Agenda Book
October 28 - 29, 2019

Location: SCHEV Offices - Richmond, VA
October 28-29, 2019, Council Meetings
Schedule of Events
State Council of Higher Education for Virginia
Richmond, VA

October 28, 2019
Light refreshments will be available to Council members and staff

2:00 – 2:45 Conflict of Interests training

3:00 – 5:00 Academic Affairs Committee (10th floor) - Section A on the agenda
(Committee members: Ken Ampy (chair), Rosa Atkins (vice chair), Gene Lockhart, Carlyle Ramsey, Marianne Radcliff, Katie Webb)

3:00 – 5:00 Resources and Planning Committee (9th floor) - Section B on the agenda
(Committee members: Tom Slater (chair), Victoria Harker (vice chair), Marge Connelly, Henry Light, Stephen Moret, Bill Murray)

6:00 – 7:30 Dinner (Hilton downtown)

October 29, 2019
Continental breakfast and boxed lunches will be available to Council members and staff

9:00 – 12:30 Council Meeting (9th floor) - Section C on the agenda

NEXT MEETING: January 7, 2020 – SCHEV offices
## October 28, 2019

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<td>Meeting Timeframes</td>
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<tr>
<td><strong>A. Academic Affairs Committee (10th floor)</strong></td>
<td>3:00 – 5:00</td>
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<tr>
<td>A1. Call to Order</td>
<td>3:00</td>
<td>Mr. Ampy</td>
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<tr>
<td>A2. Approval of Minutes (September 16, 2019)</td>
<td>3:05</td>
<td>Mr. Ampy</td>
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<td>A3. Action on Program Approvals from Public Institutions</td>
<td>3:10</td>
<td>Dr. DeFilippo</td>
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<td>A4. Program Proposals in the Review Pipeline</td>
<td>3:30</td>
<td>Dr. DeFilippo</td>
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<tr>
<td>A5. Action on Private Postsecondary Institution Provisional Certification</td>
<td>3:45</td>
<td>Dr. DeFilippo</td>
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<tr>
<td>A6. Action on Private Postsecondary Institutional Certification</td>
<td>4:05</td>
<td>Dr. DeFilippo</td>
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<tr>
<td>A7. Update on Graduate Outcome Survey Certification</td>
<td>4:20</td>
<td>Dr. Ellis</td>
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<tr>
<td>A9. Update on Transfer Virginia</td>
<td>4:45</td>
<td>Dr. Parker</td>
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<tr>
<td>A10. Report of the Staff Liaison to the Committee</td>
<td>4:50</td>
<td>Dr. DeFilippo</td>
</tr>
<tr>
<td>A11. Motion to Adjourn</td>
<td>5:00</td>
<td>Mr. Ampy</td>
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<tr>
<td><strong>B. Resources and Planning Committee (9th floor)</strong></td>
<td>3:00 – 5:00</td>
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<tr>
<td>B1. Call to Order</td>
<td>3:00</td>
<td>Mr. Slater</td>
</tr>
<tr>
<td>B2. Approval of Minutes (September 16, 2019)</td>
<td>3:05</td>
<td>Mr. Slater</td>
</tr>
<tr>
<td>B3. Update on Enrollment Projections and Degree Estimates</td>
<td>3:10</td>
<td>Mr. Massa</td>
</tr>
<tr>
<td>B4. Action on Financial Aid Reform Study</td>
<td>3:20</td>
<td>Mr. Andes</td>
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<tr>
<td>B5.a System Operating Budget</td>
<td></td>
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<tr>
<td>B5.b Capital Outlay Budget</td>
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<tr>
<td>B6. Update on the Office of the Qualified Education Loan Ombudsman activities for 2019</td>
<td>4:45</td>
<td>Mr. Kemp</td>
</tr>
<tr>
<td>Time</td>
<td>Event</td>
<td>Person(s)</td>
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<tr>
<td>5:00</td>
<td>Motion to adjourn</td>
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<tr>
<td>6:00 – 7:30</td>
<td>Council dinner (Hilton downtown)</td>
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**October 29, 2019**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Person(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:00 – 12:30</td>
<td>C. Council meeting (9th floor)</td>
<td>Mr. Fralin</td>
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<tr>
<td>9:00</td>
<td>C1. Call to order</td>
<td>Mr. Fralin</td>
</tr>
<tr>
<td>9:05</td>
<td>C2. Approval of minutes (September 17, 2019)</td>
<td>Mr. Fralin</td>
</tr>
<tr>
<td>9:10</td>
<td>C3. Remarks from Ted Raspiller, President, John Tyler Community College</td>
<td>Dr. Raspiller</td>
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<tr>
<td>9:30</td>
<td>C4. Remarks from Gordon Morse, Columnist, <em>The Virginian Pilot</em></td>
<td>Mr. Morse</td>
</tr>
<tr>
<td>9:50</td>
<td>C5. Receipt of report from the agency director</td>
<td>Mr. Blake</td>
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<tr>
<td>9:30</td>
<td>C6. Action on partnership with Governor’s office and Lumina Foundation</td>
<td>Mr. Blake</td>
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<tr>
<td>10:00</td>
<td>C6. Action on partnership with Governor’s office and Lumina Foundation</td>
<td>Mr. Blake</td>
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<tr>
<td>10:15</td>
<td>BREAK</td>
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<td>10:25</td>
<td>C7. Report from committees:</td>
<td>Mr. Ampy</td>
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<tr>
<td>10:25</td>
<td>C7a. Academic Affairs Committee (see section A)</td>
<td>Mr. Ampy</td>
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<tr>
<td>10:55</td>
<td>C7b. Resources and Planning Committee (see section B)</td>
<td>Mr. Slater</td>
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<tr>
<td>11:30</td>
<td>C8. Receipt of items delegated to staff</td>
<td>Mr. Blake</td>
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<tr>
<td>11:40</td>
<td>C9. Receipt of public comment</td>
<td>Mr. Fralin</td>
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<td>11:55</td>
<td>C10. Old business</td>
<td>Mr. Fralin</td>
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<tr>
<td>12:15</td>
<td>C11. New business</td>
<td>Mr. Fralin</td>
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<tr>
<td>12:30</td>
<td>C12. Motion to adjourn</td>
<td>Mr. Fralin</td>
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**NEXT MEETING:** January 7 (SCHEV offices). Note: all meetings will be held the same day.
Mr. Ampy called the meeting to order at 1:00 p.m., in room 201 of the Hurley Convergence Center at the University of Mary Washington in Fredericksburg, Virginia. Committee members present: Ken Ampy, Heywood Fralin, Marianne Radcliff, Carlyle Ramsey, and Katie Webb.

Committee members absent: Gene Lockhart.

Staff members present: Joseph G. DeFilippo, Ashley Lockhart, Beverly Rebar, Sylvia Rosa-Casanova, and Paul Smith.

APPROVAL OF MINUTES

On motion by Dr. Ramsey, and seconded by Ms. Radcliff, the minutes from the July 16, 2019, meeting were approved unanimously.

Mr. Ampy introduced and invited staff to present information on the following topics:

ACTION ON PROGRAMS AT PUBLIC INSTITUTIONS

In attendance:
- Elizabeth Ellcessor, Assistant Professor, Media Studies
- Edward Barnaby, Senior Assistant Dean of Graduate Programs

Dr. DeFilippo introduced the program proposal from the University of Virginia, a Master of Arts (M.A.) in Media, Culture, and Technology (CIP 09.0199). He described the 30 credit Master’s program as well as the demand for professionals in this field. There was some discussion about duplication and how job placement rates in similar programs could help clarify the question of need.

On motion by Dr. Atkins, seconded by Ms. Radcliff, 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 the University of Virginia to initiate a Master of Arts (M.A.) degree program in Media, Culture and Technology (09.0199), effective spring 2020.

DISCUSSION OF PROGRAM PROPOSALS IN THE REVIEW PIPELINE

Dr. DeFilippo introduced a report of the program proposals that are currently under review as of August 26, 2019.

ACTION ON ORGANIZATIONAL CHANGE
In attendance:
- Archie Holmes, Vice Provost for Academic Affairs

Dr. DeFilippo introduced the action on an organizational change at the University of Virginia with the establishment of the School of Data Science, and explained how this action fits the definition of a “complex” organizational change, as well as a significant reallocation of funds. Dr. Holmes of the University of Virginia described the history of the program and the how it will expand upon the institution’s current data science program.

There was some discussion about the coordination between the School of Data Science and other schools at the University of Virginia, as well as how data literacy touches both the technical and ethical aspects of the university’s research mission. Dr. Holmes also described some other potential organizational changes in the pipeline and future collaborations with other institutions.

On motion by Dr. Ramsey, seconded by Ms. Webb, the following resolutions were approved unanimously to be forwarded to the full Council:

**BE IT RESOLVED** that the State Council of Higher Education for Virginia approves the establishment of the School of Data Science at the University of Virginia, effective September 18, 2019.

**ACTION ON PRIVATE POSTSECONDARY EDUCATION INSTITUTIONAL CERTIFICATION**

Dr. DeFilippo introduced the action on private postsecondary educational certification for the University of Reston. He explained that they intend to seek SACS-COC accreditation and have sufficient funds to operate. There was some discussion about the structure of the university staff and the type of students who would be recruited by the institution, which would mostly consist of those with F-1 visas.

On motion by Ms. Webb, seconded by Dr. Ramsey, the following resolutions were approved unanimously to be forwarded to the full Council:

**BE IT RESOLVED** that the State Council of Higher Education for Virginia certifies University of Reston to operate a degree-granting postsecondary institution in the Commonwealth of Virginia, effective September 17, 2019.

**ACTION ON REPORT OF AUDIT (VUST)**

Dr. DeFilippo introduced the action on report of audit for Virginia University of Science and Technology and described the new guidelines recently adopted by Council. He explained that in its most recent audit, two of the three triggering criteria to begin the Administrative Process Act Procedures required to effectuate revocation of its certification to operate in Virginia were found. VUST has yet to receive accreditation, although the institution claims to have begun the process.

There was some discussion about the wording of the resolution originally proposed by staff, which was amended to the language below. There were questions regarding the
timeline leading to potential revocation, including an informal fact-finding conference or how the institution could enter into a consent agreement.

On motion by Ms. Webb, seconded by Dr. Atkins, the following resolutions were approved unanimously to be forwarded to the full Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia authorizes staff to pursue Administrative Process Act Procedures required to effectuate revocation.

BRIEFING ON UNIVERSITY OF VIRGINIA’S COLLEGE AT WISE DEGREE ESCALATION

Dr. Donna Henry gave a presentation to the committee on the University of Virginia’s College at Wise’s plan for degree escalation. She described the objective to enhance and expand access to higher education in Southwest Virginia in order to serve the region and meet local demand. Dr. Henry explained that the college’s first step would be to provide a master’s in education, which would improve the teacher preparation pipeline in the region.

UPDATE ON GRADUATE OUTCOME SURVEY

Dr. DeFilippo introduced Dr. Jim Ellis, Director of Design and Methodology, Survey and Evaluation Research Laboratory, Center for Public Policy, L. Douglas Wilder School of Government and Public Affairs at Virginia Commonwealth University. Dr. Ellis gave a presentation to the committee with an update on the Graduate Outcome Survey. There was some discussion about the focus groups and the design phase, as well as the issue of increased funding for the project.

REPORT OF THE STAFF LIAISON TO THE COMMITTEE

Dr. DeFilippo briefly reported on staff activities and achievements.

ADJOURNMENT

Mr. Ampy adjourned the meeting at 3:04 p.m.

__________________________________
Kenneth Ampy
Chair, Academic Affairs Committee

__________________________________
Ashley Lockhart
Staff, Academic Affairs
State Council of Higher Education for Virginia
Agenda Item

Item: Academic Affairs Committee #A3 – Action on Programs at Public Institutions

Date of Meeting: October 28, 2019

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:

Purpose of the Agenda Item: The purpose of this agenda item is to present a new degree designation for Council approval or disapproval, in accord with Code of Virginia § 23.1-203 (5).

Background Information/Summary of Major Elements:

New Degree Designation for the Virginia Polytechnic Institute and State University:

Master of Engineering (M.Eng.) in Computer Science and Applications (CIP: 11.0101)

Presented for Council consideration is Virginia Tech’s request to add the M.Eng. degree designation to its existing Master of Science M.S. in Computer Science and Applications. The addition of a degree designation is normally delegated to staff, as this kind of action (e.g., B.S. to B.A., M.S. to M.A.) typically involves minimal resource commitment and curricular change. The current request, however, entails a major commitment of program resources in Northern Virginia, and therefore staff has determined that it rises to the level of an initiative that should receive action by Council.

Financial Impact: Annual recurring costs for the new degree will rise from $2.89 million in 2019-20 to $13.99 million in 2023-24, with one-time equipment costs of $21.45 million over that time period. These costs will be funded by tuition revenue and Tech Talent Investment Fund monies, and are consistent with funding requests made by Virginia Tech through the Tech Talent process.

Timetable for Further Review/Action: N/A
Relationship to Goals of the Virginia Plan for Higher Education: Council’s consideration of new degree programs for approval or disapproval is related to Goals 2 and 4 of the Virginia Plan:

- Optimize Student Success for Work and Life
- Advance the Economic & Cultural Prosperity of the Commonwealth & its Regions

Resolution:

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to the Virginia Polytechnic Institute and State University to offer the degree designation Master of Engineering (M.Eng.)—in addition to the existing Master of Science (M.S.)—in Computer Science and Applications (CIP: 11.0101), effective spring 2020.
Virginia Polytechnic Institute and State University
Master of Engineering (M.Eng.) Degree Designation in Computer Science and Applications (CIP: 11.0101)

Background
Virginia Polytechnic Institute and State University (Virginia Tech) is requesting approval to add the Master of Engineering (M.Eng.) degree designation to its existing Master of Science (M.S.) in Computer Science and Applications. The proposed new degree designation would be located in the College of Engineering, Department of Computer Science, and would be initiated Spring 2020.

The purpose of the new M.Eng. in Computer Science and Applications is to prepare graduates with the depth of knowledge and skills needed for mid-level, professional computing technology positions. The M.Eng. degree is designed to be professionally-oriented, implementation-focused, and to target specialized areas for depth of knowledge. Graduates will be prepared to advance in their current information technology role or seek a position in the field that requires a targeted computer science knowledge and skillset such as software development, artificial intelligence, or computer security. Graduates will be prepared to design, implement, improve, and monitor computing applications and software systems.

The proposed M.Eng. will be the first programmatic initiative in response to the Commonwealth’s commitment to provide targeted professional education for the Amazon partnership. It is expected, however, that program graduates will obtain employment in a full range of private and public settings in Virginia and elsewhere. The demand for graduates with the indicated skill set in Virginia alone is beyond the capacity of any single program.

Curriculum
The proposed M.Eng will require 30 credit hours and a capstone project. The curriculum will provide students with foundational computer science core courses and applied computer science core courses. In the foundational courses, students learn about sorting, searching, hashing, and advanced tree structures and algorithms. Students gain an understanding of ethical frameworks and how to apply those within the field of information technology in the research sector, industry, or both. Applied coursework allows students to choose a specific area in which to learn targeted knowledge and skills in greater depth. Six focus areas have been developed in response to specific industry needs:

- Computer Security
- Data Analytics and Machine Learning
- Software Engineering
- Human-Computer Interaction
- Artificial Intelligence

The capstone course will require students to apply prior learning to create a software system. As a member of a team, students will design, develop, and implement a product
from ideation through end-user analysis. The capstone course will further build documentation, presentation, and communications skills.

**Employment Skills/Workplace Competencies**
Students who complete the M.Eng. degree designation will have the knowledge and skills needed for mid-level, professional computing technology positions. Typical job titles for graduates will include software engineer, information security engineer, software developer, computer systems engineer, computer programmer, Information Technology (IT) project manager, and data engineer.

Graduates with the M.Eng. degree designation will be able to:
- Design, test, and implement software systems and programs based on end-user needs.
- Manage computing applications and software systems (e.g., routine monitoring, upgrades, and functionality improvements).
- Solve computing system and software program problems.
- Lead the software development process throughout the lifecycle of a project.
- Conduct computing technology activities and interactions in an ethical and professional manner.

**Industry Partnership**
The M.Eng. will be offered exclusively in Northern Virginia and will become a marquee program of the Virginia Tech Innovation campus, for which the General Assembly appropriated $168 million in 2019, to support the Amazon partnership. “The campus will house master’s and doctoral level programs that dovetail with the industry’s most pressing demands. Degree programs and research opportunities will focus on computer sciences and software engineering, while offering specializations in high-demand areas, including data sciences; analytics and collective decisions; security and the Internet of Things; and technology and policy. The campus will build on the growing innovation economy in Alexandria and Arlington, anchored by the United States Patent and Trademark Office, the National Science Foundation, the Defense Advanced Research Projects Agency and now private sector companies like Amazon” (https://www.arlingtoneconomicdevelopment.com/resources/news/news-releases/northern-virginias-national-landing-selected-for-major-new-amazon-headquarters/).

**Projected Enrollment**
Projected enrollment in the M.Eng. program will greatly expand Virginia Tech’s degree production in computer science at the master’s level. In the initial year, 36 students (20 FTES) are expected to enroll, growing to 486 students (299 FTES) by the target year (2023). Degree production in the M.Eng. is expected to reach 199 by the target year, with total Virginia Tech master’s level degree production (i.e., M.S. plus M.Eng.) of 238.

**Resource Needs**
The M.Eng. will be funded by a combination of tuition revenue generated from program enrollment, general fund operating support allocated through the Tech Talent Investment Fund, and university support. The M.Eng. will require 12.13 FTE faculty
Instructional effort in 2019-20, rising to 43.25 faculty FTE by the target year of 2023-24. Annual recurring costs will rise from $2.89 million in 2019-20 to $13.99 million in 2023-24, and one-time equipment costs over that period are estimated to be $21.45 million.

**Staff Recommendation**

Based on a review of the application, staff recommends that the Academic Affairs Committee vote to approve, disapprove, or approve with condition the Master of Engineering (M.Eng.) designation in Computer Science and Applications (11.0101). If approved, adopt the following resolution and transmit it to Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to the Virginia Polytechnic Institute and State University to offer the degree designation Master of Engineering (M.Eng.)—in addition to the existing Master of Science (M.S.)—in Computer Science and Applications (CIP: 11.0101), effective spring 2020.**
State Council of Higher Education for Virginia
Agenda Item

Item: Academic Affairs Committee #A4 – Program Proposals in the Review Pipeline

Date of Meeting: October 28, 2019

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

Purpose of the Agenda Item: The purpose of this agenda item is to inform Council about degree program proposals under review by staff, in accord with Code of Virginia § 23.1-203 (5).

Background Information/Summary of Major Elements: Presented here is a table showing new degree program proposals from Virginia public institutions, as of October 4, 2019. The table shows programs in the review “pipeline” at SCHEV, including the date of submission and whether feedback has been provided to the institution.

Materials Provided:

Academic degree program proposals in the review pipeline, as of 10/4/2019.

Financial Impact: N/A

Timetable for Further Review/Action: N/A

Relationship to Goals of the Virginia Plan for Higher Education:
Council’s consideration of new degree programs for approval or disapproval is related to Goals 2 and 4 of the Virginia Plan:
- Optimize Student Success for Work and Life
- Advance the Economic & Cultural Prosperity of the Commonwealth & its Regions

Resolution: N/A
Academic degree program proposals in the review pipeline, as of 10/4/2019.

<table>
<thead>
<tr>
<th>Date Received</th>
<th>Institution Name</th>
<th>Degree</th>
<th>Title</th>
<th>CIP Code</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/7/19</td>
<td>George Mason University</td>
<td>M.S.</td>
<td>Cyber Security Engineering</td>
<td>29.0207</td>
<td>Feedback provided</td>
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<tr>
<td>8/19/19</td>
<td>George Mason University</td>
<td>Ph.D.</td>
<td>Public Health</td>
<td>51.2201</td>
<td>Under review</td>
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<tr>
<td>9/25/19</td>
<td>Norfolk State University</td>
<td>M.S.</td>
<td>CyberPsychology</td>
<td>42.2899</td>
<td>Under review</td>
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<tr>
<td>2/22/19</td>
<td>Old Dominion University</td>
<td>M.S.</td>
<td>Data Science &amp; Analytics</td>
<td>11.0802</td>
<td>Feedback provided</td>
</tr>
<tr>
<td>9/17/19</td>
<td>Old Dominion University</td>
<td>B.S.</td>
<td>Exercise Science</td>
<td>31.0505</td>
<td>Under review</td>
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<tr>
<td>5/2/19</td>
<td>Radford University</td>
<td>M.S.</td>
<td>Athletic Training</td>
<td>51.0913</td>
<td>Feedback provided</td>
</tr>
<tr>
<td>5/28/19</td>
<td>Virginia Commonwealth University</td>
<td>B.S.</td>
<td>Health Sciences</td>
<td>51.0701</td>
<td>Feedback provided</td>
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<tr>
<td>7/15/19</td>
<td>Virginia Tech</td>
<td>Ph.D.</td>
<td>Neuroscience</td>
<td>26.1501</td>
<td>Feedback provided</td>
</tr>
</tbody>
</table>
State Council of Higher Education for Virginia
Agenda Item

Item: Academic Affairs Committee #A5 – Action on Private Postsecondary Institution Provisional Certification

Date of Meeting: October 28, 2019

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: March 19, 2019
  - Action: Provisional Certification Granted

Purpose of the Agenda Item: The purpose of this agenda item is to present a new postsecondary institution for certification by Council, in accord with Code of Virginia § 23.1-219.

Background Information/Summary of Major Elements: Virginia Business College (VBC) is a new, private, nonprofit institution of higher education seeking certification to operate in Virginia at the former location of Virginia Intermont College in Bristol, Virginia. This is the second time VBC has applied for certification to operate in Virginia.

On March 19, 2019, SCHEV staff presented VBC to Council and recommended a one-year provisional certification, which Council approved. As SCHEV’s standard certification procedure requires the successful completion of a site visit prior to approval of a school’s certificate to operate, the intention of the provisional certification was to allow VBC to complete necessary repairs and renovations to the campus prior to receiving students. The granting of provisional certification under such circumstances is a regular practice, in accord with Virginia code and regulation.

Within days of Council’s provisional approval of VBC, major changes in the school leadership came to light. These changes posed a concern because they involved aspects of the school that formed the basis of the provisional certification that had been granted on March 19.

On April 10, 2019 a staff reporter at the Bristol Herald Courier contacted SCHEV for confirmation that “the owner” of VBC had fired all staff at the college including the president. SCHEV had not yet been notified of the firings.
SCHEV staff then contacted the purported president of VBC, Dr. Randall Blevins, to inquire of the reported firings. Dr. Blevins asserted that he and the rest of the staff had been forced to resign; he also reported that the entire board of directors had then resigned in protest.

These removals meant that the senior administrators and board members that SCHEV had vetted as a condition of the provisional certification were no longer affiliated with the school, thus falsifying the basis of Council’s March 19 action and casting doubt on the bona fides of the application submitted in support of that action. Furthermore, as a non-profit institution governed by a board of directors, it should not have been possible for anyone other than the board to remove the college’s existent staff. That this occurred at all called into question the legitimacy of the school’s purported governance arrangements; i.e., it suggested that an entity other than the board was exercising true control over the school.

In June, VBC announced that Dr. Gene Couch had been hired as the new president. SCHEV staff advised Dr. Couch that SCHEV was ready to begin revocation procedures, but that the school could voluntarily withdraw its certification and reapply, without prejudice, to reflect its current actual circumstances. VBC elected the latter course, and submitted a new application for certification in August.

Staff has completed its review of the new application and presents VBC again for provisional certification to operate in Virginia for one (1) calendar year. The terms of this provisional certification, detailed in the resolution, would allow the school to complete intended renovations while publicizing its anticipated opening in fall 2020. During the period of provisional certification, VBC would be allowed to advertise and receive student applications, thus beginning its introduction into the community. The institution will be prohibited from enrolling students unless and until it meets the requirements for full certification. If it fails to satisfy specified conditions within the one-year period, the provisional certification will automatically lapse. The proposed resolution empowers the SCHEV Director to confer full certification upon his determination that VBC has met all conditions.

**Materials Provided:**

Virginia Business College summary

**Financial Impact:** Virginia Business College has submitted the required certification fee to operate as postsecondary institution in Virginia.

**Timetable for Further Review/Action:** SCHEV staff will pursue a process of review and evaluation to confirm VBC’s fulfillment of all conditions specified in the resolution, on a timeline that would conclude prior to October 28, 2020. According to the resolution as proposed, the Director of SCHEV would be empowered to confer full certification upon his determination that all necessary conditions have been met prior to October 28, 2020.
**Relationship to Goals of the Virginia Plan for Higher Education:** Council’s consideration of new higher education institutions for certification is related to Goals 2 and 4 of the Virginia Plan:

- Optimize Student Success for Work and Life
- Advance the Economic & Cultural Prosperity of the Commonwealth & its Regions

**Resolution:**

BE IT RESOLVED that the State Council of Higher Education for Virginia provisionally certifies Virginia Business College (VBC) to operate a postsecondary institution in the Commonwealth of Virginia, effective immediately and for a period of one (1) year, until October 28, 2020, in accordance with the conditions enumerated below:

1. that, during the period of provisional certification, VBC shall be allowed to advertise and receive student applications, but not actually enroll or instruct students;

2. that, during the period of provisional certification, VBC shall be allowed to recruit and hire faculty and staff;

3. that, during the period of provisional certification, VBC may not collect tuition from prospective students, though it may collect initial non-refundable fees of no more than $100, as per 8 VAC 40-31-130(E) of the *Virginia Administrative Code*;

4. that, during the period of provisional certification, all publicity, advertisements, and promotional materials must include a statement that the school is provisionally certified to operate in Virginia by SCHEV;

5. that, during the period of provisional certification, no changes to the board of directors may be made without explicit approval from SCHEV;

6. that, prior to the expiration of the period of provisional certification, SCHEV staff shall conduct a final review of faculty and administrator credentials hired during the provisional certification period;

7. that, prior to the expiration of the period of provisional certification, SCHEV staff (or an assigned expert) shall conduct a review of VBC’s online platform and content as a condition to authorizing the school to offer distance education;

8. that, prior to the expiration of the period of provisional certification, VBC will provide SCHEV with proof of its non-profit status;

9. that, prior to the expiration of the period of provisional certification, VBC shall satisfy a site visit conducted by SCHEV staff demonstrating that its facilities conform to all federal, state and local building codes and that it is equipped with classrooms, instructional and resource facilities, and laboratories adequate for the size of the faculty and
student body and adequate to support the educational programs to be offered by the school;

10. that, prior to the expiration of the period of provisional certification, VBC shall submit a surety instrument in the amount of $20,000, which would be adequate to provide refunds to students in the event of school closure during the first year of operation; and

11. that VBC’s provisional certification shall lapse if the school does not satisfy conditions 6-10 by October 28, 2020; in the event of such lapse, the school may reapply for certification.

