

**A Study of the Program Needs, Collaborative Issues, and
Ownership and Management Issues Related to the
Establishment of the Roanoke Higher Education Center**

Developed by
The State Council of Higher Education for Virginia
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Preface

Senate Bill 1180, sponsored by Senators John S. Edwards and passed in early 1997, established the Roanoke Higher Education Authority (RHEA) and authorized it to create the Roanoke Higher Education Center (RHEC). The purpose of the RHEA, as accomplished through the RHEC, is to expand access to higher education in the Roanoke Valley by providing continuing education and degree-granting programs. The RHEA is to accomplish this through partnerships with the Commonwealth's public and private institutions of higher education.

However, in the absence of information on the extent of such educational needs, the General Assembly delayed the funding of the RHEA until 1998, and asked the State Council of Higher Education for Virginia to conduct a programmatic assessment of such needs.

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Executive Summary

Senate Bill 1180, passed in 1997, established the Roanoke Higher Education Authority (RHEA) and authorized it to create the Roanoke Higher Education Center (RHEC). The purpose of the RHEA, as accomplished through the RHEC, is to expand access to higher education in the Roanoke Valley by providing continuing education and degree-granting programs. The RHEA is to accomplish this through partnerships with the Commonwealth's public and private institutions of higher education.

However, in the absence of information on the extent of such educational needs, the General Assembly delayed the funding of the RHEA until 1998, and asked the State Council of Higher Education for Virginia to conduct a programmatic assessment of such needs.

The Council commissioned the Weldon Cooper Center at UVA to undertake a study of demographics related to the educational needs of the Roanoke Valley. Their findings showed that the area was below state averages in educational attainment. The study also indicated that the future industrial base of the Roanoke Valley required an emphasis on completion of secondary schooling and specific technical training rather than on the completion of degree programs.

A survey by the Council revealed an extensive array of degree programs already offered within the RHEC's operating area by the state's public and private institutions. While many of these programs are on an 'out-reach' basis, no major gaps in offerings were detected by the Council's study. The survey also indicated a very large number of not-for-credit programs in place or proposed for the RHEC operating area.

While no specific program voids were detected by the Council's research, a large scale need for the RHEC to coordinate the promotion and provision of existing program offerings was identified. Such coordination would benefit the citizens of the Roanoke Valley and offer cost-efficiency for all parties involved.

Towards the end of how the RHEC could best fulfill this coordinating function, the Council researched both in and out-of-state circumstances that could offer conceptual approaches for the RHEA. The study identifies the Southwest Virginia Educational Center and the Dallas Educational Center as two operations that could serve as models for the RHEA and RHEC. In short, these models suggest that the RHEC operate as a 'brokering' function, bringing together

the needs of the population with the resources of the institutional and other program providers in the area.

The key issue for the RHEC is the selection of a physical facility that provides a cost-efficient approach to its prospective brokerage function. Recognizing that the RHEC will be a partnership that includes the localities involved, the students using the services, the institutions providing the programs, and the state, the RHEA must submit operational and capital budgets that represent a fair sharing by all these constituents.

The Council's research identified the numbers of Full Time Equivalent Students (FTES) that would use the RHEC to pursue degree programs. However, it was not able to obtain accurate numbers of those who would attend purely personal or workforce development programs at the RHEC. The numbers attending degree programs can be translated directly into a facility square footage requirement, using educational standards. Without the numbers who might attend not-for-credit programs, the study does not offer a total square footage that the RHEC would need in a facility. However, the study does provide a formula for converting the headcounts of not-for-credit program attendees into square footage requirements.

These findings in the study suggest that the first priority for the RHEA is to contact the many agencies that provide personal and workforce development programs in the Roanoke Valley, and establish who would use the facility and how many individuals would be involved. The RHEA must then suggest a facility that fills the consequent space needs. Finally, it must provide a financing plan for the facility that takes into account the participating institutions' underwriting of their 'fair' share of costs, the contributions of localities, interested private parties, and program attendees, and the underwriting provided by the state.

Introduction

Senate Bill 1180, approved in 1997 by the General Assembly, established the Roanoke Higher Education Authority (RHEA) to expand "access to higher education in the Roanoke Valley by providing for adult and continuing education and degree-granting programs, including undergraduate, graduate, and professional programs, through partnerships with the Commonwealth's public and private institutions of higher education." In SB 1180 the General Assembly gave the RHEA the authority to establish the Roanoke Higher Education Center (RHEC) to carry out the above purpose with such funds as might be appropriated by the state or gained from other sources (See Appendix A for the full text of SB 1180).

However, the General Assembly delayed implementation of SB 1180 until July 1, 1998. It directed the State Council of Higher Education for Virginia (SCHEV) to "conduct, in consultation with the institutional representatives named in the act as members of the Roanoke Higher Education Authority, a programmatic assessment of the need for the Roanoke Higher Education Center, and to report the findings.. to the General Assembly by October 15, 1997."

The specific mandate to SCHEV was further refined in language accompanying a budget amendment that provided \$10,000 to SCHEV "to conduct a study of program needs, collaboration among the institutions of higher education, and ownership and management issues relating to a higher education center in Roanoke.."

The RHEA has defined its service area as the Roanoke Metropolitan Statistical Area (Roanoke County, the independent cities of Roanoke and Salem, and Botetourt County), and the city of Bedford and the counties of Bedford, Craig, and Franklin (referred to as the 'additional area'). The Weldon Cooper Center study cited in this report determined these localities are reasonably inter-related for the purpose of justifying them under the auspices of RHEA. The 1996 estimate of the total population of this area is 340,600. The city of Roanoke is Virginia's ninth largest independent city, with an estimated 1996 population of 95,700.

This report provides SCHEV's findings related to the stated mandate from the General Assembly. Accordingly it is divided into three sections: "Program Needs"; "Collaboration Among The Participating Institutions"; and "Ownership and Management Issues."

Program Needs

The word "program" as used by the General Assembly in SB 1180 covers a rather broad swath of educational activities. In the traditional arena of post-secondary education, 'program' refers to those activities ('for-credit') that lead to associate, bachelor, and graduate degrees. However, in SB 1180 it is clear that the legislature also intended to include 'not-for-credit' programs—those programs that prepare citizens with specific job skills, provide remedial efforts to insure basic grade or secondary school skills, or otherwise assist in personal development without a degree as a goal—in the definition net.

