



State Council of  
Higher Education for Virginia

# Agenda Book

September 19-20, 2016

Location:

Virginia Commonwealth University  
Richmond, VA



State Council of Higher Education for Virginia  
*Advancing Virginia through Higher Education*

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA**

**Virginia Commonwealth University  
Student Commons, Salon 4  
Richmond, VA  
September 19, 2016  
1:00 p.m. – 2:00 p.m.**

**Executive Committee**

1. Call to Order
2. Approval of Minutes (July 19, 2016) [Page 1](#)
3. Discussion of Proposed Bylaws Changes [Page 4](#)
4. Discussion of Draft Legislative Proposals [Page 16](#)
5. Discussion of Potential SCHEV Budget Reductions [Page 17](#)
6. Update on Initiative 5 of The Virginia Plan [Page 18](#)

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA  
EXECUTIVE COMMITTEE  
JULY 19, 2016  
MINUTES**

Mr. Minor called the meeting to order at 9:45 a.m. in Room P124, Plecker Workforce Center, Blue Ridge Community College, Weyers Cave, Virginia. Committee members present: Marge Connelly, Heywood Fralin, and G. Gilmer Minor, III.

Committee member absent: Gene Lockhart

Other Council members present: Henry Light, William Murray, Carlyle Ramsey, Minnis Ridenour, Tom Slater, and Katharine Webb.

Staff members present: Peter Blake, Wendy Kang, Lee Ann Rung, and Greg Weatherford.

**INTRODUCTION OF NEW MEMBERS**

Mr. Minor introduced one of the two newest members, Tom Slater, and welcomed him to the Council. Mr. Slater expressed his eagerness to serve with the Council in accomplishing its important work.

**APPROVAL OF MINUTES**

On a motion by Mr. Fralin and seconded by Ms. Connelly, the minutes from the May 16, 2016, meeting were approved unanimously.

Mr. Minor reported that Mr. Blake's contract has been completed and signed by all parties. Mr. Blake thanked the Council for its support.

**ACTION ON MEETING SCHEDULE AND LOCATIONS FOR CALENDAR YEAR 2017**

Mr. Blake reviewed the proposed schedule and noted that staff was still working with the Council of Independent Colleges in Virginia to secure a location for the May, 2017, meeting. On a motion by Ms. Webb and seconded by Mr. Fralin the following resolution was approved unanimously to be forwarded to the full Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the following meeting schedule for calendar year 2017 and requests that staff distribute the information to all Council members:**

**Briefings and/or committee meetings on Monday Afternoon - meetings on Tuesday (except where noted)**

- **January 10 – SCHEV Offices (Richmond)**
- **March 20-21 – travel to public institution (VMI)**
- **May 15-16 – travel to private institution (TBD) – May 15 would include a meeting with private college presidents)**
- **July 18 – travel to community college (John Tyler Community College)**
- **September 18-19 – travel to public institution (NSU) – September 18 would include a meeting with public college and university presidents)**
- **October 30-31 – SCHEV Offices (Richmond)**

### **UPDATE ON RESULTS OF BOARD SOFTWARE TRIAL**

Mr. Blake and Ms. Rung provided an update on the results of the Council trial period and thanked Ms. Connelly, Ms. Webb, and Dr. Murray, for participating. Ms. Rung answered questions from members and informed the Committee that once the procurement process is complete, the new product should be ready for implementation beginning with the September meeting.

### **UPDATE ON INITIATIVE 5 THE VIRGINIA PLAN**

Ms. Kang provided background information about The Virginia Plan for the benefit of Mr. Slater. She answered questions from members and there was a robust discussion of the communications initiative.

Members discussed their concerns about next steps that should be taken with regard to the communications plan, particularly with changing the public perception of Virginia higher education. This includes effectively communicating with and convincing the public of the accomplishments being made in Virginia higher education and being critical of any inefficiencies. Some members expressed the need for SCHEV to take on authoritative issues and be the voice in informing the public of the true picture in Virginia higher education, even if is critical.

Mr. Fralin suggested that ongoing op ed pieces be prepared and Dr. Murray suggested that some members could assist in this regard. Mr. Fralin also suggested working closely with PK12 to inform students at an early age about higher education opportunities and the funding that is available to further their education.

Committee members agreed that further discussion of this matter should not be delayed and should involve all members.

Ms. Kang briefly demonstrated the features of SCHEV’s new website.

### **MOTION TO ADJOURN**

On a motion by Mr. Light and seconded by Dr. Murray, the meeting adjourned at 10:30 a.m.

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G. Gilmer Minor, III  
Council Chair

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Lee Ann Rung  
Director, Executive & Board Affairs

# State Council of Higher Education for Virginia Agenda Item

**Item:** Executive Committee #3 – Discussion of Proposed Bylaws Changes

**Date of Meeting:** September 19, 2016

**Presenter:** Peter Blake, Director  
([peterblake@schev.edu](mailto:peterblake@schev.edu))

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:**

**Action:**

**Background Information/Summary of Major Elements:**

The Council Bylaws require review at least every four years. The Bylaws were last amended in October 2013; the Chairman has requested that the proposed changes be reviewed at this time.

Summary of proposed changes:

- Changed the election of officers from the first to the last meeting prior to June 30 ever year.
- Updated the Code references to reflect the Code Commission renumbering of higher education sections.
- Changed reference of “executive assistant” to “professional staff member.”
- Added reference to the Council’s emergency policy on electronic participation.

Section eight of the Bylaws requires that proposed amendments be presented in writing and for discussion at the meeting of the Council prior to the meeting when the amendments are to be voted upon. A three-quarters vote of the total membership shall be required to adopt any amendments to the Bylaws.

**Materials Provided:** Redlined version of proposed bylaws changes.

**Financial Impact:** No financial impact at this time.

**Timetable for Further Review/Action:** The proposed changes are being presented to the Council for discussion in September. Unless additional changes are requested, the final proposed changes will be presented to the Council for approval in October.

**Resolution:** No resolution at this time.

STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA



# SCHEV Bylaws

Adopted: September 17, 2003

Amended: October 17, 2006

Amended and Restated: January 8, 2008

Amended: July 20, 2010

Amended: October 29, 2013

Amended: October 25, 2016

*Prepared by*

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# Preface

The original SCHEV Bylaws were adopted in 1986 and specify that the Bylaws be reviewed every four years. Changes were made in 2003, 2006, ~~and 2008~~, 2010, and 2013. This report is presented to the Council from the Executive Committee and recommends revisions that reflect the Council's current organizational structure and good-governance practices.

The major revisions to the Bylaws proposed are summarized as follows:

- ~~• Changed "election" of secretary to "appoint" to coincide with Code language~~
- ~~• Updated Appendix A to reflect new Council membership requirements per Code language~~
- ~~• Added language to ensure that any additional meetings comply with the open meeting requirements of the Freedom of Information Act~~
- ~~• Changed the election of officers from the first to the last meeting prior to June 30 every year.~~
- ~~• Updated the Code references to reflect the Code Commission renumbering of higher education sections.~~
- ~~• Changed reference from "executive assistant" to "professional staff member."~~
- ~~• Added reference to the Council's emergency policy on electronic participation.~~

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**Bylaws of the State Council of Higher Education for Virginia**

Amended by Council ~~October 29, 2013~~October 25, 2016

**SECTION ONE**

These Bylaws of the State Council of Higher Education for Virginia adopted ~~October 29, 2013~~October 25, 2016, supersede all previous Bylaws of the Council. The Council acknowledges that it is guided in its operations by law, various state regulations and by its own standing orders.

**SECTION TWO**

***Responsibilities of the Council***

The responsibilities of the Council of Higher Education shall be those specified in the Code of Virginia or assigned to the Council by the Governor or the General Assembly.

**SECTION THREE**

***Council Officers and Method of Election***

- I. The Council annually shall elect a chair and vice chair and appoint a secretary from its membership to serve until their successors have been elected.
- II. Election of the chair and vice chair, and appointment of the secretary shall be held at the ~~first~~last meeting of the Council ~~after~~prior to June 30 each year ~~\_when the Governor has filled all vacancies on the Council, but not later than the September meeting.~~ Notification to all Council members of the date, time and place of the election meeting shall be made in writing at least two weeks prior to the meeting. The chair, vice chair, and secretary may be nominated by any member of the Council. Voting shall be by a voice vote or a show of hands. The nominee for each position receiving the majority of the votes cast by members attending the meeting shall be elected. No proxy voting shall be allowed.
- III. The number of consecutive years a member may hold the same office shall be limited to three. Committee chair terms are not so limited. A vacancy in the office of chair shall be filled by the vice chair.
- IV. A vacancy in the office of vice chair shall be filled by the secretary.
- V. The Council shall establish such other offices as it deems necessary from time to time.

- VI. The general duties of the chair shall include:
- A. Preside at all meetings of the Council.
  - B. Serve as the official spokesperson and representative of the Council. On policy issues on which Council has not taken an official position, the chair shall consult the Executive Committee or act at the request of the Council.
  - C. The chair may delegate all or part of these duties to other members of Council as permitted by law.
- VII. The general duties of the vice chair of the Council shall include:
- A. Perform those duties delegated by the chair.
  - B. Serve as acting chair in the chair's absence.
- VIII. The general duties of the secretary of the Council shall include:
- A. Perform those duties delegated by the chair.
  - B. Sign the official minutes of the Council.

## SECTION FOUR

### *Membership of the Council*

The membership of the Council is specified in Section ~~23-9-3~~ 23.1-200 of the Code of Virginia.

## SECTION FIVE

### *Council Staff*

- I. The Council shall employ a full-time director to serve as its chief administrator.
- II. The duties of the director shall be specified by the Council. The director shall receive a performance evaluation at least annually in a manner specified by the Council. Except as specified in these Bylaws, the staff employees of the Council shall be supervised by the director. The director shall report to the Council. However, between Council meetings the director shall take guidance and direction from the chair on behalf of the Council.
- III. The director, with the consent of the Council, shall appoint a professional staff member whose responsibilities will include assisting an executive assistant to the Council. ~~The executive assistant shall assist~~ the director in making arrangements for Council meetings and ~~shall keep~~ ing minutes of all Council meetings.

## SECTION SIX

### *Council Meetings*

- I. The presiding officer of the Council shall be the chair who shall enforce the rules of procedure of the Council fairly and impartially. If the chair does not serve, the vice chair shall serve. If the vice chair cannot serve, the secretary will serve.
- II. The Council shall meet at least quarterly or on the call of the chair. A majority of the Council may also call a meeting.
- III. Written or oral notification of each meeting shall be given to each member of the Council or committee at least one week prior to the Council or committee meeting. A Council meeting may be called upon shorter notice by agreement of a majority of the members but must be in accordance with the open meeting requirements in the Freedom of Information Act.
- IV. A written agenda for the Council or committee meetings shall be sent to each member approximately one week prior to the meeting unless the meeting has been called on shorter notice by agreement of a majority of the members.
- V. Except as prescribed in these Bylaws, all Council meetings shall be conducted in accordance with the rules and procedures set forth in the most recent edition of Robert's Rules of Order. For purposes of interpretation of Robert's Rules of Order, Council meetings shall be considered a meeting of a "large" body. However, meetings of any committee of the Council shall be considered a meeting of a "small" body.

## SECTION SEVEN

### *Committees*

**Establishment and Appointments.** The Executive Committee shall be a standing committee of the Council and consist of the chair, vice chair and such other members as may be appointed by the chair. The Executive Committee shall make recommendations in all those areas concerning the internal management of Council operations, including the organization and effective functioning of the Council, its staff and its work. The Executive Committee shall act on behalf of the Council between meetings.

The chair may appoint such other standing committees or ad hoc committees from time to time as deemed appropriate or to ensure the efficient disposition of the Council's work. The chair shall specify the purpose and duration of any ad hoc committee.

**Terms of Office.** The term of office of members appointed to the Executive Committee, any other standing committee or any ad hoc committee shall be at the pleasure of the Council's chair.

**Quorum.** The presence of fifty percent of committee members shall constitute a quorum. For purposes of constituting a quorum of any committee, the Council’s chair and/or vice chair, when present, shall be considered members of that committee, entitled to take action within that committee.

**Electronic Participation.** In the case of emergency, an individual member of the Council may participate in meetings of the Council by electronic means as permitted by Virginia Code § 2.2-3708.1? and enumerated in the Council policy regarding electronic participation.

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**Manner of Acting.** The act of the majority of the committee members present at a meeting at which there is a quorum shall constitute the act of the committee.

**Operation of Committees and Authority.** Committees shall not have authority of the Council except where specifically authorized by the Council.

## SECTION EIGHT

These Bylaws shall be reviewed and revised, as necessary, at least every four years. Any member may propose amendments to the Bylaws at any time. Proposed amendments must be presented in writing and for discussion at the meeting of the Council prior to the meeting when the amendments are to be voted upon. A three-quarters vote of the total membership shall be required to adopt any amendments to these Bylaws.

*The attached appendix is not part of the SCHEV Bylaws. It is included here as reference material.*

**Appendix A**  
**Code of Virginia**

**Chapter 1.1**  
**State Council of Higher Education for Virginia**

~~§23-9.3. State Council of Higher Education for Virginia created; purpose; membership; terms; officers.~~

~~A. There is hereby created a State Council of Higher Education for Virginia, hereinafter sometimes referred to as the Council. The purpose of the Council shall be, through the exercise of the powers and performance of the duties set forth in this chapter, to advocate and promote the development and operation of an educationally and economically sound, vigorous, progressive, and coordinated system of higher education in the Commonwealth of Virginia and to lead state-level strategic planning and policy development and implementation based on research and analysis and in accordance with § ~~23-38.87:10~~ and subsection B of § ~~23-38.88~~. The Council shall also seek to facilitate collaboration among institutions of higher education that will enhance quality and create operational efficiencies and shall work with institutions of higher education and their boards on board development.~~

~~B. The Council shall be composed of persons selected from the Commonwealth at large without regard to political affiliation but with due consideration of geographical representation. Appointees shall have demonstrated experience, knowledge, and understanding of higher education and workforce needs. Appointees shall be selected for their ability and all appointments shall be of such nature as to aid the work of the Council and to inspire the highest degree of cooperation and confidence. No officer, employee, trustee, or member of the governing board of any institution of higher education, employee of the Commonwealth, member of the General Assembly, or member of the State Board of Education shall be eligible for appointment to the Council except as specified in this section. All members of the Council shall be deemed members at large charged with the responsibility of serving the best interests of the whole Commonwealth. No member shall act as the representative of any particular region or of any particular institution of higher education.~~

~~C. The Council shall consist of 13 members: 12 members appointed by the Governor and subject to confirmation by the General Assembly at its next regular session and one ex officio member. At least one appointee shall have served as a president or chief executive of a public institution of higher education in the Commonwealth. At least one member shall be a sitting Virginia school superintendent, either at the state or local level. The President of the Virginia Economic Development Partnership shall serve ex officio with voting privileges. All terms shall begin July 1. Members shall be appointed for four-year terms, except that appointments to fill vacancies occurring shall be for the unexpired term.~~

~~D. No person having served on the Council for two terms of four years shall be eligible for reappointment to the Council for two years thereafter.~~

~~E. The Council shall elect a chairman and a vice chairman from its own membership and appoint a secretary and such other officers as it deems necessary or advisable and shall prescribe their duties and term of office.~~

~~F. At each meeting, the Council shall involve the presidents of the public institutions of higher education in its agenda. The presidents shall present information and comment on issues of common interest. The presidents shall choose presenters to the Council from among themselves who reflect the diversity of the institutions.~~

~~At each meeting, the Council may involve other groups, including the presidents of private, nonprofit institutions of higher education, in its agenda.~~

~~(1956, e. 311; 1964, e. 597; 1970, e. 117; 1972, e. 210; 1974, e. 544; 1980, e. 728; 1991, e. 590; 2013, e. 605.)~~

### § 23.1-200. (Effective October 1, 2016) State Council of Higher Education for Virginia established; purpose; membership; terms; officers.

A. The State Council of Higher Education for Virginia is established to advocate for and promote the development and operation of an educationally and economically sound, vigorous, progressive, and coordinated system of higher education in the Commonwealth and lead state-level strategic planning and policy development and implementation based on research and analysis and in accordance with § 23.1-301 and subsection A of § 23.1-1002. The Council shall seek to facilitate collaboration among institutions of higher education that will enhance quality and create operational efficiencies and work with institutions of higher education and their governing boards on board development.

B. The Council shall be composed of individuals selected from the Commonwealth at large without regard to political affiliation but with due consideration of geographical representation. Nonlegislative citizen members shall have demonstrated experience, knowledge, and understanding of higher education and workforce needs. Nonlegislative citizen members shall be selected for their ability and all appointments shall be of such nature as to aid the work of the Council and inspire the highest degree of cooperation and confidence. No officer, employee, trustee, or member of the governing board of any institution of higher education, employee of the Commonwealth, member of the General Assembly, or member of the Board of Education is eligible for appointment to the Council except as specified in this section. All members of the Council are members at large who shall serve the best interests of the whole Commonwealth. No member shall act as the representative of any particular region or of any particular institution of higher education.

C. The Council shall consist of 13 members: 12 nonlegislative citizen members appointed by the Governor and one ex officio member. At least one nonlegislative citizen member shall have served as a president or chief executive officer of a public institution of higher education. At least one nonlegislative citizen member shall be a division superintendent or the Superintendent of Public Instruction. The President of the Virginia Economic Development Partnership Authority shall serve ex officio with voting privileges.

D. All terms shall begin July 1.

E. Nonlegislative citizen members shall serve for terms of four years. Vacancies occurring other than by expiration of a term shall be filled for the unexpired term. No nonlegislative citizen member shall serve for more than two consecutive terms; however, a nonlegislative citizen member appointed to serve an unexpired term is eligible to serve two consecutive four-year terms. No nonlegislative citizen member who has served two consecutive four-year terms is eligible to serve on the Council until at least two years have passed since the end of his second consecutive four-year term. All appointments are subject to confirmation by the General Assembly. Nonlegislative citizen members shall continue to hold office until their successors have been appointed and confirmed. Ex officio members shall serve terms coincident with their terms of office.

F. The Council shall elect a chairman and a vice-chairman from its membership. The Council shall appoint a secretary and such other officers as it deems necessary and prescribe their duties and terms of office.

G. At each meeting, the Council shall involve the chief executive officer of each public institution of higher education in its agenda. The chief executive officers shall present information and comment on issues of common interest and choose presenters to the Council from among themselves who reflect the diversity of the institutions.

H. At each meeting, the Council may involve other groups, including the presidents of private institutions of higher education, in its agenda.

1956, c. 311, § 23-9.3; 1964, c. 597; 1970, c. 117; 1972, c. 210; 1974, c. 544; 1980, c. 728; 1991, c. 590; 2013, c. 605; 2016, c. 588.

# State Council of Higher Education for Virginia Agenda Item

**Item:** Executive Committee #4 – Discussion of Draft Legislative Proposals

**Date of Meeting:** September 19, 2016

**Presenter:** Peter Blake, Director  
([peterblake@schev.edu](mailto:peterblake@schev.edu))

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:**

**Action:**

**Background Information/Summary of Major Elements:**

On August 26 staff submitted six legislative proposals to be considered for the 2017 General Assembly session. Staff will continue to work with the Governor's office staff to assess these proposals.

**Materials Provided:** None. A summary of the proposed legislation will be discussed at the meeting.

**Financial Impact:** N/A.

**Timetable for Further Review/Action:**

**Resolution:** N/A.

# State Council of Higher Education for Virginia Agenda Item

**Item:** Executive Committee #5 – Discussion of Potential SCHEV Budget Reductions

**Date of Meeting:** September 19, 2016

**Presenter:** Peter Blake, Director  
([peterblake@schev.edu](mailto:peterblake@schev.edu))

**Most Recent Review/Action:**

- No previous Council review/action
- Previous review/action

**Date:**

**Action:**

**Background Information/Summary of Major Elements:**

The Governor has initiated the process for implementing budget reductions for all executive branch agencies for the current fiscal year. Final plans are due to the Department of Planning and Budget by September 20.

**Materials Provided:** None.

**Financial Impact:** N/A.

**Timetable for Further Review/Action:** N/A.

**Resolution:** N/A.

# State Council of Higher Education for Virginia Agenda Item

**Item:** Executive Committee #6 – Update on the Virginia Plan Initiative 5

**Date of Meeting:** September 19, 2016

**Presenter:** Peter Blake, Director  
([peterblake@schev.edu](mailto:peterblake@schev.edu))  
Wendy Kang, Higher Education Innovation Director  
([wendykang@schev.edu](mailto:wendykang@schev.edu))  
Gregory Weatherford, Outreach and Communications Associate  
([gregoryweatherford@schev.edu](mailto:gregoryweatherford@schev.edu))

**Most Recent Review/Action:**

No previous Council review/action

Previous review/action

**Date:** July 19, 2016, Council meeting

**Action:** Council discussed proposed activities for the communications initiative

**Background Information/Summary of Major Elements:**

- The Executive Committee is assigned initiative number five related to communications:
  5. *Launch a communications strategy to address public knowledge and benefits of higher education, through Council reports, traditional media, social media and other means.*
- A status for all of the initiatives is included as part of item #7 on the full Council agenda. Please refer to *The Virginia Plan for Higher Education: September 2016 Initiatives Update* report under that agenda item.

**Materials Provided:**

- *The Virginia Plan for Higher Education: September 2016 Initiatives Update* (please refer to this report as part of the discussion item #7 on the full Council agenda).

**Financial Impact:** No financial impact at this time.

**Timetable for Further Review/Action:** No further action at this time.

**Resolution:** No resolution at this time.

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA**

**Virginia Commonwealth University  
Student Commons, Salon 3  
Richmond, VA  
September 19, 2016  
2:00 p.m. – 3:30 p.m.**

**Academic Affairs Committee**

1. Call to Order
2. Approval of Minutes (July 19, 2016) [Page 1](#)
3. Action on “Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia” [Page 5](#)
4. Update on Initiatives 1 and 4 of The Virginia Plan [Page 13](#)
5. Report of the Staff Liaison to the Committee [Page 14](#)
6. Motion to Adjourn

Committee members:

Gene Lockhart, Chair  
Carlyle Ramsey, Vice Chair  
Ken Ampy  
Heywood Fralin  
Pam Moran  
Katie Webb

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA  
ACADEMIC AFFAIRS COMMITTEE  
JULY 19, 2016  
MINUTES**

Mr. Gene Lockhart participated in the meeting by electronic means from Nantucket, Massachusetts, pursuant to SCHEV's Policy on Individual Participation in Council Meetings by Electronic Means under §2.2-3708.1. The policy was invoked due to an emergency situation in which his flight to the meeting was cancelled, preventing his attendance in person. Dr. Carlyle Ramsey substituted as Chair of the committee.

Dr. Ramsey (Chair) called the meeting to order at 10:41 a.m. at Blue Ridge Community College, Plecker Workforce Center, in Weyers Cave, Virginia. Committee members present: Gene Lockhart, Heywood Fralin, Bill Murray, Carlyle Ramsey and Katie Webb.

Staff members present: Peter Blake, Alan Edwards, Beverly Covington, Wendy Kang, Paul Smith, and Greg Weatherford.

**APPROVAL OF MINUTES**

On motion by Dr. Murray and seconded by Ms. Webb, minutes from the May 16, 2016, meeting were approved unanimously.

**ACTION ON DEGREE PROGRAMS AT PUBLIC INSTITUTIONS**

Attendees from George Mason:

- Dean Henry Butler, Antonin Scalia School of Law
- Alison Price, Associate Dean, Admissions & Enrollment Management, Antonin Scalia School of Law
- Robin Parker, Director of Compliance, Office of the Provost

Dr. Edwards commented that the Mason LLM in Global Antitrust Law and Economics would be the first such program in the state and requires no additional state resources.

On motion by Dr. Murray and seconded by Mr. Fralin, the following resolution was approved unanimously to be forwarded to the full Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to George Mason University to initiate a Master of Laws (LL.M.) degree program in Global Antitrust Law and Economics (CIP: 22.0205), effective fall 2016.**

Attendees from VCU:

- Dr. Juanita Sharpe

- Ms. Jana Mcquaid
- Mr. Preston Bryant

Dr. Murray commented on the significant demand for the Decision Analytics program proposed by VCU. Dr. Edwards concurred and said although similar programs exist at other institutions, staff had no concern about issues of unnecessary duplication due to projected statewide demand for such credentials and graduates. Committee members discussed aspects of the nomenclature used to describe the students in the program.

On motion by Dr. Murray and seconded by Ms. Webb, the following resolution was approved unanimously to be forwarded to the full Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Virginia Commonwealth University to initiate a Master of Decision Analytics (M.D.A.) in Decision Analytics degree program in (CIP: 52.1301), effective fall 2016.**

### **ACTION ON UPDATED STATE POLICY ON COLLEGE TRANSFER**

Dr. Edwards provided an introduction, stating that the State Policy on College Transfer has been in effect for decades but has not been revised since 2004. An update at this time was necessary to incorporate changes in legislation, state policy and practices in higher education. The revision process was overseen by the State Committee on Transfer.

Dr. Paul Smith presented the revised policy, described new provisions, and answered questions from committee members. Members discussed communication between institutions regarding transfer and agreed they would like a follow-up report on the implementation of the policy, including information on the employability of transfer students. Members engaged in discussion on various aspects of transfer, including prior learning assessment, improvements in the transfer process over the last 15 years, dual enrollment, under-represented populations, and success of transfer students.

On motion by Dr. Murray and seconded by Ms. Webb, the following resolution was approved unanimously to be forwarded to the full Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the updated *State Policy on College Transfer*, effective immediately, and directs staff to implement its provisions collaboratively with public institutions of higher education.**

### **ACTION ON ORGANIZATIONAL CHANGE – JAMES MADISON UNIVERSITY HONORS COLLEGE**

Attendees from James Madison University:

- Dr. Brad Newcomer, Director, Honors Program

- Dr. A. Jerry Benson, Provost
- Kristi Shackelford, Assistant Vice Provost, Academic Policy and Curriculum Development

Mr. Lockhart asked about the operating budget for the program. Dr. Benson responded that the program is not designed to produce a cash flow but to enhance the quality of academic endeavors at the university.

On motion by Dr. Murray and seconded by Mr. Ampy, the following resolution was approved unanimously to be forwarded to the full Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the creation of the Honors College at James Madison University, effective fall 2016.**

**REVIEW OF OUTLINE OF PLAN REQUIRED BY §23-7.4:7 (HB2320, 2015) FOR A COOPERATIVE ONLINE DEGREE PROGRAM**

Dr. Edwards offered for Council review and feedback the outline on page 55 of the agenda book. He noted certain challenges that are presented by the Code language and said that the final report will examine how those challenges will impact the ability to implement the legislation in a manner consistent with the patron's intent. Staff will present a draft of the required plan at Council's October 24-25, 2016, meetings.

**UPDATE ON THE VIRGINIA PLAN INITIATIVES 1 AND 4**

Wendy Kang provided an update on Virginia Plan initiative 1, related to alignment of resources from PK-12, colleges, universities and other public sources. The budget provided funding for SCHEV to administer grants for pathways programs. Requests for proposal are due on August 1st from institutions that are ready to implement affordable pathways programs, and there will be some small planning grants for institutions only in the planning stage. Initiative 4, regarding collaboration with institutions to measure the quality of undergraduate education, is being addressed through the formation of a task force. The Governor's office has also created an initiative to create supply/demand dashboards for high-demand jobs. The status for all the initiatives is included as part of item #8 on the full Council agenda.

Mr. Fralin commented that data on graduates' employment and earnings five or six years out will be key for Council to understand what it should be promoting. Committee members engaged in discussion on how SCHEV can better determine which programs are most effective at enhancing student success.

**LIAISON REPORT**

Dr. Edwards informed members the report is available on page 61 of the agenda book.

**ADJOURNMENT**

Dr. Ramsey adjourned the meeting at 12:11 p.m.

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Carlyle Ramsey  
Vice Chair, Academic Affairs Committee

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Beverly Covington  
Staff, Academic Affairs

# State Council of Higher Education for Virginia Agenda Item

**Item:** Academic Affairs Committee #3 – Action on “Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia”

**Date of Meeting:** September 19, 2016

**Presenter:** Dr. Joseph G. DeFilippo  
Director of Academic Affairs & Planning  
[JoeDeFilippo@schev.edu](mailto:JoeDeFilippo@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:**

**Action:**

**Background Information/Summary of Major Elements:**

**I. Introduction: Recent USED actions regarding ACICS**

The Code of Virginia requires that private institutions operating in Virginia be accredited by an accrediting agency “recognized” by the US Department of Education (USED). USED administers the process of recognition in conjunction with its *National Advisory Committee on Institutional Quality and Integrity* (NACIQI). Currently there are 35 national and regional accreditors recognized by USED ([http://www2.ed.gov/admins/finaid/accred/accreditation\\_pg9.html](http://www2.ed.gov/admins/finaid/accred/accreditation_pg9.html)). In order for an institution of higher education to be Title IV-eligible, it must be accredited by one of these accreditors. On June 23, 2016, NACIQI voted (10-3) to recommend withdrawing recognition from the Accrediting Council for Independent Colleges and Schools (ACICS). ACICS was established in 1912 and is the largest national accreditor in the country, with 245 institutions of higher education, whose students receive approximately \$5B in Title IV aid annually. NACIQI’s June action was the subject of major media coverage and has since necessitated intense analysis and planning among USED and the states to determine implications of a final withdrawal of ACICS’s recognition, should that come to pass.

According to USED procedure, the NACIQI recommendation is now under review for decision by a “senior department official” (SDO), whose decision must be rendered by September 21, 2016. If the SDO accepts NACIQI’s recommendation, ACICS has until October 21, 2016, to file an appeal with Dr.

John King, the US Secretary of Education. Once rendered, Secretary King's decision will not be subject to further administrative appeal. It is possible that the process may reach this final stage (i.e., Secretary's unappealable decision) at virtually any time between now and the end of the Obama administration.

If and when ACICS loses USED recognition, Virginia—as many other states—will have to take specific actions to avoid highly negative short-term consequences. These actions would relate in the first instance to clarifying the *authorization status* of ACICS-accredited institutions in Virginia, and in the second instance to ensuring an orderly transition that treats institutions fairly while also protecting students' rights. Without proper preparation and communication in advance of a final USED decision, destructive and logistically unmanageable circumstances may arise; specifically, multiple institutions facing abrupt loss of Title IV eligibility would also be at risk of rapid and simultaneous closure. This alone would be an undesirable outcome, but it is important to note that more is at stake here than merely SCHEV's response to this specific situation. SCHEV is the Virginia agency that fulfills the commonwealth's responsibilities for ensuring the Title IV eligibility of *all* institutions of higher education—public, private, certified, and non-certified. SCHEV's manner of handling the ACICS situation will demonstrate the commonwealth's effectiveness in supporting general compliance of all Virginia institutions with the Title IV regulations, under which approximately \$4B in federal financial aid per year goes to Virginia students.

## **II. Federal and State Implications of ACICS losing recognition.**

### *A. Federal implications.*

- i. USED has notified states that the following effects will result if/when recognition is finally withdrawn from ACICS:
  - a. ACICS will cease functioning as an accrediting body recognized by USED *immediately*.
  - b. All ACICS-accredited institutions will be deemed to lose recognized accreditation *immediately*.
  - c. Any ACICS-accredited institution in a state that requires accreditation as a condition of authorization will *immediately lose Title IV eligibility*. (This is because state authorization is also required for Title IV eligibility.)
  - d. Any ACICS-accredited institution that retains state authorization will be allowed to retain Title IV eligibility for *18 months from date of USED's final decision*. By the end of this 18-month period, the institution must have achieved accreditation with a recognized accreditor in order for Title IV eligibility to continue.
- ii. Of particular importance is i.c above. Both nationally and within Virginia, institutions that experience removal of Title IV eligibility have proved to be at risk of closure within weeks if not days. It is unclear, moreover, how

quickly institutions in this circumstance will be able to have Title IV eligibility restored.

B. *Virginia implications.* In Virginia, accreditation by a recognized accreditor is a basic requirement for authorization for all institutions of higher education, as per § 23.1-219 (B):

**All institutions of higher education and academic-vocational non-college degree schools subject to the provisions of this article shall be fully accredited by an accrediting agency recognized by the U.S. Department of Education.**

The full implications of this requirement and potential regulatory actions, however, will vary by institutional category. Barring specific timely actions by SCHEV, the following consequences would result from ACICS' loss of recognition

i. Upon loss of accreditation by a recognized accreditor (which will happen immediately, as per A.i.b above):

a. Out of state institutions would lose authorization to operate in Virginia and could not regain it unless/until the institution regains full accreditation. See § 23.1-219(E):

**In addition to such other requirements as are established in this article or the regulations of the Council, any out-of-state institution of higher education or academic-vocational non-college degree school shall provide verification that . . . the institution or school is fully accredited by an accrediting agency recognized by the U.S. Department of Education.**

b. In-state institutions certified by SCHEV are subject to revocation upon loss of accreditation, but may have their certification continued upon action of council. According to 8VAC40-31-193, when a certified school loses accreditation, Council "will move to revoke" the school's certification unless the school "provide[s] council staff with a written explanation why the loss of accreditation should not impact the school's certification to operate in Virginia." Staff must then prepare a report to council recommending either revocation or the granting of conditional certification until the school can be granted full certification. It is important to note, however, that this regulation envisions only the scenario where a school loses accreditation *for cause*, whereas the loss currently facing ACICS-accredited schools is not related to any culpability on their part. Thus, staff offers this agenda item and the proposed "Contingency Plan" as the "report" required by 8VAC40-31-193.

c. In-state institutions no longer required to be recertified by SCHEV would lose authorization immediately, and could regain it only by again becoming certified to operate in Virginia. See § 23.1-219(D):

**No postsecondary school shall be required to obtain another certification from the Council to operate in the Commonwealth if it (i) was formed, chartered, or established in the Commonwealth or chartered by an Act of Congress; (ii) has maintained its main campus continuously in the Commonwealth for at least 20 calendar years under**

its current ownership; (iii) was continuously approved or authorized to confer or grant academic or professional degrees by the Council, the Board of Education, or an act of the General Assembly during those 20 years; and (iv) is fully accredited by an accrediting agency that is recognized by and has met the criteria for Title IV eligibility of the U.S. Department of Education.

As noted above under II.A, *Federal implications*, withdrawal of ACICS' recognition will result in the immediate loss of recognized accreditation for ACICS institutions. The moment this happens institutions in this category will fail criterion (iv) and therefore will not be in authorized status until they become certified by SCHEV.

- ii. According to staff analysis of code and regulation cited above, unless specific actions are taken by SCHEV, *all* ACICS-accredited institutions currently operating in Virginia risk failing Title IV state authorization requirements immediately upon loss of accreditation by an accrediting body recognized by the USED. An abrupt and simultaneous loss of Title IV eligibility at these institutions would be destructive for both students and schools. Many, perhaps most, schools would face closure within weeks if not days, and it is not clear how easy it will be for schools to regain Title IV eligibility once lost under this scenario. This circumstance could also prove logistically unmanageable for SCHEV, which by statute is responsible for overseeing school closures, including such activities as: supervising teachouts, facilitating placement of students from closed schools, providing reimbursements from surety instruments and/or the Student Tuition Guaranty Fund, and effecting transfer of student records to the Library of Virginia.

### **III. Staff recommendation.**

The appended "Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia" addresses circumstances that apply to each category of authorized institution in Virginia and clarifies a protocol for each to remain in authorized status for a limited period, during which institutions will be obliged to obtain new accreditation or prepare for closure. The plan empowers the executive director of SCHEV to implement its provisions, for the sake of administrative efficiency and in accord with Council's delegating authority. All of the provisions and measures described in the plan are within Council's authority according to Code of Virginia § 23.1-213 to 229.

### **Materials Provided:**

- "Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia"
- Addendum: Institutions in Virginia Accredited by ACICS

**Financial Impact:** Without approval of the plan, SCHEV would risk substantial costs from having to address numerous sudden and simultaneous school closures. The

financial impact on students and institutions and their staffs would also be extensive, but is not precisely known.

**Timetable for Further Review/Action:** See timelines detailed in “Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia.”

**Resolution:** Based on a thorough review of all relevant circumstances, staff recommends that the Academic Affairs Committee adopt the following resolution and transmit it to Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves and adopts the “Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia,” and all of its constituent provisions, effective immediately.**

## **Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia**

In preparation for the possibility that the US Department of Education (USED) may as a final action withdraw recognition from the Accrediting Council for Independent Colleges and Schools (ACICS), the executive director of SCHEV is empowered (as per Code of Virginia § 23.1-222) to take, or to delegate others to take, actions outlined below in accord with duties and authorities of Council (as per § 23.1-213 to 229). The Council, in accordance with 8 VAC 40-31-193, also hereby waives proceeding to revoke the certification of institutions operating in Virginia under ACICS accreditation should those institutions lose accreditation upon USED's final action.

It is the intent of this plan to minimize destructive effects that may result from ACICS' loss of recognition, while upholding (a) standards of quality and student protections inherent in Virginia code and regulation, and (b) SCHEV's responsibilities as the oversight agency for authorization issues related to Title IV in Virginia. The plan enables institutions to retain interim authorization while seeking accreditation with another recognized accreditor.

- I. For each out-of-state institution certified to operate in Virginia by SCHEV:
  - a. The institution shall provide documentation to prove that it is authorized in its home state even without accreditation.
  - b. Upon provision of documentation in (a) above, SCHEV will grant conditional certification for 18 months from the time of loss of accreditation. This conditional certification constitutes continuing state authorization in Virginia.
  - c. The conditional certification shall lapse immediately upon expiration of the 18-month period.
  - d. Out-of-state institutions that are still unaccredited at the end of the 18-month period will be required to cease operating in Virginia in accord with a close-out plan approved by the executive director of SCHEV. The executive director may consider an extension of the period of conditional certification, if the institution remains authorized in its home state, and if the executive director determines that the school has a viable path to accreditation with a recognized accreditor within the next twelve (12) months.
- II. For each in-state institution certified to operate in Virginia by SCHEV:
  - a. SCHEV will grant conditional certification for 18 months from the time of loss of accreditation. This conditional certification constitutes continuing state authorization.
  - b. The conditional certification shall lapse immediately upon expiration of the 18-month period.
  - c. The executive director may consider an extension of the period of conditional certification, if he determines that the school has a

viable path to accreditation with a recognized accreditor within the next twelve (12) months.

- III. For each in-state institution that is authorized but no longer required to recertify with SCHEV:
- a. SCHEV will grant conditional certification for six (6) months from the time of loss of accreditation. This conditional certification constitutes continuing state authorization.
  - b. During the period of conditional certification, the executive director will determine conditions and criteria under which the institution may pursue continued authorization in Virginia beyond the six (6) month period. The director's determination will include (but not necessarily be limited to) deciding whether the period of conditional certification should be extended, whether a full application for certification will be required, and whether the institution will be required to recertify annually after achieving accreditation with a recognized accreditor.

**Addendum: Institutions in Virginia Accredited by ACICS**

<b>In-State Institutions</b>	<b>Locations</b>	<b>Enroll.</b>	<b>Title IV?</b>
American College of Commerce & Technology	Falls Church	1014	No
Bon Secours Memorial College of Nursing	Richmond	648	Yes
Columbia College	Fairfax	414	Yes
Global Health College	Alexandria	163	Yes
IGlobal	Annandale	381	Yes
Miller-Motte Technical College	Lynchburg, Roanoke	1088	Yes
Sentara College of Health Sciences	Chesapeake, Online (SARA)	538	Yes
University of North America	Vienna	86	No
Virginia International University	Fairfax	1074	No
Virginia University of Oriental Medicine	Fairfax	84	No
<b>Out-of-State Institutions</b>	<b>Locations</b>	<b>Enroll.</b>	<b>Title IV?</b>
California University of Management and Sciences	Arlington	431	No
Everest College	Newport News, Chesapeake, Woodbridge	1464	Yes
Fortis College	Richmond, Norfolk	1195	Yes
ITT Technical Institute	Chantilly, Norfolk, Richmond, Springfield, Lynchburg	—	—
Virginia College	Richmond	638	Yes
<b>In-State – No Longer Required to Certify</b>	<b>Locations</b>	<b>Enroll.</b>	<b>Title IV?</b>
American National University	Danville, Salem, Martinsville, Charlottesville, Lynchburg, Charlottesville, Online (SARA)	1337	Yes
Stratford University	Alexandria, Falls Church, NPN, Glen Allen, Woodbridge, VA Beach; Online (SARA)	2791	Yes
<b>TOTAL Enrollment: 9,275</b>			

# State Council of Higher Education for Virginia Agenda Item

**Item:** Academic Affairs Committee #4 – Update on the Virginia Plan Initiatives 1 and 4

**Date of Meeting:** September 19, 2016

**Presenter:** Dr. Joseph G. DeFilippo, Academic Affairs Director  
([joedefilippo@schev.edu](mailto:joedefilippo@schev.edu))  
Wendy Kang, Higher Education Innovation Director  
([wendykang@schev.edu](mailto:wendykang@schev.edu))

## **Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:** July 19, 2016, Council meeting

**Action:** Council discussed proposed activities for initiatives one and four

## **Background Information/Summary of Major Elements:**

- The Academic Affairs Committee is assigned to two initiatives. This includes:
  1. *Coordinate the development and implementation of programs that align resources from PK12, colleges, universities and other public sources to ensure affordable, efficient and effective pathways for students in all parts of the state.*
  4. *Collaborate with institutions to measure the quality of undergraduate education, including civic engagement of graduates and relevance to demand occupations across regions of the state.*
- A status for all of the initiatives is included as part of item #7 on the full Council agenda. Please refer to *The Virginia Plan for Higher Education: September 2016 Initiatives Update* report under that agenda item.

## **Materials Provided:**

- *The Virginia Plan for Higher Education: September 2016 Initiatives Update* (please refer to this report as part of the discussion item #7 on the full Council agenda).

**Financial Impact:** No financial impact at this time.

**Timetable for Further Review/Action:** No further action at this time.

**Resolution:** No resolution at this time.

State Council of Higher Education for Virginia  
Agenda Item

**Item:** Academic Affairs Committee #5 – Report of the Staff Liaison to the Committee

**Date of Meeting:** September 19, 2016

**Presenter:** Dr. Joseph G. DeFilippo  
Director of Academic Affairs & Planning  
[JoeDeFilippo@schev.edu](mailto:JoeDeFilippo@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:**

**Action:**

**Background Information/Summary of Major Elements:** N/A

**Materials Provided:**

- “Report of the Staff Liaison to the Academic Affairs Committee,” by Dr. Joseph G. DeFilippo.

**Financial Impact:** N/A

**Timetable for Further Review/Action:** N/A

**Resolution:** N/A

Report of the Staff Liaison to the Academic Affairs Committee, September 2016  
(activities reported as of September 6)

Dr. Joseph G. DeFilippo  
Director of Academic Affairs & Planning

Initiatives/Policy Work

- On August 31, **Ms. Derricott** released SCHEV's Improving Teacher Quality (ITQ) Request for Proposal (RFP), otherwise known as No Child Left Behind. This will be the U.S. Department of Education (USED)'s final disbursement to State Agencies of Higher Education. SCHEV anticipates funding approximately 10 Professional Development (PD) projects, totaling around \$1 million, to faculty at Virginia's four-year public and not-for-profit colleges and universities. Priority topics include research-based projects that focus on middle school Mathematics, Science, English and other core academic areas that increase academic achievement and align with state educational initiatives in reading, writing, research and college and career readiness skills.
- **Dr. Osei** has traveled to George Mason and Norfolk State to discuss academic program plans (certificate and degree programs) with faculty (GMU and NSU) and administrators (NSU). She will travel to Radford in the fall to discuss academic programs with a group of deans.

Meetings Conducted or Attended in SCHEV Capacity

**Ms. Covington** attended the retreat of the Library Advisory Committee (LAC) on August 4-5. One result of the retreat was a white paper of ideas on cost reduction, efficiencies, and innovation that has been submitted to SCHEV.

On August 9-10 **Dr. Osei** held a training session to review the updated academic program approval policy. The training was offered to the SCHEV liaisons from the four-year institutions; representatives from all except one of the four-year institutions attended. **Dr. DeFilippo** welcomed the group and provided an overview of Council's strategic plan priorities and initiatives. **Dr. Osei** presented information about aspects of the updated policy: format, document and proposal formats, certificate programs, and modifications. Feedback from attendees indicated the training was helpful, informative, and appreciated.

Meetings/Programs Attended

**Dr. DeFilippo** participated in the Harvard Graduate School of Education's "Institute for Educational Management," July 18-29, in Cambridge, MA.

**Ms. Covington** and **Dr. Fisler** attended the SHEEO Policy Conference in Pittsburgh, August 9-12. **Fisler** participated on a panel on "Diversity, Social Justice, and Civil Discourse."

### Upcoming Meetings

The P-20 **Dual Enrollment Working Group** will have its first meeting at SCHEV on **September 7**. (Lead staff: DeFilippo, Massa, Moschos, Smith)

Topics:

- issues affecting student success once they arrive in higher education with dual enrollment credit, including considerations related to quality
- data needs for further assessing the efficacy of dual enrollment
- possible recommendations for dual enrollment innovations (including pathways) that would contribute to improved attainment and completion
- what informational exchange(s) would be helpful going forward?

The **Task Force on Quality & Assessment** will hold its third meeting on **Sept 22** in Richmond. (Lead staff: Fisler)

The **State Committee on Transfer** will meet on **September 22** at James Madison University. Topics to be discussed at the meeting include the VCCS's Math Pathways initiative, dual enrollment, implementation of the new State Policy on College Transfer, and recognition of CVCC's general studies associate degree as a transfer degree. (Lead staff: Smith)

- SCHEV staff is currently working with the State Committee on Transfer to implement the recently updated State Policy on College Transfer (SPCT). A survey to gauge institutional compliance with the SPCT and institutional communication practices is being developed collaboratively between SCHEV, the VCCS, and representatives from two- and four-year institutions.

### Service/Recognition

**Dr. Fisler** served as an expert reviewer for the inaugural "Excellence in Assessment" Designation, co-sponsored by the Voluntary System of Accountability, National Institute for Learning Outcomes Assessment (NILOA), and AAC&U.

Staff:

Ms. Beverly Covington, Senior Associate for Academic & Legislative Affairs

Dr. Joseph G. DeFilippo, Director, Academic affairs

Ms. Darlene Derricott, Coordinator, Academic Services

Dr. Jodi Fisler, Associate for Assessment Policy & Analysis

Dr. Monica Osei, Assistant Director for Academic Affairs & Student Programs

Ms. Sylvia Rosa-Casanova, Director, Private and Out of State Postsec. Education

Dr. Paul Smith, Associate for Student Mobility Policy & Research

# STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA

Virginia Commonwealth University  
Student Commons, Salon 4  
Richmond, VA  
September 19, 2016  
2:00 p.m. – 3:30 p.m.

## Resources and Planning Committee

1. Call to Order
2. Approval of Minutes (July 19, 2016) [Page 1](#)
3. Action on Measures of Institutional Performance [Page 4](#)
4. Action on Workforce Credential Regulations  
Based on Regulatory Review [Page 33](#)
5. Action on Additional Amendments to Guidelines for  
Cybersecurity Public Service Scholarship Program [Page 42](#)
6. Discussion of 2016-18 Systemwide Operating Budget  
Amendments [Page 49](#)
7. Update on Initiatives 2, 3, and 6 of The Virginia Plan [Page 81](#)
8. Motion to Adjourn

Committee members:

Marge Connelly, Chair  
Henry Light, Vice Chair  
Dan Gundersen  
Bill Murray  
Minnis Ridenour  
Tom Slater

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA  
RESOURCES AND PLANNING COMMITTEE  
JULY 19, 2016  
MINUTES**

Ms. Connelly called the meeting to order at 10:45 a.m. in Room P126-A, Plecker Workforce Center, Blue Ridge Community College, Weyers Cave, Virginia. Committee members present: Marge Connelly, Henry Light, Minnis Ridenour, and Tom Slater. Council Chair, G. Gilmer Minor was also in attendance.

