



State Council of  
Higher Education for Virginia

# Agenda Book

October 27-28, 2014

Location:

SCHEV Offices  
Richmond, VA



State Council of Higher Education for Virginia  
*Advancing Virginia through Higher Education*

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA**

**SCHEV Offices  
Main Conference Room  
Richmond, Virginia  
October 27, 2014  
2:00 – 3:00 p.m.**

**Executive Committee**

1. Call to Order
2. Approval of Minutes (September 15, 2014) [Page E1](#)
3. Action on Final Report from Planning Consultant [Page E4](#)
4. Action on Statewide Strategic Plan [Page E6](#)

Committee members:

Gil Minor, Chair  
Heywood Fralin, Vice Chair  
Gil Bland  
Johanna Chase  
Steve Haner  
Gene Lockhart

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA  
EXECUTIVE COMMITTEE MEETING  
SEPTEMBER 15, 2014  
MINUTES**

Mr. Minor called the meeting to order at 12:00 p.m. in the Board Dining Room, James Madison University, Harrisonburg, Virginia. Committee members present: Gil Bland, Johanna Chase, Heywood Fralin, Steve Haner, Gene Lockhart, and G. Gilmer Minor.

Council member Carlyle Ramsey joined the meeting at 12:30 p.m.

Staff members present: Lee Andes, Peter Blake, Joe DeFilippo, Alan Edwards, Tod Massa, Ashley Myers, Kirsten Nelson, Lee Ann Rung, and Susan Wood. Mike Melis from the Office of the Attorney General was also in attendance.

Consultants from JBL Associates (JBLA) present: John Lee and Don Norris.

**APPROVAL OF MINUTES**

On a motion by Ms. Chase and seconded by Mr. Lockhart the minutes from the August 22, 2014, meeting were approved unanimously.

**UPDATE ON STRATEGIC PLAN DEVELOPMENT**

Mr. Minor reviewed the purpose of the meeting and asked Mr. Blake to explain the focus of the meeting. Mr. Blake said he hoped to gain consensus of the committee on the mission and goals before presenting the information to the full Council on September 16.

Dr. Wood provided an update on efforts made since the September 8 meeting, including meetings with the President's Advisory Committee and the Finance Advisory Committee. JBLA has provided an addendum to the Data Memo previously submitted that responds to questions members raised after the last Council meeting. A copy will be distributed at the September 16 Council meeting and will be placed on the SCHEV website.

Mr. Lee presented the current version of the mission statement that was agreed upon at the last meeting. He also reviewed the vision statement and indicated that there were not many changes from the last version. The committee reviewed the goals but had no additional input or changes.

The strategies were revised to capture earlier discussions and Mr. Lee asked for additional input. Mr. Blake asked members to ensure that each of their priorities was addressed throughout the plan. Mr. Haner suggested adding the word "accountability" to 3.3, but Mr. Blake recommended that it be included in 3.5 and the

members agreed. Some of the items that members suggested adding to the plan included workforce, governance, quality, and efficiency. JBLA will include these on the next version as well as provide information on what other states have done.

Mr. Lockhart recommended that SCHEV think in terms of being a collaborative regulator to create measures similar to those used in the banking industry to determine the effectiveness of the institutions. This could include ratings of several blended factors but they should be easily understood, consistent and fair to every institution.

Mr. Lockhart suggested that one measure could be the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) rating and for the for-profit institutions, the SACS equivalent. This should be done without causing confusion with the accrediting body. Mr. Blake reminded members that SCHEV is a public body and all dealings with institutions must be done in public and within the open meeting requirements.

Mr. Lockhart also recommended that the Council review the way in which federal bank regulators produce measures for each region. Mr. Fralin suggested a measure of success related to the number of students attending Virginia institutions and obtaining jobs upon completion of a program, as well as a measure of the time it takes to get a job. Mr. Lockhart said the institutions could self report or SCHEV could task itself with getting the data.

Mr. Blake reminded members that staff was requesting agreement on the resolution on page E6 but indicated that additional discussions would continue to occur. Mr. Minor indicated that he would like input from the full Council at the September 16 meeting. On motion by Mr. Lockhart and seconded by Mr. Bland, 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 adopts the framework for the strategic plan goals as agreed upon during its September 15, 2014, meeting; and**

**BE IT FURTHER RESOLVED that the Executive Committee of the State Council of Higher Education for Virginia retains the authority to alter this framework prior to its movement for approval by the full Council on September 16, 2014; such that the Council resolution shall read:**

**BE IT RESOLVED that the State Council of Higher Education for Virginia adopts the framework for the strategic plan goals as agreed upon on September 16, 2014, and directs staff to employ this framework in developing the statewide strategic plan for higher education in the Commonwealth.**

## **ADJOURNMENT**

The meeting adjourned at 1:00 p.m.

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Heywood Fralin  
Council Secretary

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Lee Ann Rung  
Director, Executive & Board Affairs

# State Council of Higher Education for Virginia Agenda Item

**Item:** Executive Committee Item #3 – Action on Final Report from Planning Consultant

**Date of Meeting:** October 27, 2014

**Presenters:** Peter Blake, Director  
[peterblake@schev.edu](mailto:peterblake@schev.edu)

Susan Wood, Specialist for Higher Education Planning and Policy  
[susanwood@schev.edu](mailto:susanwood@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:** Multiple

**Review:** The Executive Committee, the Strategic Planning Task Force, and the Council have received several reports during 2014 from its strategic-planning consultant, JBL Associates (JBLA), including the Data Memo, Policy Scan, Organization Audit, and Goals and Strategies Memo. The Final Report was received in October.

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

- A Request for Proposals (RFP) for a consultant to assist with development of the statewide strategic plan for higher education was issued in November 2013.
- Following review of 10 proposals and negotiations with top-scoring vendors, the proposal and bid from JBL Associates (JBLA) were selected, and a contract negotiated and signed, in early March 2014.
- Since March, JBLA has performed all the tasks delineated in the contract and delivered all the specified work products in a timely and professional manner; in addition, it has met with constituents and stakeholders across Virginia on behalf of the project and collected feedback and perspectives from hundreds of individuals inside and outside higher education.
- In addition, JBLA president John Lee and his associates and subcontractors have participated in all meetings of Council, as well as many meetings of

- SCHEV advisory groups and special meetings or conference calls related to the planning process.
- JBLA's final report on its recommended strategies and initiatives in support of the mission, vision and goals of the statewide strategic plan was received in October. Council's receipt of this report fulfills the final conditions of SCHEV's contract with JBLA.

**Materials Provided:**

The final version of JBLA's Strategies and Initiatives report will be made available in advance of the Council meeting.

**Financial Impact:**

SCHEV is expending existing funds within its budget to pay the cost of the contract.

**Timetable for Further Review/Action:**

Staff recommends that the Executive Committee adopt the following resolution and forward it to the full Council for approval:

**Resolution:**

**BE IT RESOLVED that the State Council of Higher Education for Virginia receives the final report of its strategic-planning consultant, JBL Associates; and**

**BE IT FURTHER RESOLVED that the State Council of Higher Education for Virginia extends its sincerest appreciation and gratitude to JBL Associates and its subcontractors for their assistance with the statewide strategic plan for higher education in Virginia and their contributions to the future of the Commonwealth.**

# State Council of Higher Education for Virginia Agenda Item

**Item:** Executive Committee Item #4 – Action on Statewide Strategic Plan

**Date of Meeting:** October 27, 2014

**Presenters:** Peter Blake, Director  
[peterblake@schev.edu](mailto:peterblake@schev.edu)

Susan Wood, Specialist for Higher Education Planning and Policy  
[susanwood@schev.edu](mailto:susanwood@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:** September 15 and October 21, 2014

**Review:** On September 15, the Committee reviewed and adopted the framework – mission, vision and four goal statements – for the statewide strategic plan for higher education; the full Council approved this framework on September 16.

On October 21, the Committee was slated to: (i) review a draft of the final report from the consultant, JBL Associates (JBLA); (ii) receive summaries of suggestions from Council members and agency executive staff on potential plan strategies, as well as of staff's October 17 conversation with Capitol Square stakeholders; and (iii) provide feedback and guidance to staff. [This text was published in advance of that meeting.]

**Action:** Adoption of plan framework – September 15, 2014

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

Following Council's approval on September 16 of mission and vision statements and four goals for the statewide strategic plan for higher education:

- Staff reviewed the mission, vision and goals with public institutions' academic leaders at the IPAC (Instructional Programs Advisory Committee) meeting on September 19.

- Mr. Blake and Dr. Wood solicited, received and compiled suggestions from Council members and agency staff regarding the draft strategies proposed by JBLA, as well as any suggestions for additional and/or alternative strategies. These compilations were reviewed by executive staff on October 8, refined further, and reviewed again on October 15.
- JBLA submitted the first draft of its final report on October 8.
- Mr. Blake convened by teleconference on October 10 the working group of public-institution executives (three presidents, one chancellor) to provide an update on the process and its results, and to discuss prospective initiatives that might follow from the plan's four approved goals and its potential strategies.
- At the time this item was prepared for publication in advance of the October 27-28 Council meetings, the following elements were still pending:
  - agency executive staff's second discussion of suggested strategies;
  - staff's conversation with key stakeholders from around Capitol Square;
  - the Executive Committee's meeting on October 21;
  - a discussion with the Finance Advisory Committee (FAC) on October 22; and
  - any feedback to JBLA regarding its final report or any suggestions for revisions to the first and/or any subsequent drafts.

**Materials Provided:**

The strategic plan document on which staff will seek Executive Committee action to approve on October 27 will be provided to all Council members by October 24 and will be posted on the SCHEV website with this Agenda Book.

**Financial Impact:**

SCHEV is expending existing funds within its budget to pay the cost of the contract.

**Timetable for Further Review/Action:**

Staff recommends that the Executive Committee adopt the following resolution and forward it to the full Council for approval:

**Resolution:**

**BE IT RESOLVED that the State Council of Higher Education for Virginia adopts the strategies recommended in support of the four goals of the statewide strategic plan for higher education in the Commonwealth, as discussed and agreed upon on October 28, 2014.**

**BE IT FURTHER RESOLVED that the State Council of Higher Education directs agency staff to develop, in collaboration with constituents and stakeholders, a set of potential initiatives, measures and targets to support the approved strategies and provide an update to Council by January 12, 2015.**



**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA**

**SCHEV Offices  
Main Conference Room  
Richmond, Virginia  
October 27, 2014  
3:30 – 5:00 p.m.**

**Academic Affairs Committee**

1. Call to Order
2. Approval of Minutes (September 15, 2014) [Page A1](#)
3. Action on Programs at Public Institutions [Page A5](#)
4. Presentation on Gaining Early Awareness and Readiness  
For Undergraduate Programs (GEAR UP) Virginia  
2014-2021 [Page A19](#)
5. Liaison Report
6. New Business
7. Adjournment

Committee members:

Gene Lockhart, Chair  
Carlyle Ramsey, Vice Chair  
Johanna Chase  
Heywood Fralin  
Pamela Moran  
Bill Murray

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA  
ACADEMIC AFFAIRS COMMITTEE  
SEPTEMBER 15, 2014  
MINUTES**

Mr. Gene Lockhart (Chair) called the meeting to order at 1:12 p.m. in the Festival Conference and Student Center, Allegheny Room, on the campus of James Madison University, Harrisonburg, VA.

Committee members present: Johanna Chase, Heywood Fralin, Gene Lockhart, Bill Murray, Carlyle Ramsey.

Committee members absent: Pamela Moran

Staff members present: Joseph DeFilippo, Ashley Myers.

**APPROVAL OF MINUTES**

On motion by Dr. Murray and seconded by Ms. Chase, minutes from the July 21, 2014, meeting were approved unanimously.

**LIAISON REPORT**

Dr. DeFilippo provided a report on Academic Affairs activities:

1. State Authorization Reciprocity Agreement (SARA)
  - On August 21, staff submitted SCHEV's application to be a state member of SARA. The application is subject to review and approval by SREB; a decision is anticipated sometime in October.
  - On September 9, Ms. Darlene Derricott, Coordinator for Academic Services, made an invited presentation to the SREB Electronic Campus advisory committee on Virginia's work in drafting legislation, developing policy, and composing its SARA application.
  
2. Briefing of Administration on "Serving Virginia's Veterans and Military through Collaboration"
  - On September 9, SCHEV, VCCS, JMU, ODU, UVA, and VT briefed Secretary of Veterans Affairs Harvey and Deputy Secretary of Education Trent on plans for the multi-institution collaborative that had been proposed to the 2014 General Assembly. Secretary Harvey requested that a concise refreshed proposal be prepared indicating need for the collaborative and funding requirements. Staff is working with the institutions on the proposal.

### 3. OpenVA Conference

- Time and Place: Saturday, October 18th, 2014; Tidewater Community College, Virginia Beach campus.
- Structure: Four 90-minute panel discussions, the first three of which will feature initiatives at Virginia's public institutions in the areas of open infrastructure, open content/resources, and open pedagogy/curriculum. The final session, "Helping Us Build Open VA" will be a culminating discussion with the goal of laying out a strategy for action at SCHEV, higher education institutions, and legislative bodies.
- The conference website is located at <http://openva.org/schedule/>. Council member attendance is especially welcome.

### 4. Facilitated review of new programs

#### *Approved:*

- George Mason University, Bachelor of Science degree program in Cyber Security Engineering (43.0303)
- Virginia Polytechnic Institute and State University, Bachelor of Science degree program in Computational Modeling and Data Analytics (27.0304)

#### *Under Review:*

- Virginia Polytechnic Institute and State University, Bachelor of Science degree program in Water: Resources, Policy, and Management (03.0205)
- Norfolk State University, Master of Science degree program in Cybersecurity (11.1003).

### 5. Update on George Mason BS in Mechanical Engineering

- The "Dual Admission Compact" will begin in fall 2015. NOVA Administrators and Faculty will begin promoting the program later this fall. Compact students will enter GMU's mechanical engineering program with sufficient credits for full junior standing, and will have the opportunity to do GMU coursework and other activities while still enrolled at NOVA.
- GMU faculty will develop a peer mentoring program for faculty at NOVA to involve them in engineering accreditation processes and assist continuous improvement in key transferable courses;
- GMU has begun discussions with NSU to create a transfer pathway for students who develop an interest in mechanical engineering (which NSU does not offer). Under consideration is a 3+2 program wherein students would earn a BS in science from NSU and a BS in mechanical engineering from GMU.

### 6. Event on Academic Quality and Workforce Alignment in spring 2015

- Staff has begun planning for a summit on academic quality in spring 2015. Funds have been secured through a Lumina/AACU grant program SCHEV has been participating in. The Virginia Assessment Group has agreed to be a partner. As a prelude, SCHEV is co-sponsoring with Virginia Tech a

regional meeting in Roanoke on October 2, on the topic of “The Civic and Economic Case for General Education.”

## 7. Staff appointments

### *Core Academic Affairs*

- Ms. Holly Johnson, Administrative Assistant in Academic Affairs. Holly comes to SCHEV from VCU/MCV where she had extensive experience providing administrative support to two medical departments.
- Dr. Paul Smith, Associate for Student Mobility Policy. Paul will be responsible for research and policy in the area of student transfer, and will serve as liaison to the community college system on a range of academic policies. He recently completed his PhD in Education at VCU with a dissertation that examined outcomes of community college transfers to VCU.

