



State Council of  
Higher Education for Virginia

# **2008 Certification of Institutions Under the Restructuring Act (2005)**

House Appropriations Committee  
June 18, 2008



# Goal of Restructuring

**To provide public colleges and universities with more autonomy in exchange for a renewed commitment to their public missions.**



# Restructuring Goals

- 1. Access**
- 2. Affordability**
- 3. Academic Offerings**
- 4. Academic Standards**
- 5. Student Progress and Success**
- 6. Enhanced Access and Affordability**
- 7. Economic Development**
- 8. Research**
- 9. Enhancing K12**
- 10. Six-Year Plans*
- 11. Finance and Administrative**
- 12. Campus Safety*



# Certification

- **Code of Virginia §23-9.6:1.01.C.  
Assessment of institutional performance**
  - Annual assessment by SCHEV
  - Degree to which institutions have met objective education-related and financial/administrative measures
  - Assistance from Cabinet Secretaries
- **Appropriation Act §4-9.02**
  - Outlines the education-related and financial/administrative measures
  - Annual assessment and certification by SCHEV by June 1
  - Financial/administrative evaluation by Secretaries
  - Financial benefits tied to performance



# Certification – Appropriation Act

## **§4-9.02 ASSESSMENT OF INSTITUTIONAL PERFORMANCE**

In general, institutions are expected to achieve their targets and standards on all measures in order to be certified by SCHEV. However, the State Council, in working with each institution, shall establish a prescribed range of permitted variance from annual targets for each education-related measure, as appropriate.

- *Examples: Enrollment and degrees within a 5% variance of projections; thresholds established for measures.*



# Certification – Appropriation Act

## **§4-9.02 ASSESSMENT OF INSTITUTIONAL PERFORMANCE**

Further, the Council may certify institutions as having met the standards on education-related measures where they have already achieved high levels of performance in order that they may focus resources toward achieving similar levels of performance on other measures. The Council may likewise exempt institutions from certification on education-related measures that it deems unrelated to an institution's overall performance.

- *Examples: Research measures do not apply to comprehensive or two-year institutions; two-year transfer agreements do not apply to VMI.*



# Restructuring Measures

1. **In-State enrollment**
2. **Underrepresented enrollment**
3. **Degree awards**
4. *Affordability*
5. **Need-based borrowing - \$ and %**
6. *Tuition assessment*
7. **High-need degrees**
8. **SACS program review**
9. *100-200 courses*
10. **Degrees per FTE faculty**
11. **Retention rate**
12. **Degrees per FTE students**
13. **Transfer agreements – four-year only**
14. **Degree transfers – four-year only**
15. **Dual enrollment – two-year only**
16. **Economic development**
17. **Research expenditures – selected institutions**
18. **Patents and licenses – selected institutions**
19. **K-12 partnerships**
20. **Finance and administrative**



# Restructuring Authority

- **Level I**
  - All institutions with BOV 2005 commitment
  - Receive minimum operational authority
- **Level II**
  - Criteria established in 2008 GA Session
  - Memoranda of Understanding for operational authority in two of the following areas – capital outlay, procurement, information technology
- **Level III**
  - Management Agreement with operational authority in capital outlay, procurement, information technology, human resources, finance
  - Three initial institutions – College of William and Mary, University of Virginia, Virginia Tech
  - Virginia Commonwealth University authorized in 2008 GA Session



# Certification – Why Is It Important?

- Required for application to Level II or Level III
- Financial benefits outlined in §2.2-2005
  - Receive interest on T&F and other nongeneral E&G revenues deposited in the State Treasury
  - Unexpended appropriations shall be reappropriated in the next fiscal year
  - Pro rata amount of the rebate to the Commonwealth on credit card purchases
  - Rebate on transaction fees paid for sole source procurements in eVA.



# Certification – What does it mean?

## Financial Benefits of Restructuring Certification, FY2007

Institution	Interest	Credit Card	eVA Sole		Total
			Source Fee	Carry Forward	
CNU	\$197,594	\$66,859	\$0	\$35,000	\$299,453
CWM	\$422,497	\$44,001	\$270	\$2,270,000	\$2,736,768
GMU	\$1,923,773	\$108,047	\$26	\$0	\$2,031,846
JMU	\$1,163,249	\$127,970	\$473	\$771,547	\$2,063,239
LU	\$251,998	\$49,333	\$519	\$20,407	\$322,257
NSU	\$0	\$16,122	\$61	\$0	\$16,183
ODU	\$1,540,426	\$54,667	\$22,923	\$0	\$1,618,016
RU	\$436,826	\$28,984	\$0	\$573,619	\$1,039,429
UMW	\$84,990	\$62,925	\$905	\$0	\$148,820
UVA	\$2,058,178	\$208,261	\$106,427	\$9,045,354	\$11,418,220
UVAW	\$35,650	\$1,654	\$0	\$419,300	\$456,604
VCU	\$2,022,593	\$231,803	\$2,707	\$0	\$2,257,103
VMI	\$56,671	\$32,113	\$0	\$34,000	\$122,784
VSU	\$110,964	\$50,433	\$0	\$104,439	\$265,836
VT	\$1,837,662	\$179,976	\$83,617	\$9,000,000	\$11,101,255
RBC	\$30,828	\$8,948	\$0	\$152,807	\$192,583
VCCS	\$2,793,503	\$410,504	\$8,054	\$19,944,778	\$23,156,839
<b>Total</b>	<b>\$14,967,402</b>	<b>\$1,682,600</b>	<b>\$225,983</b>	<b>\$42,371,251</b>	<b>\$59,247,236</b>



# 2008 Certification Results

- All institutions were certified
- Four institutions must submit improvement plans



## Council Resolution

**SCHEV will create a restructuring task force with input from legislators or legislative staff to recommend technical corrections to the Restructuring Act or to the certification process.**



# Next Steps

- SCHEV task force will report to the Council with possible recommendations to the General Assembly for the 2009 session.
- JLARC is expected to report on its review of institutional compliance with higher education management agreements by November 2008.



