Agenda Book
March 20 - 21, 2017
Location: Virginia Military Institute, Lexington, VA
March 20-21, 2017, Council Meetings
Schedule of Events

Virginia Military Institute
Marshall Hall/Center for Leadership & Ethics
Lexington, Virginia

Monday, March 20, 2017

12:00 – 1:55  Ad hoc committee on research (New Market Room) – Section E on the agenda
(committee members: Gene Lockhart, Ken Ampy, Bill Murray, Minnis Ridenour)

2:00 – 3:25  Academic Affairs Committee (Shenandoah Room) - Section C on the agenda
(committee members: Gene Lockhart, Carlyle Ramsey, Heywood Fralin, Ken Ampy, Pam Moran, Katie Webb)

2:00 – 3:25  Resources and Planning Committee (New Market Room) - Section D on the agenda
(committee members: Marge Connelly, Henry Light, Stephen Moret, Bill Murray, Tom Slater, Minnis Ridenour)

3:30 – 4:15  Briefing from General Peay (Gillis Theater)

4:15 – 5:45  Bus tour (some walking)

5:45 – 6:30  Reception (Jackson Memorial Hall/VMI Museum)

6:45 – 8:15  Dinner (Superintendent's quarters)

Tuesday, March 21, 2017

8:00 – 9:00  Executive Committee (Hall of Valor) - Section B on the agenda
(committee members: Gil Minor, Heywood Fralin, Minnis Ridenour, Marge Connelly, Gene Lockhart) – NOTE: all members are invited to attend

9:00 – 12:30  Council meeting (Hall of Valor) - Section A on the agenda

NOTE:

Council member, Thomas Slater, will participate by phone from Unit 1012, Plantation Beach Club, South Seas Island Resort, 5400 Plantation Road, Captiva Island, Florida.
### March Council agendas

Time: March 20, 2017 @ 12:00pm - March 21, 2017 @ 12:30pm EDT

Location: Virginia Military Institute, Lexington, VA

Description: March 20: Committees: (Ad Hoc Research (noon), Academic Affairs (2:00), Resources & Planning (2:00)---- March 21 - Executive Committee (8:00), Council (9:00)

<table>
<thead>
<tr>
<th>Section</th>
<th>Agenda Item</th>
<th>Presenter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>COUNCIL MEETING</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>March 21 - 9:00 AM - 12:30 PM (Hall of Valor)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A1.</td>
<td>--Call to Order and Announcements</td>
<td>Chairman Minor</td>
<td></td>
</tr>
<tr>
<td>A2.</td>
<td>--Receipt of Public Comment</td>
<td>Chairman Minor</td>
<td></td>
</tr>
<tr>
<td>A3.</td>
<td>--Approval of Minutes: January 10, 2017</td>
<td>Chairman Minor</td>
<td>1</td>
</tr>
<tr>
<td>A4.</td>
<td>--Remarks from General J.H. Binford Peay, Superintendent, Virginia Military Institute</td>
<td>General Peay</td>
<td></td>
</tr>
<tr>
<td>A5.</td>
<td>--Report of the Agency Director</td>
<td>Mr. Blake</td>
<td>9</td>
</tr>
<tr>
<td>A6.</td>
<td>--Report from Matt Mueller, Vice Chair, SCHEV Student Advisory Committee</td>
<td>Mr. Mueller</td>
<td>11</td>
</tr>
<tr>
<td>A7.</td>
<td>--Update on 2017 General Assembly Session</td>
<td>Ms. Covington</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td><strong>BREAK</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B.</td>
<td>EXECUTIVE COMMITTEE</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>March 21 - 8:00 AM - 9:00 AM (Hall of Valor)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B1.</td>
<td>--Call to Order</td>
<td>Chairman Minor</td>
<td></td>
</tr>
<tr>
<td>B2.</td>
<td>--Discussion of Nominating Process</td>
<td>Chairman Minor</td>
<td></td>
</tr>
<tr>
<td>B3.</td>
<td>--Discussion of Updates to The Virginia Plan for Higher Education</td>
<td>Mr. Blake, Ms. Kang, Mr. Weatherford</td>
<td>20</td>
</tr>
<tr>
<td>B4.</td>
<td>--Other Business</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B5.</strong></td>
<td>--Motion to Adjourn</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **C.** | ACADEMIC AFFAIRS COMMITTEE  
March 20 - 2:00 - 3:25 PM  
(Shenandoah Room) |
| **C1.** | --Call to Order |
| **C2.** | --Approval of Minutes (January 10, 2017) |
| **C3.** | --Action on Programs at Public Institutions  
Dr. DeFilippo |
| **C4.** | --Status Report on Accrediting Council for Independent  
Colleges and Schools (ACICS)  
Ms. Rosa-Casanova |
| **C5.** | --Discussion of Updates to The Virginia Plan for Higher  
Education  
Dr. DeFilippo, Ms. Kang,  
Ms. Robinson |
| **C6.** | --Report of the Staff Liaison to the Committee  
Dr. DeFilippo |
| **C7.** | --Motion to Adjourn |
| **D.** | RESOURCES AND PLANNING COMMITTEE  
March 20 - 2:00 - 3:25 PM  
(New Market Room) |
| **D1.** | --Call to Order |
| **D2.** | --Approval of Minutes (January 10, 2017) |
| **D3.** | --Update on 2017 General Assembly Budget Actions  
Mr. Hix |
| **D4.** | --Discussion of Updates to The Virginia Plan for Higher  
Education  
Mr. Hix, Dr. Mottley |
| **D5.** | --Motion to Adjourn |
| **E.** | AD HOC COMMITTEE ON RESEARCH  
March 20 - 12:00 - 1:55 PM  
(New Market Room) |
| **E1.** | --Call to Order |
| **E2.** | --Approval of Minutes (January 10, 2017) |
| February 23, 2017 | |
| March 8, 2017 | |
| **E3.** | --Update on Virginia Research Investment Fund and  
Committee  
Dr. Edwards, Ms. Seuffert |
| **E4.** | --Action on Proposed Organizing Principles  
Dr. Edwards, Ms. Seuffert |
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>E5.</td>
<td>--Discussion of Development of VRIF Round 1</td>
<td>Dr. Edwards, Ms. Seuffert</td>
</tr>
<tr>
<td></td>
<td></td>
<td>94</td>
</tr>
<tr>
<td>E7.</td>
<td>--Motion to Adjourn</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>99</td>
</tr>
<tr>
<td>E6.</td>
<td>--Discussion of Timeline and Next Steps</td>
<td>Dr. Edwards, Ms. Seuffert</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Mr. Minor called the meeting to order at 12:05 p.m. in the SCHEV main conference room, 101 N. 14th Street, Richmond, Virginia. Council members present: Ken Ampy, Marge Connelly, Heywood Fralin, Henry Light, Gene Lockhart, G. Gilmer Minor, III, Stephen Moret, William Murray, Carlyle Ramsey, Minnis Ridenour, Tom Slater, and Katharine Webb.

Council member absent: Pamela Moran.

Staff members present: Peter Blake, Ellie Boyd, Beverly Covington, Joe DeFilippo, Alan Edwards, Wendy Kang, Ashley Lockhart, Paula Robinson, Lee Ann Rung, Greg Weatherford, and Yan Zheng. Al Wilson from the Office of the Attorney General was also in attendance.

ANNOUNCEMENTS/INTRODUCTIONS

Mr. Minor read Mr. Moret’s bio and welcomed him to the Council.

Mr. Blake introduced China Wilson, a Ph.D. student who will be interviewing some Council members as part of her dissertation; Karin Kapsidelis from The Richmond Times-Dispatch, and Jim Bacon, reporter, writer, and editor of the blog Bacon’s Rebellion, also were introduced.

RECEIPT OF PUBLIC COMMENT

Mr. Minor reported that no requests for public comment had been received. He invited comments from those in attendance; no one came forward.

APPROVAL OF MINUTES

On a motion by Mr. Slater and seconded by Dr. Murray, the minutes from the following meetings were approved unanimously:

October 18-19, 2016, Boards of Visitors orientation
October 24, 2016, Executive Committee meeting
October 25, 2016, Council meeting
December 1, 2016, Special meeting

REMARKS FROM MAKOLA ABDULLAH, PRESIDENT, VIRGINIA STATE UNIVERSITY (VSU)
Mr. Minor introduced President Abdullah and read his biography. President Abdullah provided a recap of his first year at VSU with the following five points:

1. VSU will continue to provide transformative opportunities for students.
2. VSU will invest in academic programs to provide quality return on investment for the Commonwealth and the community, including an emphasis on science, technology, engineering, and math (STEM).
3. Faculty and others will begin to tell the great stories of VSU, including the level of commitment by faculty and students.
4. VSU will continue to embrace its land-grant mission by providing careers that lead to economic development for the region and the Commonwealth, and will continue to provide access for all students.
5. VSU will continue to embrace its role as a historically black university.

President Abdullah spoke about VSU’s enrollment and the challenges it faces to minimize tuition increases and provide sufficient financial aid. He expressed his pride in VSU’s faculty and staff.

President Abdullah informed the Council that VSU has been removed from its earlier warning from the Southern Association of Colleges and Schools Commission on Colleges (SACS-COC). He answered questions from members.

**REMARKS FROM JOHN O. “DUBBY” WYNNE, CHAIRMAN, VIRGINIA GROWTH AND OPPORTUNITY BOARD**

Mr. Minor provided background information from Mr. Wynne’s biography and thanked him for attending the meeting. Mr. Wynne provided information on the Virginia Growth and Opportunity Board, or the GO Virginia board.

GO Virginia was initiated to improve Virginia’s economy and its workforce by involving regions to identify their top priorities to create higher paying jobs. The purpose of GO Virginia is to provide focused, incentivized collaboration. While collaboration must be done at all levels, sufficient funds are not currently available. He said real growth is needed from outside the Commonwealth in order to grow the economy.

Mr. Wynne explained the organizational structure of GO Virginia. The board is composed of 24 members. Nine regions have been designated. Stipends should go out to the regions in spring 2017. The collaborative initiatives should identify priorities that are actionable rather than aspirational. He answered questions from members.

Dr. Murray left the meeting at 1:15 p.m.

The chairman called for a break at 1:15 p.m. The meeting resumed at 1:25 p.m.

**REPORT OF THE AGENCY DIRECTOR**
Mr. Blake highlighted recent agency activities. He said the cybersecurity public service scholarship, affordable pathways partnership grant, and the new economy workforce credential grant are new programs established in the last General Assembly session. SCHEV was assigned responsibility to provide leadership in these areas. Mr. Blake provided a progress report on each.

Boards of Visitors orientation – Mr. Blake thanked Council members for their participation and provided a brief summary of the feedback received from the follow-up survey. Ms. Webb requested that staff share the specific comments from the survey.

Outstanding Faculty Awards – Mr. Blake thanked Mr. Ampy and Mr. Slater for their participation on the final selection committee. Each spoke about the experience and expressed their impression of the caliber of the nominees.

Mr. Blake asked Ms. Kang to provide an update on the communication initiative. Ms. Kang reported that the annual report on The Virginia Plan that SCHEV is required by the Code of Virginia to submit annually, has been completed and is being prepared for submission to the Governor and General Assembly. She highlighted portions of the report and indicated that the report will be shared with presidents, legislative liaisons, and Council members. Ms. Kang informed the Council that during the 2017 General Assembly session, staff will distribute to legislators a series of one-page papers highlighting elements of The Virginia Plan.

Mr. Blake thanked Ms. Webb, Ms. Kang, and Mr. Weatherford for their efforts in advancing the communications initiative. Ms. Kang answered questions from members.

REPORTS FROM THE COMMITTEES

Report from Executive Committee

Mr. Minor reminded members that the proposed bylaws changes were approved by the Executive Committee in September. Because the bylaws changes require a three-quarters vote of the membership, there was not sufficient attendance at the October meeting to approve the changes. On a motion by Mr. Light and seconded by Ms. Webb the following resolution was approved unanimously 11-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia, pursuant to the SCHEV Bylaws Section Eight, following presentation in writing and discussion at the September 19, 2016, Council meeting, and following a three-quarters vote of the total Council membership at the January 10, 2017, Council meeting, adopts the amended version of the SCHEV Bylaws dated January 10, 2017. Council also requests that staff distribute the amended bylaws to the members and post a copy on the SCHEV website.
Mr. Minor reminded members that as a result of the bylaws changes, Council elections will take place at the May meeting instead of the July meeting, ensuring that the new chair and officers are in place by July 1.

Report from Academic Affairs Committee

Action on Programs at Public Institutions

Mr. Lockhart and Dr. DeFilippo provided information about the Bachelor of Science degree program at Longwood University. The Committee’s recommendation was seconded by Mr. Slater and the following resolution was approved unanimously (10-0. Dr. Ramsey was not present for the vote):

   **BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Longwood University to initiate a Bachelor of Science (B.S.) degree program in Health and Physical Education (CIP: 13.1314), effective fall 2017.**

Mr. Lockhart thanked the representatives from Longwood who attended the meeting.

Mr. Lockhart also provided a summary of other discussions that took place at the Committee meeting.

Report from Resources and Planning Committee

Action on 2017 Enrollment Projection and Degree Estimate Process

Ms. Connelly summarized Mr. Massa’s presentation to the Committee. The Committee’s recommendation was seconded by Ms. Webb and the following resolution was approved unanimously (11-0):

   **BE IT RESOLVED that the State Council of Higher Education for Virginia directs staff to collaborate with institutions to produce a package of enrollment projections and degree estimates that informs the Council on its ability to meet the Commonwealth’s goal of “becoming the best educated state in the nation by 2030”; and**

   **BE IT FURTHER RESOLVED that the enrollment projection and degree estimate process shall follow the schedule below as closely as possible:**

1. Kickoff Webinar – February 9th
2. Optional Training Webinars February 13th – 24th
3. Submission Due Dates:
   a. Public Institutions – May 1st
   b. Private Institutions – May 1st
4. Staff Update – May Council Meeting
5. Staff Update – July Council Meeting
6. Meetings with Institutions (as part of six-year plan review) – Summer
7. Council Review – September Council Meeting
8. Council Action – October Council Meeting

Mr. Moret expressed the importance of a strong economic development partnership and agreed to share with Mr. Blake some of his experiences in this area.

Ms. Connelly provided an overview of the other items that were discussed at the Committee meeting, including: discussion of the 2016 fall enrollment, the Governor’s introduced budget, a preview of the 2017 General Assembly session, and updates to The Virginia Plan.

Ms. Ridenour departed the meeting at 2:25 p.m.

Report from Ad Hoc Committee on Research

In Dr. Murray’s absence, Dr. Edwards provided the ad hoc committee’s report. He reminded members that Chairman Minor created the ad hoc committee in December to coordinate Council’s fulfillment of its new responsibilities in the administration of the Virginia Research Investment Fund (VRIF).

He reviewed the topics discussed at the ad hoc committee’s two meetings (December 21 and January 10). The next ad hoc committee meeting is scheduled for February 23, and members have directed staff to invite public institutions’ research officers to discuss foci and strengths of their research programs.

RECEIPT OF ITEMS DELEGATED TO STAFF

Mr. Blake noted the categories of recent actions taken by staff as delegated by the Council. As required, a copy of these actions is attached to the minutes.

NEW BUSINESS

Action on Resolution for Departing Council Member

Mr. Minor thanked Mr. Gundersen for his service on the Council and said it was a privilege work with him. On a motion by Ms. Webb and seconded by Mr. Slater, the following resolution was approved unanimously (10-0). Because Mr. Gundersen was not in attendance, the resolution will be mailed to him:

WHEREAS, Daniel C. Gundersen served as a member of the State Council of Higher Education for Virginia in 2016; and

WHEREAS, he demonstrated his unwavering commitment to enhancing Virginia’s outstanding system of higher education through his guidance and good counsel on the Resources and Planning Committee; and
WHEREAS, Mr. Gundersen’s leadership experience in local, state, national, and international business development with the Virginia Economic Development Partnership (VEDP) greatly benefited the Council in its public policy deliberations and recommendations to the Governor and General Assembly; and

WHEREAS, Mr. Gundersen regularly reminded Council members of the important link between higher education and the expansion of Virginia’s economic prosperity; and

WHEREAS, his unique perspective enabled him to offer observations and suggestions that were essential to the Council’s work related to The Virginia Plan for Higher Education; and

WHEREAS, he will continue to work to ensure that Virginia is advanced through higher education and will serve as a valued and knowledgeable advisor to the Council as it continues its important work; now therefore be it

RESOLVED, that the State Council of Higher Education for Virginia expresses its sincere gratitude and appreciation to Daniel C. Gundersen for his distinguished service and commitment to advancing the well-being of higher education in Virginia, and extends to him best wishes for continued success in all future endeavors.

ADJOURNMENT

On motion by Ms. Connelly and seconded by Mr. Slater, the meeting adjourned at 2:40 p.m. Mr. Minor reminded members that the next meeting will be held at Virginia Military Institute on March 20-21, 2017.

Mr. Minor commended James Madison University for winning the Football Championship Subdivision national championship.

Mr. Minor informed attendees of the results of the Council survey. Staff has received good suggestions and will work to implement several of them.

________________________________________
Minnis Ridenour
Council Secretary

________________________________________
Lee Ann Rung
Director, Executive and Board Affairs
Items Delegated to Director/Staff

Pursuant to the Code of Virginia, Section 23-9:6:1 and Council’s “Policies and Procedures for Program Approval and Changes,” the following items were approved/not approved as delegated to staff:

Program Actions

<table>
<thead>
<tr>
<th>Institution</th>
<th>Degree/Program/CIP</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>George Mason University</td>
<td>New Degree Program Not Approved: Master of Arts degree program in Higher Education and Student Development (13.0406)</td>
<td>October 12, 2016</td>
</tr>
<tr>
<td>George Mason University</td>
<td>New Degree Program Not Approved: Master of Science degree program in Bioengineering (14.0501)</td>
<td>October 31, 2016</td>
</tr>
<tr>
<td>Norfolk State University</td>
<td>Facilitated Staff Approval: Master of Arts in Teaching degree program in Education (13.0101) [Conferral: Fall 2016]</td>
<td>Fall 2016</td>
</tr>
<tr>
<td>Old Dominion University</td>
<td>Title Change Approval: From a Bachelor of Arts in Foreign Languages (16.0101) to a Bachelor of Arts in World Languages and Cultures (16.0101)</td>
<td>Spring 2017</td>
</tr>
<tr>
<td>Old Dominion University</td>
<td>New Degree Program Not Approved: Master of Science degree program in Sport Management (31.0504)</td>
<td>November 3, 2016</td>
</tr>
</tbody>
</table>

Pursuant to the Code of Virginia, Section 23-9:6:1 and Council’s “Policies and Procedures for Program Approval and Changes,” the following items were reported:

Diploma, Certificate and Discontinued Programs

<table>
<thead>
<tr>
<th>Institution</th>
<th>Degree/Program/CIP</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Danville Community College</td>
<td>Initiate a new Undergraduate Certificate program in Cybersecurity (11.1003) [Conferral: Spring 2017]</td>
<td>Fall 2016</td>
</tr>
<tr>
<td>Danville Community College</td>
<td>Initiate a new Diploma program in Welding (48.0508) [Conferral: Spring 2018]</td>
<td>Fall 2016</td>
</tr>
<tr>
<td>George Mason University</td>
<td>Initiate a new Graduate Certificate program in Sport Coaching (13.1314) [Conferral: Spring 2017]</td>
<td>Spring 2017</td>
</tr>
<tr>
<td>Longwood University</td>
<td>Discontinue the Master of Arts degree program in English (23.0101) [Council Approval: Pre- SCHEV]</td>
<td>Spring 2018</td>
</tr>
</tbody>
</table>
Longwood University

Discontinue the Master of Science degree program in Sociology (45.1101) [Council Approval: July 1, 1993]

Spring 2018

Virginia Tech

Initiate 14 new Graduate Certificate programs [Conferral: Spring 2017]:
Business Analytics (52.1302);
Business Analytics and Data Mining (52.1207);
Data Analytics (11.0301);
Database Management (11.0802);
Enterprise in Hospitality and Tourism Management (52.0701);
Health Information Technology (51.2706);
Hospitality and Tourism Analytics and Revenue Management (52.0904);
Human Factors of Transportation Safety (30.0000);
Information Security and Analytics (11.0103);
International Hospitality and Tourism Strategy (52.1101);
Public Health (51.2201);
Remote Sensing (14.3801);
Science and Technology Studies (30.1501);
Software Development (11.0202)

Spring 2017

Pursuant to the Code of Virginia, Section 23-9.14:3 and Council’s “Commonwealth of Virginia Policy on the Reciprocal Authorization of Distance Education and Related Activities,” the following items were approved as delegated to staff:

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

<table>
<thead>
<tr>
<th>Institution</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia Western Community College</td>
<td>October 4, 2016</td>
</tr>
<tr>
<td>Appalachian College of Pharmacy</td>
<td>December 8, 2016</td>
</tr>
</tbody>
</table>
**State Council of Higher Education**  
**Director’s report**  
**March 21, 2017**

**New legislative duties:** The General Assembly concluded its work in February. SCHEV will assume the following new responsibilities:

- Develop the Commonwealth Research and Technology Strategic Roadmap and submit it to the Virginia Research Investment Committee for approval.
- Administer the Virginia Longitudinal Data System.
- Establish a policy for granting undergraduate general education course credit to any entering student who has successfully completed a dual enrollment course.
- Develop a passport credit program, whereby each passport credit course shall satisfy a lower division general education requirement at any public institution of higher education.
- Identify opportunities for improvement in financial aid award letters and develop and implement award letter policies at public and private colleges and universities.
- Serve on the board of the Online Virginia Network Authority.
- Receive report on value and use of selected institutional investments.
- In cooperation with the Virginia Community College System and the Virginia Department of Education, recommend changes to dual enrollment program between high schools and community colleges.
- In cooperation with the New College Institute, evaluate options for alternative pricing that result in lower charges for programs and courses offered to citizens of the region attending the New College Institute.
- Participate in activities associated with the Joint Subcommittee on the Future Competitiveness of Virginia Higher Education.
- Prepare a report regarding the practice of requiring transfer students to provide a “letter of good standing” prior to enrollment.
- Collaborate with the Department of Treasury and the Virginia College Savings Plan to prepare a report regarding a proposal to create a state student loan refinancing authority.

**Affordable Pathways Partnership Grant.** The Governor and the General Assembly established this fund in 2016, in part to promote greater partnerships with pre-K-12. In late 2016, SCHEV awarded five grants to partnerships that include high schools, community colleges and a university. The grants are expected to save the first cohort of students $4.2 million, with an average savings per student of $10,000 for those who complete the program. The 2017 General
Assembly reduced the funding for the program in FY 2018, which will result in a curtailing of activities related to the grant program.

