

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA  
RESOURCES AND PLANNING COMMITTEE  
October 24 2022  
MINUTES**

Ms. Harker called the meeting to order at 3:04 p.m. on the third floor of the Virginia Community College System office. Committee members present: Victoria Harker, Katharine Webb, John Broderick, and Jennie O'Holleran.

The following Committee member was unable to attend: Walter Curt

Staff members present: Tom Allison, Lee Andes, Peter Blake, Celeste Chalkley, Grace Covello, Alan Edwards, Wendy Kang, Tod Massa, Laura Osberger, Evan Price, Yan Zheng.

Others present: Ramona Taylor, Office of the Attorney General

**APPROVAL OF MINUTES**

On a motion by Victoria Harker and seconded by Ken Ampy, the minutes from the September 19, 2022, meeting were approved unanimously.

**ACTION ON BUDGET AND POLICY RECOMMENDATIONS FOR FY24**

Ms. Kang provided an overview of the budget and policy recommendations including system-wide cost increases and impact on tuition and fees, institution-specific services and activities, capital investments and planning, and other considerations based on current activities related to higher education.

Ms. Kang noted a \$1 billion dollar investment in higher education operations and student financial aid in the 2022 and over \$1 billion in capital investments from the 2022 General Assembly session. For this year, SCHEV staff decided to look for gaps in items that were not previously funded. Staff decided to recommend costs related to the 5 percent salary increases, inflation related to nonpersonal services, operations and maintenance of new facilities, and the military survivors program.

Ms. Kang highlighted other statewide priority areas and initiatives, including additional potential investments in the state internship program, financial aid, workforce alignment, mental health services and freedom of expression on campuses, and efforts to mitigate system-wide cost increases.

Committee members expressed interest in an award related to a contractor helping small business with internships. President Broderick brought to Council's attention co-op programs in Northeastern and Drexel that the Commonwealth might want to look at for ideas. Ms. Webb indicated the value of the work to date and collaboration with the Virginia Office of Education Economics (VOEE), where there is a continuing interest in aligning educational programs with labor market needs. She said that universities and colleges are the places where this can happen best.

Members discussed a mental health pilot program initiative funded in the budget. Staff noted that it received 10 responses to the request for proposals. Ms. Kang said that institutions have identified mental health issues as a high priority. She also discussed faculty training related to addressing mental health needs.

Ms. Kang said there is funding in the second year of the budget of \$25 million to increase efforts on access and retention among low-income students. SCHEV is currently reviewing RFPs to hire a national contractor to support the effort per the budget language. SCHEV staff noted that there will be a briefing in December by JLARC on the dual-enrollment report.

Ms. Kang discussed capital investments and SCHEV's review, including factors to be considered as capital planning advisory committee (sometimes referred to as "Six-Pac") discusses capital projects. SCHEV staff noted that while the state has invested significantly in capital over the years, there remains a significant backlog in maintenance reserve.

Ms. Kang presented information on expenditures from federal stimulus funding. She said that institutions have until next year to spend funds. Council members discussed how institutions can use the federal stimulus funds and the multiple types of federal stimulus funding that institutions received.

Ms. Kang introduced Robert Lambeth, president of the Council of Independent Colleges in Virginia (CICV), to discuss funding at Virginia's private colleges. Mr. Lambeth noted that the private sector enrolls 40% of the nursing students in Virginia. He said that the Commonwealth provided strong support to public and private institutions at the last General Assembly session. He said that CICV encouraged policy makers to support Pell-eligible students across the board including those enrolled at private colleges.

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

**WHEREAS, Pathways to Opportunity, the statewide strategic plan for higher education in the Commonwealth, seeks to place Virginia as the best state for education by 2030; and**

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

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

**WHEREAS, Council's budget recommendations for FY 2024 address the needs of affordability, equity and transformation; now, therefore**

**BE IT RESOLVED that the State Council of Higher Education for Virginia**

**approves the Budget and Policy Recommendations for system operations and financial aid for FY 2024 and directs its staff to transmit the recommendations to the Governor and the General Assembly.**

### **ACTION ON INSTITUTIONAL PERFORMANCE STANDARDS**

Ms. Kang provided an update on the institutional performance standards. She said that that the financial and administrative standards have been met by all institutions as evaluated by the Department of Planning and Budget and the Secretary of Finance. Not all institutions met the education related measures, which SCHEV assesses. The institutions that failed to meet education related measures include: Christopher Newport University, Longwood University, Norfolk State University, University of Virginia – Wise, Virginia Commonwealth University, Virginia State University and Richard Bland College.

