

David K. Hendrickson
Chair



Brian Noland
Chancellor

West Virginia Higher Education Policy Commission
1018 Kanawha Boulevard East, Suite 700
Charleston, WV 25301
(304) 558-4016
www.hepc.wvnet.edu

January 17, 2011

To: Chancellor Brian Noland
From: Kevin Walthers, Vice Chancellor for Administration
RE: Governor's FY 2012 Budget Recommendation

Governor Tomblin's FY 2012 budget recommendation included relatively robust funding for higher education. If adopted as presented, the combined HEPC and CTCS systems will see ongoing increases of \$9.9 million in FY 2012 and will receive additional appropriations of \$8.5 million in the current fiscal year.

| Fiscal Year 2012 Budget Request Comparison (Incremental Request) | | | |
|---|----------------------|------------------------------|----------------------|
| | HEPC/CTCS Request | Governor's Recommendation | Difference |
| Higher Education Grant Program | \$6,000,000 | \$0 | (\$6,000,000) |
| HEAPS Grant Program | 2,000,000 | 0 | (2,000,000) |
| PROMISE Statutory Funding | (500,000) | (500,000) | 0 |
| HEPC Funding Formula | 6,000,000 | 0 | (6,000,000) |
| WV Perinatal Partnership | 250,000 | 250,000 | 0 |
| Tuition Contract Program | 425,000 | 425,000 | 0 |
| REMI/TranSight Forecasting Initiative | 225,000 | 120,000 | (105,000) |
| Salary Enhancements - HEPC | 0 | 6,154,200 | 6,154,200 |
| Salary Enhancements - CTCS | 0 | 917,858 | 917,858 |
| Marshall University Equity Funding | 0 | 1,250,000 | 1,250,000 |
| Fairmont State University Equity Funding | 0 | 1,250,000 | 1,250,000 |
| Stimulus Restoration | 35,877 | 35,877 | 0 |
| | <u>\$14,400,000</u> | <u>\$9,902,935</u> | <u>(\$7,032,942)</u> |

| Fiscal Year 2011 Budget Request Comparison (Supplemental) | | | |
|--|---------------------|--------------------|----------------------|
| | | | |
| Deferred Maintenance - HEPC | \$8,000,000 | \$3,000,000 | (\$5,000,000) |
| Deferred Maintenance - CTCS | 2,000,000 | 2,000,000 | 0 |
| WVERT Operation and Maintenance | 3,500,000 | 3,500,000 | 0 |
| | <u>\$13,500,000</u> | <u>\$8,500,000</u> | <u>(\$5,000,000)</u> |

Note: This table separates salary amounts from programs. Program charts below will include salary enhancements where appropriate.

The tables below provide information on individual changes within the budget recommendations and provides full detail by program and revenue source.

HEPC New Programs and Reallocation

At the system level, the Governor added funds for salaries and provided support for both the REMI and Perinatal projects. Concurrently, funding that in past years was designated for transfer to Glenville State College and Southern West Virginia CTC were moved to the institutional line items.

| HEPC Central Office | | | | | | | |
|-------------------------|---------------------|------------------|------------------|------------------|-------------|---------------------|----------------------|
| | FY 2011 | Salary Change | REMI | Perinatal | Transfer | FY 2012 Governor | Recommended Increase |
| HEPC Unclassified | \$2,775,573 | \$41,376 | \$120,000 | \$250,000 | (\$600,000) | \$2,586,949 | (\$188,624) |
| Glenville State College | 6,489,149 | 113,779 | | | 200,000 | 6,803,596 | 314,447 |
| Southern WV CTC | 8,658,008 | 129,516 | | | 400,000 | 9,188,397 | 530,389 |
| Total Programs | \$17,922,730 | \$284,671 | \$120,000 | \$250,000 | \$0 | \$18,578,942 | \$656,212 |

Higher Education Grant Program – Reallocation of funding sources

The Higher Education Grant Program did not receive additional funding. However, the recommendations reallocate funding between General Revenue and Lottery Funds. This is a transparent change in regard to the program, but may be confusing to those examining the detail provided at the end of this document.

