State Council of Higher Education for Virginia

FY 2024 Systemwide Operating and Financial Aid Budget Recommendations for Higher Education in Virginia

November 2022

Table of Contents

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 and statewide needs and to provide options for the Governor and General Assembly to when developing budget and policies for the Commonwealth.

In the second year of the biennial budget, SCHEV generally affirms the two-year budget passed in the prior General Assembly session, considers SCHEV recommendations that did not receive support in the previous session and seeks budget and language adjustments based on new circumstances that may arise. For the 2022-2024 biennium, the Governor and General Assembly made significant investments in higher education with a total of over $1 billion in operation and financial aid and another $1 billion in capital.

Given the large investments in the higher education budget, SCHEV's recommendations focus on expected cost increases and the impacts of affordability and potential areas of priority for budget and policy consideration that align to statewide needs.

The following is a brief overview of key recommendation areas as the state considers funding and policies for higher education for the upcoming budget and 2023 General Assembly session:

- **Systemwide cost increases and impacts on affordability:** The recent tuition and fee report highlighted the growth in tuition and fees for the 2022-23 academic year after several years with minimal increases. For FY 2024, several systemwide costs will impact all institutions and are expected to require additional institution funding support. These systemwide costs include: (1) the institution share of the five percent salary increases, (2) the impact of rising inflation on nonpersonal service costs, (3) operations and maintenance of new facilities coming online and (4) expected growth in the military survivor tuition waivers. SCHEV provides estimates for these costs and options for state support if the Governor and General Assembly wish to minimize the impact on student tuition and fees.
- **Statewide priority areas and initiatives:** In more recent years, the state has placed a priority on certain key areas through policy or budget initiatives. This includes the statewide internship program, financial aid, workforce alignment, and student and mental health services. If the Governor or General Assembly wish to make investments in higher education, these initiatives along with efforts to mitigate systemwide cost increases should be considered as priority areas.
- **Institutions specific services and activities:** In addition to systemwide cost increases, institutions may seek state general fund support for specific initiatives. Initial institution requests are outlined in their six-year plans that were completed in October.

Further, institutions make formal requests to the Governor through the Department of Planning and Budget. Considerations are provided for prioritizing the types of requests to align with state needs.

- **Capital investments, planning and maintenance reserve:** As noted, the state also made significant capital investments last year. This year, institutions submitted capital requests for FY 2024. SCHEV reviewed these requests and provides criteria to consider in the selection of these projects if the Governor and General Assembly wish to provide additional capital in the upcoming budget. Given the current inflationary cost overruns on existing projects, the state may wish to prioritize funding in these areas first. In addition, given the large investments over the years in capital, continued investments in maintenance reserve to maintain facilities should be prioritized as well.

The following report includes additional information based on the areas identified above and is provided through the following sections:

- **Section 1:** Current funding for the 2022-2024 biennium
- **Section 2:** Systemwide cost increases and the impact on affordability
- **Section 3:** Statewide areas of interest and priority
- **Section 4:** Capital investments, planning and maintenance reserve

SECTION ONE: CURRENT FUNDING FOR THE 2022-2024 BIENNIUM

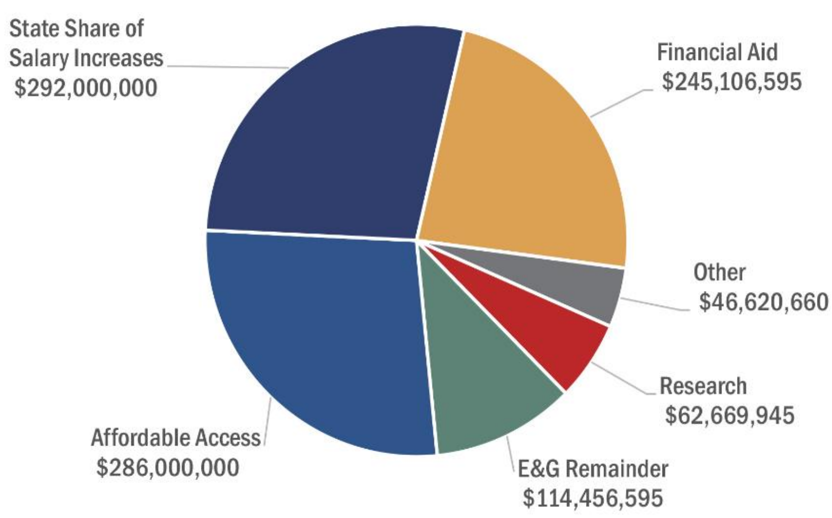
During the 2022 session, the budget included over $1 billion in investments in higher education. This investment exceeded SCHEV recommendations and included funding for annual five percent salary increases, financial aid, research and other activities. The table below provides an overview of the investments and a SCHEV Insights blog post, describes the funding amounts in more detail. One item to note is the significant investment in need-based aid in the second year. This investment was largely targeted to reduce gaps in student unmet financial need at institutions that serve a high proportion of low-income students compared to other institutions. This was highlighted in a SCHEV Insights post.