BE IT FURTHER RESOLVED that Council delegates to the SCHEV Director authority to confer full certification on Virginia Business College upon (i) SCHEV’s final review of faculty and administrator credentials; (ii) SCHEV’s final review of VBC’s online platform and content; (iii) SCHEV’s verification of VBC’s non-profit status; (iv) successful completion of the site visit by SCHEV staff; and (v) VBC’s submission of the required $20,000 surety instrument.
School Overview
Virginia Business College is a new, nonprofit institution of higher education seeking provisional certification to operate in Virginia. It will operate out of the former Virginia Intermont College location in Bristol, Virginia. The school, founded by Mr. Zhiting Zhang of U.S. Magis International Education Center Inc., has expressed the intention to complete the remaining steps to full certification in time to open in fall 2020. The institution intends to seek accreditation from the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).

School Officers
- Dr. Gene Couch, President

School Mission Statement
The mission statement of Virginia Business College is as follows:

The Virginia Business College, located in beautiful Bristol, Virginia, offers targeted bachelor’s degrees with a focus on business. The educational experience will be student centered and career focused.

Proposed Educational Programs and Credentials
Bachelor of Business Administration with concentrations in:
- Accounting
- Business Analytics
- Entrepreneurship
- Human Resource Management
- Information Technology
- Management/Leadership
- Marketing

Proposed Location
Virginia Business College will operate at the following address:

1013 Moore Street
Bristol, VA 24201

Financial Stability Indicator
Virginia Business College submitted a report Projected Accounting Budget developed by SCHEV staff. Using the information provided by the school, SCHEV staff calculated the school’s financial composite score as 3.0 out of a possible 3.0, which indicates that the institution demonstrates overall financial health, as defined by the U.S. Department of Education.

Guaranty Instrument
As there are no students enrolled, a new institution is not required to maintain a surety instrument during the period of provisional certification. Prior to being granted full certification, Virginia Business College will submit a $20,000 surety instrument.

**Evidence of Compliance**

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<tr>
<th>Virginia Administrative Code Citation</th>
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<tr>
<td>8 VAC 40-31-30</td>
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<td>8 VAC 40-31-160 (E)</td>
<td>Student Admissions Standards</td>
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State Council of Higher Education for Virginia
Agenda Item

Item: Academic Affairs Committee #A6 – Action on Private Postsecondary (PPE) Institutional Certification

Date of Meeting: October 28, 2019

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: 

Purpose of the Agenda Item: The purpose of this agenda item is to present a new postsecondary institution for certification by Council, in accord with Code of Virginia § 23.1-219.

Background Information/Summary of Major Elements: Lotus School of Integrated Professions is seeking certification to operate an institution of higher education in the Commonwealth of Virginia.

Materials Provided:
Lotus School of Integrated Professions application summary

Financial Impact: Lotus School of Integrated Professions submitted the required certification fee to operate as postsecondary institution in Virginia.

Timetable for Further Review/Action: N/A

Relationship to Goals of the Virginia Plan for Higher Education: Council’s consideration of new higher education institutions for certification is related to Goals 2 and 4 of the Virginia Plan:
  • Optimize Student Success for Work and Life
  • Advance the Economic & Cultural Prosperity of the Commonwealth & its Regions
Resolution:

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Lotus School of Integrated Professions to operate a degree-granting postsecondary institution in the Commonwealth of Virginia, effective October 29, 2019.
Lotus School of Integrated Professions
Application Summary

School Overview
Lotus School of Integrated Professions has operated as a vocational non-degree school in Virginia since 1997. It is now seeking certification to operate as an institution of higher education by adding a degree program in oriental medicine. The Lotus School of Integrated Professions has institutional accreditation from the Accrediting Commission of Career Schools and will seek programmatic accreditation from the Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM).

School Officer
Joseph Schibner IV, President

School Mission Statement
The mission statement of Lotus School of Integrated Professions is as follows:

The Lotus School of Integrated Professions (Lotus School) is dedicated to creating an environment conducive to students learning a career integrating various modalities. Students through their chosen careers are supported by Lotus School in working from a place of connectedness and oneness to benefit the profession and society.

Proposed Educational Programs and Credentials
• Certificate – Massage Therapy
• Certificate – Esthetics
• Certificate – Master Esthetics
• Combined Degree – Bachelor of Science in Health Science/Master of Science in Oriental Medicine

Proposed Location
Lotus School of Integrated Professions will operate from:

205 Van Buren Street, Suite 140
Herndon, Virginia 20170-5350

Financial Stability Indicator
Lotus School of Integrated Professions submitted a projected accounting budget developed by SCHEV staff. Using the information provided by the school, SCHEV staff calculated the school’s financial composite score as 2.9 out of a possible 3.0 for 2019, which indicates the institution demonstrates overall financial health, as defined by the U.S. Department of Education.
Guaranty Instrument
Lotus School of Integrated Professions submitted a $20,000 surety bond which is adequate to provide refunds to students for the unearned non-Title IV portion of tuition and fees for any given enrollment period in the event of a school closure, pursuant to Virginia Administrative Code section 8VAC40-31-160(I).

Evidence of Compliance

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Staff Recommendation
Based on a review of the application, staff recommends that the Academic Affairs Committee vote to approve, disapprove, or approve with condition the certification of the Lotus School of Integrated Professions to operate as a postsecondary institution in Virginia. If approved, adopt the following resolution and transmit it to Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Lotus School of Integrated Professions to operate a degree-granting postsecondary institution in the Commonwealth of Virginia, effective October 29, 2019.
State Council of Higher Education for Virginia
Agenda Item

Item: Academic Affairs Committee #A7 – Update on Graduate Outcome Survey

Date of Meeting: October 28, 2019

Presenter: Dr. James Ellis
Director of Design and Methodology
VCU Survey and Evaluation Research Laboratory
jmellis@vcu.edu

Most Recent Review/Action:
☐ No previous Council review/action
☒ Previous review/action
  Date: July 16, 2019
  Action: Council received an update on the graduate outcomes survey and discussed potential survey questions.

Purpose of the Agenda Item: The purpose of this agenda item is to inform the Academic Affairs committee of the current status of the project to conduct a comprehensive survey of graduates of Virginia public institutions, as funded by the 2019 General Assembly.

Background Information/Summary of Major Elements: The 2019 General Assembly passed an amended budget allocating $750,000 for the administration of a one-time survey of graduates of public institutions of higher education. This funding allocation was based on a request from Council for $1.25M for a survey to determine the success of Virginia graduates in securing employment, earning wages, and contributing to the civic life of their communities.

SCHEV has entered into a Memorandum of Understanding (MOU) with the VCU Survey and Research Evaluation Laboratory to conduct the survey and analyze and report on its results. Dr. Ellis will provide an update on the current status of survey design and implementation.

Materials Provided:
PowerPoint presentation will be provided at the meeting.

Financial Impact: N/A

Timetable for Further Review/Action: Continuing updates will be provided at Council meetings through July 2020.
**Relationship to Goals of the Virginia Plan for Higher Education:** The post-college outcomes survey is related to Goals 2 and 4 of the Virginia Plan:
- Optimize Student Success for Work and Life
- Advance the Economic & Cultural Prosperity of the Commonwealth & its Regions
The survey is expected to have an impact on multiple strategies related to these two goals, including the following:

**Goal 2:**
- Strengthen curricular options to ensure that graduates are prepared with the competencies necessary for employment and civic engagement
- Engage adults and veterans in certificate and degree completion and lifelong learning

**Goal 4:**
- Build a competitive, future-ready workforce for all regions
- Demonstrate the impact of higher education on state and regional economic development

**Resolution:** N/A
State Council of Higher Education for Virginia
Agenda Item

**Item:** Academic Affairs Committee #A8 - Report on Higher Education and Workforce Alignment Project

**Date of Meeting:** October 28, 2019

**Presenters:** Emily Salmon
Senior Associate for Research Investment
emilysalmon@schev.edu

**Most Recent Review/Action:**
- No previous Council review/action

**Purpose of this agenda item:** The purpose of this agenda item is to brief the committee and Council on the context that led to formation of the higher education and workforce alignment project and the expected deliverables that support The Virginia Plan for Higher Education.

**Background Information/Summary of Major Elements:** While there are many efforts in higher education, economic development and secondary education to address workforce needs, these efforts often operate in silos and rely on different data sources to identify a workforce need. In addition, a review of needs in the state often focuses on the demand for jobs and the supply of workers, but there are fewer resources available to identify workforce shortages and to assess the adequacy of higher education programs to address those shortages.

In addition, initial data analysis often identifies a high-level need in a job field, but additional research is necessary to clarify specific workforce needs. For example, recent supply and demand analyses showed a shortage in computer-science related fields. However, further research conducted by Virginia Economic Development Partnership revealed that the shortage pertained to specific occupational fields and degree programs within the computer-science field.

To assist educational institutions in determining the need for new, modified or expanded academic programs, the Commonwealth should gather and disseminate information on occupational supply, demand and shortages. Such information also could include subjective information on employer needs and educational programs. In addition to providing better information for academic program development, an entity that provides information on workforce alignment can inform policy decisions and inform workforce development, economic development and other related efforts.
Purpose and charge for the project
The purpose of the project is to improve the alignment between workforce needs and higher education academic programs to reduce occupational shortages and to support individuals as they seek meaningful careers.

Council members Katie Webb and Marianne Radcliff will report regularly to the Academic Affairs Committee on the progress of the project. SCHEV staff also will work with existing entities with knowledge of and interest in this subject, including the Governor’s chief workforce advisor.

The first phase of the project will focus on infrastructure and resources needed to better understand workforce shortages and the alignment of higher education academic programs to current and future employment demand. A second phase could focus on deeper efforts related specific skills and competencies needed across sectors.

As part of this project, SCHEV staff will:
- Identify current sources to assess supply, demand and shortages by various agencies, including the Virginia Employment Commission, Virginia Economic Development Partnership, Department of Housing and Community Development and the Virginia Department of Education.
- Identify practices in other states to support better coordination of supply, demand and workforce shortages. Several states have developed councils or assigned these tasks to existing agencies. Staff will conduct interviews with three to five states. Such interviews will identify: current state structure to support this need, amount and sources of funding; methodology for data collection and analysis; audiences that use the information; alignment of information on occupational shortages and development of higher education academic programs; and lessons learned from implementation of a state structure.
- Identify needs for supply, demand and workforce shortage data and resources: The project will identify the needs of institutions and other users of the information. This effort also will identify any required mandates or potential opportunities to use the data to support strategic funding or training based on an identified need.

Expected outcomes of this effort
As part of this effort, the following will be identified:
- Infrastructure (funding, entity and charge) to conduct supply, demand and workforce shortage analysis and serve as a resource to users of the information.
- Ways in which institutions and others can use information on supply, demand and workforce shortages, including how new program approvals, adjustments to existing curriculum, program productivity reviews and other areas identified by users.
- Examples of ways in which the information can be used for policy development and implementation at state and regional levels.
Timeline
- October-December 2019: Preliminary discussions with state agencies regarding current availability of data, initial meetings with three to five states and mapping of entities that produce supply, demand and workforce shortage data. Update provided at January Council meeting.
- January-March 2020: Assess stakeholder priorities and resource needs. Update provided at March Council meeting.
- May-June: Modify report based on input from Council members and others.
- July 2020: Present final report to Council and transmit to community, including the Governor’s Chief Workforce Development Officer.

Relationship to the Virginia Plan for Higher Education: This item relates to the goal of “advancing economic and cultural prosperity with the strategy of building a competitive, future-ready workforce for all regions.” It also fulfills one of the Council’s recently established priority initiatives, to “establish the means by which policy makers can assess, align and publicize employer demand and postsecondary education programs and graduates.”

Materials Provided: None.

Financial Impact: No estimated impact at this time.

Timetable for Further Review/Action: Council will receive updates at subsequent meetings.

Resolution: N/A
State Council of Higher Education for Virginia
Agenda Item

Item: Academic Affairs Committee #A9 – Update on Transfer Virginia

Date of Meeting: October 28, 2019

Presenters: Dr. Patricia Parker
            Project Director, Transfer Virginia
            VCCS
            pparker@vccs.edu

Most Recent Review/Action:
☐ No previous Council review/action
☒ Previous review/action
  Date: May 20, 2019
  Action: Council received a briefing on Transfer Virginia activities, in conjunction
           with its meeting with private college presidents.

Purpose of the Agenda Item: The purpose of this agenda item is to inform the
Academic Affairs committee of the current status of the Transfer Virginia initiative.

Background Information/Summary of Major Elements: SCHEV and the Virginia
Community College System are collaborating on a grant-supported project sponsored
by the Aspen Institute, “Transfer Virginia,” which seeks to improve degree completion
outcomes for transfer students through both policy and practice. Ms. Patricia Parker,
project director of Transfer Virginia, will give an update on the current status of the
project.

Materials Provided:
Presentation on Transfer Virginia.

Financial Impact: N/A

Timetable for Further Review/Action: Updates will be provided on Transfer Virginia
and other transfer-related activities periodically through 2022.

Relationship to Goals of the Virginia Plan for Higher Education:
The Transfer Virginia initiative is related to Goals 2 and 4 of the Virginia Plan:
  • Optimize Student Success for Work and Life
  • Advance the Economic & Cultural Prosperity of the Commonwealth & its Regions

Transfer Virginia is intended to have an impact on multiple strategies related to these
two goals, including the following:
Goal 2:
- Strengthen curricular options to ensure that graduates are prepared with the competencies necessary for employment and civic engagement
- Engage adults and veterans in certificate and degree completion and lifelong learning

Goal 4:
- Build a competitive, future-ready workforce for all regions

Resolution: N/A
State Council of Higher Education for Virginia
Agenda Item

Item: Academic Affairs Committee #A10 – Report of the Staff Liaison to the Committee

Date of Meeting: October 28, 2019

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
Day of Dialogue: Tackling the Teacher Shortage Challenge in Virginia (September 25)

- This program and conversation was sponsored by SCHEV and the Steering Committee for the “Addressing Virginia’s Teacher Shortage” project, which has been led by Dean Mark Ginsberg of George Mason University. The group, made up of subject matter experts, administration representatives, and budget officials, brainstormed actionable ideas to address Virginia’s teacher shortage needs, particularly as they relate to higher education and its connections with PK-12 and Virginia’s communities. A report from Dean Ginsberg’s staff is expected by year’s end. SCHEV organizing staff included Joseph G. DeFilippo and Ashley Lockhart.

Post-College Outcomes Survey Project

- SCHEV hosted the Post-College Outcomes Survey Project Advisory Committee at its offices in Richmond to discuss the summary of results from focus groups of Virginia graduates, outcomes of calls with national experts, and an updated timeline for completion (October 2). Joseph G. DeFilippo and Ashley Lockhart hosted the meetings with Jim Ellis from VCU’s Survey and Evaluation Research Laboratory (SERL). Council member Stephen Moret, also an advisory committee member, attended.

Staff Activities and Recognition

Jodi Fisler

- Attended and presented at the Debate for Civic Learning Institute at JMU (September 20-21). The event was co-sponsored by SCHEV, JMU, and VCU and brought together approximately 50 faculty members from several Virginia institutions to learn about how to use in-class debates as a strategy for developing students' civic engagement skills.
- Attended the VA Engage Fall Meeting at Radford (October 4). VA Engage is a network of faculty and staff committed to enhancing civic and community engagement among students at Virginia’s colleges and universities.

Ashley Lockhart

- Attended the “The Clery Act: Compliance and Campus Safety Operations” presentation hosted by the Virginia Tidewater Consortium for Higher Education in Norfolk, VA (September 20). The presentation by James L. Moore of the Compliance/Compatibility Operations of the U.S. Department of Education focused on aspects of the Clery Act that have resulted in difficulties for colleges and universities.
Hosted the Sexual Violence Advisory Committee at SCHEV’s offices, which identifies programs, policies, training, and education opportunities to prevent and respond to sexual violence within the Commonwealth's institutions of higher education (October 10). The meeting included conversation about forensic nursing, regional meeting updates, and a discussion of upcoming legislative priorities.

Paul Smith

- Dr. Smith was asked to participate in the Virginia Department of Education’s Workgroup on Career and Technical Education (CTE) and Dual Enrollment. The workgroup met in Richmond (August 29). This group was formed in response to House Bill 1575 of the 2019 General Assembly. The bill required VDOE to make recommendations relating to licensure qualifications for individuals employed by an institution of higher education (i) to teach career and technical education courses in a high school setting and (ii) to teach dual enrollment courses in a high school setting.

- Attended the fall meeting of the State Committee on Transfer (SCT) hosted by Radford University (September 19). The SCT consists of representatives from two and four-year institutions and is charged with developing and monitoring transfer-related policies. The committee engaged in activity-oriented small group discussions on “what transfer policy should look like in Virginia.” The discussion was facilitated by Paul Smith and Patricia Parker (VCCS) with help from HCM Strategist and the Aspen Institute.

Academic Affairs Staff:
- Dr. Joseph G. DeFilippo, Director, Academic Affairs & Planning
- Ms. Darlene Derricott, Senior Coordinator, Academic Services
- Dr. Jodi Fisler, Associate for Assessment Policy & Analysis
- Ms. Emily Hils, Academic Programs and Services Specialist
- Ms. Ashley Lockhart, Coordinator for Academic Initiatives
- Dr. Monica Osei, Associate Director for Academic Programs & Instructional Sites
- Ms. Beverly Rebar, Senior Associate for Academic & Legislative Affairs
- Ms. Sylvia Rosa-Casanova, Director, Private Postsecondary Education
- Dr. Paul Smith, Senior Associate for Student Mobility Policy & Research
STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
RESOURCES AND PLANNING COMMITTEE
SEPTEMBER 16, 2019
MINUTES

Tom Slater, the committee chair, called the meeting to order at 1 p.m. in the Digital Auditorium of the Hurley Convergence Center, University of Mary Washington, Fredericksburg, Virginia. The committee members present: Marge Connelly, Victoria Harker, Henry Light and William Murray.

The following committee members were absent: Stephen Moret.

Staff members present: Tom Allison, Lee Andes, Peter Blake, Alan Edwards, Jean Huskey, Wendy Kang, Tod Massa, Laura Osberger, Lee Ann Rung, Kristin Whelan and Yan Zheng.

Others present: Robert Lambeth, Pamela Fox and Robert Lindgren.

APPROVAL OF MINUTES

On a motion by Dr. Murray and seconded by Mr. Slater, the minutes from the July 16, 2019, meeting were approved unanimously.

ACTION ON INSTITUTIONAL PERFORMANCE STANDARDS

Dr. Huskey updated Council on the progress of Richard Bland College and Longwood University in addressing their deficiencies in the Institutional Performance Standards (IPS) measures. After an interim review by the Department of Accounts, it was determined that both institutions have made satisfactory progress, thus SCHEV staff recommends that both institutions receive certification for financial benefit for 2019-2020.

On a motion by Dr. Murray and seconded by Ms. Connelly, the following resolution was approved unanimously to be forwarded to the full Council:


Dr. Huskey also presented an interim review update for Norfolk State University and Richard Bland College on deficiencies these institutions had in the education-related performance measures. The remediation plans produced by these institutions include initiatives to address retention, completion and improve enrollment and degree projections. Both institutions believe that the changes they have implemented will produce positive results. Staff notes that these changes implemented in 2018 may take several years to impact performance measure results.
Virginia Military Institute requested exemption from Performance Measure 6 – Maintain or increase the number of in-state two-year transfers to four-year institutions. Owing to its unique mission, VMI contends that it should receive an exemption on this measure. Council recommends that staff work to establish a replacement performance measure for VMI.

On a motion by Dr. Murray and seconded by Ms. Connelly, the following resolution was approved unanimously to be forwarded to the full Council:

BE IT RESOLVED that the State Council of Higher Education approves Virginia Military Institute’s request for exemption from the requirement to meet the education-related measure to maintain or increase the number of in-state two-year transfers to four-year institutions, due to its unique mission and other exemptions the institutions previously received in code from SCHEV in the area of transfers and related initiatives, and directs staff to work with the institution to establish a replacement education-related measure.

REVIEW OF PROPOSED CHANGES TO THE DOMICILE GUIDELINES

Mr. Andes reviewed the updates to SCHEV’s domicile guidelines. He presented the draft of the Domicile Guidelines and sought input from Council members.

The updates are the result of the work of a 10-member committee comprised of representatives from public and private institutions called the Domicile Guidelines Review Committee. The purpose of the committee is to align the guidelines with the statute. The committee produce guidance on implementation of the guidelines. Most changes to the document were updated to reduce redundancy, clarify definitions and correct the eligibility for certain non-immigrant groups. SCHEV staff has distributed this draft document to all institutions and is gathering responses.

Council members asked if military guidelines were updated and if staff received advice from the military. Council requested a briefing from the Office of the Attorney General before they take action.

UPDATE ON SIX-YEAR PLAN PROCESS

Dr. Huskey updated the Council on the six-year plan process. The six-year plans were delivered by the institutions on July 1. SCHEV staff created summary reports and held 15 meetings in less than a month with representatives of the institutions and members of the Op Six. In total, the six-year-plan process resulted in eight days of meetings, 18 separate one-on-one meetings for a total of 50 total meeting hours. The Op Six and their staff have devoted over 600 person hours to the process and 125 staff members from the institutions attended the meetings. Institutional responses and final comments are due October 1 and the Op Six will respond by November.

The changes for the 2019 plans, as outlined by Dr. Huskey are as follows:
• Emphasis placed on aligning institutional goals with the goals for The Virginia Plan.
• Addition of tuition predictability plans.
• The opportunity for institutions to request a performance pilot.
• Allowance of requests for general fund support.

The summary reports were created once the institutions submitted their initial plans on July 1. The summary reports were created for the following topics:
• Tuition predictability plans.
• Education and General (E&G) nongeneral and non-E&G fee revenue information.
• Academic plans.
• Salary increase plans.
• General fund (GF) requests.
• Financial aid provided from tuition generated revenue.
• Institutional Performance Partnership Agreements (IPPA).
• New programs.
• Capital outlay projects.

Among the suggestions discussed by Council, members would like the institutions to have plans for economic downturns and plans to address efficiency. The Council also expressed concern that tuition freezes not result in a larger tuition increase in the future. The Council asked and were informed that 13 institutions volunteered for the tuition modification plan.

UPDATE ON ENROLLMENT PROJECTIONS AND DEGREE ESTIMATES

Mr. Massa updated the Council on the 10-month process of tracking enrollment projections and degree estimates for public colleges and universities prior to expected Council action at the October Council meeting.

Mr. Massa reported that this preliminary data, estimates and projections data indicate that Virginia is still on track to meeting our goal of becoming the best educated state in the country by 2030.

Total public headcount in Virginia’s public institutions will increase in the fall by 3.4%. Projections for 2018-19 – 2025-26 show an increase of annual full-time equivalent enrollment of 3.3%. Out-of-state student enrollment grew at 14% but is minimal outside of Virginia Tech, UVA and W&M.

Other data highlighted by Mr. Massa included the following:
• Undergraduate certificates will increase by 13%.
• Transfer-oriented associate degrees will increase by 8%.
• Applied/occupational associates' degrees will increase by 8%.
• Bachelor’s degrees awards will increase by 8%.
• Awards of first professional degrees will decrease by -six awards.
- Master’s degree awards will increase by 15%.
- Doctor’s degrees will increase by 8%.
- Awards of total degrees and certificates will increase by 10%.

Mr. Massa also pointed out that several institutions have enrollment that has shrunk by 5% or more. Longwood University, Radford University, University of Mary Washington and Old Dominion are among the schools that have seen a decrease in enrollment. In spite of this, Virginia has maintained a streak of growth every year since 2001.

The preliminary enrollment projections for the community colleges appear to be down, but many programs through the community colleges don’t enroll until halfway through the fall semester.

Mr. Massa provided Council members tables summarizing enrollment projections and degree estimates for each public institution. Council members requested an additional summary including all institutions. Council members asked what contributes to enrollment projections missing the estimates. The unexpectedly large increase in enrollment at Virginia Tech and increased competition from outside the state contribute to unpredictability in the enrollment data.

**UPDATE ON FINANCIAL AID REFORM STUDY**

Mr. Andes and Mr. Allison provided the Council with an update on the Financial Aid Reform study. The purpose was to discuss progress of the study and alternate financial aid funding approaches being developed by SCHEV.

