

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
TJ21 COMMITTEE
SEPTEMBER 15, 2014
MINUTES**

Mr. Haner called the meeting to order at 1:10 p.m. in the Festival Conference and Student Center, Board of Visitors Room, James Madison University, Harrisonburg, Virginia. Committee members present: Gilbert Bland, Marge Connelly, Steve Haner, Henry Light, G. Gilmer Minor, III.

Committee member absent: Gary Nakamoto.

Staff members present: Dan Hix, Tod Massa, Jean Mottley, Kirsten Nelson, and Lee Ann Rung. Mike Melis from the Office of the Attorney General was also in attendance.

APPROVAL OF MINUTES

On a motion by Mr. Minor and seconded by Mr. Bland, the minutes from the July 21, 2014, meeting were approved unanimously.

ACTION ON INSTITUTIONAL PERFORMANCE MEASURES

Dr. Mottley reviewed information provided by the institutions and answered questions from members. She explained that at the time the agenda books were prepared, staff did not have the results of financial and administrative measures. That information has since been received and a copy of the information from the Secretary of Finance was distributed.

Dr. Mottley explained that there are two major sets of measures for all institutions. There are six education-related measures along with a set of financial and administrative measures. The results for the six education-related measures were discussed at the July meeting of the Committee. Although some targets were missed by some of the institutions, overall the results were favorable, particularly since this was the first review with the new measures. With regard to the financial and administrative measures, all institutions passed the review with the exception of Norfolk State University (NSU). She explained that NSU is awaiting the results of its 2013 financial audit from the Auditor of Public Accounts (APA), which is expected to be completed by the end of October. The APA has indicated that improvements have been made. President Moore was in attendance and explained the reasons that caused NSU to miss its measure and reported that he has taken steps to educate staff on state rules for financial accounting. He answered questions from members and requested an exception to allow the institution more time to meet the measure. Mr. Minor commented that NSU has a strong board and gave much credit to Mr. Moore. Mr. Light echoed those sentiments and commended Mr. Moore for his

leadership and accomplishments in the two years since he has been president at NSU. Mr. John Ringer, Associate Director of the Department of Planning and Budget (DPB), was in attendance and answered a question related to debt measurement. He said that each institution is required to review its own measure with its board. Mr. Haner reminded members that the statutory language gives SCHEV flexibility in certifying the institutions' performance standards.

Dr. Mottley explained that institutions with Level II authority had two additional education-related measures. Although a couple of institutions missed their targets on one year of measures, overall, most did well and some exceeded their targets. These measures had not been reviewed since 2011.

Since this was the first time that the six general education-related measures had been reviewed and the first testing of some definitions for the performance measures, Dr. Mottley indicated that staff was recommending that all institutions receive certification. Dr. Mottley distributed a revised resolution and on a motion by Mr. Light and seconded by Mr. Minor, the following revised resolution was approved unanimously to be forwarded to the full Council:

BE IT RESOLVED that consistent with §23-9.6:1.01, Code of Virginia, the State Council of Higher Education for Virginia certifies for 2014-2015 and 2015-2016 that all public institutions have satisfactorily met the performance standards of the Virginia Higher Education Opportunity Act and Appropriation Act with the proviso that Norfolk State University receives this certification pending the results of its FY2013 financial audit.

Mr. Haner expressed concerns about institutions missing some targets for the performance measures. He indicated that the expectation for future assessments would be that the institutions would pass all measures.

DISCUSSION OF 2014-16 SYSTEMWIDE OPERATING BUDGET AMENDMENTS

Mr. Blake reported that the Council would need to make its recommendations to Governor at the October meeting. However, he explained that this year's process is complicated by the fact that the Governor has requested budget reductions from all agencies and institutions prior to the submission of the Council's budget amendment recommendations. He indicated that Suzette Denslow, Deputy Chief of Staff to the Governor, was scheduled to provide more details at the joint meeting with the Presidents following this meeting.

Mr. Hix provided a high level overview of the erosion of funding over the last several years. In response to a question from Mr. Bland, Mr. Hix agreed to check on NSU's percentage of guideline over time.

Ms. Connelly expressed concern about the lack of stability in state funding and suggested that the Council wait until the state budget is finalized before advancing its recommendations. Mr. Haner requested input from members about setting priorities

for budget recommendations and several were mentioned: financial aid; programs oriented to student success; and technology, specifically support of the Higher Education Equipment Trust Fund (HEETF). Mr. Haner encouraged members to contact staff if they had questions or additional recommendations. He stated that it was his intention to prepare budget amendment recommendations for approval by the Council in October.

The meeting adjourned at 2:45 p.m.

Steve Haner
Committee Chair

Lee Ann Rung
Director, Executive & Board Affairs