

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
EXECUTIVE COMMITTEE MEETING
MAY 12, 2009
DRAFT MINUTES NO. 532**

Mr. Clement called the Council meeting to order at 8:30 a.m. in Conference Room D1, Mason Hall, George Mason University, Fairfax, Virginia. Council members present: Bob Ashby, Gil Bland, Whittington Clement, Jim Dyke, Mimi Elrod, Mary Haddad, Susan Magill, Christine Milliken, and Alan Wurtzel.

Council Members absent: Eva Hardy

Staff members present: Ellie Boyd, Tom Daley, Joe DeFilippo, Daniel LaVista, Tod Massa, Kirsten Nelson, Lee Ann Rung. Jake Belue from the Office of the Attorney General was also present.

UPDATE ON SCHEV BUDGET

Ms. Boyd discussed the budget status as of March 31, 2009 and distributed a chart showing FY2009 total appropriation and actual expenditures for the same period.

**REPORT ON THE RESULTS OF EXTERNAL REVIEWS OF SCHEV'S
ADMINISTRATIVE AND FINANCIAL PERFORMANCE**

Ms. Boyd reported that her section is currently working on the Agency Risk Management and Internal Control Standards (ARMICS) project and reminded the Council that this is a mandate dealing with agency risk management and internal controls. The project calls for evaluating business processes and updating and retesting internal controls. The agency is working with a consultant and will take any corrective action plans in order to be certified by June 30. Mr. Daley reported that last year the agency contracted with a consultant to assist with the process, which is a common practice for smaller agencies. There were no findings and no corrective actions last year and as a result, the consultant offered to perform this year's review at no charge. Ms. Boyd and her staff were complimented for their efforts in this regard, which resulted in a savings to the agency of approximately \$30,000. Ms. Milliken also complimented Ms. Boyd for developing the informative reports that are provided to the Council.

Ms. Boyd reported that in January the agency received an audit from the Auditor of Public Accounts (APA) and received good results. The final report was distributed to Council members under separate cover. Ms. Helen Vanderland, Director, Higher Education Programs for the Auditor of Public Accounts was introduced. Ms. Vanderland informed the Council that the APA is an independent auditor for state

agencies. In the FY07-08 audit, the APA looked for accuracy, internal controls and compliance with state regulations. A focus on the Tuition Assistance Grant (TAG) was included in more detail than in years past. The audit report found proper recording of transactions and no instances of noncompliance.

One recommendation included in the audit was that the agency work with the Accounting and Internal Control Compliance Oversight unit at the Department of Accounts to develop a documented information systems security program. Ms. Vanderland reported that once agency management was made aware of the recommendation, they responded appropriately. Agency staff agreed to work with the oversight unit to develop a program by November 30, 2009.

Mr. Duane Miller, Specialist in Budgeting and Performance Management for APA was also introduced. Ms. Jamie Nosar, Specialist in Higher Education Programs for APA was also present and introduced. The auditors complimented SCHEV staff for their efforts during the audit process.

Ms. Vanderland also reported that the APA is doing an audit of seven institutions to determine processes on how they gather data that is sent to SCHEV. They will follow the process to see how SCHEV manages the data once it is received and how the Council uses the published information when making its decisions. This report should be completed in August. The APA staff is working closely Mr. Massa and his staff on this effort. Council members expressed an interest in suggesting additional institutions that might be recommended for inclusion in the audit. Staff will provide the list of institutions to the APA.

DISCUSSION OF COUNCIL SELF-EVALUATION

Dr. LaVista distributed a copy of the self-evaluation that was done by Council members last year and requested feedback on whether or not to send the survey to members again this year. If the survey is conducted, the results would be discussed at the July Council meeting. It was decided that the evaluations are a way to provide growth and development for the Council and should be continued. It was suggested that the form be modified to reflect recent changes to the Council structure as a result of the update to the Council bylaws in 2008. While the committee structure is no longer in effect (with the exception of the Executive Committee), a question should be included with regard to the effectiveness of the use of "filters" in dealing with issues that were previously handled by committees. A question should also be included asking if the Council work has been enhanced by deleting the committee structure. A question related to key issues that the Council focused on last year and how well the Council dealt with these issues should also be included in the survey.

