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OFFICE WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

SECOND REGULAR SESSION, 2002

ENROLLED

COMMITTEE SUBSTITUTE
FOR
House Bill No. 4362

(By Delegates Mezzatesta and Williams)

Passed March 8, 2002

In Effect July 1, 2002

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FOR

H. B. 4362

(BY DELEGATES MEZZATESTA AND WILLIAMS)

[Passed March 8, 2002; in effect July 1, 2002.]

AN ACT to amend and reenact section five, article one-a, chapter eighteen-b of the code of West Virginia, one thousand nine hundred thirty-one, as amended; and to amend article two-a of said chapter by adding thereto a new section, designated section five, all relating to higher education; research challenge grants; grants to support research centers, economic projects and work force investment projects; coursework; and credit for certain public service.

Be it enacted by the Legislature of West Virginia:

That section five, article one-a, chapter eighteen-b of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted; and that article two-a of said chapter be amended by adding thereto a new section, designated section five, all to read as follows:

CHAPTER 18B. HIGHER EDUCATION.

ARTICLE 1A. COMPACT WITH HIGHER EDUCATION FOR THE FUTURE OF WEST VIRGINIA.

§18B-1A-5. Financing; institutional operating budgets, additional funding.

1 (a) *Budget request and appropriations.* — The commission
2 has the responsibility to develop a budget for the state system
3 of higher education and submit a budget request to the governor
4 before the first day of September, beginning in two thousand,
5 and for each fiscal year thereafter. The budget request specifically
6 shall include the amount of the institutional operating
7 budgets, as defined in section two, article one of this chapter,
8 required for all state institutions of higher education. The
9 budget appropriation for the state system of higher education
10 under this chapter and other provisions of the law shall consist
11 of separate control accounts or institutional control accounts, or
12 some combination of such accounts, for appropriation of
13 institutional operating budgets and other funds. The commission
14 is responsible for allocating state appropriations to
15 supplement institutional operating budgets in accordance with
16 this section. In addition to the institutional operating budget and
17 incentive funding, however, the commission also is responsible
18 for allocating funds that are appropriated to it for other purposes:
19 *Provided, That,* in order to determine institutional
20 allocations, it is the responsibility of the institutions and their
21 respective institutional boards of governors or advisors, as
22 appropriate, to provide to the commission documentation on
23 institutional progress toward mission enhancement, preliminary
24 peer comparison calculations, performance of increased
25 productivity and academic quality and measurable attainment
26 in fulfilling state priorities as set forth in this article. The
27 documentation shall be provided to the commission no later
28 than the first day of October each year for commission review
29 and verification.

30 (b) *Legislative funding priorities.* –

31 (1) The Legislature recognizes the current resource alloca-
32 tion model has not moved all state institutions equitably
33 towards comparable peer funding levels. This formula has left
34 West Virginia institutions at a competitive disadvantage to their
35 national peers.

36 (2) The Legislature acknowledges that the resource
37 allocation model used to comply with Senate Bill 547, passed
38 during the legislative session of one thousand nine hundred
39 ninety-five, alleviated some of the disparity that exists among
40 state institutions' operating budgets, but left significant
41 differences between the institutions and their national peers.

42 (3) The Legislature recognizes that a system of independ-
43 ently-accredited community and technical colleges is essential
44 to the economic vitality of the state.

45 (4) The Legislature places great importance on achieving
46 the priority goals outlined in the public policy agenda and
47 believes the state institutions of higher education should play a
48 vital role in facilitating the attainment of these goals.

49 (5) The Legislature also believes it is imperative that the
50 state make progress on narrowing the peer inequity while
51 balancing the need for sustaining the quality of our institutions.

52 (6) It is the charge of the commission to allocate all funds
53 appropriated in excess of the fiscal year two thousand one
54 general revenue appropriations in alignment with the legislative
55 funding priorities listed below. The commission shall consider
56 the priorities and assign a percentage of the total appropriation
57 of new funds to each priority.

58 (A) *Peer equity.* — Funds appropriated for this purpose
59 increase the level of the institutional operating budget for state

60 institutions of higher education comparable to their peer
61 institutions. The allocation shall provide, subject to the avail-
62 ability of funds and legislative appropriations, for a systematic
63 adjustment of the institutional operating budgets to move all
64 institutions' funding in the direction of levels comparable with
65 their peers. Institutional allocations shall be calculated as
66 follows:

67 (i) A calculation shall be made of the deficiency in per
68 student funding of each institution in comparison with the mean
69 per student funding of the peer institutions as defined by the
70 commission pursuant to section three of this article;

71 (ii) For all institutions that are deficient in comparison with
72 peer institutions, the amounts of the deficiencies shall be
73 totaled;

74 (iii) A ratio of the amount of the deficiency for an institu-
75 tion divided by the total amounts of deficiency for all West
76 Virginia institutions shall be established for each institution;
77 and

78 (iv) The allocation to each institution shall be calculated by
79 multiplying the ratio by the total amount of money in the
80 account.

