

STATE BOARD FOR COMMUNITY COLLEGES

MEETING NO. 287
September 21, 2006

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 September 21, 2006, in the Godwin-Hamel Board Room, 15th Floor, James Monroe Building, 101 North 14th Street, Richmond, Virginia.

Members Present: Mr. Mark R. Graham, Vice Chair
Mrs. Megan Beyer
Mr. Gary C. Hancock
Ms. Connie R. Kincheloe
Mr. Chris A. Lumsden
Mr. Nathaniel X. Marshall
Mr. Jeffery K. Mitchell
Mr. R. Michael Mohler
Mr. Paul Reagan
Mr. Robert W. Shinn

Members Absent: Ms. Shahnaz Ahmed
Ms. Adele Johnson
Mr. Michael Petters
Mr. William E. Porter
Mr. Alan G. Toxopeus, Chair

Staff Present: Ms. Jennifer Allman
Mr. Peter Blake
Mr. John Brilliant
Mr. Tom Cantone
Ms. Pamela Currey
Dr. Glenn DuBois
Dr. Inez Farrell
Dr. David Gill
Mrs. Susan Hayden
Ms. Sharon Hutcheson
Dr. Christopher Lee
Dr. Neil Matkin
Mrs. Marlene Mondziel
Ms. Karen Petersen
Dr. Jennifer Sager
Dr. Gretchen Schmidt
Mr. Leonard Sledge
Dr. Monty Sullivan
Mrs. Donna Swiney
Mr. Ed Watson
Ms. Rita Woltz
Dr. Susan Wood

Others Present: Ms. Leslie Boughton, TCC
Ms. Theresa Bryant, TCC
Dr. Elaine Cassell, LFCC
Mr. Steve Clementi, Verizon Foundation
Ms. Lachell Horton, TCC
Mr. Everett Jordan, Northrop Grumman Newport News
Ms. Aida Pacheco, Governor's Office

I. OPENING

A. Call to Order

In the Chair's absence, Mr. Mark Graham, Vice 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. Welcome and Introductions

Mr. Graham welcomed Ms. Aida Pacheco from the Governor's Office of Workforce Development and Mr. Everett Jordan from Northrop Grumman Newport News. He thanked everyone for attending.

D. Minutes – Meeting No. 286, July 20, 2006

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

"THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE MINUTES OF THE JULY 2006 MEETING AS SUBMITTED."

The motion carried.

E. Public Comment

There was no public comment.

F. Education – *Providing Opportunity in the Fiber Optics Career Pathway*
A Partnership among the Verizon Foundation, the Virginia Foundation for Community College Education, and Tidewater Community College –
Dr. Jennifer Sager, Vice Chancellor for Institutional Advancement and
Mr. Leonard Sledge, Director, Institutes of Excellence

At this time, Mr. Graham asked Dr. Jennifer Sager, Vice Chancellor for Institutional Advancement and Executive Director of the Virginia Foundation for Community College Education (VFCCE), to introduce the presentation. Dr. Sager reported that last year the VFCCE and the VCCS sought funding from some of the most promising partners. Mr. Leonard Sledge, Director of the VCCS Institutes of Excellence, worked closely with Mr. Steve Clementi, the Verizon Foundation, to

develop a proposal for the Fiber Optics Career Pathway program, a job skills program that really works.

Mr. Sledge introduced Ms. Leslie Boughton from Tidewater Community College to explain the program. Ms. Boughton reported that the proposal was designed to assist those individuals who were having difficulties in gaining employment in order to meet the requirement of the welfare to work two-year regulation. There were many educational, attitude, and work ethic barriers that the individuals had to overcome in order to succeed. The program developed had to be a short term program designed to provide them with necessary job skills. The students selected for the program attended classes for three months, five days a week, in a classroom equipped with a time clock. Required to clock in and out, the students gained valuable job skills. Employers were identified who would hire the graduating student regardless of their lack of a GED diploma. The program has an 87% completion and employment rate because of the job guarantee. It was critical that the program addressed the "internal stuff" to overcome the barriers to successful employment and to develop work ethics of the students. Case workers were available to all of the students on a 24/7 basis to assist with any problems along the way.

Ms. Lachell Horton, a recent graduate and star student of the Fiber Optics program addressed the State Board. She related how she sought self-sufficiency and a way out of an abusive relationship for herself and her five children. Honored to be selected for the program, Ms. Horton noted that it was not easy and she had many challenges to overcome. Without the encouragement and support of the Verizon Foundation, she never could have changed her life. She expressed her sincere gratitude.

Following Ms. Horton's comments, Ms. Houghton presented a certificate of appreciation to Mr. Steve Clementi of the Verizon Foundation for their sponsorship of the Fiber Optics Career Pathway program. Mr. Clementi noted how meaningful it was to actually see the results of the program through Lachell's story. Dr. Sager stated that without the \$50,000 grant from the Verizon Foundation and assistance from Mr. Clementi, the program would not have been possible. The Vice Chair thanked Mr. Clementi and congratulated Ms. Horton on her successful completion of the program.

G. Reports from Campus Liaisons

State Board member Jeffery Mitchell provided the campus liaison report. He stated that he was honored to be liaison to Southwest Virginia Community College (SWVCC) and Wytheville Community College (WCC). He urged every board member to attend a community college graduation to hear more stories similar to that heard from Ms. Horton. Both colleges are in transition and both recently received their reaccreditation.

The only president SWVCC has ever had recently announced his retirement. Dr. Charles King has been instrumental in promotion of SWVCC and economic development in the area. Mr. Mitchell noted that Northrop Grumman and CGI-AMS had moved to the area, providing more than 1,000 high tech job opportunities for the local workforce. SWVCC was actively participating in the employee training.

WCC has a new president in Dr. Charlie White. The local hospital property was sold recently and a portion of the proceeds from that sale were being used to fund a scholarship program to pay the tuition of any high school graduate of Bland County who could not otherwise attend WCC. The Chancellor noted that the foundation's gift to WCC was quite extraordinary. Former acting president, Dr. Ed Barnes, worked closely to put the program together.

II. CHANCELLOR'S REPORT

A. Introduction of Ms. Donna Swiney, new Executive Secretary Senior, Chancellor's Office

The Chancellor introduced Ms. Donna Swiney as the newest member of his staff. Ms. Swiney comes to the System Office from Thomas Nelson Community College.

B. Chancellor's Report on 2006-2007 Goals

Dr. DuBois stated that the first progress report on this year's Chancellor's Goals was provided. The report will be cumulative and be added to as the year progresses.

C. Virginia Community Colleges Association (VCCA) Annual Meeting October 5-7, 2006, Williamsburg

The Chancellor reported that the Virginia Community College Association (VCCA) would hold its annual meeting on October 5-7 in Williamsburg. The VCCA serves the professional development needs of primarily the classified staff throughout the VCCS. He will be attending and if any State Board member would like to attend also, he or she should let his office know.

D. VCCS Student Leadership Conference, October 20-22, 2006, The Hotel Roanoke, Roanoke, VA – Dr. Monty Sullivan, Vice Chancellor for Academic Services & Research

Another extraordinary conference is the Student Leadership Conference which will be held later in October in Roanoke. This conference brings together the top student leaders from across the VCCS. From this conference a few years ago came the suggestion to have students attend a State Board meeting. Consequently, we have students provide a presentation to the State Board at least once a year.

E. State Board Annual Meeting, November 14-16, 2006, at the Boar's Head Inn, Charlottesville, VA.

The Chancellor noted that each year stakeholders from the colleges come together with the State Board for an Annual Meeting. Stakeholders from the local college boards, the college foundation boards and presidents all convene for a learning and networking opportunity. This year the Annual Meeting will be held at the Boar's Head Inn on November 14 and 15 in Charlottesville. Following the conclusion of the Annual Meeting, the State Board will hold its committee meetings at the Boar's

Head Inn. On Thursday, November 16, the regular business meeting of the State Board will be held at the Goochland Campus of J. Sargeant Reynolds Community College.

F. The Commonwealth Legacy Scholarship Program – Recap

At this time, the Chancellor asked Dr. Sager to provide a recap of the Commonwealth Legacy Scholarship Luncheon held yesterday. Dr. Sager thanked her staff for its tremendous efforts in making the event successful. The theme *Celebrate the Power of Potential* did capture the atmosphere and emotions at the luncheon. She read two quotes, one by a student and the other by a parent, that were included in an email sent by Dr. John Sygielski, the Lord Fairfax Community College President. The quotes illustrated the true celebration and the potential. The Vice Chair thanked Dr. Sager for an excellent event.

G. Sabbatical Report

Dr. DuBois stated that he spent a little over three weeks in Ireland earlier this summer. In a span of approximately 20 years, Ireland had gone from near the bottom of per capita wealth to the second wealthiest country. He wanted to see what role education played in the transition. Noting that almost all of the Irish young people graduate from high school, he reported that 50% of them complete their freshman year of college. This has been accomplished by providing free college education. Irish families pay only a \$1,000 registration fee. The free tuition program has become so costly the Irish are now looking into tuition-based education.