Staff will update the survey and send it to members.

DISCUSSION OF COUNCIL MEETING SCHEDULE FOR 2010 CALENDAR YEAR

Dr. LaVista distributed a copy of Council meeting locations from 1999-2009 and asked for input from the members about the schedule for calendar year 2010.

The cost of travel in view of recent budget constraints was discussed and members decided that the Council Chair should work with the Executive Director to provide suggestions on changes that could be made to reduce the cost of future Council meetings. Possible suggestions included cutting the Council's budget by a certain percentage; providing staff participation by phone or teleconference; and doing away with the reimbursement to Council members for hotel expenses. It was decided that The College of William and Mary should be kept on next year's list, given its proximity to Richmond.

Mr. Dyke inquired about the possibility of changing the meeting days for 2010 and it was agreed that staff would explore the possibility of meeting on the third Tuesday rather than the second Tuesday and distribute these dates to Council before bringing a recommendation to the July meeting. A question was raised about whether or not the Council should plan to meet with the new Governor prior to his taking office in January. Staff will consider this possibility and bring a recommendation to the July meeting.

The meeting was adjourned at 9:05 a.m.

Whittington Clement
Chairman

Lee Ann Rung
Council Secretary

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
COUNCIL MEETING
MAY 12, 2009
DRAFT MINUTES NO. 533**

Mr. Clement called the Council meeting to order at 9:20 a.m. in the Edwin Meese III Conference Room, Mason Hall, George Mason University, Fairfax, Virginia. Council members present: Bob Ashby, Gilbert Bland, Whittington Clement, Jim Dyke, Mimi Elrod, Mary Haddad, Susan Magill, Christine Milliken, and Alan Wurtzel. Mr. Clement announced that Ms. Eva Hardy was participating in a portion of the meeting by phone and Ms. Hardy confirmed that she was on line.

Council Members absent: Margaret Lewis

Staff members present: Jim Alessio, Lee Andes, Ellie Boyd, Tom Daley, Joe DeFilippo, Dan Hix, Daniel LaVista, Tod Massa, Kirsten Nelson, Lee Ann Rung, Diane Vermaaten, and Linda Woodley. Jake Belue from the Office of the Attorney General (OAG) was also present.

PUBLIC COMMENT PERIOD

No requests for public comment were received and Mr. Clement asked if anyone requested to address the Council. No requests came forward.

APPROVAL OF MINUTES

On motion by Dr. Ashby and seconded by Dr. Elrod the minutes of the March 10, 2009 meeting were unanimously approved as amended. It was agreed that Ms. Rung would add Jake Belue's name to those present at the March meeting. Also included for information was a copy of the briefing session notes from March.

EXECUTIVE DIRECTOR'S REPORT

Dr. LaVista presented information on the Virginia Sesquicentennial of the American Civil War Commission, which was created in 2006 to prepare for and commemorate the 150th anniversary of Virginia's participation in the Civil War. He reviewed the Commission's members as well as the powers and duties of the Commission.

Dr. LaVista reported on a recent conference that he attended which was held at the University of Richmond entitled, "Americans on the Eve of the Civil War. Approximately 2,000 participants attended. The conference format was presented as a "Meet the Press" event, which provided an interesting perspective. Dr. LaVista

reviewed the list of sesquicentennial signature conference series from 2010 through 2015, as well as the sesquicentennial programs in development.