**Outstanding Faculty Awards:** This year marked the 31st year of the Outstanding Faculty Awards, which is sponsored by the Dominion Foundation. Approximately 115 guests attended the February 16 luncheon, which celebrated the achievements of 12 recipients from public and private institutions. Secretary of Education Dietra Trent introduced the Governor, who provided the keynote address. Thanks to Council members Gil Minor, Pam Moran and Henry Light for their support and attendance. Thanks also to Ken Ampy and Tom Slater for serving on the selection committee and for introducing the recipients.

**Six-year plan meetings:** We are embarking on the biennial institutional six-year planning cycle. It begins with a meeting later this month of the “op-six” group, made up of six people from around Capitol Square, including the SCHEV director. The meetings with institutions are substantive, time-consuming and productive.

**Education Commission of the States:** Governor McAuliffe appointed me to serve as one of seven commissioners from Virginia. ECS is a policy and research organization that addresses educational topics from early childhood education through higher education from the perspective of states. I traveled recently to Washington D.C. to meet with the ECS state representative for Virginia.

**Out and about:** Council chair Gil Minor and I met regularly with legislators during the 2017 General Assembly session. Gil Minor and SCHEV staff met with new Council member Stephen Moret as part of his orientation to our work. SCHEV staff continues to work with a GO Virginia advisory committee, which is working on various documents and policies to support the GO initiative. I attended the Virginia Outstanding Scientists award ceremony at the Science Museum of Virginia; one of the recipients is also a recipient of the SCHEV Outstanding Faculty Award. The Virginia Commission on Higher Education Board Appointments met in early March and began discussions on the upcoming round of gubernatorial appointments. I participated in a State Board of Education recognition event for a student in the state’s GEAR UP program. Joe DeFilippo and I met with state leaders and the president of the Association of American Colleges and Universities at the University of Richmond. I attended a meeting of the Norfolk State University board of visitors to discuss state policies around institutional funding. The Virginia Research Investment Committee, chaired by the SCHEV director, met and received a report on the progress of the SCHEV ad hoc committee on research. Later this month, SCHEV staff will participate in an invitation-only meeting with the Lumina Foundation to discuss financial planning in a new era.
State Council of Higher Education for Virginia
Agenda Item

Item:  Council #A6 – Report from Matt Mueller, Vice Chair, SCHEV Student Advisory Committee

Date of Meeting:  March 21, 2017

Presenters:  Paula Robinson, Assistant Director College Access and PK12 Outreach (paularobinson@schev.edu)
Matt Mueller, James Madison University

Most Recent Review/Action:
☒ No previous Council review/action
☐ Previous review/action
  Date:                      
  Action:                   

Background Information/Summary of Major Elements:

SCHEV coordinates a 22-member public and private institution student advisory committee as required in state code. Membership consists of one full-time student from each four-year public college and university; five students representing public two-year institutions; and two students representing private institutions. The committee assembles two to four times annually to advise the Council on system-wide issues of concern to Virginia’s college students. Subjects of discussion have included financial aid, sexual assault, nutritional food options, transportation and access. Topics of discussion both are brought to the group for student input and are received from the students to help shape SCHEV’s understanding of student concerns and priorities.

The Student Advisory Committee vice-chair, Matt Mueller, will present campus issues expressed by 2016-2017 committee members and share information about the educational experience in Virginia, based upon his personal student journey. Matt is currently a senior at James Madison University, majoring in Political Science, and serving as the Student Government Association president.

Materials Provided:  None

Financial Impact:  N/A

Timetable for Further Review/Action:  None

Resolution:  N/A
Item: Council meeting #A7 – 2017 General Assembly Update

Date of Meeting: March 20, 2017

Presenter: Beverly Covington, Sr. Associate for Academic and Legislative Affairs
beverlycovington@schev.edu

Most Recent Review/Action:
☐ No previous Council review/action
☐ Previous review/action
   Date: January 10, 2017
   Action: N/A

Background Information/Summary of Major Elements: The 2017 General Assembly session was active, with legislation introduced on a variety of higher education issues. Most notably, legislators introduced bills that sought to set tuition increase caps and limit admission and financial aid for out-of-state students. These matters were debated in House and Senate committee meetings. While legislation was not acted upon favorably, the bodies determined that the issues raised merited additional study. Budget bill language assigns such study to the Joint Subcommittee on the Future Competitiveness of Virginia Higher Education. Other legislation introduced reflected legislative concerns about transfer of credits between institutions. Legislation will require SCHEV to work cooperatively with the institutions to enhance the transparency of the availability of credit for general education dual enrollment courses and to develop a “Passport” program, which will provide for uniform acceptance of certain courses by all of the public institutions.

Materials Provided:

A list of legislation related to higher education.

Financial Impact: N/A

Timetable for Further Review/Action: N/A
2017 Legislative Update

Governing Board Authority

HB 1401 (Landes) - Public institutions of higher education; speech on campus. Prohibits public institutions of higher education from abridging the freedom of any individual, including enrolled students, faculty and other employees, and invited guests, to speak on campus, except as otherwise permitted by the First Amendment to the United States Constitution.

HR 431 (LaRock) – Encouraging public institutions of higher education in the Commonwealth to protect free speech. Encourages public institutions of higher education to protect free speech and communicates the urgent need for the governing board of each public institution of higher education in the Commonwealth to develop and adopt a policy on free speech that contains certain specifications relating to the institution’s function and role with regard to public policy controversies.

HB 1402 (Landes) and SB 907 (Surovell) - Governing boards of public institutions of higher education; leadership; residency. Requires the president or any one of the vice presidents of the board of visitors of Virginia Military Institute, the chairman or the vice-chairman of the State Board, and the rector or vice-rector of the governing board of each other public institution of higher education shall be a resident of the Commonwealth.

HB 2171 (Massie) - Public institutions of higher education; annual report of investment fund earnings. Requires that no later than December 1 of each year, the governing board of each public institution of higher education will report to the State Council of Higher Education for Virginia (SCHEV) the:

- Value of investments as reflected on the Statement of net Position as of June 30 of the previous fiscal year – excluding any funds derived from endowment donations, endowment income, or other private gifts;
- Cash earnings on those balances in the previous fiscal year; and
- Use of the case earning resulting from the balances.

Virginia Commonwealth University and University of Virginia will exclude the value of and earnings resulting from investments held by their health system authority and medical center, respectively.
Student Affairs and Health

**HB 1842 (Knight)** Alcoholic beverage control; neutral grain spirits or alcohol sold at government stores; proof. Increases from 101 to 151 the proof of neutral grain spirits or alcohol that is without distinctive character, aroma, taste, or color that may be sold at government stores. The provisions of the bill will expire on July 1, 2022.

**HB 1911 (Yost)** Public institutions of higher education; resident assistants; mental health first aid training. Each resident assistant in a student housing facility at a public institution of higher education shall participate in Mental Health First Aid, or similar training, prior to the commencement of his duties.

**HB 2127 (Levine) and SB 1501 (Favola)** Rights of victims of sexual assault; physical evidence recovery kits. Requires the Division of Consolidated Laboratory Services of the Virginia Department of General Services and law-enforcement agencies to store a physical evidence recovery kit for an additional 10 years following a written objection to its destruction from the victim. The bill requires the law-enforcement agency to notify the victim at least 60 days prior to the intended date of destruction of the kit and provides that no victim of sexual assault shall be charged for the cost of collecting or storing a kit.

**SB 944 (Chafin)/HB 1746 (Rush)** - Institutions of higher education; possession and administration of epinephrine. Authorizes and provides liability protection for employees of a public or private institution of higher education who are authorized by a prescriber and trained in the administration of epinephrine, insulin, or glucagon to possess and administer such epinephrine, insulin, or glucagon.

Academic Affairs

**HB 1512 (Bell)** - Public institutions of higher education; academic credit for American Sign Language courses. Requires each public institution of higher education to develop policies for counting credit received for successful completion of foreign language courses, including American Sign Language courses, either in a secondary school or another institution of higher education toward satisfaction of the foreign language entrance, placement, and course credit requirements of the public institution of higher education. The bill requires each public institution of higher education to count credit received for successful completion of American Sign Language courses at the institution toward satisfaction of its foreign language course credit requirements.

**HB 1592 (James) and SB 999 (Ruff)** - Comprehensive community colleges; academic credit. Requires the State Board for Community Colleges to require each comprehensive community college to develop policies and procedures for awarding academic credit to enrolled students who have successfully completed a state-approved registered apprenticeship credential.
HB 1662 (Greason) and SB 1534 (Sturtevant) - Public institutions of higher education; course credit; dual enrollment courses. Requires the State Council of Higher Education for Virginia (SCHEV), in consultation with the governing board of each public institution of higher education, to establish a policy for granting undergraduate course credit to any entering freshman student who has successfully completed a dual enrollment course at a comprehensive community college pursuant to an agreement for postsecondary degree attainment. The bill requires SCHEV and each public institution of higher education to make the policy available to the public on their websites.

HB 2262 (Cox) Online Virginia Network Authority established. Establishes the Online Virginia Network Authority (the Authority) as a political subdivision of the Commonwealth for the purpose of establishing the Online Virginia Network to coordinate the online delivery of courses that facilitate the completion of degrees at George Mason University and Old Dominion University. The bill requires the Authority to be governed by a 15-member board.

SB 1234 (Dunnavant) Public institutions of higher education; transferable credits. Requires the State Council of Higher Education for Virginia (Council), in consultation with each public institution of higher education, to develop a passport credit program that will be offered at each associate-degree-granting public institution of higher education.

Financial Aid and In-State Tuition

HB 1721 (Anderson) - State Board for Community Colleges; reduced rate tuition and mandatory fee charges; certain students who are active duty members of the Armed Forces of the United States. Permits the State Board for Community Colleges to charge reduced rate tuition and mandatory fees to any student who is (i) an active duty member of the Armed Forces of the United States; (ii) enrolled in a degree program at a comprehensive community college, provided that any such comprehensive community college that offers online degree programs is a member of the National Council for State Authorization Reciprocity; and (iii) enrolled in training that leads to a Military Occupational Specialty in the Army or Marine Corps, an Air Force Specialty Code, or a Navy Enlisted Classification.

HB 1848 (Hester) Comprehensive community colleges; tuition grants. Provides that certain Virginia students who were in foster care or in the custody of the Department of Social Services or considered a special needs adoption and are enrolled in a noncredit workforce credential training program in a comprehensive community college may qualify for a grant for the payment of tuition and fees.

HB 1965 (Massie) and SB 1026 (Dunnavant) - Two-Year College Transfer Grant Program; Expected Family Contribution. Broadens eligibility for the Two-Year College Transfer Grant Program by including students whose Expected Family Contribution, as calculated by the federal government using the family's financial information reported on the Free Application for Federal Student Aid (FAFSA), is no
more than $12,000. Currently the program is available only to students whose Expected Family Contribution is no more than $8,000. The bill does not affect additional eligibility requirements for the Two-Year College Transfer Grant Program.

HB 2427 (Cox) and SB 1527 (Saslaw) Virginia Guaranteed Assistance Program; grants. Makes several changes to the Virginia Guaranteed Assistance Program (Program), including adding requirements that (i) each student eligible for the Program receive a grant from the institution's appropriations for undergraduate student financial assistance before grants are awarded to students with equivalent remaining need, (ii) each eligible student receive a Program grant in an amount greater than other grants awarded to students with equivalent remaining need, (iii) each eligible student receive a Program grant in an amount greater than the grant of each eligible student with equivalent remaining need in the next-lowest class level, and (iv) each Program grant be determined by a proportionate award schedule adopted by each institution and vary according to each student's remaining need and the total of tuition, fees, and other necessary charges, including books.

Data Collection and Publishing

HB 1664 (Greason) - State Council of Higher Education for Virginia; collection and publication of wage data and the Virginia Longitudinal Data System. Authorizes the Council to administer the Virginia Longitudinal Data System as a multiagency partnership for the purposes of developing educational, health, social service, and employment outcome data; improving the efficacy of state services; and aiding decision making.

Virginia Research Investment Committee

HB 2245 (Jones) and SB 1371 (Saslaw) - Expands the role of the Virginia Research Investment Committee (the Committee) to include, in addition to awarding grants and loans from the Virginia Research Investment Fund, providing guidance and coordination in the use of public funds to support research and commercialization efforts throughout the Commonwealth. Effective January 1, 2018, the bill moves responsibility for the development of the Commonwealth Research and Technology Strategic Roadmap (the Roadmap) from the Center for Innovative Technology to the State Council of Higher Education for Virginia (the Council), which shall submit the plan to the Committee for approval. The Roadmap would be used to determine areas of focus for awards from the Virginia Research Investment Fund and the Commonwealth Research Commercialization Fund.

Bills for Interim Study

HB 1447 (Miyares) - Higher education; student housing; substance abuse recovery housing program. The bill would have required baccalaureate public institutions of higher education with at least 25 percent of undergraduate student
population living in on-campus housing to establish a substance abuse recovery housing program. The bill was laid on the table in House Education, Higher Education subcommittee, but the Chair will be recommending a letter be sent to SCHEV to study the proposal and make recommendations about whether there is a need for such housing at the Commonwealth’s institutions of higher education.

HB 1410 (Albo) - Certain educational institutions; designation of governing boards; financial assistance; enrollment. Would have required the board of visitors of each baccalaureate public institution of higher education, except Virginia Military Institute, Norfolk State University, and Virginia State University, to adopt policies prohibiting the annual enrollment of full-time equivalent undergraduate non-Virginia students from exceeding 30 percent of the total annual enrollment of full-time equivalent undergraduate students unless the board, after covering the cost to educate each full-time equivalent undergraduate non-Virginia student that exceeds such 30 percent cap with tuition revenue from such students, uses any remaining tuition revenue from such students to lower in equal amounts the rate of tuition and fees charged to each undergraduate Virginia student.

SB 1036 (Howell) - Virginia Student Loan Refinancing Authority; refinancing loan guaranty program. The bill would have established the Virginia Student Loan Refinancing Authority (the Authority), for the purpose of developing and implementing a program by which the Authority may guarantee the obligations of an individual who incurred qualified education loan debt as a Virginia student at an institution of higher education in the Commonwealth under loans that refinance such education loan debt. The Senate Education and Health Committee voted to PBI the bill but to send a letter to SCHEV, Virginia 529 and Treasury to study the proposal in greater depth.

Budget Bill Language

<table>
<thead>
<tr>
<th>Item 144 #4c Standardization of Financial Aid Award Letters</th>
</tr>
</thead>
</table>
| "K. 1. The State Council of Higher Education for Virginia shall work with representatives of the higher education institutions receiving state financial aid or whose students receive tuition assistance grants and review the financial aid award letters utilized by these institutions by November 1, 2017. During this review, the Council shall identify opportunities for improvement as well as best practices for, but not limited to, clarity and completeness of the information provided on gift aid as well as student’s responsibility regarding student loans or work-study, student’s ability to compare financial aid award packages among these institutions to make informed financial choices, and the conditions under which these awards or outstanding balance might change.

2. The Council shall then develop and implement award letter
2017 Legislative Update  March 20, 2017

<table>
<thead>
<tr>
<th>Item 144 #5c</th>
<th>Additional Language Under New Economy Workforce Credential Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'Local community colleges shall not start new workforce programs that would duplicate existing high school and adult Career and Technical Education (CTE) programs for high-demand occupations in order to receive funding under this Grant.'</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item 213 #4c</th>
<th>Dual Enrollment Redesign</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This amendment directs VCCS, DOE, and SCHEV to recommend certain changes to the structure of dual enrollment. In the 2015-16 academic year, 37,926 high school students earned college credit through dual enrollment at one of the 23 community colleges. In Virginia, dual enrollment is delivered primarily at the high school by a faculty member who is verified by the college as qualified to teach college-level courses. The college and the high school enter into a contract agreement that sets out the terms and conditions upon which college courses will be offered.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item 249 #1c</th>
<th>NCI Restructuring</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This amendment provides $100,000 from the general fund in the second year for the purposes of the New College Institute researching and developing a five-year plan. The amendment also updates the language to provide some additional stipulations for the plan</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item 4-.01 #2c</th>
<th>AP/IB/CLEP Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The State Council of Higher Education for Virginia shall establish a policy for granting undergraduate course credit to entering freshman students who have taken one or more Advanced Placement, Cambridge Advanced (A/AS), College-Level Examination Program (CLEP), or International Baccalaureate examinations by August 1, 2017. The policy shall:</td>
</tr>
<tr>
<td></td>
<td>a) Outline the conditions necessary for each public institution of higher education to grant course credit, including the minimum required scores on such examinations;</td>
</tr>
<tr>
<td></td>
<td>b) Identify the course credit or other academic requirements of each public institution of higher education that the student satisfies by achieving the minimum required scores on such examinations;</td>
</tr>
</tbody>
</table>
and

c) Ensure, to the extent possible, that the grant of course credit is consistent across each public institution of higher education and each such examination.

2. The Council and each public institution of higher education shall make the policy available to the public on its website."

Item 1 #5c
Legislative Department - Joint Subcommittee on the Future Competitiveness of Virginia Higher Education

The members of the Joint Subcommittee shall provide a final report to their respective committees at the conclusion of the review.

Explanation: This amendment updates the final reporting date for the Joint Subcommittee on the Future Competitiveness of Virginia Higher Education. The Joint Subcommittee will continue the review beyond 2017.

Item 1 #15c
Legislative Department - Joint Subcommittee on the Future Competitiveness of Virginia Higher Education

The Subcommittee will also conduct a focused review of access, affordability, quality, and autonomy issues related to Virginia’s public higher education system. As part of that review the Subcommittee will explore ways to (a) improve the quality of higher education; (b) review the autonomy and flexibility granted to Virginia’s public higher education institutions, including the history of restructuring and the expansion of autonomy; (c) examine access and affordability in higher education, including the cost of education and need-based financial aid programs; (d) review the impact of financial, demographic, and competitive changes on the sustainability of Virginia’s public higher education system; and (e) identify any practices that would result in more efficient outcomes regarding cost and completion, including dual enrollment and online programs.

Explanation: This amendment updates the final reporting date for the Joint Subcommittee on the Future Competitiveness of Virginia Higher Education. The Joint Subcommittee will continue the review beyond 2017.
State Council of Higher Education for Virginia
Agenda Item

Item: Executive Committee #3 – Discussion of The Virginia Plan for Higher Education Updates

Date of Meeting: March 21, 2017

Presenter: Peter Blake, Director  
(peterblake@schev.edu)  
Wendy Kang, Higher Education Innovation Director  
(wendykang@schev.edu)  
Gregory Weatherford, Outreach and Communications Associate  
(gregoryweatherford@schev.edu)

Most Recent Review/Action:
☐ No previous Council review/action
☒ Previous review/action
  Date: December 1, 2017
  Action: Council discussed the communications initiative as part of its special Council meeting on The Virginia Plan for Higher Education

Background Information/Summary of Major Elements:

The Executive Committee is assigned initiative number five related to communications:

5. Launch a communications strategy to address public knowledge and benefits of higher education, through Council reports, traditional media, social media and other means.

SCHEV staff has worked on several strategies to support his initiative and communicate to key stakeholder groups, including the following:

• Developing a statewide brand for higher education in Virginia that will support a strategy to convey knowledge and benefits of higher education: SCHEV has worked to get design concepts for a brand to be used that will work across the three stakeholder groups identified: policy makers, businesses students and parents. The brand is in design form and will begin broader testing and messaging in April.
• Launched a communications strategy during the General Assembly session to convey the value of higher education to policy makers: During the session,
SCHEV staff distributed to all legislators and key legislative and governor’s staff one-page documents focused on high-interest topic areas including debt, wages, research and gaps in education. Staff are working to gain feedback on this strategy and to identify new strategies to use for legislators when they are not in session through planned visits and development of informational materials.

- **Initiated a taskforce to identify strategies to improve transitions to postsecondary education to improve communications to students and parents:** This taskforce is charged with identifying communications strategies, as well as policies and information/resources needed to increase enrollment into and completion of postsecondary education.

- **Set meetings with key stakeholders to discuss common connections with The Virginia Plan for Higher Education:** SCHEV staff has provided updates on the plan to presidents and higher education groups. Staff has planned or is scheduling meetings with the State Board of Education, the Virginia Chamber, local chambers and the Virginia Business Council.

- **Impacts to date:** Through the initial strategies implemented January-February 2017, the following are some measurable outcomes through media outreach:
  - 148.6 million audience reach via published/broadcast media
  - Equivalent to $1.4 million in advertising
  - 1,250 print copies distributed to General Assembly
  - 2,840 newsletter opens
  - 49,000 social-media impressions

  **Compare to same period last year:**
  - 104 million audience reach via published/broadcast media
  - Equivalent to $945,000 in advertising
  - 500 copies print copies distributed to General Assembly
  - No newsletter
  - 22,000 social-media impressions

**Materials Provided:** None

**Financial Impact:** No financial impact at this time.

**Timetable for Further Review/Action:** No further action at this time.

**Resolution:** No resolution at this time.
Mr. H. Eugene (Gene) Lockhart (Chair) called the meeting to order at 10:08 a.m. in SCHEV Offices, 10th Floor Conference Room. Committee members present: Ken Ampy, Heywood Fralin, Gene Lockhart (Chair), and G. Gilmer Minor III. Katharine (Katie) M. Webb arrived at 10:10 a.m. and Carlyle Ramsey (Vice-Chair) at 11:15 a.m. Staff members present: Joseph DeFilippo, Darlene Derricott, Jodi Fisler, Wendy Kang, Tod Massa, Monica Osei and Paula Robinson. Al Wilson – Office of the Attorney General.

APPROVAL OF MINUTES

On motion by Mr. Ampy and seconded by Mr. Fralin, minutes from the October 24, 2016, meeting were approved unanimously.

ACTION ON PROGRAMS AT PUBLIC INSTITUTIONS

Bachelor of Science in Health and Physical Education (BSHPE) – Longwood University

Dr. DeFilippo provided an overview and informed members that the program is split-off from Longwood’s undergraduate Kinesiology program. The BSHPE is designed as a teacher education training program in health and education to meet teacher preparation requirements of the Virginia Department of Education (VDOE). VDOE has reported physical education as a teacher critical shortage area for the last seven years.

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

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Longwood University to initiate a Bachelor of Science (B.S.) degree program in Health and Physical Education (CIP: 13.1314), effective fall 2017.