Committee members absent: Pamela Moran.

Staff members present: Lee Andes, Russ Carmichael, Dan Hix, Wendy Kang, Tod Massa, Jean Mottley, Lee Ann Rung, and Yan Zheng.

**APPROVAL OF MINUTES**

On a motion by Mr. Ridenour and seconded by Mr. Light the minutes from the May 16, 2016, meeting were approved unanimously.

**ACTION ON FULL COST REPORT**

Mr. Hix provided details of the item that was included in the agenda book and reminded members that the Appropriation Act requires that Council review and approve yearly the full cost of education and provide a report to the General Assembly. Dr. Zheng explained the monitoring calculations done by SCHEV staff to determine if institutions met the requirements of 100% of the cost of education. Mr. Ridenour said it is important to note that the report only addresses instructional costs, which is often misunderstood by the general public. Dr. Zheng and Mr. Hix answered questions from members. Mr. Minor suggested that staff provide members with a briefing on higher education finance, particularly for new members.

On a motion by Mr. Light and seconded by Mr. Minor the following resolution was approved unanimously to be forwarded to the full Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the 2016-17 Full Cost Report.**

**ACTION ON REGULATIONS FOR WORKFORCE CREDENTIALS GRANT PROGRAM**

Ms. Kang provided background information and reminded members that the draft regulations were reviewed at the last meeting. Eligible institutions, the Virginia Workforce Board, Governor's staff and select legislative staff have reviewed and provided comments. She answered questions from members and explained the next steps about monitoring over the next year. She also reported that SCHEV is hiring a

full-time position to support the data processing and reimbursement requests for the grant.

On a motion by Mr. Light and seconded by Mr. Ridenour the following resolution was approved unanimously to be forwarded to the full Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the proposed regulations for Workforce Credential Grant Program and directs to staff to incorporate any necessary technical changes that may arise subsequent to further executive or legal review.**

### **ACTION ON GUIDELINES FOR CYBERSECURITY SCHOLARSHIP PROGRAM**

Mr. Hix provided background information and asked Mr. Andes to provide details. Mr. Andes explained the highlights of the program elements as outlined on page 82 of the agenda book. He informed members that the Office of the Attorney General has reviewed the regulations and staff is awaiting additional feedback from the Secretary of Education. Mr. Minor suggested that members consider attending the cybersecurity seminar scheduled for September 16 at Longwood University.

On a motion by Mr. Ridenour and seconded by Mr. Light the following resolution was approved unanimously to be forwarded to the full Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the proposed policies, application, and promissory note for the Cybersecurity Public Service Scholarship program and directs staff to incorporate any necessary technical changes that may arise subsequent to further executive or legal review.**

### **DISCUSSION OF MEASURES OF INSTITUTIONAL PERFORMANCE**

Mr. Hix provided background information about the process and introduced Dr. Jean Mottley. Dr. Mottley reviewed the preliminary findings. She also reviewed the next steps and indicated that the Financial and Administrative Standards reviews are underway by the Department of Planning and Budget (DPB). Once SCHEV staff receives feedback from DPB in August, staff will include this information in the September agenda book. She reminded members that the Council has broad authority in the certification process. Systemwide all six measures were achieved. Dr. Mottley answered questions from members and reminded the Committee that this will be an action item at the September meeting.

### **UPDATE ON INITIATIVES 2, 3, and 6 OF THE VIRGINIA PLAN**

Mr. Blake provided a brief overview for the benefit of Mr. Slater and referred members to the materials beginning on page 105. Due to the lateness of the hour, there was not

much discussion of this item since Ms. Kang was to provide an overview of the Virginia Plan at the full Council meeting.

**REPORT OF THE STAFF LIAISON TO THE COMMITTEE**

Mr. Blake discussed the state revenue shortfall and informed members that the Governor and advisors are reviewing the data and will release a revised revenue forecast in August. The Governor may require agencies to submit budget reduction plans.

**MOTION TO ADJOURN**

The Chair adjourned the meeting at 12:00 p.m.

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Marge Connelly  
Committee Chair

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Lee Ann Rung  
Director, Executive & Board Affairs

## State Council of Higher Education for Virginia Agenda Item

**Item:** Resources and Planning Committee #3 – Action on Measures of Institutional Performance

**Date of Meeting:** September 19, 2016

**Presenters:** Jean Mottley, Senior Associate for Finance Policy  
[JeanMottley@schev.edu](mailto:JeanMottley@schev.edu)  
Tod Massa, Director of Policy Research and Data Warehousing  
[TodMassa@schev.edu](mailto:TodMassa@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:** July 19, 2016

**Action:** Discussed the assessment results for the six general performance measures and the Level II performance measures.

**Background Information:**

The purpose of this agenda item is to discuss the final results of the 2016 Biennial Assessment and take action regarding certification of the institutions. The periods under review for this biennial assessment are 2013-14 and 2014-15.

The State Council of Higher Education has been involved in assessing institutional performance for over a decade, first through the requirements of the 2005 Higher Education Restructuring Act, and then through the Virginia Higher Education Opportunity Act of 2011 (Top Jobs Act or TJ21) and the related Code of Virginia amendments. The General Provisions of the 2014-16 amended Appropriation Act (Chapter 665) outline the assessment process and list the six education-related measures on which the Council shall base its assessment and certification. It should be noted that these six measures complement the goals of the Virginia Plan for Higher Education. Each of the six measures is listed in Appendix A under the “BIENNIAL ASSESSMENTS” heading.

The assessment process also includes financial and administrative standards that are evaluated by the Secretaries of Finance, Administration, and Technology, as appropriate, and communicated to the State Council of Higher Education before October 1 of each even-numbered year. Each of these measures is listed in Appendix A under the “FINANCIAL AND ADMINISTRATIVE STANDARDS” heading. Section ‘d’ contains the financial and administrative standards for most of the institutions.

Section 'e' contains the financial and administrative standards specific to the four Level III institutions. These institutions have the highest level of authority.

Nine institutions have entered into Memoranda of Understanding (MOUs) that provide them with additional operational authority in two operational areas. These institutions are required to have additional performance measures. Each of these measures is listed in Appendix B under the "LEVEL II PERFORMANCE MEASURES" heading. These measures also complement the goals of the Virginia Plan for Higher Education. Level III institutions have no additional education-related measures.

Assessment findings are used to determine certification for the institutions. Each institution that has been certified as having met the performance assessment criteria shall receive the financial benefits listed in Appendix A under the "FINANCIAL BENEFITS OF PERFORMANCE CERTIFICATION" heading. Certification resulting in eligibility for financial benefits pertains to the years 2016-17 and 2017-18.

Appropriation Act language states that, in general, institutions are expected to achieve all performance measures in order to be certified by SCHEV, "but it is understood that there can be circumstances beyond an institution's control that may prevent achieving one or more performance measures." The Council has broad authority to certify the institutions as having met the standards on education-related measures and has the authority to exempt institutions from certification on education-related measures the State Council deems unrelated to an institution's mission or unnecessary given the institution's level of performance. The Council also has the authority to require a remediation plan to address deficiencies.

The Council is required to complete the certification process by forwarding, in writing, the results of the assessments to the Governor and the General Assembly no later than October 1 of each even-numbered year. Certified institutions are eligible to receive financial benefits prescribed in the Code of Virginia and the Appropriation Act, estimated to be \$5 million plus amounts carried over from one fiscal year to the next.

## **Findings:**

### **Six Education-Related Performance Measures**

Systemwide all six measures were achieved. Attachment 1 contains the aggregate information. Attachment 2 contains the results for the six measures by institution.

As discussed at the July meeting, three institutions missed the thresholds for multiple measures or continued to experience problems with the measures in 2014-15. The following plans have been put into place to address these issues:

- The Virginia Community College System (VCCS): The period under review was a volatile time for enrollment and degree management for the community colleges. While there were deficiencies for two measures in 2013-14, VCCS showed improvements in 2014-15. Staff will continue working with VCCS staff to improve processes related to the enrollment projections and degree estimates.

- Virginia State University (VSU): In 2013-14, VSU had deficiencies with Performance Measures 2 and 4. In 2014-15, VSU improved, but, based on SCHEV's findings, VSU fell short with Performance Measure 3. Also, for the biennium, VSU did not achieve the goal for Performance Measure 5. A remediation plan has been established that will involve institutional staff working with SCHEV to improve VSU's methodology with regard to enrollment projections and degree estimates.
- Richard Bland College (RBC): While RBC achieved all measures in 2013-14, it had deficiencies with Performance Measures 2 and 3 in 2014-15. Based on feedback from RBC, staff believes that RBC has addressed technical issues related to the measures and that no further remediation is needed. RBC has begun using new methods to inform enrollment and degree management and to identify strategies to improve student success.

### Level II Performance Measures

Nine institutions have Level II authority. These institutions have memoranda of understanding with the secretaries for the operational areas for which they have additional authority. The operational areas are procurement, information technology or capital projects. In exchange for the additional authority, institutions are required to establish at least one education-related performance measure per memorandum of understanding. Attachment 3 contains the results for the Level II measures by institution.

Six of the institutions met the thresholds for their Level II measures. The other three institutions have deficiencies and have submitted remediation plans as described below:

- Radford University (RU): Faculty identified that students were not academically prepared for two computer science courses that had been selected for course redesign. Since then, the university has put into place screening measures to identify underprepared students and address their preparation. Additionally, RU has piloted a programming fundamentals course as a prerequisite for the computer science courses. These enhancements were put into place after the period under review for the current biennial assessment. Therefore, RU believes, and SCHEV staff concurs, that a remediation plan is already in place that should result in improvement in student outcomes for these courses.

- University of Mary Washington (UMW): UMW did not meet the threshold in 2014-15 for the performance measure to increase the in-state freshman to sophomore retention rate. However, UMW has put a number of strategies in place since 2014 to improve the first-year experience. These strategies include overhauling the summer orientation program, moving all first year seminars to the fall semester, creating living/learning communities, and restructuring the advising program. UMW reports that the retention rate increased in the fall of 2015. Staff concurs and recommends that a viable remediation plan is already in place.
- Longwood University (LU): LU did not meet some thresholds related to the measures for the teacher licensure program in Emporia and the redesign of the basic statistics course. LU submitted a detailed report containing the background for these measures, past performance data for the measures, and progress made with strategies the university has employed. Staff recommends that LU's report serve as a remediation plan.

As previously discussed at the July meeting, many of the Level II measures were established in 2009, before the Council approved the Virginia Plan for Higher Education and long after the original intent (2005) for education-related measures. SCHEV staff recently discussed this situation with the Op Six members. They agreed that it would be beneficial to undertake a comprehensive review of the measures and the process associated with them. Potential outcomes include establishing measures that more directly support the Virginia Plan as well consideration for separating the education-related measures from the certification process to align Level II certification requirements more closely with those of Level III institutions that do not have additional education-related measures. The review process would commence later this year or early next year, with an eye toward proposing related legislative changes in the 2018 session.

### Financial and Administrative Standards

The Department of Planning and Budget under the Secretary of Finance performed the review of the results of the Financial and Administrative Standards. All institutions met these standards in aggregate with passing scores of at least 80%. Attachment 4 contains the information received from the office of the Secretary of Finance.

### **Summary:**

Assessment results by institution can be found on SCHEV's website at <http://www.schev.edu/docs/default-source/institution-section/institutional-performance-standards/final-2016-biennial-assessment-results83abb550bece61aeb256ff000079de01.pdf>. Systemwide all six of the general education-related performance measures were achieved. Appropriate remediation plans for individual institutions have been put into place to address any deficiencies related to the six general education-related measures and the Level II measures. All institutions achieved passing scores for the Financial and Administrative Standards. Therefore, staff recommends that all institutions be certified to receive financial incentives as per § 2.2-5005.

**Materials Provided:**

- Attachment 1: Results for Six General Education-Related Performance Measures (Aggregate Information)
- Attachment 2: Results for Six General Education-Related Performance Measures by Institution
- Attachment 3: Results for Level II Education-Related Performance Measures
- Attachment 4: Results for the Financial and Administrative Standards Review
- Appendix A: Assessment of Institutional Performance (§4-9.01)
- Appendix B: Level II Authority (§ 4-9.02)
- Appendix C: General Fund Financial Benefits of Restructuring Certification

**Financial Impact:** Certified institutions are eligible to receive financial benefits listed in Appendix A. Information about financial benefits of restructuring certification from FY2007 through FY2015 is provided in Appendix C.

**Timetable for Further Review/Action:** This review completes the 2016 Biennial Assessment process. The next review must be completed by October 1, 2018.

**Resolution:**

**BE IT RESOLVED that consistent with §23-9.6:1.01, Code of Virginia, the State Council of Higher Education for Virginia certifies for 2016-2017 and 2017-2018 that all public institutions have satisfactorily met the performance standards of the Virginia Higher Education Opportunity Act and Appropriation Act.**

**ATTACHMENT 1**  
**RESULTS FOR SIX GENERAL EDUCATION-RELATED PERFORMANCE MEASURES**  
**Aggregate Information**  
**September 2016**

PERFORMANCE MEASURE	2013-2014			2014-2015		
	Target	Actual	Result	Target	Actual	Result
1 - Institution meets <b>at least 95 percent</b> of its State Council-approved biennial projections for in-state undergraduate headcount enrollment.	316,527	319,005	<b>101%</b>	315,675	315,381	<b>100%</b>
2 - Institution meets <b>at least 95 percent</b> of its State Council-approved biennial projections for the number of in-state associate and bachelor degree awards.	49,079	47,383	<b>97%</b>	47,039	47,995	<b>102%</b>
3 - Institution meets <b>at least 95 percent</b> of its State Council-approved biennial projections for the number of in-state STEM-H associate and bachelor degree awards.	15,319	15,291	<b>100%</b>	15,979	15,908	<b>100%</b>
4 - Institution meets <b>at least 95 percent</b> of its State Council-approved biennial projections for the number of in-state, upper level – sophomore level for two-year institutions and junior and senior level for four-year institutions – program-placed, full-time equivalent students.	78,394	77,102	<b>98%</b>	78,618	78,786	<b>100%</b>
5 - <b>Maintain or increase</b> the number of in-state associate and bachelor degrees awarded to students from under-represented populations.	28,557	28,832	<b>+275</b>	28,832	29,706	<b>+874</b>
6 - <b>Maintain or increase</b> the number of in-state, two-year transfers to four-year institutions.	11,332	11,351	<b>+19</b>	11,351	11,794	<b>+443</b>

**ATTACHMENT 2**  
**RESULTS FOR SIX GENERAL EDUCATION-RELATED PERFORMANCE MEASURES BY INSTITUTION**  
**September 2016**

Institution	PM 1		PM 2		PM 3		PM 4		PM 5	PM 6
	13-14	14-15	13-14	14-15	13-14	14-15	13-14	14-15	Biennium	Biennium
CNU	P	P	P	P	P	P	P	P	P	-34
CWM	P	P	P	P	P	P	P	P	P	-16
GMU	P	P	P	P	P	P	P	P	P	P
JMU	P	P	P	P	P	P	P	P	P	P
LU	P	P	P	P	P	P	P	P	P	P
NSU	P	P	P	P	P	P	P	P	P	-38
ODU	P	P	P	P	P	P	94.3	P	P	P
RU	P	P	P	P	P	P	P	P	P	P
UMW	P	P	P	P	P	P	P	P	P	P
UVA	P	P	P	P	P	P	92.5	P	P	P
UVA-W	P	P	P	P	P	P	P	P	P	-17
VCU	P	P	93.2	P	90.1	P	92.9	P	P	P
VMI	P	P	P	P	P	P	P	P	P	P
VSU	P	P	93.2	P	P	69.0	76.7	P	-40	P
VT	P	P	P	P	P	P	P	P	P	P
VCCS	P	P	88.8	P	87.9	94.1	N/A	N/A	P	N/A
RBC	P	P	P	85.2	P	84.6	N/A	N/A	P	N/A

**PERFORMANCE MEASURES:**

**PM 1** - Institution meets at least 95 percent of its State Council-approved biennial projections for in-state undergraduate headcount enrollment.

**PM 2** - Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state associate and bachelor degree awards.

**PM 3** - Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state STEM-H associate and bachelor degree awards.

**PM 4** - Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state, upper level - sophomore level for two-year institutions and junior and senior level for four-year institutions - program-placed, full-time equivalent students.

**PM 5** - Maintain or increase the number of in-state associate and bachelor degrees awarded to students from under-represented populations.

**PM 6** - Maintain or increase the number of in-state two-year transfers to four-year institutions.

### ATTACHMENT 3 - RESULTS FOR LEVEL II EDUCATION-RELATED PERFORMANCE MEASURES (September 2016)

INSTITUTIONS AND EDUCATION-RELATED MEASURES	2013-2014			2014-2015		
	Actual	Target	Result	Actual	Target	Result
<b>CNU</b>						
1 - Retention rate of in-state, first-time, full-time freshmen.	87.1%	80.5%	MT	87.4%	81.0%	MT
2- Four-year graduation rate of in-state, first-time, full-time freshmen.	62.5%	46.0%	MT	64.0%	46.0%	MT
<b>GMU</b>						
1- Six-year graduation rate of in-state, first-time, full-time freshmen.	0.690	0.620	MT	0.716	0.625	MT
2- Number of master's degree graduates in high-need areas.	1,433	1,279	MT	1,460	1,302	MT
<b>JMU</b>						
1 - Number of STEM graduates.	835	603	MT	900	618	MT
2 - Course Redesign:						
a. Percentage of students earning grades of A, B, C in MATH 205 (Calculus).	81.2%	70.7%	MT	80.7%	71.7%	MT
b. Percentage of students earning grades of A, B, C in MATH 220 (Statistics).	86.3%	75.0%	MT	82.0%	76.0%	MT
<b>LU</b>						
1- Number of students enrolled and graduated in cooperative teacher licensure programs:						
a. Emporia (Enrollment)	11	24	D	11	26	D
b. Emporia (Graduation)	N/A	N/A	N/A	2	4	D
c. Martinsville (Enrollment)	29	22	MT	39	22	MT
d. Martinsville (Graduation)	5	7	D	7	7	MT
2 - Course Redesign:						
a. Percentage of students earning grades of A, B, C in MATH 171 (Basic Statistics).	70%	68%	MT	73%	75%	D
b. Percentage of students earning grades of A, B, C in MATH 261 (Calculus I).	58%	56%	MT	72%	65%	MT
<b>ODU</b>						
1 - Increase the number of nursing graduates.	303	219	MT	269	224	MT
2 - Course Redesign:						
a. Percentage of students earning grades of A, B, C in MATH 102 (College Algebra).	68%	46%	MT	64%	47%	MT
b. Percentage of students earning grades of A, B, C in CHEM 121/122 (Foundations of Chemistry).	61%	49%	MT	63%	51%	MT
<b>RU</b>						
1- Six-year graduation rate of in-state, first-time, full-time freshmen.	0.586	0.54	MT	0.598	0.55	MT
2 - Course Redesign:						
a. Percentage of students earning grades of A, B, C in ITEC 120 (Computer Science I).	56.1%	53.0%	MT	29.7%	54.1%	D
b. Percentage of students earning grades of A, B, C in ITEC 220 (Computer Science II).	66.2%	61.0%	MT	61.2%	62.2%	D

INSTITUTIONS AND EDUCATION-RELATED MEASURES	2013-2014			2014-2015		
	Actual	Target	Result	Actual	Target	Result
<b>UMW</b>						
1 - Freshman to sophomore retention rate.	81.40%	81.08%	<b>MT</b>	77.50%	81.32%	<b>D</b>
2 - Course Redesign:						
a. Percentage of students earning grades of A, B, C in CHEM 111 (General Chemistry I).	62.50%	54.70%	<b>MT</b>	74.22%	54.70%	<b>MT</b>
b. Percentage of students earning grades of A, B, C in MATH 121 (Calculus I).	85.16%	67.49%	<b>MT</b>	81.98%	67.49%	<b>MT</b>
<b>VMI</b>						
1 - Meet agreed upon percentage of demonstrated need of Virginia cadets:						
a. Need-Based Cadets	108.4%	80.0%	<b>MT</b>	115.9%	80.0%	<b>MT</b>
b. High-Need Cadets	80.8%	80.0%	<b>MT</b>	85.2%	80.0%	<b>MT</b>
2 - Percentage of cadets who accept military commissions upon graduation. (5-year rolling avg.)	45.0%	42.5%	<b>MT</b>	46.2%	42.5%	<b>MT</b>
<b>VCCS</b>						
1 - Number of students completing community college (CC) career pathways programs.	32,150	18,084	<b>MT</b>	31,449	18,158	<b>MT</b>
2- Of the *FTIC, program-placed cohort in a given fall term that completes at least 12 credits at the CC, the percent of those students who complete an award (associate degree, certificate, or diploma) or transfer to a four-year institution within five years.	0.502	0.470	<b>MT</b>	0.513	0.473	<b>MT</b>

\* FTIC (First-time in college)

MT = Met Target      D = Deficient      N/A = Not Applicable

## ATTACHMENT 4

### RESULTS OF REVIEW OF FINANCIAL AND ADMINISTRATIVE STANDARDS FOR FY2015

#### Level Three Institutions:

##### The College of William and Mary

The College of William and Mary (W&M) met the financial and administrative standards for level three institutions, complying with 16 of 17 performance measures thus achieving 94 percent compliance rate. W&M did not meet one of the human resources standards – specifically the college’s internal progression rate of 29.8 percent fell short of the 40 percent minimum target in FY2015. Of note, the college has made progress in this measure, achieving a 35.65 percent rate of progression in FY2016.

##### University of Virginia

The University of Virginia met the financial and administrative standards for level three institutions, complying with all 17 performance measures thus achieving a perfect 100 percent compliance rate.

##### Virginia Commonwealth University

Virginia Commonwealth University (VCU) met the financial and administrative standards for level three institutions, complying with 16 of 17 performance measures thus achieving 94 percent compliance rate. VCU did not meet one of the human resources standards; specifically, VCU’s voluntary turnover rate for classified plus university employees was 11.2 percent in FY2015, compared to a 6.3 percent voluntary turnover rate for all state employees. The university believes its Richmond location contributes to a higher turnover rate, due to employees transferring to positions in other state agencies, which is typically considered a transfer for state employees, but counts as turnover for this exercise.

##### Virginia Polytechnic Institute and State University

Virginia Polytechnic Institute and State University (VPI) met the financial and administrative standards for level three institutions, complying with 16 of 17 performance measures thus achieving 94 percent compliance rate. VPI completed two capital projects in FY2015 that exceeded original budget. The Center for the Arts exceeded its original budget due to unexpected site conditions not identified during the design phase that tripled the foundation costs. The Davidson Hall Improvements project exceeded its original budget due to unanticipated contaminated soil removal and late delivery of certain materials. VPI completed two other capital projects in FY2015 that were within their original budget.

## **Level One and Two Institutions:**

The following institutions met all eleven of the finance and administration measures, achieving 100 percent compliance: Christopher Newport University, James Madison University, Norfolk State University, Old Dominion University, Radford University, University of Virginia's College at Wise, and Virginia Military Institute. The institutions failing to meet one or more of the measures are explained in brief below:

### **Richard Bland College**

Richard Bland College (RBC) met nine of the eleven measures. The Auditor of Public Accounts found a material weakness in internal control pertaining to the college's financial reporting processes, so the college did not meet the measure mandating no significant audit deficiencies. Additionally, RBC was not within 15 percent of their SWaM plan goal of 53 percent, as only 16 percent RBC dollars went to SWaM vendors. RBC reported that small business bid prices were too high to be competitive, and the process of finding certified small businesses for small dollar purchases was expensive.

### **George Mason University**

George Mason University (GMU) met ten of the eleven measures. GMU completed one capital project in FY2015 which exceeded its original budget. The project was completed within its revised budget, which included additional funds for FF&E and scope changes.

### **Longwood University**

Longwood University met ten of the eleven measures. LU fell short of the 75 percent benchmark for dollar purchases from vendor locations registered in eVA, as 64.9 percent of FY2015 dollars were issued to vendors registered in eVA. Of note, Longwood met management standards from the Auditor of Public Accounts based on fieldwork done by the APA, but the official report has yet to be released at time of this assessment.

### **University of Mary Washington**

The University of Mary Washington (UMW) met nine of the eleven measures. UMW's classified turnover rate of 11.14 percent is outside the accepted 15 percent variance of their 8.6 percent classified turnover goal. UMW notes an increase in service retirements (3 percent in FY2014 and 4.3 percent in FY2015), a trend they expect to continue in the short term and that may necessitate a change in how UMW calculates expected turnover rate. UMW's turnover rate for FY2015 was below the statewide turnover rate of 13.21 percent. Additionally, UMW was not within 15 percent of their SWaM purchase goal for FY2015. The university's goal was 42 percent, and actual spending was 32.6 percent. UMW reported difficulties in finding small businesses who could meet supply and delivery needs. Of note, UMW met management standards from the Auditor of Public Accounts based on fieldwork done by the APA, but the official report has yet to be released at time of this assessment.

### **Virginia Community College System**

The Virginia Community College System (VCCS) met ten of the eleven measures. The Science and Technology Building at Piedmont Virginia Community College was not completed within its original budget, which the institution reported was not adequate for the requested scope. The project was completed within its revised budget. The three other capital projects with individual costs over \$1 million completed by the VCCS were completed within their original budgets. Of note, VCCS met management standards from the Auditor of Public Accounts based on fieldwork done by the APA, but the official report has yet to be released at time of this assessment.

### **Virginia State University**

Virginia State University (VSU) met ten of the eleven measures. One of the two capital projects with individual cost over \$1 million was not completed within its original budget. The Johnson Memorial Library renovation project saw cost overrun due to code changes after the design approval stage that resulted in additional work before project completion.

Assessment of Institutional Performance

Financial and Administrative Standards - Level Three Institutions

Achievement of Measures

FY2015				
University Achievement of Measures	W&M	UVA	VCU	VPI
Total measures	17	17	17	17
Achieved measures	16	17	16	16
Percent achieved	94.1%	100%	94.1%	94.1%

Specific Performance Measures				FY 2015 Result			
Measure #	Measure Category	Measure	Benchmark	W&M	UVA	VCU	VPI
1	1. Financial	Financial Statements and Internal Controls	a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;	Pass	Pass	Pass	Pass
2	1. Financial	Financial Statements and Internal Controls	b) No significant audit deficiencies attested to by the Auditor of Public Accounts;	Pass	Pass	Pass	Pass
3	1. Financial	Compliance with financial directives	c) Substantial compliance with all financial reporting standards approved by the State Comptroller;	Pass	Pass	Pass	Pass
4	1. Financial	Accounts Receivable	d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and	Pass	Pass	Pass	Pass
5	1. Financial	Accounts Payable	e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.	Pass	Pass	Pass	Pass
6	2. Debt Management	Bond Rating	a) The institution shall maintain a bond rating of AA- or better;	Pass	Pass	Pass	Pass
7	2. Debt Management	Investments	b) The institution achieves a three-year average rate of return at least equal to the money.net money market index fund; and	Pass	Pass	Pass	Pass
8	2. Debt Management	Debt burden ratio	c) The institution maintains a debt burden ratio equal to or less than the level approved by the Board of Visitors in its debt management policy. – (maximum annual debt service on long term debt) divided by (total operating expenses plus principal and interest on capital related debt less research operating expenses)	Pass	Pass	Pass	Pass
9	3. Human Resources	Turnover rate	a) The institution's voluntary turnover rate for classified plus university/college employees will meet the voluntary turnover rate for state classified employees within a variance of 15 percent; and	Pass	Pass	Fail	Pass
10	3. Human Resources	Internal progression	b) The institution achieves a rate of internal progression within a range of 40 to 60 percent of the total salaried staff hires for the fiscal year.	Fail	Pass	Pass	Pass

Specific Performance Measures				FY 2015 Result			
Measure #	Measure Category	Measure	Benchmark	W&M	UVA	VCU	VPI
11	4. Procurement	SWAM Participation	a) The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) procurement plan as submitted to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable; and	Pass	Pass	Pass	Pass
12	4. Procurement	Procurement orders processed through eVA	b) The institution will make no less than 80 percent of purchase transactions through the Commonwealth's enterprise-wide internet procurement system (eVA) with no less than 75 percent of dollars to vendor locations in eVA.	Pass	Pass	Pass	Pass
13	5. Capital Outlay	Capital projects within budget	a) The institution will complete capital projects (with an individual cost of over \$1,000,000) within the budget originally approved by the institution's governing board at the preliminary design state for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly which provides construction funding for the project at the preliminary design state. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun;	Pass	Pass	Pass	Fail
14	5. Capital Outlay	Owner requested change orders	b) The institution shall complete capital projects with the dollar amount of owner requested change orders not more than 2 percent of the guaranteed maximum price (GMP) or construction price; and	Pass	Pass	Pass	Pass
15	5. Capital Outlay	Competitive rates for leased office space	c) The institution shall pay competitive rates for leased office space - the average cost per square foot for office space leased by the institution is within 5 percent of the average commercial business district lease rate for similar quality space within reasonable proximity to the institution's campus.	Pass	Pass	Pass	Pass

Specific Performance Measures				FY 2015 Result			
Measure #	Measure Category	Measure	Benchmark	W&M	UVA	VCU	VPI
16	6. Information Technology	Project Management	a) The institution will complete major information technology projects (with an individual cost of over \$1,000,000) on time and on budget against their managed project baseline. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay; and	Pass	Pass	Pass	Pass
17	6. Information Technology	Information Security	b) The institution will maintain compliance with institutional security standards as evaluated in internal and external audits. The institution will have no significant audit deficiencies unresolved beyond one year.	Pass	Pass	Pass	Pass

## Financial and Administrative Standards - Level One and Two Institutions

Institution	Unqualified Opinion from APA	No Significant Audit Deficiencies	Substantial Compliance with Financial Reporting	Accounts Receivable Standards	Accounts Payable Standards	Complies with Debt Mgmt Policy	Within 15% of Turnover Rate Goal	Within 15% of SWaM Plan Goal	No less than 75% of Dollar Purchases from vendors in eVA	Complete IT projects under original budget	Complete capital projects under original budget	Pass/Fail	Institution
Christopher Newport University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	Christopher Newport University
Richard Bland College	Yes	<b>No (1)</b>	Yes	Yes	Yes	Yes	Yes	<b>No</b>	Yes	Yes	Yes	Pass	Richard Bland College
George Mason University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	<b>No (2)</b>	Pass	George Mason University
James Madison University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	James Madison University
Longwood University	Yes (1)	Yes (1)	Yes	Yes	Yes	Yes	Yes	Yes	<b>No</b>	Yes	Yes	Pass	Longwood University
Norfolk State University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	Norfolk State University
Old Dominion University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	Old Dominion University
Radford University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	Radford University
University of Mary Washington	Yes (1)	Yes (1)	Yes	Yes	Yes	Yes	<b>No</b>	<b>No</b>	Yes	Yes	Yes	Pass	University of Mary Washington
University of Virginia's College at Wise	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	University of Virginia's College at Wise
Virginia Community College System	Yes (1)	Yes (1)	Yes	Yes	Yes	Yes	Yes	Yes (2)	Yes	Yes	<b>No (3)</b>	Pass	Virginia Community College System
Virginia Military Institute	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	Virginia Military Institute
Virginia State University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	<b>No (4)</b>	Pass	Virginia State University

### Table Notes

#### Unqualified Opinion from APA & No Significant Audit Deficiencies

Yes (1) - Meets Management Standards based on June 30, 2015 fieldwork: report still to be released

No (1) - Material weakness in internal control pertaining to financial reporting processes

#### Within 15% of SWaM Plan Goal

Yes (2) - Lord Fairfax Community College did not meet within 15% of target (goal: 46% actual: 33.5%) Richard Bland - goal: 53% actual: 16%  
Mary Washington - goal: 42% actual: 32.59%

#### Complete Capital Projects Under Original Budget

No (2) - George Mason completed one project in FY2015 that exceeded original budget

No (3) - Piedmont Virginia Community College completed one project in FY2015 that exceeded original budget

No (4) - Virginia State completed two projects in FY2015; one exceeded original budget

## APPENDIX A

### 9.01 (language only)

#### § 4-9.00 HIGHER EDUCATION RESTRUCTURING

##### §4-9.01 ASSESSMENT OF INSTITUTIONAL PERFORMANCE

Consistent with [§23-9.6:1.01](#), Code of Virginia, the following education-related and financial and administrative management measures shall be the basis on which the State Council of Higher Education shall annually assess and certify institutional performance. Such certification shall be completed and forwarded in writing to the Governor and the General Assembly no later than October 1 of each even-numbered year. Institutional performance on measures set forth in paragraph D of this section shall be evaluated year-to-date by the Secretaries of Finance, Administration, and Technology as appropriate, and communicated to the State Council of Higher Education before October 1 of each even-numbered year. Financial benefits provided to each institution in accordance with [§2.2-5005](#) will be evaluated in light of that institution's performance.

In general, institutions are expected to achieve all performance measures in order to be certified by SCHEV, but it is understood that there can be circumstances beyond an institution's control that may prevent achieving one or more performance measures. The Council shall consider, in consultation with each institution, such factors in its review: (1) institutions meeting all performance measures will be certified by the Council and recommended to receive the financial benefits, (2) institutions that do not meet all performance measures will be evaluated by the Council and the Council may take one or more of the following actions: (a) request the institution provide a remediation plan and recommend that the Governor withhold release of financial benefits until Council review of the remediation plan or (b) recommend that the Governor withhold all or part of financial benefits.

Further, the State Council shall have broad authority to certify institutions as having met the standards on education-related measures. The State Council shall likewise have the authority to exempt institutions from certification on education-related measures that the State Council deems unrelated to an institution's mission or unnecessary given the institution's level of performance.

The State Council may develop, adopt, and publish standards for granting exemptions and ongoing modifications to the certification process.

#### a. BIENNIAL ASSESSMENTS

1. Institution meets at least 95 percent of its State Council-approved biennial projections for in-state undergraduate headcount enrollment.

2. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state associate and bachelor degree awards.
3. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state STEM-H (Science, Technology, Engineering, Mathematics, and Health professions) associate and bachelor degree awards.
4. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state, upper level - sophomore level for two-year institutions and junior and senior level for four-year institutions - program-placed, full-time equivalent students.
5. Maintain or increase the number of in-state associate and bachelor degrees awarded to students from under-represented populations.
6. Maintain or increase the number of in-state two-year transfers to four-year institutions.

d. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to all institutions except those governed under Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly.

1. As specified in § 2.2-5004, Code of Virginia, institution takes all appropriate actions to meet the following financial and administrative standards:
  - a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;
  - b) No significant audit deficiencies attested to by the Auditor of Public Accounts;
  - c) Substantial compliance with all financial reporting standards approved by the State Comptroller;
  - d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and
  - e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.
2. Institution complies with a debt management policy approved by its governing board that defines the maximum percent of institutional resources that can be used to pay debt service in a fiscal year, and the maximum amount of debt that can be prudently issued within a specified period.
3. The institution will achieve the classified staff turnover rate goal established by the institution; however, a variance of 15 percent from the established goal will be acceptable.

4. The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) plan as submitted to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable.

The institution will make no less than 75 percent of dollar purchases through the Commonwealth's enterprise-wide internet procurement system (eVA) from vendor locations registered in eVA.

5. The institution will complete capital projects (with an individual cost of over \$1,000,000) within the budget originally approved by the institution's governing board for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun.

6. The institution will complete major information technology projects (with an individual cost of over \$1,000,000) within the budgets and schedules originally approved by the institution's governing board. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay.

#### e. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly. They shall be measured by the administrative standards outlined in the Management Agreements and § 4-9.02.d.4. of this act. However, the Governor may supplement or replace those administrative performance measures with the administrative performance measures listed in this paragraph. Effective July 1, 2009, the following administrative and financial measures shall be used for the assessment of institutional performance for institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly and those governed under Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly.

##### 1. Financial

- a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;
- b) No significant audit deficiencies attested to by the Auditor of Public Accounts;

- c) Substantial compliance with all financial reporting standards approved by the State Comptroller;
- d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and
- e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.

## 2. Debt Management

- a) The institution shall maintain a bond rating of AA- or better;
- b) The institution achieves a three-year average rate of return at least equal to the imoney.net money market index fund; and
- c) The institution maintains a debt burden ratio equal to or less than the level approved by The Board of Visitors in its debt management policy.

## 3. Human Resources

- a) The institution's voluntary turnover rate for classified plus university/college employees will meet the voluntary turnover rate for state classified employees within a variance of 15 percent; and
- b) The institution achieves a rate of internal progression within a range of 40 to 60 percent of the total salaried staff hires for the fiscal year.

## 4. Procurement

- a) The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) procurement plan as submitted to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable; and
- b) The institution will make no less than 80 percent of purchase transactions through the Commonwealth's enterprise-wide internet procurement system (eVA) with no less than 75 percent of dollars to vendor locations in eVA.

## 5. Capital Outlay

- a) The institution will complete capital projects (with an individual cost of over \$1,000,000) within the budget originally approved by the institution's governing board at the preliminary design state for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly which provides construction funding for the project at the preliminary design state. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance

shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun;

- b) The institution shall complete capital projects with the dollar amount of owner requested change orders not more than 2 percent of the guaranteed maximum price (GMP) or construction price; and
- c) The institution shall pay competitive rates for leased office space – the average cost per square foot for office space leased by the institution is within 5 percent of the average commercial business district lease rate for similar quality space within reasonable proximity to the institution's campus.

## 6. Information Technology

- a) The institution will complete major information technology projects (with an individual cost of over \$1,000,000) on time and on budget against their managed project baseline. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay; and b) The institution will maintain compliance with institutional security standards as evaluated in internal and external audits. The institution will have no significant audit deficiencies unresolved beyond one year.

## FINANCIAL BENEFITS OF PERFORMANCE CERTIFICATION

§ 2.2-5005. Incentive performance benefits to certain public institutions of higher education.

As used in this section, unless the context requires a different meaning:

"Fiscal year of implementation" means the first full fiscal year for which the financial and administrative management and educational-related performance benchmarks described under § [23-9.6:1.01](#) are effective, as provided in a general appropriation act.

Beginning with the fiscal year that immediately follows the fiscal year of implementation and for all fiscal years thereafter, each public institution of higher education that (i) has been certified during the fiscal year by the State Council of Higher Education of Virginia pursuant to § [23-9.6:1.01](#) as having met the institutional performance benchmarks for public institutions of higher education and (ii) meets the conditions prescribed in subsection B of § [23-38.88](#), shall receive the following financial benefits:

1. Interest on the tuition and fees and other nongeneral fund Educational and General Revenues deposited into the State Treasury by the public institution of higher education, as provided in the appropriation act. Such interest shall be paid from the general fund and shall be an appropriate and equitable amount as determined and certified in writing by the Secretary of Finance to the Comptroller by the end of each fiscal year, or as soon thereafter as practicable;

2. Any unexpended appropriations of the public institution of higher education at the close of the fiscal year, which shall be reappropriated and allotted for expenditure by the institution in the immediately following fiscal year; and

3. A pro rata amount of the rebate due to the Commonwealth on credit card purchases of \$5,000 or less made during the fiscal year. The amount to be paid to each institution shall equal a pro rata share based upon its total transactions of \$5,000 or less using the credit card that is approved for use by all state agencies as compared to all transactions of \$5,000 or less using such card by all state agencies. The Comptroller shall determine the public institution's pro rata share and, as provided in the appropriation act, shall pay the institution by August 15, or as soon thereafter as practicable, of the fiscal year immediately following the year of certification.

The payment to an institution of its pro rata share under this subdivision shall also be applicable to other rebate or refund programs in effect that are similar to that of the credit card rebate program described in this subdivision. The Secretary of Finance shall identify such other rebate or refund programs and shall determine the pro rata share to be paid to the public institution of higher education.

4. A rebate of any transaction fees for the prior fiscal year paid for sole source procurements made by the institution in accordance with subsection E of § [2.2-4303](#), for using a vendor who is not registered with the Department of General Service's web-based electronic procurement program commonly known as "eVA", as provided in the appropriation act. Such rebate shall be certified by the Department of General Services and paid to each public institution by August 15, or as soon thereafter as practicable, of the fiscal year immediately following the year of certification.

(2005, cc. [933](#), [945](#).)

## APPENDIX B

### 9.02 (language only)

#### § 4-9.00 HIGHER EDUCATION RESTRUCTURING

##### § 4-9.02 LEVEL II AUTHORITY

a. Notwithstanding the provisions of § 5 of Chapter 824 and 829 of the 2008 Acts of Assembly, institutions of higher education that have met the eligibility criteria for additional operational and administrative authority set forth in Chapters 824 and 829 of the 2008 Acts of Assembly shall be allowed to enter into separate negotiations for additional operational authority for a third and separate functional area listed in Chapter 824 and 829 of the 2008 Acts of Assembly, provided they have:

1. successfully completed at least three years of effectiveness and efficiencies operating under such additional authority granted by an original memorandum of understanding;
2. successfully renewed additional memoranda of understanding for a five year term for each of the original two areas.

The institutions shall meet all criteria and follow policies for negotiating and establishing a memorandum of understanding with the Commonwealth of Virginia as provided in § 2.0 (Information Technology), § 3.0 (Procurement), and § 4.0 (Capital Outlay) of Chapter 824 and 829 of the 2008 Acts of Assembly.

b. As part of the memorandum of understanding, each institution shall be required to adopt at least one new education-related measure for the new area of operational authority. Each education-related measure and its respective target shall be developed in consultation with the Secretary of Finance, Secretary of Education, the appropriate Cabinet Secretary, and the State Council of Higher Education for Virginia. Each education-related measure and its respective target must be approved by the State Council of Higher Education for Virginia and shall become part of the certification required by § 23-9.6:1.01.

c. 1. As part of a five-year pilot program, George Mason University and James Madison University are authorized, for a period of five years, to exercise additional financial and administrative authority as set out in each of the three functional areas of information technology, procurement and capital projects as set forth and subject to all the conditions in §§ 2.0, 3.0 and 4.0 of the second enactment of Chapter 824 and 829 of the Acts of Assembly of 2008 except that (i) any effective dates contained in Chapter 824 and 829 of the Acts of Assembly of 2008 are superseded by the provisions of this item, and (ii) the institution is not required to have a signed memorandum of understanding with the Secretary of Administration regarding participation in the nongeneral fund decentralization program as provided in subsection C of § 2.2-1132 in order to be eligible for the additional capital project authority.

2. In addition, each institution shall exercise additional financial and administrative authority over financial operations as follows:

a). BOARD OF VISITORS ACCOUNTABILITY AND DELEGATION OF AUTHORITY.

The Board of Visitors of the University shall at all times be fully and ultimately accountable for the proper fulfillment of the duties and responsibilities set forth in, and for the appropriate implementation of, this Policy. Consistent with this full and ultimate accountability, however, the Board may, pursuant to its legally permissible procedures, specifically delegate either herein or by separate Board resolution the duties and responsibilities set forth in this Policy to a person or persons within the University, who, while continuing to be fully accountable for such duties and responsibilities, may further delegate the implementation of those duties and responsibilities pursuant to the University's usual delegation policies and procedures.

b) FINANCIAL MANAGEMENT AND REPORTING SYSTEM.

The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to be authorized by the Board to maintain existing and implement new policies governing the management of University financial resources. These policies shall continue to (i) ensure compliance with Generally Accepted Accounting Principles, (ii) ensure consistency with the current accounting principles employed by the Commonwealth, including the use of fund accounting principles, with regard to the establishment of the underlying accounting records of the University and the allocation and utilization of resources within the accounting system, including the relevant guidance provided by the State Council of Higher Education for Virginia chart of accounts with regard to the allocation and proper use of funds from specific types of fund sources, (iii) provide adequate risk management and internal controls to protect and safeguard all financial resources, including moneys transferred to the University pursuant to a general fund appropriation, and ensure compliance with the requirements of the Appropriation Act.

The financial management system shall continue to include a financial reporting system to satisfy both the requirements for inclusion into the Commonwealth's Comprehensive Annual Financial Report, as specified in the related State Comptroller's Directives, and the University's separately audited financial statements. To ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounting and bookkeeping system of the University shall continue to be maintained in accordance with the principles prescribed for governmental organizations by the Governmental Accounting Standards Board.

In addition, the financial management system shall continue to provide financial reporting for the President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, and the Board of Visitors to enable them to provide adequate oversight of the financial operations of the University.

#### c) FINANCIAL MANAGEMENT POLICIES.

The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall create and implement any and all financial management policies necessary to establish a financial management system with adequate risk management and internal control processes and procedures for the effective protection and management of all University financial resources. Such policies will not address the underlying accounting principles and policies employed by the Commonwealth and the University, but rather will focus on the internal operations of the University's financial management. These policies shall include, but need not be limited to, the development of a tailored set of finance and accounting practices that seek to support the University's specific business and administrative operating environment in order to improve the efficiency and effectiveness of its business and administrative functions. In general, the system of independent financial management policies shall be guided by the general principles contained in the Commonwealth's Accounting Policies and Procedures such as establishing strong risk management and internal accounting controls to ensure University financial resources are properly safeguarded and that appropriate stewardship of public funds is obtained through management's oversight of the effective and efficient use of such funds in the performance of University programs.

The University shall continue to follow the Commonwealth's accounting policies until such time as specific alternate policies can be developed, approved and implemented. Such alternate policies shall include applicable accountability measures and shall be submitted to the State Comptroller for review and comment before they are implemented by the University.

#### d) FINANCIAL RESOURCE RETENTION AND MANAGEMENT.

The Board of Visitors shall retain the authority to establish tuition, fee, room, board, and other charges, with appropriate commitment provided to need-based grant aid for middle- and lower-income undergraduate Virginians. Except as provided otherwise in the Appropriation Act, it is the intent of the Commonwealth and the University that the University shall be exempt from the revenue restrictions in the general provisions of the Appropriation Act related to non-general funds. In addition, unless prohibited by the Appropriation Act, it is the intent of the Commonwealth and the University that the University shall be entitled to retain non-general fund savings generated from changes in Commonwealth rates and charges, including but not limited to health, life, and disability insurance rates, retirement contribution rates, telecommunications charges, and utility rates, rather than reverting such savings back to the Commonwealth. This financial resource policy assists the University by providing the framework for retaining and managing non-general funds, for the receipt of general funds, and for the use and stewardship of all these funds.

The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to provide oversight of the University's cash management system which is the framework for the retention of non-general funds. The Internal Audit

Department of the University shall periodically audit the University's cash management system in accordance with appropriate risk assessment models and make reports to the Audit and Compliance Committee of the Board of Visitors. Additional oversight shall continue to be provided through the annual audit and assessment of internal controls performed by the Auditor of Public Accounts. For the receipt of general and non-general funds, the University shall conform to the Security for Public Deposits Act, Chapter 44 (§ 2.2-4400 et seq.) of Title 2.2 of the Code of Virginia as it currently exists and from time to time may be amended.

e) ACCOUNTS RECEIVABLE MANAGEMENT AND COLLECTION.

The President, through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to be authorized to create and implement any and all Accounts Receivable Management and Collection policies as part of a system for the management of University financial resources. The policies shall be guided by the requirements of the Virginia Debt Collection Act, Chapter 48 (§ 2.2-4800 et seq.) of the Code of Virginia, such that the University shall take all appropriate and cost effective actions to aggressively collect accounts receivable in a timely manner.

