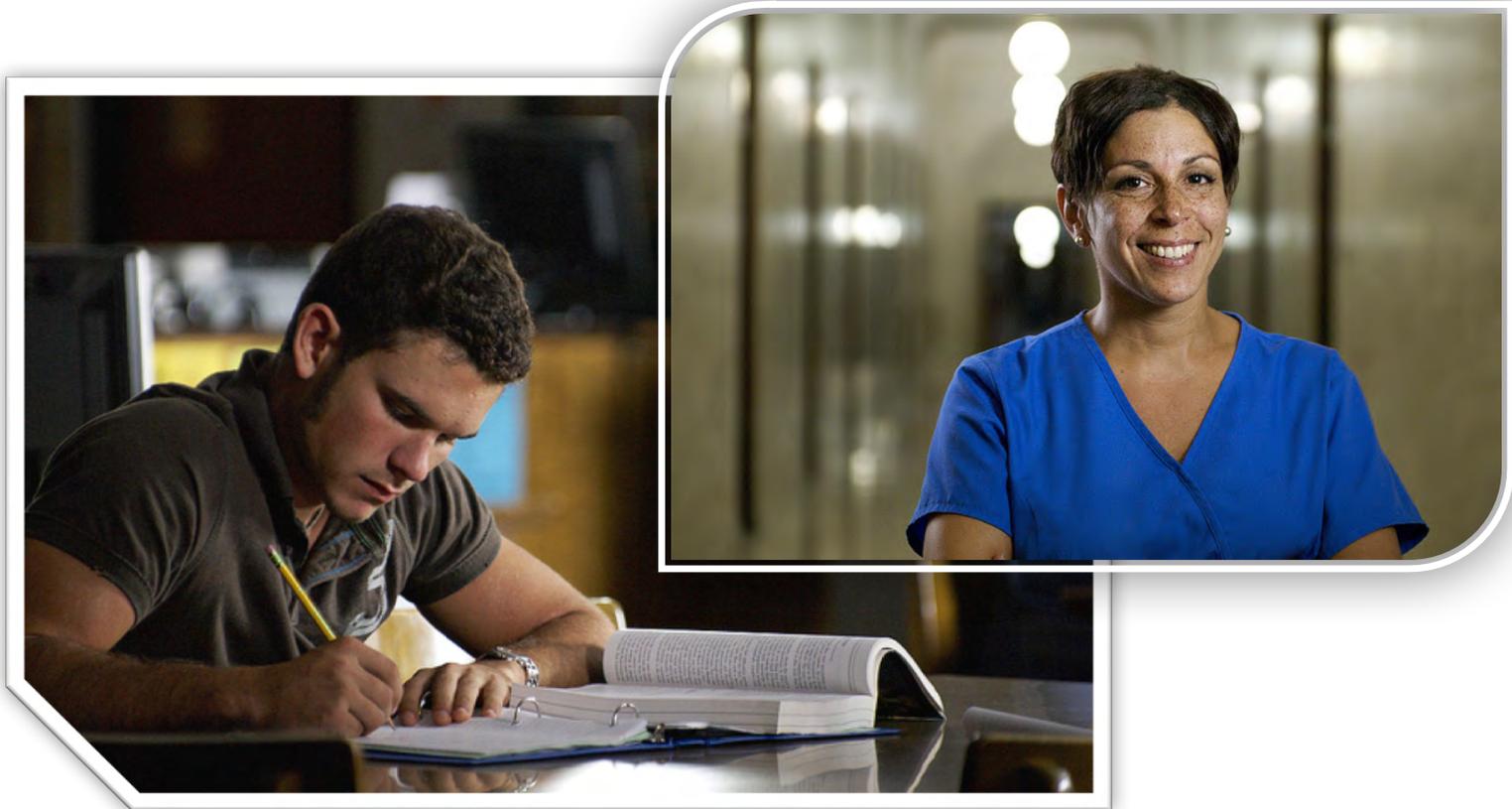




WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION

Fiscal Year 2019 Appropriation Request and Analysis





Our **GOALS** for West Virginia:

- **WV needs a more-EDUCATED workforce to attract and retain employers**
- **WV needs more students COMPLETING their degrees** (*not just enrolling more*)
- **WV still needs more citizens going to college** (*more adult learners, not just recent high schoolers*)



