

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
COUNCIL MEETING
SEPTEMBER 20, 2011
MINUTES**

Ms. Magill called the meeting to order at 8:50 a.m. in the President's Dining Room, Richard Ernst Cultural Center, Northern Virginia Community College, Annandale, Virginia. Council members present: Gilbert Bland, Johanna Chase, Whittington Clement, Joann DiGennaro, Jim Dyke, Mary Haddad, Stephen Haner, Susan Magill, G. Gilmer Minor, and Katharine Webb.

Council member absent: Julious Smith

Staff members present: Jim Alessio, Lee Andes, Peter Blake, Thomas Daley, Joe DeFilippo, Alan Edwards, Dan Hix, Tod Massa, Kirsten Nelson, and Lee Ann Rung. Jake Belue from the Office of the Attorney General was also in attendance.

CLOSED SESSION

A motion was made and seconded to convene in closed session pursuant to Sec. 2.2-3711(A1) for discussion of personnel matters, specifically the potential hiring of an Executive Director. The committee voted unanimously in favor of convening in closed session.

The Council reconvened in open session at approximately 9:10 a.m. A roll call vote was taken on a motion certifying that only public business matters lawfully exempted from open meeting requirements and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the executive session. The certification was unanimously approved by a vote of 10-0 and is attached to these minutes.

Mr. Bland read the following motion in open session which was seconded by Ms. Webb and unanimously approved:

BE IT RESOLVED that the Executive Committee is authorized to negotiate a new contract with the Executive Director consistent with discussions held in closed session and that the Chair be authorized to execute the contract on behalf of the Council.

PUBLIC COMMENT

No requests for public comment were received in advance of the meeting.

APPROVAL OF MINUTES

On motion by Ms. Haddad and seconded by Mr. Minor the minutes from the July 19, 2011 Executive Committee meeting and the July 19, 2011 Council meeting were unanimously approved as submitted.

REMARKS BY CHANCELLOR DuBOIS AND PRESIDENT TEMPLIN

Virginia Community College System (VCCS) Chancellor Glenn DuBois welcomed the Council and introduced Bob Templin, President of Northern Virginia Community College (NVCC), and David Sam, President of Germanna Community College (GCC).

Mr. Bland was thanked by Dr. DuBois for assuming the role of Council liaison to the VCCS. Dr. DuBois reported that Mr. Bland attended the recent VCCS retreat.

It was mentioned that GCC sustained considerable damage during the recent earthquake.

Dr. DuBois provided statistics on the community college system and discussed the priorities for the future. He mentioned that the VCCS requested three years ago that the Council consider changing to 65% the full-time/part-time faculty ratio used in the funding model. The full-time faculty ratio is now in the low 40% range. He also asserted that the capital outlay review process does not adequately capture distance learning students, of which the VCCS has thousands. He indicated that this has been a burden for the community college system. Dr. DuBois stated that the top priority for the VCCS is capital outlay.

Dr. Templin spoke about the vibrant region in which NVCC is located and stressed the importance of fueling the region with a highly skilled workforce. Dr. Templin informed the Council of the Pathways program, which consists of high school juniors who are the first in their family to attend college and need assistance with the entire process. If these students follow the requirements of the program, NVCC guarantees admission to George Mason University, per an agreement between the institutions. The program currently has 6,500 students enrolled.

Statistics about the student population of NVCC were provided and it was mentioned that despite budget cuts, the institution has continued to grow. NVCC is out of capacity even though it currently operates seven days a week from 6:30 a.m. – 11:00 p.m.

There was some discussion about the percentage of full-time and part-time faculty at NVCC as well as the entire VCCS and Mr. Dyke requested that staff provide additional information in October to demonstrate an aspirational goal and statement of need. Mr. Hix noted that there is a cost of \$5M for each percentage shift from part-time to full-time faculty.

Dr. Templin informed the Council that NVCC is exploring ways to prevent remediation, particularly in math. The institution is using a format similar to the one

developed at the Math Emporium at Virginia Tech that will yield better outcomes and have a lower per student cost.

INTERIM DIRECTOR'S REPORT

In place of his report, Mr. Blake asked Mr. Bland to comment on the VCCS retreat that he attended and Ms. DiGennaro was asked to discuss the Boards of Visitors orientation scheduled for October 17. Ms. Magill informed the Council that she appointed Mr. Bland as the Council liaison for the community college system and Ms. Webb as the liaison to the Private College Advisory Board.

Mr. Bland reported that general issues of higher education were discussed at the VCCS retreat by several regional speakers. The Chancellor spoke extensively at the retreat about reengineering.