### *POPE*

- Ms. Latasha Eley, Compliance Investigator. Latasha will be responsible for auditing private institutions for compliance with Virginia regulation; she has an MEd in Educational Policy, Planning and Leadership from the College of William and Mary.
- Ms. Susan Yale, Compliance Investigator. Susan will be responsible for auditing private institutions for compliance with Virginia regulation; she has an MS in Business Ethics and Compliance from the New England College of Business and Finance and more than 10 years experience in higher education.

## **NEW BUSINESS**

Mr. Fralin asked that the Academic Affairs Committee take up the issue of how to measure academic quality. Dr. DeFilippo was asked to bring to the committee possible models for discussion at the January 2015 meeting.

Mr. Lockhart inquired about a comprehensive list of scholarships available to veterans and noted that a list of undergraduate and graduate scholarships would assist in unifying services.

Dr. Ramsey recommended surveying veterans as it relates to the educational opportunities the Commonwealth provides to them. Dr. Murray agreed and suggested soliciting assistance from the Virginia Hospital and Healthcare Association (VHHA).

Mr. Lockhart requested a future update from Dr. Ken Ball on the George Mason University mechanical engineering program for the October committee meeting. Dr. Ramsey was complimentary of the George Mason University and Northern Virginia Community College partnership model and urged replication throughout the Commonwealth.

Dr. DeFilippo is in the early stages of planning a Summit on Academic Quality in June of 2015. The event will serve to create a new relationship between higher education and the business community in an effort to develop systematic feedback on academic quality.

The Committee requested a future update from Dr. Paul Smith on transfer policy.

## **ADJOURNMENT**

Mr. Lockhart adjourned the meeting at 2:00 pm.

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Gene Lockhart  
Chair, Academic Affairs Committee

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Ashley Myers  
Coordinator, Executive & Board Affairs

# State Council of Higher Education for Virginia Agenda Item

**Item:** Academic Affairs Committee Item #3 – Action on Programs at Public Institutions

**Date of Meeting:** October 27, 2014

**Presenter:** Dr. Joseph G. DeFilippo  
Director of Academic Affairs & Planning  
[JoeDeFilippo@schev.edu](mailto:JoeDeFilippo@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:**

**Action:**

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

George Mason University

Longwood University

Virginia Polytechnic and State University

**Financial Impact:** The proposed programs are being initiated by various means of reallocation, and will be supported going forward via usual enrollment driven (tuition plus general funds) resources. None of the institutions is seeking a special appropriation from the General Assembly to support the proposed programs.

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

**Resolutions:**

**BE IT RESOLVED** that the State Council of Higher Education for Virginia grants approval to George Mason University to initiate a Bachelor of Science (B.S.) degree program in Kinesiology (CIP: 31.0505), effective spring 2015.

**BE IT RESOLVED** that the State Council of Higher Education for Virginia grants approval to Longwood University to initiate a Bachelor of Fine Arts (B.F.A.) degree program in Graphic and Animation Design (CIP: 50.0409), effective fall 2015.

**BE IT RESOLVED** that the State Council of Higher Education for Virginia grants approval to Virginia Polytechnic Institute and State University to initiate a Bachelor of Science (B.S.) degree program in Neuroscience (CIP: 26.1501), effective fall 2015.

**George Mason University**  
**Bachelor of Science (B.S.) in Kinesiology**  
**(CIP: 31.0505)**

**Program Description**

George Mason University (GMU) is proposing the creation of a Bachelor of Science (BS) degree program in Kinesiology to be initiated spring 2015. The proposed program would provide a comprehensive approach to the study of human movement through the delivery of evidence-based knowledge and its practical application in classroom, laboratory, research, and field experiences. The program will expose students to evidence-based knowledge of exercise science, sports medicine, and physical fitness. Students would be required to complete coursework in fitness assessment and exercise techniques, principles of human nutrition, biomechanics, exercise physiology, research methods, sport recreation and law, and exercise prescription and programming for special populations. Students will be required to complete 700 clock hours of experiential learning at a variety of sites and gain experience working with children, adults, and athletes. Graduates would possess the skills needed to: 1) create educational seminars and programs; 2) design and implement exercise programs; 3) evaluate fitness levels and assist clients with personal goal setting; 4) perform administrative functions related to facility operations; and 5) communicate effectively with individuals across the age spectrum.

The proposed degree program is designed to be accredited by the Commission on Accreditation of Allied Health Education Programs (CAAHEP). The program will include the required coursework to meet accrediting standards. In fall 2013, GMU sought accreditation for the current BS/BSED in Health Education, Kinesiology specialization and received accreditation on July 31, 2014. The accreditation would apply to the proposed degree program and GMU anticipates the degree program would seek re-accreditation in 2019.

The BS in Kinesiology would require 120 credit hours of coursework: 57 credit hours of core coursework; six credits of internship; 50 credit hours of general education; and seven credit hours of elective coursework.

**Justification for the Proposed Program**

GMU has offered the BS/BSED in Health Education, Kinesiology specialization since 2010. GMU notes that the expansion of the specialization to the proposed stand-alone degree is needed to “address increasing student demand for a comprehensive degree program...” [and] “legitimize the curriculum and provide students with a degree title that more accurately reflects the courses.” Students enrolled in the Health Education degree program, Kinesiology specialization “complete 14 required Kinesiology courses totaling 50 credits with an option for 6 more credits of Kinesiology. However, students receive a BS/BSED in Health Education.” Moreover, the proposed BS in Kinesiology degree will “fully capture the nature of Kinesiology and provide coursework needed by professionals in the field.” In 2010, the American Kinesiology Association reported that, “in universities across the country, kinesiology programs

continue to expand and evolve as they address some of society's greatest concerns. ... Kinesiology has emerged as the undergraduate degree of choice for many students seeking careers in a variety of allied health/medical fields, as well as in more traditional areas such as fitness, health promotion, physical education, recreation, and sport" (<http://www.americankinesiology.org/white-papers/white-papers/kinesiology-on-the-move--one-of-the-fastest-growing-but-often-misunderstood-majors-in-academia>).

GMU notes that "exercise and regular physical activity have been shown to attenuate the effects of certain chronic diseases." In the 2010 article "A Quickly Growing Major" the author wrote, "Kinesiology, or the study of physical movement, has seen a surge in popularity over the last 20 years that experts attribute to its social relevance, its relation to the obesity epidemic, and the growing societal importance of sports and athletics" (<https://www.insidehighered.com/news/2010/08/11/kinesiology>). In the 2012 article "Chronic Disease and the Link to Physical Activity," it was noted that "physical activity and exercise are now considered principal interventions for use in primary and secondary prevention of chronic diseases." Further, "conditions such as cardiovascular disease, type 2 diabetes, obesity, and cancer are drastically improved when PA (physical activity) and exercise are part of a medical management plan" (<http://www.sciencedirect.com/science/article/pii/S2095254612000701>). GMU contends that the proposed program "will prepare students to prescribe, design, and implement exercise programming with both apparently healthy and special populations across the age spectrum [and] respond to the growing need for kinesiology professionals to address societal demands."

### **Student Demand**

Student enrollment in the BS/BSED in Health Education, Kinesiology specialization indicates student demand. In fall 2010, 25 students were enrolled in the specialization; in fall 2011, 82 were enrolled; in fall 2012, 118 students were enrolled; and in fall 2013, 150 students were enrolled in the specialization.

In spring 2013, GMU surveyed undergraduates enrolled at Northern Virginia Community College in the *Lifetime Fitness and Wellness* course. Of the 52 respondents, four (approximately 8%) indicated that they would "definitely" be interested in pursuing the proposed program and 14 (approximately 27%) indicated they "may be" interested.

Enrollment projections show a full-time equated student enrollment (FTES) of 24.0 in the program's first year (2014-15). The projections continue as follows: FTES 2015-16, 43.0; 2016-17, 62.0; and 2017-18, 82.0. GMU anticipates 18 graduates each year beginning in 2018-19. If these enrollment and graduation projections are met, then this program will meet Council's productivity/viability standards within five years, as required.

### **Market/Employer Demand**

Graduates of the proposed program will possess the skills and knowledge needed to fill positions in allied health/medical fields, fitness, health promotion, recreation, and sport. Graduates would be well prepared to enter the workforce as entry-level health fitness specialists, exercise physiologists, personal trainers, and fitness directors. Letters of support indicate a need for “well prepared” [graduates] and “quality trainers” to do “what is required to serve and assist” clients. In Virginia and nationally, employment advertisements indicate need for bachelor-level graduates to conduct exercise testing and implement exercise prescriptions, provide personal fitness and training to clients, plan facility programs, provide exercise instruction, and oversee facility operations and programs. The Bureau of Labor Statistics (BLS) projects that between 2012 and 2022 employment of fitness trainers and instructors is expected to grow “as fast as average” or 13% (<http://www.bls.gov/ooh/Personal-Care-and-Service/Fitness-trainers-and-instructors.htm#tab-6>); employment of exercise physiologists is projected to grow “about as fast as the average” or 9%. The BLS notes that demand may rise for exercise physiologist as hospitals emphasize exercise and preventive care as part of their treatment for chronic diseases and long-term rehabilitation. There are few available exercise physiologist positions, so competition for work remains high (<http://www.bls.gov/ooh/healthcare/athletic-trainers-and-exercise-physiologists.htm#tab-6>). The Virginia Employment Commission (VEC) projects that between 2012 and 2022 employment of fitness trainers and aerobics instructors is expected to increase 16.11% or 1.5% annually; employment of exercise physiologists is expected to increase 3.31% or .33 annually (available at <http://www.vawc.virginia.gov/analyzer/default.asp>).

### **Issues of Duplication**

Five public institutions in Virginia (CWM, Longwood, JMU, NSU, and UVA) offer similar or related degree programs. All of the programs are similar in that all require a “two-semester course sequence in Human Anatomy and Physiology” and four courses “that represent the basis for study of human movement.” CWM’s program is similar to GMU’s proposed program in that a course in statistics and a course in exercise prescription and programming are required. CWM’s program differs in that it requires one internship experience and offers three concentrations. Longwood’s program is similar to the proposed program in that one course in the same 11 content areas is required. Longwood’s program differs in that it requires one internship experience and offers two concentrations. JMU’s program is similar to the proposed program in that one course in the same eight content areas is required. JMU’s program differs in that it requires two internship experiences and offers two concentrations. NSU’s program is similar to GMU’s proposed program in that one course in the same six content areas is required. NSU’s program differs in that it requires two internship experiences. UVA’s program is similar to the proposed program in that one course in the same eight content areas is required. UVA’s program differs in that it requires one internship experience. GMU’s proposed program differs from the other programs in that a course in Sports and Recreation is required and a three internship experiences (700 clock hours of fieldwork) are required. Moreover, GMU’s program will serve students residing in Northern Virginia and “no other university in the [area] offers a similar professional preparation.”

### **Resource Needs**

The proposed program will be funded primarily through reallocations within the Department of Health and Human Performance with support from the institution. Resources from the existing BS/BSED in Health Education, Kinesiology specialization will be utilized to support the program. GMU affirms that the institution will not seek additional state resources to initiate and sustain the program.

### **Board Approval**

The GMU Board of Visitors approved the proposed program on December 11, 2013.

### **Staff Recommendation**

Based on a thorough review of the application, staff recommends that the Academic Affairs Committee adopt the following resolution and transmit it to Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to George Mason University to initiate a Bachelor of Science (B.S.) degree program in Kinesiology (CIP: 31.0505), effective spring 2015.**

**Longwood University**  
**Bachelor of Fine Arts (B.F.A.) in Graphic and Animation Design**  
**(CIP: 50.0409)**

**Program Description**

Longwood University (Longwood) is proposing the creation of a Bachelor of Fine Arts (BFA) degree program in Graphic and Animation Design to be initiated fall 2015. The proposed degree program is designed to provide students with the knowledge and skills needed by a 21<sup>st</sup> century visual communicator and designer. The program will prepare students to employ visual problem solving and conceptual skills to meet the needs of clients, write and speak persuasively about design, and offer solutions through organized and persuasive presentations. The curriculum would immerse students in the technology of print and interactive design, 3-D modeling, motion graphics, and animation. Coursework in visual problem solving for design, typography, digital craft and color, research critique and presentation for design, and illustration and digital imaging will be required. The program will offer two concentrations: 1) Brand, Identity and Media and 2) Simulation, Animation, and Time-Based Media Design. The Brand, Identity and Media concentration is designed to prepare graphic designers who are interested in print and interactive design for careers in publications, advertising, and public relations. The Animation, Simulation, and Time-Based Media Design concentration is designed to prepare animators and simulation designers for careers in animation, character development, 3-D modeling, motion graphics, story development and storyboarding, and time-based media.

The proposed degree program is designed to be accredited by the National Association of Schools of Art and Design (NASAD). The program would include the required coursework to meet accrediting standards. NASAD accreditation is usually a multi-year process and requires data collection spanning a three-year period. Longwood plans to collect data from the first three graduating classes (spring 2019, 2020, and 2021) and anticipates seeking accreditation by 2022.

The BFA in Graphic and Animation Design would require 120 credit hours for graduation: 38 credit hours of general education; 40 credit hours of major coursework; 15 credit hours of major elective coursework; nine to 12 credit hours in a concentration; three credit hours in humanities; three credit hours in social sciences; and nine to 12 credit hours of electives.

**Justification for the Proposed Program**

Longwood has offered the BFA in Visual and Performing Arts, Graphic Design concentration since 1982. In 2013, in a response to "students' needs to acquire new skills for effective communication design" and the "growing need for skilled visual designers," faculty redesigned the concentration to include coursework in graphic and animation design. Longwood contends that the proposed "multidisciplinary digital design curriculum" is timely and needed to address the "overlap occurring between the disciplines of graphic design and animation" and to respond to "the market demand for designers and animators with diverse skills."

In 2011, Eric Lee, a lead animator for Steelehouse Productions, affirmed that the demand for animators is increasing daily. “With more and more forms of media incorporating animation and interactivity, animation is being found everywhere. As a result, quality animators are in demand” (<http://www.animationcareerreview.com/articles/steelhouses-eric-lee-discusses-animation-motion-mind>). When asked if there is an increasing demand for animators, Paul Kakert owner of Effective Digital Presentations stated, “as long as animators offer a broad set of skills that allow them to evolve with industry needs in animation and motion graphics, then the need will increase. [Moreover], the Internet is so easily accessible [that] even the most complex animations and large videos stream with ease to every computer and mobile device out there. All that screams for more content, and somebody has to produce that content and meet that need” (<http://www.animationcareerreview.com/articles/animation-documentaries-effective-digital-presentations-owner-paul-kakert>). In 2013, Jake Barton, an executive with a media design firm noted that the biggest challenge studios face is competition for talent. “Here in New York City, it’s a massive problem to recruit and retain great people.... In terms of skills sets, studios will definitely still need visual designers. But they’ll also need strategists, interactive designers and developers” (<http://www.aiga.org/jake-barton/>). Longwood contends that graduates would possess the skills and knowledge to employ visual problem solving and conceptual skills to meet the needs of the clients and end users.

