

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA  
COUNCIL MEETING  
JUNE 8, 2009  
DRAFT MINUTES NO. 534**

Mr. Clement called the Council meeting to order at 1:05 p.m. in the SCHEV main conference room, Richmond, Virginia. Roll was called by Mr. Clement and Council members present were: Bob Ashby, Gilbert Bland, Whittington Clement, Jim Dyke, Mary Haddad, Eva Hardy, Christine Milliken, and Alan Wurtzel. Mr. Clement announced that Ms. Susan Magill was participating in the meeting by phone and Ms. Magill confirmed that she was on line.

Council Members absent: Mimi Elrod, Margaret Lewis

Staff members present: Jim Alessio, 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 (OAG) was also present.

**ACTION ITEMS**

*Action on Certification of Institutions Under Restructuring*

Mr. Clement provided an overview of actions from the May meeting and indicated that staff collected additional information from the institutions per the Council's request. He recognized Mr. Alessio for his efforts in the certification process.

Questions raised by Council members at the May meeting were reviewed and Mr. Alessio reminded the Council of its authority under Restructuring as well as the financial benefits that the institutions could receive if certified.

Mr. Clement inquired about the timing of the release of funds to the institutions and there was a difference of opinion about whether or not carry-over funds would be forfeited if institutions were not certified. Mr. Alessio indicated that DPB has not set up procedures for taking action on non-certification as yet.

Mr. Lane Kneeder informed the Council what he believed was the original intent of the restructuring legislation, i.e., that funds would be released at a later date because time would be needed to assess the information. Mr. John Ringer, Associate Director of DPB, agreed to clarify when funding would be awarded.

Council members felt answers to these questions were fundamental to the process, and several members expressed an interest in knowing the answers before making a decision about the institutions in question. Mr. Wurtzel indicated that it is the Council's responsibility to certify or not certify based on facts and whether or not there is sufficient justification for making an exception. The Council was not involved

in setting up the statute for restructuring. Therefore, he felt the Council should not base its decision about any exceptions on anything other than the merits of the case.

Mr. Alessio reviewed each school individually and reviewed their responses to staff. He reviewed the measures that were missed as well as the questions asked by the Council and the details the institution provided in response to the questions. The college presidents and chancellor of the institutions were present to answer questions.

#### *Richard Bland College (RBC)*

Mr. Alessio said Richard Bland College suggested that the methodology used for certification is better suited to four year institutions but he clarified that the same methodology is used for 2-year and 4-year institutions. Mr. Dyke felt it was important to be more sensitive to the differences between two- and four-year institutions, particularly with regard to full-time/part-time faculty ratios and distance learning. Mr. Alessio explained that every institution is looked at individually and standards were negotiated with those institutions before reaching agreement on them.

President McNeer addressed the Council and indicated that he was not questioning the figures but he felt there were some distinctive factors that should be considered. He mentioned that the Petersburg area is one of twenty fiscally stressed localities; more students have moved from full-time to part-time status, and the minority student population has increased to 30% of total enrollment. The challenges being faced by the institution include current economic conditions and changes made to the academic rigor, which now includes a more strict set of standards. Dr. McNeer said he does not see much change in the numbers for next year and would welcome guidance from SCHEV staff and the Board of Visitors at The College of William and Mary (CWM). He stated that to be further penalized will not help their situation. Dr. McNeer answered questions from members about the relationship between RBC and the Board of Visitors at CWM. He informed the Council that the CWM board approves the budget for RBC but does not provide operating funds to the institution. In answer to a question raised by one of the Council members, Dr. McNeer said non-certification would create a public relations problem and could be interpreted to mean that the institution is not accredited. While non-certification for the purpose of Restructuring is not linked to the school's accreditation, he felt the distinction may not be fully understood by the public. He also felt non-certification could create a morale problem among faculty and staff.

#### *University of Virginia's College at Wise (UVaWise)*

Mr. Alessio provided an overview from the May meeting and showed the UVaWise enrollment by regions: coalfields, rest of state, metro, and out of state.

Mr. Wurtzel said the issue with UVaWise is retention and the detail provided about the regions is important because UVaWise used it as the reason it did not meet the

measures. Staff's evaluation was that this was not a persuasive reason for failing the retention measure.

