

## STATE BOARD FOR COMMUNITY COLLEGES

### MEETING NO. 300 November 13, 2008

James Monroe Building  
Godwin-Hamel Board Room  
Richmond, Virginia  
9:00 a.m.

The State Board for Community Colleges convened at 9:00 a.m. on November 13, 2008, in the Godwin-Hamel Board Room, on the 15<sup>th</sup> Floor of the James Monroe Building, 101 North 14<sup>th</sup> Street, Richmond, Virginia.

Members Present:            Mr. Robert W. Shinn, Chair  
                                     Mr. Gary C. Hancock, Vice Chair  
                                     Ms. Shahnaz M. Ahmed  
                                     Mrs. Megan C. Beyer  
                                     Mr. Danny Hunley  
                                     Dr. Barbara A. Johnsen  
                                     Ms. Adele C. Johnson  
                                     Ms. Connie R. Kincheloe  
                                     Mr. Nathaniel X. Marshall  
                                     Mr. Jeffery K. Mitchell  
                                     Mr. R. Michael Mohler  
                                     Mr. Alan G. Toxopeus

Members Absent:            Mr. Hank W. Chao  
                                     Mr. Mark R. Graham  
                                     Mr. Chris A. Lumsden

#### Staff Present:

Ms. Jennifer Allman	Mr. Trenton Hightower
Mr. Peter Blake	Ms. Sharon Hutcheson
Mr. John Brilliant	Dr. Donna Jovanovich
Mr. Tom Cantone	Mr. Jeff Kraus
Ms. Ellen Davenport	Dr. Christopher Lee
Mr. James Davis	Mr. Dave Mair
Dr. Glenn DuBois	Mrs. Marlene Mondziel
Dr. Jennifer Gentry	Ms. Karen Petersen
Dr. Marcia Harrington	Dr. Monty Sullivan
Dr. Joy Hatch	Ms. Donna VanCleave
Dr. Craig Herndon	Mr. Edward Watson
Mr. Bill Hightower	Ms. Rita Woltz
	Dr. Susan Wood

Others Present: Mr. Everett Jordan, Northrop Grumman Newport News  
Ms. Emily O’Brion, McGuire Woods Consulting LLC  
Dr. Robert G. Templin, Jr., President, NVCC  
Ms. Diane Vermaaten, SCHEV

I. OPENING

A. Call to Order

Mr. Rob Shinn, Chair, called the meeting to order.

B. Roll Call

Dr. Glenn DuBois, Chancellor, took a roll call to determine that a quorum was present.

C. Minutes – Meeting No. 299, September 18, 2008

**A motion was made by Ms. Ahmed and seconded by Dr. Johnsen that:**

**"THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE MINUTES OF THE SEPTEMBER 2008 MEETING AS SUBMITTED."**

**The motion carried.**

D. Public Comment

There was no public comment.

E. Education: Innovative International Education Opportunities –  
Dr. Robert G. Templin, Jr., President, Northern Virginia Community College

The Chancellor introduced Dr. Robert Templin, President of Northern Virginia Community College (NVCC), to report on innovative international education opportunities. Dr. Templin stated that NVCC’s venture into entrepreneurship has provided an international byproduct. He noted that the community colleges are very important to the economic recovery. NVCC has experienced an enrollment increase of more than 45% over the past few years while funding per student has decreased. He noted that private colleges receive more funding per student under the TAG program than Northern Virginia Community College receives.

In today’s economic climate, Dr. Templin stated that the community colleges can stop enrolling more students, reduce expensive programs, increase tuition more than the rest of the VCCS, or seek new sources of revenues for profit to support the core mission. The latter is what NVCC is doing. With a population growth of new immigrants to the

area, NVCC is attractive to international students seeking to study here and to return home upon completion. Since 2004, NVCC increased its outreach to international students. NVCC offers the most English as a Second Language (ESL) programs in the country, with some specializing by industry, such as ESL for the medical field, etc. Dr. Templin stated that NVCC found that it was under pricing these courses. NVCC will enroll over 2300 international students this academic year. It is important to note that the revenues from these international students will produce a net \$2.1 million that can help offset the costs of our native students.

Dr. Templin reported that the Korean Ambassador offered to help NVCC in its outreach efforts. Also, Turkey, a country with a mid-tier emerging economy, is seeking to educate its citizens. Unfortunately, the Turkish higher education system can admit only a small portion of those in Turkey seeking higher education. NVCC sees this as an opportunity, based on the long-standing relationship between our two countries, to develop a turn-key program that would education Turkish students while providing additional revenues for the college.

This program would assist with the Visa application, an in-country university-affiliated ESL program, in-country NVCC representation, comprehensive culture and language program, transition program and assistance, international student advisors and support program at NVCC, year-long work study program following graduation, and guaranteed admission to universities for qualified students.

Dr. Templin stated that no international students would be admitted to restricted programs; Virginia students are always admitted first to these. By enrolling international students, NVCC anticipates additional revenues of \$3.7 million by fiscal year 2011. These revenues would be reinvested to help Virginia students at NVCC.

Mr. Shinn noted that the program was a business decision and should be treated as such with the added bonus of diversity. Dr. Templin reported that NVCC has global exposure. This is illustrated by his staff speaking 14 different languages. Ms. Ahmed commended the turnkey program.

The Chancellor stated that the need existed to provide an international venue. He noted that a Chinese student entered our country and ultimately found NVCC. From there, that student went on to obtain a bachelor's and master's degrees. That student is now a State Board for Community Colleges member, Hank Chao.

## II. CHANCELLOR'S REPORT

### A. Introduction of Dr. Joy Hatch, Vice Chancellor for Information Technology

Dr. DuBois introduced Dr. Joy Hatch who was attending the meeting. Dr. Hatch, from Hartford Community College, was selected as the new Vice Chancellor for Information Technology. She begins December 1, 2008.

B. Chancellor's Award for Teaching Excellence

The Chancellor announced that at the Annual Meeting he presented the Chancellor's Award for Teaching Excellence to Dr. Marty Zahn, Biology professor at Thomas Nelson Community College.

C. Virginia Foundation for Community College Education – Dr. Jennifer Gentry, Vice Chancellor for Institutional Advancement

The Chancellor expressed his thanks to Dr. Jennifer Gentry, Vice Chancellor for Institutional Advancement, and her staff for their efforts on the Annual Meeting.

