



July 25, 2022

The Honorable Barry D. Knight, Chair
 House Appropriations Committee
 900 East Main Street,
 Pocahontas Building, 13th Floor
 Richmond, VA 23219

The Honorable Janet D. Howell, Chair
 Senate Finance & Appropriations Committee
 900 East Main Street
 Pocahontas Building, 14th Floor
 Richmond, VA 23219

Dear Chairman Knight and Chairwoman Howell:

As required by Chapter 2, Item 212, 2022 Acts of Assembly, Special Session I, 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 2023 anticipated allotments for each of the colleges and the System Office and changes from FY 2022 are shown on the attached table.

The table below shows the changes in funding from FY 2022 to FY 2023. The general fund amounts are from the Appropriation Act, and the nongeneral fund allocation is based on college revenue estimates.

	<u>FY 2022</u>	<u>FY 2023</u>	<u>Change</u>
General Fund (GF)			
<i>Chapter Appropriation</i>	\$417,052,186	\$486,763,559	\$69,711,376
Nongeneral Fund (NGF)			
<i>NGF Appropriation Estimate</i>	\$467,801,000	\$445,324,000	\$(22,477,000)
Total Funding	<u>\$884,853,186</u>	<u>\$932,087,562</u>	<u>\$47,234,376</u>
Enrollment Estimate (FTE)*	95,592	86,615	(6,366)
<i>Total Per FTE</i>	\$ 9,067	\$ 10,761	\$1,245

FY 2023 enrollment based on 2021-2022 actuals. *

Changes in E&G Funding

General Fund: The general fund appropriation for FY 2023 reflects an increase of 16.7 percent from prior year due to new initiatives, including investments of \$8.1 million supporting initiatives including the hiring to hire 45 new academic advisors system-wide and improvements to our cyber-security infrastructure, \$37.5 million prior-year adjustments to the base annualizing general fund support for compensation and benefit increases and tuition moderation funding, and \$24.1 million in additional tuition moderation funding allowing the VCCS to hold the line on tuition increases for a fifth year in a row.

Nongeneral Fund: VCCS community colleges anticipate overall non-general fund revenues may decrease approximately 4.8 percent, however improving enrollment projections could mitigate this impact at select colleges.

Total E&G Funding: With these adjustments, total base E&G funding for the VCCS in FY 2023 is projected to increase by approximately \$47.2 million. As a result, total funding per student FTE in FY 2023 could increase from \$9,516 to \$10,761.

Cost Recovery Plans

Cost recoveries between the System Office and the colleges include expenses for equipment, delivery of shared technology services and initiatives purchased on behalf of all colleges at a system level.

Funding Distributions for Each College

E&G general fund appropriation for the VCCS (80 percent) is allocated to the colleges using a resource allocation model based on the state base budget adequacy funding methodology. A portion of the E&G state funding (20 percent) is allocated through an Outcomes-Based Distribution Model adopted by the presidents in April 2015. The outcomes-based allocation places more focus on student progression and completion.

The attached table shows anticipated 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 by allocations calculated by methods other than the general resource allocation models. All methodologies are reviewed and approved by the college presidents and the Chancellor.

The Honorable Barry D. Knight
The Honorable Janet D. Howell
July 25, 2022
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Please let me know if you have questions or need additional information.

Sincerely,



Sharon Morrissey
Interim Chancellor

GD/WJ

Attachment

C: Ms. Anne E. Oman, HAC Staff Director
Ms. April Kees, SFAC, Director
Mr. Tony Maggio, HAC Legislative Fiscal Analyst
Ms. Jessica Dodson, SFAC Associate Legislative Fiscal Analyst
Dr. Craig Herndon, VCCS Senior Vice Chancellor

