

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
EXECUTIVE COMMITTEE
OCTOBER 25, 2005
MINUTES NO. 67**

Mr. Wurtzel called the Executive Committee to order at 8:40 a.m. in the SCHEV Main Conference Room, 9th floor, James Monroe Building, Richmond, Virginia. Council members present: Whitt Clement, Jim Dyke, Christine Milliken, Bittle Porterfield, Alan Wurtzel. Staff members present: Daniel LaVista, Lee Ann Rung, Elizabeth Wallace. Anthony Meredith from the Office of the Attorney General was also present.

APPROVAL OF AGENDA

The agenda was approved as amended. Mr. Wurtzel asked that the Committee take action on the amendment to the Executive Director's contract.

APPROVAL OF MINUTES

The minutes of the September 13, 2005 meeting were unanimously approved as submitted.

LIAISON REPORT

Dr. LaVista asked for the Committee's input on scheduling a meeting of the college rectors as a follow-up to the Boards of Visitors meeting held in June. The meeting would be held in the spring of 2006 and would provide an opportunity for SCHEV to gain insight from the rectors as they provide their comments on the Higher Education Restructuring Act. Dr. LaVista was asked to proceed with this initiative and provide details to the Council as the meeting plans are developed.

DISCUSSION OF TELEPHONIC MEETINGS

Ms. Wallace distributed a proposed modification to SCHEV's previous changes to the FOIA legislation on telephonic meetings. The new proposal states that the Council may hold telephonic discussions when at least three members are assembled in one place and telephone lines are provided for the public. In addition, the seven-day public notice would still be required. Mr. Porterfield said the new proposal would allow increased participation by the public and the press from remote locations. Mr. Meredith indicated that the proposal contained no language that conflicts with the Constitution, federal statute or state regulations. It was stressed that this would not be in lieu of existing meetings, and the Council would continue to be restricted from taking action in any meetings held through telephonic means. Ms.

Wallace was asked to add the words “as it existed prior to this amendment” to the last paragraph. Ms. Wallace will advise the Council on the next steps. The following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the amendment to §2.2-3708 of the Code of Virginia as distributed and with changes as recommended.

DISCUSSION OF SOUTHSIDE

Dr. LaVista explained that the staff approach has been to address the Southside issue on a broad level. However, other media attention has focused on Martinsville and the New College of Virginia. Staff is developing a multi-tasked work plan and the schedule is proceeding as planned. The final report will include a summary of historical activities that led to the legislative interest in this project, the things that SCHEV did to address its mandate, and SCHEV’s review of the two studies and other reports that were developed on this matter. Dr. LaVista said he hoped this approach would provide the Council with a better sense of the conclusions and recommendations from the staff.

Dr. LaVista informed the Council that staff is on track to provide members with a draft of the report between November 25 and December 5. The final report will be brought to the Council for approval at the January Council meeting. This would mean that the final recommendations will not be available in time for the Governor to include in his budget in December.

AMENDMENT TO CONTRACT

Mr. Wurtzel indicated that in follow-up to the executive session at the last meeting, Mr. Meredith provided an amendment to the Executive Director’s contract. The only change to the contract is extending the term to August 2008. Ms. Rung was asked to provide a copy of the amendment to the members. Mr. Wurtzel expressed his confidence in Dr. LaVista’s leadership and on motion by Ms. Milliken and seconded by Mr. Porterfield, the following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the document entitled “State Council of Higher Education for Virginia Director’s Employment Agreement Addendum #1” which extends the term of the Executive Director’s contract to August 2008.

APPROVAL OF JANUARY 10, 2006 AGENDA

Mr. Wurtzel expressed concern about the short timeframe between December and January to arrive at policy conclusions and recommendations on the Affordability Study. Dr. LaVista said he would do his best to get the information to the Council as

soon as possible. The following agenda was unanimously approved as amended with the caveat that changes would be made by the Chairman and the Executive Director as needed:

Executive Committee

8:00 a.m. – 9:30 a.m.

1. Approval of Agenda
2. Approval of Minutes
3. Liaison Report
4. Update on SCHEV Budget
5. Approval of March 14, 2006 Agenda

Academic Affairs Committee

9:00 a.m. – 10:30 a.m.

1. Approval of Agenda
2. Approval of Minutes
3. Liaison Report
4. Action on Programs at Public Institutions
Action on Organizational Changes at Public Institutions
5. Update on Committee Priorities
 - Persistence
 - Technology
 - Program Approvals

Resources Committee

9:00 a.m. – 10:00 a.m.

1. Approval of Agenda
2. Approval of Minutes
3. Liaison Report
4. Update on Governor's Introduced Budget
5. Discussion of Resources Issues/Agenda for Next Meeting

Outreach Committee

10:30 a.m.–11:00 a.m.

1. Approval of Minutes
2. Discussion of Outstanding Faculty Awards
3. Discussion of Anniversary Events

Council Meeting

11:00 a.m. – 1:00 p.m.
(estimated)

1. Approval of Agenda
2. Approval of Minutes
3. Remarks by President
4. Executive Director's Report
5. Delegated Items by Director/Staff
6. Public Comment Period
7. Action on Southside Study
8. Action on Affordability Study
9. Action on Textbook Study
10. Update on 2006 Legislation
11. Report from Executive Committee
12. Report from Resources Committee
13. Report from Academic Affairs Committee
14. Report from Outreach Committee
15. New Business

The Executive Committee meeting was adjourned at 9:20 a.m.

Alan L. Wurtzel
Chairman

Lee Ann Rung
Council Secretary

**STATE COUNCIL OF HIGHER EDUCATION
ACADEMIC AFFAIRS COMMITTEE
OCTOBER 25, 2005
MINUTES NO. 28**

Ms. Milliken called the Academic Affairs Committee meeting to order at 9:40 a.m. at the State Council of Higher Education for Virginia (SCHEV), Main Conference Room, 9th Floor, Richmond, Virginia.

Council members present: Daniel Abramson, Mimi Elrod, Margaret Lewis, Christine Milliken (Chair). Staff present: Darlene Derricott, Alan Edwards, Craig Herndon, Monica Osei, Linda Woodley.

APPROVAL OF AGENDA

Ms. Milliken informed the committee that Susan Shumate would not be presenting on agenda item #6 (update on factors impacting persistence to graduation) and asked that this component be deleted from the agenda. Ms. Milliken also called the committee's attention to several recent letters and electronic messages received by SCHEV staff regarding the approval process for new academic degree programs. The communications were received from Stephen Gottfredson, Provost and Vice President for Academic Affairs at Virginia Commonwealth University, Karen DePauw, Vice Provost for Graduate Studies and Dean of the Graduate School at Virginia Tech, Philip Langlais, Vice Provost for Graduate Studies and Research at Old Dominion University and Sue McCullough, Dean of Graduate Studies at Longwood University. Ms. Milliken proposed that the matter of Council's program approval process be discussed as part of agenda item #10 (discussion of committee priorities).

Motion made and seconded, the committee unanimously approved the agenda as amended.