| Higher Education Grant Program | | | |
|--|---------------------|---------------------|----------------------|
| | FY 2011 | FY 2012 Governor | Recommended Increase |
| Higher Education Grant Program - General Revenue | \$34,160,862 | \$34,657,541 | \$496,679 |
| Higher Education Grant Program - Lottery | 859,002 | 362,323 | (496,679) |
| | \$35,019,864 | \$35,019,864 | \$0 |

PROMISE Funding

The minimum funding level for the PROMISE Scholarship program is set by statute. In FY 2011 the program received \$48.5 million. The statutory level of funding for FY 2012 is \$48 million. The Governor’s recommendation sets funding at the statutory minimum.

| PROMISE Scholarship | | | |
|---------------------------------------|---------------------|---------------------|----------------------|
| | FY 2011 | FY 2012 Governor | Recommended Increase |
| PROMISE Scholarship - General Revenue | \$19,000,000 | \$18,500,000 | (\$500,000) |
| PROMISE Scholarship - Lottery | 29,000,000 | 29,000,000 | |
| | \$48,000,000 | \$47,500,000 | (\$500,000) |

Tuition Contract Program

The Tuition Contract Program provides funding to students enrolled in certain out-of-state graduate programs that are not offered by West Virginia institutions (e.g., veterinary school at the University of Georgia). Under a contractual arrangement coordinated through SREB, the program pays the differential between resident and non-resident tuition. Past increases in costs

have been covered through existing fund balance. With the fund balance exhausted, this appropriation will maintain the program at current levels.

| Tuition Contract Program | | | |
|--|--------------------|---------------------|-------------------------|
| | FY 2011 | FY 2012 Governor | Recommended Increase |
| Tuition Contract Program - General Revenue | \$1,020,852 | | (\$1,020,852) |
| Tuition Contract Program - Lottery | | \$1,446,030 | \$1,446,030 |
| | <u>\$1,020,852</u> | <u>\$1,446,030</u> | <u>\$425,178</u> |

West Virginia Autism – Reallocation of funding sources

The West Virginia Autism program is funded through the higher education system. For FY 2012 the Governor provided salary increases and changed the revenue source for the program. Again, this is a transparent accounting transaction but could appear in the detail budget to be a significant change.

| WV Autism | | | |
|-----------------------------|--------------------|---------------------|-------------------------|
| | FY 2011 | FY 2012 Governor | Recommended Increase |
| WV Autism - General Revenue | | \$2,106,737 | \$2,106,737 |
| WV Autism - Lottery | \$2,080,474 | | (2,080,474) |
| | <u>\$2,080,474</u> | <u>\$2,106,737</u> | <u>\$26,263</u> |

House Bill 3215 Funding

House Bill 3215 provided four years of funds to Marshall University and Fairmont State University to offset costs associated with the separation of local community and technical college. The FY 2012 allocation represents the final allocation to the aforementioned institutions.

| HB 3215 Funding | |
|--------------------------------------|---------------------------|
| (Last of Four Appropriations) | |
| | FY 2012 |
| Marshall University | \$1,250,000 |
| Fairmont State University | 1,250,000 |
| Total HB 3215 Funding | <u><u>\$2,500,000</u></u> |

Salary enhancements

The Governor provided employees with a one-time, two percent enhancement (with a \$500 minimum) for FY 2012. This will provide an additional \$7 million for institutional and program budgets. The tables below provide detail by line item.

| FY 2012 Salary Enhancement | |
|---|--------------------|
| <i>HEPC Institutions and Programs</i> | |
| <u>Higher Education Policy Commission</u> | |
| WVU Health Sciences - Eastern Division | \$29,620 |
| WV School of Osteopathic Medicine | 120,328 |
| Marshall Medical School | 270,537 |
| WVU Health Sciences | 734,471 |
| WVU Health Sciences - Charleston Division | 59,344 |
| Rural Health Outreach Centers | 4,497 |
| Bluefield State College | 113,168 |
| Concord University | 164,193 |
| Fairmont State University | 262,900 |
| Glenville State College | 113,779 |
| Shepherd University | 170,993 |
| West Liberty University | 147,334 |
| West Virginia State University | 186,978 |
| Marshall University | 903,632 |
| West Virginia University | 2,362,002 |
| WVU Institute of Technology | 144,884 |
| Brownsfield Professional Development | 975 |
| Rural Health Initiative - WV School of Osteopathic Med. | 6,685 |
| Potomac State College of WVU | 88,352 |
| WV Autism | 26,263 |
| Higher Education Policy Commission Programs | \$5,910,935 |