The distinction between for-credit and not-for-credit is important, since the constituency and program provision approach for each category is different. It can be assumed that the majority of not-for-credit programs are workforce development in nature.

In each category there are demand and supply components. For degree-oriented higher education programs, the demand arises from individuals making life direction decisions. For not-for-credit programs, it comes both from individuals and from organizations seeking more qualified workers. In each case the ability to determine the demand accurately at the individual level would require a particularly difficult, expensive, and time-consuming survey.

On the supply side, degrees are offered in the RHEA service area by a variety of institutions, some of whose central facilities are within the area, and others who are involved on an 'outreach' basis. Workforce training and other non-credit programs are offered by a large and diverse pool of providers, some of whom are also the degree-granting institutions. Figures were available from the RHEA participating institutions concerning their credit and not-for-credit offerings, but were unavailable from other providers that might in the future have a relationship with the RHEC.

Accordingly SCHEV decided that the most reasonable approach to understand program needs was to examine both the demand and supply side of the situation in the aggregate as best possible. The major information sources were a demographic study done by the Weldon Cooper Center (see below) and information from the institutions that are members of the RHEA (listed below as part of Table 1).

SCHEV has worked closely with the participating institutions over the last months to get a clear picture of their offerings in the RHEA service area, and to obtain projections of future needs. This constituted the supply side survey of program needs. Table 1 lists the headcounts of participants in the various educational programs offered in the RHEA

Table 1. Institutions Attended by Full- and Part-Time Roanoke Area Students
Fall, 1995

	Total		Full-Time		Part-Time	
	Number	Percent	Number	Percent	Number	Percent
Virginia Western CC*	6,354	43.9	1,529	24.4	4,825	59.1
Virginia Polytechnic*	1,305	9.0	1,034	16.5	271	3.3
Radford College*	901	6.2	675	10.8	226	2.8
Central Virginia CC	726	5.0	154	2.5	572	7.0
University of Virginia*	650	4.5	389	6.2	261	3.2
Roanoke College*	594	4.1	408	6.5	186	2.3
Hollins College*	345	2.4	124	2.0	221	2.7
College of Health Sciences*	335	2.3	129	2.1	184	2.3
James Madison University	285	2.0	261	4.2	24	0.3
Ferrum College*	270	1.9	-	-	270	3.3
Virginia Commonwealth University	238	1.6	174	2.8	63	0.8
Lynchburg College	230	1.6	98	1.6	132	1.6
Liberty College	225	1.6	174	2.8	51	0.6
Patrick Henry CC	221	1.5	33	0.5	188	2.3
Averett College*	171	1.2	44	0.7	127	1.6
ECPI Institute	141	1.0	59	0.9	82	1.0
Old Dominion University*	135	0.9	44	0.7	91	1.1
College of William and Mary	131	0.9	130	2.1	1	0.0
Mary Baldwin College*	127	0.9	41	0.7	86	1.1
Dabney S. Lancaster CC	126	0.9	20	0.3	106	1.3
Longwood College	104	0.7	100	1.6	4	0.0
George Mason University	75	0.5	66	1.1	9	0.1
Bluefield College*	73	0.5	67	1.1	6	0.1
Emory and Henry College	65	0.4	65	1.0	-	-
Mary Washington CC	60	0.4	58	0.9	2	0.0
Virginia Military Institute	51	0.4	51	0.8	-	-
Other (under 50 enrolled students)	520	3.6	342	5.5	178	2.2
TOTAL	14,458	100.0	6,269	100.0	8,166	100.0

*Indicates participation in the development of the RHEA

service area. This provides the reader an initial overview of the extent of educational resources available to the citizens within the RHEA service area.

In order to provide a picture of the demand side (and the overall environment), SCHEV engaged the Weldon Cooper Center (WCC) at the University of Virginia to develop a demographic profile of the RHEA service area. The results of the WCC study are insightful.

The Weldon Cooper Center Study

SCHEV asked the WCC researchers to develop a profile that indicated the RHEA service area inhabitants' educational level and the character of the industrial base by comparing the area to state averages. The full text of their report is contained as Appendix B. However, the following extracted facts bear the most direct relevance to the subject of post-secondary educational needs (in both categories) in the RHEA service area:

- The age bracket of 18-44 is the focus of post-secondary educational concerns in the service area. For the area, this age bracket population was 133,558 in 1990. By 2010 it will decline to 112,164, a net loss of 16 percent. The city of Roanoke alone will lose 24 percent of this age bracket by 2010.
- As of the last major Census (1990), 44 percent of the population over 25 years of age in the Roanoke MSA had some post-secondary education, defined as some college, an associate's degree, a bachelor's level degree, or more. In the additional portion of the RHEA's service area only 33 percent had this much education. As a whole, 49 percent of Virginians had this level of education.
- The RHEA's service area's industrial base is weighted towards the lower tech, non-professional end when compared to the state average. Construction, transportation, communications, utilities, manufacturing, and services other than finance, insurance, and real estate employ approximately 45 percent of the RHEA's service area's working population, compared to 40 percent for the state as a whole. The state's average proportion of executive, professional, and technical workers is 33 percent of the working population. For the Roanoke MSA it is 28 percent, and for the additional localities in the service area only 22 percent.

- By 2005, 258 occupations will each employ 100 persons or more in the Roanoke MSA, representing 91 percent of total jobs. Approximately half of the jobs that will employ 100 persons or more in the service area rarely if ever require any post-secondary training. The remaining half are about equally divided among those that sometimes require post-secondary training, those that require formal certification of one type or another, and those that require a bachelor's degree or more. This means that only one-sixth of workers in the major employment occupations in the area will require a bachelor's degree or more by 2005.
- Approximately 30 percent of persons aged 25 and over in the RHEA service area have not graduated from high school. This compares to 25 percent statewide.

SCHEV also asked the WCC to provide aggregate information about the student population within the RHEA service area. In combination with Table 1 and the facts cited above, the figures profile the demand side of program needs within the area.

