

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
COUNCIL MEETING
OCTOBER 29, 2019
MINUTES**

Mr. Fralin called the meeting to order at 9:05 a.m. in the SCHEV main conference room, 101 N. 14th Street, Richmond, Virginia. Council members present: Marge Connelly, Heywood Fralin, Victoria Harker, Henry Light, Stephen Moret, William Murray, Marianne Radcliff, Tom Slater and Katharine Webb.

Council members absent: Ken Ampy, Rosa Atkins, Gene Lockhart and Carlyle Ramsey.

Council member Carlyle Ramsey was scheduled to participate by phone, but was unable to do so. Dialing instructions were posted in the meeting notice in advance; therefore, the phone line remained open to the public.

Staff members present: Tom Allison, Lee Andes, Peter Blake, Joseph DeFilippo, Alan Edwards, Jean Huskey, Wendy Kang, Tod Massa, Beverly Rebar, Lee Ann Rung, Emily Salmon, Kristin Whelan and Yan Zheng.

Deb Love from the Office of the Attorney General was also in attendance.

APPROVAL OF MINUTES

On a motion by Mr. Slater and seconded by Dr. Murray, the minutes from the September 17, 2019, Council meeting, were approved unanimously (9-0).

REMARKS FROM TED RASPILLER, PRESIDENT, JOHN TYLER COMMUNITY COLLEGE (JTCC)

Mr. Blake introduced President Raspiller. Dr. Raspiller provided a presentation about JTCC's work to prepare students for careers. He introduced Bill Fiege, Vice President of Learning and Student Success, and Keri-Beth Pettengill, Director, Institutional Effectiveness.

President Raspiller reviewed information about enrollments and provided details of JTCC's current economic impact study, noting that during FY 2017-18, the college contributed more than \$300 million in income to the community.

Mr. Fiege reviewed Tyler's service region and explained ways in which the college examines program needs. Ms. Pettengill talked about student advising and career coaching, noting both in-person services and online services available to students. She distributed copies of a document entitled, *Our Value to the Community*, which summarized the topics discussed.

President Raspiller answered questions from members.

REMARKS FROM GORDON MORSE

Mr. Blake introduced Mr. Morse. He noted that Mr. Morse is best known for being a speechwriter and assistant to Governor Gerald L. Baliles and has the distinction of having written commencement speeches for every state college and university in Virginia.

Mr. Morse announced that he just learned of the death of Governor Baliles this morning. He shared stories of his time with the Governor, and made general observations about higher education and the political climate.

He noted that the two political parties in Virginia must sort through the financial commitments that have already been made and explained that implications exist for colleges, K12 and other areas. Mr. Morse said that institutions should describe how students and the regions they serve benefit from public investments in higher education.

He answered questions from members.

REPORT OF THE AGENCY DIRECTOR

Mr. Blake reviewed each of the items in his written report in the agenda book and added:

Boards of visitors orientation: Attendance at the October 22-23 orientation included the Governor and five cabinet members, 27 new board members, three rectors, 10 board professionals and two students. Mr. Blake will provide survey results at the January meeting. As required by the *Code of Virginia*, staff will submit a report on the orientation no later than January 8, 2020.

Tech Talent Incentive Program: Mr. Moret expressed his appreciation to Mr. Blake and others for reviewing the proposals. He anticipates that the Governor will sign institutional MOUs by November 1.

Virginia Research Investment Committee (VRIC): Mr. Blake reported on the October 8 meeting and congratulated Emily Salmon for her work on the Research and Technology Strategic Roadmap, which staff has transmitted to Governor Northam for final approval.

ACTION ON PARTNERSHIP WITH GOVERNOR'S OFFICE AND LUMINA FOUNDATION

Mr. Blake provided background information on an effort to establish a partnership between the Governor's office and the Lumina Foundation that will help close educational attainment gaps and achieve equitable outcomes. Colorado, Oregon and Tennessee have partnerships with Lumina, and Mr. Blake anticipated an announcement soon from Lumina that a partnership with Virginia would be added. On a motion by Ms. Connelly and seconded by Ms. Webb, the following resolution was approved unanimously (9-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia endorses the Talent, Innovation and Equity partnership between the Commonwealth of Virginia, acting by and through SCHEV, and the

Lumina Foundation for Education, Inc., to increase educational attainment and close equity gaps.

The chairman called for a break at 10:15. The meeting resumed at 10:30.

REPORT FROM THE COMMITTEES

Report from Academic Affairs Committee

Ms. Webb noted the following reports and actions from the committee:

Action on Programs at Public Institutions

Ms. Webb provided a brief introduction and clarified that Virginia Tech will offer the program in Blacksburg as well as Northern Virginia. The committee's recommendation was seconded by Mr. Light and the following resolution was approved unanimously (8-0). Mr. Fralin abstained from the vote due to his affiliation with Virginia Tech:

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to the Virginia Polytechnic Institute and State University to offer the degree designation Master of Engineering (M.Eng.) - in addition to the existing Master of Science (M.S.) - in Computer Science and Applications (CIP: 11.0101), effective spring 2020.

Program Proposals in the Review Pipeline

Ms. Webb provided an update to the committee, which is noted on page 13 of the agenda book.

Action on Private Postsecondary Education Institution Provisional Certification

Ms. Webb provided an overview, and the committee's recommendation was seconded by Ms. Harker. The following resolution as approved unanimously (9-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia provisionally certifies Virginia Business College (VBC) to operate a postsecondary institution in the Commonwealth of Virginia, effective immediately and for a period of one (1) year, until October 28, 2020, in accordance with the conditions enumerated below:

- 1. that, during the period of provisional certification, VBC shall be allowed to advertise and receive student applications, but not actually enroll or instruct students;**
- 2. that, during the period of provisional certification, VBC shall be allowed to recruit and hire faculty and staff;**
- 3. that, during the period of provisional certification, VBC may not collect tuition from prospective students, though it may collect initial non-refundable fees of no more than \$100, as per 8 VAC 40-31-130(E) of the *Virginia Administrative Code*;**

4. that, during the period of provisional certification, all publicity, advertisements, and promotional materials must include a statement that the school is provisionally certified to operate in Virginia by SCHEV;
5. that, during the period of provisional certification, no changes to the board of directors may be made without explicit approval from SCHEV;
6. that, prior to the expiration of the period of provisional certification, SCHEV staff shall conduct a final review of faculty and administrator credentials hired during the provisional certification period;
7. that, prior to the expiration of the period of provisional certification, SCHEV staff (or an assigned expert) shall conduct a review of VBC's online platform and content as a condition to authorizing the school to offer distance education;
8. that, prior to the expiration of the period of provisional certification, VBC will provide SCHEV with proof of its non-profit status;
9. that, prior to the expiration of the period of provisional certification, VBC shall satisfy a site visit conducted by SCHEV staff demonstrating that its facilities conform to all federal, state and local building codes and that it is equipped with classrooms, instructional and resource facilities, and laboratories adequate for the size of the faculty and student body and adequate to support the educational programs to be offered by the school;
10. that, prior to the expiration of the period of provisional certification, VBC shall submit a surety instrument in the amount of \$20,000, which would be adequate to provide refunds to students in the event of school closure during the first year of operation; and
11. that VBC's provisional certification shall lapse if the school does not satisfy conditions 6-10 by October 28, 2020; in the event of such lapse, the school may reapply for certification.

