

Strategic Issues:

- College and universities would have to battle with the governor in order to get appropriations for the 1995–96 budget year. The governor proposed cutting higher education's budget by \$37 million, but the General Assembly intervened and colleges ended up with \$15 million more than their original appropriation.
- Beginning in the fall 1995, Virginia began to provide \$3,500 for about 100 community-college graduates to complete their educations at private institutions.
- The 1996–97 budget did not include additional funds for financial aid, due to a tuition freeze that had been in place since 1995.
- Two new scholarship programs were in place during the 1996–97 academic year: One for second-year community college students and a pre-paid tuition plan.
- The 1998–2000 biennial budget included an 18.5% increase for higher education, increasing their budget to over \$2 billion. Additionally, the tuition freeze was continued through 2000.
- In the 1999 legislative session, in-state tuition was reduced by 20% for the 1999–2000 academic year. Institutions received an additional \$143 million for the second year of the 1998–2000 biennium.

Summary

- *Access Challenge:* While Virginia's high school graduation rates surpassed the U. S. average in the 1990s, college enrollment rates for high school graduates lagged behind national levels. In spite of recent efforts to roll back tuition in public colleges, the challenge of improving enrollment rates continues in Virginia.
- *System Issues:* In 1992 Virginia had average public sector tuition charges, but had a need-based grant program that lagged way behind the national rate. In the mid 1990s, the state increases spending on need-based grants, but the investment was below the equity standard, which aim to coordinate student aid with tuition increases. In 2000, the state dropped tuition by 20% in the public sector but reduced its support of student grants as well. In spite of trying out a range of strategies for funding access, Virginia failed to make a sufficient investment in grants to ensure financial access.
- *Opportunity:* Had Virginia maintained funding for state need-based grants at the equity standard in the 1990s, it is estimated that an additional 14,000 residents would have graduated from high school and 45,000 more Virginians would have enrolled in college.

Access Indicators*High School Graduation Rates* (Table 46.1)

The public high school graduation rates fluctuated slightly throughout the entire decade although it ultimately changed little from 74% in 1992 to 74% in 2000. When compared to other states, Virginia's graduation rates remained higher than the national average throughout the 1990s. As of 2000, the state high school graduation rate was seven percentage points higher than the national average.

College Enrollment Rates (Table 46.1)

The state college enrollment rates also fluctuated during the 1990s, but managed a slight increase from 52% in 1992 to 53% in 2000. Despite this overall increase, the state enrollment rates remained lower than the national average throughout the decade. As of 2000, the state lagged three percentage points behind the national average.

State Demographics*State Demographics* (Table 46.2)

The state poverty rates fluctuated throughout the decade although it ultimately decreased from 10% in 1992 to 8% in 2000. When compared to other states,

Virginia's poverty rates are still lower than the national average. In fact, the state's rates never reached the national average over the decade. In 2000, Virginia was below the average by three percentage points. African-Americans are the largest minority group in the state, at 20% in 2000, followed by Hispanics and Other Minorities at 4% and 4% respectively. The proportion of four-year degree bearing residents increased throughout the decade from 24% in 1992 to 32% in 2000. When compared to other states, Virginia proportionally had more state residents with bachelor's degrees throughout the decade. In 2000, the state reached its climax in relation to the national average by surpassing it by seven percentage points.

Financial Indicators

System Composition (Table 46.3)

A majority of state students, 51%, chose public four-year institutions as a means to acquire a postsecondary education while 27% of state residents attended public two-year institutions. The remaining 22% attended private institutions for higher education. The enrollment distribution was relatively stable over the decade with more students in public, four-year institutions.

Financial Capacity (Table 46.4)

The state tax rates were relatively stable throughout the 1990s near 6%. When compared to the rest of the nation, Virginia's tax rates were slightly lower than the national average throughout the decade. As of 2000, the state rate was four-fifths of a percentage point lower than the national average. The state also increased its expenditures per student in K-12 education from \$3,592 in 1992 to \$4,255 in 2000. Due largely to the increases, Virginia expenditures went from \$925 below the national average in 1992 to surpassing it by \$62 in 2000.

Educational Revenue (Table 46.5)

State and local appropriations to the public system generally increased throughout the decade from \$4,696 in 1992 to \$7,739 in 2000. Because of the increases, Virginia went from being \$1,663 below the national average in 1992 to surpassing it by \$244 in 2000 for the first time in the decade.

Tuition and Fees (Table 46.6)

Tuition and fees in Virginia decreased overall throughout the decade from \$3,093 in 1992 to \$2,737 in 2000. When compared to other states, Virginian residents paid \$760 more than the national average in the first half of the decade; but largely due to a tuition decrease in 2000, the state then exceeded the national average by only \$9.

Need-based Grants (Table 46.6)

The average need-based grant fluctuated throughout the 1990s. In 1992, the average student received \$45 in grants, but in 1994, the amount increased to \$367. However from that time on, the grant decreased every two year period up to 2000 where the average amounted to \$291. When compared to other states, grant aid remained lower than the national average throughout the decade. As of 2000, the grant fell \$75 below the national average.

Non-need Based Grants (Table 46.6)

Non-need based grants in Virginia generally increased for college students throughout the 1990s. In 1992, the non-need based grant listed at \$129, but by 1994, the amount decreased to \$118. However for the remaining 6 years of the decade, the amount increased to \$187 in 2000. Virginia funds its non-need based grants at a higher level than the average state throughout the decade. As of 2000, Virginia exceeded the national average by \$73.

Projections

Coordinated System of Grants (Table 46.7)

Had Virginia increased its need-based grant aid, given tuition charges, 1,400 more students would have graduated from high school, a two percentage point increase. Of the state high school graduates, 4,500 more students would have attended postsecondary institutions within the state.

Federal Grant Program Prospectus (Table 46.7)

In addition, had the federal government provided incentives for Virginia to provide adequate grant aid, equaling one-quarter of the tuition on top of current state aid, 2,100 more high school students would have graduated, a two percentage point increase. Among high school graduates, 7,200 more would have enrolled in postsecondary institutions, a nine percentage point increase from the current college continuation rate.