

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
EXECUTIVE COMMITTEE MEETING
SEPTEMBER 9, 2008
MINUTES NO. 525**

Mr. Clement called the meeting of the Executive Committee to order at 8:10 a.m. in the SCHEV main conference room, Richmond, Virginia. Council members present: Bob Ashby, Whittington Clement, Eva Hardy, Christine Milliken, and Alan Wurtzel. Staff members present: Lee Andes, Ellie Boyd, Tom Daley, Joe DeFilippo, Alan Edwards, Dan Hix, Daniel LaVista, Tod Massa, Kirsten Nelson, and Lee Ann Rung. Jake Belue from the Office of the Attorney General was also present.

APPROVAL OF MINUTES

The Executive Committee minutes from the July 8, 2008 meeting were approved as submitted.

UPDATE ON SCHEV BUDGET

Ms. Boyd reviewed the FY2009 Total Appropriation and Actual Expenditures for the period ending July 31, 2008. Mr. Daley informed the Council that all state agencies have been advised to submit budget reductions at 5%, 10%, and 15% and have been instructed not to spend any discretionary funds until further notice from the Governor's office.

DISCUSSION OF BUDGET AMENDMENTS FOR 2008-10 BIENNIUM IN SCHEV'S BUDGET

Dr. LaVista distributed information about the current request for an additional position for financial aid administration. Mr. Andes informed the Council that while this may not seem to be an opportune time to request funds to support a new position, this position is needed to support the administration of an increasing number of programs that have been directed to SCHEV by the General Assembly. As more money is spent on financial aid, there becomes a greater need to strengthen the programs, which cannot be accomplished without additional staff. The additional programs that have been directed to staff are well beyond the capacity of the current SCHEV staff.

Ms. Milliken inquired whether the new Higher Education Act will affect the financial aid office and Ms. Andes indicated that it will have an impact, but it could take a year to determine the ways in which it will be affected.

It was suggested that a bullet be added to the request stating that federal legislation may provide an additional opportunity for Virginia to receive funds. It was also suggested that a note be added indicating that compared to other states, SCHEV has a small financial aid staff. Emphasis should also be placed on the fact that during difficult budget times, a greater amount of work is placed on financial aid offices.

DISCUSSION OF 2008-10 SYSTEMWIDE OPERATIONS BUDGET AMENDMENT ITEMS

Mr. Clement indicated that while this item will be discussed by the full Council, he wanted to have a preliminary discussion about the current fiscal reality and how it affects what should be submitted to the Governor and General Assembly.

Dr. LaVista said that after the July Council meeting, he and Mr. Clement and Mr. Hix met with Secretary Morris to get a sense of how to better align SCHEV's budget recommendations with the Governor's higher education budget. Talking points in that meeting were taken directly from the one-page document that Mr. Hix distributed to members. The document was an overview of budget amendments for systemwide items. Dr. LaVista informed the Council that this list was also reviewed with the presidents and chancellors at the last General and Professional Advisory Committee (GPAC) meeting.

While he did not make promises about funding, Secretary Morris said that the Governor shared this list of priorities—particularly the Base Adequacy funding guidelines and student financial aid. Dr. LaVista also indicated that Secretary Morris did not voice support for any new initiatives.

There was some discussion on striking a balance between recommending what is needed to fund higher education while maintaining credibility with the Governor and General Assembly during tight economic times.

Mr. Clement expressed a desire to be in sync with the Governor's initiatives while recognizing the current climate.

Ms. Hardy said the legislature expects the Council to also look at reductions where needed and she felt the Council should prioritize the list. She felt that affordability and financial aid are the most important issues to be put forward.

Ms. Milliken said the Council should always put forth a dollar amount of what is needed to fund certain initiatives to serve as a reminder of what the Commonwealth should be working toward. She felt that financial aid should be this year's emphasis. She felt taxpayer dollars would best be spent to increase the number of actual Virginia consumers that could take advantage of financial aid. Dr. LaVista informed the Council that he will be airing the graduate financial aid issue with presidents, chancellors, and finance officers.

Mr. Wurtzel said the Council should decide on its philosophy. He suggested that the Council adopt a short-term versus long-term objectives approach, recognizing the current financial environment.