| FY 2012 Salary Enhancement | |
|---|------------------|
| <i>CTCS Institutions</i> | |
| <u>West Virginia Council for Community & Technical College Education</u> | |
| New River Community & Technical College | \$90,869 |
| WV Council for Community & Technical College Education | 10,864 |
| Eastern WV Community and Technical College | 27,454 |
| Kanawha Valley Community & Technical College | 67,155 |
| Southern WV Community & Technical College | 129,516 |
| WV Northern Community College | 124,580 |
| WVU - Parkersburg | 178,977 |
| Bridgemont Community and Technical College | 61,254 |
| Mountwest Community & Technical College | 93,934 |
| Blue Ridge Community and Technical College | 47,061 |
| Pierpont Community & Technical College | 86,194 |
| WV Council for Community & Technical College Education | \$917,858 |

| FY 2012 Higher Education Salary Enhancements | |
|--|--------------------|
| Higher Education Policy Commission Programs | \$5,910,935 |
| WV Council for Community & Technical College Education | 917,858 |
| Financial Aid Programs | 78,541 |
| HEPC/CTCS Central Administration | 41,376 |
| WVU Health Sciences (Soft Drink Tax) | 123,348 |
| Other (Fund 4903) Spending Authority | 7,026 |
| Total Salary Enhancement | \$7,079,084 |

The following table provides budget information aggregated by institution and program (note that these tables are formatted for legal size paper). I have not included the table that provides funding source detail by program, but I can share that with you at your convenience. We have shared the funding source table with institutional CFOs.

Higher Education Policy Commission
 Office for Community & Technical College Education
 Analysis By Program Fiscal Year 2012

