May 1, 2008

Daniel J. LaVista, Ph.D.
Executive Director
State Council of Higher Education for Virginia
101 North 14th Street
James Monroe Building
Richmond, Virginia 23219

Dear Dr. LaVista:

As you know, the current Appropriation Act (Chapter 847, 2008 Amendments to the 2007 Appropriation Act) includes a requirement in the General Provisions related to the annual assessment of institutional performance. § 4-9.02 requires, in part, that:

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 June 1 of each year. Institutional performance on measures set forth in paragraph K 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 June 1 of each year.

The purpose of this letter is to inform you that Secretary Baskerville, Secretary Chopra and I have completed our required evaluation of the financial and administrative management measures set forth in paragraph K of that section. Consistent with § 4-9.02 K.24f of the Appropriation Act, we also evaluated the University of Virginia, Virginia Tech, and the College of William and Mary on the measures contained in their respective management agreements and the measure listed in § 4-9.02 K.24b.
I am pleased to announce that each of the institutions met the financial and administrative measures in aggregate. The attached document details the performance of each institution compared to individual measures. Each institution has a green or yellow indicator next to its write up. A green indicator means that the institution met the standards in aggregate. A yellow indicator means that although the institution met the standards in aggregate, it needs to improve its performance in order to obtain certification in 2009. We will be speaking to each institution that falls into this category to clearly explain the areas that need improvement.

The analysis of these measures was a challenge and I would like to thank the staff of the colleges and universities, the Auditor of Public Accounts, the Department of Accounts, the Department of General Services, the Department of Minority Business Enterprise and the Department of Human Resource Management for submitting the information needed to evaluate these requirements.

If you have any questions or need additional information please call me or my Deputy Manju Ganeriwala at (804) 786-1148.

Sincerely,

Jody M. Wagner

cc: The Honorable Viola Baskerville
Secretary of Administration

The Honorable Aneesh Chopra
Secretary of Technology

The Honorable Dr. Thomas Morris
Secretary of Education

Ms. Manju Ganeriwala
Deputy Secretary of Finance

Attachment
Assessment of Institutional Performance

Summary for each Institution of the Finance and Administrative Measures

Christopher Newport University

Christopher Newport University (CNU) met the financial and administrative standards for higher education institutions. CNU complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and compliance with Commonwealth standards for accounts payable and receivable. The University complied with the debt management policy its Board passed last year. CNU failed to meet the measure of complying with a classified turnover rate below the state average for higher education institutions. The University failed to achieve 85 percent of its overall SWAM goal, but did meet 85 percent of its goals in some underutilized categories. CNU met the goal of 75 percent of purchases using the eVA system by purchasing 78 percent of its purchases from vendors in eVA. CNU did not have any IT or capital projects completed in 2007.

College of William and Mary

The College of William and Mary (CWM) met the financial and administrative standards outlined in its Management Agreement. CWM complied with all the Human Resource’s measures.

The College met all of the Procurement and Surplus measures. The University increased its use of electronic procurement through eVA by 42 percent from 2006 to 2007. The University achieved 85 percent of its overall SWAM goal, but needs to improve in purchasing from certain underutilized categories.

The College met all of the Information Technology and Finance and Accounting measures. However, CWM failed to meet one Capital Outlay, Leases, and Real Estate measure because it did not provide the data necessary to assess the average number of days for the institution to approve a lease.
George Mason University

George Mason University (GMU) met the financial and administrative standards for higher education institutions. GMU complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and compliance with Commonwealth standards for accounts payable and receivable. The University complied with the debt management policy established by its Board. GMU failed to meet the measure of complying with a classified turnover rate below the state average for institutions. The University did not achieve 85 percent of the overall goal in its SWAM plan, but met some goals of purchasing from underutilized categories. GMU met the goal of 75 percent of purchases by purchasing 96 percent of its purchases from vendors in eVA. GMU did not have any IT projects completed in 2007. GMU completed two capital projects over budget in 2007 but had justifiable reasons for the cost overruns and attempted to control the costs of those projects according to the Department of General Services (DGS). GMU failed to report the required information for these measures by the required deadlines.

James Madison University

James Madison University (JMU) met the financial and administrative standards for higher education institutions. JMU complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and compliance with Commonwealth standards for accounts payable and receivable. The University complied with the debt management policy established by its Board. JMU met the measure of complying with a classified turnover rate below the goal set by the University. The University met the overall goal in its SWAM plan, but needs to improve its purchasing from some underutilized categories. JMU met the goal of 75 percent of purchases by purchasing 98 percent of its purchases from vendors in eVA. JMU did not have any IT projects completed in 2007 and had one capital project completed in 2007 and that project was under budget.