BE IT FURTHER RESOLVED that Council delegates to the SCHEV Director authority to confer full certification on Virginia Business College upon (i) SCHEV's final review of faculty and administrator credentials; (ii) SCHEV's final review of VBC's online platform and content; (iii) SCHEV's verification of VBC's non-profit status; (iv) successful completion of the site visit by SCHEV staff; and (v) VBC's submission of the required \$20,000 surety instrument.

Action on Private Postsecondary Education Institutional Certification

The committee's recommendation was seconded by Mr. Slater, and the following resolution was approved unanimously (9-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Lotus School of Integrated Professions to operate a degree-granting postsecondary institution in the Commonwealth of Virginia, effective October 29, 2019.

Update on Graduate Outcomes Survey

Ms. Webb indicated that Dr. Ellis provided an update to the committee on the progress of this survey. She noted that the project was funded by the General Assembly in 2019. Council will receive more-detailed information at the January meeting.

Report on Higher Education and Workforce Alignment Project

Ms. Webb reminded members that at the last meeting, Chairman Fralin requested that the Council begin a project to improve alignment between workforce needs and higher education academic programs, with the goal of reducing occupational shortages and supporting individuals as they seek meaningful careers. Emily Salmon will staff the project and work with the Governor's chief workforce advisor and others. Updates on the progress of the project will be provided at each committee meeting, with a final report in July 2020.

Update on Transfer Virginia

The committee members in attendance decided to postpone this item until the next meeting.

Report from Resources and Planning Committee

Mr. Slater provided a report on the following items:

Update on Enrollment Projections and Degree Estimates

Staff will bring these data to the Council for action in January due to a delay in receipt of verified information from some institutions.

Action on Financial Aid Reform Study

Mr. Slater provided background on this item, and Mr. Andes summarized the findings. He indicated that he has worked with governmental and institutional representatives over the last six months as well as other states, and he believes the best option moving forward is to focus on students with the highest level of need and on institutions with the highest number of low-income students. Mr. Andes said that staff will continue to review other items over the next year. The committee's recommendation was seconded by Dr. Murray, and the following resolution was approved unanimously (9-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the final report on the Review of Financial Aid Funding Formulas and Awarding Practices and directs staff to proceed with the recommendations contained therein.

Action on Budget and Policy Recommendations for the 2020-2022 Biennium

System Operating Budget

Ms. Kang reviewed the summary table on page 54 of the agenda book and highlighted the discussion of these items from the committee meeting. She distributed two revised

documents that incorporated feedback from committee members. The revised documents were the Tuition Assistance Grant (TAG) item on page 61 and the General Fund share on page 57. The revised versions were posted on the SCHEV website. Ms. Kang answered questions from members.

The committee's recommendation was seconded by Ms. Connelly, and the following resolution was approved unanimously (9-0):

WHEREAS, higher education and the attainment of a credential or degree contributes to greater individual and regional prosperity, including increased earnings, improved economic growth, greater levels of community engagement and improved health outcomes; and

WHEREAS, Virginia's public higher education system ranks as one of the best in the country when considering factors such as graduation rates, average net price, low loan default rates and high return on investment, it is a status that must be preserved and nurtured; and

WHEREAS, The Virginia Plan for Higher Education, the statewide strategic plan for the Commonwealth, focuses on placing Virginia as the best-educated state by 2030; and

WHEREAS, Virginia's higher education system is a shared responsibility of the state, institutions and students and parents to reach the highest level of performance and accountability; and

WHEREAS, budget recommendations for the 2020-22 biennium focus on addressing the statewide needs of affordability, excellence, access, success, talent development, efficiency, effectiveness and planning, now therefore,

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the Budget and Policy Recommendations for the 2020-22 biennium.

Capital Outlay Budget

Mr. Fralin noted that no further discussion was requested, and the committee's recommendation was seconded by Ms. Harker. The following resolution was approved unanimously (9-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia supports additional investment in the maintenance reserve program, but defers the determination of funding amounts to the Department of Planning and Budgeting for the 2020-22 Biennium until additional data are available through the COVA Trax/M-R-Fix system.

BE IT FURTHER RESOLVED that the State Council of Higher Education for Virginia calculates a need of \$824,779,216 from the general fund and \$1,750,000 from nongeneral funds to support the capital outlay needs of public higher education institutions in the 2020-22 biennium.

BE IT FURTHER RESOLVED that the State Council of Higher Education for Virginia recommends that priority for debt authorization be provided for the Maintenance Reserve Program.

Mr. Slater noted that, at the committee meeting, Ms. Kang thanked her staff for their efforts in organizing the entire budget recommendation packet. He echoed his thanks and also thanked Mr. Blake.

UPDATE ON THE OFFICE OF THE QUALIFIED EDUCATION LOAN OMBUDSMAN ACTIVITIES FOR 2019

Mr. Kemp provided an update to the committee, noting that he has received 130 cases since he began in this position. Noting that state-level loan ombudsman positions are relatively new, he has been working with other states that have similar positions in an effort toward common goals of assisting students to alleviate debt issues. The complexity of student loans makes it more difficult for students to navigate. In his role, he serves as an intermediary and advocate on behalf of borrowers.

Mr. Kemp shared his suggestions on changes to federal policies that would be helpful, based on his dealings with borrowers over the last year. In response to a question from Mr. Fralin and Mr. Light, staff agreed to survey best practices in dealing with for-profit institutions to ensure students are protected when institutions go out of business. Members were interested in knowing what other states are doing in the certification process that could address student debt at for-profit institutions. Mr. Blake said this request would be better addressed within SCHEV's private postsecondary section. Dr. DeFilippo noted that SCHEV currently has some oversight but agreed to have staff provide a report in January.

RECEIPT OF ITEMS DELEGATED TO STAFF

Mr. Blake reported that the actions taken by staff on behalf of Council as delegated items were included in the agenda book. As required, a copy of these items is attached to the minutes. Ms. Connelly raised a question about the ODU community program, which Dr. DeFilippo answered.

RECEIPT OF PUBLIC COMMENT

Mr. Fralin announced that the Council received two requests for public comment. First to speak was Laura Goren, Research Director at The Commonwealth Institute for Fiscal Analysis. Ms. Goren spoke about upcoming legislation regarding in-state tuition for Virginia residents regardless of immigration status.

The second speaker was Stacie Gordon from Partners for College Affordability and Public Trust. Ms. Gordon spoke about the proposed review of higher education costs and exploration of outcomes funding strategies. Both speakers provided a copy of their remarks.

OLD BUSINESS

None.

