

**REPORT OF THE  
JOINT SUBCOMMITTEE**

**Interim Report:  
Public Funding of  
Higher Education in Virginia**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**SENATE DOCUMENT NO. 16**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
2005**




# Commonwealth of Virginia

GENERAL ASSEMBLY  
RICHMOND

January 12, 2005

To: Bill Wilson, Director  
Division of Legislative Automated Systems

From: Walter A. Stosch, Chairman  
SJR 74 Study Commission 

Re: Report to the 2005 General Assembly

In adopting Senate Joint Resolution 74, the 2004 General Assembly established a two-year joint subcommittee to study *Public Funding of Higher Education in Virginia*. The study resolution outlined a broad array of issues for the joint subcommittee to explore, including:

- alternatives to the current formulas and methods used by the Commonwealth to fund institutions of higher education;
- alternatives for paying for a college education including, but not limited to, interest-free loans guaranteed by the Commonwealth;
- the efficacy and appropriateness of delivering degree programs through distance learning; and
- access to Virginia institutions of higher education by residents of the Commonwealth, including the feasibility of guaranteeing placement at a four-year institution of higher education in the Commonwealth for certain graduates of Virginia's community colleges satisfying an agreed upon curriculum and grade point average.

The resolution also directs the joint subcommittee to submit interim recommendations to the General Assembly no later than the first day of the 2005 session.

SJR 74 Interim Report  
Page Two  
January 12, 2005

Due in part to the late adjournment of the 2004 General Assembly, the subcommittee did not hold its first meeting until December 1, 2004. Although I am pleased to report that this meeting provided a good overview of issues before the subcommittee, the group has had insufficient time to explore these areas in detail or develop interim recommendations for consideration by the 2005 General Assembly.

In an effort to ensure that we remain on task to deliver final recommendations to the 2006 General Assembly, the subcommittee members have organized into three workgroups. Over the next few months, I anticipate these workgroups will develop detailed work plans to guide our work over the coming year and a timeline for delivering specific policy recommendations prior to the start of the 2006 General Assembly session. The attached organizational memorandum provides additional information on the progress the joint subcommittee has made to date and our expectations for the coming months.

In the meantime, please direct any comments or questions to me or the joint subcommittee's staff. I look forward to submitting our final report prior to the start of the next legislative session.

cc: Members of SJR 74 joint subcommittee  
Ms. Betsey Daley, staff director  
Mr. Robert Vaughn, staff director  
Mr. Tony Maggio, staff  
Ms. Amy Sebring, staff  
Mr. Hobie Lehman, staff

Attachment



# Commonwealth of Virginia

GENERAL ASSEMBLY  
RICHMOND

January 6, 2005

To: SJR74 Joint Subcommittee Members

From: The Honorable Walter A. Stosch, Chairman *WAS*

Re: Follow Up to December 1, 2004 Meeting *by AS*

I hope you found the first meeting of the SJR74 Joint Subcommittee to be beneficial. Based on the questions and comments I have received since our first meeting, it is clear to me that we are asking the right questions. Our challenge over the next year will be to develop policy answers to those questions that will position our higher education system to meet the Commonwealth's needs for the next generation.

As I mentioned during the meeting, given the magnitude of the work before us, I suggest we establish subcommittee workgroups to explore in more detail each of the major issues areas identified in the originating study resolution. It is my hope that these workgroups can help us isolate the most critical questions before us and develop preliminary recommendations that can be advanced to the Joint Subcommittee as a whole. With that in mind, I have attached a list of three workgroups, along with a preliminary list of guiding questions, member assignments, and suggested reading by topic area.

Although I realize that the 2005 legislative session will consume much of our time over the coming months, I hope we will have an opportunity to begin conversations with each of these groups and develop work plans to guide our post-2005 session activities. If you have any suggestions, concerns, or questions, please feel free to contact me directly or to contact our staff at the numbers listed below.

Tony Maggio: [tmaggio@leg.state.va.us](mailto:tmaggio@leg.state.va.us) or (804) 698-1595

Amy Sebring: [asebring@leg.state.va.us](mailto:asebring@leg.state.va.us) or (804) 698-7481

I look forward to our work over the coming year.

cc: Mrs. Amy Sebring, staff  
Mr. Tony Maggio, staff  
Mr. Hobie Lehman, staff  
Mrs. Betsey Daley, staff director, Senate Finance Committee  
Mr. Robert Vaughn, staff director, House Appropriations Committee

## SJR 74 Workgroup #1: Funding Strategies for Higher Education

### Guiding Questions

- How can the state best leverage existing resources in higher education to meet state policy objectives?
- Existing funding guidelines, objectives, and policies provide some indication of the relative level of resources needed at Virginia's public colleges and universities. What funding strategies should the Commonwealth use as it allocates future resources in higher education?
- What is the Commonwealth's "return on investment" in higher education? To what extent should institutions be held accountable for their use of public resources?