These shall include, but not be limited to, establishing the criteria for granting credit to University customers; establishing the nature and timing of collection procedures within the above general principles; and the independent authority to select and contract with collection agencies and, after consultation with the Office of the Attorney General, private attorneys as needed to perform any and all collection activities for all University accounts receivable such as reporting delinquent accounts to credit bureaus, obtaining judgments, garnishments, and liens against such debtors, and other actions. In accordance with sound collection activities, the University shall continue to utilize the Commonwealth's Debt Set-Off Collection Programs, shall develop procedures acceptable to the Tax Commissioner and the State Comptroller to implement such Programs, and shall provide a quarterly summary report of receivables to the Department of Accounts in accordance with the reporting procedures established pursuant to the Virginia Debt Collection Act.

f) DISBURSEMENT MANAGEMENT.

The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to be authorized to create and implement any and all disbursement policies as part of a system for the management of University financial resources. The disbursement management policies shall continue to define the appropriate and reasonable uses of all funds, from whatever source derived, in the execution of the University's operations. These policies also shall continue to address the timing of appropriate and reasonable disbursements consistent with the Prompt Payment Act, and the appropriateness of certain goods or services relative to the University's mission, including travel-related disbursements. Further, the University's disbursement policy shall continue to provide for the

mechanisms by which payments are made including the use of charge cards, warrants, and electronic payments.

These disbursement policies shall authorize the President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, to independently select, engage, and contract for such consultants, accountants, and financial experts, and other such providers of expert advice and consultation, and, after consultation with the Office of the Attorney General, private attorneys, as may be necessary or desirable in his or her discretion. The policies also shall continue to include the ability to locally manage and administer the Commonwealth's credit card and cost recovery programs related to disbursements, subject to any restrictions contained in the Commonwealth's contracts governing those programs, provided that the University shall submit the credit card and cost recovery aspects of its financial and operations policies to the State Comptroller for review and comment prior to implementing those aspects of those policies. The disbursement policies shall ensure that adequate risk management and internal control procedures shall be maintained over previously decentralized processes for public records, payroll, and non-payroll disbursements. The University shall continue to provide summary quarterly prompt payment reports to the Department of Accounts in accordance with the reporting procedures established pursuant to the Prompt Payment Act.

The University's disbursement policies shall be guided by the principles of the Commonwealth's policies as included in the Commonwealth's Accounting Policy and Procedures Manual. The University shall continue to follow the Commonwealth's disbursement policies until such time as specific alternative policies can be developed, approved and implemented. Such alternate policies shall be submitted to the State Comptroller for review and comment prior to their implementation by the University.

3. The Auditor of Public Accounts or his legally authorized representatives shall audit annually the accounts of each institution and shall distribute copies of each annual audit to the Governor and to the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance. Pursuant to § 30-133, the Auditor of Public Accounts and his legally authorized representatives shall examine annually the accounts and books of each such institution, but the institution shall not be deemed to be a state or governmental agency, advisory agency, public body, or agency or instrumentality for purposes of Chapter 14 (§ 30-130 et seq.) of Title 30 except for those provisions in such chapter that relate to requirements for financial recordkeeping and bookkeeping. Each such institution shall be subject to periodic external review by the Joint Legislative and Audit Review Commission and such other reviews and audits as shall be required by law.

## LEVEL II PERFORMANCE MEASURES

### Approved May, 2009

- George Mason University
  - Increase the six-year graduation rates of students who enter as in-state, full-time freshmen.
  - Increase the number of graduates in high-need graduate programs.
- James Madison University
  - Increase the number of graduates in STEM programs.
  - Redesign courses in which students receive a high percentage of D, F, and W grades – MATH 205, Calculus I, and MATH 220, Elementary Statistics.
- Old Dominion University
  - Redesign courses in which students receive a high percentage of D, F, and W grades – MATH 102, College Algebra.
  - Increase the number of graduates in nursing programs.
- Radford University
  - Increase the six-year graduation rates of students who enter as in-state, full-time freshmen.
  - Redesign courses in which students receive a high percentage of D, F, and W grades – ITEC 120, Principles of Computer Science I, and ITEC 220, Principles of Computer Science II.
- Virginia Military Institute
  - Increase number of cadets accepting commissions.
  - Minimize loans for first-time in-state freshmen.
- Virginia Community College System
  - Increase the number of students completing community college career pathways programs.
  - Increase the percentage of first-time, program-placed students successfully completing at least 12 hours who complete an award (associate degree, certificate, or diploma) or transfer to a four-year institution within five years of initial enrollment.

### Approved January, 2010

- Longwood University
  - Redesign courses in which students receive a high percentage of D, F, and W grades – MATH 261, Calculus I, and MATH 171, Basic Statistics.
  - Cooperative Teacher Licensure Programs in Emporia and Martinsville.

### Approved September, 2011

- Christopher Newport University
  - Increase in-state student retention rate.
  - Increase in-state student four-year graduation rate.

### Approved October, 2013

- University of Mary Washington
  - Increase the in-state freshman to sophomore year retention rate.
  - Increase the percentage of students successfully (grade C or above) completing CHEM 111 (General Chemistry I) and in MATH 121 (Calculus I).

## APPENDIX C

### GENERAL FUND FINANCIAL BENEFITS OF RESTRUCTURING CERTIFICATION FY2007 to FY2015

<b>Financial Benefit</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>
Interest Earnings*	\$8,617,362	\$10,626,335	\$6,291,900	\$6,549,505	\$3,711,459	\$4,425,332	\$3,736,999	N/A	N/A
Credit Card Rebate	\$1,682,600	\$1,239,688	\$1,116,582	\$1,314,485	\$1,272,564	\$1,250,770	\$1,790,159	N/A	N/A
eVA Sole Source Fee	\$225,983	\$187,569	\$320,743	\$189,210	\$201,061	\$215,343	\$170,979	\$271,989	\$134,543
Carry Forward	\$42,371,251	\$24,905,357	\$20,223,245	\$22,098,890	\$12,294,362	\$11,193,047	\$9,228,800	\$16,874,893	\$11,926,103
<b>Total</b>	<b>\$52,897,196</b>	<b>\$36,958,949</b>	<b>\$27,952,470</b>	<b>\$30,152,090</b>	<b>\$17,479,446</b>	<b>\$17,084,492</b>	<b>\$14,926,937</b>	<b>\$17,146,882</b>	<b>\$12,060,646</b>

\* Does not include interest earnings of CWM, UVA, UVAV, VCU and VT.

# State Council of Higher Education for Virginia Agenda Item

**Item:** Resources and Planning Committee #4 – Action on Regulations for Workforce Credentials based on Regulatory Review

**Date of Meeting:** September 19, 2016

**Presenters:** Wendy Kang, Higher Education Innovation Director  
[wendykang@schev.edu](mailto:wendykang@schev.edu)

Lee Andes, Financial Aid Assistant Director  
[leeandes@schev.edu](mailto:leeandes@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

Council reviewed and approved regulations at the prior meeting in July meeting. These changes are technical in nature based on the regulatory review process.

**Background Information/Summary of Major Elements:**

- After the Council passed the Workforce Credential Regulations at the July 2016 meeting, staff members submitted them for regulatory review and posting. As part of the regulatory review process, staff received feedback to make changes that are primarily technical in nature.
- While the Council approved the regulations with the allowance that technical changes could be made, staff members were advised to have the Council review and approve these changes.
- A summary of the changes are provided below and highlighted in the attached document.
  - All uses of the word “will” have been converted to “shall” and all uses of the word “can” have been changed to “may”.
  - All sections have an added sentence to include the header of the section in the first sentence (This is because section headers are not legally binding and must be stated in section as well).
  - Page 5 breaks out the student agreement and the procedures section to clarify what the student is responsible for in the agreement versus what is a procedure the institution should have for the agreement.

- The updated changes were sent to all eligible institutions on 8/26/16 as an information item.

**Materials Provided:**

- Regulations for Workforce Credentials with Changes

**Financial Impact:** Administration of the program is expected to require an additional 1-2 FTE to collect and validate data, assess the program and provide general support to the eligible institutions and key stakeholders.

**Timetable for Further Review/Action:** There is no additional review expected.

**Resolution:**

**BE IT RESOLVED** that the State Council of Higher Education for Virginia approves the proposed regulations for Workforce Credential Grant Program and directs to staff to incorporate any necessary technical changes that may arise subsequent to further executive or legal review.

**New Economy Workforce Credential Grant Program Regulations**  
**FOR COUNCIL APPROVAL 7/19/2016**

**8VAC40-160-10. Purpose**

The New Economy Workforce Credential Grant Program is established for the purpose of (i) creating and sustaining a demand-driven supply of credentialed workers for high-demand occupations in the Commonwealth by addressing and closing the gap between the skills needed by workers in the Commonwealth and the skills of the available workforce in the Commonwealth; (ii) expanding the affordability of workforce training and credentialing; and (iii) increasing the interest of current and future Virginia workers in technician, technologist, and trade-level positions to fill the available and emerging jobs in the Commonwealth that require less than a bachelor's degree but more than a high school diploma.

**8VAC40-160-20. Definitions**

"Board" means the Virginia Board of Workforce Development.

"Competency-based" means awarded on the basis of demonstrated knowledge and skills rather than completion of instructional hours or participation in an instructional course or program.

"Council" means the State Council of Higher Education for Virginia.

"Eligible institution" means a comprehensive Virginia community college, the Institute for Advanced Learning and Research, New College Institute, Richard Bland College, Roanoke Higher Education Center, Southern Virginia Higher Education Center, or Southwest Virginia Higher Education Center.

"Eligible student" means any Virginia student enrolled at an eligible institution who is domiciled in the Commonwealth as provided in § 23-7.4, as determined by the eligible institution.

"Fund" means the New Economy Workforce Credential Grant Fund.

"Grant" means a New Economy Workforce Credential Grant.

"High-demand field" means a discipline or field in which there is a shortage of skilled workers to fill current job vacancies or anticipated additional job openings.

"Industry-recognized" means demonstrating competency or proficiency in the technical and occupational skills identified as necessary for performing functions of an occupation based on standards developed or endorsed by employers and industry organizations.

"Noncredit workforce credential" means a competency-based, industry-recognized, portable, and third-party-validated certification or occupational license in a high-demand field.

"Noncredit workforce training program" means a program at an eligible institution that leads to an occupation or a cluster of occupations in a high-demand field, which may include the attainment of a noncredit workforce credential. A "noncredit workforce training program" may include a program that receives funding pursuant to the Carl D. Perkins Career and Technical

Education Improvement Act of 2006, P.L. 109-270. A "noncredit workforce training program" shall not include certificates of completion.

"Portable" means recognized by multiple employers or educational institutions and, where appropriate, across geographic areas.

"Program" means the New Economy Workforce Credential Grant Program.

"Third-party-validated" means having an external process in place for determining validity and relevance in the workplace and for continuous alignment of demonstrated knowledge and skills with industry workforce needs.

"Cost of the program" refers to the cost of the workforce training program. Costs may include direct and indirect costs of the training program to the student. Institutions that charge additional fees that are not included in the costs of the program, such as books, supplies or the cost of a workforce credential should list these fees with the cost of the program to ensure that students are aware of the full cost of the workforce training program.

"Completion of a noncredit workforce training program" means that the student has satisfactorily completed the instructional program based on the criteria developed by the eligible institution and is prepared to complete a workforce credential.

"Satisfactory proof of completion of a workforce credential" means that an institution validates that an individual received a workforce credential as a result of completing an approved noncredit workforce training program. Validated sources include: (1) a copy of the workforce credential, (2) a credential identification number that ~~may~~ be searched and validated by an individual through a website link or written confirmation from the organization that issues the credential or (3) a record match from the designated entity authorized to issue the workforce credential. Other sources are subject to approval by the Council prior to claiming satisfactory completion of a workforce credential.

### **8VAC40-160-30. Council Responsibilities**

The Council shall conduct the following activities as part of its responsibilities:

A. Administer the grant program: The Council is responsible for the overall administration of the Grant Program to ensure alignment with the goals and purpose set forth in sections 23-38.10:14 through 23-38:20 of the Code of Virginia.

B. Conduct periodic program assessments: The Council staff is responsible for conducting periodic assessments of the overall success of the program and recommending modifications, interventions, and other actions based on such assessments. These assessments ~~will~~ include a review for both adherence to the regulations and legislative intent of the Grant program and the overall success of the program. These assessments ~~may~~ include: an onsite review of records related to the program, interviews with individuals responsible for the administration of the program, surveys of students and staff, and analysis of data.

Upon completion of such assessments, the Council staff ~~will~~ issue a report that provides a summary of findings, recommendations, and appropriate actions to improve the success of the program. Institutions ~~will~~ be asked to submit a corrective action

plan within 30 days of receipt of report for any findings that do not comply with existing regulations and recommendations to improve the program. The corrective action plan shall describe actions the institution willshall take and included expected completion dates. If an institution does not complete the proposed actions within an agreed upon time period or is found to be noncompliant with a similar finding in a subsequent review, then the Council staff may take action to reduce or eliminate funding to a program or the institution.

C. Allocate and disburse funds: On a monthly basis or agreed upon time with Council staff, eligible institutions shall submit student record data based on the requirements set forth in the Reporting section of these regulations. Upon verification of the data by Council staff, funds willshall be:

- 1) Allocated to an eligible institution based on the total number of students enrolled and the total cost of the noncredit workforce training program. The maximum amount of allocated funds shall be two-thirds of the cost of the program but shall not exceed \$3,000.

The allocated funds willshall be retained by the Council until institutions submit data to validate that the students have completed the training program and provided satisfactory proof of completion of a workforce credential as described in items 2) and 3) below.

Funds willshall be allocated on a first-come, first-served basis as eligible institutions enroll and approve applications of students.

If monies in the Fund are expected to be expended prior to the end of fiscal year, Council staff willshall notify eligible institutions through regular reporting of the remaining amounts in the Fund and work with eligible institutions to manage the remaining disbursements of funds through the end of the fiscal year. In addition, institutions should provide expected enrollments and cost data when available to allow adequate planning and notification to institutions and students when funds are limited.

- 2) Reimbursed for students who complete the eligible training program. Council staff willshall reimburse eligible institutions for one-third of the cost of the program up to \$1,500 per eligible program per student.
- 3) Reimbursed for students who complete the workforce credential. Council staff willshall reimburse eligible institutions for the remaining one-third of the cost of the program up to \$1,500 per eligible program per student.
- 4) Reduced from the initial allocation based on those students who do not complete the eligible program or the workforce training credential. Allocated funds willshall be reduced by one-third, up to \$1,500 per student, for those who do not successfully complete the eligible training program. Allocated funds willshall be reduced by one-third of the cost of the training program up to \$1,500 per student, for those who do not complete the workforce training credential and provide satisfactory proof of completion. These recovered funds willshall be allocated to other eligible students under subsection 1) within this section.

Council staff shall not disburse more than one-quarter of the money in the Fund to any one eligible institution in a fiscal year.

- D. Administer an appeals process. The Council staff shall make final decisions on any dispute between eligible institutions and grant recipients related to the administration of the Program.

#### **8VAC40-160-40. Virginia Board of Workforce Development Responsibilities**

[The Virginia Board for Workforce Development shall conduct the following activities as part of its responsibilities:](#)

- A. Maintain a list of high-demand fields. The Board shall maintain and annually update a list of high-demand occupational fields based on the criteria established by the Board. This list shall be updated annually. For the initial year of the Program, this list shall be approved by June 30, 2016. For subsequent years, the list shall be updated by January 31 for the upcoming fiscal year. In addition, the Board shall establish a procedure for updating the list outside of the annual review process based additional demand.
- B. Upon establishing and updating the list, the Board shall post this list on its website within 15 calendar days.
- C. Provide recommendations to eligible institutions to help determine high-demand fields for which noncredit workforce training programs may be offered. Upon updating the high-demand list, the Board may make recommendations to institutions of the high-demand fields for which noncredit programs may be offered. These recommendations shall be posted along with the updated list.
- D. Maintain a list of related noncredit workforce training programs and credentials. Each year, by July 1, eligible institutions shall submit their list of governing board approved noncredit workforce training programs and related workforce credentials considering alignment with the high-demand fields to the Board. If additional high-demand fields are identified outside of the annual review process by the Board, then eligible institutions may submit approved updates to the Board. The noncredit workforce training programs and credentials list shall be updated within 15 calendar days of receiving the updated list from the eligible institution.

#### **8VAC40-160-50. Institution Governing Board Responsibilities**

[The institution governing boards shall conduct the following activities as part of their responsibilities.](#)

- A. Determine a list of noncredit workforce training programs and workforce credentials considering alignment with the Board's list of high-demand fields. For the initial year of the program, this list shall be determined by July 1 and submitted within 15 calendar days to the Board and the Council. For subsequent years, the list shall be approved by June 1. If additional noncredit workforce training programs are identified during the program year are identified, the eligible institution must notify the Board within 15 days.
- B. Adopt a policy for the award of academic credit to any eligible student who has earned a noncredit workforce credential that is applicable to the student's certificate or degree program requirements. If the eligible institution is a higher education center and does not

award academic credit, then the policy should identify how the institution ~~will~~shall develop an agreement with at least one institution to articulate the workforce credential aligned with the noncredit training program for academic credit. If the institution is unable to develop an agreement, then it may request assistance from the Council.

### **8VAC40-160-60. Eligible Institution Responsibilities**

An eligible institution shall conduct the following activities as part of its responsibilities:

- A. Submit an intent to participate to the State Council of Higher Education and attest that the institution agrees to be in compliance with the requirements and procedures set forth in program regulations (8VAC40-160) prior to offering the grant program to students enrolled into noncredit workforce training programs.
- B. Develop and implement procedures for determining domicile in Virginia.
- C. Develop and maintain procedures for noncredit workforce training programs that address the following:
  - 1) withdrawal from a program
  - 2) refunds in whole or in part for the cost of the program
  - 3) repeating a program or portion thereof
  - 4) completion and non-completion of a program, including how the student ~~will~~shall be notified of satisfactory completion or non-completion of the program
  - 5) expected time period for completion of a workforce training program and workforce credential
  - 6) payment policies including expected time to submit payment if the student does not complete the program and the processes collection of funds if the account is in arrears
  - 7) satisfactory proof of completion of a workforce credential
  - 8) complaint process for students
- D. Develop an agreement and the required procedures for a student to complete for each approved noncredit workforce training program that addresses the following:
  - 1) Agreement requirements:
    - i ~~Consent Acknowledge~~ that the grant is awarded to the eligible student ~~with the condition that the individual must complete, conditioned upon his or her completion of~~ the approved workforce training program. If the ~~individual eligible student~~ does not complete the approved training program within a specified time period, then the ~~individual student~~ is obligated to reimburse the institution for one-third of the cost of the program.
    - ii ~~Consent that the individual~~The eligible student agrees to the withdrawal, refund, repeat, completion and non-completion procedures identified by the eligible institution for the workforce training program.
    - iii ~~Consent that the individual~~The eligible student agrees to provide proof of satisfactory completion of the workforce credential.
    - ~~iv Procedures for filing a complaint if the student disputes the terms of the agreement.~~

- 2) Procedures for filing a complaint if the student disputes the terms of the agreement: ~~\_\_\_~~ The procedures for the agreement ~~should~~ shall identify the application period for which agreements may be accepted and completed for the approved workforce training program and how students will be notified of this requirement-
- E. Submit electronic student level records to the Council staff for those students enrolling in workforce training programs, the completion status of the workforce training program, and the completion status of the workforce credential. These records should be submitted monthly to Council staff unless an alternative schedule and submission is agreed upon by both the eligible institution and the Council staff.
  - F. Retain all records regarding the application and award process for at least three years after the last award year for the student unless directed otherwise by the Library of Virginia's Virginia Records Retention and Disposition, Schedule GS-111.

#### **8VAC40-160-70. Awards of Student Grants**

##### Students may be awarded grants based on the following activities and requirements:

- A. In order for an individual to receive a student grant for an eligible noncredit workforce training program, the individual must:
  - 1) be enrolled in an approved noncredit workforce training program at an eligible institution that begins after the fiscal year (July 1-June 30) for which it is approved unless otherwise stated by the eligible institution.
  - 2) be domiciled in the Commonwealth as provided in § 23-7.4. This determination is made by the eligible institution.
  - 3) submit a completed agreement during the eligible institution's published application period for the program based on the criteria outlined in section 8VAC40-160-60 item C.
  - 4) provide initial payment of one-third of the cost of the workforce training program.
- B. Students shall be funded on a first-come / first-served basis, within the institution's published application period, based upon the application receipt date. Students shall be funded in this order until all allocated funds are obligated.
  - 1) If a student fails to provide all requested information necessary for determination of eligibility by the first day of class, the next eligible applicant shall receive the grant.
  - 2) Due to the first-come / first-served nature of this program, the application period must specify both the first and last date an application ~~will~~ shall be accepted.
- C. Students may use other forms of financial assistance to pay for their responsible cost of the program, which includes the initial one-third cost of the program and an additional one-third cost if it is determine that he or she has not complete the program in accordance with the institution's policies. Forms of financial assistance may include financial aid, employer assistance, vouchers through other training assistance programs or other third party payers, such as the Workforce Innovation and Opportunity Act (WIOA).
- D. Grants may be reduced or eliminated if moneys in the Fund are fully allocated prior to the end of the fiscal year.

#### **8VAC40-160-80. Reporting Requirements**

| [The following describes the reporting requirements for the grant:](#)

- A. No later than January 1 of each year, each eligible institution shall submit to the Council a report with data from the previous fiscal year on noncredit workforce training program completion and noncredit workforce credential attainment by eligible students participating in the Program that includes:
  - 1) A list of the noncredit workforce credentials offered, by name and certification entity; (even if no student enrolled benefits from this grant)
  - 2) The number of eligible students who enrolled in noncredit workforce credentials programs;
  - 3) The number of eligible students who completed noncredit workforce credentials programs;
  - 4) The number of eligible students who attained noncredit workforce credentials after completing noncredit workforce training programs, by credential name and relevant industry sector;
  - 5) The average cost per noncredit workforce credential attained, by credential name and relevant industry sector.
- B. Eligible institutions also shall submit student record data to the Council based on the data field requirements, submission process and submission timeframes developed by Council staff to: (1) verify the data submitted in the reports outlined in item A above, (2) to determine the allocation of funds as described in 8VAC40-160-30 item C, and (3) to assess the program as per 8VAC40-160-30 item B.

## State Council of Higher Education for Virginia Agenda Item

**Item:** Resources and Planning Committee #5 - Action on Additional Amendments to Guidelines for Cybersecurity Public Service Scholarship Program

**Date of Meeting:** September 19, 2016

**Presenter:** Lee Andes, Assistant Director for Financial Aid  
[LeeAndes@schev.edu](mailto:LeeAndes@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:** July 19, 2016

**Action:** Council approved program policies

**Background Information/Summary of Major Elements:**

To address the growing need for cybersecurity expertise in public service, Governor McAuliffe included \$1.5 million for cybersecurity public service scholarships in his 2016 Introductory Budget. The budget language reads as follows:

"J. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the general fund is designated for cybersecurity public service scholarships. This award requires a state government employment commitment in the Commonwealth by the recipient equal to the number of years the scholarship is awarded. The State Council of Higher Education for Virginia shall develop eligibility criteria for this program, as well as establish the award amounts."

In July, Council approved the initial policies and procedures for the program. Following that meeting, several changes were requested by the executive branch and staff identified other changes needed to clarify policies.

The primary clarification is in the definition of an "eligible institution." By coupling institutional eligibility under the Scholarship with that of the Virginia Tuition Assistance Grant Program (TAG), Council can simplify the approval of private institution participation by reviewing them once for TAG and thereby also extending approval for participation under the Scholarship. This coupling also serves to grandfather in all currently participating TAG institutions.

Added to the approved policies is the process for institutions to request eligibility for new programs, added detail on the type of employment that meets program service requirements, and clarification that state employment cannot simultaneously satisfy the service requirements of the Scholarship concurrently with the requirements of any other program.

**Materials Provided:**

The proposed program policies, application, and promissory note are included.

**Financial Impact:** No additional impact beyond appropriated funds. Scholarships are contingent upon sufficient funding provided by the General Assembly.

**Timetable for Further Review/Action:** The policies are ready for approval at this time.

**Resolution:**

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the proposed amended policies, application, and promissory note for the Cybersecurity Public Service Scholarship program.**

# Cybersecurity Public Service Scholarship Program

## ~ Administrative Policies and Procedures ~

### Governing language

*2016 Act of the Assembly, Chapter 780, Item 144*

J. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the general fund is designated for cybersecurity public service scholarships. This award requires a state government employment commitment in the Commonwealth by the recipient equal to the number of years the scholarship is awarded. The State Council of Higher Education for Virginia shall develop eligibility criteria for this program, as well as establish the award amounts.

### Eligible institutions

Virginia public institutions and private colleges and universities participating in the Virginia Tuition Assistance Grant Program offering an undergraduate or graduate program in computer sciences.

### Eligible programs

Accredited degree programs specifically designed for a career in cybersecurity defense; such programs should include digital forensics or a comparable knowledge. Note that not all computer science or information systems programs will qualify. Only degree programs listed on [cyberva.virginia.gov/colleges/](http://cyberva.virginia.gov/colleges/) are approved programs. Minors, certificates, and individual courses do not qualify.

Institutional requests to include additional degree programs may be submitted to SCHEV. The department head of the respective program should include with the request: the program name, degree level, CIP Code, program description, when program was initiated, list of required cybersecurity-related courses, and a program web address, if applicable.

### Student eligibility

The eligible student must:

1. Be a Virginia domiciled resident or eligible for a military-related exception for in-state tuition,
2. Enroll full-time into an eligible program at an eligible institution,
3. Be within two years of graduation from an undergraduate program or enrolled into a graduate program,
4. Have and maintain a cumulative grade point average of at least 3.0 and
5. Not have received, or plan to receive, a federal CyberCorps Scholarship for Service.

### Process

The application period for the upcoming award year will be published on the SCHEV webpages and the program application. Approved applications will be prioritized based on enrollment level – graduate, baccalaureate, associate – then by application receipt date.

Applicant:

1. Submits a completed Cybersecurity Public Service Scholarship Application,
2. Submits a completed Cybersecurity Public Service Scholarship Promissory Note, and
3. Provides verification from institution that all of the student eligibility criteria are met.

SCHEV:

1. Reviews the application, determines eligibility, and sends response to applicant,
2. Contacts institution to verify enrollment as of the end of the term's add/drop period and whether the student received any other a federal scholarship, and

3. Disburses funds to the institution approximately four weeks into the term.

Institution:

1. Applies the funds to the student's account, first to direct charges, such as tuition, fees, room, and board, and
2. Disburses excess funds, if any, to the student, subject to institutional policy.

**Award amount**

A \$20,000 annual award will be divided into two \$10,000 awards, one for each of the fall and spring terms. Fall-only awards of \$10,000 will be considered if the student is scheduled to graduate by December.

**Impact on other financial aid**

The Cybersecurity Public Service Scholarship is not based upon need but since this program is a form of educational assistance, receipt of these funds may impact the student's eligibility for other forms of aid, subject to individual program criteria.

**Student withdrawal**

If the student withdraws or drops below full-time enrollment at any time during the term, the award may be fully refundable back to the Commonwealth.

**Renewability**

Renewal awards are not guaranteed and interested students must complete the application process in its entirety each year. An individual may receive an award for no more than two years, pending availability of funds.

**Post enrollment responsibility**

Award recipients are expected to work in Virginia within the cybersecurity field with a Virginia state government agency for one year for each year a scholarship is received. If the recipient fails to fulfill the work agreement, the obligation converts to a loan. Further details on loan repayment and work requirements are provided within the Cybersecurity Public Service Scholarship Promissory Note.

Circumstances not covered by these policies will be resolved by Council staff in a manner that is consistent with the authorizing language, best use of state funds, and meeting the program's purpose of securing cybersecurity expertise in public service.



**COMMONWEALTH of VIRGINIA**  
**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA**

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**APPLICATION FOR PARTICIPATION IN THE  
CYBERSECURITY PUBLIC SERVICE SCHOLARSHIP PROGRAM**

2016-17 applications will be received beginning **August 1, 2016**. The deadline for priority awards is **September 15, 2016**.  
If funds are still available, a second application period will open from September 16 to October 31, inclusive.

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**SECTION A: APPLICANT INFORMATION**

**Printed** Full Name: \_\_\_\_\_ Gender:  Male  Female  
Permanent Address: \_\_\_\_\_  
*Street City State Zip Code*  
Institution: \_\_\_\_\_  
Academic Level: \_\_\_\_\_ Academic Program: \_\_\_\_\_  
Expected Graduation Date: \_\_\_\_\_ Year for which Requesting Funds: \_\_\_\_\_

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**SECTION B: VERIFICATION DOCUMENTS**

1. A completed Cybersecurity Public Service Scholarship Promissory Note and
2.
  - A. enrollment as a full-time student into an eligible computer science program,
  - B.
  - C.
  - D.

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**SECTION C: SIGNATURE(S)**

I certify that all of the information I provided in this application is true and accurate. I understand that this application is a legally binding document and that if I provide fraudulent information, I may be subject to full and immediate repayment of the scholarship. I agree to furnish the State Council of Higher Education for Virginia and the college or university with additional supporting documentation related to my application, if I am requested to do so.

\_\_\_\_\_  
*Signature of Applicant*

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Signature of Parent/Legal Guardian or Spouse  
(required if student is a dependent student)*

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
*Date*

Mail this completed application and supporting documentation to:

**State Council of Higher Education for Virginia  
Virginia Cybersecurity Public Service Scholarship Program  
101 N 14<sup>th</sup> St., Monroe Bldg, 10<sup>th</sup> Floor  
Richmond, Virginia 23219**

*Faxed copies of this application will not be accepted.*

**Commonwealth of Virginia  
State Council of Higher Education for Virginia**

## Cybersecurity Public Service Scholarship Promissory Note

\_\_\_\_\_  
Current Award Year

\_\_\_\_\_  
Expected Graduation Date

_____ Applicant's Full Name (First, Middle, Last)		_____ Social Security Number		_____ Telephone Number	
_____ Street Address	_____ City	_____ State	_____ Zip Code	_____ E-mail	
_____ Contact Person's Full Name (First, Middle, Last)		_____ Relationship		_____ Telephone Number	
_____ Street Address	_____ City	_____ State	_____ Zip Code	_____ E-mail	

I promise to repay, in accordance with the terms of this note, the Commonwealth of Virginia through the State Council of Higher Education for Virginia, hereinafter called SCHEV, the sum of **\$20,000** over two academic terms as a Cybersecurity Public Service Scholarship (herein after referred to as the Scholarship), plus the interest which accrues thereon.

The terms and conditions of this note shall be construed consistent with the requirements of the Scholarship.

1. I am a domiciliary resident of the Commonwealth of Virginia or I am eligible for in-state tuition under a military-related exception as described in Section 23-7.4 and 23-7.4:2 of the *Code of Virginia* (1950), as amended, and enrolled in an eligible cybersecurity program.
2. I understand that awards made under this program shall be paid directly to the institution to be applied to my individual student account. Any resulting disbursement of funds to the student is subject to institutional policies.
3. I understand that by accepting this Scholarship, I agree within six months of graduation to secure continuous work in the field of cybersecurity for the Commonwealth of Virginia for a period of one year for each year of Scholarship received. Eligible employment organizations shall include the Executive, Legislative, and Judicial branches and independent agencies of Virginia state government, as verified by SCHEV. Any other state associated agency or organization must be approved by SCHEV in advance. To qualify, the employment must be specifically related to cybersecurity defense, consistent with the cybersecurity position Knowledge, Skills, and Abilities (KSAs) identified by the National Initiative for Cybersecurity Careers and Studies ([niccs.us-cert.gov/training/framework/ksas](http://niccs.us-cert.gov/training/framework/ksas)) or as a faculty member educating students in the field of cybersecurity at a public institution. Such employment cannot simultaneously satisfy the service requirement for this Program and the employment requirements of any other program.
4. If I fail to fulfill the above post-graduation work agreement, this note shall immediately become due and payable to SCHEV, or its designee. I shall repay the amount of the grant(s) received prorated according to the fraction of the work obligation not completed, as determined by SCHEV, plus any accrued interest.
5. I specifically agree to repay the above principal plus simple interest on the unpaid balance at four percent (4%) per annum from the date that SCHEV advances the loan funds, with the first payment due to SCHEV, or its designee, no later than the first day of the seventh month following successful completion of an eligible cybersecurity program or no later than first day of the third month following cessation of a qualified employment. The minimum monthly payment shall be one hundred dollars (\$100) or a higher amount consistent to repay the principal and accrued interest within a term of ten years. Should I fail to make any payment by the seventh calendar day following the payment due date, SCHEV or its counsel may immediately accelerate the maturity of the installments thereafter to become due, in which event the unpaid balance of this note shall become immediately due and payable without demand or notice.
6. If I discontinue enrollment in an eligible cybersecurity program, this note shall immediately become due and payable to SCHEV, or its designee subject to the conditions under #5 above.
7. I understand that administration of my repayment may be designated by SCHEV to a qualified third-party.
8. I understand that repayment of the uncanceled note may be postponed under the conditions listed below and that all postponements must be requested in writing.
  - If I am in continuing education in cybersecurity. The postponement shall last for duration of the required time of education plus six months. A copy of supporting documentation along with the request for postponement must be sent to SCHEV, at least ten (10) business days prior to the beginning of such education.
  - If I enter military, VISTA, or Peace Corps service (or accompany my spouse for such service) after successful completion of an eligible cybersecurity program, repayment of the uncanceled note will be postponed until I have completed my original

tour of duty for a period not to exceed four years. A copy of orders to report for such service along with the request for postponement must be sent to SCHEV, at least ten (10) business days prior to the beginning of such service.

- A one-year postponement for repayment of this promissory note will be allowed for inability to secure employment by reason of the care required by a disabled child, spouse, or parent. Written postponement requests along with medical certification must be sent SCHEV.
  - A one-year postponement for repayment of this promissory note will be allowed for inability to satisfy the terms of the repayment while seeking and unable to find full-time employment as a cybersecurity professional for a single period not to exceed 12 months. Written postponement requests along with supporting documentation must be sent to SCHEV.
  - If I experience health conditions that may impede my ability to perform requisite service in cybersecurity, I may petition SCHEV to grant me forbearance for a period not to exceed three years. Written forbearance requests along with medical certification must be sent to SCHEV.
9. If it becomes necessary to place a note in the hands of an agency or attorney for collection, I agree to pay a charge for the attorney or collection agency fees, in addition to the amount due on the note at the time of collection. Such charge for court costs and attorney's fees shall be no more than twenty-five percent (25%) of the original amount of this note. In further consideration of SCHEV's forbearance in instituting or continuing suit, I expressly waive any statute of limitations which could be pled by me as a defense to the above collection claim by SCHEV and agree that the venue of any lawsuit brought against me shall be in the City of Richmond, Virginia. I hereby intend to legally bind myself and my heirs, executors, administrators, and assigns.
  10. I am responsible for keeping SCHEV, or its designee, informed of my status including any change of address, graduation date, enrollment in another college, military service, and the location of the cybersecurity employment until the total obligation is satisfied.
  11. I waive presentment, demand, protest and notices of honor and protest and the benefit of homestead exemption and all other exemptions which legally may be waived with regard to the obligation evidenced by this note.
  12. All references herein to SCHEV shall include any subsequent holder or assignee of this note. Virginia law shall govern this note.

**I have read and understand all of the above. I am entitled to an exact copy of this note and any agreement I sign in furtherance of same. I have the right at any time to pay in advance the unpaid balance due under this note without penalty. I authorize SCHEV to contact and receive information from any entity or individual it deems necessary for purposes of locating me, if I fail to keep in contact. These entities and individuals include, but are not limited to, the institution's Alumni Association, the Department of Motor Vehicles and other state agencies, family members, and current and prior employers.**

<b>Applicant Signature</b>	<b>Date Signed</b>
	SWORN TO AND SUBSCRIBED BEFORE ME THIS _____ DAY OF _____, 20____. WITNESS MY HAND AND OFFICIAL SEAL.  Notary Public: _____ Expiration Date: _____

If the student is under 18 years of age at time of signing, the following must also be completed by the student's parent or legal guardian.

<b>Full Name (First, Middle, Last)</b>	<b>E-mail</b>	<b>Telephone Number</b>
<b>Street Address</b>	<b>City</b>	<b>State</b>
	<b>Zip Code</b>	
<b>Signature</b>	<b>Date Signed</b>	

**OFFICE USE ONLY**

Name of Authorized State Official \_\_\_\_\_ Title \_\_\_\_\_

Authorized Official's Signature \_\_\_\_\_ Date Signed \_\_\_\_\_

Mail completed promissory note to: **State Council of Higher Education for Virginia  
Cybersecurity Public Service Scholarship Program  
101 N. 14th Street, James Monroe Building 10<sup>th</sup> Floor  
Richmond, Virginia 23219**

## State Council of Higher Education for Virginia Agenda Item

**Item:** Resources and Planning Committee #6 – Discussion of 2016-18 Systemwide Operating Budget Amendments

**Date of Meeting:** September 19, 2016

**Presenter:** Dan Hix, Finance Policy Director  
[DanHix@schev.edu](mailto:DanHix@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:** October 26, 2015

**Action:** The Council made budget amendment recommendations for additional funding of \$271.6 million from general fund and \$30.5 million in nongeneral funds for institutions' operations in the 2016-18 biennium.

**Background Information/Summary of Major Elements:**

This item is composed of three parts:

1. Condition of Virginia Higher Education Funding
2. Virginia Higher Education Opportunity Act/TJ 21 Funding Model
3. SCHEV 2016-18 Budget Calculation Items
  - a. Base Adequacy/Cost of Education
  - b. Faculty Salaries
  - c. Operation and Maintenance of New Facilities Coming Online
  - d. Higher Education Equipment Trust Fund
  - e. Undergraduate Student Financial Aid
  - f. Virginia Tuition Assistance Grant Program

Part 1 (6.a) presents the conditions of Virginia higher education funding by reviewing systemwide budget trends and compares Virginia's support for higher education to the support in other states in a series of charts as an Erosion Report/Update that SCHEV staff has provided in the September agenda items since 2010.

Part 2 (6.b) provides a summary of the Higher Education Opportunity Act of 2011 and the estimated funding associated with the provisions of the act. If fully funded, SCHEV staff estimates that the annual additional general fund cost would be \$510.2 million.

Part 3 (6.c) which begins on page 21 begins a discussion of the Council's specific priorities for 2016-18 operating budget amendments. Staff recognizes the Commonwealth is facing \$1.5 billion budget shortfall in this biennium. Staff also believes that Council needs to describe faithfully the financial support needed to maintain a healthy and effective higher education system in the Commonwealth. What follows in Part 3, therefore, is a set of options for Council's consideration that addresses policy and funding priorities, and provides reasonable funding strategies as well.

We were pleased to see that the General Assembly directed the Joint Subcommittee on the Future Competitiveness of Virginia Higher Education to consider the mission, vision, goals and strategies outlined in the statewide strategic plan for higher education recently developed by SCHEV and endorsed by the legislature. Goal #1 of this plan, now known as the Virginia Plan for Higher Education, is to provide affordable higher education access for all. The alignment of state appropriations, financial aid and tuition and fees will be critical to achievement of this goal.

## State Council of Higher Education for Virginia Agenda Item

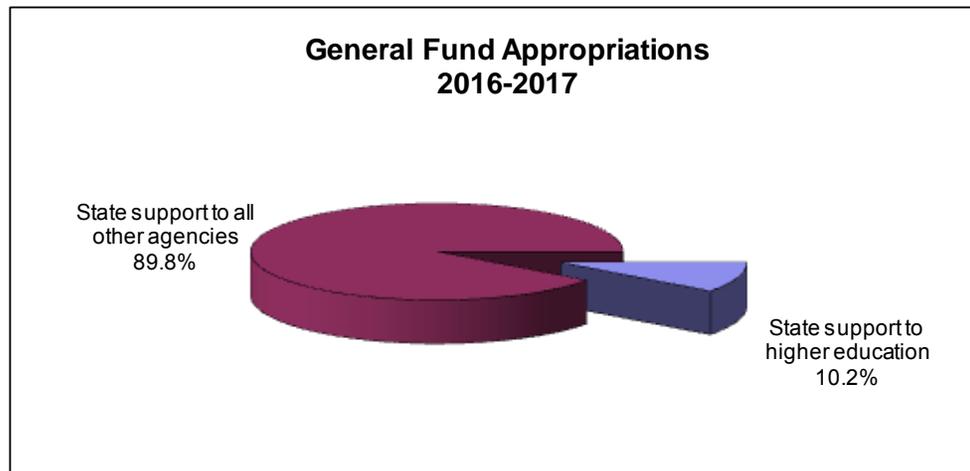
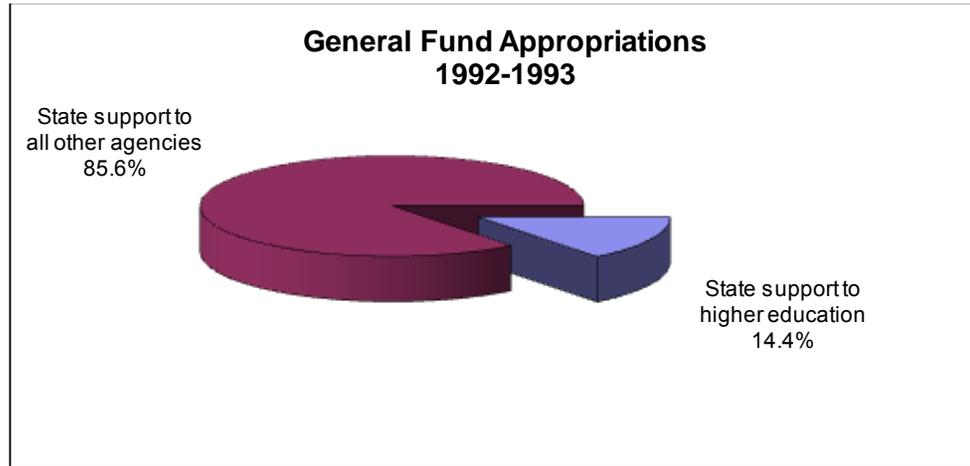
**Item:** Resource and Planning Committee #6.a – Discussion of 2016-18 Systemwide Operating Budget: Condition of Virginia Higher Education Funding

**Date of Meeting:** September 19, 2016

**A Structural Problem:** Fluctuations in state funding that result from cyclical economic conditions in Virginia present a tremendous challenge to the well-being of our public higher education institutions and the state's students and families. However, an even greater challenge to Virginia's public higher system is emerging as both internal and external data indicate an aggregate decline in state support over the past 20 years. Further, based on the most recent national data, Virginia is ranked 44<sup>th</sup> in the country in terms of general fund support for higher education on a per student basis. All but two states in the Southern Regional Education Board (SREB) ranked above us.

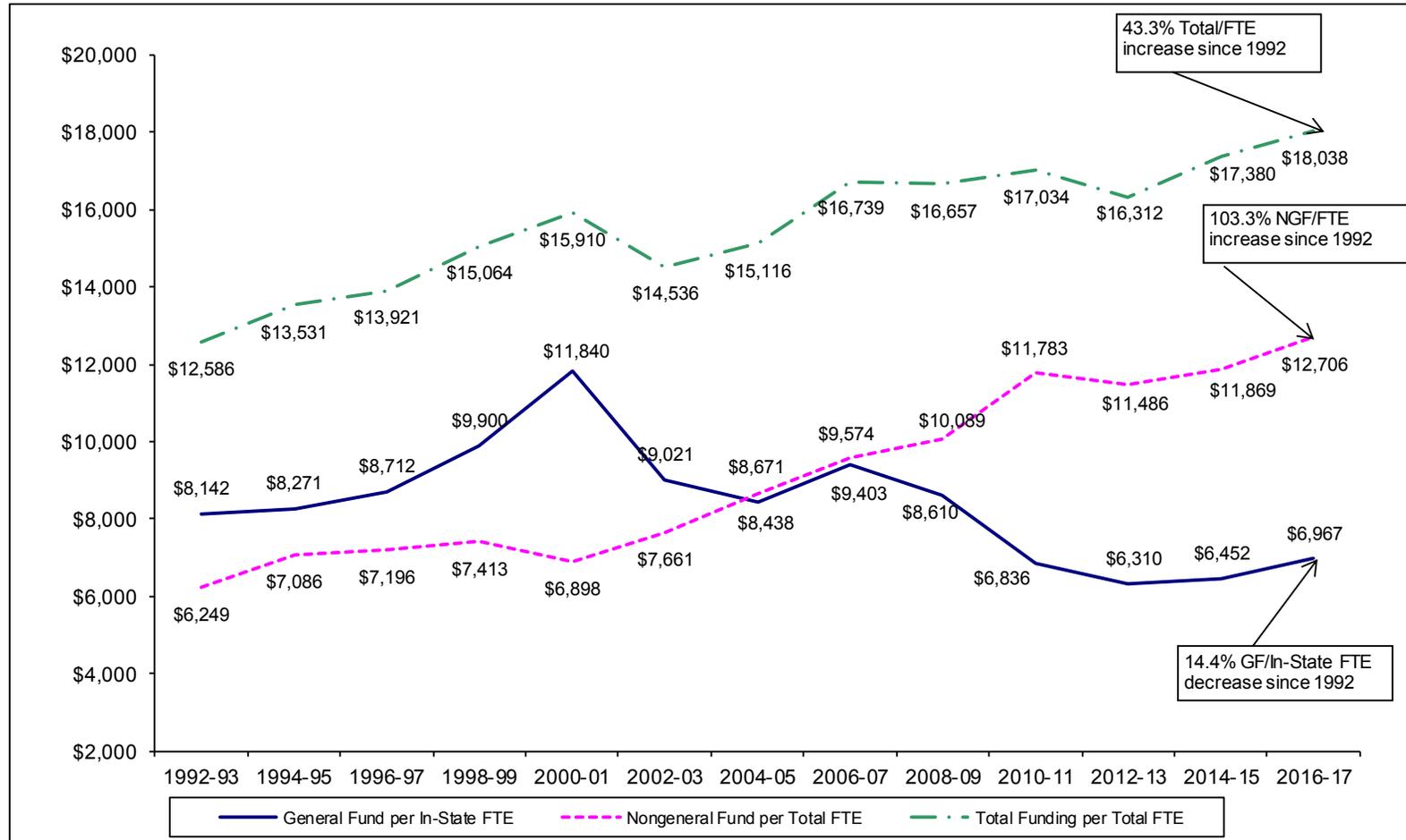
- Between 1992 and 2017, general fund appropriations to public higher education in Virginia fell from 14.4% to 10.2% of total state appropriations based on the Appropriation Act of 2016. This aggregate decline in state funding has been masked by increases in funding when the economy is doing well followed by decreases in funding when the economy contracts.
- On a per student basis, general fund appropriations declined by 14.4% at four-year institutions and by over 12.5% at the VCCS between 1992 and 2017 based on the budget for FY17. In contrast, tuition revenues from all sources increased by 103.3% for four-year institutions and 86.8% for the VCCS during the same time period. This means Virginia's students and their families are shouldering an increasing portion of college costs.
- Based on the nominal data that states submitted to the State Higher Education Executive Officers (SHEEO) in 2015, Virginia ranked 44<sup>th</sup> for state and local appropriations per student. Our neighboring states to the north and south ranked substantially higher— North Carolina ranked 11<sup>th</sup> and Maryland ranked 13<sup>th</sup>.
- While the national average for state and local appropriations was \$6,966 in 2015 based on the same data, Virginia's appropriation per student was \$2,036 lower at \$4,930. North Carolina's appropriation per student was \$8,109 for the same time period. Maryland's appropriation per student was \$7,885.
- Virginia lags behind regionally as well for 2015. Of the 16 Southern Regional Education Board (SREB) states, only South Carolina and West Virginia provided less state support on a per student basis than Virginia at four-year public institutions.