| Description and Amounts | Governor's Base Budget Adjustments | | | | | | | FY 12 Governor's Budget | Change from Base Budget | Change from Request |
|-------------------------|------------------------------------|---------------------------------|-----------------|------------------|-----------------------|----------------|------------------|-------------------------|-------------------------|---------------------|
| | Salary Enhancement | Stimulus Restoration Adjustment | Financial Aid | Institutions | Perinatal Partnership | REMI | Redirection | | | |
| 2,680,573 | 41,378 | | | | 250,000 | 120,000 | (800,000) | 2,586,949 | (188,624) | (93,824) |
| 1,814,713 | 33,102 | | | | | | | 1,947,815 | 33,102 | 33,102 |
| 7,004,270 | 1,301 | | | | | | | 5,005,571 | 1,301 | (1,998,899) |
| 18,936 | | | | | | | | 18,936 | 0 | 0 |
| 6,000,000 | | | | | | | | 0 | 0 | (6,000,000) |
| 17,618,492 | 76,779 | | 0 | 0 | 250,000 | 120,000 | (800,000) | 9,669,271 | (184,221) | (9,069,221) |
| 2,614,499 | 29,020 | 258 | | | | | | 2,644,119 | 29,878 | 29,820 |
| 7,474,767 | 120,328 | 743 | | | | | | 7,595,095 | 121,071 | 120,328 |
| 2,362,828 | 270,537 | 1,262 | | | | | | 12,633,365 | 271,799 | 270,537 |
| 7,291,881 | 734,471 | 1,713 | | | | | | 18,026,332 | 736,184 | 734,471 |
| 2,629,806 | 59,344 | 262 | | | | | | 2,689,150 | 59,806 | 59,344 |
| 801,443 | 4,497 | 40 | | | | | | 605,940 | 4,537 | 4,497 |
| 174,475 | | 18 | | | | | | 174,475 | 18 | 0 |
| 6,485,121 | 113,168 | 755 | | | | | | 6,578,289 | 113,923 | 113,168 |
| 0,009,767 | 164,193 | 1,080 | | | | | | 10,173,980 | 165,273 | 164,193 |
| 9,313,458 | 262,900 | 909 | | 1,250,000 | | | | 17,826,358 | 1,513,609 | 1,512,900 |
| 6,689,817 | 113,779 | 668 | | | | 200,000 | | 6,803,596 | 314,447 | 113,779 |
| 1,049,853 | 170,993 | 1,162 | | | | | | 11,220,846 | 172,155 | 170,993 |
| 9,162,445 | 147,334 | 936 | | | | | | 9,309,779 | 148,270 | 147,334 |
| 0,750,302 | 186,978 | 1,130 | | | | | | 10,937,280 | 188,108 | 186,978 |
| 2,069,266 | 903,632 | 3,262 | | 1,250,000 | | | | 54,222,898 | 2,156,894 | 2,153,632 |
| 1,015,482 | | 107 | | | | | | 1,015,482 | 107 | 0 |
| 4,342,018 | 2,362,002 | 12,764 | | | | | | 116,704,020 | 2,374,769 | 2,362,002 |
| 1,400,038 | | 148 | | | | | | 1,400,038 | 148 | 0 |
| 200,000 | | 0 | | | | | | 200,000 | 0 | 0 |
| 8,557,357 | 144,864 | 934 | | | | | | 8,702,241 | 145,818 | 144,864 |
| 300,000 | | 33 | | | | | | 300,000 | 33 | 0 |
| 804,580 | 975 | 84 | | | | | | 805,565 | 1,059 | 975 |
| 478,580 | 6,685 | 50 | | | | | | 483,265 | 6,735 | 6,685 |
| 1,908,000 | | 202 | | | | | | 1,908,000 | 202 | 0 |
| 4,604,493 | 88,352 | 509 | | | | | | 4,692,845 | 88,861 | 88,352 |
| 99,268,248 | 8,844,872 | 19,029 | 0 | 1,250,000 | 0 | 0 | 200,000 | 907,882,818 | 8,813,701 | 8,384,872 |
| 5,882,854 | 90,889 | 575 | | | | | | 5,783,523 | 91,444 | 90,889 |
| 853,273 | 10,864 | 0 | | | | | | 864,137 | 10,864 | 10,864 |
| 2,068,035 | 27,454 | 210 | | | | | | 2,095,489 | 27,684 | 27,454 |
| 4,048,913 | 67,155 | 404 | | | | | | 4,116,068 | 67,559 | 67,155 |
| 9,058,881 | 129,516 | 873 | | | | 400,000 | | 9,188,397 | 530,389 | 129,516 |
| 7,739,389 | 124,580 | 802 | | | | | | 7,863,969 | 125,382 | 124,580 |
| 9,735,011 | 178,977 | 1,027 | | | | | | 9,913,988 | 180,004 | 178,977 |
| 3,907,106 | 61,254 | 388 | | | | | | 3,968,360 | 61,642 | 61,254 |
| 5,932,431 | 93,934 | 607 | | | | | | 6,026,365 | 94,541 | 93,934 |
| 918,000 | | 0 | | | | | | 918,000 | 0 | 0 |
| 2,987,517 | 47,061 | 288 | | | | | | 3,014,578 | 47,359 | 47,061 |
| 333,500 | | 10 | | | | | | 333,500 | 10 | 0 |
| 3,644,020 | | 0 | | | | | | 3,644,020 | 0 | 0 |
| 2,281,100 | | 0 | | | | | | 2,281,100 | 0 | 0 |
| 8,343,442 | 86,194 | 855 | | | | | | 8,429,636 | 87,049 | 86,194 |
| 4,000,000 | | 0 | | | | | | 4,000,000 | 0 | 0 |
| 71,803,272 | 217,888 | 8,049 | 0 | 0 | 0 | 0 | 400,000 | 69,421,130 | 1,323,807 | 917,888 |
| 41,019,864 | 0 | | | | | | | 35,019,864 | 0 | (6,000,000) |
| 48,000,000 | | | | | | | | 47,500,000 | (500,000) | (500,000) |
| 1,445,852 | 178 | | | | | | | 1,446,030 | 425,178 | 178 |
| 150,000 | | | | | | | | 150,000 | 0 | 0 |
| 141,142 | | | | | | | | 141,142 | 0 | 0 |
| 251,000 | 483 | | | | | | | 251,483 | 483 | 483 |
| 470,473 | | | | | | | | 470,473 | 0 | 0 |
| 91,478,331 | 641 | 0 | (75,000) | 0 | 0 | 0 | 0 | 84,878,878 | (74,369) | (9,499,559) |

