

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
COUNCIL MEETING
SEPTEMBER 15, 2009
MINUTES NO. 537**

Ms. Milliken called the meeting to order at 9:00 a.m. in the SCHEV main conference room, James Monroe building, 9th floor, Richmond, Virginia. Council members present: Bob Ashby, Gilbert Bland, Whittington Clement, Mary Haddad, Christine Milliken, G. Gilmer Minor, Katharine Webb, and Alan Wurtzel.

Council members absent: Jim Dyke, Mimi Elrod, Susan Magill

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

SAD NEWS

Ms. Milliken informed the Council of the death of Frank Batten, Sr. Mr. Batten served two terms on the Council in the 1970s and in 1962 was the first Rector of the board of what was then Old Dominion College. From that position, he was instrumental in separating Old Dominion College from the College of William and Mary. He also served on the boards of the College of William and Mary and Hollins College.

UPDATE ON SEPTEMBER 14 POLICY BRIEFING

Ms. Milliken explained that speakers in higher education finance met with the Council on September 14. Some emerging points that were discussed included a belief that to change the revenue picture, investments must be made in higher education. The workforce of tomorrow needs to be educated in order to improve the economy and compete globally. This includes technical training as well as college degrees. It was made clear that in Virginia higher education funding has eroded over the last 20 years and has experienced great volatility. As a result, higher education has become the "balance wheel" for the state budget.

Ms. Milliken said it will be important for Council members and legislators to understand the important facts that citizens should know about higher education as we work together during these difficult times. An easy to read wallet card providing such facts has been developed by staff and was distributed to Council members.

PUBLIC COMMENT

No requests for public comment were received.

APPROVAL OF MINUTES

On motion by Dr. Ashby and seconded by Mr. Minor the July 13, 2009 Private College Advisory Board meeting notes and the July 14, 2009 Council minutes were approved as submitted.

ACTION ON RECOGNITION OF DEPARTING COUNCIL MEMBER

Ms. Milliken thanked Ms. Hardy for her service to the Council, most recently as Vice Chair, and for her passionate work on behalf of Virginia's students. On motion by Mr. Bland and seconded by Mr. Clement the following resolution was unanimously approved by the Council. A framed version of the resolution was presented to Ms. Hardy:

WHEREAS, Eva Hardy served as an exemplary member of the State Council of Higher Education for Virginia from 2005 to 2009; and as Vice Chair from 2007-2009; and

WHEREAS, Ms. Hardy also served as an active committee member on the Executive Committee, Resources Committee, Outreach Committee, and the Restructuring Task Force at various times during her tenure; and

WHEREAS, Ms. Hardy's decisive leadership on the Council has inspired confidence and respect among her colleagues, the colleges and universities, the Executive branch, and the legislature; and

WHEREAS, Ms. Hardy worked tirelessly to maintain diversity and to champion the quality and unique missions of all of Virginia's colleges and universities, while striving to bring them together to address common systemwide challenges; and

WHEREAS, Ms. Hardy garnered the support and gratitude from fellow Council members who have had the honor and privilege of serving with her; and

WHEREAS, she will continue to ensure that Virginia is advanced through higher education and to serve as a valued and knowledgeable advisor to the Council as it continues its important work; now therefore be it

RESOLVED, that the State Council of Higher Education for Virginia expresses its sincere gratitude and appreciation to Eva T. Hardy for her commitment, distinguished service, and numerous contributions to higher education in Virginia, and extends to her best wishes for continued success in all future endeavors.

REMARKS BY THE HONORABLE RICHARD BROWN

Mr. Brown, Secretary of Finance, provided comments to the Council about the recent budget reductions. Copies of the Governor's 2010 reduction plan were distributed. He provided a broad overview of the current status of the state budget and central actions taken that affect all state agencies.

Mr. Brown provided a history of the decline in revenues and discussed other topics being explored to address the shortfall. These include the possible need for changes to the Virginia Retirement System that would bring Virginia more in line with other states by requiring employee contributions to their retirement plans.

In discussing the federal stimulus funds, Mr. Brown indicated that under federal stimulus guidelines, states must adhere to a maintenance of effort requirement. However, waivers can be granted. Virginia qualifies for the waiver and is in the process of filing for it. This could mean that additional funds would be available for higher education.