BRIEFINGS AND DISCUSSION

Update on Two-Year College Transfer Grant Program

Mr. Andes reminded the Council that in October 2007 SCHEV approved the draft College Transfer Grant regulations. Promulgation of these regulations was delayed by staff pending the results of bills proposed by the General Assembly during the 2008 and 2009 sessions. While none of these bills passed into law, the Office of the Attorney General (OAG) reviewed the regulations and the OAG recommendations were reviewed by Council at its May 13, 2008 meeting.

Recommendations made by the Governor's office included a recommendation that student renewal criteria be reviewed on an annual basis rather than by semester and a change in how the award affects other state need-based aid. All recommended changes have made the process very student-friendly. Staff will move forward with promulgation of the regulations. In response to a question by Ms. Milliken, Mr. Andes agreed to look at the renewal criteria for other state financial aid programs on an annual basis rather than by term.

ACTION ITEMS

Action on Certification of Institutions Under Restructuring

Mr. Alessio provided an overview of what is required of the Council as outlined in the 2005 Higher Education Restructuring Act and reminded the Council that this is the second year of developing performance standards with the institutions and determining the extent to which each institution meets these standards. The measures being brought forward are for the 2007-08 academic year, which is a year after the institutional targets were developed. Each target and threshold was developed by the institutions and is institution-specific with no comparison to other institutions. The targets and thresholds were expected to be reasonable and achievable and institutions were informed that they would be accountable for the them.

Mr. Wurtzel and Mr. Bland served as Council representatives on a work group and reviewed targets and thresholds with staff. Mr. Wurtzel reported that last year there were four institutions that did not meet their targets. The Council decided at that time that since it was the first year of collecting the data, a more lenient approach would be taken. Three of the four institutions that failed to meet established targets last year still do not meet their targets for this year.

Charts were reviewed for each of the four institutions that failed to meet their targets and thresholds showing the extent to which each institution fell short.

Mr. Dyke said he would like to know if data could be captured regarding where students ended up who left school and did not return. Ms. Hardy asked if the system should track what happens to these students if they drop out. Mr. Wurtzel said that while that is an excellent suggestion, it should not be addressed as part of this process.

Mr. Dyke indicated that the Council needs to consider the bigger picture and he felt he would feel more comfortable if he had more facts about how each of the failing institutions ended up in their current situation. He would also like to know what institutions are doing to alleviate these issues. Dr. LaVista stressed that one of elements of the Restructuring Act is the concept of flexibility and that the process not be strictly process driven. However, that is precisely the function of the threshold; to give sufficient leeway to allow for consequences that could not have been predicted earlier. Mr. Bland said it was clear that, based on the Council discussions, more information would be warranted. Ms. Hardy agreed that the Council does not have enough information to make a decision at this meeting. Ms. Hardy disconnected from the phone at 10:40 a.m.

A motion was made by Mr. Dyke and seconded by Dr. Ashby that the Council take no official action at this meeting but that institutions be requested to supply additional information that will be distributed to the Council in advance of the June 8 meeting and that institutions be invited to address Council members' questions at that meeting. The motion passed (7-1). Mr. Wurtzel was opposed because he felt the motion was out of order.

Ms. Milliken indicated that a process for denying certification be created and followed in the future so that the process is followed in a fair and equitable manner.

Representatives from each of the four institutions addressed the Council and provided their circumstances for not meeting the targets and thresholds.

Ms. Milliken indicated that the certification process is forcing the Council to look at very important economic and student success issues. She has learned details on how institutions operate that are important for the Council to know but she was hopeful that institutions are being forced to think differently on how they keep information and how they time certain events. In times of scarce resources, the Council needs to look at statistics, but a more precise breakdown will assist the Council to better understand each institution's situation without making a general reference to the changing economy. She requested that institutions provide any mitigating circumstances to missing their threshold. If the Council decides to look at mitigating circumstances, it will have specific information in order to make an informed decision. Institutions should also include any specific changes that were made to alleviate future problems.