Then the Chancellor asked Dr. Gentry to report on the activities of the Virginia Foundation for Community College Education (VFCCE). Dr. Gentry announced that Mr. Larry Sartoris assumed the chairmanship of the VFCCE Board of Directors. The Commonwealth Legacy Scholarship program was held in October. She also announced that Mrs. Eva Hardy is leaving the Board of Directors. Consequently, at the Annual Meeting, a scholarship in her honor was announced. The goal for the Eva T. Hardy Scholarship Endowment is \$200,000. The Great Expectations program was progressing and an anonymous donor has contributed \$150,000 to the program. Commitments were received from the Bank of America and the Mary Morton Parsons Foundation. Over \$825,000 had been received by the VFCCE within the last two months. Dr. Gentry announced that at Lord Fairfax Community College, Mr. William Hazel would speak on the opportunities available in construction trades industry and she thanked State Board member, Danny Hunley, for the sponsorship received from Northrop Grumman Newport News for the Student Leadership Conference.

D. Strategic Planning Update – Dr. Susan Wood, Associate Vice Chancellor for Institutional Effectiveness

Dr. Susan Wood, Associate Vice Chancellor for Institutional Effectiveness, provided an update on the strategic planning process. The task force developed a list of five initial goals. She noted that the Chancellor had conducted five of the six listening tours throughout the state. While the Chancellor met with business, industry and community leaders, Dr. Monty Sullivan, Vice Chancellor for Academic Services and Research, met with students. Upon completion of the sixth tour on November 19, a preliminary draft will be prepared in early December. It is anticipated that work on the strategic plan will be completed and the final plan will be announced at the 2009 Annual Meeting. Ms. Ahmed requested to receive copies of the summaries of the listening tours.

E. Chancellor's Report on 2008-2009 Goals

Dr. DuBois stated that the latest update on the 2008-2009 goals was provided. He noted that the Dateline 2009 Workforce goal had been achieved, one year earlier than anticipated.

F. 2009 General Assembly Strategy

The Chancellor stated that he anticipated additional budget reductions. The Kemper Consulting Group had been contracted by the VFCCE to assist the VCCS in stating its case before the General Assembly. After accessing the relationship, Kemper determined that the students' visits to the legislature were well-received. However, the VCCS must work on unifying the message conveyed. Also, it was determined that industry/community stakeholders must be involved in the legislative process. It is important that they state the impact of the budget reductions on their companies and communities. The Chancellor cautioned that if budget reductions exceed five percent the VCCS will have to look closely at its occupational/technical programs and tuition.

G. Legislative Reception, January 20, 2009, Old City Hall, Richmond, VA

The Legislative Reception will be held at the Old City Hall on January 20, 2009. The Chancellor urged each State Board member to place the date on their calendar and attend.

H. New Horizons Conference, April 1, 2, and 3, 2009, Hotel Roanoke & Conference Center, Roanoke, VA

The Chancellor stated that each year the VCCS brings together its faculty to share what they are doing in the classroom and with technology at the New Horizons Conference. It will be held on April 1-3, 2009, at the Hotel Roanoke. Each State Board member is invited to attend.

III. COMMITTEE REPORTS

A. Academic, Student Affairs and Workforce Development Committee – Gary C. Hancock, Chair, reported.

1. Minutes – Meeting of September 17, 2008

The Committee approved the minutes of its September 2008 meeting.

2. Action Items

There were no action items.

3. Information Items

a. Virginia Community Colleges' Contributions to 2007-08 Virginia Bachelor's Degree Recipients: A Retrospective Look

Mr. Hancock asked Dr. Monty Sullivan, Vice Chancellor for Academic Services and Research, to report on what role the community colleges play in bachelor's degree attainment in Virginia. Dr. Sullivan noted that the VCCS partnered with the National Student Clearinghouse to take a retrospective look at bachelor's degree recipients from September 2007 to August 2008. Dr. Donna Jovanovich, Director of Institutional Effectiveness, reported that over one-third of Virginia's bachelor's degree earners attended a Virginia community college. Only one in four earned an associate degree. Many used the community colleges to supplement their four-year experience, while three in five swirl, move back and forth between community colleges and four-year institutions.

b. Preliminary Enrollment Report

Dr. Sullivan provided the preliminary enrollment report for fall 2008. He noted that the numbers were captured on October 27, 2008 and it is believed that they have increased some since that date. The VCCS has enrolled 14,000 new students in the last two years. The largest Full-time-equivalent percent change was at Patrick Henry Community College. He also reported that the numbers indicate more students are taking larger course loads.

c. Workforce Development Services Dateline 09 Update

Mr. Peter Blake, Vice Chancellor for Workforce Development Services, reaffirmed that the Dateline 2009 workforce development goal to serve 225,000 individuals by 2009 had been exceeded, as stated earlier by the Chancellor. The Career Coaches program also grew by 22 percent, largely due to an increased number of coaches in the field. There is definitely an increase in student participants with the career coaches program.

Mr. Mohler requested that the staff look into the possibility of offering a certificate program on national service. This is an opportunity to help the president-elect in his national education efforts while receiving possible federal grant funds for such a program.

d. Update on Workforce Investment Act Program

Mr. Blake reported that on July 1, 2008, the VCCS assumed new responsibilities for statewide workforce development coordination and administration. Included is the administration of the federal Workforce Investment Act. Funding flows through the VCCS to localities and we are responsible for coordinating with companies experiencing layoffs in the state. He noted that there are limited federal funds available for this.

With the incorporation of 30 new employees, the VCCS is now providing staff support to the Virginia Workforce Council, which recently met at John Tyler Community College in Chester. These new employees were transferred from the Governor's Office and the Virginia Employment Commission. And lastly, the Chancellor has been appointed to the Board of the Virginia Economic Development Partnership. Mr. Blake reported that this arrangement in the Commonwealth is a new model, one that is being watched closely by the U. S. Department of Labor.

At 10:45 a.m., there was a 15 minute recess.

B. Audit Committee – Shahnaz M. Ahmed, Chair, reported.

1. Minutes - Meeting of September 17, 2008

The Committee approved the minutes of its September 2008 meeting.

2. Action Items

There were no action items.

3. Information Item

a. Litigation

Ms. Ahmed reported that litigation was reviewed with System Counsel.

C. Facilities Committee – Jeffery K. Mitchell, Chair, reported.

1. Minutes – September 17, 2008

The Committee approved the minutes of its September 2008 meeting.

2. Action Items

- a. Northern Virginia Community College  
Manassas Campus – Academic Building – Phase III  
Schematic Drawing Review

Mr. Mitchell reported that Northern Virginia Community College (NVCC) requested approval of the schematic drawing for Phase III of its Manassas Campus Academic Building. Originally the legislature appropriated funds for the construction of an academic building and a separate bookstore. In light of the inefficiencies associated with the construction of two separate buildings, it was decided to incorporate the new bookstore into the Phase III project. The revised project will be constructed using Construction Management (CM) method of procurement. After much discussion, the Committee revised the original recommendation since, if approved, the Chancellor would be preauthorized to make determinations on the project. The Committee recommended approval of the recommendation as revised. (See Appendix I.)