Other statewide actions that affect higher education were discussed, including the one day furlough that will apply to all executive branch employees in May 2010 and create a savings of \$16M.

The possible risk of reduced stimulus funding for the second year was discussed and it was mentioned that federal reporting requirements seem to increase with each phase of the stimulus funding. More dialogue is taking place regarding the responsibilities and relationships of agencies at the local, state, and federal level in an effort to find efficiencies.

EXECUTIVE DIRECTOR'S REPORT

Dr. LaVista introduced staff who presented information about the "I Am The One" campaign, which is a program being funded through the federal College Access Challenge Grant. The purpose of the grant is to assist students from low income families to pursue postsecondary education. SCHEV manages the grant at the request of Governor Kaine. Ms. Kathleen Kincheloe and Ms. Kirsten McKinney visited high schools to provide them with information and marketing materials about the program.

The grant is a partnership between the Virginia Department of Education, the Virginia Community College System (VCCS), and SCHEV. A portion of the grant funds have been applied to the new Virginia Education Wizard web portal which was designed by the VCCS as a tool for students and families that was presented to the Council earlier this year. Approximately 13,000 students will be served by the program.

In an effort to reach out to parents and family members, brochures, including a Spanish translation version, have been mailed to parents of 9-12th graders in the targeted school districts. Surveys of students and counselors will be done to determine which materials are most successful when planning for next year's campaign. The plan is to take the campaign statewide in the second year. Information about the program will be shared with the Virginia College Access Network at its December meeting. Dr. LaVista reminded the Council that this plan fits well with other state efforts. Ms. Haddad complimented staff for the useful information that is being provided to students and said this same information usually must be purchased by parents.

BRIEFINGS AND DISCUSSION

Discussion of 2010-12 Systemwide Operating Budget

Base Adequacy

Mr. Hix distributed a revised copy of the *Erosion of State Funding* report that was updated to reflect the Governor's recent budget reductions. Council members expressed an interest in sending a very clear and strong message to the legislature that Virginia is falling behind other states. In making these comparisons, it was mentioned that perhaps data from other peer states could be grouped together for comparison purposes, even if these states are not included with Virginia in the Southern Regional Education Board (SREB) grouping.

Updates will be brought to the October meeting along with budget recommendations.

Faculty Salaries

Mr. Hix explained information included on the charts and indicated that final recommendations will be brought to the Council for action in October.

Higher Education Equipment Trust Fund (HEETF)

Mr. Hix reminded the Council that this program helps retain faculty when no salary increases are provided. This item will be submitted to Council for action in October, along with other budget recommendations.

Operation and Maintenance of New Facilities Coming Online

Mr. Hix explained that if base adequacy were fully funded it would not be necessary to separately fund for the operation and maintenance of new facilities. This information is useful to the Department of Planning and Budget as a marker to determine what maintenance is needed on buildings.

An additional table showing General Fund Appropriations for E&G and Financial Assistance programs was distributed.

Undergraduate and Graduate Student Financial Aid

Mr. Andes provided a recap of last year's recommendation to ensure that financial aid be considered a high priority. He briefly reviewed the Partnership Model and reminded members that this model provides real data rather than projected data. Options were provided for discussion and preparation for approval in October. Ms. Webb requested that staff prepare statistics on how many students will benefit by an increase in financial aid for further discussion in October. She felt this information will be important to convey to the legislature.

Staff will refine the options to take into consideration the Council's goal of holding harmless those students with a family income below a certain amount. It was mentioned that this is a funding goal, not necessarily a distribution goal. Council requested that draft statements be distributed to members so that the issue can be discussed with the Council of Presidents at the September 28 meeting.

With regard to graduate financial aid, it was decided that Option 2, a multi-year phase-in option, should be brought forward when preparing the final recommendations for approval in October. A priority list should be included with budget recommendations in October to provide options if funds are limited and if additional funds are available.

Ms. Milliken called for a break at 11:20 a.m. The Council reconvened at 11:30 a.m.

