



June 23, 2016

The Honorable S. Chris Jones, Chairman
 House Appropriations Committee
 9th Floor, General Assembly Building
 910 Capitol Street
 Richmond, VA 23219

The Honorable Thomas K. Norment, Jr., Co-Chairman and
 Emmett W. Hanger, Jr., Co-Chairman
 Senate Finance Committee
 10th Floor, General Assembly Building
 910 Capitol Street
 Richmond, VA 23219

Dear Chairman Jones and Co-Chairmen Norment and Hanger:

As required by Chapter 780, Item 213, 2016 Acts of Assembly, I respectively submit the following annual report on the Virginia Community College System allocation of all new general fund and nongeneral funds in the Educational and General (E&G) program and any cost recovery plans between the individual community colleges and the system office. The FY 2017 budgets for each of the colleges and the System Office and changes in the budgets from FY 2016 are shown on the attached table.

The table below shows the changes in funding from FY 2016 to FY 2017. The general fund amounts are from the Appropriation Act and the colleges' revenue estimates are shown for the nongeneral fund amounts.

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Change</u>
General Fund (GF)			
<i>Chapter Appropriation</i>	\$ 356,195,534	\$ 381,922,309	\$ 25,726,775
Nongeneral Fund (NGF)			
<i>NGF Appropriation Estimate</i>	\$ 544,585,834	\$ 547,437,991	\$ 2,852,157
Total Funding	<u>\$884,186,033</u>	<u>\$ 929,360,300</u>	<u>\$ 28,578,932</u>
Total Change			\$28,578,932
Enrollment Estimate (FTE)	111,124	111,124	
<i>Total Per FTE</i>	\$8,106	\$8,363	
<i>NGF Appropriation in Act may exceed anticipated need in FY 2017.</i>			

Changes in E&G Funding

General Fund: As appropriated in Chapter 780, 2016 Acts of Assembly, the general fund appropriation for FY 2017 reflects increases to the base for prior year central appropriations, Appropriation Act line item initiatives, and incremental funding to support the goals of access, affordability, quality and increased degrees.

Nongeneral Fund: The VCCS non-general fund appropriation was also increased for base adjustments. However, with enrollment declines, the nongeneral fund appropriation may be higher than actual revenue for FY 2017.

Total E&G Funding: With these various adjustments, total E&G funding for the VCCS in FY 2017 is projected to increase \$28.6 million. Total funding per student FTE in FY 2017 will increase slightly from \$8,106 (adjusted to reflect actual FY 2016 annual enrollment) to \$8,363.

Cost Recovery Plans

There are no cost recoveries between the System Office and the colleges, except for equipment and initiatives purchased on behalf of all colleges at a system level.

Funding Distributions for Each College

Most of the E&G general fund appropriation for the VCCS (88 percent) is allocated to the colleges using a resource allocation model based on the state base budget adequacy funding methodology. Starting with FY 2017, a portion of the E&G state funding (12 percent) is allocated through an Outcomes-Based Distribution Model adopted by the presidents in April 2015. The outcomes-based allocation which will increase to 20 percent by FY 2020 places more focus on student progression and completion.

The attached table shows the funding allocation for each college and the system office. The amounts shown for each college include the distribution of funding initially held in a central account for specific appropriations for programs at the colleges and allocations calculated by methods other than the general resource allocation models. All of the methodologies are reviewed and approved by the college presidents and me.

Please let me know if you have questions or need additional information.

Sincerely,



Glenn DuBois
Chancellor

The Honorable Chris Jones
The Honorable Walter A. Stosch
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GD/WJ

Attachment

C: Mr. Robert Vaughn, HAC Staff Director
Ms. Betsey Daley, SFC Staff Director
Ms. Donna VanCleave, VCCS Vice Chancellor for Administrative Services