VIRGINIA COMMUNITY COLLEGE SYSTEM
FY 2022 AND FY 2023 APPROPRIATION DISTRIBUTION BY COLLEGE

	FY 2022 Budget		
	GF	NGF	Total
Blue Ridge	\$ 9,988,428	\$ 11,280,000	\$ 21,268,428
Brightpoint	\$ 20,784,198	\$ 22,710,000	\$ 43,494,198
Central Va.	\$ 10,104,735	\$ 10,009,000	\$ 20,113,735
Danville	\$ 8,278,946	\$ 8,934,173	\$ 17,213,119
Eastern Shore	\$ 2,818,608	\$ 2,063,997	\$ 4,882,605
Germanna	\$ 17,610,508	\$ 20,603,000	\$ 38,213,508
J.S. Reynolds	\$ 20,630,020	\$ 26,862,000	\$ 47,492,020
Laurel Ridge	\$ 16,190,517	\$ 17,993,000	\$ 34,183,517
Mountain Empire	\$ 7,440,989	\$ 7,640,643	\$ 15,081,632
Mountain Gateway	\$ 3,939,177	\$ 3,465,618	\$ 7,404,795
New River	\$ 11,305,482	\$ 12,651,000	\$ 23,956,482
Northern Va.	\$ 114,849,933	\$ 167,561,531	\$ 282,411,464
Patrick & Henry	\$ 7,289,380	\$ 8,277,322	\$ 15,566,702
Paul D. Camp	\$ 4,531,908	\$ 3,209,964	\$ 7,741,872
Piedmont Va.	\$ 11,653,739	\$ 13,182,000	\$ 24,835,739
Rappahannock	\$ 8,361,086	\$ 7,915,715	\$ 16,276,801
Southside Va.	\$ 10,343,899	\$ 8,789,000	\$ 19,132,899
Southwest Va.	\$ 7,648,901	\$ 8,592,885	\$ 16,241,786
Tidewater	\$ 45,545,380	\$ 54,700,000	\$ 100,245,380
Va. Highlands	\$ 7,206,855	\$ 7,606,639	\$ 14,813,494
Va. Western	\$ 16,922,557	\$ 16,472,000	\$ 33,394,557
Virginia Peninsula	\$ 18,073,650	\$ 19,657,000	\$ 37,730,650
Wytheville	\$ 7,421,494	\$ 7,624,513	\$ 15,046,007
System Office	\$ 28,111,793	\$ -	\$ 28,111,793
Total	\$ 417,052,186	\$ 467,801,000	\$ 884,853,186

	FY 2023 Budget			Change From FY2022 to FY2023	
	GF	NGF	Total	GF	NGF
\$ 11,612,217	\$ 9,959,000	\$ 21,571,217	\$ 1,623,788	\$ (1,321,000)	
\$ 24,138,940	\$ 21,460,000	\$ 45,598,940	\$ 3,354,742	\$ (1,250,000)	
\$ 11,805,859	\$ 10,683,000	\$ 22,488,859	\$ 1,701,124	\$ 674,000	
\$ 9,717,828	\$ 9,034,549	\$ 18,752,377	\$ 1,438,882	\$ 100,376	
\$ 3,295,697	\$ 2,076,778	\$ 5,372,475	\$ 477,089	\$ 12,781	
\$ 21,799,575	\$ 20,714,000	\$ 42,513,575	\$ 4,189,066	\$ 111,000	
\$ 23,912,565	\$ 24,251,000	\$ 48,163,565	\$ 3,282,544	\$ (2,611,000)	
\$ 18,992,680	\$ 16,051,000	\$ 35,043,680	\$ 2,802,163	\$ (1,942,000)	
\$ 9,187,684	\$ 7,188,571	\$ 16,376,255	\$ 1,746,694	\$ (452,072)	
\$ 4,681,068	\$ 3,294,667	\$ 7,975,735	\$ 741,890	\$ (170,951)	
\$ 13,315,962	\$ 12,653,000	\$ 25,968,962	\$ 2,010,480	\$ 2,000	
\$ 135,898,469	\$ 155,888,000	\$ 291,786,469	\$ 21,048,537	\$ (11,673,531)	
\$ 8,533,799	\$ 8,910,542	\$ 17,444,341	\$ 1,244,419	\$ 633,220	
\$ 5,198,496	\$ 3,384,341	\$ 8,582,837	\$ 666,588	\$ 174,377	
\$ 13,910,762	\$ 13,212,000	\$ 27,122,762	\$ 2,257,022	\$ 30,000	
\$ 9,580,098	\$ 7,839,919	\$ 17,420,017	\$ 1,219,012	\$ (75,796)	
\$ 11,627,297	\$ 8,501,000	\$ 20,128,297	\$ 1,283,398	\$ (288,000)	
\$ 9,387,394	\$ 8,505,279	\$ 17,892,673	\$ 1,738,493	\$ (87,606)	
\$ 50,322,521	\$ 53,318,000	\$ 103,640,521	\$ 4,777,141	\$ (1,382,000)	
\$ 8,867,875	\$ 7,889,644	\$ 16,757,519	\$ 1,661,020	\$ 283,005	
\$ 19,587,856	\$ 16,147,000	\$ 35,734,856	\$ 2,665,298	\$ (325,000)	
\$ 20,788,073	\$ 17,436,000	\$ 38,224,073	\$ 2,714,423	\$ (2,221,000)	
\$ 8,962,750	\$ 6,926,710	\$ 15,889,460	\$ 1,541,257	\$ (697,803)	
\$ 31,638,098	\$ -	\$ 31,638,098	\$ 3,526,305	\$ -	
\$ 486,763,562	\$ 445,324,000	\$ 932,087,562	\$ 69,711,376	\$ (22,477,000)	