DISCUSSION OF UPDATES TO THE VIRGINIA PLAN FOR HIGHER EDUCATION

Dr. DeFilippo informed members this update will be presented by SCHEV staff in three parts. The first part on quality and assessment was presented by Dr. Jodi Fisler, SCHEV’s Associate for Assessment Policy and Analysis, along with invited guests who are members of SCHEV’s Task Force on Quality and Assessment: Dr. Susan
Bosworth, Associate Provost for Institutional Accreditation and Effectiveness (College of William and Mary) and Dr. Scott Oates, Director of Academic Integrity and Assessment (Virginia Commonwealth University). Dr. Fisler briefed members on the Task Force’s deliberations and key elements of the draft Assessment Policy under development, including: the statement of quality, guiding principles on student learning, parameters of core competencies and outcomes, and six-year reporting plans.

Drs. Bosworth and Oates shared institutional perspectives on strategies and methods used for general education and program-level assessments as well as collaboration and partnerships among faculty, departments and schools. Staff responded to several questions and concerns about student success measures and the alignment of the policy to accreditation requirements. Mr. Lockhart requested staff to provide a follow-up at Council’s March 2017, meeting.

Mr. Tod Massa, Director of Policy Research and Data Warehousing, conveyed part two of the discussion by presenting resources and data on post-graduate outcomes available on the SCHEV website. The presentation showcased data and reports available on student debt, wages, graduate outcomes, enrollment, degree awards and the Economic Opportunity Metrics Scorecard for individual institutions. Members thanked him for his demonstration and the creation of an effective tool.

Ms. Wendy Kang, Director of Higher Education Innovation, and Ms. Paula Robinson, Assistant Director of College Access and pre-K-12 Outreach, provided updates on access and affordability. Staff informed members that they are working on establishing partnerships and outreach opportunities and convening round tables with the Virginia Association of Student Financial Aid Administrators and the Virginia College Access Network. Members suggested: 1) adding working groups comprised of high school and early childhood counselors and college admissions officers, and 2) inviting Virginia Department of Education staff to a future Council meeting.

REPORT OF THE STAFF LIAISON TO THE COMMITTEE

Dr. DeFilippo informed members this item begins on page 83.

MOTION TO ADJOURN

Mr. Lockhart adjourned the meeting at 11:45 a.m.

H. Eugene Lockhart
Chair, Academic Affairs Committee

Darlene Derricott
Staff, Academic Affairs
State Council of Higher Education for Virginia
Agenda Item

Item: Academic Affairs Committee #C3 – Action on Programs at Public Institutions

Date of Meeting: March 20, 2017

Presenter: Dr. Joseph G. DeFilippo
Director of Academic Affairs & Planning
JoeDeFilippo@schev.edu

Most Recent Review/Action:
☒ No previous Council review/action
☐ Previous review/action
  Date: 
  Action: 

Background Information/Summary of Major Elements:

Programs Recommended for Approval
  • J. Sargeant Reynolds Community College, Associate of Science (A.S.) in General Studies (CIP: 24.0102)
  • Tidewater Community College, Associate of Fine Arts (A.F.A.) in Music (CIP: 50.0901)

Program Not Recommended for Approval
  • Old Dominion University, Master of Science (M.S.) in Sport Management (CIP: 31.0504)

Financial Impact: Programs recommended for approval would be funded through existing resources and/or reallocations within the institutions.

Timetable for Further Review/Action: N/A

Resolutions:

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to J. Sargeant Reynolds Community College to initiate an
Associate of Science (A.S.) degree program in General Studies (CIP: 24.0102), effective Fall 2017.

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Tidewater Community College to initiate an Associate of Fine Arts (A.F.A) degree program in Music (CIP: 50.0901), effective summer 2017.

BE IT RESOLVED that the State Council of Higher Education for Virginia (SCHEV) does not grant approval to Old Dominion University to initiate a Master of Science (M.S.) degree program in Sport Management (CIP: 31.0504) in fall 2017.
Program Description
J. Sargeant Reynolds Community College ("Reynolds") proposes to offer a new 61 credit hour Associate of Science degree program in General Studies, with a proposed initiation term of Fall 2017. The program was developed by faculty in the School of Humanities and Social Sciences for students who need a more flexible transfer program than that provided by the Liberal Arts AA and Social Sciences AS degrees currently offered by Reynolds.

The program will provide a flexible college transfer option that enables students to design a curriculum, in consultation with their advisor that parallels the first two years of specific baccalaureate programs. Students will be able to choose from courses in the areas of English, humanities, mathematics, science, social science, and health/physical education that match the transfer requirements of the four-year institution they plan to attend. Graduates of the proposed program will be able to transfer into a variety of majors at four-year institutions. Reynolds has developed draft articulation agreements with Old Dominion University and Virginia Commonwealth University for the proposed program. Upon Council approval, the program will be presented to the State Committee on Transfer for recognition as a transfer degree.

Justification for the Proposed Program
Reynolds asserts that the proposed program should contribute to improved student retention and completion. College data indicate that, on an annual basis, there is significant student attrition from the Liberal Arts AA and Social Sciences AS transfer degrees. For instance, attrition in the Liberal Arts AA program was 33% between Fall 2009 and Fall 2010 and 90% by Spring 2012. By affording students greater flexibility to count coursework toward degree completion, the General Studies AS program should improve persistence and efficiency for both students and the college.

Student Demand
Reynolds surveyed 1,434 students enrolled in the Liberal Arts AA and Social Science AS programs and the General Studies Certificate between May 26 and June 7, 2016. Of 275 respondents, 195 indicated that they would be interested in the proposed program. Enrollment projections for the proposed program show a full-time equated student enrollment (FTES) of 27 in the program’s first year (2017-2018). The projections continue as follows: 2018-19, 45; and 2019-20, 90. Reynolds anticipates 50 graduates per year beginning in 2019-2020. If these enrollment and graduation projections are met, the program will meet SCHEV’s program productivity requirements.
**Market/Employer Demand**
The purpose of the proposed program is to prepare students for transfer to a four-year institution. Graduates will be able to transfer into a variety of majors at senior institutions, including, but not limited to, business, human services, communications, journalism, economics, political science, education, pre-law, humanities, and psychology. As a transfer degree the program does not directly address employment demand. Virginia Commonwealth University and Old Dominion University offered letters of support for the program and acknowledge it as a transfer-oriented associate degree.

**Issues of Duplication**
Presently, five Virginia community colleges offer a General Studies AS: John Tyler, Piedmont Virginia, Northern Virginia, Tidewater, and Virginia Western. An additional 13 community colleges offer the Associate of Arts and Sciences (AA&S) in General Studies. Of these, only John Tyler Community College is located in the Richmond Metro Area, but its service area is distinct from Reynolds'. The proposed program is appropriately related both programmatically and geographically to its mission to serve the city of Richmond and environs.

**Board Approval**
The State Board for Community colleges approved the proposed program on September 15, 2016.

**Staff Recommendation**
Based on a thorough review of the application, staff recommends that the Academic Affairs Committee adopt the following resolution and transmit it to Council:

**BE IT RESOLVED** that the State Council of Higher Education for Virginia grants approval to J. Sargeant Reynolds Community College to initiate an Associate of Science (A.S.) degree program in General Studies (CIP: 24.0102), effective Fall 2017.
Program Description
Tidewater Community College (TCC) proposes a 63 credit hour Associate of Fine Arts (AFA) degree program in Music beginning Summer 2017. Approval of the proposed program would also constitute approval of the AFA degree designation in Virginia. TCC is the first institution to seek approval of a program with the AFA award. The new degree was prepared with input from current TCC students, a statewide faculty committee, and collaborating four-year institutions.

The intent of the Music AFA is to prepare graduates for more effective transfer to a baccalaureate program in Music than is currently the case with liberal arts based associate degree programs. The proposed curriculum aligns with TCC’s existing Career Studies Certificate (CSC) in Music. Students may enroll directly into the AFA or first enter the Music CSC, with all credits taken as part of the CSC applying to the AFA should the student decide to continue into the AFA program.

Justification for the Proposed Program
TCC asserts that the program will fulfill an unmet need for fine arts students in music who intend to transfer to studio based baccalaureate programs in music. The proposed AFA provides a better transfer pathway than current Associate of Arts or Associate of Science degree programs. AFA students will take a music curriculum that matches four-year institutions’ lower division curricula more closely, and will therefore lose fewer credits upon transfer.

Student Demand
TCC surveyed students enrolled in music courses campus-wide in April 2016. Of 199 surveys returned, 69% (n = 134) indicated interest in a transfer-focused degree in visual and performing arts; 60% (n = 117) indicated an interest in the AFA degree. When provided several choices, 62% (n = 162) of respondents indicated Music as their program of interest over other arts programs.

Enrollment projections for the proposed program show a full-time equated student enrollment (FTES) of 30 in the program’s first year (2017-18). The projections continue as follows: 2018-19, 47; and 2019-20, 59; and 2020-21, 76. TCC anticipates 25 graduates per year beginning in 2020-21. If these enrollment and graduation projections are met, the program will meet SCHEV’s program productivity requirements.

Market/Employer Demand
TCC has developed a draft articulation agreement with Virginia Commonwealth University (VCU). AFA graduates will be able to transfer into VCU’s Bachelor of Music (BM) program with an estimated 69 credits (assuming student completes foreign
language requirements at TCC) and complete the BM with an estimated 124 total credit hours. By contrast, TCC students transferring with an Associate of Arts degree with a concentration in Music transfer an estimated 60 credits and then need to complete an additional 84 at VCU to earn the BM, with a total accumulation of 144 credits. TCC is in discussion with Old Dominion University, Norfolk State University, and Virginia Wesleyan College regarding articulation with the AFA. The aforementioned transfer institutions have provided letters of support for the proposed program.

AFA graduates not wishing to transfer have appropriate employment opportunities. According to the Bureau of Labor Statistics (BLS), the occupation of Music Directors and Composers is projected to increase by 14.8% between 2015 and 2025. Per this same source, employment for Musicians and Singers is projected to increase by 14.6% from 2015 to 2025. These projected percentage increases are greater than the average for all professions.

**Issues of Duplication**
As noted above, this would be the first AFA program in Virginia, thus there is no duplication, strictly speaking, with any currently existing programs. While four community colleges offer liberal arts-based associate degree programs in music, none have the structure of the proposed AFA, which is designed for efficient transfer to studio based baccalaureate programs in music.

**Board Approval**
The State Board for Community Colleges approved the proposed program on November 17, 2016.

**Staff Recommendation**
Based on a thorough review of the application, staff recommends that the Academic Affairs Committee adopt the following resolution and transmit it to Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Tidewater Community College to initiate an Associate of Fine Arts (A.F.A) degree program in Music (CIP: 50.0901), effective summer 2017.
Program Description
Old Dominion University (ODU) has proposed the creation of a Master of Science (MS) degree program in Sport Management to be initiated fall 2017. The proposed program would be located in the Darden College of Education, Department of Human Movement Sciences. The program is designed to prepare students for "opportunities and challenges associated with careers in the sport industry." The stated goal of the program is "to prepare students for executive/upper-level management positions in the sport industry."

The program as proposed would require 36 credit hours of coursework, including: 12 credit hours of core coursework; six credits of research coursework; 12 credit hours in restricted electives, and six credits for the capstone experience. Thesis, internship, and project options would be offered.

Staff Analysis
ODU has offered a Master of Science in Education (MSED) in Education – Physical Education, concentration in Sport Management since 1996. Broadly stated reasons for expanding the concentration to a standalone degree program are: 1) sport management needs its own curriculum as the program is pedagogically distinct from physical education; 2) standalone degree status is necessary to pursue accreditation with the Commission on Sport Management Accreditation (COSMA); and 3) there is strong industry demand in Hampton Roads for master level graduates in sport management. ODU asserts that specific demand and employment demand indicate a need for professionals with a MS in Sport Management. Staff analysis concludes that documentation and information provided in the proposal do not support Council approval. There are three broad points in support of this analysis:

- Despite correspondence from COSMA included with the proposal, standalone degree status does not appear to be necessary for accreditation;
- Key sources cited in the proposal undercut its claim that the program as proposed is aligned with general employment demand.
- The proposal lacks sufficient documentation for the claim that there is strong employment demand in the "sport industry" or in the Hampton Roads region for the proposed program.

According to staff’s consultation with the executive director of COSMA, accreditation does not require standalone degree status. Moreover, the COSMA website shows 18 accredited graduate programs, of which six are not standalone degree programs (http://www.cosmaweb.org/list-of-accredited-programs.html). Nor does COSMA’s “Accreditation Process Manual” (spring 2016, http://www.cosmaweb.org/accreditation-manuals.html) indicate this requirement.
Key sources cited in support of specific demand (response to current needs) undercut the case for approval of the program as proposed.

- One source cites an increase in the number of GMAT score reports sent by students to graduate management programs focusing on ‘sport management.’ However, this source is actually making the argument that “demand for specialized MBA programs is growing” (emphasis added) and notes “a growing global trend that sees students choosing to pursue specialized or niche MBA programs over traditional ones” (http://business.financialpost.com/executive/business-education/sports-dreams-can-be-realistic?__lsa=e804-7c96).

- The proposal cites a 2015 study (“Assessing Student Satisfaction within Sport Management Master’s Degree Programs” [http://journals.humankinetics.com/doi/10.1123/smej.2014-0007]), whose purpose is to examine satisfaction levels of students and graduates of sport management master’s degree programs. However, the study references a 2012 study conducted by Turnkey Intelligence. The Turnkey study reveals results that appear to be alarming. It notes in particular: “not only were those with a sport management graduate degree earning less than other graduate degree holders, but […] they were also earning less than those with a bachelor’s degree” (http://www.sportsbusinessdaily.com/Journal/Issues/2013/08/12/In-Depth/Sports-business-professors.aspx).

- Some further results in the 2015 “Assessing Student Satisfaction” study were also a concern. The authors note that “alumni rated the importance of completing a master’ degree to help find a job in the sport industry significantly lower than current students.” Further, alumni also rated the importance of the master’s degree “nearly half a scale point below current students, a statistically significant find” (pg 32).

ODU asserts that “there is a need for qualified managers and executives to lead the many organizations in this immense industry.” Employment announcements included in the proposal are not well aligned with this assertion. Job ads included to show current demand for professionals consisted primarily of announcements from higher education. Of 23 job ads, 21 were for positions in higher education (assistant athletic director and similar positions)—but such positions do not feature in the proposal’s general argument for demand, nor does the curriculum appear to be strongly related to them—e.g., there isn’t a single course on sport management in higher education. For the Hampton Roads area, no advertisements were included from businesses seeking a graduate with a MS in Sport Management to fill an “executive-level” position.

**Staff Recommendation**

Arguments advanced in the program proposal do not satisfy SCHEV’s customary standards for approval of a new standalone degree program. According to Council policy, while staff may not recommend approval of a proposed program, authority to render a final decision rests with Council. Thus, following careful review of the proposed program, staff recommends that the Academic Affairs Committee approve the resolution below and forward it to the full Council.
BE IT RESOLVED that the State Council of Higher Education for Virginia (SCHEV) does not grant approval to Old Dominion University to initiate a Master of Science (M.S.) degree program in Sport Management (CIP: 31.0504) in fall 2017.
State Council of Higher Education for Virginia
Agenda Item

Item: Academic Affairs Committee #C4 – Status Report on ACICS Schools Operating in Virginia

Date of Meeting: March 20, 2017

Presenters: Dr. Joseph G. DeFilippo
Director of Academic Affairs & Planning
JoeDeFilippo@schev.edu

Sylvia Rosa-Casanova
Director, Private and Out-of-State Postsecondary Education
SylviaRosaCasanova@schev.edu

Most Recent Review/Action:
☐ No previous Council review/action
☒ Previous review/action

Date: September 20, 2016

Action: Council passed a resolution maintaining the authorization status of Virginia institutions accredited by the Accrediting Council for Independent Colleges and Schools (ACICS) in the event that the U.S. Department of Education (USED) should remove ACICS’ “recognition.” The resolution allowed the continued authorization of these schools for an eighteen-month period following ACICS’ loss of recognition (which occurred at the beginning of the current calendar year). During this time, the institutions must achieve accreditation with another recognized accreditor. The Director of SCHEV may continue the period of provisional authorization in particular instances if necessary.

Background Information/Summary of Major Elements: See under “Materials Provided.”

Materials Provided:

Status Report on ACICS Institutions Operating in Virginia

Financial Impact: N/A

Timetable for Further Review/Action: Staff will provide further updates at intervals through at least June 2018.

Resolution: N/A
Status Report on ACICS Institutions Operating in Virginia

The Code of Virginia requires that private degree-granting institutions operating in Virginia be accredited by an accrediting agency “recognized” by the US Department of Education (USED). USED administers the process of recognition in conjunction with its National Advisory Committee on Institutional Quality and Integrity (NACIQI). On June 23, 2016, NACIQI voted to recommend withdrawing recognition from the Accrediting Council for Independent Colleges and Schools (ACICS). While NACIQI’s recommendation did not assure that USED would move to rescind ACICS’ recognition, the possibility of such an outcome and its effect on the sixteen Virginia institutions accredited by ACICS were of great concern. Therefore, at the September 2016 Council meeting, SCHEV staff presented a “Contingency Plan for Continuing Authorization of ACICS Institutions Operating in Virginia,” and Council passed a resolution that maintained the state authorization of affected institutions in the event that USED should remove ACICS’ recognition. That resolution enabled affected institutions to maintain their authorization and continue receiving Title IV funding for up to 18 months while seeking accreditation with another USED-recognized agency.

On September 22, 2016, USED senior department official (SDO) Emma Vadehra notified ACICS that she concurred with NACIQI’s recommendation to terminate the accrediting agency’s recognition. ACICS immediately appealed to then-Secretary of Education, John King. On December 12, 2016, Secretary King announced his final decision to uphold the SDO’s recommendation and ACICS’ recognition as an accreditor was thereby terminated. ACICS has filed suit against USED but a trial date has not been set.

SCHEV staff is monitoring the 16 Virginia institutions affected by ACICS’ loss of recognition. Each institution has been notified that it must provide information about its progress toward achieving accreditation at regular intervals throughout the 18 months of its provisional authorization. The status of the institutions as of February 22, 2017, is as follows:

- 1 has achieved full accreditation with a new accrediting agency recognized by USED;
- 3 are expected to achieve full accreditation with a new accrediting agency by summer 2017;
- 8 have submitted applications to accreditors:
  - 2 have applied to Accrediting Bureau of Health Education Schools (ABHES)
  - 4 have applied to Accrediting Commission of Career Schools and Colleges (ACCSC)
  - 1 has applied to Southern Association of Colleges and Schools Commission on Colleges (SACSCOC)
  - 1 has applied to Distance Education Accrediting Commission (DEAC)
- 3 have indicated they will submit applications to a new accrediting agency by March 2017;
- 1 has indicated it will submit an application to a new accrediting agency by June 2017;
• 2 have not yet identified an appropriate accrediting agency to pursue.

The next institutional update from the schools is due on April 17, 2017.

The table below provides additional details for each institution as of February 22, 2017.
Current Status of ACICS Accredited Institutions in Virginia

<table>
<thead>
<tr>
<th>Institution</th>
<th>Current Status</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>American College of Commerce &amp; Technology</td>
<td>Has not submitted a viable plan for accreditation.</td>
<td>1179</td>
</tr>
<tr>
<td>American National University</td>
<td>Submitted application to Distance Education Accrediting Commission (DEAC) on January 20, 2017.</td>
<td>533</td>
</tr>
<tr>
<td>Bon Secours Memorial College of Nursing</td>
<td>Submitted application to Accrediting Bureau of Health Education Schools (ABHES) January 13/2016. Site visit scheduled February 2017. Expects to achieve accreditation in Summer 2017.</td>
<td>542</td>
</tr>
<tr>
<td>California University of Management and Sciences</td>
<td>Plans to submit application to Accrediting Commission of Career Schools and Colleges (ACCSC) by March 5, 2017.</td>
<td>595</td>
</tr>
<tr>
<td>Columbia College</td>
<td>Plans to submit application ACCSC by June 23, 2017.</td>
<td>414</td>
</tr>
<tr>
<td>Everest College</td>
<td>Will be considered for full accreditation by ACCSC at its February 2017 meeting.</td>
<td>184</td>
</tr>
<tr>
<td>Fortis College</td>
<td>Plans to submit application to ACCSC by March 13, 2017</td>
<td>469</td>
</tr>
<tr>
<td>Global Health College</td>
<td>Has identified ACCSC as possible accreditor. Has not begun accreditation process.</td>
<td>292</td>
</tr>
<tr>
<td>IGlobal</td>
<td>Submitted initial application to ACCSC on November 2, 2016.</td>
<td>349</td>
</tr>
<tr>
<td>Miller-Motte Technical College</td>
<td>Submitted initial application to ACCSC and Accrediting Council for Continuing Education and Training (ACCET) in Fall 2016</td>
<td>503</td>
</tr>
<tr>
<td>Sentara College of Health Sciences</td>
<td>Submitted application to ABHES in June 2016. Site visit scheduled for March 2017.</td>
<td>636</td>
</tr>
<tr>
<td>Stratford University</td>
<td>Submitted application to Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) in October 2016.</td>
<td>3075</td>
</tr>
<tr>
<td>University of North America</td>
<td>Plans to submit application to ACCSC by March 1, 2017</td>
<td>377</td>
</tr>
<tr>
<td>Virginia College</td>
<td>Plans to submit application to ACCET by March 12, 2017</td>
<td>391</td>
</tr>
<tr>
<td>Virginia International University</td>
<td>Submitted initial application to ACCSC on 11/18/2016.</td>
<td>1570</td>
</tr>
<tr>
<td>Virginia University of Oriental Medicine</td>
<td>Has institutional accreditation with Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>11,109</strong></td>
</tr>
</tbody>
</table>
Item: Academic Affairs Committee #C5 – Discussion of Updates to The Virginia Plan for Higher Education

Date of Meeting: March 20, 2017

Presenters: Dr. Joseph G. DeFilippo
Director of Academic Affairs & Planning
JoeDeFilippo@schev.edu

Ms. Wendy Kang
Director of Higher Education Innovation
WendyKang@schev.edu

Ms. Paula Robinson
Assistant Director of College Access and PK12 Outreach
PaulaRobinson@schev.edu

Most Recent Review/Action:
☑ Previous review/action

Date: January 10, 2017
Action: Committee members reviewed proposed items related to Initiative #1.

Background Information/Summary of Major Elements: At the September 2015 meeting Council approved six priority initiatives in support of goals of the The Virginia Plan. Staff will provide information and receive feedback from the Academic Affairs Committee on activities related to initiative 1: “Coordinate the development and implementation of programs that align resources from pre-K-12, colleges, universities and other public sources to ensure affordable, efficient and effective pathways for students in all parts of the state.”