VIRGINIA COMMUNITY COLLEGE SYSTEM
FY 2016 AND FY 2017 APPROPRIATION DISTRIBUTION BY COLLEGE

	FY 2016 Budget					FY 2017 Budget					Change from FY 2016 to FY 2017	
	GF	NGF	Total	Enrollment - Annual FTE*	Funding Per FTE	GF	NGF	Total	Enrollment - Annual FTE	Funding Per FTE	GF	Total Funding
Blue Ridge	\$ 8,303,225	\$ 12,278,851	\$ 20,582,076	2,614	\$ 7,873	\$ 9,421,423	\$ 11,436,622	\$ 20,858,045	2,614	\$ 7,978	\$ 1,118,198	\$ 275,969
Central Va.	\$ 8,113,500	\$ 11,085,720	\$ 19,199,220	2,566	\$ 7,481	\$ 8,861,604	\$ 11,531,536	\$ 20,393,140	2,566	\$ 7,946	\$ 748,104	\$ 1,193,920
Dabney S. Lancaster	\$ 3,568,721	\$ 3,230,206	\$ 6,798,927	709	\$ 9,586	\$ 3,669,766	\$ 3,315,820	\$ 6,985,586	709	\$ 9,849	\$ 101,045	\$ 186,659
Danville	\$ 7,917,737	\$ 9,857,180	\$ 17,774,917	2,224	\$ 7,992	\$ 8,341,086	\$ 9,794,808	\$ 18,135,894	2,224	\$ 8,154	\$ 423,349	\$ 360,977
Eastern Shore	\$ 2,631,998	\$ 2,180,954	\$ 4,812,952	409	\$ 11,777	\$ 2,657,906	\$ 2,033,476	\$ 4,691,382	409	\$ 11,480	\$ 25,908	\$ (121,570)
Germanna	\$ 12,202,271	\$ 19,070,143	\$ 31,272,414	4,288	\$ 7,293	\$ 13,698,068	\$ 18,923,671	\$ 32,621,739	4,288	\$ 7,608	\$ 1,495,796	\$ 1,349,324
J.S. Reynolds	\$ 21,160,014	\$ 34,118,355	\$ 55,278,369	6,814	\$ 8,112	\$ 21,674,071	\$ 32,676,925	\$ 54,350,996	6,814	\$ 7,976	\$ 514,057	\$ (927,373)
John Tyler	\$ 15,421,201	\$ 23,318,161	\$ 38,739,362	5,519	\$ 7,019	\$ 16,908,183	\$ 24,100,000	\$ 41,008,183	5,519	\$ 7,430	\$ 1,486,982	\$ 2,268,821
Lord Fairfax	\$ 11,406,511	\$ 17,694,229	\$ 29,100,740	3,941	\$ 7,383	\$ 12,403,770	\$ 18,980,066	\$ 31,383,836	3,941	\$ 7,963	\$ 997,259	\$ 2,283,096
Mountain Empire	\$ 6,311,171	\$ 7,290,928	\$ 13,602,099	1,769	\$ 7,690	\$ 6,725,046	\$ 7,959,416	\$ 14,684,462	1,769	\$ 8,302	\$ 413,874	\$ 1,082,362
New River	\$ 8,783,138	\$ 12,696,527	\$ 21,479,665	2,823	\$ 7,609	\$ 9,237,545	\$ 13,493,026	\$ 22,730,571	2,823	\$ 8,052	\$ 454,406	\$ 1,250,905
Northern Va.	\$ 88,165,055	\$ 187,041,827	\$ 275,206,882	34,133	\$ 8,063	\$ 96,894,291	\$ 192,312,205	\$ 289,206,496	34,133	\$ 8,473	\$ 8,729,237	\$ 13,999,615
Patrick Henry	\$ 6,662,741	\$ 8,409,310	\$ 15,072,051	1,813	\$ 8,315	\$ 6,833,482	\$ 9,080,040	\$ 15,913,522	1,813	\$ 8,779	\$ 170,740	\$ 841,470
Paul D. Camp	\$ 4,297,859	\$ 3,922,900	\$ 8,220,759	830	\$ 9,910	\$ 4,263,379	\$ 3,954,969	\$ 8,218,348	830	\$ 9,908	\$ (34,480)	\$ (2,411)
Piedmont Va.	\$ 8,602,952	\$ 13,499,790	\$ 22,102,742	2,974	\$ 7,432	\$ 9,520,322	\$ 13,771,249	\$ 23,291,571	2,974	\$ 7,831	\$ 917,370	\$ 1,188,829
Rappahannock	\$ 6,859,956	\$ 8,300,613	\$ 15,160,569	1,891	\$ 8,018	\$ 7,350,587	\$ 8,904,417	\$ 16,255,004	1,891	\$ 8,596	\$ 490,631	\$ 1,094,435
Southside Va.	\$ 11,097,690	\$ 13,952,281	\$ 25,049,971	2,793	\$ 8,968	\$ 11,094,888	\$ 11,532,941	\$ 22,627,829	2,793	\$ 8,101	\$ (2,802)	\$ (2,422,142)
Southwest Va.	\$ 6,219,655	\$ 7,955,927	\$ 14,175,582	1,806	\$ 7,847	\$ 6,709,519	\$ 8,264,748	\$ 14,974,267	1,806	\$ 8,289	\$ 489,864	\$ 798,685
Thomas Nelson	\$ 17,929,200	\$ 28,571,906	\$ 46,501,106	6,018	\$ 7,728	\$ 18,947,384	\$ 29,391,900	\$ 48,339,284	6,018	\$ 8,033	\$ 1,018,184	\$ 1,838,178
Tidewater	\$ 49,247,079	\$ 82,874,987	\$ 132,122,066	17,353	\$ 7,614	\$ 51,836,719	\$ 79,908,590	\$ 131,745,309	17,353	\$ 7,592	\$ 2,589,640	\$ (376,757)
Va. Highlands	\$ 5,595,922	\$ 7,389,389	\$ 12,985,311	1,498	\$ 8,671	\$ 5,906,071	\$ 7,258,741	\$ 13,164,812	1,498	\$ 8,791	\$ 310,149	\$ 179,501
Va. Western	\$ 14,199,140	\$ 21,127,707	\$ 35,326,847	4,562	\$ 7,743	\$ 15,773,670	\$ 20,244,902	\$ 36,018,572	4,562	\$ 7,895	\$ 1,574,529	\$ 691,724
Wytheville	\$ 6,849,258	\$ 8,717,943	\$ 15,567,201	1,777	\$ 8,763	\$ 7,280,797	\$ 8,567,923	\$ 15,848,720	1,777	\$ 8,921	\$ 431,538	\$ 281,518
System Office	\$ 24,649,539	\$ -	\$ 24,649,539			\$ 25,912,735	\$ -	\$ 25,912,735			\$ 1,263,196	\$ 1,263,196
Total	\$ 356,195,534	\$ 544,585,834	\$ 900,781,368	111,124	\$ 8,106	\$ 381,922,309	\$ 547,437,991	\$ 929,360,300	111,124	\$ 8,363	\$ 25,726,775	\$ 28,578,932

*FY 2016 Actual Annual Enrollment

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