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**HOUSE BILL NO. 317**

Offered January 12, 2022

Prefiled January 11, 2022

*A BILL to amend and reenact §§ 23.1-302, 23.1-304, and 23.1-309 of the Code of Virginia, relating to public institutions of higher education; per student enrollment-based funding; noncredit workforce training programs.*

Patron—Freitas

Committee Referral Pending

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 23.1-302, 23.1-304, and 23.1-309 of the Code of Virginia are amended and reenacted as follows:**

**§ 23.1-302. Public institutions of higher education; funding.**

Each public institution of higher education shall receive funds from the state general fund or sources other than the state general fund, or both, for each fiscal year of each biennium for:

1. Basic operations and instruction, as provided in § 23.1-303;
2. Each Virginia undergraduate student actually enrolled at the institution, as provided in § 23.1-304;
3. Need-based financial aid, as provided in § 23.1-306; and
4. Support for targeted financial incentives that encourage and reward progress toward the policy objectives specified in this chapter, as provided in § 23.1-305.

**§ 23.1-304. Per student enrollment-based funding at public institutions of higher education.**

A. To incentivize undergraduate Virginia student enrollment growth at the Commonwealth's public institutions of higher education in furtherance of the increased degree conferral purpose of this chapter, the Governor shall recommend and the General Assembly shall determine and appropriate to such institutions a per student amount that follows each Virginia undergraduate student *and each Virginia student enrolled in a noncredit workforce training program* to the public institution of higher education in which the student enrolls. Recommendations regarding such Virginia undergraduate student enrollment growth incentive shall be developed and reviewed as provided in subdivision B 1 of § 23.1-309.

B. The Governor shall consider and may recommend and the General Assembly shall consider and may provide additional general fund appropriations to address the unfunded enrollment growth that occurred between the 2005-2006 fiscal year and July 1, 2011.

C. To assist the General Assembly in determining the per student amount provided for in subsection A and its relation to the per student amount provided to nonprofit private institutions of higher education pursuant to the Tuition Assistance Grant Act (§ 23.1-628 et seq.), each nonprofit private institution of higher education eligible to participate in the Tuition Assistance Grant Program shall submit to the Council its Virginia student enrollment projections for that fiscal year and its actual Virginia student enrollment for the prior fiscal year in a manner determined by the Council. The student admissions policies for such private institutions and their specific programs shall remain the sole responsibility of the governing boards of such individual institutions.

**§ 23.1-309. Higher Education Advisory Committee established; duties.**

A. The Secretary of Education, in consultation with the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations, the Secretary of Finance, and each public institution of higher education, shall convene a Higher Education Advisory Committee (Advisory Committee) to provide advice and make recommendations on the matters set forth in subsections B, C, and D. The Advisory Committee shall consist of at least 11 members as follows: one representative of the Office of the Secretary of Education appointed by the Secretary of Education who shall serve as chair of the Advisory Committee; one representative of the Office of the Secretary of Finance appointed by the Secretary of Finance; one representative of the Council appointed by the Chairman of the Council; the staff directors of the House Appropriations Committee on Appropriations and the Senate Committee on Finance and Appropriations, or their designees; and the presidents or their designees of five public institutions of higher education, which shall include two doctoral institutions, two comprehensive institutions, and one comprehensive community college, appointed by the presidents of the public institutions of higher education, and a representative from a nonprofit private institution of higher education appointed by the Governor who shall not provide advice or make recommendations concerning policies that solely impact public institutions of higher education. Both the Governor and the Advisory Committee may designate other individuals to serve on the Advisory Committee, including representatives of academic and instructional faculty or fiscal officers of public institutions of higher

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HB317

59 education.

60 B. Consistent with the objective and purposes of this chapter identified in § 23.1-301, the Advisory  
61 Committee shall develop and subsequently review at least once every five years, in consultation with the  
62 staff of the Council and the respective Chairmen of the House Committees on Appropriations and on  
63 Education and the Chairmen of the Senate Committees on Finance and Appropriations and on Education  
64 and Health, or their designees, representatives of public institutions of higher education, and such other  
65 state officials as may be designated by the Governor, and with assistance from the staff of the Council  
66 and such other assistance as it may require:

67 1. The methodology established pursuant to subsection A of § 23.1-304 for determining how a  
68 significant increment of state funding shall follow the student to the associate-degree-granting or  
69 baccalaureate public institution of higher education in which the student enrolls, how the amount of such  
70 per student funding for baccalaureate public institutions of higher education will be made to correspond  
71 as nearly as practical to the per student allocation envisioned under the then-existing appropriation for  
72 the Tuition Assistance Grant Act (§ 23.1-628 et seq.) for students attending nonprofit private institutions  
73 of higher education, how and as of what date the student enrollment at each public institution of higher  
74 education shall be calculated, and how an increase or decrease in Virginia undergraduate student  
75 enrollment above or below the enrollment level used to calculate the institution's funding pursuant to §  
76 23.1-303 shall be reflected in the institution's appropriation pursuant to subsection A of § 23.1-304, and  
77 the standards and process for determining whether an increase or decrease in Virginia undergraduate  
78 student enrollment qualifies for funding pursuant to § 23.1-304;

79 2. Criteria for determining which families qualify as "low-income" and "middle-income" for purposes  
80 of § 23.1-306 and how they relate to federal, state, and institutional policies governing the provision of  
81 financial assistance to students of such families;

82 3. Objective performance criteria for measuring the financial incentives set forth in § 23.1-305 and  
83 the benefits of meeting or consequences of not meeting the incentives included in an institution's  
84 six-year plan pursuant to § 23.1-306;

85 4. Economic opportunity metrics such as marketplace demand, earning potential, and employer  
86 satisfaction and other indicators of the historical and projected economic value of degrees that can be  
87 used to assess degree programs in order to provide useful information on the economic impact of  
88 degrees to students as they make career choices and state policy makers and university decision makers  
89 as they decide how to allocate scarce resources;

90 5. The additional authority that should be granted to all public institutions of higher education under  
91 the Restructured Higher Education Financial and Administrative Operations Act (§ 23.1-1000 et seq.),  
92 state goals and objectives each public institution of higher education should be expected to achieve,  
93 objective criteria for measuring educational-related performance with regard to those goals and  
94 objectives, and the benefits of meeting or consequences of not meeting those goals and objectives,  
95 including those set forth in subsection C of § 23.1-1002; and

96 6. The role of private institutions of higher education in addressing the goals set forth in this chapter  
97 and recommendations regarding such matters.

98 The Advisory Committee shall submit its recommendations to the Council, which shall review the  
99 recommendations and report its recommendations to the Governor and the Chairmen of the House  
100 Committees on Appropriations and on Education and the Chairmen of the Senate Committees on  
101 Finance and Appropriations and on Education and Health.

102 C. Consistent with the objective and purposes of this chapter identified in § 23.1-301, the Advisory  
103 Committee shall review at least every five years, in consultation with the staff of the Council, the  
104 respective Chairmen of the House Committees on Appropriations and on Education and the Chairmen of  
105 the Senate Committees on Finance and Appropriations and on Education and Health, or their designees,  
106 representatives of public institutions of higher education, and such other state officials as may be  
107 designated by the Governor, and with assistance from the staff of the Council and such other assistance  
108 as it may require:

109 1. Federal and state financial aid programs and institutional practices to ensure that the appropriate  
110 level of financial assistance is being provided to both low-income and middle-income families, as  
111 required by § 23.1-306, including loan forgiveness programs targeted by purpose in furtherance of the  
112 objective of this chapter; and

113 2. The Restructured Higher Education Financial and Administrative Operations Act (§ 23.1-1000 et  
114 seq.) to identify additional ways to reduce costs and enhance efficiency by increasing managerial  
115 autonomy with accountability at the institutional level.

116 The Advisory Committee shall submit its recommendations to the Council, which shall review the  
117 recommendations and report its recommendations to the Governor and the Chairmen of the House  
118 Committees on Appropriations and Education and the Senate Committees on Finance and on Education  
119 and Health.

120 D. The Advisory Committee shall periodically assess, based upon the institutions' six-year plans and

121 other relevant factors, the degree to which the Commonwealth's system of higher education is meeting  
122 the statewide objectives of economic impact, reform, affordability, and access reflected in this chapter  
123 and the strategic impact of new general fund investments on achieving those objectives. The Advisory  
124 Committee shall submit its assessment and recommendations to the Council, which shall review the  
125 assessment and recommendations and report its recommendations to the Governor and the Chairmen of  
126 the House Committees on Appropriations and on Education and the Chairmen of the Senate Committees  
127 on Finance and Appropriations and on Education and Health.  
128 E. In addition to providing advice and making recommendations on the matters set forth in  
129 subsections B, C, and D, the Advisory Committee shall perform such other duties and undertake such  
130 other responsibilities as requested by the Governor or the General Assembly.