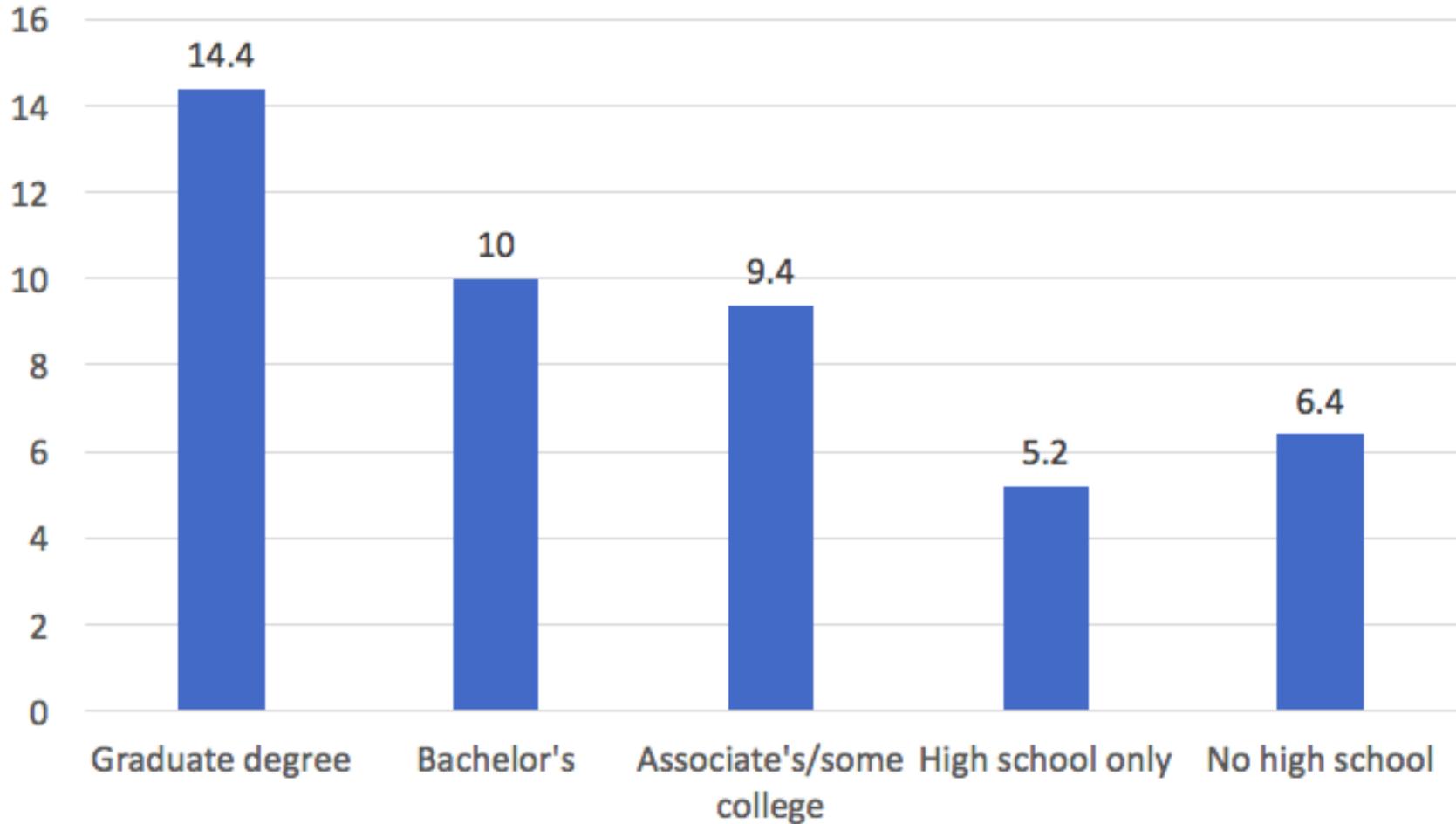
More college graduates are needed

51%

More than half of all jobs in West Virginia will require an associate's degree or higher by 2020.