Institutions will be contacted and asked to submit additional information to SCHEV staff by May 20 so that the information can be distributed to Council members in one packet for their review prior to the June 8 meeting. Recommendations from Messrs. Bland and Wurtzel should also be included in the packet. Institutional representatives should also be invited to attend the June 8 meeting for further discussion.

Mr. Wurtzel said that while no one is happy to deny certification to any institution, he believed the intent of the Restructuring legislation is effective because it focuses light on any weaknesses within the system. A process has been established and everyone signed on to the rules.

Mr. Clement thanked Messrs. Bland and Wurtzel for their work in this process and expressed the Council's appreciation.

Staff was also asked to investigate the Council's authority to levy anything other than a full penalty with regard to certification. Mr. Alessio indicated that there was nothing specific in the Code language regarding this, but the intent of the Restructuring legislation was to provide an incentive rather than a penalty. Therefore, the Council's options are either to certify an institution or to deny certification based on the pre-determined targets and thresholds.

Mr. Clement called for a break at 11:10 a.m. The meeting reconvened at 11:20 a.m.

Mr. Dyke left the meeting at approximately 11:10 a.m.

REMARKS BY PRESIDENT MERTEN

Mr. Clement provided a brief biography of Dr. Merten and thanked him for hosting the May 11 Council briefing session and dinner.

Dr. Merten distributed information on the Early Identification Program (EIP) and explained that the program was designed in 1987 to increase college enrollment of first generation college-bound students. Students in the program attend a three-week summer academy over four summers. The EIP works in partnership with seven Northern Virginia counties and guarantees admission to Mason with the appropriate financial support to students who successfully complete the program. The program has been the recipient of many awards and is acclaimed as a national model for similar programs. As evidence of its success, the program boasts over 960 graduates with 95% of those graduates enrolling in post-secondary education. Council members were interested in learning more about the program and Dr. Merten agreed to send additional materials to SCHEV staff to distribute to the Council members.

Dr. Merten also provided information on the Mason LIFE (Learning into Future Environments) program and distributed a brochure describing the program. The

program is designed to provide a university experience for students with intellectual and developmental disabilities that are between the ages of 18-23. The program includes an academic component, a residential component, and an internship component. He indicated that although a program such as Mason LIFE is not part of a normal teaching curriculum, it is very important and he encouraged other institutions to pursue similar programs.

Dr. Merten was proud to announce that the university has received accolades for being considered one of the best places to work. He also distributed a recent copy of *Mason Spirit*, which is dedicated to research at Mason.

Dr. Elrod left the meeting at approximately 12:45 p.m.

Action on Proposed Measures for Institutions Seeking Level II

Mr. Alessio provided information. On motion by Ms. Haddad and seconded by Ms. Magill the following resolution was unanimously approved by the Council (6-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the proposed Level II measures for:

**George Mason University
James Madison University
Old Dominion University
Radford University
Virginia Community College System
Virginia Military Institute**

Action on Program Viability Process

Dr. DeFilippo presented information as requested by the Council at its last meeting, which was addressed in the analysis presented. On motion by Ms. Haddad and seconded by Ms. Milliken the following resolution was unanimously approved by the Council (6-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia accepts the following amendment to the SCHEV Program Productivity/Viability Policy:

Annual review of recently approved programs at four-year institutions and Richard Bland College

SCHEV shall annually review recently approved programs when they have completed their fifth year of existence (except for years when the

regular quinquennial review occurs). For any such program not achieving SCHEV viability standards by the fifth year, the institution shall elect either to close the program or to submit a plan for bringing it up to standard within a specified time frame. Council will receive a report on and approve the results of this annual review as it does for the regular quinquennial review.

Action on George Mason University Mission Statement Change

Dr. DeFilippo provided information on the request from George Mason University. On motion by Ms. Haddad and seconded by Ms. Magill, the following resolution was unanimously approved by the Council (6-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the statement of mission of George Mason University as revised by the institution's Board of Visitors on February 4, 2009. Pursuant to the Code of Virginia, the Council will report this new mission statement to the Governor and the General Assembly; thereby, this action will be effective thirty days after the adjournment of the next General Assembly session.