**A motion was made by Mr. Mitchell and seconded by Mr. Toxopeus that:**

**“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE SCHEMATIC DRAWINGS AS SUBMITTED BY NORTHERN VIRGINIA COMMUNITY COLLEGE FOR ITS MANASSAS CAMPUS PHASE III PROJECT AND AUTHORIZES THE CHANCELLOR TO NEGOTIATE AND APPROVE SUCH STANDARD AGREEMENTS, EASEMENTS AND CONVEYANCES AS MAY BE NECESSARY TO CONSTRUCT THE PROJECT.”**

**The motion carried.**

- b. Tidewater Community College  
Norfolk Campus Student Center  
Schematic Design Approval

Mr. Mitchell reported that Tidewater Community College requests approval of its schematic design of the Norfolk Campus Student Center. The project will be constructed on a long narrow city block while maintaining green space. Funded primarily with student fees, the project is a five-story urban building with heavy use of glass to provide a sense of activity to the surrounding downtown streetscape while providing sufficient open space in the Campus Plaza. Again, following discussion, the Committee revised the recommendation. The Committee recommended approval of the recommendation as revised. (See Appendix II.)

**A motion was made by Mr. Mitchell and seconded by Mr. Marshall that:**

**“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE SCHEMATIC DESIGN FOR THE NORFOLK CAMPUS STUDENT CENTER AT TIDEWATER COMMUNITY COLLEGE AS SUBMITTED AND AUTHORIZES THE CHANCELLOR TO NEGOTIATE AND APPROVE STANDARD AGREEMENTS, EASEMENTS AND CONVEYANCES WITH THE CITY OF NORFOLK, NORFOLK REDEVELOPMENT AND HOUSING AUTHORITY, AND THE NORFOLK COMMUNITY COLLEGE CAMPUS CORPORATION, AS MAY BE NECESSARY TO CONSTRUCT THE PROJECT.”**

**The motion carried.**

- c. Danville Community College  
Demolition  
Maintenance Building and Old Auto Shop

Mr. Mitchell reported that as a follow up to the recent completion of the new maintenance building on the campus of Danville Community College (DCC), the college requests approval to demolish the original maintenance building and auto shop building in order to improve the overall appearance of the campus and make room for a future academic building. Funding is available to cover the cost of the project. The Committee recommended approval. (See Appendix III.)

**A motion was made by Mr. Mitchell and seconded by Mrs. Kincheloe that:**

**“THE STATE BOARD FOR COMMUNITY COLLEGES AUTHORIZES THE DEMOLITION OF THE OLD AUTO SHOP AND MAINTENANCE BUILDING AT DANVILLE COMMUNITY COLLEGE AS PROPOSED.”**

**The motion carried.**

- d. J. Sargeant Reynolds Community College  
Parham Road Campus  
Renovate Burnette Hall  
Preliminary Design

Mr. Mitchell reported that J. Sargeant Reynolds Community College (JSRCC) requests approval of the preliminary design of the Burnette Hall Renovation on its Parham Road Campus. Burnette Hall was built in the 1970's. The renovations would provide substantial interior renovations, two new exterior entries, and plaza renovations. The new plaza design would provide a more social and interactive courtyard with an improved connection between Burnette Hall and the campus pedestrian network. The Committee recommended approval. (See Appendix IV.)

**A motion was made by Mr. Mitchell and seconded by Mrs. Beyer that:**

**“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE PRELIMINARY DESIGN OF THE BURNETTE HALL RENOVATION AT THE PARHAM ROAD CAMPUS OF J. SARGEANT REYNOLDS COMMUNITY COLLEGE AS PROPOSED.”**

**The motion carried.**

Mr. Shinn asked that sometime in the future, the staff provide some information on the LEED certification process.

- e. Virginia Community College System  
Proposed Capital Outlay Budget Amendments  
2009 Legislative Session

Mr. Mitchell reported that not all of the requested capital projects were approved for funding during the 2008 General Assembly Session. In September 2008, the State Board approved the re-submission of several of these projects and some new non-general funded projects for consideration in the 2009 session of the General Assembly. All of the projects must meet one of three applicable criteria, equipment requests, unfunded 2008-10 priority projects, or new capital outlay projects funded with non-general fund dollars or of an emergency nature.

It was noted that the Virginia Western Community College (VWCC) requested approval to increase the non-general funded portion of their health technology building project. In anticipation of more of these last minute requests, authority is requested to add or make requests for similar non-general fund project modifications or additions any other new projects to the list that may arise, based on the applicable criteria. The Committee recommended approval. (See Appendix V.)

**A motion was made by Mr. Mitchell and seconded by Mr. Mohler that:**

**“THE STATE BOARD FOR COMMUNITY COLLEGES AUTHORIZES THE CHANCELLOR TO ADD OTHER PROJECTS TO THE 2009 CAPITAL OUTLAY BUDGET REQUEST IF THEY MEET ONE OF THE FOLLOWING CRITERIA: 1) EQUIPMENT REQUESTS, 2) UNFUNDED 2008-10 PRIORITY PROJECTS, 3) NEW CAPITAL OUTLAY PROJECTS, PARTICULARLY THOSE FUNDED WITH NON-GENERAL FUNDS OR OF AN EMERGENCY NATURE, AND 4) NON-GENERAL FUND PROJECT MODIFICATIONS OR ADDITIONS.”**

**The motion carried.**

f. Virginia Western Community College  
Property Conveyance – Smith Farm

Mr. Mitchell reported that in 1978 the State Board was bequeathed property known as Smith Farm for the use of Virginia Western Community College (VWCC). Besides being some distance from the college, the Smith will contained significant restrictions on the use of the property. These restrictions left VWCC seeking a solution that satisfies the requirements of the will while providing the greatest benefit to the college. In 1998, the State Board authorized VWCC to pursue alternative uses for the property. In 2004, after approval was granted to issue Requests for Proposal under the Public-Private Educational Facilities and Infrastructure Act for qualifying projects for the property, only one viable option from the County of Franklin was received. Since then, the County of Franklin and VWCC have engaged in discussions that have recently intensified. The County developed a comprehensive plan for use of the Smith Farm that will comply with the restrictions of the Smith will. VWCC desires to transfer the Smith Farm property by gift from the VWCC Educational Foundation to its recently established real estate foundation. Determination of suitable use of the property would rest with the real estate foundation with any proceeds from a sale of the property be retained by the real estate and/or the educational foundation to be used solely for VWCC's benefit. Mr. Mitchell noted that the property is not in an area primed for development. He also stated that the State Board would retain oversight and any final determination would come back before the State Board for approval. The Committee commended the staff for their exceptional efforts and recommended approval of the recommendation as revised. (See Appendix VI.)