NEW BUSINESS

Mr. Fralin paid tribute to Governor Gerald Baliles, saying he was a dear friend of higher education and of SCHEV. He reminded members that at the September 2018 meeting, the governor presented important information to SCHEV about the inequity experienced in the “rural horseshoe” sector of the state. Mr. Fralin said Governor Baliles was known as a governor that transformed transportation in Virginia but noted that his heart was in higher education. He had a lasting impact and served as mentor for all of us. The chair called for a moment of silence.

MOTION TO ADJOURN

The meeting adjourned at 11:15 a.m.

Katharine Webb
Council Secretary

Lee Ann Rung
Director, Executive and Board Affairs

Items Delegated to Director/Staff

Pursuant to the Code of Virginia, § 23.1-203 and Council's "*Policies and Procedures for Program Approval and Changes*," the following items were approved/not approved as delegated to staff:

Degree Program Actions

Institution	Degree/Program/CIP	Effective Date
Eastern Shore Community College	Facilitated Staff Approval: Associate of Applied Science degree program in Technical Studies (15.0612)	Spring 2020
George Mason University	Facilitated Staff Approval: Master of Science degree program in Climate Science (40.0401)	Spring 2020
Tidewater Community College	Spin-off Approved: Spin-off an Associate of Science degree program in Computer Science (11.0701) from the existing A.S. in Science, Computer Science Specialization (30.0101)	Spring 2020
Virginia Polytechnic Institute and State University	CIP Code Changes Approved: Bachelor of Architecture in Architecture from 04.0201 to 04.0902	Spring 2020
Virginia Western Community College	Facilitated Staff Provisional Approval: Associate of Applied Science degree program in Surgical Technology (51.0909)	Fall 2021

Pursuant to the Code of Virginia, § 23.1-203 and Council's "*Policies and Procedures for Program Approval and Changes*," the following items were reported:

Diploma, Certificate, Discontinued and Modified Programs

Institution	Degree/Program/CIP	Effective Date
George Mason University	Initiate a new Graduate Certificate Program in Music for Well-Being (50.9999)	Spring 2020
University of Virginia	Initiate a new Graduate Certificate Program in Environmental Humanities (03.0103)	Spring 2020

Pursuant to the Code of Virginia, Section § 23.1-211 and Council's "*Commonwealth of Virginia Policy on the Reciprocal Authorization of Distance Education and Related Activities*," the following item is approved as delegated to staff:

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

Institution	Effective Date
University of North America	October 3, 2019

COIA-Exception Policy Approvals

Institution	Policy	Effective Date
Virginia Commonwealth University	Research and Development Exception for the Conflict of Interests Act	July 25, 2019

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
BOARD OF VISITORS ORIENTATION
OCTOBER 22-23, 2019
MINUTES**

Mr. Peter Blake, Director of SCHEV welcomed the attendees and provided a brief overview of the agenda. Attached is a copy of the attendee list.

Mr. Blake introduced the President and CEO of The Virginia Museum of History and Culture (VMHC), Mr. Jamie Bosket. Mr. Bosket provided welcoming remarks to the group and spoke about the museum's history, collections and current exhibits.

Mr. Blake introduced the Chair of the State Council of Higher Education for Virginia (SCHEV), Mr. Heywood Fralin. Mr. Fralin gave an overview of the agenda and explained the importance of service as a member of a board of visitors (BOV).

Mr. Blake introduced the first panel featuring Marge Connelly, Vice Chair of SCHEV and former Rector, Board of Visitors, Longwood University; Alan Gernhardt, Senior Attorney, FOIA Advisory Council; and Deb Love, Senior Attorney General and Chief of the Education Section, Office of the Attorney General.

Synopsis of Virginia's Coordinated System of Higher Education and of Boards' Legal and Ethical Responsibilities In It

Mr. Blake presented on the Virginia Higher Education landscape, including the numbers of institutions and the history and role of SCHEV as the coordinating board. He talked about the importance of higher education in terms of return on investment of state funding. The governance structure involves the Governor and General Assembly, state committees, boards of visitors and SCHEV. Ms. Connelly presented on the Virginia Plan for Higher Education. The Plan's objective is to make Virginia the best educated state by 2030. She reviewed Virginia's strengths and challenges relative to meeting each goal that has been set in pursuit of this objective. She listed actions needed from the institutions in order to address the challenges.

Mr. Gerhardt talked about the Freedom of Information Act (FOIA) and said that FOIA permeates all actions that the board must take. It ensures that the people are informed about government decisions. Public records are subject to FOIA, and must be disclosed unless disclosure is prohibited or the records are exempted under one of about 150 exemptions in the law. Public meetings must be properly noticed and open to the public, and minutes must be taken. For closed meetings, the body must first have an open meeting, hold a vote to close the meeting, and then follow specific requirements. All actions taken by the board must be done in open session.

Ms. Love briefed the group on the role of the Office of the Attorney General (OAG) as the exclusive counsel for the institutions of higher education. The OAG may appoint outside counsel for matters outside its expertise. There has to be consistency among

the division's attorneys. A lot of board members do not have experience in the public sector, and it is very different from the private sector. She encouraged members to turn to assigned counsel to answer questions, although the Rector may prefer that communications go through her/him. Relying on advice of counsel may be a defense if sued.

Mr. Blake referred members to the SCHEV website to view the FOIA video and other relevant materials.

The panel answered questions from the group, which mainly concerned FOIA meeting requirements. Katie Webb, member of SCHEV Council, provided concluding remarks.

Cabinet Perspectives on Board Service:

Ms. Webb introduced the panel of cabinet members.

Atif Qarni, Secretary of Education, thanked and greeted the group. He shared the Governor's "cradle to classroom to career" approach. Early childhood development is a priority because the best way of addressing gaps that exist is to focus on the early years of brain development. In the K-12 space, they are moving from high stakes testing towards ensuring that graduates become more critical thinkers. More students should learn about pathways other than going to a four-year university. If the child does decide to attend one of Virginia's institutions, we have the best institutions in the country, which is one reason that Virginia was named the best state for business. Secretary Qarni praised institutions for embracing diversity for students and faculty and announced plans to hold an equity summit.

Megan Healy, Governor's Chief Workforce Development Advisor, talked about building partnerships with institutions to make sure that students have pathways to jobs with living wages. All of Virginia should have the skills to get a great job. In assessing the performance of institutions, she looks at where students are working and what are they paid. She wants to make sure that we are putting resources where they are needed. Work-based learning and paid internships are important to providing access.

Kelly Thomasson, Secretary of the Commonwealth, talked about the process of appointment to the boards. She shared a goal to make sure that boards reflect the diversity of the state. Among 60 board appointments this year, over 50% were non-Caucasian and there was a mix of men and women.

Aubrey Layne, Secretary of Finance shared a presentation on issues that impact state funding for higher education. Secretary Layne discussed key factors used by the rating agencies to assess the health of Virginia's economy. National and state economic indicators point to a slowing economy. The health of the national economy, federal policy and issues such as health care costs and pre-K-12 education costs are among the factors that create funding challenges for higher education. He provided a general overview of SCHEV recommendations for the Governor's budget.