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# **Report on the State Council's Work Regarding Affordability**

House Appropriations Committee  
June 18, 2008



# Context and Key Points

Tuition and fees are the exclusive purview of public institutions' Boards of Visitors.

SCHEV's main roles are in advocacy and information sharing:

- Advocacy through its budgetary and policy recommendations.
- Information sharing through its reports and responses to data requests.



## Context & Key Points (continued)

- Nine annual “Tuition & Fee” reports (1999-2007)
- Two Affordability studies (2002 & 2006)
- Two federal GEAR UP grants (2001 & 2006)
- Budget recommendations (Fall 2007)
- Affordability policy discussion (January 2008)
- IPS Affordability measure (May 2008)



# Summary of Recent Activities

- I. Statewide Strategic Plan
- II. Policy-issue Discussion
- III. Additional Goals
- IV. Definition of Affordability
- V. Ad Hoc Committee



# I. Statewide Strategic Plan

SCHEV's 2007 plan is the first statewide strategic plan to directly address the issue of affordability.

Among the plan's 12 goals are two aimed at "enhancing affordability:"

1. Through Financial Aid Advocacy;  
and
2. Through Education & Investment Incentives



# Enhancing Affordability through Financial Aid Advocacy

Strategy 1: Seek policies that moderate tuition increases and expand financial aid

Strategy 2: Fully fund the 'partnership model' for need-based aid programs

Strategy 3: Support increases in the Tuition Assistance Program (TAG)



# Enhancing Affordability through Education & Investment Incentives

Strategy: Promote educational investment by partnering with families

a: Work toward investment incentive program with Virginia College Savings Plan

b: Explore matching-fund program for student progress/completion



## II. Policy-issue Discussion

This year, the Council has added policy-issue discussions to its meetings; the first discussion focused on affordability.

In January, three experts presented and discussed various affordability issues:

- Drivers of cost and price;
- Defining and measuring affordability;
- Constituents' roles in addressing cost & affordability.



## III. Additional Goals

SCHEV staff synthesized the experts' discussions in a Virginia context and developed six additional goals, which the Council endorsed in March:

1. **Position SCHEV as a financial-aid champion**
2. **Develop an early-awareness campaign**
3. **Deepen stakeholders' understanding**
4. **Review financial-aid policies**
5. **Investigate pre-college incentives**
6. **Review alignment of financing & aid policies**



## IV. Definition of Affordability

The 2007 Acts of Assembly required SCHEV to develop “**a clearly understandable measure of affordability**” related to the affordability goal of the Restructuring Act no later than July 1, 2008.

The State Council approved this new measure and reporting guidelines at its May meeting.

Annually, SCHEV will report and publish on its website each public institution’s in-state undergraduate tuition and fees, both gross and net of need-based gift aid, as a percentage of the institution’s median student family income. These reports will be available within the next month on the SCHEV website.



# Definition (continued)

## **IPS Affordability Measure:**

*Institution establishes annual targets of graduation rates according to financial aid status with the intent of achieving a similar graduation rate for each group of students. Three groups of students shall be used for this measure, as they are identified in their 1<sup>st</sup> year of enrollment at the institution:*

- 1. Students receiving Pell Grants in amounts greater \$200. [up to approximately \$4,000]*
- 2. Students receiving other forms of need-based financial assistance with up to \$200 in Pell Grants.*
- 3. Students receiving no need-based financial assistance.*



# Definition (continued)

## **IPS Affordability Measure (continued):**

*Institution will provide an addendum to the six-year plan demonstrating whether in fact over the prior four years the institution's financial commitment to need-based student aid increased proportionately with increases in in-state undergraduate tuition and fees and financial need of enrolled students.*



## V. Affordability Committee

An affordability committee of the Council was formed following its March meeting to:

1. Review various strategies and options – policy as well as programmatic – that could be supported and/or spearheaded by SCHEV toward addressing affordability.
2. Assess current and upcoming activities in SCHEV's 2008-09 workplan that support the Council's goals and recommendations.



# Strategies and Options

## 1. State-level programs and/or policies

e.g., early-commitment programs; aid-increase policies

## 2. Local, regional, and/or state-level direct-intervention initiatives

e.g., ACCESS College Foundation; Project Discovery

## 3. Targeted pilot projects



# Current and Upcoming Activities

1. Access Challenge Grant
2. Financial Aid “Blog” on Website  
[www.schev.edu](http://www.schev.edu)
3. Proposals to P-16 Council and VDOE regarding collaborations on youths’ awareness of, preparation for, and participation in postsecondary education or training.
4. Potential regional pilot project.