Table 2. Full-Time/Part-Time Status of Roanoke Area Students
Fall, 1995

	Number	Percent
Full-time	6,269	43.4
Part-time	8,189	56.7
Total	14,458	100.0

Table 3. Residence of Roanoke Area Students
Fall, 1995

	Total		Full-Time		Part-Time	
	Number	Percent	Number	Percent	Number	Percent
Roanoke MSA	10,534	72.9	4,635	73.9	5,880	72.0
Additional area	3,924	27.1	1,634	26.1	2,286	28.0
Total	14,458	100.0	6,269	100.0	8,166	100.0

Table 4. Age of Roanoke Area Students
Fall, 1995

	Total			Full-Time			Part-Time		
	Number	Percent	Cumulative Percent	Number	Percent	Cumulative Percent	Number	Percent	Cumulative Percent
Under 18	845	5.8	5.8	214	3.4	3.4	631	7.7	7.7
18-19	2,756	19.1	24.9	2,218	35.4	38.8	537	6.6	14.3
20-24	4,121	28.5	53.4	2,705	43.1	81.9	1,414	17.3	31.6
25-29	1,755	12.1	65.5	501	8.0	89.9	1,249	15.3	46.9
30-34	1,283	8.9	74.4	230	3.7	93.6	1,047	12.8	59.7
35-39	1,123	7.8	82.2	168	2.7	96.3	950	11.6	71.4
40-44	1,086	7.5	89.7	136	2.2	98.5	949	11.6	83.0
45-49	804	5.6	95.3	62	1.0	99.4	741	9.1	92.1
50-54	373	2.6	97.8	16	0.3	99.7	356	4.4	96.4
55-59	135	0.9	98.8	4	0.1	99.8	130	1.6	98.0
60+	177	1.3	100.0	15	0.2	100.0	162	2.0	100.0
Total	14,458	100.0		6,269	100.0		8,166	100.0	

Table 5. Location of Institutions Attended by Roanoke Area Students
Fall, 1995

	Total		Full-Time		Part-Time	
	Number	Percent	Number	Percent	Number	Percent
Inside Roanoke MSA	7,769	53.7	2,249	35.9	5,498	67.3
In additional area	270	1.9	0	0.0	270	3.3
Outside Roanoke MSA	6,419	44.4	4,020	64.1	2,398	29.4
Total	14,458	100.0	6,269	100.00	8,166	100.0

Table 6. Type of Institution Attended by Roanoke Area Students
Fall, 1995

	Total		Full-Time		Part-Time	
	Number	Percent	Number	Percent	Number	Percent
Community college 2-year institution	7,556	52.3	1,785	28.5	5,771	70.7
Four-year college	1,726	11.9	922	14.7	782	9.6
For-profit undergraduate school	143	1.0	60	1.0	83	1.0
University, limited graduate offerings	2,191	15.2	1,384	22.1	807	9.9
University, full graduate offerings	2,830	19.6	2,108	33.6	721	8.8
Other	12	0.1	10	0.2	0	0.0
Total	14,458	100.0	6,269	100.00	8,166	100.0

Table 7. Degrees and Certificates Sought by Roanoke Area Students
Fall, 1995

	Total		Full-Time		Part-Time	
	Number	Percent	Number	Percent	Number	Percent
None	4,027	27.9	147	2.3	3,879	47.5
Award	657	4.5	127	2.0	523	6.4
Associate's degree, bachelor's credit	2,092	14.5	1,088	17.4	993	12.2
Associate's degree, occ/tech credit	1,840	12.7	665	10.6	1,175	14.4
Bachelor's degree	4,847	33.5	3,944	62.9	899	11.0
Post-bachelor's certificate or degree	995	6.9	299	4.7	697	8.5
Total	14,458	100.0	6,269	100.0	8,166	100.0

Overall, the WCC demographic information leads to some basic conclusions:

- 1) Upgrading the general level of education is desirable and will probably raise the level of the industrial base of the area. Here SCHEV assumes that a well-educated workforce precedes economic growth.
- 2) It appears more benefit would come from emphasizing the workforce development category of programs—particularly programs which bring the area's population up to state norms for a high school education—than from establishing more opportunity to obtain higher education degrees.
- 3) Substantial portions of the region's for-credit enrollment will continue in the same pattern, regardless of other opportunities which may be made available in the RHEA service area. For example, the establishment of a higher education center in Roanoke is unlikely to uproot RHEA service area citizens currently attending Virginia Tech, the University of Virginia, VMI, and so on.
- 4) Approximately half of students enrolled in for-credit courses are at the local community

colleges. Only 7 percent are enrolled in graduate programs.

In general it can be said that the WCC Study paints an environment in which efforts to upgrade the educational level of the RHEA's service area citizens—primarily in the area of workforce preparation and skills improvement—would benefit the area and the state. The question on the supply side becomes whether such efforts are already there, and the extent to which they satisfy current and projected need.

SCHEV's Review of Existing For-Credit Programs in the RHEA Service Area

Information was obtained from the participating institutions concerning their current and prospective programs that lead to granting undergraduate or graduate degrees in the RHEA service area. Appendix C is a chart showing these programs by the offering institution.

Besides the institutions shown in Appendix C, there are five other private sector institutions in Roanoke offering educational programs that are both for-credit and workforce development in nature. Appendix E identifies these institutions and provides headcounts of attendees.

SCHEV requested that the participating institutions provide figures on the Full-Time Equivalent students (FTEs) currently enrolled in their programs that would likely use a specific physical center if the RHEA were to offer such a facility. They were also asked to project such enrollments for the year 2000. The breakdown of the FTEs provided is contained in Appendix F.

In the aggregate, approximately 1,000 current FTEs and 1,200 projected FTEs were reported to SCHEV as participants in "credit courses" by the schools. The bulk, as can be seen in Appendix F, come from Virginia Western Community College, which stated it would transfer its 'for credit' portion of continuing education and Center for Business and Industrial Technology offerings to a RHEC facility, should it become available.

It was observed that the opportunity for straightforward 4-year liberal arts degrees are somewhat limited, with only Mary Baldwin offering a complete selection of the traditional liberal arts disciplines in the continuing educational format (Hollins College and Roanoke College offer liberal arts on full-time student basis).

It was also anecdotally noted by Old Dominion University, Virginia Tech, and the University of Virginia that the facilities they are currently using to provide their programs are insufficient to offer all the disciplines they could in the RHEA service area.

