

# 2016-18 Strategic Plan

## State Council of Higher Education for Virginia [245]

### Mission

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.

### Vision

The State Council of Higher Education enhances Virginia's already-robust and vigorous higher education system by bringing the institutions together to collectively and collaboratively serve the goals, needs, and interests of the Commonwealth in a way that recognizes, utilizes, and maximizes the distinctive mission of each college and university. The State Council is committed to ensuring that each institution performs at the highest possible level in terms of quality of instruction and service to students, while fostering an environment of innovative contributions to Virginians' economic and cultural prosperity through research and public service.

### Values

### Finance

#### Financial Overview

The State Council of Higher Education (SCHEV) has a total budget in FY2017 of approximately \$98.28 million (92.6 percent from the general fund) and in FY2018 of approximately \$100.76 million (92.8 percent from the general fund). The FY2017 total represents a reduction of about \$608,000 from the initial allocation due to a reduction of about \$115,000 in the agency operating budget and to various other minor reductions in programs that either pass through SCHEV's budget or are administered by agency staff. The FY2018 total represents a reduction of about \$27.74 million from the initial allocation due mainly to a movement out of the SCHEV budget of an almost \$25 million planned FY2018 increase in direct student financial assistance, which instead will be allocated directly to the public institutions of higher education.

The majority of the general fund monies in SCHEV's budget actually flow through the agency as direct student financial assistance -- about \$77.29 million in FY2017 and \$79.99 million in FY2018. The FY2017 financial-assistance budget received an additional \$1 million above its initial allocation, while the FY2018 allocation will be reduced by almost \$25 million because these new funds instead will be distributed directly to the public colleges and universities. The Two-Year College Transfer Grant Program will receive an allocation of \$2.85 million in FY2017 and \$3.55 million in FY2018, the latter amount representing an additional \$700,000 above the total allocated originally. In FY2017, the New Economy Workforce Credential Grant Program will receive an allocation of \$5 million (\$1 million above its original allocation), and in FY2018 it will receive \$7.5 million (\$1 million below its original allocation).

Also from the general fund, \$7.8 million in FY2017 and \$7.9 million in FY2018 (about \$400,000 each year less than the original allocation) is provided to support the Virtual Library of Virginia (VIVA) project, and \$308,000 is provided each year to support the Virginia Women's Institute for Leadership at Mary Baldwin University.

Of SCHEV's \$98.28 million FY2017 budget total, only about \$5.56 million (5.66 percent) goes to support agency operations (staff salaries and fringe benefits, supplies and materials, contractual services, equipment, travel, rent, etc.). This amount represents a reduction of \$115,000 from the initial FY2017 allocation. The FY2018 agency operating budget will be reduced by an additional \$70,000 from its original allocation.

#### Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	91,646,279	7,241,490	121,256,425	7,241,548
Changes to Initial Appropriation	-607,811	0	-27,737,232	0

*(Changes to Initial Appropriation will be 0 when the plan is created. They will change when the plan is updated mid-biennium.)*

### Customers

#### Anticipated Changes to Customer Base

#### Current Customer List

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Higher Education Students	Students	550,000	656,000	Increase

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	Stable

## Partners

Name	Description
Southern Regional Education Board (SREB)	The SREB operates the Stephen J. Wright Scholars Program, which is a scholarship program for minority students pursuing doctoral degrees; the agency facilitates Virginia's participation in the program.
Dominion Foundation	The foundation underwrites the Virginia Outstanding Faculty Awards (OFA) Program (plaques and monetary gifts), the ceremony, and publicity; the agency administers the program annually.
U.S. Department of Education	The department awards the funds for the Improving Teacher Quality (ITQ) grant and the GEAR UP grant. The ITQ grant is a component of the No Child Left Behind (NCLB) Act; the agency oversees the awarding of these funds, which encourage colleges to work with school systems to improve teaching and administration in secondary schools. As administrator of Virginia's GEAR UP grant, agency staff work with K-12 students in high-poverty school districts to educate them about and prepare them for postsecondary education and training.