The growth of the Irish economy is due in part to their lower corporate tax rate (12.5%) and they are actively seeking and attracting information technology manufacturers as well as pharmaceutical and biotechnology companies. He stated that it was a wake up call for him and prompted a new look at how our national and state policies promote higher education access.

The Chancellor distributed the Virginia section from *Measuring Up 2006, the State Report Card on Higher Education* by the National Center for Public Policy and Higher Education. He urged the Board to read the handout and noted that Virginia was recognized for its success with the retention rate. Dr. DuBois expressed his belief that everything must be done to convince young people today that they must complete a post-secondary program and receive the credentials that will help them to obtain a job. Even at our tuition rate, the VCCS fees remain out of reach for thousands of Virginians. The Transfer Initiative combined with the scholarship efforts of the VFCCE will address the problem.

III. COMMITTEE REPORTS

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

1. Minutes – Meeting of July 19, 2006

The Minutes of the July 19 Committee Meeting were approved.

2. Action Items

a. Program Proposals

i. Danville Community College

Residential Design and Estimation Certificate

Mr. Hancock reported that approval was sought by Danville Community College (DCC) to establish a Certificate in Residential Design and Estimation. The DCC service region lost a large number of jobs in the tobacco and textile industries. The certificate program was designed for short term training in order to return the displaced workers to the workforce as quickly as possible. State Board approval was required because this was the first such certificate program in the VCCS. The Committee recommended approval. (See Appendix I.)

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

"THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE REQUEST BY DANVILLE COMMUNITY COLLEGE TO OFFER THE CERTIFICATE IN RESIDENTIAL DESIGN AND ESTIMATION AS SUBMITTED."

The motion carried.

ii. Northern Virginia Community College

Associate of Science Degree
Social Sciences, major

Mr. Hancock noted that Northern Virginia Community College (NVCC) requested approval to establish an Associate of Science degree in Social Sciences. Graduates of the program would be prepared to transfer to a four-year college or university in one of the social sciences program. The Committee recommended approval. (See Appendix II.)

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

"THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE REQUEST OF NORTHERN VIRGINIA COMMUNITY COLLEGE TO ESTABLISH AN ASSOCIATE OF SCIENCE DEGREE IN SOCIAL SCIENCES AS PROPOSED."

The motion carried.

iii. Wytheville Community College

Construction Technology Diploma

Mr. Hancock reported that Wytheville Community College (WCC) sought approval to offer a diploma in construction technology. The program is a product of the evolving technical instruction area and would allow for industry-related coursework that would better prepare students to enter the construction industry and more quickly qualify for industry certification. This program may serve as a model curriculum for other colleges wishing to develop similar flexible programs to meet several local needs through one program of study. The Committee recommended approval. (See Appendix III.)

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

"THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE REQUEST OF WYTHEVILLE COMMUNITY COLLEGE TO ESTABLISH A DIPLOMA IN CONSTRUCTION TECHNOLOGY AS PROPOSED."

The motion carried.

b. Program Discontinuances

i. Lord Fairfax Community College

Associate of Applied Science
Agricultural Business, major

Mr. Hancock stated that action such as Lord Fairfax Community College's request to discontinue the Associate of Applied Science degree in Agricultural Business major and all specializations under the major illustrates the dynamic quality of our curriculum. LFCC approved the discontinuance. Reasons for discontinuance include low student enrollment, declining employment opportunities and high overhead costs. LFCC believed that resources could be better directed in other areas. The Committee recommended approval. (See Appendix IV.)

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

"THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE REQUEST OF LORD FAIRFAX COMMUNITY COLLEGE TO DISCONTINUE THE ASSOCIATE OF APPLIED SCIENCE DEGREE IN AGRICULTURAL BUSINESS MAJOR INCLUDING ALL SPECIALIZATIONS UNDER THE MAJOR."

The motion carried.

ii. Tidewater Community College

Associate of Applied Science,
Environmental Protection, major

Mr. Hancock noted that Tidewater Community College (TCC) sought approval to discontinue the Environmental Protection Major of the Associate of Applied Science degree in Protective Services. Programs such as this that once addressed safety and security issues prior to 9/11 are now restructured under a variety of Homeland Security programs. The Committee recommended approval. (See Appendix V.)

A motion was made by Mr. Hancock and seconded by Ms. Beyer that:

"THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE REQUEST OF TIDEWATER COMMUNITY COLLEGE TO DISCONTINUE THE ASSOCIATE OF APPLIED SCIENCE DEGREE IN PROTECTIVE SERVICES, ENVIRONMENTAL PROTECTION MAJOR ONLY, AS PROPOSED."

The motion carried.

3. Information Items

a. VCCS Core Competencies Assessment

Dr. Monty Sullivan, Vice Chancellor for Academic Services and Research, reported that the State Board approved new general education goals and student learning outcomes at its May 2006 meeting. This was a very significant step. The next step is to assess the core competencies. Dr. Robin Anderson, Blue Ridge Community College, provided a report to the committee on system-wide assessment. Dr. Sullivan noted that the VCCS is considered a national leader in this area.

b. Interim Report of the Recommendations from the Chancellor's Task Force on Nursing Education

Dr. Sullivan reported that in November 2005 the Chancellor's Task Force on Nursing Education concluded its work and made 13 recommendations. The report was presented to the State Board at its January 2006 meeting. Recommendation 13 charged the State Board and the Chancellor to establish a process for implementing the recommendations. This is being facilitated and monitored by the Academic Services and Research Vice Chancellor. Recommendation 11 calls for periodic progress reports. The most significant of the accomplishments to date includes the huge step of the development of a common set of admissions criteria for all VCCS Registered Nursing programs. The VCCS was working with the Virginia Hospital and Healthcare Association to secure funding for the

development of a capacity-building fund for nursing programs. And lastly the on-going review of the common curriculum issue to determine the most appropriate next steps. Dr. Sullivan noted that the VCCS would also look at how a common curriculum was working in other states. He noted that it was very important to assure that every student admitted will complete the nursing program and graduate.

c. Transfer Scholarship Proposal

Dr. Sullivan stated that the Transfer Scholarship proposal would be submitted to the 2007 General Assembly. Last year the legislation received attention from many legislators and was passed by the Senate. This year it will be the lead item for VA21, a lobbying body of college students from throughout the Commonwealth. The proposal would have a huge impact on the cost of higher education in Virginia. The scholarship would be available to any community college graduate with a 3.0 grade point average. The student must apply for financial aid and demonstrate financial need. The legislation will serve as a textbook example of a governor's policy initiative that demonstrably and dramatically increases access to higher education.

d. International Education Activities Report

Dr. Sullivan noted that the International Education Activities Report was provided in response to Board member Ms. Ahmed. He reported that the more obviously colleges such as NVCC and TCC are more involved in this area but surprisingly international education activities are seen at less obvious colleges such as Virginia Highlands Community College in Abingdon. The report illustrated the need for the VCCS to share system-wide what is happening at our colleges.

e. Program Discontinuances

Mr. Hancock reported that certificate program discontinuances required approval by the Chancellor only, unlike degree program discontinuances which do require Board approval. The following certificate programs received the Chancellor's approval to be discontinued and were provided as information only. Reasons cited for the discontinuances were low enrollment and lack of employment opportunities.

- i. John Tyler Community College
Teacher Aide Certificate
- ii. Lord Fairfax Community College
Nursery & Landscape Management
Certificate

- iii. Northern Virginia Community College
Carpentry Apprenticeship Certificate
- iv. Thomas Nelson Community College
Advanced Manufacturing Technology Certificate

g. Report on Technical Studies Programs at VCCS Colleges

Dr. Sullivan noted that the report was provided on the status of the Technical Studies degree programs at the colleges. The purpose behind these programs is to provide a tool for partnerships with business and industry for workforce development. The plans of study are intended to be short-term offerings scheduled for reassessment after two to four years.

h. Agenda Format and Themes for 2006-2007 67

Dr. Sullivan stated that the Committee expressed an interest in the development of a set of themes for 06-07 year to help them focus on more global issues under their auspices.

Dr. Sullivan announced that he had received word that Mary Baldwin College would be signing a guaranteed admissions agreement with the VCCS in the very near future.

Mr. Lumsden inquired of the difference between certificate and degree programs. Dr. Sullivan responded that the VCCS provides a parameter in the number of credit hours required for each based on policy, content, and regional need. The funding for both is the same. The Chancellor noted that typically a certificate program is 30 credit hours while a degree program is 60 credit hours. Certificate programs may require more credit hours but less general education requirements.

B. Audit Committee – Michael Mohler reported in the absence of the Chair, Shahnaz M. Ahmed.

1. Minutes - Meeting of July 19, 2006

The Minutes of the July 19 Committee Meeting were approved.