81 (B) *Independently accredited community and technical*
82 *colleges development.* — Funds appropriated for this purpose
83 will ensure a smooth transition, where required, from “compo-
84 nent” community and technical colleges to independently
85 accredited community and technical colleges as defined in
86 section two, article one of this chapter. Appropriations for this
87 purpose are only to be allocated to those institutions having
88 approved compacts with the commission that expressly include
89 the transition of their component community colleges to
90 independently accredited status and have demonstrated measur-

91 able progress towards this goal. By the first day of July, two
92 thousand seven, or when all required community and technical
93 colleges are independently accredited, whichever first occurs,
94 funds for this purpose shall be allocated to the incentives for
95 institutional contributions to state priorities: *Provided*, That if
96 the commission determines that payments from the account to
97 the institutions should continue beyond the first day of July,
98 two thousand seven, it shall request an extension from the
99 Legislature;

100 (C) *Research challenge*. — Funds appropriated for this
101 purpose shall assist public colleges and universities in West
102 Virginia to compete on a national and international basis by
103 providing incentives to increase their capacity to compete
104 successfully for research funding. The Legislature intends for
105 institutions to collaborate in the development and execution of
106 research projects to the extent practicable and to target research
107 to the needs of the state as established in the public policy
108 agenda and linked to the future competitiveness of this state.

109 (i) The commission shall develop criteria for awarding
110 grants to institutions under this account, which may include, but
111 are not limited to, the following:

112 (I) Grants to be used to match externally funded,
113 peer-reviewed research;

114 (II) Grants to be used to match funds for strategic institu-
115 tional investments in faculty and other resources to increase
116 research capacity;

117 (III) Grants to support funding for new research centers and
118 projects that will foster economic development and work force
119 investment within the state. These grants shall be limited to
120 seven years and each research center or project funded shall

121 receive a decreasing award each year and shall be required to be
122 supported solely by external funding within seven years;

123 (ii) The commission may establish an advisory council
124 consisting of nationally prominent researchers and scientists,
125 including representatives from outside the state, to assist in
126 developing the criteria for awarding grants under this account.

127 (iii) For the purposes of making the distributions from this
128 account, the commission shall establish the definition for
129 research, research funds and any other terms as may be neces-
130 sary to implement this subdivision; and

131 (D) *Incentives for institutional contributions to state*
132 *priorities.* — Funds appropriated for this purpose provide
133 incentives to institutions which demonstrate success toward
134 advancing the goals of the public policy agenda as set forth in
135 section one-a, article one of this chapter and to provide incen-
136 tives for mission enhancement as set forth in section two of this
137 article.

138 (E) *Sustained quality support.* — The commission shall
139 provide additional operating funds to institutions with approved
140 compacts. The commission shall allocate these funds on an
141 equal percentage basis to all institutions: *Provided*, That the
142 commission may delay distribution of these funds to any
143 institution which does not demonstrate measurable progress
144 towards the goals provided in its compact with the commission.

145 (c) *Allocations to institutional operating budgets.* — For
146 the purposes of this subsection, the commission shall establish
147 by rule pursuant to subsection (f), section two of this article the
148 method for measuring the progress of each institution towards
149 meeting the benchmarks of its institutional compact.

150 (d) *Allocation of appropriations to the institutions.* —
151 Appropriations in this section shall be allocated to the state
152 institutions of higher education in the following manner:

153 (1) For the fiscal year two thousand two, appropriations
154 above the fiscal year two thousand two institutional operating
155 budget shall be allocated only to institutions with approved
156 compacts, pursuant to this article;

157 (2) For the fiscal year two thousand three, and each fiscal
158 year thereafter, appropriations from the funds shall be allocated
159 only to institutions with approved compacts, pursuant to section
160 two of this article and which also have achieved their annual
161 benchmarks for accomplishing the goals of their compacts, as
162 approved by the commission: *Provided*, That if an institution
163 has not achieved all of its annual benchmarks, the commission
164 may distribute a portion of the funds to the institution based on
165 its progress as the commission determines appropriate: *Pro-*
166 *vided, however*, That the commission shall establish by rule
167 pursuant to subsection (f), section two, of this article the
168 method for measuring the progress of each institution toward
169 meeting the benchmarks of its institutional compact;

170 (e) Nothing in this section shall be construed in a manner
171 that limits the appropriation or collection of fees necessary to
172 effectuate the operation and purpose of the commission.

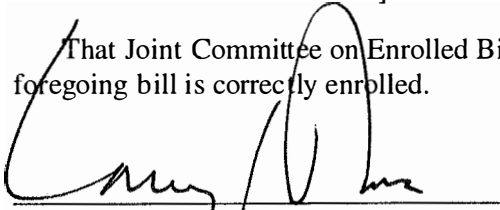
ARTICLE 2A. INSTITUTIONAL BOARDS OF GOVERNORS.

§18B-2A-5. Public school service program.

1 Each governing board shall establish and implement a
2 policy through which college students obtain credit toward
3 graduation for service performed in the public schools as tutors,
4 student advisors, and mentors to instill in public school students
5 the benefits of postsecondary education attainment.

Enr. Com. Sub. for H. B. 4362] 8

That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.



Chairman Senate Committee

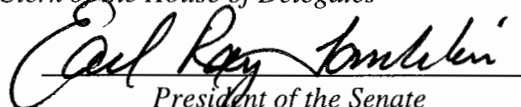

Chairman House Committee

Originating in the House.

In effect July 1, 2002.


Clerk of the Senate


Clerk of the House of Delegates


President of the Senate


Speaker of the House of Delegates

The within is approved this the 18th
day of March, 2002.

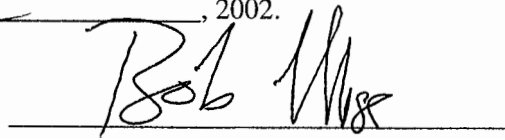

Governor

EXHIBIT 100

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Date: 3/12/02

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