Ms. DiGennaro reported that she has been working with the Governor's office to schedule an orientation for new boards of visitors' members. The event has been scheduled for October 17 at the Patrick Henry Building starting at 8:00 and ending at 4:00. All Council members were invited and encouraged to attend. Presentations will be made by the Governor as well as Thomas Farrell, Chair of the Higher Education Advisory Committee. Four panel discussions are being planned. The first will focus on Virginia's higher education perspective; the second on national issues in higher education; the third on the perspective of seasoned visitors; and finally, the perspective of college presidents. Ms. DiGennaro thanked Mr. Minor and Mr. Bland for agreeing to moderate two of the panel discussions. The keynote address over lunch will be provided by Mark Kantrowitz from FinAid.org, who will speak about financial issues for undergraduate education. Staff agreed to provide bios of the panelists to Messrs. Minor and Bland.

BRIEFINGS AND DISCUSSION

Preliminary Discussion of Potential Budget Items for the 2012-14 Biennium

Mr. Blake reminded members that these are preliminary discussions and final recommendations will be brought to the Council for approval in October.

Base Adequacy/Cost of Education

Mr. Hix reviewed the charts and distributed a summary of actual full-time equivalent student enrollment for 2009-10 and 2010-11 to help explain the guideline changes between the years. There was some discussion about the Eastern Virginia Medical School (EVMS) and Mr. Blake said that the budget recommendation in October would include information for the Council's consideration. Mr. Clement expressed concern that the chart on page 20 could be misconstrued if not taken into consideration with the chart on page 21. As a result, staff was asked to combine the information in a way that would present a clear picture that could be condensed to one page.

Faculty Salaries

Mr. Hix reviewed the options offered by staff. In response to a question from Ms. DiGennaro, Mr. Blake informed the Council that the feedback staff received from college presidents in the 6-year plan meetings indicated that faculty salaries are among the first or second priority for all institutions. In addition, presidents urged that the 60th percentile goal remain. Mr. Dyke indicated that SCHEV's role is to demonstrate the needs of the system, even though it is not always possible to achieve the goals. It was mentioned that it would send the wrong message if Council were to recommend changing the 60th percentile goal.

Operation and Maintenance of New Facilities Coming Online

Mr. Hix shared the results of the August 2011 SCHEV Survey of Operation and Maintenance Costs for New E&G and Research Facilities Coming On-Line in FY2013 and FY2014.

Higher Education Equipment Trust Fund (HEETF)

Mr. Hix reviewed the summary tables with the recommended allocations and estimated debt service payments by institution totaling \$10 million for the traditional HEETF recommendation and \$13 million including a research component.

Undergraduate and Graduate Student Financial Aid

Mr. Andes provided a summary of last year's recommendation which showed that funding as a percent of the Partnership Model has declined over the last few years. He indicated that there has been a 27% increase in students demonstrating need using the partnership model, and an 8.6% decline in student estimated family contribution. Mr. Andes answered questions from members and it was mentioned that to keep up (without gaining ground) in the area of financial aid might cost approximately \$100M for the biennium. Staff was asked to provide a breakdown of the number of students served and the number of students that would not be served if funding was not increased.

Preliminary Discussion of 2012-14 Systemwide Capital Outlay Budget

Mr. Daley briefly discussed the background of this process and reminded members of the Council's authority per the Code of Virginia to evaluate the need among the Commonwealth's public institutions of higher education for new academic and administrative space under its Fixed Asset Guidelines. He informed the members about the work of the Debt Capacity Committee in developing the formula of using 10-year projected revenues to determine debt capacity. Staff will provide a recommendation for Council action in October.

Budget Items Related to Higher Education Opportunity Act

Mr. Blake indicated that this item was presented as a placeholder until the work of the Higher Education Advisory Committee is completed. He mentioned the four-part

funding model under consideration, which consists of basic operations and instruction funding; per-student enrollment-based funding; need-based financial aid; and targeted economic and innovation incentives. He suggested options on ways in which the Council could make recommendations when considering priorities for budget allocations. Mr. Blake suggested that the Council consider prioritizing the budget recommendations in a way that would relate each to the recommendations of the Higher Education Advisory Committee. Ms. Webb requested that staff provide in October, a link to the TJ21 legislation for each recommendation and requested that the information be presented in one table.

There was some discussion of Council's obligation to make budget recommendations to the Governor and General Assembly and the timing of Council's ability to react to the Advisory Committee recommendations. Mr. Minor expressed concern about the Council's credibility if there is not sufficient time to study the issues in detail. Mr. Blake reminded the Council that while SCHEV has a responsibility to comment on the recommendations from the Advisory Committee, it has broader responsibilities to make policy and budget recommendations to the Governor and General Assembly.

ACTION ITEMS

Action on Enrollment Targets and Estimates of Degree Awards at Public Institutions

Mr. Massa indicated that a few institutions submitted information after this item was prepared. Therefore, a revised copy of the information provided in the agenda book was distributed. There will be additional re-submissions by institutions in the next week and he requested permission to make further updates to the charts at that time. Mr. Massa reminded Council of its authority in the Code to approve a planning document to be used by other agencies across the Commonwealth. He reviewed Council's additional authority from the TJ21 legislation that now includes private institutions. Mr. Massa has conducted a series of workshops throughout the Commonwealth for independent institutions to educate them about the process. He provided statistics from the private institutions. In response to a request from Ms. DiGennaro, Mr. Massa agreed to provide information on graduate degrees to the Council.