The current financial aid model for the Commonwealth, the Partnership Model, was adopted in 2005-06. Since its adoption, the state contribution to need-based financial aid funding has increased from $84 million to $223.3 million. The current model leaves room for improvement. In developing new models, SCHEV is examining where the lower income students are enrolled, more detail about their background and the educational outcomes for this group. There are about 75,000 low-income (according to the FAFSA definition) in Virginia and they receive the plurality of financial aid funds, but 6% of our financial aid is spent on students who come from high-income families. The amount of unmet need in financial aid packages directly correlates to completion rates.

The committee members asked Mr. Andes and Mr. Allison to consider other approaches to aid that would target specific groups and outcomes, but would not result in a tuition price increase. They also expressed interest in a financial aid model that would attract the 25,000 high school graduates who do not pursue higher education and a model that would take advantage of available capacity at institutions. Committee members encouraged staff to examine additional types of investments to reach desired educational outcomes and look at the messaging when appealing to the legislature. Members expressed interest in knowing what the additional investment in financial aid would be to reach the desired outcomes. When asked if another state has a model for Virginia going forward, Mr. Andes indicated that there are as many models as there are states. If outcomes is the measure, then Virginia is the benchmark.
The second half of the Financial Aid Reform study going forward will examine methods of how the Commonwealth awards financial aid to increase access and affordability.

**DRAFT OF BUDGET AND POLICY RECOMMENDATIONS FOR 2020-2022**

Ms. Kang reviewed the budget and policy recommendations with the committee. The budget and policy recommendations are discussed in the four following categories: systemwide operating budget, capital outlay, maintenance reserve and the Higher Education Equipment Trust Fund.

**SYSTEMWIDE OPERATING BUDGET**

Ms. Kang introduced the five keys areas of focus for the 2020-22 SCHEV budget and policy considerations:

1. Affordability
2. Access and completion
3. Talent development
4. Efficiency, effectiveness and long-term planning
5. More equitable outcomes for enrollment, completion and attainment

The areas of focus were developed over the last year through SCHEV'S work with Lumina Strategy Labs and the findings from a task force on educational attainment. SCHEV also has conducted ongoing discussions with Council, a Day of Dialogue with institutions, the six-year planning process, two Council retreats, as well as regular conversations with institutions and policy makers on Capitol Square. These preliminary considerations will provide the framework for final recommendations in October.

Areas of action and consideration regarding Affordability include the following:

- Need-based undergraduate financial aid
- Virginia Military Survivors and Dependent Education Program (VMSDEP)
- Office of the Qualified Education Loan Ombudsman
- Virginia Graduate Commonwealth Award
- Two-year College Transfer Grant
- SREB Doctoral Scholars Program
- Virginia Tuition Assistance Grant (TAG)
- Increase limit on number of out-of-state students

Areas of action and consideration regarding Access and Completion include the following:

- Guidance to Postsecondary Success (GPS)
- Broaden access to alternative delivery models for nontraditional students
- Free or low cost options at community colleges
- Institution-based efforts to support completion

The area of action and consideration regarding Talent Development focuses on growing internships statewide. Broadening the reach of the Internship Pilot Program is worth examining closer.
In the area of action and consideration regarding assessing supply and demand to support workforce alignment, SCHEV recommends:

- Better coordination between SCHEV and the Governor’s Chief Workforce Development Advisor, the Virginia Employment Commission, the Virginia Economic Development Partnership, the Virginia Board of Workforce Development and the Weldon Cooper Center.
- Periodic assessment of supply and demand to provide recommendations to align programming.
- Support the Tech Talent Incentive Program.
- Support investment in research.

The Council heard from the president of the Council of Independent Colleges in Virginia (CICV), Robert Lambeth, President Pamela Fox of Mary Baldwin University and President Robert Lindgren of Randolph-Macon College about how increasing the TAG grant to $5,000 would result in a boost in enrollment for the CICV schools, thus contributing to the access and completion goals for SCHEV. They shared information on how many Pell-eligible students the CICV schools serve. The presidents expressed concern that there are ten programs are only available at the public institutions. President Lambeth also expressed interest in participating in the Internship Pilot Program.

Areas of action and consideration regarding Efficiency, Effectiveness and Long-term Planning include the following:

- Review of costs of higher education and explore outcomes funding strategies.
- Further support reserve funding to prepare for an economic downturn.
  - Suspend Institutional Performance Standards Level II measures.

Areas of action and consideration regarding Equitable Outcomes include the following:

- Additional support for Old Dominion University’s Center for Social Mobility and Attainment.
- Coordinate with other initiatives.

Other initiatives for budget and policy considerations are as follows:

- Virtual Library of Virginia (VIVA) to help provide access to high-quality access for students and faculty.
- Commonwealth Graduate Engineering Program to expand its impact and reach throughout the Commonwealth.
- Virginia Sea Grant to provide one-year scholarships to upper-level undergraduate students in STEM programs. Establish post-graduate fellowships with state agencies.
- Credits to Careers Pilot to assist individuals with military experience convert that experience into credits.

SCHEV is considering budget recommendations of $250 million to $300 million for the 2020-22 biennium.

**CAPITAL OUTLAY**
Higher education institutions submitted 147 capital outlay project requests to the Department of Planning for 2020-2022. Using the Council Fixed Assets Guidelines, staff reviewed 123 of the project requests that have a general fund component in 2020-2022.

Eighteen of the 123 project requests that SCHEV reviewed are authorized for planning by the General Assembly or are related to funding of authorized construction. Projects in planning are expected to require approximately $767 million.

SCHEV staff, following the SCHEV Fixed Asset Guidelines and programmatic reviews from site visits and discussions with institutional experts assigned priorities in the following groups:

Priority 1: Support space needs for instruction and research, critical maintenance and other programmatic justifications.
Priority 2: Projects that do not meet space and productivity criteria in the Council’s Fixed Asset Guidelines but have some programmatic justification.
Priority 3: Projects that do not meet space and productivity criteria in the Council’s Fixed Asset Guidelines and have less immediate space and programmatic justification.
Priority 4: Non-guideline requests. No assessment is made.

The expected commitment by the Commonwealth for higher education projects is $767 million. There is a limited capacity to issue additional debt beyond 5%. SCHEV staff deferred assessing 39 new construction projects that did not fall into the priority areas. These projects would require approximately $2.4 billion in total funding.

MAINTENANCE REVIEW

A new statewide facility database, COVA Trax/M-R-Fix, is expected to be fully implemented by the end of this year. All institutions are participating by submitting their facility data into this new statewide database. After implementation, the data will be used to estimate maintenance funding. As the COVA Trax/M-R-Fix will not be available until the end of the year, staff recommends that the Council defer the determination of funding amounts to the Department of Budget and Planning this year.

HIGHER EDUCATION EQUIPMENT TRUST FUND

The Higher Education Equipment Trust Fund (HEETF) implemented with the help of an equipment allocation methodology based on institutional needs for regular inventory replacement and technology upgrades. The HEEFT addresses half of identified need, and institutional operating funds cover the other half. To continue the progress made in the 2018-20 biennium, the needs covered by HEEFT will require $73.6 million per year or $147.2 million for the 2020-22 biennium.

The HEETF model also includes funding for student use. To continue to fund computers with the aim of a 14:1 student-to-computer ratio, an additional yearly allocation of $13.1 million is needed. This policy allows for computer replacement approximately once every three years.
In 2015, on the recommendation of SCHEV staff, the Commonwealth established a pooled bond authorization to finance, over time, new or renovated facilities and equipment for research activities. This year staff calculates $27.2 million to maintain current funding levels in research.

In 2016, George Mason University was designated as a Carnegie Research (R1) University. SCHEV recommends that in addition to the research equipment allocation recommended for GMU, the governor and General Assembly consider additional support through the HEEFT to encourage the highest levels of research activities, especially in the areas of neuroscience, biomedical research, cybersecurity and information technologies.

Estimated debt service payments by institution total $13.7 million from the general fund for the traditional HEETF calculation and $4.2 million from the HEETF from the general fund for the Research HEETF calculation in FY2022, amounting to an overall total of $17.9 million in FY2022.

Council may wish to explore aligning its recommendations on HEETF allocations with other relevant opportunities, such as the Virginia Research Investment Fund, the Talent Initiative and the Commonwealth Research and Technology Roadmap.

Council expressed concern that the General Assembly could unexpectedly limit funding for HEETF long-term projects. Council suggests a robust list of short-term outlays.

MOTION TO ADJOURN

The Chair adjourned the meeting at 2:55 p.m.

______________________________
Tom Slater
Committee Chair

______________________________
Kristin Whelan
Coordinator, Executive & Board Affairs
State Council of Higher Education for Virginia
Agenda Item

Item: Resources and Planning Committee #B3 – Update on Enrollment Projections and Degree Estimates

Date of Meeting: October 28, 2019

Presenter: Tod Massa
Policy Analytics Director
TodMassa@schev.edu

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

Purpose of Agenda Item: To review and approve/disapprove the enrollment projections and degree estimates of the public and TAG-participating private colleges and universities.

Background Information/Summary of Major Elements: The enrollment projections and degree estimates are the fourth of the Council general duties:

  4. Review and approve or disapprove all enrollment projections proposed by each public institution of higher education. The Council’s projections shall be organized numerically by level of enrollment and shall be used solely for budgetary, fiscal, and strategic planning purposes. The Council shall develop estimates of the number of degrees to be awarded by each public institution of higher education and include those estimates in its reports of enrollment projections. The student admissions policies for such institutions and their specific programs shall remain the sole responsibility of the individual governing boards but all baccalaureate public institutions of higher education shall adopt dual admissions policies with comprehensive community colleges as required by § 23.1-907.

During the 2011 legislative session, The Virginia Higher Education Opportunity Act of 2011, also known as “Top Jobs for the 21st Century” added requirements for the nonprofit private institutions participating in the Tuition Assistance Grant program in § 23.1-304:

  C. To assist the General Assembly in determining the per student amount provided for in subsection A and its relation to the per student amount provided to nonprofit private institutions of higher education pursuant to the
Tuition Assistance Grant Act (§ 23.1-628 et seq.), each nonprofit private institution of higher education eligible to participate in the Tuition Assistance Grant Program shall submit to the Council its Virginia student enrollment projections for that fiscal year and its actual Virginia student enrollment for the prior fiscal year in a manner determined by the Council. The student admissions policies for such private institutions and their specific programs shall remain the sole responsibility of the governing boards of such individual institutions.

As staff have not received the final revisions from two large institutions with significant changes, action on the enrollment projections and degree estimates will be delayed until January 2020.

**Materials Provided:** N/A

**Financial Impact:** N/A

**Relationship to Goals of The Virginia Plan for Higher Education:** N/A

**Timetable for Further Review/Action:** January, 2020

**Resolution:** N/A
State Council of Higher Education for Virginia
Agenda Item

**Item:** Resources and Planning Committee #B4 – Final Action on Financial Aid Reform Study

**Date of Meeting:** October 29, 2019

**Presenter:**

Lee Andes  
Associate Director for Financial Aid  
leeandes@schev.edu

Tom Allison  
Senior Associate for Finance Policy and Innovation  
tomallison@schev.edu

**Most Recent Review/Action:**

☑ No previous Council review/action

☐ Previous review/action

  **Date:** September 17, 2019  
  **Action:** Update on progress of the review

**Purpose of Agenda Item:** This purpose of this agenda item is to present staff’s report on the review of need-based financial aid and funding allocation methodology.

**Background Information/Summary of Major Elements:**

SCHEV adopted the current financial aid funding formula, referred to as the Partnership Model, in 2005-06. SCHEV, the Governor’s office and General Assembly have used the Partnership Model as a base for all financial aid appropriations since 2005-06. Over this period, the Governor and the General Assembly have increased funding for need-based financial aid from $84.2 million to $223.3 million.

After 15 years of use, the Governor and the General Assembly, at the request of the Council, directed SCHEV to review the financial aid model. Some of the components of the model need to be refreshed and other factors that may not have been as acute in 2005-06 are more prominent today. Furthermore, the Council has asked staff to ensure that all our models complement one another and support statewide goals for access, affordability and completion.

The Appropriation Act includes the following language:

*K. 1. The State Council of Higher Education for Virginia, in consultation from representatives from House Appropriations Committee, Senate Finance Committee, Department of Planning and Budget, Secretary of Finance and Secretary of Education, as well as representatives of public
higher education institutions, shall review financial aid funding models and
awarding practices.

2. The Council shall review current and prospective financial aid funding
models including, but not limited to, how the various models determine
individual and aggregate student financial need, the recommended state
portion of meeting that need, how funding is most efficiently and effectively
allocated among the institutions, how financial aid allocations can be
aligned with other funding for higher education and how these funds are
used to address student affordability and completion of a degree. The
review shall also assess how the utilization of tuition and fee revenue for
financial aid, pursuant to the Top Jobs Act, prioritizes and addresses
affordability for low- and middle-income students.

3. By November 1, 2019, the Council shall submit a report and any related
recommendations to the Governor and the Chairmen of the House
Appropriations and Senate Finance Committees.

SCHEV staff met multiple times with institutional representatives and staff members of
the Governor’s cabinet, House, Senate, and the Department of Planning and Budget
over the last months as part of this review.

Issues and concerns to address through the review
SCHEV staff identified several issues and concerns based on input from institutions
and policy makers as part of the review, including the following:

- How can financial aid policy address access, affordability and completion?
- How should the financial aid model account for tuition increases?
- Does the financial aid allocation model appropriately allocate funds to support
  low-income students?
- To what extent should institutions use tuition revenue to provide financial aid?
- What other related efforts should the state pursue to extend the reach and
effectiveness of financial aid?

Summary of Recommendations

Recommendation 1: Refine the current model (referred to as the Partnership
Model) for determining base funding recommendations to use a combination of
student need and expected family contribution.
Since 2005, the Commonwealth has used the Partnership Model to determine
allocations to institutions for the state’s need-based financial aid programs. After
reviewing the current Partnership Model and developing other options for driving
financial aid funding recommendations - including models that focused on the full cost
of attendance, tuition and fees, and expected family contribution (EFC) - staff
recommends the following steps to refine the Partnership Model and revise the
allocation methodology:

- Improve the accuracy of the model by using the individual student’s actual EFC.
- Minimize impact of higher tuition costs on driving financial aid allocations.
- Allocate funds based on both cost and enrollment of low- and middle-income students.

These changes improve the direction of funds to institutions whose students demonstrate the most financial need. SCHEV staff will continue to monitor these improvements in the coming biennium to ensure that these changes support an increased focus on low- and middle-income students and families.

**Recommendation 2: Continue to review policies to simplify the award process.**

Staff reviewed the current institutional award policies and received input on opportunities to significantly improve the administration, communication and impact of the program. While SCHEV plans to continue to review these opportunities through the summer of 2020, staff do not recommend changing the student award process until it receives additional input to ensure soundness and efficacy of the proposal and to guard against unintended negative consequences. In the coming year, staff will explore the following topics:

- Combine the two financial aid programs into a single program.
- Adjust the minimum award requirements.
- Restrict aid to low- and middle-income students.
- Restructure the incentives designed to encourage student progression to graduation.
- Provide institutions with additional award flexibility while maintaining accountability in prioritizing low- and middle-income students and families.

**Recommendation 3: Provide additional criteria for use of tuition revenue used for aid and combine with another program that offers similar aid to students.**

Tuition revenue used for aid provides additional financial aid for participating institutions, although at varying levels of efficiency. Both low- and high-cost institutions benefit from redirecting tuition revenue but for different reasons. In Virginia, where the state has high tuition, but provides higher amounts of aid compared to other states, the use of tuition revenue is a natural strategy to increase financial aid.

SCHEV does not recommend a roll back from current practice without replacing the lost financial aid, as it would result in a net negative impact on students. Instead, staff recommends the following:

- Continue to monitor tuition revenue used for aid as reported annually in the six-year plan process to allow reviewers to assess and provide feedback regarding an increase in the percentage.
- Implement increased transparency by publicly reporting the amount of tuition revenue being used for financial aid.
- Authorize institutions to use a portion of tuition revenue to fund emergency awards for low-income students facing unique expenses that threaten their continued enrollment.
Combine the existing Unfunded Scholarships Program (§23.1-612) with the policies pertaining to using tuition revenue for financial aid.

Staff note that the Unfunded Scholarship program, authorized by §23.1-612, is closely related to redirecting tuition revenue as it also represents a loss of tuition revenue that can be used for operating expenses. Merging the two programs would simplify how institutions and the state track the loss of tuition revenue.

SCHEV can implement the first two bullets in the upcoming biennium without legislation. For the remaining two, SCHEV staff will explore the necessary code and budget language adjustments and determine if the changes should occur in the upcoming or the 2021 General Assembly session.

Recommendation 4: Continue to expand outreach to improve student’s preparation for higher education.

While a financial aid funding policy can have an active role in access, affordability, and completion, other higher education policies can provide stronger support for these principles; therefore, staff recommends the following:

- Support current college access programs.
- Create on-line resources to help students better understand higher education finances.
- Support Free Application for Federal Student Aid (FAFSA) completion programs.
- Connect eligible students with other social services.

Access programs can encourage and provide support as high school students consider their education and career future and help them find the academic, financial, and cultural “best fit” college that will enhance the student’s ability to succeed. On-line resources can help prospective students understand the appropriate role of student debt as they finance their college education. Other programs can encourage students to complete the federal FAFSA to learn how they can reduce the cost of college with student financial aid. There also are proposals to help students find social support programs designed to assist with basic living expenses so that students can focus on their education.

Materials Provided:

Financial Impact: This process does not require or create increased financial costs to the Commonwealth, SCHEV, or the institutions. The results of this review will impact policymaker decisions made on funds appropriated annually for need-based financial aid.

Relationship to Goals of The Virginia Plan for Higher Education: The financial aid funding model directly and indirectly supports the following goals and strategies found in The Virginia Plan.

Provide Affordable Access for All
Strategies:
- Improve the college readiness of all students
- Cultivate affordable postsecondary education pathways for traditional, non-traditional and returning students
- Align state appropriations, financial aid and tuition and fees such that students have broader access to postsecondary education opportunities regardless of their ability to pay

Optimize Student Success for Work and Life

Strategies:
- Provide effective academic and student services infrastructures focused on persistence and completion
- Increase on-time completion of certificates and degrees

Timetable for Further Review/Action: Council action is needed in order to meet the November 1, 2019 report deadline.

Resolution:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the final report on the Review of Financial Aid Funding Formulas and Awarding Practices and directs staff to proceed with the recommendations contained therein.
State Council of Higher Education for Virginia

Agenda Item


Date of Meeting: October 28, 2019

Presenter: Wendy Kang
Director of Finance Policy and Innovation
wendykang@schev.edu

Most Recent Review/Action:
☐ No previous Council review/action
☒ Previous review/action
   Date: September 17, 2019
   Action: The Council reviewed preliminary budget recommendations.

Purpose of Agenda Item:
The purpose of this agenda item is to review budget and policy considerations that the Council will recommend to the Governor and General Assembly for the 2020-22 biennium.

Background Information/Summary of Major Elements:
The SCHEV budget and policy considerations for 2020-22 focus on four key areas:
   1. Affordability
   2. Access and completion
   3. Talent development
   4. Efficiency, effectiveness and long-term planning

These priority areas emerged over the last year as the result of several factors. Notably, SCHEV’s work with Lumina Foundation’s Strategy Labs has led to the development of a strategic finance plan for Virginia. Earlier this year, the Council released the findings and recommendations from a task force on educational attainment. In addition, Council members and staff have been involved in ongoing discussions, including a one-day convening with institutions in March; meetings with institutions through the six-year planning process; two Council retreats; and regular and routine conversations with institutions and policy makers around Capitol Square.

In addition the considerations also include a focus on improving equity for minority race/ethnicity, low-income and adult students and regions of the state with low levels of educational attainment. It also focuses on biennial budgeting to support institutional planning and provide more stable and predictable funding.

Materials Provided:
The following report describes funding strategies in each of these areas for Council consideration.

**Financial Impact:** The proposed general fund budget recommendations total approximately $212.4 million for the biennium. This is slightly higher than the Council’s recommendations for the 2018-20 biennium.

**Relationship to Goals of The Virginia Plan for Higher Education:** The budget and policy recommendations relate to all goals of The Virginia Plan.

**Timetable for Further Review/Action:** Staff will incorporate any changes resulting from the October meeting and transmit the recommendations to the Governor and the General Assembly.

**Resolution:**

WHEREAS, higher education and the attainment of a credential or degree contributes to greater individual and regional prosperity, including increased earnings, improved economic growth, greater levels of community engagement and improved health outcomes.

WHEREAS, Virginia's public higher education system ranks as one of the best in the country when considering factors such as graduation rates, average net price, low loan default rates and high return on investment, it is a status that must be preserved and nurtured,

WHEREAS, The Virginia Plan for Higher Education, the statewide strategic plan for the Commonwealth, focuses on placing Virginia as the best-educated state by 2030

WHEREAS, Virginia’s higher education system is a shared responsibility of the state, institutions and students and parents to reach the highest level of performance and accountability

WHEREAS, budget recommendations for the 2020-22 biennium focus on addressing the statewide needs of affordability, excellence, access, success, talent development, efficiency, effectiveness and planning, now therefore,

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the Budget and Policy Recommendations for the 2020-22 biennium.
SCHENV DRAFT BUDGET AND POLICY CONSIDERATIONS FOR THE 2020-22 BIENNIIUM

SUMMARY

Postsecondary education, whether it involves attainment of an industry certification or an advanced degree, contributes to state and regional prosperity and to the success and well-being of individuals. It also is associated with increased earnings, economic growth, greater levels of community engagement and improved health outcomes.

The Virginia Plan for Higher Education, the Commonwealth’s statewide strategic plan, sets an objective to make Virginia the best-educated state by 2030. This objective focuses on increasing the degree and credential attainment rate from 54% of the working-age population to 70%, thereby meeting workforce demands and improving the well-being of individuals and communities.

To become the best-educated state, the Commonwealth needs to ensure its system of higher education is accessible, affordable and aligned with workforce needs. Over the years, Virginia has made significant gains in the capacity and quality of its system of higher education. It now ranks as one of the best in the country when considering factors such as graduation rates, average net price, cost per degree, low loan default rates and return on investment.

While these improvements are notable, Virginia faces challenges to meet the 70% attainment goal. This includes lower enrollment and completion rates by Hispanic, African-American and low-income students – populations that are expected to grow in the coming years – and raises a concern related to equity in our higher education system. Other challenges include Virginia’s high tuition and fees compared to other states combined with below national average state investment per student; lower than average faculty salaries when compared to peer institutions; and shortages in high-demand areas that require a postsecondary credential.

In the 2018-20 biennium, the Governor and General Assembly invested over $285 million in Virginia higher education – a historical and notable reinvestment. General fund appropriations for Educational and General Programs (the primary operating funds for colleges and universities) increased 11.2% between FY 2018 and FY 2020. This increased investment also raised the percentage of state support for in-state undergraduates of calculated costs three percentage points from 45% to 48%. While this remains below the 67% target, it marks an improvement from recent years. The estimated general fund cost to make up this difference is approximately $668 million.

The additional funding in the current biennium included efforts to improve affordability and increase quality. As a result, tuition charges remained at last year’s levels, students received more financial aid and faculty and staff received raises. In addition, the Governor and the General Assembly adopted many of the finance policy recommendations the Council advanced in 2018-20 biennium, including the option for institutions to establish reserve funds and setting limits on increases in non-Educational and General Program fees.
For the 2020-22 biennium, the Council's budget and policy recommendations continue to focus on preserving and enhancing access, affordability and quality. The recommendations are informed by the following: analysis of national and state data trends related to costs, financial aid, access and completion; review of 6-year plans and performance pilot agreements submitted by institutions; an understanding of the current state budget environment; and ongoing discussions with state policymakers to identify key areas of interest for the state. Through this information gathering SCHEV organized the recommendations to improve the system in four strategic goal areas:

- **Affordability and excellence:** Recommendations focus on efforts to support growth in operational costs at the institutions with the expectation that additional support will lower the impact of tuition and fee increases; growing need-based financial aid for low- and middle-income students; and increasing the Tuition Assistance Grant program to students attending private, nonprofit institutions. They also consider funding to support faculty and staff salaries to allow institutions to be competitive and recruit top talent and for the state to consider alternative revenue sources through additional out-of-state enrollments.

- **Access and success:** Recommendations focus on improving information and resources available to students; substantially increasing funding for Virginia’s community colleges; and investing in institutional efforts to improve access and completion.

- **Talent development:** Recommendations focus on expanding the impact of the newly established statewide innovative internship program, supporting investment in instruction-related and research equipment; increasing funding to support the Tech Talent Investment Program; and establishing an ongoing review of supply and demand to further align institutional programs with workforce shortages.

- **Efficiency, effectiveness and planning:** Recommendations focus on opportunities to support more stable tuition and fees growth in the coming years. This includes a review of costs and funding models and considering options to allow institutions and the state to save for a potential economic downturn through reserve funding and other strategies.

In addition, SCHEV includes recommendations for other areas of support that primarily include SCHEV agency operations budget requests and other requests through shared service initiatives.

The table on the following page provides an overview of the Council budget recommendations. The remainder of the report provides detailed data for each goal area.
Overall, the funding recommendations approximately $212.4 million for the biennium (excluding estimates for the Tech Talent Investment Program).

Two cross-cutting components to the recommendations include a focus on equitable outcomes and biennial budgeting. For equity, the Council staff considered how each budget recommendation supports and improves outcomes for student groups that are not enrolling and completing at the same rates as other populations. This includes minority race/ethnicity, low-income and adult students and individuals in certain regions of the state with low attainment rates. In order to achieve The Virginia Plan’s goal of having 70% of Virginians holding a postsecondary degree or credential, it is essential that we work to close these gaps in access, completion and attainment.