Table 1: Additional Operating General Fund for the 2022-2024 biennium

Program	FY 2023	FY 2024	Total
E&G	$299,348,659	$393,107,936	$692,456,595
Financial Aid	$49,247,017	$195,859,578	$245,106,595
Research	$35,934,063	$26,735,882	$62,669,945
Other	$22,653,792	$23,966,868	$46,620,660
Total	**$407,183,531**	**$639,670,264**	**$1,046,853,795**

The graphic provides additional illustration of the investments by program.

Graph 2: Additional Operating General Fund by Higher Education Program



In addition to investments in higher education operating funding and financial aid, the state also continued to provide significant investments in capital. The biennium budget included over $1 billion in capital projects along with smaller investments in maintenance reserve and equipment.

Last, during the pandemic, institutions received direct support from the federal government beginning 2020. There were several allocations provided. For most of the funding amounts, institutions were required to allocate at least half of the funding to through student aid. The last round of funding must be spent by June 2023. As of July 31, 2022, institutions expended approximately 80 percent of the funding provided. Additional data on the federal stimulus funding is included in Appendix A.

With the large investments already in the budget for the biennium, the focus of the SCHEV considerations for the FY 2024 budget and 2023 General Assembly Session are to identify potential systemwide cost increases institutions may face. It also takes into account institution-specific priorities and other potential budget and policy topics that may arise.

SECTION TWO: SYSTEMWIDE COST INCREASES AND THE IMPACT ON AFFORDABILITY

The systemwide cost estimates are focused on nondiscretionary costs that the institutions are expected to incur in FY 2024 due to four main factors: the institution cost of the five percent salary increases, the impact of rising inflation on nonpersonal service costs, operations and maintenance of new facilities coming online and expected growth in the military survivor tuition waivers.

The cost estimates include the assumptions that:

1. Only educational and general (E&G) programs are calculated and do not include expected cost increases for auxiliary programs,
2. That costs incurred in FY 2023 were absorbed by the institution or accounted for in the 2022-23 tuition increases and that the institutions that provided one-time waivers for tuition and fees only applied them for current academic year, and
3. That specific variations that an institution may experience due to other unique factors of their institution or region are not included.

The following provides a summary of the total costs and includes estimates based on different funding approaches if that state were to consider mitigating these costs.

Systemwide total cost estimates

Institution cost of state-authorized salary increase: The budget authorized a five percent salary increase for both years of the biennium. On average, the state provides approximately 50% of the costs of the increases and institutions are required to support the remaining amount. While the budget provided funding for the state share of the salary increase, institutions will need to provide funding for the remaining balance. According to the Department of Planning and Budget the cost of the E&G component of the estimated institution cost is approximately $101.2 million.

Inflation estimates on nonpersonal services: With recent changes in the minimum wage and supply chain and worker shortages, inflation is expected to grow at higher rates than prior years. Institutions note increased costs related to nonpersonal services, including those related to insurance premium rates, contractual services, operations and maintenance of facilities and in other purchases.

Based on data used by the Virginia Employment Commission ("Executive Summary: US Economic Outlook, September 2022" by IHS Markit), the CPI for all goods and services rose by 8.1 percent in 2022 and is expected to grow by 3.9 percent in 2023 and 2.2 percent in 2024. Based on these figures, SCHEV projects a 6.0 percent inflation rate for FY 2023 (the average of 8.1 and 3.9 percent) and 3.1 percent (the average of 3.9 and 2.2 for FY 2024).