## Erosion Update\*



\*The appendices to the 2009 staff report, “The Erosion of State Funding for Virginia’s Public Higher Education Institutions,” have been updated to reflect the latest available data.

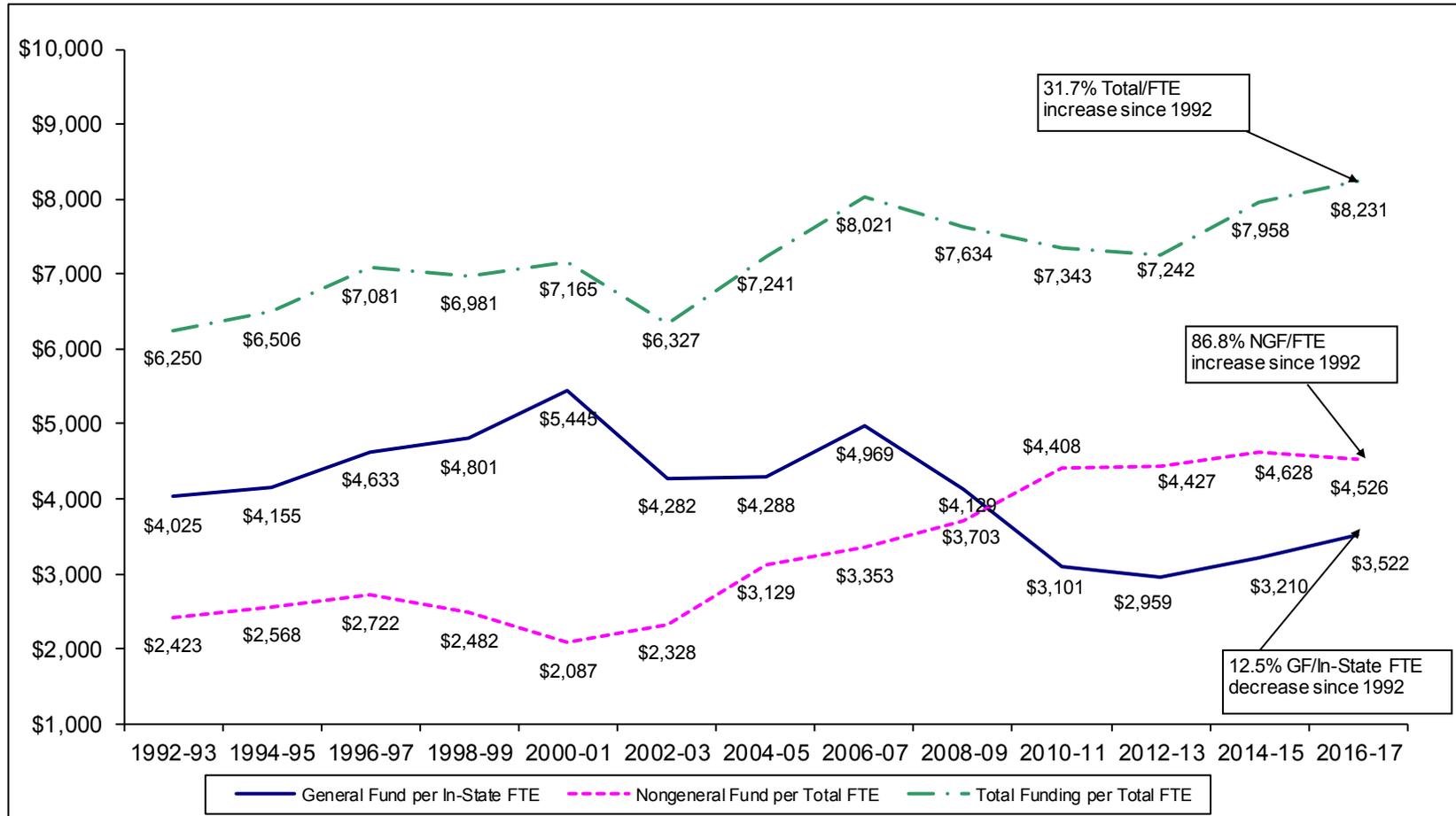
## Average Funding per FTE Student at Four-Year Institutions (in 2016-17 Constant Dollars)



**Notes:**

- (1) Total Funding per Total FTE is not the sum of General Fund per In-State FTE and Nongeneral Fund per Total FTE.
- (2) FY16 and FY17 are based on projected enrollments. All other years are based on actual enrollments.
- (3) Funding by fund comes from Chapter 780, 2016.
- (4) FY10 and FY11 Nongeneral Fund per Total FTE include funding from the American Recovery and Reinvestment Act of 2009.
- (5) General fund per in-state FTE has decreased by 41.2% from the peak year of FY2001 to FY2017.

## Average Funding per FTE Student at Virginia Community Colleges (in 2016-17 Constant Dollars)



**Notes:**

- (1) Total Funding per Total FTE is not the sum of General Fund per In-State FTE and Nongeneral Fund per Total FTE.
- (2) FY16 and FY17 are based on projected enrollments. All other years are based on actual enrollments.
- (3) Funding by fund comes from Chapter 780, 2016.
- (4) FY10 and FY11 Nongeneral Fund per Total FTE include funding from the American Recovery and Reinvestment Act of 2009.
- (5) General fund per in-state FTE has decreased by 35.3% from the peak year of FY2001 to FY2017.

## FY2015 Public Higher Education Support per Student<sup>1</sup>

State and Local Approp. Per FTE			Tuition and Fee Revenue Per FTE			Total Revenue per FTE		
State	Per FTE	Ranking	State	Per FTE	Ranking	State	per FTE	Ranking
Alaska	\$17,488	1	Delaware	\$16,768	1	Alaska	\$23,907	1
Wyoming	\$15,135	2	Vermont	\$15,346	2	Delaware	\$22,580	2
Hawaii	\$12,124	3	Michigan	\$12,383	3	Connecticut	\$19,805	3
Illinois	\$11,627	4	New Hampshire	\$11,033	4	Hawaii	\$18,146	4
Connecticut	\$9,911	5	Pennsylvania	\$10,779	5	Vermont	\$18,071	5
New York	\$9,700	6	New Jersey	\$10,082	6	Michigan	\$17,914	6
Nebraska	\$8,791	7	Connecticut	\$9,895	7	Wyoming	\$17,755	7
North Dakota	\$8,732	8	Alabama	\$9,303	8	New Jersey	\$16,779	8
California	\$8,727	9	Colorado	\$9,061	9	Illinois	\$16,571	9
New Mexico	\$8,480	10	Maine	\$9,014	10	North Dakota	\$16,252	10
North Carolina	\$8,109	11	Iowa	\$8,912	11	Maine	\$15,774	11
Massachusetts	\$8,088	12	Rhode Island	\$8,648	12	Maryland	\$15,569	12
Maryland	\$7,885	13	South Dakota	\$8,382	13	New York	\$15,272	13
Georgia	\$7,390	14	Oregon	\$8,189	14	Pennsylvania	\$14,982	14
Arkansas	\$6,865	15	Ohio	\$8,151	15	Iowa	\$14,857	15
Idaho	\$6,815	16	Minnesota	\$8,138	16	Nebraska	\$14,550	16
Maine	\$6,760	17	Virginia	\$8,038	17	Massachusetts	\$14,133	17
Texas	\$6,725	18	Maryland	\$7,684	18	Minnesota	\$14,126	18
Oklahoma	\$6,720	19	North Dakota	\$7,520	19	Alabama	\$14,011	19
New Jersey	\$6,697	20	Arizona	\$7,432	20	Rhode Island	\$13,945	20
Utah	\$6,538	21	Indiana	\$7,283	21	New Hampshire	\$13,937	21
Tennessee	\$6,530	22	South Carolina	\$7,143	22	Ohio	\$13,472	22
Kentucky	\$6,474	23	West Virginia	\$6,553	23	Oregon	\$13,285	23
Nevada	\$6,451	24	Alaska	\$6,420	24	Colorado	\$13,017	24
Wisconsin	\$6,239	25	Kentucky	\$6,309	25	Virginia	\$12,888	25
Missouri	\$6,083	26	Kansas	\$6,220	26	Indiana	\$12,875	26
Minnesota	\$5,988	27	Massachusetts	\$6,045	27	Kentucky	\$12,783	27
Washington	\$5,962	28	Hawaii	\$6,022	28	South Dakota	\$12,638	28
Iowa	\$5,945	29	Montana	\$5,988	29	Arizona	\$12,511	29
Florida	\$5,915	30	Tennessee	\$5,883	30	North Carolina	\$12,287	30
Mississippi	\$5,893	31	Missouri	\$5,878	31	Tennessee	\$12,242	31
Kansas	\$5,880	32	Nebraska	\$5,758	32	Kansas	\$12,099	32
Delaware	\$5,853	33	Wisconsin	\$5,725	33	New Mexico	\$12,070	33
Montana	\$5,677	34	Washington	\$5,693	34	Oklahoma	\$11,996	34
Indiana	\$5,593	35	New York	\$5,572	35	Wisconsin	\$11,964	35
Michigan	\$5,531	36	Mississippi	\$5,461	36	Missouri	\$11,961	36
Arizona	\$5,423	37	Utah	\$5,415	37	Utah	\$11,953	37
Ohio	\$5,320	38	Illinois	\$5,287	38	Georgia	\$11,690	38
Alabama	\$5,319	39	Oklahoma	\$5,276	39	Montana	\$11,666	39
Rhode Island	\$5,297	40	Arkansas	\$4,815	40	Washington	\$11,655	40
Louisiana	\$5,154	41	Texas	\$4,635	41	Texas	\$11,360	41
South Dakota	\$5,118	42	Louisiana	\$4,521	42	Mississippi	\$11,354	42
Oregon	\$5,096	43	Georgia	\$4,307	43	South Carolina	\$11,205	43
Virginia	\$4,930	44	North Carolina	\$4,178	44	California	\$11,132	44
West Virginia	\$4,872	45	Idaho	\$4,130	45	Idaho	\$10,945	45
South Carolina	\$4,642	46	Nevada	\$4,006	46	Arkansas	\$10,762	46
Pennsylvania	\$4,203	47	New Mexico	\$3,590	47	West Virginia	\$10,689	47
Colorado	\$3,956	48	Florida	\$3,007	48	Nevada	\$10,457	48
Vermont	\$3,204	49	Wyoming	\$2,654	49	Louisiana	\$9,674	49
New Hampshire	\$2,904	50	California	\$2,405	50	Florida	\$8,922	50
US	\$6,966		US	\$6,006		US	\$12,907	

Note: (1) Data includes tax appropriations, state funded endowment earnings, and financial aid but excludes enrollment and revenue related to agricultural, medical and research funding. FTE enrollment includes both in-state and out-of-state students.

Source: SHEF Report 2015 by the State Higher Education Executive Officers (SHEEO).

## State Council of Higher Education for Virginia Agenda Item

**Item:** Resource and Planning Committee #6.b – Discussion of 2016-18 Systemwide Operating Budget: Virginia Higher Education Opportunity Act/TJ21 Funding Model

**Date of Meeting:** September 19, 2016

- Based on the recommendations of the Governor’s Commission on Higher Education Reform, Innovation and Investment, The 2011 General Assembly enacted “the Virginia Higher Education Opportunity Act of 2011” for the purpose of fueling strong economic growth in the Commonwealth and preparing Virginians for the top job opportunities in the knowledge-driven economy of the 21st century (TJ21).
- The Act provides (i) a new higher education funding policy; (ii) the calculation of the state general fund share of an institution's basic operations and instruction funding need; (iii) per student enrollment-based funding; (iv) targeted economic and innovation incentives; (v) the creation of a STEM Public-Private Partnership; and (vi) the creation of a Higher Education Advisory Committee.
- TJ21 establishes a new funding model for the Commonwealth with four components in order to provide all capable Virginians with access to a college at an affordable cost and create incentives for Virginia student enrollment growth:
  - Institution’s basic operations and instruction funding need [§23-38.87:13](#)
  - Per student enrollment-based funding [§23-38.87:14](#)
  - Need-based financial aid [§23-38.87:15](#) and
  - Targeted economic and innovation incentives [§23-38.87:16](#)
- A summary of the calculated funding need is presented below according to the funding model. Each item in the table is calculated based on the following assumptions:
  - Cost of education – actual FY2016 student enrollment and institutions’ FY2018 general fund appropriations and estimated FY2018 nongeneral fund revenue from the 2016 six-year plans,

- Faculty salaries – actual 60<sup>th</sup> percentile goal in FY2016,
  - Paragraph C of §23-38.87:13 – The Higher Education Opportunity Act says, “State general funds shall be allocated and appropriated to institutions in a fair and equitable manner such that, to the extent practicable, the percentage of the cost of education for Virginia students enrolled at an institution to be funded from state general funds is the same for each institution.” Paragraph A of the same section says that 67 percent of an institution’s cost of education for Virginia students should be funded by the state general fund.
  - Per-student enrollment-based funding – additional in-state undergraduate enrollment between the actual FY2016 and the projected FY2018 enrollments. The cost is estimated at \$3,100 per student for four-year institutions and \$2,100 for two-year colleges,
  - Need-based financial aid – 100% funding for undergraduate students in FY2018,
  - Targeted economic and innovation incentives – to be determined.
- What follows are several tables that describe in more detail the financial implications of each element of the Higher Education Opportunity Act. The amounts presented are based on commonly used formulas and approaches that support the four-part funding model. They are not intended to be the sole or definitive means to calculate the totals associated with each element.
  - Due to a budget shortfall, the state is in the processing of making budget reductions among state agencies. The resources may change in October. Therefore, SCHEV staff presents the base adequacy calculation results at the system total only.

**Calculated Higher Education Funding Need  
Based on Higher Education Opportunity Act**  
(In Millions)

Item	Total Cost			
	GF	NGF	Total	
Basic Operations and Instruction Funding (BOIF)				
	100% cost of education (COE) in FY16*	\$9.7	\$7.7	\$17.4
	Faculty salary 60th percentile in FY16	\$85.5	\$88.6	\$174.1
Subtotal		\$95.2	\$96.3	\$191.5
Paragraph C of §23-38.87:13				
		\$698.3	(\$1,099.0)	(\$400.7)
Per-Student Enrollment-Based Funding in FY18				
		\$20.8	\$0.0	\$20.8
Need-Based Financial Aid in FY18 (100% funding)				
		\$394.2	\$0.0	\$394.2
Targeted economic and innovation incentives				
		To be determined		
<b>Total Funding Need (excludes Paragraph C)</b>				
		<b>\$510.2</b>	<b>\$96.3</b>	<b>\$606.5</b>

Note: \* The numbers will change in October based on more current tuition revenue estimates.

### Estimated 2015-16 Base Adequacy/Cost of Education Funding

	Calculated	Available	% Funding	Funding	GF	Incremental Funding		
	Need <sup>1,2</sup>	Resources <sup>3,4,5</sup>	to Guide	Shortfall	Share	GF	NGF	Total
Total	\$4,310,019,999	\$4,710,732,982	>100%	(\$17,446,256)	50%	\$9,693,578	\$7,752,678	\$17,446,256

Notes:

- (1) Based on actual FY16 student FTE and FY14-FY16 3-year average discipline credit hours.
- (2) The blended salary is based on 2016ABB
- (3) Available resources are FY18 general fund appropriations and FY18 estimated nongeneral fund revenue from the 2016 six-year plans.
- (4) GF adjustments are OCR funding at NSU and VSU, and VCCS central office (FY16 adjustment).
- (5) NGF includes required funding for programs 101-40, 102 and 103 made in October 2009.
- (6) Available resources are adjusted for "uniquely military" mission.
- (7) Available resources may change in October.

### Virginia T&R Faculty Salary Goal in FY16

Inst	Req % Incr to Goal	Estimated Additional Funding		
		GF	NGF	Total
CNU	12.4%	\$1,745,266	\$1,115,826	\$2,861,091
CWM	14.1%	\$3,988,564	\$6,083,567	\$10,072,131
GMU	24.4%	\$23,280,369	\$22,547,129	\$45,827,499
JMU	9.8%	\$4,710,042	\$5,041,598	\$9,751,640
LU	6.0%	\$750,886	\$440,996	\$1,191,882
NSU*	0.1%	\$14,150	\$10,718	\$24,867
ODU	11.4%	\$5,541,937	\$4,284,192	\$9,826,129
RU	12.2%	\$3,241,304	\$2,003,525	\$5,244,829
UMW	12.6%	\$1,782,340	\$1,208,164	\$2,990,504
UVa	12.3%	\$8,884,825	\$16,397,893	\$25,282,718
UVAW*	n/a	\$0	\$0	\$0
VCU	8.8%	\$7,415,163	\$7,873,833	\$15,288,995
VMI	15.9%	\$535,696	\$827,398	\$1,363,095
VSU	10.2%	\$1,556,845	\$1,315,563	\$2,872,407
VT	11.1%	\$8,898,240	\$13,743,592	\$22,641,832
RBC*	n/a	\$0	\$0	\$0
VCCS	7.7%	\$9,644,860	\$5,543,896	\$15,188,755
VIMS	14.1%	\$818,483	\$43,078	\$861,561
VSU-Ext	10.2%	\$296,349	\$15,597	\$311,946
VT-Ext	11.1%	\$2,385,572	\$125,556	\$2,511,128
<b>Total</b>		<b>\$85,490,890</b>	<b>\$88,622,121</b>	<b>\$174,113,011</b>

Note: \* institution's faculty salary is at or above the 60th percentile of peers.

**Estimated Base Adequacy/Cost of Education for Paragraph C of §23-38.87:13**

Institution	Calculated Funding Need				Available Resources				Difference		
	GF	NGF	Total	GF Share	GF	NGF	Total	GF Share	GF	NGF	Total
Total, All Institutions	\$2,149,919,533	\$2,160,100,466	\$4,310,019,999	50%	\$1,451,649,792	\$3,259,083,190	\$4,710,732,982	31%	\$698,269,741	(\$1,098,982,725)	(\$400,712,983)

Notes:

- (1) Based on actual FY 16 student FTE and FY 14-FY 16 3-year average discipline credit hours.
- (2) The blended salary is based on the 2016 ABB.
- (3) Available resources come from FY 18 general fund appropriations and FY 18 nongeneral fund revenue in the 2016 six-year plan.
- (4) Excludes OCR funding at NSU and VSU, and VCCS central office.
- (5) Nongeneral fund resources have the required funding for programs 101-40, 102 and 103 made in October 2009.
- (6) Available resources may change in October.

### Projected Per-Student Enrollment-Based Funding

Inst	In-State Undergraduate		FTE Change	Est. GF Need*
	FY16	FY18	FY16-FY18	FY2018
CNU	4,680	4,489	(191)	\$0
CWM	4,156	4,309	153	\$474,300
GMU	18,034	18,741	707	\$2,191,700
JMU	14,026	14,924	898	\$2,783,800
LU	4,249	4,401	152	\$471,200
NSU	3,601	3,660	59	\$182,900
ODU	15,823	16,376	553	\$1,713,143
RU	8,152	8,002	(150)	\$0
UMW	3,606	3,610	4	\$12,400
UVA	11,002	11,434	432	\$1,339,200
UVAW	1,562	1,565	3	\$9,300
VCU	19,131	20,366	1,235	\$3,828,500
VMI	1,160	1,195	35	\$108,500
VSU	3,180	3,006	(174)	\$0
VT	18,797	19,346	549	\$1,702,214
RBC	1,212	1,309	97	\$203,700
VCCS	105,728	108,461	2,733	\$5,739,300
<b>Total</b>	<b>238,099</b>	<b>245,194</b>	<b>7,095</b>	<b>\$20,760,158</b>

Note: \* Four-year institutions are priced at \$3,100 per FTE and two-year institutions at \$2,100 per FTE.

## Virginia Student Financial Aid Program

### Funds Needed to Achieve 100% of the Model

Institution	Preliminary FY18 Funds	Total FY18 Need	Increase Needed
Christopher Newport University	4,981,000	12,380,947	7,399,947
College of William & Mary	3,483,669	5,886,136	2,402,467
George Mason University	19,550,931	67,086,036	47,535,105
James Madison University	8,294,329	25,317,187	17,022,858
Longwood University	4,637,111	13,389,559	8,752,448
Norfolk State University	9,641,667	24,525,224	14,883,557
Old Dominion University	22,218,684	61,497,908	39,279,224
Radford University	9,450,398	26,412,218	16,961,820
University of Mary Washington	3,468,383	9,039,093	5,570,710
University of Virginia	6,346,308	12,305,336	5,959,028
University of Virginia - Wise	2,565,576	5,308,853	2,743,277
Virginia Commonwealth University	27,358,390	77,232,047	49,873,657
Virginia Military Institute	1,058,719	1,603,016	544,297
Virginia State University	8,274,766	17,759,093	9,484,327
Virginia Tech	15,807,919	41,268,869	25,460,950
<b>Four-Year Institution Totals</b>	<b>147,137,851</b>	<b>401,011,522</b>	<b>253,873,671</b>
Richard Bland College	625,436	2,956,430	2,330,994
Virginia Community College System	42,224,583	180,225,218	138,000,635
<b>Two-Year Institution Totals</b>	<b>42,850,018</b>	<b>183,181,648</b>	<b>140,331,630</b>
<b>Totals</b>	<b>189,987,869</b>	<b>584,193,170</b>	<b>394,205,301</b>

# State Council of Higher Education for Virginia Agenda Item

**Item:** Resource and Planning Committee #6.c – Discussion of 2016-18 Systemwide Operating Budget Amendments: SCHEV 2016-18 Budget Calculation Items

**Date of Meeting:** September 19, 2016

## **SCHEV 2016-18 Budget Calculation Items**

The 2016 General Assembly provided an additional \$223 million in general fund for operating budget and financial aid needs to higher education institutions in 2016-18 biennium. The majority (62%) of the additional funding for operations was provided specifically for college access and affordability to control tuition increases. In addition, the Governor and the General Assembly provided more than \$48 million in additional support for undergraduate need-based student aid. This represents the largest increase on record. Including all additional support for higher education-related agencies, the grand total of additional funding for the 2016-18 biennium is \$314 million — a notable reinvestment in Virginia public higher.

However, because actual state revenue collections were below the projections for FY2016, a budget shortfall of \$1.5 billion is estimated for the 2016-18 biennium. At this time, budget reductions for higher education have not been specified.

SCHEV staff presents the following potential, but not necessarily exhaustive, budget amendment options for council's consideration and discussion. These options represent a combination of funding strategies and priorities designed to meet the goals of the Virginia Plan with a phased approach so that the required additional support will be more moderate.

Given the budget shortfall and the potential for budget reductions across the state, we recommend focusing on core elements of institutional operations and forgoing additional investment in economic and innovative incentives until the next biennium.

### (a) Base Adequacy/Cost of Education

- Following the base adequacy guidelines, SCHEV staff used actual FY2016 student enrollment and institutions' 2016 activity-based budget to calculate the institutions' funding need in FY2016, and compared these amounts with the available resources which are composed of FY2018 general fund appropriations and estimated FY2018 nongeneral fund revenue in the 2016 six-year plans. The calculation shows that two institutions (Old Dominion University and Virginia Military Institute) remain under-funded.
- As the resources may be changed in October, staff only presents the required funding need at the total level for the three institutions that remain below 100 percent of guideline

funding (ODU, VMI and EVMS) and funding options for discussion at the September meeting. Staff provides 2 options:

- Option 1. Reach the full funding by FY2018. The estimated additional funding need is \$13 million from the general fund and \$11.4 million in nongeneral funds for a total of \$24.4 million in FY2018.
- Option 2. Phase the total funding need over three years to reach the full funding by FY2020. The estimated additional funding need is \$4.3 million from the general fund and \$3.8 million in nongeneral funds for a total of \$8.1 million in FY2018.

(b) Faculty Salaries

- Thanks to the 2% state salary increase in FY2016 and allowing institutions to use their nongeneral funds to provide additional salary increases up to 2.5% in FY2016, the ranking of average teaching and research faculty salary at 4-year institutions to national peers increased to the 35<sup>th</sup> percentile in FY2016.
- The 2016 General Assembly provided a 3% salary increase to all state employees including teaching and research faculty in FY2017. However, because of the estimated budget shortfall in 2016-18 biennium, the salary increase will not be implemented and funding for this action will be redirected to mitigate the budget shortfall.
- Institutions stated in their 2016 six-year plans that faculty salaries falling behind those of their peer institutions represent the greatest threat to faculty recruitment and retention. SCHEV staff believes that maintaining the commitment to faculty salaries is critical to meeting the goals outlined in the Virginia Plan.
- Staff proposes four options for the Council's consideration in order to help institutions in faculty recruitment and retention.
  - Option 1 – reach the 60<sup>th</sup> percentile goal immediately. The required average annual salary increase is 11.3% with the salary increase range from 0% to 24.4%. It is estimated that the required additional funding will be \$85.5 million in general fund and \$88.6 million in nongeneral funds for a total of \$174.1 million to fund this option in FY2018.

A sub-option is to fund the total funding need completely with tuition revenue in FY2018. It is estimated the average tuition increase rate will be 5.5% with the increase range from 0% to 14%.

- Option 2 – reach the 60<sup>th</sup> percentile goal over three years by FY2020. The estimate assumes an annual salary increase of 2.5% for peer institutions. The required average annual salary increase is 6.3% with the increase range from 0.7% to 11.1%. It is estimated the required additional funding will be \$38.7 million in general fund and \$39.5 million in nongeneral funds for a total of \$78.2 million in FY2018. The accumulated total funding need is estimated at \$339.4 million by FY2020.

A sub-option is to fund the total funding need completely with tuition revenue in FY2018. It is estimated the average tuition increase rate will be 3.3% with the increase range from 0.4% to 6.4%.

- Option 3 – provide a 3% salary increase in FY2018. This option carries forward the delayed FY2017 salary increase plan. It is estimated the required additional funding will be \$21.6 million in general fund and \$21.6 million in nongeneral funds for a total of \$43.2 million to fund this option in FY2018.

A sub-option is to fund the total funding need completely with tuition revenue in FY2018. It is estimated the average tuition increase rate will be 1.4% with the increase range from 0.8% to 2.9%.

- Option 4 – provide a 2% salary increase with general fund in FY2018. Institutions would be given flexibility to use their nongeneral fund revenues to provide additional salary increases at their discretion. It is estimated the required additional general fund will be \$28.8 million in FY2018.
- **Salary increases for faculty should be based on merit and provided as an incentive for meeting state and institutional priorities.**

(c) Operation and Maintenance of New Facilities Coming Online

- On average, spending for operation and maintenance (O&M) of facilities represents about 13% of the total E&G spending at institutions. Though the base adequacy funding guidelines address an institution's need for O&M funding, institutions are currently under-funded relative to the calculated cost of education. Without additional funding targeted to maintain new space coming online, institutions will be required to divert money from their existing budgets or increase tuition to support these needs.
- Most higher education institutions have submitted requests to SCHEV for additional funding to operate and maintain new facilities coming online in the 2016-18 biennium. Compared with institutions' requests for O&M funding in past years, the total funding requests this year is lower than that in previous years.
- The total additional funding needed for O&M is \$7.7 million in general fund and \$6.2 million from nongeneral funds in FY2018.

(d) Higher Education Equipment Trust Fund

- The 2016 General Assembly provided \$83.0 million allocation in FY2018, of which \$68 million supports the traditional equipment replacement, including computers for instruction, and \$15 million is for research equipment.
- In addition to the traditional and research equipment allocations in FY2018, the Virginia Research Investment Fund (VRIF) was created which includes \$29 million to

support the purchase of research equipment or laboratory renovations as a means to support faculty incentive packages.

- A consistent level of support is needed to replace current eligible equipment inventories as necessary and remain technologically competitive. SCHEV staff proposes \$8.9 million in additional support to meet the Council’s original recommendation of \$75.9 million. Debt service estimated at \$1 million for the additional funding will not begin until FY2019.

(e) Undergraduate Student Financial Aid

(i) *Virginia Student Financial Assistance Program - Undergraduate*

- The undergraduate Virginia Student Financial Assistance program (VSFAP) is awarded to Virginia residents demonstrating financial need at public institutions. The Commonwealth allocates financial aid funds to institutions based on a funding model called the Partnership Model, which assumes a shared responsibility between the state, the student, and other stakeholders while projecting the amount of need for an upcoming year.
- The recession resulted in multiple years of dramatic increases in need identified under the model, including consecutive increases of over 11%, 26%, 22%, 19%, and 13%. The annual percent increases have continued to decline and now reflect a modest 2.2% increase in need for FY18 over FY17. As a result, increases in student aid funds are no longer chasing ever larger deficits but can now gain ground on improving affordability.

Year	Projected Number of Students Demonstrating Need	Projected Need Under the Partnership Model	VSFAP Appropriation	Percent of Projected Need Met	Percent Increase in Students w/Need	Percent Increase in Need	Percent Increase in Funding	Increase in Dollars
2005-06	N/A	172,798,695	84,196,041	48.7%	N/A	N/A	N/A	
2006-07	N/A	171,363,919	95,062,986	55.5%	N/A	-0.8%	12.9%	10,866,945
2007-08	62,766	179,737,319	108,808,782	60.5%	N/A	4.9%	14.5%	13,745,796
2008-09	64,404	195,153,152	118,017,023	60.5%	2.6%	8.5%	8.5%	9,208,241
2009-10	66,103	210,108,256	127,819,523	60.9%	2.6%	7.7%	8.3%	9,802,500
2010-11	71,043	233,376,286	127,819,523	54.9%	7.5%	11.1%	0.0%	-
2011-12	80,044	295,501,432	141,206,151	47.8%	12.7%	26.6%	10.5%	13,386,628
2012-13	101,636	361,462,825	149,517,224	41.4%	27.0%	22.3%	5.9%	8,311,073
2013-14	117,628	431,766,961	158,078,595	36.6%	15.7%	19.4%	5.7%	8,561,371
2014-15	126,716	489,437,861	158,078,595	32.3%	7.7%	13.4%	0.0%	-
2015-16	128,485	539,158,258	165,889,206	30.8%	1.4%	10.2%	4.9%	7,810,611
2016-17	129,760	571,445,516	189,987,869	33.2%	1.0%	6.0%	14.5%	24,098,663
2017-18	127,207	584,193,170	189,987,869	32.5%	-2.0%	2.2%	0.0%	-

- Just as the dramatic increase in need over the last decade had many causes, the declining increase in need also bears review. Increased institutional funding has assisted in minimizing annual tuition and fee increases but this served primarily to slow, not reduce, increases in student need under the model. Of particular note is that the percent increases in students demonstrating need under the model has decreased

dramatically over the past three years. After three years of sharp percent increases – FY12 to FY14 – the increase in FY15 was halved to just over 7.7% and then lowered to 1.4% and 1.0% in FY16 and FY17 respectively. From FY17 to FY18, that reduction has gone negative for the first time under the model and stands at -2.0% with an aggregate decline of 2,553.

- A reduction in the actual number of students demonstrating need under the model could be construed as a positive sign for affordability if the decline is the result of student resources catching up to educational costs; however, the evidence suggests there is a different dynamic at work. If the decline is due to improved alignment of family resources with expenses, one would expect to see a reduction in students demonstrating need evenly distributed over the income ranges (or perhaps favoring the higher income); however, the data demonstrate that the decline is primarily coming from the lower income bracket.

**All Public Institutions**

Students Family Income	2010-11 - 150,596		2011-12 - 160,838		2012-13 - 161,930		2013-14 - 162,732		2014-15 - 159,903	
	Student w/ Need		Student w/ Need		Student w/ Need		Student w/ Need		Student w/ Need	
<b>\$0 to \$50,000</b>	106,750	70.9%	114,731	71.3%	114,663	70.8%	110,928	68.2%	107,608	67.3%
<b>\$50,001 to \$100,000</b>	33,807	22.4%	35,122	21.8%	34,908	21.6%	37,196	22.9%	36,855	23.0%
<b>Greater than \$100,000</b>	10,031	6.7%	10,961	6.8%	12,338	7.6%	14,591	9.0%	15,383	9.6%

Source: SCHEV FA01 Report

**VCCS**

Students Family Income	2010-11 - 84,066 Student w/ Need		2011-12 - 92,102 Student w/ Need		2012-13 - 91,452 Student w/ Need		2013-14 - 90,310 Student w/ Need		2014-15 - 86,232 Student w/ Need	
<b>\$0 to \$50,000</b>	71,213	84.7%	77,864	84.5%	76,877	84.1%	73,537	81.4%	69,670	80.8%
<b>\$50,001 to \$100,000</b>	11,974	14.2%	13,179	14.3%	13,294	14.5%	15,042	16.7%	14,881	17.3%
<b>Greater than \$100,000</b>	879	1.0%	1,059	1.1%	1,281	1.4%	1,731	1.9%	1,681	1.9%

Source: SCHEV FA01 Report

- The above tables demonstrate that low-income students are declining both in real numbers and as a percentage of the total of those with need. The numbers reflect those demonstrating need before considering financial assistance. More research is needed to determine what is happening with low-income students but the implications for access and affordability are a concern.
- The community colleges lost more students with incomes between \$0 to \$50,000 (3,867 for -5.3% reduction) but the loss was also experienced by several of the senior institutions: Christopher Newport University (-13.8%), Longwood University (-6.1%), Norfolk State University (-10.6%), UVA-Wise (-6.2%), Virginia Military Institute (-18.7%), and Virginia State University (-4.5%). Meanwhile, these losses were somewhat offset by substantial increases in low income students at GMU (+7.8%), JMU (+6.6%), ODU (+4.2%), UMW (+2.7%), VCU (+4.2%), and Virginia Tech (+2.6%).

- The 2016 General Assembly provided a \$24.1 million increase in both years of the 2016-18 biennium. This increase is the highest in terms of dollars and in percentage (14.5 percent) since the program was expanded to include the Virginia Guaranteed Assistance Program in 1993. These additional funds boosted total funding to just under \$190 million and halted a six-year decline in “percent of need met” under the Partnership Model. For FY17, VSFAP funding meets 33.2 percent of the projections under the Partnership Model.
- The General Assembly has also taken the unusual step of moving the \$24.1 million increase in FY18 out of the individual institution’s budget items and placing it within SCHEV’s budget. While the Partnership Model has served as a basis for funding appropriations and institutional allocation since 2005, there has been interest in recent years in modifying or revising the model.

H. Out of this appropriation, \$24,098,663 the second year from the general fund is designated for need-based in-state undergraduate financial aid. Based on the recommendations of the Joint Subcommittee on the Future Competitiveness of Virginia Higher Education, the State Council of Higher Education for Virginia will allocate these funds to each institution in fiscal year 2018.

- The FY18 increase in financial aid is to be allocated to the institutions by SCHEV based upon an allocation formula approved by the Joint Subcommittee. Staff notes that any reallocation existing funds will result in “winners” and “losers” in funding. If a revised model is to be utilized with a hold-harmless (no removal of funds) provision, then new dollars would be required. Without knowing what will be recommended by the Joint Subcommittee, staff has prepared an option for new funding - using current FY17 funding levels and the Partnership Model - that could be utilized to smooth out a possible reallocation. Taking the higher of funds needed to provide a one percent increase or to maintain FY17 levels of funding will produce an \$8.9 million increase.

### FY2018 Virginia Student Financial Assistance Program Funding Option

The Higher of: Minimum 1% Increase in Appropriations over FY17 or Maintain FY17 Percent of Need Met

Institution	FY17 PM % Met	FY17 Funds	Total FY18 Need	Increase	Total FY18 Funds	Percent Increase	FY18 PM % Met
Christopher Newport University	37.9%	4,981,000	12,380,947	49,810	5,030,810	1.0%	40.6%
College of William & Mary	55.8%	3,483,669	5,886,136	34,837	3,518,506	1.0%	59.8%
George Mason University	33.0%	19,550,931	67,086,036	2,587,461	22,138,392	13.2%	33.0%
James Madison University	35.8%	8,294,329	25,317,187	781,445	9,075,774	9.4%	35.8%
Longwood University	33.6%	4,637,111	13,389,559	46,371	4,683,482	1.0%	35.0%
Norfolk State University	38.0%	9,641,667	24,525,224	168,422	9,810,090	1.7%	40.0%
Old Dominion University	38.0%	22,218,684	61,497,908	1,150,521	23,369,205	5.2%	38.0%
Radford University	38.0%	9,450,398	26,412,218	586,245	10,036,643	6.2%	38.0%
University of Mary Washington	38.1%	3,468,383	9,039,093	34,684	3,503,067	1.0%	38.8%
University of Virginia	48.7%	6,346,308	12,305,336	63,463	6,409,771	1.0%	52.1%
University of Virginia - Wise	42.8%	2,565,576	5,308,853	25,656	2,591,232	1.0%	48.8%
Virginia Commonwealth University	38.0%	27,358,390	77,232,047	1,989,788	29,348,178	7.3%	38.0%
Virginia Military Institute	49.5%	1,058,719	1,603,016	10,587	1,069,306	1.0%	66.7%
Virginia State University	44.1%	8,274,766	17,759,093	82,748	8,357,513	1.0%	47.1%
Virginia Tech	40.2%	15,807,919	41,268,869	795,166	16,603,085	5.0%	40.2%
<b>Four-Year Institution Totals</b>	<b>38.3%</b>	<b>147,137,851</b>	<b>401,011,522</b>	<b>8,407,203</b>	<b>155,545,053</b>	<b>5.7%</b>	<b>38.8%</b>
Richard Bland College	23.5%	625,436	2,956,430	70,716	696,152	11.3%	23.5%
Virginia Community College System	22.9%	42,224,583	180,225,218	422,246	42,646,829	1.0%	23.7%
<b>Two-Year Institution Totals</b>	<b>22.9%</b>	<b>42,850,018</b>	<b>183,181,648</b>	<b>492,962</b>	<b>43,342,981</b>	<b>1.2%</b>	<b>23.7%</b>
<b>Totals</b>	<b>33.2%</b>	<b>189,987,869</b>	<b>584,193,170</b>	<b>8,900,165</b>	<b>198,888,034</b>	<b>4.7%</b>	<b>34.0%</b>

(ii) *Two Year College Transfer Grant*

- The Two Year College Transfer Grant (CTG) program was adopted in 2007 and began awarding students as of 2008-09. The program encourages utilization of Virginia’s two-year colleges by rewarding students who complete their Associate degree at a two-year college before then transferring to a participating Virginia four-year public or private non-profit college or university within one year. The program also requires full-time enrollment, maintenance of a 3.0 grade point average, and a maximum federally calculated Expected Family Contribution of 12,000.
- Eligible students receive \$1,000 annually for up to three years. An additional \$1,000 is awarded to students enrolled into a STEM program of study.

- The CTG program has grown by an increasing number of students the past three years: 200 student increase from FY13 to FY14; 380 student increase from FY14 to FY15; and 500 student increase from FY15 to FY16. However, there is little data to explain the dramatic growth as enrollments in two-year institutions have actually declined, the number of Associate degree graduates has stabilized, and the number of transfer students has stabilized. The only factor that has increased in correspondence with participation growth is the number of Associate degree earners graduating with at least a 3.0 grade point average (GPA).

	Unique Students	# Change	% Change
<b>2010-11</b>	576		
<b>2011-12</b>	799	223	38.7%
<b>2012-13</b>	812	13	1.6%
<b>2013-14</b>	1,013	201	24.8%
<b>2014-15</b>	1,395	382	37.7%
<b>2015-16</b>	1,901	506	36.3%

- Until a reliable prediction model can be developed, funding projections for the Transfer Grant will continue to be subject to a substantial margin of error. When the institutions submit the fall 2016 CTG award recipient data, projections for current year recipients will solidify and may serve to clarify projections for future years. These reports will not be available until late in the fall 2016 term.
- Based on current information, staff projects program participation to range between 2,100 (\$2.7 million) and 2,470 (\$3.2 million) in FY17 and between 2,300 (\$2.9 million) and 3,200 (\$4.1 million) in FY18. Current appropriations for FY17 are at \$2,250,000.
  - If appropriations remain unchanged the shortage for FY17 ranges between \$430,000 (10 percent growth) and \$920,000 (30 percent growth), which would require a per student award reduction of between \$80 and \$145 for the year.
  - For FY18 the shortage of between \$700,000 and \$1.9 million, which would require a per student award reduction of between \$120 and \$227.
- Staff anticipates utilization of a surplus of \$300,000 from FY16 in the new CTG Incentive award to offset any decrease in the fall award but will rely on budget amendments to avoid a reduction to the spring 2017 awards. The fall 2016 participation reports should serve to solidify the amount needed to fully fund the

program for FY17 and tighten projections for FY18; but at this time it is anticipated that an additional \$600,000 is required for FY17 and \$1.6 million for FY18.

(f) Virginia Tuition Assistance Grant Program (TAG)

- TAG is designed to make private colleges in Virginia more affordable for Virginia residents and thus increase the level of student choice and access in higher education. TAG was established in 1973 and will provide over \$65.8 million of assistance to over 22,300 students enrolled into 30 institutions in FY17. The maximum annual undergraduate awards are expected to be \$3,200 while graduate/professional students are expected to receive \$1,600.
- TAG funding recommendations are based on the projected fall participation by priority students (returning students and on-time new applicants are prioritized; late applicants are awarded only if funds are available) and historic trends to determine the average award amounts and attrition rates. Additional factors include the current economic conditions and the periodic addition/deletion of institutions or academic programs.
- It should be noted that current award amounts are supplemented by the carry forward of \$4 million in unexpended funds from the previous two years; therefore, the program is already operating under a potential \$4 million deficit for FY19 before accounting for an award increase and an increase in TAG participation, if any. While it may cost relatively little to increase the second year of the biennium to \$3,400 or \$3,500, the cost to maintain that increase would be far more substantial in the next biennium. Staff also notes that the budget language currently restricts the maximum undergraduate TAG award to \$3,300 in FY18, regardless of funding levels.
- The maximum annual TAG award reached a high of \$3,200 in FY08 and then declined for three consecutive years until FY12.

**Actual maximum undergrad and graduate awards for the previous ten years:**

<b>Fiscal Year</b>	<b>Annual Award Amount</b>
<b>2006-07</b>	\$2,750 / \$1,900
<b>2007-08</b>	\$3,200 / \$1,900
<b>2008-09</b>	\$3,190 / \$1,890
<b>2009-10</b>	\$3,000 / \$1,300
<b>2010-11</b>	\$2,600 / \$1,130
<b>2011-12</b>	\$2,750 / \$1,200
<b>2012-13</b>	\$2,800 / \$1,300
<b>2013-14</b>	\$3,100 / \$1,550
<b>2014-15</b>	\$3,100 / \$1,550
<b>2015-16</b>	\$3,100 / \$1,550
<b>2016-17</b>	\$3,200 / \$1,600 projected

- Over the past two years, TAG participation of undergraduate students has fallen short of the projected annual 2.0 percent growth. This has resulted in unspent funds for both FY15 (\$2.0 million) and FY16 (\$1.3 million), which are in addition to the \$1 million in additional general fund dollars appropriated in 2016 session. The General

Assembly intends that unspent funds for FY17 be utilized to increase the TAG award in FY18 to \$3,300.

- With anticipated undergraduate growth rates reduced to just 0.5 percent, the additional funds will enable the undergraduate TAG award to grow to \$3,200 in FY17 and then to \$3,300 in FY18. Staff is projecting a participation growth rate of 15 percent for graduate students for an estimated total TAG participation in fall 2017 of approximately 22,300.
- With the close of the FY16 award year, staff has updated the TAG participation projections for FY18 for a total of 22,600 undergraduate and graduate award recipients. The unexpended funds are slightly higher than projected and may enable larger awards to be considered. The projections are subject to change and the next update will take place upon receipt of the fall participation reports.

### Virginia Tuition Assistance Grant Program

Incremental Cost of Increasing the Maximum Annual TAG Award  
 FY17 Base Appropriation = \$65,812,665, plus \$4.0 Million in Unspent FY17 Funds

Projected TAG Award	2017-18	
	Appropriations Needed	Required Change in FY2018 Appropriations
\$3,300	\$67,827,982	(1,940,926)
\$3,350	\$68,855,679	(913,229)
\$3,400	\$69,883,376	114,468
\$3,500	\$71,938,769	2,169,861
\$3,600	\$73,994,163	4,225,255
\$3,700	\$76,049,556	6,280,648

**Financial Impact:** see tables.

**Timetable for Further Review/Action:** This item is for discussion purposes only. Action is scheduled to be taken at the October meeting.

**Recommendations and Resolution:** None.

**Sample Summary of SCHEV Budget Amendments in FY2018  
(In Millions)**

<b>Item</b>	<b>GF</b>	<b>NGF</b>	<b>Total</b>
Base Adequacy <sup>1</sup>	\$4.3	\$3.8	\$8.1
Faculty Salary <sup>2</sup>	\$21.6	\$21.6	\$43.2
Operation and Maintenance of New Facilities	\$7.4	\$6.4	\$13.8
Undergraduate Financial Aid	\$8.9		\$8.9
Transfer Grant	\$1.6		\$1.6
Subtotal for Operating Budget	\$25.9	\$25.4	\$51.3
Subtotal for Financial Aid	\$16.8		\$16.8
Tuition Assistant Grant (TAG)	\$6.3		\$6.3
<b>Total</b>	<b>\$49.0</b>	<b>\$25.4</b>	<b>\$74.4</b>
Higher Education Equipment Trust Fund - Allocation <sup>3</sup>	\$8.9 million for all equipment		

Notes:

(1) Funding represents the option of phasing the full funding over 3 years. If reaching the full funding in FY18, it requires a total funding of \$24.4 million in FY18.

(2) Funding represents the option of the 3% salary increase in FY18. If reaching the salary goal in FY18, the required total funding is \$174.1 million in FY18. If reaching the salary goal over 3 years, the required funding is \$78 million in FY18. If providing 2% salary increase with general fund in FY18, the required general fund is \$28.8 million in FY18.

(3) Required general fund debt service to finance either of the two allocation options will not be needed till FY2019.

