SCHEV analyzes Governor’s budget

-- Important first steps reverse trend, but leave many needs unmet --

RICHMOND — Governor Warner’s recently introduced budget for fiscal years 2005-06 reverses a trend of devastating budget cuts by proposing some $144 million in added funding for the state’s colleges and universities, but falls far short of meeting basic needs.

“I applaud Governor Warner for recognizing the importance of higher education to the future of the Commonwealth and taking steps to address the critical shortfall in state support that has been allowed to build over the past decade,” said Carl N. Kelly, chairman of the State Council of Higher Education for Virginia (SCHEV). “This new funding – difficult as it will be to achieve given the current fiscal and political climate – is in reality only a drop in the bucket in terms of meeting Virginia’s long-term needs in higher education.”

Of the $144 million included in the Governor’s budget, nearly $100 million is contingent upon passage of the Governor’s tax reform proposals. In reality, however, without the Governor’s tax reforms, the remaining funds will likely need to be diverted to other needs, and additional cuts to critical, core higher education needs will probably be required.

Of note, the Governor’s proposals include taking steps to meet base budget adequacy – a first – by allocating funds to institutions on the basis of funding guidelines adopted in 2000 by the General Assembly’s Joint Subcommittee on Higher Education Funding Policies. According to these guidelines, Virginia’s colleges and universities are funded nearly $400 million below adequate levels. Governor Warner proposes $70.6 million in new funding over the biennium to help close the gap, with a goal of reaching base adequacy by 2010.

In October, SCHEV presented the Governor and General Assembly with a blueprint for achieving Virginia’s higher education goals. Based largely on the concept of a 4-year phase-in, SCHEV’s “Budget Proposals for Higher Education Excellence” included 22 specific proposals addressing the overarching issue of access and affordability for Virginia’s citizens, as well as the three goals of Virginia’s system wide strategic plan for higher education: meeting enrollment demand, promoting research, and improving instructional quality.
“In comparing the Governor’s proposals to SCHEV’s recommendations it becomes clear that while the Governor’s proposed budget is an important first step, it still falls far short of meeting the Commonwealth’s higher education priorities,” said Nancy Cooley, acting executive director of SCHEV. “Every day we postpone making these investments means another day we postpone the economic growth that some are counting on to solve our state wide budgetary problems.”

Key links:

Governor’s introduced budget: http://www.dpb.state.va.us/Budget/04-06/BudDoc04/BudDoc.htm

SCHEV’s budget analysis & budget proposals:
http://www.schev.edu/Policymakers/BudgetIssues.asp