2. Action Item

Consent Item:

a. Internal Audit Department Charter

Mr. Mohler reported that the current Internal Audit Department Charter does not address consulting services. In order to comply

with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*, approval of the proposed revision on consulting services is requested. The Committee recommends approval. (See Appendix VI.)

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

"THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE PROPOSED INTERNAL AUDIT DEPARTMENT CHARTER."

The motion carried.

3. Information Items

a. Litigation

Mr. Mohler reported that there were no new litigation issues to discuss.

b. Internal Quality Assurance Review

Mr. Mohler stated that the Internal Audit Department performed an Internal Quality Assurance Review to determine its compliance with IIA *International Standards for the Professional Practice of Internal Auditing* and with its own policies and procedures. There were no findings considered significant. Mr. Mohler noted that the Internal Audit Department was excellent.

C. Facilities Committee – Robert W. “Rob” Shinn, Chair, reported.

1. Minutes – July 19, 2006

Mr. Shinn reported that Mr. Hancock chaired the Committee meeting in his absence. The Minutes of the July 19 Committee Meeting were approved.

2. Action Items

Discussion Items:

a. Piedmont Virginia Community College
Approval to Establish a Real Estate Foundation

Mr. Shinn reported that some of the community colleges had real estate foundations to act as companions to their educational foundations. A request was received from Piedmont Virginia Community College (PVCC) to establish a real estate foundation to manage real estate holdings. A real estate foundation would be beneficial and serve to isolate potential liability and avoid commingling with other assets. The Committee recommended approval. (See Appendix VII.)

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

"THE STATE BOARD FOR COMMUNITY COLLEGES AUTHORIZES PIEDMONT VIRGINIA COMMUNITY COLLEGE TO ESTABLISH A REAL ESTATE FOUNDATION IN ACCORDANCE WITH ARTICLES OF INCORPORATION AND BYLAWS SUBSTANTIALLY IN THE FORM ATTACHED HERETO AND WHICH COMPLY IN ALL RESPECTS WITH THE REQUIREMENTS OF THE VCCS *POLICY MANUAL*."

The motion carried.

- b. Patrick Henry Community College
Facilities Master Plan Update

Mr. Shinn noted that Patrick Henry Community College (PHCC) sought approval of the update to its Facilities Master Plan. Although a major update to the plan is required every three years, the staff reviews it annually. As a result of that review, revisions are necessary to reflect changes such as sites that have been identified for a vineyard and accompanying structures that support the new viticulture/horticulture program; a site for future student housing to serve out-of-area students attending specialized programs; and the replacement of an aged storage building at the maintenance lot. The Committee recommended approval. (See Appendix VIII.)

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

"THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE UPDATED FACILITIES MASTER PLAN FOR PATRICK HENRY COMMUNITY COLLEGE. SUCH APPROVAL DOES NOT ENDORSE OR APPROVE THE CONSTRUCTION OF STUDENT HOUSING UNTIL FURTHER APPROVAL FROM THE STATE BOARD FOR COMMUNITY COLLEGES AND THE GENERAL ASSEMBLY IS RECEIVED."

The motion carried.

- c. Virginia Community College System
Proposed Capital Outlay Budget Amendments
2007 Legislative Session

Mr. Shinn reported that the 2006 session of the General Assembly provided significant capital outlay funds for the VCCS. The Chancellor stated that even though the VCCS was successful in last year's legislative session, \$341.9 million remains outstanding on the State Board approved budget request for 2006-08. Included in this amount is funding for new construction justified by current enrollments plus renovation funding for buildings considered in "poor" condition. With more enrollment growth expected and other existing buildings already considered in "poor" condition, it is recommended that the State Board continue to present the outstanding VCCS facility needs whenever possible.

The capital outlay needs are reflected in three major categories. There are equipment, capital outlay projects, and new nongeneral fund capital outlay projects. Proposed is a request to restore \$21.9 million in equipment funding for projects scheduled for completion in FY 2008 and FY 2009. Included in this amount is funding for the Historic Triangle Campus of Thomas Nelson Community College (TNCC) as well as new equipment funding in the amount of \$1.4 million for Tidewater Community College's new Modeling and Simulation Lab located at Old Dominion University.

The largest amount is included in the unfunded high priority capital outlay projects category. The proposed amendment request is for consideration of the top ten projects remaining on the State Board approved budget request for 2006-08. And the last proposed amendment is for new nongeneral fund capital projects that include funding for the TCC Learning Resource Center on the Virginia Beach Campus. The Committee recommended approval. (See Appendix IX.)

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

"THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE SUBMISSION OF THREE CATEGORIES OF CAPITAL OUTLAY PROJECTS TO THE GOVERNOR AND GENERAL ASSEMBLY FOR CONSIDERATION DURING THE 2007 SESSION OF THE GENERAL ASSEMBLY TO INCLUDE 1) EQUIPMENT REQUESTS, 2) UNFUNDED 2006-08 PRIORITY PROJECTS, AND 3) NEW CAPITAL OUTLAY PROJECTS, AS AMENDED."

The motion carried.

3. Information Items
 - a. Virginia Community College System
Status Report on Capital Outlay Projects

Mr. Shinn noted that the VCCS Status Report on Capital Outlay Projects was provided.

D. Budget and Finance Committee – Mark R. Graham, Chair, reported.

1. Minutes - Meeting of July 19, 2006

The Minutes of the July 19 Committee Meeting were approved.

2. Action Items

Discussion Item:

- a. Operating Budget Priorities and Amendments –
2007 Session

Mr. Graham asked Ms. Pam Currey, Associate Vice Chancellor for Budget and Planning, to discuss this item. She stated that the staff will submit a list of the proposed budget amendments by the end of the month. Staff was seeking State Board endorsement for the proposed budget amendments as a show of support to SCHEV that these issues were priority issues. The amendments would address the following: Tuition/General Fund split language, Faculty salaries, Student financial aid, Base budget adequacy, Operating funds for buildings coming on-line, Middle College/Career Coaches/Path to Industry Certification, and Funding for Transfer Scholarship Legislation.

Tuition/General Fund split language: Ms. Currey provided the historical background and noted that the percent of the cost of education community college students have been expected to pay has varied over the years – from 20 percent to 33.33 percent. Most recently community college students were assumed to pay 33.33 percent of the costs. Governor Warner's introduced budget assumed a 30 percent share for students for the incremental portion of additional funding. Although the funds in support of that policy were maintained in the enacted budget, this explicit policy was not set out in the appropriation act. Ms. Petersen explained how the VCCS left \$22 million in tuition revenue authority "on the table" because to do otherwise would require steep tuition increases, something the State Board chose not to do. In 2006-07, there would be approximately \$14.2 million in authorized tuition uncollected. The Tuition/General Fund split language amendment would seek to restore the tuition and fee cost sharing requirement for in-state community college students to 25% from 33% and would in turn benefit students in areas of the state with the lowest family incomes. The proposal would recommend the restoration of tuition and fee cost sharing requirement be reduced to 25 % for in-state community college students and it would be in keeping with the Dateline 2009 goal.

Faculty salaries: The Commonwealth has maintained a goal of faculty salaries at the 60th percentile of their national peers. It is difficult to measure progress on this goal because salary increases have not kept pace and because only 58% of full-time faculty on staff in 2002 was still on staff in 2005. New faculty typically is hired at a lower salary, which pulls down the overall faculty salary average. Over the past three years, continuing faculty salaries increased 18 percent overall with an average increase of six percent per year. Ms. Currey noted that the directive of the State Board has been carried out but the overall effect has been diluted due to new faculty hired at lower salaries. The proposal would support the continued progress of teaching faculty salaries towards the 60th percentile of national peers.

Student financial aid: Ms. Currey stated that SCHEV used a new partnership model for determining financial aid that targeted aid to students with the greatest financial need resulting in an additional \$3 million appropriated in each year of the biennium for the Virginia Community College System. The 2005 total financial aid distributed from all sources increased by 13 percent since 2003. Included in this was an increase to the Part-time Assistance Program which is self-funded by the VCCS. Financial aid awarded to VCCS students represented 67 percent of the tuition and fee revenues received in 2005. The proposal would support continued progress.

Base budget adequacy: These guidelines are based on a limited number of variables driven primarily by enrollment, faculty salary averages and discipline-specific student-faculty ratios. Most of the variables were established based on national norms. It is important that each variable accurately reflect the intent of the General Assembly. SCHEV estimates that within current guidelines the VCCS is funded at 92% of the guidelines while the statewide average is 97.3%. Several data points used in the calculation of the model ultimately deflate the needs of the VCCS. Ms. Currey and Ms. Petersen reported that they met with SCHEV staff to explain how the calculations used for the VCCS were diluting the data that drives our resources.