A. Higher Ed. Partnership Building with pre-K-12: SCHEV staff has worked on a number of fronts to strengthen relationships with pre-K-12 serving organizations and to gain a better understanding of the needs of Virginia’s college students and families and higher education institutions.
In March, SCHEV convened the *Executive Roundtable on College Access in Virginia* composed of leadership organizations or networks that support Virginia students in accessing higher education. These organizations include:

- Virginia Association of Collegiate Registrars and Admissions Officers (VACRAO)
- Virginia Association of Equal Opportunity Program Personnel (VAEOPP)
- Virginia Association of State Financial Aid Administrators (VASFAA)
- Virginia College Access Network (VCAN)
- Virginia Community College System (VCCS)
- Virginia Department of Education (VDOE)
- Virginia Latino Higher Education Network (VALHEN)
- Virginia School Counselors Association (VSCA)

The group was asked to identify opportunities to increase successful transitions to postsecondary. Members provided suggestions in the areas of professional development, FAFSA completion, college preparation, Profile of a Virginia High School Graduate, data usage, college access provider resources and legislation. Input from this group will help inform a higher level taskforce on improving transitions to higher education also led by SCHEV. This group will provide a statewide policy and priority lens to college access and success discussions and efforts.

All group discussions and the development of services/resources, communications and policy will be undergirded by the findings and data to be released in April, in the update to the 2010 *Statewide Examination of College Access Services and Resources in Virginia*. Drafts are currently being reviewed and finalized. This research will help target college access resources, reduce duplication of services, increase efficiencies and fill gaps in performance across the state.

SCHEV distributed funds to the five Affordable Pathways Partnership grants (ODU, JSRCC, JTCC, PVCC, and PHCC) through the Fund for Excellence and Innovation. The second round of funding for the Education Partnership Planning Grant competition has been suspended, pending budget reductions received during the 2017 General Assembly. In addition, SCHEV will assess the feasibility of holding the five planned regional meetings given the funding reduction.

B. Communications. As strategies are identified, SCHEV is forming focus groups (students, families, practitioners, administrators, etc.) to help develop effective messaging about the value of higher education and the sharing of resources in Virginia. The goal is to test a communication strategy in the Fall 2017 with high schools students.

C. Direct Outreach/Services. The three efforts associated with the 1-2-3 Go! Virginia’s Three Steps to College initiative ended at the close of February. This includes resources to help students: (1) Prepare; (2) Apply and (3) Pay for college. Ongoing survey collection and evaluation will help determine the impact of the series of events and plans for improvement. Efforts are also underway to develop resources to share
with schools to support Go!/Decision Day celebrations for May 2017. SCHEV staff may contact Council members to participate in these events.

D. Dual Enrollment Policy Recommendations. Under the leadership of Secretary of Education Dietra Trent, SCHEV has been working with institutions to develop a set of recommendations to enhance quality and transferability of dual enrollment courses for Virginia public high school students entering postsecondary education. Draft recommendations included here comprehend: (i) the purposes of dual enrollment; (ii) transferability; and (iii) quality provisions. This draft will be subject to review/discussion by the dual enrollment working group and the Instructional Program Advisory Committee (IPAC) in March before final submission to the Secretary.

Materials Provided:

Appendix: Dual Enrollment State Policy Recommendations

Financial Impact: N/A

Timetable for Further Review/Action: N/A

Resolution: N/A
Appendix: Dual Enrollment State Policy Recommendations [DRAFT]

I. Purposes of Dual Enrollment
Dual enrollment affords high school students in the Commonwealth the opportunity to enroll in college-level coursework while concurrently satisfying high school graduation requirements. Dual enrollment programs improve access to and preparation for successful post-secondary education and workforce participation. Dual enrollment programs have multiple benefits for students depending on their talents, intentions, and the particular postsecondary path they pursue—these include enriching educational opportunities, enhancing post-secondary completion, and preparation for direct employment in a vocation. To assist in the achievement of these goals, dual enrollment courses should:

- Contribute to enhancement of the inherent rigor and quality of high school curricula;
- Promote more effective transitions to postsecondary education and the workforce for students from all backgrounds;
- Promote better preparation for social/behavioral demands of college and the workforce;
- Contribute to enhanced student success and quality outcomes in postsecondary education;
- Provide opportunity for reducing time to completion and cost in post-secondary degree completion.

It is the responsibility of Virginia’s higher education institutions (two-year, four-year, public and private) offering dual enrollment in public high schools to collaborate with school districts to develop programs that promote a range of options that, to the greatest extent possible, fulfill the aims articulated above.

II. Transferability
A. Guiding Principles:
   1. Institutions admitting and enrolling students who have taken dual enrollment courses in high school shall credit such courses in the same way as the equivalent campus-based offering.
   2. Liberal arts and sciences courses taken via dual enrollment should generally be acceptable toward the satisfaction of general education requirements.
   3. Higher education institutions should maintain rigorous transparency about how dual enrollment-based credentials (certificates and associate degrees) earned in high school will be treated relative to all admissions parameters, such as student standing, para-academic considerations, and guaranteed admission agreements. Dual enrollment-based credentials should be treated differently only when supported by evidence and for the sake of supporting student success.
   4. Virginia’s higher education institutions (two-year, four-year, public and private) and school districts have a joint responsibility to collaborate to ensure that dual enrollment offerings are supporting further student success after transition to postsecondary education.

B. [Impact of HB 1662 and SB 1234: TBD]
III. Quality Provisions (selectively modeled on VCCS Governing Principles)

A. Admission
- Each institution of higher education shall adopt policies that
  - ensure that students enrolled in its dual enrollment courses are college-ready according to the college’s usual standards for college level work;
  - ensure that specific criteria are established for admission of high school Freshman/Sophomore level students to dual enrollment courses; and
  - ensure, in general, that all course-specific prerequisites or other admission standards that apply to offerings at the institution’s home campus apply also to dual enrollment courses offered in collaboration with public high schools.

B. Student Support Services
- Each institution of higher education shall adopt policies that
  - ensure that dual enrollment students have access to appropriate support programs, academic support services, user privileges, and any other learning resources necessary for student success.

C. Selection of Faculty
- Each institution of higher education shall adopt policies that
  - ensure that all faculty offering dual enrollment under its auspices satisfy all applicable qualification standards, including (but not necessarily limited to) those of the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC); and
  - ensure that it retains primary responsibility for verifying and retaining documentation of faculty qualifications.

D. Faculty Responsibility
- Each institution of higher education shall adopt policies that
  - ensure that dual enrollment faculty adhere to all institutional policies related to dual enrollment courses. These policies should include, but are not necessarily limited to:
    - satisfying institutional requirements for syllabi and other means of providing accurate information about academic requirements to students;
    - adhering to required number of instructional contact hours;
    - adhering to institutional requirements for instructional materials;
    - adhering to institutional grading policies;
    - incorporating student learning outcomes and assessment of learning outcomes in parallel with the course as taught on campus; and
participating in any meetings and/or professional opportunities required for faculty of courses when taught on campus.

E. Curriculum

- Each institution of higher education shall adopt policies that
  - ensure that dual enrollment courses are closely aligned with the pedagogical, orientation of the sponsoring department and adhere to the same standards as on-campus courses with regard to:
    - syllabi components;
    - level and rigor of content
    - student learning outcomes; and
    - standards of instructional effectiveness.

F. Evaluation

- Each institution of higher education shall adopt policies that
  - ensure that student learning outcomes in dual enrollment courses are assessed in parallel with courses as taught on campus, and that learning outcomes are communicated to students;
  - ensure that program level assessment includes dual enrollment instruction sponsored by the institution; and
  - ensure that dual enrollment instructors are evaluated according to the same standards that apply to instructors on campus.

- Each institution of higher education and partner school or school division, shall establish a process for mutual sharing of information about student performance in dual enrollment courses so as to ensure continuous improvement to the extent possible.
State Council of Higher Education for Virginia
Agenda Item

Item: Academic Affairs Committee #C6 – Report of the Staff Liaison to the Committee

Date of Meeting: March 20, 2017

Presenter: Dr. Joseph G. DeFilippo
Director of Academic Affairs & Planning
JoeDeFilippo@schev.edu

Most Recent Review/Action:
☑ No previous Council review/action
☐ Previous review/action
   Date: 
   Action:

Background Information/Summary of Major Elements: N/A

Materials Provided:

- “Report of the Staff Liaison to the Academic Affairs Committee,” by Dr. Joseph G. DeFilippo.

Financial Impact: N/A

Timetable for Further Review/Action: N/A

Resolution: N/A
SARA:
In January and February 2017, Dr. Joseph G. DeFilippo and Ms. Darlene Derricott participated in several discussions with two national organizations, the WICHE Cooperative for Educational Technologies (WCET) and the State Authorization Network (SAN). As a result SCHEV has joined both organizations. These memberships will provide informational resources to Virginia SARA institutions to assist their managing state authorization responsibilities across the nation.

Staff Activities:
Ms. Beverly Covington and Ms. Ashley Lockhart attended the Virginia Campus Safety and Violence Prevention Forum, March 6-9, 2017, in Portsmouth, Virginia, hosted by the Virginia Department of Criminal Justice Services (DCJS) in partnership with the Virginia Association of Campus Law Enforcement Administrators (VACLEA).

Dr. Jodi Fisler
- Attended the Council for Higher Education Accreditation (CHEA) annual meeting in Washington D.C., January 30-February 1.
- Conducted a workshop on designing effective assignments for faculty and staff from Virginia institutions on February 16, featuring presenters from the National Institute of Learning Outcomes Assessment (NILOA). The program generated great interest (more than 100 participants) and was very well. The workshop was designed as a “train the trainer” event, with the result that dozens of faculty and staff across the Commonwealth can now lead similar workshops on their own campuses or regionally.
- Gave a presentation on the developing assessment policy to the VCCS Academic and Student Affairs Committee in Blacksburg on March 2.

Dr. Monica Osei
- Attended the Council for Higher Education Accreditation (CHEA) annual meeting in Washington D.C., January 30-February 1.
- Conducted visits to three institutions to discuss potential degree programs and how such programs would address state needs and student needs.
  - NSU: met with faculty and the dean and department chair to discuss bachelor level degree programs in engineering and the arts.
  - Longwood: met with faculty and dean to discuss bachelor level degree programs in the arts and a master’s degree program in education.
  - CNU: met with faculty and dean to discuss bachelor level degree program in neuroscience.
Dr. Paul Smith gave a presentation at the National Institute for the Study of Transfer Students, Atlanta, GA, February 15-17.

Academic Affairs Staff:
- Ms. Beverly Covington, Senior Associate for Academic & Legislative Affairs
- Dr. Joseph G. DeFilippo, Director, Academic Affairs & Planning
- Ms. Darlene Derricott, Senior Coordinator, Academic Services
- Dr. Jodi Fisler, Associate for Assessment Policy & Analysis
- Ms. Ashley Lockhart, Regional Center Study Project Manager
- Dr. Monica Osei, Associate Director for Academic Programs & Instructional Sites
- Ms. Sylvia Rosa-Casanova, Director, Private and Out of State Postsec. Education
- Dr. Paul Smith, Senior Associate for Student Mobility Policy & Research
Ms. Connelly called the meeting to order at 10:05 a.m. in the 9th floor conference room, 101 N. 14th Street, Richmond, Virginia. Committee members present: Marge Connelly, Henry Light, Bill Murray, Tom Slater, and Minnis Ridenour.

Committee member absent: Stephen Moret.

Staff members present: Peter Blake, Beverly Covington, Alan Edwards, Dan Hix, Tod Massa, Lee Ann Rung, and Yan Zheng.

**APPROVAL OF MINUTES**

On a motion by Dr. Murray and seconded by Mr. Light the minutes from the October 18, 2016, meeting were approved unanimously.

**ACTION ON 2017 ENROLLMENT PROJECTION AND DEGREE ESTIMATE PROCESS**

Mr. Blake introduced the item and asked Mr. Massa to provide details. Mr. Massa described the Council’s authority and answered questions from members. On a motion by Dr. Murray and seconded by Mr. Ridenour the following revised resolution was approved unanimously to be forwarded to the full Council:

**BE IT RESOLVED** that the State Council of Higher Education for Virginia directs staff to collaborate with institutions to produce a package of enrollment projections and degree estimates that informs the Council on its ability to meet the Commonwealth’s goal of “becoming the best educated state in the nation by 2030”;

**BE IT FURTHER RESOLVED** that the enrollment projection and degree estimate process shall follow the schedule below as closely as possible:

1. Kickoff Webinar – February 9th
2. Optional Training Webinars February 13th – 24th
3. Submission Due Dates:
   a. Public Institutions – May 1st
   b. Private Institutions – May 1st
4. Staff Update – May Council Meeting
5. Staff Update – July Council Meeting
6. Meetings with Institutions (as part of six-year plan review) – Summer
7. Council Review – September Council Meeting
8. Council Action – October Council Meeting
DISCUSSION OF 2016 FALL ENROLLMENT

Mr. Massa provided a briefing on the status of fall enrollments. He indicated that five community colleges and at least one private college had not yet submitted information. He provided information on the four-year institutions, reporting that enrollments have increased slightly. While there was an increase in first-time enrollments, out-of-state enrollments decreased. Mr. Massa also reported an increase in transfer students, mostly from the community colleges and Richard Bland College. Most transfer students completed an associate degree prior to transferring. Mr. Massa highlighted a few of the tables in the agenda book and indicated that he expects shifts in next few years. He provided numbers on the private institutions.

Mr. Massa informed the members that he would send updated information once data is received from all institutions. At that time, he should have a clearer picture on the achievability of the state goals.

DISCUSSION OF GOVERNOR’S INTRODUCED BUDGET

Mr. Hix reviewed the charts and indicated that the Governor introduced his budget on December 16. He reported that the Finance Advisory Committee (FAC) had discussed the Governor’s introduced budget at its recent meeting.

He informed members that the Governor requested a 5% budget reduction for institutions, rather than 7.5% as previously requested. Norfolk State University and Virginia State University were excluded from the budget cuts. Financial aid also was excluded. Mr. Hix reviewed individual budget items and answered questions from members.

Mr. Hix reminded members that changes will occur quickly since this is a short General Assembly session. His staff will summarize the House and Senate budgets and provide a report to the Council at its March meeting.

Mr. Blake provided an update on SCHEV’s operating budget, reporting that the appropriation of approximately $700,000 that SCHEV received in the 2016 General Assembly session to take on additional responsibilities assigned to the agency, has now been reduced by approximately $400,000 in the Governor’s introduced budget. The agency has been able to hire three staff associated with new assignments but will be unable to hire additional staff if the current introduced budget is adopted.

PREVIEW OF 2017 GENERAL ASSEMBLY SESSION

Ms. Covington had to leave the meeting early. Therefore, Mr. Blake distributed a list of the pre-filed legislation and discussed the bills related to higher education.

Mr. Blake reviewed the list of proposed House and Senate legislation pertaining to higher education.
Mr. Minor joined the meeting at 11:00.

**DISCUSSION OF UPDATES TO THE VIRGINIA PLAN FOR HIGHER EDUCATION**

Mr. Blake solicited input from members about their preferences related to initiatives 2 and 3 in The Virginia Plan for Higher Education.

Mr. Ridenour requested that staff share the efforts of the Finance Advisory Committee Workgroup on Shared Services and Efficiencies. Mr. Hix distributed a handout of the workgroup’s efforts and indicated that its primary focus has been on shared services.

In response to Mr. Blake’s request for preferences, Ms. Connelly suggested that the items be translated into a range of options. Mr. Ridenour suggested that more emphasis be placed on how many more students (both in-state and out-of-state) can be served rather than concentrating on percentages of students. Even though the Council approves the number of enrollments, much of the legislation related to enrollment addresses percentages.

**MOTION TO ADJOURN**

The Chair adjourned the meeting at 11:45 a.m.

_________________________________________
Marge Connelly  
Committee Chair

_________________________________________
Lee Ann Rung  
Director, Executive & Board Affairs
State Council of Higher Education for Virginia
Agenda Item

Item: Resources and Planning Committee #D3 – Update on 2017 General Assembly Session

Date of Meeting: March 21, 2017

Presenter: Dan Hix, Finance Policy Director, DanHix@schev.edu

Most Recent Review/Action:
☐ No previous Council review/action
☒ Previous review/action
  Date: January 10, 2017
  Action: Reviewed Governor’s introduced budget Amendments for 2016-18 biennium.

Background Information/Summary of Major Elements:

On December 16, 2016, Governor McAuliffe introduced his budget amendments for the 2016-18 biennium. In total, the Governor proposed a reduction of $94.4 million in general fund appropriations for higher education for the biennium.

Due to the state budget shortfall, the Governor proposed a general fund reduction of 5% or $78.4 million to higher education in FY 2018. Within Educational and General Programs, the budget reductions would eliminate the gains made in the 2016 legislative session.

On February 3, 2017, the House and Senate released their proposed budget amendments.

On February 22, 2017, the Chairmen of the House Appropriations and Senate Finance Committees announced that an agreement had been reached on final details of the budget conference report.

The Governor will have 30 days to review the bills. The General Assembly will then reconvene on April 5, 2017, to consider any items vetoed or amended by the Governor. The final amendments to the 2016-18 budget will take effect upon signing by the Governor, which occurs within seven days following the reconvened session, and the FY2018 budget takes effect on July 1, 2017.
Major operating budget item amendments from the general fund contained in the conference report:

> $56.1 million reduction in E&G programs in FY2018. This includes a restoration of $20 million to the cut contained in the Governor's introduced budget;
> $18.4 million in total for a 2% salary increase for teaching and research faculty, administrative faculty and university officials at all public institutions in FY2018, plus 1% additional salary increase for selected institutions that did not give faculty salary increases in FY2017. They are CNU, JMU, NSU, RU, VMI, VSU, VSU-extension, and RBC;
> $11.3 million reduction in higher education research initiatives.

The $24.1 million student financial aid for FY2018 held in SCHEV budget in the original budget was allocated to institutions. The allocation equals the amount appropriated to institutions in FY2017. In addition, the Virginia Transfer Grant was increased by nearly $700,000 in FY2018.

The conference provided additional bond funding for higher education institutions for equipment purchase of previously authorized capital projects, cost overruns and to supplant general fund appropriations for capital projects.

**Materials Provided:**

A summary of the conference report and comparison with the Governor's introduced budget amendments for the 2016-18 biennium.

**Financial Impact:** In total, the conference report reduced the general fund appropriations to institutions for educational and general (E&G) programs in FY2018 by $37.9 million, or 2.5%, over the original FY2018, or 1.3% down compared to FY2017 appropriations. But FY2018 general fund appropriations are still 7% over the FY2016 level thanks to the large general fund increase in FY2017 from the 2016 session.

**Timetable for Further Review/Action:** None.

**Resolution:** None.
Preliminary Comparison of Major Items in the Governor’s Introduced Budget Amendments and the Conference Report for Higher Education in the 2017 legislative Session

<table>
<thead>
<tr>
<th>Item</th>
<th>Governor</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(A) Base Operation and Student Financial Aid (General Fund Only)</strong></td>
<td><strong>Budget Reductions</strong>&lt;br&gt;▪ 5% general fund reductions in E&amp;G programs for public institutions, VIMS and VT-extension for a total of $76.1 million in FY2018.&lt;br&gt;▪ NSU and VSU were exempt from the cut.&lt;br&gt;▪ EVMS and other higher education centers and institutes’ were cut by 5% in FY2017 and FY2018.&lt;br&gt;▪ SCHEV budget was cut by 5% in FY2017 and 7.5% in FY2018 except for VIVA which was cut by 5% in each year.</td>
<td><strong>The Conference restored $20 million general fund reduction in E&amp;G and redistributed the reductions to institutions:</strong> In terms of general fund reductions within E&amp;G programs, the reductions were limited to no more than 5.4 percent at any institution and averaged 3.8 percent. <strong>In terms of total E&amp;G appropriations, the reductions were limited to no more than 1.5 percent at any institution and averaged 1.2 percent.</strong>&lt;br&gt;▪ NSU and VSU were exempt from the cut.&lt;br&gt;▪ No change in budget cut for higher education affiliated agencies.</td>
</tr>
<tr>
<td><strong>VRS General Fund Recovery</strong></td>
<td>Reduced Institutions’ general fund appropriations in E&amp;G by $24.2 million in FY2017 and $16.1 million in FY2018 to recover the general fund equivalent of the nongeneral fund portion of the prepayment made to the Virginia Retirement System (VRS) to reduce VRS rates per employee.</td>
<td>Restored general fund cut to institutions and reverted the nongeneral fund savings associated with the VRS prepayment from the 2016 session actions. This is a technical change that had no impact on the total funding available to institutions.</td>
</tr>
<tr>
<td><strong>Undergraduate Need-Based Financial Aid</strong></td>
<td>Allocated $24.1 million held in SCHEV budget to institutions in FY2018. Allocation is equal to the amount appropriated in FY2017.</td>
<td>No change</td>
</tr>
<tr>
<td><strong>Employee Compensation</strong></td>
<td>1.5% bonus for full-time state employees, effective December 2017. $6.1 million GF/ $9.6 million NGF for classified staff and faculty at institutions.</td>
<td><strong>Provided a 2% salary increase for T&amp;R and administrative faculty, and appointed officials at all public institutions. Salary increase is effective on July 10, 2017.</strong></td>
</tr>
</tbody>
</table>
- Provided additional 1% salary increase for T&R and administrative faculty, and appointed officials at selected institutions that did not give faculty salary increases in FY2017. They are CNU, JMU, NSU, RU, VMI, VSU, VSU-extension, and RBC.
- Provided a 3% salary increase for classified employees.

<table>
<thead>
<tr>
<th>Health Insurance and VRS rates</th>
<th>No change to health insurance premiums or VRS rates.</th>
<th>No change</th>
</tr>
</thead>
</table>
| Interest Earnings and Credit Card Rebates | ▪ Eliminated $4 million GF to Level I and II institutions each year.  
▪ Eliminated estimated $1 million NGF to Level III Institutions each year. | No change  
▪ Defined NGF interest earnings on tuition and fee revenues in the amount estimated to be $500,000 per year from Level III institutions. |
| Higher Education Research Initiatives | Reduced the Virginia Research Investment Fund (VRIF) by $4 million GF in FY2017 and $6 million GF in FY2018. | No change |
| Virginia Biosciences Health Research Consortium (VBHRC) |  | Reduced funding by $1.25 million in FY2018. |
| Online Virginia Network Authority (Item 255) | Maintained funding from the 2016 session for the Online Virginia Network with the SCHEV budget. | ▪ Created the Online Virginia Network Authority (OVN) and designated GMU and ODU to develop a plan for adult learners and nontraditional students to access an online degree program.  
▪ OVN shall provide a status report on the plan to the Governor and Chairmen of the House |
Appropr.ations and Senate Finance Committee by November 1, 2017 and provide annual progress report by November 1 in subsequent years.
  - Transferred $1 million in FY2017 and $2 million in FY2018 appropriated within the SCHEV budget to OVN.