### **Student Demand**

Student enrollment between fall 2011 and 2012 in the BFA in Visual and Performing Arts, Graphic Design concentration and between fall 2013 and 2014, Animation and Graphic Design concentration indicates student demand. In the Graphic Design concentration, 75 students and 82 students were enrolled fall 2011 and fall 2012, respectively. In the Animation and Graphic Design concentration, 89 students and 94 students were enrolled fall 2013 and fall 2014, respectively.

In spring 2014, Longwood surveyed Virginia high school students who had expressed interest in attending the university. Of the 229 respondents, 220 were rising 11th or 12th graders or, seniors. Of the 220 respondents, 22 (approximately 10%) indicated “strongly agree” that they would be interested in attending Longwood and majoring in the proposed program; 60 (approximately 27%) indicated “agree” that they would be interested in attending Longwood and majoring in the proposed program.

Enrollment projections show a full-time equated student enrollment (FTES) of 25 in the program’s first year (2015-16). The projections continue as follows: FTES 2016-17, 45.0; 2017-18, 66.0; and 2018-19, 86.0. Longwood anticipates 20 graduates each year beginning in 2019-20. If these enrollment and graduation projections are met, then this program will meet Council’s productivity/viability standards within five years, as required.

### **Market/Employer Demand**

Longwood notes that graduates of the BFA degree in Animation and Graphic Design will be well trained for occupations as graphics designers, multimedia artists and animators, and illustrators. Letters of support indicate a need for animation and design professionals. The Vice President for Children's Programming at PBS wrote, "The areas of animation and digital art are industries that will continue to develop and advance, and the manpower needed to grow these seems to increase every year. As computer programs become more complex and as the opportunities for additional viewing platforms develop, opportunities for employment in animation and digital design will continue to increase." In Virginia, nationally, and internationally, employment announcements indicate demand for bachelor-level personnel for entry-level positions as graphic designers and multi-media specialists. The Bureau of Labor Statistics (BLS) projects that between 2012 and 2022 employment of graphic designers is expected to grow "slower than average" or 7%. The BLS notes that employment of graphic designers in newspaper, periodical, book, and directory publishers is projected to decline 16 percent from 2012 to 2022. However, employment of graphic designers in computer systems design and related services is projected to grow 35 percent over the same period. With the increased use of the Internet, graphic designers will be needed to create designs and images for portable devices, websites, electronic publications, and video entertainment media (<http://www.bls.gov/ooh/Arts-and-Design/Graphic-designers.htm>). Employment of multimedia artists and animators is expected to grow "slower than average" or 6%. The BLS notes that employers typically require a bachelor's degree, and they look for workers who have a good portfolio of work and strong technical skills. Multimedia artists and animators typically have a bachelor's degree in fine art, computer graphics, animation, or a related field. Further, an increased demand for computer graphics for mobile devices, such as smart phones, could lead to more job opportunities. Multimedia artists will be needed to create animation for games and applications for mobile devices (<http://www.bls.gov/ooh/arts-and-design/multimedia-artists-and-animators.htm>). The Virginia Employment Commission (VEC) projects that between 2012 and 2022 employment of graphic designers is expected to increase 11.54% or 1.10% annually; employment of multimedia artist and animators is expected to increase 15.54 or 1.45% annually (available at <https://data.virginialmi.com/vosnet/analyzer/>).

### **Issues of Duplication**

One public institution (VCU) offers a similar degree program. VCU's program is similar to the proposed program in that it requires coursework in drawing, design in historical context, and 2-, 3-, and 4-dimensional spaces. Both programs require similar core courses in eight categorical areas in graphic design. Longwood notes that the proposed program differs slightly in that two foundation courses directly address problem solving, research, and critique and presentation and, two concentrations will be offered. Longwood stresses that in bringing "to Southside a degree program that is nearly unique in the Commonwealth, [the institution] will give [its] population a convenient opportunity to pursue a degree in this [discipline]."

### **Resource Needs**

The proposed program will be funded primarily through departmental reallocations with funding support reallocated from the existing BFA in Visual and Performing Arts, Graphic and Animation Design concentration. Revenue from tuition will also support the proposed program. Financial support for the program will not negatively affect existing programs in the Department of Theatre, Art, and Graphic and Animation Design. The institution will not seek additional state resources to initiate and sustain the program.

### **Board Approval**

The Longwood Board of Visitors approved the proposed program on June 23, 2014

### **Staff Recommendation**

Based on a thorough review of the application, staff recommends that the Academic Affairs Committee adopt the following resolution and transmit it to Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Longwood University to initiate a Bachelor of Fine Arts (B.F.A.) degree program in Graphic and Animation Design (CIP: 50.0409), effective fall 2015.**

**Virginia Polytechnic Institute and State University**  
**Bachelor of Science (B.S.) in Neuroscience**  
**(CIP: 26.1501)**

**Program Description**

Virginia Polytechnic Institute and State University (VA Tech) is proposing the creation of a Bachelor of Science (BS) degree program in Neuroscience to be initiated fall 2015. Located in the College of Science, the proposed interdisciplinary degree program requires students to understand and utilize diverse knowledge from multiple disciplines. The program would emphasize the theories and methods of molecular, biochemical, cellular and systems neuroscience and include coursework in biology, chemistry, economics, mathematics, physics, psychology, and statistics. Through required coursework and undergraduate research training, students would learn to integrate the molecular, structural, physiological, cognitive, and behavioral aspects of the central and peripheral nervous systems.

Students would be exposed to and trained in a wide variety of research methods and laboratory techniques. Students will be required to study as an intern under a mentoring faculty member and complete a supervised research/practical experience. Graduates will be prepared to: 1) analyze experimental data, interpret results, and write reports and summaries; 2) conduct research or assist in the conduct of research, including the collection of information and samples such as blood, water, soil, plants and animals; 3) conduct tests or studies such as nerve conduction studies; 4) develop models or computer simulations of human behavioral systems to obtain data for measuring or controlling life processes; and 5) diagnose and interpret bioelectric data. Graduates will also possess knowledge and skills of laboratory techniques and execution and be able to: isolate, identify, and prepare specimens for examination, keep detailed logs of work activities, and operate and maintain laboratory equipment and apparatus. To meet the curriculum requirements, VA Tech developed 14 new courses. Ten courses are required neuroscience core courses and four courses are restricted electives.

The BS in Neuroscience will require 120 credit hours for graduation: 24 credit hours of major coursework; 20 credits of entry-level science and statistics courses; 38 credit hours of liberal education coursework; 12 credit hours of restricted elective coursework; and 26 credit hours of free electives. Students can elect to participate in the "Integrated Science Curriculum" (ISC). The ISC is an eight credit hour classroom/laboratory experience for four semesters. Course material would be presented in a unified manner by an interdisciplinary team of scientist. Students who participate in the ISC would complete: 24 credit hours of major coursework; 32 credit hours of ISC; 30 credit hours of liberal education coursework; three credits of statistics; 12 credit hours of restrictive coursework; and 19 credit hours of free electives.

### **Justification for the Proposed Program**

In a letter of support, the CEO of a health research corporation wrote, “in order for us to succeed, Virginia needs a pipeline of well-trained and highly educated employees working in translational research settings... this important preparation begins at the undergraduate level with a degree such as the one [proposed]. In another letter of support, the CEO of a Virginia-based pharmaceutical company wrote, “we are entering the Age of the Brain that will begin with neuroscience... Our great universities will lead this effort.” In 2012, Popular Science reported that Paul Allen (Microsoft Co-founder) had “already contributed hundreds of millions dollars to brain science to establish the Allen Brain Institute ... and seemingly from a frustration with the slow pace of discovery elsewhere in the field, committed another \$300 million over the next decade to expanding his institute to include his own lab for neuroscience investigation” (<http://www.popsci.com/science/article/2012-03/microsoft-co-founder-paul-allen-injects-another-300-million-his-brain-research-institute>). In the 2013 summary report of the National Science Foundation Workshop on Mapping and Engineering the Brain, the authors noted that an important challenge was the development of a broadly educated and well-trained workforce that can lead future efforts in research and development for mapping and managing brain through neurotechnologies. “Integrative training and education of the workforce at all levels, ranging from undergraduate, graduate post-doctoral and resident levels are needed” (<http://ieeexplore.ieee.org/stamp/stamp.jsp?reload=true&tp=&number=6615987>). VA Tech asserts that “there is a growing market demand for neuroscience-based knowledge and products and, graduates of the proposed program will be poised to either immediately enter the marketplace or graduate school.”

### **Student Demand**

Student enrollment in three neuroscience courses - Introduction to Neuroscience I (NEUR 2025), Introduction to Neuroscience II (NEUR 2026), and Cellular and Molecular Neuroscience (NEUR 3044) demonstrates student demand. Each course would be a required core course for the proposed program. In fall 2012, 25 students enrolled in NEUR 2025 and fall 2013, 34 students enrolled. In spring 2013, 15 students enrolled in NEUR 2026 and spring 2014, 17 students enrolled. In spring 2014, 20 students enrolled in NEUR 3044.

Eleven emails from prospective students indicate student demand. One student wrote, “I am very interested in your program. I am passionate about neuropsychology and neuroscience.” A high school student indicated “a strong interest” in applying to VA Tech and noted, “one of the main reasons is because I have heard about the new Neuroscience division and that is the major I am interested in studying in college.” One student who has not declared a major wrote, “I am looking to pursue a career in medicine, and I believe a major in Neuroscience would fit my interests perfectly.”

Enrollment projections for the proposed program show a full-time equated student enrollment (FTES) of 25.0 in the program’s first year (2015-16). The projections continue as follows: FTES 2016-17, 50.0; 2017-2018, 75.0; and 2018-19, 100.0. VA Tech anticipates 20 graduates per year beginning in 2019-20. If these enrollment and

graduation projections are met, this program will meet Council's productivity/viability standards within five years, as required.

### **Market/Employer Demand**

VA Tech noted that graduates of the proposed degree program will be competitive for jobs in both the private sector and government agencies that require skills in the context of neuroscience and neuromedical applications. Letters of support from industry indicate a need for bachelor-level graduates "who have developed a more in depth understanding of the nervous system and a more interdisciplinary training than some of the more traditional life sciences majors." Employment listings in Virginia and nationally indicate that personnel with undergraduate-level education are needed to fill positions such as neural signaling processing associate, life science application specialist, clinical trials assistant, research assistant, and research laboratory technician associate. The Bureau of Labor Statistics (BLS) projects between 2012 and 2022 employment of biological technicians is expected to grow 10%. (<http://www.bls.gov/ooh/Life-Physical-and-Social-Science/Biological-technicians.htm>). The Virginia Workforce Connection (VAWC) projects that between 2012 and 2022 employment of biological technicians is expected to increase 22.38% or 2.04% annually (available at: <http://www.vawc.virginia.gov/analyzer/default.asp>).

### **Issues of Duplication**

One public institution (GMU) offers a similar degree program. CWM and UVA offer a major or specialization in Neuroscience within the Interdisciplinary Studies degree program. GMU's program is similar to the proposed program in that students are required to take coursework in "basic biological processes, chemistry, and statistics" and "both require their students to gain first-hand experience in research." GMU's program differs in that students take "six credits in neuroscience" whereas students in the proposed program will be required to complete "24 neuroscience specific credits."

### **Resource Needs**

The proposed program will be funded primarily through reallocation in the College of Science with support from the institution. The three new faculty positions are associated with a re-distribution of faculty positions within the College of Science. VA Tech noted that in 2004, the College initiated cluster hiring to strategically re-align resources and position the College to address interdisciplinary challenges in science and educating students in a comprehensive manner. Reallocation of resources is a continuation of ongoing strategic initiatives. VA Tech affirms that the institution will not seek additional state resources to initiate and sustain the program.

### **Board Approval**

The VA Tech Board of Visitors approved the proposed program on June 2, 2014.

**Staff Recommendation**

Based on a thorough review of the application, staff recommends that the Academic Affairs Committee adopt the following resolution and transmit it to the Council:

**BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Virginia Polytechnic Institute and State University to initiate a Bachelor of Science (B.S.) degree program in Neuroscience (CIP: 26.1501), effective fall 2015.**

# State Council of Higher Education for Virginia Agenda Item

**Item:** Academic Affairs Committee Item # 4 – Presentation: GEAR UP Virginia  
2014-2021

**Date of Meeting:** October 27, 2014

**Presenter:** Ms. Paula Fisher  
Assistant Director for Academic Affairs  
[PaulaFisher@schev.edu](mailto:PaulaFisher@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:**

**Action:**

**Background Information/Summary of Major Elements:** SCHEV was notified in September that it has been awarded a s even-year \$22 m illion *Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)* grant.

GEAR UP is a di scretionary grant program of the U.S. Department of Education designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. GEAR UP provides grants to states and partnerships to provide services at high-poverty middle and high schools. GEAR UP grantees serve an entire cohort of students beginning no l later than the seventh grade and follow the cohort through high school. GEAR UP funds are also used to provide college scholarships to low-income students.

**Materials Provided:**

- Presentation materials will be provided at the committee meeting

**Financial Impact:** Of \$22 million over the length of the program, approximately half will be reserved for college scholarships for program students, and approximately half will be targeted to support and mentoring while students are the K-12 system, including a specialized component to support homeless students. It is anticipated that SCHEV will use grant funds to hire seven members to lead program activities.

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

**Resolution:** N/A

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA**

**SCHEV Offices  
Main Conference Room  
Richmond, Virginia  
October 27, 2014  
3:30 – 5:00 p.m.**

**TJ21 Committee**

1. Call to Order
2. Approval of Minutes (September 15 2014) [Page TJ1](#)
3. Action on 2014-16 Systemwide Operating Budget Amendments [Page TJ4](#)
4. Update on Institutional Performance Measures [Page TJ20](#)
5. New Business
6. Adjournment

Committee members:

Steve Haner, Chair  
Gary Nakamoto, Vice Chair  
Gil Bland  
Martin Briley  
Marge Connelly  
Henry Light

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA  
TJ21 COMMITTEE  
SEPTEMBER 15, 2014  
MINUTES**

Mr. Haner called the meeting to order at 1:10 p.m. in the Festival Conference and Student Center, Board of Visitors Room, James Madison University, Harrisonburg, Virginia. Committee members present: Gilbert Bland, Marge Connelly, Steve Haner, Henry Light, G. Gilmer Minor, III.

Committee member absent: Gary Nakamoto.

Staff members present: Dan Hix, Tod Massa, Jean Mottley, Kirsten Nelson, and Lee Ann Rung. Mike Melis from the Office of the Attorney General was also in attendance.

**APPROVAL OF MINUTES**

On a motion by Mr. Minor and seconded by Mr. Bland, the minutes from the July 21, 2014, meeting were approved unanimously.

**ACTION ON INSTITUTIONAL PERFORMANCE MEASURES**

Dr. Mottley reviewed information provided by the institutions and answered questions from members. She explained that at the time the agenda books were prepared, staff did not have the results of financial and administrative measures. That information has since been received and a copy of the information from the Secretary of Finance was distributed.