The use of the existing full-time/part-time faculty mix in the calculation of the cost of education in the VCCS is one of those data points. The Appropriations Act states that 70 percent full-time faculty be established for the VCCS. For fall 2005, the percentage was 46.7. In 2003, the General Assembly stated that the model should contain a goal for full-time faculty. In 2005, SCHEV recommended funding to achieve a goal of 55 percent; however, that goal was not included in the calculation. Without the inclusion of an explicit goal in the calculation, when enrollment grows and colleges initially respond with increased use of adjunct faculty, the calculation of the cost of 100 percent of guidelines for the VCCS declines resulting in fewer resources with which to hire full-time faculty. This creates a downward spiral.

Faculty salaries have a significant impact on the calculation of base adequacy, and they are impacted by the full-time/part-time faculty mix. Use of actual salary averages in the model, which reflect the blended salary of the full-time and part-time faculty, understates the total need relative to other colleges. Compounding this is the fact that the VCCS salaries are the furthest from the 60th percentile; according to SCHEV, the VCCS was at the 46th percentile in 2006.

The proposed amendment would require Base Budget Adequacy guidelines to be adjusted to provide the most accurate continuing statement of need for the VCCS with regard to the ratio and salaries of full-time faculty as well as general funds to support continued

progress toward funding of Base Budget Adequacy guideline amounts as calculated and supported by the State Council of Higher Education.

Operating funds for buildings coming on-line: For the 2007 session it is expected that institutions would request funding for the operation of new buildings coming on line. This proposal reflects the most current information available regarding FY 2008 on-line dates anticipated for new VCCS buildings and the general funds needed to operate the space.

Middle College/Career Coaches/Path to Industry Certification: It was reported that additional funding for the VCCS Middle College program would be requested to replace Workforce Investment Act funds at two of the colleges that would expire at the end of FY 2007. Requested funding would also provide for expansion of the program at one additional area of the state and to continue the existing sites.

Also included in this request would be funding for the Career Coaches program. It was noted that school superintendents and high school principals have expressed their support of this program. The VCCS requires a local matching component. The additional funds would sustain the program and improve it where appropriate. It is critical because funding from the National Governors Association will also expire at the end of FY 2007. The last part of this request was to correct a technical error where the General Assembly reduced the Pathway to Industry Certification appropriation by an amount greater than that included in the appropriation.

Funding for Transfer Scholarship Legislation: Despite the fact that legislation was not enacted by the House during last year's General Assembly session, the Community College Transfer Scholarship Legislation received very favorable attention from the legislators. The proposed program is both means and merit based and provides for those community college students who graduate with a 3.0 average, apply for financial aid, and demonstrate financial need with a family income less than or equal to 150% of Virginia's median family income. The scholarship could not exceed the cost of education and other scholarships would be used to offset the cost of education. If enacted, the program would become effective for the 2007-2008 academic year. Funding for the program would not be included in the VCCS budget but be held in a central account.

Ms. Beyer inquired about the enrollment projections and Ms. Petersen stated that a six-year plan was required and was based on past data; however, projections beyond two-years out were difficult to validate. The Chancellor noted that Virginia Tech and UVA supported the proposal last year. The main concern of the four-year colleges and universities was that the proposal would become an unfunded mandate in later years. Mr. Mitchell stated that since there

was not a cap on the maximum number of transfer students under the guaranteed admissions agreements, capacity issues could come into play for the four-year colleges and universities. The Chancellor expressed his belief that the costs of higher education will continue to increase under the current public policy. If the transfer scholarship proposal is enacted, the increase would be managed more efficiently. In response to Mr. Lumsden questioning the possible loss of political capital if all of these amendments are proposed, the Chancellor noted that this was a tactical first step in receiving an accurate percentage of the funding guidelines. Mr. Mohler requested relevant data to compare the VCCS to the four-year colleges. Mr. Mitchell asked if it was possible to have a fact sheet for every legislator as to what we are and what we do in their area. Ms. Currey noted that the students visiting the General Assembly on the Every Day is Community College Day brought home to the legislators how important their respective colleges are to their constituents. The Committee recommended approval. (See Appendix X.)

A motion was made by Mr. Graham, as Committee Chair, and seconded by Mr. Mohler that:

"THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE REQUEST FOR RESTORATION OF THE TUITION AND FEE COST SHARING REQUIREMENT FOR IN-STATE COMMUNITY COLLEGE STUDENTS FROM 33% TO 25%;

THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE REQUEST FOR GENERAL FUNDS TO SUPPORT THE CONTINUED PROGRESS OF TEACHING FACULTY SALARIES TOWARDS THE 60TH PERCENTILE OF NATIONAL PEERS AS CALCULATED AND SUPPORTED BY THE STATE COUNCIL OF HIGHER EDUCATION. FURTHERMORE, IT IS EXPECTED THAT THE STATE COUNCIL OF HIGHER EDUCATION WILL MAKE RECOMMENDATIONS ON ACHIEVING THIS GOAL FOR ALL INSTITUTIONS OF HIGHER EDUCATION LATER THIS FALL;

THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE REQUEST THAT BASE BUDGET ADEQUACY GUIDELINES BE ADJUSTED TO PROVIDE THE MOST ACCURATE CONTINUING STATEMENT OF NEED FOR THE VIRGINIA COMMUNITY COLLEGE SYSTEM WITH REGARD TO THE RATIO AND SALARIES OF FULL-TIME FACULTY AS WELL AS GENERAL FUNDS TO SUPPORT CONTINUED PROGRESS TOWARD FUNDING OF BASE BUDGET ADEQUACY GUIDELINE AMOUNTS AS CALCULATED AND SUPPORTED BY THE STATE COUNCIL OF HIGHER EDUCATION. IT IS EXPECTED THAT THE STATE COUNCIL OF HIGHER EDUCATION WILL MAKE RECOMMENDATIONS ON IMPROVING BASE BUDGET ADEQUACY FUNDING FOR ALL INSTITUTIONS OF HIGHER EDUCATION LATER THIS FALL;

THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE REQUEST FOR GENERAL FUNDS TO SUPPORT OPERATING COSTS OF NEW BUILDINGS COMING ON-LINE IN THIS BIENNIUM;

THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE REQUEST FOR GENERAL FUNDS TO SUSTAIN AND EXPAND MIDDLE COLLEGE AND CAREER COACH

PROGRAMS, AND TO RESTORE FUNDS INADVERTENTLY REMOVED FROM THE BUDGET FOR WORKFORCE PROGRAMS;

AND THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE REQUEST FOR GENERAL FUNDS TO SUPPORT THE START-UP OF THE PROPOSED COMMUNITY COLLEGE TRANSFER SCHOLARSHIP PROGRAM IN 2007-08."

The motion carried.

3. Information Items

There were none.

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

1. Minutes—Meeting of July 19, 2006

The Minutes of the July 19 Committee Meeting were approved.

2. Action Items

There were none.

3. Information Items

a. Development of the Human Resources Agenda

Dr. Christopher Lee, Associate Vice Chancellor for Human Resource Services, noted that since 85% of the overall budget for the VCCS is invested in personnel, the Committee sought to develop a Human Resources Agenda to ensure that the Human Resources function is aligned with the mission, goals, and initiatives of the VCCS. Meetings with various constituent groups would be conducted relative to the five principal areas, recruitment and retention, professional development, individual/organizational performance, HR as a resource, and quality of work-life enhancement. The goal is to develop an effective people strategy concurrent with Dateline 2009 goals, best practices and state-of-the-art HR techniques, programs and services.

b. Faculty Diversity Initiative Report

Dr. Lee reported that the Chancellor's Diversity Initiative was created to target minority graduate students and expose them to teaching opportunities within the VCCS. Dr. Elaine Cassell, from Lord Fairfax Community College, was assisting with this initiative. Nearly two dozen graduate students are scheduled to teach a VCCS course this fall. Additional students are being recruited to participate in the pilot program for the spring. Each graduate student has an assigned mentor and the lessons learned since April are used to establish

memoranda of agreements with participating universities and in the development of guidelines for the formalization and replication of the program throughout the VCCS.

VIII. EXECUTIVE COMMITTEE/CHAIR'S REPORT

The Vice Chair reported that there was no meeting of the Executive Committee.

IX. OTHER BUSINESS

There was no other business.

X. ADJOURNMENT

There being no further business to come before the State Board, the meeting was adjourned at 11:40 a.m.

Alan G. Toxopeus, Chair

Glenn DuBois, Secretary

GD/sbh

APPENDIX I

TITLE: PROGRAM APPROVAL - CERTIFICATE IN RESIDENTIAL DESIGN AND ESTIMATION

BACKGROUND:

Danville Community College (DCC) will establish a Certificate in Residential Design and Estimation. This curriculum plan is designed to prepare displaced tobacco and textile workers for positions in the construction industry in the areas of residential design and construction techniques that are in demand by local employers. Students will receive specialized training in the use of 3D residential design software, construction mathematics, construction estimation and materials, as well as extensive lab exercises which will be designed to focus on construction related applications.