Some evidence of course duplication was found in reviewing the materials provided by the

participating schools, but closer inspection usually led to discernible differences by target constituency or course content.

In sum, SCHEV found that there are multiple opportunities for the citizens of the RHEA service area to pursue higher education degrees if they so desire. There is no indication that a large demand for degrees is going unmet by the in-area offerings of the RHEA participating institutions. It should also not miss notice that Virginia Tech, the state's largest public university, and Radford University are both within a reasonable drive of Roanoke. The 40-minute drive to Virginia Tech is almost all interstate and would be considered a normal commuting time by many enrolled in higher education programs in other parts of the state.

The BKW Research Group, Inc. Study

In the preparation of this report SCHEV was made aware of a 1995 study done by an organization named the BKW Research Group, Inc. Supporters of establishing a 4-year public university in the city of Roanoke use this study as evidence that such an institution is justified.

SCHEV does not question the BKW approach or accuracy, but the findings do not support the establishment of a new university and were determined inconsequential to this study. In sum, the only way to interpret the BKW results is to say that if a four-year university was created in Roanoke, some portion of those from the Roanoke area who intend to attend a degree-granting institution would consider attending the Roanoke institution. The report does not address any lack of opportunity to obtain degrees from local or surrounding program providers.

SCHEV's Review of Existing Not-For-Credit Programs in the RHEA Service Area

SCHEV restricted its formal survey efforts of not-for-credit programs to the participating institutions in the RHEA service area. The current and projected programs are shown in Appendix D. Figures for attendees in not-for-credit programs were obtained from each of the schools. However, the total number of participants in not-for-credit programs in the service area vastly exceeds the figures obtained, since there are many programs that did not come under SCHEV's research scrutiny.

As an example, the New Century Regional Council, a public-private economic development body, determined that 30 different agencies and private operations were involved in workforce development within the Roanoke region. The New Century Regional Council is one of several Roanoke area organizations that is calling for a better-coordinated approach to handling workforce development. Their point of view and its ramifications for the RHEC are discussed

below.

The participating institutions did not provide not-for-credit numbers in the form of FTEs since FTEs are based upon credit courses. Instead, figures were provided by 'headcount' which indicates the actual number of people taking programs. The resultant counts (existing and projected) for the specific institutions are shown in Appendix G.

The numbers provided show that only Bluefield College (40 at present, and a projected 70 in the year 2000) and the University of Virginia (614 at present and 1,000 in the year 2000) provide non-credit classes in the RHEA service area besides those offered at the Virginia Western Community College. VWCC maintains that the figures reported to SCHEV (8,000 at present and 12,000 by the year 2000) are accurate reflections of how many non-credit headcounts that they would send to the RHEC physical facility if it were available. This represents the major portion of VWCC's continuing educational offerings. SCHEV questions whether such a relocation might leave the VWCC facility underutilized.

The impetus for offering not-for-credit programs, ranging from basic to specific skills development, usually comes from public (federal and state) agencies pursuing particular missions (e.g., the Virginia Employment Commission), or from private sector organizations that have a workforce skills need. The participating institutions did not indicate to SCHEV that there were a great many unmet needs in the arena of not-for-credit programs. Indeed, the New Century Region Council's findings indicate that there are many organizations—public and private—prepared to provide such programs when specific needs arise.

In conversation with officials at the New Century Region Council they made the point that their research had indicated that the major problem with workforce development in the Roanoke vicinity was the fractured nature of offerings, and the general lack of knowledge concerning the availability of such services. Their point of view is that availability is not a problem, but coordination and effective promotion is.

The New Century Region Council is lobbying to obtain funds from several public and private sources to implement such a coordinating and promoting body; a "one stop shopping" approach for all parties concerned—both those that offer such programs and those that can use them. They are interested in the prospects of working with the RHEC in accomplishing their stated purpose.

Conclusions About Program Needs

- 1) With the available in-the-service-area programs and the proximity of several of the Commonwealth's major public educational institutions, there is no credible evidence that strongly supports the creation of a new, 4-year degree-granting public institution with the RHEA service area.
- 2) There is ample evidence to indicate that the RHEA should constitute the RHEC as a body that coordinates and promotes the existing post-secondary education programs—both for-credit and not-for-credit—available in the area. While little evidence was obtained to indicate duplication inefficiencies, a central coordinating body could ensure such problems don't exist and that various other levels of cost efficiency are realized.
- 3) While Virginia Western Community College is certainly the largest player in offering not-for-credit programs, there are many others that must be considered—and coordinated—in creating a successful "one stop shopping" concept for workforce development activities within the RHEA service area.

Collaboration Issues

Collaboration among the higher education institutions offering programs in the RHEA service area can occur on three levels: shared administrative functions and resources (including facilities); coordination of marketing and information provision; and the development of academic policy related to course transfer. Some level of collaboration within all three of these areas already exists in the RHEA service area at the Roanoke Graduate Center. Also, the universities in the region already cooperate with the community colleges concerning course credit transfer. However, the RHEC could play a significant role in increasing the collaborative efforts—and consequently, the cost effectiveness—of the higher education institutions offering programs in the RHEA service area.

The participating universities should willingly collaborate on sharing administrative and resource costs to the extent they do not have a major inflative impact on their existing budgets. Naturally, since the proposed activities and facility of the RHEC will represent an increased expenditure on programs within the area, some serious negotiations with the participating institutions loom on the horizon.

Collaboration at the academic policy level is a difficult enterprise for universities. Decisions about the transfer of courses, and the satisfaction of degree and residency requirements will strongly impact on students. Ideally, the RHEC could coordinate offerings so that a student could assemble classes from several institutions into a coherent program leading to a degree. The Authority should make this area of collaboration a high priority.

SCHEV recommends a "brokering" concept for the RHEC in the next section. Under this approach, the RHEC will facilitate a higher level of collaboration among the participating institutions than would otherwise occur. The model of the Southwest Virginia Center, also discussed in the next section, shows that such an approach can work.

Ownership and Management Issues

There are three issues related to the operation and governance of the RHEC that merit discussion. They are the governance structure, the fiscal policies for the operation of the Center, and the acquisition and preparation of a facility to house the Center.