No questions were asked of the panel.

Achieving and Maintaining Institutional Excellence, Equity and Innovation in Times of Change and Uncertainty

Mr. Blake introduced Janice Underwood, Virginia Director of Diversity, Equity and Inclusion in the Office of the Governor. Dr. Underwood provided some information about her background and the role of her office. She provided a set of three questions for boards to ask regarding diversity, equity and inclusion efforts: 1) What are you doing on your campus?; 2) how do you know if measures are working?; 3) how can we transform colonized manifestations that are only in place to make the status quo comfortable? To transform recruitment of faculty and staff, the work has to be intentional. Student diversity is on the rise, but faculty/staff is not. What are we willing to do to address this? She suggested leaning into the discomfort of the questions around diversity because that is how the work happens.

Dr. Underwood introduced Toyia Younger, Vice President for Leadership Development, American Association of State Colleges and Universities (AASCU). Dr. Younger provided some information on her connection with the Commonwealth and her family history. Her educational background gave her the passion for providing future generations with the opportunity to surpass the generation before. She described the mission and membership of AASCU and its involvement in equity initiatives. Equity is not necessarily a conversation about race; there are other dimensions, including diversity of thought, ideology, religion, sexual orientation, socio-economic status. Equity is making sure that all students have what they need to achieve their goals and avoiding assumptions that all students are coming to us with the same level of preparation and the same resources. Boards should assess institutional readiness to make significant changes.

Governor Remarks on Higher Education and Board Service

Mr. Fralin introduced Governor Ralph Northam. Governor Northam addressed the group and thanked them for serving. He praised the members of his administration. He stressed the importance of diversity to his administration. His cabinet is majority women. Addressing his appointment of the first officer for diversity, equity and inclusion, he pointed out that the Commonwealth has over 100,000 state employees. Most corporations of that size have an officer of diversity and inclusion. Regarding the budget, Virginia overall is doing well, with the lowest unemployment rate in history, but there are challenges. Many regions of the state are competing for talent, so we have to address the talent pipeline. The reserve fund was increased and there is surplus revenue. The catch is that spending is higher than the revenues, so he has tasked cabinet secretaries to plan for cuts.

Governor spoke of education as a continuum. Early childhood education is important, as is preparing for the jobs of the future. He urged members to consider affordability and predictability of costs for families, recruitment of faculty and serving veterans.

WEDNESDAY, OCTOBER 23

Mr. Blake provided a greeting and opening remarks and introduced the panel of Henry Stoever, President and CEO of the Association of Governing Boards of Universities and Colleges and Heather Crislip, Rector of the Board of Visitors of the University of Mary Washington.

Best Practices of Effective Boards: Governing Change-averse Institutions in a Fast-paced World

Mr. Stoever spoke about board service and strategic leadership, which requires board members to be very engaged. They should ask the Governor why they were appointed. He provided an overview of AGB, its mission and membership. He spoke of the environment in higher education. Leverage staff to understand the impacts on that environment in which the institution must operate.

Six principles of board leadership:

- Accountability to stakeholders.
- Hiring and evaluating the president
- Strategy
- Board composition
- Oversight
- Commitment

He recommended strategies for more effective engagement, then answered questions from the group.

Ms. Crislip provided recommendations on board operations based on her experience as the University of Mary Washington rector. Her institution took a number of measures to make meetings more efficient. As rector, she acts as a conduit for all board members' concerns to address to the administration, to ensure that the president is clear on board priorities.

Mr. Stoever and Ms. Crislip answered questions.

Peter Blake and Tom Slater, member of SCHEV and former President of the board of visitors of Virginia Military Institute, provided concluding remarks.

Hot Topic: Issues in College Student Life

Deputy Secretary Fran Bradford served as moderator and introduced Dr. R. Kelly Crace, Associate Vice President of Health and Wellness at William & Mary and Kevin Foust, Vice President of Campus Safety and Security at Virginia Tech.

Dr. Crace talked about macro-shifts in student life. There are students who previously would not have been able to go to college such as those on the spectrum or with mental health issues. Demand for services and care is very high and exceeds the resources

that we have. He does not agree that this generation is a snowflake generation; research shows that they are very resilient. Competition is high and fear of failure is higher than ever. By the time they get to college, they are accustomed to fear-based excellence. The goal should be to move them to deeper level of authenticity and integrity. There is a need for different types of mental health care for different needs. Mental health on campus is everyone's responsibility.

Mr. Foust spoke about mental health issues on campus. Some studies suggest that 20-30% of students enter college with pre-diagnosed conditions. Others aren't pre-diagnosed but will experience a crisis once they are on campus. Many will go into crisis because they don't know how to take their prescribed medications.

Regarding sexual assault, Dr. Crace said institutions need to ensure that everyone comes onto campus with some baseline understanding about healthy sexual relationships. He recommended bystander training/courage intervention. Mr. Foust recommended that board members understand the consequences of failing to follow Title IX and the Clery Act and learn how the institution partners with other law enforcement in the area.

On drug and alcohol abuses issues, Dr. Crace said institutions need to understand the fuel that moves people toward that behavior. Mr. Foust said members should know about the programs offered to the community and what types of abuse are most common.

The panelists answered questions.

Sarah Izabel, Co-Chair of the SCHEV Student Advisory Committee and Student at Virginia Commonwealth University, provided concluding remarks. She said that students are aware of their unhealthy behaviors but believe that is what they must do to get what they want. Work on diversity and inclusion issues is important. On sexual assault, informing students is key, e.g., VCU has made it very clear to students what their options are if something happens. Regarding substance abuse, drugs are very easy to get on campus and it is not perceived to be a problem when people over-drink on the weekends. Students should understand the problems of becoming dependent.

Hot Topic: Issues of Equity

Ms. Izabel introduced the panelists. Susan Gooden, Chair of the State Board for Community Colleges and Interim Dean of the Wilder School of Government and Public Affairs at Virginia Commonwealth University and Paola Santana, the Strategy Office for State Policy, Lumina Foundation.

Ms. Santana introduced herself and talked about Lumina's attainment goal. She provided national statistics on the demographics of current students enrolled in postsecondary institutions. The system is really not designed for modern students. It is important to understand how policies affect these students. Attainment has been increasing steadily in the Commonwealth, but the growth has not been equitable; it has

not affected all racial groups the same way. There is a gap for students of color. Representatives from the Lumina Foundation met with Governor Northam and he said equity is a priority of his administration and shared his strategies, which boards should embrace.

Ms. Gooden recommended that members build an equity initiative with the president to hold all senior administrators accountable for diversity and equity. Ask if the institution really wants diversity success and work through what some of the issues may be. Challenge myths around diversity and employ specific strategies for faculty recruitment.

The panel answered questions.