As this will be the first Certificate in Residential Design and Estimation in the VCCS, this program proposal is presented to the State Board for approval. Staff reviewed the proposal and recommended that Chancellor DuBois approve the request of DCC for the establishment of a Certificate in Residential Design and Estimation. The Chancellor accepted that recommendation and has approved the certificate program.

ACTION RECOMMENDED:

It is recommended that the State Board for Community Colleges approve that Danville Community College be approved to offer the Certificate in Residential Design and Estimation.

PREVIOUSLY REVIEWED BY:

- ✓ VCCS Academic Services and Research staff
- ✓ Chancellor DuBois

RATIONALE:

In the last five to six years the DCC service region has had a large number of jobs lost in the tobacco and textile industries. The employees who have lost jobs in these industries are seeking short-term training in areas that offer job opportunities that will get them back into the workforce as quickly as possible. The college currently offers a diploma in Computer Aided Drafting and Design that has 95 credits and requires at least two full years to complete. Since most of these workers are coming back to college under the Trade Readjustment Act and have a maximum of two years to complete their training, this is not an option for these individuals. The proposed program is designed to meet a shorter term training need and to provide an option to students who wish to work in a related sector of the construction industry.

According to employment projections provided by the Virginia Employment Commission, there will be statewide employment opportunities in the areas of construction cost estimators; building construction; specialty trade contractors; architectural, engineering and related services; surveying and mapping technicians; and construction trade workers. As a result of this data, coupled with an increasing need to retrain displaced tobacco and textile workers, DCC proposes a Certificate in Residential Design and Estimation.

The lay advisory committee for the Computer Aided Drafting and Design program reviewed and approved the proposed Residential Design and Estimation program. The proposal was presented to and approved by the DCC Curriculum Committee on April 20, 2006, and was presented to and approved by the DCC College Board on June 5, 2006. In addition, the proposal was presented to

APPENDIX I Continued

the Builders & Associates of Southern Virginia on May 11, 2006, and has received their endorsement and a letter of support.

It is expected that there will be no start-up costs for the program since most of the courses offered in the certificate are already offered as part of the Computer Aided Drafting & Design program and will be taught by current DCC faculty members.

RESOURCE PERSONS:

Dr. Monty Sullivan, Vice Chancellor, Academic Services and Research,
msullivan@vccs.edu, 804.819.4970

Dr. Susan S. Wood, Assistant Vice Chancellor for Educational Programs and Instructional
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804.819.4696

APPENDIX II

TITLE: PROGRAM APPROVAL – ASSOCIATE OF SCIENCE DEGREE IN SOCIAL SCIENCES

BACKGROUND:

Northern Virginia Community College (NVCC) proposes the establishment of an Associate of Science degree in Social Sciences. This is a four-semester, 62-credit curriculum. Graduates of this program will be prepared to transfer to a four-year college or university to complete a Bachelor of Science degree in one of the social sciences. In addition, it will prepare students to transfer into pre-law, mass communications, public administration, or other programs in which a strong social science background is paramount. Further, the program prepares students for some teacher education programs.

ACTION RECOMMENDED:

It is recommended that the State Board for Community Colleges approve that Northern Virginia Community College be approved to offer the Associate of Science degree in Social Sciences.

PREVIOUSLY REVIEWED BY:

- ✓ NVCC Curriculum Committee and College Board (approved November 29, 2005)
- ✓ VCCS Academic Services and Research staff

RATIONALE:

The 2003-2004 NVCC review of the General Studies A.S. degree program indicates that NVCC needs to offer a degree program more clearly preparing students to transfer into social science and related programs at senior institutions. Although General Studies is an A.S. degree, it does not transfer as a unit to some senior institutions, including James Madison University and the College of William and Mary. An ad hoc General Studies Subcommittee recommended that the General Studies A.S. degree curriculum not be changed. Despite the drawbacks associated with the General Studies degree, many NVCC students pursue this program because no other transfer degree is flexible enough to meet their particular needs.

Although the Liberal Arts A.A. degree and the Science A.S. degree are also suitable for transfer, some students find that the extensive foreign language or science/mathematics requirements in these programs may not be appropriate to the baccalaureate major that they plan to pursue. To address these issues, the subcommittee recommended that the College consider adopting an A.S. degree in Social Sciences that would transfer more readily than General Studies and would serve as a more logical parent program for the Psychology and Teacher Education specializations. The social science faculty, the Articulation Committee, and the Teacher Education Task Force support this proposal. The NVCC Board approved the proposed Social Sciences curriculum in November 2005.

Since the proposed program is designed for transfer, senior institutions in Virginia were asked to review the curriculum and comment on its transferability to related baccalaureate programs. The draft was sent in spring 2005 to contacts at George Mason University, James Madison University, Longwood University, and University of Mary Washington. The responses were generally favorable, with three of the senior institutions sending letters of support to NVCC. Also, the local executive director of National-Louis University, with which the College has an articulation agreement, stated that she thought it would be an excellent vehicle for preparing students to transfer into some of its programs.

APPENDIX II Continued

RESOURCE PERSONS:

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804.819.4696

APPENDIX III

TITLE: PROGRAM APPROVAL - DIPLOMA IN CONSTRUCTION TECHNOLOGY

BACKGROUND:

Wytheville Community College currently offers Associate Degree Programs in Technical Studies in Electrical Trades and Plumbing. Through consultation with local construction industry personnel and input from the WCC Building Trades Advisory Committee, the College intends to discontinue the Technical Studies in Electrical and Plumbing and establish the Diploma in Construction Technology with emphases in Electrical, Plumbing and Carpentry. The limited course offerings within the Technical Studies program content areas have been a concern expressed by the advisory board, faculty and students.

ACTION RECOMMENDED:

AS&R Staff reviewed the proposal and recommend that the State Board for Community Colleges approve the request of Wytheville Community College for the establishment of a Diploma in Construction Technology.

PREVIOUSLY REVIEWED BY:

✓ VCCS Academic Services and Research staff

RATIONALE:

In comparison with an Associate of Applied Sciences degree, the diploma program will allow for additional content-specific courses to be included in the curricula as a result of the reduction in general education requirements. This emphasis on industry-related coursework will better prepare individuals to enter the construction industry and more quickly qualify for industry certifications.

The format of this diploma –60% of the courses fixed, with three choices for an area of emphasis for the other 40% – may serve as a model curriculum for other colleges wishing to develop similar flexible programs to meet several local needs through one program of study.

RESOURCE PERSONS:

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APPENDIX IV

TITLE: PROGRAM DISCONTINUANCE APPROVAL – ASSOCIATE OF APPLIED SCIENCE IN AGRICULTURAL BUSINESS MAJOR AND ALL SPECIALIZATIONS

BACKGROUND:

On April 13, 2006, the College Board for Lord Fairfax Community College approved the discontinuance of the Associate of Applied Science degree in Agricultural Business major and all specializations under the major. Reasons given for discontinuing this program and related specializations include: low student enrollment, declining employment opportunities for program graduates, and the high overhead costs for the program.

Faculty advisors will meet with students who remain in the pipelines to outline a plan of how they can successfully complete the degree requirements. No new students have been accepted into the program since May 15, 2006, and the desired termination date for reporting degrees will be May 15, 2009.

ACTION RECOMMENDED:

VCCS staff reviewed the proposal and recommend that the State Board for Community Colleges approve the request of Lord Fairfax Community College to discontinue their Associate of Applied Science degree in Agricultural Business major including all specializations under the major.

PREVIOUSLY REVIEWED BY:

✓ VCCS Academic Services and Research staff

RATIONALE:

The program is not among the Top Ten Critical Shortage Areas posted by SCHEV for the 2005-2006 academic year. College resources could be redirected to serve growth demands in other programs. The request to discontinue this program is an outcome of LFCC's program review process.

RESOURCE PERSONS:

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msullivan@vccs.edu, 804.819.4970

Mr. William Hightower, Director of Educational Programs, bhightower@vccs.edu,
804.819.4696

APPENDIX V

TITLE: PROGRAM DISCONTINUANCE APPROVAL – ASSOCIATE OF APPLIED SCIENCE IN PROTECTIVE SERVICES - ENVIRONMENTAL PROTECTION MAJOR ONLY

BACKGROUND:

On May 9, 2006, the College Board for Tidewater Community College approved the discontinuance of the Environmental Protection Major of the Associate of Applied Science degree in Protective Services. Reasons given for discontinuing this program and related specializations include low student enrollment and lack of market demand.

No new students will be accepted into the program starting August 2006 and the desired termination date for reporting degrees will be May 2009.

ACTION RECOMMENDED:

VCCS staff reviewed the proposal and recommend that the State Board for Community Colleges approve the request of Tidewater Community College to discontinue their Associate of Applied Science degree in Protective Services, Environmental Protection major only. All other programs under the Protective Services AAS degree are to remain active.