Due to fluctuations as a result of COVID, nonpersonal services have varied over the last three years. FY 2021 had the largest fluctuation that appears to be attributed to increased expenditures for COVID testing, cleaning and other requirements. By reviewing the FY 2020 and FY 2022 expenditures, nonpersonal services averaged 23% of total costs for these two years. Applying the estimated inflation rates results in additional cost of $42.1 million for FY 2024.

Operation and maintenance (O&M) costs of new facilities: Last year, SCHEV estimated the O&M costs of new facilities and only provided recommendations in FY 2023 as opening dates for FY 2024 could vary due to construction delays or changes. The buildings opening in FY 2023 were partially funded using a fund split estimate provided by SCHEV. The total cost estimate for O&M of new buildings opening in FY 2024 is approximately $11.9 million.

Military survivors and dependents education program (VMSDEP) growth: 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.

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. Participation in FY 2022 is ahead of previous years and follows 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.

While the state provided funding to support the increased growth in stipends for the program, institutions are required to waive tuition and fees to eligible students. In the 2020-21 year, 3,090 students were eligible for the waiver resulting in $31 million in waived tuition and fees. Initial estimates are that growth in 2021-22 was 47% (final figures are expected in November 2022) and could grow by 50% in 2022-23 and 33% in 2023-24. Based on these projections, the costs could increase to $68 million in FY 2023 and $91 million in FY 2024–indicating a potential $22.7 million increase from FY 2023 to FY 2024.

Based on 2021-22 data, in-state students comprise approximately 95% of the costs ($21.5 million) and in-state undergraduate costs are approximately 81% ($17.6 million). While the state has not provided funding for tuition waivers in the past, the rapid growth will impact institution revenues.

While growth is expected at all institutions, the rate of growth may vary by institution. Since individuals eligible for the program are dependents, they may choose to attend any public Virginia institution to receive the benefit. If the state chooses to provide funding to support this growth, SCHEV recommends allocating the funding to a central account to better assess trends and distribute funds based on actual growth for FY 2024.

The table below provides a summary of these costs.

Total cost estimates (in millions)

Area	Total Cost
Salary increase (institution share of cost)	$101.2
Nonpersonal services	$42.1
O&M of new facilities in FY 2024	$11.9
Virginia military survivor tuition waiver growth FY 2023 to FY 2024*	$22.7
Total costs	**$177.9**

Notes:

*The military survivor waiver figures are provided based on estimated growth in costs for in-state students for estimates 1-3 as 95% of costs and estimate 4 is based on 81% of cost using current cost estimates for in-state undergraduates based on 2021-22 data.

Estimates of costs based on different funding approaches

The above items represent the estimated amounts in each area of expected growth. Institutions often seek to support costs through the reallocation of costs internally and through revenue sources. The source of the funds can come from various areas, but tuition and fees are a large part of nongeneral fund revenues. The total costs are based on all funding sources, including in-state and out-of-state, graduate and undergraduate students and other programs, such as community services and research under the E&G program category. The following are estimates based on various cost approaches the state may wish to consider.

Estimate 1: Traditional fund split. The budget includes the goal that "the General Assembly shall seek to cover at least 67 percent of resident of cost" related to base adequacy. (Item 4-2.01 b.3.a). SCHEV traditionally calculates funding amounts based on this goal. The remaining 33 percent is expected to be funded by the institution, potentially through tuition and fees. After factoring in out-of-state students, this amount averages to about half the cost for the system.

For the salary increases, the budget currently includes the state share using a traditional fund split. However, the budget does not include funding for the estimates related to nonpersonal service costs, O&M and the VMSDEP program. The estimated cost of providing a fund split approach for nonpersonal services and O&M is $23.1 million. Including the VMSDEP estimates for in-state students adds $21.5 million for a total of approximately $44.6 million.

Estimate 2: Traditional fund split with incremental support based on low-income student enrollments: In the past, the Council has included recommendations that provide more state support to institutions that enroll higher percentages of low-income (Pell-eligible) students. This is based on the assumption low-income students are more likely to need to take additional debt to afford college or may not attend (or return) if costs are too high. The approach proposed in this option provides additional funds to institutions based on a scale of the number of Pell-eligible students they enroll where the amount the state covers is proportionally higher for institutions with higher percentages. The impact of cost by institution would vary using this approach.