Virginia has worked closely with the Lumina Foundation through its strategic finance plan and recent visits to the state to help SCHEV and leaders understand the value of closing equity gaps. SCHEV plans to continue this partnership with Lumina to guide its work and expects to increase efforts in this area through a potential two-year grant.

For the biennial budgeting, the funding recommendations in the second year build on increases in the first year and recognize the full impact of the budget over the two years.
This allows institutions to plan for more than one year which leads to improved tuition predictability for students and families.

**OVERVIEW OF SCHEV OPERATING BUDGET AND POLICY RECOMMENDATIONS**

The SCHEV budget and policy recommendations are provided through four major goal areas of affordability and excellence; access and success; talent development; and efficiency, effectiveness and planning. It also includes recommendations for other areas of support. The following five sections address each topic. Each section includes a summary of strengths and challenges for the area to support the recommendations. Additional data and analysis by institution are included in the appendices to support the recommendations and are referenced in the sections.

**SECTION 1: AFFORDABILITY AND EXCELLENCE**

To ensure our system is accessible and equitable for low- and middle-income students and families, the Commonwealth invests in need-based financial aid. In addition, it also provides support to institutions to keep overall tuition and fees as low as possible. Institutional funding is provided through what is known as Educational and General (E&G) programs. These operational costs include salaries and benefits for faculty and staff, operations and maintenance of buildings and other nonpersonal services. Virginia provides a higher amount of financial aid compared to other states, but it also has higher tuition and fees. The higher tuition is accompanied by lower than average state support per full-time equivalent student (FTE). The following table includes a summary of strengths and challenges in the area of affordability and excellence and includes summary recommendations to improve affordability and excellence.

<table>
<thead>
<tr>
<th>AFFORDABILITY and EXCELLENCE</th>
<th></th>
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<tbody>
<tr>
<td><strong>Strengths/Opportunities</strong></td>
<td><strong>Challenges/Threats</strong></td>
</tr>
<tr>
<td>• Low average net price (discount after aid) at several institutions</td>
<td>• Ranked 13th among states for highest tuition and fees</td>
</tr>
<tr>
<td>• Higher than average student financial aid compared to other states</td>
<td>• Ranked 37th among states for average state support/student</td>
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<tr>
<td>• Leveling off of student debt</td>
<td>• Variability in state support</td>
</tr>
<tr>
<td>• Lower tuition and fee increases in recent years</td>
<td>• Faculty salaries low compared to peer institutions (34th percentile)</td>
</tr>
<tr>
<td>• Low faculty to staff ratios</td>
<td>• Public concern of ongoing growth of college costs</td>
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**Recommendations**

- Keep tuition increases low by supporting operating costs
- Support faculty and staff increases if the state implements pay raises
- Invest in need-based financial aid
- Support alternative options for students through the Tuition Assistance Grant
- Consider other revenues sources in funding determinations
Keep tuition increases low by supporting operating costs at public institutions

Two primary factors determine growth in institutions’ tuition and fees: (1) changes in costs and (2) changes in state funding. The following recommendations attempt to align these two factors by providing estimates for increases in some costs and by providing funding options to support those costs with the anticipation that the added support would be reflected in lower tuition and fee increases than otherwise would occur.

Estimating costs

As part of the September Council meeting, SCHEV staff presented cost scenarios that included various assumptions of growth of total expenditures ranging from 2% to 3.5% per year based on various assumptions. The scenarios also included an estimated increase on just nonpersonal services. These assumptions focused on in-state undergraduates and the impact on tuition and fees.

After receiving input from stakeholders, SCHEV developed a cost scenario based on increases to nonpersonal services and operations and maintenance of new facilities coming online. While this assumption does not include salaries, which are a major component of institutional costs, SCHEV supports salary increases as an important component to recruiting and retaining high quality staff and in keeping faculty and staff ratios low. However, SCHEV also notes that a decision by the state to fund faculty and staff salaries is part of a larger funding decision that would apply to all state employees.

Faculty Salaries: If the General Assembly and Governor agree to fund statewide salary increases, SCHEV recommends that faculty salaries increases consider the Commonwealth funding goal that the average salary of teaching and research faculty (T&R) at a Virginia institution should be at or above the 60th percentile of its national peers.

Based on the national faculty salary data for FY 2019, SCHEV estimates that the average salary of Virginia teaching and research faculty will rank at 34th percentile at baccalaureate institutions in FY20 when factoring state authorized faculty salary increase and assuming peer salary increases by 2.7% - a 3-year national annual average increase in faculty salaries in FY20. In the event the Governor and the General Assembly provide funding for a statewide salary increase, one option would be to appropriate funds for faculty salary increases based on the peer group comparison. Under this approach, institutions that are further away from the 60th percentile would get larger increases than others. Under such a model, faculty salary increases in each year of the biennium would range from 2% to 5%. Suggested rates by institution are included in Appendix A. An estimate of the general fund cost associated with these increases is $160 million for the biennium.

Nonpersonal Costs: Nonpersonal costs are based on an estimated growth of 2% over the total revenues of general fund and non-general fund revenues from institutions’ FY20 activity-based budget submitted to the Department of Planning and Budget. It then applies a 3-year average ratio of nonpersonal expenditures to total expenditures.
The total cost estimate for nonpersonal service increases is $62.7 million for the biennium.

**Operations and maintenance (O&M):** New facilities coming online represent an additional cost increase to institutions. Based on a SCHEV survey of new facilities coming online, 38 new facilities across the institutions will begin operating in the next biennium. The estimated total cost increase for new O&M is $29.4 million for the biennium.

**Other cost considerations-base adequacy:** Another area of review that SCHEV conducted relates to base adequacy. Base adequacy is a calculation to estimate the “basic operations and instruction funding need of each public institution of higher education,” as defined by the Higher Education Opportunity Act of 2011 – or the base costs of education.

Each year SCHEV staff calculates the costs for each institution’s funding need and compares these costs to the total expected revenues to support students. Institutions that fall below the calculated costs are recommended for additional funding. No public institutions are expected to fall below the base adequacy calculations for the biennium. Eastern Virginia Medical School, which is included in the calculations, will be below costs by an estimated $4.4 million. The analysis is available in Appendix A.

**Estimating the General Fund share to keep tuition and fees low**

The total cost of Educational and General (E&G) programs is shared primarily between the state general fund and tuition and E&G fees. Typically, the more state general fund an institution has, the lower its tuition and E&G fees will be.

To determine the state share for this set of recommendations, SCHEV staff applied a variable rate of state support based on an institution’s mission and market. This approach aligns with the Council’s interest to consider funding variations based on institution. The proposed fund split is based on the percentage of low-income students (using an estimate of the percentage of Pell Grant recipients) at an institution. This approach recognizes that institutions that serve higher percentages of students with financial need have less flexibility to increase tuition and fees. It also provides greater flexibility to institutions that have more capacity in the market to increase tuition.

The state goal to support calculated costs of in-state undergraduate students is 67%. Currently the state is below this goal with a state average of 48%. Council recommends that funding to support institutions should include the minimum goal amount of 67% and increase up to 80% based on institutions percentage of Pell Grant recipients. The table in Appendix A provides the percentage range. SCHEV staff then adjusted the overall institution general fund and non-general fund (representing graduates and out-of-state students) splits based on this change. The adjusted split is then applied to the nonpersonal and operation and maintenance costs.

By applying these assumptions, staff estimates that the total cost for the biennium would be $18.0 million in general fund for FY 2021 and $32.3 million in general fund FY
2022 for a total of $50.3 million for the biennium. Expected costs by institution are provided in Appendix A as well as expected non-general fund amounts.

In their six-year plans, most institutions estimated that with no new general fund, they might increase tuition by approximately 3% to 8%, depending on the institution. (A few institutions projected higher figures based on unique factors.) Institutions ultimately will set tuition increases based on a multitude of factors, including a current assessment of the market, mission alignment, enrollment levels, general fund appropriations and estimated institutional costs.

By providing the amount of general fund included in this recommendation, SCHEV staff estimates that tuition increases will be between approximately 1% and 2% lower than they would be otherwise. The impact varies by institution.

If the Commonwealth wishes to extend a tuition freeze for another year, then the legislature, the Governor’s office and institutions would need to consider costs in addition to those included in this recommendation. Common cost drivers include faculty and staff salaries, strategies to improve access and completion and other institution-specific costs. If policy makers wish to pursue a freeze, then SCHEV will be available to assist with determining the costs.

**Invest in financial aid to students**

As mentioned earlier, keeping tuition and fees low is one path to affordability for Virginians. While this strategy applies to all students, it comes at a higher cost to the state than one that balances investments between general institutional support and specific need-based financial aid for students.

This approach provides for lower tuition and fees for students with greater financial need and supports The Virginia Plan goal of providing greater access and completion for underrepresented students. The following information includes funding recommendations to address affordability while also meeting other priorities of the state.

**Undergraduate need-based student financial aid**

In 2019, the General Assembly directed SCHEV to review financial aid allocations and award policies, including tuition revenue used for aid. This review primarily focuses on the state’s need-based financial aid program, the Virginia Financial Assistance Program (VSFAP). Over the summer of 2019, staff worked with a committee of representatives from various levels of state government and public institutions.

After reviewing the current model for allocating state aid to institutions (known as the “Partnership Model”) and developing other options for driving financial aid funding recommendations - including models that focused on the full cost of attendance, tuition and fees and expected family contribution (EFC) - staff recommends revisions to the allocation methodology. The proposed changes, which are reflected in the recommended allocation for the 2020-22 biennium, aim to meet the following goals:
- Improve the accuracy of the model by using the individual student’s actual EFC.
- Minimize impact of higher tuition costs on driving financial aid allocations.
- Allocate funds based on both cost and enrollment of low- and middle-income students.

For more information on the identified concerns and recommended changes, please refer to the related agenda item.

**Recommended allocation**

After projecting the direct and indirect costs for the biennium and adopting the changes outlined in the review, staff calculated the institutions’ aggregated unmet need. SCHEV staff then based the allocation recommendations on two criteria: 1) the average unmet need of the institution and 2) the number of students with a low expected family contribution, which recognizes and encourages enrollment of low-income students.

SCHEV staff chose to base its recommendations on average unmet need in order to better account for severity of student need. Using percent of total aggregate need, as in previous years, potentially under-emphasizes the high unmet need for individual students, essentially treating five students with only $1,000 in unmet need the same as one student with $5,000 in unmet need. By using average unmet need and setting a $5,000 threshold for public four-year and $2500 for public two-year institutions, the funding model focuses on those institutions whose students have high levels of individual need.

SCHEV staff will continue to study the allocation model, including the potential of setting long-term funding and outcome goals based on institutions’ average unmet need. As a reference, the cost to buy down the 100% of the unmet need beyond the averages of $5,000 and $2,500, would cost a total of $364.8 million, or $141.5 million more than the 2019-20 allocations.

For the 2020-22 biennium SCHEV recommends a total increase of $45.2 million, with approximately two-thirds driven by the average unmet need allocation and one-third driven by the expected family contribution allocation. To determine the amount for average unmet need, staff set the threshold of average unmet need at $5,000 at the four-year institutions. Institutions whose average unmet need exceeded this threshold are funded at 15% of the difference. For the two-year institutions, staff set a minimum threshold of $2,500, with 10% of the difference funded by the Commonwealth.

For the expected family contribution allocation, staff assigned amounts based a student’s expected family contribution. Students attending baccalaureate institutions with $0 in expected family contribution are assigned a value of $350, with the value decreasing as expected family contribution increases.

The sum of these two allocations results in the total allocation recommendation. These thresholds can be adjusted accordingly if the overall funding availability is changed. The table in Appendix B provides the funding amounts by institution.
Virginia Military Survivors and Dependent Education Program (VMSDEP):
The VMSDEP provides assistance to Virginia’s veterans who have made significant personal sacrifices, including loss of life (KIA), liberty (POW or MIA), or “limb” (90% or more disabled as result of service) by waiving tuition and required fees and providing a stipend to their dependents. Usage of the program is difficult to forecast as it is subject to sudden increases and decreases, but the Commonwealth would want to avoid underfunding and not fulfilling its promise to these veterans.

The program moderated during the past several of biennia; however, in FY 2019 participation increased by a near historic high of 13.6%. Current funds remaining from FY 2019 are sufficient to cover projected expenditures for FY 2020: however, SCHEV staff estimates that additional funding of $750,000 for FY 2021 and $1.1 million for FY 2022 is needed to cover a potential 15% annual increase in usage.

Office of the Qualified Education Loan Ombudsman
While not a direct aid program, the Office of the Qualified Education Loan Ombudsman serves as a resource to student loan borrowers who have difficulty with their loans. The General Assembly established the office within SCHEV in 2018. Another responsibility for the office is to administer an education course that enables students to make more informed borrowing decisions. This fall, after completing a request for proposals to secure a vendor to administer the education course, staff determined that current funding levels are insufficient to contract with a full-service, turn-key proposal.

To fully implement a full-service, professional-grade course, staff estimates that it would require $100,000 for initial start-up costs and $50,000 annually to administer the course and increase outreach to individuals. Lower-cost options are available but would reduce quality, be more labor-intensive to design and maintain and possibly require data storage costs. In the interim, SCHEV plans to implement a minimal-cost solution through the development of handouts and in-house developed videos until a longer-term solution becomes available.

Virginia Graduate Commonwealth Award
While most of the attention on affordability is focused on undergraduate enrollments, graduate programs are also critical to the economic health of the Commonwealth. The Graduate Commonwealth Award is a program is designed to better position the institutions to attract and support the best students for their graduate programs (the institution can decide whether to award based on need or merit criteria).

The program last received an increase in appropriations in FY 2018 award year when the Governor and the General Assembly added $1.3 million (6.1% increase). To account for increased tuition, improve ability to attract outstanding students and promote economic growth, staff recommends that the graduate financial aid for research institutions be increased by $1 million in FY 2021 and $1.5 million in FY 2022. Appendix B includes recommended graduate aid award amounts by institution.
Support alternative options for students through the Virginia Tuition Assistance Grant Program (TAG)
TAG provides an opportunity for students to consider enrollment into one of Virginia’s private non-profit colleges and universities. It provides students more options and supports institutions that complement and relieve pressure on public colleges and universities. While not a need-based program, it serves a large number of low- and middle-income students. Over the last two biennia, the Governor and the General Assembly have increased the maximum undergraduate award from $3,100 to $3,400. From 2018-19 to 2019-20, the Governor and the General Assembly increased total funding for the program from $65.8 million to $71.1 million, or 8%.

TAG institutions expressed a concern that the recent tuition freeze at public institutions could place these institutions at a competitive disadvantage. The TAG institutions seek an increase of the average award for full-time students of $1,000, from $3,400 to $4,400. The cost of each additional $100 for TAG is approximately $2 million, therefore a $1,000 increase would require an additional $20 million per year.

Staff estimates that the impact of the tuition freeze on the purchasing power of the Tuition Assistance Grant is approximately $175. This is based on 1) an estimate of the per-student cost “savings” to a student attending a public institution a historic comparison of the TAG award to the general fund appropriation per full-time-equivalent in-state undergraduate student at public baccalaureate institutions. To recognize the impact of the tuition freeze, staff recommends that TAG be increased, as a starting point, $175 in each year of the biennium. In addition, based on the recommended general fund increases for public institutions, staff recommends that the TAG award be increased by another $100 in FY 2021 and $150 in FY 2022. The net effect of this recommendation would be to increase the award to $3,675 in FY 2021 and $3,725 in FY 2022. It would be the largest increase in the program since 2013-14. This increase will require an additional $5.7 million in FY 2021 and $7.8 million in FY 2022.

Consider other revenue sources in funding determinations
The options provided for financial aid and tuition moderation do not consider other funding sources that institutions may have to generate revenues to support in-state students. One source includes revenues generated from enrollment of students from outside of Virginia. These students pay higher tuition, which institutions use to improve quality for all students and reduce tuition pressures for in-state students. The Appropriation Act currently limits the percentage of out-of-state students institutions can enroll. The limitation currently affects four institutions: James Madison University, The College of William and Mary, University of Virginia and Virginia Tech. Several of these institutions indicated an interest to pursue higher percentages of out-of-state enrollments as part of their Performance Pilot proposals, authorized by legislation passes last year.

In 2018 and 2019, SCHEV recommended that institutions that meet approved enrollment projections for in-state undergraduate students and have the capacity to increase out-of-state enrollments have the flexibility to enroll more such students. Council also observed that enrollment of more out-of-state students could be beneficial.
in meeting high-demand workforce needs, supporting institutional excellence and expanding economic prosperity in the Commonwealth.

If institutions are granted greater flexibility to enroll out-of-state students, then the state may wish to consider how general fund support be allocated among institutions to recognize the increased revenues from out-of-state students. To address this issue, SCHEV has proposed budget language that the Governor and the General Assembly could use as a starting point for modifying the current limits on out-of-state enrollments. It could be included in the Appropriation Act on a pilot basis to see the extent to which institutions choose to exercise this option and what impact it has on other institutions, state needs and other factors. The proposed language states:

Section 4-2.01b.2  
e) Institutions that meet enrollment projections for in-state undergraduate students approved by the State Council of Higher Education for Virginia may exceed the nonresident limit so long as the institution continues to address statewide focus areas of access, affordability, completion, excellence, talent development and equity. The state may consider the additional revenues generated beyond nonresident costs in state funding decisions and determine expected outcomes for institutions that exceed the limit.

SECTION 2: ACCESS AND COMPLETION

To reach the state’s 70% attainment goal by 2030, higher education must be accessible to all students, and it must work to support all students to complete once enrolled. While Virginia has the second highest graduation rate in the nation among public baccalaureate institutions, the system lags in enrollments and completions for some populations and at some institutions. Postsecondary enrollment rates for Hispanic, African-American and low-income individuals do not match those of the general public or of recent high school graduates, which potentially places Virginia’s goal to reach 70% attainment by 2030 at risk. In addition, while some institutions have closed gaps in their rates of completion, the overall state rates continue to lag for some students and at some institutions. This section provides recommendations to improve access and completion with a particular focus on populations with lower enrollment and completion rates through an equity focus.
**ACCESS and COMPLETION**

<table>
<thead>
<tr>
<th>Strengths/Opportunities</th>
<th>Challenges/Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Second highest public graduation rate compared to other states</td>
<td>• Lower rates of enrollment and completion by Hispanic, African-American and low-income students</td>
</tr>
<tr>
<td>• Institutional and community-based efforts offered in some areas to support access and completion efforts</td>
<td>• Insufficient awareness of the value of higher education and opportunities to pursue education beyond high school</td>
</tr>
<tr>
<td>• Improving system of student transfer between community colleges and universities</td>
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</table>

**Recommendations**
- Support access through increased awareness and support through the Guidance to Postsecondary Success (GPS) initiative
- Attract students that may not attend postsecondary education
- Provide funding for institution-based efforts that increase access and completion

**Support access through increased awareness and support: Guidance to Postsecondary Success (GPS)**

Enrollments of recent high school graduates in Virginia into postsecondary have remained relatively flat over the last five years at around 70%. In addition, this enrollment rate also is lower for people of color and economically disadvantaged students. Without a change in these enrollment rates and among geographic communities across the state, Virginia will maintain or perhaps widen its gaps in overall attainment.

In addition, regardless of where one lives in the Commonwealth, technology is demanding a higher-skilled workforce, with the greatest margin of need at the sub-baccalaureate level. These workforce demands are compelling but middle- and low-income families see the cost of higher education as a barrier to postsecondary enrollment and often lack the information and resources to navigate the complex preparation, application and financing steps to postsecondary enrollment. As a result, families, cautioned by stories of rising student debt and misinformation, call into question the once resolute value of higher education and return on investment. Other states support statewide efforts to raise awareness of postsecondary options for students and families and help them navigate the complex choices they must make to determine the right fit for their education.

The Guidance to Postsecondary Success (GPS) is a proposed initiative to respond to these concerns. It focuses on enhancing existing efforts, such as SCHEV 1-2-3 Go! – prepare, apply and pay for college awareness campaigns and events, coordinated professional development for secondary and access provider staff, increasing advising capacity in underserved high schools, supporting early college testing for students in
high school, and improving financial aid application completion activities (commonly referred to as FAFSA completion).

GPS will provide Virginians with equitable access to the necessary information, resources and experiences to help ensure enrollment and completion of a valued credential to become more engaged citizens. The multi-pronged approach is aimed at one destination – increasing postsecondary enrollment, particularly for low and middle incomes students and minority race/ethnicity students. SCHEV recommends $1.5 million in FY 2021 and $1.8 million in FY 2022 for this initiative. Staff notes that a coordinated effort with the Virginia Department of Education is required to successfully implement this initiative and supports funding and coordination across the agencies to achieve this goal.

Attract students that may not attend college and who are less likely to complete
In addition to more awareness and support for students to make decisions, Virginia also will need to enroll more students who traditionally may not plan to attend college and ensure they complete a credential to meet the expected workforce demands by 2030. There are several demonstrated strategies that can support increased enrollment and completion. Staff recommends funding in three areas to support this effort.

Invest in community colleges to attract and support completion of individuals in skilled trades
Based on work through Lumina Foundation Strategy Labs to develop a strategic finance plan for Virginia, SCHEV staff identified a gap in the supply of skills gained in sub-baccalaureate degrees and certificate programs. Recognizing this need, the finance plan calls for an increased investment and focus on producing more certificates and associate degrees.

A potential barrier to enrollment in these degree and certificate areas is the high tuition at Virginia’s public associate-degree granting colleges – currently, the 8th highest in the nation. Over the last several years, community college enrollments have declined in Virginia and nationally, especially among low-income students. To help attract students who may not consider college as an option, Virginia could explore policies to considerably reduce or eliminate tuition, fees and books for students. Many states have launched initiatives through community colleges to address workforce needs, support low- and middle-income students and improve affordable career pathways through postsecondary education.

Areas of focus for an investment could include students pursuing programs in high-demand occupations, dual enrollment and other programs of need in the state. Focus areas should include policies that incentivize completion, such as providing larger awards for full-time enrollment and for low-income students to afford expenses beyond tuition and fees, such as books, transportation and other living expenses.

While there are many approaches the state could implement, SCHEV supports this needed investment. Approaches could be offered through credit or non-credit programs with an increased investment in both operations (to improve student services, support
completion and keep tuition and fees low) and increased financial aid (to increase access for low- and middle-income students). SCHEV recommends $20 million in FY 2021 and $30 million in FY 2022 to support community colleges.

**Broaden access to alternative delivery models for nontraditional students**

To address concerns of limited access to affordable postsecondary opportunities for students who may not live close to a college or for students who are not able to attend college during the timeframes that courses are offered, the state may wish to expand the availability of options in this area. While there are many online options for students, the majority are offered through higher cost private and sometimes for-profit institutions.

The General Assembly created the Online Virginia Network to address completion of a degree and promote online opportunities to students. Many other states have invested in online programs to support great access and completion. To continue to support this effort, additional funding could be provided in the form of aid to students that plan to participate in OVN or related online programs. If the focus is on completion, then aid could target students who are within a certain threshold of credits needed to graduate.

Another approach that could focus on students who are less mobile and live in areas without a nearby college or university is to provide aid to students to enroll in programs offered through nearby higher education centers and online institutions.

While SCHEV does not provide a formal funding recommendation, if any additional investments are made in this area, then SCHEV recommends that the state develop expected outcomes and targets and report annually on progress.

**Invest in institution-based efforts to support completion**

As part of the six-year plan process, SCHEV asked institutions to submit proposals that improve completion and post-graduate success. The proposals fall into four themes:

1. Student career and academic development
2. Affordability
3. Experiences connecting students to the campus
4. Staff professional development and re-alignment of processes

Between the six-year plans and the Institutional Performance Pilot proposals submitted, institutions requested approximately $30 million per year to support success in these areas. Of these requests, institutions also included requests for financial aid. Since SCHEV provides additional funding recommendations in the student aid section this lowers the total amount. Funding requests in this area could be prioritized based on institutions with lower completion rates and low expenditures per student to enhance the level of services provided and increase completion. SCHEV staff recommends support for institutional-based efforts in this area of approximately $20 million per year, with half coming from the state general fund and half coming from non-general funds.

As part of this funding amount, one area of increased focus is to consider support for awareness building and best practices for access and completion through the Center for Social Mobility. Virginia must not only increase educational attainment rates, but must also close the gaps in the differing rates of attainment that exist across its
population and its regions. Currently, Virginia’s low-income college student graduation rates are 20% below high-income students and 12% below middle-income students. In response to these statistics and the charge to fulfill its mission as an accessible public institution, Old Dominion University established a Center for Social Mobility. It has gained recognition as a national resource and hosts the National Social Mobility Symposium.

Old Dominion University created the Center to educate higher education leaders on social mobility. The Center addresses both access and completion through examining organizational structures, removing barriers and developing student success strategies that lead to degree completion and employment after graduation. With additional support, the center can increase its services to include technical assistance, reports and professional development events for institutions in Virginia and for the state in assessing its progress toward closing equity gaps.