PREVIOUSLY REVIEWED BY:

✓ VCCS Academic Services and Research staff

RATIONALE:

Environmental protection programs across the country that once addressed safety and security issues prior to 9/11/01 are now typically being restructured under a variety of Homeland Security programs that target modern environmental threats. Over the past seven years, enrollment in TCC's environmental programs has steadily declined and programs have failed to meet SCHEV and VCCS productivity standards.

RESOURCE PERSONS:

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Mr. William Hightower, Director of Educational Programs, bhightower@vccs.edu,
804.819.4696

APPENDIX VI

TITLE: INTERNAL AUDIT DEPARTMENT CHARTER

BACKGROUND:

The VCCS Internal Audit Department complies with the Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing*. Attribute Standard 1000.C1, Consulting Engagements, states, "The nature of consulting services should be defined in the Audit Charter." The current Internal Audit Department Charter does not address consulting services.

RECOMMENDATION:

The VCCS Internal Audit Department recommends that the State Board for Community Colleges approve the proposed Internal Audit Department Charter.

RATIONALE:

The proposed Internal Audit Department Charter addresses consulting services. This proposed charter would bring the VCCS Internal Audit Department into compliance with the IIA's Attribute Standard 1000.C1.

RESOURCE PERSON:

Mr. John Brilliant, Jr.
Director of Internal Audit
Virginia Community College System
(804) 819-4960

APPENDIX VII

TITLE: PIEDMONT VIRGINIA COMMUNITY COLLEGE
 APPROVAL TO ESTABLISH A REAL ESTATE FOUNDATION

BACKGROUND:

The State Board for Community Colleges has recognized the substantial benefit for the Virginia Community College System derived from the existence of community college foundations, and that the State Board has a vital interest in such foundations. [VCCS *Policy Manual*, Section 2.X.G.1] The VCCS *Policy Manual* stipulates: "Because Community College Foundations are affiliated organizations of the colleges whose names they share, their establishment is subject to the approval of the State Board for Community Colleges, after the Board's review of the purpose of the Foundation or affiliated organization, its proposed organizational arrangement, and its scope of activities." [VCCS *Policy Manual*, Section 2.X.G.2]

The Piedmont Virginia Community College Educational Foundation was founded in 1982 to provide financial and in-kind support for Piedmont Virginia Community College. The Educational Foundation's focus is necessarily on its private fund-raising efforts and on the management of the endowments and financial assets it holds. The PVCC Educational Foundation is not equipped to manage real estate holdings, and its written policy with regard to real estate provides that any donated real property shall be "converted to cash as soon as economically feasible."

With increasing frequency, institutions of higher education are forming real estate foundations to act as companions to their educational foundations. Real estate foundations serve to isolate potential liability and avoid commingling with other assets. In addition, they provide a means to advance institutional missions in response to changing market conditions and new laws, such as the Public-Private Education Facilities and Infrastructure Partnership Act (PPEA). Real estate foundations provide flexibility and distinct expertise in a highly specialized area.

RATIONALE:

Establishing a real estate foundation for PVCC will provide a means of managing and developing real property that might be acquired through various means to the benefit of the College. The board of the real estate foundation would be selected on the basis of expertise in the various areas associated with acquisition, management, development, and disposition of real property. As required by State Board policy, the PVCC Real Estate Foundation would be legally separate and independent from PVCC and its Educational Foundation, and would be subject to the requirements for educational foundations in the VCCS *Policy Manual*.

RECOMMENDATION:

It is recommended that the State Board for Community Colleges authorize Piedmont Virginia Community College to establish a real estate foundation in accordance with articles of incorporation and bylaws substantially in the form attached hereto and which comply in all respects with the requirements of the VCCS *Policy Manual*.

LOCAL BOARD APPROVAL:

The Piedmont Virginia Community College Local Board will act on the proposed establishment of the Piedmont Virginia Community College Real Estate Foundation at its September 6, 2006, meeting. The State Board will be apprised of any issues raised by the PVCC Local Board.

RESOURCE PERSONS:

Dr. Frank Friedman
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Piedmont Virginia Community College
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ffriedman@pvcc.edu

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Assistant Vice Chancellor for
Facilities Management Services
Virginia Community College System
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ewatson@vccs.edu

APPENDIX VIII

TITLE: PATRICK HENRY COMMUNITY COLLEGE
FACILITIES MASTER PLAN UPDATE

BACKGROUND:

PHCC's Facilities Master Plan (FMP) was last updated in 2005 with faculty, staff and student input. While a major update is planned to occur every three years, College Administration and the Planning & Evaluation Committee review the FMP each year. As a result of that review, the FMP was revised to reflect the following changes.

- Sites were identified for a vineyard, permanent greenhouse and storage building to support the new viticulture/horticulture program.
- A site was identified for student housing. Student housing may be needed in the future to serve out-of-area students attending specialized programs, such as Motorsports, and can potentially serve to promote access and student retention.
- An aged storage building at the maintenance lot is identified to be replaced.

This Master Plan update was reviewed by Art and Architectural Review Board at their July 7, 2006 meeting. AARB has suggested that the College consider switching the locations of the vineyard and the proposed future student housing. While the College acknowledges that this switch has merit, it does not meet the College's immediate needs. The College proposes to implement the vineyard as shown on the Master Plan update to take advantage of available space already cleared and more accessible to students enrolled in related programs.

RECOMMENDATION:

It is recommended that the State Board for Community Colleges approve the updated plan. Approval of the plan does not endorse or approve construction of student housing until further approval from the State Board and General Assembly are received.

LOCAL BOARD APPROVAL:

Patrick Henry Community College's Local Board considered and approved the plan at its August 21, 2006 meeting.

RESOURCE PERSON:

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& Administrative Services
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APPENDIX IX

TITLE: VIRGINIA COMMUNITY COLLEGE SYSTEM
PROPOSED CAPITAL OUTLAY BUDGET AMENDMENTS
2007 LEGISLATIVE SESSION

BACKGROUND:

In the 2006 legislative session, the budget approved by the General Assembly and Governor provided significant capital outlay funds for the VCCS. More than \$200 million in General Funds was provided to provide equipment and to cover shortfalls in previously funded projects, to provide sorely needed maintenance reserve funding, to renovate 5 buildings with a "poor" facilities condition index, and to construct 6 new facilities to meet existing enrollment demands. Yet with such a tremendous infusion of funds, \$341.9 million remains outstanding on the State Board approved budget request for 2006-08, followed by funding requests of \$717.03 million for the remaining four years of the six year plan. The \$341.9 million in outstanding requests for 2006-08 include new construction projects justified by current enrollments and renovation funding for buildings considered in "poor" condition. With yet more enrollment growth predicted, and with many other existing buildings already considered in "poor" condition, it is recommended that the State Board continue to present the outstanding facilities needs of the VCCS whenever possible.

Language in Chapter 3, 2006 Acts of Assembly (the "Appropriations Act") provides that during the "short" session, the General Assembly will consider requests for new capital outlay projects, "... (O) f an emergency nature, which may avoid an increase in cost or otherwise result in a measurable benefit to the state, and/or which are required for the continued use of existing facilities..."

The capital outlay budget request proposed below falls into three categories which meet these criteria: 1) restoration of equipment funding held back from, or not requested for, previously approved projects that will be opening and need equipment funding in 2007-08 (required for the use of facilities that will be ready for occupancy); 2) re-submittal of the ten highest priority projects that remain unfunded from the 2006-08 request (funding these projects will result in a measurable benefit to the state both in expanding capacity to serve students as well and by avoiding higher costs to complete these projects in the future); and 3) new non-general funded capital outlay projects not included in the current Six-Year Plan (funding for these projects are either new grants or local funds to improve services for current students and the college communities).

Equipment

In its 2006-08 Biennial Budget, the General Assembly provided for the restoration of \$17.1 million of equipment funding for VCCS projects scheduled for completion in FY 2007. The current request is for the provision of \$21.9 million (GF) in equipment funding for projects scheduled for completion in FY 2008 and FY 2009. *(Please see Attachment A, Part 1 - Equipment Restoration).*

Restoration of equipment funding: Equipment funding for projects included in Chapter 855 (V.C.B.A.) and Chapter 859 (G.O.B.) 2002 Acts of Assembly, was withheld from the initial budget authorization in order to reduce the size of the debt issuance. It was anticipated that funding for the equipment related to these projects would be provided nearer the time of construction completion. The project opening in 2009 for which equipment is requested is the new Historic Triangle Campus scheduled to open in December 2008. Because it will be necessary to order, install, test and allow faculty time to familiarize themselves with the equipment and new facility, longer lead times than usual are required for equipping and commissioning the new Campus state-

APPENDIX IX Continued

of-the-art equipment. Therefore funds to acquire equipment will need to be ordered in the spring of 2008, and need to be funded in the 2007-08 budget. A request to restore these equipment funds is part of the current State Board approved Six-Year Capital Outlay Plan.