Estimate 3: In-state share of undergraduate student costs. This estimate uses the portion of tuition revenues from an institution's six-year plan that is used for in-state undergraduates and applies to the total costs. The in-state undergraduate share of tuition revenues averages about 48 percent. Applying this amount to costs is approximately $94 million with a potential average cost to students of approximately $475-500.

While this amount may mitigate tuition and fee increases, this approach would provide more state general fund support for institutions with the highest tuition and E&G fees, which tend (although not exclusively) to be those with a higher proportion of students who have a higher ability to pay.

Estimate 4: In-state share of student cost (undergraduate and graduate). This cost estimate includes the general fund support for the full cost of in-state students, including graduate students. As in estimate three, this would allocate more state resources toward institutions with a higher proportion of students who may have a higher ability to pay.

Estimates of costs (in millions)

Area	Total Cost	Estimate 1:	Estimate 2:	Estimate 3:	Estimate 4:
		Traditional fund split (67% of in-state costs)	Traditional fund split + additional support to institutions with low-income students	In-state undergraduate share	In-state student share (undergraduate & graduate)
Salary increase (institution share of cost)	$101.2	included in budget	$24.3	$48.9	$58.0
Nonpersonal services	$42.1	$20.3	$25.4	$22.1	$25.5
O&M of new facilities in FY 2024	$11.9	$2.8	$4.0	$5.4	$6.2
Virginia military survivor tuition waiver growth FY 2023 to FY 2024*	$22.7	$21.5	$17.6	$17.6	$21.5
Sub-total costs	**$177.9**	**$44.6**	**$71.4**	**$94.0**	**$111.2**
State and institution-specific services and activities	Up to $200	n/a	n/a	n/a	n/a

Notes:

*The military survivor waiver figures are provided based on estimated growth in costs for in-state students for estimates 1-3 as 95% of costs and estimate 4 is based on 81% of cost using current cost estimates for in-state undergraduates based on 2021-22 data.

SECTION THREE: STATE AREAS OF INTEREST AND PRIORITY

In addition to the costs listed above, the state may have additional areas of interest to support. In reviewing the institution requests and other areas of consideration, SCHEV estimates that the amounts could total up to $200 million. The following is a list of current topics related to higher education that may be considered as part of the budget or legislative bill process that Council staff are monitoring. This list includes initial background and approaches.

Internship alignment: The state provided added support for the internship program and fund (Virginia Talent + Opportunity Partnership) for the upcoming biennium. This amount was lower than amendments, including amendments submitted by the Governor and legislators to provide additional support. If the Governor and General Assembly wish to provide additional funding and support in FY 2024, the following are potential strategies to consider.

- **Need-based aid for internships:** While the state's undergraduate need-based aid program includes a provision to allocate up to 15 percent of financial aid for internship programs, it appears there is limited use of this allocation due to challenges with administering the aid program (currently under review by JLARC) and as a result of the need to address existing financial need of students. The state could consider an investment in a separate need-based aid program that is exclusively available for internship support that would provide funding for stipends to students for use as payment for working at a nonprofit, government entity or other businesses.
- **Housing support at institutions:** Another area of consideration is the need for housing if students need to relocate for a summer or semester. Housing can be a barrier for both students and employers that are not located in areas with short-term housing options. In collaboration with institutions and other stakeholders, SCHEV could review options to short-term housing, including the consideration of using available dorms at institutions to better support student internships.
- **Career services support:** With the growth in focus on career development and job placement through internships and after college, additional investments may be needed by institutions to better support students through career services as a core component of their learning experience to support increased student, faculty and business connections and identify more opportunities to document and assess internship activities.
- **Other areas of consideration:** Further areas of consideration could include externship programs for faculty to spend 6-8 weeks in the summer working at companies to gain experience related to their area of expertise, a shared services model to provide added support to students for mock interviews, resume review, etc., creation of alternative career readiness models at community colleges for students that do not wish to

pursue a degree, such as those created through the Mike Rowe Works Foundation, annual reporting of progress and outcomes of the program to support greater transparency and increase opportunities for input and dialog.

Student services improvements, including mental health: SCHEV recently completed a review of student services and identified several key opportunities to better support students. Further, the Governor is leading an initiative with education providers to learn about the needs in this area. The state may wish to consider investments and legislation in this area in the coming year.