Dr. Mottley explained that there are two major sets of measures for all institutions. There are six education-related measures along with a set of financial and administrative measures. The results for the six education-related measures were discussed at the July meeting of the Committee. Although some targets were missed by some of the institutions, overall the results were favorable, particularly since this was the first review with the new measures. With regard to the financial and administrative measures, all institutions passed the review with the exception of Norfolk State University (NSU). She explained that NSU is awaiting the results of its 2013 financial audit from the Auditor of Public Accounts (APA), which is expected to be completed by the end of October. The APA has indicated that improvements have been made. President Moore was in attendance and explained the reasons that caused NSU to miss its measure and reported that he has taken steps to educate staff on state rules for financial accounting. He answered questions from members and requested an exception to allow the institution more time to meet the measure. Mr. Minor commented that NSU has a strong board and gave much credit to Mr. Moore. Mr. Light echoed those sentiments and commended Mr. Moore for his

leadership and accomplishments in the two years since he has been president at NSU. Mr. John Ringer, Associate Director of the Department of Planning and Budget (DPB), was in attendance and answered a question related to debt measurement. He said that each institution is required to review its own measure with its board. Mr. Haner reminded members that the statutory language gives SCHEV flexibility in certifying the institutions' performance standards.

Dr. Mottley explained that institutions with Level II authority had two additional education-related measures. Although a couple of institutions missed their targets on one year of measures, overall, most did well and some exceeded their targets. These measures had not been reviewed since 2011.

Since this was the first time that the six general education-related measures had been reviewed and the first testing of some definitions for the performance measures, Dr. Mottley indicated that staff was recommending that all institutions receive certification. Dr. Mottley distributed a revised resolution and on a motion by Mr. Light and seconded by Mr. Minor, the following revised resolution was approved unanimously to be forwarded to the full Council:

**BE IT RESOLVED that consistent with §23-9.6:1.01, Code of Virginia, the State Council of Higher Education for Virginia certifies for 2014-2015 and 2015-2016 that all public institutions have satisfactorily met the performance standards of the Virginia Higher Education Opportunity Act and Appropriation Act with the proviso that Norfolk State University receives this certification pending the results of its FY2013 financial audit.**

Mr. Haner expressed concerns about institutions missing some targets for the performance measures. He indicated that the expectation for future assessments would be that the institutions would pass all measures.

## **DISCUSSION OF 2014-16 SYSTEMWIDE OPERATING BUDGET AMENDMENTS**

Mr. Blake reported that the Council would need to make its recommendations to Governor at the October meeting. However, he explained that this year's process is complicated by the fact that the Governor has requested budget reductions from all agencies and institutions prior to the submission of the Council's budget amendment recommendations. He indicated that Suzette Denslow, Deputy Chief of Staff to the Governor, was scheduled to provide more details at the joint meeting with the Presidents following this meeting.

Mr. Hix provided a high level overview of the erosion of funding over the last several years. In response to a question from Mr. Bland, Mr. Hix agreed to check on NSU's percentage of guideline over time.

Ms. Connelly expressed concern about the lack of stability in state funding and suggested that the Council wait until the state budget is finalized before advancing its recommendations. Mr. Haner requested input from members about setting priorities

for budget recommendations and several were mentioned: financial aid; programs oriented to student success; and technology, specifically support of the Higher Education Equipment Trust Fund (HEETF). Mr. Haner encouraged members to contact staff if they had questions or additional recommendations. He stated that it was his intention to prepare budget amendment recommendations for approval by the Council in October.

The meeting adjourned at 2:45 p.m.

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Steve Haner  
Committee Chair

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Lee Ann Rung  
Director, Executive & Board Affairs

# State Council of Higher Education for Virginia Agenda Item

**Item:** TJ21 Implementation Committee #3 – Action on 2014-16 Systemwide Operating Budget Amendments

**Date of Meeting:** October 27, 2014

**Presenter:** Dan Hix, Finance Policy Director  
[DanHix@schev.edu](mailto:DanHix@schev.edu)

**Most Recent Review/Action:**

- No previous Council review/action  
 Previous review/action

**Date:** September 16, 2014

**Action:** The Council reviewed and discussed preliminary calculations and proposed budget amendment options for the 2014-16 biennium.

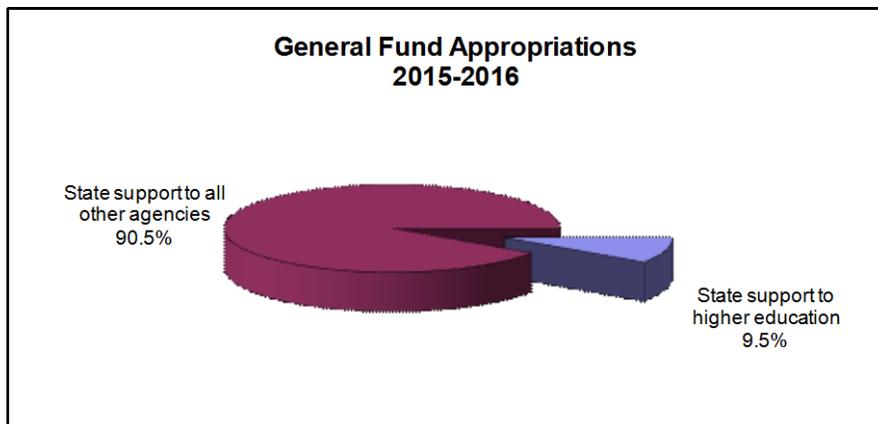
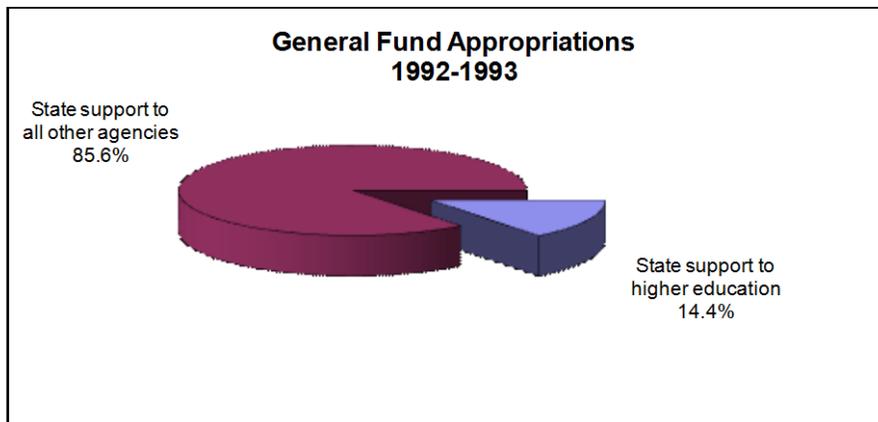
**Summary of Major Elements:**

- Fluctuations in state funding that result from cyclical economic conditions in Virginia present a tremendous challenge to the well-being of our public higher education institutions and the state's students and families. However, an even greater challenge to Virginia's public higher education system is emerging as both internal and external data indicate an aggregate decline in state support over the past 20 years.
- Between 1992 and 2016, general fund appropriations to public higher education in Virginia fell from more than 14% to less than 10% of total state appropriations based on the 2014 Appropriation Act net of September budget reductions (see Table 1). This aggregate decline in state funding has been masked by increases in funding when the economy is doing well followed by decreases in funding when the economy contracts.
- On a per-student basis, general fund appropriations declined by 49.6% (\$5,909) on average at four-year institutions and by 46.6% (\$2,550) at the VCCS between 2001 and 2016 based on the adjusted budget for FY16 (see Tables 2 and 3). In contrast, tuition revenues from all sources increased by 63% (\$4,397) on average at the four-year institutions and more than 109% (\$2,291) at the VCCS during the same time period. This means Virginia's students and their families are shouldering an increasingly high proportion of college costs.
- Based on the most recent national data, Virginia is ranked 42<sup>nd</sup> in the country in terms of general fund support for higher education on a per student basis. All but

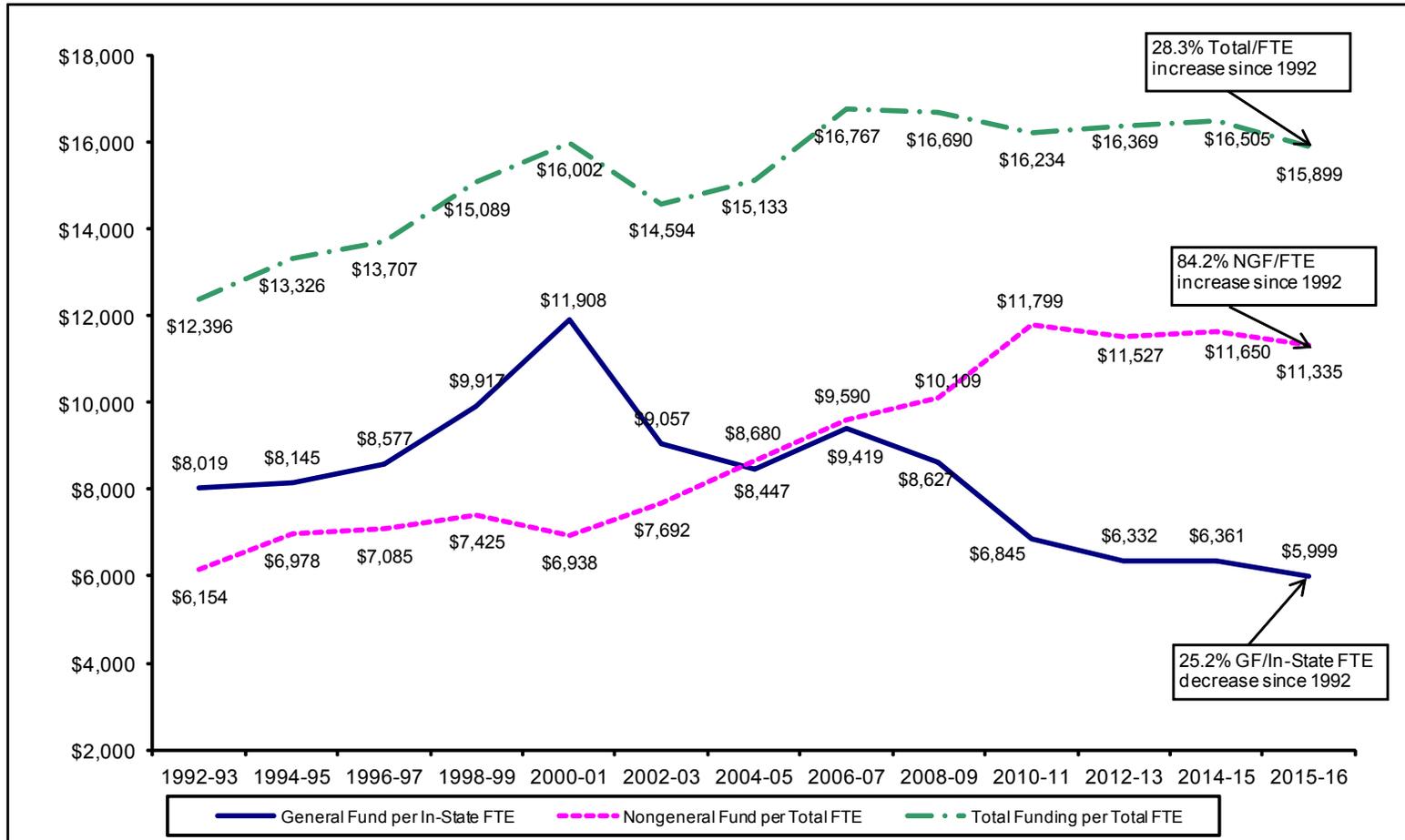
two states in the Southern Regional Education Board (SREB)—Florida and South Carolina—ranked above us. Our neighboring states to the north and south ranked substantially higher—Maryland ranked 13<sup>th</sup> and North Carolina ranked 8<sup>th</sup> (see Table 4).

- Due to a projected \$1.6 billion state revenue shortfall in May, the General Assembly funded the 39 main institutions of higher education at close to their FY2014 budgeted levels for the 2014-16 biennium with only \$3.1 million in additional general fund support provided to increase in-state undergraduate enrollment at CWM, JMU, UVA and VT in each year of the biennium.
- However, the projected state revenue shortfall grew to \$2.4 billion in August. In order to balance the state budget, the General Assembly amended the original 2014-16 higher education budgets in September and reduced the general fund support to institutions by \$45 million or 3.3% in each year of the biennium. **By FY2016, our public institutions will have endured general fund budget reductions in seven of the last nine years.**

**Table 1**



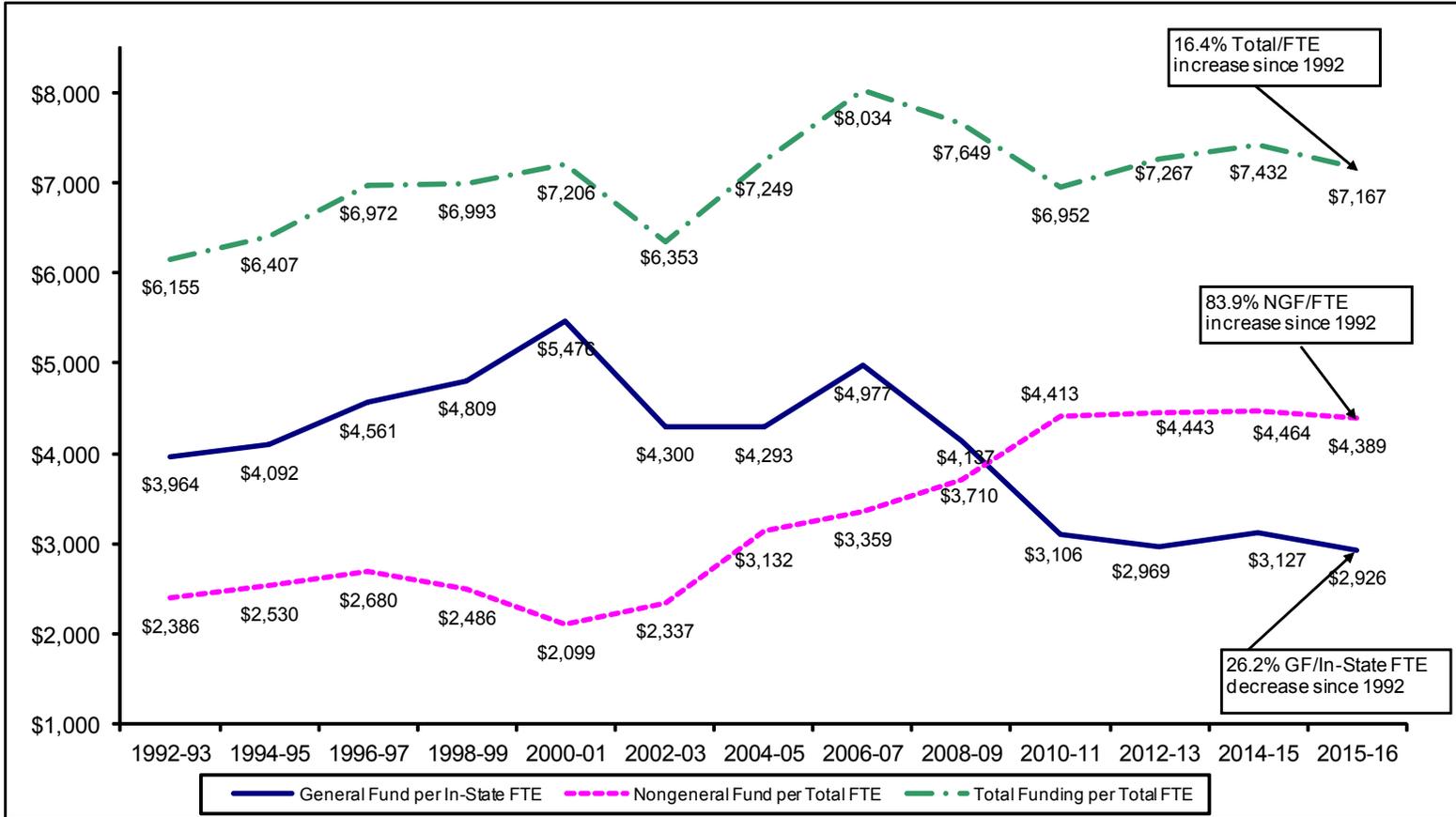
**Table 2**  
**Average Funding per FTE Student at Four-Year Institutions**  
**(in 2015-16 Constant Dollars)**



Notes:

- (1) Total Funding per Total FTE is not the sum of General Fund per In-State FTE and Nongeneral Fund per Total FTE.
- (2) FY14 is based on projected enrollments. All other years are based on actual enrollments.
- (3) General fund is based on Chapter 2 and HB5010 for FY2015 and Chapter 2 with 7% reduction for FY2016. Nongeneral fund is from Chapter 2.
- (4) FY10 and FY11 Nongeneral Fund per Total FTE include funding from the American Recovery and Reinvestment Act of 2009.
- (5) General fund per in-state FTE has decreased by 49.6% from the peak year of FY2001 to FY2016.