SECTION 3: TALENT DEVELOPMENT
Students attend college for many reasons, but a primary motivating factor is the ability to secure a good job. Moreover, Virginia has a strategic interest in ensuring its investments in postsecondary education aligned with the needs of tomorrow’s workforce to keep Virginia economically competitive. The Commonwealth and institutions have invested in and increased support for talent in Virginia. This includes the commitment of over $1 billion to support tech talent in computer science related degrees, increased investment in STEM-H and additional growth in this area, and funding for and implementation of internships. While these serve as strengths, the Commonwealth faces challenges in terms of additional shortages in certain sectors, the need to improve information available to further align workforce shortages. The following table includes a summary of strengths and challenges related to talent development with recommendations to improve in this area.
TALENT DEVELOPMENT

<table>
<thead>
<tr>
<th>Strengths/Opportunities</th>
<th>Challenges/Threats</th>
</tr>
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<tbody>
<tr>
<td>• Commitment of $1 billion to meet tech talent initiative to support increased need for graduates in computer science and related degrees.</td>
<td>• Shortages in many employment sectors, such as health care, teaching, computer science and skilled trades.</td>
</tr>
<tr>
<td>• Increase in the percentage of graduates in STEM-H related fields and funding support in these areas</td>
<td>• Insufficient information to identify and report workforce shortages is lacking</td>
</tr>
<tr>
<td>• Alignment of bachelor’s teaching programs to address teacher shortage</td>
<td>• Graduates leaving Virginia at higher rates</td>
</tr>
<tr>
<td>• Funding and implementation of new innovative internship partnership program and non-degree credentials through the New Economy Workforce Credential Grant</td>
<td>• Expected shortages in sub-baccalaureate credentials (associate degrees, certificates and industry certifications)</td>
</tr>
</tbody>
</table>

Recommendations

Grow high-quality internships statewide
Grow the Tech Talent Investment Program to reach legislative commitment
Support investment in instructional and research
Assess workforce shortages to better align higher education

Grow high-quality internships statewide

Internships and other forms of work-based learning present one pathway for the Commonwealth of Virginia to achieve the goals of meeting current state and regional workforce needs and supporting regional economic growth and diversification plans by attracting and retaining talent in the Commonwealth, enhancing the job readiness of students, enhancing higher education affordability and timely completion for Virginia students, and furthering the objectives of increasing the tech talent pipeline.

After an initial appropriation to SCHEV for an internship grant competition in 2018, the 2019 General Assembly expanded the effort and created the Innovative Internship Fund and Program (Va. Code § 23.1-903.4). The purpose of the program is to expand paid or credit-bearing student internships and other work-based learning opportunities in collaboration with Virginia employers. The program comprises institutional grants and a statewide initiative to facilitate the readiness of students, employers and institutions of higher education to participate in internship and other work-based learning opportunities.
SCHEV launched the statewide initiative in spring 2019 with the creation of a Policy and Employer Advisory Panel, exploration of existing strategies from Virginia and elsewhere for successful investments in internship and other work-based learning opportunities, regional meetings of internship coordinators at businesses and institutions of higher education and discussions with entities that are successfully operating internship programs.

After receiving input from several areas, the panel identified a goal to place Virginia as the best state for internships. To do so, the panel established the following objectives: ensure that all students enter an internship prepared with the basic work skills to learn how to apply classroom learning to the workplace; ensure that all employers are prepared to hire and support paid interns; and ensure that all institutions support experiential learning, including internships, as an integral (not extra) part of a student’s education.

Many institutions are increasing efforts in this area and several mention additional resource needs in their state budget requests and through their Performance Pilot proposals. In addition, private, nonprofit institutions receiving the Tuition Assistance Grant expressed an interest to participate in the growth of this program as many employers expressed an interest for interns regardless of what school they attend.

The current Appropriation Act includes $700,000 for SCHEV to develop and implement the Innovative Internship Program. To implement the statewide program at scale, continue to support institutional interests in this area and expand to institutions participating in the Tuition Assistance Grant program, SCHEV recommends increasing this fund by $300,000 in FY 2021 and $1.3 million in FY 2022.

**Grow the Tech Talent Investment Program to reach the legislative commitment**

Another initiative that supports talent development is Tech Talent Investment Program, approved by the Governor and the General Assembly in 2019. The initiative will increase the number of graduates in computer science and related programs by at least 25,000 over the next 20 years. The investment in computer science and related graduates was a significant part of the proposal state officials made to attract Amazon to Virginia. It also will benefit employers across the state that are in need of individuals with these skills. The FY 2020 budget includes $16.6 million for this purpose. This program is expected to need an addition support annually to support the growth in these needs. The additional funding amounts will be determined as the Governor and General Assembly staff continue to work on MOUs this fall.

**Support investment in instructional and research**

In 2000, the Council established an equipment allocation methodology for the Higher Education Equipment Trust Fund (HEETF) based on institutional needs for (1) regular inventory replacement and (2) technology upgrades. Appendix provides tables related to recommendations for HEETF.

A 9-year replacement cycle, issued for instructional and research equipment, is applied to the current institutional equipment inventories in the Educational and General
programs of Instruction, Research and Academic Support. The HEETF addresses half of the identified need and institutional operating funds cover the other half. To continue the progress made in the 2018-20 biennium with updating institutional equipment inventories, the annual replacement need to be covered by the HEETF will be $78.8 million per year or $157.6 million for the 2020-22 biennium (see Appendix C, Table 2 for detailed information for each institution).

The HEETF model also includes funding for computers for student use. The Council established a goal of providing 7% of full-time equivalent students with a microcomputer. In 2000, this rate was considered adequate to accommodate students’ needs for access to computer resources. Since then, allocations have been sufficient to maintain this level of coverage. To continue supporting the 14:1 students-to-computer ratio at a cost of $1,800 per computer, an additional allocation of $13.1 million per year is needed. This policy allows for computer replacement approximately once every three years.

In 2015, SCHEV staff recommended that the Commonwealth establish a pooled bond authorization to finance, as needed and over time, new or renovated facilities and equipment for research activities. This year, using the methodology for equipment funding based on research equipment replacement; staff calculates $22.2 million to maintain current funding levels in research.

If funding is limited, in addition to the research equipment allocations in Table 2, SCHEV recommends that the Governor and General Assembly prioritize additional funding for George Mason University, Old Dominion University and the Virginia Institute of Marine Science, as the percentage of their HEETF research allocations are below amounts comparable to their research expenditures.

Estimated debt service payments by institution total $13.7 million from the general fund for the traditional HEETF calculation and $3.4 million from the general fund for the Research HEETF calculation in FY2022, amounting to an overall total of $17.1 million in FY2022 (see Appendix C, table 3 for a breakdown by institution).

In addition to recommending additional funds for research equipment through the Higher Education Equipment Trust Fund, SCHEV also remains committed to the mission of the Virginia Research Investment Committee. While it is possible that VRIC will undergo some changes in the 2020 General Assembly session, it will remain focused on translating university research to the market. A recent review highlighted the need for additional investment to support the following areas: improving university capacity for commercialization; focusing on strategic domain areas, as reflected in the Commonwealth Technology Strategic Roadmap; developing statewide entrepreneurial resources; and organizing around objectives and accountability. While SCHEV offers no specific recommendation at this time, staff believes that these initiatives could be a good use for one-time funds.

**Assess workforce shortages to better align higher education**

SCHEV, and the Commonwealth in general, have tremendous reserves of publicly available data related to supply and demand. However, these data are not always...
available in forms that readily support strategic decisions by institutions, policymakers, businesses and economic developers. Having staffing resources with expertise to assess current and future workforce demand and potential shortages by sector, occupation help the Commonwealth and institutions better plan demand in programs and student skills.

SCHEV staff proposes two collaborative efforts to improve workforce alignment. The first is to better coordinate among multiple entities that already produce data and have expertise in this area. This includes the Governor’s Chief Workforce Development Advisor, the Virginia Employment Commission, the Virginia Economic Development Partnership, the Virginia Board for Workforce Development, the Weldon Cooper Center. Second, SCHEV proposes to periodically assess supply and demand to determine existing shortages by sector, occupation and skills to determine additional programming at institutions that may be needed.

SCHEV is working on a project to explore this options and supports additional efforts by the Governor and General Assembly to ensure that higher education and other providers of education and workforce services have access to resources and subject matter expertise to support short- and long-term planning.

SECTION 4: EFFICIENCY, EFFECTIVENESS AND PLANNING

In order to ensure stable tuition and fees for students and families, the Commonwealth should explore alternative approaches to keep the growth in costs minimal while maintaining excellence in our higher education system. A recent review of Virginia’s public higher education system shows that the state has a lower than average cost per degree compared to the national average and similar state systems and is ranked first in the nation by SmartAsset when reviewing metrics such as low faculty to student ratios, average net price, average earnings and graduation rates. While these rankings are positive, the Commonwealth faces challenges when state funding fluctuates (which may occur if the state institutes funding cuts if an economic downturn occurs), a lack of consensus by policymakers and institutions on measures of efficiency and faculty salaries that fall below peer institution averages. The following table summarizes these strengths and opportunities for this area and provides recommendations for the biennium.
**EFFICIENCY, EFFECTIVENESS AND PLANNING**

<table>
<thead>
<tr>
<th>Strengths/Opportunities</th>
<th>Challenges/Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Lower than average cost per degree</td>
<td>• Potential economic downturn</td>
</tr>
<tr>
<td>• #1 ranked system of higher education in the nation</td>
<td>• Lack of agreement on measures of efficiency and effectiveness</td>
</tr>
<tr>
<td>• Recent limits placed on growth of non-education and general fees to contain costs at no more than 3% annually</td>
<td>• Lack of clarity on expected institutional performance relative to state needs</td>
</tr>
<tr>
<td>• Allowance of institutions to carry over up to 3% general fund education related allocations for reserve funding</td>
<td>• Competitive faculty salaries but lower than institutional peers</td>
</tr>
<tr>
<td></td>
<td>• Growing demand for operational support and maintenance for classrooms, libraries and laboratories</td>
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</tbody>
</table>

**Recommendations**
- Review costs of higher education and explore outcomes based funding
- Suspend Institutional Performance Standards for Level II Measures
- Further support reserve funding to prepare for an economic downturn

**Review costs of higher education and explore outcomes funding strategies**

The state currently provides general operation support to institutions based on their expected base costs (base adequacy) and the number of in-state students attending the institution. This estimate differentiates cost based on program type, faculty type and instructional costs, but it does not differentiate based on the types of students served, the potential additional costs to serve underrepresented students. While there is an efficiency component implied in this model, Virginia does not formally define or measure efficiency and effectiveness of its higher education system, yet policymakers question increased costs. In addition, other states have implemented outcomes-based funding models and the General Assembly passed legislation in 2019 to develop performance pilots with institutions.

SCHEV could review of cost models, measures of efficiency (see additional details below) and expected outcomes for the use of state funds to further align with state needs. This review could follow a process similar to the current financial aid study.

As part of this review process, SCHEV also could undertake a more formal review of efficiency and effectiveness develop an inventory of successful efforts, both to highlight existing efforts and to identify solutions that can be more widely applied. For instance, the University System of Maryland created an effectiveness and efficiency work group to improve efficiency in four areas: cost avoidance, cost savings, revenue and strategic reallocation. Over the course of a decade, the working group’s efforts yielded $356 million in cumulative savings. Also, the National Association of College and University
Business Officers’ (NACUBO) Economic Models Project developed a tool to assist chief business officers and other college and university leaders explore new models to ensure financial sustainability. Through convenings webinars and other means, SCHEV can elevate these and other resources. The Commonwealth could also contract outside consultant to provide an objective, comprehensive “efficiency and effectiveness” review of structures, processes, policies and outcomes in public institutions and state government generally. The expected cost to conduct this review is $150,000 annually or $300,000 for the biennium. The following is recommended budget language:

Page 199, about line 4, after “The Council shall report its findings and provide a status report on the implementation of the policy and process changes to the House Appropriations and Senate Finance Committees by December 1, 2018”, delete existing language in item K and insert:

K. 1. Out of this appropriation, $150,000 from the first year and $150,000 from second year from the general fund is designated to support related costs of undertaking a review of higher education costs, funding needs, appropriations and efficiencies.
2. The State Council of Higher Education, in consultation with representatives from House Appropriations Committee, Senate Finance Committee, Department of Planning and Budget, Secretary of Finance and Secretary of Education, as well as representatives of public higher education institutions, shall review methodologies to determine higher education costs, funding needs and appropriations in Virginia. The review shall identify and recommend: (1) methods to determine appropriate costs; (2) measures of efficiency and effectiveness; (3) strategies to allocate limited public resources based on outcomes that align with state needs related to affordability, access, completion and workforce alignment; (4) the impact of funding on underrepresented student populations, and (5) a timeline for implementation.
3. The review shall build on existing efforts including the assessment of base adequacy, recommendations provided through the Strategic Finance Plan developed by Lumina Strategy Labs, and peer institutions comparisons and determine if existing funding models though be updated or replace. It shall also build on promising and include input from Virginia’s institutions, policy makers and other education experts.

Suspend Institutional Performance Standards Level II measures
Level II institutions (as defined by the Restructured Higher Education Financial and Administrative Operations Act of 2005) are required to adopt at least one education-related measure for each area of expanded operational authority. Some of these measures have been in place for almost ten years.
During the 2018 General Assembly session, a budget amendment modified language in § 4-9.02.b to remove these measures from the Institutional Performance Standards (IPS) certification process. However, the institutions continue to report results for these performance measures even when they are not tied to performance funding. Staff recommends that these measures be suspended through 2020-2022 as SCHEV reviews the performance assessment process for these measures. It should be noted that Level III institutions, that have more expanded authority, do not have a similar requirement related to education-related performance measures.

The following is proposed budget language:

§ 4-9.02.b LEVEL II AUTHORITY

Page 656, paragraph b., at the end of the paragraph, after "Virginia." insert:

“The development and administration of education-related measures described in paragraph b. and in § 23.1-1003 A.3. is suspended through 2020-2022.”

Further support reserve funding to prepare for an economic downturn

Our public system of higher education has faced 11 state budget reductions in the past 20 years, and tuition for in-state undergraduate students has risen, in part, in an effort to offset these cuts. Supporting additional funding reserves in a time when the economy is strong allows Virginia to prepare for the next economic downturn and protecting growth in tuition and fees.

In 2018, institutions of higher education were authorized to establish an institutional reserve fund supported by any unexpended education and general appropriations of the institution at the end of the fiscal year. Institutions can carry over education and general unexpended balances to establish and maintain a reserve fund in an amount not to exceed three percent of their general fund appropriation for educational and general programs in the most recently-completed fiscal year. Any use of the reserve fund requires approval by the Board of Visitors of the affected institution, and the institution shall immediately report the details of the approved plan for use of the reserve fund to the Governor, the Secretary of Education, the Secretary of Finance and the Chairmen of the House Appropriations and Senate Finance Committees.

While an institution can carry over up to 3% of its general fund appropriation, this amount only covers a portion of an institution’s expenses. To enhance stable funding further, the state could: (1) allow that the 3% of reserve funding also apply to non-general funds as well as general fund; (2) establish a statewide reserve fund for higher education or (3) further support funding for the state’s rainy day fund and emphasize that funds should prioritize higher education. Funding to support the reserve could come from a combination of state and institution funds.

SECTION 5: OTHER INITIATIVE AREAS

While the following initiatives also meet the primary statewide goal areas, they primarily include funding for consortium and shared service approaches to areas including library services and open text-books to reduce costs through the Virginia Library of Virginia
(VIVA) and the Common Graduate Engineering Program (CGEP). A list of their requests is included below.

Virtual Library of Virginia (VIVA)
VIVA is the academic library consortium of Virginia, serving 72 of the non-profit academic libraries, including all 39 public colleges and universities, 32 independent universities, and the Library of Virginia. Through cooperative and shared collection development, resource sharing, open and affordable programs, education and training opportunities, and strategic initiatives, VIVA directly supports academic institutions across the state in providing access to high quality academic resources for students and faculty at Virginia institutions.

The program seeks funding in four priority areas:

- **Priority 1**: Sustain current collections and provide support for emerging disciplines and formats. ($800,000 in FY 2021 and $1 million in FY 2022)
- **Priority 2**: Expand the statewide initiative for open and affordable course content in Virginia ($500,000 in FY 2021 and FY 2022)
- **Priority 3**: Support for the VIVA private non-profit institutions through a pooled funds program with matching provided by nonprofit institutions ($100,000 in FY 2021 and FY 2022).
- **Priority 4**: Statewide digital access to journal archives ($1,000,000 in FY 2021 and FY 2022).

The VIVA requests total approximately $5 million for the biennium. SCHEV staff recommends continued support of this shared service model.

Commonwealth Graduate Engineering Program
The Commonwealth Graduate Engineering Program (CGEP) is a consortium of six Virginia universities that delivers graduate engineering education to Virginia’s scientists and engineers. The program is designed to provide an opportunity to obtain graduate degrees and certifications through a collaborative course sharing model and distributed learning technologies. The program also works directly with industry partners to determine and address workforce training needs.

CGEP submitted a supplemental budget request to SCHEV. For supplemental budget requests, the Appropriation Act directs the participating CGEP institutions to submit a request to SCHEV for review and recommendation to the Governor and the General Assembly. CGEP is requesting approximately $1.6 million for the biennium to expand offerings to meet industry needs, improve the student experience, develop and implement a shared marketing initiative, establish a more efficient and effective centralized organizational structure, and develop better evaluation and assessment data. CGEP proposes that it requires additional resources to expand the impact and reach of the program to meet the needs of students and industry’s demands for a rapidly increasing population of engineers working in Virginia.

SCHEV recommends that the funding should be split between general fund and non-general funds as is the current practice for CGEP funding at institutions. These funds
should be allocated to the participating institutions, and the combined match could be used to contract for the shared components of the program. With the estimated current splits across the participating institutions, the recommended amount is $208,000 general fund and $262,000 non-generals fund for FY 2021 and $439,500 general fund and $553,500 in FY 2022.

**Agency Initiatives**

To meet additional demands and expectations in several units, SCHEV seeks additional funding to fill critical staff vacancies. SCHEV currently has five vacant positions. Additional funding to support a one position in FY 2021 and another one position in year two will add to SCHEV’s capacity for to conduct additional analysis, increase reporting, provided additional policy development and improve program implementation. Staff members will help the agency meet the requirements of new and expanded activities, such as the increased requirements included in the six-year planning process, the implementation of the Tech Talent initiative, ongoing performance measurement, capital outlay planning, financial aid forecasting and monitoring, institutional collaboration, and other areas.

In addition, as part of an effort to modernize submissions of materials to SCHEV, including program approvals, grants and other institution requests, SCHEV seeks funding to support of an online platform to reduce the administrative burden and improve the efficiency of managing requests.

The total requested to support agency operations is $466,900 for FY 2021 and $518,800 for FY 2022.
# APPENDIX A: OPERATIONS ESTIMATES, BASE ADEQUACY CALCULATIONS AND FACULTY SALARY RANKINGS BY INSTITUTION

## Operations Estimates

<table>
<thead>
<tr>
<th>Inst</th>
<th>Total Resources 1</th>
<th>Tier based on % of Pell Recipients</th>
<th>2020-21</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Increase Nonperson al Cost 2%</td>
<td>O&amp;M Request</td>
</tr>
<tr>
<td>CNU</td>
<td>$81,419,000</td>
<td>15%</td>
<td>$301,000</td>
<td>$686,000</td>
</tr>
<tr>
<td>GMU</td>
<td>$611,185,000</td>
<td>btw 30-50%</td>
<td>$2,469,000</td>
<td>$910,000</td>
</tr>
<tr>
<td>JMU</td>
<td>$343,369,000</td>
<td>&lt;20%</td>
<td>$1,542,000</td>
<td>$887,000</td>
</tr>
<tr>
<td>LU²</td>
<td>$75,053,000</td>
<td>btw 20-30%</td>
<td>$248,000</td>
<td>$1,538,000</td>
</tr>
<tr>
<td>NSU</td>
<td>$91,824,000</td>
<td>&gt;50%</td>
<td>$287,000</td>
<td>$1,670,000</td>
</tr>
<tr>
<td>ODU</td>
<td>$314,951,000</td>
<td>btw 30-50%</td>
<td>$1,137,000</td>
<td>$970,000</td>
</tr>
<tr>
<td>RU</td>
<td>$135,082,000</td>
<td>btw 30-50%</td>
<td>$528,000</td>
<td>$354,000</td>
</tr>
<tr>
<td>UMW</td>
<td>$80,598,000</td>
<td>btw 20-30%</td>
<td>$325,000</td>
<td>$421,000</td>
</tr>
<tr>
<td>UVA</td>
<td>$762,879,000</td>
<td>&lt;20%</td>
<td>$2,044,000</td>
<td>$430,000</td>
</tr>
<tr>
<td>UVAW</td>
<td>$30,619,000</td>
<td>btw 30-50%</td>
<td>$75,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>VCU</td>
<td>$662,108,000</td>
<td>btw 30-50%</td>
<td>$3,141,000</td>
<td>$790,000</td>
</tr>
<tr>
<td>VMI</td>
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<td>$165,000</td>
<td>$165,000</td>
</tr>
<tr>
<td>VSU</td>
<td>$77,471,000</td>
<td>&gt;50%</td>
<td>$277,000</td>
<td>$152,000</td>
</tr>
<tr>
<td>VT</td>
<td>$810,134,000</td>
<td>&lt;20%</td>
<td>$3,513,000</td>
<td>$2,344,000</td>
</tr>
<tr>
<td>W&amp;M</td>
<td>$227,490,000</td>
<td>&lt;20%</td>
<td>$829,000</td>
<td>$264,000</td>
</tr>
<tr>
<td>RBC</td>
<td>$14,358,000</td>
<td>btw 20-30%</td>
<td>$59,000</td>
<td>$38,000</td>
</tr>
<tr>
<td>VCCS</td>
<td>$932,698,000</td>
<td>btw 30-50%</td>
<td>$3,934,000</td>
<td>$1,410,000</td>
</tr>
<tr>
<td>Total</td>
<td>$5,295,593,000</td>
<td></td>
<td>$20,874,000</td>
<td>$10,650,000</td>
</tr>
</tbody>
</table>

Notes:

1. Based on 2020-22 institutions’ activity-based budget.
2. Additional adjustment provided to LU to reduce impact of higher O&M for buildings coming online in the upcoming biennium.
## Estimated 2018-19 Base Adequacy/Cost of Education Funding

<table>
<thead>
<tr>
<th>Inst</th>
<th>Calculated Need</th>
<th>Available Resources</th>
<th>% Funding to Guide</th>
<th>Funding Shortfall</th>
<th>GF Share</th>
<th>GF NGF Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNU</td>
<td>$71,084,000</td>
<td>$82,280,000</td>
<td>116%</td>
<td></td>
<td>59.8%</td>
<td></td>
</tr>
<tr>
<td>GMU</td>
<td>$544,322,000</td>
<td>$621,311,000</td>
<td>114%</td>
<td></td>
<td>49.9%</td>
<td></td>
</tr>
<tr>
<td>JMU</td>
<td>$303,348,000</td>
<td>$340,270,000</td>
<td>112%</td>
<td></td>
<td>49.6%</td>
<td></td>
</tr>
<tr>
<td>LU</td>
<td>$68,990,000</td>
<td>$75,661,000</td>
<td>110%</td>
<td></td>
<td>61.8%</td>
<td></td>
</tr>
<tr>
<td>NSU</td>
<td>$65,446,000</td>
<td>$84,615,000</td>
<td>129%</td>
<td></td>
<td>50.3%</td>
<td></td>
</tr>
<tr>
<td>ODU</td>
<td>$316,917,000</td>
<td>$321,263,000</td>
<td>101%</td>
<td></td>
<td>55.8%</td>
<td></td>
</tr>
<tr>
<td>RU</td>
<td>$126,450,000</td>
<td>$134,646,000</td>
<td>106%</td>
<td></td>
<td>61.0%</td>
<td></td>
</tr>
<tr>
<td>UMW</td>
<td>$66,891,000</td>
<td>$80,939,000</td>
<td>121%</td>
<td></td>
<td>60.1%</td>
<td></td>
</tr>
<tr>
<td>UVA</td>
<td>$622,349,000</td>
<td>$767,047,000</td>
<td>123%</td>
<td></td>
<td>32.2%</td>
<td></td>
</tr>
<tr>
<td>UVAW</td>
<td>$24,815,000</td>
<td>$30,551,000</td>
<td>123%</td>
<td></td>
<td>59.8%</td>
<td></td>
</tr>
<tr>
<td>VCU</td>
<td>$608,673,000</td>
<td>$674,157,000</td>
<td>111%</td>
<td></td>
<td>49.8%</td>
<td></td>
</tr>
<tr>
<td>VMI$</td>
<td>$32,989,000</td>
<td>$35,199,000</td>
<td>107%</td>
<td></td>
<td>40.8%</td>
<td></td>
</tr>
<tr>
<td>VSU</td>
<td>$59,205,000</td>
<td>$70,648,000</td>
<td>119%</td>
<td></td>
<td>47.0%</td>
<td></td>
</tr>
<tr>
<td>VT</td>
<td>$727,672,000</td>
<td>$817,929,000</td>
<td>112%</td>
<td></td>
<td>38.1%</td>
<td></td>
</tr>
<tr>
<td>W&amp;M</td>
<td>$175,642,000</td>
<td>$226,301,000</td>
<td>129%</td>
<td></td>
<td>38.6%</td>
<td></td>
</tr>
<tr>
<td>RBC</td>
<td>$13,542,000</td>
<td>$14,352,000</td>
<td>106%</td>
<td></td>
<td>63.6%</td>
<td></td>
</tr>
<tr>
<td>VCCS</td>
<td>$847,877,000</td>
<td>$910,403,000</td>
<td>107%</td>
<td></td>
<td>62.7%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$4,676,212,000</td>
<td>$5,287,572,000</td>
<td>113%</td>
<td></td>
<td>48.7%</td>
<td></td>
</tr>
<tr>
<td>EVMS</td>
<td>$87,298,000</td>
<td>$82,925,000</td>
<td>95%</td>
<td>($4,373,000)</td>
<td>39.8%</td>
<td>$1,740,650</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,632,350</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$4,373,000</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$4,763,510,000</td>
<td>$5,370,497,000</td>
<td>(4,373,000)</td>
<td>$1,740,650</td>
<td>$2,632,350</td>
<td>$4,373,000</td>
</tr>
</tbody>
</table>