Dr. LaVista informed the Council that at the request of the Council of Independent Colleges in Virginia (CICV), a new resolution will be brought forward to the Council to increase the TAG appropriation to allow the state to continue the current level of funding (maximum award amount) per student. Staff is in agreement with CICV's position.

The meeting was adjourned at 8:45 a.m.

Whittington Clement
Chairman

Lee Ann Rung
Council Secretary

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
COUNCIL MEETING
SEPTEMBER 9, 2008
MINUTES NO. 526**

Mr. Clement called the Council meeting to order at 9:00 a.m. in the SCHEV main conference room, Richmond, Virginia. Council members present: Bob Ashby, Gilbert Bland, Whittington Clement, Mimi Elrod, Eva Hardy, Margaret Lewis, Christine Milliken, and Alan Wurtzel. Staff members present: Lee Andes, Tom Daley, Joe DeFilippo, Alan Edwards, Dan Hix, Daniel LaVista, Tod Massa, Kirsten Nelson, and Lee Ann Rung. Jake Belue from the Office of the Attorney General was also present.

PUBLIC COMMENT PERIOD

No requests for public comment were received.

APPROVAL OF MINUTES

Dr. Elrod requested a change to the minutes from the July 8, 2008 meeting. She requested a change to the first sentence of the second paragraph of General Peay's remarks. The sentence should be changed to read, "General Peay also expressed concern about the major challenges faced by VMI..." Mr. Wurtzel moved the amendment and the minutes were unanimously approved as amended.

REMARKS BY PRESIDENT REVELEY

Mr. Clement introduced W. Taylor Reveley, III, the newly appointed President of the College of William and Mary (CWM). While the agenda erroneously listed Mr. Reveley as "Acting" president, Mr. Clement congratulated him on his recent appointment as President and read a portion of his biography.

Mr. Reveley indicated that with the exception of a few extremes on both sides of the recent issues, the college is alive and well and moving forward vigorously and appears to be over the difficult period that began two years ago.

He discussed the three challenges that CWM will be facing this year, i.e., planning, state funding, and CWM's identity.

Mr. Reveley complimented SCHEV for its practical wisdom and commitment to higher education, and for its effective staff. He provided the following suggestions for the Council to consider:

1. Provide a true comparison of how Virginia ranks with other states in the areas of operating, capital, and other appropriate areas.

2. Raise the question of why Virginia's support for higher education is at the level it is and what accounts for that level of support.
3. Realize that state funding alone will never be enough for Virginia to hold its own nationally and internationally. It would be helpful for SCHEV to support allowing colleges and universities to take care of themselves as best they can by allowing them to choose the ways in which they explore appropriate levels of funding.

Mr. Reveley answered questions from Council members and was thanked for his comments. He reiterated his feelings that SCHEV plays a crucial role in Virginia's higher education system.

EXECUTIVE DIRECTOR'S REPORT

Dr. LaVista reminded the Council that the briefing discussion on October 20 will be to expand on outcomes emerging from the Affordability subcommittee.

Dr. LaVista reported that the agency recently received notification that Virginia is a recipient of a \$1 million grant in the federal college access challenge grant program. The program was created by Congress in 2007 and the first disbursements are being made this fall. The grant assists states in providing information and services to students to help in the transition from secondary to postsecondary education and/or careers, with a priority to students whose family is below the poverty line. It is designed to help promote college preparation, financing, admission, and attendance. He indicated that staff is grateful to Governor Kaine for selecting SCHEV as the lead agency to administer the program. Implementation will be a cooperative effort among many partner agencies as well as within SCHEV. Dr. LaVista indicated that Dr. Monica Osei will serve as the grant administrator and deserves much of the credit for the successful grant application. Other SCHEV staff involved in the grant are Kathleen Kincheloe, Kirsten Nelson, Lee Andes, and Linda Woodley. The Council will be kept informed of the progress of the grant.

BRIEFINGS AND DISCUSSION

Academic Affairs Update

Outstanding Faculty Awards (OFA) - Dr. DeFilippo reported that the OFA process is underway for 2008-09. Peer review panels are set and nominations are due by mid-October. As the process moves forward, the panel will monitor participation by smaller institutions in an effort to promote enhanced participation.