### Out-of-state Capital Fee

Increase the out-of-state student capital fee by $1 per credit hour, generating $1.5 million in additional revenue for capital outlay investments. On average, out-of-state undergraduate total capital fee charge will increase by 5.6%.

### (B) Institution-Specific Operating Budget

<table>
<thead>
<tr>
<th>Institution</th>
<th>Appropriation Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>UMW</td>
<td>Provided $250,000 GF in FY2018 to enhance regional economic development by providing credit and non-credit courses with flexibility and convenience suited to working adults including evening and online courses offerings.</td>
</tr>
<tr>
<td>UVA</td>
<td>Provided $100,000 GF in FY2018 for the Foundation of Humanities.</td>
</tr>
<tr>
<td>UVAW</td>
<td>Provided $50,000 GF in FY2018 to develop a plan regarding the University’s desire to expand enrollment and address how the plan will impact the capital outlay needs.</td>
</tr>
<tr>
<td>VMI</td>
<td>$900,000 GF in FY2018 to allow out-of-state students who were members of the Virginia National Guard to receive in-state tuition. Eliminated the funding.</td>
</tr>
</tbody>
</table>
| VCCS        | - Reduced the new cybersecurity program approved in the 2016 session by $280,000 in FY2017 and $152,000 in FY2018.  
- Reduced the outreach program funding approved in the 2016 session by $100,000 |
<table>
<thead>
<tr>
<th><strong>New College Institute</strong></th>
<th>Provided $100,000 GF in FY2018 to research and develop a five-year plan for future growth and development.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SCHEV Budget</strong></td>
<td>Provided $310,000 in FY2018 for a pilot mechatronics technician program in partnership with VCCS, Botetourt County Public School and local industry partners.</td>
</tr>
<tr>
<td></td>
<td>No change in the FY2017 funding but reduced the FY2018 funding by $1 million. The 2016 session provided $4 million in FY17 and $8.5 million in FY18 for this program. The amendments resulted in total program funding of $5 million in FY17 and $7.5 million FY18.</td>
</tr>
<tr>
<td></td>
<td>No change</td>
</tr>
<tr>
<td></td>
<td>Reduced SCHEV agency operation budget by $145,100 in FY2017 and $400,535 in FY2018</td>
</tr>
<tr>
<td></td>
<td>Reduced Virginia Women’s Institute of Leadership (VWIL) budget by $15,395 in FY2017 and $23,092 in FY2018.</td>
</tr>
<tr>
<td></td>
<td>Restored $250,000 in FY2018 to the SCHEV agency operation budget.</td>
</tr>
<tr>
<td></td>
<td>Restored the VWIL cut for both years.</td>
</tr>
<tr>
<td></td>
<td>Reduced the fund for excellence and innovation program (student pathways and efficiencies) by $225,000 in FY2018</td>
</tr>
<tr>
<td><strong>Central Budget Items Impacting Higher Education</strong></td>
<td>The following state-wide items are proposed for general fund adjustments with no specific allocation provided for higher education:</td>
</tr>
<tr>
<td></td>
<td>Savings in workers compensation premiums (Item</td>
</tr>
<tr>
<td></td>
<td>No change</td>
</tr>
<tr>
<td>475, paragraph V)</td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td></td>
</tr>
<tr>
<td>• Additional funding for technology service (Item 476, paragraph G)</td>
<td></td>
</tr>
<tr>
<td>• Savings in the changes related to the Cardinal system (Item 476, paragraph L)</td>
<td></td>
</tr>
<tr>
<td>• Personnel Management Information System (PMIS) – executive branch agencies will be charged to support PMIS system (internal service fund) (Item 476, paragraph O)</td>
<td></td>
</tr>
</tbody>
</table>

### (C) Language

**Joint Subcommittee on the Future Competitiveness of Virginia Higher Education (Item 1)**

- Directed the Joint Subcommittee to conduct a focused review of Virginia public higher education's access, affordability, and autonomy issues as follows:

  "The Subcommittee will also conduct a focused review of access, affordability, quality, and autonomy issues related to Virginia's public higher education system. As part of that review the Subcommittee will explore ways to (a) improve the quality of higher education; (b) review the autonomy and flexibility granted to Virginia's public higher education institutions, including the history of restructuring and the expansion of autonomy; (c) examine access and affordability in higher education, including the cost of education and need-based financial aid programs; (d) review the impact of financial, demographic, and competitive changes on the sustainability of Virginia's public higher education system; and (e) identify any practices that would result in more efficient outcomes regarding cost and completion, including dual
<table>
<thead>
<tr>
<th>Two Year College Transfer Grant</th>
<th>Language added to the budget to provide flexibility to use any remaining unspent funds within all two-year transfer grant programs. (Item 144, paragraph G.4.c)</th>
<th>No change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Aid Award Letters (Item 144)</td>
<td></td>
<td>SCHEV is tasked to work with institutions to review institutions' financial aid award letters by November 1, 2017. During the review, SCHEV shall identify opportunities for improvement as well as best practices for clarity and completeness of the information provided on gift aid as well as student’s responsibility regarding student loans or work-study, student’s ability to compare financial aid ward packages among institutions to make informed financial choices, and the conditions under which these awards or outstanding balance might change.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SCHEV shall develop and implement award letter policies to standardized award information.</td>
</tr>
</tbody>
</table>
| | | SCHEV shall report its findings and provide a status report on the implementation of the
| Higher Education Research Initiative (Item 255) | Authorized the Virginia Research Investment Committee to conduct a study of Virginia research assets using previously appropriated funds, to help determine Virginia’s commercialization capabilities. |
| Policy of granting undergraduate course credit for incoming freshman who took advanced courses in high school (Item 4-0.1) | Directed SCHEV to establish a policy for granting undergraduate course credit to entering freshman students who have taken one or more Advanced Placement, Cambridge Advanced (A/AS), College-Level Examination Program (CLEP), or International Baccalaureate examinations by August 1, 2017. |
| Career and Technical Education (CTE) | Prohibited community colleges from starting new workforce programs that would duplicate existing high school and adult Career and Technical Education (CTE) programs in order to receive funding under the New Economy Workforce Credential Grant program. |
| VCCS Dual Enrollment (Item 213) | Directed VCCS, DOE and SCHEV to recommend certain changes to the structure of dual enrollment. A preliminary finding shall be delivered to the Chairmen of the House Appropriations and Senate Finance Committee by May 1, 2017 with a final report by May 1, 2018. |
| VCCS Procurement (Level II Authority) (Item 4-9.02) | Updated language to allow the Commonwealth to delegate authority to VCCS system office which can then delegate authority to its shared services center and other community colleges. (Section 4-9.02, VCCS is authorized, for a period of five years, to exercise additional financial and administrative authority as set out in each of the three functional areas of information |
technology, procurement, and capital projects. The VCCS State Board may request any subsequent delegation of procurement authority after consultation with and positive recommendation by the Department of General Services.

| Flexibility in reductions | Added language to give flexibility to selected institutions in spreading reductions. | Eliminated this language in the E&G item of UMW, UVAW, VMI, and VCCS. The language remained unchanged for doctoral institutions. |

<table>
<thead>
<tr>
<th>Item</th>
<th>Amended 2016-18 Budget for Capital Outlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment funding</td>
<td>Provided funding in central accounts to be disbursed to agencies and institutions of higher education for equipment purchases related to previously authorized capital projects ($17.3 million for higher education institutions)</td>
</tr>
<tr>
<td>General Fund Supplants</td>
<td>Supplanted general fund capital with VCBA bond proceeds for higher education institutions ($94.7 million)</td>
</tr>
<tr>
<td>Supplemental VCBA for cost overruns</td>
<td>• Virginia State University – Erosion and Sediment Control Master Plan/Retention Pond ($2.4 million) • Virginia Tech – Renew/Renovate Academic Buildings ($4.4 million)</td>
</tr>
</tbody>
</table>
Summary of the Conference Budget Amendments by Category in Relation to Base Budget (General Fund)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>Biennial Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Across-the-Board Reductions</td>
<td>($56.1)</td>
<td>($56.1)</td>
<td></td>
</tr>
<tr>
<td>Higher Education Research Initiatives</td>
<td>($4.0)</td>
<td>($7.3)</td>
<td>($11.3)</td>
</tr>
<tr>
<td>Restructuring Savings (interest Earnings &amp; Credit Card Rebates)</td>
<td>($4.0)</td>
<td>($4.0)</td>
<td>($8.0)</td>
</tr>
<tr>
<td>Other Savings*</td>
<td>($0.8)</td>
<td>($3.1)</td>
<td>($3.9)</td>
</tr>
<tr>
<td>Faculty Salary Increase</td>
<td>$18.4</td>
<td>$18.4</td>
<td></td>
</tr>
<tr>
<td>Institutions' Other E&amp;G Adjustments</td>
<td>$0.5</td>
<td>$0.5</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>($8.8)</td>
<td>($51.6)</td>
<td>($60.4)</td>
</tr>
</tbody>
</table>

Note: Included budget cuts to higher education affiliates and SCHEV.
<table>
<thead>
<tr>
<th>Inst</th>
<th>FY2018 Original E&amp;G GF Appropriations</th>
<th>FY2018 Total E&amp;G*</th>
<th>Conference Amendments to E&amp;G</th>
<th>% Change over FY18 Original E&amp;G GF</th>
<th>% Change to Total E&amp;G*</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNU</td>
<td>$28,461,203</td>
<td>$71,123,056</td>
<td>($757,606)</td>
<td>-2.7%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>CWM</td>
<td>$43,602,712</td>
<td>$214,280,112</td>
<td>($2,183,886)</td>
<td>-5.0%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>GMU</td>
<td>$137,318,826</td>
<td>$465,595,326</td>
<td>($5,819,760)</td>
<td>-4.2%</td>
<td>-1.2%</td>
</tr>
<tr>
<td>JMU</td>
<td>$83,048,136</td>
<td>$305,708,244</td>
<td>($3,253,127)</td>
<td>-3.9%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>LU</td>
<td>$27,610,716</td>
<td>$65,122,279</td>
<td>($719,868)</td>
<td>-2.6%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>NSU</td>
<td>$45,449,717</td>
<td>$80,260,740</td>
<td>$0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>ODU</td>
<td>$120,907,270</td>
<td>$269,036,628</td>
<td>($3,196,139)</td>
<td>-2.6%</td>
<td>-1.2%</td>
</tr>
<tr>
<td>RU</td>
<td>$50,504,416</td>
<td>$124,033,413</td>
<td>($1,334,488)</td>
<td>-2.6%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>UMW</td>
<td>$26,327,806</td>
<td>$69,302,806</td>
<td>($806,997)</td>
<td>-3.1%</td>
<td>-1.2%</td>
</tr>
<tr>
<td>UVA</td>
<td>$130,752,915</td>
<td>$687,865,219</td>
<td>($7,036,035)</td>
<td>-5.4%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>UVAW</td>
<td>$15,527,805</td>
<td>$23,929,665</td>
<td>($57,218)</td>
<td>-0.4%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>VCU</td>
<td>$178,058,987</td>
<td>$554,591,666</td>
<td>($8,018,515)</td>
<td>-4.5%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>VMI</td>
<td>$9,973,740</td>
<td>$38,958,850</td>
<td>($543,346)</td>
<td>-5.4%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>VSU</td>
<td>$34,088,277</td>
<td>$68,676,112</td>
<td>$0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>VT</td>
<td>$164,094,799</td>
<td>$618,142,749</td>
<td>($8,588,385)</td>
<td>-5.2%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>RBC</td>
<td>$6,570,638</td>
<td>$11,571,518</td>
<td>($20,526)</td>
<td>-0.3%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>VCCS</td>
<td>$384,686,547</td>
<td>$890,129,927</td>
<td>($13,727,631)</td>
<td>-3.6%</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Total</td>
<td>$1,486,984,510</td>
<td>$4,558,328,310</td>
<td>($56,063,527)</td>
<td>-3.8%</td>
<td>-1.2%</td>
</tr>
</tbody>
</table>

Note: *Total E&G is composed of FY18 general fund appropriations and FY17 tuition and fee revenue from the 2016 six-year plans.
### Comparison of Amended General Fund for E&G in FY2018 with 2016-18 Funding

<table>
<thead>
<tr>
<th>Inst.</th>
<th>GF for E&amp;G 2015-16</th>
<th>Original GF Budget for E&amp;G 2016-17</th>
<th>Conference Amendments</th>
<th>Net GF for E&amp;G in FY18</th>
<th>Change of FY18 Amend to Orig FY18</th>
<th>to Orig FY17</th>
<th>to FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNU</td>
<td>$25,999,214</td>
<td>$28,055,607</td>
<td>($204,757)</td>
<td>$28,256,446</td>
<td>-0.7%</td>
<td>0.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td>CWM</td>
<td>$39,580,549</td>
<td>$43,552,342</td>
<td>($1,473,650)</td>
<td>$42,078,692</td>
<td>-3.4%</td>
<td>-3.3%</td>
<td>6.4%</td>
</tr>
<tr>
<td>GMU</td>
<td>$122,374,571</td>
<td>$134,542,756</td>
<td>($2,128,185)</td>
<td>$132,414,571</td>
<td>-1.6%</td>
<td>2.1%</td>
<td>11.1%</td>
</tr>
<tr>
<td>JMU</td>
<td>$73,936,032</td>
<td>$81,684,561</td>
<td>($1,671,050)</td>
<td>$80,013,511</td>
<td>-1.6%</td>
<td>3.2%</td>
<td>19.7%</td>
</tr>
<tr>
<td>LU</td>
<td>$25,112,973</td>
<td>$27,219,808</td>
<td>($2,106,835)</td>
<td>$25,112,973</td>
<td>-0.1%</td>
<td>0.0%</td>
<td>8.4%</td>
</tr>
<tr>
<td>NSU</td>
<td>$42,592,139</td>
<td>$45,083,024</td>
<td>($2,490,885)</td>
<td>$42,592,139</td>
<td>-0.1%</td>
<td>0.2%</td>
<td>8.7%</td>
</tr>
<tr>
<td>ODU</td>
<td>$109,279,431</td>
<td>$118,868,484</td>
<td>($1,589,053)</td>
<td>$118,280,431</td>
<td>-1.3%</td>
<td>0.0%</td>
<td>8.8%</td>
</tr>
<tr>
<td>RU</td>
<td>$46,088,141</td>
<td>$49,820,087</td>
<td>($3,731,946)</td>
<td>$46,156,141</td>
<td>-0.8%</td>
<td>0.5%</td>
<td>8.7%</td>
</tr>
<tr>
<td>UMW</td>
<td>$22,269,273</td>
<td>$25,533,908</td>
<td>($2,264,635)</td>
<td>$23,269,273</td>
<td>-6.9%</td>
<td>2.2%</td>
<td>17.2%</td>
</tr>
<tr>
<td>UVA</td>
<td>$118,742,460</td>
<td>$129,061,379</td>
<td>($10,178,915)</td>
<td>$128,882,535</td>
<td>-7.7%</td>
<td>-5.3%</td>
<td>12.6%</td>
</tr>
<tr>
<td>UVAV</td>
<td>$13,835,062</td>
<td>$15,527,805</td>
<td>($169,743)</td>
<td>$15,352,622</td>
<td>-1.1%</td>
<td>-1.4%</td>
<td>12.0%</td>
</tr>
<tr>
<td>VCU</td>
<td>$163,015,325</td>
<td>$175,892,134</td>
<td>($12,876,819)</td>
<td>$163,138,506</td>
<td>-3.6%</td>
<td>3.2%</td>
<td>13.0%</td>
</tr>
<tr>
<td>VMI</td>
<td>$8,990,148</td>
<td>$9,824,232</td>
<td>($834,094)</td>
<td>$8,986,148</td>
<td>-9.2%</td>
<td>-9.3%</td>
<td>6.2%</td>
</tr>
<tr>
<td>VSU</td>
<td>$31,483,098</td>
<td>$33,630,728</td>
<td>($2,147,630)</td>
<td>$31,532,468</td>
<td>1.3%</td>
<td>2.7%</td>
<td>9.7%</td>
</tr>
<tr>
<td>VT</td>
<td>$148,915,090</td>
<td>$161,730,359</td>
<td>($12,815,269)</td>
<td>$146,114,821</td>
<td>-8.3%</td>
<td>-9.2%</td>
<td>5.7%</td>
</tr>
<tr>
<td>RBC</td>
<td>$5,886,045</td>
<td>$6,434,240</td>
<td>($548,195)</td>
<td>$5,337,845</td>
<td>-9.5%</td>
<td>-10.2%</td>
<td>12.0%</td>
</tr>
<tr>
<td>VCCS</td>
<td>$356,195,534</td>
<td>$381,922,309</td>
<td>($25,726,775)</td>
<td>$356,195,534</td>
<td>-7.5%</td>
<td>-8.2%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Total</td>
<td>$1,354,295,085</td>
<td>$1,468,015,899</td>
<td>($103,720,814)</td>
<td>$1,264,295,085</td>
<td>-7.6%</td>
<td>-9.0%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

**Note:** GF = General Fund, E&G = Expenditure for General and Student Government, Conference = Conference Net, Orig = Original, Amend = Amendments.
Comparison of Governor’s Introduced Budget Amendments and the Conference Report in FY2017

<table>
<thead>
<tr>
<th>Inst.</th>
<th>FY2017 General Fund</th>
<th>Other E&amp;G Adjustments</th>
<th>Total GF Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governor</td>
<td>Conference</td>
<td>Governor</td>
</tr>
<tr>
<td>CNU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CWM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GMU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JMU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ODU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UMW</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UVA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UVAV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VCU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VMI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VSU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RBC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VCCS</td>
<td></td>
<td></td>
<td>(280,000)</td>
</tr>
<tr>
<td>All Inst.</td>
<td>(280,000)</td>
<td>(280,000)</td>
<td></td>
</tr>
<tr>
<td>VIMS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VT-ext</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VSU-ext</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SURA</td>
<td>(67,128)</td>
<td>(67,128)</td>
<td>(67,128)</td>
</tr>
<tr>
<td>SWHEC</td>
<td></td>
<td></td>
<td>(108,058)</td>
</tr>
<tr>
<td>RHEC</td>
<td>(73,300)</td>
<td>(73,300)</td>
<td>(73,300)</td>
</tr>
<tr>
<td>IALR</td>
<td>(321,862)</td>
<td>(321,862)</td>
<td>(321,862)</td>
</tr>
<tr>
<td>SVHEC</td>
<td>(143,544)</td>
<td>(143,544)</td>
<td>(143,544)</td>
</tr>
<tr>
<td>NCI</td>
<td>(86,409)</td>
<td>(86,409)</td>
<td>(102,412)</td>
</tr>
<tr>
<td>EVMS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hi Ed Research</td>
<td>(4,000,000)</td>
<td>(4,000,000)</td>
<td>(4,000,000)</td>
</tr>
<tr>
<td>INOVA</td>
<td>(4,000,000)</td>
<td>0</td>
<td>(4,000,000)</td>
</tr>
<tr>
<td>Online Va Netwk</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>VBHRC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary Bonus</td>
<td>(4,000,000)</td>
<td>(4,000,000)</td>
<td>(4,000,000)</td>
</tr>
<tr>
<td>Restructuring Savings</td>
<td>(4,000,000)</td>
<td>(4,000,000)</td>
<td>(4,000,000)</td>
</tr>
<tr>
<td>SCHEV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OVN</td>
<td>(1,000,000)</td>
<td></td>
<td>(1,000,000)</td>
</tr>
<tr>
<td>Wkfrce Dev</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Cyber Security</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trsfr Grant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>(145,110)</td>
<td>(145,110)</td>
<td>(145,110)</td>
</tr>
<tr>
<td>Excel Fund</td>
<td>(50,000)</td>
<td>(50,000)</td>
<td>(50,000)</td>
</tr>
<tr>
<td>VIWIL</td>
<td>(15,395)</td>
<td>0</td>
<td>(15,395)</td>
</tr>
<tr>
<td>VIVA</td>
<td>(412,701)</td>
<td>(412,701)</td>
<td>(412,701)</td>
</tr>
<tr>
<td>Sub-total</td>
<td>(623,206)</td>
<td>(607,811)</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>(1,315,449)</td>
<td>(1,300,054)</td>
<td>(11,210,470)</td>
</tr>
</tbody>
</table>

Notes:
(1) 5% budget reduction
(2) SCHEV items were cut by 7.5% except VIVA at 5% in FY2018.
(3) Allocate the funding held in SCHEV budget. Allocation is equal to the amount appropriated in FY2017.
(4) 1.5% bonus for full-time state employees, effective December 2017.
(5) Interest earnings and credit card rebates.
## Comparison of Governor's Introduced Budget Amendments and the Conference Report in FY2018