### Calculation of the Cost of Education in the 2016-18 Biennium

	Calculated Need <sup>1,2</sup>	Available Resources <sup>3,4,5</sup>	% Funding to Guide	Funding Shortfall	Option 1: Full Funding by FY2018			Option 2: Phase in Three Years by FY2020		
					Required Funding in FY2018			Required Funding in FY2018		
					GF	NGF	Total	GF	NGF	Total
Total	\$4,390,082,776	\$4,783,890,814	>100%	(\$24,351,201)	\$12,954,760	\$11,396,441	\$24,351,201	\$4,318,253	\$3,798,814	\$8,117,067

Notes:

- (1) Based on actual FY 16 student FTE and FY 14-FY 16 3-year average discipline credit hours.
- (2) The blended salary is from 2016-18 Activity-Based Budget (ABB)
- (3) Available resources are from 2018 GF appropriations and FY 18 nongeneral fund revenue in the 2016 six-year plan.
- (4) GF adjustments are OCR funding at NSU and VSU, and VCCS central office (FY 16 adjustment).
- (5) NGF includes required funding for programs 101-40, 102 and 103 made in October 2009.
- (6) Including the funding need calculation for the Eastern Virginia Medican School

**Options for Average Virginia Teaching and Research Faculty Salary to Reach the 60th Percentile of Peers**

Inst	FY2016		Option 1: One Time Funding to FY2016 Goal						Option 2: Phase Over Three Years, Goal by FY2020						
	Appropriated	T&R Faculty	One time to the Goal		Funding Need By Fund Share			Req. T&F Incr for 100% Funding	Over Three Years		Funding Need By Fund Share in FY18			Total Funding Need over Three Years	
	Va T&R Faculty Salary	Salary Percentile to Peers	60th Percentile Goal in FY2016	Required Salary Increase	GF	NGF	Total		60th Percentile Goal	Required Annual Salary Increase	GF	NGF	Total		Req. T&F Incr for 100% Funding
CNU	\$74,892	37	\$84,171	12.4%	\$1,745,266	\$1,115,826	\$2,861,091	6.7%	\$92,910	7.5%	\$957,081	\$611,904	\$1,568,986	4.1%	\$5,590,593
CWM	\$100,677	20	\$114,840	14.1%	\$3,988,564	\$6,083,567	\$10,072,131	5.9%	\$126,762	8.0%	\$1,668,974	\$2,545,606	\$4,214,580	3.3%	\$18,552,151
GMU	\$85,174	3	\$105,948	24.4%	\$23,280,369	\$22,547,129	\$45,827,499	14.0%	\$116,947	11.1%	\$7,823,731	\$7,577,314	\$15,401,045	6.4%	\$69,742,434
JMU	\$79,550	40	\$87,327	9.8%	\$4,710,042	\$5,041,598	\$9,751,640	4.4%	\$96,393	6.6%	\$2,355,021	\$2,520,799	\$4,875,820	2.9%	\$21,031,252
LU	\$72,154	40	\$76,469	6.0%	\$750,886	\$440,996	\$1,191,882	3.2%	\$84,408	5.4%	\$500,590	\$293,998	\$794,588	2.9%	\$3,394,985
NSU	\$70,444	59	\$70,498	0.1%	\$14,150	\$10,718	\$24,867	0.1%	\$76,836	2.9%	\$311,290	\$235,792	\$547,082	2.1%	\$2,226,807
ODU	\$80,332	30	\$89,519	11.4%	\$5,541,937	\$4,284,192	\$9,826,129	6.6%	\$98,812	7.1%	\$2,576,514	\$1,991,774	\$4,568,288	4.1%	\$19,693,710
RU	\$72,752	30	\$81,628	12.2%	\$3,241,304	\$2,003,525	\$5,244,829	7.1%	\$90,102	7.4%	\$1,461,244	\$903,228	\$2,364,472	4.3%	\$10,267,536
UMW	\$78,398	28	\$88,276	12.6%	\$1,782,340	\$1,208,164	\$2,990,504	7.0%	\$97,440	7.5%	\$792,151	\$536,962	\$1,329,113	4.1%	\$5,750,712
UVA	\$103,499	32	\$116,232	12.3%	\$8,829,635	\$16,397,893	\$25,227,528	4.5%	\$128,300	7.4%	\$3,948,211	\$7,332,391	\$11,280,602	2.7%	\$48,985,136
UVAW	\$74,733	77	\$70,648	n/a	\$0	\$0	\$0	n/a	\$77,982	1.4%	\$55,150	\$35,557	\$90,707	1.4%	\$351,207
VCU	\$90,191	33	\$98,145	8.8%	\$7,415,163	\$7,873,833	\$15,288,995	4.0%	\$108,334	6.3%	\$3,960,371	\$4,205,342	\$8,165,713	2.9%	\$34,948,740
VMI	\$77,433	32	\$89,757	15.9%	\$535,696	\$827,398	\$1,363,095	4.4%	\$99,074	8.6%	\$215,626	\$333,041	\$548,667	2.4%	\$2,407,483
VSU	\$68,994	36	\$76,021	10.2%	\$1,556,845	\$1,315,563	\$2,872,407	8.3%	\$83,913	6.7%	\$763,159	\$644,884	\$1,408,043	5.5%	\$6,048,044
VT	\$96,362	27	\$107,019	11.1%	\$8,898,240	\$13,743,592	\$22,641,832	5.0%	\$118,129	7.0%	\$4,168,545	\$6,438,440	\$10,606,985	3.1%	\$45,904,377
RBC	\$62,671	73	\$58,063	n/a	\$0	\$0	\$0	n/a	\$64,091	0.7%	\$11,998	\$6,461	\$18,459	0.4%	\$65,061
VCCS	\$65,433	49	\$70,456	7.7%	\$9,644,860	\$5,543,896	\$15,188,755	3.0%	\$77,770	5.9%	\$5,511,348	\$3,167,940	\$8,679,289	2.3%	\$37,014,874
Inst Total					\$81,935,296	\$88,437,889	\$170,373,185				\$37,081,004	\$39,381,433	\$76,462,437		\$331,975,103
4-yr Average Ranking		35													
Average Increase				11.3%				5.5%		6.3%				3.3%	
VIMS					\$818,483	\$43,078	\$861,561				\$342,486	\$18,026	\$360,511		\$1,586,934
VSU ext					\$296,349	\$15,597	\$311,946				\$145,269	\$7,646	\$152,915		\$656,824
VT ext					\$2,385,572	\$125,556	\$2,511,128				\$1,117,565	\$58,819	\$1,176,384		\$5,091,098
UVA FP					\$55,190	\$0	\$55,190				\$24,678	\$0	\$24,678		\$107,164
Total					\$85,490,890	\$88,622,121	\$174,113,011				\$38,711,003	\$39,465,923	\$78,176,926		\$339,417,123

Notes:

- (1) 2015-16 peer salary came from IPEDS 2015 SA.
- (2) Assumed peer salaries will increase by 2.5% annually in 2016-20.
- (3) n/a means Virginia institution has reached the 60th percentile of its peer salaries.
- (4) Average increase excludes institutions that are already at or above the goal.
- (5) Institutions' base salary came from 2016 activity-based budget.
- (6) Funding need is derived by assuming salary increases on July 1.

**Options for Average Virginia Teaching and Research Faculty Salary  
to Reach the 60th Percentile of Peers (continued)**

Inst	Option 3: 3% Salary Increase in FY2018				Option 4: 2% GF
	Funding Need By Fund Share				Sal Incr in FY18
	GF	NGF	Total	Req. T&F Incr for 100% Funding	GF
CNU	\$422,242	\$269,958	\$692,200	1.6%	\$461,466
CWM	\$848,631	\$1,294,376	\$2,143,007	1.3%	\$1,428,671
GMU	\$2,862,340	\$2,772,188	\$5,634,529	1.7%	\$3,756,352
JMU	\$1,441,850	\$1,543,346	\$2,985,196	1.3%	\$1,990,131
LU	\$375,443	\$220,498	\$595,941	1.6%	\$397,294
NSU	\$424,486	\$321,535	\$746,021	2.1%	\$497,347
ODU	\$1,458,404	\$1,127,419	\$2,585,823	1.7%	\$1,723,882
RU	\$797,042	\$492,670	\$1,289,712	1.8%	\$859,808
UMW	\$424,367	\$287,658	\$712,025	1.7%	\$474,683
UVA	\$2,153,569	\$3,999,486	\$6,153,055	1.1%	\$4,102,037
UVAW	\$150,408	\$96,974	\$247,382	2.9%	\$164,922
VCU	\$2,527,896	\$2,684,261	\$5,212,157	1.4%	\$3,474,772
VMI	\$101,075	\$156,113	\$257,188	0.8%	\$171,458
VSU	\$457,896	\$386,930	\$844,826	2.4%	\$563,217
VT	\$2,404,930	\$3,714,484	\$6,119,414	1.3%	\$4,079,609
RBC	\$59,992	\$32,304	\$92,296	1.8%	\$61,531
VCCS	\$3,757,737	\$2,159,959	\$5,917,697	1.2%	\$3,945,131
Inst Total	\$20,668,309	\$21,560,160	\$42,228,468		\$28,152,312
4-yr Average Ranking					
Average Increase				1.4%	
VIMS	\$174,145	\$9,166	\$183,311		\$122,207
VSU ext	\$87,162	\$4,587	\$91,749		\$61,166
VT ext	\$644,749	\$33,934	\$678,683		\$452,456
UVA FP	\$13,461	\$0	\$13,461		\$8,974
Total	\$21,587,826	\$21,607,847	\$43,195,672		\$28,797,115

Notes:

- (1) 2015-16 peer salary came from IPEDS 2015 SA
- (2) Assumed peer salaries will increase by 2.5% annually in 2016-20.
- (3) n/a means Virginia institution has reached the 60th percentile of its peer salaries.
- (4) Average increase excludes institutions that are already at or above the goal.
- (5) Institutions' base salary came from 2016 activity-based budget.
- (6) Funding need is derived by assuming salary increases on July 1.

**SCHEV Survey of Operation and Maintenance Costs for New E&G and Research Facilities Coming On-Line in the 2016-18 Biennium**

Institution	Building Name	Building E&G Percent	Building Research Percent	FY 18 Months	GF	SCHEV GF Recommendation FY2018	SCHEV NGF Recommendation FY2018
<b>CNU</b>	No New Request	N/A	N/A	N/A	<b>60.9%</b>	N/A	N/A
<b>Total</b>						\$0	\$0
<b>CWM</b>	Tyler Hall	100%	0%	12	<b>38.4%</b>	\$14,756	\$23,672
<b>CWM</b>	Integrated Science Center 3	100%	0%	12	<b>38.4%</b>	\$489,640	\$785,465
<b>CWM</b>	Law School Addition	100%	0%	12	<b>38.4%</b>	\$29,596	\$47,476
<b>CWM</b>	West Utility Plant	100%	0%	6	<b>38.4%</b>	\$158,908	\$254,915
<b>Total</b>						\$692,900	\$1,111,528
<b>GMU</b>	Potomac Science Center	100%	68%	12	<b>50.6%</b>	\$580,509	\$275,648
<b>GMU</b>	Academic VII	100%	19%	11	<b>50.6%</b>	\$1,425,131	\$1,146,983
<b>GMU</b>	Hylton Performing Arts Addition	100%	0%	12	<b>50.6%</b>	\$114,701	\$111,980
<b>Total</b>						\$2,120,340	\$1,534,612
<b>JMU</b>	Cancer Center (Madison Hall) Renovation	100%	0%	12	<b>48.3%</b>	\$388,037	\$415,353
<b>Total</b>						\$388,037	\$415,353
<b>LU</b>	Student Success Center	100%	0%	12	<b>63.1%</b>	\$218,668	\$127,874
<b>Total</b>						\$218,668	\$127,874
<b>NSU</b>	Replace Brown Hall	100%	0%	12	<b>56.6%</b>	\$229,796	\$176,204
<b>Total</b>						\$229,796	\$176,204
<b>ODU</b>	New Education Building - Main Campus	100%	0%	12	<b>56.1%</b>	\$582,255	\$455,632
<b>Total</b>						\$582,255	\$455,632
<b>RBC</b>	No New Request	N/A	N/A	N/A	<b>65.1%</b>	N/A	N/A
<b>Total</b>						\$0	\$0
<b>RU</b>	New Academic Building, Phases I and II	100%	0%	12	<b>62.2%</b>	\$481,205	\$292,437
<b>Total</b>						\$481,205	\$292,437
<b>UMW</b>	Jepson Science Center Addition	100%	0%	0	<b>59.0%</b>	\$68,440	\$47,560
<b>Total</b>						\$68,440	\$47,560
<b>UVA</b>	FM Shop Support & Office Building	100%	0%	12	<b>34.6%</b>	\$65,083	\$123,017
<b>UVA</b>	Newcomb Road Chiller Plant (building shell)	100%	0%	12	<b>34.6%</b>	\$11,833	\$22,367
<b>Total</b>						\$76,916	\$145,384
<b>UVA-W</b>	New Library	100%	0%	12	<b>62.7%</b>	\$683,190	\$406,428
<b>Total</b>						\$683,190	\$406,428
<b>VCCS</b>	PHCC - Motorsports/Workforce Development Ctr. Phase II	100%	0%	12	<b>61.3%</b>	\$26,493	\$16,725
<b>VCCS</b>	SSVC( Christianna) - Student Support and Learning Ctr	100%	0%	0	<b>61.3%</b>	\$0	\$0
<b>VCCS</b>	BRCC - New Academic Bldg.	100%	0%	12	<b>61.3%</b>	\$328,828	\$207,560
<b>VCCS</b>	DCC-Expand Workforce Development Center	100%	0%	12	<b>61.3%</b>	\$44,398	\$28,030
<b>Total</b>						\$399,719	\$252,315
<b>VCU</b>	Information Commons	100%	0%	1	<b>48.7%</b>	\$23,113	\$24,346
<b>Total</b>						\$23,113	\$24,346
<b>VMI</b>	CPTF	80%	0%	12	<b>39.1%</b>	\$162,500	\$357,002
<b>Total</b>						\$162,500	\$357,002
<b>VSU</b>	MT Carter Addition	0%	100%	12	<b>49.2%</b>	\$0	\$0
<b>VSU</b>	Lockett Hall	100%	0%	12	<b>49.2%</b>	\$62,804	\$64,846
<b>Total</b>						\$62,804	\$64,846
<b>VT</b>	Classroom Building	100%	0%	12	<b>40.0%</b>	\$367,894	\$552,300
<b>VT</b>	Academic Building Renovations	100%	0%	9	<b>40.0%</b>	\$73,446	\$110,262
<b>VT</b>	Address Fire Alarm Systems and Access	100%	0%	12	<b>40.0%</b>	\$15,952	\$23,948
<b>Total</b>						\$457,292	\$686,510
<b>VT-Ext.</b>	Improve Kentland Facilities	0%	100%	9	<b>95.0%</b>	\$416,655	\$21,929
<b>Total</b>						\$416,655	\$21,929
<b>VIMS</b>	Consolidated Scientific Research Facility	85%	15%	12	<b>95.0%</b>	\$236,421	\$32,621
<b>VIMS</b>	Facilities Management Building	100%	0%	12	<b>95.0%</b>	\$57,475	\$3,025
<b>VIMS</b>	Research Vessel	70%	30%	11	<b>95.0%</b>	\$309,545	\$73,792
<b>Total</b>						\$603,441	\$109,439
<b>Please note: FY 2018 are stated in dollars incremental to the base.</b>					<b>Total</b>	<b>\$7,667,272</b>	<b>\$6,229,434</b>

**Higher Education Equipment Trust Fund (HEETF)**  
**Comparison of SCHEV Recommendations to Appropriations**  
**(2017-18)**

<b>Institution</b>	<b>Total Recommendation</b>	<b>Total Appropriation</b>	<b>Total Appropriation As Percentage of Recommendation</b>	<b>Recommended Additional Funding<sup>(1)</sup></b>
GMU	\$ 4,583,544	\$ 3,947,024	86%	\$636,520
ODU	\$ 4,998,462	\$ 5,016,192	>100%	---
UVA	\$ 13,194,051	\$ 10,458,476	79%	\$2,735,575
VCU	\$ 8,441,209	\$ 6,853,430	81%	\$1,587,779
VT	\$ 12,596,202	\$ 10,331,639	82%	\$2,264,563
W&M	\$ 1,845,812	\$ 2,300,493	>100%	---
W&M-VIMS	\$ 274,567	\$ 362,100	>100%	---
CNU	\$ 780,959	\$ 754,464	97%	\$26,495
UVA-Wise	\$ 238,256	\$ 250,681	>100%	---
JMU	\$ 2,322,291	\$ 2,309,646	99%	\$12,645
LU	\$ 800,627	\$ 743,433	93%	\$57,194
UMW	\$ 906,017	\$ 655,746	72%	\$250,271
NSU	\$ 1,132,752	\$ 1,200,108	>100%	---
RU	\$ 1,951,638	\$ 1,744,993	89%	\$206,645
VMI	\$ 1,089,226	\$ 886,084	81%	\$203,142
VSU	\$ 1,111,374	\$ 1,342,189	>100%	---
RBC	\$ 148,866	\$ 160,149	>100%	---
VCCS	\$ 17,499,709	\$ 17,596,542	>100%	---
SWVHEC	\$ 97,279	\$ 80,111	82%	\$17,168
RHEA	\$ 73,827	\$ 77,623	>100%	---
IALR	\$ 246,131	\$ 274,172	>100%	---
SVHEC	\$ 190,992	\$ 95,790	50%	\$95,202
New College	\$ 56,737	\$ 34,486	61%	\$22,251
EVMS	\$ 1,389,133	\$ 524,429	38%	\$864,704
<b>TOTAL</b>	<b>\$ 75,969,661</b>	<b>\$ 68,000,000</b>	<b>90%</b>	<b>\$ 8,980,154</b>

<sup>(1)</sup> Debt service for the additional funding will not begin until FY19. The estimated debt service need is about \$1 million in FY19.

## FY2018 Virginia Student Financial Assistance Program Funding

The Higher of: Minimum 1% Increase in Appropriations over FY17 or Maintain FY17 Percent of Need Met

Institution	FY17 PM % Met	FY17 Funds	Total FY18 Need	Increase	Total FY18 Funds	Percent Increase	FY18 PM % Met
Christopher Newport University	37.9%	4,981,000	12,380,947	49,810	5,030,810	1.0%	40.6%
College of William & Mary	55.8%	3,483,669	5,886,136	34,837	3,518,506	1.0%	59.8%
George Mason University	33.0%	19,550,931	67,086,036	2,587,461	22,138,392	13.2%	33.0%
James Madison University	35.8%	8,294,329	25,317,187	781,445	9,075,774	9.4%	35.8%
Longwood University	33.6%	4,637,111	13,389,559	46,371	4,683,482	1.0%	35.0%
Norfolk State University	38.0%	9,641,667	24,525,224	168,422	9,810,090	1.7%	40.0%
Old Dominion University	38.0%	22,218,684	61,497,908	1,150,521	23,369,205	5.2%	38.0%
Radford University	38.0%	9,450,398	26,412,218	586,245	10,036,643	6.2%	38.0%
University of Mary Washington	38.1%	3,468,383	9,039,093	34,684	3,503,067	1.0%	38.8%
University of Virginia	48.7%	6,346,308	12,305,336	63,463	6,409,771	1.0%	52.1%
University of Virginia - Wise	42.8%	2,565,576	5,308,853	25,656	2,591,232	1.0%	48.8%
Virginia Commonwealth University	38.0%	27,358,390	77,232,047	1,989,788	29,348,178	7.3%	38.0%
Virginia Military Institute	49.5%	1,058,719	1,603,016	10,587	1,069,306	1.0%	66.7%
Virginia State University	44.1%	8,274,766	17,759,093	82,748	8,357,513	1.0%	47.1%
Virginia Tech	40.2%	15,807,919	41,268,869	795,166	16,603,085	5.0%	40.2%
<b>Four-Year Institution Totals</b>	<b>38.3%</b>	<b>147,137,851</b>	<b>401,011,522</b>	<b>8,407,203</b>	<b>155,545,053</b>	<b>5.7%</b>	<b>38.8%</b>
Richard Bland College	23.5%	625,436	2,956,430	70,716	696,152	11.3%	23.5%
Virginia Community College System	22.9%	42,224,583	180,225,218	422,246	42,646,829	1.0%	23.7%
<b>Two-Year Institution Totals</b>	<b>22.9%</b>	<b>42,850,018</b>	<b>183,181,648</b>	<b>492,962</b>	<b>43,342,981</b>	<b>1.2%</b>	<b>23.7%</b>
<b>Totals</b>	<b>33.2%</b>	<b>189,987,869</b>	<b>584,193,170</b>	<b>8,900,165</b>	<b>198,888,034</b>	<b>4.7%</b>	<b>34.0%</b>

## Virginia Tuition Assistance Grant Program

Incremental Cost of Increasing the Maximum Annual TAG Award  
 FY17 Base Appropriation = \$65,812,665, plus \$4.0 Million in Unspent FY17 Funds

Projected TAG Award	2017-18	
	Appropriations Needed	Required Change in FY2018 Appropriations
\$3,300	\$67,827,982	(1,940,926)
\$3,350	\$68,855,679	(913,229)
\$3,400	\$69,883,376	114,468
\$3,500	\$71,938,769	2,169,861
\$3,600	\$73,994,163	4,225,255
\$3,700	\$76,049,556	6,280,648

# State Council of Higher Education for Virginia Agenda Item

**Item:** Resource and Planning #7 – Update on the Virginia Plan Initiatives 2, 3 and 6

**Date of Meeting:** September 19, 2016

**Presenter:** Peter Blake, Director ([peterblake@schev.edu](mailto:peterblake@schev.edu))

Dan Hix, Fiscal Policy Director  
([danhix@schev.edu](mailto:danhix@schev.edu))

Alan Edwards, Policy Studies Director  
([alanedwards@schev.edu](mailto:alanedwards@schev.edu))

**Most Recent Review/Action:**

No previous Council review/action

Previous review/action

**Date:** September 19, 2016, Council meeting

**Action:** Council discussed activities for the three assigned initiatives

**Background Information/Summary of Major Elements:**

- The Resource and Planning Committee is assigned to three initiatives. This includes:

*2. Seek legislative changes that support stable and sustainable public funding for higher education, such as a constitutional amendment, a dedicated funding source, and a revenue stabilization fund.*

*3. Review and recommend potential initiatives for further restructuring and shared services that enhance institutional and administrative flexibility and improve quality and efficiency.*

*6. Promote economic development for the Commonwealth by implementing a long-term plan that supports recruitment and retention of research faculty, provides matches to federal and private research grants and enhances commercialization of higher education research.*

- A status for all of the initiatives is included as part of item #7 on the full Council agenda. Please refer to *The Virginia Plan for Higher Education: September 2016 Initiatives Update* report under that agenda item.

**Materials Provided:**

- *The Virginia Plan for Higher Education: September 2016 Initiatives Update* (please refer to this report as part of the discussion item #7 on the full Council agenda).

**Financial Impact:** No financial impact at this time.

**Timetable for Further Review/Action:** No further action at this time.

**Resolution:** No resolution at this time.

## STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA

Virginia Commonwealth University  
Student Commons, Richmond Salons 3 & 4  
Richmond, VA  
September 20, 2016  
9:00 a.m. – 12:30 p.m.

### **Meeting Agenda**

*(Note: some items from the September 20 meeting agenda may be addressed before adjournment of the September 19 meetings)*

- |   |            |                         |
|---|------------|-------------------------|
| 1. Call to Order and Announcements  | 9:00 a.m.  |                         |
| 2. Receipt of Public Comment  |            |                         |
| 3. Approval of Minutes (July 19, 2016)                                      | 9:05 a.m.  | <a href="#">Page 1</a>  |
| 4. Remarks from Michael Rao, President,<br>Virginia Commonwealth University | 9:10 a.m.  |                         |
| 5. Remarks from Barry DuVal, President, Virginia<br>Chamber of Commerce     | 9:30 a.m.  |                         |
| 6. Report of the Agency Director  | 10:00 a.m. | <a href="#">Page 12</a> |
| BREAK   |            |                         |
| 7. Update on The Virginia Plan  | 10:30 a.m. | <a href="#">Page 20</a> |
| 8. Reports from Committees:   | 11:00 a.m. |                         |

### **Report from Executive Committee**

#### **Report from Academic Affairs Committee**

- |   |  |                         |
|---|--|-------------------------|
| a. Action on "Contingency Plan for Continuing<br>Authorization of ACICS Institutions Operating in<br>Virginia |  | <a href="#">Page 35</a> |
|---|--|-------------------------|

#### **Report from Resources and Planning Committee**

- |  |  |                         |
|--|--|-------------------------|
| a. Action on Measures of Institutional Performance   |  | <a href="#">Page 43</a> |
| b. Action on Workforce Credential Regulations Based<br>on Regulatory Review                              |  | <a href="#">Page 72</a> |
| c. Action on Additional Amendments to Guidelines for<br>Cybersecurity Public Service Scholarship Program |  | <a href="#">Page 81</a> |

- |  |            |         |
|--|------------|---------|
| 9. Receipt of Items Delegated to Staff | 12:00 p.m. | Page 88 |
| 10. Introduction of New Business       | 12:05 p.m. |         |
| 11. Motion to Adjourn                  | 12:15 p.m. |         |

**NEXT MEETINGS:**

**October 24-25, 2016 – SCHEV Offices, Richmond**

All meeting times are approximate and may vary slightly.

**NOTE:**

Materials contained in this Agenda Book are intended for consideration by the Council at its meeting (dated above), and may not reflect final Council action. For a final version of any item contained in these materials, please visit the Council's website at [www.schev.edu](http://www.schev.edu) or contact Lee Ann Rung at [LeeAnnRung@schev.edu](mailto:LeeAnnRung@schev.edu).

**Public Comment:**

A public comment period will be allocated on the meeting agenda (typically at the beginning of the agenda). To be scheduled, those interested in making public comment should contact the person listed below no later than 5:00 p.m. three (3) business days prior to the meeting date. At the time of the request, the speaker's name, address and topic must be provided. Each speaker will be given up to three (3) minutes to address SCHEV. Speakers are asked to submit a written copy of their remarks at the time of comment.

Note that this will be an electronic communication meeting. Marge Connelly will participate in this meeting from the Langham Hotel, 330 North Wabash Avenue, Chicago, IL, 60611. Please call (804) 652-7744 if there is an interruption in the connection from this location.

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA  
COUNCIL MEETING  
JULY 19, 2016  
MINUTES**

Mr. Minor called the meeting to order at 12:40 p.m. in Room P126-A, Plecker Workforce Center, Blue Ridge Community College, Weyers Cave, Virginia. Council members present: Ken Ampy, Marge Connelly, Heywood Fralin, Henry Light, G. Gilmer Minor, III, William Murray, Carlyle Ramsey, Minnis Ridenour, Tom Slater, and Katharine Webb.

Council members absent: Dan Gundersen, Gene Lockhart, and Pamela Moran.

Staff members present: Lee Andes, Peter Blake, Russ Carmichael, Beverly Covington, Alan Edwards, Dan Hix, Wendy Kang, Tod Massa, Jean Mottley, Lee Ann Rung, and Yan Zheng.

**INTRODUCTION OF NEW APPOINTEES TO COUNCIL**

Mr. Minor welcomed Mr. Ampy and Mr. Slater and read their bios to the members.

**NOMINATIONS/ELECTION OF OFFICERS**

Dr. Murray reported that after individual conversations with the members, all agreed that Council is moving in a positive direction and felt it was desirable to stay the course. Dr. Murray made a motion that was seconded by Dr. Ramsey and Ms. Connelly called for a vote. The following resolution was approved unanimously (8-0-Mr. Minor and Mr. Fralin did not vote):

**BE IT RESOLVED that the State Council of Higher Education for Virginia elects the following slate of officers for 2015-16:**

**G. Gilmer Minor, III, Chairman  
Heywood Fralin, Vice Chairman**

Mr. Minor said he was honored to continue to serve and looked forward to a successful year for SCHEV.

The position of secretary is an appointed position **and Mr. Minor appointed Mr. Ridenour as Secretary**. Mr. Minor informed the members that Ms. Connelly would continue as Chair of the Resources and Planning Committee and Mr. Lockhart would continue to serve as Chair of the Academic Affairs Committee.

Mr. Minor said that in keeping with last year's suggestion that Council members be more involved with the Virginia Plan, he would be assigning each member to work with staff on each of the six initiatives that Council adopted to support the Plan's four

broad goals. The groups will report back to the full Council on efforts being made to manage the initiatives. Mr. Minor will meet with Mr. Blake and Mr. Fralin within the next few weeks and will inform members which initiative they will be assigned. He asked that members send their preferences to him in advance.

Mr. Fralin requested that the Council meet prior to the September meeting to devote more time to discussion to the Virginia Plan. Staff will make arrangements for a meeting the morning of Monday, September 19 and inform members of the details. Dr. Murray offered to provide space for the meeting at the Tredegar Dominion offices.

### **RECEIPT OF PUBLIC COMMENT**

Mr. Minor reported that there were no requests for public comment.

### **APPROVAL OF MINUTES**

On a motion by Dr. Murray and seconded by Dr. Ramsey, the minutes from the May 17, 2016, meeting were approved unanimously.

### **REMARKS FROM JOHN DOWNEY, PRESIDENT, BLUE RIDGE COMMUNITY COLLEGE (BRCC)**

Mr. Minor highlighted Dr. Downey's accomplishments and thanked him for hosting the Council. Dr. Downey spoke about the impact of SCHEV's work and shared a presentation that illustrated examples of the positive effect SCHEV's work has on students and the economic vitality of communities. His presentation demonstrated how his family has been served by higher education and how countless others in the community provide pathways to lifelong learning. This included programs provided at Blue Ridge Community College in the areas of veterinary technology, policy making, auto technician, and others. In each example, he noted the ways in which it related to a particular goal of the Virginia Plan for Higher Education.

Dr. Downey said he is proud that in 2000 BRCC was the first to sign a guaranteed admission agreement with JMU. This model is now replicated all across the state and the country.

He informed the Council of the Shenandoah Valley partnership and noted that it combines local business and economic development. Dr. Downey answered questions from members and spoke about ways in which the new workforce credential grant will impact the region.

### **REPORT OF THE AGENCY DIRECTOR**

Mr. Blake distributed a copy of his report and briefly highlighted the following areas:

Summit – Nearly 280 people participated in the SCHEV-sponsored one-day forum on June 8. He thanked Ms. Kang and others for their work on this successful event.

New board member orientation – Mr. Blake reminded members that the planning group is working to finalize the agenda for the October 18-19 session and thanked Mr. Light and Ms. Webb for their participation. He encouraged Council members to attend.

New Council orientation – Staff has scheduled an orientation for its three newest members on August 17.

Virginia Research Investment Fund and Committee (VRIC) – Mr. Blake thanked Dr. Edwards for his efforts in convening the ex officio members of the committee and institutional research officers. A search is underway for a dedicated staff member to support VRIC.

Tuition and fees – Overall, 97% of in-state undergraduate students attending Virginia public institutions will have tuition increases that are 3% or less. SCHEV will publish its annual report on tuition and fees by August 1.

Legislative visits – Mr. Blake and Ms. Covington have been visiting with legislators around the state. Ms. Connelly suggested that SCHEV might help legislators with constituent concerns by providing answers to frequently asked questions. Mr. Ridenour applauded staff efforts to meet with legislators on their own turf and noted its importance as it relates to the Virginia Plan.

Mr. Blake reported on the state fiscal shortfall and indicated that the Governor and his advisors will have a clearer picture in August of the impact it may have on agency budgets.

### **UPDATE ON THE VIRGINIA PLAN**

Ms. Kang provided a brief discussion of the initiatives that were discussed in each committee.

The Chairman called for a break at 2:20 p.m. The meeting resumed at 2:30 p.m.

### **REMARKS FROM GENNERRA PECK, DIRECTOR, INFRASTRUCTURE & ECONOMIC DEVELOPMENT, MCGUIREWOODS CONSULTING, LLC**

Mr. Minor introduced Ms. Peck and provided a brief bio of her accomplishments. Ms. Peck spoke about the GO Virginia initiative and what it means for Virginia higher education. She provided background information on the goals of the program and explained the funding that is provided by the state grants. Ms. Peck reviewed the next steps for the grants and discussed the timeline. Ms. Rung agreed to add Ms. Peck's presentation to the SCHEV website.

## **REPORTS FROM THE COMMITTEES**

### **Report from Executive Committee**

#### *Action on Meeting Schedule and Locations for Calendar Year 2017*

Mr. Minor reported that the Executive Committee approved the proposed schedule. The Committee's recommendation was seconded by Dr. Murray and the following resolution was approved unanimously:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the following meeting schedule for calendar year 2017 and requests that staff distribute the information to all Council members:**

#### **Briefings and/or committee meetings on Monday Afternoon - meetings on Tuesday (except where noted)**

- **January 10 – SCHEV Offices (Richmond)**
- **March 20-21 – travel to public institution (VMI)**
- **May 15-16 – travel to private institution (TBD) – May 15 would include a meeting with private college presidents)**
- **July 18 – travel to community college (John Tyler Community College)**
- **September 18-19 – travel to public institution (NSU) – September 18 would include a meeting with public college and university presidents)**
- **October 30-31 – SCHEV Offices (Richmond)**

Mr. Minor also reported that staff is ready to make a decision about the new paperless board product once the procurement process is complete. Ms. Rung indicated that the new process should be in place by September.

He reported that the Committee also enjoyed a robust discussion of initiative number five of the Virginia Plan related to communications.

### **Report from Academic Affairs Committee**

Dr. Ramsey reported on the following items from the Academic Affairs Committee meeting:

#### *Action on Degree Programs at Public Institutions*

The Committee's recommendation was seconded by Dr. Murray and the following resolution was approved unanimously:

**BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to George Mason University to initiate a Master of Laws**

**(LL.M.) degree program in Global Antitrust Law and Economics (CIP: 22.0205), effective fall 2016.**

The Committee's recommendation was seconded by Mr. Ampy and the following resolution was approved unanimously:

**BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Virginia Commonwealth University to initiate a Master of Decision Analytics (M.D.A.) degree program in Decision Analytics (CIP: 52.1301), effective fall 2016.**

*Action on Updated State Policy on College Transfer*

The Committee's recommendation was seconded by Dr. Murray and the following resolution was approved unanimously:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the updated *State Policy on College Transfer*, effective immediately, and directs staff to implement its provisions collaboratively with public institutions of higher education.**

*Action on Organizational Change – James Madison University (JMU)*

Representatives from JMU introduced themselves and were thanked for attending. The Committee's recommendation was seconded by Dr. Murray and the following resolution was approved unanimously:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the creation of the Honors College at James Madison University, effective fall 2016.**

Dr. Ramsey reported that the Committee also received an update on a plan due by October 1 for a statewide, low-cost, cooperative online degree program. He reported that in accordance with the Council's policy on emergency participation, Mr. Lockhart participated in the Committee meeting by phone because he was stranded in Nantucket due to flight cancellations.

Report from Resources and Planning Committee

*Action on Full Cost Report*

Ms. Connelly provided an explanation of the requirements that out-of-state students pay at least 100% of the cost of education. The Committee's recommendation was seconded by Mr. Slater and the following resolution was approved unanimously:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the 2016-17 Full Cost Report.**

*Action on Regulations for Workforce Credentials Grant Program*

Ms. Connelly provided a review of the item and the Committee's recommendation was seconded by Dr. Ramsey. The following resolution was approved unanimously:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the proposed regulations for Workforce Credential Grant Program and directs to staff to incorporate any necessary technical changes that may arise subsequent to further executive or legal review.**

*Action on Guidelines for Cybersecurity Scholarship Program*

Ms. Connelly provided a review of the item and the Committee's recommendation was seconded by Ms. Webb. The following resolution was approved unanimously:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the proposed policies, application, and promissory note for the Cybersecurity Public Service Scholarship program and directs staff to incorporate any necessary technical changes that may arise subsequent to further executive or legal review.**

Ms. Connelly reported that the Committee reviewed the biennial measures of institutional performance. The Council will take action on this item in September. She highlighted attachment 3 on page 95 and noted the good progress that has been achieved across the board. Dr. Murray asked if any thought has been given to updating the statute on Restructuring to reflect current conditions.

**RECEIPT OF ITEMS DELEGATED TO STAFF**

Mr. Blake noted the categories of recent actions taken by staff as delegated by the Council. As required, a copy of these actions is attached to the minutes.

**INTRODUCTION OF NEW BUSINESS**

Mr. Minor read the following resolution which was seconded by Dr. Murray and approved unanimously:

**WHEREAS**, Mr. Gary Nakamoto was appointed to the State Council of Higher Education for Virginia from 2012 to 2016; and

**WHEREAS**, he served on various Committees, including the TJ21 Committee, and served as Vice Chair of the Resources and Planning Committee; and

**WHEREAS**, Mr. Nakamoto's contributions in planning the Council's highly successful research summit resulted in multiple calls to action that have helped Virginia move forward in its research efforts; and

**WHEREAS**, he demonstrated an unwavering commitment to excellence and quality in his work with the Outstanding Faculty Awards by serving on the selection committee; and

**WHEREAS**, Mr. Nakamoto remained steadfast in his dedication to the students of the Commonwealth, particularly in highlighting the needs of underserved students; and

**WHEREAS**, his frequent expressions of support for and appreciation of staff's work contributed greatly to the agency morale and esprit de corps; and

**WHEREAS**, Mr. Nakamoto's business skills, reputation and strong relationships, strengthened the Council's influence and positive impact in Northern Virginia and beyond the Commonwealth's borders; and

**WHEREAS**, his cooperative nature, friendly demeanor and good humor, allowed him to work collegially with fellow Council members in carrying out the Council's mission of enriching the Virginia system of higher education during a critical time of uncertainty and change for the Commonwealth's colleges and universities;

**NOW, THEREFORE, BE IT RESOLVED**, that the State Council of Higher Education for Virginia extends its gratitude to **Gary Nakamoto** for his dedication to higher education in the Commonwealth.

Mr. Nakamoto was not present. Council requested that staff mail him the resolution.

### **ADJOURNMENT**

The meeting adjourned at 3:35 p.m.

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Marge Connelly  
Secretary

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Lee Ann Rung  
Director, Executive and Board Affairs

**Items Delegated to Director/Staff**

**Items Delegated to Director/Staff**

Pursuant to the Code of Virginia, Section 23-9:6:1 and Council's "*Policies and Procedures for Program Approval and Changes*," the following items were approved/not approved as delegated to staff:

**Program Actions**

<b>Institution</b>	<b>Degree/Program/CIP</b>	<b>Effective Date</b>
George Mason University	<b>Degree Designation Alteration:</b> Add the degree designation Professional Science Master's (PSM) to the existing Master of Science (MS) degree program in Bioinformatics Management (26.1103)	May 12, 2016
George Mason University	<b>Facilitated Staff Approval:</b> Bachelor of Science degree program in Rehabilitation Science (51.2314) [Conferral: Spring 2018]	Fall 2016
George Mason University	<b>Title Change Not Approved:</b> Change the title from a Bachelor of Science degree program in Tourism and Events Management (52.0903) to a Bachelor of Science degree program in Hospitality, Tourism, and Events Management	June 3, 2016
Lord Fairfax Community College	<b>Facilitated Staff Approval:</b> Associate of Applied Science degree program in Cybersecurity (11.1003) [Conferral: Spring 2018]	Fall 2016
Richard Bland College of William and Mary	<b>Facilitated Staff Approval:</b> Spin-off an Associate of Science degree program in Clinical Lab Sciences from the existing General Associate of Science degree program (40.0101) [Conferral: Spring 2017]	Fall 2016

Pursuant to the Code of Virginia, Section 23-9:6:1 and Council’s “*Policies and Procedures for Program Approval and Changes*,” the following items were reported:

### New Certificate Programs

Institution	Degree/Program/CIP	Effective Date
Old Dominion University	Initiate Graduate Certificate program in Advanced Counseling Practice (51.1508) [Conferral: Spring 2017]	Fall 2016
Old Dominion University	Initiate Graduate Certificate program in Mission Analysis and Engineering (14.2799) [Conferral: Spring 2017]	Summer 2016
Radford University	Initiate Undergraduate Certificate program in Accounting (52.0301) [Conferral: Spring 2017]	Fall 2016
University of Virginia	Initiate Graduate Certificate program in Health Sciences Management (51.0701) [Conferral: Spring 2017]	Fall 2016
Virginia State University	Initiate Undergraduate Certificate program in Homefront Readjustment for the Armed Forces (44.9999) [Conferral: Fall 2017]	Spring 2017

Pursuant to the Code of Virginia, Section 23-9:6:1 and Council’s “*Policies and Procedures for Internal and Off-Campus Organizational Changes*,” the following items were approved as delegated to staff:

### Organizational Change Approvals

Institution	Change / Site	Effective Date
George Mason University	Rename the School of Policy, Government, and International Affairs to the <b>Schar School of Policy and Government</b> . The School has been re-named to honor the naming gift from Dwight C. Schar and to eliminate the redundancy of the terms Government and International Affairs.	August 1, 2016
Old Dominion University	Create the <b>Graduate School</b> . The creation of a Graduate School will provide the infrastructure to centralize resources to support graduate education and students more effectively. The Graduate School will coordinate student recruitment and interdisciplinary planning for graduate programs, oversee the marketing of graduate programs,	July 1, 2016

Institution	Change / Site	Effective Date
	and coordinate and provide support for all graduate students.	
Virginia State University	Rename the Department of Management Information Systems to the <b>Department of Computer Information Systems</b> . The department has been re-named to describe accurately the overall activities and programs located in the department and to enhance recruitment of faculty and students.	July 1, 2016

Pursuant to the Code of Virginia, Section 23-9:6:1 and Council's "*Policy on Mission Statement Changes at Virginia Public Higher Education Institutions*," the following item was approved as delegated to staff:

#### Mission Statement Approval

Institution	Modification – New Statement	Date
Norfolk State University	Norfolk State University, a comprehensive urban institution, is committed to transforming students' lives through exemplary teaching, research and service. Offering a supportive academic and culturally diverse environment for all, the University empowers its students to turn their aspirations into reality and achieve their full potential as well rounded, resourceful citizens and leaders for the 21st century.	June 20, 2016

Pursuant to the Code of Virginia, Section 23-9.14:3 and Council's "*Commonwealth of Virginia Policy on the Reciprocal Authorization of Distance Education and Related Activities*," the following items were approved as delegated to staff:

#### National Council for State Authorization Reciprocity Agreements (NC-SARA) Approvals

Institution	Effective Date
Bethel College	June 2, 2016
Divine Mercy University	May 11, 2016
Rappahannock Community College	May 10, 2016
Southwest Virginia Community College	June 30, 2016

<b>Institution</b>	<b>Effective Date</b>
Virginia Highlands Community College	June 27, 2016
Virginia Wesleyan College	June 27, 2016

Pursuant to the Code of Virginia, Section 23-276 and section 8VAC-40-31-90 of the Virginia Administrative Code, the following items were approved as delegated to staff:

**Postsecondary, Non-Degree Institutions Certified to Operate in the Commonwealth of Virginia**

<b>Institution</b>	<b>Location</b>	<b>Effective Date</b>
Aesthetics Institute of Cosmetology	Winchester, VA	May 5, 2016
Inova Fairfax Hospital School of Medical Laboratory Science	Falls Church, VA	May 3, 2016
Medical Learning Center	Fairfax, VA	May 31, 2016
Tomorrow's Image Barber Academy of Virginia	Newport News, VA	May 3, 2016

**Postsecondary Institution Name Acknowledgement**

<b>Institution</b>	<b>Former Name</b>	<b>Date</b>
Devine Mercy University	The Institute of Psychological Sciences	May 10, 2016

**Institutional Student Financial Aid Plans**

Pursuant to §4-5.01 b. of the annual Act of the Appropriation, staff have reviewed each individual institution's plan for expenditure of its appropriation for undergraduate student financial assistance and assumptions and calculations for determining the cost of education and student financial need. The institutions' reports have been received and reviewed in accordance with the Appropriation Act.

**State Council of Higher Education  
Director's report  
September 20, 2016**

**Secretary of Education Dietra Trent:** SCHEV welcomes new Secretary of Education Dietra Trent, who replaced former Secretary Anne Holton in August. Secretary Trent is well known in higher education circles and will be an effective leader for Governor McAuliffe on matters of importance to SCHEV and the institutions.

**New board member orientation:** The Governor appointed 60 new members of college and university boards. SCHEV has assembled a planning group to develop the agenda and select speakers for the October 18-19 orientation session for new appointees. Council members Henry Light and Katie Webb serve on the committee. Information about the 2016 orientation session, as it becomes available, can be found here: <http://schev.edu/index/institutional/Boardsofvisitors>. In July, SCHEV convened the professional staff of the public boards of visitors. Chair Gil Minor discussed SCHEV priorities. In August, SCHEV conducted its own orientation of new Council members Ken Ampy, Dan Gundersen and Tom Slater.

**Virginia Research Investment Fund and Committee:** The Governor and the 2016 General Assembly created this fund and committee to promote research and development excellence in Virginia, with a particular focus on commercialization, economic development and job creation. The SCHEV director chairs the committee, which includes five ex-officio members and four others named by the Governor and the General Assembly. Dr. Alan Edwards has been leading SCHEV's work on this assignment. We hope to announce imminently a new SCHEV staff member who will provide dedicated support to the committee. SCHEV has established a website for the fund and committee, which can be found here: <http://schev.edu/index/institutional/grants/va-research-investment-fund-committee>

**New College Institute:** In May, Beverly Covington and I met with individuals in and around Martinsville and Henry County to learn more about the status of the New College Institute. At the request of an NCI board member and legislator, I submitted comments and observations on our visit. On July 20, the NCI board met and reviewed my written comments as well as a report from Longwood University on its potential interest in establishing a stronger relationship with NCI. On behalf of the board, the institute's director asked me "to examine the options for the future direction of NCI, to include pros and cons of each, and preference or rank-order of the options if appropriate." Staff is engaged in that review.

**Tuition and fees:** Thanks to a significant increase in state general fund support and to ongoing institutional efficiencies, undergraduate tuition and fee increases for continuing students in 2016-17 will be the lowest since 2003. Overall, 97% of in-state undergraduate students attending Virginia public institutions will have

tuition increases that are 3% or less. A summary of a report SCHEV submitted to the Governor and the General Assembly is attached.

***ITT Technical Institute closure:*** The school has ceased offering postsecondary education and will close all of its campuses, affecting approximately 2,500 students in Virginia. It has five locations in Virginia: Chantilly, Richmond, Norfolk, Salem and Springfield. SCHEV is working with *ITT Technical Institute's* accrediting agency, Accrediting Council for Independent Colleges and Schools (ACICS), and the US Department of Education to determine alternatives for students enrolled at *ITT Technical Institute* at the time of closure. Furthermore, SCHEV will work with the administration of the institution to obtain academic and financial records for current students as well as ensure that the preservation of student records for all former students meets Virginia regulatory requirements. This is the second program closure that SCHEV has overseen in 2016; Medtech, with 193 students, closed in August.

***Six-year plan review and update:*** Executive and legislative staff, led by SCHEV staff member Dr. Jean Mottley, met in August to review college and university amended six-year plans. Dr. Mottley has compiled responses from the group and has shared comments with the institutions. The more comprehensive six-year plan review process occurs in odd-numbered years.

***University of Virginia "Strategic Investment Fund" presentation:*** In August, those members of the Senate Finance Committee and the House Appropriations Committee with primary responsibility for higher education met jointly to learn more about this topic. The joint committee heard from the Auditor of Public Accounts, a representative of former rector Helen Dragas, current rector Bill Goodwin and president Terry Sullivan. Legislative leaders asked the APA and SCHEV to survey other institutions to determine the extent and uses of similar funds. Council members Gil Minor and Heywood Fralin attended the hearing.

***SCHEV lauded as model:*** In a guest article in Sunday's *Las Vegas Sun*, a University of Nevada-Las Vegas professor formerly of Virginia Tech lauded SCHEV as a model worthy of emulation as Nevada considers the future of its board of regents for public higher education. Arguing basically for state-level coordination (decentralized authority) rather than governance (centralized decision-making), the piece notes SCHEV's focus on state needs and goals, lean organizational chart and modest salaries. See:

<https://lasvegassun.com/news/2016/aug/07/time-for-higher-ed-presidents-to-get-autonomy/>

***Out and about:*** Beverly Covington and I have been meeting with legislators in different parts of the state to talk about the The Virginia Plan, legislative initiatives and Council priorities. Since the end of the General Assembly session we have met with 15 members. Meetings will continue through the fall. SCHEV members and staff also are meeting with editorial boards of newspapers across Virginia. In August, we convened the General Professional Advisory Committee, made up of

public college and university presidents, and welcomed three new presidents: Brian Hemphill (Radford), Troy Paino (Mary Washington) and Daniel Lufkin (Paul D. Camp). In September, I attended the 175<sup>th</sup> anniversary ceremony of the recently renamed Mary Baldwin University. I have been invited to serve on a working group associated with the GO Virginia initiative, which has met twice and has a legislative deadline of October 15 for selected information. I also have been asked to serve on an Opioid Executive Workgroup.



# 2016-17 TUITION & FEE REPORT HIGHLIGHTS

Full report available at [www.schev.edu/index/reports/schev-reports/2016-17-tuition-and-fees-report](http://www.schev.edu/index/reports/schev-reports/2016-17-tuition-and-fees-report).