Cultural Competency - Academic Affairs staff assisted in conducting a survey of cultural competency programs as requested by the legislature. A draft report will be submitted to the General Assembly in early October and will be available to the Council within the next few weeks.

Program Viability – Institutions are reviewing initial data; the process will begin formally October 1. Next stages include submission of the institutions' requests for exemptions and a full review of programs not exempted. Staff will report to the Council in January and a final report on recommendations for closure will be provided in March 2009.

Program approval process – Current guidelines have been in place since 2002 and staff recognize the need to update them. Institutions have been invited to a meeting in October to provide feedback about the guidelines and the approval process. Staff will bring the revised guidelines and recommendations for changes to the Council in January.

Report from Ad Hoc Affordability Committee

Mr. Clement provided background information and an update on the work of the committee. The committee members were thanked for their participation. Mr. Wurtzel, Ms. Milliken, Mr. Bland, Dr. Ashby and Dr. Elrod met a number of times since March to review recommendations of the panelists who provided information to the Council at its briefing in January 2008, including what is being done in other states. Affordability will be the topic for discussion at the October briefing session. Mr. Wurtzel said he would like to work to promote some of the successful partnerships in the state, expanding on what has worked well.

Discussion of 2008-10 Systemwide Operating Budget Amendment Items

Base Adequacy

Mr. Hix distributed an updated summary of base adequacy funding guidelines and reviewed last year's recommendations. He stated that the methodology described in the Council's 2007 report to the Governor and General Assembly, "SCHEV Review of Base Adequacy Funding Guideline Methodologies and Processes," was used in this latest application of the guidelines. A revised Table 1 was included in the distributed materials showing the detail for every institution. Final information, including the use of 2007-08 actual enrollment to drive the guidelines, will be brought to the Council in October.

Faculty Salaries

Mr. Hix briefly reviewed the chart showing the summary of additional faculty salary increases and funding needs in 2009-10 in order to reach the 60th percentile by FY2012.

Operation and Maintenance of New Facilities Coming Online

Because the state is not fully funded with regard to base adequacy, this item continues to be included as a separate item.

Undergraduate and Graduate Student Financial Aid

Three options were provided for the Council to consider. It was mentioned that it would be useful for members to have a real life explanation of the best option in order to get a true picture of what is needed as well as the gap that exists after the model is applied.

Private Institutions and the State's Nursing Shortage

Mr. Hix reminded the Council of its recommendation for a 10% salary increase to nursing faculty at private institutions, which was neither included in the Governor's introduced budget for 2008-10 nor in the final actions of the 2008 General Assembly. Mr. Clement informed the Council that a Joint Legislative Subcommittee, established as part of House Joint Resolution No. 91 that was passed in the 2008 legislative session, is currently charged with "examining the ability of private colleges to provide the technology, equipment, and facilities necessary to serve Virginia students." This examination should provide an opportunity to address issues related to the state's nursing shortage.

Maintenance Reserve

Mr. Hix briefly reviewed the SCHEV adjusted 2008-10 maintenance reserve recommendation calculation.

As a follow up to the discussion at the Executive Committee, for the October meeting, Mr. Wurtzel suggested that the Council adopt a short-term versus long-term objectives approach, recognizing the current financial environment. Since the amount of budget reductions is unknown, it was decided to postpone the discussion of prioritizing budget items.

Ms. Milliken asked if the cost of maintenance of a building over time could be included in the bond issue. Mr. Daley said that \$150 million of the maintenance reserve appropriation for the 2008-10 biennium is debt financed. Bill Echelberger, Legislative Analyst for the Senate Finance Committee staff indicated that constitutionally it would be possible to establish debt financed sinking funds to provide for ongoing building maintenance but the General Assembly has not employed this technique.

ACTION ITEMS

Programs at Public Institutions

Dr. DeFilippo provided information about the program at George Mason University. Mr. Clement asked if requests are ever submitted indicating that new funding would be required and if so, how are these requests handled. Dr. DeFilippo indicated that the institutions must sign a statement on the program approval request that indicates that funding is not being requested from the General Assembly. On motion by Ms.