APPROVAL OF MINUTES

The committee requested two typographical changes on page A1 of the minutes. Staff was instructed to delete the phrase "In lieu of time" from the agenda-approval section and to change the word "larger" to "broader" in the first paragraph of the program-approval section.

Motion made and seconded, the committee unanimously approved the minutes of September 13, 2005 as amended.

LIAISON REPORT

In Dr. Nancy Cooley's absence, Dr. Edwards reported the following Academic Affairs activities:

Assessment

Assessment and academic administrators have been invited to serve on the Assessment of Student Learning Task Force, which is anticipated to meet for the first time in either November or December. The task force is being charged with the following duties:

- 1) Author a report (to be completed in Fall 2006) entitled "Summary Report of Student Learning Assessments in the Commonwealth." The report will, among other things, identify common characteristics of successful assessment approaches and will recommend whether or not institutions should devise common definitions of competencies and adopt varying standards to coincide with institutional mission.
- 2) Consider how competency assessment can be aligned with other key responsibilities performed by SCHEV, e.g. persistence and graduation, or transfer and articulation, and how competency assessment results might lead to budget recommendations to expand student success programs, reduce students' need to work more than 20 hours/week, etc.
- 3) Submit a recommendation to SCHEV by August 2006 on proposed changes to the Code (Option 1: Suggest that assessment duties of SCHEV be struck from Code; Option 2: Continue assessment and submit a budget request for funds to assist institutions with these initiatives).
- 4) If applicable, provide strategic direction and implementation procedures for Round 2 of competency assessments (2008-2012).

Transfer

SUMMIT: The State Committee on Transfer, SCHEV, VCCS, and CICV are sponsoring Advancing Transfer in the Commonwealth: a Summit for Private Four-year and Public Two-year Colleges, in which two representatives from each private college and community college campus will work to improve communication, advising, and articulation between private four-year and public two-year institutions. The summit will be held on November 11, 2005 at Mary Baldwin College.

TRANSFER TOOL: SCHEV staff, in collaboration with a private website developer, has developed and will soon launch an online transfer tool that delineates how more than 60 courses included in the VCCS general education program will transfer to all of the public and CICV member private four-year institutions in the state. The site will provide students and academic advisors with concrete and specific information on the transferability of individual courses frequently taken by community college students.

Nursing

On October 7, the Southwest Virginia Higher Education Center hosted the fourth regional meeting covering the areas of Abingdon and Southwest Virginia. Participants included health foundations, higher education nursing providers, and several Vo-Tech programs for practical nursing LPNs. Much of the discussion focused on the LPN's unique role in this rural community and their inability to tap into funds that support post-secondary programs.

Next steps include coordination by the local AHEC chapter and conversations about collaboration and identifying funding for the LPN programs--to include two foundations present at the meeting--the Tobacco Commission and the Smyth County Community Foundation.

Private and Out-of-State Postsecondary Education (POPE) Section

POPE has begun the process of transferring closed school student files to the State Records Center (SRC). The transfer will relieve the agency of time, space, and cost associated with the file maintenance and retrieval process. The State Records Center will hold these records for 75 years (longer if requested) for a fee of \$0.27 per cubic foot size box per month with quarterly invoicing. SCHEV tries to maintain a team of two individuals who are responsible for properly purging and preparing the records in accordance with the Library of Virginia's Records Retention and Disposition Schedule and SRC's records destruction and transfer procedures. Since our first shipment to SRC, SCHEV has reduced the number of boxes stored at our agency from over 225 to 115 boxes. Our goal is to complete the project by the end of December 2005.

ACTION ON PROGRAMS AT PUBLIC INSTITUTIONS

- Christopher Newport University
 - Bachelor of Science (B.S.) in Chemistry

Motion made and seconded, the committee unanimously approved the following resolution and forwarded to full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Christopher Newport University to initiate a Bachelor of Science (B.S.) degree program in Chemistry (CIP: 40.0501), effective fall 2006.

Public Two-year Institutions:

- Patrick Henry Community College
 - Associate in Applied Science (A.A.S.) in Education Assisting
 - Associate in Applied Science (A.A.S.) in Paramedics

Mr. Earl Dodrill, Dean of Applied Science and Engineering, explained that the concept behind the Associate in Applied Science degree in Education Assisting is the delivery of qualified workers to public and private agencies to meet the No Child Left Behind standards. He further explained that the degree would be a terminal degree for workforce development and would not be intended for transfer to a four-year institution. Graduates of the program would be qualified as teacher aides, tutors and early learning center teachers.

Motion made and seconded, the committee unanimously approved the following resolution and forwarded to full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Patrick Henry Community College to initiate an Associate in Applied Science (A.A.S.) in Education Assisting degree program (CIP: 13.1099), effective spring 2006.

Motion made and seconded, the committee unanimously approved the following resolution and forwarded to full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Patrick Henry Community College to initiate an Associate in Applied Science (A.A.S.) in Paramedics degree program (CIP: 51.0904), effective spring 2006.

ACTION ON WASHINGTON UNIVERSITY'S CERTIFICATION TO OPERATE

Dr. Edwards provided an overview of the audit findings identified by staff and the responses by the Washington University School of Acupuncture and Oriental Medicine. Ms. Woodley reported that in March an audit of the school had found it to be in noncompliance with four of Virginia's 17 certification standards, identified as faculty credentials, written and binding records of agreement, financial stability and library materials. The committee was informed that, over the preceding eight months, the school had satisfactorily resolved only three of the four findings of non-compliance. Ms. Woodley explained the audit process and stated that a site visit would be done by staff regarding the previous library findings and the collection of books. The committee directed staff to notify the students immediately of the suspension status of the school. Motion made and seconded, the committee unanimously approved the following resolution and forwarded to full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia hereby suspends the *Certificate to Operate* issued to Washington University School of Acupuncture and Oriental Medicine (formerly Koryo Institute of Acupuncture and Oriental Medicine), effective immediately and until evidence of the school's full compliance with all relevant Virginia regulations is confirmed by an onsite audit by Council staff.

Council staff is directed to immediately notify current Washington University students of this action.

UPDATE ON FACTORS IMPACTING PERSISTENCE TO GRADUATION

Dr. Osei provided committee members with a packet of information including handouts titled, "Top 10 Facts About Persistence in Public Institutions", "Top 10 Insights to Understanding Millennial Students", and the "Top 10 Conditions for Improving Persistence." The committee members expressed their appreciation to Dr. Osei for providing them with fact sheets on persistence and especially for defining the terms. The committee discussed briefly the structure of future updates

on persistence and agreed that the meeting lengths are likely to vary based on other committee priorities or actions. Staff was directed to present information on nontraditional students at the March, 2006, meeting and on traditional students at the May, 2006, meeting. The committee commended Dr. Osei for her presentation.

UPDATE ON NO CHILD LEFT BEHIND INSTITUTIONAL GRANTS

Dr. Edwards provided an overview of the 2005-06 Improving Teacher Quality State Grants program and the selection panelists. He informed the committee that a total of 18 proposals had been received and ten were awarded on a competitive basis. The committee acknowledged the fine work of the ten award recipients and looked forward to the outcomes of the programs.