via Higher Education Policy Commission
 Bill for Community & Technical College Education
 Analysis By Program Fiscal Year 2012

| Appropriation and Accounts | Governor's Base Budget Adjustments | | | | | | | FY 12 Governor's Budget | Change from Base Budget | Change from Request |
|----------------------------------|------------------------------------|---------------------------------------|-----------------|------------------|--------------------------|----------------|-------------|----------------------------|----------------------------|------------------------|
| | Salary Enhancement | Stimulus Restoration Adjustment | Financial Aid | Institutions | Perinatal Partnership | REMI | Redirection | | | |
| 464,740 | 7,702 | 49 | | | | | | 472,442 | 7,751 | 7,702 |
| 1,279,169 | 10,896 | 134 | | | | | | 1,290,065 | 11,030 | 10,896 |
| 2,213,469 | | 0 | | | | | | 2,213,469 | 0 | 0 |
| 169,731 | | 0 | | | | | | 169,731 | 0 | 0 |
| 96,939 | 2,758 | 0 | | | | | | 99,697 | 2,758 | 2,758 |
| 265,670 | 2,546 | 21 | | | | | | 268,216 | 2,567 | 2,546 |
| 62,291 | 787 | 6 | | | | | | 63,078 | 793 | 787 |
| 374,254 | 3,149 | 35 | | | | | | 377,403 | 3,184 | 3,149 |
| 1,524,725 | 14,571 | 319 | | | | | | 1,539,296 | 14,890 | 14,571 |
| 2,080,474 | 26,263 | 214 | | | | | | 2,106,737 | 26,477 | 26,263 |
| 8,631,492 | 88,672 | 778 | | 0 | 0 | 0 | 0 | 8,800,134 | 89,450 | 88,672 |
| 25,000 | | 3 | | | | | | 25,000 | 3 | 0 |
| 279,268 | 1,088 | 18 | | | | | | 280,356 | 1,106 | 1,088 |
| 304,268 | 1,088 | 21 | | 0 | 0 | 0 | 0 | 305,356 | 1,109 | 1,088 |
| 5,000,000 | 0 | | 0 | 0 | 0 | 0 | 0 | 5,000,000 | 0 | 0 |
| 15,000,000 | 0 | | 0 | 0 | 0 | 0 | 0 | 15,000,000 | 0 | 0 |
| 20,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,000,000 | 0 | 0 |
| 15,812,292 | 123,348 | 0 | 0 | 0 | 0 | 0 | 0 | 15,935,640 | 123,348 | 123,348 |
| 24,916,363 | 7,072,058 | 35,877 | (75,000) | 2,600,000 | 250,000 | 120,000 | 0 | 315,453,421 | 9,902,935 | (1,062,942) |
| 41,550,872 | 6,878,309 | 35,877 | (500,000) | 2,500,000 | 250,000 | 120,000 | 4,049,446 | 442,344,426 | 13,333,632 | 793,554 |
| 51,153,199 | 70,401 | | 425,000 | | | | (4,049,446) | 57,173,355 | (3,554,045) | (3,979,844) |
| 15,812,292 | 123,348 | | | | | | | 15,935,640 | 123,348 | |
| 18,618,383 | 7,072,058 | 35,877 | (75,000) | 2,600,000 | 250,000 | 120,000 | 0 | 515,453,421 | 9,902,935 | (3,186,290) |
| 34,905,861 | | | | | | | | 34,905,861 | 0 | 0 |
| 4,400,000 | | | | | | | | 4,400,000 | 0 | 0 |
| 39,305,861 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39,305,861 | 0 | 0 |