Projected job growth 2016-2026

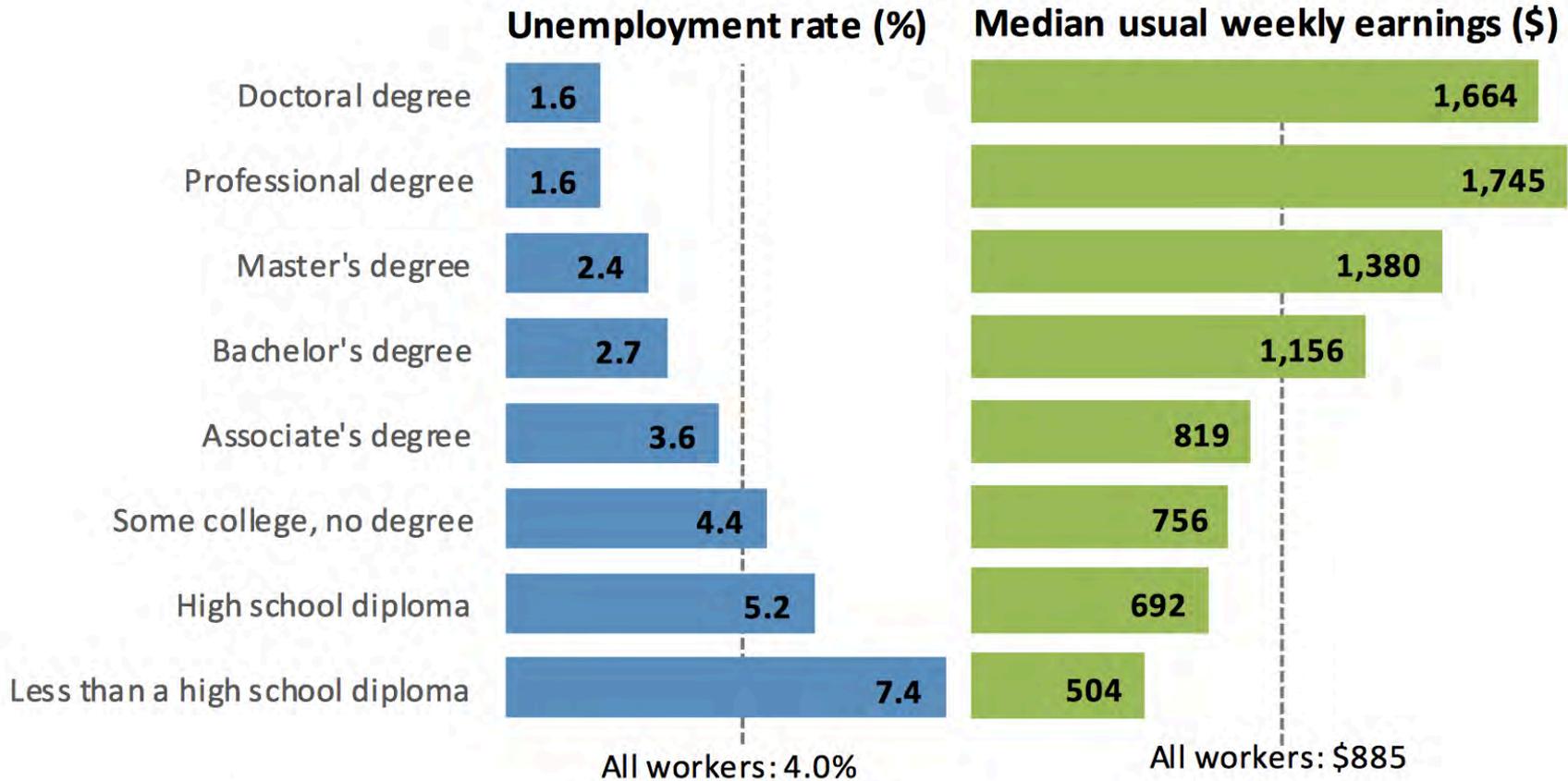


Source: U.S. Bureau of Labor Statistics



2016 Unemployment and Earnings by Degree

Earnings increase and unemployment decreases as educational attainment rises



Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.



West Virginia's colleges and universities are doing their job

18,500

In the last few years, our institutions
have produced a **record number** of graduates annually.



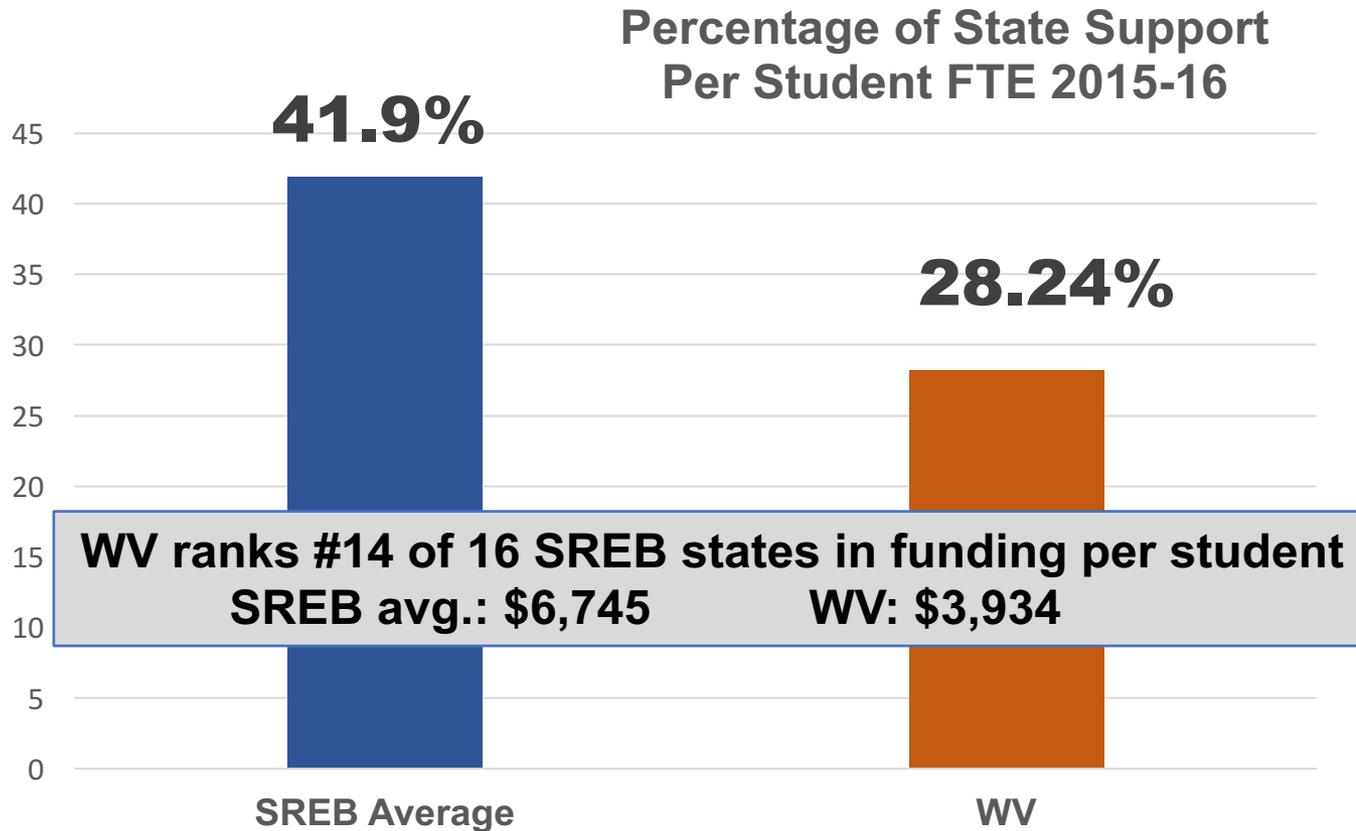
HEPC leverages state funding for millions more in federal and private grants