Program alignment to workforce needs and key shortage areas: Similar to internships, additional funding has been added in recent years to further align curriculum to workforce needs. The recently established Virginia Office of Education Economics at the Virginia Economic Development Partnership (VEDP) was cited to provide support to several higher education initiatives in the budget. SCHEV is actively engaged with these projects. As additional data and policies are identified, SCHEV will work with the Governor and General Assembly to assist in opportunities to further align these areas. In addition, teacher and nursing/healthcare shortages continue to be a high concern. Several initiatives and funding approaches were included in the budget, but additional efforts could be considered to better support workforce alignment.

Access and completion/success initiatives: In addition to funding to provide further affordability and efforts to increase access through the Pell initiative. The funding includes $25 million in the second year to increase access and retention of low-income students and requires SCHEV to hire a national organization to assist with this effort. If additional policies are identified as part of this process, SCHEV will work with the Governor and General Assembly to further align these efforts.

Need-based aid investments and award simplification: As mentioned, the state provided a significant investment in need-based aid for FY 2024 based on SCHEV's aid recommendations and review of its formula. This large investment focused on closing gaps in unmet need for low-income students at institutions service a large percentage of low-income students. Other areas identified during the formula review and over the last year include an interest to support emergency grants that provide small awards for just-in-time aid for students that may prevent them from completing their coursework. The federal stimulus funds provided this option over the last three years and funds will no longer be available after June 2023. Last, Joint Legislative Audit and Review Commission (JLARC) is currently reviewing this topic and is expected to provide their report in November. A key focus area of the report is on awarding practices—an area SCHEV was not able to address during the formula review. SCHEV will monitor the recommendations from the report and identify potential policy changes for the upcoming session if needed.

Dual enrollment pricing: This is another area of interest by the Council and part of a JLARC review that will be reported in November. Once the report is available, staff will identify potential policy changes and funding areas for the upcoming session if needed.

Data-driven processes, cost and performance alignment: The Governor has brought an increased focus to using data to inform processes, such as through the six-year planning, capital reviews and the cost and funding need study. SCHEV staff is actively engaged in these discussions and providing additional data support. SCHEV recently completed a preliminary review of costs and funding needs. A few areas identified in the initial analysis may require budget and code changes to further support implementation. One identified change is the approach to additional funding for capacity building through placement of funds in a central account for several years to ensure expected outcomes are met. Institution requests in six-year plans could be reviewed using this approach. Further, the state could explore options to enhance performance funding through existing or new initiatives.

Investments in strategies to support student academic success/learning loss: The pandemic caused disruptions in learning in both high school and college that could have lasting consequences. If colleges and universities are experiencing learning loss, then the state may want to develop strategies to address gaps created by the pandemic.

Institutional debt practices/transcript withholding: During the 2022 session, there were several bills under consideration related to students having transcripts withheld due to student debt. In addition, the Secretary of Education was assigned responsibility to conduct a review of institutional student debt by December 1. SCHEV staff is providing support as part of this review. If additional findings from this report indicate a need for further policy alignment, then the state may wish to consider budget language or legislation to support this project.

Data science hub: The budget requires SCHEV to convene a workgroup review of institutions for the purpose "assessing the need and, potentially, developing a plan for a Data Science Innovation Hub and the possible roles for the specific institutions." SCHEV has met with institutions and plans to continue discussions this fall. If additional funding or language is needed, SCHEV will work with the Governor and General Assembly.

Other technical policy changes: In addition, to the above, SCHEV is seeking more technical legislative changes as part of the policy review process. This includes the adjustments to the maximum award for the Workforce Credential Grant given inflationary increases (current award is capped $3,000 and has not increased since the creation in 2016) and the percent cap for one program; changing the Tech Talent reporting timeframes to align with reporting requirements in the Institution's MOUs.; and conforming state aid practices to changes made in federal aid.

Institution-specific priorities and initiatives

This year institutions submitted their updated six-year plans in July. These plans provide an early look at potential institution initiatives and activities for the upcoming year. While final plans were not due until October 11, the preliminary requests totaled $234 million for FY 2024. The biggest request focused on the institution share of the five percent salary increases to keep tuition and fees low. Other requests focused on financial aid, operations and maintenance for new facilities coming online, information technology costs, student affairs and educational programs. While some of the requests are included in the cost estimates included in the prior section, there are other institution-specific costs that the Governor and General Assembly may wish to consider.