Most in-state undergraduates attending Virginia’s public colleges and universities will see their tuitions and mandatory fees increase this year an average of \$369, or 3.6 percent, the lowest such rate in 15 years. Including only tuition and classroom-related fees, the average increase for those students came to 2.9 percent.

## Tuition & Fees:

The average tuition and mandatory E&G fees for instruction-related activities for in-state undergraduate students will increase by \$338 (4.6%) in the 2016-17 academic year. Breaking it down, that means there will be an average increase of \$367 (4.7%) at four-year institutions and \$112 (2.6%) at community colleges. In comparison, these charges increased by 7.1% last year. Tuition and all mandatory fees—which include athletic fees, student health service fees, and student government fees—will increase by \$500 (4.6%). That compares to last year’s increase of 6.0%. In total, including room and board charges, Virginia undergraduate students will pay on average \$852 (4.0%) more at four-year institutions. However, excluding the College of William and Mary (CWM) and University of Virginia (UVA) that have variable tuition charges to in-state undergraduate students, the average increase in tuition and mandatory E&G fees for the system is \$202 (2.9%) and the average increase in tuition and all mandatory fees is \$369 (3.6%), setting new records for the lowest annual increases in 15 years. Twelve institutions and 97% of the in-state undergraduate students will have tuition increases that are 3% or less. See Chart 1.

**Twelve institutions and 97% of in-state undergraduate students will have tuition increases that are 3% or less.**

## Chart 1

2015-16 Full Time In-State Undergraduate Student Charges

	Tuition and E&G Fees	% Incr.	Tuition and All Fees	% Incr.	Total Charges (incl. R&B)	% Incr.
<b>4-Year Insts.</b>	\$8,177	4.7%	\$12,137	4.7%	\$22,126	4.0%
<b>RBC</b>	\$4,224	3.4%	\$5,712	4.0%	\$15,532	6.7%
<b>VCCS</b>	\$4,373	2.6%	\$4,387	2.6%	\$4,387	2.6%
<b>All Inst.</b>	\$7,721	4.6%	\$11,303	4.6%	\$20,695	4.1%
<b>All Inst. excl. CWM &amp; UVA</b>	\$7,048	2.9%	\$10,600	3.6%	\$19,770	3.6%

## Virginia's Tuition & Fees Rank Among All States:

In 2016-17, in-state undergraduate tuition and fees at Virginia public institutions are estimated to rank 12th highest in the nation for the doctoral/research category. Tuition and fees at the comprehensive institutions are expected to rank 6th highest nationally. Charges at Virginia two-year colleges have steadily increased since 2000, setting new historical levels over the last five years. Tuition and fees at Virginia two-year colleges are estimated to rank 12th highest nationally in FY2017 (Chart 2).

### Chart 2

#### Virginia Rank Among All States<sup>1</sup>

#### (In-State Undergraduate Tuition and Fees at Public Institutions)

Institution Category	1989-90	1993-94	2000-01	2009-10	2015-16	Estimated 2016-17 <sup>3</sup>
Doctoral/Research Institutions	5th	8th	19th	16th	12th	12th
Comprehensive Institutions	3rd	3rd	6th	10th	6th	6th
Two Year Colleges	33rd	25th	40th	29th	12th	12th

#### NOTES:

(1) Based on full-time in-state undergraduate tuition and fees in IPEDS.

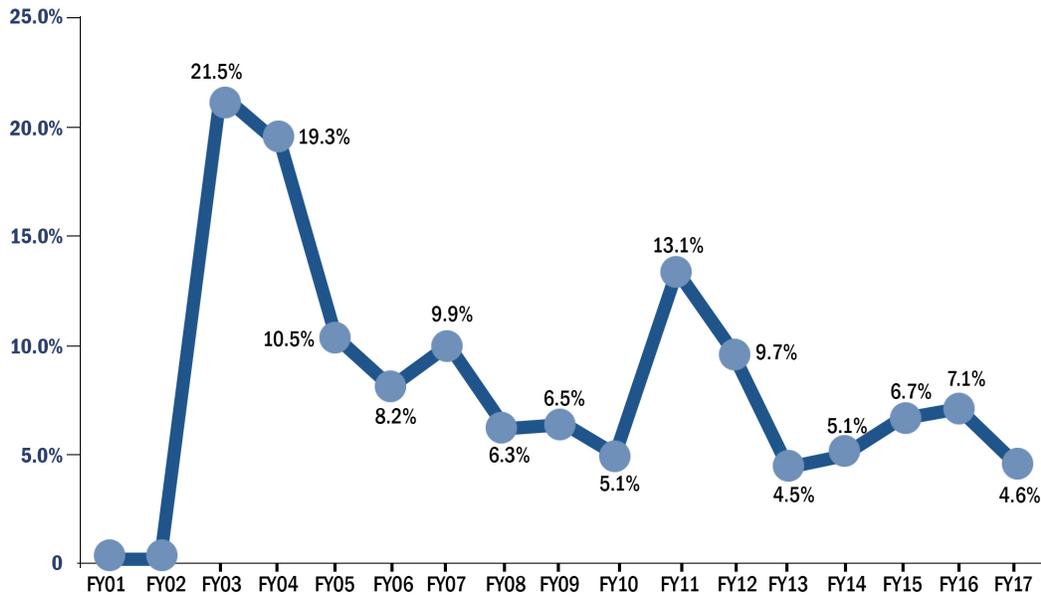
(2) Ranking is from highest cost to least cost.

(3) VA charges are actual tuition and fees in FY17. Charges in other states are estimated by applying 2014-15 national increase rates of 2.7% for doctoral and 3.1% for comprehensive institutions, and 3.0 % for public two-year colleges published in "Trends in College Pricing 2015" by the College Board.

## Historical Perspective of Tuition & Fee Increases:

**There is an inverse relationship between state funding and the rate at which tuition has increased.**

The Commonwealth has an official tuition policy premised on the rationale that higher education yields both public and private benefits. However, there is an inverse relationship between state funding and the rate at which tuition has increased at Virginia's public higher education institutions. When the state provides additional support to public higher education, institutions are able to better control the rate at which they increase tuition. When the state reduces its funding, institutions increase tuition to help offset budget cuts. Chart 3 depicts the average annual increase in tuition and mandatory E&G fees for in-state undergraduate students in the past 16 years.

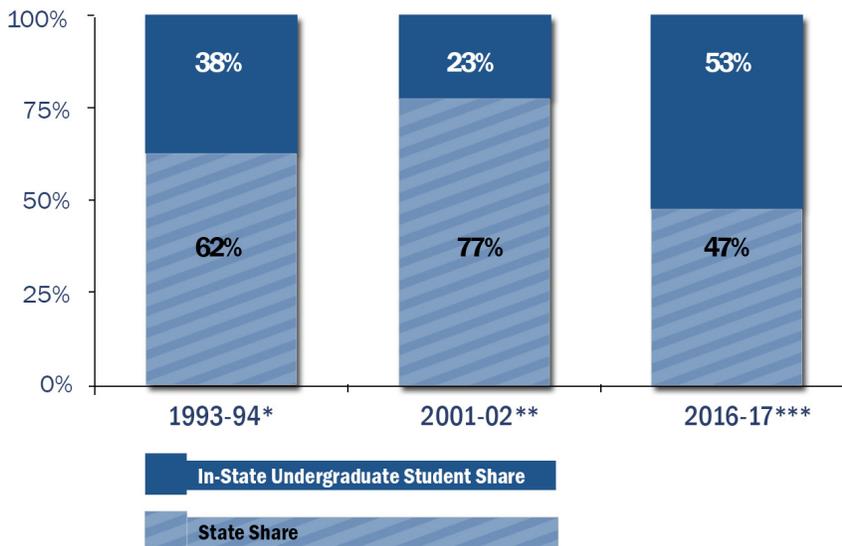


**Chart 3**  
Average Annual Increases in Tuition and E&G Fees for In-State Undergraduate Students FY2001-FY2017

**Tuition Cost-Share Trend & Affordability:**

In 2004, the Joint Subcommittee on Higher Education Funding Policy developed the goal of a 67%/33% cost share between the state and students. However, a combination of budget cuts and tuition increases has reduced the state’s share of the cost in the past 15 years. In FY2017 the state is expected to pay only 47% while the student share is estimated at 53%, a record high. The state share of the cost is 20 percentage points lower than the target of 67%. See Chart 4.

The state share of the cost is 20 percentage points lower than the target of 67%.



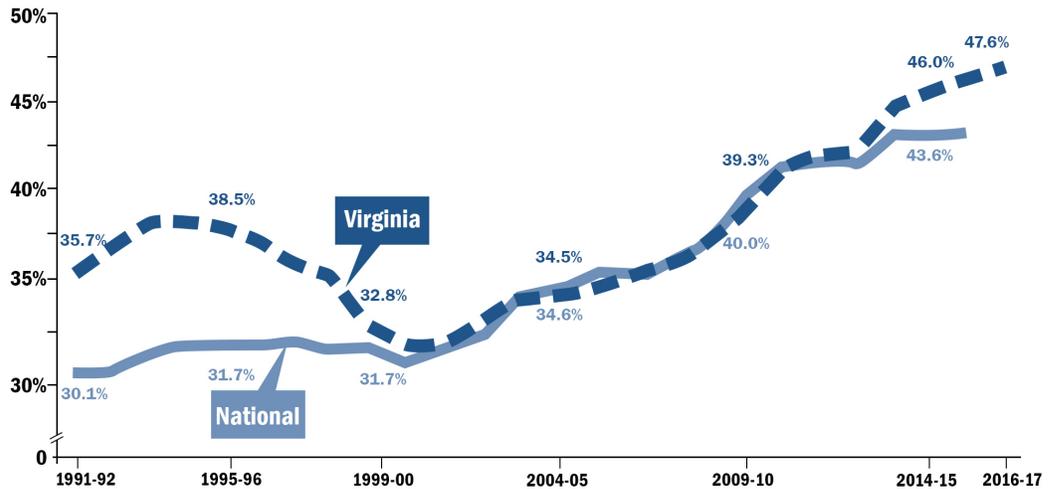
**Chart 4**  
Cost-Share Relationship between the State and In-State Undergraduate Students

\*The tuition policy required out-of-state students to pay 100% of costs, but had no cost-share requirement for in-state undergraduate students. Calculation based on the average appropriated cost of education.  
 \*\* The goal of the tuition policy was for in-state undergraduate students to pay 25% of the cost. Calculation based on the average appropriated cost of education.  
 \*\*\*The goal of the tuition policy was for in-state undergraduate students to pay 33% of the cost. Calculation based on the average appropriated cost of education.

## Tuition as a Percentage of Per Capita Disposable Income:

As a percentage of per capita disposable income (income available for spending and saving), the average total cost for an in-state undergraduate student living on campus at a four-year institution is estimated at 47.6% in FY2017 (see Chart 5 on next page). This measure of affordability has crept steadily higher from a low point (more affordable) of 31.8% in FY2001 and has surpassed the historical peak (least affordable) of 46.7% set last year.

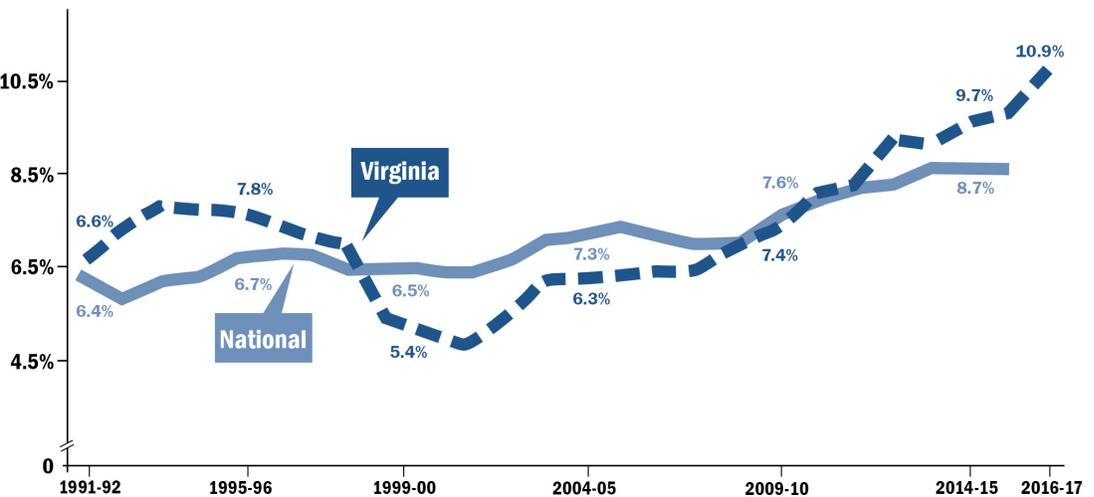
**Chart 5**  
Average Public Four-Year Total Undergraduate Charges As a Percent of Per Capita Disposable Income



NOTE: Cost includes tuition and mandatory fees, and room and board.  
SOURCE: College Board, US Bureau of Economic Analysis, and SCHEV

At more than 10%, Virginia's two-year college charges as a percent of per capita disposable income will be also set a record in FY2017.

**Chart 6**  
Average Public Two-Year Total Undergraduate Charges As a Percent of Per Capita Disposable Income<sup>1,2</sup>



NOTES:

(1) Cost includes tuition and mandatory fees.

(2) Virginia public 2-year charges include the Richard Bland College commuter student charges and Virginia Community College System changes.

SOURCE: College Board, US Bureau of Economic Analysis, and SCHEV

Chart 7

2016-17 Full-Time In-State Undergraduate Student Charges by Institution

Institutions	Tuition and Mandatory E&G Fees			Mandatory Non-E&G Fees			Tuition and Total Mandatory Fees			Average Room and Board <sup>1</sup>			Total		
	Charge	% Incr	\$ Incr	Charge	% Incr	\$ Incr	Charge	% Incr	\$ Incr	Charge	% Incr	\$ Incr	Charge	% Incr	\$ Incr
	<b>GMU</b>	\$8,204	2.9%	\$228	\$3,096	4.0%	\$120	\$11,300	3.2%	\$348	\$10,730	2.1%	\$220	\$22,030	2.6%
<b>ODU</b>	\$6,348	2.5%	\$155	\$3,698	3.4%	\$123	\$10,046	2.8%	\$278	\$9,824	4.0%	\$378	\$19,870	3.4%	\$656
<b>UVA<sup>2</sup></b>	\$13,515	9.5%/1.4%/1.5%	\$1,168	\$2,199	3.7%	\$78	\$15,714	8.6%/1.7%/1.8%	\$1,246	\$10,726	3.1%	\$325	\$26,440	6.3%/2.3%/2.4%	\$1,571
<b>VCU</b>	\$10,989	2.5%	\$270	\$2,141	4.3%	\$88	\$13,130	2.8%	\$358	\$9,919	3.5%	\$333	\$23,049	3.1%	\$691
<b>VT</b>	\$10,941	2.9%	\$313	\$1,911	2.9%	\$54	\$12,852	2.9%	\$367	\$8,424	2.4%	\$198	\$21,276	2.7%	\$565
<b>CWM<sup>3</sup></b>	\$15,810	12%/0%/0%/0%	\$1,696	\$5,424	3.2%	\$166	\$21,234	9.6%/0.9%/0.9%/1.0%	\$1,862	\$11,382	3.7%	\$404	\$32,616	7.5%/1.9%/2.0%/2.1%	\$2,266
<b>CNU</b>	\$7,870	3.0%	\$228	\$5,184	6.1%	\$300	\$13,054	4.2%	\$528	\$10,914	2.8%	\$300	\$23,968	3.6%	\$828
<b>UVA-Wise</b>	\$5,369	3.1%	\$159	\$4,170	4.0%	\$160	\$9,539	3.5%	\$319	\$10,346	0.9%	\$90	\$19,885	2.1%	\$409
<b>JMU</b>	\$5,896	3.0%	\$172	\$4,494	3.5%	\$152	\$10,390	3.2%	\$324	\$9,728	3.5%	\$332	\$20,118	3.4%	\$656
<b>LU</b>	\$7,350	2.5%	\$180	\$4,890	3.2%	\$150	\$12,240	2.8%	\$330	\$9,944	4.0%	\$386	\$22,184	3.3%	\$716
<b>UMW</b>	\$7,948	3.0%	\$232	\$3,622	8.0%	\$268	\$11,570	4.5%	\$500	\$9,938	2.5%	\$244	\$21,508	3.6%	\$744
<b>NSU</b>	\$5,318	3.0%	\$156	\$3,420	6.7%	\$216	\$8,738	4.4%	\$372	\$9,490	5.8%	\$520	\$18,228	5.1%	\$892
<b>RU</b>	\$7,045	3.0%	\$203	\$3,036	2.3%	\$69	\$10,081	2.8%	\$272	\$8,946	3.1%	\$269	\$19,027	2.9%	\$541
<b>VMI</b>	\$8,461	4.0%	\$325	\$9,031	7.5%	\$631	\$17,492	5.8%	\$956	\$8,968	3.5%	\$302	\$26,460	5.0%	\$1,258
<b>VSU</b>	\$5,386	3.0%	\$156	\$3,086	3.0%	\$90	\$8,472	3.0%	\$246	\$10,562	3.0%	\$310	\$19,034	3.0%	\$556
<b>RBC</b>	\$4,224	3.4%	\$138	\$1,488	5.8%	\$81	\$5,712	4.0%	\$219	\$9,820	8.4%	\$760	\$15,532	6.7%	\$979
<b>VCCS<sup>4,5</sup></b>	\$4,373	2.6%	\$112	\$14	0.0%	\$0	\$4,387	2.6%	\$112	N/A	N/A	N/A	\$4,387	2.6%	\$112
<b>Avg 4 yr Insts<sup>6</sup></b>	\$8,177	4.7%	\$367	\$3,960	4.7%	\$178	\$12,137	4.7%	\$545	\$9,989	3.2%	\$307	\$22,126	4.0%	\$852
<b>Avg All Insts<sup>6</sup></b>	\$7,721	4.6%	\$338	\$3,583	4.7%	\$162	\$11,303	4.6%	\$500	\$9,979	3.5%	\$336	\$20,695	4.1%	\$816
<b>Avg All excl CWM&amp;UVA</b>	\$7,048	2.9%	\$202	\$3,552	4.9%	\$167	\$10,600	3.6%	\$369	\$9,825	3.5%	\$332	\$19,770	3.6%	\$678

(1) Charges listed here represent the weighted average double occupancy room charge and the maximum weekly meal plan offered, not necessarily the plan used by the most students.

(2) The 2016-17 tuition and mandatory E&G fees charge for freshman is \$13,515, an increase of 9.5%. Tuition for sophomore students is \$12,515, 1.4% increase and tuition for junior and senior students is \$11,515, an increase of 1.5%.

(3) The 2016-17 tuition and mandatory E&G fees for first-time freshmen and transfer students is \$15,810, an increase of 12.3% over 2015-16. Tuition for other levels of students has 0% increase. The college adopted a guaranteed tuition for incoming in-state undergraduate students in 2013-14. The tuition charged in their freshman year is frozen for all four years of their undergraduate attendance.

(4) Northern Virginia (NVCC), J.Sargent Reynolds (JSRCC), Tidewater (TCC), Thomas Nelson (TNCC), Virginia Western (VWCC), Piedmont Virginia (PVCC), Germanna (GCC) and John Tyler (JTCC) have tuition differentials in addition to the systemwide tuition. The differentials per academic year are as follows: NVCC-\$762; JSRCC-\$123; TCC-\$60; PVCC-\$60; VWCC-\$60; GCC-\$30; JTCC-\$15.

(5) Other mandatory fees vary by college, ranging from \$64.50 to \$850.50 per academic year, and are not included in this summary. N/A in Average Room and Board is because VCCS does not have this charge.

(6) Increases for tuition and mandatory E&G fees and total are weighted to account for variable tuition charges at CWM and UVA.

# State Council of Higher Education for Virginia Agenda Item

**Item:** Council #7 – Update on The Virginia Plan

**Date of Meeting:** September 20, 2016

**Presenter:** Peter Blake, Director  
([peterblake@schev.edu](mailto:peterblake@schev.edu))

Wendy Kang, Higher Education Innovation Director  
([wendykang@schev.edu](mailto:wendykang@schev.edu))

**Most Recent Review/Action:**

No previous Council review/action

Previous review/action

**Date:** July 19, 2016, Council meeting

**Review:**

**Background Information/Summary of Major Elements:**

- The September Initiatives update demonstrates that several initiatives remain in progress while others are completed or may need to be revised.
- At the July meeting, the Council discussed holding a meeting with a greater amount of time to discuss the initiatives, goals and other items related to the plan. This meeting is tentatively scheduled for the October Council meeting.

**Materials Provided:**

- *The Virginia Plan for Higher Education: September 2016 Initiatives Update*

**Financial Impact:** No financial impact at this time.

**Timetable for Further Review/Action:** No further action at this time.

**Resolution:** No resolution at this time.



State Council of  
Higher Education for Virginia

# **THE VIRGINIA PLAN FOR HIGHER EDUCATION**

**UPDATE ON ACTIVITIES RELATED TO THE SIX INITIATIVES  
September 2016**

**| AFFORDABLE ACCESS | STUDENT SUCCESS |  
| INNOVATION AND INVESTMENT | ECONOMIC AND CULTURAL PROSPERITY |**

## Initiatives Update September 2016

As part of an ongoing effort to update Council members and higher education stakeholders of progress made in the six initiative areas, the following document includes an update on related activities and an expected completion date.

In addition, as part of the 2016 General Assembly session, staff identified additional activities that align with these initiatives. These are included in the work matrix that illustrates how the SCHEV initiatives align with the session requirements, the efforts of the Joint Subcommittee on the Future Competitiveness of Higher Education in Virginia and the recent JLARC related to higher education. Detailed descriptions and activities will be incorporated into the initiatives for the next update in July.

A full background for each initiative is available on The Virginia Plan for Higher Education website. <http://www.schev.edu/schev/StrategicPlan.asp>

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**Work Matrix**  
**2016 Priority Initiatives in Implementation of *The Virginia Plan for Higher Education***

	1 Ensure affordable, efficient and effective pathways for students	2 Seek stable & sustainable public funding	3 Enhance institutional and administrative flexibility and improve quality & efficiency	4 Measure the quality of undergraduate education	5 Launch a communications strategy of the value of higher ed	6 Promote economic development via a long-term research plan
<b>SCHEV Assignments in 2016 Legislation &amp; Budget</b>	<p>HB66 Administer Workforce Credential Grant program</p> <p>Item 146M Provide grants for affordable pathways, shared services &amp; efficiency initiatives.</p> <p>HB400/SB52 Report on Loan refinance authority.</p> <p>Item 146.O Va Degree Completion Network.</p> <p>Item 144J Cybersecurity Scholarships for Pub Serv</p> <p>Item 144H Allocate \$24M in aid per Joint Subcommittee.</p> <p>SJ96 Align K-12 &amp; higher education</p>	<p>HB961 Alternative tuition and fee structures.</p> <p>Various – Analyze BOV’s tuition and fee decisions.</p> <p>4-9.04 Expand factors in faculty-salary goals.</p>	<p>Item 146K Study regional sex-assault investigate center.</p> <p>Item 146M Provide grants for affordable pathways, shared services &amp; efficiency initiatives.</p> <p>4-9.04 Lower costs and enhance learning thru tech.</p>	<p>SB338 Study-abroad guidelines.</p> <p>HB46 School-readiness committee.</p> <p>HB842 Teacher licensure re dyslexia.</p> <p>Item 146L Administer VLDS.</p>	<p>Item 146L Administer VLDS.</p>	<p>HB1343 Va Research Investment Committee (and Item 478.1 - VRIC act on incentive-package requests)</p> <p>Item 255 Va Research Investment Fund.</p> <p>HB834/SB449 GO VA.</p> <p>HB515 Econ Dev in 6-yr Plans</p>
<b>SCHEV activities in support of The Virginia Plan</b>	<p>Hold forum on college access, success &amp; completion.</p> <p>Improve transparency of exams accepted for undergraduate credit.</p> <p>Update the State Policy on College Transfer</p> <p>Increase opportunities for transfer through Interstate Passport Initiative.</p> <p>Support math pathways transfer initiative.</p> <p>Research efficiency of VA’s transfer system</p>	<p>Hold discussions with experts in higher education regarding the feasibility and approach of a long-term funding strategy</p> <p>Use outcomes of discussions to inform Councils 2017 budget recommendations.</p>	<p>Monitor activities of institution APA reviews regarding progress on JLARC Recommendations</p> <p>Implement Work with institutions through the Finance Advisory Committee</p> <p>Use outcomes of discussions to inform Councils 2017 budget recommendations.</p>	<p>Revise SCHEV Assessment guidelines</p> <p>Work with state experts to determine methods to measure gaps in supply &amp; demand</p> <p>Revise SCHEV program productivity policy to incorporate elements related to program alignment with job demand</p>	<p>Create structure for input and engagement b institutions and other stakeholders</p> <p>Determine audience, message and desired outcomes of initiative</p> <p>Build awareness of The Virginia Plan and progress in the goals, initiatives, measures and targets</p>	

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA**  
**2016 Priority Initiatives in Implementation of *The Virginia Plan for Higher Education***

	1 Ensure affordable, efficient and effective pathways for students	2 Seek stable & sustainable public funding	3 Enhance institutional and administrative flexibility and improve quality & efficiency	4 Measure the quality of undergraduate education	5 Launch a communications strategy of the value of higher ed	6 Promote economic development via a long-term research plan
<b>Joint Subcommittee on the Future Competitiveness of Virginia Higher Education</b>	<ul style="list-style-type: none"> <li>a) Review quality, provide access and affordability</li> <li>c) Identify practices for greater efficiencies</li> <li>d) Evaluate distance ed and online instruction</li> <li>e) Review need-based aid and alternative models</li> <li>g) Study transfer students</li> <li>h) evaluate dual enrollment as cost reducer</li> <li>i) Study teacher prep</li> </ul>	<ul style="list-style-type: none"> <li>b) Examine sustainability of institutions and system</li> <li>e) Review need-based aid and alternative models</li> <li>j) Review alternative tuition and fee structures</li> </ul>	<ul style="list-style-type: none"> <li>b) Examine sustainability of institutions and system</li> <li>c) Identify practices for greater efficiencies</li> <li>d) Evaluate distance ed and online instruction</li> <li>f) Review JLARC cost-efficiency recommendations</li> <li>h) Evaluate dual enrollment as cost reducer</li> <li>j) Review alternative tuition and fee structures</li> </ul>	<ul style="list-style-type: none"> <li>a) Review quality, provide access and affordability</li> <li>g) Study transfer students</li> <li>h) Evaluate dual enrollment as cost reducer</li> <li>i) Study teacher prep</li> </ul>		
<b>JLARC RECOMMENDATIONS (Recs b and c)</b>	<ul style="list-style-type: none"> <li>b.1) Standardize mandatory non-E&amp;G fees</li> <li>b.2) Update Chart of Accounts</li> <li>b.4 &amp; b.6) Lower costs &amp; enhance learning thru tech</li> </ul>	<ul style="list-style-type: none"> <li>b.2) Update Chart of Accounts</li> <li>b.5) Expand factors in faculty-salary goals</li> <li>e) Use SCHEV capital-project prioritization</li> </ul>	<ul style="list-style-type: none"> <li>b.3) Revise guidelines for research &amp; instruct space</li> <li>b.4 &amp; b.6) Lower costs &amp; enhance learning thru tech</li> <li>c) Train BOV members</li> </ul>	<ul style="list-style-type: none"> <li>b.4 &amp; b.6) Lower costs &amp; enhance learning thru tech</li> </ul>	<ul style="list-style-type: none"> <li>c) Train BOV members</li> </ul>	<ul style="list-style-type: none"> <li>b.3) revise guidelines for research &amp; instructional space</li> </ul>

1

**Initiative:** Coordinate the development and implementation of programs that align resources from PK12, colleges, universities and other public sources to ensure affordable, efficient and effective pathways for students in all parts of the state.

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**Council Committee:** Academic Affairs

**Advisory groups:** Instructional Programs Advisory Committee (IPAC)  
State Committee on Transfer

**Lead staff members:** Joseph DeFilippo

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**Current Activities and Updates:**

- **Support the PK12 Partnerships and Affordable Pathways through the Fund for Excellence and Innovation’s Affordable Pathways Partnership Grants (Expected Completion: Ongoing):**

Update: SCHEV issued the request for proposals for the Affordable Pathways Partnership grant in August. The grants are offered for up to 4 public institutions to promote PK12 partnerships and affordable pathways. Proposals are due in October with announcements expected on December 1, 2016.

- **Increase opportunities for transfer of general education courses in participating states through the *Interstate Passport* initiative (Expected Completion: September 2017):** Via invitation from Southern Regional Education Board (SREB), Virginia is participating as a Phase 2 state in the *Interstate Passport* initiative. Information is available here: <http://www.wiche.edu/passport/home>. The initiative is designed to improve graduation rates, shorten time to degrees, and save students money.

Update: Several institutions have submitted draft Passport Blocks. Mountain Empire, Tidewater, New River, and John Tyler Community Colleges have submitted completed drafts and Norfolk State completed a partial Block of knowledge and skill areas to address. The remaining institutions plan to continue working on the Passport Initiative throughout the fall.

- **Support a Dual Enrollment Working Group (Expected Completion: TBD):** SCHEV has established a multi-institution working group on dual enrollment (with participation by both publics and privates), to help address issues raised in discussions with the Secretary of Education. This effort also aligns with the Joint Subcommittee on the Future Competitiveness of Higher Education’s charge to review dual enrollment. These issues are focused on the general efficacy of dual enrollment, with particular emphasis on encouraging good coordination among institutions and academic success of students.

Update: The working group is a collaborative effort of SCHEV’s offices of Academic Affairs and Research & Data Warehousing. An inaugural meeting is scheduled in Richmond on September 7 and will address the following topics/issues:

- Four-year institution perspectives on academic success of students with dual enrollment credits.
  - Data needs for further assessing the efficacy of dual enrollment.
  - Possible recommendations for dual enrollment innovations (including pathways) that would contribute to improved attainment and completion.
  - Informational exchanges that would be helpful going forward.
- **Support a math transfer pathways initiative (Expected Completion: June 2017).** The VCCS continues their work on the Math pathways. It has assembled a 24-member team in partnership with the four-year institutions to refine the courses to improve transfer rates and reduce remediation.

#### Activities Completed:

- **Improved transparency of exams accepted for undergraduate course credits:** Council adopted the “*Virginia Public Higher Education Policy on Course Credit for AP, Cambridge, CLEP, and IB*” at its March 2016 meeting. Staff conducted meetings with institutional representatives on logistics of the policy and formally distributed it.
- **Held a summit on Access, Success and Completion in June:** Over 280 participants attended the one-day event held in Richmond on June 8<sup>th</sup>. Attendees included K12, higher education, policy makers, Governor’s staff and general assembly members. The day included awareness regarding Virginia’s goal to be the best-educated by 2030, the gaps the states to close to achieve the goal, presentations by Lumina foundation and Complete College America; college presidents; and parent, student, and principal perspectives; Presentations from the event can be found [here](#).
- **Updated the Virginia State Policy on College Transfer:** The goal of the update was to improve transfer for Virginia’s students by enhancing cooperation and consistency among institutions of higher education. The updated policy will include new provisions relating to: admission of students not completing an associate degree; admission of high school students completing college credit prior to high school graduation; acceptance and application of credits earned through prior learning assessment (may include credit earned through advanced high school programs or extra-institutional learning). The updated policy was passed at the July 2016 Council meeting for approval.
- **Approved regulations for the workforce credential grant program:** As the administering agency of the New Economy Workforce Credentials grants, SCHEV approved guidelines in July 2016. This grant provides greater access and affordability to postsecondary education for individuals seeking workforce credentials in high demand jobs through non-credit training.
- **Supported Approval of Funds in the 2016 to stimulate collaborations among public school divisions, community colleges, and universities to create and expand affordable pathways:** As part of the 2016 session, SCHEV provided budget recommendations for and the Governor included in his introduced budget funding for affordable pathway programs. The General Assembly funded these efforts through the establishment of the Fund for Excellence and Innovation, which includes \$500,000 a year for affordable pathways program and partnerships and increased cost efficiencies through shared services.

## 2

**Initiative:** *Seek legislative changes that support stable and sustainable public funding for higher education, such as a constitutional amendment, a dedicated funding source, and a revenue stabilization fund.*

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**Council Committee:** Resource and planning  
**Advisory groups:** Finance Advisory Committee  
**Lead staff members:** Peter Blake/Dan Hix

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### Current Activities and Updates:

- **Continue to support funding for higher education (Expected completion: Ongoing):** There are several strategies to currently underway regarding consistent funding through additional other groups and activities identified by the Council. This includes: working with the Joint Subcommittee to identify long-term funding strategies, working with individuals with legislative and tax experience to identify through ongoing SCHEV publications and identifying promising practices from the prior legislative session to support the level of funding demonstrated.

Update: Released the *2016-17 Tuition and Fees Report* released August 1 and highlighted the low tuition increases resulting from increased General Assembly investment. In addition to a detailed analysis of the tuition and fee charges approved by the institutional Boards of Visitors for 2016-17, the report states that the relationship between general fund investment in public higher education and lower tuition increases is well documented. It was evident in the 2012-14 biennium and again in the 2016-18 biennium. It is through the best practice of consistent state investment and corresponding low tuition increases that will allow the Commonwealth to realize its goal of affordable access for all. Staff interviews with the press since the release of the report have emphasized these points. Unfortunately, the Commonwealth is now facing a budget shortfall of \$1.5 billion for the 2016-18 biennium. The impact on higher education budgets is not yet known.

The report is available at <http://schev.edu/index/reports/schev-reports/2016-17-tuition-and-fees-report>

### Activities Completed:

- **Approved budget recommendations to support operating expenses and financial aid:** In October 2015, the Council recommended an increase of about \$110 million from the general fund in the first year for a combination of operating expenses and student financial aid. About \$74 million of that total covered basic institutional needs and Virginia Plan initiatives related to student success and affordable pathways from secondary school to higher education in all its forms. To mitigate the need for tuition increases, the Council recommended that funding for these purposes derive predominantly from the general fund. Should this occur, the Council believes that Virginia students and families will see the lowest tuition increase in 15 years.
- **Helped secure funding increase of \$314 million for 2016-18 biennium,** resulting in tuition increases of under 3% for 97% of Virginia in-state undergraduate students and the largest ever increase in need-based financial aid.

# 3

**Initiative:** *Review and recommend potential initiatives for further restructuring and shared services that enhance institutional and administrative flexibility and improve quality and efficiency.*

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**Council Committee:** Resource and Planning  
**Advisory groups:** Finance Advisory Committee  
**Lead staff members:** Peter Blake/Dan Hix

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## Current Activities and Updates:

- **Work with institutions through the Finance Advisory Committee (FAC) to further identify areas for operational efficiencies (Expected Completion: Ongoing):** Through the Fund for Excellence and Innovation established during the 2016 session to identify additional cost efficiencies and shared services to lead to measureable cost reductions. SCHEV established an Efficiency/Innovation Workgroup to support this effort.

Update: The Workgroup met (via conference call) on September 2 to review responses received from their survey of representatives of other campus services, (e.g., IT, Procurement, Financial Aid, Admissions, Libraries) and discuss next steps. Consensus on several areas for further study emerged. Those included:

- Potential for leveraged purchase of student health insurance
- Discussion with Library Advisory Committee members on the Knowledge Unlatched program (which brings together funds from many sources to publish open access, scholarly eBooks from a variety of disciplines and publishers at no cost to the authors or readers) and digital storage
- Follow up with each participating institution's financial aid officers for more specific information on early suggestions in the area of financial aid
- Exploration with state officials on efficiencies to be gained from a centralized reporting portal
- Review of options available in making the state's electronic procurement system (eVA) more efficient for institutions
- Potential for a workgroup of higher education research representatives to work through a common grant process for institutions dealing with the Commonwealth and its agencies

Actions will be undertaken by members of the group to gain additional insight in these areas. The workgroup plans to develop a work plan by the end of 2016. In addition, a summit is planned for 2017 to discuss the ideas and raise awareness to a larger audience.

- **Continue to monitor activities of the Auditor of Public Accounts (APA) regarding institutional progress on the JLARC recommendations (Expected Completion Ongoing).** SCHEV will continue to monitor audits from the APA

## Activities Completed:

- **Supported funding for innovation and efficiencies during the 2016 session.**

# 4

**Initiative:** Collaborate with institutions to measure the quality of undergraduate education, including civic engagement of graduates and relevance to demand occupations across regions of the state.

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**Council Committee:** Academic Affairs  
**Advisory groups:** Instructional Programs Advisory Committee (IPAC)  
**Lead staff members:** Joe DeFilippo/Wendy Kang

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## Current Activities and Updates:

- **Revise the SCHEV assessment guidelines (Expected completion May 2017).** The guidelines will incorporate elements of (a) quality measurement and (b) civic engagement based on the input of the Task Force input. SCHEV also will consult with national experts/organizations and other states with expertise in assessment and/or civic engagement in undergraduate education. Discussions have been held with Association of American Colleges and Universities (AAC&U), the Virginia Assessment Group (VAG), and Massachusetts Department of Higher Education.

Update: The Task Force held its second meeting in Richmond on July 14. Major topics taken up at the July 14 meeting:

- Results of a survey issued to all Virginia public institutions regarding how student learning assessment is conducted and used.
- Data on the skills and attributes employers want/expect from college graduates, as well as factors that contribute to well-being and engagement in the workplace.
- Affirmation of a statement of quality drafted in preparation for SCHEV's 2015 Summit on Quality. The Task Force affirmed using that statement will serve as the philosophical foundation for its developing policy recommendations.

The Task Force's next meeting will be on September 22 in Richmond.

Joe DeFilippo and Jodi Fidler have proposed a presentation for the third Governor's Summit on Civic Engagement, to be held at Averett University in October. The purpose of the presentation will be to engage attendees in a deep conversation about how Council's initiative can best support civic engagement of Virginia students.

- **Work with state experts to determine methods to measure gaps in supply and demand (Expected Completion January 2017).** SCHEV staff will work with the Governor's office, the Virginia Employment Commission, and the Virginia Economic Development Partnership to determine methods to measure gaps in supply based on current and expected demand. Once a model and measurement for employment demand is developed, SCHEV staff will review and update the program productivity policy and align as appropriate.

Update: The Governor's office is leading an effort on this topic and received funding to support it through USA Funds. The first prototype was expected in August 2016, but was delayed. Additional efforts will be made to look at these metrics through the updated measures, targets and related indicators for 2016 expected to be discussed at the next Council meeting in October.

## Completed activities:

- **Hired an associate for assessment policy and analysis.**

# 5

**Initiative:** Launch a communications strategy to address public knowledge and benefits of higher education, through Council reports, traditional media, social media and other means.

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<b>Council Committee:</b>	Executive Committee
<b>Advisory groups:</b>	Instructional Programs Advisory Committee (IPAC) and other groups as appropriate
<b>Lead staff members:</b>	Peter Blake/Wendy Kang

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## Current Activities and Updates:

- **Create a structure for input and engagement by institutions and other stakeholders (Expected Completion October 2017).** Invite higher-education stakeholders to participate in a discussion about audience, message, and desired outcome. This will include institutional leadership (public and private), policy makers, advisory groups, students, and other key stakeholders. Regular meetings with specific groups will be developed based on the specific message and target audience.

Update: SCHEV hosted a facilitated discussion with about 30 stakeholders including representatives of college administration, the Office of the Governor and the Secretary of Education, communications, economic-development groups, Council member Webb and others in July 2016. The goal was to create common ground and common themes; the concrete outcome is a blueprint document laying out next steps.

- **Determine audience, message and desired outcomes of communications initiative (Expected Completion: December 2016):** Develop a message to support the objective to be the best-educated state by 2030 that appeals to a broad stakeholder base. The message should complement and not compete with secondary education and economic development, and should convey not just the economic value of education but also the general message of talent development for all its values (“economic and cultural prosperity”). The desired outcomes will determine priority areas and the audiences that need to be addressed. The broad message or theme will need to have value propositions that have meaning for each segment (business, students, parents, legislators).

Update: From the meeting held with higher-education stakeholders in July, the group identified the following key items to identify Virginia’s higher education system:

### **The System Offers a Wide Array of Choices**

Virginia offers varying levels of educational and professional development opportunity available through a variety of pathways: community colleges, four year institutions, graduate programs, credentialing and certifications. The system offers versatile, adaptable and responsive educational building blocks. Multiple paths provide abundant opportunities for meeting individual needs and aspirations.

### **Higher Education Increases Opportunities for Success**

Higher education provides increased opportunities for financial stability and success. Higher education offers the chance to proactively improve one’s quality of life by fostering physical, mental and financial security.

### **It’s an Investment in the Future**

Productive, successful citizens create healthy and vibrant communities that benefit all Virginians. An educated population is more financially sound, socially and culturally enriched, and civically engaged. Future generations will benefit from the higher quality of life that education helps create.

### **It's Essential to Helping Solve Problems and Embrace Opportunities**

The capacity to anticipate, identify, research and find viable solutions to business and societal problems is essential for future prosperity. Higher education produces innovative, entrepreneurial, forward-thinking individuals whose skills will help address our biggest challenges while creating new opportunities for growth and success.

### **Economic Stability and Growth Demands a Talented Workforce**

Virginia's higher education system helps produce the workers businesses need to remain nimble and adaptable to an ever-changing global marketplace. The system produces a reliable, capable and consistent supply of educated and credentialed workers who provide employers the talent they need to succeed. The ready workforce helps attract and retain employers and facilitates business growth and expansion.

### **Accessibility and Affordability Provide a High Return on Investment**

The higher education system offers a multitude of access points for individuals, businesses and organizations across the state. Virginia's system is consistently rated as one of the best values in the country, helping produce a high return on investment.

**Build awareness of The Virginia Plan and progress made in the goals, initiatives, measures and targets (Expected Completion: Ongoing):** Launch a communications strategy that provides an introduction of the goals of the plan and provides ongoing updates through regular communications through a website, newsletter, social media, presentations and media coverage. In the next 3-6 months, SCHEV plans to develop a website, initiate an online newsletter, and highlight success of the plan through article features; in addition, staff will seek opportunities to engage the media related to The Plan. SCHEV staff will continue to seek endorsement or formal support from selected groups such as the Virginia Chamber of Commerce, the State Board of Education, and the Virginia Business Council.

Update: SCHEV continues to raise awareness of the plan through the following activities:

- Communicated Tuition & Fees Report (Goal 1, access and affordability) via a press-friendly summary, web page and press release. Result: more than a dozen news articles statewide in print and broadcast (radio and TV).
- Members of SCHEV and Council are meeting with editorial boards to communicate the Plan's goals, targets and initiatives. In August, they met with the editorial board of the Richmond Times-Dispatch. In September they will meet with members of the editorial board of the Virginian- Pilot in Norfolk. A meeting with the editorial board of the Roanoke Times is being scheduled.
- Launched an e-newsletter for non-experts interested in higher education in Virginia.
- In collaboration with the Office of the Governor and the Secretary of Education, created and released announcements of Cybersecurity Scholarships and Affordable Pathways grants (Goal 1, access and affordability). Result: More than two dozen articles, blog posts and broadcast reports.
- In September, Director Blake presented an overview of the Virginia Plan to administration and staff of Virginia Commonwealth University in an hour-long speech and slide presentation.

A key stakeholder meeting with staff from the General Assembly money committees, Department of Planning and Budget, the Council on Virginia's Future, the Federal Reserve, the Governor's office, the Virginia Chamber and the Virginia Department of Education is planned for September 29<sup>th</sup> to discuss updates to the measures of the plan and its initiatives.

### **Completed Activities:**

- **Launched the SCHEV website.**
- **Distributed 500 copies of SCHEV update to raise awareness of the Virginia Plan and its goals.**
- **Hired an associate for communications and outreach.**

# 6

**Initiative:** *Promote economic development for the Commonwealth by implementing a long-term plan that supports recruitment and retention of research faculty, provides matches to federal and private research grants and enhances commercialization of higher education research.*

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**Council Committee:** Resource and planning  
**Advisory groups:** Finance Advisory Committee  
**Lead staff members:** Alan Edwards

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## Current Activities and Updates:

- **Convene the new Virginia Research Investment Committee (VRIC) (Expected Completion: Report to the Governor and money committees annually on November 1):** Enactment of HB1343 creates a nine-member committee, chaired by the SCHEV director, to administer a major new research-funding vehicle, the Virginia Research Investment Fund (VRIF; see below). (GO Virginia's board is authorized to invest a portion of the VRIF assets.)

Update: Appointment to VRIC is eminent of final two of four members it will share with board of GO Virginia.

The five ex officio VRIC members met informally in May, June and July) to review the legislation and similar grant programs and to discuss legislative- and executive-branch intent and expectations, as well as basic organizational and process matters.

- **Assist VRIC with administration of the new Virginia Research Investment Fund (VRIF) (Expected Completion Ongoing):** Enactment of HB1343 amends Council duties to include assisting the VRIC with administration of the new Virginia Research Investment Fund (VRIF), a special non-reverting revolving fund for promoting R&D, commercialization, researcher recruitment/retention, cooperation and collaboration between research universities & with the private sector, and economic development.

Update: Preliminary efforts in advance of full constitution of VRIC include:

- multiple conference calls with the chief research officers (CROs) of the major research universities to identify priorities, strengths and complementary opportunities;
  - multiple updates to research- university presidents regarding VRIC's status and calls with CROs;
  - creation of a VRIF webpage on the SCHEV website to serve as a resource for VRIC and institutions;
  - recruitment of a lead staffer for VRIC to be employed at SCHEV;
  - development of draft bylaws and workplan for the VRIC.
- **Create, with VRIC, the process for soliciting and reviewing VRIF proposals and the criteria for awarding VRIF funds (Expected Completion: TBD in consultation with VRIC):** Enactment of HB1343 requires Council, in consultation with VRIC, to "establish guidelines, procedures, and objective criteria" for application and award of VRIF funds.

Update: SCHEV staff has collected, reviewed and shared with ex officio VRIC members the policies and processes of various relevant grantors to inform preliminary development of guidelines, procedures and criteria.

The new SCHEV Associate for Research Investment will lead development of VRIF guidelines, procedures and criteria.

**Completed Activities:**

- **Support approval of funds related to research through the HEETF and pooled bond initiative in the 2016 General Assembly session.**

# State Council of Higher Education for Virginia Agenda Item

**Item:** Academic Affairs Committee #3 – Action on “Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia”

**Date of Meeting:** September 19, 2016

**Presenter:** Dr. Joseph G. DeFilippo  
Director of Academic Affairs & Planning  
[JoeDeFilippo@schev.edu](mailto:JoeDeFilippo@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:**

**Action:**

**Background Information/Summary of Major Elements:**

**I. Introduction: Recent USED actions regarding ACICS**

The Code of Virginia requires that private institutions operating in Virginia be accredited by an accrediting agency “recognized” by the US Department of Education (USED). USED administers the process of recognition in conjunction with its *National Advisory Committee on Institutional Quality and Integrity* (NACIQI). Currently there are 35 national and regional accreditors recognized by USED ([http://www2.ed.gov/admins/finaid/accred/accreditation\\_pg9.html](http://www2.ed.gov/admins/finaid/accred/accreditation_pg9.html)). In order for an institution of higher education to be Title IV-eligible, it must be accredited by one of these accreditors. On June 23, 2016, NACIQI voted (10-3) to recommend withdrawing recognition from the Accrediting Council for Independent Colleges and Schools (ACICS). ACICS was established in 1912 and is the largest national accreditor in the country, with 245 institutions of higher education, whose students receive approximately \$5B in Title IV aid annually. NACIQI’s June action was the subject of major media coverage and has since necessitated intense analysis and planning among USED and the states to determine implications of a final withdrawal of ACICS’s recognition, should that come to pass.