### FY2018 General Fund

<table>
<thead>
<tr>
<th>Inst.</th>
<th>Net E&amp;G GF Reduction</th>
<th>Faculty Compensation</th>
<th>Other E&amp;G Adjustments</th>
<th>Total GF Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governor 2</td>
<td>Conference</td>
<td>Net Cont</td>
<td>Governor</td>
</tr>
<tr>
<td>CNU</td>
<td>(1,423,060)</td>
<td>665,454</td>
<td>(757,606)</td>
<td>368,566</td>
</tr>
<tr>
<td>CWM</td>
<td>(2,183,886)</td>
<td>0</td>
<td>(2,183,886)</td>
<td>710,236</td>
</tr>
<tr>
<td>GMU</td>
<td>(6,937,504)</td>
<td>1,117,744</td>
<td>(5,819,760)</td>
<td>1,973,365</td>
</tr>
<tr>
<td>JMU</td>
<td>(4,152,407)</td>
<td>899,280</td>
<td>(3,253,127)</td>
<td>1,061,224</td>
</tr>
<tr>
<td>LU</td>
<td>(1,360,536)</td>
<td>660,668</td>
<td>(719,866)</td>
<td>327,291</td>
</tr>
<tr>
<td>NSU</td>
<td>(8,243,124)</td>
<td>0</td>
<td>(8,243,124)</td>
<td>710,236</td>
</tr>
<tr>
<td>ODU</td>
<td>(7,036,035)</td>
<td>0</td>
<td>(7,036,035)</td>
<td>1,589,837</td>
</tr>
<tr>
<td>RU</td>
<td>(776,390)</td>
<td>164,320</td>
<td>(612,070)</td>
<td>492,961</td>
</tr>
<tr>
<td>UMW</td>
<td>(1,380,536)</td>
<td>660,668</td>
<td>(719,866)</td>
<td>327,291</td>
</tr>
<tr>
<td>UVA</td>
<td>(7,036,035)</td>
<td>0</td>
<td>(7,036,035)</td>
<td>1,589,837</td>
</tr>
<tr>
<td>VCCS</td>
<td>(19,716,711)</td>
<td>5,989,080</td>
<td>(13,727,631)</td>
<td>3,186,371</td>
</tr>
<tr>
<td>All Inst.</td>
<td>(72,983,444)</td>
<td>16,919,917</td>
<td>(56,063,527)</td>
<td>16,288,101</td>
</tr>
<tr>
<td>VIMS</td>
<td>(1,039,583)</td>
<td>(939,583)</td>
<td>(939,583)</td>
<td>(939,583)</td>
</tr>
<tr>
<td>VT</td>
<td>(1,039,583)</td>
<td>(939,583)</td>
<td>(939,583)</td>
<td>(939,583)</td>
</tr>
<tr>
<td>RHEC</td>
<td>(73,301)</td>
<td>(73,301)</td>
<td>(73,301)</td>
<td>(73,301)</td>
</tr>
<tr>
<td>RIA</td>
<td>(321,856)</td>
<td>(321,856)</td>
<td>(321,856)</td>
<td>(321,856)</td>
</tr>
<tr>
<td>SVHEC</td>
<td>(160,582)</td>
<td>(160,582)</td>
<td>(160,582)</td>
<td>(160,582)</td>
</tr>
<tr>
<td>NCI</td>
<td>(102,412)</td>
<td>(102,412)</td>
<td>(102,412)</td>
<td>(102,412)</td>
</tr>
<tr>
<td>EVMS</td>
<td>(939,583)</td>
<td>(939,583)</td>
<td>(939,583)</td>
<td>(939,583)</td>
</tr>
<tr>
<td>Hi Ed Research</td>
<td>(6,000,000)</td>
<td>(6,000,000)</td>
<td>(6,000,000)</td>
<td>(6,000,000)</td>
</tr>
<tr>
<td>INOVA</td>
<td>(2,000,000)</td>
<td>(2,000,000)</td>
<td>(2,000,000)</td>
<td>(2,000,000)</td>
</tr>
<tr>
<td>Online Va Netwk</td>
<td>(2,000,000)</td>
<td>(2,000,000)</td>
<td>(2,000,000)</td>
<td>(2,000,000)</td>
</tr>
<tr>
<td>WIFHRC</td>
<td>(2,150,000)</td>
<td>(2,150,000)</td>
<td>(2,150,000)</td>
<td>(2,150,000)</td>
</tr>
<tr>
<td>Salary Bonus 4</td>
<td>6,100,000</td>
<td>6,100,000</td>
<td>0</td>
<td>6,100,000</td>
</tr>
<tr>
<td>Restructuring Savings 5</td>
<td>(4,000,000)</td>
<td>(4,000,000)</td>
<td>(4,000,000)</td>
<td>(4,000,000)</td>
</tr>
<tr>
<td>SCHEV</td>
<td>(2,000,000)</td>
<td>(2,000,000)</td>
<td>(2,000,000)</td>
<td>(2,000,000)</td>
</tr>
<tr>
<td>OVN</td>
<td>(1,000,000)</td>
<td>(1,000,000)</td>
<td>(1,000,000)</td>
<td>(1,000,000)</td>
</tr>
<tr>
<td>Cyber Security</td>
<td>(500,000)</td>
<td>(500,000)</td>
<td>(500,000)</td>
<td>(500,000)</td>
</tr>
<tr>
<td>WFIL</td>
<td>(2,000,000)</td>
<td>(2,000,000)</td>
<td>(2,000,000)</td>
<td>(2,000,000)</td>
</tr>
<tr>
<td>VIVA</td>
<td>(412,701)</td>
<td>(412,701)</td>
<td>(412,701)</td>
<td>(412,701)</td>
</tr>
<tr>
<td>Sub-total</td>
<td>(886,328)</td>
<td>(886,328)</td>
<td>(886,328)</td>
<td>(886,328)</td>
</tr>
<tr>
<td>Total</td>
<td>(78,351,723)</td>
<td>16,919,917</td>
<td>(56,063,527)</td>
<td>6,100,000</td>
</tr>
</tbody>
</table>

Notes:
1. (1) 5% budget reduction
2. (2) SCHEV items were cut by 7.5% except VIVA at 5% in FY2018.
3. (3) Allocate the funding held in SCHEV budget. Allocation is equal to the amount appropriated in FY2017.
4. (4) 1.5% bonus for full-time state employees, effective December 2017.
5. (5) Interest earnings and credit card rebates.
### Capital Fee Revenue
#### Paid by Out-of-State Students

<table>
<thead>
<tr>
<th>Inst</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNU</td>
<td>$131,508</td>
</tr>
<tr>
<td>CWM</td>
<td>$1,639,845</td>
</tr>
<tr>
<td>GMU</td>
<td>$2,804,490</td>
</tr>
<tr>
<td>JMU</td>
<td>$2,843,787</td>
</tr>
<tr>
<td>LU</td>
<td>$106,149</td>
</tr>
<tr>
<td>NSU</td>
<td>$420,789</td>
</tr>
<tr>
<td>ODU</td>
<td>$1,108,899</td>
</tr>
<tr>
<td>RU</td>
<td>$300,486</td>
</tr>
<tr>
<td>UMW</td>
<td>$234,834</td>
</tr>
<tr>
<td>UVA</td>
<td>$5,006,754</td>
</tr>
<tr>
<td>UVAW</td>
<td>$48,330</td>
</tr>
<tr>
<td>VCU</td>
<td>$2,359,266</td>
</tr>
<tr>
<td>VMI</td>
<td>$400,470</td>
</tr>
<tr>
<td>VSU</td>
<td>$773,577</td>
</tr>
<tr>
<td>VT</td>
<td>$5,192,295</td>
</tr>
<tr>
<td>RBC</td>
<td>$10,830</td>
</tr>
<tr>
<td>VCCS</td>
<td>$3,301,665</td>
</tr>
<tr>
<td>Total</td>
<td>$26,683,974</td>
</tr>
</tbody>
</table>

Note: Based on increasing $1 per credit hour.
Higher Education Equipment Funding for Previously Authorized Capital Projects  
(VCBA)

<table>
<thead>
<tr>
<th>Inst</th>
<th>Project Title</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>VT</td>
<td>Renovate/Renew Academic Buildings</td>
<td>$3,174,000</td>
</tr>
<tr>
<td>VSU</td>
<td>Renovate Lockett Hall</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>LU</td>
<td>Construct Admission Office</td>
<td>$1,002,000</td>
</tr>
<tr>
<td>VT-ext</td>
<td>Improve Kendland Facilities</td>
<td>$745,000</td>
</tr>
<tr>
<td>VCCS</td>
<td>Replace Anderson Hall, Virginia Western</td>
<td>$3,575,000</td>
</tr>
<tr>
<td>VCCS</td>
<td>Replace Academic and Administration Building, Eastern Shore</td>
<td>$1,800,000</td>
</tr>
<tr>
<td>VCCS</td>
<td>Renovate Engineering and Industrial Technology Building, Danville</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>VCCS</td>
<td>Construct Student Service and Learning Resources Center, Christina Campus, SVCC</td>
<td>$1,350,000</td>
</tr>
<tr>
<td>VCCS</td>
<td>Renovate Bird Hall and Renovate/Expand Nichols Center, Chester Campus, JTCC</td>
<td>$2,800,000</td>
</tr>
<tr>
<td>VIMS</td>
<td>Construct Facilities Management Building</td>
<td>$386,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$17,332,000</td>
</tr>
</tbody>
</table>
## Higher Education Capital Supplants

<table>
<thead>
<tr>
<th>Inst</th>
<th>Code</th>
<th>Project Title</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>VT</td>
<td>18065</td>
<td>Renovate or Renew Academic Buildings</td>
<td>$24,959,494</td>
</tr>
<tr>
<td>LU</td>
<td>18016</td>
<td>Additional Biomass Boiler</td>
<td>$5,449,095</td>
</tr>
<tr>
<td>JMU</td>
<td>18173</td>
<td>Acquire East Campus Chiller Plant</td>
<td>$2,800,000</td>
</tr>
<tr>
<td>JMU</td>
<td>18085</td>
<td>Renovate/Addition Madison Hall</td>
<td>$15,741,438</td>
</tr>
<tr>
<td>RU</td>
<td>18067</td>
<td>Renovate Whitt Hall</td>
<td>$7,397,093</td>
</tr>
<tr>
<td>VT-ext</td>
<td>17830</td>
<td>Improve Kentland Facilities, Phase I</td>
<td>$7,936,259</td>
</tr>
<tr>
<td>VCU</td>
<td>18071</td>
<td>Renovate Raleigh Building</td>
<td>$7,010,583</td>
</tr>
<tr>
<td>VCU</td>
<td>18070</td>
<td>Renovate Sanger Hall, Phase II</td>
<td>$17,214,620</td>
</tr>
<tr>
<td>VCCS</td>
<td>18077</td>
<td>Renovate Engineering and Industrial Technology Building, Danville</td>
<td>$6,221,993</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$94,730,575</strong></td>
</tr>
</tbody>
</table>
### Higher Education Equipment Funding for Previously Authorized Capital Projects (VCBA)

<table>
<thead>
<tr>
<th>Inst</th>
<th>Project Title</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>VT</td>
<td>Renovate/Renew Academic Buildings</td>
<td>$3,174,000</td>
</tr>
<tr>
<td>VSU</td>
<td>Renovate Lockett Hall</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>LU</td>
<td>Construct Admission Office</td>
<td>$1,002,000</td>
</tr>
<tr>
<td>VT-ext</td>
<td>Improve Kendland Facilities</td>
<td>$745,000</td>
</tr>
<tr>
<td>VCCS</td>
<td>Replace Anderson Hall, Virginia Western</td>
<td>$3,575,000</td>
</tr>
<tr>
<td>VCCS</td>
<td>Replace Academic and Administration Building, Eastern Shore</td>
<td>$1,800,000</td>
</tr>
<tr>
<td>VCCS</td>
<td>Renovate Engineering and Industrial Technology Building, Danville</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>VCCS</td>
<td>Construct Student Service and Learning Resources Center, Christina Campus, SVCC</td>
<td>$1,350,000</td>
</tr>
<tr>
<td>VCCS</td>
<td>Renovate Bird Hall and Renovate/Expand Nichols Center, Chester Campus, JTCC</td>
<td>$2,800,000</td>
</tr>
<tr>
<td>VIMS</td>
<td>Construct Facilities Management Building</td>
<td>$386,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$17,332,000</strong></td>
</tr>
</tbody>
</table>
## Higher Education Capital Supplants

<table>
<thead>
<tr>
<th>Inst</th>
<th>Code</th>
<th>Project Title</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>VT</td>
<td>18065</td>
<td>Renovate or Renew Academic Buildings</td>
<td>$24,959,494</td>
</tr>
<tr>
<td>LU</td>
<td>18016</td>
<td>Additional Biomass Boiler</td>
<td>$5,449,095</td>
</tr>
<tr>
<td>JMU</td>
<td>18173</td>
<td>Acquire East Campus Chiller Plant</td>
<td>$2,800,000</td>
</tr>
<tr>
<td>JMU</td>
<td>18085</td>
<td>Renovate/Addition Madison Hall</td>
<td>$15,741,438</td>
</tr>
<tr>
<td>RU</td>
<td>18067</td>
<td>Renovate Whitt Hall</td>
<td>$7,397,093</td>
</tr>
<tr>
<td>VT-ext</td>
<td>17830</td>
<td>Improve Kentland Facilities, Phase I</td>
<td>$7,936,259</td>
</tr>
<tr>
<td>VCU</td>
<td>18071</td>
<td>Renovate Raleigh Building</td>
<td>$7,010,583</td>
</tr>
<tr>
<td>VCU</td>
<td>18070</td>
<td>Renovate Sanger Hall, Phase II</td>
<td>$17,214,620</td>
</tr>
<tr>
<td>VCCS</td>
<td>18077</td>
<td>Renovate Engineering and Industrial Technology Building, Danville</td>
<td>$6,221,993</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$94,730,575</strong></td>
</tr>
</tbody>
</table>
State Council of Higher Education for Virginia
Agenda Item

Item: Resources and Planning #D4 – Discussion of Updates to The Virginia Plan for Higher Education

Date of Meeting: March 20, 2017

Presenters: Peter Blake, Director (peterblake@schev.edu)
Dan Hix, Finance Policy Director (danhix@schev.edu)
Yan Zheng, Assistant Director for Finance Policy (yanzheng@schev.edu)
Jean Mottley, Senior Associate for Finance Policy (jeanmottley@schev.edu)

Most Recent Review/Action:
☐ No previous Council review/action
☒ Previous review/action
  Date: January 10, 2017
  Action: Council discussed activities for the two assigned initiatives

Background Information/Summary of Major Elements:

At its September 2015 meeting Council approved six priority initiatives in support of goals of The Virginia Plan. Staff provides information on initiatives 2 and 3 for discussion and direction from the Resources and Planning Committee:

Initiative 2: Seek legislative changes that support stable and sustainable public funding for higher education, such as a constitutional amendment, a dedicated funding source, and a revenue stabilization fund.

- Virginia public higher education institutions have experienced budget reductions eight of the past ten years. The fluctuation of state funding has adversely impacted institutions’ operations and made long-term goals difficult to achieve. In order to pursue stable and sustainable funding for public institutions, SCHEV staff presents some sustainable funding options each with advantages and disadvantages for the Council’s consideration. See appended document “Proposed Initiative #2 Sustainable Funding Options for 2017.” Based on the Council’s decision, staff will prepare a more detailed project plan later.
Initiative 3: Review and recommend potential initiatives for further restructuring and shared services that enhance institutional and administrative flexibility and improve quality and efficiency.

Two projects are already underway:

- **Proposed and received funding to establish the Fund for Excellence and Innovation:** This fund focuses on supporting affordable pathways, cost efficiencies and shared services. Current Status: The Virginia Community College System’s (VCCS’s) Shared Services Center (SSC) was shared with other institutions as a potential model. This center, located in Daleville, delivers transaction-based services in finance and human resources, and the technology to support those services. The Center provides services to and is governed by all 23 colleges and the System Office. The goal is to provide services better, faster, and cheaper than a college could achieve individually. With funding from the Fund for Excellence and Innovation, a shared services feasibility study is being conducted with interested non-VCCS institutions to determine if receiving some services from the center would be beneficial for them. The study will include a review of fiscal, technology, human resources, and procurement processes within the institution to determine recommended course of action, expected savings, and implementation timeframe of a shared services model. This study will be completed by June 15. Future initiatives will need to be reassessed in light of budget cuts to the Fund for Excellence and Innovation.

- **Established a workgroup to identify cost efficiency and shared services opportunities:** Institutions have met regularly to identify opportunities for collaboration and share promising practices on cost efficiencies. Next Steps: The workgroup is developing a work plan to host a summit to share additional practices across the larger education community. This summit will be a forum for Virginia public higher education institutions to share ideas and best practices. It is anticipated that the format will follow that of the forum hosted by the University of Virginia in 2014 with key themes of partnerships and collaborations, enabling and emerging technology, educational innovation/academic best practices, student support services, and administrative functions. This summit can provide a showcase of ideas and results that relate directly to the state’s priority around affordable access.

Council members expressed an interest in identifying the next generation of “restructuring.” Staff has developed the appended document “Proposed Initiative #3 Strategies and Activities for 2017” for discussion with the Committee.

**Materials Provided:**

- Proposed Initiative #2 Sustainable Funding Options for 2017
- Proposed Initiative #3 Strategies and Activities for 2017

**Financial Impact:** N/A
Timetable for Further Review/Action: Staff and committee members will continue to work together to monitor progress on these initiatives.

Resolution: N/A
<table>
<thead>
<tr>
<th>Option</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
</table>
| Constitutional amendment                    | Modify the state constitution to impose a legal obligation on the state to provide funding to public higher education as defined in the amendment so as to protect public higher education. Currently funding Virginia public higher education is viewed as discretionary. | • The amendment process is lengthy and arduous. An introduced bill must be passed by the General Assembly in two consecutive sessions before going to the voters for approval.  
• It is difficult to reach a consensus as various stakeholders with different interests and focuses are involved. |

*Example: Virginia K-12 education funding.*

| Rainy Day Fund (general fund or institutional funds) | Set an amount of money aside annually to prevent sudden tuition increases when there are budget shortfalls or economic downturns. | • It is difficult to set reasonable conditions for using the fund. Depending on the frequencies of budget shortfall occurrences, the fund may be easily depleted or may not be replenished quickly and accumulated sufficiently for use in the next budget shortfall.  
• Institutions might worry that the state may reduce additional funding when it isn’t “raining” because the Rainy Day Funds are available. |

*Example: State governments and many local governments have rainy day funds.*

| Dedicated source of revenue                  | Establish a dedicated source of revenue for higher education. A fund could be established by setting aside certain types of tax revenues annually. The revenues could then be used to provide a steady stream of funding for annual operations or special initiatives. | • State tax revenues fluctuate as economy runs in cycles. The actual amount received from tax revenues may vary despite the share of such revenues being fixed.  
• Funds dedicated from an existing revenue source would reduce funds used for other purposes. |

*Example: In 2007, Maryland established the Higher Education Investment Fund (HEIF) by providing 6% of corporate income tax revenues as a dedicated source of revenue to fund public higher education in addition to general fund appropriations. In FY2016, institutions received $63.7 million from the HEIF, accounting for 46.8% of the total new state funding to public higher education.*

| Commit to a multi-year state appropriation based on a fixed measure such as inflationary increases or to | Allow the state and institutions to establish longer-term goals and make progress toward achieving the goals. | • Currently a legislative budget action in one session does not constrain the funding decision of the next session.  
• Vulnerable to economic cycles and unexpected budget reductions. |
| Reaching an agreed-upon percentage of state funding for Virginia students. | **Examples:**  
- **Between 1976 and 1981, Virginia had a funding policy that provided a 70/30 fund share between the state and students for higher education. The state committed to this policy and reached this goal over a six-year period. In the current environment, perhaps a shorter time span centered on both the general fund and tuition increasing at the rate of inflation could be considered.**  
- **Missouri institutions with tuition amounts above the state average may raise tuition only by CPI.**  
- **Maryland has set a goal of using a three-year rolling average change in median income for tuition increases.**  
- **Washington enacted legislation in 2015 that ties tuition rates to the median wage in the state.**  
- **Texas considered limiting tuition increases to the rate of inflation at institutions that did not meet state performance measures or CPI+3% for institutions meeting the performance measures.** |
| --- | --- |
| Allow institutions to rely primarily on tuition revenue and convert remaining state support to a student vouchers or financial aid. | **Examples:**  
- **It is more stable and predictable to manage institutional tuition revenues than to rely on additional state appropriations.**  
- **Small institutions and institutions with a large percentage of in-state student enrollments will have lower limits to their tuition capacity.**  
- **A voucher program could create heightened enrollment competition among institutions for the same pool of students.**  
**Example:** **At many of our institutions, tuition revenue is at such a high level that a relatively small increase in tuition will generate a substantial amount of revenue per year.** |
| Establish a reserve or trust fund and provide funding from the fund’s interest earnings. | **Example:** **Assuming a 5% return on investment, a $30 billion fund would yield about $1.5 billion a year, which is equivalent of the current state appropriations for E&G programs.**  
**Example:** **It would take a significant amount of time to raise the funds and accumulate sufficient interest earnings for this option to succeed.**  
**Example:** **Institutions usually establish a reserve fund for capital funding. And many institutions have endowment funds.** |
| Provide targeted funding for institutions by sector | **Example:** **Provides the state to use its limited tax revenues more efficiently and effectively by providing targeted funding for institutions or sector (such as community colleges) that cannot generate much tuition revenue to meet the operation needs.**  
**Example:** **Gives some institutions additional autonomy to rely more on tuition revenue for operations.**  
**Example:** **Creates an equity problem for in-state students attending institutions that primarily rely on tuition revenues as they do not receive proportional benefits from general fund state tax revenue.**  
**Example:** **Virginia provided targeted funding for 4 institutions to increase in-state undergraduate enrollments in FY2014.** |
Proposed Initiative #3 Strategies and Activities for 2017

Initiative #3 seeks to: Review and recommend potential initiatives for further restructuring and shared services that enhance institutional and administrative flexibility and improve quality and efficiency.

The Restructuring Act of 2005 provided a set of basic operational autonomy (Level I) for all institutions in exchange for a commitment by the institutions’ Boards of Visitors to meet specified state goals. In addition, institutions could seek greater institutional autonomy through memoranda of understanding for Level II institutions and management agreements for Level III institutions. The Act, while providing more flexibility and autonomy to the institutions, enabled the state to set forth expectations and goals for the institutions to meet state higher education needs.

Recently, the Council, via resolution, commended the public institutions of higher education for their financial management strategies that allowed them to maintain their viability through economic downturns and affirmed its support for continued flexibility and autonomy.

As previously discussed, two projects are already underway. Here are additional action steps staff recommends for consideration by the Committee:

- Discuss with the Op Six the direction of restructuring and the need for a review to identify opportunities for simplification and additional efficiencies: (“Op Six” is the informal name given to state officials identified in the Higher Education Opportunity Act of 2011 to perform certain functions. Op Six members include the Secretary of Finance, the Secretary of Education, the Director of the Department of Planning and Budget, staff directors of the Senate Finance Committee and the House Appropriates Committee, and the director of SCHEV. The review would need to involve SCHEV, the institutions, and other agencies since no one entity is charged with oversight. In 2008, the Joint Legislative Audit and Review Commission (JLARC) performed a compliance review of the initial three Level III institutions with their management agreements. At that time, JLARC noted that the oversight process needed improvement to address concerns quickly and ensure the transfer of institutional memory between gubernatorial administrations. JLARC proposed that a restructuring advisory committee (with SCHEV’s executive director serving as chair) or an expanded leadership role for SCHEV could improve the oversight process. However, as JLARC pointed out the latter approach may require additional staffing. Also, other offices, such as the Secretary for Finance, have been more involved with the management agreements and memoranda of understanding and may want to take the lead on any discussions related to restructuring.

- Recommend that further restructuring ideas are always solicited from the institutions via the six-year plans: In the 2015 Six-Year Plans, the Op Six inserted questions to obtain additional restructuring suggestions from the institutions. Subsequently, during the 2016 General Assembly session, George Mason University and James Madison University were approved for a...
five-year pilot program to exercise additional financial and administrative authority as set out in each of the three functional areas of information technology, procurement and capital projects. Each institution also received additional financial and administrative authority over financial operations. During the 2017 session, the VCCS sought additional administrative authority in the functional area of procurement. It should be noted that the institutions were not required to use the historical process to obtain additional authority (i.e., memorandum of understanding) and no accountability related to establishing additional education-related performance measures were required as in the past. It should also be noted that based on feedback in the 2015 Six-Year Plans, all institutions received approval from the Department of Accounts to modify submission of travel vouchers from three days to 10 days, eliminate the exception request of moving and reallocation into the second year, and eliminate a pre-audit hold on legal fees. The establishment of a consistent reporting mechanism to solicit ideas for further restructuring could benefit the institutions and the state.