Council members discussed the input SCHEV staff should provide to institutions on remediation plans to ensure that they meet the standards in the future. Council suggested partnering institutions with other institutions to help in this area. Tod Massa indicated that in January of 2023 SCHEV will begin work on enrollment projections, a key feature of the education-related performance standards, and that Council can offer guidance on how to improve the process.

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

**BE IT RESOLVED that, consistent with § 23.1-206, Code of Virginia, the State Council of Higher Education for Virginia certifies for FY 2023 and FY 2024 that William & Mary, George Mason University, James Madison University, William and Mary, Old Dominion University, Radford University, University of Mary Washington, University of Virginia, Virginia Military Institute, Virginia Tech, and Virginia Community College System public institutions have satisfactorily met the performance standards of the Virginia Higher Education Opportunity Act and the Appropriation Act. The Council certifies Christopher Newport University, Longwood University, Norfolk State University, University of Virginia at Wise, Virginia Commonwealth University, Virginia State University, and Richard Bland College for FY 2023. The Council will review the institutions' updated data and remediation plans in May 2023 to determine certification for FY 2024.**

### **DISCUSSION ON THEMES FROM THE SIX-YEAR PLANS**

Mr. Allison discussed the themes of the six-year plans including support for the institutional costs related to the 5% salary increases, financial aid, operations and maintenance for new facilities coming online, information technology costs, student affairs and educational programs. Mr. Allison said that staff has met with the Secretary of Finance, the Secretary of Education, the Director of the Department of Planning and Budget, the staff directors of the Senate Finance and Appropriations Committee and the House Appropriations Committee and the Director of SCHEV (a group also known as "Op-Six") to review the plans.

The general fund amounts included in the six-year plans summed to \$421 million. They included items related to financial aid, general operations, operation and maintenance of new buildings, salaries, workforce tuition moderation, mental health services, free speech and new academic programs.

Mr. Allison noted that the SCHEV Student Advisory Committee met last week. SAC members discussed mental health issues on college campuses. They said that the wait time for mental health resources is a part of the challenge, indicating that students may wait until the last minute to receive help.

SCHEV staff is currently working with members of the Op-Six to respond to institutions.

Ms. Harker asked for the general themes that Mr. Allison presented be compared to last year.

### **REPORT ON THE STATUS OF FULL COST REQUIREMENT FOR OUT-OF-STATE STUDENTS**

Ms. Kang presented information on the requirement that institutions charge out-of-state students at least 100% of the cost of instruction. The policy's objective is to ensure that state funds are not used to support nonresident students. Council delegated this responsibility to staff in 2019 following several consecutive years of all institutions meeting this requirement. Now, however, due to recent funding increases and a slowdown in enrollment growth, two institutions' charges to nonresident students are below this requirement.

SCHEV staff provided background for why Norfolk State University and Virginia State University did not meet the requirement. Over the last several years, these two institutions had minimal tuition increases for both in-state and out-of-state students. They also received additional general fund appropriations and experienced a decline in enrollment. As a result, these institutions are below the full-cost requirement.

SCHEV staff received feedback from staff of the Department of Planning and Budget, the secretaries of Finance and Education and the staff of the legislative money committees that we should request the institutions review the data and identify options to meet this expectation. SCHEV staff met with staff from NSU and VSU to review their data. Both institutions intend to submit a response this month. SCHEV staff will review with the group identified above and provide an update to Council.

Council members discussed the options institutions have to meet the requirement and whether the Commonwealth might want to revisit the policy. They also said that the topic is related to broader issues around enrollment and asked staff to prepare additional information for a longer discussion at a future meeting.

### **MOTION TO ADJOURN**

The Chair adjourned the meeting at 4:30 pm moved by Ms. Webb, seconded by Mr. Ampy and approved by the committee.

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Victoria Harker  
Committee Chair

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Grace Covello  
SCHEV Staff