ACTION ON COUNCIL'S POLICY AND PROCEDURES FOR PUBLIC INSTITUTIONS' ORGANIZATIONAL CHANGES

Dr. Edwards requested Committee discussion and input on a proposal to amend the Council's December 2003 policies and procedures for internal and off-campus organizational changes at public institutions. Specifically, the Committee was asked to consider a policy-amendment proposal that would allow public institutions to seek a preliminary Council approval of proposals for organizational changes that would involve buying/building "non-exempt" off-campus instructional sites, such that the proposals seeking such preliminary approvals would not be required to contain the quantity and quality of detailed documentation – especially the physical-facility and infrastructure documentation – required by current Council policy. Dr. Edwards explained that such preliminary approvals would also allow public institutions to seek planning grants and other state assistance and input (including Council input) toward the development of final proposals, while affording institutions more time, opportunity and flexibility for weighing options, for negotiating in good faith and for seeking private support. He offered that Council would maintain final approval authority over institutions' finalized plans/proposals, such that the current single approval process would become a two-stage process (in some or all situations).

Ms. Lewis questioned the reason(s) for the staff request. Dr. Edwards noted the problematic wording of the Appropriation Act (on which Council policy is based), which stipulates that, when public institutions seek to use public funds for new off-campus instructional sites, the State Council may grant "conditional approval to operate the site for up to one year." He explained that the term 'operate' does not account for sites yet to be bought or constructed and that the wording leaves institutions that propose such sites in limbo for up to 12 months awaiting final approval from the Governor and General Assembly. Ms. Lewis suggested that staff look into seeking amendment of the Appropriation Act language.

Dr. Edwards also noted that George Mason University is considering construction of a new campus in Loudoun County and that, if GMU adheres to current Council policy, it will be forced to select an exact location and to finalize other terms and

issues before it would like to do so, which might not be in the best interest of the university or the Commonwealth. Mr. Tom Hennessey, Chief of Staff to GMU President Alan Merten, addressed the Committee regarding GMU's situation and voiced the university's support of staff's proposed insertion of a preliminary-approval stage into Council's organizational-change approval process.

Ms. Milliken voiced support for the concept of a preliminary approval stage and proposed that, rather than defer action until the next meeting, the Committee act to adopt the contents of staff's document entitled "Considerations of Minimum Documentation Requirements for a 'Preliminary Approval' Stage" as the guidelines by which staff should revise current Council policy. This document outlined that, when preliminary approvals are sought from Council, institutions' proposals should contain clear and compelling information on issues of "need" (similar to a needs assessment), as well as at-least general information on issues of "cost"; site-specific issues were described as optional. Ms. Lewis suggested, and the Committee agreed, that the preliminary approval stage should apply to off-campus instructional sites that institutions receive as donations, as well as those planned for purchase or construction. The Committee supported the proposal.

Motion made and seconded, the committee unanimously approved the following resolution and forwarded to full council:

BE IT RESOLVED that the State Council of Higher Education for Virginia directs staff to revise its policy on public institutions' organizational changes using staff's document, "Considerations of Minimum Documentation Requirements for a 'Preliminary Approval' Stage", to create a preliminary approval stage in the procedure for institutions seeking to purchase, build or receive as a donation any off-campus instructional site that fits Council policy's current definition of a "non-exempt" site.

The Committee also directed staff to consult with representatives from the legislative and executive branches regarding the feasibility of amending the Appropriation Act language, such that the phrase "conditional approval to operate the site for up to one year" might be modified similar to "conditional approval to operate a leased site, or to continue to plan for the purchase, construction, or receipt (via donation) of a new site, for up to one year".

REPORT FROM THE LEARNING TECHNOLOGY ADVISORY COMMITTEE (LTAC)

Dr. Edwards presented the LTAC document, "Summary Report, 2004-05: Learning Technology Advisory Committee", summarizing its contents and the collaborative work of LTAC members that led to the report. The committee requested that staff develop a mechanism to thank the LTAC members for their dedication and ongoing participation in developing the report. Ms. Milliken informed the committee that SCHEV would be co-sponsoring a learning and technology conference on November 15, 2005, in Richmond.

DISCUSSION OF COMMITTEE PRIORITIES

The committee will continue to focus its 2006 priorities on learning and technology (LTAC), persistence and program approvals. The members expressed an interest in having public institutions' provosts participate in a hearing-type discussion on approval of new degree programs at its January, 2006, meeting. Additionally, staff was asked to inform the committee at that meeting of the history of degree program approvals in Virginia and how the process is structured in other states. Information to better familiarize members with Virginia's regional higher education centers was also requested at a subsequent meeting.

The meeting adjourned at 11:33 a.m.

Christine Milliken
Chair

Darlene Derricott
Committee Secretary

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
RESOURCES COMMITTEE
OCTOBER 25, 2005
MINUTES NO. 59**

Mr. Dyke called the Resources Committee to order at 9:35 a.m. in Conference Room C, First Floor, James Monroe Building, Richmond, Virginia. Council members present: Whitt Clement, Jim Dyke, Eva Hardy, Bittle Porterfield, Alan Wurtzel. Staff present: Jim Alessio, Lee Andes, Tom Daley, Dan Hix, Dan LaVista, Lee Ann Rung, and Yan Zheng.

APPROVAL OF AGENDA

The agenda was approved as submitted.

APPROVAL OF MINUTES

The minutes of the September 13, 2005 meeting were unanimously approved as submitted.

LIAISON REPORT

Mr. Hix introduced his staff and informed the Committee of the projects that each of them is working on within the Finance Policy Section.

ACTION ON 2006-08 SYSTEMWIDE OPERATING BUDGET ITEMS

Base Adequacy

Mr. Hix distributed a table of student-to-faculty ratios by level and discipline. Staff recommended Option 1. Mr. Hix mentioned that he has had discussions with George Mason University (GMU) about their cost of living adjustment (COLA). The model has been adjusted to build this in to the calculation because it is an equity measure rather than an enhancement. Mr. Hennessey was present to represent GMU and thanked SCHEV staff for acknowledging what GMU feels is the appropriate way to deal with this adjustment.

Mr. Hix distributed an updated version of the overall budget summary as requested by Mr. Wurtzel in the last meeting.

Paul Timmreck was asked to address the Committee on behalf of President Trani and Virginia Commonwealth University (VCU) about base adequacy. Dr. Trani will bring forth concerns from the Council of Presidents about the base adequacy

recommendations when he addresses the Council later in the day. Mr. Timmreck distributed information demonstrating what the impact would be on VCU using two different cost sharing or fund split methodologies. He expressed the concerns of President Trani that the staff's recommended methodology ignores any historical misalignment between general funds and tuition in the institution's current appropriation and asked that the Council not lose sight of the impact on institutions if the recommended fund split model is adopted.