Hardy and seconded by Dr. Ashby, the following resolution was unanimously approved by the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to George Mason University to initiate a Doctor of Philosophy (Ph.D.) degree program in Systems Engineering and Operations Research (CIP: 14.2701), effective spring 2009.

New Public Participation Guidelines

Dr. DeFilippo informed the Council that these guidelines pertain primarily to the public at large and private and out-of-state postsecondary institutions, not public higher education institutions. On motion by Ms. Hardy and seconded by Ms. Lewis, the following resolution was unanimously approved by the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia adopts the proposed regulations pertaining to the public participation guidance developed by the Virginia Department of Planning and Budget, and delegates to the Executive Director the authority to approve any further revisions that may be necessary to satisfy the provisions of the *Administrative Process Act*.

Recognition of Departing Council Member

Mr. Clement indicated that this resolution recognizes Helen Dragas for her service on the Council. Ms. Dragas resigned due to her appointment by the Governor to the Board of Visitors at the University of Virginia. On motion by Dr. Ashby and seconded by Mr. Wurtzel, the following resolution was unanimously approved by the Council. Staff was asked to frame the resolution and send it to Ms. Dragas:

WHEREAS, Helen Dragas ably served as a member of the State Council of Higher Education for Virginia from 2006 to 2008 and as a member of the Outreach Committee, Resources Committee, and the Executive Committee; and

WHEREAS, her willingness and aptitude to serve as an expert Resources Committee consultant greatly assisted staff in setting agendas and determining priorities; and

WHEREAS, Ms. Dragas' common sense leadership and rational demeanor served the Council well in making public policy and budget recommendations to the Governor and General Assembly; and

WHEREAS, Ms. Dragas conducted herself and the Council's business with a sense of stewardship and understated resolve, and an inspiring desire to ensure that Virginia's colleges and universities maintain the highest standards of excellence in higher education; and

WHEREAS, Ms. Dragas has always displayed a thoughtful and fair approach in her advocacy for making Virginia's outstanding system of public and private colleges and universities even better; and

WHEREAS, Ms. Dragas remains a trusted friend and a valued advisor as she continues her commitment of service to the Commonwealth; now therefore be it

RESOLVED, that the State Council of Higher Education for Virginia extends its sincere gratitude and appreciation to **Helen E. Dragas** for her commitment, distinguished service, and many contributions to advancing Virginia through higher education, and extends to her best wishes for continued success in all future endeavors.

Budget Amendments for 2008-10 Biennium in SCHEV's Budget

Mr. Hix reported that this is being brought to the Council to reference the long-term goal and the pass-through money needs prior to the October meeting.

Tuition Assistance Grant (TAG)

Mr. Andes explained the funding proposal and answered questions from members. It was suggested that the resolution be changed to state "based on current enrollment." On motion by Dr. Ashby and seconded by Ms. Hardy, the following revised resolution was unanimously approved by the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia affirms its commitment to increase the undergraduate and graduate maximum annual award for the Tuition Assistance Grant (TAG) program to \$3,500 and ultimately \$3,700 as originally recommended for the 2008-10 biennium, but also recognizes the Commonwealth's current financial constraints and therefore strongly recommends that funding be increased to, at the minimum, fully support the current maximum award of \$3,200 for a projected 21,500 students in FY09 and 21,800 in FY10 by increasing TAG funding by \$2,255,200 for FY09 and \$2,867,266 in FY10 for totals of \$62,281,133 and \$62,999,199 respectively.

College Scholarship Assistance (CSAP)

Mr. Hix discussed this item in the SCHEV budget, which is a program designed to assist students with extreme financial need that is available to both public and private institutions. Ms. Lewis expressed support of a phased-in approach and made a motion for approval. The motion was seconded by Dr. Ashby and the following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends additional College Scholarship Assistance Program funding to be phased in over a three-year period with a \$1.5 million increase in FY10, a \$3.0 million increase in FY11, and a \$4.4 million increase in FY12 over the FY09 base

year in order to provide state need-based aid that is specifically targeted to meet the needs of Virginia's most financially at-risk students.