**A motion was made by Mr. Mitchell and seconded by Mr. Hancock that:**

**“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE TRANSFER OF THE “SMITH FARM” TO THE VIRGINIA WESTERN COMMUNITY COLEGE EDUCATIONAL FOUNDATION, FOR IMMEDIATE TRANSFER TO THE VIRGINIA WESTERN COMMUNITY COLLEGE REAL ESTATE FOUNDATION, FOR PROPER RECORDATION AND TO AFFORD THE COLLEGE GREATER FLEXIBILITY IN FUTURE DISCUSSIONS AND NEGOTIATIONS WITH PROSPECTIVE BUYERS FOR THE “SMITH FARM.” THIS APPROVAL IS CONTINGENT UPON STATE BOARD APPROVAL OF THE TERMS OF THE SALE, PARTICULARLY SUCH TERMS AS USE OF PROCEEDS, TIMING AND SALE PRICE PRIOR TO PROCEEDING WITH ANY SALE TRANSACTIONS WITH A PROSPECTIVE BUYER, AND IS CONTINGENT UPON THE APPROVAL OF THE GOVERNOR OF VIRGINIA AND THE SATISFACTION OF ALL OTHER LAWS AND POLICIES THAT GOVERN THE SALE OF COMMUNITY COLLEGE PROPERTY. IT SHALL ALSO BE REQUIRED BY THE COLLEGE THAT**

**ALL PROCEEDS OF THE SALE OF THE “SMITH FARM” PROPERTY SHALL BE RETAINED BY THE REAL ESTATE FOUNDATION AND/OR EDUCATION FOUNDATION, THAT SUCH PROCEEDS SHALL BE USED SOLELY FOR THE BENEFIT OF THE VIRGINIA WESTERN COMMUNITY COLLEGE IN ACCORDANCE WITH A PLAN APPROVED BY THE STATE BOARD.”**

**The motion carried.**

3. Information Items

- a. Virginia Community College System  
SWaM Reporting

Mr. Mitchell stated that the SWaM report was provided and of particular interest is that all of the five contracts awarded were to SWaM vendors.

- b. Virginia Community College System  
Status Report on Capital Outlay Projects

The Status Report of Capital Outlay Projects was provided as information only.

The Chair noted that the Cisco presentation at the Annual Meeting was very interesting and illustrated the flexible, interactive, integrated, and collaborative ways of incorporating technology. Mr. Mitchell stated that the staff was developing a dashboard model for facilities. Mr. Edward Watson, Associate Vice Chancellor for Facilities Management, responded that at next week's Vice President's Administrative Council meeting, there would be a presentation by a technology expert.

D. Budget and Finance Committee – Megan Beyer, Chair, reported.

1. Minutes - Meeting of September 17, 2008

The Committee approved the minutes of its September 2008 meeting.

2. Action Item

- a. Resolution Authorizing Reimbursement of Certain Capital Expenditures by Tidewater Community College

Mrs. Beyer reported that because of the recent turmoil in the financial markets, the Department of the Treasury delayed the issuance of the Virginia College Building Authority Pooled Bonds. The proceeds from the bonds will fund

construction of the new student centers at Tidewater Community College. Due to the postponement, TCC must determine if it will have to spend its own funding to cover expenses and to reimburse itself from the 2008 bond proceeds when they become available, particularly for the student center at the Norfolk site which is under design. It is anticipated that there will be a mid December bond issuance. Under federal Treasury regulations, expenditures may be reimbursed from bond proceeds if the institution's governing board adopts a resolution authorizing the reimbursement of project costs within a specified time period. The Committee recommended approval. (See Appendix VII.)

**A motion was made by Mrs. Beyer and seconded by Ms. Ahmed that:**

**“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE RESOLUTION DECLARING THE INTENTION TO REIMBURSE THE COST OF CERTAIN EXPENDITURES FOR THE NORFOLK STUDENT CENTER AT TIDEWATER COMMUNITY COLLEGE AS SUBMITTED.”**

**The motion carried.**

3. Information Items

a. Update on Budget Issues

Mrs. Beyer reported that in October 2008 Governor Kaine released the official revenue reforecast for the current biennium. The forecast predicts a decline of four percent in the general fund budget and a very slow growth of 3.6 percent in fiscal year 2010. This will result in a shortfall of \$973.6 million for fiscal year 2009 and \$1.54 billion for fiscal year 2010.

The Governor presented a plan which balances the FY09 budget through state agency savings and spending reductions. The VCCS budget cut in the latest round was \$19.9 million, a five percent reduction. Student financial assistance was not reduced. Employee salary increases were removed from the budget.

Mrs. Beyer stated that the System Office and the colleges developed reduction plans that meet the reduction targets of five, ten and 15 percent. To date, the budget reductions used one-time options which are not available going forward. She noted that the Committee discussed making a statement that would look at the cost effectiveness of the occupational/technical programs and their impact on Workforce Development. Also, the VCCS must look for alternative revenue sources such as the international student plans presented by Dr. Templin. It is necessary to focus the message so that the legislature understands the impact of the budget cuts on delivery of programs. The Chancellor stated that assistance is needed from State Board members such as Mr. Hunley to tell the story of the impact of budget reductions on their business and industry, not just in the Commonwealth but across the nation.

b. Financial Report for Fiscal Year Ended June 30, 2008

Mrs. Beyer asked Mr. David Mair, VCCS Controller, to present this item. Mr. Mair reported that the VCCS is required to prepare the provided Financial Report for the year ended June 30, 2008. He noted that with the issuance of the report, it is now subject to audit by the Auditor of Public Accounts.

E. Personnel Committee – Nathaniel Xavier Marshall, Chair, reported.

1. Minutes—Meeting of September 17, 2008

The Committee approved the minutes of its September 2008 meeting.