Action on Revised Private and Out-of-State Postsecondary Education (POPE) Regulations

Ms. Woodley was available for questions and Dr. DeFilippo presented background information. He briefly reviewed the process that was followed in conjunction with the OAG's office. Three steps of the process are outlined in the approval item. This approval enables staff to initiate the first step and follow it through to completion. On motion by Ms. Haddad and seconded by Ms. Magill the following resolution was unanimously approved by the Council (6-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the revised regulations pertaining to the certification of private and out-of-state postsecondary institutions (8 VAC 40-31 et. seq.) and delegates to the Executive Director the authority

- (1) to implement SCHEV's compliance with all applicable provisions of the Administrative Process Act regarding promulgation of the revised regulations; and
- (2) to make further revisions, as appropriate and according to his best judgment, based on feedback received during the promulgatory process.

Action on 2009-10 Commonwealth Graduate Engineering (CGEP) Operating Plan

Ms. Vermaaten introduced the program director of the CGEP program, Dr. Sharon Caraballa from George Mason, who presented information about the program and reported on activities over the last year. The policies and procedures manual was last updated in 1992 and completed in 2008 and posted on the website. A request

was made to distribute a copy of the PowerPoint presentation that was prepared but foregone due to the lateness of the hour. On motion by Mr. Bland and seconded by Ms. Haddad the following resolution was unanimously approved by the Council (6-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the 2009-10 Commonwealth Graduate Engineering program operating plan and recommends to the Governor that the appropriated funds be released to operate the program.

Action on 2009-10 Virginia Tuition Assistance Grant (VTAG) Program

Mr. Andes reported that the General Assembly upheld the phase-out of VTAG for graduate students but retained certain health related programs. The proposed resolution provides a way to identify these health related programs. On motion by Ms. Milliken and seconded by Mr. Bland the following resolution was unanimously approved by the Council (6-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends defining “health related professional programs” eligible for the Tuition Assistance Grant program as being those graduate programs falling under the 51 CIP Code series according to the National Center for Educational Statistics.

Mr. Andes reported that the current number of VTAG-eligible students for 2009-10 is 21,590. Given that the 2009-10 level of support will be approximately \$58 million, staff estimated that there will be sufficient funding to support maximum undergraduate student awards of \$3,000 and maximum graduate student awards of \$1,300. Mr. Andes further reported that the Council should specify how to deal with excess funds that result if actual VTAG enrollments are lower than projected. Mr. Lambeth suggested that a sentence be added to the resolution and on motion by Ms. Milliken and seconded by Mr. Bland, the following revised resolution was unanimously approved by the Council (6-0):

BE IT FURTHER RESOLVED that the maximum VTAG awards for 2009-10 be \$3,000 for undergraduate students and \$1,300 for graduate students. Should VTAG enrollments be lower than projected, the Executive Director shall be authorized to allocate all available funds.

Recognition of Departing Council Member

Mr. Clement recognized the accomplishments of Ms. Lewis and on motion by Wurtzel and seconded by Magill the following resolution was unanimously approved by the Council (6-0). Staff was requested to prepare the resolution to be presented to Ms. Lewis at the June meeting:

WHEREAS, Margaret Lewis ably served as a member of the State Council of Higher Education for Virginia from 2004 to 2009; and

WHEREAS, Ms. Lewis served as a distinguished member of the Council's Academic Affairs Committee; and

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

WHEREAS, Ms. Lewis effectively worked to enhance an already robust and vigorous higher education system by recognizing and appreciating the distinctive missions of each public and private college and university in Virginia, while also striving to bring them together to address common systemwide challenges; and

WHEREAS, Ms. Lewis consistently displayed a thoughtful approach as well as a deep and caring concern in her advocacy for making Virginia's outstanding system of public and private colleges and universities even better; and

WHEREAS, she 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 extends its sincere gratitude and appreciation to **Margaret G. Lewis** 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.