\$90M

- Received more than \$90 million in federal and private grants the past seven years
- Funding supports college access and completion
- 1/3 of agency employees supported by grants



West Virginia students cannot afford further cuts to higher education



Responsible spending with tighter budgets



- **Eliminated vacant positions**
- **Additional unfilled vacancies**
- **Laid off employees**
- **Reduced work hours**
- **Outsourcing**
- **Early retirements**

Money saved by sharing services



- **Bond refinancing**
- **Financial aid distribution**
- **Financial aid staffing for schools**
- **We supply the legal staff**
- **Administrative support**
- **HR services**
- **IT services and WVNET**
- **Combining positions**

Impact of budget reductions on WV institutions

	FY 13 Base	FY 14 Base	FY 15 Base	FY 16 Base	FY 17 Base	FY 18 Budget	Reductions to Base Budgets from FY 13 to FY 18	Percentage Reductions to Base Budgets from FY 13 to FY 18
General Revenue								
Bluefield State College	\$6,593,442	\$6,003,814	\$5,856,558	\$5,815,119	\$5,636,862	\$5,379,199	(\$1,214,243)	-18.42%
Concord University	10,206,804	9,294,046	9,040,548	8,933,744	8,674,596	8,278,077	(1,928,727)	-18.90%
Fairmont State University	17,880,671	16,281,666	15,842,394	15,668,202	15,277,769	14,579,417	(3,301,254)	-18.46%
Glenville State College (1)	7,126,804	6,489,479	6,318,177	6,034,427	5,891,397	5,622,099	(1,504,705)	-21.11%
Marshall University (2)	69,192,668	64,205,013	62,457,037	60,680,791	58,947,624	54,940,572	(14,252,096)	-20.60%
Shepherd University	11,228,474	10,224,351	9,941,104	\$9,831,330	9,551,994	9,360,954	(1,867,520)	-16.63%
West Liberty University	9,322,524	8,488,844	8,255,151	\$8,196,740	7,956,371	7,592,683	(1,729,841)	-18.56%
WV School of Osteopathic Medicine (3)	8,152,570	7,423,514	7,211,133	7,159,027	6,942,960	6,640,894	(1,511,676)	-18.54%
West Virginia State University (4)(5)(6)	13,612,389	12,395,081	12,053,981	11,956,850	11,588,018	11,099,907	(2,512,482)	-18.46%
West Virginia University (7)(8)(9)	142,323,053	129,625,607	126,423,765	122,405,690	119,057,765	110,950,979	(31,372,074)	-22.04%
West Virginia University Institute of Technology (4)	9,467,640	8,620,982	8,400,448	8,281,570	7,987,811	7,436,007	(2,031,633)	-21.46%
West Virginia University Potomac State	4,690,189	4,270,762	4,177,993	4,037,218	3,921,488	3,650,589	(1,039,600)	-22.17%
Total HEPC Institutions	\$309,797,228	\$283,323,159	\$275,978,289	\$269,000,708	\$261,434,655	\$245,531,377	(\$64,265,851)	-20.74%

Notes:

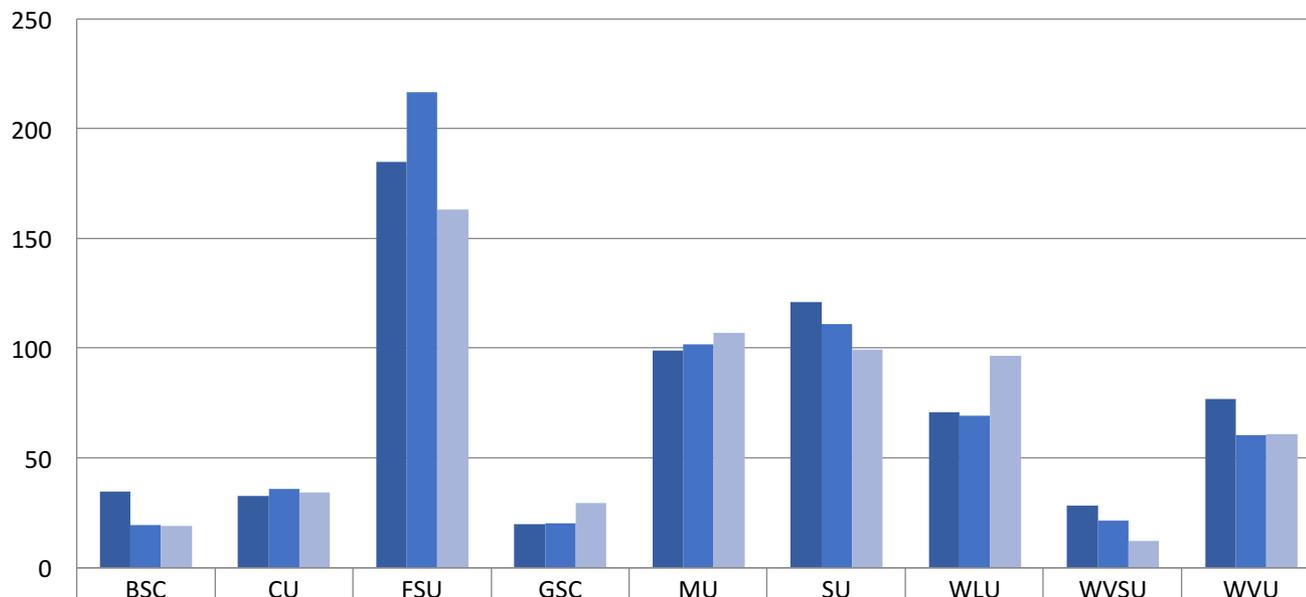
- (1) One-time funding of \$80,000 in FY 13 is excluded.
- (2) Includes medical school and BRIM.
- (3) Includes BRIM.
- (4) FY 13 includes general operation funds of \$1.5 million allocated between WVUIT and WVSU. General operation funds was added to the two institutions' base in FY 14.
- (5) Excludes one time funding of \$170,626 in FY 14.
- (6) Includes land grant funding.
- (7) Excludes one-time funding of \$200,000 in FY 14.
- (8) Includes the medical school, divisions, and BRIM.
- (9) In addition, WVU receives spending authority of \$15,935,640 from the soft drink tax. This revenue from tax is reduced by \$1.6 million.