Mr. Hix provided information about how and when the fund split policy came into effect. During the time between 2001 and 2004 when significant budget reductions were made, the institutions wanted flexibility to increase tuition to strive toward base adequacy.

There was agreement that the budget recommendation should be brought forward but that Council should continue to work with the Council of Presidents to monitor the negative impact to institutions and students. On motion by Mr. Clement and seconded by Mr. Porterfield, the following resolution was unanimously approved to be forwarded to the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends an additional appropriation of \$277,807,741 from the general fund and \$228,503,837 from nongeneral funds for a total of \$506,311,578 in the 2006-08 biennium in order to reach the full base funding by FY2008. This recommendation is consistent with those made in both 2003 and 2004, and would fulfill the Council's objective of reaching a goal that is critical to the quality and affordability of our system of higher education.

Faculty Salaries

Mr. Hix explained the financial impact of option 1 and answered questions raised by Committee members. It was suggested that a column be added to the chart listing the amount of endowment at the institution. Mr. Hix also agreed to begin discussions with institutions about peer groups and provide a comparison of Virginia to other states with regard to faculty salaries. On motion by Ms. Hardy and seconded by Mr. Dyke, the following resolution was unanimously approved to be forwarded to the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends additional appropriations of \$77,728,914 from the general fund and \$71,018,262 from nongeneral funds for a total of \$148,747,176 for faculty salary increases in the 2006-08 biennium in order to raise average faculty salaries to the 60th percentile goal by FY2008. This recommendation is consistent with those made in both 2003 and 2004, and would fulfill the Council's objective of reaching a goal that is critical to the quality and vitality of our system of higher education.

Higher Education Equipment Trust Fund (HEETF)

Mr. Hix explained the background and major elements of the program. On motion by Mr. Clement and seconded by Mr. Dyke the following resolution was unanimously approved to be forwarded to the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the recommendation to appropriate an additional \$11.3 million for the debt service on Virginia College Building Authority revenue bonds necessary to finance \$103.4 million in equipment for the 2006-08 biennium through the Higher Education Equipment Trust Fund.

New Facility O&M

Mr. Hix provided information on the new facility operation and maintenance costs. On motion by Ms. Hardy and seconded by Mr. Clement, the following resolution was unanimously approved to be forwarded to the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the recommendation to appropriate \$3.7 million from the general fund and \$3.4 million from nongeneral funds in FY2007 and \$12.2 million from the general fund and \$10.7 million from nongeneral funds in FY2008 for the operation and maintenance of new facilities coming online.

Energy Related Nonpersonal Service Costs

Mr. Hix provided background information and on motion by Mr. Clement and seconded by Mr. Porterfield, the following resolution was unanimously approved to be forwarded to the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends an additional appropriation of \$3,009,291 from the general fund in the 2006-08 biennium to help higher education institutions alleviate the rising energy costs.

VCCS Full-Time/Part Time Faculty Ratio

Mr. Hix provided background information and Mr. Porterfield invited Ms. Davenport from the VCCS to answer questions from the Committee. Mr. Wurtzel asked that staff review the ratio of full-time faculty for those attaining an Associate degree. On motion by Ms. Hardy and seconded by Mr. Porterfield, the following resolution was unanimously approved to be forwarded to the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends an additional appropriation of \$14,785,388 from the general fund and \$9,452,953 from nongeneral funds in 2006-07 and \$28,052,799 from the general fund and \$17,935,396 from nongeneral funds in 2007-08 for a total additional funding of \$70,226,536 in the 2006-08 biennium in order to increase the VCCS full-time equivalent faculty ratio to 50% in FY07 and 55% in FY08.

Technology in Nursing Education

Mr. Hix reminded the Committee of the presentation made at the last meeting and of the Richmond Memorial Foundation's support of the simulation model. Meetings have taken place in various locations around the state. Dr. Castleberry informed the Committee that an additional community college has joined this effort since the last meeting. On motion by Mr. Clement and seconded by Mr. Dyke, the following resolution was unanimously approved to be forwarded to the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the submission of a budget request for \$4.2 million in general fund support for the 2006-08 biennium to create and sustain two clinical simulation labs at Radford University and the Roanoke Center for Higher Education.

Undergraduate Student financial Aid

Mr. Hix provided background information and on motion by Mr. Porterfield and seconded by Ms. Hardy, the following resolution was unanimously approved to be forwarded to the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the recommendation that funding for the undergraduate portion of the Virginia Student Financial Assistance Program be phased-in to meet 100 percent of funding goals by FY2010 with additional funding of \$34.5 million in FY2007, \$69.1 million in FY2008, \$103.7 million in FY2009, and \$138.2 million in FY2010. This recommendation is consistent with the Council's 2003 recommendation and would accomplish the Commonwealth's goal of increasing access to higher education for all Virginians.

Graduate Financial Aid

Mr. Hix provided background information and Committee members expressed the importance of graduate financial aid to get the best students in order to meet the Commonwealth's goal to increase funded research. After some discussion, on motion by Mr. Porterfield and seconded by Mr. Dyke, the following revised resolution was unanimously approved to be forwarded to the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the recommendation that funding for the graduate portion of the Virginia Student Financial Assistance Program return to FY1995 levels of effectiveness by providing additional funding of \$11.2 million in FY2007 and \$12.6 million in FY2008. Continued progress of this program is essential to accomplish the Commonwealth's goal of increasing research and preparing students for the workforce.

ACTION ON 2006-08 CAPITAL OUTLAY BUDGET ITEMS

Maintenance Reserve

Mr. Daley explained the background and major elements and after a recommendation by the Committee, agreed to calculate the Maintenance Reserve recommendation as a percentage of total asset value and to work to make the capital outlay budget recommendations available earlier in the budget cycle next year. On motion by Mr. Porterfield and seconded by Mr. Clement, the following resolution was unanimously approved to be forwarded to the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the appropriation of \$253,727,712 for Maintenance Reserve.

New Capital Outlay

Mr. Daley answered questions from members and explained the background of the evaluation process by SCHEV. After some discussion and input from the Committee, on motion by Mr. Wurtzel and seconded by Mr. Clement, the following resolution was unanimously approved to be forwarded to the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the appropriation of \$891,410,601 for general fund support and \$927,310,066 in nongeneral funds for a major capital outlay package in the 2006-08 biennium.

The meeting was adjourned at 11:30 a.m.

James Dyke
Chairman

Lee Ann Rung
Council Secretary

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
OUTREACH COMMITTEE MEETING
OCTOBER 25, 2005
MINUTES NO. 16**

Mimi Elrod called the meeting to order at 11:40 a.m. in the Main Conference Room on the 9th floor of the James Monroe Building, Richmond, Virginia. Council members present: Bittle Porterfield, Alan Wurtzel, Daniel Abramson, Mimi Elrod and Christine Milliken. Staff Present: Daniel LaVista, Elizabeth Wallace, Alan Edwards and Anthony Meredith from the Attorney General's Office.

APPROVAL OF AGENDA

The agenda was approved as submitted.

APPROVAL OF MINUTES

The minutes of the September 13, 2005 meeting were approved as submitted.