2. Action Items

a. Budget Related Salary Actions

Mr. Marshall reported that due to cost reduction strategies by Governor Kaine, the VCCS must take appropriate action to rescind pay increases and to look for ways to reduce expenditures in its operating budget. Invoking provisions found in faculty contracts and the VCCS *Policy Manual*, salary increases for teaching and administrative faculty and presidents scheduled for November must be rescinded. Additionally, the Chancellor's salary increase scheduled for November will also be rescinded. While individual pay increases are rescinded, the fiscal year 2009 salary scale for faculty and adjunct faculty will be modified but will go into effect as scheduled. The minimum salary on the scale will remain at the current rate and the maximum salary on the scale that was approved by the State Board in May will go into effect as planned. Notwithstanding these changes, promotions and internal alignments that were approved in Faculty Salary plans for fiscal year 2009 will continue as planned with funding to make the changes coming from each respective college's resources. The Committee recommended approval. (See Appendix VIII.)

**A motion was made by Mr. Marshall and seconded by Dr. Johnsen that:**

**“THE STATE BOARD FOR COMMUNITY COLLEGES TAKE ACTION TO RESCIND THE NOVEMBER 25, 2008 SCHEDULED PAY INCREASES, OTHER THAN FOR PROMOTIONS AND INTERNALLY ALIGNMENT PURPOSES, FOR FACULTY, ADJUNCT FACULTY, PRESIDENTS AND THE CHANCELLOR DUE TO BUDGET CONSIDERATIONS.”**

**The motion carried.**

b. Voluntary Early Retirement Incentive Plan Proposed Changes

Mr. Marshall reported that each college currently elects to offer the Voluntary Early Retirement Incentive Program at its discretion. Policy limits the amount of funds that a college can expend in support of this program to one percent of its faculty salary and benefits budget. The Appropriations Act allows the State Board to amend the program in specified ways. The proposed changes to the program can enhance the incentive for teaching faculty to apply as well as give colleges an opportunity to reap potential savings and help faculty transition toward retirement. If approved, any changes to the program will require legal review and approval from the Attorney General's Office as well as the Governor's approval. Dr. Christopher Lee, Associate Vice Chancellor for Human Resources, stated that the program can be an effective management tool for the colleges. The Committee recommended approval. (See Appendix IX.)

**A motion was made by Mr. Marshall and seconded by Ms. Ahmed that:**

**“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE CHANGES TO THE VOLUNTARY EARLY RETIREMENT INCENTIVE PROGRAM AS PROPOSED.”**

**The motion carried.**

3. Information Item

a. Update on JLARC Review of State Employee Total Compensation Report

Dr. Lee noted that the Joint Legislative Audit and Review Commission (JLARC) Report on Commonwealth Employee Compensation was released in October. Commissioned in November 2006, the report noted that the overall status of classified employees is generally solid and competitive. Both Mr. Mohler and Mr. Toxopeus requested that the value of the benefit packages be reflected in the faculty salary benchmarks. Mr. Shinn requested that a benefit and salary goal be included in financial planning for the next strategic plan.

IV. EXECUTIVE COMMITTEE/CHAIR'S REPORT

Mr. Shinn noted that it was important that the State Board members look at how their role is viewed. A healthy organization needs to proactively raise issues and not settle for the status quo.

V. OTHER BUSINESS

The Chancellor announced that once a year the VCCS sponsors the Student Leadership Conference. This year's conference will be November 14-16 in Richmond. The VCCS brings together the best of its students at this conference. The conference would not be as nice without the sponsorship of Northrop Grumman Newport News.

Dr. DuBois reported that Dr. Cheryl Thompson-Stacy had been selected to be the next president at Lord Fairfax Community College (LFCC). Currently at Eastern Shore Community College (ESCC), Dr. Thompson-Stacy would begin at Lord Fairfax in January 2009. As is the practice, an interim president will be assigned to ESCC to experience the presidential role. Dr. John Capps from Virginia Western Community College has done a good job as interim president for LFCC.

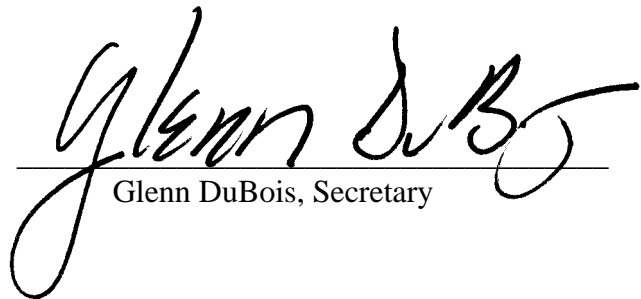
Mr. Blake noted that provided for information was a copy of a report, *Aligning American Higher Education with a Twenty-First Century Public Agenda*, from a special conference at the University of Virginia's Miller Center of Public Affairs.

VI. ADJOURNMENT

There being no further business to come before the State Board, the meeting was adjourned at 11:53 a.m.



Robert W. Shinn, Chair



Glenn DuBois, Secretary

GD/sbh

## APPENDIX I

### TITLE: NORTHERN VIRGINIA COMMUNITY COLLEGE MANASSAS CAMPUS – ACADEMIC BUILDING - PHASE III SCHEMATIC DRAWING REVIEW

#### BACKGROUND:

During the 2007 Session of the General Assembly, \$23,795,200 was appropriated for the design and construction of the Phase III, Academic Building on the Manassas Campus of Northern Virginia Community College. Included in this \$23,795,200 appropriation is \$23,000,000 in VCBA Funds (VCBA/0817); \$297,000 in U.S. Department of Housing & Urban Development Grant Funds (Federal/0302); and \$498,200 in Local Funds (TA/0700). Also approved during the 2007 Session of the General Assembly was the design and construction of a “stand-alone” Bookstore for this campus. A total of \$633,000 in Higher Education Operating Funds (HEO/0306) was authorized for this project. Noting the inefficiencies, higher initial construction costs and higher operating costs associated with a small commercial building, the college has decided to incorporate the new Bookstore into Phase III project. As a result, the total available funding for this project is \$24,428,200 (i.e. \$23,795,200 + \$633,000 = \$24,428,200). Moseley Architects of Virginia Beach, Virginia was retained to complete the design documents for this project and to provide construction administration. This project will also be constructed using the Construction Management (CM) method of procurement. The selection of a CM firm is currently in progress.

This project will provide for the construction of a new three-story, approximately 60,000 gross square foot, stand alone building. This new academic building will include much needed classroom space, computer labs, seminar training rooms, science labs for biology, biotechnology and engineering, administrative and faculty offices and a new bookstore. The exterior materials selected for this building will include aluminum composite panels, aluminum storefront, brick veneer, pre-cast concrete and a cast stone water-table.

This project was reviewed and approved by the Art and Architectural Review Board on September 5, 2008.

#### RECOMMENDATION:

It is recommended that the State Board approve the Schematic Drawings as submitted and authorize the Chancellor to negotiate and approve such agreements, easements and conveyances as may be necessary to construct the project.