Boards' Fiduciary Obligations for Institutions' Financial Health and Sustainability and their Impacts on Students' Affordability and Debt

Victoria Harker, Member, SCHEV and Former Chair, Finance Committee, Board of Visitors for the University of Virginia, introduced the panel: Michael Maul, Associate Director for Education and Transportation, Department of Planning and Budget, Jennifer "J.J." Wagner Davis, Executive Vice President and Chief Operating Officer, University of Virginia, and Kevin Davenport, Vice President of Finance, Virginia State University.

Mr. Maul presented on the state budgeting process. He broke down the general fund by categories of expenses and provided an overview of trends in state funding per FTE student. Increases in tuition have surpassed inflation. Currently, the economy is slowing. The administration is developing the biennial budget and questioning the amount that will be available for discretionary spending.

Ms. Davis advised members to get to know their institution's CFO/COO. At the most macro level, that person is always looking for efficiencies and lowering costs; find out what they are working on.

Mr. Davenport said the finance officer has a tough job because there are so many stakeholders and not enough resources for everyone's needs. It is their job to be focused on the strategic plan.

On recruitment of students, competition has increased and tuition discounting is common. Out-of-state students pay a higher tuition and they have become more sophisticated in understanding that. Members should understand their own institution's mix of in-state and out-of-state students and know who they are competing with for students. Be aware of the institution's strategic enrollment plan.

The panel answered questions, including about student demand for technology and the role of foundations.

Perspectives from Rectors and Presidents on Issues Confronting Board Leadership and Executive Administration

Anne Holton, Interim President of the George Mason University, introduced the panel and provided questions for the panel members. Panel members included Katherine Rowe, President, William & Mary; Brian Hemphill, President, Radford University; Marianne Radcliff, Council member and former Rector, Longwood University, and Dennis Treacy, Member and Immediate Past Rector, Board of Visitors, Virginia Tech.

The panel provided advice on the primary focus of a new board member. Be aware of the distinction between governance and management roles. Members should speak with one voice through the Rector. New members should take time to learn and ask a lot of questions.

The panel answered questions from the audience regarding such topics as how to best leverage the strengths of board members, encouraging open discussions within the confines of FOIA meeting laws, and time management. Panelists gave examples of good and bad board/administration interaction.

Anne Holton wrapped up the panel by saying that the most important job is to show up and be prepared. Show up on campus at events other than board meetings.

Mr. Blake provided concluding remarks about the program and said a representative from the Secretary's office would distribute pins and commissions.

Katie Webb
Council Secretary

Beverly Rebar
SCHEV staff

Registered Attendees - 2019 Boards of Visitors Orientation

George Mason University

Simmi Bhuller
Carolyn Moss
Juan Carlos Iturregui

James Madison University

Kathy Warden

Longwood University

Cookie (N.H.) Scott

Norfolk State University

Mary Blunt
Pamela Boston
Kim Brown
Jim Dyke
Harry Watkins

Old Dominion University

Robert Broermann
Peter Decker

Radford University

Robert Archer (Rector)
David Smith
Lisa Throckmorton

University of Mary Washington

Heather Crislip (Rector)
Deborah Santiago

Virginia Commonwealth University

Pamela El
Carolina Episinal
Colleen Santana
Alexis Swann

Virginia Community College System

RJ Narang
Terri Thompson

Virginia Military Institute

Michael Hamlar

Virginia State University

Raul Herrera

Virginia Tech

Shelley Barlow
Sharon Brickhouse Martin
Melissa Nelson
Horacio Valeiras (Rector)

William & Mary

Mari Carmen Aponte
Charles Poston

State Council of Higher Education for Virginia

Peter Blake, Director
Marge Connelly, Vice Chair
Heywood Fralin, Chair
Victoria Harker
Marianne Radcliff
Thomas Slater
Katharine Webb, Secretary

Board Professionals

April Allbritton, Norfolk State University
Ericke Cage, Norfolk State University
Karen Castelee, Radford University
Chelsea Gray, Virginia Commonwealth University
Donna Harper, James Madison University
Jeffrey McClurken, University of Mary Washington
Kim O'Rourke, Virginia Tech
Annie Redd, Virginia State University
Michele Schumacher, Virginia Commonwealth University
Donna Thornburg, Virginia Commonwealth University

Student Advisory Committee

Ethan Crouson, Old Dominion University
Sarah Izabel, Virginia Commonwealth University

Governor

The Hon. Ralph Northam, Governor of Virginia

Cabinet Members

The Hon. Fran Bradford, Deputy Secretary of Education
The Hon. Megan Healy, Governor's Chief Workforce Development Advisor
The Hon. Aubrey Layne, Secretary of Finance
The Hon. Atif Qarni, Virginia Secretary of Education
The Hon. Kelly Thomasson, Secretary of the Commonwealth

Other Participants

Jamie Bosket, President & CEO, Virginia Museum of History & Culture
Caroline Corl, Governor's Office
Kelly Crace, Associate VP for Health & Wellness, William & Mary
Kevin Davenport, Vice President of Finance, Virginia State University
Ron Forehand, Sr. Assistant Attorney General, Office of Attorney General
Kevin Foust, Chief of Police & Director of Security, Virginia Tech
Alan Gernhardt, Executive Director, FOIA Advisory Council
Susan Gooden, State Board for Community Colleges
Brian Hemphill, President, Radford University
Mark Herring, Attorney General, Office of the Attorney General
Sarah Herzog, Deputy Director, Senate Finance Committee
Anne Holton, President, George Mason University
Julie Laskaris, American Association of University Professors
Deb Love, Senior Assistant Attorney General, Chief of the Education Section, Office of the Attorney General
Michael Maul, Associate Director, Department of Planning & Budget
Katherine Rowe, President, William & Mary
Paola Santana, Strategy Officer for State Policy, Lumina Foundation
Henry Stoeber, Association of Governing Boards
Saranna Thornton, American Association of University Professors
Dennis Treacy, Member and Past Rector, Board of Visitors, Virginia Commonwealth University
Janice Underwood, Virginia Director of Diversity, Equity and Inclusion, Governor's Office
Jennifer Wagner Davis, Executive Vice President And CEO, University of Virginia
Toyia Younger, American Association of State Colleges and Universities

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
ACADEMIC AFFAIRS COMMITTEE
OCTOBER 28, 2019
MINUTES**

Ms. Webb called the meeting to order at 2:56 p.m., at the State Council of Higher Education for Virginia in Richmond, Virginia. Committee members present: Heywood Fralin, Marianne Radcliff, and Katie Webb.

Committee members absent: Ken Ampy, Rosa Atkins, and Gene Lockhart, and Carlyle Ramsey.

Staff members present: Joseph G. DeFilippo, Jodi Fisler, Ashley Lockhart, and Emily Salmon.

APPROVAL OF MINUTES

On motion by Mr. Fralin, and seconded by Ms. Radcliff, the minutes from the September 16, 2019, meeting were approved unanimously.