**Table 3**  
**Average Funding per FTE Student at Virginia Community Colleges**  
**(in 2015-16 Constant Dollars)**



**Notes:**

- (1) Total Funding per Total FTE is not the sum of General Fund per In-State FTE and Nongeneral Fund per Total FTE.
- (2) FY14 is based on projected enrollments. All other years are based on actual enrollments.
- (3) General fund is based on Chapter 2 and HB5010 for FY2015 and Chapter 2 with 7% reduction for FY2016. Nongeneral fund is from Chapter 2.
- (4) FY10 and FY11 Nongeneral Fund per Total FTE include funding from the American Recovery and Reinvestment Act of 2009.
- (5) General fund per in-state FTE has decreased by 46.6% from the peak year of FY2001 to FY2016.

**Table 4**  
**FY2013 Public Higher Education Support per Student<sup>1</sup>**

State	State and Local Approp. Per FTE	Ranking	State	Tuition and Fee Revenue Per FTE	Ranking	State	Total Revenue per FTE	Ranking
Alaska	\$15,870	1	Delaware	\$16,117	1	Delaware	\$21,918	1
Wyoming	\$14,415	2	Vermont	\$14,405	2	Alaska	\$21,916	2
Hawaii	\$10,361	3	Rhode Island	\$11,865	3	Connecticut	\$16,955	3
Illinois	\$9,532	4	Michigan	\$11,071	4	Vermont	\$16,895	4
New York	\$8,656	5	New Hampshire	\$10,682	5	Rhode Island	\$16,760	5
Connecticut	\$8,620	6	Pennsylvania	\$9,875	6	Wyoming	\$16,544	6
New Mexico	\$8,255	7	Maine	\$8,528	7	Michigan	\$15,855	7
North Carolina	\$7,911	8	New Jersey	\$8,376	8	Hawaii	\$15,751	8
Nebraska	\$7,772	9	Connecticut	\$8,335	9	New Jersey	\$14,755	9
California	\$7,303	10	Alabama	\$8,241	10	Maine	\$14,725	10
North Dakota	\$7,264	11	Iowa	\$8,036	11	Illinois	\$14,639	11
Massachusetts	\$6,812	12	Colorado	\$8,024	12	North Dakota	\$14,449	12
Maryland	\$6,630	13	Minnesota	\$7,932	13	Pennsylvania	\$14,266	13
Georgia	\$6,455	14	South Dakota	\$7,815	14	Maryland	\$13,915	14
Nevada	\$6,385	15	Ohio	\$7,649	15	New York	\$13,437	15
New Jersey	\$6,380	16	Virginia	\$7,520	16	Iowa	\$13,311	16
Texas	\$6,260	17	Indiana	\$7,360	17	Nebraska	\$13,148	17
Kentucky	\$6,256	18	South Carolina	\$7,320	18	Minnesota	\$12,792	18
Maine	\$6,197	19	Maryland	\$7,285	19	Alabama	\$12,670	19
Oklahoma	\$6,162	20	North Dakota	\$7,185	20	Massachusetts	\$12,655	20
Wisconsin	\$6,052	21	Oregon	\$6,704	21	New Hampshire	\$12,587	21
Idaho	\$6,013	22	Arizona	\$6,130	22	Indiana	\$12,431	22
Delaware	\$5,844	23	Alaska	\$6,046	23	Ohio	\$12,298	23
Kansas	\$5,659	24	Massachusetts	\$5,842	24	Virginia	\$11,981	24
Tennessee	\$5,525	25	Montana	\$5,676	25	South Dakota	\$11,899	25
Arkansas	\$5,480	26	Kentucky	\$5,621	26	Kentucky	\$11,877	26
Utah	\$5,359	27	Kansas	\$5,553	27	North Carolina	\$11,542	27
Missouri	\$5,309	28	Missouri	\$5,417	28	New Mexico	\$11,463	28
Iowa	\$5,274	29	Hawaii	\$5,390	29	Wisconsin	\$11,361	29
Mississippi	\$5,249	30	Nebraska	\$5,377	30	Kansas	\$11,213	30
Arizona	\$5,111	31	Illinois	\$5,367	31	Colorado	\$11,117	31
Indiana	\$5,071	32	West Virginia	\$5,361	32	South Carolina	\$11,078	32
Louisiana	\$5,044	33	Wisconsin	\$5,309	33	Arizona	\$10,911	33
Washington	\$5,021	34	Tennessee	\$5,042	34	Oregon	\$10,771	34
West Virginia	\$5,005	35	Utah	\$4,864	35	Georgia	\$10,757	35
Alabama	\$4,999	36	New York	\$4,781	36	Missouri	\$10,726	36
Rhode Island	\$4,894	37	Oklahoma	\$4,471	37	Oklahoma	\$10,632	37
Minnesota	\$4,860	38	Georgia	\$4,318	38	Texas	\$10,526	38
Michigan	\$4,784	39	Texas	\$4,266	39	Tennessee	\$10,427	39
South Dakota	\$4,770	40	Washington	\$4,003	40	Utah	\$10,223	40
Ohio	\$4,649	41	Louisiana	\$3,851	41	Montana	\$10,210	41
Virginia	\$4,538	42	Nevada	\$3,680	42	Nevada	\$10,065	42
Montana	\$4,535	43	North Carolina	\$3,630	43	West Virginia	\$9,685	43
Florida	\$4,502	44	Idaho	\$3,611	44	Idaho	\$9,624	44
Pennsylvania	\$4,391	45	Mississippi	\$3,466	45	California	\$9,505	45
South Carolina	\$4,359	46	Arkansas	\$3,340	46	Washington	\$9,024	46
Oregon	\$4,067	47	New Mexico	\$3,207	47	Louisiana	\$8,895	47
Colorado	\$3,093	48	Florida	\$2,914	48	Mississippi	\$8,715	48
Vermont	\$2,981	49	California	\$2,202	49	Arkansas	\$8,045	49
New Hampshire	\$1,905	50	Wyoming	\$2,148	50	Florida	\$7,416	50
US	\$6,105		US	\$5,475		US	\$11,523	

Note: (1) Data includes tax appropriations, state funded endowment earnings, and financial aid but excludes enrollment and revenue related to agricultural, medical and research funding.

Source: SHEF Report 2013 by the State Higher Education Executive Officers (SHEEO).

- Amidst continued concerns over the slow improvement in the economy and the increased complexity of making accurate statewide revenue projections, SCHEV staff presents the following FY2016 budget amendment recommendations for the Council's consideration.

### 1. *Undergraduate need-based financial aid*

- It is unlikely the institutions will see a meaningful increase in state general fund support for Educational and General Programs. Institutions will need to find a way to absorb the \$45 million general fund reduction and meet new demands for services.
- At the same time, it is likely that institutions will increase tuition and fees to address state and institutional priorities. In addition to higher tuition and fees, students and families also will face higher costs for transportation, books, room and board, technology and other features of attending college. **Staff recommends, therefore, that the Governor and the General Assembly make undergraduate need-based financial aid a priority for state general fund appropriations and provide an increase in FY 2016 of an additional \$30 million.**
- The 2014 General Assembly provided no additional need-based financial aid for in-state undergraduate students in 2014-16 biennium while institutions increased, on average, in-state undergraduate tuition and mandatory fees by 5.8% in 2014-15. In addition, the \$45 million general fund reduction in September was made after institutional decisions were made on tuition increases for 2014-15.
- Student financial need has risen in the past few years due to an increased number of students (both new and returning) demonstrating financial need, reduction in student financial resources, higher tuition charges, and other cost increases. With these cost increases and the slow recovery of the economy, the number of students demonstrating financial need increased by 78% from 71,043 students to 126,700 students between FY2011 and FY2014 and the amount of financial need increased by over 109% in the same period.
- As the state financial aid funding has not been able to keep up with the increasing numbers of students demonstrating need, institutions have responded by awarding more students at the sacrifice of maintaining award levels relative to tuition & fees. There is no doubt that this has contributed to the increase in the number of students borrowing and the average student debt.
- Utilizing the projected FY2016 tuition in the institutional six-year plans, the total financial need will exceed \$539 million in FY2016. If no new funding is provided, the percent need met would drop to **29.3% percent systemically**. This is a 50% reduction in the percentage point of need met since FY2008 when we reached our high point of nearly 61%. Nine of the senior institutions are projected to fall below 40% of need met in FY2015. Another three will be below 35%, including Virginia

State University that is experiencing an enrollment decrease directly related to the loss of federal financial aid funds and the University of Mary Washington that has dropped to below 30 percent (29.4%) of need met.

Year	Projected Number of Students Demonstrating Need	Projected Need Under the Partnership Model	VSFAP Appropriation	Percent of Projected Need Met	Percent Increase in Students w/Need	Percent Increase in Need	Percent Increase in Funding
2007-08	62,766	179,737,319	108,808,782	60.5%			
2008-09	64,404	195,153,152	117,967,023	60.5%	2.6%	8.6%	8.4%
2009-10	66,103	210,108,255	127,967,023	60.9%	2.6%	7.7%	8.5%
2010-11	71,043	233,376,286	127,819,523	54.8%	7.5%	11.1%	0.0%
2011-12	80,044	295,501,432	141,206,151	47.8%	12.7%	26.6%	10.5%
2012-13	101,636	361,462,825	149,512,224	41.4%	27.0%	22.3%	5.9%
2013-14	117,628	431,766,961	158,078,595	36.6%	15.7%	19.4%	5.7%
2014-15	126,716	489,437,861	158,078,595	32.3%	7.7%	13.4%	0.0%
2015-16	128,485	539,158,258	158,078,595	<b>29.3%</b>	1.4%	10.2%	0.0%

2010-11 - lowering of VSFAP appropriation is due to a change in how Virginia Tech funds were counted, not a reduction.

2015-16 - pending approval of additional VSFAP funding.

- SCHEV staff recommends that need-based financial aid for in-state undergraduate students be identified as the highest priority for any additional general fund that may be available to help address college accessibility and affordability. It is estimated that an additional general fund appropriation of \$26 million is needed to help students cope with rising college costs next year. This recommendation recognizes that some institutions were funded in FY2015 at comparatively spartan levels and recommends imposing a new minimum level of funding for senior institutions. While the Governor and the General Assembly may choose other ways to allocate the funds, Attachment 1 provides one alternative.
- SCHEV staff further recognizes additional, targeted opportunities for need-based financial aid. One is the existing two-year college transfer grant program, which provides up to \$2,000 for eligible students who transfer from a two-year institution to a public or private four-year college or university. The other is a new effort that has gained some interest recently as a means to address workforce development needs. Many middle-skills jobs do not require a degree but do require specialized training beyond high school that leads to an industry-based certificate. At the present time, students in these programs of study are ineligible for state financial aid programs. SCHEV staff recommends that a small sum of money be set aside for these students and that the General Assembly direct SCHEV and the Virginia Community College System to establish guidelines for the administration of the funds. Together – the transfer grant and the workforce grant – SCHEV staff recommends a total of \$4 million in FY 2016.

## **2. Higher Education Equipment Trust Fund (HEETF)**

- The Council recommended \$180 million in equipment allocations for the 2014-16 biennium, including \$38.1 million for sponsored research and \$8 million for workforce development equipment through the HEETF last year. The recommendation increased the research equipment allocation to \$19 million. It was estimated that \$13.5 million from the general fund was needed in debt service to finance the need for the biennium.
- In the 2014 session, the House of Delegates' proposed budget would have provided an additional \$8.1 million to UVA, VCU and VT (each had \$2.7 million) for research equipment in FY2015. The Senate Finance recommended an additional research allocation of \$8.8 million per year based on the SCHEV recommendation (\$6.8 million for research equipment and \$2 million for workforce development equipment). However, neither recommendation made it out of the session.
- In order to advance the Commonwealth research activities to enhance the well being of Virginians and maintain institutions' competitiveness, SCHEV staff recommends an additional allocation of \$8.8 million in FY2016 be provided to make up the difference between SCHEV's research and workforce development initiative recommendation and the funding provided by the 2014 session. As the annual cost of debt service for this additional allocation, estimated at \$1.4 million from the general fund, won't be required until FY2017, this will be a very timely and prudent investment. See Attachment 2.

## **3. Priorities to be addressed through tuition revenue increases in FY2016**

- SCHEV staff acknowledges that Item 471.20.B of the amended Chapter 2 (HB5010) directs institutions to manage general fund budget reductions and savings (\$45 million in each year of the biennium) through productivity and operating efficiencies and not through increases in tuition and fees.
- The possibility that sufficient general fund support from the Commonwealth will be available this biennium—or perhaps at any time in the future—is getting smaller and smaller. However, our institutions need sufficient resources not only to address accessibility and affordability issues but also to ensure the quality of education. Given that tuition revenues now account for about two-thirds of the institutional operating resources at the system level, staff proposes that our colleges and universities use their tuition capacity to pursue the funding of the following high priority budget needs through student tuition revenue.

### *i. Faculty Salaries*

After five consecutive years of no salary increases, the state provided a 3% salary increase for all state employees including faculty in FY2014. The ranking of average teaching and research faculty salary at 4-year institutions to national peers was at the 38<sup>th</sup> percentile in FY2014. However due to the projected budget

shortfall, the 2014 General Assembly provided no salary increase for the 2014-16 biennium.