Governance Structure

The General Assembly has authorized the creation of an independent authority (the RHEA) modeled after the structure of the Southwest Virginia Higher Education Center. The Authority has a legal standing separate from its member institutions and is charged with the following specific responsibilities:

- 1) Expand access to higher education in the Roanoke Valley by providing for adult and continuing education and degree-granting programs, including undergraduate, graduate, and professional programs, through partnerships with the Commonwealth's public and private institutions of higher education;
- 2) Serve as a resource and referral center on existing educational programs and resources by maintaining and disseminating information;
- 3) Develop, in coordination with the State Council of Higher Education for Virginia, specific goals for higher education access and availability in the Roanoke Valley. (§23-231.14)

The role of the Authority as the agent for the Roanoke Valley and as a “broker” of existing education and training programs is clear. However, the information collected by the Council in its study of the needs of the Roanoke Valley indicates the need for a balanced program mix of traditional higher education degree offerings, adult and continuing education courses, and targeted workforce preparation and training programs. The charge to the Authority includes these missions but may not be explicit enough to represent the emerging concept of a “one-stop” workforce development center.

The designated member institutions do not include representatives from the for-profit private colleges. There are several well-established institutions in the region that provide job entry educational programs and work closely with industry and government agencies to deliver targeted

in-service training. The Authority should consider adding representatives from such institutions either to the membership or its committees.

The role of other institutions, especially those from other regions of the state, should be explored further and accommodated in the operating policies of the Authority. The role of the Authority should be to maximize the options available to potential students and corporate clients of the RHEC. If adequate telecommunications capacity is available, there will be an expanding number of distance-learning courses and programs that could be made available to the residents of the Roanoke Valley. The Center's programming must be customer focused rather than institutionally oriented.

The administration of the RHEC should be solely the responsibility of the Authority, but there are opportunities for efficiencies that should be explored. For example, accounting service, construction management, and personnel are functions that could be contracted out to an institution.

Fiscal Policies

The funding of the Center's operations, the educational programs offered by participating institutions, and the acquisition and operation of the facility are critical issues in implementing the RHEC. The Southwest Virginia Higher Education Center provides a model that should be followed with some modification.

The administrative functions of the RHEC should be separately budgeted and include the cost of center administrators, support staff, and the brokering activities of the Center, as well as the essential administrative functions. At the Southwest Virginia Center, these functions are funded by an appropriation from the state. Consideration should be given to a shared responsibility between the state and local government. Governance and fiscal responsibility should be matched.

During implementation (1998-2000) the administrative functions of the Center will have to be expanded to include program planning and a more extensive market analysis to determine initial program offerings. Funding for project management will be necessary and should be included in the funding of the facility. The funding in 1997-98 for additional planning should be focused on the operating and facility planning activities assuming that the Center will not begin operation in a new facility until 2000-02. The 1996-97 funding of approximately \$250,000 and staffing levels of the Southwest Virginia Center administrative functions appear adequate for the RHEC during 1998-2000.

The educational and training programs should be the responsibility of the participating institutions and other providers of training or education. The institutions should rely on their normal budget resources for activities at the RHEC. Relocated activities should be considered as within base budgets and incremental enrollments as new activities. The institutions should anticipate responsibility for all direct costs of programs and courses, including a fair-market rental cost for space reserved or used. The institutions should also participate in the cost of essential services, such as security, etc. in the rental rate or as a separate indirect cost. Public institutions should assume that standard state policies will determine the mix of funds between the general fund and tuition and fees. Private institutions should assume that no special state support would be provided for offerings at the Center.

Operating budget adjustments for the institutions offering courses and programs at the RHEC should be considered as a 2000-02 issue since current offerings can be continued in existing facilities from base-budget resources.

The cost of acquiring and outfitting the facility to house administrative and educational operations of the Center will be the most critical issue in determining the fiscal feasibility of the Center for the state and institutions. Largely the scope of the facility and how it is financed will determine the cost of the facility. The Authority has the responsibility for these decisions. There are several studies that are recommending the creation of “one-stop” centers across the Commonwealth. Some consideration should be given to a shared responsibility between the state and the localities served by the RHEC. Two alternative approaches that should be considered by the Authority are the Southwest Virginia Center and the downtown Norfolk campus of Tidewater Community College. The Southwest Virginia Center is discussed in appropriate detail below. The major characteristic that the RHEA should consider about the Tidewater facility is its form of funding: the city of Norfolk developed the facility through an economic development bond issue. Tidewater Community College leases the facility from Norfolk on a long-term basis.

The Southwest Virginia Higher Education Center

Located in Abingdon, the Southwest Virginia Center is operated by the Southwest Virginia Higher Education Authority. The Southwest Center is the only center in Virginia that has a separate listing in the Appropriation Act. General and non-general funds are provided for administrative/operating costs.

The Center has an ‘independent’ director and staff who handle the day-to-day operations, coordinate the scheduling of classes, work with the participating institutions to coordinate

program offerings, and ensure that proper student services are provided. The director's primary efforts are in the area of "brokering" the needs of the marketplace (degrees and workforce development) with the capabilities of the participating institutions. The director cannot dictate offerings, but has to exercise persuasive skills in ensuring the marketplace is satisfactorily served by the participating institutions. The administrative budget for the Southwest Center was \$212,124 in fiscal 1966.

The Southwest Center leases space from a third party facility owner. The lease costs have been borne by student fees, contributions from the participating institutions' budgets, and by general funds from the state. A new facility, owned by the Authority, will be placed in use in 1998. Funding to support the bond issue that underwrote the building's development will continue from the same sources.

The Dallas Education Center

The UVA study found an interesting model for consideration in the Dallas Education Center. Essentially it is configured very similarly to the Southwest Virginia Center, and an in-depth discussion of its characteristics is not warranted. However, the Planning Proposal submitted by the participating institutions is of special merit and serves as an extraordinary blueprint for developing a center such as the RHEC. The complete Dallas Education Center Proposal is reproduced in Appendix I of this report.

Facility Justification

The Authority has responsibility for determining its facility needs. SCHEV does suggest that existing space planning guidelines be used to match anticipated educational programs and available space. No state institution should expect state support for facility costs that are not justified by SCHEV guidelines or special program needs.