#### LOCAL BOARD APPROVAL:

The Local College Board reviewed and approved the Schematic Drawings for this project on September 8, 2008.

#### RESOURCE PERSONS:

Dr. Robert G. Templin, Jr., President	Mr. Edward O. Watson
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## APPENDIX II

TITLE: TIDEWATER COMMUNITY COLLEGE  
NORFOLK CAMPUS STUDENT CENTER  
SCHEMATIC DESIGN APPROVAL

### BACKGROUND:

The 2004 Acts of Assembly appropriated non-general funds in the amount of \$13,770,000 to construct a Student Center on the Norfolk Campus of Tidewater Community College. The 2008 Acts of Assembly appropriated an additional \$3,825,000 in non-general funds to increase the project's scope from 50,000 to 57,000 gross square feet. This project is funded primarily with student fees—the State Board approved the business plan for funding this project and student centers at each of TCC's three other campuses at its May 2007 meeting.

The Norfolk Campus Student Center will provide students space to call their own with various student-focused services that will contribute to their personal, intellectual, and emotional development, as well as complement the academic experience in and outside of the classroom. Services and amenities that will be housed in the Student Center include lounge/study areas, multi-purpose meeting rooms, recreational and fitness areas, offices and work areas for student government and organizations, choice of food service, and child minding services.

The Norfolk Campus Student Center has been designed as a five-story urban building with heavy use of glass to provide a sense of activity to the surrounding downtown streetscape. The proposed building encompasses the existing Norfolk Campus Plaza, connecting the Campus Green in front of the Andrews Building and the Reading Garden behind the Martin Building. The siting of the Student Center will leave sufficient open space in the Campus Plaza to provide pedestrian access between Monticello Avenue and Granby Street—an important feature of the site to the City of Norfolk and TCC. The building responds to the urban fabric of Downtown Norfolk's commercial and historic districts and will be an icon for TCC's Norfolk Campus.

### RECOMMENDATION:

It is recommended that, subject to the recommendation of the Local Board, the State Board for Community Colleges approve the schematic design for the Norfolk Campus Student Center, and authorize the Chancellor to negotiate and approve such agreements, easements, and conveyances with the City of Norfolk, Norfolk Redevelopment and Housing Authority, and the Norfolk Community College Campus Corporation, as may be necessary to construct the project.

### LOCAL BOARD APPROVAL:

Tidewater Community College's Local Board will review the schematic design of the Norfolk Campus Student Center at its November 5, 2008 meeting. The project design was approved by the State's Art and Architecture Review Board at its September 5, 2008 meeting.

### RESOURCE PERSONS:

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### APPENDIX III

TITLE: DANVILLE COMMUNITY COLLEGE  
DEMOLITION  
MAINTENANCE BUILDING AND OLD AUTO SHOP

#### BACKGROUND:

As a follow-up project to the recent completion of their new 7,480 gross square foot Maintenance Building, Danville Community College is seeking authorization to demolish the original campus Maintenance Building and the old Auto Shop Building (i.e. currently utilized for general storage). Demolition of the 13,200 gross square foot Maintenance Building and the 6,488 gross square foot Auto Shop is required to improve the overall appearance of the campus and to make room for a future academic building. The painted concrete block, gambrel roof, old Auto Shop was constructed in 1946 and is in generally fair to poor condition. Similarly, the Maintenance Building, featuring painted concrete block exterior walls and a gable/flat roof, was constructed in 1950 and is also in relatively poor condition. Both structures are nearing the end of their useful life expectancy. A survey has been conducted to identify any Asbestos Containing Materials and Lead Based Paint. The Asbestos Containing Materials will be abated and properly disposed of prior to issuing the contract for the demolition of these buildings. The materials having Lead Based Paint will be identified in the Demolition Plans and the Contractor will be required to handle and dispose of these materials in accordance with all applicable State and Federal regulations. All general debris from these building will be disposed of in the local landfill. The foundations will be back-filled, graded and seeded following the completion of the demolition phase. The total cost of demolishing these building, back-filling, grading and seeding the site is estimated to be in the neighborhood of \$120,000. Funding is available within the Danville Community College - New Construction: Maintenance Building project to cover this cost.

The Art and Architectural Review Board will review this planned demolition at their November 7, 2008 meeting.

#### RECOMMENDATION:

It is recommended that the State Board authorize the demolition of the Old Auto Shop and Maintenance Building at Danville Community College.

#### LOCAL BOARD APPROVAL:

The Local College Board approved the demolition of these buildings at their September 15, 2008 meeting.

#### RESOURCE PERSONS:

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#### APPENDIX IV

TITLE: J SARGEANT REYNOLDS COMMUNITY COLLEGE  
PARHAM ROAD CAMPUS  
RENOVATE BURNETTE HALL  
PRELIMINARY DESIGN

#### BACKGROUND:

The 2006 Acts of Assembly appropriated General Funds in the amount of \$9,402,000 to renovate Burnette Hall on the Parham Road Campus of J. Sargeant Reynolds Community College. Including local funds of \$1,749,000 and Maintenance Reserve funds of \$260,000, the total project budget is \$11,411,000.

Burnette Hall is a 1970's era two story academic building with precast façade and existing plaza of cast in place concrete. The proposed project includes substantial interior renovations, two new exterior entries, and plaza renovations. The project is being developed as a collaboration between MMM Design Group, TAC Energy Solutions, and Daniel & Company (contractor). Interior upgrades include mechanical systems, electrical and fire alarm systems, new fire suppression system, lighting, reconfiguring of spaces, renovations to existing science laboratories and conversion of traditional classrooms into science laboratories. New entries will be created by shifting the entries to the center between the stairwells. The new entries provide a heated vestibule and transition area along with a central entry presence on the ground floor. The existing plaza will be replaced with new pavers, fixed seating, lighting, plantings and art work (sculpture by Steven Bickley). The new plaza design focuses on a more social and interactive courtyard and an improved connection between Burnette Hall and the campus pedestrian network. These improvements are generally consistent with the approved 2004 Master Plan.

This project was reviewed and approved by the Art and Architectural Review Board on September 5, 2008.

#### RECOMMENDATION:

It is recommended that the State Board approve the preliminary design of the Burnette Hall Renovation at the Parham Road Campus of J. Sargeant Reynolds Community College as presented.

#### LOCAL BOARD APPROVAL:

The Local College Board reviewed and approved the proposed design at its September 4, 2008 meeting.