New equipment funding: New equipment funding in the amount of \$1.4 million is requested for Tidewater Community College's new Modeling and Simulation Lab that will be located in the Old Dominion University "Tri-Cities Center" funded through the 2002 GOB. Slated to open in early 2007-08, the Tri-Cities Center will have 12,300 gross square feet of space dedicated to TCC. Equipment funding is needed to furnish and equip the new lab for academic use. The request for the equipment was not previously on TCC's six-year plan request as the location and completion date for the Tri-Cities Center had not been defined by Old Dominion University at the time the last six-year plan was submitted.

Capital Outlay Projects

3. *Unfunded High Priority Capital Projects:* Language in Chapter 3, 2006 Acts of Assembly (the "Appropriations Act") provides that during the "short" session the General Assembly will consider requests *which may avoid an increase in cost or otherwise result in a measurable benefit to the state.*

Dramatic increases in the cost of construction materials, the volatility of fuel oil prices and an increasingly supply-driven construction industry have resulted in significant increase in construction costs per gross square foot of buildings. During the last two sessions of the General Assembly, the Governor supported and the General Assembly subsequently approved \$84.2 million in supplemental funding to cover cost overruns due to the increased construction costs. Construction industry projections continue to anticipate annual increases of 6% to 10% (depending on the type of the project) for construction projects over the next two years.

As stated above, \$341.9 million remains outstanding on the State Board approved budget request for 2006-08, followed by funding requests of \$717.03 million for the remaining four years of the six year plan. The \$341.9 in outstanding requests for 2006-08 are for new construction projects justified by current enrollments as well as renovation requests for buildings considered in "poor" condition. In order to minimize the impact of increasing construction costs, and to move ahead with the design and construction of these priority projects, it is recommended that the State Board request from the Governor and General Assembly additional funding to plan and construct or renovate academic facilities that meet SCHEV space justification guidelines for 2006-08.

The proposed amendment request is for consideration of the top ten projects remaining on the State Board approved budget request for 2006-08, for a total request of \$191.6 million (GF) and \$17.9 million (NGF), including a one year 6% adjustment for inflation. The request also includes \$15.6 million in planning funds. (*Please see Attachment A, Part 2 –Unfunded 2006-08 Priority Projects*).

The VCCS will ensure that all due diligence has been used to economize in the design and construction of the projects and to provide for the most efficient use of state resources.

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4. New Non-General Fund Capital Projects: The current request is for \$3.4 million (NGF). *(Please see Attachment A, Part 3 - New Capital Outlay Requests for project amounts and Attachment B for a brief description of each project).*

RECOMMENDATION:

It is recommended that the State Board for Community Colleges approve the submission of three categories of capital outlay projects to the Governor and General Assembly for consideration during the 2007 Session of the General Assembly to include 1) Equipment Requests, 2) Unfunded 2006-08 Priority Projects, and 3) New Capital Outlay Projects.

RESOURCE PERSONS:

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Capital Outlay Assistant Director
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Virginia Community College System
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APPENDIX X

TITLE: Approval of Operating Budget Priorities and Amendments – 2007 Session

BACKGROUND:

The budget for the 2006-08 biennium was established during the 2006 Special Session. Significant increases were provided to community colleges for 2006-07 to fund the state's Base Budget Adequacy guidelines and to fund faculty and staff salaries, however those funds were carried forward with no further increases provided in the VCCS budget for 2007-08. The upcoming session in 2007 is considered the "short session" (45 vs 60 days), therefore typical budget amendments will be limited to those addressing life and safety issues, funding for prior commitments, funding to support an increase in "clients" (i.e. students), continued funding for pilots or new initiatives begun in a prior year, additional funding supported by various guideline calculations (salaries, financial aid, etc.), and other similar situations.

Although specific guidance has not been received from the Governor's office yet regarding what may be requested, the following represents a list of VCCS proposed budget amendments for the 2007 General Assembly Session:

Tuition and Fee Policy – Prior to the recession of the early 1990s, the state's cost sharing policy stated that community college in-state students should pay 20 percent of their costs, with four-year college students paying 30 percent. During the recession, large tuition increases were authorized in order to offset general fund reductions, and students began paying more than the required percentages. In the 2000 Session, the General Assembly and Governor reaffirmed the policy that in-state students and community colleges should pay 20 percent of their costs, and reduced the share for four-year colleges to 25 percent of costs.

During the budget-cutting recession early in this decade, tuitions were again increased to off-set cuts in state funding. In the 2004-06 biennium, the General Assembly adopted a policy that all in-state students should pay 33 percent of their costs. This was the first time that community college students and four-year college students were required to cover the same percentage of costs. This results in the calculation of a higher percentage of the cost of education that needs to be paid from tuition and fees. With a current Education and General operating budget of \$656 million, a one percent shift in a tuition policy shifts \$6.56 million from tuition to General Fund support. With current enrollment levels, that is approximately \$70 per student or \$2.33 per credit hour.

As a result of the State Board request to Governor Warner in development of the 2006-08 budget, his introduced budget for 2006-08 reduced the share of funding to be paid for by students in the additions to the budget from 33% to 30%, but did not include an overt change in state policy. Subsequently Governor Warner's funding recommendations for the VCCS were adopted by the General Assembly and approved by Governor Kaine.

With in-state students currently required to raise 33.33 percent and out-of-state students required to raise 100% of total costs, the overall percentage of the VCCS budget that should be raised through tuition and fees is 36%. In 2005-06, Virginia Community College students' tuition and fee revenues provided 37.9 percent of total costs of operation, with approximately \$22.2 million in authorized revenues not collected. In 2006-07 it is expected that the share of revenues collected, based on current tuition rates, will reduce slightly from 37.9 percent to 37.3 percent, but again leave approximately \$14.2 million in authorized tuition uncollected. These figures portray the

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impact of higher tuition increases in the past decade due to reduced general funds and the policy change to increase tuition and fee requirements for community college students.

With an improved cost sharing policy for community college students, the amount of authorized tuition that is not collected would diminish with a requirement that general funds fill that gap, and tuition increases for community college students could potentially be reduced depending on future appropriations. Overall, however, an amendment to return to a goal of requiring in-state students to cover 25 percent of their costs would help maintain accessibility to and affordability of the community colleges in all regions of the state. When combined with financial aid targeted to students with the most need, students in areas of the state with the lowest family incomes will benefit significantly.

This proposed amendment would request a restoration of the tuition and fee cost sharing requirement for in-state community college students from 33% to 25%.

Faculty Salaries – The Commonwealth has long held that faculty of institutions of higher education should be paid at the 60th percentile of their national peers. Over the years, however, salary increases have rarely moved college faculty to that goal, often only keeping pace with the cost of living (2.5% in 2002, 2.25% in 2003, 3.0% in 2004, and 5.4% in 2005). In 2005-06, the VCCS appropriated salary average was \$54,665. The projected 60th percentile goal for 2006-07 is \$61,138, requiring an increase of 11.84 percent in 2006-07 to achieve the 60th percentile. The 2006-08 budget, however, includes funding for an average 4.39 percent salary increase on November 25, 2006 for community college teaching faculty.

As a means of attracting and retaining the best faculty to serve current and growing enrollments, the State Board also endorsed achievement of the 60th percentile as a strategy in support of *Dateline 2009*. To that end, the Board has endorsed and funded faculty salary increases in excess of those appropriated by the General Assembly for three years. For this fall, the State Board has approved faculty (full-time and adjunct) salary increases of 6.19 percent for 2006-2007 compared to the appropriated increase of 4.39 percent.

As a consequence of the high percent of community college faculty who are new (only 58 percent of full-time faculty on staff in December 2002 were still on staff in December 2005), it is difficult to measure progress toward the 60th percentile. However in an analysis of the 58 percent of faculty who constitute continuing faculty, the overall salary increase over the past three years was 18 percent, for an average increase of 6 percent per year. The average salary of continuing faculty as of December 2005 was \$54,703, similar to the appropriated average used by the state to measure the remaining distance to the VCCS 60th percentile goal. The average salary of all VCCS full-time faculty was \$52,604, reflective of the lower salaries of faculty new to the VCCS.

The appropriation act contains funding in a “central account” in the second year for a salary increase in FY 2008 for all “state employees,” but the language accompanying the funding does not describe either the amount of the percentage increase nor the implementation date.

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This proposed amendment will request general funds to support the continued progress of teaching faculty salaries towards the 60th percentile of national peers as calculated and supported by the State Council of Higher Education. It is expected that the State Council of Higher Education will make recommendations on achieving this goal for all institutions of higher education later this fall.

Student Financial Aid – Additional student financial aid was provided in the adopted budget, based on a new SCHEV “partnership model” that targets aid to students with the greatest financial need. An additional \$3 million in general funds was appropriated to the VCCS in both years of the biennium.