In determining the scope of a facility, the following guidelines should be used:

- 1) Instructional space at the rate of 42.5 square feet per full-time equivalent student (FTEs). For degree credit instructional offerings, the estimated FTEs should be calculated using 30 semester hours per FTEs in undergraduate courses and 24 semester hours in graduate courses. For non-credit course offerings, the estimated FTEs should be calculated using 900 student contact hours per FTEs.

- 2) Academic support space at the rate of 7.0 square feet per full-time equivalent student (FTEs) in degree credit courses only.
- 3) Physical plant space should not exceed 4.0 square feet per full-time equivalent student in degree credit courses only.

This represents an adjustment to the Council's space planning guides to allow consideration of not-for-credit offerings in determining the need for classrooms and laboratories.

Operating costs should be estimated at \$6-7 per square foot and included in the fair-market rental rate allocated to the participating institutions. Parking, food service, and day care centers should be considered as auxiliary enterprise functions and totally self-supporting for both direct and indirect costs.

Conclusions and Recommendations

- 1) There is a need for a higher education center in the Roanoke Valley, but the mission must be broader than the original concept of a center that offers for-credit programs only. The greatest demand is for workforce preparation and technology training (not-for-credit programs).
- 2) Although the community colleges currently have one-half the enrollment in the area, the workforce development needs cannot be served by a single institution such as the Virginia Western Community College. The many organizations that provide (and house) workforce development programs need coordination through an approach that 'brokers' the needs of the marketplace to the program providers.
- 3) The models of higher education centers that SCHEV determined best fit the needs of the RHEA service area are the Southwest Virginia Center in Abingdon and the Dallas Higher Education Center in Texas. These centers are characterized by an independent administration serving the brokering function mentioned in (2) above. These centers look to local government, the participating institutions of higher learning and not-for credit programs, private sector beneficiaries, and the state for policy and funding.
- 4) Financial responsibility for the operation of the RHEA and RHEC should be jointly shared by the participating localities and the state. Financial responsibility for the preparation and provision of programs is the responsibility of the providing institutions. Fair-market costs for facility usage and rental must be factored into program provision, and must be accounted for in the institutions' budgets.
- 5) Thus how the RHEA decides to house and underwrite the RHEC facility will be the most critical element in the RHEC's success. Since under the suggested models the participating institutions will pay for space it is likely they will become very efficient in space utilization. Institutions should not be asked to pay more than fair-market prices for space, and this limitation should be taken into account by the RHEA in figuring the RHEC's space needs.
- 6) The question about the future use of existing facilities at Virginia Western Community College if current and projected programs are moved to a RHEC facility have been clarified with the Chancellor of the Virginia Community College System. Virginia Western Community College should not receive funding for new facilities in 1998-2000 because of transfer of existing

space needs to the RHEC.

- 7) If the not-for-credit offerings (most notably the workforce development programs) are not considered, the space needs as developed by SCHEV (for 1,000 current FTEs and 1,200 projected FTEs) justify using only a portion of the current facility under consideration. SCHEV has suggested a space guideline approach for non-credit offerings. In its justification for the facility acquisition, the RHEA should include documentation of the amount of space that will be needed for each category of program (for-credit and not-for-credit). All program providers should understand that they will pay fair-market rates for the space they use, and project their needs accordingly.

APPENDICES

APPENDIX A:	SB1180
APPENDIX B:	Weldon Cooper Center Study
APPENDIX C:	Current and Projected Degree Programs by Institution
APPENDIX D:	Current and Projected Non-Credit Programs by Institution
APPENDIX E:	Other Roanoke-Based Institutions
APPENDIX F:	Current and Projected FTE Enrollment Figures for Credit Programs
APPENDIX G:	Current and Projected Headcount Figures for Noncredit Programs
APPENDIX H:	Higher Education Centers in Virginia -Programs
APPENDIX I:	Higher Education Centers in Virginia -Management & Finance
APPENDIX J:	Dallas Education Center Proposal
APPENDIX K:	Letter from Arnold Oliver, Chancellor, VCCS

APPENDIX A

Senate Bill 1180

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APPENDIX B

The Weldon Cooper Center Study

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APPENDIX C

Current and Projected Degree Programs by Institution

Institution	Present Undergraduate Programs	Present Graduate Programs	Undergraduate Programs Under Consideration	Graduate Programs Under Consideration
Averett College	Business Administration	M.B.A.	None	None
Bluefield College	Christian Ministries Administration of Justice Organizational Management and Development	None	Two new additional degree programs are due for implementation.	None
Hollins College	None (off-campus)	None (off-campus)	None (off-campus)	Counseling Social Services Management (Human Resources, Communication, Entrepreneurship) Studio Art Communications Design MAT (fifth year program) Information Science
Mary Baldwin College	Business Administration English Health Care Administration History Psychology Sociology Teacher Licensure Other Liberal Arts Major	None	None	M.A. in Teaching

Old Dominion University	I.D.S./Professional Comm. Engineering Technology Health Sciences Mngmt. Nursing	Special Education Engineering Management	Bus. Admin.: Acct. Bus. Admin.: Finance Bus. Admin.: Info. Systems Bus. Admin.: Mngmt. Bus. Admin. Marketing Criminal Justice Health Sciences (Human Services Minor) Occupational Tech. Studies	M.B.A. IDS/Elem. Middle School Environmental Engineering Taxation
Radford University	Social Work Criminal Justice Business: Acct. Business: Mngmt. Nursing Media Studies	M.B.A. Criminal Justice Social Work Nursing Counselor Education Curriculum Development Educational Leadership	Marketing Information Systems IDS: Liberal Studies IDS: Teacher Licensure	None
University of Virginia	None	Engineering Instruction/Methods Special Education	None	Reading Ed. Leadership
Virginia Tech	None	M.B.A. Engineering M.P.A. Principalship Counselor Education	None	Health/Wellness Ed. Leadership Human Resource Develop.
Roanoke College	None (off campus)	none (off campus)	none (off campus)	Commerce

Virginia Western CC	(Special Note: All of these programs are at the certificate level.) Educational Secretary Occupational Safety Food Service	None	(Special Note: This program is at the certificate level.) Financial Management	None
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APPENDIX D