### Membership

Senator Walter A. Stosch  
Delegate Vincent F. Callahan, Jr.

Delegate Christopher Saxman  
Mr. Joseph C. Farrell

### Suggested Reading

- *The Condition of Higher Education Funding in Virginia*, State Council of Higher Education for Virginia: May 2003.  
<http://www.schev.edu/Reportstats/ConditionOfFundingReport052003.pdf?from=reportstats2004>
- *Policies in Sync: Appropriations, Tuition and Financial Aid for Higher Education*, Western Interstate Commission for Higher Education: April 2003.  
[http://wiche.edu/policy/Changing\\_Direction/documents/PoliciesInSync.pdf](http://wiche.edu/policy/Changing_Direction/documents/PoliciesInSync.pdf)
- *State Higher Education Finance*, State Higher Education Executive Officers: 2004.  
<http://www.sheeo.org/finance/shef.pdf>

## SJR 74 Workgroup #2: Access and Affordability

### Guiding Questions

- With enrollment growth expected to continue through at least the end of the decade, what policies or strategies can the Commonwealth put in place to maintain and improve access to higher education in the state?
- Once students gain access to higher education, how can the state work with institutions to encourage those students to complete certificate and degree programs that will provide them with needed knowledge and skills?
- As institutions become increasingly reliant on nongeneral fund revenues, what policies or strategies can the Commonwealth put in place to ensure that higher education remains affordable for low- and middle-income students?
- What responsibility should institutions have for ensuring access, particularly for underrepresented groups? What is the state's responsibility? How can the state hold institutions accountable?

### Membership

Senator John H. Chichester

Senator R. Edward Houck

Delegate Phillip A. Hamilton

Senator Walter A. Stosch (ex-officio)

Delegate Brian J. Moran

Mrs. Diana F. Cantor

Mrs. Phyllis Palmiero

Delegate Vincent A. Callahan (ex-officio)

### Suggested Reading

- *Indicators of Opportunity in Higher Education*, The Pell Institute: Fall 2004.  
<http://www.epi.elps.vt.edu/Perspectives/Indicators.pdf>
- *Investing in America's Future: Why Student Aid Pays Off for Society and Individuals*, Institute for Higher Education Policy: 2004.  
<http://www.ihep.com/Pubs/PDF/InvestinginAmericasFuture.pdf>
- *Expanding College Access: The Impact of State Finance Strategies*. The Lumina Foundation, February 2004.  
<http://www.luminafoundation.org/publications/fiscalindicators/FiscalIndicators.pdf>

## SJR 74 Workgroup #3: Improving Instructional Delivery

### Guiding Questions

- As an increasing number of students seek postsecondary education, how can the Commonwealth best leverage its existing system of higher education?
  - What role should traditional institutions (including public and private four-year institutions and the community colleges) play? What role should proprietary schools play? What role should the state's higher education centers (Abingdon, Danville, Roanoke, and South Boston) play?
- How can the Commonwealth build upon institutional efforts in distance learning?
- As more and more students access postsecondary education through "non-traditional" programs, how can the academic rigor of those programs be ensured? What role, if any, should the state play in monitoring those programs?

### Membership

Senator Richard L. Saslaw  
Delegate Leo C. Wardrup, Jr.  
Delegate Albert C. Eisenberg  
Senator Walter A. Stosch (ex-officio)

Mr. William M. Lechler  
Dr. Daniel J. LaVista  
Mr. Joseph C. Farrell  
Delegate Vincent A. Callahan (ex-officio)

### Suggested Reading

- *The Condition of Transfer in the Commonwealth*, State Council of Higher Education for Virginia: May 2003.  
<http://www.schev.edu/Reportstats/ConditionOfTransferInTheCommonwealthReport2003.pdf?from=reportstats>
- *Thwarted Innovation: What Happened to E-Learning and Why*, Zemensky, Robert and William F. Massey: 2004.  
<http://www.irhe.upenn.edu/Docs/Jun2004/ThwartedInnovation.pdf>
- *Entering the Mainstream: The Quality and Extent of Online Education in the United States -- 2003 and 2004*, The Sloan Consortium. 2004.  
<http://www.epi.elps.vt.edu/Perspectives/on-line-ed.pdf>