Institutions contend that the absence of significant faculty salary increases for half a decade is the greatest threat to the recruitment and retention of faculty. SCHEV staff believes that maintaining the commitment to faculty salaries is critical to meeting the goals outlined in the Higher Education Opportunity Act and moving our system forward even as the Commonwealth is forced to deal with ever more general fund budget reductions.

Staff proposes that institutions be allowed to use tuition revenues to fund faculty salary increases and reach the state goal of the 60<sup>th</sup> percentile of their peer institutions' salaries in a phased approach. Salary increases for faculty should be based on merit and provided as an incentive for meeting state and institutional priorities. The appropriated or authorized salary that is used to measure the gap toward the state goal shall incorporate any tuition-based increases used for this purpose. Attachment 3 presents the required tuition increase for faculty salary increase in FY2016 for a 5-year phase to reach the 60<sup>th</sup> percentile goal.

*ii. Operation and Maintenance of New Facilities Coming Online (O&M)*

The 2014 General Assembly provided no additional general fund support to institutions for operation and maintenance of new facilities coming online in the 2014-16 biennium. All higher education institutions have submitted requests to SCHEV for additional funding to operate and maintain new facilities coming online in FY2016, totaling \$26.5 million. Without additional funding targeted to maintain new space coming online, institutions will be required to divert money from their existing budgets to support these needs.

When combining the funding needs of (i) faculty salary increase and (ii) O&M of new facilities coming online in FY2016, it is estimated that an average tuition increase of 3.7% with institutional increases ranging from 1.9% to 6.0% would be required in FY2016. See Attachment 4.

*iii. Program and Service Improvements*

Institutions need resources to constantly make improvements for student success such as increasing retention, expanding high demand programs and providing workforce development. Institutions also need resources to ensure campus safety and security.

*iv. Other demands and unmet needs*

Institutions must annually generate additional tuition revenue to cope with operating cost increases due to inflation, health insurance—and other insurance increases, and additional costs associated with the Virginia Retirement System.

In recognition of these and other funding demands, the institutions and their boards must ultimately decide on the proper mix of additional revenues and budget priorities.

#### **4. Additional considerations**

- SCHEV staff proposes the Council consider exploring the following policy issues so as to make recommendations for 2016-18 biennium:
  - Long-term financial plan. This item continues the conversation begun at the last Council meeting regarding options for ensuring adequate funding for Virginia higher education generally and to achieve the priorities of the statewide strategic plan in particular. Such an exploration would include the following elements, among others:
    - Faculty salary policy. The Commonwealth established the policy to fund institutions' faculty salaries at the 60<sup>th</sup> percentile of their peers' salaries in 1986. However, due to constant budget pressures, the state has only achieved this goal at the system level twice in 28 years. Staff suggests reviewing and rethinking the current faculty salary funding policy.
    - Cost share policy. Currently the Commonwealth has the goal of seeking a 67%/33% (state/in-state student tuition revenue) fund split policy for basic institutional operations. As Virginia public institutions have different missions, programs, and student demographics, there is a variation in capacity to generate tuition revenue and a price elasticity issue. Staff proposes to examine the appropriateness of an alternative cost share policy for all institutions.
    - Incentive funding. SCHEV staff believes that institutional performance is a cornerstone and expectation of higher education funding. Institutions respond to incentives and do not shy away from performance. Last year the Council recommended the performance-based funding for 2014-16 biennium. Staff proposes to continue exploring mechanisms for outcome-based funding.
    - Relationship between general fund, tuition and financial aid. A long-term plan must look not just at individual parts of how the state supports financial aid, but how the parts work together. The Council's review should consider how the different funding streams can support the Commonwealth's goals for access, student success, innovation, and economic and cultural prosperity.

- Tuition Assistance Program (TAG)

TAG is currently protected from the latest round of budget reductions. However, achieving the new goal of 168,600 degrees by 2030 requires a partnership between public and private institutions—and continued support from the Commonwealth through the TAG program. If no new funding is provided for TAG, the projected award amounts for FY2016 are \$3,020 for undergraduate students and \$1,510 for

graduate students. These projections are subject to change and will not solidify until following receipt of the spring 2015 TAG participation numbers. Alternatively, maintaining awards at current levels of \$3,100 / \$1,550 would require \$1.5 million in additional funds.

**Financial Impact:** See tables.

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

**Recommendations and Resolution:**

**BE IT RESOLVED** that the State Council of Higher Education for Virginia recommends the following actions with respect to institutional operating budget appropriations for FY2016:

- Additional appropriations of \$30 million from the general fund for undergraduate need-based financial aid.
- Additional allocation of \$8.8 million for research equipment through the Higher Education Equipment Trust Fund to be financed through debt service payments beginning in FY2017.
- Preservation of the current level of state support for both undergraduate and graduate students for the Tuition Assistance Grant Program. An additional \$1.5 million funding is required in order to maintain the awards at current levels of \$3,100 for undergraduate and \$1,550 for graduate students.

**WHEREAS**, state support for Virginia higher education has greatly eroded over the last decade and tuition revenue has become the primary source of dependable funding for our colleges and universities;

**BE IT RESOLVED** that the State Council of Higher Education for Virginia recommends that the institutions of higher education use their tuition capacity to pursue the funding of additional basic operations and instructional needs through tuition revenue in FY2016 and thereafter. These needs include the realization, over time, of the long-standing 60<sup>th</sup> percentile goal for faculty salaries. Merit-based salary increases funded through tuition revenue shall be incorporated as authorized or appropriated increases in future benchmark calculations of need.

**BE IT FURTHER RESOLVED** that the State Council of Higher Education for Virginia recognizes that it is essential that a long-term financial plan for the future funding of public higher education in Virginia be developed and implemented to ensure that Virginia's world-class system of colleges and universities remain affordable, accessible, sustainable and vibrant. Doing so will ensure that Virginia's students have an opportunity to obtain an education that enables them to compete in the global marketplace and contribute to a healthy economy within the state.

## Attachment 1

### FY2016 Virginia Student Financial Assistance Program Funding Proposal

Institution	# Students with Need	2016 Full Funding Goal	FY16 Base Funds	FY16 Funding Level	FY15 PM % Met	Increase Recommended	Proposed FY16 Funding Levels
Christopher Newport University	1,505	12,328,012	4,577,403	37.1%	41.3%	500,000	41.2%
College of William & Mary	752	5,982,946	3,235,804	54.1%	57.9%	200,000	57.4%
George Mason University	7,255	52,797,566	15,536,039	29.4%	30.6%	3,000,000	35.1%
James Madison University	3,286	20,974,757	7,419,088	35.4%	39.8%	900,000	39.7%
Longwood University	1,644	12,743,532	4,176,583	32.8%	36.9%	500,000	36.7%
Norfolk State University	4,209	22,448,596	7,813,592	34.8%	39.5%	1,100,000	39.7%
Old Dominion University	8,565	52,058,809	16,693,350	32.1%	36.4%	2,200,000	36.3%
Radford University	3,311	21,569,303	7,416,618	34.4%	39.0%	900,000	38.6%
University of Mary Washington	1,101	7,996,888	1,821,686	22.8%	29.4%	1,000,000	35.3%
University of Virginia	1,448	7,818,079	5,776,211	73.9%	70.7%	100,000	75.2%
University of Virginia - Wise	950	5,140,362	2,099,938	40.9%	43.9%	100,000	42.8%
Virginia Commonwealth University	9,182	67,895,893	21,170,891	31.2%	38.5%	4,800,000	38.3%
Virginia Military Institute	239	1,962,044	870,928	44.4%	48.4%	100,000	49.5%
Virginia State University	2,858	18,063,430	6,006,890	33.3%	33.9%	1,300,000	40.5%
Virginia Tech	5,070	37,825,165	15,117,631	40.0%	45.8%	2,100,000	45.5%
<b>Four-Year Institution Totals</b>	<b>51,375</b>	<b>347,605,382</b>	<b>119,732,652</b>	<b>34.4%</b>	<b>38.8%</b>	<b>18,800,000</b>	<b>39.9%</b>
Richard Bland College	672	2,758,064	454,107	16.5%	25.2%	200,000	23.7%
Virginia Community College System	76,438	188,794,812	37,891,836	20.1%	21.2%	7,000,000	23.8%
<b>Two-Year Institution Totals</b>	<b>77,110</b>	<b>191,552,876</b>	<b>38,345,943</b>	<b>20.0%</b>	<b>21.2%</b>	<b>7,200,000</b>	<b>23.8%</b>
<b>Totals</b>	<b>128,485</b>	<b>539,158,258</b>	<b>158,078,595</b>	<b>29.3%</b>	<b>32.3%</b>	<b>26,000,000</b>	<b>34.1%</b>

Notes:

- Returns the majority of institutions to approximately FY2015 levels of funding.
- Establishes a minimum "floor" of approximately 35 percent for senior institutions.
- Recognizes challenges faced by NSU and VSU by raising them to approximately 40 percent.
- Caps total increase in new funding for two-year institutions at approximately 20 percent.

## Attachment 2

### Higher Education Equipment Trust Fund (HEETF) Research and Workforce Development Equipment\* (2015-2016)

<b>Inst.</b>	<b>SCHEV Recommendation</b>	<b>Appropriations</b>	<b>Approp. as % of Recommend.</b>	<b>Recommended Add'l Funding</b>
CWM	\$550,695	\$486,458	88%	\$64,237
GMU	\$683,635	\$387,306	57%	\$296,329
ODU	\$447,158	\$268,659	60%	\$178,499
UVA	\$6,796,211	\$4,236,579	62%	\$2,559,632
VCU	\$3,320,820	\$2,445,569	74%	\$875,251
VT	\$6,672,940	\$4,278,311	64%	\$2,394,629
VCCS	\$4,000,000	\$2,000,000	50%	\$2,000,000
VIMS	\$566,542	\$143,120	25%	\$423,422
<b>Total</b>	<b>\$23,038,001</b>	<b>\$14,246,002</b>	<b>62%</b>	<b>\$8,791,999</b>

Note: \* Debt service for additional funding won't begin till FY2017. The estimated annual debt service need is about \$1.4 million in FY2017.

### Attachment 3

#### Annual Average Virginia Teaching and Research Faculty Salary to Reach the 60th Percentile of Peers over Five-Years<sup>1,2,3,4</sup>

Inst	FY2014		Reaching the Goal Over Five Years by FY2020						
	Appropriated	T&R Faculty	Over Five Years		Funding Need By Fund Share in FY16			Required T&F Incr for 100% NGF Funding	Total Funding Need over Five Years
	Va T&R Faculty Salary	Salary Percentile to Peers	60th Percentile Goal <sup>6</sup>	Required Annual Increase	GF	NGF	Total		
CNU	\$72,011	40	\$89,749	4.5%	\$578,881	\$367,003	\$945,883	2.5%	\$5,174,653
CWM <sup>5</sup>	\$96,342	34	\$121,045	4.7%	\$1,283,699	\$1,991,044	\$3,274,743	2.6%	\$17,986,895
GMU	\$83,504	5	\$114,405	6.5%	\$4,629,569	\$4,592,680	\$9,222,249	3.2%	\$52,508,177
JMU	\$77,233	40	\$95,619	4.4%	\$1,954,020	\$2,133,887	\$4,087,907	2.1%	\$22,319,113
LU	\$70,739	53	\$81,361	2.8%	\$292,015	\$169,304	\$461,318	1.4%	\$2,439,429
NSU	\$69,062	61	\$76,462	2.1%	\$181,931	\$144,110	\$326,040	1.0%	\$1,700,123
ODU	\$77,992	35	\$96,289	4.3%	\$1,725,530	\$1,333,920	\$3,059,450	2.2%	\$16,670,612
RU	\$69,954	29	\$89,764	5.1%	\$1,178,074	\$725,115	\$1,903,190	2.7%	\$10,537,353
UMW	\$76,114	26	\$96,916	5.0%	\$600,207	\$429,308	\$1,029,515	2.6%	\$5,688,718
UVA <sup>6</sup>	\$99,042	32	\$124,293	4.6%	\$2,711,510	\$4,948,123	\$7,659,633	1.7%	\$41,987,435
UVAW	\$72,067	80	\$76,558	1.2%	\$51,830	\$31,364	\$83,194	1.0%	\$426,075
VCU <sup>6</sup>	\$86,307	33	\$106,160	4.2%	\$2,923,802	\$2,994,825	\$5,918,627	1.8%	\$32,185,570
VMI	\$75,915	35	\$97,112	5.0%	\$189,928	\$287,278	\$477,205	1.9%	\$2,636,860
VSU <sup>5</sup>	\$67,642	40	\$82,422	4.0%	\$401,432	\$458,166	\$859,598	2.4%	\$4,655,858
VT <sup>5</sup>	\$93,104	31	\$114,541	4.2%	\$4,062,531	\$5,993,238	\$10,055,769	2.6%	\$54,683,408
RBC	\$60,260	77	\$63,410	1.0%	\$15,323	\$7,859	\$23,182	0.6%	\$118,251
VCCS	\$63,527	51	\$76,046	3.7%	\$4,919,010	\$2,926,301	\$7,845,311	1.5%	\$42,238,722
Total					\$27,699,290	\$29,533,524	\$57,232,814		\$313,957,253
4-yr Average Ranking		38							
Average Increase				4.0%				2.0%	

Notes:

- (1) 2013-14 peer salary came from IPEDS 2013 SA.
- (2) Funding need is derived by assuming salary increases on July 1.
- (3) Institutions' base salary came from 2014 activity-based budget.
- (4) Assumed peer salaries will have an annual 2% increase in 2015-20.
- (5) Includes affiliates.
- (6) Includes family practice program.