Notes:
(1) Based on projected FY19 student FTE and FY17-FY19 3-year average discipline credit hours.
(2) The blended salary is based on FY20 appropriated T&R faculty salary and FY20 FTE positions in ABB.
(3) Available resources are from FY20 ABB.
(4) GF adjustments are OCR funding at NSU and VSU, and VCCS central office (FY18 adjustment).
(5) NGF includes required funding for programs 101-40, 102 and 103 made in October 2009.
(6) Available resources are adjusted for "uniquely military" mission.
## Faculty Salary Rankings by Institution and Recommended Salary Increases if the State Supports Increases

<table>
<thead>
<tr>
<th>Institution</th>
<th>2020 Faculty Salary Percentile Ranking to Peer Institutions</th>
<th>SCHEV Recommended Salary Increase Range if the State Supports Increases</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNU</td>
<td>35</td>
<td>3%</td>
</tr>
<tr>
<td>GMU</td>
<td>4</td>
<td>5%</td>
</tr>
<tr>
<td>JMU</td>
<td>36</td>
<td>3%</td>
</tr>
<tr>
<td>LU</td>
<td>46</td>
<td>2%</td>
</tr>
<tr>
<td>NSU</td>
<td>55</td>
<td>2%</td>
</tr>
<tr>
<td>ODU</td>
<td>25</td>
<td>4%</td>
</tr>
<tr>
<td>RU</td>
<td>26</td>
<td>4%</td>
</tr>
<tr>
<td>UMW</td>
<td>31</td>
<td>3%</td>
</tr>
<tr>
<td>UVA</td>
<td>34</td>
<td>3%</td>
</tr>
<tr>
<td>UVAW</td>
<td>81</td>
<td>2%</td>
</tr>
<tr>
<td>VCU</td>
<td>29</td>
<td>4%</td>
</tr>
<tr>
<td>VMI</td>
<td>30</td>
<td>4%</td>
</tr>
<tr>
<td>VSU</td>
<td>33</td>
<td>3%</td>
</tr>
<tr>
<td>VT</td>
<td>20</td>
<td>4%</td>
</tr>
<tr>
<td>W&amp;M</td>
<td>24</td>
<td>4%</td>
</tr>
<tr>
<td>RBC</td>
<td>68</td>
<td>2%</td>
</tr>
<tr>
<td>VCCS</td>
<td>45</td>
<td>2%</td>
</tr>
</tbody>
</table>
## APPENDIX B: FINANCIAL AID RECOMMENDATIONS BY INSTITUTION

### In-State Undergraduate Need-based Aid

<table>
<thead>
<tr>
<th>Institutions</th>
<th>Average Unmet Need Under the Funding Model \FY 2019-20 Allocations</th>
<th>FY 2020-21 Increase</th>
<th>Total Funding</th>
<th>FY 2021-22 Increase</th>
<th>Total Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNU</td>
<td>$5,347</td>
<td>$5,947,187</td>
<td>$121,700</td>
<td>$6,068,887</td>
<td>$243,300</td>
</tr>
<tr>
<td>GMU</td>
<td>$7,610</td>
<td>$28,046,853</td>
<td>$3,460,900</td>
<td>$31,507,753</td>
<td>$8,517,700</td>
</tr>
<tr>
<td>JMU</td>
<td>$6,732</td>
<td>$10,529,775</td>
<td>$829,600</td>
<td>$11,359,375</td>
<td>$1,259,100</td>
</tr>
<tr>
<td>LU</td>
<td>$8,620</td>
<td>$6,769,115</td>
<td>$390,700</td>
<td>$7,159,815</td>
<td>$761,300</td>
</tr>
<tr>
<td>NSU</td>
<td>$6,662</td>
<td>$12,655,318</td>
<td>$818,100</td>
<td>$13,473,418</td>
<td>$1,632,200</td>
</tr>
<tr>
<td>ODU</td>
<td>$6,966</td>
<td>$23,309,394</td>
<td>$2,688,500</td>
<td>$25,997,894</td>
<td>$5,337,000</td>
</tr>
<tr>
<td>RU</td>
<td>$7,478</td>
<td>$10,715,455</td>
<td>$1,269,200</td>
<td>$11,984,655</td>
<td>$2,538,400</td>
</tr>
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<td>UMW</td>
<td>$5,927</td>
<td>$3,660,129</td>
<td>$231,900</td>
<td>$3,892,029</td>
<td>$463,800</td>
</tr>
<tr>
<td>UVA</td>
<td>$2,289</td>
<td>$5,805,819</td>
<td>$160,200</td>
<td>$6,966,019</td>
<td>$320,300</td>
</tr>
<tr>
<td>UVA-W</td>
<td>$6,578</td>
<td>$3,204,335</td>
<td>$201,400</td>
<td>$3,405,735</td>
<td>$402,700</td>
</tr>
<tr>
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<td>$6,495</td>
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<td>$34,070,302</td>
<td>$4,598,700</td>
</tr>
<tr>
<td>VMI</td>
<td>$1,516</td>
<td>$1,118,218</td>
<td>$13,400</td>
<td>$1,131,618</td>
<td>$26,700</td>
</tr>
<tr>
<td>VSU</td>
<td>$8,077</td>
<td>$9,147,820</td>
<td>$738,500</td>
<td>$9,886,320</td>
<td>$1,477,000</td>
</tr>
<tr>
<td>VT</td>
<td>$6,678</td>
<td>$17,810,811</td>
<td>$796,200</td>
<td>$18,607,011</td>
<td>$1,592,400</td>
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<tr>
<td>W&amp;M</td>
<td>$1,541</td>
<td>$3,924,352</td>
<td>$86,500</td>
<td>$3,990,852</td>
<td>$133,000</td>
</tr>
<tr>
<td>4-Year Total</td>
<td>$6,579</td>
<td>$174,415,263</td>
<td>$13,864,200</td>
<td>$188,279,463</td>
<td>$27,727,600</td>
</tr>
<tr>
<td>RBC</td>
<td>$4,856</td>
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<td>VCCS</td>
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<td>2-year Total</td>
<td>$2,883</td>
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<td>$1,212,700</td>
<td>$50,110,236</td>
<td>$2,425,300</td>
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<td>Grand Total</td>
<td>$4,911</td>
<td>$223,312,798</td>
<td>$15,076,900</td>
<td>$238,389,698</td>
<td>$30,152,900</td>
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### Graduate Aid

<table>
<thead>
<tr>
<th>Institution</th>
<th>FY 2020 Appropriations</th>
<th>FY 2021 Increase</th>
<th>FY 2022 Increase</th>
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<tbody>
<tr>
<td>GMU</td>
<td>$2,753,941</td>
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<tr>
<td>ODU</td>
<td>$2,710,695</td>
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<td>UVA</td>
<td>$5,327,945</td>
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<td>VT</td>
<td>$5,077,625</td>
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<td>W&amp;M</td>
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<td>Totals</td>
<td>$20,542,116</td>
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### APPENDIX C: HEETF FUNDING AMOUNTS AND ESTIMATED DEBT SERVICE PAYMENTS BY INSTITUTION

**HEETF Current FY 2020 Appropriations**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Traditional Allocation</th>
<th>Research Allocation</th>
<th>Total Allocation</th>
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<tbody>
<tr>
<td>GMU</td>
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<td>LU</td>
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<td>NSU</td>
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<td>ODU</td>
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<td>$5,345,270</td>
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<td>RU</td>
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<td>$1,744,993</td>
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<tr>
<td>UMW</td>
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<td>$655,746</td>
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<td>UVA</td>
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<tr>
<td>UVA-Wise</td>
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<td>$250,681</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>$15,000,000</strong></td>
<td><strong>$83,000,000</strong></td>
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## HEETF Recommended Allocations

**TABLE 2: 2020-22 Higher Education Equipment Trust Fund Recommended Allocation**

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<tr>
<td></td>
<td>9-Year Cycle Annual</td>
<td>Research Initiative</td>
<td>Grand Total</td>
<td>9-Year Cycle Annual</td>
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<tr>
<td></td>
<td>Replacement Need</td>
<td>Initiative (1)</td>
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<td>Replacement Need</td>
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<td>CNU</td>
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<td>VCCS(2)</td>
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1. Additional funding provided for original Commonwealth Research Initiative (CRI) institutions.
2. Includes $5 million additional recommendation to support Workforce development.
## Estimated Debt Services Payments in FY 2022

<table>
<thead>
<tr>
<th>Institutions</th>
<th>HEETF Estimated Debt Service</th>
<th>Research Initiative Debt Service (2)</th>
<th>Total Equipment</th>
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<tr>
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<td>GMU</td>
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<tr>
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<td>$314,600</td>
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<tr>
<td>UMW</td>
<td>$102,400</td>
<td>$0</td>
<td>$102,400</td>
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<tr>
<td>UVA</td>
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<td>UVA-Wise</td>
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<td>$67,000</td>
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<td>VCU</td>
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<td>$163,000</td>
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<td>VSU</td>
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<td>$199,100</td>
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<td>$33,200</td>
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<td>$32,200</td>
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<tr>
<td>NCI</td>
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<tr>
<td>EVMS</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$13,660,100</strong></td>
<td><strong>$3,427,900</strong></td>
<td><strong>$17,088,000</strong></td>
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</table>

(1) Assumes a 7-year period of debt service with the first payment made in the second year of the biennium. Estimated payments are based on the institutions’ share of the recommended total allocation for 2020-21.

(2) Additional funding provided for original Commonwealth Research Initiative (CRI) institutions.
State Council of Higher Education for Virginia
Agenda Item

Item: Resources and Planning Committee #B5.b – Action on Budget and Policy Recommendations for the 2020-22 Biennium: Capital Outlay Budget

Date of Meeting: October 28, 2019

Presenter: Wendy Kang
Director of Finance Policy and Innovation
wendykang@schev.edu

Most Recent Review/Action:
☐ No previous Council review/action
☒ Previous review/action
  Date: September 16, 2019
  Action: Staff presented the issues of maintenance reserve funding and preliminary prioritization of institutions’ capital outlay project requests to the council for discussion purposes.

Purpose of Agenda Item:
The purpose of this agenda is to present recommendations for capital outlay needs of public institutions for the 2020-22 biennium.

Background Information/Summary of Major Elements:
This item includes two issues of the capital outlay budget. One is the funding for the maintenance reserve program, and the other is the SCHEV prioritization of institutions’ capital outlay project requests.

Maintenance Reserve Program
In 1982, following the Council’s recommendations, the Commonwealth established the maintenance reserve program to provide funding for facility repairs that are not addressed in the institutions’ operating budget and are usually too small to qualify for capital outlay funding. Examples of typical maintenance reserve projects are roof repair and replacement, boiler and chiller replacement, major electrical system upgrades, etc.

The Commonwealth changed the funding source for the program from the general fund to bond proceeds in FY2009 and has increased funding for the maintenance reserve program in the past ten years. In the 2018-20 biennium, the program provided an annual funding amount of $128.6 million statewide, including $83.3 million (64.8%) for higher education. However, the program funding fell short of Council's recommendations. While funding for deferred maintenance has lagged, the Commonwealth has provided two significant capital initiatives for new construction and major renovations at the public institutions through bond proceeds over the past 20 years. This has helped improve the institutions' overall facility conditions.
In order to make meaningful funding recommendations for the maintenance reserve program, in 1999 SCHEV staff developed a ten-year maintenance reserve funding formula using institutions’ detailed information of the condition of their buildings and infrastructure assets such as the current replacement value and the deficiencies. The goal was to allow each institution to achieve a campus-wide Facility Condition Index (FCI) of “Good” over a ten-year period through a series of scheduled funding allocations. The “Good” condition represented the dollar value of deficiencies at 5% or less of the current replacement value.

These amounts were determined using a statewide facility database. However, due to the state budget shortfalls from the two economic recessions between 2002 and 2012, the Commonwealth discontinued the facility database. As a result, SCHEV did not have the data to empirically measure institutions’ facility condition nor the deferred maintenance value. SCHEV staff changed the 10-year maintenance reserve funding methodology to an annual capital renewal and reinvestment budget methodology commonly used in facility management over the total facility value for SCHEV maintenance reserve recommendations starting in 2013. The purpose of the capital reinvestment is to keep a facility in reliable operating condition for its present value and prevent further accumulation of deferred maintenance. However, with new facilities coming online and old facilities demolished or renovated over years, the total building value at an institutional has changed.

After several years of efforts, a new statewide facility database, COVA Trax/M-R-Fix, is expected to be fully implemented by the end of this year. All institutions are participating and submitting their facility data to the statewide database. However, the final data will not be available when SCHEV makes budget recommendations. Therefore, SCHEV staff proposes to continue to place a high priority on funding for maintenance reserve, but defers the determination of funding amounts to the Department of Budget and Planning this year.

In addition, staff recommends if one-time funding is available in the biennium that priority for the use of these funds be placed on support for maintenance reserve.

**SCHEV prioritization of institutions’ capital outlay project requests**

The State Council of Higher Education (SCHEV), under authority of the Code of Virginia, evaluates the public institutions’ need for academic and administrative space under its Fixed Asset Guidelines. These guidelines also address the prioritization of requests for major renovations and capital improvements. Having developed a comprehensive data collection system which captures essential information related to the level and discipline of instructional activity, the size and condition of existing facilities and the productivity with which these facilities are used, SCHEV produces recommendations for the equitable distribution of financial resources among the colleges to support their primary missions of instruction, research and public service.

The General Assembly has provided significant investment for higher education capital outlay projects over the last 20 years. Early funding for buildings focused on addressing space needs based on enrollment growth. As a result, the need for additional space has been greatly reduced. Based on 2018 actual enrollments and projected 2024 enrollments.
Only GMU and NVCC have large deficit in space (GMU 176,000 square feet and NVCC 130,000 square feet) along with five other institutions that need small instructional space for E&G programs. The 2018 space utilization report – a measure of physical productivity at institutions - showed that less than half of the institutions met their classrooms and class labs utilization standards at their campuses. However, all six doctoral institutions demonstrated research space need for a total of 939,000 square feet in 2024.

Higher education institutions submitted 147 capital outlay project requests to the Department of Planning for 2020-2022. The requests included projects for new construction, renovation, infrastructure improvements, and land acquisition. Based on the Council’s Fixed Assets Guidelines, staff reviewed 123 capital outlay project requests that have a general fund component in 2020-2022.

Of the 123 capital outlay project requests SCHEV staff reviewed, 19 projects are authorized for planning by the General Assembly or are related to equipment funding of previously authorized construction. Projects in planning are expected to require approximately $783 million. Staff listed these projects for information only in the attached document.

SCHEV staff reviewed project requests and assigned priorities based on a combination of the SCHEV Fixed Assets Guidelines and programmatic reviews from site visits and discussions with institutional experts in the following groups:

**Priority 1:** Support space needs for instruction and research, critical maintenance and other programmatic justifications.

(a) Space needs: these are projects that meet the Council’s Fixed Asset Guidelines or are considered critical to supporting the capital outlay needs of Virginia’s system of higher education.

(b) Critical maintenance: these projects focus on critical maintenance of buildings and include improvements to accessibility (ADA requirements), security and infrastructure for energy efficiency and mechanical, electrical and plumbing (MEP) systems.

(c) Programmatic justification: These are projects that address critical capital outlay needs either for maintenance or improvements to building space that support instruction, but do not meet the space need and productivity criteria under the Council’s Fixed Asset Guidelines.

**Priority 2:** These are projects that do not meet the space and productivity criteria in the Council’s Fixed Asset Guidelines but have some compelling programmatic justification.

**Priority 3:** These are projects that do not meet the space and productivity criteria in the Council’s Fixed Asset Guidelines and have less immediate space and programmatic need.

**Priority 4:** These are non-guideline requests. No assessment is made.
The Commonwealth commonly uses debt to finance capital outlay needs of the state facilities. The state has a debt capacity policy that limits the tax-supported debt to 5% of state revenues. In addition, in a presentation last November, legislative staff presented projects totaling $1.5 billion worth of projects in authorized planning phase that include higher education and other state capital needs.

With an expected commitment by the Commonwealth for $783 million in planned higher education projects and limited capacity to issue additional debt beyond 5%, SCHEV staff deferred the assessment 39 new construction project requests totaling $2.4 billion as staff gave the capital outlay funding priority to institutions that demonstrated an overall space need in either E&G space or research and to projects that support improvements to emergency and life-safety.

While these recommendations prioritize projects based on the SCHEV Fixed Asset Guidelines, Council notes that there are several projects that institutions placed as a high priority related to new construction projects in their six-year plans and through their requests to the Department of Planning and Budget. If the Governor and General Assembly wish to support projects beyond the Fixed Asset Guideline recommendations, staff recommends that these priority projects identified by institutions (ranking as one or two) be considered.

**Relationship to Goals of The Virginia Plan for Higher Education:**
Recommendations for capital align with the goal of *driving change and improvement through innovation and investment* and supports the strategy within that goal to *identify and implement public funding strategies to sustain long-term planning and responsiveness.*

**Materials Provided:** SCHEV’s Higher Education Capital Outlay Assessments for 2020-2022.

**Financial Impact:** The attachment shows SCHEV assessments and priority by institution and project.

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

**Resolution:**

BE IT RESOLVED that the State Council of Higher Education for Virginia supports additional investment in the maintenance reserve program, but defers the determination of funding amounts to the Department of Planning and Budgeting for the 2020-22 Biennium until additional data are available through the COVA Trax/M-R-Fix system.

BE IT FURTHER RESOLVED that the State Council of Higher Education for Virginia calculates a need of $824,779,216 from the general fund and $1,750,000 from nongeneral funds to support the capital outlay needs of public higher education institutions in the 2020-22 biennium.
BE IT FURTHER RESOLVED that the State Council of Higher Education for Virginia recommends that priority for debt authorization be provided for the Maintenance Reserve Program.

Summary of SCHEV Prioritization of Institutions’ Capital Outlay Project Requests

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<thead>
<tr>
<th>Priority Group</th>
<th>General Fund</th>
<th>Nongeneral Funds</th>
<th>VCBA/9(C) Debt</th>
<th>Total Requested Funding</th>
<th>Total Projects</th>
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Total General Fund Requests by Institution by and Priority Group for E&G Projects

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<tr>
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<th>Projects Already in Appropriation Acts</th>
<th>Priority 1</th>
<th>Priority 2</th>
<th>Priority 3</th>
<th>Priority 4</th>
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### Total Requested Funding by Fund and Institution for E&G Projects

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<th>VCBA/9(D) Debt</th>
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### Projects Authorized for Planning by General Assembly in Previous Appropriation Acts or for Equipment Funding of Authorized Construction

#### in 2020-2022

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<th>Project Type</th>
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<tr>
<td>GMU</td>
<td>Construct/Renovate Robinson Hall, New Academic and Research Facility and Harris Theater Site - FF&amp;E</td>
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<tr>
<td>GMU</td>
<td>Improve IT Network Infrastructure - FF&amp;E</td>
<td>Planning</td>
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<td>Renovate Jackson Hall - FF&amp;E</td>
<td>Improvements-Other</td>
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<tr>
<td>LU</td>
<td>Renovate / Expand Environmental Health &amp; Safety and Facilities Annex Building</td>
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<tr>
<td>NSU</td>
<td>Construct New Science Building</td>
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<td>Construct a New Health Sciences Building, Phase I</td>
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<tr>
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<td>Center for Innovation &amp; Education Development</td>
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<tr>
<td>RU</td>
<td>Renovate/Construct Center for Adaptive Innovation and Creativity</td>
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<tr>
<td>UVA</td>
<td>Renew Physics Building</td>
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<tr>
<td>UVAW</td>
<td>Renovate Wyllie Library</td>
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<td>VCU</td>
<td>STEM Class Lab Building Equipment</td>
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<td>Renovate Amherst &amp; Campbell Halls, Central Virginia CC</td>
<td>New Construction/Improvement</td>
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<tr>
<td>VCCS</td>
<td>Replace Diggs-Harrison-Moore Hills, Hampton Campus, Thomas Nelson CC</td>
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</tr>
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<td>Replace French Slaughter Building, Locust Grove Campus, Germanna CC</td>
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<td>VCCS</td>
<td>Construct Advanced Technology Training Center, Piedmont Virginia CC</td>
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<td>VSU</td>
<td>Demolish / Replace Daniel Gym and Demolish Harris Hall</td>
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<td>Construct Undergraduate Lab Building</td>
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<td>Supplement for Livestock&amp;Poultry Research Facilities, Phase I Equipment, FF&amp;E</td>
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</tr>
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</tr>
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</table>
SCHEV Assessment of Institutional Capital Outlay E&G Project Requests
for Project Requests with a General Fund Component in 2020-2022

SCHEV Priority 1 -- Support space needs for instruction and research, critical maintenance and other programmatic justifications.

(1.a) Projects meet the Council’s Fixed Asset Guidelines or are considered critical to supporting the capital outlay needs of Virginia’s system of higher education.

<table>
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<tr>
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<th>Request Title</th>
<th>SCHEV Priority</th>
<th>Project Type</th>
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</thead>
<tbody>
<tr>
<td>GMU</td>
<td>Renovate Science &amp; Tech I</td>
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</tr>
<tr>
<td>GMU</td>
<td>Renovate King Hall &amp; Construct New Addition</td>
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<td>New Construction/Improvement</td>
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<tr>
<td>VSU-EXT</td>
<td>Renovate Summerseat for Urban Agriculture Center</td>
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<tr>
<td>VT-EXT</td>
<td>Improve System-wide Agriculture Research and Extension Centers</td>
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<tr>
<td>Sub-Total</td>
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</tbody>
</table>

(1.b) Projects focus on critical maintenance of buildings and include improvements to accessibility (ADA requirements), security and infrastructure for energy efficiency and mechanical, electrical and plumbing (MEP) systems.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Request Title</th>
<th>SCHEV Priority</th>
<th>Project Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNU</td>
<td>Improvements: E&amp;G Infrastructure Repairs</td>
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<td>Renovate and Expand Carrier Library - 1C</td>
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<td>VSU</td>
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</tr>
<tr>
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(1.c) Projects address critical capital outlay needs either for maintenance or improvements to building space that support instruction, but do not meet the space need and productivity criteria under the Council’s Fixed Asset Guidelines.

<table>
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<th>Request Title</th>
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<td>Central Plant Capacity Expansion</td>
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<td>Stand-alone Equipment Acquisition</td>
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<td>VSU</td>
<td>Improve and Replace Technology Infrastructure</td>
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<tr>
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SCHEV Assessment of Institutional Capital Outlay E&G Project Requests for Project Requests with a General Fund Component in 2020-2022 (cont.)

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<th>Request Title</th>
<th>SCHEV Priority</th>
<th>Project Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>GMU</td>
<td>Renovate Enterprise Hall</td>
<td>2</td>
<td>Improvements-Other</td>
</tr>
<tr>
<td>GMU</td>
<td>Technology Infrastructure Improvements - Enterprise</td>
<td>2</td>
<td>Improvements-Infrastructure Repairs</td>
</tr>
<tr>
<td>GMU</td>
<td>Renovate Campus Library, Phase II</td>
<td>2</td>
<td>Improvements-Other</td>
</tr>
<tr>
<td>JMU</td>
<td>Renovate Johnston Hall</td>
<td>2</td>
<td>Improvements-Other</td>
</tr>
<tr>
<td>JMU</td>
<td>Renovate and Expand Carrier Library - 1B</td>
<td>2</td>
<td>Improvements-Other</td>
</tr>
<tr>
<td>NSU</td>
<td>Renovate and Expand Fine Arts Building</td>
<td>2</td>
<td>New Construction/Improvement</td>
</tr>
<tr>
<td>ODU</td>
<td>Campus Wide Stormwater Improvements</td>
<td>2</td>
<td>Improvements-Environmental</td>
</tr>
<tr>
<td>RU</td>
<td>Renovate McConnell Hall</td>
<td>2</td>
<td>Improvements-Other</td>
</tr>
<tr>
<td>RU</td>
<td>Improve Campus Utilities Infrastructure Umbrella Project</td>
<td>2</td>
<td>Improvements-Other</td>
</tr>
<tr>
<td>UMW</td>
<td>Alvey Hall Renovation and Repurposing</td>
<td>2</td>
<td>Improvements-Environmental</td>
</tr>
<tr>
<td>UMW</td>
<td>Renovate George Washington Hall</td>
<td>2</td>
<td>Improvements-Other</td>
</tr>
<tr>
<td>VMI</td>
<td>Repair Barracks Windows and Doors (Old and New Barracks)</td>
<td>2</td>
<td>Improvements-Infrastructure Repairs</td>
</tr>
<tr>
<td>VMI</td>
<td>Improvements to Post Infrastructure, Phase 4</td>
<td>2</td>
<td>Improvements-Infrastructure Repairs</td>
</tr>
<tr>
<td>VSU</td>
<td>Renovate and Construct Addition to Johnston Memorial Library</td>
<td>2</td>
<td>New Construction/Improvement</td>
</tr>
<tr>
<td>VSU</td>
<td>Waterproof Campus Buildings</td>
<td>2</td>
<td>Improvements-Infrastructure Repairs</td>
</tr>
<tr>
<td>VT</td>
<td>Improve Academic Efficiency and Renewal Package</td>
<td>2</td>
<td>Improvements-Infrastructure Repairs</td>
</tr>
<tr>
<td>W&amp;M</td>
<td>Renovate: Swem Library for Studio for Teaching &amp; Learning Innovation</td>
<td>2</td>
<td>Improvements-Other</td>
</tr>
<tr>
<td>W&amp;M</td>
<td>Renovate: Ewell Hall</td>
<td>2</td>
<td>Improvements-Infrastructure Repairs</td>
</tr>
<tr>
<td>W&amp;M</td>
<td>Construct: Fine &amp; Performing Arts Quarter, Phase 3</td>
<td>2</td>
<td>New Construction/Improvement</td>
</tr>
<tr>
<td>VCCS</td>
<td>Renovate Learning Resource Center, Danville CC</td>
<td>2</td>
<td>Improvements-Other</td>
</tr>
<tr>
<td>VCCS</td>
<td>Renovate Business Science Building, Enclosed Pedestrian Corridor and Bridge, Virginia Western</td>
<td>2</td>
<td>Improvements-Infrastructure Repairs</td>
</tr>
<tr>
<td>VCCS</td>
<td>Renovate Old National Guard Armory Building, Gatiney S. Lancaster CC</td>
<td>2</td>
<td>Improvements-Other</td>
</tr>
<tr>
<td>VCCS</td>
<td>Renovate Paul and Sheila Wolk Hall, Fauquier Campus, Lord Fairfax CC</td>
<td>2</td>
<td>Improvements-Infrastructure Repairs</td>
</tr>
<tr>
<td>VCCS</td>
<td>Renovate Main Academic Building, Downtown Campus, J. Sargeant Reynolds CC</td>
<td>2</td>
<td>Improvements-Other</td>
</tr>
<tr>
<td>VCCS</td>
<td>Construct Applied Technology Center/Renovate Mechanical Technology Building, Virginia Highland</td>
<td>2</td>
<td>New Construction/Improvement</td>
</tr>
<tr>
<td>VCCS</td>
<td>Construct Automotive Tech Building/Renovate Veterinary Tech Building, Blue Ridge CC</td>
<td>2</td>
<td>New Construction/Improvement</td>
</tr>
<tr>
<td>VCCS</td>
<td>Renovation of Main Academic Building, Piedmont Virginia CC</td>
<td>2</td>
<td>New Construction/Improvement</td>
</tr>
<tr>
<td>VCCS</td>
<td>Replace Buchanan and Tazewell Halls, Southwest Virginia CC</td>
<td>2</td>
<td>Improvements-Other</td>
</tr>
</tbody>
</table>

Total Priority 2: 31
SCHEV Assessment of Institutional Capital Outlay E&G Project Requests
for Project Requests with a General Fund Component in 2020-2022 (cont.)