Ms. Webb introduced and invited staff to present information on the following topics:

ACTION ON PROGRAMS AT PUBLIC INSTITUTIONS

In attendance:

- Dr. Julie Ross, Dean, College of Engineering
- Dr. Ed Nelson, Associate Dean, Administration and Chief of Staff, College of Engineering
- Dr. Cliff Shaffer, Professor, Department of Computer Science, College of Engineering
- Jeff Earley, Associate Vice Provost for Finance
- Dr. C. Noel Byrd, Associate Vice Provost for Degree Innovation and SCHEV Compliance

Dr. DeFilippo introduced the program proposal from Virginia Polytechnic Institute and State University: Master of Engineering (M.Eng.) in Computer Science and Applications (CIP: 11.0101). He described the professionally-oriented degree program, which will be offered in both Blacksburg and Northern Virginia. Dr. DeFilippo explained that the program will be substantially-sized, growing from 36 to nearly 500 at maturity by the 2023-2024 school year, with staffing increasing from 12 to 43 full time employees. There was some discussion about this degree program's funding allocation, which makes it the largest investment in computer science in the Commonwealth.

Mr. Fralin abstained from voting on matters related to Virginia Tech.

On motion by Ms. Radcliff, seconded by Ms. Webb, the following resolutions were approved unanimously to be forwarded to the full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to the Virginia Polytechnic Institute and State University to offer the degree designation Master of Engineering (M.Eng.)—in addition to the existing Master of Science (M.S.)—in Computer Science and Applications (CIP: 11.0101), effective spring 2020.

DISCUSSION OF PROGRAM PROPOSALS IN THE REVIEW PIPELINE

Dr. DeFilippo introduced a report of the program proposals that are currently under review as of October 4, 2019. He explained that this is an informational item that illustrates current concerns for academic review at our institutions of higher education.

ACTION ON PRIVATE POSTSECONDARY INSTITUTION PROVISIONAL CERTIFICATION

In attendance:

- Dr. Gene Couch, President, Virginia Business College
- Ma Tao, Representative of US Magis

Dr. DeFilippo introduced the action on Private Postsecondary Institution Provisional Certification for Virginia Business College (VBC). He explained the history of VBC and why it is back to request a second provisional certification in 2019, due to significant changes in leadership and board. There was some discussion about the withdrawal of its previous status, and how the institution worked with staff to meet the conditions required.

The committee had questions about the composition of the current board and its investment in the facilities. There was some discussion about the recruitment of students and its financial health. Dr. DeFilippo explained that provisional certification is not necessary and how its status as a nonprofit is under review with the IRS. There was some conversation regarding the importance of quality for students in the Commonwealth, no matter their geographical location.

On motion by Mr. Fralin, seconded by Ms. Radcliff, the following resolutions were approved unanimously to be forwarded to the full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia provisionally certifies Virginia Business College (VBC) to operate a postsecondary institution in the Commonwealth of Virginia, effective immediately and for a period of one (1) year, until October 28, 2020, in accordance with the conditions enumerated below:

1. that, during the period of provisional certification, VBC shall be allowed to advertise and receive student applications, but not actually enroll or instruct students;
2. that, during the period of provisional certification, VBC shall be allowed to recruit and hire faculty and staff;
3. that, during the period of provisional certification, VBC may not collect tuition from prospective students, though it may collect initial non-

- refundable fees of no more than \$100, as per 8 VAC 40-31-130(E) of the Virginia Administrative Code;
4. that, during the period of provisional certification, all publicity, advertisements, and promotional materials must include a statement that the school is provisionally certified to operate in Virginia by SCHEV;
 5. that, during the period of provisional certification, no changes to the board of directors may be made without explicit approval from SCHEV;
 6. that, prior to the expiration of the period of provisional certification, SCHEV staff shall conduct a final review of faculty and administrator credentials hired during the provisional certification period;
 7. that, prior to the expiration of the period of provisional certification, SCHEV staff (or an assigned expert) shall conduct a review of VBC's online platform and content as a condition to authorizing the school to offer distance education;
 8. that, prior to the expiration of the period of provisional certification, VBC will provide SCHEV with proof of its non-profit status;
 9. that, prior to the expiration of the period of provisional certification, VBC shall satisfy a site visit conducted by SCHEV staff demonstrating that its facilities conform to all federal, state and local building codes and that it is equipped with classrooms, instructional and resource facilities, and laboratories adequate for the size of the faculty and October 2019 Agenda Book 17 student body and adequate to support the educational programs to be offered by the school;
 10. that, prior to the expiration of the period of provisional certification, VBC shall submit a surety instrument in the amount of \$20,000, which would be adequate to provide refunds to students in the event of school closure during the first year of operation; and
 11. that VBC's provisional certification shall lapse if the school does not satisfy conditions 6-10 by October 28, 2020; in the event of such lapse, the school may reapply for certification.

BE IT FURTHER RESOLVED that Council delegates to the SCHEV Director authority to confer full certification on Virginia Business College upon (i) SCHEV's final review of faculty and administrator credentials; (ii) SCHEV's final review of VBC's online platform and content; (iii) SCHEV's verification of VBC's non-profit status; (iv) successful completion of the site visit by SCHEV staff; and (v) VBC's submission of the required \$20,000 surety instrument.

ACTION ON PRIVATE POSTSECONDARY EDUCATION INSTITUTIONAL CERTIFICATION

Dr. DeFilippo introduced the action on private postsecondary educational certification for the Lotus School of Integrated Professions. He explained that it is already operating and offering non-credit classes in Henrico, but is transitioning to a degree-granting institution in the combined Bachelor of Science and Master of Science leading to licensure as an acupuncturist. Dr. DeFilippo further explained that this type of degree is licensed by the Virginia Board of Medicine, as well as accredited by the Oriental Medicine accreditor.

On motion by Mr. Fralin, seconded by Ms. Radcliff, the following resolutions were approved unanimously to be forwarded to the full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Lotus School of Integrated Professions to operate a degree-granting postsecondary institution in the Commonwealth of Virginia, effective October 29, 2019.

UPDATE ON GRADUATE OUTCOME SURVEY

Ms. Webb introduced Dr. Jim Ellis, Director of Design and Methodology, Survey and Evaluation Research Laboratory, Center for Public Policy, L. Douglas Wilder School of Government and Public Affairs at Virginia Commonwealth University. Dr. Ellis gave a presentation to the committee with an update on the Graduate Outcome Survey. There was some discussion about an updated timeline for project, which is roughly one month behind its initial schedule. There were some questions from committee members about the composition and variety of the focus groups, as well as their employment rates.

Dr. Ellis discussed the potential for linking survey data to administrative data maintained by SCHEV. There were questions regarding various populations of graduates and how the survey would account for them. The committee expressed interest in Council reviewing a final questionnaire, and the possibility of holding a special meeting before the end of the calendar year was discussed.

REPORT ON HIGHER EDUCATION AND WORKFORCE ALIGNMENT PROJECT

Ms. Webb introduced Ms. Salmon and described the newly announced higher education and workforce alignment project. Ms. Salmon explained that the project is rooted in the need to address workforce needs and help individuals seek meaningful careers. She further explained that there is a critical need for a common data infrastructure so that it can inform curriculum development, policy, and strategic planning efforts and that she expects the report to be completed by July of 2020.