#### RESOURCE PERSONS:

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## APPENDIX V

TITLE: VIRGINIA COMMUNITY COLLEGE SYSTEM  
PROPOSED CAPITAL OUTLAY BUDGET AMENDMENTS  
2009 LEGISLATIVE SESSION

### BACKGROUND:

In the 2008 legislative session, the budget approved by the General Assembly and the Governor provided significant capital outlay funds for the VCCS. More than \$281 million in VCBA Funds was provided for equipment, sorely needed maintenance reserve funding, the renovation of 11 buildings with a facilities condition index of "poor", and the construction of 10 new facilities to meet existing enrollment demands. However, not all of the requested projects were approved for funding. Therefore, at its September 2008 meeting, the State Board approved the re-submission of several of these projects and some new non-general funded projects for consideration during the 2009 "short session" of the General Assembly. These projects were identified as meeting one of three of the following applicable criteria: 1) Equipment Requests, 2) Unfunded 2008-10 Priority Projects, and 3) New Capital Outlay Projects, particularly those funded with non-general funds or of an emergency nature.

After the State Board approved the above project submissions, Virginia Western Community College asked the VCCS to increase the non-general funds portion of their health technology building project by \$2 million, in order to make significant improvements to their plaza area between the existing Business Sciences building and the new Health Technology Building.

Furthermore, in anticipation of more last minute requests being received by the VCCS that fall into one of the three criteria above, the State Board is being asked for authority to add or make requests for similar non-general fund project modifications or additions any other new projects to this list that may arise.

### RECOMMENDATION:

It is recommended that the State Board for Community Colleges authorize the Chancellor to add other projects to the 2009 capital outlay budget request if they meet one of the following criteria: 1) Equipment Requests, 2) Unfunded 2008-10 Priority Projects, and 3) New Capital Outlay Projects, particularly those funded with non-general funds or of an emergency nature, and 4) Non-general fund project modifications or additions.

### RESOURCE PERSONS:

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## APPENDIX VI

TITLE: VIRGINIA WESTERN COMMUNITY COLLEGE  
PROPERTY CONVEYANCE – SMITH FARM

### BACKGROUND:

By Last Will and Testament dated December 2, 1978, Mr. James Turner Smith bequeathed to the State Board for the use of Virginia Western Community College the property known as “Smith Farm”, located 12 miles east of Rocky Mount at the intersection of routes 66B and 944 in Franklin County and consisting of approximately 307.65 acres. Mr. Smith passed away on June 18, 1979 and the Smith Farm property, was formally deeded to the State Board for Community Colleges the next year.

The Smith Will contained significant restrictions on the use of the Smith Farm. Specifically, the Ninth paragraph of the Will states, in pertinent part, that the Smith Farm property was devised to the State Board “. . . in fee simple, to be held and used by said State Board and the Commonwealth of Virginia for the benefit, good and enjoyment, including education, training and recreation, of members of the public”. Since Mr. Smith’s passing nearly three decades ago, Virginia Western Community College, the State Board, the Virginia Community College System, and the Office of the Attorney General have periodically proposed various uses for the Smith Farm property and have analyzed whether the property could be utilized without regard to the dictates of the James Turner Smith Will restrictions.

To this date, this Will restriction continues to leave the college in the position of searching for a solution that satisfies the requirements of the Will and provides the greatest benefit to the College. A brief abridged chronological record of action taken to identify and determine the best use of the property is set forth below.

- From 1980 through 1996, the College rented the farm to others for agricultural use.
- In 1996, the Governor’s Commission on Conversion of State-Owned Property identified various community college sites, including Smith Farm, as “property recommended for a higher and better use”.
- In November 1998, the State Board authorized the College to pursue alternative uses for the property. The College, the Office of the Attorney General, and VCCS staff evaluated various uses for the Smith Farm property to ensure compliance with the Will restrictions and more specifically to determine if the State Board had the right to sell the property free and clear of the same. It was determined then that exercising that right would negate the acceptance of the gift and bring about a possible reversion of the gift.
- In 2004, the State Board granted approval for the College to issue a Request for Proposal (RFP) pursuant to the Public-Private Educational Facilities and Infrastructure Act of 2002 (PPEA) from private entities to acquire, construct, improve, renovate, expand, maintain or operate qualifying projects at the Smith Farm in keeping with the Will restrictions.
- In September 2004, the College received three responses to its RFP, only one of which presented itself as a viable option; however, the College also received a written request from the County of Franklin asking for nine additional months to develop a plan for educational and recreational usage of the site for the benefit of its residents. The College agreed to that extension and did not move forward with awarding a PPEA contract.

#### APPENDIX VI Continued

- Since 2004, the College and the County of Franklin have continued to engage in discussions about the possible development of the Smith Farm. Recently, those discussions have intensified and the County of Franklin has indicated a very sincere desire to move forward with developing the property, including purchasing the Smith Farm from the State Board. The County has developed a comprehensive plan for the site that would benefit its residents and provide for educational and recreational uses for the property in keeping with the original intent of the Smith Will.

The College desires for the Smith Farm property to be better utilized while honoring the restrictions of Mr. Smith evidenced by his Will, and feels that selling the property to the local government is a good way to achieve this desire. Furthermore, breaking the covenants or ignoring them could prove to be detrimental to obtaining future estate gifts currently under consideration by other College donors.

The College's affiliated educational foundation, Virginia Western Educational Foundation, Inc., has recently created a real estate foundation in the form of a single member Virginia limited liability company (LLC). The LLC's sole member is the educational foundation. The College desires to transfer the Smith Farm property by gift to its educational foundation, subject to the conditions: i) that the educational foundation immediately transfer the property to the Virginia Western Real Estate Foundation, ii) that the real estate foundation determine the highest and best use of the property and then plan and implement a transfer of the property to an appropriate entity or person in furtherance of such use; iii) that such transfers to occur without removal of or in degradation of the Smith Will restrictions; and iv) that any and all proceeds of the sale of the Smith Farm property be retained by the real estate foundation and/or the educational foundation and such proceeds shall be used solely for the benefit of Virginia Western Community College.

Transferring the property to the Virginia Western Community College Real Estate Foundation will allow the college to properly record the estate gift and affords the college the maximum flexibility to negotiate with potential purchasers an appropriate future use of the Smith Farm property. The College understands, and will require the real estate foundation to receive approval of the Governor, and that the terms of the sale are subject to approval of the State Board, particularly such terms as timing and sale price, prior to proceeding with any sale transactions. It is further understood by the College that all proceeds of the sale of the Smith Farm property shall be retained by the real estate foundation and/or education foundation, and that such proceeds shall be used solely for the benefit of the Virginia Western Community College in accordance with a plan approved by the State Board.