On motion by Ms. Haddad and seconded by Mr. Minor the following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the FY 2011-2018 institutional enrollment targets and degree estimates as provided in Tables 1-6 of Item 6.a and authorizes staff to make the detailed enrollment targets and degree estimates available to the public via the SCHEV website.

BE IT FURTHER RESOLVED that approval of these institutional enrollment targets does not constitute either implicit or explicit approval of

any new program, site, higher education center, or campus determined by an institution as necessary to achieve these targets.

Action on 2012-14 Systemic Items in SCHEV's Budget

Virtual Library of Virginia (VIVA)

Dr. DeFilippo provided a brief explanation of the funding for VIVA and reminded members of the functions performed by VIVA. John Ulmschneider, Outreach Chair for VIVA, was present and answered questions from members. Mr. Ulmschneider was thanked for his involvement in this important collaborative work.

On motion by Mr. Minor and seconded by Ms. Haddad the following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia recommends an additional appropriation of \$5,597,753 in addition to the base funding of the Virtual Library of Virginia (VIVA).

Tuition Assistance Grant (TAG)

Mr. Andes presented information about the TAG program over the last ten years as well as the program's funding during that same period. He indicated that the proposal is aimed at regaining some of the lost ground over the last three years. Ms. Magill invited Mr. Lambeth to comment and he indicated that the resolution was reasonable and the independent colleges are supportive. In answer to a question by one of the members, it was explained that the TAG program is funded through SCHEV's agency budget. In order to get materials filed by the deadline, this item is brought to the Council for approval in September rather than October.

On motion by Mr. Minor and seconded by Ms. Haddad the following resolution was approved (8-0) with two abstentions. Mr. Dyke and Mr. Haner abstained:

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 by \$6.4 million for FY13 and \$14.7 million in FY14 in order to raise the undergraduate and graduate maximum annual award to \$2,800 and \$3,000 respectively.

Action on Level 2 Education-Related Measures for Christopher Newport University

Mr. Alessio informed the Council that components of Restructuring are still in the Appropriation Act and if institutions wish to move to another level, they are still required to go through the process that was established when the Restructuring legislation was enacted. Christopher Newport University is requesting a move to Level 2 for the education-related measures, which have been reviewed by the

Secretaries of Education, Finance, Administration, and Technology. Mr. Alessio reported that there are currently four level 3 institutions and six level 2 institutions. Approval of Christopher Newport University's request will bring the total level 2 institutions to seven.

On motion by Ms. DiGennaro and seconded by Ms. Webb the following resolution was unanimously approved:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the proposed Level II measures for Christopher Newport University.

NEW BUSINESS

Mr. Blake reminded members of the dates of the next meeting and indicated that a panel is being developed for a Monday briefing session on research. He reviewed the tentative schedule and indicated that more details would be sent to members.

It was mentioned that the Council may wish to consider scheduling a special meeting in November if more time is needed to review the Higher Education Advisory Committee recommendations and budget recommendations. It was concluded that a decision would be made after the September 28 Advisory Committee meeting.

ITEMS DELEGATED TO STAFF

The list of delegated items was briefly introduced by Mr. Blake. As required, a list of the delegated actions is attached to these minutes.

ADJOURNMENT

The meeting was adjourned at 12:25 p.m.

G. Gilmer Minor
Secretary

Lee Ann Rung
Manager for Council and Executive 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 as delegated to staff:

Program Actions

| Institution | Degree/Program/CIP | Effective Date |
|---------------------------|--|----------------|
| Old Dominion University | Change the CIP code of the Doctor of Philosophy in Criminology and Criminal Justice 45.0104 to 45.0401. | Fall 2011 |
| Virginia State University | Change the title and CIP code of the Bachelor of Science in Computer Information Systems (11.0103) to the Bachelor of Science in Management Information Systems (52.1201). | Fall 2011 |

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:

| Institution | Degree/Program/CIP | Effective Date |
|---|--|----------------|
| Radford University | Discontinue the Bachelor of Science/Bachelor of Arts degree program in Geography (45.0701). [Program Approved: Date: March 10, 1967] | Spring 2014 |
| Virginia Polytechnic Institute and State University | Discontinue the Bachelor of Science degree program in Agricultural and Applied Economics (01.0103). [Program Approved: 1927- Before Council of Higher Education] | Spring 2012 |

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

| Institution | Change / Site | Effective Date |
|---------------------------|--|-----------------------|
| University of Virginia | Rename the Department of Microbiology to the Department of Microbiology, Immunology and Cancer Biology. | August 1, 2011 |
| University of Virginia | Rename the Department of Radiology to the Department of Radiology and Medical Imaging. | August 1, 2011 |
| Virginia State University | Rename the Department of Computer Information Systems to the Department of Management Information Systems. | September 10, 2011 |