Selection of Nominating Committee for Council Elections

Mr. Clement appointed Ms. Lewis to chair this year's nominating committee. Ms. Milliken and Dr. Elrod will also serve on the committee and bring forward a slate of officers to be approved at the July Council meeting.

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:

- Change CIP Code for Program:
 - George Mason University
- Closing Off-campus Instructional Sites:
 - George Mason University
 - Old Dominion University

- Eminent Scholars Allocation for 2009-10

The meeting was adjourned at 1:10 a.m.

Whittington Clement
Chairman

Lee Ann Rung
Council Secretary

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 Actions

Institution	Degree/Program/CIP	Effective Date
George Mason University	Change the CIP Code of the Master of Science degree program in Information Security and Assurance from 11.0401 to 11.1003.	Spring 2009

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 reported to staff:

Organizational Changes / Off-campus Instructional Sites March-April 2009

Institution	Change / Site	Effective Date
George Mason University	Close the Ras Al Khaimah campus in United Arab Emirates	May 25, 2009
Old Dominion University	Close the Northern Virginia Higher Education Center, 21335 Signal Hill Plaza, Suite 309, Sterling, VA	May 29, 2009

Eminent Scholars

The General Assembly established the Eminent Scholars program in 1964. Under this program, faculty may receive special salary supplements funded from endowment income and matching general fund appropriations. The supplements are intended to be incremental to the regular annual salary of the faculty member and are not to be used in lieu of base salaries.

The Governor's 2009 budget proposal (introduced budget) would have eliminated all funding for the Eminent Scholars program; however, the Budget Conference Committee restored two-thirds of the funding. The total allocation for 2009-10 will be \$4,017,644.

**State Council of Higher Education for Virginia
Eminent Scholars Program**

Institutions	2008-09 Allocation			2009-10 Allocation		
	2008-09 Request	2008-09 Allocation	2008-09 Allocation As Percent Of Request	2009-10 Request	2009-10 Allocation	2009-10 Allocation As Percent Of Request
Christopher Newport University	\$23,215	\$3,341	14%	\$6,500	2,227	34%
College of William and Mary	\$3,205,000	\$1,271,933	40%	\$1,324,930	797,078	60%
Virginia Institute of Marine Science	N/A	N/A	N/A	\$77,302	50,877	66%
George Mason University	\$1,352,180	\$518,214	38%	\$750,000	345,476	46%
James Madison University	\$98,800	\$29,629	30%	\$44,750	19,753	44%
Longwood University	\$46,462	\$7,963	17%	\$28,020	5,309	19%
Norfolk State University	\$31,189	\$28,789	92%	\$30,229	19,193	63%
Old Dominion University	\$385,789	\$274,055	71%	\$360,598	182,703	51%
Radford University	\$44,585	\$42,782	96%	\$44,565	28,522	64%
University of Mary Washington	\$52,988	\$52,953	100%	\$53,075	35,302	67%
University of Virginia	\$23,031,106	\$2,816,247	12%	\$12,235,000	1,877,497	15%
University of Virginia at Wise	\$2,282	\$2,191	96%	\$2,191	1,460	67%
VA Commonwealth University	\$1,324,000	\$346,793	26%	\$1,593,965	231,196	15%
Virginia Military Institute	\$100,000	\$18,353	18%	\$100,000	12,236	12%
Virginia State University	\$38,030	\$30,573	80%	\$38,030	20,382	54%
Virginia Tech	\$2,247,305	\$577,780	26%	\$2,345,146	385,187	16%
VCCS	\$104,571	\$4,870	5%	\$105,818	3,246	3%
Total	\$32,087,502	\$6,026,466	19%	\$19,140,119	\$4,017,644	21%