

2014-16 Executive Progress Report

Commonwealth of Virginia
Secretary of Education

State Council of Higher Education for Virginia

At A Glance

The State Council of Higher Education for Virginia (SCHEV) advocates and promotes the development and operation of an educationally and economically sound, vigorous, progressive, and coordinated system of higher education and leads state-level strategic planning and policy development and implementation based on research and analysis.

Staffing 39 Salaried Employees, 0 Contracted Employees, 51 Authorized, and 7 Wage Employees.

Financials Budget FY 2015, \$90.70 million, 89.61% from the General Fund.

Trends	➔ Students	Key Perf Areas	⬆ State Funds for Financial Aid
	⬆ Aid-eligible Students		⬆ Scorecards for Workforce Credentials
	⬇ Per-student Funding		⬆ On-time Degree Completion
Legend	⬆ Increase, ⬇ Decrease, ➔ Steady	Productivity Legend	⬆ Improving, ⬇ Worsening, ➔ Maintaining

For more information on administrative key, and productivity measures, go to www.vaperforms.virginia.gov

Background and History

Agency Background Statement

The State Council of Higher Education for Virginia (SCHEV) is the Commonwealth's coordinating body for higher (postsecondary) education. Its statutory mission is "to advocate and promote the development and operation of an educationally and economically sound, vigorous, progressive, and coordinated system of higher education in the Commonwealth of Virginia and to lead state-level strategic planning and policy development and implementation based on research and analysis." The Council is comprised of 13 gubernatorial appointees, including at least one former public college/university president, one school superintendent at the state or local level and the president of the Virginia Economic Development Partnership, who serves as an ex officio voting member. Its staff, the state agency known as SCHEV, assists the Council in fulfilling its mission. Together the Council and SCHEV staff seek to be catalysts for greater access, affordability, quality, and accountability throughout Virginia's excellent system of public and private colleges and universities.

Major Products and Services

As a coordinating body, SCHEV serves as a reliable source of accurate data, objective information, and policy expertise to elected and appointed officials, students, families, colleges and universities, media, and the public. SCHEV's statutory authorities and responsibilities include:

- ○ Development of a statewide strategic plan for higher education (new plan approved in fall 2014);
- Policy guidance and recommendations to the Governor and General Assembly regarding capital and operating budget planning, faculty salaries, college/university equipment and technology needs, performance and innovation incentive funding, and financial aid;
- Certification of public institutions' performance on various education-related state goals and measures;
- Oversight of the Commonwealth's need-based and non-need-based student financial aid programs;
- Approval of various academic matters at public colleges/universities, such as new mission statements, degree levels, degree programs, and certain organizational changes;
- Review and potential discontinuance of public-institution degree programs deemed to be unproductive and/or unnecessarily duplicative;
- Review and approval of public and private institutions' enrollment projections and degree estimates;

- Provision of educational training programs for new appointees to public institutions' governing boards;
- Maintenance of publicly-accessible data system containing vast amounts of longitudinal information;
- Provision of advisory services to private, nonprofit institutions;
- Regulation of proprietary and out-of-state postsecondary entities that seek to begin or continue operating in Virginia; and
- Administration of various federal grants.

Customers

Customer Summary

The primary constituents of the State Council of Higher Education for Virginia are the Governor and executive-branch agencies, the General Assembly and its committees' staff, current and prospective students (and their families), colleges and universities, business and industry, the media, and the general citizenry. Throughout its work in 2014 to develop the statewide strategic plan for higher education, SCHEV maintained regular contact with its constituents, sharing information and receiving input; an online survey yielded responses from over 500 individuals. As the needs and expectations of SCHEV's varied constituency grow, expand, and evolve, the Council and its staff continually strive to effectively and efficiently meet those demands.

Customer Table

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Higher Education Students	Students	550,000	656,000	Stable
General Assembly	Governor and General Assembly	141	141	Stable
Higher Education Institutions	Public Colleges and Universities	17	17	Stable
Organization	Non-public Institutions and Schools	296	296	Stable
State Agency(s),	Council Members	13	13	Stable
Taxpayer	Taxpayers and Citizens	8,300,000	8,300,000	Increase

Finance and Performance Management

Finance

Financial Summary

The fiscal-year (FY) 2015 budget appropriation to the State Council of Higher Education totals approximately \$90.65 million; however, only about \$5.66 million (6.25 percent) of that amount is appropriated for the agency operating budget. The majority of the SCHEV appropriation (about \$85 million) is for either direct student financial assistance (about \$69.5 million) or external programs whose funding passes through the SCHEV budget, such as the Virtual Library of Virginia.

Fund Sources

Fund Code	Fund Name	FY 2015	FY 2016
0100	General Fund	\$81,972,260	\$83,493,038
0200	Special	\$971,459	\$974,808
0268	Outstanding Faculty Recognition Program	\$75,000	\$75,000
1000	Federal Trust	\$7,680,457	\$7,680,457

Revenue Summary

SCHEV regulates proprietary and out-of-state postsecondary entities. This statutorily-mandated oversight is conducted as a self-supporting, fee-based operation funded through the fees that entities pay in the initial certification-to-operate process and annually thereafter. These fees approach \$972,000 in FY2015. The agency also receives a restricted donation of \$75,000 annually from the Dominion Foundation to support the Virginia Outstanding Faculty Awards program. SCHEV also administers multiple federal grants, totalling about \$7.8 million. As described above, the majority of agency funds designated as revenues are dedicated/restricted for specific uses and cannot be expended for other purposes.