Longwood University

Longwood University (LU) met the financial and administrative standards for higher education institutions. The University complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and compliance with Commonwealth standards for accounts payable and receivable. The University complied with the debt management policy established by its Board. LU met the measure of complying with a classified turnover rate below the state average for institutions. The University did not achieve 85 percent of any of the goals in its SWAM plan. The University met the
goal of 75 percent of purchases by purchasing 99 percent of its purchases from vendors in eVA. It also completed its one IT project on schedule and under budget. LU had three capital projects completed in 2007 and while they were over budget, DGS determined that the University had valid justification.

Norfolk State University

Norfolk State University (NSU) met the financial and administrative standards for higher education institutions. NSU complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and compliance with Commonwealth standards for accounts payable and receivable. The University complied with the debt management policy established by its Board. NSU met the measure of complying with a classified turnover rate below the state average for institutions. The University met the overall goal in its SWAM plan, but failed to meet its goals for some of the underutilized categories. NSU met the goal of 75 percent of purchases through eVA by purchasing 94 percent of its purchases from vendors in eVA. NSU did not have any IT projects completed in 2007. NSU had two capital projects completed in 2007 and both were completed under budget.

Old Dominion University

Old Dominion University (ODU) met the financial and administrative standards for higher education institutions. The University complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and compliance with Commonwealth standards for accounts payable and receivable. The University complied with the debt management policy established by its Board. ODU met the measure of complying with a classified turnover rate below the state average for institutions. The University failed to achieve 85 percent of the overall goal in its SWAM plan but did meet some goals in purchasing from underutilized categories. The University met the goal of 75 percent of purchases through eVA by purchasing 77 percent of its purchases from vendors in eVA. ODU did not have any IT projects completed in 2007. ODU completed five capital projects in 2007 and four of them were over budget.

Radford University

Radford University (RU) met the financial and administrative standards for higher education institutions. RU complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and complying with Commonwealth standards for accounts payable and receivable. The University complied with the debt management policy established by its Board. RU failed to meet the measure of complying with a classified turnover
rate below the state average for higher education institutions. The University achieved 85 percent of the overall goal in its SWAM plan, but needs to improve its purchasing in underutilized categories. RU met the goal of 75 percent of purchases through eVA by purchasing 85 percent of its purchases from vendors in eVA. Radford had one IT project in 2007 and completed that project under budget. Radford had one capital project completed in 2007 and while it was over budget, DGS determined that the cost overrun was justified.

Richard Bland College

Richard Bland College (RBC) met the financial and administrative standards for higher education institutions. RBC complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and compliance with Commonwealth standards for accounts payable and receivable. The College complied with the debt management policy established by its Board. RBC met the measure of complying with a classified turnover rate below the state average for higher education institutions. The College did not achieve 85 percent of the overall goal in its SWAM plan, but did improve its purchasing from underutilized categories. RBC met the goal of 75 percent of purchases using the eVA system by purchasing 99 percent of its purchases from vendors in eVA. Richard Bland did not have an IT project or capital project completed in 2007.

University of Mary Washington

The University of Mary Washington (UMW) met the financial and administrative standards for higher education institutions. The University complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and compliance with Commonwealth standards for accounts payable and receivable. The University complied with the debt management policy established by its Board. The University met the measure of complying with a classified turnover rate goal set by the University. The University did not achieve 85 percent of any of the goals in its SWAM plan. The University met the goal of 75 percent of purchases through eVA by purchasing 97 percent of its purchases from vendors in eVA. UMW did not have an IT project completed in 2007. UMW did have two capital projects completed in 2007, one of which was under the original budget and while the other was over the original budget, DGS found that the cost overrun was justified.
University of Virginia

The University of Virginia (UVA) met the financial and administrative standards outlined in its Management Agreement. UVA complied with four out of the five Human Resource measures. The University only just missed the CUPA-HR benchmark of no more than 7 to 16 days when evaluating the effectiveness of their classification process with an average of 17 days to classify new positions or reclassify a staff position.

The University of Virginia met the Procurement and Surplus measures. The University increased its use of electronic procurement through eVA by 44 percent from 2006 to 2007. UVA showed improvement on its SWAM procurement but did not achieve 85 percent of its overall SWAM goal according to the Department of Minority Business Enterprise (DMBE). In addition, it failed to meet its goals in purchasing from certain underutilized categories.