**Attachment 4**

**Estimated Required Tuition Increases for Faculty Salary and O&M in FY2016**

Inst	FY2015 Tuition Revenue <sup>1</sup>	Required Additional Funding in FY2016			Required Tuition Incr	Planned Tuit Rev Incr <sup>1</sup>	Planned ISUG Tuition Incr <sup>1,3</sup>
		Fac Sal Incr <sup>2</sup>	O&M	Total Funding			
CNU	\$37,444,784	\$945,883	\$663,000	\$1,608,883	4.3%	9.3%	9.9%
CWM	\$126,289,606	\$3,274,743	\$439,608	\$3,714,351	2.9%	4.5%	12.6%
GMU	\$292,178,000	\$9,222,249	\$4,002,582	\$13,224,831	4.5%	7.4%	5.0%
JMU	\$193,883,846	\$4,087,907	\$1,948,335	\$6,036,242	3.1%	5.4%	7.5%
LU	\$32,723,710	\$461,318	\$526,423	\$987,741	3.0%	11.6%	13.0%
NSU	\$33,594,637	\$326,040	\$1,350,000	\$1,676,040	5.0%	3.9%	13.8%
ODU	\$139,165,666	\$3,059,450	\$1,386,892	\$4,446,342	3.2%	7.5%	7.3%
RU	\$69,439,198	\$1,903,190	\$835,677	\$2,738,867	3.9%	8.4%	5.2%
UMW	\$40,185,000	\$1,029,515	\$783,000	\$1,812,515	4.5%	3.6%	5.0%
UVA	\$440,868,000	\$7,659,633	\$3,359,900	\$11,019,533	2.5%	3.3%	4.5%
UVAW	\$8,046,320	\$83,194	\$395,764	\$478,958	6.0%	4.0%	4.0%
VCU	\$333,857,627	\$5,918,627	\$522,042	\$6,440,668	1.9%	4.9%	2.0%
VMI	\$25,316,000	\$477,205	\$192,932	\$670,137	2.6%	5.8%	6.5%
VSU	\$35,393,864	\$859,598	\$1,115,123	\$1,974,721	5.6%	-0.7%	6.0%
VT	\$393,089,728	\$10,055,769	\$3,943,461	\$13,999,230	3.6%	5.0%	4.9%
RBC	\$4,090,000	\$23,182	\$148,464	\$171,646	4.2%	24.7%	9.9%
VCCS	\$521,536,627	\$7,845,311	\$3,630,945	\$11,476,255	2.2%	9.4%	9.2%
Total	\$2,727,102,612	\$57,232,814	\$25,244,147	\$82,476,962			
Average Increase					3.7%	6.9%	7.4%

Notes:

- (1) Data comes from institutional six-year plans submitted in August 2014.
- (2) The funding need is the annual amount based on a 5-year phase plan.
- (3) ISUG = in-state undergraduate.

# State Council of Higher Education for Virginia Agenda Item

**Item:** TJ21 Committee Item #4 – Update on Institutional Performance Measures

**Date of Meeting:** October 27, 2014

**Presenters:** Jean Mottley, Senior Associate for Finance Policy

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**Most Recent Review/Action:**

No previous Council review/action

Previous review/action

**Date:** September 15, 2014

**Action:** Reviewed results for institutional performance measures and passed a resolution certifying all institutions.

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

- The purpose of this agenda item is to provide aggregate information for the six education-related performance measures. Information provided at earlier meetings was at the institutional level. However, it is useful to review the aggregate information to assess the performance of the system as a whole.
- The State Council of Higher Education has been involved in assessing institutional performance for over two decades, most recently through the requirements of the 2005 Higher Education Restructuring Act, and now through the Virginia Higher Education Opportunity Act of 2011 (Top Jobs Act or TJ21) and the related Code of Virginia amendments. The General Provisions of the 2012-14 amended Appropriation Act (Chapter 806) and the 2014-16 budget bills outline the assessment process and list the six education-related measures on which the Council shall base its assessment and certification.
- The following data protocols were to used to form the basis of the assessment of the six education-related performance measures:
  - Certification of performance was for academic year 2012-13 with academic year 2011-12 used as a base year as all future certifications will be based on two years of data. The use of a base year also provides guidance for Council action should an institution(s) fail one or more measures.

- For the certification of 2011-12, the approved enrollment and degree projections of 2011 were used.
- For the certification of 2012-13, the approved enrollment and degree projections of 2013 were used.
- For Measure 5, the definition of “under-represented populations” included:
  - Non-white US citizens and permanent residents.
  - Degree-recipients receiving Pell grants at any time during the five years prior to degree award.
  - Non-traditional students: age 25 or older at entry.
  - Students from Virginia localities in the lowest quintile of combined associate and baccalaureate attainment rates.

The aggregate information confirms that, for all six measures, performance targets were exceeded for each measure and for both years of the review period.

**Materials Provided:** 2014 Biennial Assessment of Six-Education Related Performance Measures (Aggregate Information)

**Financial Impact:** None

**Timetable for Further Review/Action:** The next assessment of institutional performance must be completed by October 1, 2016.

**SIX EDUCATION-RELATED INSTITUTIONAL PERFORMANCE MEASURES**  
**Aggregate Information**  
**October 2014**

PERFORMANCE MEASURE	2011-2012			2012-2013		
	Target	Actual	Result	Target	Actual	Result
1 - Institution meets <b>at least 95 percent</b> of its State Council-approved biennial projections for in-state undergraduate headcount enrollment.	324,262	324,130	<b>99.96%</b>	328,496	321,689	<b>97.93%</b>
2 - Institution meets <b>at least 95 percent</b> of its State Council-approved biennial projections for the number of in-state associate and bachelor degree awards.	43,202	46,404	<b>107.41%</b>	48,351	47,501	<b>98.24%</b>
3 - Institution meets <b>at least 95 percent</b> of its State Council-approved biennial projections for the number of in-state STEM-H associate and bachelor degree awards.	13,060	14,232	<b>108.97%</b>	15,005	14,880	<b>99.17%</b>
4 - Institution meets <b>at least 95 percent</b> of its State Council-approved biennial projections for the number of in-state, upper level – sophomore level for two-year institutions and junior and senior level for four-year institutions – program-placed, full-time equivalent students.	75,449	75,995	<b>100.72%</b>	77,865	76,726	<b>98.54%</b>
5 - <b>Maintain or increase</b> the number of in-state associate and bachelor degrees awarded to students from under-represented populations.	24,545	27,333	<b>+2,788</b>	27,333	28,557	<b>+1,224</b>
6 - <b>Maintain or increase</b> the number of in-state, two-year transfers to four-year institutions.	10,459	11,189	<b>+730</b>	11,189	11,340	<b>+151</b>

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA**  
**SCHEV Offices**  
**Main Conference Room**  
**Richmond, Virginia**  
**October 28, 2014**  
**9:00 a.m. – 12:30 p.m.**

**Meeting Agenda**

*(Note: Some items from the October 28 meeting agenda may be addressed before adjournment of the October 27 meetings)*

1. Call to Order and Announcements 9:00 a.m.
2. Public Comment Period
3. Approval of Minutes:  
September 16, 2014 Page 1
4. Remarks by Dr. Debbie L. Sydow, President,  
Richard Bland College 9:10 a.m.
5. Director's Report 9:40 a.m. Page 9
6. Committee Reports: 10:00 a.m.

**Executive Committee**

- a. Action on Final Report from Planning Consultant Page E4
- b. Action on Statewide Strategic Plan Page E6

**BREAK** 10:30 a.m.

**Academic Affairs Committee:**

- a. Action on Programs at Public Institutions Page A5
- b. Presentation on Gaining Early Awareness and Readiness  
For Undergraduate Programs (GEAR UP) Virginia  
2014-2021 Page A19

**TJ21 Implementation Committee:**

- a. Action on 2014-16 Systemwide Operating Budget  
Amendments Page TJ4
- b. Update on Institutional Performance Measures Page TJ20

7. Items Delegated to Staff 12:10 p.m. Page 10
8. New Business 12:15 p.m.
9. Adjournment 12:30 p.m.

**NEXT MEETING: Monday, January 12, 2015**

**Please note that all meetings (committees and full Council) will take place on this date.**

NOTE: All meeting times are approximate and may vary slightly.

**NOTE:**

Materials contained in this Agenda Book are in draft form and intended for consideration by the Council at its meeting (dated above), and may not reflect final Council action. For a final version of any item contained in these materials, please visit the Council's website at [www.schev.edu](http://www.schev.edu) or contact Lee Ann Rung at [LeeAnnRung@schev.edu](mailto:LeeAnnRung@schev.edu).

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA  
COUNCIL MEETING  
SEPTEMBER 16, 2014  
MINUTES**

Mr. Minor called the meeting to order at 9:05 a.m. in the Board of Visitors Room, James Madison University, Harrisonburg, Virginia. Council members present: Gilbert Bland, Johanna Chase, Marge Connelly, Heywood Fralin, Steve Haner, Henry Light, Gene Lockhart, G. Gilmer Minor, Pamela Moran, William Murray, Gary Nakamoto, and Carlyle Ramsey.

Council member absent: Martin Briley.

Staff members present: Lee Andes, Peter Blake, Joseph DeFilippo, Alan Edwards, Dan Hix, Tod Massa, Jean Mottley, Ashley Myers, Kirsten Nelson, Lee Ann Rung, and Susan Wood. Mike Melis from the Office of the Attorney General was also in attendance.

Consultants from JBL Associates (JBLA) present: John Lee and Don Norris.

**PUBLIC COMMENT**

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

**APPROVAL OF MINUTES**

On a motion by Mr. Nakamoto and seconded by Dr. Murray, the minutes from the July 21, 2014, strategic planning task force, the July 22, 2014, Council meeting, and the August 12, 2014, special Council meeting were approved unanimously.

**REMARKS BY PRESIDENT JONATHAN ALGER**

Dr. Alger thanked the James Madison University (JMU) food service personnel and the transportation and music team for their efforts in preparing for the meetings.

Dr. Alger is currently in his third academic year at JMU. The university currently enrolls 20,000 students and over 18,000 undergraduates. James Madison University began in 1908 as an all women's teacher college. He described JMU as a comprehensive university which has been on a significant growth trajectory over the last few decades. The goal is for the university to grow strategically to serve a niche. JMU is a unique hybrid since it serves as a graduate university and a liberal arts college. In developing JMU's strategic plan, Dr. Alger began a listening tour to meet with constituents to find ways to build on JMU's strengths for the 21<sup>st</sup> century.

Dr. Alger described a new program at JMU called Valley Scholars. The program identifies students in 7<sup>th</sup> grade with academic potential who are first generation and socio-economically disadvantaged. If admitted to the program, the students attend JMU on a full tuition scholarship. The program will be publicly launched in October and will have an impact on future generations. The Valley Scholars program is entirely funded by the university and from private funds.

JMU also teaches strong civic responsibilities to its students. The Madison collaborative involves ethical reasoning in action and has become a national model. Students are taught that they are part of a larger community and have a duty to open doors for future generations.

Dr. Alger answered questions from members. Mr. Minor asked Council members Connelly and Moran to visit JMU and spend time with Dr. Alger's team to understand the full impact of JMU's model for success and report back to the Council.

Mr. Minor recognized the students and faculty from JMU's Strategic Leadership Studies program who were in attendance. The following JMU staff introduced themselves: Paul Mainbry, Kathy Schneider, Lindsey Miller-King, and Dary Erwin.

## **DIRECTOR'S REPORT**

Mr. Blake provided the following highlights from the report that was included in the agenda book:

**2014-15 tuition and fees report** – He noted a few charts that summarized the report were included with the agenda materials. Overall, increases were slightly higher than those in recent years.

**Budget reduction plans** – Mr. Blake reviewed the impact that the 5% and 7% cuts would have on the agency if they remain in effect. Mr. Fralin requested that the Strategic Planning Steering Committee address the ways in which SCHEV could effectively carry out the strategic plan if positions cannot be filled.

**Research summit update** – SCHEV staff will serve on the new Joint Commission on Technology and Science that was formed following the SCHEV-sponsored Higher Education Research Summit.

**Boards of visitors' orientation** – Mr. Blake reminded members of the events on October 21-22 and asked that they complete the form that was distributed to indicate which events they plan to attend.

**New staff** – Mr. Blake announced that Holly Johnson and Paul Smith have joined the Academic Affairs staff.

**OpenVA** – The second OpenVA conference is scheduled for October 18, 2014, at the Virginia Beach campus of Tidewater Community College. Council members were invited to participate.

**Speaking engagements** – Mr. Blake mentioned that he has been invited to participate in the American Academy of Arts and Sciences meeting in October to discuss the challenges facing public research universities. He also will serve on the Southern Regional Education Board Commission on College Affordability in the South in October. In August, Mr. Blake participated in the annual policy conference of the State Higher Education Executive Officers.

## **COMMITTEE REPORTS**

### **Executive Committee**

#### *Update on strategic plan development*

Mr. Minor reported that the Committee met several times since the last Council meeting, including a meeting on September 15. Each meeting addressed the latest versions of the strategic plan mission, vision, and goals. He requested input from the Council and each member provided comments as summarized below.

- Include two or three fundamental changes; a new funding model, affordable pathways, and efficiencies.
- Assume flat or uneven state support.
- Consider higher education to be a necessity and consider proposing a constitutional amendment to put higher education on the same level as K-12 to maintain a reliable and sustainable funding source.
- Begin with the state's pockets of excellence and focus on how to advance to a desired state. Pursue unification of PK-16 to avoid pitting higher education against K-12.
- Higher education needs a champion. Educating the public about the important role higher education plays on the future of the Commonwealth should be a component of the plan. A bold strategic plan will make SCHEV more relevant in the eyes of educators and legislators. Do a better job of telling the positive stories in higher education.
- Need to explain the value proposition of higher education.

Ms. Connelly suggested that Council members work with staff to develop options for a viable funding model. Mr. Minor asked Ms. Connelly, Dr. Murray, and Mr. Fralin to explore options with staff.

Mr. Minor said the Executive Committee had approved the framework for the plan in order to keep the process moving to the next level. The four strategic plan goals were displayed and reviewed.

Dr. Murray seconded the motion from the Executive Committee and Mr. Lockhart requested that the motion be amended to include an advocacy plan. There was some discussion about the intent of the resolution and Mr. Blake informed members that while there is still much work to be done, approving the resolution would solidify

what has been accomplished to date. Dr. Murray withdrew his motion and proposed the following revised motion, which was seconded by Mr. Lockhart and approved unanimously:

**BE IT RESOLVED THAT THE STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA adopts the framework for the strategic plan goals as agreed upon on September 16, 2014, and directs staff to employ this framework in developing the statewide strategic plan for higher education in the Commonwealth, including options for new funding models in support of this framework and complementary efforts on an advocacy strategy.**

#### Academic Affairs Committee

Mr. Lockhart explained that the Committee had no action items to report. He asked Dr. DeFilippo to review the liaison report that was provided to the Committee and Dr. DeFilippo provided a report on these items.

#### TJ21 Implementation Committee

Mr. Haner said the Committee took action on the institutional performance measures but explained that the results from the financial review by the Secretary of Finance were not available when the agenda books were distributed. The results are now available and indicate that Norfolk State University (NSU) did not meet its measures. Mr. Haner informed the Council that the Committee heard from President Moore and advanced the following revised motion, which was seconded by Dr. Murray and approved unanimously by the full Council:

**BE IT RESOLVED that consistent with §23-9.6:1.01, Code of Virginia, the State Council of Higher Education for Virginia certifies for 2014-2015 and 2015-2016 that all public institutions have satisfactorily met the performance standards of the Virginia Higher Education Opportunity Act and Appropriation Act with the proviso that Norfolk State University receives this certification pending the results of its FY2013 financial audit.**

Mr. Haner indicated that the Committee will approve a budget amendment plan at its October meeting. He welcomed any member to communicate ideas about budget priorities to him or SCHEV staff prior to the October meeting. Members requested that staff consider providing a presentation about base adequacy, particularly for the new members. Dr. Murray summarized state funding for higher education by saying that the General Assembly doesn't view higher education as a variable cost model.

#### ITEMS DELEGATED TO STAFF

Mr. Blake noted the categories of recent actions taken by staff as delegated by the Council. As required, a copy of these actions is attached to the minutes.

## **NEW BUSINESS**

Mr. Blake distributed a Data Memo addendum from the JBLA consultants which addressed the questions raised by Council members at the last meeting.