Chancellor Prior presented information and answered questions. He cited the current economic situation and said the coalfields region has the highest unemployment percentages in the state. While he recognized that retention is a very complex issue, Chancellor Prior felt that if access and affordability are the responsibility of the Commonwealth, then they should be the main focus. He said UVaWise was cited as a model in the Commonwealth for access and affordability by the Governor at its recent graduation. He feels the institution is doing a very special job and is doing it well. He informed the Council that UVaWise missed a measure by 1% and that while they are working on it, it will continue to be a struggle for all institutions other than those that are highly selective with regard to their student body.

Chancellor Prior answered questions from Council members about the amount of assistance the institution receives with regard to admissions and operational support from the University of Virginia (UVA). UVaWise is considered a stand-alone financial entity, with the exception of endowment investments. He recognized that while aggressive student advising is a proven effective tool and is needed in order to raise retention rates, it is very costly. In answer to a question about the impact of non-certification, Chancellor Prior said that resources would be lost in the area of counseling or adjunct faculty. However, he felt a more problematic and damaging effect would be a lack of confidence in the institution. In answer to a question about possible changes that could be made to the certification process, Chancellor Prior suggested that for small institutions with a small student body, variability must be taken into account.

#### *Virginia Commonwealth University (VCU)*

Mr. Alessio reported that the Council raised no questions at the last meeting with regard to VCU. Mr. Alessio reminded the Council that the reason VCU fell short of its threshold on research expenditures for 2007-08 was because the target and threshold are based on a three-year-rolling average and that average includes last fiscal year's anomalous performance, which was largely out of VCU's control.

#### *Virginia State University (VSU)*

Mr. Alessio provided information on the discrepancies submitted by VSU.

Mr. Moore thanked the Council for the opportunity to present VSU's case but said it was interesting to note that all of the institutions failing are the ones at the lowest social economic status, while the mission of these institutions is to attract precisely students from this segment of society.

President Moore admitted that there was an error in some of the numbers submitted to SCHEV and if the error was corrected, he believed VSU would meet the target. In

answer to a question about the effect of non-certification, Mr. Moore said that VSU could possibly lose \$1.5M in carry-over funds that institutions were asked to set aside. In answer to a question about what changes could be made to the process, he said the first part of the arrangement with the state is to get formula funding, and since that was not met by the Commonwealth, he sees no reason why the institutions are being asked to perform under the stated measures in Restructuring. If VSU were to lose its interest on tuition, he said it would result in two fewer faculty positions and VSU would likely still need to come up with \$50,000 in discretionary maintenance. He reminded the Council that the Office of Civil Rights (OCR) accord allows VSU and other historically black colleges and universities (HBCUs) in the state more flexibility with regard to capital maintenance.

Mr. Alessio informed the Council that the Restructuring Act is about meeting goals and accountability rather than a reflection on the institutions or its student body. There is no measure that compares one institution against another.

Mr. John Ringer from DPB apologized for confusion over the issue and clarified that after reviewing the Restructuring Act, the results of any votes by the Council would impact any money transferred in July 2009. Payments or awards of certification for FY2010 would typically occur on or around July 24, 2009. Mr. Dyke asked for clarification in writing from DPB.

Mr. Clement asked for any final comments from Messrs. Wurtzel and Bland since they served on the Restructuring Task Force. Mr. Bland expressed gratitude to SCHEV staff for the tremendous effort to provide clear information and for applying an equitable standard in the process. Mr. Bland said that while he does not want to see funds reduced to institutions, the task force and staff followed what was required in the restructuring language.

Mr. Wurtzel said the major national challenges in higher education are retention and graduation rates. However, he stated that accountability always has negative consequences if standards are not met. He said the Council should keep in mind that for some institutions, the same problems will be experienced next year, which could raise serious policy issues.

Mr. Dyke said there is no question about the importance of restructuring and accountability, and a clear signal should continue to be sent to institutions that they need to meet standards. However, he felt that the Commonwealth has not given the institutions everything they need to be successful.

Mr. Clement distributed another version of a proposed resolution for discussion. It was mentioned by staff that the proposed language does not address the same problems that will be encountered in the 2010 certification process.