This table excludes rural health funding and other special purpose funding.



Impact of budget reductions on WV institutions

Number of Days Cash



■ FY 2015 Number of Days Cash	35	33	185	20	99	121	71	28	77
■ FY 2016 Number of Days Cash	19	36	217	20	102	111	69	21	60
■ FY 2017 Number of Days Cash	19	34	163	30	107	99	97	12	61



West Virginia 2017-18 in-state tuition and fees

Institution	2008	2013	2016-17	2017-18	Average Growth Rate			Cumulative Dollar Change	Cumulative Percentage Change
					1 Year Change	5 Year Change	10 Year Change		
Bluefield State College	\$3,984	\$5,180	\$6,408	\$6,728	5.0%	5.4%	5.4%	\$2,744	68.88%
Concord University	\$4,414	\$5,716	\$7,080	\$7,574	7.0%	5.8%	5.5%	\$3,160	71.59%
Fairmont State University	\$4,614	\$5,326	\$6,950	\$7,296	5.0%	6.5%	4.7%	\$2,682	58.13%
Glenville State College	\$4,174	\$5,860	\$7,344	\$7,342	0.0%	4.6%	5.8%	\$3,168	75.90%
Marshall University	\$4,360	\$5,930	\$7,154	\$7,798	9.0%	5.6%	6.0%	\$3,438	78.85%
Shepherd University	\$4,564	\$5,834	\$7,170	\$7,328	2.2%	4.7%	4.8%	\$2,764	60.56%
West Liberty University	\$4,172	\$5,930	\$7,038	\$7,380	4.9%	4.5%	5.9%	\$3,208	76.89%
WV State University	\$4,156	\$5,442	\$6,996	\$7,346	5.0%	6.2%	5.9%	\$3,190	76.76%
West Virginia University	\$4,722	\$6,090	\$7,992	\$8,376	4.8%	6.6%	5.9%	\$3,654	77.38%
WVU Institute of Technology	\$4,598	\$5,558	\$6,648	\$6,960	4.7%	4.6%	4.2%	\$2,362	51.37%

The College Board data provides the following – 2016-17 published tuition and fees at public four-year institutions for in-state students:

National: \$9,650

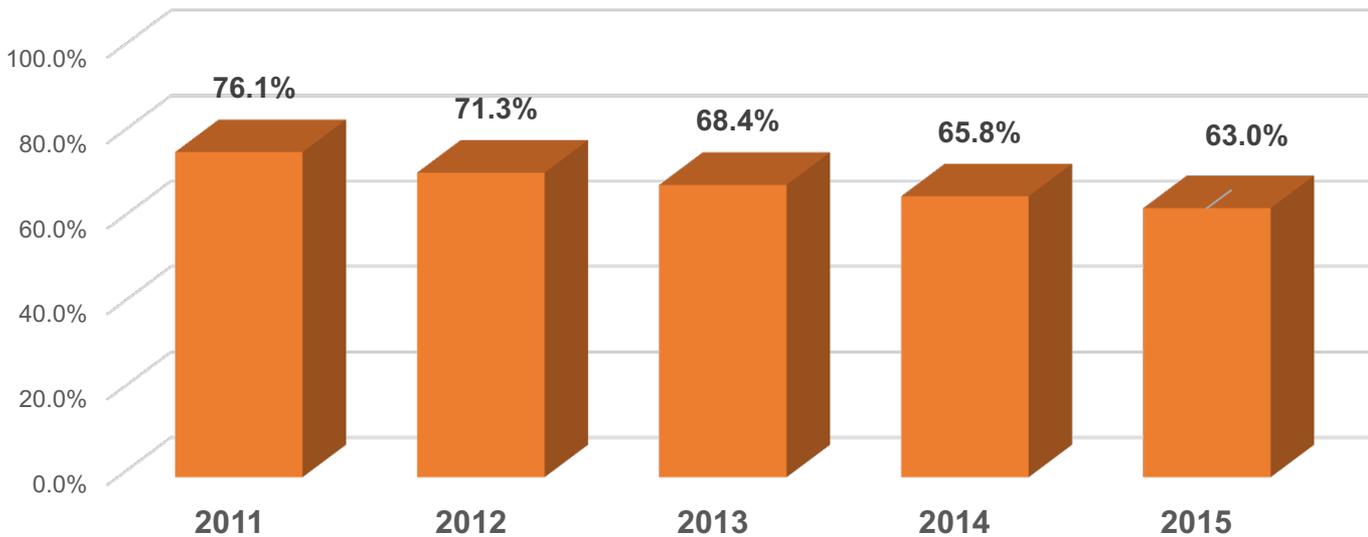
SREB states average: \$9,186

West Virginia: \$7,488



Pell grant gap widens

Average Pell Grant Award as a Percentage of In-State Tuition and Fees

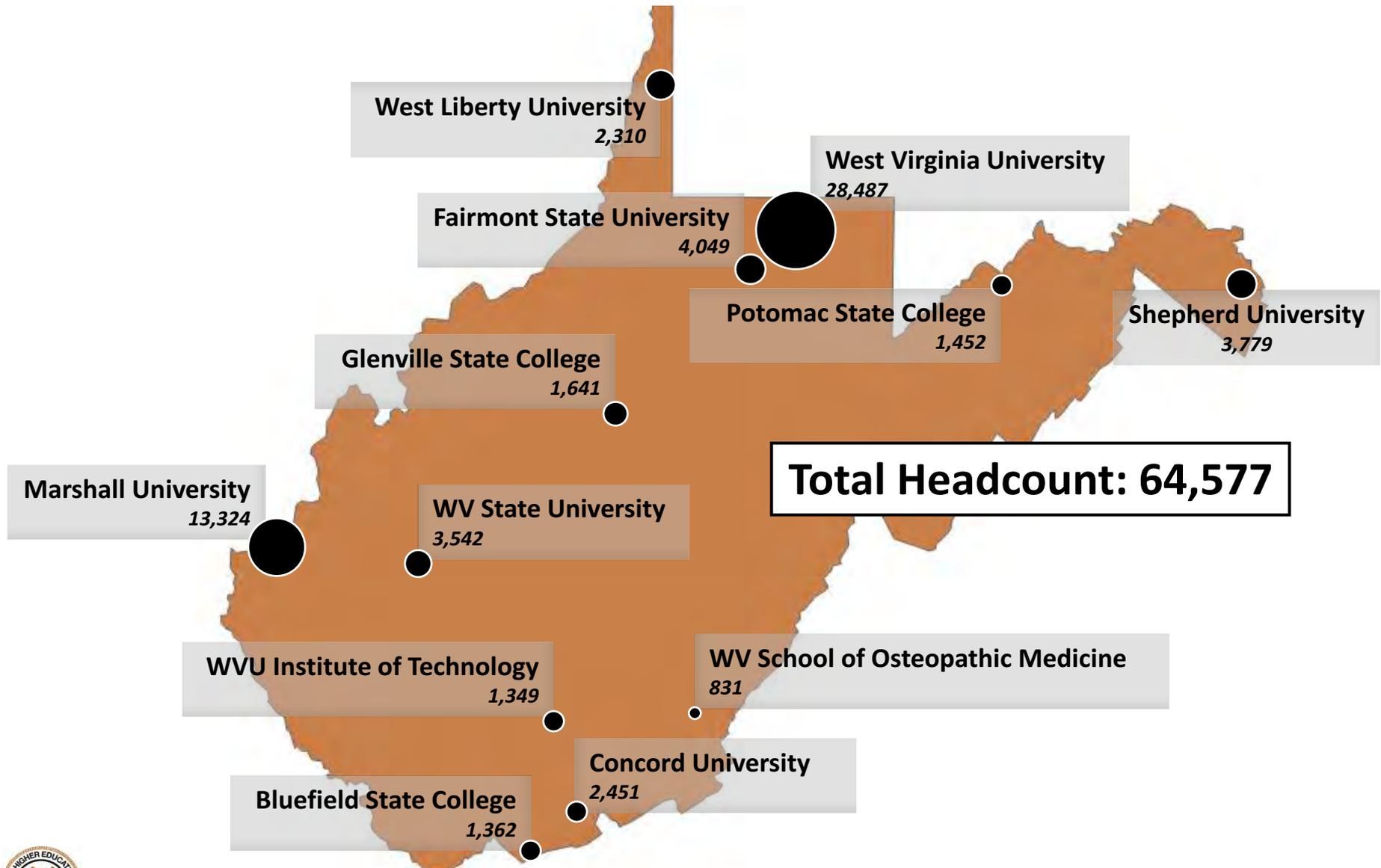


Federal needs-based aid does not carry as far as it used to.

	2011	2012	2013	2014	2015
Average Pell Grant Award	\$3,917	\$3,941	\$3,987	\$4,084	\$4,137
Average In-State Tuition and Fees	\$5,147	\$5,528	\$5,827	\$6,211	\$6,568



2016 Fall headcount enrollment



HEPC budget improvement request

- 1. RESTORE student success programs assessment: \$4.5 million**
- 2. Deferred Maintenance - \$10 million**
- 3. WV State University Land Grant - \$1,362,446**



Restoring our student success funding

- **House Bill 2815 eliminated \$4.5 million** in HEPC funding by removing our ability to assess institutions for critical student success programs:
 - Low-income student grants
 - Co-requisite remediation
 - Automated course transfer
 - International recruitment and J-1 Visa
 - Minority doctoral programs
 - Science and research
 - Technology and WVNET
 - Special projects, including funding model study



Deferred Maintenance Request

- The Commission is required by statute (§18B-19-5) to bring prioritized capital project requests, including deferred maintenance projects, to the Legislature.
- Most-urgent capital projects addressing E&G deferred maintenance and code compliance issues.
- More than \$10 million in immediate needs.
 - Funding would be a 50-50 institution match
- Longstanding capital needs.
 - Sprinkler systems, fire alarms, smoke detectors
 - ADA access
 - Roofing
 - HVAC upgrades
- 80% for Commission institutions and 20% for Council institutions.