Discussion of 2010-12 Systemwide Capital Outlay Budget Items

Maintenance Reserve and New Capital Outlay

Mr. Daley provided a briefing on capital outlay recommendations that are currently under development and will be brought for action in October. He indicated that the capital outlay budget proposal is being developed "resource

blind," i.e., budget cuts will not influence how these figures are developed. The list will be broken out by priority and category when it is brought to the Council in October. There was some discussion about a new legal requirement that the Governor prepare his budget to include a 6-year capital outlay plan. There was some discussion concerning items that may be in the Governor's 6-year plan that may not make it on the SCHEV priority list. It was decided that Mr. Clement, Ms. Webb, and Mr. Wurtzel would provide input to staff to develop the best way to handle this before bringing it to the October meeting. Mr. Clement asked for a primer on SCHEV's role in the capital process.

ACTION ITEMS

Action on 2010-12 Systemic Items in SCHEV's Budget

Virtual Library of Virginia (VIVA)

Dr. DeFilippo provided background information about the pass-through funds in SCHEV's budget. He reminded the Council that VIVA was held harmless in the last round of budget cuts and the program has received the support of the Secretary of Education. On motion by Mr. Clement and seconded by Ms. Haddad the following resolution was approved by the Council (7-1). Mr. Wurtzel opposed the proposal because he felt the interlibrary loan portion of the budget is unnecessary because of the availability of Google Books and other products on the internet:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the submission of a budget request of \$1,431,153 (\$676,183 in FY10/11 and \$754,970 in FY 11/12) to sustain the Virtual Library of Virginia (VIVA).

Virginia Virtual Computing Lab

Dr. DeFilippo discussed this new venture in learning technology enhancement that is a collaborative effort that will establish virtual computing labs in institutions throughout the Commonwealth.

Mr. Wurtzel felt there was not enough of a cost justification to pursue the request at this time. Four large institutions are firmly committed to the consortium. Funding would enable smaller institutions to participate. On motion by Mr. Bland and seconded by Ms. Haddad the following revised resolution was unanimously approved by the Council. The Council requested that additional requirements (listed in italics) be added:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the submission of a budget request of \$2,087,950

(\$1,430,000 FY 2010/2011, and \$657,950 FY 2011/2012) to establish the Virginia Virtual Computing Lab. *Additionally, the Council encourages more collaboration among institutions and requests (1) participation of a minimum of ten institutions, (2) development of a better cost saving statement, and (3) review of the project annually after each year of the biennium.*

Tuition Assistance Grant (TAG)

Mr. Andes reviewed the actions taken by the Council in 2008. On motion by Ms. Haddad and seconded by Mr. Clement the following resolution was unanimously approved by the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia affirms its commitment to increase the undergraduate and graduate maximum annual award for the Tuition assistance Grant (TAG) program to \$3,500 and ultimately \$3,700 as originally recommended for the 2008-10 biennium, but also recognizes the Commonwealth's current financial constraints and therefore strongly recommends that funding be increased by \$8,277,466 for FY11 and \$9,771,822 for FY12 in order to maintain an undergraduate and graduate maximum annual award of \$3,200 and \$1,900 respectively.

Action on Optometry Scholarship Promissory Note

Mr. Andes explained that the program will fund up to 16 students per year with a \$2,000 grant. The grant includes a commitment for the recipient to work in the state for two years for each year the grant is received. If the student fails to fulfill this commitment, the grant converts to a loan that is repayable to the Commonwealth. On motion by Ms. Webb and seconded by Mr. Minor the following resolution was unanimously approved by the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia approves the Policies and Promissory Note for the Optometry Grant Loan Program.

Action on Program at Public Institutions

Dr. DeFilippo explained the difference between biochemistry programs and chemical biology programs. On motion by Mr. Minor and seconded by Mr. Wurtzel the following resolution was unanimously approved by the Council:

BE IT RESOLVED that the State Council of Higher Education for Virginia grants approval to Virginia Commonwealth University to initiate a Doctor of philosophy (Ph.D.) degree program in Chemical Biology (CIP: 40.0599), effective Fall 2009.