LIAISON REPORT

UPDATE ON OUTSTANDING FACULTY AWARDS (OFA)

Alan Edwards gave a brief update on the 2006 Outstanding Faculty Awards. He stated the nomination packages were due on October 7th and yielded 87 nominees this year. Ratings and rankings are due back from peer reviewers by mid-November. The final selection committee will meet to select recipients on December 14th.

Ms. Wallace gave an update on the logistical portion of the upcoming Outstanding Faculty Awards Ceremony to be held on February 23, 2006. The ceremony will be held at the Library of Virginia with a program beginning at 5:30 pm., followed by a reception at 6:15 p.m. and dinner at 7:00 p.m.

A meeting and site visit hosted by Betsy Haney of the Library of Virginia will be held on October 26th. Attending the meeting will be Marjorie Greer and Irene Cimino of Dominion along with Sandy Britt and Bobby Butsavage of Catearaide. SCHEV staff will also be present.

UPDATE ON 50TH ANNIVERSARY ACTIVITIES

Ms. Wallace gave a brief update of the 50th SCHEV anniversary to be commemorated in 2006. There will be three components to the anniversary year, consisting of marketing, academics and a kick-off event. A DVD will be created celebrating 50 years in higher education.

The meeting was adjourned at 12:10 p.m.

Mimi Elrod
Chair

Kathy Robinson
Committee Secretary

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
COUNCIL MEETING
OCTOBER 25, 2005
MINUTES NO. 503**

Mr. Wurtzel called the Council meeting to order at 12:35 p.m. Council members present: Daniel Abramson, Whitt Clement, Jean Cunningham, Jim Dyke, Mimi Elrod, Eva Hardy, Margaret Lewis, Christine Milliken, Bittle Porterfield, and Alan Wurtzel. Staff members present: Nancy Cooley, Tom Daley, Alan Edwards, Dan Hix, Dan LaVista, Tod Massa, Lee Ann Rung and Elizabeth Wallace. Anthony Meredith from the Office of the Attorney General was also present.

APPROVAL OF AGENDA

The agenda was approved as submitted.

APPROVAL OF MINUTES

The minutes of the September 13, 2005 and September 30 meetings were approved as submitted.

REMARKS BY PRESIDENT TRANI

Dr. Trani provided statistics about Virginia Commonwealth University (VCU) to provide background for his remarks related to base adequacy. He expressed the concerns of the Council of Presidents (COP) related to the base adequacy cost-sharing assumptions and he distributed a chart showing the impact on VCU and other institutions. He felt that by applying the cost-sharing split recommended by staff, it would limit the institution's ability to grow. Mr. Wurtzel indicated that Mr. Timmreck briefed the Resources Committee earlier and Mr. Dyke spoke about the consensus of the committee. For the record, it was stated that the fundamental calculation of need for base adequacy has not changed since 2001. The SCHEV recommendations apply the fund split policy that was approved in January 2004. There was some discussion among the Council members but it was agreed that the specific issues would be addressed when the report from the Resources Committee is discussed later in the agenda.

EXECUTIVE DIRECTOR'S REPORT

Dr. LaVista reminded the Council of the December 14 meeting in Richmond at 11:00 a.m. to review SCHEV's legislative agenda. The Council-sponsored luncheon for staff will be held following the meeting.

Dr. LaVista provided a brief update about the recent activities regarding the review of the six-year plans. The first review is underway now and will continue over the next few weeks. The second review is slated to be completed by mid-March, giving Council several weeks prior to taking action at the May Council meeting.

Dr. LaVista informed the Council about SCHEV's involvement with a National Governors Association Honor States grant recently awarded to the Commonwealth of Virginia. The grant will build upon the Commonwealth's commitment to ensuring a strong foundation of seamless transition from preschool to graduate school.

The National Science Foundation recently ranked George Mason University's School of Public Policy fourth in the nation of colleges for federally-financed research and development expenditures in the area of political science.

Tidewater Community College's Chesapeake Campus has achieved designation as a "Certified Audubon Cooperative Sanctuary" by the Audubon Cooperative Sanctuary System (ACSS), the educational division of Audubon International.

DELEGATED ITEMS BY DIRECTOR/STAFF

Dr. LaVista reported the following items that the Council has delegated to staff:

- Spin-off programs
- Organizational changes
- Financial Feasibility Studies
- Virginia Generalist Initiative Program

As required, the information regarding these items is included as part of the minutes.

PRESENTATION BY ROANOKE HIGHER EDUCATION CENTER

Dr. Thomas McKeon gave a presentation about the Roanoke Higher Education Center. The mission of the Center is to expand access to workforce training and higher education and support economic development in the Greater Roanoke Region through partnerships with public and private institutions, agencies, and the business community. Dr. Cooley currently serves on its Board of Directors. Mr. Porterfield said he uses the Center regularly and feels that it really represents the best of public/private partnerships. He urged others to visit the facility.

REPORT FROM EXECUTIVE COMMITTEE

Mr. Wurtzel informed the Council that the Executive Committee took action on a proposed modification to SCHEV's previous changes to the FOIA legislation on telephonic meetings. The following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the amendment to 2.2-3708 of the Code of Virginia as distributed and with changes as recommended.

Mr. Wurtzel reported that the Executive Committee took action to extend the term of the Executive Director's contract. The following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the document entitled "State Council of Higher Education for Virginia Director's Employment Agreement Addendum #1" which extends the term of the Executive Director's contract to August 2008.

Mr. Wurtzel also informed the Council that the Executive Committee discussed the status of the Southside report and asked that staff prepare a spring meeting of the college rectors to get their comments on the Higher Education Restructuring Act.

REPORT FROM ACADEMIC AFFAIRS

Ms. Milliken reported on the programs at public institutions and the following resolutions were unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Christopher Newport University to initiate a Bachelor of Science (B.S.) degree program in Chemistry (CIP: 40.0501), effective fall 2006.

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Patrick Henry Community College to initiate an Associate in Applied Science (A.A.S.) in Education Assisting degree program (CIP: 13.1099), effective spring 2006.

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Patrick Henry Community College to initiate an Associate in Applied Science (A.A.S.) in Paramedics degree program (CIP: 51.0904), effective spring 2006.

Ms. Milliken informed the Council that the Academic Affairs Committee took action to suspend an institution's Certificate to Operate. The following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia hereby suspends the *Certificate to Operate* issued to Washington University School of Acupuncture and Oriental Medicine (formerly Koryo Institute of Acupuncture and Oriental Medicine), effective immediately and until evidence of the school's full compliance with all relevant Virginia regulations is confirmed by an onsite audit by Council staff.

Council staff is directed to immediately notify current Washington University students of this action.

Mr. Meredith was asked to report back to the Council about whether or not the name Washington University is legal given that another facility in St. Louis has the same name.