In 2003, the total amount of aid distributed to VCCS students from all sources was \$119.2 million. In 2005 that amount was \$134.8 million, up 13 percent from 2003. This included an increase the Part-time Assistance Program self-funded by the VCCS from \$500,000 in 2003 to \$1.2 million in 2005 (with additional increases to \$1.8 million in 2006-07). The average amount of financial aid was \$2,767, up 7.75 percent from 2003, at the same time that the number of students served increased by 5%. The financial aid awarded to VCCS students represented a total of 67 percent of the tuition and fee revenues received by the VCCS in 2005.

This amendment would request general funds to support continued progress toward funding financial aid guideline amounts as calculated and supported by the State Council of Higher Education. It is expected that the State Council of Higher Education will make recommendations on improving financial aid for all institutions of higher education later this fall.

Base Budget Adequacy – During the 2006 session, Base Budget Adequacy Guidelines played a significant role in the distribution of general funds to institutions of higher education. The calculations behind the Guidelines are a fairly straightforward set of calculations based on a limited number of variables, with results driven primarily by: enrollment, faculty salary averages, and discipline-specific student-faculty ratios. Because of the limited number of variables, it is important that each variable be an accurate reflection of the intent of the General Assembly in creating the guidelines. Within the current model there are several data points used which ultimately deflate the needs of the VCCS.

One such data point is the assumption of the existing full-time/part-time faculty mix in the calculation of the cost of education in the VCCS. The appropriation act includes a statement that “it is the objective of the Commonwealth that a standard of 70 percent full-time faculty be established for the Virginia Community College System;” for Fall, 2005, the percentage of full-time faculty in the VCCS was 46.7 percent. During deliberations of the General Assembly in 2003, it was stated that the model should contain a goal for full-time faculty; however a specific goal was not established at that time. In 2005, the State Council of Higher Education recommended funding to achieve a goal of 55 percent full-time faculty for the VCCS by 2007-08; however that goal was not included in the model calculation.

Without inclusion of a specific goal in the calculation of the Base Budget Adequacy model, as enrollment grows and numbers of adjunct faculty increase, the calculation of the cost of 100 percent of guidelines for the VCCS declines (the cost of adjunct faculty is lower than full-time faculty, which makes the calculation overall lower the lower the full-time percentage used is). This

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creates a downward spiral as fewer resources are then available to hire new full-time faculty, so the full-time ratio continues to deteriorate.

Another variable, faculty salaries, has a significant impact on the calculation of base adequacy. Because actual salary averages are used in the model rather than a standard goal (60th percentile or otherwise), and because VCCS salaries are the furthest from the 60th percentile goal (according to SCHEV, the VCCS was at the 42nd percentile in 2005 and the 46th in 2006), the calculation of total need is thereby understated relative to other colleges to the extent of the difference in calculating the faculty salary need. The ripple effect of using actual data for both salaries and full-time mix of faculty significantly understates the needs of the VCCS in the model.

SCHEV estimates that within the current guidelines (prior to any adjustments suggested above, and prior to including salary increases for 2006-07) that the VCCS is funded at 92% of the guidelines compared to a statewide average of 97.3%, and a range of funding from 90.7% - 142.1% among other institutions.

This amendment would request that Base Budget Adequacy guidelines be adjusted to provide the most accurate continuing statement of need for the VCCS with regard to the ratio and salaries of full-time faculty as well as general funds to support continued progress toward funding of Base Budget Adequacy guideline amounts as calculated and supported by the State Council of Higher Education. It is expected that the State Council of Higher Education will make recommendations on improving Base Budget Adequacy funding for all institutions of higher education later this fall.

Operating costs for new space scheduled to come on line in FY 2008 – This amendment would reflect the most current information available regarding FY 2008 on-line dates anticipated for new VCCS buildings and the general funds needed to operate the space (fuel, utilities, custodial services, etc.). Buildings expected to open in FY 2007 were provided for in the 2006 Special Session, with the expectation that institutions would request funding in the 2007 session for other buildings coming on-line in this biennium. Funding totaling approximately \$2.2 million will be requested to support the following new space:

Workforce Services Development Center (Middletown), LFCC
Phase III and Renovated Phase I & II (Alexandria), NVCC
Science and Technology Building, PVCC
Historic Triangle Campus, TNCC
Administration Building, TCC

This amendment would request general funds to support operating costs of new buildings coming on-line in this biennium.

Workforce Programs – The VCCS seeks funds to make permanent and expand successful pilot programs and opportunities to serve adults. The Middle College and Career Coach programs were funded in the introduced budget in 2006 with an additional \$3.5 million, however those funds were not included in the final Appropriation Act. These amendments would again seek state support for the continuation and expansion of these two programs and request correction of a technical error. The total amount requested would be \$332,082 for FY 07 and \$2,671,082 in FY 08.

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Middle College allows students, ages 18 to 24, to pursue simultaneously a GED, a community college degree, and a workforce certification – all in a college environment. The VCCS requests \$1,471,000 to permit the program to serve additional students at existing sites and to expand in at least one additional area of the state where the need for services is most acute and the relationship with the adult education community is strongest. Funding also will add GED testing and assessment centers at community college campuses in conjunction with the Middle College sites. Additional funding is especially critical because Workforce Investment Act funds (\$340,000) that had been used to support programs at two colleges (JSRCC and SSVCC) will expire at the end of FY 2007.

The program currently operates at five colleges: J. Sargeant Reynolds, Southside Virginia, New River, Germanna, and Danville.

Of the over 400 students who initially enrolled in 2005-06, over 350 remained active in the program.

Of those who remained active, nearly 80 percent completed a GED.

Of those who received a GED, over 50 percent have enrolled in a degree or certificate program.

Career Coaches target high school students who most need career planning services. They serve as resource specialists for career planning and help connect students with local businesses and community colleges. The VCCS requests \$868,000 GF to sustain and expand this program. Additional funding would be used to increase the number of high school students who obtain employment credentials and postsecondary education by sustaining existing Community College Career Coaches and placing an additional 15 Career Coaches in high schools at which 25 percent or more of the students have indicated either “employment” or “no plans” after graduation. Additional funding is especially critical because National Governors Association funds (\$207,000) that had been used to support eight Career Coaches will expire at the end of FY 2007.

Over 45 Career Coaches serve students in nearly 70 high schools.

In 2005-06, Career Coaches contacted over 28,000 students, guided 11,000 students into dual enrollment or industry certification programs, and helped 7,000 students develop career plans.

An additional \$332,082 in each year is needed to correct a technical error.

The General Assembly reduced the Path to Industry Certification program by \$1,103,288 in each year of the biennium. Only \$771,206 was appropriated in the base budget to support the program, however, resulting in an inadvertent reduction of an additional \$332,082 in each year.

Students were already enrolled in the program for 2006-07, so although funding for the program was removed, the VCCS will meet existing commitments in the program using carry-forward or other college funds to “teach out” the remaining class. It is proposed that a request be made to restore the excess reduction of \$332,082, however, to avoid cuts in other workforce programs.

This amendment would request general funds to sustain and expand Middle College and Career Coach programs, and to restore funds inadvertently removed from the budget for workforce programs.

Funding for the Community College Transfer Scholarship Program – The proposed Community College Transfer Scholarship (similar to last year’s proposal) would be made available to

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community college graduates attending a four-year institution who receive an associate degree and graduate with a 3.0 average, and who apply for financial aid and demonstrate financial need by having family income that is less than or equal to 150% of Virginia's median family income (Virginia's median family income for 2002-2003 was estimated at \$50,028). Each student's individual scholarship would be based on the difference between the cost of tuition paid by the recipient at a Virginia community college and the cost of such tuition at the public four-year institution of higher education in which the student has been enrolled. Eligible students would have to enroll in the public four-year institution by the fall following the award of the associate degree, and the transfer scholarship could be used for up to 70 creditable hours, not to exceed total time enrolled of 36 months. The scholarship program would become effective for the academic year beginning in the fall of 2007, and an estimated 1,735 students would be eligible in the first year of implementation.

Because funds will need to be appropriated prior to knowing the number of eligible students, the language authorizing the award is stated as an amount "up to" the difference in tuition and mandatory education and general fees.

This budget amendment is needed for FY 08, in the amount of \$3.7 million, for one class of eligible students (only students entering their Junior year would meet the qualifications). The cost would likely increase to \$8.3 million in 2009, when two classes of students would be eligible (Juniors and Seniors). Costs in future years would rise with increasing enrollment and tuition costs.

This amendment would request general funds to support the start-up of the proposed Community College Transfer Scholarship program in 2007-08.

These amendments will be discussed by the Advisory Council of Presidents in October. Capital budget amendments will be discussed in the Facilities Committee.

RECOMMENDATION:

The State Board approve the following Operating Budget Priorities and Amendments for consideration during the 2007 Session:

Tuition and Fee Policy – Goal of 25% tuition/75% general fund support
Faculty salaries
Student financial aid
Base budget adequacy – full-time/part time faculty
Operating funds for buildings coming on-line
Workforce Programs: Middle College/Career Coaches
Funding for the Community College Transfer Scholarship Program

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