CONSENT AGENDA

Action on Private and Out-of-State Post-secondary Education (POPE) Institutional Certifications

No requests were made to discuss the consent agenda items and on motion by Mr. Bland and seconded by Mr. Clement the following items were approved by consent:

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Capital Laser Institute to operate a postsecondary institution in the Commonwealth of Virginia, effective September 15, 2009.

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Medical Educators, LLC. to operate a postsecondary institution in the Commonwealth of Virginia, effective September 15, 2009.

BE IT RESOLVED that the State Council of Higher Education for Virginia certifies Studio Bamboo Institute of Yoga Teacher Training to operate a postsecondary institution in the Commonwealth of Virginia, effective September 15, 2009.

ITEMS DELEGATED TO STAFF

The following items had been reviewed and/or approved by staff, as delegated by the Council. As required, this information is included as part of these minutes:

- Program Actions for George Mason University, Radford University, and Virginia Commonwealth University
- Organizational Changes/ Off-campus Instructional Sites – July/August 2009

OLD BUSINESS

Mr. Clement was thanked for his service as Council Chair for from 2007-2009. Ms. Milliken presented Mr. Clement with an engraved pen as a token of the Council's appreciation for his service.

NEW BUSINESS

Ratification of Prior Actions

Mr. Belue informed the Council that the Office of the Attorney General recommended that the Council approve a ratification of prior actions that would address any past technical requirements concerning notice of meetings under the Freedom of Information Act. On motion by Mr. Clement and seconded by Mr. Minor, the following resolution was unanimously approved by the Council:

WHEREAS, a question has arisen as to whether the Council has complied in the past with all technical requirements concerning notice of meetings under the Freedom of Information Act, and

WHEREAS, we wish to correct any deficiencies, and affirm and ratify prior actions,

THEREFORE, BE IT RESOLVED by the State Council of Higher Education for Virginia as follows:

The Council hereby affirms and ratifies any and all of its prior actions, which actions are reflected in the prior minutes of the Council.

ADJOURNMENT

Meeting was adjourned at 12:30 p.m.

Christine T. Milliken
Chair

Lee Ann Rung
Manager for Council and Executive
Affairs

Items Delegated to Director/Staff

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

Program Actions

Institution	Degree/Program/CIP	Effective Date
George Mason University	Change the CIP and title from the Master of Arts in Telecommunications (CIP Code: 09.9999) to Telecommunications Policy (CIP Code: 09.0702)	Fall 2009
Radford University	Change the title from the Bachelor of Science in Information Systems and Technology (CIP Code: 11.0401) to Information Science and Systems	Fall 2009
Radford University	Change the title from the Master of Science in Reading (CIP Code 13.1315) to Literacy Education	Fall 2009
Radford University	Change the degree designation from B.A./B.S./B.B.A. in Economics (CIP Code: 45.0601) to B.S./B.B.A. in Economics. (B.A. eliminated.)	Fall 2009
Virginia Commonwealth University	Spin-off a Master of Education degree program in Sport Leadership (CIP Code 31.0504) from the existing Master of Science in Recreation, Parks and Sport Leadership (CIP Code 31.0101)	Fall 2009

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

**Organizational Changes / Off-campus Instructional Sites
July - August 2009**

Institution	Change / Site	Effective Date
George Mason University	Create three schools from three existing departments: <ul style="list-style-type: none"> • the School of Music from the Department of Music; • the School of Art from the Department of Art and Visual Technology; • the School of Dance from the Department of Dance. 	July 2009
Old Dominion University	One department reorganized and five departments renamed. All departments will reside in the Darden College of Education: <ul style="list-style-type: none"> • create the Department of Counseling and Human Services from the reorganization of the Department of Educational Leadership and Counseling; • rename the Department of Educational Leadership and Counseling to the Department of Educational Foundations and Leadership; • rename the Department of Exercise Science, Sport, Physical Education, and Recreation to the Department of Human Movement; • rename the Department of Education Curriculum and Instruction to the Department of Teaching and Learning; • rename the Department of Early Childhood, Speech-Language Pathology, and Special Education to the Department of Communication Disorders and Special Education; • rename the Department of Occupational and Technical Studies to the Department of STEM Education and Professional Studies. 	July 2009