 2022-24**

	FY 2023			FY 2024			2022-24		
	GF	NGF	Total	GF	NGF	Total	GF	NGF	Total
CNU	\$182,000	\$122,000	\$304,000	\$187,000	\$126,000	\$313,000	\$369,000	\$248,000	\$617,000
GMU	\$6,000	\$8,000	\$14,000	\$11,000	\$15,000	\$26,000	\$17,000	\$23,000	\$40,000
ODU	\$182,000	\$144,000	\$326,000	\$726,000	\$575,000	\$1,302,000	\$908,000	\$719,000	\$1,627,000
UVA	\$173,000	\$707,000	\$880,000	\$173,000	\$710,000	\$880,000	\$346,000	\$1,417,000	\$1,760,000
VCU	\$208,000	\$210,000	\$418,000	\$417,000	\$420,000	\$837,000	\$625,000	\$630,000	\$1,255,000
VMI	\$217,000	\$315,000	\$532,000	\$286,000	\$415,000	\$701,000	\$503,000	\$730,000	\$1,233,000
W&M	\$157,000	\$250,000	\$407,000	\$314,000	\$499,000	\$814,000	\$471,000	\$750,000	\$1,220,000
RBC	\$55,000	\$32,000	\$87,000	\$222,000	\$123,000	\$345,000	\$277,000	\$155,000	\$432,000
VCCS	\$428,000	\$255,000	\$683,000	\$428,000	\$255,000	\$683,000	\$856,000	\$510,000	\$1,366,000
VT	\$757,000	\$1,390,000	\$2,147,000	\$1,206,000	\$2,124,000	\$3,330,000	\$1,963,000	\$3,514,000	\$5,477,000
VT-ext	\$666,000	\$35,000	\$701,000	\$759,000	\$40,000	\$799,000	\$1,425,000	\$75,000	\$1,500,000
<b>Total</b>	<b>\$3,031,000</b>	<b>\$3,468,000</b>	<b>\$6,499,000</b>	<b>\$4,729,000</b>	<b>\$5,303,000</b>	<b>\$10,032,000</b>	<b>\$7,760,000</b>	<b>\$8,771,000</b>	<b>\$16,531,000</b>

**APPENDIX C: TALENT, RECRUITMENT AND RETENTION**

	<b>FY 2023</b>	<b>FY 2024</b>
CNU	\$1,696,000	\$3,205,000
GMU	\$9,744,000	\$19,600,000
JMU	\$4,998,000	\$10,231,000
LU	\$1,277,000	\$2,424,000
NSU	\$1,519,000	\$2,800,000
ODU	\$5,149,000	\$9,923,000
RU	\$2,321,000	\$4,469,000
UMW	\$1,182,000	\$2,256,000
UVA	\$7,079,000	\$16,459,000
UVAW	\$458,000	\$878,000
VCU	\$8,086,000	\$15,815,000
VMI	\$553,000	\$1,229,000
VSU	\$1,206,000	\$2,225,000
VT	\$11,793,000	\$26,041,000
W&M	\$3,179,000	\$7,276,000
RBC	\$195,000	\$360,000
VCCS	\$13,483,000	\$24,835,000
<b>Total</b>	<b>\$73,918,000</b>	<b>\$150,026,000</b>

**Note:** Estimates based on FY 2021 expenditures of admin, teaching and research, graduate teaching assistants, and adjunct and a percentage of fringe. Increases use a FY 2022 5% adjustment and 3% in FY 2023 and FY 2024. Adjustments made based on the percentage of in-state students and institutions operating at or near base adequacy costs.

**APPENDIX D: SCHEV BUDGET REQUESTS FOR 2022-24 BIENNIUM**

<b>Title</b>	<b>FY 2022 Funding</b>	<b>FY 2023 Request</b>	<b>FY 2024 Request</b>
<b>Agency operations</b>			
<b>Staffing to address shortfalls and expand capacity:</b> Six positions to address data security, programming, evaluation and HR/diversity		\$837,033	\$1,115,684
<b>Maintenance and operation of tuition equity and aid data system:</b> Staffing to support system	\$200,000	\$103,676	\$103,676
<b>Cost and funding need study phase II:</b> Implement recommendations, review capital and equipment (prior funds were one-time)	\$0	\$150,000	\$150,000
<b>Subtotal agency operations</b>		<b>\$1,090,709</b>	<b>\$1,369,360</b>
<b>Pass-through funds to institutions or other providers</b>			
<b>Virginia Talent + Opportunity Partnership -V-TOP (Statewide Internship Program):</b> Expand programming	\$2,000,000	\$5,000,000	\$15,000,000
<b>FAFSA completion and advising:</b> Implement recommendations of FAFSA workgroup	\$0	\$750,000	\$1,500,000
<b>Virtual Library of Virginia Collections:</b> Grow staffing support and programs	\$9,162,363	\$1,900,000	\$2,200,000
<b>Funds for Excellence and Innovation:</b> Increase grants to institution to improve completion and retention through the use of data	\$225,000	\$525,000	\$525,000
<b>Subtotal funds to institutions or other providers</b>		<b>\$8,175,000</b>	<b>\$19,225,000</b>
<b>Pass-through funds for financial aid</b>			
<b>Southern Regional Education Board Doctoral Scholars:</b> Grow scholarships to increase diversity	\$170,000	\$205,000	\$205,000
<b>Military Survivors Stipend:</b> Meet growth in program	\$2,280,000	\$5,400,000	\$5,400,000
<b>Tuition Assistance Grant:</b> Estimated tuition equity and aid provision	\$0	\$400,000	\$820,000
<b>Tuition Assistance Grant:</b> Increase from \$4,000 to \$4,250 in FY 2023 and \$4,500 in FY 2024	\$79,598,303	\$1,000,000	\$5,600,000
<b>Virginia Space Grant Consortium:</b> Grow Building Leaders for Advancing Science and Technology (BLAST)	\$795,000	\$182,000	\$182,000
<b>Subtotal financial aid</b>		<b>\$7,187,000</b>	<b>\$12,207,000</b>
<b>Total Requests</b>		<b>\$16,452,709</b>	<b>\$32,801,360</b>

**APPENDIX E: UNDERGRADUATE AID**

	<b>FY 2023</b>	<b>FY 2024</b>
CNU	\$167,800	\$1,090,700
GMU	\$4,150,700	\$26,979,700
JMU	\$951,100	\$6,182,400
LU	\$277,300	\$1,802,300
NSU	\$986,500	\$6,412,200
ODU	\$3,212,200	\$20,879,100
RU	\$1,503,500	\$9,772,900
UMW	\$276,700	\$1,798,400
UVA	\$450,700	\$2,929,800
UVAW	\$240,200	\$1,561,500
VCU	\$1,880,300	\$12,221,800
VMI	\$42,100	\$273,400
VSU	\$630,400	\$4,097,700
VT	\$1,018,000	\$6,616,800
W&M	\$119,200	\$774,700
RBC	\$93,300	\$606,600
VCCS	\$4,000,000	\$26,000,000
<b>Total</b>	<b>\$20,000,000</b>	<b>\$130,000,000</b>

**Notes:** Calculations based on the funding model developed in 2019 and discussed in SCHEV's [overall review of financial aid](#).