Current and Projected Non-credit Programs by Institution

Institution	Current Programs	Programs Under Consideration
Averett College	None	None
Bluefield College	Society for Human Resource Management Certification	Society for Training and Career Development Certification
Hollins College	None (off-campus)	Technical Writing Women.s Center Offerings Women and Management Nutrition Leadership Computer Competency Art Education
Mary Baldwin College	None	Corporate Education
Old Dominion University	None	None
Radford University	None	None
University Of Virginia	Business Health Sciences Education Museum Professionals	None
Virginia Tech	None	None

Roanoke College	None (off campus)	Management Leadership Ethics Elderscholar
Virginia Western Community College	Personal Finance Salesmanship Management Development Real Estate Landscaping TQM Industrial Technology Safety Management Electronic Servicing (variety of other topics)	ISO

APPENDIX E

Other Roanoke-Based Institutions

Institution	Degree Levels	Headcounts
College of Health Sciences	Certificate, Associate, Baccalaureate	548
Dominion Business Schools	Certificate, Associate	156
ECPI Technical College	Certificate, Associate	249
National Business College	Certificate, Associate, Baccalaureate	1,136
Virginia College	Certificate, Associate	75

APPENDIX F

Current and Projected Enrollment Figures for Participating Institutions (Credit Courses)

Institution	Current FTEs	Projected FTEs (Year 2000)
Averett College	98	108
Bluefield College	95	120
Hollins College	none	51
Mary Baldwin College	69	80
Old Dominion University	34	43
Radford University	127	159
University of Virginia	85	100
Virginia Tech	56	75
Roanoke College	0	25
College of Health Science	0	50
Ferrum College	0	0
Virginia Western Community College	350 (C-BIT and Continuing Education)	450 (C-BIT and Continuing Education)

APPENDIX G

Current Enrollment Figures for Participating Institutions (Non-credit Courses)

Institution	Current Headcounts	Projected Headcounts (Year 2000)
Averett College	None	None
Bluefield College	40	70
Hollins College	None (off-campus)	200
Mary Baldwin College	None	None
Old Dominion University	None	None
Radford University	None	None
University of Virginia	614	1,000
Virginia Tech	None	None
Roanoke College	None	100
Virginia Western Community College	8,000	12,000

APPENDIX H

Higher Education Centers in Virginia - Programs

Name of Center	Participating Institutions	Level of Programs	Types of Programs
Hampton Roads	University of Virginia Virginia Tech	Masters Doctoral Continuing Education (credit and noncredit)	Education Engineering Materials Science Seminar in Youth Violence
Northern Virginia	University of Virginia Virginia Tech	Masters Doctoral Continuing Education (credit and noncredit)	Public Administration Architecture and Building Construction Engineering Computer Science Educational Leadership Economics Electrical Engineering Family and Child Development Finance Industrial and Systems Engineering Management Management Science and Information Technology Marketing Mathematics Physics Science and Technology Studies Teaching and Learning
Roanoke Graduate Center	Radford University University of Virginia Virginia Tech	Masters Certification Continuing Education (credit and noncredit)	Education Business Administration Engineering Criminal Justice Information Science Public Administration Educational Leadership

			Teacher re-certification
Southwest Center	University of Virginia Virginia Tech Radford University Clinch Valley College Virginia Highlands Community College Old Dominion University	Undergraduate Masters Continuing Education (credit and noncredit)	Accounting Business Administration History Engineering Social Work Guidance and Counseling Nursing Psychology Education Special Education
Stafford	Mary Washington College (Proposed) University of Virginia Virginia Tech Old Dominion University Germanna Community College Rappahannock Community College Northern Virginia Community College	Undergraduate Masters Continuing Education (credit and noncredit)	Engineering Business Administration
Tri-Cities (Portsmouth)	Old Dominion University Norfolk State University	Undergraduate Masters Doctoral Continuing Education (credit and noncredit)	Social Work Education Psychology Urban Affairs Communications Political Science English Mass Communications Business Management Accounting Engineering Criminal Justice Finance Health Sciences Information Systems Interdisciplinary Studies

			Nursing Marketing Occupational and Technical Studies Business Administration Military Career Transition Programs
Virginia Beach	Old Dominion University Norfolk State University	Undergraduate Masters Doctoral Continuing Education (credit and noncredit)	Social Work Education Psychology Urban Affairs Communications Political Science English Mass Communications Business Administration Human Services Counseling Criminal Justice Nursing Engineering Technology Health Sciences Accounting Computer Sciences Engineering History Public Administration International Studies Humanities Military Career Transition Programs
Military Educational Centers	Variety	Undergraduate Masters	Varies at each site; degree programs only.

APPENDIX I

Higher Education Centers in Virginia - Management and Finance

Name of Center	Participating Institutions	Managerial Model	Financial Model
Hampton Roads	University of Virginia Virginia Tech	<u>Building Holder:</u> Third Party <u>Center Administration:</u> Each institution has a director and staff.	<u>Start-Up Info.:</u> The institutions originally rented space separately. They are looking to move to a new location where they will continue to share the facility. <u>Facilities Costs:</u> Each institution pays a portion of the rent. <u>Center Administration:</u> Each institution has own staff. They do share a technical position. Operating costs are shared by both institutions.
Northern Virginia	University of Virginia Virginia Tech	<u>Building Holder:</u> Institutions <u>Center Administration:</u> Each institution has a director and staff.	<u>Start-Up Info.:</u> Each institution originally leased separate space. Later they jointly rented space. They now have a new facility which they both own (Tech 60% and UVA 40%). <u>Facilities Costs:</u> State-issued bonds were sold for the \$16 million building which has 105,000 sq. ft. The bond payments are made largely from E&G funds, plus the revenue they receive from the bookstore, plus a facilities fee that is assessed at \$5 per credit hour. Tech also pledged rental amounts they were previously paying to the project. <u>Center Administration:</u> Each institution supports its own staff.