## Agency Goals

- **Promote the strategic management of Virginia's system of higher education.**

### Summary and Alignment

SCHEV's primary mission is to promote the continuous improvement of the Commonwealth's nationally recognized higher education system through state-level strategic planning, coordination and collaboration that recognize the individual missions of the institutions while reflecting and meeting the needs and goals of the Commonwealth as a whole. Virginia statute clearly defines the educational goals and objectives that SCHEV and the public institutions must address, and SCHEV's new state-wide strategic plan articulates broad goals and strategies for the system and the Commonwealth. Many of the duties and activities inherent in this goal are codified in Virginia law. This goal is consistent with SCHEV's mission to promote the development and operation of a sound, vigorous, progressive, and coordinated system of higher education. Ultimately, the responsibility for planning and execution of these duties and responsibilities rests with the Council itself.

### Associated State Goal

Education: Elevate the levels of educational preparedness and attainment of our citizens.

### Associated Societal Indicator

Educational Attainment

### Objectives

- » **Promote the strategic management of Virginia's system of higher education.**

#### Description

The agency's first objective is to promote strategic management through SCHEV's leadership of key constituencies, thereby creating a comprehensive strategic plan for Virginia's higher education system that harnesses multiple resources and that: 1) meets student needs and the Commonwealth's vital interests; 2) promotes the effective coordination of systemwide and institutional academic, financial, and enrollment plans; and 3) serves as a catalyst for policy implementation and collaboration. In Fall 2014 the Council approved a new statewide strategic plan for Virginia higher education through 2030. The plan sets four goals: 1) provide affordable access for all; 2) optimize student success for life and work; 3) drive change and improvement through investment and innovation; and 4) advance the economic and cultural prosperity of the Commonwealth and its regions. Additional information on the statewide strategic plan is available on the SCHEV website, [www.schev.edu](http://www.schev.edu).

#### Objective Strategies

- Develop the statewide strategic plan for Virginia higher education, including goals, strategies, initiatives and performance targets and measures, and then monitor progress toward achievement of the plan's goals.

#### Measures

- ♦ 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.

- ◆ Number of students who complete their credentials on-time.
- ◆ On-time (by November 1) transmission of "cost of education" calculations to the Governor, General Assembly, and public colleges and universities.
- ◆ Percent (level) of overall satisfaction with the agency's annual educational orientation for recent appointees to the governing boards of the public institutions of higher education as reported by attendees.

» **Advocate the interests of Virginia higher education**

*Description*

SCHEV strives to advocate the interests of Virginia higher education by: 1) communicating higher education interests through research-based reports, public briefings and hearings, and electronic and other communication devices; 2) preparing and presenting testimony on pending legislation affecting higher education, particularly regarding State Council priorities (e.g., access, affordability, transfer and articulation, research, etc.) that results in adoption or rejection of SCHEV advocacy principles; and 3) developing empirically-based resource allocation models to determine the adequacy of the existing funding structure of higher education in Virginia (e.g., base operating adequacy, faculty salary benchmarks, capital outlay space needs assessment, etc.). Further, SCHEV advocates the interest of Virginia higher education by presenting formal funding recommendations to the Governor and General Assembly based on the results of these models.

*Objective Strategies*

- Develop the roadmap and funding model to support policies established in the Higher Education Opportunity Act of 2011 in order to enable the Governor and the General Assembly to base the biennial budget on the new funding model and policies, thereby aligning ongoing higher education investment with the reform and innovation objectives of statute.

*Measures*

- ◆ On-time (by November 1) transmission of budget recommendations to the Governor and General Assembly.

» **Enhance the six-year planning and review process to assist state-level and institutional-level determinations regarding higher education policies.**

*Description*

SCHEV staff coordinates the production, submission and review of public institutions' six-year plans, which the Code of Virginia requires the institutions' boards to develop and adopt in odd-numbered years and to affirm or amend in even-numbered years. Traditionally, these plans include information on planned: (i) academic initiatives (and associated costs); (ii) increases in tuitions and fees (and estimates of non-general fund revenues); and (iii) allocations of student financial aid (including any allocation of tuition revenue thereto); as well as reports of past-year information on research expenditures and intellectual property.