According to USED procedure, the NACIQI recommendation is now under review for decision by a “senior department official” (SDO), whose decision must be rendered by September 21, 2016. If the SDO accepts NACIQI’s recommendation, ACICS has until October 21, 2016, to file an appeal with Dr.

John King, the US Secretary of Education. Once rendered, Secretary King's decision will not be subject to further administrative appeal. It is possible that the process may reach this final stage (i.e., Secretary's unappealable decision) at virtually any time between now and the end of the Obama administration.

If and when ACICS loses USED recognition, Virginia—as many other states—will have to take specific actions to avoid highly negative short-term consequences. These actions would relate in the first instance to clarifying the *authorization status* of ACICS-accredited institutions in Virginia, and in the second instance to ensuring an orderly transition that treats institutions fairly while also protecting students' rights. Without proper preparation and communication in advance of a final USED decision, destructive and logistically unmanageable circumstances may arise; specifically, multiple institutions facing abrupt loss of Title IV eligibility would also be at risk of rapid and simultaneous closure. This alone would be an undesirable outcome, but it is important to note that more is at stake here than merely SCHEV's response to this specific situation. SCHEV is the Virginia agency that fulfills the commonwealth's responsibilities for ensuring the Title IV eligibility of *all* institutions of higher education—public, private, certified, and non-certified. SCHEV's manner of handling the ACICS situation will demonstrate the commonwealth's effectiveness in supporting general compliance of all Virginia institutions with the Title IV regulations, under which approximately \$4B in federal financial aid per year goes to Virginia students.

## **II. Federal and State Implications of ACICS losing recognition.**

### *A. Federal implications.*

- i. USED has notified states that the following effects will result if/when recognition is finally withdrawn from ACICS:
  - a. ACICS will cease functioning as an accrediting body recognized by USED *immediately*.
  - b. All ACICS-accredited institutions will be deemed to lose recognized accreditation *immediately*.
  - c. Any ACICS-accredited institution in a state that requires accreditation as a condition of authorization will *immediately lose Title IV eligibility*. (This is because state authorization is also required for Title IV eligibility.)
  - d. Any ACICS-accredited institution that retains state authorization will be allowed to retain Title IV eligibility for *18 months from date of USED's final decision*. By the end of this 18-month period, the institution must have achieved accreditation with a recognized accreditor in order for Title IV eligibility to continue.
- ii. Of particular importance is i.c above. Both nationally and within Virginia, institutions that experience removal of Title IV eligibility have proved to be at risk of closure within weeks if not days. It is unclear, moreover, how

quickly institutions in this circumstance will be able to have Title IV eligibility restored.

B. *Virginia implications.* In Virginia, accreditation by a recognized accreditor is a basic requirement for authorization for all institutions of higher education, as per § 23.1-219 (B):

**All institutions of higher education and academic-vocational non-college degree schools subject to the provisions of this article shall be fully accredited by an accrediting agency recognized by the U.S. Department of Education.**

The full implications of this requirement and potential regulatory actions, however, will vary by institutional category. Barring specific timely actions by SCHEV, the following consequences would result from ACICS' loss of recognition

i. Upon loss of accreditation by a recognized accreditor (which will happen immediately, as per A.i.b above):

a. Out of state institutions would lose authorization to operate in Virginia and could not regain it unless/until the institution regains full accreditation. See § 23.1-219(E):

**In addition to such other requirements as are established in this article or the regulations of the Council, any out-of-state institution of higher education or academic-vocational non-college degree school shall provide verification that . . . the institution or school is fully accredited by an accrediting agency recognized by the U.S. Department of Education.**

b. In-state institutions certified by SCHEV are subject to revocation upon loss of accreditation, but may have their certification continued upon action of council. According to 8VAC40-31-193, when a certified school loses accreditation, Council "will move to revoke" the school's certification unless the school "provide[s] council staff with a written explanation why the loss of accreditation should not impact the school's certification to operate in Virginia." Staff must then prepare a report to council recommending either revocation or the granting of conditional certification until the school can be granted full certification. It is important to note, however, that this regulation envisions only the scenario where a school loses accreditation *for cause*, whereas the loss currently facing ACICS-accredited schools is not related to any culpability on their part. Thus, staff offers this agenda item and the proposed "Contingency Plan" as the "report" required by 8VAC40-31-193.

c. In-state institutions no longer required to be recertified by SCHEV would lose authorization immediately, and could regain it only by again becoming certified to operate in Virginia. See § 23.1-219(D):

**No postsecondary school shall be required to obtain another certification from the Council to operate in the Commonwealth if it (i) was formed, chartered, or established in the Commonwealth or chartered by an Act of Congress; (ii) has maintained its main campus continuously in the Commonwealth for at least 20 calendar years under**

its current ownership; (iii) was continuously approved or authorized to confer or grant academic or professional degrees by the Council, the Board of Education, or an act of the General Assembly during those 20 years; and (iv) is fully accredited by an accrediting agency that is recognized by and has met the criteria for Title IV eligibility of the U.S. Department of Education.

As noted above under II.A, *Federal implications*, withdrawal of ACICS' recognition will result in the immediate loss of recognized accreditation for ACICS institutions. The moment this happens institutions in this category will fail criterion (iv) and therefore will not be in authorized status until they become certified by SCHEV.

- ii. According to staff analysis of code and regulation cited above, unless specific actions are taken by SCHEV, *all* ACICS-accredited institutions currently operating in Virginia risk failing Title IV state authorization requirements immediately upon loss of accreditation by an accrediting body recognized by the USED. An abrupt and simultaneous loss of Title IV eligibility at these institutions would be destructive for both students and schools. Many, perhaps most, schools would face closure within weeks if not days, and it is not clear how easy it will be for schools to regain Title IV eligibility once lost under this scenario. This circumstance could also prove logistically unmanageable for SCHEV, which by statute is responsible for overseeing school closures, including such activities as: supervising teachouts, facilitating placement of students from closed schools, providing reimbursements from surety instruments and/or the Student Tuition Guaranty Fund, and effecting transfer of student records to the Library of Virginia.

### **III. Staff recommendation.**

The appended "Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia" addresses circumstances that apply to each category of authorized institution in Virginia and clarifies a protocol for each to remain in authorized status for a limited period, during which institutions will be obliged to obtain new accreditation or prepare for closure. The plan empowers the executive director of SCHEV to implement its provisions, for the sake of administrative efficiency and in accord with Council's delegating authority. All of the provisions and measures described in the plan are within Council's authority according to Code of Virginia § 23.1-213 to 229.

### **Materials Provided:**

- "Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia"
- Addendum: Institutions in Virginia Accredited by ACICS

**Financial Impact:** Without approval of the plan, SCHEV would risk substantial costs from having to address numerous sudden and simultaneous school closures. The

financial impact on students and institutions and their staffs would also be extensive, but is not precisely known.

**Timetable for Further Review/Action:** See timelines detailed in “Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia.”

**Resolution:** Based on a thorough review of all relevant circumstances, staff recommends that the Academic Affairs Committee adopt the following resolution and transmit it to Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves and adopts the “Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia,” and all of its constituent provisions, effective immediately.**

## **Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia**

In preparation for the possibility that the US Department of Education (USED) may as a final action withdraw recognition from the Accrediting Council for Independent Colleges and Schools (ACICS), the executive director of SCHEV is empowered (as per Code of Virginia § 23.1-222) to take, or to delegate others to take, actions outlined below in accord with duties and authorities of Council (as per § 23.1-213 to 229). The Council, in accordance with 8 VAC 40-31-193, also hereby waives proceeding to revoke the certification of institutions operating in Virginia under ACICS accreditation should those institutions lose accreditation upon USED's final action.

It is the intent of this plan to minimize destructive effects that may result from ACICS' loss of recognition, while upholding (a) standards of quality and student protections inherent in Virginia code and regulation, and (b) SCHEV's responsibilities as the oversight agency for authorization issues related to Title IV in Virginia. The plan enables institutions to retain interim authorization while seeking accreditation with another recognized accreditor.

- I. For each out-of-state institution certified to operate in Virginia by SCHEV:
  - a. The institution shall provide documentation to prove that it is authorized in its home state even without accreditation.
  - b. Upon provision of documentation in (a) above, SCHEV will grant conditional certification for 18 months from the time of loss of accreditation. This conditional certification constitutes continuing state authorization in Virginia.
  - c. The conditional certification shall lapse immediately upon expiration of the 18-month period.
  - d. Out-of-state institutions that are still unaccredited at the end of the 18-month period will be required to cease operating in Virginia in accord with a close-out plan approved by the executive director of SCHEV. The executive director may consider an extension of the period of conditional certification, if the institution remains authorized in its home state, and if the executive director determines that the school has a viable path to accreditation with a recognized accreditor within the next twelve (12) months.
  
- II. For each in-state institution certified to operate in Virginia by SCHEV:
  - a. SCHEV will grant conditional certification for 18 months from the time of loss of accreditation. This conditional certification constitutes continuing state authorization.
  - b. The conditional certification shall lapse immediately upon expiration of the 18-month period.
  - c. The executive director may consider an extension of the period of conditional certification, if he determines that the school has a

viable path to accreditation with a recognized accreditor within the next twelve (12) months.

- III. For each in-state institution that is authorized but no longer required to recertify with SCHEV:
- a. SCHEV will grant conditional certification for six (6) months from the time of loss of accreditation. This conditional certification constitutes continuing state authorization.
  - b. During the period of conditional certification, the executive director will determine conditions and criteria under which the institution may pursue continued authorization in Virginia beyond the six (6) month period. The director's determination will include (but not necessarily be limited to) deciding whether the period of conditional certification should be extended, whether a full application for certification will be required, and whether the institution will be required to recertify annually after achieving accreditation with a recognized accreditor.

**Addendum: Institutions in Virginia Accredited by ACICS**

<b>In-State Institutions</b>	<b>Locations</b>	<b>Enroll.</b>	<b>Title IV?</b>
American College of Commerce & Technology	Falls Church	1014	No
Bon Secours Memorial College of Nursing	Richmond	648	Yes
Columbia College	Fairfax	414	Yes
Global Health College	Alexandria	163	Yes
IGlobal	Annandale	381	Yes
Miller-Motte Technical College	Lynchburg, Roanoke	1088	Yes
Sentara College of Health Sciences	Chesapeake, Online (SARA)	538	Yes
University of North America	Vienna	86	No
Virginia International University	Fairfax	1074	No
Virginia University of Oriental Medicine	Fairfax	84	No
<b>Out-of-State Institutions</b>	<b>Locations</b>	<b>Enroll.</b>	<b>Title IV?</b>
California University of Management and Sciences	Arlington	431	No
Everest College	Newport News, Chesapeake, Woodbridge	1464	Yes
Fortis College	Richmond, Norfolk	1195	Yes
ITT Technical Institute	Chantilly, Norfolk, Richmond, Springfield, Lynchburg	—	—
Virginia College	Richmond	638	Yes
<b>In-State – No Longer Required to Certify</b>	<b>Locations</b>	<b>Enroll.</b>	<b>Title IV?</b>
American National University	Danville, Salem, Martinsville, Charlottesville, Lynchburg, Charlottesville, Online (SARA)	1337	Yes
Stratford University	Alexandria, Falls Church, NPN, Glen Allen, Woodbridge, VA Beach; Online (SARA)	2791	Yes
<b>TOTAL Enrollment: 9,275</b>			

## State Council of Higher Education for Virginia Agenda Item

**Item:** Resources and Planning Committee #3 – Action on Measures of Institutional Performance

**Date of Meeting:** September 19, 2016

**Presenters:** Jean Mottley, Senior Associate for Finance Policy  
[JeanMottley@schev.edu](mailto:JeanMottley@schev.edu)  
Tod Massa, Director of Policy Research and Data Warehousing  
[TodMassa@schev.edu](mailto:TodMassa@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:** July 19, 2016

**Action:** Discussed the assessment results for the six general performance measures and the Level II performance measures.

**Background Information:**

The purpose of this agenda item is to discuss the final results of the 2016 Biennial Assessment and take action regarding certification of the institutions. The periods under review for this biennial assessment are 2013-14 and 2014-15.

The State Council of Higher Education has been involved in assessing institutional performance for over a decade, first through the requirements of the 2005 Higher Education Restructuring Act, and then through the Virginia Higher Education Opportunity Act of 2011 (Top Jobs Act or TJ21) and the related Code of Virginia amendments. The General Provisions of the 2014-16 amended Appropriation Act (Chapter 665) outline the assessment process and list the six education-related measures on which the Council shall base its assessment and certification. It should be noted that these six measures complement the goals of the Virginia Plan for Higher Education. Each of the six measures is listed in Appendix A under the “BIENNIAL ASSESSMENTS” heading.

The assessment process also includes financial and administrative standards that are evaluated by the Secretaries of Finance, Administration, and Technology, as appropriate, and communicated to the State Council of Higher Education before October 1 of each even-numbered year. Each of these measures is listed in Appendix A under the “FINANCIAL AND ADMINISTRATIVE STANDARDS” heading. Section ‘d’ contains the financial and administrative standards for most of the institutions.

Section 'e' contains the financial and administrative standards specific to the four Level III institutions. These institutions have the highest level of authority.

Nine institutions have entered into Memoranda of Understanding (MOUs) that provide them with additional operational authority in two operational areas. These institutions are required to have additional performance measures. Each of these measures is listed in Appendix B under the "LEVEL II PERFORMANCE MEASURES" heading. These measures also complement the goals of the Virginia Plan for Higher Education. Level III institutions have no additional education-related measures.

Assessment findings are used to determine certification for the institutions. Each institution that has been certified as having met the performance assessment criteria shall receive the financial benefits listed in Appendix A under the "FINANCIAL BENEFITS OF PERFORMANCE CERTIFICATION" heading. Certification resulting in eligibility for financial benefits pertains to the years 2016-17 and 2017-18.

Appropriation Act language states that, in general, institutions are expected to achieve all performance measures in order to be certified by SCHEV, "but it is understood that there can be circumstances beyond an institution's control that may prevent achieving one or more performance measures." The Council has broad authority to certify the institutions as having met the standards on education-related measures and has the authority to exempt institutions from certification on education-related measures the State Council deems unrelated to an institution's mission or unnecessary given the institution's level of performance. The Council also has the authority to require a remediation plan to address deficiencies.

The Council is required to complete the certification process by forwarding, in writing, the results of the assessments to the Governor and the General Assembly no later than October 1 of each even-numbered year. Certified institutions are eligible to receive financial benefits prescribed in the Code of Virginia and the Appropriation Act, estimated to be \$5 million plus amounts carried over from one fiscal year to the next.

## **Findings:**

### **Six Education-Related Performance Measures**

Systemwide all six measures were achieved. Attachment 1 contains the aggregate information. Attachment 2 contains the results for the six measures by institution.

As discussed at the July meeting, three institutions missed the thresholds for multiple measures or continued to experience problems with the measures in 2014-15. The following plans have been put into place to address these issues:

- The Virginia Community College System (VCCS): The period under review was a volatile time for enrollment and degree management for the community colleges. While there were deficiencies for two measures in 2013-14, VCCS showed improvements in 2014-15. Staff will continue working with VCCS staff to improve processes related to the enrollment projections and degree estimates.

- Virginia State University (VSU): In 2013-14, VSU had deficiencies with Performance Measures 2 and 4. In 2014-15, VSU improved, but, based on SCHEV's findings, VSU fell short with Performance Measure 3. Also, for the biennium, VSU did not achieve the goal for Performance Measure 5. A remediation plan has been established that will involve institutional staff working with SCHEV to improve VSU's methodology with regard to enrollment projections and degree estimates.
- Richard Bland College (RBC): While RBC achieved all measures in 2013-14, it had deficiencies with Performance Measures 2 and 3 in 2014-15. Based on feedback from RBC, staff believes that RBC has addressed technical issues related to the measures and that no further remediation is needed. RBC has begun using new methods to inform enrollment and degree management and to identify strategies to improve student success.

### Level II Performance Measures

Nine institutions have Level II authority. These institutions have memoranda of understanding with the secretaries for the operational areas for which they have additional authority. The operational areas are procurement, information technology or capital projects. In exchange for the additional authority, institutions are required to establish at least one education-related performance measure per memorandum of understanding. Attachment 3 contains the results for the Level II measures by institution.

Six of the institutions met the thresholds for their Level II measures. The other three institutions have deficiencies and have submitted remediation plans as described below:

- Radford University (RU): Faculty identified that students were not academically prepared for two computer science courses that had been selected for course redesign. Since then, the university has put into place screening measures to identify underprepared students and address their preparation. Additionally, RU has piloted a programming fundamentals course as a prerequisite for the computer science courses. These enhancements were put into place after the period under review for the current biennial assessment. Therefore, RU believes, and SCHEV staff concurs, that a remediation plan is already in place that should result in improvement in student outcomes for these courses.

- University of Mary Washington (UMW): UMW did not meet the threshold in 2014-15 for the performance measure to increase the in-state freshman to sophomore retention rate. However, UMW has put a number of strategies in place since 2014 to improve the first-year experience. These strategies include overhauling the summer orientation program, moving all first year seminars to the fall semester, creating living/learning communities, and restructuring the advising program. UMW reports that the retention rate increased in the fall of 2015. Staff concurs and recommends that a viable remediation plan is already in place.
- Longwood University (LU): LU did not meet some thresholds related to the measures for the teacher licensure program in Emporia and the redesign of the basic statistics course. LU submitted a detailed report containing the background for these measures, past performance data for the measures, and progress made with strategies the university has employed. Staff recommends that LU's report serve as a remediation plan.

As previously discussed at the July meeting, many of the Level II measures were established in 2009, before the Council approved the Virginia Plan for Higher Education and long after the original intent (2005) for education-related measures. SCHEV staff recently discussed this situation with the Op Six members. They agreed that it would be beneficial to undertake a comprehensive review of the measures and the process associated with them. Potential outcomes include establishing measures that more directly support the Virginia Plan as well consideration for separating the education-related measures from the certification process to align Level II certification requirements more closely with those of Level III institutions that do not have additional education-related measures. The review process would commence later this year or early next year, with an eye toward proposing related legislative changes in the 2018 session.

### Financial and Administrative Standards

The Department of Planning and Budget under the Secretary of Finance performed the review of the results of the Financial and Administrative Standards. All institutions met these standards in aggregate with passing scores of at least 80%. Attachment 4 contains the information received from the office of the Secretary of Finance.

### **Summary:**

Assessment results by institution can be found on SCHEV's website at <http://www.schev.edu/docs/default-source/institution-section/institutional-performance-standards/final-2016-biennial-assessment-results83abb550bece61aeb256ff000079de01.pdf>. Systemwide all six of the general education-related performance measures were achieved. Appropriate remediation plans for individual institutions have been put into place to address any deficiencies related to the six general education-related measures and the Level II measures. All institutions achieved passing scores for the Financial and Administrative Standards. Therefore, staff recommends that all institutions be certified to receive financial incentives as per § 2.2-5005.

**Materials Provided:**

- Attachment 1: Results for Six General Education-Related Performance Measures (Aggregate Information)
- Attachment 2: Results for Six General Education-Related Performance Measures by Institution
- Attachment 3: Results for Level II Education-Related Performance Measures
- Attachment 4: Results for the Financial and Administrative Standards Review
- Appendix A: Assessment of Institutional Performance (§4-9.01)
- Appendix B: Level II Authority (§ 4-9.02)
- Appendix C: General Fund Financial Benefits of Restructuring Certification

**Financial Impact:** Certified institutions are eligible to receive financial benefits listed in Appendix A. Information about financial benefits of restructuring certification from FY2007 through FY2015 is provided in Appendix C.

**Timetable for Further Review/Action:** This review completes the 2016 Biennial Assessment process. The next review must be completed by October 1, 2018.

**Resolution:**

**BE IT RESOLVED that consistent with §23-9.6:1.01, Code of Virginia, the State Council of Higher Education for Virginia certifies for 2016-2017 and 2017-2018 that all public institutions have satisfactorily met the performance standards of the Virginia Higher Education Opportunity Act and Appropriation Act.**

**ATTACHMENT 1**  
**RESULTS FOR SIX GENERAL EDUCATION-RELATED PERFORMANCE MEASURES**  
**Aggregate Information**  
**September 2016**

PERFORMANCE MEASURE	2013-2014			2014-2015		
	Target	Actual	Result	Target	Actual	Result
1 - Institution meets <b>at least 95 percent</b> of its State Council-approved biennial projections for in-state undergraduate headcount enrollment.	316,527	319,005	<b>101%</b>	315,675	315,381	<b>100%</b>
2 - Institution meets <b>at least 95 percent</b> of its State Council-approved biennial projections for the number of in-state associate and bachelor degree awards.	49,079	47,383	<b>97%</b>	47,039	47,995	<b>102%</b>
3 - Institution meets <b>at least 95 percent</b> of its State Council-approved biennial projections for the number of in-state STEM-H associate and bachelor degree awards.	15,319	15,291	<b>100%</b>	15,979	15,908	<b>100%</b>
4 - Institution meets <b>at least 95 percent</b> of its State Council-approved biennial projections for the number of in-state, upper level – sophomore level for two-year institutions and junior and senior level for four-year institutions – program-placed, full-time equivalent students.	78,394	77,102	<b>98%</b>	78,618	78,786	<b>100%</b>
5 - <b>Maintain or increase</b> the number of in-state associate and bachelor degrees awarded to students from under-represented populations.	28,557	28,832	<b>+275</b>	28,832	29,706	<b>+874</b>
6 - <b>Maintain or increase</b> the number of in-state, two-year transfers to four-year institutions.	11,332	11,351	<b>+19</b>	11,351	11,794	<b>+443</b>

**ATTACHMENT 2**  
**RESULTS FOR SIX GENERAL EDUCATION-RELATED PERFORMANCE MEASURES BY INSTITUTION**  
**September 2016**

Institution	PM 1		PM 2		PM 3		PM 4		PM 5	PM 6
	13-14	14-15	13-14	14-15	13-14	14-15	13-14	14-15	Biennium	Biennium
CNU	P	P	P	P	P	P	P	P	P	-34
CWM	P	P	P	P	P	P	P	P	P	-16
GMU	P	P	P	P	P	P	P	P	P	P
JMU	P	P	P	P	P	P	P	P	P	P
LU	P	P	P	P	P	P	P	P	P	P
NSU	P	P	P	P	P	P	P	P	P	-38
ODU	P	P	P	P	P	P	94.3	P	P	P
RU	P	P	P	P	P	P	P	P	P	P
UMW	P	P	P	P	P	P	P	P	P	P
UVA	P	P	P	P	P	P	92.5	P	P	P
UVA-W	P	P	P	P	P	P	P	P	P	-17
VCU	P	P	93.2	P	90.1	P	92.9	P	P	P
VMI	P	P	P	P	P	P	P	P	P	P
VSU	P	P	93.2	P	P	69.0	76.7	P	-40	P
VT	P	P	P	P	P	P	P	P	P	P
VCCS	P	P	88.8	P	87.9	94.1	N/A	N/A	P	N/A
RBC	P	P	P	85.2	P	84.6	N/A	N/A	P	N/A

**PERFORMANCE MEASURES:**

**PM 1** - Institution meets at least 95 percent of its State Council-approved biennial projections for in-state undergraduate headcount enrollment.

**PM 2** - Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state associate and bachelor degree awards.

**PM 3** - Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state STEM-H associate and bachelor degree awards.

**PM 4** - Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state, upper level - sophomore level for two-year institutions and junior and senior level for four-year institutions - program-placed, full-time equivalent students.

**PM 5** - Maintain or increase the number of in-state associate and bachelor degrees awarded to students from under-represented populations.

**PM 6** - Maintain or increase the number of in-state two-year transfers to four-year institutions.

### ATTACHMENT 3 - RESULTS FOR LEVEL II EDUCATION-RELATED PERFORMANCE MEASURES (September 2016)

INSTITUTIONS AND EDUCATION-RELATED MEASURES	2013-2014			2014-2015		
	Actual	Target	Result	Actual	Target	Result
<b>CNU</b>						
1 - Retention rate of in-state, first-time, full-time freshmen.	87.1%	80.5%	MT	87.4%	81.0%	MT
2- Four-year graduation rate of in-state, first-time, full-time freshmen.	62.5%	46.0%	MT	64.0%	46.0%	MT
<b>GMU</b>						
1- Six-year graduation rate of in-state, first-time, full-time freshmen.	0.690	0.620	MT	0.716	0.625	MT
2- Number of master's degree graduates in high-need areas.	1,433	1,279	MT	1,460	1,302	MT
<b>JMU</b>						
1 - Number of STEM graduates.	835	603	MT	900	618	MT
2 - Course Redesign:						
a. Percentage of students earning grades of A, B, C in MATH 205 (Calculus).	81.2%	70.7%	MT	80.7%	71.7%	MT
b. Percentage of students earning grades of A, B, C in MATH 220 (Statistics).	86.3%	75.0%	MT	82.0%	76.0%	MT
<b>LU</b>						
1- Number of students enrolled and graduated in cooperative teacher licensure programs:						
a. Emporia (Enrollment)	11	24	D	11	26	D
b. Emporia (Graduation)	N/A	N/A	N/A	2	4	D
c. Martinsville (Enrollment)	29	22	MT	39	22	MT
d. Martinsville (Graduation)	5	7	D	7	7	MT
2 - Course Redesign:						
a. Percentage of students earning grades of A, B, C in MATH 171 (Basic Statistics).	70%	68%	MT	73%	75%	D
b. Percentage of students earning grades of A, B, C in MATH 261 (Calculus I).	58%	56%	MT	72%	65%	MT
<b>ODU</b>						
1 - Increase the number of nursing graduates.	303	219	MT	269	224	MT
2 - Course Redesign:						
a. Percentage of students earning grades of A, B, C in MATH 102 (College Algebra).	68%	46%	MT	64%	47%	MT
b. Percentage of students earning grades of A, B, C in CHEM 121/122 (Foundations of Chemistry).	61%	49%	MT	63%	51%	MT
<b>RU</b>						
1- Six-year graduation rate of in-state, first-time, full-time freshmen.	0.586	0.54	MT	0.598	0.55	MT
2 - Course Redesign:						
a. Percentage of students earning grades of A, B, C in ITEC 120 (Computer Science I).	56.1%	53.0%	MT	29.7%	54.1%	D
b. Percentage of students earning grades of A, B, C in ITEC 220 (Computer Science II).	66.2%	61.0%	MT	61.2%	62.2%	D

INSTITUTIONS AND EDUCATION-RELATED MEASURES	2013-2014			2014-2015		
	Actual	Target	Result	Actual	Target	Result
<b>UMW</b>						
1 - Freshman to sophomore retention rate.	81.40%	81.08%	<b>MT</b>	77.50%	81.32%	<b>D</b>
2 - Course Redesign:						
a. Percentage of students earning grades of A, B, C in CHEM 111 (General Chemistry I).	62.50%	54.70%	<b>MT</b>	74.22%	54.70%	<b>MT</b>
b. Percentage of students earning grades of A, B, C in MATH 121 (Calculus I).	85.16%	67.49%	<b>MT</b>	81.98%	67.49%	<b>MT</b>
<b>VMI</b>						
1 - Meet agreed upon percentage of demonstrated need of Virginia cadets:						
a. Need-Based Cadets	108.4%	80.0%	<b>MT</b>	115.9%	80.0%	<b>MT</b>
b. High-Need Cadets	80.8%	80.0%	<b>MT</b>	85.2%	80.0%	<b>MT</b>
2 - Percentage of cadets who accept military commissions upon graduation. (5-year rolling avg.)	45.0%	42.5%	<b>MT</b>	46.2%	42.5%	<b>MT</b>
<b>VCCS</b>						
1 - Number of students completing community college (CC) career pathways programs.	32,150	18,084	<b>MT</b>	31,449	18,158	<b>MT</b>
2- Of the *FTIC, program-placed cohort in a given fall term that completes at least 12 credits at the CC, the percent of those students who complete an award (associate degree, certificate, or diploma) or transfer to a four-year institution within five years.	0.502	0.470	<b>MT</b>	0.513	0.473	<b>MT</b>

\* FTIC (First-time in college)

MT = Met Target      D = Deficient      N/A = Not Applicable

## ATTACHMENT 4

### RESULTS OF REVIEW OF FINANCIAL AND ADMINISTRATIVE STANDARDS FOR FY2015

#### Level Three Institutions:

##### The College of William and Mary

The College of William and Mary (W&M) met the financial and administrative standards for level three institutions, complying with 16 of 17 performance measures thus achieving 94 percent compliance rate. W&M did not meet one of the human resources standards – specifically the college’s internal progression rate of 29.8 percent fell short of the 40 percent minimum target in FY2015. Of note, the college has made progress in this measure, achieving a 35.65 percent rate of progression in FY2016.

##### University of Virginia

The University of Virginia met the financial and administrative standards for level three institutions, complying with all 17 performance measures thus achieving a perfect 100 percent compliance rate.

##### Virginia Commonwealth University

Virginia Commonwealth University (VCU) met the financial and administrative standards for level three institutions, complying with 16 of 17 performance measures thus achieving 94 percent compliance rate. VCU did not meet one of the human resources standards; specifically, VCU’s voluntary turnover rate for classified plus university employees was 11.2 percent in FY2015, compared to a 6.3 percent voluntary turnover rate for all state employees. The university believes its Richmond location contributes to a higher turnover rate, due to employees transferring to positions in other state agencies, which is typically considered a transfer for state employees, but counts as turnover for this exercise.

##### Virginia Polytechnic Institute and State University

Virginia Polytechnic Institute and State University (VPI) met the financial and administrative standards for level three institutions, complying with 16 of 17 performance measures thus achieving 94 percent compliance rate. VPI completed two capital projects in FY2015 that exceeded original budget. The Center for the Arts exceeded its original budget due to unexpected site conditions not identified during the design phase that tripled the foundation costs. The Davidson Hall Improvements project exceeded its original budget due to unanticipated contaminated soil removal and late delivery of certain materials. VPI completed two other capital projects in FY2015 that were within their original budget.

## **Level One and Two Institutions:**

The following institutions met all eleven of the finance and administration measures, achieving 100 percent compliance: Christopher Newport University, James Madison University, Norfolk State University, Old Dominion University, Radford University, University of Virginia's College at Wise, and Virginia Military Institute. The institutions failing to meet one or more of the measures are explained in brief below:

### **Richard Bland College**

Richard Bland College (RBC) met nine of the eleven measures. The Auditor of Public Accounts found a material weakness in internal control pertaining to the college's financial reporting processes, so the college did not meet the measure mandating no significant audit deficiencies. Additionally, RBC was not within 15 percent of their SWaM plan goal of 53 percent, as only 16 percent RBC dollars went to SWaM vendors. RBC reported that small business bid prices were too high to be competitive, and the process of finding certified small businesses for small dollar purchases was expensive.

### **George Mason University**

George Mason University (GMU) met ten of the eleven measures. GMU completed one capital project in FY2015 which exceeded its original budget. The project was completed within its revised budget, which included additional funds for FF&E and scope changes.

### **Longwood University**

Longwood University met ten of the eleven measures. LU fell short of the 75 percent benchmark for dollar purchases from vendor locations registered in eVA, as 64.9 percent of FY2015 dollars were issued to vendors registered in eVA. Of note, Longwood met management standards from the Auditor of Public Accounts based on fieldwork done by the APA, but the official report has yet to be released at time of this assessment.

### **University of Mary Washington**

The University of Mary Washington (UMW) met nine of the eleven measures. UMW's classified turnover rate of 11.14 percent is outside the accepted 15 percent variance of their 8.6 percent classified turnover goal. UMW notes an increase in service retirements (3 percent in FY2014 and 4.3 percent in FY2015), a trend they expect to continue in the short term and that may necessitate a change in how UMW calculates expected turnover rate. UMW's turnover rate for FY2015 was below the statewide turnover rate of 13.21 percent. Additionally, UMW was not within 15 percent of their SWaM purchase goal for FY2015. The university's goal was 42 percent, and actual spending was 32.6 percent. UMW reported difficulties in finding small businesses who could meet supply and delivery needs. Of note, UMW met management standards from the Auditor of Public Accounts based on fieldwork done by the APA, but the official report has yet to be released at time of this assessment.

### **Virginia Community College System**

The Virginia Community College System (VCCS) met ten of the eleven measures. The Science and Technology Building at Piedmont Virginia Community College was not completed within its original budget, which the institution reported was not adequate for the requested scope. The project was completed within its revised budget. The three other capital projects with individual costs over \$1 million completed by the VCCS were completed within their original budgets. Of note, VCCS met management standards from the Auditor of Public Accounts based on fieldwork done by the APA, but the official report has yet to be released at time of this assessment.

### **Virginia State University**

Virginia State University (VSU) met ten of the eleven measures. One of the two capital projects with individual cost over \$1 million was not completed within its original budget. The Johnson Memorial Library renovation project saw cost overrun due to code changes after the design approval stage that resulted in additional work before project completion.

Assessment of Institutional Performance

Financial and Administrative Standards - Level Three Institutions

Achievement of Measures

FY2015				
University Achievement of Measures	W&M	UVA	VCU	VPI
Total measures	17	17	17	17
Achieved measures	16	17	16	16
Percent achieved	94.1%	100%	94.1%	94.1%

Specific Performance Measures				FY 2015 Result			
Measure #	Measure Category	Measure	Benchmark	W&M	UVA	VCU	VPI
1	1. Financial	Financial Statements and Internal Controls	a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;	Pass	Pass	Pass	Pass
2	1. Financial	Financial Statements and Internal Controls	b) No significant audit deficiencies attested to by the Auditor of Public Accounts;	Pass	Pass	Pass	Pass
3	1. Financial	Compliance with financial directives	c) Substantial compliance with all financial reporting standards approved by the State Comptroller;	Pass	Pass	Pass	Pass
4	1. Financial	Accounts Receivable	d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and	Pass	Pass	Pass	Pass
5	1. Financial	Accounts Payable	e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.	Pass	Pass	Pass	Pass
6	2. Debt Management	Bond Rating	a) The institution shall maintain a bond rating of AA- or better;	Pass	Pass	Pass	Pass
7	2. Debt Management	Investments	b) The institution achieves a three-year average rate of return at least equal to the money.net money market index fund; and	Pass	Pass	Pass	Pass
8	2. Debt Management	Debt burden ratio	c) The institution maintains a debt burden ratio equal to or less than the level approved by the Board of Visitors in its debt management policy. – (maximum annual debt service on long term debt) divided by (total operating expenses plus principal and interest on capital related debt less research operating expenses)	Pass	Pass	Pass	Pass
9	3. Human Resources	Turnover rate	a) The institution's voluntary turnover rate for classified plus university/college employees will meet the voluntary turnover rate for state classified employees within a variance of 15 percent; and	Pass	Pass	Fail	Pass
10	3. Human Resources	Internal progression	b) The institution achieves a rate of internal progression within a range of 40 to 60 percent of the total salaried staff hires for the fiscal year.	Fail	Pass	Pass	Pass

Specific Performance Measures				FY 2015 Result			
Measure #	Measure Category	Measure	Benchmark	W&M	UVA	VCU	VPI
11	4. Procurement	SWAM Participation	a) The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) procurement plan as submitted to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable; and	Pass	Pass	Pass	Pass
12	4. Procurement	Procurement orders processed through eVA	b) The institution will make no less than 80 percent of purchase transactions through the Commonwealth's enterprise-wide internet procurement system (eVA) with no less than 75 percent of dollars to vendor locations in eVA.	Pass	Pass	Pass	Pass
13	5. Capital Outlay	Capital projects within budget	a) The institution will complete capital projects (with an individual cost of over \$1,000,000) within the budget originally approved by the institution's governing board at the preliminary design state for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly which provides construction funding for the project at the preliminary design state. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun;	Pass	Pass	Pass	Fail
14	5. Capital Outlay	Owner requested change orders	b) The institution shall complete capital projects with the dollar amount of owner requested change orders not more than 2 percent of the guaranteed maximum price (GMP) or construction price; and	Pass	Pass	Pass	Pass
15	5. Capital Outlay	Competitive rates for leased office space	c) The institution shall pay competitive rates for leased office space - the average cost per square foot for office space leased by the institution is within 5 percent of the average commercial business district lease rate for similar quality space within reasonable proximity to the institution's campus.	Pass	Pass	Pass	Pass

Specific Performance Measures				FY 2015 Result			
Measure #	Measure Category	Measure	Benchmark	W&M	UVA	VCU	VPI
16	6. Information Technology	Project Management	a) The institution will complete major information technology projects (with an individual cost of over \$1,000,000) on time and on budget against their managed project baseline. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay; and	Pass	Pass	Pass	Pass
17	6. Information Technology	Information Security	b) The institution will maintain compliance with institutional security standards as evaluated in internal and external audits. The institution will have no significant audit deficiencies unresolved beyond one year.	Pass	Pass	Pass	Pass

## Financial and Administrative Standards - Level One and Two Institutions

Institution	Unqualified Opinion from APA	No Significant Audit Deficiencies	Substantial Compliance with Financial Reporting	Accounts Receivable Standards	Accounts Payable Standards	Complies with Debt Mgmt Policy	Within 15% of Turnover Rate Goal	Within 15% of SWaM Plan Goal	No less than 75% of Dollar Purchases from vendors in eVA	Complete IT projects under original budget	Complete capital projects under original budget	Pass/Fail	Institution
Christopher Newport University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	Christopher Newport University
Richard Bland College	Yes	<b>No (1)</b>	Yes	Yes	Yes	Yes	Yes	<b>No</b>	Yes	Yes	Yes	Pass	Richard Bland College
George Mason University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	<b>No (2)</b>	Pass	George Mason University
James Madison University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	James Madison University
Longwood University	Yes (1)	Yes (1)	Yes	Yes	Yes	Yes	Yes	Yes	<b>No</b>	Yes	Yes	Pass	Longwood University
Norfolk State University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	Norfolk State University
Old Dominion University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	Old Dominion University
Radford University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	Radford University
University of Mary Washington	Yes (1)	Yes (1)	Yes	Yes	Yes	Yes	<b>No</b>	<b>No</b>	Yes	Yes	Yes	Pass	University of Mary Washington
University of Virginia's College at Wise	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	University of Virginia's College at Wise
Virginia Community College System	Yes (1)	Yes (1)	Yes	Yes	Yes	Yes	Yes	Yes (2)	Yes	Yes	<b>No (3)</b>	Pass	Virginia Community College System
Virginia Military Institute	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pass	Virginia Military Institute
Virginia State University	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	<b>No (4)</b>	Pass	Virginia State University

### Table Notes

#### Unqualified Opinion from APA & No Significant Audit Deficiencies

Yes (1) - Meets Management Standards based on June 30, 2015 fieldwork: report still to be released

No (1) - Material weakness in internal control pertaining to financial reporting processes

#### Within 15% of SWaM Plan Goal

Yes (2) - Lord Fairfax Community College did not meet within 15% of target (goal: 46% actual: 33.5%) Richard Bland - goal: 53% actual: 16%  
Mary Washington - goal: 42% actual: 32.59%

#### Complete Capital Projects Under Original Budget

No (2) - George Mason completed one project in FY2015 that exceeded original budget

No (3) - Piedmont Virginia Community College completed one project in FY2015 that exceeded original budget

No (4) - Virginia State completed two projects in FY2015; one exceeded original budget

## APPENDIX A

### 9.01 (language only)

#### § 4-9.00 HIGHER EDUCATION RESTRUCTURING

##### §4-9.01 ASSESSMENT OF INSTITUTIONAL PERFORMANCE

Consistent with [§23-9.6:1.01](#), Code of Virginia, the following education-related and financial and administrative management measures shall be the basis on which the State Council of Higher Education shall annually assess and certify institutional performance. Such certification shall be completed and forwarded in writing to the Governor and the General Assembly no later than October 1 of each even-numbered year. Institutional performance on measures set forth in paragraph D of this section shall be evaluated year-to-date by the Secretaries of Finance, Administration, and Technology as appropriate, and communicated to the State Council of Higher Education before October 1 of each even-numbered year. Financial benefits provided to each institution in accordance with [§2.2-5005](#) will be evaluated in light of that institution's performance.

In general, institutions are expected to achieve all performance measures in order to be certified by SCHEV, but it is understood that there can be circumstances beyond an institution's control that may prevent achieving one or more performance measures. The Council shall consider, in consultation with each institution, such factors in its review: (1) institutions meeting all performance measures will be certified by the Council and recommended to receive the financial benefits, (2) institutions that do not meet all performance measures will be evaluated by the Council and the Council may take one or more of the following actions: (a) request the institution provide a remediation plan and recommend that the Governor withhold release of financial benefits until Council review of the remediation plan or (b) recommend that the Governor withhold all or part of financial benefits.

Further, the State Council shall have broad authority to certify institutions as having met the standards on education-related measures. The State Council shall likewise have the authority to exempt institutions from certification on education-related measures that the State Council deems unrelated to an institution's mission or unnecessary given the institution's level of performance.

The State Council may develop, adopt, and publish standards for granting exemptions and ongoing modifications to the certification process.

#### a. BIENNIAL ASSESSMENTS

1. Institution meets at least 95 percent of its State Council-approved biennial projections for in-state undergraduate headcount enrollment.

2. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state associate and bachelor degree awards.
3. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state STEM-H (Science, Technology, Engineering, Mathematics, and Health professions) associate and bachelor degree awards.
4. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state, upper level - sophomore level for two-year institutions and junior and senior level for four-year institutions - program-placed, full-time equivalent students.
5. Maintain or increase the number of in-state associate and bachelor degrees awarded to students from under-represented populations.
6. Maintain or increase the number of in-state two-year transfers to four-year institutions.

d. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to all institutions except those governed under Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly.

1. As specified in § 2.2-5004, Code of Virginia, institution takes all appropriate actions to meet the following financial and administrative standards:
  - a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;
  - b) No significant audit deficiencies attested to by the Auditor of Public Accounts;
  - c) Substantial compliance with all financial reporting standards approved by the State Comptroller;
  - d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and
  - e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.
2. Institution complies with a debt management policy approved by its governing board that defines the maximum percent of institutional resources that can be used to pay debt service in a fiscal year, and the maximum amount of debt that can be prudently issued within a specified period.
3. The institution will achieve the classified staff turnover rate goal established by the institution; however, a variance of 15 percent from the established goal will be acceptable.

4. The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) plan as submitted to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable.

The institution will make no less than 75 percent of dollar purchases through the Commonwealth's enterprise-wide internet procurement system (eVA) from vendor locations registered in eVA.

5. The institution will complete capital projects (with an individual cost of over \$1,000,000) within the budget originally approved by the institution's governing board for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun.

6. The institution will complete major information technology projects (with an individual cost of over \$1,000,000) within the budgets and schedules originally approved by the institution's governing board. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay.

#### e. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly. They shall be measured by the administrative standards outlined in the Management Agreements and § 4-9.02.d.4. of this act. However, the Governor may supplement or replace those administrative performance measures with the administrative performance measures listed in this paragraph. Effective July 1, 2009, the following administrative and financial measures shall be used for the assessment of institutional performance for institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly and those governed under Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly.

##### 1. Financial

- a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;
- b) No significant audit deficiencies attested to by the Auditor of Public Accounts;

- c) Substantial compliance with all financial reporting standards approved by the State Comptroller;
- d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and
- e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.

## 2. Debt Management

- a) The institution shall maintain a bond rating of AA- or better;
- b) The institution achieves a three-year average rate of return at least equal to the imoney.net money market index fund; and
- c) The institution maintains a debt burden ratio equal to or less than the level approved by The Board of Visitors in its debt management policy.

## 3. Human Resources

- a) The institution's voluntary turnover rate for classified plus university/college employees will meet the voluntary turnover rate for state classified employees within a variance of 15 percent; and
- b) The institution achieves a rate of internal progression within a range of 40 to 60 percent of the total salaried staff hires for the fiscal year.

## 4. Procurement

- a) The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) procurement plan as submitted to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable; and
- b) The institution will make no less than 80 percent of purchase transactions through the Commonwealth's enterprise-wide internet procurement system (eVA) with no less than 75 percent of dollars to vendor locations in eVA.

## 5. Capital Outlay

- a) The institution will complete capital projects (with an individual cost of over \$1,000,000) within the budget originally approved by the institution's governing board at the preliminary design state for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly which provides construction funding for the project at the preliminary design state. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance

shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun;

- b) The institution shall complete capital projects with the dollar amount of owner requested change orders not more than 2 percent of the guaranteed maximum price (GMP) or construction price; and
- c) The institution shall pay competitive rates for leased office space – the average cost per square foot for office space leased by the institution is within 5 percent of the average commercial business district lease rate for similar quality space within reasonable proximity to the institution's campus.

## 6. Information Technology

- a) The institution will complete major information technology projects (with an individual cost of over \$1,000,000) on time and on budget against their managed project baseline. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay; and b) The institution will maintain compliance with institutional security standards as evaluated in internal and external audits. The institution will have no significant audit deficiencies unresolved beyond one year.

## FINANCIAL BENEFITS OF PERFORMANCE CERTIFICATION

§ 2.2-5005. Incentive performance benefits to certain public institutions of higher education.

As used in this section, unless the context requires a different meaning:

"Fiscal year of implementation" means the first full fiscal year for which the financial and administrative management and educational-related performance benchmarks described under § [23-9.6:1.01](#) are effective, as provided in a general appropriation act.

Beginning with the fiscal year that immediately follows the fiscal year of implementation and for all fiscal years thereafter, each public institution of higher education that (i) has been certified during the fiscal year by the State Council of Higher Education of Virginia pursuant to § [23-9.6:1.01](#) as having met the institutional performance benchmarks for public institutions of higher education and (ii) meets the conditions prescribed in subsection B of § [23-38.88](#), shall receive the following financial benefits:

1. Interest on the tuition and fees and other nongeneral fund Educational and General Revenues deposited into the State Treasury by the public institution of higher education, as provided in the appropriation act. Such interest shall be paid from the general fund and shall be an appropriate and equitable amount as determined and certified in writing by the Secretary of Finance to the Comptroller by the end of each fiscal year, or as soon thereafter as practicable;

2. Any unexpended appropriations of the public institution of higher education at the close of the fiscal year, which shall be reappropriated and allotted for expenditure by the institution in the immediately following fiscal year; and

3. A pro rata amount of the rebate due to the Commonwealth on credit card purchases of \$5,000 or less made during the fiscal year. The amount to be paid to each institution shall equal a pro rata share based upon its total transactions of \$5,000 or less using the credit card that is approved for use by all state agencies as compared to all transactions of \$5,000 or less using such card by all state agencies. The Comptroller shall determine the public institution's pro rata share and, as provided in the appropriation act, shall pay the institution by August 15, or as soon thereafter as practicable, of the fiscal year immediately following the year of certification.

The payment to an institution of its pro rata share under this subdivision shall also be applicable to other rebate or refund programs in effect that are similar to that of the credit card rebate program described in this subdivision. The Secretary of Finance shall identify such other rebate or refund programs and shall determine the pro rata share to be paid to the public institution of higher education.

4. A rebate of any transaction fees for the prior fiscal year paid for sole source procurements made by the institution in accordance with subsection E of § [2.2-4303](#), for using a vendor who is not registered with the Department of General Service's web-based electronic procurement program commonly known as "eVA", as provided in the appropriation act. Such rebate shall be certified by the Department of General Services and paid to each public institution by August 15, or as soon thereafter as practicable, of the fiscal year immediately following the year of certification.

(2005, cc. [933](#), [945](#).)

## APPENDIX B

### 9.02 (language only)

#### § 4-9.00 HIGHER EDUCATION RESTRUCTURING

##### § 4-9.02 LEVEL II AUTHORITY

a. Notwithstanding the provisions of § 5 of Chapter 824 and 829 of the 2008 Acts of Assembly, institutions of higher education that have met the eligibility criteria for additional operational and administrative authority set forth in Chapters 824 and 829 of the 2008 Acts of Assembly shall be allowed to enter into separate negotiations for additional operational authority for a third and separate functional area listed in Chapter 824 and 829 of the 2008 Acts of Assembly, provided they have:

1. successfully completed at least three years of effectiveness and efficiencies operating under such additional authority granted by an original memorandum of understanding;
2. successfully renewed additional memoranda of understanding for a five year term for each of the original two areas.