- **Initiate an internal review and discussion of restructuring-related activities that SCHEV is currently involved with to ensure they are streamlined, informative and value-added:** These processes include six-year plans and Institutional Performance Standards (IPS). With regard to the six-year plans, given the current budget environment, it may be more appropriate to require two-year or four-year plans instead of six-year plans. Additionally, reallocations, which could represent the result of efficiency improvements, currently can be included in the plans, but the information is not always provided by the institutions. Also over the last few years, additional reporting requirements such as information about intellectual property have been added to the six-year plans. A review may identify modifications to streamline the plans. With regard to IPS, institutions with Level II authority are required to have an additional education-related performance measure for each memorandum of understanding. This requirement creates unequal performance measures and may need to be modified. The Level III institutions have some academic-related measures in their management agreements. But, due to the length of time since those measures were established, a review may needed to determine whether they still have value. Some modifications of the six-year plans or IPS may require code changes. Of course, the focus of all of this work should be maximizing support for accomplishing the goals of The Virginia Plan.

- **Recommend additional incentives for institutions to receive to promote further restructuring and efficiencies:** Initially with restructuring, institutions were eligible for financial incentives related to interest on tuition and fees and other nongeneral fund Educational and General (E&G) revenues deposited into the State Treasury, any unexpended expenditures of the institution at the end of the fiscal year, a pro rata amount of the rebate due to the Commonwealth on credit card purchases of $5,000 or less, and a rebate of transaction fees paid for sole source procurements made by the institutions in the electronic procurement system, eVa. Although the institutions, if they receive certification, remain eligible for these incentives, they have not received them for the last couple of years due to budget deficits. Consideration could be given to
recommending other benefits such as sustainable funding or greater control of resources to withstand funding swings.
Dr. Murray called the meeting to order at 9:00 a.m. in the SCHEV Main Conference Room, 9th Floor, James Monroe Building, Richmond, Virginia.

Committee members present: Ken Ampy, H. Eugene Lockhart, William Murray, Minnis E. Ridenour

Council members present: Marge Connelly, Heywood Fralin, Henry Light, G. Gilmer Minor III, Tom Slater

Staff present: Peter Blake, Alan Edwards, Lynn Seuffert. Al Wilson, SCHEV counsel from the Office of the Attorney General, also was in attendance.

WELCOME AND INTRODUCTIONS

Dr. Murray welcomed committee members, attending Council members, staff, and guests and asked all to introduce themselves.

APPROVAL OF THE MINUTES

Dr. Murray motioned to approve the minutes of the December 21, 2016, meeting. Mr. Ridenour seconded the motion. The minutes were approved unanimously.

REVIEW OF CHARGE TO THE COMMITTEE

Dr. Murray asked Mr. Blake to introduce the topic. Mr. Blake reviewed Mr. Minor’s charge to the committee, briefly covering the purpose and the statutes establishing the Virginia Research Investment Fund (VRIF) and Virginia Research Investment Committee (VRIC). He noted the statutory requirement that Council consult with VRIC on the guidelines and criteria for award of funds from VRIF.

Mr. Blake advised that the VRIC meeting had been cancelled the day before due to the weather and the closure of the James Monroe Building, so he had no formal consultative advice from VRIC to share with the committee.

DISCUSSION OF CONTINUUM OF RESEARCH AND INNOVATION; SOURCES OF PUBLIC FUNDING IN VIRGINIA

Dr. Murray offered his perspective that the committee should begin by discussing how the VRIF can add value to the Commonwealth and how the ad hoc committee can add value to the process of awarding VRIF funds.
At Dr. Murray’s invitation, Dr. Edwards introduced the documents in the Agenda Book and invited Ms. Seuffert to provide an overview of other state-funded research grant programs in the Commonwealth.

Ms. Seuffert mentioned each Virginia entity that awards research grants using public funds and explained the graphic illustrating the research and innovation continuum which highlights staff’s recommendation to position the VRIF in the middle and latter stages of the continuum.

In response to Mr. Ridenour’s request for better understanding of all research funding being expended by universities, not just the other state-funded grant competitions, Dr. Edwards suggested that the data collected by the National Science Foundation could provide some insights. Mr. Ridenour said that this data should be supplemented with information on Virginia universities’ current research topics, which the public institutions’ chief research officers could provide directly to the committee.

Dr. Edwards reminded that the focus of the VRIF statute is on areas of research that are commercializable. He explained that the Research and Technology (R&T) Strategic Roadmap, which is maintained by the Center for Innovative Technology, is designed to answer some of the questions surrounding which topics of research have the best prospects of enhancing economic development and creating jobs.

Dr. Murray requested input from Robert Stolle, CIT Senior Vice President for Operations and former Secretary of Commerce and Trade. Mr. Stolle explained that the Code of Virginia requires CIT to update the R&T Roadmap every three years and that the Roadmap must include information not only from universities, but also from economic development groups, industry, and federal agencies and labs. Rather than a comprehensive list of research areas within the universities, the Roadmap identifies industries in which the Commonwealth has strength. It highlights the big priorities right now, such as data analytics, cybersecurity, etc. The current Roadmap identifies 11 priority industries.

He advised that CIT intends to update and refine the Roadmap in 2017 to make it more useful to the ad hoc committee, VRIC, and the GO Virginia board.

Mr. Stolle agreed that several of the state-funded research programs focus on early stage and proof of concept research. He stated that he and other CIT staff hear from researchers that Virginia lacks a program that could make a big investment.

**INTRODUCTION OF ORGANIZING PRINCIPLES FOR AWARD COMPETITIONS FOR VIRGINIA RESEARCH INVESTMENT FUNDS**

Following Dr. Murray’s suggestion that the two remaining agenda items be merged, the ensuing discussion addressed committee members’ perspectives on what the guidelines and criteria should include, as well as their ideas for next steps.

Dr. Murray shared that some external stakeholders had suggested that the committee go slowly until the other entities act. He said his preference would be to proceed as
required by statute. He said that if the path changes later, the committee at least will have completed due diligence and fulfilled the statutory charge to Council, while still being respectful of the other entities’ roles.

Mr. Minor suggested bringing institutions’ research officers together to discuss what the Commonwealth is trying to do. He believes that the committee needs their help. Mr. Blake offered to invite the research officers of all public institutions to a work session with the committee. Dr. Murray supported this idea. Dr. Edwards noted that, at the first VRIC meeting, the seven research university vice presidents of research (VPRs) (presenting as the Virginia Research Alliance) had recommended focusing the VRIF on cybersecurity and neuroscience.

Dr. Murray suggested that the VPRs could assist, not only regarding the specific subject areas, but also regarding the criteria for award. Mr. Light requested that research officers from all public institutions be invited, rather than only the VPRs of the research universities.

Dr. Murray then asked each committee member and attending Council member to share any other thoughts or comments. He called on Mr. Ridenour to provide the campus perspective on the criteria universities use when allocating limited resources to their research enterprise.

Mr. Ridenour highlighted three strategies: (i) finding the best talent to achieve each purpose (i.e., recruiting eminent researchers and developing young investigators); (ii) providing resources (i.e., labs and facilities) to position these individuals to obtain grant funding; and (iii) maintaining and enhancing research infrastructure.

Mr. Ampy voiced support for ensuring that smaller universities have an opportunity to participate. He returned to the statutory emphasis on collaboration and suggested the guidelines and criteria include a “gold star” for collaborating and partnering.

Mr. Light suggested that research areas beyond those in the Roadmap, such as sea-level rise and defense/military issues, would make the Commonwealth stronger by allowing it to focus on its own interests while simultaneously improving research generally.

Mr. Minor said that he would like to send a message that the committee and the Council are serious about moving Virginia’s research enterprise forward.

Mr. Fralin stated that this effort will be judged by how effectively Virginia institutions are able to get VRIF-supported research from the lab to the marketplace. He urged members to keep their eye on that objective. He believes that the General Assembly is supporting research via the VRIF is because legislators think Virginia has a problem with economic development and that the VRIF is a vehicle to create high-paying jobs. He also believes that how well this goal is accomplished will be the ultimate measure of success.
Mr. Slater agreed that the VRIC and the committee have an obligation to include all public institutions and that representatives of all public institution undergraduate research programs be included in the next work session.

Mr. Ridenour stated that the committee should view the statutory language to involve schools across the Commonwealth as a challenge. He recommended that the committee develop a sharp focus in the guidelines to encourage collaboration between institutions. Mr. Ridenour concluded that a plan is needed if the goal is to improve Virginia’s research position nationally.

Mr. Minor and Mr. Ridenour agreed on the value of engaging undergraduates in the research enterprise and suggested the guidelines could simply acknowledge the importance of undergraduate research rather than encourage use of VRIF funding for those activities.

Mr. Blake observed that neither the role of VRIC nor the VRIF statutes foreclose the committee and Council from engaging in broader thinking about the academic research enterprise in the Commonwealth. He suggested that VRIF is not the only vehicle to achieve these goals and that the committee’s discussions might be broader than what ends up in the final VRIF guidelines.

**DISCUSSION OF NEXT STEPS**

Without taking a formal vote, members agreed in conversation that the chief research officers (or designees) from all public institutions would be invited to join a February work session to get their perspectives, and ideally buy-in, on a set of organizing principles for the VRIF award process that are not predetermined by statute.

Ms. Seuffert reported that a poll of committee members conducted prior to the meeting indicated that all were available on Thursday, February 23, 2017, from 1:00 p.m. to 4:00 p.m. Members did not object, which staff accepted as agreement, on this date for the next committee meeting.

**ADJOURNMENT**

Dr. Murray adjourned the meeting at 9:50 a.m.

---

William Murray  
Acting Chair, SCHEV Ad Hoc Committee on Research

Lynn Seuffert  
Associate for Research Investment
Dr. Murray called the meeting to order at 1:05 p.m. in the SCHEV Main Conference Room, 9th Floor, James Monroe Building, Richmond, Virginia.

Committee members present: Ken Ampy (left the meeting at 2:20 p.m.), William Murray, Minnis E. Ridenour

Council member present: Henry Light

VRIC members present: Karen Jackson, Ric Brown, Peter Blake

Staff present: Peter Blake, Alan Edwards, Lynn Seuffert, Joe DeFilippo. Al Wilson, SCHEV counsel from the Office of the Attorney General, also was in attendance.

Invited guests: Representatives from public institutions of higher education in Virginia.

WELCOME AND INTRODUCTIONS

Dr. Murray welcomed committee members, VRIC members, the attending Council member, staff, and guests and asked all to introduce themselves.

Dr. Murray asked Mr. Blake to provide an update on the recent amendments by the General Assembly to the Virginia Research Investment Fund and associated budget language.

Mr. Blake highlighted the changes, including the move to SCHEV of the responsibility to develop and maintain the Commonwealth Research and Technology Strategic Roadmap and the expansion of the role and scope of the Virginia Research Investment Committee. He mentioned that the budget includes $12 million in general funds for VRIF awards; the debt authorization did not change. He also mentioned that a change in the budget language will authorize VRIC to use an unspecified portion of the appropriated amount of general funds for an assessment of research assets and the best areas of research for commercialization.

Mr. Blake concluded by asking everyone to participate and help make VRIF a success.
REVIEW OF TRENDS AND CURRENT STRENGTHS IN VIRGINIA HIGHER EDUCATION RESEARCH

Dr. Murray requested that staff explain the information depicted in the projected slides, which were variations of Figure 1 in “Staff Report – Virginia Areas of Research Strength.” Ms. Seuffert highlighted the areas of research expertise at Virginia institutions, as evidenced by expenditures of research funds, and the correlated patent awards that indicate areas of research with potential to culminate in commercialization, economic development, and job creation. The third element on the first slide illustrated the areas of research strength in the federal and private sector, as indicated by patent awards in those sectors. Finally, the alignment of the areas of research mentioned in the VRIF statute was described.

University attendees pointed out that categories assigned by the U.S. Patent Office (USPO) do not correspond to academic departments. For example, a patent categorized by the USPO as “physics” usually is not awarded to a researcher in an institution’s department of physics.

DISCUSSION OF FUTURE DIRECTIONS: BUILDING ON STRENGTHS AND IDENTIFYING NEW OPPORTUNITIES

Dr. Murray opened the topic by requesting comments from the Commonwealth’s top university in research expenditures, Virginia Tech. Dr. Theresa Mayer recapped her participation that morning in the meeting of the Association of Public and Land-Grant University’s Council on Research Executive Committee, where the future of federal research funding was discussed. She said speakers had suggested to attendees that they should develop a narrative for elected representatives in Washington about the importance of federal funding for research.

A lively and lengthy roundtable conversation between Council members and institutional representatives ensued.

Four topics emerged from the discussion and are summarized below:

1. Institutions’ areas of research strength and the alignment of these areas to those designated in the statute;
2. Recruitment and retention of research talent and the talent pipeline;
3. Intellectual property expertise; and
4. Other needs

1. Institutions’ areas of research strength and the alignment of these areas to those designated in the statute

Speakers generally agreed that the three research areas identified in the statute – biosciences, cybersecurity, and data analytics – are aligned with areas of strength at many institutions and are sufficiently broad to provide opportunities for all public institutions to participate in some fashion.
Among the areas of research not mentioned in the statute, those for which at least one institution would like to submit proposals include:

- Agriculture;
- Aquaculture (commercialization opportunities exist, such as the current oyster licensing of GMO oysters for disease resistance);
- Renewable energy (clean energy is being demanded by individual customers; energy storage is an area of opportunity);
- Coastal resilience (the economic development opportunity is in “green collar” jobs; i.e., engineering to retrofit stormwater systems; the green collar sector needs to be credentialed and Virginia can be first out of necessity);
- Population health; and
- Education and social sciences (an argument was made that patentable ideas are emerging in these areas).

2. Recruitment and retention of research talent and the talent pipeline

Speakers generally agreed that institutions are seeking to recruit early-stage or rising super-stars, rather than Nobel Prize winners. Some speakers suggested that the statute’s “eminent researcher” terminology be modified in the grant guidelines to reflect that reality. These rising super-stars should be entrepreneurial and bring with them strong connections to federal agencies and industry.

Speakers also agreed that institutions are seeking to hire clusters of faculty around key topic areas, bringing in multiple entrepreneurial researchers to build a critical mass working in complementary areas. Helping them to build cross-institutional collaborations here in Virginia (a “web of professionalism”) is a strategy to ward off “poaching.”

These collaborative and complementary clusters also contribute to the talent pipeline by attracting the best students to their associated undergraduate and graduate programs. Many graduate students are entrepreneurial and are attracted to programs that provide opportunities in that area.

Attendees from the comprehensive institutions commented that, unlike their research-university counterparts, they generally lack the resources to recruit rising super-stars. Instead, they “grow their own” talent. They focus on having a supportive environment for young faculty to grow into researchers. They also said that collaboration with the research universities helps to grow their researchers. New faculty, with new energy for research, need to get connected with researchers at larger institutions. These connections benefit both small and large institutions.

Several attendees noted the importance of endowed positions to attract rising stars. Endowments of $2 million are at the lower end. Earnings from the endowment can be used to fund the operations. An endowment does not replace a start-up package. Institutions need to offer both.

3. Intellectual property expertise
As the conversation turned to the support that researchers need related to commercialization of the products of their research, Mr. Ampy mentioned a recent visit to MIT and its well-resourced patent and licensing offices. He asked attendees about support at Virginia institutions.

The comprehensive (non-research) institutions were vocal about their need for resources to develop expertise in this area, both related to negotiating agreements with industry or contracts with federal agencies, as well as assisting principal investigators to consider commercial potential earlier in the research continuum. These investigators need mentoring or other professional development to move their basic research to an application.

The research universities agreed that their faculty also need this mentoring and a better connection between their lab and the IP offices.

Attendees discussed whether shareable best practices and policies exist for patents and IP.

A committee member commented that the corporate sector has skilled contract negotiators who ensure that industry gets the most benefit out of a deal with a university; institutions need to have strong negotiators to ensure that they aren’t giving away valuable assets. An attendee mentioned a movement away from strong protectionism of IP in order to lower the barriers to partnering with industry; universities have been accused in the past of overvaluing their IP.

One attendee highlighted the individuality of each deal with industry. Each industry partner has its own terms and conditions for contracts for IP and each deal is different.

4. Other needs

Institutions noted their need for support for infrastructure. For example, one attendee highlighted the need for infrastructure to position the university to compete for larger Department of Defense and Homeland Security contracts, which generate fees and income to support applied research. Another mentioned the need for instrumentation.

Another institutional representative mentioned the need for funding to support a bio-repository of tissue samples. These bio-repositories are usually collaborations among multiple institutions. The repository needs to be accredited and, once it is, it will attract industry commitments. Bio-repositories have the potential for global impact.

Another attendee highlighted the need for Virginia to pivot away from reliance on federal funding for research. Institutions must diversify their funding streams. Creating and sustaining long-term partnerships with the private sector is critical. A committee member commented that the private sector does want to help the state diversify the economy and a role exists for the state to act as an honest broker to bridge gaps between industry/business and academic institutions, looking for common opportunities.
Another attendee suggested that Virginia is at a disadvantage due to lack of funding sources to commit as matching funds for large federal awards, such as manufacturing institutes or NSF center grants. Investments of cash and in-kind resources are needed from the state, which would need to respond quickly when the solicitation for proposals is released.

Another attendee pointed out that if the Commonwealth and/or one or more of its public institutions are interested in competing for the electron collider at Jefferson Lab, a match of tens of millions of dollars will be required. The possibility exists that those matching funds could include bond funds.

Finally, one attendee suggested that VRIF funds are needed for proof-of-concept projects because Virginia does not provide enough support for this stage of research.

**BREAK**

Dr. Murray called for a break at 3:15 p.m. The meeting resumed at 3:25 p.m.

**DISCUSSION OF DRAFT ORGANIZING PRINCIPLES AND THE PLACEMENT OF VRIF ALONG THE RESEARCH CONTINUUM**

Dr. Murray led the review of this document.

Regarding the document’s Item 3, Dr. Murray asked for comments about the proposal of a “limited submission” competition. No one objected to the proposed limit. However, attendees said that any time-bound grant cycle presents a challenge in terms of proposals for researcher recruitment and for the timing of the grant cycle in relation to the timing of their plans to offer start-up packages.

Secretary Brown raised the potential that, in the future, the limitations would extend to the focus area(s) for which proposals would be accepted. He foresees a need for Virginia to make a state-level determination regarding how VRIF can achieve success and achieve the biggest “bang for its buck.” VRIF funding is unlikely to increase; therefore, at some point, VRIC will have to decide on a specific focus to make a mark, and proposals will have to align with that.

Regarding the document’s Item 4, Dr. Murray suggested, given the previous discussion, that the ad hoc committee request that VRIC consider proposals for major economic development opportunities, such as federal centers, broad sector opportunities for green collar jobs, bio-repositories, etc.

Regarding the document’s Item 12, Committee members suggested that endowment of funds (beyond the grant period awarded) could be considered in certain circumstances.

Dr. Murray concluded with a general comment that the ad hoc committee should be careful of excess rigidity when developing the guidelines.
DISCUSSION OF NEXT STEPS

Dr. Murray requested that the ad hoc committee on research meet again prior to March 14 in order to endorse the revisions to the organizing principles document so that staff can present it at the VRIC meeting on that date.

REPORT FROM STAFF

This agenda item, consisting of the legislative update, was moved to the beginning of the agenda.

ADJOURNMENT

Dr. Murray adjourned the meeting at 4:00 p.m.

_________________________________________
William Murray
Chair, SCHEV Ad Hoc Committee on Research

_________________________________________
Lynn Seuffert
Associate for Research Investment
Dr. Murray called the meeting to order at 8:00 a.m. in the SCHEV Main Conference Room, 9th Floor, James Monroe Building, Richmond, Virginia.

Committee members present: Ken Ampy, William Murray

Committee members absent: H. Eugene Lockhart, Minnis E. Ridenour

Council member attending by phone: Henry Light

Staff present: Peter Blake, Alan Edwards, Lynn Seuffert. Al Wilson, SCHEV counsel from the Office of the Attorney General, also was in attendance.

DISCUSSION OF PRIOR MEETING

At the request of Dr. Murray, Mr. Blake summarized the goals of the meeting and the structure of the agenda. Mr. Blake introduced the draft minutes of the prior meeting. Dr. Murray asked Mr. Light to begin the debriefing by offering his comments and “takeaways” from the February 23 meeting with public institutions’ research officers.

Mr. Light stated that the meeting was excellent and the draft minutes reflected well the events. He was struck by the institutions’ willingness to work together. He highlighted the cooperative and collaborative aspects of VRIF’s purpose and said he liked what he heard from the institutions on these matters. He also heard institutions’ interest in adding additional research topics to the list that VRIF may fund, some of which went beyond research that is connected to economic development. He would like to see a broadening of the types of research topics that could be funded.

Mr. Ampy said he was pleased to see representation from all institutions at the prior meeting. He agreed that collaboration is key to VRIF.

Dr. Murray asked for staff’s reflections on the Feb. 23 meeting.

Ms. Seuffert revisited a suggestion made at the meeting that proposals be accepted to use VRIF funds to match federal funding for the creation of national centers. She explained the logistics and timeframe involved in the federal competitions for such centers and offered that these timelines do not align with the proposed timeline for Round 1.

Dr. Edwards reflected on the potential broadening of the research foci. He noted the overlap between VRIC members and the GO Virginia board, as well as the statutory expectations for commercialization, economic development, and job creation from VRIF projects, and suggested that research areas beyond those with clear potential for economic development might fare poorly in VRIC’s selection process.
Mr. Light acknowledged the focus on commercialization and reiterated his interest in finding ways to broaden the focus areas. He mentioned conversations John “Dubby” Wynne, a VRIC member and GO Virginia board chair, in which they discussed the economic impact that any expenditures on academic research can create.

**REVIEW OF (REVISED) ORGANIZING PRINCIPLES FOR ROUND 1 OF AWARDS FROM THE VIRGINIA RESEARCH INVESTMENT FUND**

Dr. Murray stated that the principles seemed to fall into three categories: statutory mandates, general grant administration principles, and substantive items that merited further discussion. He requested that staff review each organizing principle.

Ms. Seuffert walked through the principles, briefly describing the rationale behind each one.

Members asked clarifying questions. Discussion focused on Items 8, 10, 11, and 13.

Regarding Item 8, Dr. Murray stated his belief in the value of providing applicants with guidance in terms of the order of magnitude for grant awards. After general discussion, members reached an informal consensus that Item 8 should include the recommendation that awards generally range from $1 million to $5 million.