The Academic Affairs committee lost its quorum at 4:05 p.m. when Ms. Radcliff left the room.

REPORT OF THE STAFF LIAISON TO THE COMMITTEE

Dr. DeFilippo briefly reported on staff activities and achievements. There was some discussion on the topic of teacher shortages in the Commonwealth and Mr. Fralin expressed his support for making teacher compensation a high priority. Dr. DeFilippo also mentioned the timeline for implementation of the program approval policy changes.

ADJOURNMENT

Ms. Webb adjourned the meeting at 4:19 p.m.

Katharine Webb
Member, Academic Affairs Committee

Ashley Lockhart
Staff, Academic Affairs

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
RESOURCES AND PLANNING COMMITTEE
OCTOBER 28, 2019
MINUTES**

Tom Slater, the committee chair, called the meeting to order at 3:00 p.m. in the Main Conference room on the 9th floor of the James Monroe Building in Richmond, Virginia. The committee members present: Marge Connelly, Victoria Harker, Henry Light, William Murray and Tom Slater.

The following committee member was absent: Stephen Moret.

Staff members present: Tom Allison, Lee Andes, Peter Blake, Alan Edwards, Jean Huskey, Wendy Kang, Scott Kemp, Tod Massa, Beverly Rebar, Lee Ann Rung, Felix Sam, Kristin Whelan and Yan Zheng.

Deb Love from the Office of the Attorney General also was present.

Others present: Pam Currey, Pamela Fox, Robert Lambeth, Larry Stimpert

APPROVAL OF MINUTES

On a motion by Dr. Murray and seconded by Mr. Light, the minutes from the September 16, 2019, meeting were approved unanimously.

UPDATE ON ENROLLMENT PROJECTIONS

Dr. Massa provided an update on enrollments and degree estimates. He asked committee members to forgo action until January as we are awaiting updates from two institutions. Committee members asked if there are consequences for institutions that report late. Dr. Massa said that delays in budget recommendations are the consequence.

ACTION ON FINANCIAL AID REFORM STUDY

Mr. Andes reported to the Council on the review of the state's need-based financial aid and funding allocation methodology. The current funding model, referred to as the Partnership Model, is unchanged since 2005.

Mr. Allison briefly reviewed the Partnership Model. In this model, students who attend more expensive schools end up with higher unmet need regardless of demonstrated need. He reviewed the proposed models as presented in the September Resources and Planning meeting. He described the hybrid model that SCHEV has developed with the following recommendations:

- Improve accuracy of allocation of funds by using a student's actual expected family income (EFC.)

- Minimize the impact of higher tuition costs on influencing the financial aid allocations.
- Allocate funds based on cost and enrollment of low- and middle- income students.

The committee asked Mr. Allison to explain the math to them. He described the model as follows: The model will use the four-year sector average, rather than the institution's cost of attendance, as the beginning of the formula. The formula then discounts by 30 percent, subtracts all grant aid known to students and the EFC to come up with the unmet need number. The committee also asked if the formula takes an institution's endowment into account and was told no as this is a restriction in Code. The tuition revenue used for aid is included. Historically, the formulas have used the measure of percentage of need met, but SCHEV has found that this masks need and that three quarters of the designated high income students are actually from families whose income is just over the threshold of high income. The new formulation is careful to avoid pitting low- and middle income against each other. The new concentration on the average need of students, better focuses the funding on the students who most need it.

The committee asked about the turn-around time for implementing the new model. The new model will take approximately two years to implement.

Mr. Allison was asked about the typical income level of a student with a zero EFC as determined by the Free Application for Federal Student Aid (FAFSA.) He stated that 99% of zero EFC students are classified as low-income meaning that their income falls below 200% of the federal poverty level.

In addition to the new model, SCHEV recommends the following updates to financial aid policies:

- Continue to review policies with the aim of simplifying the awards. Combine the VGAP and the Commonwealth Award into one award. Restrict the awards to low- and middle- income students. Restructure the awards to include incentives. All students who meet the income requirements will first receive the Commonwealth Award and if the student meets certain objections, they will be awarded a bonus in the VGAP. Financial aid directors support this. Provide institutions with more flexibility while keeping them accountable in prioritizing low- and middle- income students.
- SCHEV recommends continued monitoring of tuition revenue used for aid through the six-year-plan process and increased transparency by publicly reporting the amount of tuition revenue used for financial aid. SCHEV also recommends authorizing institutions to use a portion of tuition revenue to fund emergency awards for low-income students facing unique expenses that threaten their ability to remain enrolled.
- Support for continued expansion outreach designed to improve student preparation for higher education. This should include support for current outreach programs, programs that aid in FAFSA completion, on-line resources and wrap around social services.

On a motion from Mr. Connelly and seconded by Mr. Light, the following motion was approved unanimously (5-0) to be forwarded to the full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the final report on the Review of Financial Aid Funding Formulas and Awarding Practices and directs staff to proceed with the recommendations therein.

REVIEW OF BUDGET AND POLICY RECOMMENDATION FOR THE 2020-2022 BIENNIUM

Ms. Kang reviewed the draft budget with the committee with the goal of finalizing recommendations to the Governor and General Assembly for the 2020-2022 biennium. A significant investment last year enabled us to enact many of our policies, but is still below what is needed. The recommendations are sized up based on revenue forecasts.

The committee asked if the state still views financial aid as one-time money and Ms. Kang explained that the institutions expect that funding in their budgets, but because of contingencies built into the Code language, budget fluctuations cannot affect what a student receives in their award. Financial aid is year to year, students must maintain the same level of need to receive the same aid. The committee expressed a need to be clearer with SCHEV's expectations of the institutions that additional funding from the general assembly should reflect a lower tuition increase, but allow them to maintain the autonomy of their Boards of Visitors. Tuition freezes are moderated with allocation of additional funds. The committee suggested changing the language to reflect SCHEV changes to financial aid rather than tuition policy with a goal to maintain affordability and quality and excellence.

Ms. Kang outlined the goal areas informing budget recommendations:

Affordability and excellence:

- Need based financial aid awarding.
- Operational support – institutions will higher levels of Pell grant eligible students would get greater funding. Committee members expressed concern that there is no explicit promise from the institutions to keep tuition and fees from increasing.
- Tuition Assistance Grant (TAG)

The budget recommendation increases the TAG grant to \$3,675. Chairman Slater yielded to President Stimpert from Hampton-Sydney College and President Fox from Mary Baldwin University. Both presidents appealed to the committee on behalf of the private institutions in the state. They requested an additional one thousand dollar per award increase for the TAG grant, capital funding consideration and inclusion in the Internship Pilot Program. Committee members stated that often not all of the TAG funds that are allocated are used and asked if carryover could be placed used to increase the award amounts. They also asked how the carryover could affect individual awards. Committee members asked how TAG funds relate to the amount of financial aid for public versus private students. Mr. Andes said that in

Code, TAG cannot exceed the subsidy for public institution. Dr. Murray suggested a change to the language and recommended a resolution to extend one-time revenues to increase public and private aid up to four thousand dollars if funds were available. The full language updated was to be presented in the full council meeting. The committee also suggested that expected outcomes could also be used to influence institutional spending and student behavior for out-of-state students with the goal of attracting and keeping out-of-state talent.