Mr. Wurtzel felt that as tuition increases, this program needs to be a higher priority. Access for students in need is limited if it is not affordable. He was hopeful that a stronger position would be taken next year.

CONSENT AGENDA

Mr. Clement asked if any items needed to be removed from the consent agenda and based on Dr. Elrod's question for a definition of an "educational specialist," Ms. Hardy requested that this program approval be pulled for discussion. Dr. DeFilippo explained that it is a program to train K12 educators who wish to assume leadership roles in their schools and districts and receive a post-masters credential. This credential is meant to provide an imprimatur to someone who serves as a mentor to other teachers within a school system. Mr. Clement requested input from the representative from Virginia Commonwealth University and Henry Clark informed the Council that the degree is widely recognized in Virginia and nationally and already occurs in other institutions in the Commonwealth. On motion by Dr. Ashby and seconded by Ms. Hardy, the following resolution was approved (6-1) by the Council. Dr. Elrod was opposed:

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Virginia Commonwealth University to initiate an Educational Specialist (Ed.S.) degree program in Teacher Leadership (CIP: 13.0101), effective spring 2009.

On motion by Dr. Ashby and seconded by Ms. Hardy, the following items were moved for approval by consent:

Action on Programs at Public Institutions

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 Athletic Training (CIP: 51.0913), effective spring 2009.

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to John Tyler Community College to initiate an Associate of Science (A.S.) degree program in Engineering (CIP:14.0101) effective fall 2009.

Action on Private and Out-of-state Postsecondary Education Institutions

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Ancestral Mountain Tuina School to operate a postsecondary institution in the Commonwealth of Virginia, effective September 9, 2008.

BE IT RESOLVED that the **State Council of Higher Education for Virginia certifies Hospitality Training Institute, Inc. to operate a postsecondary institution in the Commonwealth of Virginia, effective September 9, 2008.**

ITEMS DELEGATED TO STAFF

The following items had been reviewed and approved by staff, as delegated by the Council. As required, this information is included as part of these minutes:

- Program Approvals – VCCS
- Program Title Change - VCU
- Organizational Changes / Off-campus Instructional Sites
July – September 2008
- Approval of Institution State License Plate Scholarship Plan:
 - Averett University
 - Bridgewater College
 - Hollins University
 - Virginia Wesleyan College

The meeting was adjourned at 11:15 a.m.

Whittington Clement
Chairman

Lee Ann Rung
Council Secretary

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 as delegated to staff:

Program Approvals Virginia Community College System (VCCS)

Institution	Degree/Program/CIP	Effective Date
Blue Ridge Community College	Associate of Applied Science (A.A.S.) in Aviation Maintenance Technology (CIP: 47.0607)	Fall 2008

Program Title Change

Institution	Degree/Program/CIP	Effective Date
Virginia Commonwealth University	Changing the title of the Bachelor of Science degree program in Urban Studies and Geography (CIP Code: 45.1201) to the Bachelor of Science degree program in Urban and Regional Studies (CIP Code: 45.1201).	Fall 2008

Pursuant to the Code of Virginia, Section 23-9:6:1 and Council's "Policies and Procedures for Internal and Off-Campus Organizational Changes," the following items were approved as delegated to staff:

Organizational Changes / Off-campus Instructional Sites July – September 2008

Institution	Change / Site	Effective Date
George Mason University	Renaming the Department of Climate Dynamics to Department of Atmospheric, Oceanic and Earth Sciences	July 1, 2008
George Mason University	Merging the Department of Geography and Department of Earth Systems and Geoinformation Sciences to create the Department of Geography and Geoinformation Science	July 1, 2008
James Madison University	Merging the Institute of Technical and Scientific Communication and the Writing Program to create the School of Writing, Rhetoric and Technical Communication	July 1, 2008

Approval of Institution State License Plate Scholarship Plan

As authorized by the Code of Virginia, § 46.2-749, state license plates may bear the seal, symbol, emblem, or logotype of an institution. Proceeds from sales of these license plates are then used by the institution for scholarships under a plan approved by SCHEV. The License Plate Scholarship Plans for the following institutions have been reviewed and found to be in compliance with state requirements:

- Averett University
- Bridgewater College
- Hollins University
- Virginia Wesleyan College