#### RECOMMENDATION:

It is recommended that the State Board for Community College approve the transfer of the "Smith Farm" to the Virginia Western Community College Educational Foundation, for immediate transfer to the Virginia Western Community College Real Estate Foundation, for proper recordation and to afford the College greater flexibility in future discussions and negotiations with prospective buyers for of the Smith Farm. This approval is contingent upon the approval of the Governor of Virginia and the satisfaction of all other laws and policies that govern the sale of Community College property.

APPENDIX VI Continued

LOCAL BOARD APPROVAL:

The Virginia Western Community College Local Board passed a resolution dated October 3, 2008 recommending approval of the transfer of this property to the Virginia Western Community College Real Estate Foundation.

RESOURCE PERSONS:

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## APPENDIX VII

**TITLE:** Authorizing Resolution Declaring The Intention To Reimburse The Cost Of Certain Expenditures for Tidewater Community College

**BACKGROUND:**

Tidewater Community College (TCC) received capital project approval from the State Board and the General Assembly to build student centers at all four of its campuses. The centers will be funded with proceeds from bonds issued through the Virginia College Building Authority (VCBA) Pooled Bond program.

At the May 2008 meeting, the State Board approved the College's participation in the 2008 VCBA Pooled Bond Issuance for the Norfolk and Virginia Beach centers. The Virginia Department of Treasury planned to issue bonds to support these projects in fall 2008.

The recent and continuing turmoil in the financial markets has caused Treasury to delay the issuance that was scheduled for October 7. Treasury and its financial advisors are carefully monitoring the market and considering the sale on a week to week basis, but they at this point they do not know when the issuance will occur.

Due to the postponement of the bond sale, colleges need to determine if it will need to spend its own funding to cover expenses and reimburse itself from the 2008 bond proceeds, when available. Pursuant to Federal Treasury Regulations Section 1.150-2(c), expenditures may be reimbursed from the bond proceeds if expenses are made on, after, or within 60 days prior to the date of the adoption by the institution's governing board of a resolution authorizing the reimbursement of project costs.

TCC has decided to delay the Virginia Beach project and the issuance of debt for that facility until November 2009. Design of the Norfolk project is currently underway. Expenses to this point have been paid from the \$1,450,000 in local fund cash on deposit to pay for design services. Another \$712,000 is on deposit for site construction related costs.

If Treasury has to delay the issuance of the debt until spring 2009, it would be necessary for the College to use other sources to complete full design of the Norfolk facility and be reimbursed from bond funds once available.

**RECOMMENDATION:**

The State Board approve the resolution declaring the intention to reimburse the cost of certain expenditures for the Norfolk Student Center at Tidewater Community College.

**RESOURCE PERSONS:**

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## APPENDIX VIII

### TITLE: BUDGET RELATED SALARY ACTIONS FOR FISCAL YEAR 2009

#### BACKGROUND:

Due to cost reduction strategies announced by Governor Kaine, the VCCS must take appropriate actions to rescind pay increases and look for ways to reduce expenditures in its operating budget. The VCCS must rescind the salary increases for teaching and administrative faculty and presidents scheduled for November 25, 2008 by State Board action, invoking provisions found in faculty contracts and the VCCS Policy Manual. Additionally, the Chancellor's salary increase scheduled to take effect on November 25, 2008 should also be rescinded by State Board action.

Notwithstanding these changes, promotions and internal alignments that were approved in Faculty Salary plans for fiscal year 2009 will continue as planned. The source of funding to make these changes shall come from the resources of each respective college.

While individual pay increases are rescinded, the fiscal year 2009 salary scale for faculty and adjunct faculty will be modified, but will go into effect as scheduled. The minimum salary on the salary scale for faculty and adjunct faculty will remain at the current rate, and the maximum salary on the scale that was approved by the State Board in May will go into effect as planned. An alternative consideration for salary scales would be to use 2008 fiscal year salary scales for the remainder of fiscal year 2009.

#### RATIONALE:

Changes to faculty, presidential, and the Chancellor's pay rates are required due to budget reductions.

#### RECOMMENDATION:

It is recommended that the State Board for Community Colleges take action to rescind the November 25, 2008 scheduled pay increases, other than for promotions and internally alignment purposes, for faculty, adjunct faculty, presidents and the Chancellor due to budget considerations.

#### RESOURCE PERSONS:

Dr. Christopher D. Lee  
Associate Vice Chancellor for  
Human Resource Services  
System Office  
804-819-4685

## APPENDIX IX

TITLE: VOLUNTARY EARLY RETIREMENT INCENTIVE PLAN  
PROPOSED CHANGES – OCTOBER 2008

### BACKGROUND:

Currently, each College elects to offer the Voluntary Early Retirement Incentive Program at its discretion. The program allows Colleges to pay the state's portion of a teaching faculty member's health insurance premium for two to five years if a faculty member is selected for this program. Selections are based upon the operational and programmatic needs of the respective college. To be eligible to apply for the program, a teaching faculty member must have 10 years of service and be between 60 and 65 years of age. Our policy limits the amount of funds that a College can expend in support of this program to 1% of its faculty salary and benefits budget.

The Appropriations Act allows the State Board for Community Colleges to amend the program to offer 1) cash compensation in addition to insurance payments, 2) changes to the age of recipients to include those over 65 years of age, 3) potentially, the inclusion of Medicare supplements payments in lieu of health insurance payments, and 4) higher limits on program expenditures greater than the 1% noted in the VCCS plan. Due to current fiscal challenges, it may be prudent to amend our current policy to give leaders greater flexibility and additional tools for managing personnel budgets.

Allowing cash compensation of up to 150% of a faculty member's salary, allowing teaching faculty over the age of 65 to participate by paying the cost of Medicare supplements in lieu of paying for health insurance premiums, and increasing the college limit on expenditures to 2% can increase the enhancement incentive for teaching faculty to apply for the program as well as give colleges an opportunity to reap potential savings by helping select faculty members transition toward retirement.

The program would continue to be an elective program wherein each college would determine whether it would utilize the program. Additionally each college would have the discretion to offer either insurance payments or cash compensation or both. Any changes to this program would require a legal review and approval from the Attorney General's Office as well as the Governor's approval, if proposed changes are approved by the State Board.

### RATIONALE:

The proposed changes to the Voluntary Retirement Incentive Program would potentially increase interest in the program and allow leaders greater flexibility and additional tools for managing their personnel budgets.

### RECOMMENDATION:

It is recommended that the State Board approve the proposed changes to the Voluntary Retirement Incentive Program as noted in the attachment.

### RESOURCE PERSONS:

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Associate Vice Chancellor for  
Human Resource Services  
System Office  
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