*Objective Strategies*

- Develop, in collaboration with the group of state officials designated statutorily as reviewers of public institutions' six-year plans, the template for these plans; distribute the template to the institutions and respond to their questions; receive the plans; distribute the submitted plans to the reviewers; schedule meetings between the reviewers and each institution; facilitate/lead each meeting and produce reviewers' feedback in written form; submit this feedback to each institution; receive institutions' responses to the feedback and any updates or amendments to the plans; and communicate these updates, amendments or the lack thereof to the reviewers.

*Measures*

» **Advance non-public postsecondary education in the Commonwealth through the effective and efficient regulation of certain private and all out-of-state institutions.**

*Description*

SCHEV strives to effectively and efficiently regulate: (1) all for-profit postsecondary entities; (2) all new non-profit postsecondary entities; and (3) all out-of-state postsecondary entities that seek to operate (initially and continually) in the Commonwealth.

*Objective Strategies*

- Review non-public postsecondary educational entities' initial and continued eligibility to operate in the Commonwealth.

*Measures*

- ◆ Average number of processing days until our formal response to applicants' initial requests for certification to operate in Virginia.

• **Maximize higher education access and affordability for all qualified citizens.**

**Summary and Alignment**

SCHEV is committed to supporting the investment of higher education funds so as to maximize the benefits of financial resources for all students seeking postsecondary education. In addition, SCHEV supports policies that optimize the effective use of financial resources to minimize costs to students.

## Objectives

### » Maximize higher education access and affordability for all qualified citizens.

#### Description

SCHEV strives to maximize access and affordability through: (a) the administration of need-based and nonneed-based financial aid programs; and (b) identification of and reporting on the impacts of educational-costs increases on student financial need.

#### Objective Strategies

- Advocate for increased allocations to support needy students in Virginia's public and private nonprofit institutions of higher education.

#### Measures

- ◆ Amount of annual allocation of state funds for student financial aid.

### » Maximize educational options.

#### Description

Through administration of the Tuition Assistance Grant (TAG) program, SCHEV strives to ensure that financial aid provides Virginia's students with the ability to consider private institutions.

#### Objective Strategies

- Advocate for increased allocations to support larger per-student awards for qualifying Virginia residents attending eligible private, nonprofit institutions of higher education in the Commonwealth.

#### Measures

- ◆ Amount of annual TAG (Tuition Assistance Grant) appropriation per eligible student

### » Maximize allocation of available funds to qualified students for financial assistance.

#### Description

Through administration of appropriations for "regional financial assistance for education," SCHEV strives to assist students who: (a) attend colleges of optometry; and (b) participate in the Stephen J. Wright Scholars Program of the Southern Regional Education Board (SREB), which is a scholarship program for minority students pursuing doctoral degrees.

#### Objective Strategies

- Award all available funds to eligible students.

#### Measures

- ◆ Amount of available funds awarded annually to qualified applicants.

## • Promote and convey progress toward state goals for educational attainment and workforce development.

### Summary and Alignment

SCHEV collaborates with public and private institutions of higher education to develop enrollment projections and estimates for credential awards (degrees and non-degree workforce credentials). The agency also assists institutions with efforts to improve students' educational attainment and workforce readiness, and it reports on progress toward relevant goals set by the Governor and General Assembly.

### Associated State Goal

Education: Elevate the levels of educational preparedness and attainment of our citizens.

### Associated Societal Indicator

Lifelong Learning

## Objectives

### » Develop system capacity.

#### Description

SCHEV strives to develop system capacity by producing college and university enrollment projections, degree estimates, non-degree workforce credential estimates and economic-opportunity scorecards that are consistent with institutional six-year plans, performance measure responses and the goals of the Governor and General Assembly.

#### Objective Strategies

- Develop and administer processes that enable institutions of higher education to communicate their projections and estimates to SCHEV and state policymakers in ways that are timely and conducive to executive- and legislative-branch planning and resource-allocation decisions.

#### Measures

- ◆ Number of economic-opportunity scorecards for non-degree workforce credentials developed.
- ◆ Percent of enrollment projections that are accurate.
- ◆ Percent of institutions' aggregated degree estimates that are accurate.