Further, institutions submitted budget requests to the Department of Planning and Budget in September. These amounts totaled $159 million for FY 2024. (These figures are preliminary and could change in October.) The majority of requests focus additional areas support, such as mental health services, IT costs, salary differentials and investments in programs, such as IT, public health and medical school expansion.

For institution specific requests, SCHEV recommends prioritizing the review of these initiatives based on the following criteria:

- <u>Support for collaboration, shared resources and procurement.</u> The recent cost and funding study report identified an opportunity to potentially further efficiencies in the state by leveraging shared resources. Institutions submitting requests that could benefit from a shared service approach or through additional collaboration. This could include topics related to IT services, online mental health support, etc.
- <u>Student success, including mental health.</u> SCHEV has worked with institutions over the last six months to identify student needs as they relate to supporting success. Initiatives that can improve the overall mental health of students can help improve student success. Priority should be given to initiatives that can improve outcomes for students.
- <u>Alignment to other state, regional, and institutional needs.</u> As noted, institutions may identify specific needs that are unique to their institution or region or align to a statewide need, such as new program development in high demand areas or increased efforts in shortage areas.

SECTION FOUR: CAPITAL INVESTMENTS, PLANNING AND MAINTENANCE RESERVE

SCHEV has responsibilities pertaining to budget recommendations of systemwide capital outlay requirements of public higher education in Virginia. The enabling legislation can be found, in part, in Sections 23.1-208 A through C, and 23.1-203 (9) and (12) of the Code of Virginia. The following is a summary of projects submitted by institutions in August to the Department of Planning and Budget.

In the 2022 session, the General Assembly deferred funding to initiate planning for 19 institutions' capital projects in the Central Capital Planning Pool for 2022-24 biennium and seven capital projects in institutional capital outlay budgets. Deferred projects involved new construction, improvements, renovation and infrastructure for both E&G and auxiliary facilities.

Institutions submitted a total of 68 projects for consideration with an estimated state general fund request of $2.6 billion. The requests include projects for new construction, renovation, infrastructure improvements, and demolition. While there are many factors impacting the prioritization of these projects if the Governor and General Assembly wish to provide funding, based on feedback provided by the Department of Planning and Budget, Governor's and money committee staff, SCHEV staff recommends reviewing projects and categorizing them based on the following factors: agency prioritization, project inclusion in their six-year plan, critical maintenance component (ADA, Mechanical, Safety, Electric, Plumbing), relative age of the facility, enrollment trends, if the project was deferred in capital planning process and project specific rationale,

Last, with large investments in capital, the state should consider maintaining these assets. The Association of Physical Plant Administrators (APPA) provides background on how states and education entities should consider the maintenance of capital. According the Department of Planning and Budget and Department of General Services, estimates of the current maintenance reserve backlog for institution facilities is $2-3 billion. Last year, the state provided over $106 million in maintenance reserve (not including standalone projects that could reduce the maintenance reserve backlog). SCHEV recommends including an increased investment in maintenance reserve to help maintain facilities. A doubling of current investments would represent two percent of the total amount.

Summary of Capital Outlay Requests 2022 (in millions)

Total # of Projects	GF Request	NGF Request	9(c) and 9(d) Debt Request	Tax Request	Total Requests
68	$2,681.4	$279.0	$292.10	$5.7	$3,258.3

APPENDIX A: STATUS OF EXPENDITURES FOR FEDERAL STIMULUS FUNDING

Congress passed three major stimulus packages in response to the COVID-19 pandemic: 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. All three were passed over the course of one year (March 2020 to March 2021). Each subsequent aid package was larger than the previous and had varying rules and regulations for how the funds can be spent and whether they went directly to institutions or to pass-through entities.