Ms. Milliken distributed a list of considerations of minimum documentation requirements for a "preliminary approval" stage and indicated that the Academic Affairs Committee reviewed a request to consider the types of documentation required when an institution requests a preliminary approval for off-campus instructional sites that are still in development or have not yet been purchased. On motion by Ms. Milliken and seconded by Ms. Cunningham, the following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia directs staff to revise its policy on public institutions' organizational changes using staff's document, "Considerations of Minimum Documentation Requirements for a 'Preliminary Approval' Stage," to create a preliminary approval stage in the procedure for institutions seeking to purchase, build or receive as a donation any off-campus instructional site that fits Council policy's current definition of a "non-exempt" site.

Ms. Milliken also indicated that the Committee received information on learning technology and she reminded members of the November 15 conference entitled, "What's Next For Virginia's E-Learning Environment," which SCHEV is cosponsoring.

REPORT FROM RESOURCES COMMITTEE

Base Adequacy

Mr. Dyke informed the Council that the Committee received information from Paul Timmreck relating the same concerns that were expressed by Dr. Trani regarding base adequacy. There was some discussion by Council members and Mr. Porterfield expressed an interest in having staff work with the Council of Presidents to address their concerns. Dr. LaVista clarified that the method for calculating the formula remains the same and that the fund split between General Fund and Nongeneral Fund remains the same. He also indicated that it was made clear in meetings with the Chief Finance Officers regarding the 6-year plan, that fixing the base adequacy methodology would not be addressed at this time. He also stated that this was discussed in the GPAC meeting with presidents. Staff's recommendation is to strive to reach base adequacy and then try to fix the base adequacy fund split issue. Ms. Hardy requested a deadline to the staff's work with the presidents and anyone else involved. As a result, Mr. Dyke agreed to accept a friendly amendment to the resolution with a timeframe of no later than December for staff to provide a range of policy options. Mr. Porterfield seconded the motion and the following resolution was unanimously approved :

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends an additional appropriation of \$277,807,741 from the general fund and \$228,503,837 from nongeneral funds for a total of \$506,311,578 in the 2006-08 biennium in order to reach the full base funding by FY2008. This recommendation is consistent with those made in both 2003 and 2004, and would fulfill the Council's objective of reaching a goal that is critical to the quality and affordability of our system of higher education.

Faculty Salaries

Mr. Dyke noted the Committee's suggestion that staff begin discussions with institutions about peer groups. The Committee also suggested that staff explore the possibility of including the amount of endowment each institution receives and explore how Virginia stands when compared to other states. The following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends additional appropriations of \$77,728,914 from the general fund and \$71,018,262 from nongeneral funds for a total of \$148,747,176 for faculty salary increases in the 2006-08 biennium in order to raise average faculty salaries to the 60th percentile goal by FY2008. This recommendation is consistent with those made in both 2003 and 2004, and would fulfill the Council's objective of reaching a goal that is critical to the quality and vitality of our system of higher education.

Higher Education Equipment Trust Fund (HEETF)

Mr. Dyke provided brief comments about the program and the following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the recommendation to appropriate an additional \$11.3 million for the debt service on Virginia College Building Authority revenue bonds necessary to finance \$103.4 million in equipment for the 2006-08 biennium through the Higher Education Equipment Trust Fund.

New Facility O&M

Mr. Dyke provided background information, and the following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the recommendation to appropriate \$3.7 million from the general fund and \$3.4 million from nongeneral funds in FY2007 and \$12.2 million from the general fund and \$10.7 million from nongeneral funds in FY2008 for the operation and maintenance of new facilities coming online.

Energy Related Nonpersonal Service Costs

Mr. Dyke provided comments from the committee on this item and the following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends an additional appropriation of \$3,009,291 from the general fund in the 2006-08 biennium to help higher education institutions alleviate the rising energy costs.

VCCS Full-Time/Part Time Faculty Ratio

Mr. Dyke reported that the Committee asked that staff review the ratio of full-time faculty for students attaining an Associate degree. The following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends an additional appropriation of \$14,785,388 from the general fund and \$9,452,953 from nongeneral funds in 2006-07 and \$28,052,799 from the general fund and \$17,935,396 from nongeneral funds in 2007-08 for a total additional funding of \$70,226,536 in the 2006-08 biennium in order to increase the VCCS full-time equivalent faculty ratio to 50% in FY07 and 55% in FY08.

Technology in Nursing Education

The following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the submission of a budget request for \$4.2 million in general fund support for the 2006-08 biennium to create and sustain two clinical simulation labs at Radford University and the Roanoke Center for Higher Education.

Undergraduate Student financial Aid

Mr. Dyke provided background information and the following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the recommendation that funding for the undergraduate portion of the Virginia Student Financial Assistance Program be phased-in to meet 100 percent of funding goals by FY2010 with additional funding of \$34.5 million in FY2007, \$69.1 million in FY2008, \$103.7 million in FY2009, and \$138.2 million in FY2010. This recommendation is consistent with the Council's 2003 recommendation and would accomplish the Commonwealth's goal of increasing access to higher education for all Virginians.

Graduate Financial Aid

Mr. Dyke informed the Council that the original resolution was revised slightly to state the return to FY1995 levels and the importance of this program to meet the Commonwealth's goal to increase funded research. The following revised resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the recommendation that funding for the graduate portion of the Virginia Student Financial Assistance Program return to FY1995 levels of effectiveness by providing additional funding of \$11.2 million in FY2007 and \$12.6 million in FY2008. Continued progress of this program is essential to accomplish the Commonwealth's goal of increasing research and preparing students for the workforce.

Maintenance Reserve

The following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the appropriation of \$253,727,712 for Maintenance Reserve.

New Capital Outlay

The following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the appropriation of \$891,410,601 for general fund support and \$927,310,066 in nongeneral funds for a major capital outlay package in the 2006-08 biennium.

REPORT FROM OUTREACH COMMITTEE

Dr. Elrod reported that the Committee discussed the Outstanding Faculty Awards (OFA) and SCHEV's 50th anniversary events. The 87 applications for the OFA awards have been disseminated to the peer review committee and will be returned by November 15. Once this group narrows down the selections, those applications will be sent out to the Selection Committee. She suggested that the Selection Committee meet on December 14 from 2:30 – 4:30 to review the applications and encouraged Council members to participate in the selection process. The final awards will be announced at the OFA ceremony and dinner to be held at the Library of Virginia on February 23.

The Committee also discussed upcoming events to celebrate SCHEV's 50th anniversary. Dr. Elrod reported that the Virginia Community College System (VCCS) will be celebrating their 40th anniversary in 2006 and some joint activities are being

planned. Staff is preparing a DVD related to the history of SCHEV and Dr. Elrod thanked Dominion for their assistance in helping staff to outline the content of the DVD.

The meeting was adjourned at 2:20 p.m.