The institutions shall meet all criteria and follow policies for negotiating and establishing a memorandum of understanding with the Commonwealth of Virginia as provided in § 2.0 (Information Technology), § 3.0 (Procurement), and § 4.0 (Capital Outlay) of Chapter 824 and 829 of the 2008 Acts of Assembly.

b. As part of the memorandum of understanding, each institution shall be required to adopt at least one new education-related measure for the new area of operational authority. Each education-related measure and its respective target shall be developed in consultation with the Secretary of Finance, Secretary of Education, the appropriate Cabinet Secretary, and the State Council of Higher Education for Virginia. Each education-related measure and its respective target must be approved by the State Council of Higher Education for Virginia and shall become part of the certification required by § 23-9.6:1.01.

c. 1. As part of a five-year pilot program, George Mason University and James Madison University are authorized, for a period of five years, to exercise additional financial and administrative authority as set out in each of the three functional areas of information technology, procurement and capital projects as set forth and subject to all the conditions in §§ 2.0, 3.0 and 4.0 of the second enactment of Chapter 824 and 829 of the Acts of Assembly of 2008 except that (i) any effective dates contained in Chapter 824 and 829 of the Acts of Assembly of 2008 are superseded by the provisions of this item, and (ii) the institution is not required to have a signed memorandum of understanding with the Secretary of Administration regarding participation in the nongeneral fund decentralization program as provided in subsection C of § 2.2-1132 in order to be eligible for the additional capital project authority.

2. In addition, each institution shall exercise additional financial and administrative authority over financial operations as follows:

a). BOARD OF VISITORS ACCOUNTABILITY AND DELEGATION OF AUTHORITY.

The Board of Visitors of the University shall at all times be fully and ultimately accountable for the proper fulfillment of the duties and responsibilities set forth in, and for the appropriate implementation of, this Policy. Consistent with this full and ultimate accountability, however, the Board may, pursuant to its legally permissible procedures, specifically delegate either herein or by separate Board resolution the duties and responsibilities set forth in this Policy to a person or persons within the University, who, while continuing to be fully accountable for such duties and responsibilities, may further delegate the implementation of those duties and responsibilities pursuant to the University's usual delegation policies and procedures.

b) FINANCIAL MANAGEMENT AND REPORTING SYSTEM.

The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to be authorized by the Board to maintain existing and implement new policies governing the management of University financial resources. These policies shall continue to (i) ensure compliance with Generally Accepted Accounting Principles, (ii) ensure consistency with the current accounting principles employed by the Commonwealth, including the use of fund accounting principles, with regard to the establishment of the underlying accounting records of the University and the allocation and utilization of resources within the accounting system, including the relevant guidance provided by the State Council of Higher Education for Virginia chart of accounts with regard to the allocation and proper use of funds from specific types of fund sources, (iii) provide adequate risk management and internal controls to protect and safeguard all financial resources, including moneys transferred to the University pursuant to a general fund appropriation, and ensure compliance with the requirements of the Appropriation Act.

The financial management system shall continue to include a financial reporting system to satisfy both the requirements for inclusion into the Commonwealth's Comprehensive Annual Financial Report, as specified in the related State Comptroller's Directives, and the University's separately audited financial statements. To ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounting and bookkeeping system of the University shall continue to be maintained in accordance with the principles prescribed for governmental organizations by the Governmental Accounting Standards Board.

In addition, the financial management system shall continue to provide financial reporting for the President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, and the Board of Visitors to enable them to provide adequate oversight of the financial operations of the University.

#### c) FINANCIAL MANAGEMENT POLICIES.

The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall create and implement any and all financial management policies necessary to establish a financial management system with adequate risk management and internal control processes and procedures for the effective protection and management of all University financial resources. Such policies will not address the underlying accounting principles and policies employed by the Commonwealth and the University, but rather will focus on the internal operations of the University's financial management. These policies shall include, but need not be limited to, the development of a tailored set of finance and accounting practices that seek to support the University's specific business and administrative operating environment in order to improve the efficiency and effectiveness of its business and administrative functions. In general, the system of independent financial management policies shall be guided by the general principles contained in the Commonwealth's Accounting Policies and Procedures such as establishing strong risk management and internal accounting controls to ensure University financial resources are properly safeguarded and that appropriate stewardship of public funds is obtained through management's oversight of the effective and efficient use of such funds in the performance of University programs.

The University shall continue to follow the Commonwealth's accounting policies until such time as specific alternate policies can be developed, approved and implemented. Such alternate policies shall include applicable accountability measures and shall be submitted to the State Comptroller for review and comment before they are implemented by the University.

#### d) FINANCIAL RESOURCE RETENTION AND MANAGEMENT.

The Board of Visitors shall retain the authority to establish tuition, fee, room, board, and other charges, with appropriate commitment provided to need-based grant aid for middle- and lower-income undergraduate Virginians. Except as provided otherwise in the Appropriation Act, it is the intent of the Commonwealth and the University that the University shall be exempt from the revenue restrictions in the general provisions of the Appropriation Act related to non-general funds. In addition, unless prohibited by the Appropriation Act, it is the intent of the Commonwealth and the University that the University shall be entitled to retain non-general fund savings generated from changes in Commonwealth rates and charges, including but not limited to health, life, and disability insurance rates, retirement contribution rates, telecommunications charges, and utility rates, rather than reverting such savings back to the Commonwealth. This financial resource policy assists the University by providing the framework for retaining and managing non-general funds, for the receipt of general funds, and for the use and stewardship of all these funds.

The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to provide oversight of the University's cash management system which is the framework for the retention of non-general funds. The Internal Audit

Department of the University shall periodically audit the University's cash management system in accordance with appropriate risk assessment models and make reports to the Audit and Compliance Committee of the Board of Visitors. Additional oversight shall continue to be provided through the annual audit and assessment of internal controls performed by the Auditor of Public Accounts. For the receipt of general and non-general funds, the University shall conform to the Security for Public Deposits Act, Chapter 44 (§ 2.2-4400 et seq.) of Title 2.2 of the Code of Virginia as it currently exists and from time to time may be amended.

e) ACCOUNTS RECEIVABLE MANAGEMENT AND COLLECTION.

The President, through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to be authorized to create and implement any and all Accounts Receivable Management and Collection policies as part of a system for the management of University financial resources. The policies shall be guided by the requirements of the Virginia Debt Collection Act, Chapter 48 (§ 2.2-4800 et seq.) of the Code of Virginia, such that the University shall take all appropriate and cost effective actions to aggressively collect accounts receivable in a timely manner.

These shall include, but not be limited to, establishing the criteria for granting credit to University customers; establishing the nature and timing of collection procedures within the above general principles; and the independent authority to select and contract with collection agencies and, after consultation with the Office of the Attorney General, private attorneys as needed to perform any and all collection activities for all University accounts receivable such as reporting delinquent accounts to credit bureaus, obtaining judgments, garnishments, and liens against such debtors, and other actions. In accordance with sound collection activities, the University shall continue to utilize the Commonwealth's Debt Set-Off Collection Programs, shall develop procedures acceptable to the Tax Commissioner and the State Comptroller to implement such Programs, and shall provide a quarterly summary report of receivables to the Department of Accounts in accordance with the reporting procedures established pursuant to the Virginia Debt Collection Act.

f) DISBURSEMENT MANAGEMENT.

The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to be authorized to create and implement any and all disbursement policies as part of a system for the management of University financial resources. The disbursement management policies shall continue to define the appropriate and reasonable uses of all funds, from whatever source derived, in the execution of the University's operations. These policies also shall continue to address the timing of appropriate and reasonable disbursements consistent with the Prompt Payment Act, and the appropriateness of certain goods or services relative to the University's mission, including travel-related disbursements. Further, the University's disbursement policy shall continue to provide for the

mechanisms by which payments are made including the use of charge cards, warrants, and electronic payments.

These disbursement policies shall authorize the President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, to independently select, engage, and contract for such consultants, accountants, and financial experts, and other such providers of expert advice and consultation, and, after consultation with the Office of the Attorney General, private attorneys, as may be necessary or desirable in his or her discretion. The policies also shall continue to include the ability to locally manage and administer the Commonwealth's credit card and cost recovery programs related to disbursements, subject to any restrictions contained in the Commonwealth's contracts governing those programs, provided that the University shall submit the credit card and cost recovery aspects of its financial and operations policies to the State Comptroller for review and comment prior to implementing those aspects of those policies. The disbursement policies shall ensure that adequate risk management and internal control procedures shall be maintained over previously decentralized processes for public records, payroll, and non-payroll disbursements. The University shall continue to provide summary quarterly prompt payment reports to the Department of Accounts in accordance with the reporting procedures established pursuant to the Prompt Payment Act.

The University's disbursement policies shall be guided by the principles of the Commonwealth's policies as included in the Commonwealth's Accounting Policy and Procedures Manual. The University shall continue to follow the Commonwealth's disbursement policies until such time as specific alternative policies can be developed, approved and implemented. Such alternate policies shall be submitted to the State Comptroller for review and comment prior to their implementation by the University.

3. The Auditor of Public Accounts or his legally authorized representatives shall audit annually the accounts of each institution and shall distribute copies of each annual audit to the Governor and to the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance. Pursuant to § 30-133, the Auditor of Public Accounts and his legally authorized representatives shall examine annually the accounts and books of each such institution, but the institution shall not be deemed to be a state or governmental agency, advisory agency, public body, or agency or instrumentality for purposes of Chapter 14 (§ 30-130 et seq.) of Title 30 except for those provisions in such chapter that relate to requirements for financial recordkeeping and bookkeeping. Each such institution shall be subject to periodic external review by the Joint Legislative and Audit Review Commission and such other reviews and audits as shall be required by law.

## LEVEL II PERFORMANCE MEASURES

### Approved May, 2009

- George Mason University
  - Increase the six-year graduation rates of students who enter as in-state, full-time freshmen.
  - Increase the number of graduates in high-need graduate programs.
- James Madison University
  - Increase the number of graduates in STEM programs.
  - Redesign courses in which students receive a high percentage of D, F, and W grades – MATH 205, Calculus I, and MATH 220, Elementary Statistics.
- Old Dominion University
  - Redesign courses in which students receive a high percentage of D, F, and W grades – MATH 102, College Algebra.
  - Increase the number of graduates in nursing programs.
- Radford University
  - Increase the six-year graduation rates of students who enter as in-state, full-time freshmen.
  - Redesign courses in which students receive a high percentage of D, F, and W grades – ITEC 120, Principles of Computer Science I, and ITEC 220, Principles of Computer Science II.
- Virginia Military Institute
  - Increase number of cadets accepting commissions.
  - Minimize loans for first-time in-state freshmen.
- Virginia Community College System
  - Increase the number of students completing community college career pathways programs.
  - Increase the percentage of first-time, program-placed students successfully completing at least 12 hours who complete an award (associate degree, certificate, or diploma) or transfer to a four-year institution within five years of initial enrollment.

### Approved January, 2010

- Longwood University
  - Redesign courses in which students receive a high percentage of D, F, and W grades – MATH 261, Calculus I, and MATH 171, Basic Statistics.
  - Cooperative Teacher Licensure Programs in Emporia and Martinsville.

### Approved September, 2011

- Christopher Newport University
  - Increase in-state student retention rate.
  - Increase in-state student four-year graduation rate.

### Approved October, 2013

- University of Mary Washington
  - Increase the in-state freshman to sophomore year retention rate.
  - Increase the percentage of students successfully (grade C or above) completing CHEM 111 (General Chemistry I) and in MATH 121 (Calculus I).

## APPENDIX C

### GENERAL FUND FINANCIAL BENEFITS OF RESTRUCTURING CERTIFICATION FY2007 to FY2015

<b>Financial Benefit</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>
Interest Earnings*	\$8,617,362	\$10,626,335	\$6,291,900	\$6,549,505	\$3,711,459	\$4,425,332	\$3,736,999	N/A	N/A
Credit Card Rebate	\$1,682,600	\$1,239,688	\$1,116,582	\$1,314,485	\$1,272,564	\$1,250,770	\$1,790,159	N/A	N/A
eVA Sole Source Fee	\$225,983	\$187,569	\$320,743	\$189,210	\$201,061	\$215,343	\$170,979	\$271,989	\$134,543
Carry Forward	\$42,371,251	\$24,905,357	\$20,223,245	\$22,098,890	\$12,294,362	\$11,193,047	\$9,228,800	\$16,874,893	\$11,926,103
<b>Total</b>	<b>\$52,897,196</b>	<b>\$36,958,949</b>	<b>\$27,952,470</b>	<b>\$30,152,090</b>	<b>\$17,479,446</b>	<b>\$17,084,492</b>	<b>\$14,926,937</b>	<b>\$17,146,882</b>	<b>\$12,060,646</b>

\* Does not include interest earnings of CWM, UVA, UVAV, VCU and VT.

# State Council of Higher Education for Virginia Agenda Item

**Item:** Resources and Planning Committee #4 – Action on Regulations for Workforce Credentials based on Regulatory Review

**Date of Meeting:** September 19, 2016

**Presenters:** Wendy Kang, Higher Education Innovation Director  
[wendykang@schev.edu](mailto:wendykang@schev.edu)

Lee Andes, Financial Aid Assistant Director  
[leeandes@schev.edu](mailto:leeandes@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

Council reviewed and approved regulations at the prior meeting in July meeting. These changes are technical in nature based on the regulatory review process.

**Background Information/Summary of Major Elements:**

- After the Council passed the Workforce Credential Regulations at the July 2016 meeting, staff members submitted them for regulatory review and posting. As part of the regulatory review process, staff received feedback to make changes that are primarily technical in nature.
- While the Council approved the regulations with the allowance that technical changes could be made, staff members were advised to have the Council review and approve these changes.
- A summary of the changes are provided below and highlighted in the attached document.
  - All uses of the word “will” have been converted to “shall” and all uses of the word “can” have been changed to “may”.
  - All sections have an added sentence to include the header of the section in the first sentence (This is because section headers are not legally binding and must be stated in section as well).
  - Page 5 breaks out the student agreement and the procedures section to clarify what the student is responsible for in the agreement versus what is a procedure the institution should have for the agreement.

- The updated changes were sent to all eligible institutions on 8/26/16 as an information item.

**Materials Provided:**

- Regulations for Workforce Credentials with Changes

**Financial Impact:** Administration of the program is expected to require an additional 1-2 FTE to collect and validate data, assess the program and provide general support to the eligible institutions and key stakeholders.

**Timetable for Further Review/Action:** There is no additional review expected.

**Resolution:**

**BE IT RESOLVED** that the State Council of Higher Education for Virginia approves the proposed regulations for Workforce Credential Grant Program and directs to staff to incorporate any necessary technical changes that may arise subsequent to further executive or legal review.

**New Economy Workforce Credential Grant Program Regulations**  
**FOR COUNCIL APPROVAL [7/19/2016](#)/[19/2016](#)**

**8VAC40-160-10. Purpose**

The New Economy Workforce Credential Grant Program is established for the purpose of (i) creating and sustaining a demand-driven supply of credentialed workers for high-demand occupations in the Commonwealth by addressing and closing the gap between the skills needed by workers in the Commonwealth and the skills of the available workforce in the Commonwealth; (ii) expanding the affordability of workforce training and credentialing; and (iii) increasing the interest of current and future Virginia workers in technician, technologist, and trade-level positions to fill the available and emerging jobs in the Commonwealth that require less than a bachelor's degree but more than a high school diploma.

**8VAC40-160-20. Definitions**

"Board" means the Virginia Board of Workforce Development.

"Competency-based" means awarded on the basis of demonstrated knowledge and skills rather than completion of instructional hours or participation in an instructional course or program.

"Council" means the State Council of Higher Education for Virginia.

"Eligible institution" means a comprehensive Virginia community college, the Institute for Advanced Learning and Research, New College Institute, Richard Bland College, Roanoke Higher Education Center, Southern Virginia Higher Education Center, or Southwest Virginia Higher Education Center.

"Eligible student" means any Virginia student enrolled at an eligible institution who is domiciled in the Commonwealth as provided in § 23-7.4, as determined by the eligible institution.

"Fund" means the New Economy Workforce Credential Grant Fund.

"Grant" means a New Economy Workforce Credential Grant.

"High-demand field" means a discipline or field in which there is a shortage of skilled workers to fill current job vacancies or anticipated additional job openings.

"Industry-recognized" means demonstrating competency or proficiency in the technical and occupational skills identified as necessary for performing functions of an occupation based on standards developed or endorsed by employers and industry organizations.

"Noncredit workforce credential" means a competency-based, industry-recognized, portable, and third-party-validated certification or occupational license in a high-demand field.

"Noncredit workforce training program" means a program at an eligible institution that leads to an occupation or a cluster of occupations in a high-demand field, which may include the attainment of a noncredit workforce credential. A "noncredit workforce training program" may include a program that receives funding pursuant to the Carl D. Perkins Career and Technical

Education Improvement Act of 2006, P.L. 109-270. A "noncredit workforce training program" shall not include certificates of completion.

"Portable" means recognized by multiple employers or educational institutions and, where appropriate, across geographic areas.

"Program" means the New Economy Workforce Credential Grant Program.

"Third-party-validated" means having an external process in place for determining validity and relevance in the workplace and for continuous alignment of demonstrated knowledge and skills with industry workforce needs.

"Cost of the program" refers to the cost of the workforce training program. Costs may include direct and indirect costs of the training program to the student. Institutions that charge additional fees that are not included in the costs of the program, such as books, supplies or the cost of a workforce credential should list these fees with the cost of the program to ensure that students are aware of the full cost of the workforce training program.

"Completion of a noncredit workforce training program" means that the student has satisfactorily completed the instructional program based on the criteria developed by the eligible institution and is prepared to complete a workforce credential.

"Satisfactory proof of completion of a workforce credential" means that an institution validates that an individual received a workforce credential as a result of completing an approved noncredit workforce training program. Validated sources include: (1) a copy of the workforce credential, (2) a credential identification number that ~~may~~ be searched and validated by an individual through a website link or written confirmation from the organization that issues the credential or (3) a record match from the designated entity authorized to issue the workforce credential. Other sources are subject to approval by the Council prior to claiming satisfactory completion of a workforce credential.

### **8VAC40-160-30. Council Responsibilities**

The Council shall conduct the following activities as part of its responsibilities:

A. Administer the grant program: The Council is responsible for the overall administration of the Grant Program to ensure alignment with the goals and purpose set forth in sections 23-38.10:14 through 23-38:20 of the Code of Virginia.

B. Conduct periodic program assessments: The Council staff is responsible for conducting periodic assessments of the overall success of the program and recommending modifications, interventions, and other actions based on such assessments. These assessments ~~will~~ include a review for both adherence to the regulations and legislative intent of the Grant program and the overall success of the program. These assessments ~~may~~ include: an onsite review of records related to the program, interviews with individuals responsible for the administration of the program, surveys of students and staff, and analysis of data.

Upon completion of such assessments, the Council staff ~~will~~ issue a report that provides a summary of findings, recommendations, and appropriate actions to improve the success of the program. Institutions ~~will~~ be asked to submit a corrective action

plan within 30 days of receipt of report for any findings that do not comply with existing regulations and recommendations to improve the program. The corrective action plan shall describe actions the institution willshall take and included expected completion dates. If an institution does not complete the proposed actions within an agreed upon time period or is found to be noncompliant with a similar finding in a subsequent review, then the Council staff may take action to reduce or eliminate funding to a program or the institution.

- C. Allocate and disburse funds: On a monthly basis or agreed upon time with Council staff, eligible institutions shall submit student record data based on the requirements set forth in the Reporting section of these regulations. Upon verification of the data by Council staff, funds willshall be:

- 1) Allocated to an eligible institution based on the total number of students enrolled and the total cost of the noncredit workforce training program. The maximum amount of allocated funds shall be two-thirds of the cost of the program but shall not exceed \$3,000.

The allocated funds willshall be retained by the Council until institutions submit data to validate that the students have completed the training program and provided satisfactory proof of completion of a workforce credential as described in items 2) and 3) below.

Funds willshall be allocated on a first-come, first-served basis as eligible institutions enroll and approve applications of students.

If monies in the Fund are expected to be expended prior to the end of fiscal year, Council staff willshall notify eligible institutions through regular reporting of the remaining amounts in the Fund and work with eligible institutions to manage the remaining disbursements of funds through the end of the fiscal year. In addition, institutions should provide expected enrollments and cost data when available to allow adequate planning and notification to institutions and students when funds are limited.

- 2) Reimbursed for students who complete the eligible training program. Council staff willshall reimburse eligible institutions for one-third of the cost of the program up to \$1,500 per eligible program per student.
- 3) Reimbursed for students who complete the workforce credential. Council staff willshall reimburse eligible institutions for the remaining one-third of the cost of the program up to \$1,500 per eligible program per student.
- 4) Reduced from the initial allocation based on those students who do not complete the eligible program or the workforce training credential. Allocated funds willshall be reduced by one-third, up to \$1,500 per student, for those who do not successfully complete the eligible training program. Allocated funds willshall be reduced by one-third of the cost of the training program up to \$1,500 per student, for those who do not complete the workforce training credential and provide satisfactory proof of completion. These recovered funds willshall be allocated to other eligible students under subsection 1) within this section.

Council staff shall not disburse more than one-quarter of the money in the Fund to any one eligible institution in a fiscal year.

- D. Administer an appeals process. The Council staff shall make final decisions on any dispute between eligible institutions and grant recipients related to the administration of the Program.

#### **8VAC40-160-40. Virginia Board of Workforce Development Responsibilities**

[The Virginia Board for Workforce Development shall conduct the following activities as part of its responsibilities:](#)

- A. Maintain a list of high-demand fields. The Board shall maintain and annually update a list of high-demand occupational fields based on the criteria established by the Board. This list shall be updated annually. For the initial year of the Program, this list shall be approved by June 30, 2016. For subsequent years, the list shall be updated by January 31 for the upcoming fiscal year. In addition, the Board shall establish a procedure for updating the list outside of the annual review process based additional demand.
- B. Upon establishing and updating the list, the Board shall post this list on its website within 15 calendar days.
- C. Provide recommendations to eligible institutions to help determine high-demand fields for which noncredit workforce training programs may be offered. Upon updating the high-demand list, the Board may make recommendations to institutions of the high-demand fields for which noncredit programs may be offered. These recommendations shall be posted along with the updated list.
- D. Maintain a list of related noncredit workforce training programs and credentials. Each year, by July 1, eligible institutions shall submit their list of governing board approved noncredit workforce training programs and related workforce credentials considering alignment with the high-demand fields to the Board. If additional high-demand fields are identified outside of the annual review process by the Board, then eligible institutions may submit approved updates to the Board. The noncredit workforce training programs and credentials list shall be updated within 15 calendar days of receiving the updated list from the eligible institution.

#### **8VAC40-160-50. Institution Governing Board Responsibilities**

[The institution governing boards shall conduct the following activities as part of their responsibilities.](#)

- A. Determine a list of noncredit workforce training programs and workforce credentials considering alignment with the Board's list of high-demand fields. For the initial year of the program, this list shall be determined by July 1 and submitted within 15 calendar days to the Board and the Council. For subsequent years, the list shall be approved by June 1. If additional noncredit workforce training programs are identified during the program year are identified, the eligible institution must notify the Board within 15 days.
- B. Adopt a policy for the award of academic credit to any eligible student who has earned a noncredit workforce credential that is applicable to the student's certificate or degree program requirements. If the eligible institution is a higher education center and does not

award academic credit, then the policy should identify how the institution ~~will~~shall develop an agreement with at least one institution to articulate the workforce credential aligned with the noncredit training program for academic credit. If the institution is unable to develop an agreement, then it may request assistance from the Council.

### **8VAC40-160-60. Eligible Institution Responsibilities**

An eligible institution shall conduct the following activities as part of its responsibilities:

- A. Submit an intent to participate to the State Council of Higher Education and attest that the institution agrees to be in compliance with the requirements and procedures set forth in program regulations (8VAC40-160) prior to offering the grant program to students enrolled into noncredit workforce training programs.
- B. Develop and implement procedures for determining domicile in Virginia.
- C. Develop and maintain procedures for noncredit workforce training programs that address the following:
  - 1) withdrawal from a program
  - 2) refunds in whole or in part for the cost of the program
  - 3) repeating a program or portion thereof
  - 4) completion and non-completion of a program, including how the student ~~will~~shall be notified of satisfactory completion or non-completion of the program
  - 5) expected time period for completion of a workforce training program and workforce credential
  - 6) payment policies including expected time to submit payment if the student does not complete the program and the processes collection of funds if the account is in arrears
  - 7) satisfactory proof of completion of a workforce credential
  - 8) complaint process for students
- D. Develop an agreement and the required procedures for a student to complete for each approved noncredit workforce training program that addresses the following:
  - 1) Agreement requirements:
    - i ~~Consent Acknowledge~~ that the grant is awarded to the eligible student ~~with the condition that the individual must complete, conditioned upon his or her completion of~~ the approved workforce training program. If the ~~individual eligible student~~ does not complete the approved training program within a specified time period, then the ~~individual student~~ is obligated to reimburse the institution for one-third of the cost of the program.
    - ii ~~Consent that the individual~~The eligible student agrees to the withdrawal, refund, repeat, completion and non-completion procedures identified by the eligible institution for the workforce training program.
    - iii ~~Consent that the individual~~The eligible student agrees to provide proof of satisfactory completion of the workforce credential.
    - ~~iv Procedures for filing a complaint if the student disputes the terms of the agreement.~~

- 2) Procedures for filing a complaint if the student disputes the terms of the agreement: ~~\_\_\_~~ The procedures for the agreement ~~should~~ shall identify the application period for which agreements may be accepted and completed for the approved workforce training program and how students will be notified of this requirement-
- E. Submit electronic student level records to the Council staff for those students enrolling in workforce training programs, the completion status of the workforce training program, and the completion status of the workforce credential. These records should be submitted monthly to Council staff unless an alternative schedule and submission is agreed upon by both the eligible institution and the Council staff.
- F. Retain all records regarding the application and award process for at least three years after the last award year for the student unless directed otherwise by the Library of Virginia's Virginia Records Retention and Disposition, Schedule GS-111.

#### **8VAC40-160-70. Awards of Student Grants**

##### Students may be awarded grants based on the following activities and requirements:

- A. In order for an individual to receive a student grant for an eligible noncredit workforce training program, the individual must:
- 1) be enrolled in an approved noncredit workforce training program at an eligible institution that begins after the fiscal year (July 1-June 30) for which it is approved unless otherwise stated by the eligible institution.
  - 2) be domiciled in the Commonwealth as provided in § 23-7.4. This determination is made by the eligible institution.
  - 3) submit a completed agreement during the eligible institution's published application period for the program based on the criteria outlined in section 8VAC40-160-60 item C.
  - 4) provide initial payment of one-third of the cost of the workforce training program.
- B. Students shall be funded on a first-come / first-served basis, within the institution's published application period, based upon the application receipt date. Students shall be funded in this order until all allocated funds are obligated.
- 1) If a student fails to provide all requested information necessary for determination of eligibility by the first day of class, the next eligible applicant shall receive the grant.
  - 2) Due to the first-come / first-served nature of this program, the application period must specify both the first and last date an application ~~will~~ shall be accepted.
- C. Students may use other forms of financial assistance to pay for their responsible cost of the program, which includes the initial one-third cost of the program and an additional one-third cost if it is determine that he or she has not complete the program in accordance with the institution's policies. Forms of financial assistance may include financial aid, employer assistance, vouchers through other training assistance programs or other third party payers, such as the Workforce Innovation and Opportunity Act (WIOA).
- D. Grants may be reduced or eliminated if moneys in the Fund are fully allocated prior to the end of the fiscal year.

#### **8VAC40-160-80. Reporting Requirements**

| [The following describes the reporting requirements for the grant:](#)

- A. No later than January 1 of each year, each eligible institution shall submit to the Council a report with data from the previous fiscal year on noncredit workforce training program completion and noncredit workforce credential attainment by eligible students participating in the Program that includes:
  - 1) A list of the noncredit workforce credentials offered, by name and certification entity; (even if no student enrolled benefits from this grant)
  - 2) The number of eligible students who enrolled in noncredit workforce credentials programs;
  - 3) The number of eligible students who completed noncredit workforce credentials programs;
  - 4) The number of eligible students who attained noncredit workforce credentials after completing noncredit workforce training programs, by credential name and relevant industry sector;
  - 5) The average cost per noncredit workforce credential attained, by credential name and relevant industry sector.
- B. Eligible institutions also shall submit student record data to the Council based on the data field requirements, submission process and submission timeframes developed by Council staff to: (1) verify the data submitted in the reports outlined in item A above, (2) to determine the allocation of funds as described in 8VAC40-160-30 item C, and (3) to assess the program as per 8VAC40-160-30 item B.

## State Council of Higher Education for Virginia Agenda Item

**Item:** Resources and Planning Committee #5 - Action on Additional Amendments to Guidelines for Cybersecurity Public Service Scholarship Program

**Date of Meeting:** September 19, 2016

**Presenter:** Lee Andes, Assistant Director for Financial Aid  
[LeeAndes@schev.edu](mailto:LeeAndes@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:** July 19, 2016

**Action:** Council approved program policies

**Background Information/Summary of Major Elements:**

To address the growing need for cybersecurity expertise in public service, Governor McAuliffe included \$1.5 million for cybersecurity public service scholarships in his 2016 Introductory Budget. The budget language reads as follows:

"J. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the general fund is designated for cybersecurity public service scholarships. This award requires a state government employment commitment in the Commonwealth by the recipient equal to the number of years the scholarship is awarded. The State Council of Higher Education for Virginia shall develop eligibility criteria for this program, as well as establish the award amounts."

In July, Council approved the initial policies and procedures for the program. Following that meeting, several changes were requested by the executive branch and staff identified other changes needed to clarify policies.

The primary clarification is in the definition of an "eligible institution." By coupling institutional eligibility under the Scholarship with that of the Virginia Tuition Assistance Grant Program (TAG), Council can simplify the approval of private institution participation by reviewing them once for TAG and thereby also extending approval for participation under the Scholarship. This coupling also serves to grandfather in all currently participating TAG institutions.

Added to the approved policies is the process for institutions to request eligibility for new programs, added detail on the type of employment that meets program service requirements, and clarification that state employment cannot simultaneously satisfy the service requirements of the Scholarship concurrently with the requirements of any other program.

**Materials Provided:**

The proposed program policies, application, and promissory note are included.

**Financial Impact:** No additional impact beyond appropriated funds. Scholarships are contingent upon sufficient funding provided by the General Assembly.

**Timetable for Further Review/Action:** The policies are ready for approval at this time.

**Resolution:**

**BE IT RESOLVED that the State Council of Higher Education for Virginia approves the proposed amended policies, application, and promissory note for the Cybersecurity Public Service Scholarship program.**

# Cybersecurity Public Service Scholarship Program

## ~ Administrative Policies and Procedures ~

### Governing language

*2016 Act of the Assembly, Chapter 780, Item 144*

J. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the general fund is designated for cybersecurity public service scholarships. This award requires a state government employment commitment in the Commonwealth by the recipient equal to the number of years the scholarship is awarded. The State Council of Higher Education for Virginia shall develop eligibility criteria for this program, as well as establish the award amounts.

### Eligible institutions

Virginia public institutions and private colleges and universities participating in the Virginia Tuition Assistance Grant Program offering an undergraduate or graduate program in computer sciences.

### Eligible programs

Accredited degree programs specifically designed for a career in cybersecurity defense; such programs should include digital forensics or a comparable knowledge. Note that not all computer science or information systems programs will qualify. Only degree programs listed on [cyberva.virginia.gov/colleges/](http://cyberva.virginia.gov/colleges/) are approved programs. Minors, certificates, and individual courses do not qualify.

Institutional requests to include additional degree programs may be submitted to SCHEV. The department head of the respective program should include with the request: the program name, degree level, CIP Code, program description, when program was initiated, list of required cybersecurity-related courses, and a program web address, if applicable.

### Student eligibility

The eligible student must:

1. Be a Virginia domiciled resident or eligible for a military-related exception for in-state tuition,
2. Enroll full-time into an eligible program at an eligible institution,
3. Be within two years of graduation from an undergraduate program or enrolled into a graduate program,
4. Have and maintain a cumulative grade point average of at least 3.0 and
5. Not have received, or plan to receive, a federal CyberCorps Scholarship for Service.

### Process

The application period for the upcoming award year will be published on the SCHEV webpages and the program application. Approved applications will be prioritized based on enrollment level – graduate, baccalaureate, associate – then by application receipt date.

Applicant:

1. Submits a completed Cybersecurity Public Service Scholarship Application,
2. Submits a completed Cybersecurity Public Service Scholarship Promissory Note, and
3. Provides verification from institution that all of the student eligibility criteria are met.

SCHEV:

1. Reviews the application, determines eligibility, and sends response to applicant,
2. Contacts institution to verify enrollment as of the end of the term's add/drop period and whether the student received any other a federal scholarship, and

3. Disburses funds to the institution approximately four weeks into the term.

Institution:

1. Applies the funds to the student's account, first to direct charges, such as tuition, fees, room, and board, and
2. Disburses excess funds, if any, to the student, subject to institutional policy.

**Award amount**

A \$20,000 annual award will be divided into two \$10,000 awards, one for each of the fall and spring terms. Fall-only awards of \$10,000 will be considered if the student is scheduled to graduate by December.

**Impact on other financial aid**

The Cybersecurity Public Service Scholarship is not based upon need but since this program is a form of educational assistance, receipt of these funds may impact the student's eligibility for other forms of aid, subject to individual program criteria.

**Student withdrawal**

If the student withdraws or drops below full-time enrollment at any time during the term, the award may be fully refundable back to the Commonwealth.

**Renewability**

Renewal awards are not guaranteed and interested students must complete the application process in its entirety each year. An individual may receive an award for no more than two years, pending availability of funds.

**Post enrollment responsibility**

Award recipients are expected to work in Virginia within the cybersecurity field with a Virginia state government agency for one year for each year a scholarship is received. If the recipient fails to fulfill the work agreement, the obligation converts to a loan. Further details on loan repayment and work requirements are provided within the Cybersecurity Public Service Scholarship Promissory Note.

Circumstances not covered by these policies will be resolved by Council staff in a manner that is consistent with the authorizing language, best use of state funds, and meeting the program's purpose of securing cybersecurity expertise in public service.



**COMMONWEALTH of VIRGINIA**  
**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA**

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**APPLICATION FOR PARTICIPATION IN THE  
CYBERSECURITY PUBLIC SERVICE SCHOLARSHIP PROGRAM**

2016-17 applications will be received beginning **August 1, 2016**. The deadline for priority awards is **September 15, 2016**.  
If funds are still available, a second application period will open from September 16 to October 31, inclusive.

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**SECTION A: APPLICANT INFORMATION**

**Printed** Full Name: \_\_\_\_\_ Gender:  Male  Female  
Permanent Address: \_\_\_\_\_  
*Street City State Zip Code*  
Institution: \_\_\_\_\_  
Academic Level: \_\_\_\_\_ Academic Program: \_\_\_\_\_  
Expected Graduation Date: \_\_\_\_\_ Year for which Requesting Funds: \_\_\_\_\_

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**SECTION B: VERIFICATION DOCUMENTS**

1. A completed Cybersecurity Public Service Scholarship Promissory Note and
2.
  - A. enrollment as a full-time student into an eligible computer science program,
  - B.
  - C.
  - D.

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**SECTION C: SIGNATURE(S)**

I certify that all of the information I provided in this application is true and accurate. I understand that this application is a legally binding document and that if I provide fraudulent information, I may be subject to full and immediate repayment of the scholarship. I agree to furnish the State Council of Higher Education for Virginia and the college or university with additional supporting documentation related to my application, if I am requested to do so.

\_\_\_\_\_  
*Signature of Applicant*

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Signature of Parent/Legal Guardian or Spouse  
(required if student is a dependent student)*

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
*Date*

Mail this completed application and supporting documentation to:

**State Council of Higher Education for Virginia  
Virginia Cybersecurity Public Service Scholarship Program  
101 N 14<sup>th</sup> St., Monroe Bldg, 10<sup>th</sup> Floor  
Richmond, Virginia 23219**

*Faxed copies of this application will not be accepted.*

**Commonwealth of Virginia  
State Council of Higher Education for Virginia**

**Cybersecurity Public Service Scholarship Promissory Note**

\_\_\_\_\_  
Current Award Year

\_\_\_\_\_  
Expected Graduation Date

Applicant's Full Name (First, Middle, Last)		Social Security Number		Telephone Number
Street Address	City	State	Zip Code	E-mail
Contact Person's Full Name (First, Middle, Last)		Relationship		Telephone Number
Street Address	City	State	Zip Code	E-mail

I promise to repay, in accordance with the terms of this note, the Commonwealth of Virginia through the State Council of Higher Education for Virginia, hereinafter called SCHEV, the sum of **\$20,000** over two academic terms as a Cybersecurity Public Service Scholarship (herein after referred to as the Scholarship), plus the interest which accrues thereon.

The terms and conditions of this note shall be construed consistent with the requirements of the Scholarship.

1. I am a domiciliary resident of the Commonwealth of Virginia or I am eligible for in-state tuition under a military-related exception as described in Section 23-7.4 and 23-7.4:2 of the *Code of Virginia* (1950), as amended, and enrolled in an eligible cybersecurity program.
2. I understand that awards made under this program shall be paid directly to the institution to be applied to my individual student account. Any resulting disbursement of funds to the student is subject to institutional policies.
3. I understand that by accepting this Scholarship, I agree within six months of graduation to secure continuous work in the field of cybersecurity for the Commonwealth of Virginia for a period of one year for each year of Scholarship received. Eligible employment organizations shall include the Executive, Legislative, and Judicial branches and independent agencies of Virginia state government, as verified by SCHEV. Any other state associated agency or organization must be approved by SCHEV in advance. To qualify, the employment must be specifically related to cybersecurity defense, consistent with the cybersecurity position Knowledge, Skills, and Abilities (KSAs) identified by the National Initiative for Cybersecurity Careers and Studies ([niccs.us-cert.gov/training/framework/ksas](http://niccs.us-cert.gov/training/framework/ksas)) or as a faculty member educating students in the field of cybersecurity at a public institution. Such employment cannot simultaneously satisfy the service requirement for this Program and the employment requirements of any other program.
4. If I fail to fulfill the above post-graduation work agreement, this note shall immediately become due and payable to SCHEV, or its designee. I shall repay the amount of the grant(s) received prorated according to the fraction of the work obligation not completed, as determined by SCHEV, plus any accrued interest.
5. I specifically agree to repay the above principal plus simple interest on the unpaid balance at four percent (4%) per annum from the date that SCHEV advances the loan funds, with the first payment due to SCHEV, or its designee, no later than the first day of the seventh month following successful completion of an eligible cybersecurity program or no later than first day of the third month following cessation of a qualified employment. The minimum monthly payment shall be one hundred dollars (\$100) or a higher amount consistent to repay the principal and accrued interest within a term of ten years. Should I fail to make any payment by the seventh calendar day following the payment due date, SCHEV or its counsel may immediately accelerate the maturity of the installments thereafter to become due, in which event the unpaid balance of this note shall become immediately due and payable without demand or notice.
6. If I discontinue enrollment in an eligible cybersecurity program, this note shall immediately become due and payable to SCHEV, or its designee subject to the conditions under #5 above.
7. I understand that administration of my repayment may be designated by SCHEV to a qualified third-party.
8. I understand that repayment of the uncanceled note may be postponed under the conditions listed below and that all postponements must be requested in writing.
  - If I am in continuing education in cybersecurity. The postponement shall last for duration of the required time of education plus six months. A copy of supporting documentation along with the request for postponement must be sent to SCHEV, at least ten (10) business days prior to the beginning of such education.
  - If I enter military, VISTA, or Peace Corps service (or accompany my spouse for such service) after successful completion of an eligible cybersecurity program, repayment of the uncanceled note will be postponed until I have completed my original

tour of duty for a period not to exceed four years. A copy of orders to report for such service along with the request for postponement must be sent to SCHEV, at least ten (10) business days prior to the beginning of such service.

- A one-year postponement for repayment of this promissory note will be allowed for inability to secure employment by reason of the care required by a disabled child, spouse, or parent. Written postponement requests along with medical certification must be sent SCHEV.
  - A one-year postponement for repayment of this promissory note will be allowed for inability to satisfy the terms of the repayment while seeking and unable to find full-time employment as a cybersecurity professional for a single period not to exceed 12 months. Written postponement requests along with supporting documentation must be sent to SCHEV.
  - If I experience health conditions that may impede my ability to perform requisite service in cybersecurity, I may petition SCHEV to grant me forbearance for a period not to exceed three years. Written forbearance requests along with medical certification must be sent to SCHEV.
9. If it becomes necessary to place a note in the hands of an agency or attorney for collection, I agree to pay a charge for the attorney or collection agency fees, in addition to the amount due on the note at the time of collection. Such charge for court costs and attorney's fees shall be no more than twenty-five percent (25%) of the original amount of this note. In further consideration of SCHEV's forbearance in instituting or continuing suit, I expressly waive any statute of limitations which could be pled by me as a defense to the above collection claim by SCHEV and agree that the venue of any lawsuit brought against me shall be in the City of Richmond, Virginia. I hereby intend to legally bind myself and my heirs, executors, administrators, and assigns.
10. I am responsible for keeping SCHEV, or its designee, informed of my status including any change of address, graduation date, enrollment in another college, military service, and the location of the cybersecurity employment until the total obligation is satisfied.
11. I waive presentment, demand, protest and notices of honor and protest and the benefit of homestead exemption and all other exemptions which legally may be waived with regard to the obligation evidenced by this note.
12. All references herein to SCHEV shall include any subsequent holder or assignee of this note. Virginia law shall govern this note.

**I have read and understand all of the above. I am entitled to an exact copy of this note and any agreement I sign in furtherance of same. I have the right at any time to pay in advance the unpaid balance due under this note without penalty. I authorize SCHEV to contact and receive information from any entity or individual it deems necessary for purposes of locating me, if I fail to keep in contact. These entities and individuals include, but are not limited to, the institution's Alumni Association, the Department of Motor Vehicles and other state agencies, family members, and current and prior employers.**

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<b>Applicant Signature</b>	<b>Date Signed</b>
	SWORN TO AND SUBSCRIBED BEFORE ME THIS _____ DAY OF _____, 20____. WITNESS MY HAND AND OFFICIAL SEAL.
	Notary Public: _____
	Expiration Date: _____

If the student is under 18 years of age at time of signing, the following must also be completed by the student's parent or legal guardian.

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<b>Full Name (First, Middle, Last)</b>	<b>E-mail</b>	<b>Telephone Number</b>	
<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
<b>Signature</b>	<b>Date Signed</b>		

**OFFICE USE ONLY**

Name of Authorized State Official \_\_\_\_\_ Title \_\_\_\_\_

Authorized Official's Signature \_\_\_\_\_ Date Signed \_\_\_\_\_

Mail completed promissory note to: **State Council of Higher Education for Virginia  
Cybersecurity Public Service Scholarship Program  
101 N. 14th Street, James Monroe Building 10<sup>th</sup> Floor  
Richmond, Virginia 23219**

# State Council of Higher Education for Virginia Agenda Item

**Item:** Council #9 - Receipt of Items Delegated to Staff

**Date of Meeting:** September 20, 2016

**Presenter:** Peter Blake, Director  
[peterblake@schev.edu](mailto:peterblake@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:** March 20, 2002, July, 2002, September 2006

**Action:** The Council approved delegation of certain items to staff

**Background Information/Summary of Major Elements:**

Council delegated certain items to staff for approval and reporting to the Council on a regular basis.

**Materials Provided:**

Program actions approved/not approved:

- John Tyler Community College
- Tidewater Community College
- Virginia Commonwealth University
- Virginia Tech
- Virginia Western Community College

Program action reported:

- Virginia Tech

Organizational Change / Off-campus Instructional Site:

- Old Dominion University

Virginia Institution Approved to Participate in the National Council for State Authorization Reciprocity Agreements (NC-SARA):

- University of Virginia College at Wise

Postsecondary, Non-Degree Institution Certified to Operate in the Commonwealth of Virginia:

- Cedar Run Ranch

### Items Delegated to Director/Staff

Pursuant to the Code of Virginia, Section 23-9:6:1 and Council's "*Policies and Procedures for Program Approval and Changes*," the following items were approved/not approved as delegated to staff:

#### Program Actions

Institution	Degree/Program/CIP	Effective Date
John Tyler Community College	<b>Revised Conferral Date:</b> Change the Associate of Applied Science degree program in Electrical Engineering Technology (46.0302) conferral date from spring 2019 to spring 2018.	July 11, 2016
Tidewater Community College	<b>Revised Conferral Date:</b> Change the conferral date of the Associate of Applied Science degree program in Diesel Technology (47.0605) from fall 2015 to summer 2015. This program was originally approved by SCHEV on March 6, 2015.	August 22, 2016
Virginia Commonwealth University	<b>Substantial Modification Approval:</b> Modify the credit hours and change the name/title of the Master of Science in Rehabilitation Counseling (51.2310) with 48 credit hours to a Master of Science in Rehabilitation and Mental Health Counseling (51.2310) with 60 credit hours.	Fall 2016
Virginia Tech	<b>Title Change Approval:</b> Change the title from a Graduate Certificate in International Research and Development (45.0901) to a Graduate Certificate in Multidisciplinary Research in International Development (45.0901) [Conferral: Spring 2017]	Spring 2017
Virginia Western Community College	<b>Revised Conferral Date:</b> Change conferral date of the Associate of Applied Science degree program in Medical Laboratory Technology (51.1004) from fall 2015 to summer 2015. This program was originally approved by SCHEV on December 15, 2014.	August 22, 2016

Pursuant to the Code of Virginia, Section 23-9:6:1 and Council's "*Policies and Procedures for Program Approval and Changes*," the following item was reported:

**Certificate Programs**

<b>Institution</b>	<b>Degree/Program/CIP</b>	<b>Effective Date</b>
Virginia Tech	Discontinue the Graduate Certificate in Critical Design Thinking (50.0404) [SCHEV acknowledgment date: 2/14/2014]	Spring 2016

Pursuant to the Code of Virginia, Section 23-9:6:1 and Council's "*Policies and Procedures for Internal and Off-Campus Organizational Changes*," the following item was approved as delegated to staff:

**Organizational Change Approvals**

<b>Institution</b>	<b>Change / Site</b>	<b>Effective Date</b>
Old Dominion University	Rename the Department of Foreign Languages and Literatures to the <b>Department of World Languages and Cultures</b> . The Department has been re-named to more precisely reflect both the pedagogical approach and scholarly research of the department.	August 21, 2016

Pursuant to the Code of Virginia, Section 23-9.14:3 and Council's "*Commonwealth of Virginia Policy on the Reciprocal Authorization of Distance Education and Related Activities*," the following item was approved as delegated to staff:

**National Council for State Authorization Reciprocity Agreements (NC-SARA) Approvals**

<b>Institution</b>	<b>Effective Date</b>
University of Virginia College at Wise	August 10, 2016

Pursuant to the Code of Virginia, Section 23-276 and section 8VAC-40-31-90 of the Virginia Administrative Code, the following item was approved as delegated to staff:

**Postsecondary, Non-Degree Institutions Certified to Operate in the Commonwealth of Virginia**

<b>Institution</b>	<b>Location</b>	<b>Effective Date</b>
Cedar Run Ranch	Cumberland, VA	August 11, 2016