WVSU Land Grant Matching Request

- In FY 2017, WVSU received federal appropriations of \$2.95 million:
 - \$1,404,447 for agricultural research
 - \$1,542,946 for extension programs
- Federal regulations require this appropriation to be **fully matched** with non-federal dollars.
- State of West Virginia appropriated \$1,584,947
 - 53.77 percent in matching funds.
- As one of only two land-grant universities in WV, WVSU is currently underfunded,
 - **To preserve the federal appropriations, \$1,362,446 is requested.**
- This additional support will increase research opportunities for faculty and students and implementation and delivery of extension and outreach programming.
- WVSU conducts extension efforts in 38 counties helping 20,000 West Virginians each year.
- *Note: WVU funding exceeds the required one-to-one match.*



HEPC Appropriation Request FY 2019

Institutions	FY 18 Base Budget	FY 19 Appropriation Request
Bluefield State College	\$5,379,199	\$5,379,199
Concord University	8,278,077	8,278,077
Fairmont State University	14,579,417	14,579,417
Glenville State College	5,622,099	5,622,099
Shepherd University	9,360,954	9,360,954
West Liberty University	7,592,683	7,592,683
Marshall University	42,171,166	42,171,166
Luke Lee Listening Language and Learning Lab	93,441	93,441
VISTA E-Learning	229,019	229,019
MU Brownfield Professional Development	309,606	309,606
Marshall University Graduate College Writing Project	25,412	25,412
WV Autism Training Center	1,671,280	1,671,280
Marshall Medical School	11,859,733	11,859,733
Marshall Medical School Rural Health Outreach Programs	163,219	163,219
Forensic Lab	235,104	235,104
Center for Rural Health	155,964	155,964
Marshall University Medical School Brim Subsidy	909,673	909,673
Marshall Medical School - RHI Program and Site Support	396,249	396,249
Vice Chancellor for Health Sciences - Rural Health Residency Program	163,858	163,858
Total Marshall University	58,383,724	58,383,724
WV School of Osteopathic Medicine	6,487,489	6,487,489
WVSOM Rural Health Outreach Programs	160,659	160,659
WVSOM Brim Subsidy	153,405	153,405
WVSOM Rural Health Medical School Support	386,457	386,457
Total WV School of Osteopathic Medicine	7,188,010	7,188,010



HEPC Appropriation Request FY 2019

Institutions	FY 18 Base Budget	FY 19 Appropriation Request
West Virginia State University	9,514,960	9,514,960
West Virginia State University Land Grant	1,584,947	1,584,947
Total West Virginia State University	11,099,907	11,099,907
West Virginia University	91,057,983	91,057,983
Jackson's Mill	472,960	472,960
West Virginia University Institute of Technology	7,436,007	7,436,007
WVU - State Priorities Brownfield Professional Development	314,188	314,188
West Virginia University - Potomac State	3,650,589	3,650,589
WVU School of Health Sciences - Eastern Division	2,093,146	2,093,146
WVU School of Health Sciences	14,443,996	14,443,996
WVU School of Health Sciences - Charleston Division	2,152,767	2,152,767
WVU Rural Health Outreach Programs	158,372	158,372
WVU School of Medicine BRIM Subsidy	1,203,087	1,203,087
WVU Health Sciences RHI Program and Site Support	1,107,466	1,107,466
MA Public Health Program and Health Science Technology	52,387	52,387
Health Sciences Career Opportunities Program	319,587	319,587
HSTA Program	1,630,169	1,630,169
Center for Excellence in Disabilities	292,554	292,554
Total West Virginia University (1)	126,385,258	126,385,258
Total Institutions	\$253,869,328	\$253,869,328

Notes:

(1) WVU receives spending authority of \$15,935,640 from the soft drink tax.



HEPC Appropriation Request FY 2019

Institutions	FY 18 Base Budget	FY 19 Appropriation Request
Higher Education Policy Commission - Administration		
Personal Services	2,471,913	2,471,913
Current Expenses	13,212	13,212
BRIM Premium	16,651	16,651
Total - Higher Education Policy Commission Administration	2,501,776	2,501,776
Facilities Planning and Administration (2)	1,749,992	1,749,992
West Virginia Network for Educational Telecomputing	1,578,941	1,578,941
Total - HEPC Administration and WVNET	5,830,709	5,830,709
Lottery Education Funds		
RHI Program and Site Support	1,912,491	1,912,491
RHI Program and Site Support - RHEP Program Administration	146,653	146,653
RHI Program and Site Support - Grad Med Ed and Fiscal Oversight	87,110	87,110
Minority Doctoral Fellowship	129,604	129,604
Vice Chancellor for Health Sciences Rural Health Res Program	62,725	62,725
Total HEPC Lottery Education Funds	2,338,583	2,338,583
Financial Aid		
Promise Scholarship (General Revenue Only)	18,500,000	18,500,000
Promise Scholarship (Excess Lottery Revenue)	29,000,000	29,000,000
Higher Education Grant Program (GR)	39,019,864	39,019,864
HEAPS Grant Program (GR)	5,007,764	5,007,764
Tuition Contract Program (GR)	1,224,564	1,224,564
Underwood-Smith Scholarship Prog. Student Awards (GR)	328,349	328,349
Health Sciences Scholarship (LR)	220,690	220,690
WV Engineering Science & Technology Scholarship Program (LR)	452,831	452,831
Total Financial Aid	\$93,754,062	\$93,754,062
Total General Revenue and Lottery Revenue	\$355,792,682	\$355,792,682