Regarding Item 10, members requested that language be added indicating that institutions could receive additional funding as collaborating partners.

Regarding Item 13, members discussed the attractiveness of endowed positions to the researchers who are targets for recruitment or retention, both in terms of prestige and the availability of the proceeds of the endowment to be used at their discretion. Members also discussed the VRIF’s economic development purposes and the importance of moving the funding into the economy by spending it during the grant period. Mr. Blake offered the idea that matching funds could be endowed while general funds and bond funds could be spent. The members reached informal consensus that the wording in Item 13 would remain substantially the same, with the recommendation that VRIC consider approving endowments on a case-by-case basis.

**ADVICE TO THE VIRGINIA RESEARCH INVESTMENT COMMITTEE**

Dr. Murray stated that some advice from the ad hoc committee to VRIC had already been discussed in the context of the organizing principles. He asked for additional comments from staff. Mr. Blake asked Dr. Edwards to step through the Strategic Opportunities document.

Dr. Edwards highlighted the document’s three main points. Members were appreciative of the insights articulated there. They agreed with the first two shorter-term opportunities that were described (a focus on larger-scale, longer-term, latter-stage R&D; and the research areas to target) and expressed interest in the third, longer-term opportunity for state-level coordination to address gaps in infrastructure and commercialization expertise to support the academic research enterprise.
Mr. Light mentioned the enrolled bills that amend the VRIF statutes to move the R&T Roadmap under the purview of both VRIC and SCHEV. He asked whether the roles of VRIC and SCHEV in the Roadmap are the same because, he said the interests of the two entities are different. VRIC to some extent is tied to the GO Virginia initiative, which has a narrower research focus. SCHEV’s research focus is more broad, as stated in *The Virginia Plan for Higher Education*. He seeks to ensure that VRIC members are aware that universities want funding for research areas that go beyond the current Roadmap.

Mr. Blake mentioned that staff is considering convening a “Roadmap Summit” to begin discussions on the new statutory responsibilities for SCHEV and VRIC. The enrolled bills posit that the Roadmap will be developed by SCHEV and approved by VRIC.

Following additional discussion about the general areas of research to be funded in Round 1, members reached informal consensus that the areas listed in the statute were acceptable, with the understanding that future rounds would be influenced by progress on the next Roadmap.

Mr. Blake brought members’ attention to the draft timeline. He asked for their advice to VRIC regarding awarding funds by the end of the calendar year. Members expressed agreement with that timeframe.

Dr. Edwards outlined the process for the next two weeks. Staff will bring the organizing principles and timeline to VRIC at its March 14 meeting and report back to the ad hoc committee at its March 20 meeting. Staff intends to offer the organizing principles for approval at that time.

**ADJOURNMENT**

Dr. Murray adjourned the meeting at 8:50 a.m.

_________________________________________
William Murray  
Chair, Ad Hoc Committee on Research

_________________________________________
Lynn Seuffert  
Associate for Research Investment
State Council of Higher Education for Virginia
Agenda Item

Item: Ad Hoc Committee on Research #3 – Update on the Virginia Research Investment Fund and Committee

Date of Meeting: March 20, 2017

Presenters: Alan Edwards Lynn Seuffert
Director of Policy Studies Associate for Research Investment
alanedwards@schev.edu lynnseuffert@schev.edu

Most Recent Review/Action:
- No previous Council review/action
- Previous review/action
  - Date: February 23 and March 8, 2017
  - Action: Discussion

Background Information/Summary of Major Elements:
At the Ad Hoc Committee’s meetings on February 23 and March 8, 2017, staff presented information on legislation (HB2245/SB1371) passed by the 2017 Virginia General Assembly that amends the statutes regarding the Virginia Research Investment Fund (VRIF) and the Virginia Research Investment Committee (VRIC), as well as amendments in the Conference Report budget to the VRIF appropriations and usage. Gov. McAuliffe has until March 27 to act on the enrolled bills. If the governor has acted by March 20, staff will present and review these actions with the committee.

On March 20, staff will summarize the March 14 meeting of the VRIC. Because the VRIC meeting date follows the posting of this Agenda Book, staff is unable to include a written summary here. Staff expects the VRIC agenda will include: (i) review of the legislation and budget actions above, particularly in terms of the Research and Technology Strategic Roadmap and the study of research assets; (ii) discussion of the VRIC’s new duties/roles in terms of future rounds of VRIF competitions, with focus on similar programs in other states and information about Virginia’s current and future research strengths (from the Ad Hoc Committee meeting on February 23); and (iii) advice to Council regarding the first round of the VRIF competition, in terms of strategic opportunities, the organizing principles, and the draft timeline.

Materials Provided: None

Financial Impact: None

Timetable for Further Review/Action: None

Resolution: None
State Council of Higher Education for Virginia
Agenda Item

Item: Ad Hoc Committee on Research #4 – Action on Proposed Organizing Principles for Round 1 of Awards from the Virginia Research Investment Fund

Date of Meeting: March 20, 2017

Presenters: Alan Edwards
Director of Policy Studies
alanedwards@schev.edu

Lynn Seuffert
Associate for Research Investment
lynnseuffert@schev.edu

Most Recent Review/Action:
☐ No previous Council review/action
☒ Previous review/action
   Date: January 10, February 23 and March 8, 2017
   Action: Discussion

Background Information/Summary of Major Elements:
On January 10, the Ad Hoc Committee reviewed briefly a set of potential organizing principles to guide staff’s work toward developing the guidelines for the award process for the Virginia Research Investment Fund (VRIF). These preliminary principles reflected prior input from the chief research officers of the seven research universities and from members of the Virginia Research Investment Committee (VRIC).

On February 23, Committee members discussed a revised organizing-principles document with public institutions’ research officers and instructed staff to schedule another Committee meeting in advance of the next VRIC meeting (March 14) in order to reach consensus on guidance to staff regarding presentation of the organizing principles and related matters to the VRIC on behalf of the Committee.

On March 8, the Committee reviewed the draft minutes of its meeting on February 23 and a revised draft of the organizing principles. Members provided additional feedback on the document and instructed staff to present an updated version of the organizing principles to the VRIC at its meeting on March 14.

Staff provides below the organizing-principles document that was to be presented to the VRIC on March 14. If the VRIC suggested significant changes, the resultant revised document will be distributed to the Committee and the public on March 20. If the Ad Hoc Committee accepts the version of the organizing principles presented on March 20, staff recommends approval of the document.

Materials Provided:
• “Proposed Organizing Principles for VRIF Proposals”
Financial Impact: None

Timetable for Further Review/Action:
Staff recommends action at this meeting, which will facilitate the timely issuance of a Call for Proposals (late May) and the selection of awardees in November or December. If the Committee desires additional revisions and/or time to review revisions, staff will bring the document forward for approval at the Committee's meeting on April 12.

Resolution:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the proposed organizing principles to guide development of the guidelines for the first round of awards from the Virginia Research Investment Fund and instructs staff to disseminate these principles and initiate development of the Call for Proposals for Round 1 of VRIF awards.
Proposed Organizing Principles for VRIF Proposals
(Researcher Recruitment/Retention and Applied Research Proposals)

The SCHEV Ad Hoc Committee on Research offers for comment by the Virginia Research Investment Committee these 13 organizing principles for the mechanics of the first round of the VRIF grant competition.

1. Only public institutions of higher education in Virginia will be eligible as lead applicants.

2. The grant competition will be “standard” (rather than pitch-style, prize, etc.).

3. The grant competition will be “limited submission”; i.e., each institution can submit two proposals as lead institution and participate as partner in unlimited additional applications.

4. For researcher recruitment/retention proposals, the grant competition’s guidelines will define “eminent researcher” to include early-stage or rising super-star researchers.

5. Round 1 will be a single grant cycle with separate instructions and formats for applied R&D proposals and researcher recruitment/retention proposals. If VRIC and the Council Ad Hoc Committee determine under Principle 8 that proposals requesting amounts up to the full VRIF appropriation will be accepted, then SCHEV staff will determine whether additional format and/or score/weighting guidelines will be required to ensure that VRIC receives actionable information about, and SCHEV staff and peer review panel(s) can conduct appropriate due diligence for, such large-scale projects.

6. In Round 1, all proposals will be scored and ranked together. Determination of whether and what number of applied research and/or recruitment/retention proposals to fund will be made by VRIC during the selection/award process.

7. No stand-alone competition will be offered for equipment; all equipment requests will be made in the context of proposals for applied research projects or researcher recruitment or retention requests.

8. In Round 1, to inform applicants’ proposal development, the competition’s guidelines will articulate a dollar range for awards. The Ad Hoc Committee recommends a range of $1 million to $5 million (for both general funds and bond funds).

9. Any funds remaining after award(s) in Round 1 will be rolled forward to Round 2.

10. As a lead applicant, an institution will be allowed to submit proposals in any combination that is consistent with Principle 3 (i.e., two applied R&D proposals; two recruitment or retention proposals; or one of each). However, as lead applicant, an institution will be awarded a maximum of one grant in each category. Institutions can receive funding as collaborating partners on an unlimited number of grant awards.

11. Grant periods may be proposed ranging from one year to five years.

12. A 1:1 match of the award amount will be required.

13. All funds (VRIF, bonds, and matching) must be expended by the end of the grant period unless unusual conditions exist. When unusual conditions exist, any consideration regarding the potential endowment of any grant and/or matching funds will be at the discretion of VRIC, which will review such situations on a case-by-case basis.
Item: Ad Hoc Committee on Research #5 – Discussion of Development of VRIF
Round 1

Date of Meeting: March 20, 2017

Presenters: Alan Edwards   Lynn Seuffert
Director of Policy Studies  Associate for Research Investment
alanedwards@schev.edu  lynnseuffert@schev.edu

Most Recent Review/Action:
☐ No previous Council review/action
☒ Previous review/action
   Date: March 8, 2017
   Action: Preliminary Discussion

Background Information/Summary of Major Elements:
On March 8, the Ad Hoc Committee reviewed staff documents on potential strategic
opportunities and a timeline for Round 1 of the VRIF award competition. Members
offered feedback to staff and advice to be shared on behalf of the Committee at the
VRIC’s March 14 meeting.

The materials provided below include the Committee’s feedback on the strategic-
opportunities document. Staff will report on March 20 regarding the VRIC’s input and
advice to the Committee. Staff encourages additional discussion by members in light
of the VRIC advice and requests additional guidance from the Committee regarding
development of the Call for Proposals for Round 1 of the VRIF competition.

Materials Provided:

Strategic Opportunities for Committee Consideration       Page 95

Financial Impact: None

Timetable for Further Review/Action: Staff recommends additional discussion of
these matters at the Committee’s meeting on April 12; if activities progress as desired,
staff will seek approval of the Call for Proposals at the Council’s meetings on May 15
and 16, 2017.

Resolution: None
Strategic Opportunities for Committee Consideration

Background and Overview
In its preliminary work, the Ad Hoc Committee on Research has sought to better understand state-level mechanisms for promoting, funding and commercializing translational academic research. As the committee has begun to contemplate the guidelines and criteria for the Virginia Research Investment Fund (VRIF), members have expressed interest in identification of best practices, as well as limitations within and gaps between existing initiatives. The committee also has sought to provide advice to the Virginia Research Investment Committee (VRIC).

Toward these ends, at the March 8 meeting staff offered three potential strategic opportunities for consideration by the committee:

(i) a focusing on larger-scale, longer-term, latter-stage R&D;
(ii) a targeting of state funding at current and future priority research areas; and
(iii) a bridging of the gaps in research and commercialization infrastructure and expertise.

Staff posited these opportunities as being the most relevant to the VRIF statute’s focus on transformative research, commercialization, entrepreneurship and job creation.

Focus on Larger-Scale, Longer-Term, Latter-Stage R&D
As illustrated in staff documents and discussions at prior committee meetings, much of the existent state financial support for academic research is available for smaller-scale, shorter-term projects in academic R&D’s earlier stages (i.e., the Basic Research stage and the Proof of Concept stage). Funding to support larger-scale, longer-term projects in the middle and latter stages (especially the Product Development stage and the Production stage) is less common.

The VRIF statute says that the Fund shall be used to “foster innovative and collaborative research, development, and commercialization efforts ... in projects and programs with a high potential for economic development and job creation” (Paragraph C of § 23.1-3131). The criteria for VRIF applications and award decisions must consider the proposed project’s potential to achieve one or more of seven outcomes, which include: “culminate in the commercialization of research”; “culminate in the formation or spin-off of viable ... companies”; “promote applied research and development”; and “result in significant capital investment and job creation” (Paragraph A of § 23.1-3133).

Therefore, the VRIF’s design and intended outcomes begin to address the need for public funding for academic research beyond the Proof of Concept stage. Staff depicts such in its “Continuum” document via placement of the VRIF in the middle and latter stages of the research and innovation continuum. Staff also reflects these requirements in its draft organizing-principles document for the VRIF award processes.

At its meeting on March 8, the Ad Hoc Committee on Research agreed in principle to a focus on larger-scale, longer-term, latter-stage R&D projects during Round 1 of the VRIF award competition.
Target Public Funding at Current and Future State-Priority Research Areas
The purpose of the Commonwealth Research and Technology Strategic Roadmap, which is now developed by the Center for Innovative Technology (CIT) on behalf of the Innovation and Entrepreneurship Investment Authority (IEIA) but will move to SCHEV as a result of HB2245/SB1371, is to “identify research areas worthy of economic development and institutional focus” (Paragraph A of § 2.2-2221.2). The outcomes the Roadmap is intended to achieve include to “identify the Commonwealth’s key industry sectors in which investments in technology should be made” by the state (Paragraph A of § 2.2-2221.2). As such, the Roadmap is enacted to guide, if not dictate, the state’s investment in academic research.

Per statute, the Roadmap’s key sectors/fields may include, but are not limited to, “energy, conservation, environment, microelectronics, robotics and unmanned vehicle systems, advanced shipbuilding, or lifespan biology and medicine” (Paragraph A of § 2.2-2221.2).

However, also by statutory requirement, much of the funding provided for academic research via state entities such as the Commonwealth Health Research Board (CHRB) and the Virginia Bioscience Health Research Corporation (VBHRC) is concentrated in medical/biomedical and bio/life science fields. Other state grantors may also award funds in these fields.

The VRIF statute assigns the VRIC with responsibility to ensure that awards from the Fund support priority research areas. The statute reads, “[a]reas of focus for awards shall be those areas identified in the … Roadmap, and shall include but not be limited to the biosciences, personalized medicine, cybersecurity, data analytics, and other areas designated in the general appropriation act” (Paragraph C of § 23.1-3131). While the research areas identified in the VRIF statute also are encompassed in the Roadmap’s current 11 research sectors/fields, the Roadmap was developed in FY2015, and thus, it may not reflect adequately Virginia’s most-promising current and future research areas. Current efforts to update the Roadmap will not be complete in time to inform the first round of the VRIF award competition.

At the committee’s meeting on February 23, representatives of the public institutions generally agreed that the research areas identified in the statute – biosciences, cybersecurity, and data analytics – are aligned with areas of strength at many institutions and are sufficiently broad to provide opportunities for all public institutions to participate in some fashion. Among the areas of research not mentioned in the statute, those for which at least one institution would like to submit proposals include agriculture; aquaculture; renewable energy; coastal resilience; population health; and education and social sciences.

At the committee’s meeting on March 8, members reviewed options regarding research-area priorities and what advice staff should offer to VRIC on the committee’s behalf. Specifically, members discussed whether to recommend proceeding with:

(a) all or a subset of the four research areas identified in the VRIF statutes; or
(b) both or either of the disciplines identified by the Virginia Research Alliance; or
(c) the 11 sectors/fields identified in the most-recent R&T Strategic Roadmap; or
(d) one or more areas identified by the public institutions at the February 23 meeting and/or via their responses to the staff survey; or
(e) one or more areas to be identified through additional analyses of the Commonwealth’s research strengths, weaknesses and opportunities.

At its meeting on March 8, the Ad Hoc Committee on Research expressed a preference that proposals be allowed from across a broad spectrum of research areas/sectors/fields so as to facilitate participation by more public institutions and to guard against exclusion of areas/sectors/fields that hold unforeseen potential (i.e., the “next big thing” could come from anywhere).

Bridge Gaps in Research and Commercialization Infrastructure and Expertise

Collaboration is a key expectation, requirement and outcome in the enacting VRIF statutes. For example:

- Of VRIF funds’ five codified purposes, the final is to “encourage cooperation and collaboration among higher education research institutions, and with the private sector, in areas and with activities that foster economic development and job creation” (Paragraph C of § 23.1-3131).

- Of VRIF proposals’ seven codified award criteria, the final is that the project must “promote collaboration among the public institutions of higher education” (Paragraph A of § 23.1-3133).

- The sole codified VRIF-recipient restriction is that awards must be made to “public institutions of higher education … or collaborations between public institutions … and private entities” (Paragraph B of § 23.1-3133).

Through these emphases on collaboration, the VRIF statutes acknowledge that no single public or private entity possesses a monopoly on good research ideas, processes, personnel, equipment or facilities. Further, this enacting legislation recognizes that large-scale economic development and job creation require broad participation within both individual and different sectors.

The VRIF statutes’ expectations and requirements of collaboration also are at least tacit acknowledgements that opportunities exist within higher education and between public higher education and the private sector, particularly in terms of opportunities to bridge gaps in expertise and/or infrastructure. As committee members and institutional representatives noted at the February 23 meeting, addressing these opportunities will foster the translation of research outcomes into more economically impactful products, companies and jobs.

Such interaction can bring valuable insights about commercialization to researchers and universities, and it can expose researchers, tech-transfer officers and universities that are already quite active in commercialization to different methods and strategies used by others with different strengths and foci. Such
collaborations represent significant opportunities and potential benefits to the Commonwealth’s academic-research enterprise and its economy.

The VRIF statutes also incite greater interaction between higher education and the private sector, which is the origin of most entrepreneurship, company formation and job creation. Examples of such interaction in recent years include:

- Some universities have moved in more corporate directions in such ways as hiring Entrepreneurs (or Executives) in Residence to further bridge the public/private, non-profit/for-profit and academic/corporate divides.

- Vendors have developed online tools to catalog and showcase existing expertise, equipment/technology and facilities within and across universities and states. These tools facilitate collaboration within academia and between higher education and the private sector by allowing users to search where, how and by whom specific types of research are being conducted.

- Some states (e.g., Maryland and Florida) have created new entities to coordinate and shepherd commercialization of academic research.

Any effort to ascertain where and to what extent gaps exist in our academic research and commercialization expertise and/or infrastructure would require considerable financial, human and time resources, but it could be beneficial as a long-term endeavor.

In the short term, the committee has an opportunity to:

(a) urge the public institutions of higher education to increase their communication and collaboration with one another, while also better documenting and communicating how they work together; and

(b) advise the VRIC and direct SCHEV staff to construct VRIF application guidelines that encourage proposals that involve greater interaction between higher education and the private sector, such as recruitment of Entrepreneurs in Residence or the establishment and maintenance of a state-wide online tool/portal.

In the longer term, the committee has an opportunity to gauge the interest of higher education, state government and the private sector regarding pursuit of more-formal strategies, such as a state-level research-commercialization entity.

At its meeting on March 8, the committee expressed support for collaboration in all its forms but did not offer specific preferences and recommendations regarding the options above for staff to convey to VRIC on its behalf.
State Council of Higher Education for Virginia
Agenda Item

Item: Ad Hoc Committee on Research #6 – Discussion of Timeline & Next Steps

Date of Meeting: March 20, 2017

Presenters: Alan Edwards
Director of Policy Studies
alanedwards@schev.edu

Lynn Seuffert
Associate for Research Investment
lynnseuffert@schev.edu

Most Recent Review/Action:
☐ No previous Council review/action
☒ Previous review/action
Date: March 8, 2017
Action: Preliminary Discussion

Background Information/Summary of Major Elements:
On March 8, the Ad Hoc Committee reviewed staff documents on potential strategic opportunities and a timeline for Round 1 of the VRIF award competition. Members offered feedback to staff and advice to be shared on behalf of the Committee at the VRIC’s March 14 meeting.

The revised timeline below reflects the Committee’s feedback on the prior document. Staff will report on March 20 regarding the VRIC’s input and advice to the Committee regarding the timeline. Staff encourages additional discussion by members in light of the VRIC advice and requests additional guidance from the Committee regarding the schedule for Round 1 of the VRIF competition and the next steps to be undertaken in that schedule.

Materials Provided:
Timeline: Major Milestones for Round 1 of VRIF Competition  Page 100

Financial Impact: None

Timetable for Further Review/Action: Staff will provide a progress report at each meeting of the Committee; if activities transpire as detailed in the timeline, awards in Round 1 will be made prior to the convening of the 2018 legislative session.

Resolution: None
Major Milestones for Round 1 (R1) of VRIF Competition

March 14: VRIC meeting
- Discuss organizing principles for R1 and develop feedback to ad hoc committee
- Review draft timeline for R1

March 20-21: Ad Hoc Committee meeting (March 20) and Council meeting (March 21)
- Action to approve organizing principles for R1
- Review outline of the draft Call for Proposals for R1

April 12: Ad Hoc Committee meeting (in conjunction with special Council meeting)
- Discuss draft Call for Proposals for R1, to include the initial guidelines, procedures, and criteria for (i) the application for grants; (ii) the review, certification of scientific merits, and scoring or prioritization of applications; and (iii) the evaluation and award by the Committee of grants and loans from the Fund.

On or Before April 19: VRIC Meeting
- Discuss draft Call for Proposals for R1 and develop feedback to ad hoc committee
- Review draft terms and conditions for R1 awards
- Action to delegate to Chair approval of grantee requests for FIOA protection
- Action to delegate to Chair authority to approve technical corrections and clarifications to the Call for Proposals throughout the application process

May 15-16: Ad Hoc Committee meeting (May 15) and Council meeting (May 16)
- Action to approve the Call for Proposals for R1
- Action to delegate to SCHEV Director authority to approve technical corrections and clarifications to the Call for Proposals throughout the application process

On or Before May 19: SCHEV staff
- Submit Call for Proposals to House Appropriations and Senate Finance, per statute

May 22: SCHEV staff
- Issue Call for Proposals for Round 1

On or Before May 26: VRIC meeting
- Action to approve terms and conditions for R1 awards

August 4: SCHEV staff
- Close receipt of proposals

On or Before October 6: SCHEV staff
- Close receipt of final scores and reviewer comments
On or Before November 1: SCHEV staff
  • Prepare and submit reviewer recommendations to VRIC

On or Before November 17: VRIC meeting
  • Evaluation and award decisions

Announcement of awards follows; statute affords Governor discretion to announce.