### • Coordinate and enhance the federal programs that support Virginia's postsecondary education system.

#### Summary and Alignment

The purpose of the "No Child Left Behind Act of 2001, Title II, Part A, Improving Teacher Quality State Grants," is to increase the academic achievement of all students by helping schools and school districts improve teacher and principal quality and ensure that all teachers are highly qualified. SCHEV is responsible for competitively administering federal grants to institutions of higher education that partner with local school districts to support this purpose. The purpose of the GEAR UP program is to increase the awareness and readiness of low-income school childhood for postsecondary education and training. This goal is consistent with SCHEV's mission to promote the development and operation of an educationally and economically sound, vigorous, progressive, and coordinated system of higher education.

#### Associated State Goal

Education: Elevate the levels of educational preparedness and attainment of our citizens.

#### Associated Societal Indicator

Educational Attainment

#### Objectives

##### » Administer federal grants efficiently, in accordance with federal requirements.

#### Description

SCHEV strives to efficiently administer two federal grant programs: 1) the Title II, No Child Left Behind (NCLB) Act grant, which seeks to improve the quality of teachers and principals in grantee-selected schools; and 2) the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) grant, which seeks to increase the awareness and readiness of low-income school childhood for postsecondary education and training.

#### Objective Strategies

- Ensure that federal funds are expended efficiently and in accordance with all state and federal requirements.

#### Measures

- ◆ Rate of compliance with the reporting requirements of the federal GEAR UP program.
- ◆ Rate of compliance with the reporting requirements of the federal Improving Teacher Quality State Grant (Title II, No Child Left Behind Act of 2001) program.

### • Maximize productivity through the efficient use of resources.

#### Summary and Alignment

SCHEV strives to maximize productivity through the efficient and effective use of resources in the administration of the agency's budget and finance functions, while adhering to all applicable state laws and regulations.

#### Objectives

##### » Ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements.

#### Description

SCHEV strives to be efficient and effective in its use of resources in the administration of the agency's budget and finance, human relations, and facilities management functions.

#### Objective Strategies

- Enhance the productivity and efficiency of state government operations.

#### Measures

- ◆ Percent of compliance (annually) with the Small Purchase Charge Card (SPCC) program. Maximized compliance with SPCC requirements maximizes the associated cost savings for the Commonwealth.
- ◆ Percent of vendor invoices paid on or before the "required payment due date" (as defined in Virginia's Prompt Payment Statutes) annually.

## 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 at least every six years (the current plan was 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;
- Administration of the Virginia Longitudinal Data System;
- Provision of educational training programs for new appointees to public institutions' governing boards;
- 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;
- Administration of various federal grants; and
- Staff support to the Virginia Research Investment Committee and the Virginia Research Investment Fund (effective January 1, 2018, development of the Commonwealth Research and Technology Strategic Roadmap).

## 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.

## Staffing

Authorized Maximum Employment Level (MEL)	62
Salaried Employees	42
Wage Employees	11
Contracted Employees	0

## Key Risk Factors

The key risk factors most likely to impact the agency over the next four years are factors related to funding, workload and staffing, and to the interplay of the three. Multiple budget cuts over the past decade have reduced significantly the agency's operating budget, thereby impacted the agency's ability to procure supplies, materials, and equipment; to fund staff professional development and work-related travel; and to contract 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, often without a corresponding increase in staffing. The agency's full-time workforce has grown by only three since January 2012. Moreover, almost half (44 percent) of current full-time employees joined the agency between January 2012 and May 2017. 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 statewide strategic plan, *The Virginia Plan for Higher Education*, serves as a guide for this strategic re-focusing.

## 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. 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.

### **Estimate of Technology Funding Needs**

#### **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.

## **Supporting Documents**

<b>Title</b>	<b>File Type</b>
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**Scholarships [10810]**

**Description of this Program / Service Area**

Activities in this service area are designed to ensure that state need-based student aid mitigates the financial barriers faced by Virginia’s neediest students and families, and to ensure that the projections for student financial need at public institutions are accurate. This service area also includes the administration of several non-need-based financial assistance programs as required by law.

**Mission Alignment**

Student financial aid and assistance are key components of the Council's mission to develop and maintain an economically sound system of higher education.