- Office of Qualified Loan Ombudsman.
- Virginia Military Survivors Program.
- Graduate financial aid.

Access and completion:

Partnering with the Virginia Department of Education, SCHEV is implementing a statewide initiative to attract students to higher education through supporting existing programs such as 1,2,3 GO, early college testing and increased advising. These initiatives and others are implemented with the goal of attracting the 25,000 Virginia high school graduates who do not pursue any form of higher education or credentialing after receiving their high school diploma. SCHEV also recommends a strong investment in community colleges to address gaps in workforce demands and support programs designed to produce skilled trades in high demand areas.

The committee members expressed support for increased funding for programs aimed at improving completion rates. The members asked if the increased allocation would be in the form of a grant and stressed that they would like more funding to be explicitly tied to completion. Members asked if the Six-Year plans include funding requests for new programs aimed at increasing completion rates.

Talent development:

Ms. Kang reviewed the budget recommendations aimed to improve talent development in the Commonwealth. A greater investment in the Internship Pilot Program is recommended. The increased funding would provide matching grants to institutions to grow the program. Greater investment will allow a focus on new partnership development, aid with training employers who have never had interns and build awareness statewide. SCHEV is working closely with the Chamber of Commerce to expand the Internship Pilot program state-wide and open it to private institutions. Funding will also encourage consistency in the program across campuses thus making the program more equitable. Committee members asked that SCHEV determine who will be accountable in the program and stated that the program should have specific goals. Members also asked how SCHEV plans to grow the program in areas of the state with the greatest needs. Ms. Kang offered to have a presentation on the program at the January meeting. Chairman Slater mentioned the Rolls-Royce plant in Prince George having problems finding qualified employees. Dr. Murray stated that we need more structure in the program for more credibility and funding.

Efficiency, effectiveness and planning:

- Efficiency and effectiveness study.
SCHEV is requesting funding to create a working group or contract an outside study to provide an objective review of structures, processes, policies and outcomes in public institutions and state government. SCHEV would like the General Assembly to review this request as similar to the financial aid review. The estimated cost is \$150,000 per year.
- Suspend level 2 measures for the 2020-2022 biennium.
These measurements were removed from the Institutional Performance Standards (IPS) in 2018, but are still reported. SCHEV recommends suspending these measures as we review the assessment process for these measures.
- Support reserve funding to prepare for an economic downturn.

Other initiative areas:

- Virtual Library of Virginia (VIVA)
VIVA is the academic library consortium of Virginia. It provides direct support to academic institutions and students across the state. SCHEV recommends continued support for this shared service model.
- Commonwealth Graduate Engineering Program (CGEP)
CGEP is a consortium of six Virginia universities that delivers graduate level engineering education to Virginia's scientists and engineers. SCHEV recommends the funding be split between general fund and nongeneral fund as is the current practice.
- Agency initiatives
To meet additional demands and expectations, SCHEV requests funding to fill at least two of five critical staff vacancies and funding for modernizing our equipment to reduce administrative burden and increase efficiency.

On a motion from Mr. Slater and seconded by Mr. Harker, the following resolution was approved unanimously (5-0) to be forwarded to the full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the Budget and Policy recommendations for the 2020-2022 biennium.

ACTION ON CAPITAL OUTLAY BUDGET

Ms. Kang presented SCHEV's recommendations on the Capital Outlay portion of the budget report. SCHEV is awaiting the implementation of the COVA Trax/M-R_Fix system to have access to more information to assess capital needs. SCHEV staff proposes to continue to place a high priority on funding for maintenance reserve, but will defer to the Department of Planning and Budget for determining funding amounts this year.

The higher education institutions submitted 147 capital outlay project requests to the Department of Planning for 2020-2022. Using the Council's Fixed Assets Guidelines, staff reviewed 123 capital outlay requests that have a general fund component. Nineteen of the projects are authorized for planning by the General Assembly or are related to equipment funding of previously authorized construction. SCHEV staff reviewed and prioritized these projects according to the Council's Fixed Asset Guidelines and programmatic reviews from site visits and discussions with institutional experts.

On a motion from Ms. Harker and seconded by Ms. Connelly, the following resolution was approved unanimously (5-0) to be forwarded to the full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia supports additional investment in the maintenance reserve program, but defers the determination of funding amounts to the Department of Planning and Budgeting for the 2020- 2022 Biennium until additional data are available through the COVA Trax/M-R-Fix system.

BE IT FURTHER RESOLVED that the State Council of Higher Education calculates a need of \$824,779,216 from the general fund and \$1,750,000 from nongeneral funds to support the capital outlay needs of public higher education institutions in the 2020-2022 biennium.

BE IT FURTHER RESOLVED that the State Council of Higher Education recommends that a priority for debt authorization be provided for the Maintenance Reserve Program.

UPDATE ON THE OFFICE OF THE QUALIFIED EDUCATION LOAN OMBUDSMAN ACTIVITIES FOR 2019

Mr. Kemp, SCHEV's loan advocate provided Council an update on the initiatives of his office. In the past year, the loan ombudsman's office has opened 130 cases.

Mr. Kemp presented on the background and current status of student debt in Virginia. The total nationwide student debt has reached 1.6 trillion dollars with a default rate of 10.1% and 43% loans in distress (interest only payments or missing payments).

The students with less than \$5,000 in debt are most likely to default. These students have the highest default rate since they likely never completed a credential or degree and did not get the increase in salary that comes with higher education. There are about one million borrowers in Virginia with an average of \$36,000 per borrower.

The Office of the Qualified Loan Ombudsman office is partnering with the Virginia Department of Education to provide student information on loans. The office is creating an online module based workshop for students and creating specific modules for inclusion in the Economics and Personal Finance course mandate by the DOE for all Virginia high school students. He reviewed the following policy considerations with the committee:

- Simplify Repayment Plans

- Fix Public Service Loan Forgiveness (PSLF)
- Fix Spousal Consolidation Loan
- Stop Collections – Move all defaulted loans to IBR
- Resolve Borrower Protection Cases (School Closures)
- Require Annual Loan Counseling in College
- Incentivize those who pay off loan early

The committee asked for clarification in the name of the office – ombudsman or advocate. Mr. Kemp explained that ombudsman refers to the office and loan advocate is his title.

Committee members wanted more details on what kinds of students at which type of institution of higher education are taking out the most loans and defaulting most often. Mr. Kemp referred to the data in his presentation to show that students who attend proprietary schools are most likely to take out loans and default later.

At the end of the meeting, Ms. Kang Wendy took a few moments to personally thank the members of her team for help in creating the budget.

MOTION TO ADJOURN

The Chair adjourned the meeting at 5:00 p.m.

Tom Slater
Committee Chair

Kristin Whelan
Coordinator, Executive & Board Affairs