**SCHEV Priority Group 3 – These are projects that do not meet the space and productivity criteria in the Council’s Fixed Asset Guidelines and have less immediate space and programmatic need.**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Request Title</th>
<th>SCHEV Priority</th>
<th>Project Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>VSU</td>
<td>Construct Pedestrian Walkway on University Avenue</td>
<td>3</td>
<td>Improvements-Infrastructure Repairs</td>
</tr>
<tr>
<td><strong>Total Priority 3</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SCHEV Priority 4 – These are nonguideline requests. Assessment is deferred.**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Request Title</th>
<th>SCHEV Priority</th>
<th>Project Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>GMU</td>
<td>PPEA Authority West Campus</td>
<td>4</td>
<td>Planning</td>
</tr>
<tr>
<td>VCCS</td>
<td>Amend appropriation act language pertaining to site development at community colleges</td>
<td>4</td>
<td>New Construction/Improvement</td>
</tr>
<tr>
<td><strong>Total Priority 4</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### SCHEV Deferred Assessment of Institutional Capital Outlay E&G Project Requests for New Construction in 2020-2022

<table>
<thead>
<tr>
<th>Institution</th>
<th>Request Title</th>
<th>Project Type</th>
<th>Institution Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNU</td>
<td>New Construction: Integrated Science Center, Phase III (Forbes Hall)</td>
<td>New Construction</td>
<td>1</td>
</tr>
<tr>
<td>CNU</td>
<td>New Construction: Plant Operations Building</td>
<td>New Construction</td>
<td>3</td>
</tr>
<tr>
<td>GMU</td>
<td>IDIA Institute for Digital Innovation &amp; Garage</td>
<td>New Construction</td>
<td>3</td>
</tr>
<tr>
<td>GMU</td>
<td>Construct Academic VIII</td>
<td>New Construction</td>
<td>4</td>
</tr>
<tr>
<td>GMU</td>
<td>Virtual Online Campus</td>
<td>New Construction</td>
<td>6</td>
</tr>
<tr>
<td>JMU</td>
<td>East Campus Infrastructure Phase 1</td>
<td>New Construction</td>
<td>4</td>
</tr>
<tr>
<td>NSU</td>
<td>Construct Physical Education and Athletic Building (requested for FY 2024)</td>
<td>New Construction</td>
<td>3</td>
</tr>
<tr>
<td>NSU</td>
<td>Replace Physical Plant Building</td>
<td>New Construction</td>
<td>5</td>
</tr>
<tr>
<td>ODU</td>
<td>Construct a New Biology Building</td>
<td>New Construction</td>
<td>2</td>
</tr>
<tr>
<td>ODU</td>
<td>Construct New University Police Station</td>
<td>New Construction</td>
<td>3</td>
</tr>
<tr>
<td>UMW</td>
<td>New Theater and Renovation of Performing Arts Facilities</td>
<td>New Construction</td>
<td>1</td>
</tr>
<tr>
<td>UMW</td>
<td>Dahlgren Campus Phase II</td>
<td>New Construction</td>
<td>6</td>
</tr>
<tr>
<td>UVA</td>
<td>Virginia Autonomous Systems &amp; Technologies (VAST) Building</td>
<td>New Construction</td>
<td></td>
</tr>
<tr>
<td>VCU</td>
<td>Arts and Innovation Academic Building</td>
<td>New Construction</td>
<td>2</td>
</tr>
<tr>
<td>VCU</td>
<td>Interdisciplinary Classroom and Laboratory Building</td>
<td>New Construction</td>
<td>3</td>
</tr>
<tr>
<td>VMI</td>
<td>Renovate and Expand Engineering and Laboratory Facilities</td>
<td>New Construction</td>
<td>2</td>
</tr>
<tr>
<td>VMI</td>
<td>Construct Center for Leadership and Ethics Phase 2 (Leadership Development Facility)</td>
<td>New Construction</td>
<td>3</td>
</tr>
<tr>
<td>VSU</td>
<td>Construct Center for Institutional Advancement and Admissions</td>
<td>New Construction</td>
<td>2</td>
</tr>
<tr>
<td>VSU</td>
<td>Construct BOLT Leadership Center for Social Responsibility</td>
<td>New Construction</td>
<td>4</td>
</tr>
<tr>
<td>VT</td>
<td>Replace Randolph Hall</td>
<td>New Construction</td>
<td>2</td>
</tr>
<tr>
<td>VT</td>
<td>Renovate and Expand Hahn Hall</td>
<td>New Construction</td>
<td>3</td>
</tr>
<tr>
<td>W&amp;M</td>
<td>Construct: Economic &amp; Entrepreneurial Development Center</td>
<td>New Construction</td>
<td>10</td>
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<tr>
<td>W&amp;M</td>
<td>Construct: Ecology &amp; Endocrinology Laboratory</td>
<td>New Construction</td>
<td>5</td>
</tr>
<tr>
<td>W&amp;M</td>
<td>Construct: Highland Visitor Center</td>
<td>New Construction</td>
<td></td>
</tr>
<tr>
<td>VCCS</td>
<td>Construct Emerging and Applied Technologies Building/Replace Princess Anne Building, Tidewater CC</td>
<td>New Construction</td>
<td></td>
</tr>
<tr>
<td>VCCS</td>
<td>Renovate and Expand Houff Student Center Renovation, Blue Ridge CC</td>
<td>New Construction</td>
<td>23</td>
</tr>
<tr>
<td>VCCS</td>
<td>Construct Multi-Use Storage Facility, Central Virginia CC</td>
<td>New Construction</td>
<td>29</td>
</tr>
<tr>
<td>VCCS</td>
<td>Construct Science and Engineering Building (CN6), Chesapeake Campus, Tidewater CC</td>
<td>New Construction</td>
<td></td>
</tr>
<tr>
<td>VCCS</td>
<td>Construct Advanced Integrated Manufacturing (AIM) Center, Thomas Nelson CC</td>
<td>New Construction</td>
<td>33</td>
</tr>
<tr>
<td>VCCS</td>
<td>Construct Regional Workforce Solutions Center, Virginia Beach Campus, Tidewater CC</td>
<td>New Construction</td>
<td></td>
</tr>
<tr>
<td>VCCS</td>
<td>Construct Regional Center for Transportation, Logistics, and Truck Driving, Tidewater CC</td>
<td>New Construction</td>
<td></td>
</tr>
<tr>
<td>VCCS</td>
<td>Construct Advanced Manufacturing and Industrial Systems Center, Portsmouth Campus, Tidewater CC</td>
<td>New Construction</td>
<td></td>
</tr>
<tr>
<td>VCCS</td>
<td>Construct Phase I Stafford County Center, Germanna CC</td>
<td>New Construction</td>
<td>37</td>
</tr>
<tr>
<td>VCCS</td>
<td>Construct Allied Health and Workforce Development Building, Midlothian Campus, John Tyler CC</td>
<td>New Construction</td>
<td></td>
</tr>
<tr>
<td>VCCS</td>
<td>LFCC - Construct Academic Building - Fauquier Campus - Supplemental Funding</td>
<td>New Construction</td>
<td>5</td>
</tr>
<tr>
<td>VIMS</td>
<td>Construct New Fisheries Science Building</td>
<td>New Construction</td>
<td></td>
</tr>
<tr>
<td>VIMS</td>
<td>Construct Marine Operations Administration Complex</td>
<td>New Construction</td>
<td></td>
</tr>
<tr>
<td>VT-EXT</td>
<td>Construct Global Systems Sciences Complex</td>
<td>New Construction</td>
<td>1</td>
</tr>
<tr>
<td>VT-EXT</td>
<td>Construct Animal Production and Livestock Facilities Phase II</td>
<td>New Construction</td>
<td>2</td>
</tr>
</tbody>
</table>

**Total:** 39

Note: Staff recommends that if funding for capital is provided beyond the Fixed Asset Guideline recommendations that prioritization is placed on new construction projects that institutions placed as their highest priority (one or two).
State Council of Higher Education for Virginia
Agenda Item

Item: Resources and Planning Committee #B6 – Update on the Office of the Qualified Education Loan Ombudsman activities for 2019

Date of Meeting: October 28, 2019

Presenter: Scott W. Kemp
Student Loan Advocate
scottkemp@schev.edu

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

Purpose of Agenda Item: The purpose of this agenda item is to apprise the Council of the work of the Student Loan Advocate and to consult with Council on the establishment and maintenance of the Qualified Education Loan Borrower Education course. The 2018 Annual Report of the Office of the Qualified Education Loan Ombudsman was submitted on January 1, 2019, and provides an overview of the activities for the first two months. A draft of the content for the 2019 Annual Report will be submitted on January 1, 2020, and will provide Council with an update on the work of the Office since January 1, 2019.

Background Information/Summary of Major Elements: The Code of Virginia charges the Council with creating within the agency an Office of the Qualified Education Loan Ombudsman.

§ 23.1-232
A. The Council shall create within the agency the Office of the Qualified Education Loan Ombudsman. The Office of the Qualified Education Loan Ombudsman shall provide timely assistance to any qualified education loan borrower of any qualified education loan in the Commonwealth. All state agencies shall assist and cooperate with the Office of the Qualified Education Loan Ombudsman in the performance of its duties under this article.

SCHEV hired Scott W. Kemp to fill the position of Student Loan Advocate in October 2018. The details and activities of the first two months of the office are outlined in Addendum A: 2018 Annual Report for the Office of the Qualified Education Loan Ombudsman. An annual report is required in the Code of Virginia.

§ 23.1-234
On or before January 1, 2019, and annually thereafter, the Council shall
submit a report to the House Committees on Commerce and Labor and Education and the Senate Committees on Commerce and Labor and Education and Health. The report shall address (i) the implementation of this article and (ii) the overall effectiveness of the Office of the Qualified Education Loan Ombudsman.

The Code of Virginia charges the Office of the Qualified Education Loan Ombudsman, in consultation with the Council, to create and maintain an online course on education loans that is available to the public and covers key topics.

§ 23.1-233
On or before December 1, 2019, the Office of the Qualified Education Loan Ombudsman, in consultation with the Council, shall establish and maintain a qualified education loan borrower education course that shall include educational presentations and materials regarding qualified education loans. Topics covered by the course shall include, but shall not be limited to, key loan terms, documentation requirements, monthly payment obligations, income-driven repayment options, loan forgiveness programs, and disclosure requirements. The course shall be web-based and available to the public at any time. The Office of the Qualified Education Loan Ombudsman may also establish in-person classes.

The remainder of this agenda item provides the draft content for the 2019 Annual Report, which includes a summary of all outreach activities, data collected on borrower cases, status of the education course and policy recommendations that would benefit student loan borrowers.

Draft Content for the 2019 Annual Report of the Office of the Qualified Education Loan Ombudsman:

Office Activities
The primary function of the Student Loan Advocate is to provide assistance to qualified education loan borrowers who reside in the Commonwealth. Priority is given to borrowers with federal loans, but the office can assist private loan borrowers with identifying other available resources. Borrowers referred to the office are asked to complete the Student Complaint Form, which is located in the middle of the office’s website – www.schev.edu/studentloan - or in the footer on all SCHEV pages. Once the form is submitted, the Student Loan Advocate reaches out to the borrower and begins working on the particulars of the case.

A formal launch of the services provided by the office occurred on January 22, 2019, with the issuance of a press release. Since the initial press release, multiple media interviews with the Student Loan Advocate have generated interest in the services provided and are usually followed by an increase in new cases.

Analysis of Borrower Cases
There were just over 1 million Virginians with some type of student loan debt, and the average debt they carry is almost $37,000. As of August 2019, the 3-year loan default rate for Virginia was 9.8%, just below the national average of 10.1%, which has been trending
downward in the last few years. At the 2018 Federal Student Aid (FSA) conference last December, Secretary DeVos spoke about the 43% percent of student loans that were considered in “distress”, meaning that they are delinquent, at risk of default or that borrowers are not paying enough on their loans. Borrowers seek the assistance of the Student Loan Advocate in Virginia for help with the complex nature of their loans. Currently, there are eight other states with a similar position, and many others with the position in various stages of legislation and implementation.

Since October 2018, the office has handled over 126 unique cases related to student loans. The typical person seeking assistance attended a proprietary school (38%), earned a credential (52%), has a degree at the Bachelor's level or above (56%) and is seeking loan forgiveness (53%). The average age of those who provided a birthdate is 46 years and the average debt load they carry is around $78,000. Borrower cases come to the office from various sources, with the Student Complaint Form available through the SCHEV website being the primary method, followed by phone calls and emails. In addition, borrowers are referred to the office by state legislators, the Governor’s office, the Attorney General’s office and the Secretary of Education’s office.

Without regulatory authority, the office relies on advocating on behalf of the borrower as its main service. So far, over 60% of cases have required contact with another entity to better understand the particulars of a borrower’s loan account and to collaborate on next steps for the borrower. This includes reaching out to loan servicers for 26% of the cases, followed by other federal agencies (FSA/CFPB) for 14% of the cases.

Of the 126 cases at the time of this report, 70 have been closed. Most of these cases closed after sharing requested information or clarifying the nature of the loan payment schedules. Some involved borrowers from outside Virginia who were referred to the appropriate state or federal agency and others were referred to other SCHEV departments or Virginia agencies.

The most common activity involved in working with a borrower is on better understanding payment plan options, which makes sense in light of the 13 repayment plans currently active. The biggest complaint is with the Public Service Loan Forgiveness (PSLF) Program (PSLF). Borrowers contact the office because they have recently learned that they are ineligible because they have the wrong kind of repayment plan or the wrong kind of loans. For the former situation, there is a Temporary Expanded PSLF program that borrowers can seek, but for the latter, there is no current solution other than to reconsolidate into a Direct loan and re-start the 120 qualifying payment count.

The cases that remain open the longest are for borrowers who submitted a Borrower Defense to Repayment claim with the FSA. Nationally, there are over 175,000 cases pending and none of the cases have been ruled on in over a year. All of the borrowers who sought assistance from the office have a claim related to a school closure. Finally, the office has three cases of borrowers in Spousal Consolidation Loans in which there are no provisions for the loan to be separated once the loans were combined. For borrowers who are in spousal abuse or divorce situations, both borrowers are responsible for the full amount of the loans regardless of any divorce agreements. In addition, these loans do not qualify for any of the loan forgiveness programs.

**Outreach Efforts**

October 2019 Agenda Book
Throughout 2019, the Student Loan Advocate presented at conferences and regional training sessions to provide information about student loans and to be a resource for those seeking assistance. Highlights include:

- GRReat Aspirations Scholarship Program – Training Session – January 2019
  - 40 College Access Professionals
- National Council of Higher Education Resources (NCHER) – February 2019
  - 50 members of the loan servicing community
- SCHEV’s Student Advisory Committee
- Virginia Association of Financial Aid Administrators
- Education Finance & Loan Symposium
  - 50 members of the education financing industry
- State Higher Education Executive Officers Policy Conference
  - 30 members of higher education from other states
- Virginia College Access Network Fall Training Workshops
  - 160 college access practitioners and school counselors spread across five locations across the Commonwealth
- Roundtable on Reauthorization of the Higher Education Act hosted by Congressman Bobby Scott
- Upcoming – Virginia Poverty Law Center Legal Aid Conference
- Upcoming = Virginia College Access Network Conference

Development of the Education Course
The Qualified Education Loan Borrower Education Course will provide self-help content to three primary audiences: future loan borrowers wanting to know about the benefits and consequences of borrowing for their education; current college students preparing to begin the repayment process; and exited students needing assistance with their student loans. The office conducted a Request for Information and a Request for Proposals process to identify vendors who could develop the content and provide a content hosting platform for the course.

After extensive review of submitted proposals, the committee decided that none of the vendors could provide the content and the hosting by the deadline at a price point with available funds. As a result of the lack of resources, the office will proceed with developing a more extensive web presence and downloadable PDF content utilizing the prescribed format for the education modules (Version 1.0) and focus on identifying funding sources to expand the content delivery platform to meet the requirements of a course (Version 2.0). This is included in the SCHEV budget recommendations and as part of the agency request to the Governor’s office. Version 2.0 has a projected release date of December 1, 2020.

Policy Recommendations
The Student Loan Advocate is tasked with analyzing data and identifying trends in borrower complaints in order to provide policy recommendations on legislative changes that need to be made in order to provide relief to borrowers. With the analysis of a case load of over 120 cases, some common trends have emerged that point to some policy recommendations. At this point, the state is limited on what it can do to proactively
address borrower concerns but the state can advocate that the federal government implement the following policy changes:

- Revisit and improve the servicing contract requirements between the federal government and the student loan servicers.
- Simplify the repayment plan options because of confusion about the payment plan process.
- Fix the Public Service Loan Forgiveness application and approval process.
  - Provide timely relief to borrowers with the wrong repayment plan under the TEPSLF program.
  - Create a relief program for borrowers with the wrong type of loans who were not advised to convert to the correct type of loan.
- Resolve the over 170,000 Borrower Defense to Repayment claims that are mostly related to school closures.
- Allow for borrowers to separate loans that were initially consolidated through the Spousal Consolidation Loan program.
- Stop the practice of putting all defaulted loans into collections, because it increases the debt load for borrowers.
- Require annual loan counseling for students taking out loans, including a truth-in-lending statement.
- Incentivize borrowers who pay off their loans early.
- Provide incentives for companies that assist borrowers with student loan repayment.

**Materials Provided:** None.

**Financial Impact:** As indicated in the update on the development of the education course, the RFP process failed because the agency did not have sufficient funds in order to develop, house and maintain an online education course. In order to meet the legislated December 1 deadline, Version 1.0 will include upgrading the web site to provide expanded content to meet the requirement for educational presentations and materials regarding qualified education loans. Version 2.0 requires additional funding to provide an education course within a learning management system that allows for usage tracking and competency checking.

**Relationship to Goals of The Virginia Plan for Higher Education:** The work of the Office of the Qualified Education Loan Ombudsman supports many of the goals and strategies within The Virginia Plan, including, but not limited to:

- **Provide Affordable Access for All**
  - Expand outreach to PK-12 and traditionally underserved populations
  - Cultivate affordable postsecondary education pathways for traditional, non-traditional and returning students

**Timetable for Further Review/Action:** This document is for review and discussion only at this time. Staff will continue to update the Council of the development of the education course and provide a final version of the 2019 annual report at a future meeting.
Mr. Fralin called the meeting to order at 9:05 a.m. in the Hurley Convergence Center, Digital Auditorium Room 136, University of Mary Washington, Fredericksburg, Virginia. Council members present: Ken Ampy, Rosa Atkins, Marge Connelly, Heywood Fralin, Henry Light, Stephen Moret, William Murray, Carlyle Ramsey, Marianne Radcliff, Tom Slater and Katharine Webb.

Council member absent: Gene Lockhart.

Council member Victoria Harker participated by phone. Dialing instructions were posted in the meeting notice in advance.

Staff members present: Tom Allison, Lee Andes, Peter Blake, Joseph DeFilippo, Alan Edwards, Jean Huskey, Wendy Kang, Tod Massa, Laura Osberger, Beverly Rebar, Sylvia Rosa-Casanova, Lee Ann Rung, Alphonso Wells, Kristin Whelan and Yan Zheng.

Deb Love from the Office of the Attorney General was also in attendance.

APPROVAL OF MINUTES

On a motion by Dr. Murray and seconded by Dr. Ramsey, the minutes from the July 16, 2019, Council meeting, and the August 21, 2019, Council retreat were approved unanimously in block (12-0).

REMARKS FROM TROY PAINO, PRESIDENT, UNIVERSITY OF MARY WASHINGTON (UMW)

Mr. Fralin thanked President Paino for hosting the meetings on September 16 and noted that members enjoyed learning the history of Brompton House.

President Paino introduced the UMW education partners who were present: Marci Catlett, interim superintendent of Fredericksburg City Schools; Dr. Janet Gullickson, president, Germanna Community College; Scott Baker, superintendent, Spotsylvania County schools. He noted that UMW also works closely with Scott Kisner from Stafford County schools.

Dr. Paino said he noted remarks from speakers at the joint meeting about what employers are looking for and summarized them as: non-routine cognitive skills; digital skills; adaptability; team-oriented learning, intellectual agitators; communication skills (written) and general relationship skills. He then explained the initiatives underway at UMW that are addressing some of these issues.

He spent his first year learning about what made UMW special and what people believed about its future. As a result, the UMW strategic plan is created around four
pillars: 1: values of service, community and civic engagement; 2: immersing students in learning experiences, 3: adapting liberal arts to the global digital environment and 4: creating a diverse and inclusive community for academic excellence and success.

UMW has established a new Center for Community Engagement. The university is working to address food insecurities on campus and in the area, and has established a food pantry on campus. Students will now be required to have an experience beyond the classroom, and some courses are including community engagement and working in team environments to solve problems. A program called “Life after UMW” will start next year to get students to think about what their life will look like after graduation and how they can live a life of meaning.

President Paino addressed the ways in which UMW has changed over the last 10-15 years, noting some of the challenges and ways in which they are addressing those challenges.

He is thankful for what SCHEV is doing in financial aid but he suggested that SCHEV push back with the legislature about funding by degree. He said that approach punishes institutions like UMW and he felt that funding by learning outcomes would be a better approach.

Presidents Paino and Gullickson explained the complex issues that arise when dual enrollment courses are offered in high school and welcomed SCHEV’s involvement to help resolve them. President Paino answered questions from members.

REPORT OF THE AGENCY DIRECTOR

Mr. Blake reviewed each of the items included in his written report in the agenda materials.

He reported that Deb Love has been selected as Chief of the Education division in the Office of the Attorney General (OAG). It is undecided whether she will continue to represent SCHEV.

ACTION ON 2020 MEETING SCHEDULE AND LOCATIONS

Mr. Blake said at the last meeting, Council requested that staff poll the members to determine the best dates for January and March 2020. The recommended dates were derived from that poll. On a motion by Mr. Slater and seconded by Ms. Connelly the following resolution was approved unanimously (12-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the following schedule for calendar year 2020 and requests that staff distribute the dates to the Council:

January 7 – SCHEV
March 16-17 – Radford University
May 18-19 – Virginia Wesleyan University
July 13 – Germanna Community College
REPORT FROM THE COMMITTEES

Report from Academic Affairs Committee

Mr. Ampy provided a report of the items:

Action on Programs at Public Institutions

Mr. Ampy provided a brief introduction and the committee’s recommendation was seconded by Dr. Murray. The following resolution was approved unanimously (12-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to the University of Virginia to initiate a Master of Arts (M.A.) degree program in Media, Culture and Technology (09.0199), effective spring 2020.

Program Proposals in the Review Pipeline

Dr. DeFilippo provided an update to the committee, which appears on page 14 of the agenda book.

Action on Organizational Change

Mr. Ampy provided background information and the committee’s recommendation was seconded by Dr. Ramsey. The following resolution was approved unanimously (12-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the establishment of the School of Data Science at the University of Virginia, effective September 18, 2019.

Action on Private Postsecondary Education Institutional Certification

The committee’s recommendation was seconded by Dr. Murray and the following resolution was approved unanimously (12-0):

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies University of Reston to operate a degree-granting postsecondary institution in the Commonwealth of Virginia, effective September 17, 2019.

Action on Report of Audit (VUST)

The committee’s revised recommendation was seconded by Ms. Radcliff and the following resolution was approved unanimously (12-0):
BE IT RESOLVED that the State Council of Higher Education for Virginia authorizes staff to pursue Administrative Process Act procedures required to effectuate revocation of Virginia University of Science and Technology’s certificate to operate.

Briefing on University of Virginia’s College at Wise Degree Escalation

Mr. Ampy noted that Chancellor Henry presented information to the committee about UVA-Wise’s intention to submit a future request to offer a Master’s degree in education.