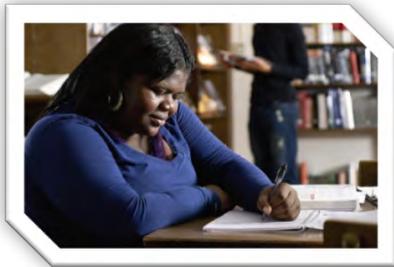
Notes:

- (2) Facilities Planning and Administration was added to the HEPC account in FY 2014. Prior to that it was funded with supplementals.
- (3) The Higher Education Improvement Fund is not reflected in this table.



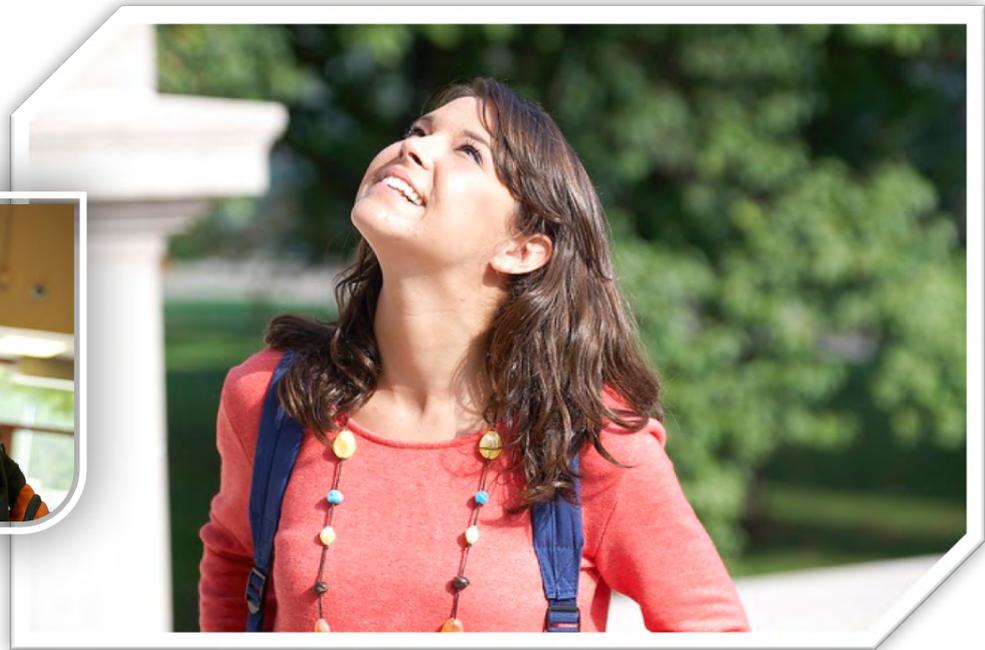
Moving forward for West Virginia

- **Reinvestment in higher education is critical.** West Virginia's future hinges on our ability to educate more citizens. 51 percent of all jobs in West Virginia will require an associate's degree or higher by 2020.
- **Statewide coordination benefits West Virginia.** We are carrying out the state's vision and cohesive statewide goals for higher education.
- **All efforts must be student-centered.** HEPC focus on student completion and retention efforts and international enrollment will save millions of dollars for families and institutions.



2017-18 current major HEPC projects

- **Structure and sustainability study (NCHEMS)**
- **Per-FTE study**
- **Attainment goal**
- **System master plan**



HEPC leads effective higher education policy

- **Student success and completion agenda**
- **Ability to research and develop effective and proven funding measures**
- **Neutral body that can evaluate effectiveness and need for institutional degree programs**
- **Gather and report data to help leaders make wise public investment decisions**
- **Ensure efficient class size, building use and faculty assignments.**



Legislative Mandate

The Higher Education Policy Commission shall examine the question of general revenue appropriations to individual higher education institutions **per student**, and **per credit hour**, and by **other relevant measures** at all higher education institutions, including four-year baccalaureate institutions and the community and technical colleges, and on or before January 1, 2018, the commission shall deliver its report to the Joint Committee on Government and Finance and the Legislative Oversight Commission on Education Accountability.

This report shall **include a recommendation to the Legislature on a formula for the allocation of general revenue to be appropriated to such institutions that provides for ratable funding across all four-year institutions and community and technical colleges on a ratable basis, by enrolled student, by credit hour or by other relevant measures.** On such basis, the commission shall make a recommendation to the Legislature as to the amounts that each such institution should have appropriated to it in the general revenue budget for fiscal year 2019, based upon the total general revenue appropriations that such institutions receive in aggregate in the enacted budget for fiscal year 2018.



Who we are

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