The revised proposed resolution was discussed and an amendment was proposed that included a meeting with the three institutions' Boards of Visitors and institutional leadership to discuss proposed remediation plans. Ms. Hardy seconded the

amendment and after discussion, on motion by Ms. Milliken and seconded by Mr. Dyke, the following revised resolution was unanimously approved (9-0) by the Council. Dr. LaVista read the amendment and a roll call vote was taken:

**WHEREAS, the State Council of Higher Education for Virginia is charged with the responsibility to carry out the provisions of the Higher Education Restructuring Act which establishes new relationships between the Commonwealth, institutions of higher learning and the public; and**

**WHEREAS, 2009 is the second year into the certification process which utilizes targets and thresholds for various measures of performance for our institutions of higher learning; and**

**WHEREAS, as a result of action taken by the Council at its May 12, 2008 meeting, a restructuring task force was established to review the certification process in order to enhance the effectiveness and intent of the Restructuring Act and a Council work group was formed to assist the Council with the 2009 certification process;**

**WHEREAS, members of the Council serving on the work group, along with Council staff, have recommended that certain institutions be certified for 2009-10; and**

**WHEREAS, the Council wishes to adopt the work group's recommendations for certification as to the institutions named below.**

**NOW, THEREFORE, BE IT RESOLVED, that the State Council of Higher Education for Virginia certifies for 2009-10 that the following institutions of higher learning have fully met the performance standards of the Restructuring Act and the Appropriations Act:**

**Christopher Newport University  
College of William & Mary  
George Mason University  
James Madison University  
Longwood University  
Norfolk State University  
Old Dominion University  
Radford University  
University of Mary Washington  
University of Virginia  
Virginia Community College System  
Virginia Military Institute  
Virginia Tech**

**WHEREAS, four institutions, namely: Richard Bland College, University of Virginia's College at Wise, Virginia Commonwealth University and Virginia State University have substantially met the performance standards of the Restructuring Act and the Appropriation Act; and**

**WHEREAS, the Council believes that its work group has offered compelling reasons for full certification of Virginia Commonwealth University and wishes to do so; and**

**WHEREAS, Section 4-9.02 of the 2009 Appropriation Act grants the Council broad authority to certify institutions as having met the standards on**

education-related measures and to exempt institutions from certification on education-related measures that the Council deems unnecessary given the institution's level of performance; and

WHEREAS, the Council, as it works through its second year of the certification process, wishes to grant certification, subject to conditions enumerated below, to Richard Bland College, University of Virginia's College at Wise and Virginia State University for the following reasons: (a) the Council's belief that the College of William and Mary and the University of Virginia can play a stronger role to ensure full compliance by Richard Bland College and the University of Virginia's College at Wise, respectively, with the performance measures under the Restructuring Act and the Appropriation Act; and (b) the discretion granted the Council by the Appropriation Act, given these three institutions' overall level of performance.

NOW, THEREFORE, IT BE RESOLVED, that the State Council of Higher Education for Virginia certifies for 2009-10 that the following institutions of higher learning have substantially met the performance standards of the Restructuring Act and the Appropriation Act:

Richard Bland College  
University of Virginia's College at Wise  
Virginia Commonwealth University  
Virginia State University

As to Richard Bland College, the University of Virginia's College at Wise and Virginia State University, the Council requires the following actions:

1. Richard Bland College, the University of Virginia's College at Wise and Virginia State University, working with the staff of the Council, shall each present to the Council a remedial plan for full compliance with future certification processes, to be completed by September 30, 2009;
2. Each plan shall be reviewed, and, if acceptable, approved by the Council at its October, 2009, meeting;

In addition,

3. The Council recommends to the Governor that the financial benefits set forth in Virginia Code Section 2.2-5005 be deferred as to Richard Bland College, the University of Virginia's College at Wise and Virginia State University, pending Council action on the remedial plans.
4. The Council urges the College of William & Mary and the University of Virginia to provide technical staff support to Richard Bland College and the University of Virginia's College at Wise, respectively, in order to maximize opportunities for full certification in 2010; and.
5. The Council urges the Boards of Visitors of William & Mary College, the University of Virginia's College at Wise and Virginia State University to review and monitor the respective remedial plans of Richard Bland College, the University of Virginia's College at Wise and Virginia State University and the progress of the respective institutions toward meeting certification in 2010.

Add amendment:

**The Council further requests that the rectors and presidents of the Board of Visitors of the College of William and Mary, the University of Virginia, and Virginia State University, along with the President of Richard Bland College, and the Chancellor of the University of Virginia's College at Wise, meet with Council staff and the certification workgroup of the Council to discuss the adoption and implementation of remedial plans for these institutions and the roles that the College of William and Mary and the University of Virginia can play to ensure full compliance by Richard Bland College and the University of Virginia's College at Wise with future certification processes.**

**(Note: the resolution was further amended by the Council at its meeting of June 9, 2009).**

The meeting was adjourned at 4:10 p.m.

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Whittington Clement  
Chairman

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Lee Ann Rung  
Council Secretary