Update on Graduate Outcomes Survey

Mr. Ampy said Dr. Ellis presented an update to the committee. Many focus group meetings have occurred around the state; data from these groups will help launch a pilot survey. Council will continue to receive updates. Mr. Slater attended the focus group meetings and the committee thanked him for his input. Mr. Moret also has been involved and he offered the services of the Virginia Economic Development Partnership to help expand the survey.

Report from Resources and Planning Committee

Mr. Slater provided a report on the following items:

Action on Institutional Performance Standards

The committee’s recommendation was seconded by Dr. Murray and the following resolution was approved unanimously (12-0):


The committee’s recommendation was seconded by Dr. Ramsey and the following resolution was approved unanimously (12-0):

BE IT RESOLVED that the State Council of Higher Education approves Virginia Military Institute’s request for exemption from the requirement to meet the education-related measure to maintain or increase the number of in-state two-year transfers to four-year institutions, due to its unique mission and other exemptions the institution previously received in code and from SCHEV in the area of transfers and related initiatives, and directs staff to work with the institution to establish a replacement education-related performance measure.

Review of Proposed Changes to the Domicile Guidelines

Mr. Slater said the committee took no action on this item, but he encouraged questions from members. Mr. Andes provided a summary of the document included in the agenda
materials. Domicile guidelines are directed in the Code of Virginia to help institutions be consistent in determining eligibility for in-state tuition. Mr. Andes noted that a 10-member committee has worked on this for the last two years and have collaborated with institutions and legal counsel. He said some of the changes are the result of a minor change in the Code but most are codifying items that have previously been a verbal understanding with institutions. Dr. Murray suggested making Council aware of any litigation in this area at the next meeting and suggested that staff confer with the military advisory committee to ensure the guidelines do not result in unintended consequences for that community of students.

Update on Six-Year Plan Process

Mr. Slater said Dr. Huskey provided a report to the committee. He noted that the Op Six group has devoted much time to this process, which shows their attention to how institutions are following The Virginia Plan. Mr. Fralin asked if staff could explore an opportunity for Council to meet with the Op Six group. Mr. Blake agreed to look into the matter. Dr. Huskey explained the changes to this year’s six-year plans as they relate to The Virginia plan, and answered questions from members. She agreed to share with Council, summary reports of the six-year plan meetings, if that would be helpful.

Update on Enrollment Projections and Degree Estimates

Mr. Slater said Mr. Massa provided an overview to the committee. He noted that the committee suggested providing a summary sheet rather than individual tables when this item is presented in October. Mr. Massa provided feedback but noted that he is still reviewing estimates that came in two days prior to this meeting. He answered questions from members related to private institutions.

Update on Financial Aid Reform Study

Mr. Slater said Mr. Andes provided an update to the committee and invited him to address the Council about this interesting study. Mr. Andes said Council makes a recommendation for financial aid and determines the methodology, but the study is taking a fresh look at how we make those recommendations. The partnership model has been in use since 2005, but there is room for improvement with this model. Mr. Andes said he has been working with the Governor’s office and institutional representatives over the summer. Three options were presented in the agenda materials. He reminded members that this item will be brought to the Council for approval in October. Ms. Connelly’s preference is the third option, which is more likely to open doors for students. Mr. Light noted that keeping students enrolled requires additional infrastructure, not just funding; Dr. Atkins said students need academic preparation but also social/emotional development in order to be successful.

Review of Draft Budget and Policy Recommendations

Mr. Slater said the committee took considerable time discussing the proposed budget recommendations. Ms. Kang requested that Council members weigh in on each of the items to help staff prepare a final version for approval in October.
Ms. Kang noted that the committee’s choice on page 195 was option #1.6, which was also favored by the institutions. Mr. Slater commended Ms. Kang and her staff for the work they have put into this process. He noted that representatives from the private institutions were present at the committee meeting and brought forward a budget request related to the Tuition Assistance Grant (TAG) funding. He indicated that a copy of the handout will be made available on the SCHEV website and on the board portal.

The capital recommendations emphasize maintenance reserve. Mr. Fralin asked if SCHEV has ever calculated the extra cost incurred by deferring maintenance for long periods of time and Dr. Zheng responded. He noted that some institutions are spending their own funds for maintenance reserve and suggested that maintenance costs be built in to all new buildings when they are brought online. And the amounts should increase over time. Dr. Murray asked Council to consider if the state’s capital outlay model is the best one for the 21st century.

**Report from the August 21 Retreat on The Virginia Plan**

Mr. Blake yielded to Ms. Connelly and Mr. Slater, who co-chaired the retreat. Ms. Connelly directed members to the chart on page 253 of the agenda materials. She noted that staff did an outstanding job of capturing the recommendations made at the retreat. Noting that Council’s goal for the priority initiatives is for action-oriented items, without being too technical. She opened the floor for questions or comments.

Mr. Moret suggested establishing a group to help articulate the supply/demand imbalances in the labor market (item 3 on page 253). Staff will develop a final draft to present to Council in October. Additional stakeholder input will then be added and the final recommendations will be brought to the Council for approval in January. Mr. Light favored the first suggestion related to research (item 6 on page 253), rather than the and/or option. Dr. Atkins informed members that the Virginia Board of Education is working on a request for funds to bring development agents into the K-12 system to set up internships that will be codified at the state level.

**RECEIPT OF PUBLIC COMMENT**

Ms. Stacie Gordon from Partners for College Affordability spoke about financial aid funding. She provided staff with a copy of her remarks.

Ms. Sookyung Oh, National Korean American Service and Education Consortium (NAKASEC), had requested to speak but was delayed in traffic and did not attend before the meeting adjourned. Her remarks relating to the need for talent in Virginia were provided to staff and will be sent to Council members.

**CLOSED SESSION**

Mr. Blake said a closed session was originally scheduled to take place regarding a lawsuit filed by an institution against individual Council members over certification. Ms. Love received a settlement of the case and had obtained signatures from each Council member in advance. Therefore, the closed session was not needed.
RECEIPT OF ITEMS DELEGATED TO STAFF

Mr. Blake reported that the actions taken by staff on behalf of Council as delegated items were included in the agenda book. As required, a copy of these items is attached to the minutes.

OLD BUSINESS

No old business was brought forward.

NEW BUSINESS

Mr. Fralin said Council needs better information at the state and regional levels about employer demand to help guide new program degree development. He asked Ms. Webb and Ms. Radcliff to work with staff to identify opportunities to improve the alignment between employer demand and college and university degree programs. He also asked that this topic be on future agendas of the Academic Affairs Committee.

MOTION TO ADJOURN

The meeting adjourned at 11:35 p.m.

The next meeting will be held on October 28-29 at the SCHEV offices.

Katharine Webb
Council Secretary

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

Pursuant to the [Code of Virginia, § 23.1-203](https://www.law.virginia.gov/codes/23.1-203) and Council’s “*Policies and Procedures for Program Approval and Changes,*” the following items were approved/not approved as delegated to staff:

## Degree Program Actions

<table>
<thead>
<tr>
<th>Institution</th>
<th>Degree/Program/CIP</th>
<th>Effective Date</th>
</tr>
</thead>
</table>
| Germanna Community College        | **Program Title Changes Approved:** Certificate program in Police Science to the new title of Administration of Justice (43.0103)  
|                                   | Associate of Applied Science degree program in Police Science to the new title of Administration of Justice (43.0103) | Fall 2019      |
| Longwood University               | **Program Name/Title Change Approved:** Change the name/title of the Master of Business Administration degree program in Master of Business Administration (52.0201) to the Master of Business Administration (MBA) degree program in Business Administration (52.0201) | Fall 2019      |
| Lord Fairfax Community College    | **Program Title Change Approved:** Change the Certificate program in Office Legal Assistant/Paralegal Studies to the new title of Legal Administration (22.0302) | Fall 2019      |
| Northern Virginia Community College | **Spin-off Approved:** Spin-off an Associate of Science degree program in Psychology (42.0101) from the existing A.S. in Social Sciences, Psychology Specialization (45.0101) | Fall 2019      |
| University of Mary Washington     | **Substantial Program Modification Approved:** Modify the credit hours of the Master of Business Administration (MBA) degree program in Business Administration (52.0201) from 30 credit hours to 36 credit hours | Fall 2019      |
| Virginia Commonwealth University  | **CIP Code Change Approved:** Change the CIP code of the Master of Arts degree program in Economics from (52.0601) to (45.0603) | Fall 2019      |
| Virginia Commonwealth University  | **Facilitated Staff Approval:** Doctor of Philosophy degree program in Pharmaceutical Engineering (51.2003) | Fall 2020      |
### Program Name Change Approved:

**Institution**: Virginia Polytechnic Institute and State University  
**Degree/Program/CIP**: Change the name of the Graduate Certificate program in Information Assurance Engineering (11.1003) to the Graduate Certificate program in Cybersecurity Engineering (11.1003)  
**Effective Date**: Spring 2020

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Pursuant to the Code of Virginia, § 23.1-203 and Council’s “Policies and Procedures for Program Approval and Changes,” the following items were reported:

#### Diploma, Certificate, Discontinued and Modified Programs

<table>
<thead>
<tr>
<th>Institution</th>
<th>Degree/Program/CIP</th>
<th>Effective Date</th>
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</thead>
<tbody>
<tr>
<td>Blue Ridge Community College</td>
<td>Initiate a new Certificate program in Paramedic (51.0904)</td>
<td>Fall 2019</td>
</tr>
<tr>
<td>College of William and Mary in Virginia</td>
<td>Initiate a new Graduate Certificate program in Business Analytics Foundations (52.1301)</td>
<td>Spring 2020</td>
</tr>
<tr>
<td>George Mason University</td>
<td><strong>Program Discontinuance:</strong> Discontinue the Master of Science degree program in Peace Operations (30.2801) [Council Approval: September 21, 2010]</td>
<td>Fall 2019</td>
</tr>
<tr>
<td>George Mason University</td>
<td>Initiate a new Graduate Certificate program in Tactical Athlete Strength, Conditioning and Injury Prevention (31.0507)</td>
<td>Summer 2020</td>
</tr>
<tr>
<td>Longwood University</td>
<td><strong>Program Discontinuance:</strong> Discontinue the Bachelor of Science degree program in Athletic Training (51.0913) [Council Approval: September 9, 2008]</td>
<td>Fall 2019</td>
</tr>
<tr>
<td>Old Dominion University</td>
<td><strong>Program Discontinuance:</strong> Discontinue the Master of Science degree program in Community Health (51.1504) [Council Approval: June 6, 1978]</td>
<td>Fall 2019</td>
</tr>
</tbody>
</table>
| University of Virginia     | **Program Discontinuances:**  
  - Doctor of Philosophy degree program in Engineering Physics (14.1201) [Council Approval: BCHE]  
  - Undergraduate Certificate program in Federal Acquisition (52.0202) | Fall 2019      |
Pursuant to the Code of Virginia, § 23.1-203 and Council’s “Policies and Procedures for Internal and Off-Campus Organizational Changes,” the following items were approved as delegated to staff:

### Organizational Changes

<table>
<thead>
<tr>
<th>Institution</th>
<th>Change/Site</th>
<th>Effective Date</th>
</tr>
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<tbody>
<tr>
<td>George Mason University</td>
<td>Rename the Graduate School of Education to the <strong>School of Education</strong>. The School has been renamed to reflect the “full repertoire” of undergraduate and graduate programs and activities. The new name will “encourage a sense of academic community by signaling” to current and prospective students that “undergraduate study is a priority for the school.”</td>
<td>August 1, 2019</td>
</tr>
<tr>
<td>George Mason University</td>
<td>Reorganize the School of Sport, Recreation and Tourism to create two schools: the <strong>School of Kinesiology</strong> and the <strong>School of Sport, Recreation and Tourism Management</strong>. The reorganization will allow the institution to group academic programs with the appropriate school and allow the school’s administration to address faculty, programming, and student needs specific to the school’s focus. The establishment of separate schools “will facilitate a more discrete visioning: a sense of academic community for students, faculty, staff and alumni.”</td>
<td>August 28, 2019</td>
</tr>
<tr>
<td>Old Dominion University</td>
<td>Rename the College of Continuing Education and Professional Studies to the <strong>School of Continuing Education</strong>. ODU indicates that the renaming “will demonstrate the focus of the school and the programming administered by the school.”</td>
<td>July 1, 2019</td>
</tr>
<tr>
<td>Old Dominion University</td>
<td>Rename the Department of Music to the <strong>F. Ludwig Diehn School of Music</strong>. The department has been re-named to honor a gift from the Hampton Roads Community Foundation totaling $1 million to be provided over a 6-year period of $150,000</td>
<td>July 1, 2019</td>
</tr>
</tbody>
</table>

### Table

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<thead>
<tr>
<th>Institution</th>
<th>Degree/Program/CIP</th>
<th>Effective Date</th>
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</thead>
<tbody>
<tr>
<td>Virginia Polytechnic Institute and State University</td>
<td>Initiate a new Graduate Certificate Program in Inclusion and Diversity (30.2301)</td>
<td>Fall 2019</td>
</tr>
</tbody>
</table>
each year for 6 years and $100,000 for one year. The pledge from the Foundation recognizes F. Ludwig Diehn, a distinguished member of Hampton Roads and contributor to the field of music.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Old Dominion University</td>
<td>Rename the Department of Modeling, Simulation and Visualization Engineering to the <strong>Department of Computational Modeling and Simulation Engineering</strong>. ODU indicates that the renaming “allows for more visibility and uniqueness for the department, college, and institution.”</td>
<td>July 1, 2019</td>
</tr>
<tr>
<td>Virginia Commonwealth University</td>
<td>Rename the Department of Oral Health Promotion and Community Outreach to the <strong>Department of Dental Public Health and Policy</strong>. The Department has been re-named to accurately reflect the unit’s activities and developing research focus. VCU indicates that the new name will highlight the department’s emphasis “on oral health policy and research at the community and population level.”</td>
<td>August 1, 2019</td>
</tr>
</tbody>
</table>

Pursuant to the Code of Virginia, Section § 23.1-211 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>
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</thead>
<tbody>
<tr>
<td>Centura College-Chesapeake</td>
<td>July 31, 2019</td>
</tr>
</tbody>
</table>

Pursuant to the Code of Virginia § 23.1-213 to 230 and 8VAC-40-31-90 of the **Virginia Administrative Code**, the following items were approved as delegated to staff:

**Postsecondary, Non-Degree Institutions Certified to Operate in the Commonwealth of Virginia**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Location</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarys Advance Nursing Education</td>
<td>Sterling, VA</td>
<td>7/24/2019</td>
</tr>
<tr>
<td>MAB Institute</td>
<td>Broadway, VA</td>
<td>6/20/2019</td>
</tr>
<tr>
<td>Salvation Academy</td>
<td>Alexandria, VA</td>
<td>6/20/2019</td>
</tr>
<tr>
<td>Training Solutions Center</td>
<td>Sterling, VA</td>
<td>6/20/2019</td>
</tr>
</tbody>
</table>
State Council of Higher Education for Virginia
Agenda Item

**Item:** Council #C5 – Report of the Agency Director

**Date of Meeting:** October 29, 2019

**Presenter:** Peter Blake
Director
peterblake@schev.edu

**Most Recent Review/Action:**
- X No previous Council review/action
- [ ] Previous review/action
  - Date:
  - Action:

**Purpose of Agenda Item:**
The purpose of this agenda item is to inform Council of recent and upcoming work in which staff is involved.

**Background Information/Summary of Major Elements:** N/A

**Materials Provided:** Report of the Agency Director.

**Financial Impact:** N/A

**Timetable for Further Review/Action:** N/A

**Relationship to Goals of The Virginia Plan for Higher Education:** N/A

**Resolution:** N/A
Board of visitors orientation: This year’s orientation session took place October 22-23. Thanks to the many Council members who attended and participated, notably Heywood Fralin, Marge Connelly, Tom Slater, Katie Webb, Victoria Harker and Marianne Radcliff. At the January Council meeting, we will report more information on the orientation session, including the results of the program evaluation.

Revisions to The Virginia Plan. We are seeking feedback on the revised priority initiatives from stakeholders, including presidents, other institutional leaders and individuals from legislative and executive offices. We will present the feedback we have received in January.

Tech Talent Incentive Program: The General Assembly created this program to provide funding and oversight for additional graduates in computer science-related fields. The legislation designates the SCHEV director and the president of the Virginia Economic Development Partnership as two of seven reviewers of institutional proposals. Dr. Stephen Moret has led the effort, which is unique in American economic development and higher education. The Commonwealth anticipates allocating $1 billion over 20 years for higher education operating and capital investments.

General Professional Advisory Committee: The agenda for the October 21 meeting of college and university presidents included two presentations and several updates. Governor Northam’s Director of Diversity, Inclusion and Equity outlined her priorities for this new state-level position. Virginia Chamber president Barry DuVal provided an update on Chamber activities and described a partnership with SCHEV on a statewide internship program. Presidents also received a progress report on the graduate outcomes survey. Peter Blake provided updates on revisions to The Virginia Plan and the SCHEV draft budget recommendations.

Virginia Research Investment Committee (VRIC) meeting: Council member Henry Light participated in the October 8 meeting of the Virginia Research Investment Committee. The agenda included discussion and approval of a revised draft of the Commonwealth Research and Technology Strategic Roadmap; a re-submitted proposal for a VRIF Round 2 grant; and a policy on members’ remote participation in meetings. Staff submitted a draft press release to the Governor’s Office, so that Governor Northam may announce the VRIF grant of almost $1.5 million to Virginia Tech, in partnership with ODU, for a center for innovative autonomous systems. Once VRIC-required edits to the Roadmap are complete, staff will forward the document to Governor Northam for final approval, per statute. VRIC will meet next on December 10; its annual report to the Governor and legislative leaders is due by November 1.
Student Advisory Committee: The Student Advisory Committee met September 27 in Richmond. Council member Katie Webb participated in the meeting and welcomed the students. This is the first meeting of the academic year. It included a student representative from each public baccalaureate degree granting institutions, four students from the community colleges and two students from the private colleges. The meeting’s agenda included the following topics: overview of the committee, orientation to higher education in Virginia, election of officers and student discussion of activities on campus.

SCHEV Talks: Richmond Mayor Levar Stoney spoke with SCHEV staff in September. Dr. Lauranett Lee, historian and visiting lecturer in the Jepson School of Leadership Studies at the University of Richmond, addressed SCHEV in October.

Out and about: Most of the last month has been spent on preparing for the board of visitors orientation session and the Council meeting. Staff also has been working on the final elements of the Tech Talent Incentive Program.

Over the last month, I addressed the Richmond Association for Business Economics at the Federal Reserve Bank of Richmond; participated in the Virginia529 board retreat in Williamsburg; met with Northern Virginia members of the House of Delegates; attended the dedication of the women’s memorial on Capitol Square; addressed community college leaders at the annual Chancellor’s Retreat; and attended the Wilder Symposium at Virginia Commonwealth University on the topic, “Race in Academia.”

On October 8, several Council members and various agency staff attended the Virginia Chamber of Commerce’s Education and Workforce Conference. On October 2, Peter Blake and members of Virginia Research Investment Committee participated in a reception of the Virginia Academy of Science, Engineering and Medicine (VASEM) in Washington. Dr. Stephen Moret provided remarks.
State Council of Higher Education for Virginia
Agenda Item

Item: Council #C6 – Action on Partnership with Governor’s office and Lumina Foundation

Date of Meeting: October 29, 2019

Presenter: Peter Blake
Director
peterblake@schev.edu

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

Date:

Action:

Purpose of the Agenda Item: The purpose of this agenda item is to gain an endorsement from Council on a partnership with the Governor’s office and the Lumina Foundation to increase educational attainment and close gaps in attainment.

Background Information/Summary of Major Elements: For several months, SCHEV staff has been in conversations with the Governor’s office and the Lumina Foundation to establish a partnership to help close educational attainment gaps. The partnership is aligned with The Virginia Plan goal to be the best-educated state in the nation by 2030. The goal of the partnership is to increase degree and workforce credential attainment among African American and Hispanic populations by five percentage points over four years. Attainment rates of 25-44 year old African Americans is 37.8%. For Hispanics, the rate is 30.5%. The overall rate for 25-44 year old Virginians is 51.3%.

Materials Provided:

None.

Financial Impact: As part of the partnership, the Lumina Foundation will award funding to SCHEV to support strategies to close attainment gaps.

Timetable for Further Review/Action: Continuing updates will be provided at Council meetings through July 2020.

Relationship to Goals of the Virginia Plan for Higher Education: The partnership addresses several strategies from The Virginia Plan, including the following:
- Cultivate affordable postsecondary education pathways for traditional, non-traditional and returning students.
• Engage adults and veterans in certificate and degree completion and lifelong learning.
• Provide effective academic and student services infrastructures focused on persistence and completion.

One of the progress measures of The Virginia Plan is to close gaps in educational attainment. This partnership will have a positive impact on that measure.

Resolution:

BE IT RESOLVED that the State Council of Higher Education for Virginia endorses the Talent, Innovation and Equity partnership between the Commonwealth of Virginia, acting by and through SCHEV, and the Lumina Foundation for Education, Inc., to increase educational attainment and close equity gaps.
#A3, Action on Programs at Public Institutions

#A4, Program Proposals in the Review Pipeline

#A5, Action on Private Postsecondary Education Institution Provisional Certification

#A6, Action on Private Postsecondary Education Institutional Certification

#A7, Update on Graduate Outcome Survey Certification

#A8, Report on Higher Education and Workforce Alignment Project

#A9, Update on Transfer Virginia

#A10, Report of the Staff Liaison to the Committee
Council #C7.b - Summary of Resources and Planning Committee Actions & Discussions
(Chair: T. Slater)

#B3, Update on Enrollment Projections and Degree Estimates

#B4, Action on Financial Aid Reform Study

#B5, Action on Budget and Policy Recommendations for the 2020-2022 Biennium
   #B5.a, System Operating Budget
   #B5.b, Capital Outlay Budget

#B6, Update on the Office of the Qualified Education Loan Ombudsman activities for 2019
State Council of Higher Education for Virginia
Agenda Item

**Item:** Council #C8 – Receipt of Items Delegated to Staff

**Date of Meeting:** October 29, 2019

**Presenter:** Peter Blake
Director
peterblake@schev.edu

**Most Recent Review/Action:**

- No previous Council review/action
- Previous review/action
  - **Date:** March 20, 2002, July, 2002, September 2006
  - **Action:** The Council approved delegation of certain items to staff

**Purpose of Agenda Item:** The purpose of this agenda item is to keep Council apprised of the items it delegated to staff.

**Background Information/Summary of Major Elements:** Council delegated certain items to staff for approval and reporting to the Council on a regular basis.

**Materials Provided:**

- Degree Program Actions
  - Eastern Shore Community College
  - George Mason University
  - Tidewater Community College
  - Virginia Polytechnic Institute and State University
  - Virginia Western Community College

- Diploma, Certificate, Discontinued and Modified Programs
  - George Mason University
  - University of Virginia

- National Council for State Authorization Reciprocity Agreements (NC-SARA)
  - University of North America

- COIA-Exception Policies
  - Virginia Commonwealth University

**Financial Impact:** N/A

**Timetable for Further Review/Action:** N/A
Relationship to Goals of The Virginia Plan for Higher Education: N/A

Resolution: N/A
Items Delegated to Director/Staff

Pursuant to the Code of Virginia, § 23.1-203 and Council’s “Policies and Procedures for Program Approval and Changes,” the following items were approved/not approved as delegated to staff:

### Degree Program Actions

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<th>Institution</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Eastern Shore Community College</td>
<td><strong>Facilitated Staff Approval:</strong> Associate of Applied Science degree program in Technical Studies (15.0612)</td>
<td>Spring 2020</td>
</tr>
<tr>
<td>George Mason University</td>
<td><strong>Facilitated Staff Approval:</strong> Master of Science degree program in Climate Science (40.0401)</td>
<td>Spring 2020</td>
</tr>
<tr>
<td>Tidewater Community College</td>
<td><strong>Spin-off Approved:</strong> Spin-off an Associate of Science degree program in Computer Science (11.0701) from the existing A.S. in Science, Computer Science Specialization (30.0101)</td>
<td>Spring 2020</td>
</tr>
<tr>
<td>Virginia Polytechnic Institute and State University</td>
<td><strong>CIP Code Changes Approved:</strong> Bachelor of Architecture in Architecture from 04.0201 to 04.0902</td>
<td>Spring 2020</td>
</tr>
<tr>
<td>Virginia Western Community College</td>
<td><strong>Facilitated Staff Provisional Approval:</strong> Associate of Applied Science degree program in Surgical Technology (51.0909)</td>
<td>Fall 2021</td>
</tr>
</tbody>
</table>

Pursuant to the Code of Virginia, § 23.1-203 and Council’s “Policies and Procedures for Program Approval and Changes,” the following items were reported:

### Diploma, Certificate, Discontinued and Modified Programs

<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>Initiate a new Graduate Certificate Program in Music for Well-Being (50.9999)</td>
<td>Spring 2020</td>
</tr>
<tr>
<td>University of Virginia</td>
<td>Initiate a new Graduate Certificate Program in Environmental Humanities (03.0103)</td>
<td>Spring 2020</td>
</tr>
</tbody>
</table>

Pursuant to the Code of Virginia, Section § 23.1-211 and Council’s “Commonwealth of Virginia Policy on the Reciprocal Authorization of Distance Education and Related Activities,” the following item is 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>University of North America</td>
<td>October 3, 2019</td>
</tr>
</tbody>
</table>
## COIA-Exception Policy Approvals

<table>
<thead>
<tr>
<th>Institution</th>
<th>Policy</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia Commonwealth University</td>
<td>Research and Development Exception for the Conflict of Interests Act</td>
<td>July 25, 2019</td>
</tr>
</tbody>
</table>