Alan Wurtzel
Chairman

Lee Ann Rung
Council Secretary

Items Delegated to Director/Staff
Reported to Council
October 25, 2005

Pursuant to the Council's action on March 20, 2002, the following items were approved as delegated to staff:

Spin-off Programs

January - March 2005

Institution	Degree/Program/CIP
University of Mary Washington	B.A. in Anthropology (CIP: 45.0201)
Old Dominion University	Ph.D. in Public Administration and Urban Policy (CIP: 44.0401)

April - June 2005

Institution	Degree/Program/CIP
Old Dominion University	Ph.D. in Health Services Research (CIP: 51.9999)
<u>Virginia Polytechnic Institute and State University</u>	M.S. in Building / Construction Science and Management (CIP: 52.2001)

July - October 2005

Institution	Degree/Program/CIP
Virginia State University	BS in Mechanical Engineering Technology (CIP 15.0899)
George Mason University	Bachelor of Science in Electronics and Communications Engineering (CIP: 14.0101)

Organizational Changes

September – October 2005

Institution	Change
George Mason University	Effective July 1, 2006, creation of a College of Science and a College of Liberal Arts and Human Sciences via reorganization (and ultimately, elimination) of the current College of Arts and Sciences and the School of Computational Sciences

Estimated Impact of New 9(d) Debt on Student Fees and Financial Aid Need

2006-08 Biennium

Chapter 951, 2005 Virginia Acts of Assembly requires that the State Council of Higher Education receive Financial Feasibility Studies from public institutions of higher education for each capital outlay request submitted for the 2006-08 Biennium whose funding consists in whole, or in part, of debt authorized under Article X, Section 9 (d), of the Constitution of Virginia.

This provision is set forth in §4-4.01.j.2:

By August 15 of each year, institutions shall also prepare and submit copies of financial feasibility studies to the State Council of Higher Education for Virginia for 9(d) obligations where debt service is expected to be paid from project revenues or revenues of the institution. The State Council of Higher Education shall identify the impact of all projects requested by the institutions of higher education, and as described in § 4-4.01 j.1. of this act, on the current and projected cost to students in institutions of higher education and the impact of the project on the institution's need for student financial assistance. The State Council of Higher Education for Virginia shall report such information to the Secretary of Finance and the Chairmen of the House Appropriations and Senate Finance Committees no later than October 1 of each year.

In accordance with this provision, SCHEV has reviewed financial feasibility studies related to thirty-seven projects requested by ten senior institutions for the 2006-08 Biennium. The results are presented below.

A variety of funding sources have been identified by the institutions as providing the incremental revenues required to support the debt service and operating costs associated with these projects. The three primary sources are: 1) required student fees, 2) user fees associated the project, and 3) other institutional fees such as indirect cost recoveries and/or gifts. This report provides a summary table which displays the requesting institution, the name of the project, the amount of debt requested and the major revenue source for debt service and operating costs. Further, it also displays the current level of required fees, the estimated dollar increase in those fees necessary to support the project, if any, and the percent increase this represents. Finally, the table displays the estimated impact of the fee increases on the institutions' overall financial aid need as calculated using SCHEV's financial aid guidelines.

Following the summary table, the report contains a brief description of each project.

Estimated Impact of New 9(d) Debt on Student Fees and Financial Aid Need ~ 2006-08 Biennium

Institution	Project	Debt Amount	Major Revenue Sources	2005-06 Student Fees	2006-07 Amount	Percent Increase	Financial Aid Need Increase
CNU	Freeman Center Addition	\$10,700,000	Student Fees	\$2,350.00	\$192.00	8.17%	\$180,372.00
CNU	Athletics Expansion II	\$8,300,000	Student Fees	\$2,350.00	\$148.00	6.30%	\$138,910.00
Subtotal					\$340.00	14.47%	\$319,282.00
CWM	Underground Utilities Improvement	\$5,239,000	Student Fees	\$2,963.00	\$55.50	1.87%	\$22,656.00
CWM	Construct New Dorm	\$2,000,000	User Fee	\$2,963.00	\$0.00	0.00%	\$0.00
CWM	Construct Integrated Science Center	\$3,000,000	Indirect Cost Recoveries	\$2,963.00	\$0.00	0.00%	\$0.00
Subtotal					\$55.50	1.87%	\$22,656.00
GMU	Welcome Center and Road Realignment	\$7,519,000	Student Fees	\$1,524.00	\$34.00	2.23%	\$107,820.00
GMU	Physical Education Addition - Phase II	\$8,206,000	Student Fees	\$1,524.00	\$54.00	3.54%	\$171,111.00
GMU	Academic VI/Research II	\$15,431,000	Indirect Cost Recoveries	\$1,524.00	\$0.00	0.00%	\$0.00
GMU	Renovate Student Union II	\$4,009,000	Student Fees	\$1,524.00	\$27.00	1.77%	\$85,726.00
GMU	Patriot Center Addition	\$5,151,000	Student Fees	\$1,524.00	\$21.00	1.38%	\$66,551.00
GMU	Field House Addition/West Campus Impr	\$4,815,000	Student Fees	\$1,524.00	\$21.00	1.38%	\$66,551.00
GMU	Physical Plant Building and Renovation	\$3,502,000	Auxiliary Service Charges	\$1,524.00	\$0.00	0.00%	\$0.00
Subtotal					\$157.00	10.30%	\$497,759.00
JMU	Bridgeforth Stadium Reno and Expansion	\$10,000,000	Current Comprehensive Fee	\$2,888.00	\$0.00	0.00%	\$0.00
ODU	Quad Parking Structure	\$8,816,000	Parking Rev/Aux Reserves	\$2,072.00	\$0.00	0.00%	\$0.00
ODU	H & PE Building Renovation	\$6,230,000	Existing Student Activity Fee	\$2,072.00	\$0.00	0.00%	\$0.00
ODU	Athletic Facilities Expansion	\$741,000	Student Activity Fees	\$2,072.00	\$16.80	0.81%	\$59,315.00
Subtotal					\$16.80	0.81%	\$59,315.00
UMW	Convocation Center	\$5,000,000	Existing Student Fee	\$1,674.00	\$0.00	0.00%	\$0.00

Estimated Impact of New 9(d) Debt on Student Fees and Financial Aid Need - 2006-08 Biennium