			UVA and Tech share other expenses. VT pays from their graduate school budget. UVA pays from the continuing education budget.
Roanoke Graduate Center	Radford University University of Virginia Virginia Tech	<u>Building Holder:</u> Third Party <u>Center Administration:</u> A director oversees the operation. He is also a Virginia Tech employee.	<u>Start-Up Info.:</u> City of Roanoke gave the facility to VT, but VT renovated it. <u>Facilities Costs:</u> Lease is held by Tech. UVA has a separate agreement with Tech and pays them for space. Radford also pays. Utilities are paid directly by Tech. <u>Center Administration:</u> The director is a VT employee. UVA and Radford share expenses with VT.
Southwest Center	University of Virginia Virginia Tech Radford University Clinch Valley College Virginia Highlands Community College Old Dominion University	<u>Building Holder:</u> Third Party <u>Special Note:</u> In 1998 a new facility will be opened. It will be owned by the Southwest Authority. <u>Center Administration:</u> Neutral director hired by the Authority.	<u>Start-Up Info.:</u> The Southwest Higher Education Center is a state agency established in 1991 by the Virginia General Assembly. There are partner institutions (all public) who were names in the original legislation and there are associate institutions (some private) who are also affiliated with the center. State funding has been used for the center's administrative functions. <u>Facilities Costs:</u> UVA and VT are renting space from a real estate company (third party). General obligation bonds were passed in 1993. The new facility will open in January of 1998. The new facility will be owned by the Authority. A consultant has been hired to broker the agreement terms with the participating institutions. <u>Center Administration:</u> There is a

			neutral director who reports to the Authority. The administrative costs are handled by state funding. There is more collaboration and sharing of resources at this site than other higher education centers in Virginia.
Stafford	Mary Washington College (Proposed) University of Virginia Virginia Tech Old Dominion University Germanna Community College Rappahannock Community College Northern Virginia Community College	<u>Building Holder:</u> Institution (MWC) <u>Center Administration:</u> not open at this time. Anticipate that MWC will be the lead institution and handle administration.	<u>Start-Up Info.:</u> The land was given to MWC by Stafford County. General fund (9d) bonds were sold to finance the construction. Center is not yet in operation.
Tri-Cities (Portsmouth)	Old Dominion University Norfolk State University	<u>Building Holder:</u> Third Party <u>Center Administration:</u> Each institution has its own director.	<u>Start-Up Info.:</u> For the first four years the city of Portsmouth provided a facility free of charge (included utilities, etc.) The Commonwealth provided \$115,049 in general funds for the Tri-Cities Higher Education Center in 1992-93. <u>Facilities Costs:</u> Both institutions now pay rent to the city. Funding is provided from general and nongeneral funding from tuition revenue. Students pay a general services fee of \$10 per semester. In addition, students pay a student activity fee of \$23 per credit hour (which is part of their comprehensive tuition and fee charge.) <u>Center Administration:</u> Each institution has its own director and staff. Each institution shares the

			costs of the equipment.
Virginia Beach	Old Dominion University Norfolk State University	<p><u>Building Holder:</u> Third Party</p> <p><u>Special Note:</u> A new center is being built which will be owned by the institutions.</p> <p><u>Center Administration:</u> Each institution has its own director.</p>	<p><u>Start-Up Info.:</u> The institutions have been leasing space. The Commonwealth provided \$275,000 in general funds in 1988-89 (of which \$120,000 was one-time). In the 1990-92 biennium \$125,000 in general funds were added to support the expansion of the center, and \$1888,385 in general funds (of which \$83,264 was one-time) were added in the 1994-96 biennium. A new center is being built. Virginia Beach gave the land for the new center which will be located beside Tidewater Community College.</p> <p><u>Facilities Costs:</u> Nongeneral 9(d) bonds were sold to finance the new facility. The institutions will need to pay the debt. ODU may use some reserve funding it has in place. NSU is looking at student fees. Currently, the funding for educational programs, facilities and administrative costs are general funds and non-general funds from tuition revenue. Students pay a general services fee of \$10 per semester. In addition, students pay a student activity fee of \$23 per credit hour (which is part of their comprehensive tuition and fee charge.)</p> <p><u>Center Administration:</u> As previously noted, general funding and nongeneral funding are used for administrative costs. Each institution has its own director and</p>

			<p>staff. ODU and NSU share the costs of the computer lab.</p> <p>c</p>
Military Educational Centers	Variety	<p><u>Building Holder:</u> All centers are operated by a branch of the military.</p> <p><u>Center Administration:</u> A neutral director who is a military employee.</p>	<p><u>Start-Up Info.:</u> All centers are financed by a military branch.</p> <p><u>Facilities Costs:</u> The facilities are for the most part on the military bases. (The Pentagon does have a site in Crystal City due to limited access to Pentagon facilities after 5 p.m.) The institutions do not pay rent.</p> <p><u>Center Administration:</u> A director who is an employee of the military runs the center. Central administrative staff is also provided. The institutions do pay administrative costs of their own, such as their own staff members, telephone, office equipment, etc.</p>

APPENDIX J

The Dallas Education Center Proposal

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APPENDIX K

Letter from Arnold Oliver, Chancellor
Virginia Community College System



VIRGINIA COMMUNITY COLLEGE SYSTEM
James Monroe Building • 101 North Fourteenth Street • Richmond, Virginia 23219

October 10, 1997

Ms. Elizabeth A. McClanahan, Chair
State Council of Higher Education
208 East Main Street
Abingdon, Virginia 24210-2904

Dear Elizabeth:

I write in support of the higher education center initiative in Roanoke. While there remain questions beyond my purview regarding the utilization of the proposed site, I can confirm the following:

1. If Virginia Western Community College receives approximately 30,000 additional square feet in the Center, that space should be fully calculated against current requests for additional instructional space. The additional space in the Center would reduce the current request for additional space in the next biennium to an unjustified category and as such SCHEV would eliminate the requests for new space from the 1998-2000 request. We understand and concur.
2. Our support is only with the understanding that Virginia Western Community College will not be expected to assume any lease/rent/user costs for which the college does not receive additional specified appropriation, that costs for equipping the space will be separately appropriated, and that the issue of parking be carefully discussed with college representatives.

I believe, as does Dr. Charles L. Downs, President, Virginia Western Community College, that the project is compatible with the community college's mission, and that it will, in fact, provide enhanced educational opportunities for the people of the Roanoke valley.

Sincerely,

A handwritten signature in cursive script that reads "Arnold".

Arnold R. Oliver
Chancellor

ARO/cj

c: Dr. Charles L. Downs, President
Virginia Western Community College

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