Performance

Performance Highlights

The Council and its staff perform excellently SCHEV's responsibilities for: (a) developing calculations and recommendations regarding

significant components of the higher education system; and (b) transmitting this mandated information in a useful and timely manner to the Governor and General Assembly. The agency performs similarly well in its responsibilities to project accurately future student enrollment and degree production and to advocate for funds for student financial aid and assistance.

Selected Measures

Measure ID	Measure	Alternative Name	Estimated Trend
24510810.001.001	Amount of annual allocation of state funds for student financial aid.	State Funds for Financial Aid	Improving
24511104.002.002	On-time (by November 1) transmission of budget recommendations to the Governor and General Assembly.	Budget Recommendations	Maintaining
24511104.003.001	Percent of enrollment projections that are accurate.	Accurate Projecting of Enrollment Numbers	Maintaining
24511104.005.003	Percent of vendor invoices paid on or before the "required payment due date" (as defined in Virginia's Prompt Payment Statutes) annually.	Prompt Payment of Invoices	Improving
245.0002	Number of economic-opportunity scorecards for non-degree workforce credentials developed.	Scorecards for Workforce Credentials	Improving
245.0003	Number of students who complete their credentials on-time.	On-time Degree Completion	Improving
24511104.001.001	Number of public institutions of higher education certified by SCHEV as having met all education-related, financial and administrative performance targets as defined in the Higher Education Opportunity Act and the Appropriation Act.	Achievement of Institutional Performance Standards	Maintaining
245.0001	Percent of institutions' aggregated degree estimates that are accurate.	Accuracy of Degree Estimates	Improving
24511104.001.002	On-time (by November 1) transmission of "cost of education" calculations to the Governor, General Assembly, and public colleges and universities.	Cost-of-education Calculation	Maintaining

Key Risk Factors

The key risk factors most likely to impact the agency over the next four years are factors related to funding and workload, and to the interplay of the two. Multiple budget cuts since 2001 have significantly reduced the agency's operating budget and staff; budget reductions in FY15 again impacted the agency's ability to plan for and execute procurement of supplies, materials, and equipment, funding of staff professional development and work-related travel, and contracting for certain services. The efforts of the Council and its staff are complicated by a changing and growing agency workload. The number and complexity of the agency's legislatively-mandated responsibilities expanded in recent years, without a corresponding increase in staffing. As a result, the Council and its staff continue to explore ways to focus agency human and fiscal resources more strategically in an effort to mitigate current and future risks. The new statewide strategic plan for higher education serves as guide for this strategic re-focusing.

Agency Statistics

Statistics Summary

The following statistics provide insight into the variety and magnitude of agency activities in academic year 2013-14.

Statistics Table

Description	Value
Number of students receiving need-based financial aid	70,092
Number of public institutions certified for meeting all education-related goals (max=17)	17
Number of Virginians receiving grants to attend in-state private, nonprofit institutions	21,056
Number of proprietary and non-Virginia-based entities audited (2013 calendar year)	19

Management Discussion

General Information About Ongoing Status of Agency

The future direction of the agency will be charted largely by the priorities of the Council, the goals of its statewide strategic plan, and evolving statutory responsibilities, namely: 1) coordinating Virginia's system of higher education; 2) aligning statewide enrollment demand with institutional enrollment projections; 3) providing guidance and oversight in the development and update of the six-year institutional plans required of

the public institutions; and 4) making fiscal and policy recommendations to the Governor and General Assembly to ensure that the Commonwealth's needs for higher education are met consistently. The Council recently undertook a review of agency responsibilities and processes in order to better align its processes and personnel with the needs of the Commonwealth and the goals of the new statewide strategic plan for higher education.

Information Technology

At this time, agency staff are not aware of any external factors, requirements or mandates that will necessitate non-routine IT investments in the foreseeable future. Most agency desktop computers were updated in Fall 2012.

Workforce Development

In recent years, expanding workloads and expectations have outpaced growth in the number of SCHEV's approved staff positions. Some approved positions remain vacant due to funding issues, and retirements may become an issue for the relatively small agency over the next few years. To address current and potential workforce issues, the agency is: (a) restarting efforts to improve the knowledge, skills, and abilities of current staff through tuition-assistance programs and other professional development opportunities, such as the Commonwealth Management Institute, the Virginia Executive Institute, Lead VA, and professional conferences; and (b) continuing to seek maximum alignment between current staff and the future needs of the higher education system.

Physical Plant

Office space leased on the 9th and 10th floors of the James Monroe Building adjacent to Capitol Square in Richmond provides SCHEV with area, functionality, and accessibility that are adequate for its needs.