Table 1: Total COVID-19 Stimulus Spending in Virginia Higher Education

Inst. Category	CARES	CRRSAA	ARP	Grand Total
Publics	$436,737,044	$443,520,970	$837,045,063	$1,717,303,077
Privates	$130,522,700	$140,718,939	$211,628,841	$482,870,480
Total	**$567,259,744**	**$584,239,909**	**$1,048,673,904**	**$2,200,173,557**

Source: U.S. Department of Education

HEERF

All three statutes contained funds that went directly to institutions, the Higher Education Emergency Relief Fund (HEERF), with a portion set aside for student aid. HEERF funds accounted for over 80% of all federal stimulus funds that were directed to Virginia institutions ($1.8 billion out of $2.2 billion). Within HEERF, there were three main funds. The first used a formula to distribute funds based on each institutions' enrollment levels, weighted for Pell recipients. The second fund was for Historically Black Colleges & Universities, Minority Serving Institutions, and institutions serving high concentrations of low-income students. This fund did not set aside a portion for student aid. A third fund and the smallest amount allowed for the use of funds at the U.S. Secretary of Education's discretion. Each subsequent bill also loosened the restrictions on how the student aid portion could be used. For instance, in CARES, the student aid portion had to be transferred directly to students. In ARP, the funds can be used for any aspect of students' cost of attendance and applied directly to the students' account.

Table 2: Student Aid as a Portion of HEERF

Inst. Category	Total HEERF Funds	HEERF Student Aid	Student Aid as a % of HEERF
Publics	$1,397,616,090	$549,300,439	39.3%
Privates	$446,147,982	$147,146,743	33.0%
Total	**$1,843,764,072**	**$696,447,182**	**37.8%**

Source: U.S. Department of Education

Virginia's public institutions received $1.4 billion, with $549 million set aside for student aid in HEERF. Private institutions received $446 million, with $147 million set aside for student aid. While this is a notable amount, it's worth noting the $1.4 billion for publics is allowed to be spread over three years and accounts for less than five percent of the total budget for higher education in Virginia when accounting for both general fund and non-general fund over the same time period.

Institutions report their HEERF spending quarterly to the U.S. Department of Education. These reports aggregate total HEERF spending across all three statutes. To make tracking the funds easier, the U.S. Department of Education created a tool that aggregates the reports and organizes by institution and fund type. A review of this tool shows that Virginia's public institutions have spent 80% of HEERF allocations. This leaves $271 million that has not been reported as spent. Generally institutions have spent most or all of the portion set aside for student aid. The data below is based on expenditures through July 30, 2022. Funds may be used through June 2023.

HEERF Reported Spending as of July 31, 2022

Institution	Total Awarded	Total Spent	% Total Spent
CNU	$14,389,378	$12,885,653	90%
GMU	$121,073,489	$88,963,569	73%
JMU	$61,734,645	$61,734,645	100%
LU	$17,223,783	$17,223,584	100%
NSU	$102,607,938	$70,588,124	69%
ODU	$92,388,338	$66,412,590	72%
RU	$47,439,103	$47,313,533	100%
UMW	$15,236,153	$12,190,824	80%
UVA	$58,987,461	$48,387,394	82%
UVA-W	$6,224,611	$5,405,877	87%
VCU	$109,304,526	$102,048,041	93%
VMI	$5,567,687	$5,053,130	91%
VSU	$78,744,822	$55,228,714	70%
VT	$97,066,293	$97,066,293	100%
W&M	$19,823,063	$18,617,108	94%
Four-Year	**$847,811,290**	**$709,119,079**	**84%**
VCCS	$512,344,823	$379,866,587	74%
RBC	$5,779,910	$5,779,910	100%
Two-Year	**$518,124,733**	**$385,646,497**	**74%**
All Publics	**$1,365,936,023**	**$1,094,765,577**	**80%**

Source: https://covid-relief-data.ed.gov/profile/state/VA

Notes: Data compiled through Education Stability Fund's Transparency portal. Federal guidelines on student aid evolved through subsequent rounds of stimulus funding. For instance, CARES Act student aid was required to be used as emergency student aid. Subsequent bills expanded eligible spending to traditional financial aid; however, spending is aggregated up through all three bills. These data do not include awards or spending from other sources of federal funds, such as CRF, GEERF or the state recovery funds in ARPA.

State Discretionary Funds

In addition to HEERF that went directly to institutions, an additional $356 million was distributed through the state through three other funds. The CARES Act funded 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 American Rescue Plan (ARP) created the third fund with state discretion, State and Local Fiscal Recovery Fund (SLFRF), which were allocated to SCHEV by the General Assembly during the second 2021 Special Session. That money ($100 million for students attending public colleges and universities and $11 million for privates) was distributed in early 2022.