The University met all of the Information Technology measures. However, its percentage of courses utilizing technically up-to-date course management systems decreased by 1.3 percent from 2006 to 2007 (the benchmark for this measure did not specify that an increased percentage was necessary to achieve compliance). UVA also met all Finance and Accounting and Capital Outlay, Leases, and Real Estate measures.

University of Virginia’s College at Wise

The University of Virginia’s College at Wise (UVA-Wise) met the financial and administrative standards for higher education institutions. UVA-Wise complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and compliance with Commonwealth standards for accounts payable and receivable. UVA-Wise complied with the debt management policy established by its Board. UVA-Wise failed to meet the measure of complying with a classified turnover rate below the state average for higher education institutions. UVA-Wise did not achieve 85 percent of its overall SWAM goal, but did improve in purchasing from some underutilized categories. The College met the goal of 75 percent of purchases in eVA. The College did not have an IT project or capital project completed in 2007.
Virginia Commonwealth University

Virginia Commonwealth University (VCU) met the financial and administrative standards for higher education institutions. VCU complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and compliance with Commonwealth standards for accounts payable and receivable. The University complied with the debt management policy established by its Board. VCU failed to meet the measure of complying with a classified turnover rate below the state average for higher education institutions. The University met the overall goal in its SWAM plan, but needs to improve in purchasing from some underutilized categories. The University met the goal of 75 percent of purchases through eVA by purchasing 86 percent of its purchases from vendors in eVA. VCU had one IT project completed in 2007 and that project was under budget. VCU also had five capital projects completed in 2007. Two of which were under budget and three of which were over budget, however, DGS determined that the cost overrun was justified.

Virginia Community College System

The Virginia Community College System (VCCS) met the financial and administrative standards for higher education institutions. The VCCS complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and compliance with Commonwealth standards for accounts payable and receivable. The VCCS complied with the debt management policy established by its Board. The VCCS met the measure of complying with a classified turnover rate below the state average for higher education institutions. Twenty of the twenty-three community colleges achieved 85 percent of the overall goal in their SWAM plans. The VCCS met the goal of 75 percent of purchases through eVA by purchasing 94 percent of its purchases from vendors in eVA. The VCCS had one IT project completed in 2007 and completed the project under budget. The VCCS did not complete any of its seven capital projects under budget in 2007. According to DGS, there was a valid justification for five of the seven projects going over budget. Two of the twenty-three community colleges had projects that failed to meet this capital standard.

Virginia Military Institute

Virginia Military Institute (VMI) met the financial and administrative standards for higher education institutions. VMI complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and compliance with Commonwealth standards for accounts payable and receivable. VMI complied with the debt management policy established by its Board. VMI met the measure of complying with a classified turnover rate below
the state average for higher education institutions. VMI met the overall goal in its SWAM plan, but did not meet some goals in purchasing in underutilized categories. VMI met the goal of 75 percent of purchases through eVA by purchasing 99 percent of its purchases from vendors in eVA. VMI did not have an IT project completed in 2007. VMI had two capital projects completed in 2007 – both of which were over budget but while they were over budget; however, DGS determined that the cost overruns were justified.

Virginia State University

Virginia State University (VSU) met the financial and administrative standards for higher education institutions. VSU complied with the important financial requirements such as an unqualified audit opinion, no significant audit deficiency, and compliance with Commonwealth standards for accounts payable and receivable. The University complied with the debt management policy established by its Board. VSU met the measure of complying with a classified turnover rate below the state average for higher education institutions. The University did not achieve 85 percent of any of the goals in its SWAM plan. VSU met the goal of 75 percent of purchases through eVA by purchasing 93 percent of its purchases from vendors in eVA. VSU had one IT project completed in 2007 and it was under budget. VSU had one capital project completed in 2007 and while it was over budget, DGS determined that the cost overrun was justified.

The Virginia Polytechnic Institute and State University

The Virginia Polytechnic Institute (VPI) met the financial and administrative standards as outlined in its Management Agreement. VPI complied with all of the five Human Resource measures.

Overall, VPI met all of the Procurement and Surplus measures. The University increased its use of electronic procurement through eVA by 12 percent from 2006 to 2007. VPI showed improvement on its SWAM procurement. The University achieved 85 percent of its overall SWAM goal, but needs to improve in purchasing from certain underutilized categories.

The University met all of the Information Technology and Finance and Accounting measures. VPI met all of the Capital Outlay, Leases, and Real Estate measures.