Staff agreed to send members a copy of the draft agendas for the October 21 Rectors' meeting and the October 22 Boards of Visitors orientation.

## **ADJOURNMENT**

The meeting adjourned at 11:50 p.m.

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Johanna Chase  
Secretary

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Lee Ann Rung  
Director, Executive and Board Affairs

Pursuant to the Code of Virginia, Section 23-9:6:1 and Council’s “Policies and Procedures for Program Approval and Changes,” the following items were approved as delegated to staff:

### Program Actions

Institution	Degree/Program/CIP	Effective Date
George Mason University	<b>New Program Approved:</b> Bachelor of Science degree program in Cyber Security Engineering (43.0303)	Spring 2015
Norfolk State University	<b>Program Title Change:</b> From a Bachelor of Science in Electronics Engineering (14.1001) to a Bachelor of Science in Electrical and Electronics Engineering (14.1001)	Fall 2014
Northern Virginia Community College	<b>New Program Approved:</b> Associate of Applied Science degree program in Cybersecurity (11.1003)	Fall 2014
Virginia Polytechnic Institute and State University	<b>New Program Approved:</b> Bachelor of Science degree program in Computational Modeling and Data Analytics (27.0304)	Spring 2015

Pursuant to the Code of Virginia, Section 23-9:6:1 and Council’s “Policies and Procedures for Program Approval and Changes,” the following items were reported:

Institution	Degree/Program/CIP	Effective Date
Old Dominion University	Initiate Graduate Certificate program in Entrepreneurship and Innovation for Engineers (14.9889)	Fall 2014
Paul D. Camp Community College	Initiate Certificate program in Practical Nursing (51.3901)	Fall 2014
Virginia Commonwealth University	<u>Initiate new certificate programs:</u> <ul style="list-style-type: none"> <li>• Undergraduate Certificate program in Sustainable Innovation (30.3301);</li> <li>• Undergraduate Certificate program in Venture Creation (52.0101);</li> <li>• Graduate Certificate program in Online Teaching for K-12 Educators (13.1299);</li> <li>• Graduate Certificate program in Teaching English to Speakers of Other</li> </ul>	Fall 2014

Institution	Degree/Program/CIP	Effective Date
	Languages (13.1401); <ul style="list-style-type: none"> <li>• Graduate Certificate program in Medical Education (13.1201); and</li> <li>• Graduate Certificate program in Addiction Studies (34.0104)</li> </ul>	
Virginia Polytechnic Institute and State University	<u>Initiate new certificate programs:</u> <ul style="list-style-type: none"> <li>• Graduate Certificate program in Educational Research (13.0603);</li> <li>• Graduate Certificate program in Technology Management (52.1206);</li> <li>• Graduate Certificate program in Human System Integration (14.1206);</li> <li>• Graduate Certificate program in Treatment Process Engineering (14.0801);</li> <li>• Graduate Certificate program in Special Education Administration and Supervision (13.0402);</li> <li>• Graduate Certificate program in Material Culture and Public Humanities (30.1201);</li> <li>• Graduate Certificate program in Problem Solving for Leading Change (52.0213);</li> <li>• Graduate Certificate program in Human-Centered Design (50.0401);</li> <li>• Graduate Certificate program in Global Sustainability (30.3301);</li> <li>• Graduate Certificate program in Interdisciplinary Water and Science (51.2299);</li> <li>• Graduate Certificate program in Health Product Risk Management (01.1001); and</li> <li>• Graduate Certificate program in Water Quality Management (15.0599)</li> </ul>	Fall 2014
Virginia State University	Discontinue the Bachelor of Science in Public Administration degree program (44.0401). [Program Approved: May 5, 1981]	Fall 2014
Virginia State University	Discontinue the Master of Science in Plant Science degree program (01.1101). [Program Approved: May 14, 2006]	Fall 2015

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

**Organizational Changes / Off-campus Instructional Sites**

<b>Institution</b>	<b>Change / Site</b>	<b>Effective Date</b>
Old Dominion University	Rename the College of Business and Public Administration to the <b>Strome College of Business</b> . Renaming the College of Business and Public Administration is in recognition of a donation to support the university, to improve national ranking and keep pace with peer institutions, and to emphasize the focus of programs on business and issues related to business.	Fall 2014

**State Council of Higher Education  
Director's report  
October 28, 2014**

**Early enrollment estimates.** Fall headcount enrollment at public colleges and universities dipped below 400,000 for the first time since 2008. Community college enrollment dropped 2.8%, or 5,295 students, from the previous year. Enrollment at Norfolk State University and Virginia State University declined by more than 10% and at University of Mary Washington by 5.5%. James Madison University, Longwood University, University of Virginia and Richard Bland College experienced the largest increases. Private college enrollments increased by nearly 5%, with notable growth at Bluefield College, Emory and Henry College, Jefferson College of Health Sciences, Liberty University and Randolph-Macon College.

**Governor's Task Force on Combating Sexual Violence.** Governor McAuliffe convened the first meeting of the 30-member task force on October 10. Attorney General Mark Herring chairs the task force. He established three committees: prevention, response and law enforcement. Presidents Cabrera (George Mason University), Kyle (Radford University) and Maxey (Roanoke College) also are on the task force.

**Budget reduction plans.** Governor McAuliffe released plans for FY2015 budget reductions, including a 5% reduction for SCHEV. Our budget reduction also affects pass-through funding for Virtual Library of Virginia and the Virginia Women's Institute for Leadership. We also submitted plans for a 7% reduction for FY2016, which will be considered in the 2015 General Assembly session.

**Joint Legislative Audit and Review Commission.** On October 14, JLARC released its latest report on higher education, this one on support costs and staffing. A summary of the report is enclosed. The final report in this series will be released in November.

**Joint Commission on Technology and Science.** On October 7, staff participated in the inaugural meeting of the Higher Education Equipment Advisory Committee of JCOTS. The advisory committee grew out of SCHEV's Higher Education Research Summit in June. The purpose of the committee is to identify specialized research equipment that can be shared by researchers across the state, including partnerships with the private sector.

**State Authorization Reciprocity Agreement.** On October 17, the Southern Regional Education Board approved Virginia's membership to participate in the National Council for State Authorization Reciprocity Agreement. This agreement allows Virginia's accredited degree-granting institutions to offer distance learning programs to residents of member states without seeking state authorization from individual states. The agreement further provides quality assurance and consumer protection to Virginia residents enrolled in out-of-state degree programs at participating institutions. SCHEV is the agency charged with administering the agreement for the Commonwealth.

**Out and about.** The second meeting of a Southern Regional Education Board Commission on College Affordability in the South, on which I serve, will be held in early December. We have been invited to present to the House Education Committee at its retreat in early November.

**Outstanding Faculty Awards.** Please mark your calendar for the OFA luncheon, February 19, at the Jefferson Hotel.

## Report summary

# Support Costs and Staffing at Virginia's Higher Education Institutions

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## WHAT WE FOUND

### **Spending on support functions has increased, but rate of increase has been declining**

Spending on support functions at Virginia's 15 public higher education institutions increased 28 percent from 1991 to 2010, when adjusted for enrollment and inflation. This increase accounted for 17 percent of the growth in total higher education spending. The rate of increase varied substantially across institutions, and some institutions experienced reductions. The rate of increase across all institutions has declined, though, since most of the increase occurred between 1991 and 2000. Support spending increased six percent between 2000 and 2010, less than the 11 percent increase in instructional spending.

### **Most Virginia institutions spend less than comparable schools nationwide, but several spend substantially more**

Eleven of Virginia's 15 institutions spend less than similar institutions nationwide. Six of these (JMU, ODU, VCU, Radford, Virginia State, and Virginia Tech) spend less than 75 percent of other similar public institutions. In contrast, UVA, VMI, and William and Mary spend more than 75 percent of other similar institutions.

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## WHY WE DID THIS STUDY

The General Assembly directed JLARC to study the cost efficiency of the state's institutions of higher education and to identify opportunities to reduce costs. Interest in this topic was spurred by substantial increases in tuition and fees in recent years and the high debt load of Virginia students. This report, which is the fourth in JLARC's higher education series, focuses on support functions, including information technology and procurement (HJR 108, 2012).

## ABOUT SUPPORT FUNCTIONS AT PUBLIC FOUR-YEAR INSTITUTIONS IN VIRGINIA

Virginia has 15 public four-year higher education institutions. Collectively, their spending on support functions totaled \$1.2 billion, or one-fifth of total spending.

Support functions facilitate an institution's core academic mission by providing services to students and faculty, and for general operation of the institution. Academic and general administration, libraries, and building repair and maintenance are the largest support functions in terms of spending and number of staff. Support functions are funded mostly through tuition and fees and state general funds.

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## Virginia institutions emphasize academic support

Virginia institutions allocate the largest proportion of support spending for academic support, which includes spending for libraries, curriculum development, and academic administration. Institutions report that academic support is important for student retention and graduation. Ten institutions spend more on academic support than similar schools around the country, and eight of these also have higher retention and graduation rates than comparable schools.

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Spans of control analysis is used in the corporate world and more recently by colleges and universities around the country in working toward organizational efficiency. It is used to help streamline organizational structures by identifying areas with many layers of management and high numbers of supervisors relative to employees.

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## Institutions could potentially reduce costs by reviewing organizational structure

For this study, JLARC staff used “spans of control” analysis to identify opportunities to improve the efficiency of support functions at four-year public institutions in Virginia. In some organizations, there are too many supervisors, which may lead to unnecessary layers of management between front-line employees and top executives. These layers can slow decision making and unnecessarily increase costs. It appears Virginia institutions have a disproportionately high number of employees in supervisory positions. In fact, more than half of supervisors at Virginia’s higher education institutions supervise three or fewer employees; 24 percent supervise only one.

These narrow spans of control (i.e. too few employees per supervisor), which sometimes point to structural inefficiency, are not unique to Virginia and have been found at other higher education institutions nationwide. Several institutions outside Virginia have increased their spans of control and reported reducing their total annual operating costs by 0.5 to one percent. Such reductions, if achieved by Virginia institutions, could potentially reduce costs by several hundred dollars per student, per year.

**TABLE**  
**Virginia institutions could reduce costs by increasing spans of control**

<b>Institution</b>	<b>Average annual savings (\$M)</b>		<b>Average savings per FTE student</b>	
	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>
<i>Outside Virginia</i>	\$3.2	\$20.0	\$203	\$790
Virginia baccalaureate	0.3	0.5	157	314
Virginia master's	0.9	2.0	104	215
Virginia doctoral	3.8	7.5	176	353

Source: JLARC staff analysis of findings and estimated savings achieved at institutions outside Virginia, NCES data, and institutions' FY 2012 financial reports.

Note: Operating expenditures exclude hospital and medical center expenditures at VCU and UVA. Low and high average annual savings are based on 0.5 and 1.0 percent of total annual operating expenditures.

### **Several procurement strategies could be better utilized to further reduce costs**

Procurement is a major expense for Virginia institutions. Cooperative procurement of goods and services is one of the recommended strategies to reduce procurement costs. All Virginia institutions report that they use cooperative procurement. In interviews, it was most commonly mentioned by institution staff as the strategy from which they received the greatest benefit, in terms of both cost savings and reduced staff time.

Current cooperative procurement efforts by Virginia institutions, however, are not as effective as they could be, because the buying power of institutions and state agencies is fragmented. Many cooperative contracts may not maximize cost savings because of the lack of collaboration across institutions during the contract negotiation process.

All Virginia institutions report using another recommended strategy: institution-wide contracts. These allow for better pricing by aggregating the buying power of the individual institution to one or a few vendors. Many Virginia institutions, however, do not strictly enforce the use of these contracts, allowing "off contract" purchases, which may drive up spending. Institutions also are not effectively limiting the variety of goods, such as computers and printers, available for purchase. This hinders an institution's ability to take advantage of favorable pricing and economies of scale.

### **Institutions could reduce support costs through several other strategies**

Several other strategies to improve higher education support functions have also been consistently recommended to improve efficiency and reduce costs. These strategies include centralizing staff and automating processes. Most Virginia institutions already centralize staff performing similar functions and many have automated major support functions, such as financial and human resource systems. Some schools, however, could further centralize certain staff into one office or into one or more "shared service" centers across campus. Processes at some institutions also still remain heavily paper-based. For example, only a few schools have automated systems for time, attendance and leave; performance evaluations; travel reimbursement; and staff recruitment.

Most Virginia institutions have already adopted key IT efficiency strategies. However, some institutions could further require the co-location and "virtualization" of new servers to reduce costs. Larger institutions could further limit the variety of hardware and software purchases, which would enable the institution to buy larger quantities of a specific model and achieve better prices.

## **WHAT WE RECOMMEND**

### **Legislative action**

- Include language and funding in the Appropriation Act for the purpose of hiring a consultant to assess opportunities to reduce costs through cooperative procurement.
- Amend the Code of Virginia to direct institutions, the Department of General Services, and the Virginia Information Technologies Agency to implement the findings of the consultant review.

### **Boards of Visitors action**

- Require a comprehensive review of the institution's organizational structure and work processes to identify opportunities to increase spans of control, further centralize staff, or better use automation.
- Revise human resource policies to eliminate and prevent unnecessary supervisory positions by developing standards for broader spans of control.
- Require policies to maximize standardization of purchases of commonly procured goods, including requirements to use institution-wide contracts.

See the complete list of recommendations on page v.

# State Council of Higher Education for Virginia Agenda Item

**Item:** #7 – Items Delegated to Staff

**Date of Meeting:** October 28, 2014

**Presenter:** Peter Blake, Director  
[peterblake@schev.edu](mailto: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

**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:**

Program actions approved:

- Norfolk State University
- Tidewater Community College

Programs actions reported:

- George Mason University
- Northern Virginia Community College

Organizational changes/off-campus instructional sites:

- University of Virginia
- Virginia Polytechnic Institute and State University

## Items Delegated to Director/Staff

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

### Program Actions

Institution	Degree/Program/CIP	Effective Date
Norfolk State University	<b>Facilitated Staff Approval:</b> Master of Science (MS) degree program in Cybersecurity (11.1003)	Spring 2015
Tidewater Community College	<b>New Program Approved:</b> Associate of Applied Science degree program in Electrical Technology (46.0302)	Fall 2015

Pursuant to the Code of Virginia, Section 23-9:6:1 and Council's "Policies and Procedures for Program Approval and Changes," the following items were reported:

Institution	Degree/Program/CIP	Effective Date
George Mason University	Initiate Graduate Certificate program in Music Education Licensure for PK-12 (13.1312)	Fall 2014
Northern Virginia Community College	Initiate Certificate program in Dental Assisting (51.0601)	Spring 2015

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

### Organizational Changes / Off-campus Instructional Sites

Institution	Change / Site	Effective Date
University of Virginia	Establish new off-campus instructional site at 600 Thimble Shoals Boulevard, 2nd Floor, Newport News, Virginia, 23606.	September 1, 2014

Virginia Polytechnic Institute and State University	Establish new off-campus instructional site at 600 Thimble Shoals Boulevard, 2nd Floor, Newport News, Virginia 23606.	January 20, 2015
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