Institution	Project	Debt Amount	Major Revenue Sources	2005-06 Student Fees	2006-07 Amount	Percent Increase	Financial Aid Need Increase
UVA	Main Heating Plant Environ Upgrade	\$5,164,000	Student Fees	\$1,466.00	\$3.00	0.20%	\$2,983.00
VCU	West Grace St North Housing	\$10,000,000	User Fees	\$1,373.00	\$0.00	0.00%	\$0.00
VCU	School of Dentistry Renovation	\$875,000	Institutional Funds	\$1,373.00	\$0.00	0.00%	\$0.00
VCU	School of Dentistry Addition	\$1,527,500	Institutional Funds	\$1,373.00	\$0.00	0.00%	\$0.00
VCU	Rhoads Hall Renovation (Residence Hall)	\$7,000,000	User Fees	\$1,373.00	\$0.00	0.00%	\$0.00
VCU	Medical Sciences Building Phase II	\$5,425,000	Institutional Funds	\$1,373.00	\$0.00	0.00%	\$0.00
VCU	Athletics Operations Facility	\$10,000,000	Student Fee	\$1,373.00	\$65.00	4.73%	\$278,597.00
VCU	Athletics Field House	\$11,000,000	Student Fee	\$1,373.00	\$70.00	5.10%	\$300,097.00
VCU	Cabaniss Hall Renovation (Residence Hall)	\$8,700,000	User Fee	\$1,373.00	\$0.00	0.00%	\$0.00
VCU	Belvidere and Grace Street Deck	\$9,000,000	User Fee and Student Fee	\$1,373.00	\$45.00	3.28%	\$192,782.00
Subtotal					\$180.00	13.11%	\$771,476.00
VPI&SU	Administrative Services Building	\$12,000,000	Institutional Funds	\$1,081.00	\$0.00	0.00%	\$0.00
VPI&SU	Campus Heat Plant	\$11,500,000	Student Fee/Steam Charge	\$1,081.00	\$8.00	0.74%	\$22,081.00
VPI&SU	Engineering Computational Sciences Bldg	\$3,833,000	Gifts/Indirect Cost Recs	\$1,081.00	\$0.00	0.00%	\$0.00
VPI&SU	Indoor Athletic Training Facility	\$25,000,000	Gifts	\$1,081.00	\$0.00	0.00%	\$0.00
VPI&SU	Inst for Critical Tech and Applied Sci II	\$17,500,000	Gifts/Indirect Cost Recs	\$1,081.00	\$0.00	0.00%	\$0.00
VPI&SU	Visitors and Admissions Center	\$5,250,000	Private Funds	\$1,081.00	\$0.00	0.00%	\$0.00
VPI&SU	Veterinary Medicine Instruction Addition	\$1,400,000	U. Maryland capitation fee	\$1,081.00	\$0.00	0.00%	\$0.00
VPI&SU	Sciences Research Laboratory I	\$22,000,000	Gifts/Indirect Cost Recs	\$1,081.00	\$0.00	0.00%	\$0.00
Subtotal					\$8.00	0.74%	\$22,081.00
VSU	Rogers Stadium Renovation	\$2,600,000	Student Fee	\$2,517.00	\$52.00	2.07%	\$66,131.00
VSU	Student Housing Renovation	\$1,400,000	Student Fee	\$2,517.00	\$27.00	1.07%	\$34,374.00
Subtotal					\$79.00	3.14%	\$100,505.00
Total		\$279,833,500					\$1,796,057.00

2005 Progress Report of the Virginia Generalist Initiative Program

In recognition of a downward trend nationwide in the production of generalist physicians, the General Assembly, in collaboration with the Robert Wood Johnson Foundation, began funding the Virginia Generalist Initiative program (VGI) in 1994. The purpose of the program is to enhance generalist physician education in the Commonwealth and to increase the number of medical school graduates entering generalist medical fields at the Eastern Virginia Medical School (EVMS), the University of Virginia (UVA), and the Virginia Commonwealth University (VCU). Since the program's inception in 1994, the General Assembly has provided over \$30.1 million from the general fund for the VGI program, or approximately \$2.5 million per year on average. The three Virginia medical schools have contributed about \$19.6 million to the program.

The Commonwealth sets two specific goals for VGI in the Appropriation Act (*Item 165.E, Chapter 951*) that:

- a. Based on a three year average, at least 50 percent of Virginia medical school graduates shall enter generalist residency programs; and
- b. Based on a three year average, at least 50 percent of Virginia generalist residency graduates shall enter generalist practice upon completion of residency training and at least 50 percent of those graduates shall practice in Virginia.

In addition to the statistical goals, the Appropriation Act sets qualitative measures for program evaluation in the areas of Virginia graduates' responses to the annual survey of the Association of American Medical Colleges (AAMC), student evaluation of the program, and faculty and community preceptors' evaluation of the student learning and skills.

The General Assembly directs the State Council of Higher Education for Virginia (SCHEV) to "monitor the results of the Generalist Initiative, especially the decisions of the graduates from the undergraduate medical programs to enter generalist residencies, and the composition of the residencies in the two associated academic health centers" (*Item 165.E, Chapter 951*). It further directs SCHEV to report biennially on the status of the program to the House Appropriations and Senate Finance Committees in November.

Program Assessment

The 2005 VGI progress report was submitted to SCHEV in September. It represents a joint effort between EVMS, UVA, and VCU. Like most state operations, the VGI program experienced budget reductions in the 2002-04 biennium. As a result, the Virginia Center for the Advancement of Generalist Medicine (VCAGM), the statewide coordinating office for the program was eliminated. Despite this loss, the three medical schools worked diligently and cooperatively to produce the 2005 progress report. Institutional representatives met with SCHEV staff to discuss the challenges and strategies for report requirements and program improvements.

With respect to the first goal established in the Appropriation Act, Table 1 shows that 43 percent of the medical school graduates, statewide, chose to enter a generalist residency program over the 3-year period. Looking at the three institutions independently, EVMS met the goal while UVA and VCU fell below the goal in 2005.

**Virginia Generalist Initiative Program
Comparisons of Medical Schools' Outcomes and
the Goals set out in the Appropriation Act**

**Table 1
3-Year (2003-2005) Average* of
Medical School Graduates Entering Generalist Medicine Residencies**

Medical School	Number of Graduates	Number of Graduates entering Generalist Residencies	Goal A: 50% Graduates Entering Generalist Residencies
EVMS	98	49	50%
UVA	127	50	39%
VCU	163	70	43%
Total	388	167	43%

* Numbers do not add due to rounding.

**Table 2
3-Year (2003-2005) Average* of
Generalist Residency Graduates Entering Generalist Practice**

Medical School	Total Residency Graduates	Number of Residency Graduates Choosing Generalist Practice	Goal B Part 1: 50% of Residency Graduates Entering Generalist Practice
EVMS	39	22	56%
UVA	73	40	55%
VCU	82	51	62%
Total	194	112	58%

* Numbers do not add due to rounding.

**Table 3
3-Year (2003-2005) Average* of
Generalist Residency Graduates Entering Generalist Practice in Virginia**

Medical School	Total Residency Graduates	Number of Residency Graduates Entering Generalist Practice In Virginia	Goal B Part 2: 25% of Residency Graduates Entering Generalist Practice In Virginia**
EVMS	39	12	30%
UVA	73	22	30%
VCU	82	32	40%
Total	194	66	34%

* Numbers do not add due to rounding.

**The Appropriation Act language for Goal B Part 2 requires 50% of the 50% residency graduates entering generalist field to practice in Virginia, which is equivalent to 25% of medical students entering VGI to practice in Virginia.

Table 4
Student Residency Choice for the Generalist Program

Year of Graduation	Percent of graduates entering generalist residency program at Virginia medical schools	Percent of graduates entering generalist residency program nationwide
1995	49%	47%
1996	51%	51%
1997	59%	52%
1998	55%	52%
1999	56%	50%
2000	51%	48%
2001	50%	46%
2002	48%	42%
2003	43%	40%
2004	43%	41%
2005	44%	41%
2003-05 Average	43%	41%