WEST VIRGINIA LEGISLATURE
SECOND REGULAR SESSION, 2002

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ENROLLED

COMMITTEE SUBSTITUTE

FOR

House Bill No. 4362

(By Delegates Mezzatesta and Williams)

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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 workforce 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.

(a) Budget request and appropriations. — The commission has the responsibility to develop a budget for the state system of higher education and submit a budget request to the governor before the first day of September, beginning in two thousand, and for each fiscal year thereafter. The budget request specifically shall include the amount of the institutional operating budgets, as defined in section two, article one of this chapter, required for all state institutions of higher education. The budget appropriation for the state system of higher education under this chapter and other provisions of the law shall consist of separate control accounts or institutional control accounts, or some combination of such accounts, for appropriation of institutional operating budgets and other funds. The commission is responsible for allocating state appropriations to supplement institutional operating budgets in accordance with this section. In addition to the institutional operating budget and incentive funding, however, the commission also is responsible for allocating funds that are appropriated to it for other purposes: Provided, That, in order to determine institutional allocations, it is the responsibility of the institutions and their respective institutional boards of governors or advisors, as appropriate, to provide to the commission documentation on institutional progress toward mission enhancement, preliminary peer comparison calculations, performance of increased productivity and academic quality and measurable attainment in fulfilling state priorities as set forth in this article. The documentation shall be provided to the commission no later than the first day of October each year for commission review and verification.
(b) Legislative funding priorities. –

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

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

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

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

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

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

(A) Peer equity. — Funds appropriated for this purpose increase the level of the institutional operating budget for state
60 institutions of higher education comparable to their peer institutions. The allocation shall provide, subject to the availability of funds and legislative appropriations, for a systematic adjustment of the institutional operating budgets to move all institutions’ funding in the direction of levels comparable with their peers. Institutional allocations shall be calculated as follows:

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

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

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

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

81    (B) Independently accredited community and technical colleges development. — Funds appropriated for this purpose will ensure a smooth transition, where required, from “component” community and technical colleges to independently accredited community and technical colleges as defined in section two, article one of this chapter. Appropriations for this purpose are only to be allocated to those institutions having approved compacts with the commission that expressly include the transition of their component community colleges to independently accredited status and have demonstrated measur-
able progress towards this goal. By the first day of July, two
thousand seven, or when all required community and technical
colleges are independently accredited, whichever first occurs,
funds for this purpose shall be allocated to the incentives for
institutional contributions to state priorities: Provided, That if
the commission determines that payments from the account to
the institutions should continue beyond the first day of July,
two thousand seven, it shall request an extension from the
Legislature;

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

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

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

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

(III) Grants to support funding for new research centers and
projects that will foster economic development and work force
investment within the state. These grants shall be limited to
seven years and each research center or project funded shall
receive a decreasing award each year and shall be required to be supported solely by external funding within seven years;

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

(iii) For the purposes of making the distributions from this account, the commission shall establish the definition for research, research funds and any other terms as may be necessary to implement this subdivision; and

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

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

(c) Allocations to institutional operating budgets. — For the purposes of this subsection, the commission shall establish by rule pursuant to subsection (f), section two of this article the method for measuring the progress of each institution towards meeting the benchmarks of its institutional compact.
(d) Allocation of appropriations to the institutions. — Appropriations in this section shall be allocated to the state institutions of higher education in the following manner:

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

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

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

ARTICLE 2A. INSTITUTIONAL BOARDS OF GOVERNORS.


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