The Code of Virginia assigns responsibility to SCHEV for administration of the state's student financial aid and assistance programs throughout Articles 1-7 (§ 23.1-600 -- § 23.1-642) of Chapter 6 of Title 23.1.

**Products and Services**

**Description of Major Products and Services**

SCHEV administers 16 programs that provide student financial aid and assistance on behalf of the Commonwealth. The largest of these programs include:

- Virginia Guaranteed Assistance Program (VGAP)
- Tuition Assistance Grant (TAG) Program
- Two-Year College Transfer Grant Program
- New Economy Workforce Credential Grant Program
- Virginia Military Survivors and Dependents Education Program
- Virginia Space Grant Consortium Scholarships

**Anticipated Changes**

None

**Factors Impacting**

As the Commonwealth's demographics change, more students from traditionally-underserved populations are entering higher education. These students often are more likely than traditional-population students to qualify for need-based financial aid. Also, students in general are qualifying for larger per-student awards of need-based aid. These trends, coupled with the creation of new student-aid programs, are the main factors that impact SCHEV's work in this area.

**Financial Overview**

For Virginia's various student-aid programs, the Commonwealth allocated \$77.1 million in FY2017 and \$79.8 million in FY2018. The FY2017 financial-assistance budget received an additional \$1 million above its initial allocation, while the FY2018 allocation will be reduced by almost \$25 million because these new funds instead will be distributed directly to the public colleges and universities.

The Two-Year College Transfer Grant Program will receive an allocation of \$2.85 million in FY2017 and \$3.55 million in FY2018, the latter amount representing an additional \$700,000 above the total allocated originally. This program provides an affordable pathway for a Virginia resident to begin their postsecondary education at a public two-year college, and upon successful completion of an Associates degree and having met all eligibility criteria, receive a grant to fund a portion of their costs when they transfer to an eligible public or private nonprofit four-year institution of higher education in the Commonwealth.

In FY2017, the New Economy Workforce Credential Grant Program will receive an allocation of \$5 million (\$1 million above its original allocation), and in FY2018 it will receive \$7.5 million (\$1 million below its original allocation). This program expands low-cost opportunities for students to receive training in high-demand fields and earn industry-based certifications or state licensure. Students pay only 1/3 of the cost of the program upon enrollment. Students who fail to complete the training program must pay an additional 1/3 of the cost.

**Biennial Budget**

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	75,837,665	260,000	104,436,328	260,000
Changes to Initial Appropriation	1,000,000	0	-24,898,996	0



## Supporting Documents

Title File Type

### Service Area Plan

#### Regional Financial Assistance for Education [10813]

##### Description of this Program / Service Area

Activities in this service area are designed to provide financial assistance to qualified in-state students for their participation in two programs offered by the Southern Regional Education Board (SREB). The first program, the Stephen J. Wright Scholars Program, fosters scholarship among the Commonwealth's graduate students, particularly minority students in doctoral-degree programs, and seeks to retain them as faculty at Virginia colleges and universities following graduation. The second program provides grants to assist Virginia residents in studying optometry, which is not offered by any Virginia public universities, at universities in the SREB region. Optometry-grant recipients must agree to practice optometry in the Commonwealth for at least two years following graduation.

##### Mission Alignment

Student financial assistance is a key component of the Council's mission to develop and maintain an economically sound system of higher education.

The Code of Virginia assigns responsibility to SCHEV for administration of the Stephen J. Wright Scholars Program for minority doctoral students in § 23.1-616. The state budget (Chapter 836 of the 2017 Acts of Appropriation) assigns responsibility to SCHEV for administration of the optometry-grants program in items 144.C.3 and 144.C.4.

##### Products and Services

###### Description of Major Products and Services

Student Financial Assistance

###### Anticipated Changes

None

###### Factors Impacting

None

##### Financial Overview

In each year of the biennium, \$170,000 is designated to support Virginia's participation in the Stephen J. Wright Scholars Program, which is the Commonwealth's affiliate of the SREB Doctoral Scholars Program; both programs seek to increase the number of minority doctoral students and to encourage them become faculty members in their home states following graduation.

An additional \$20,000 is designated in each year of the biennium for grants of up to \$5,000 per year to assist Virginia residents in pursuing optometry degrees at participating southern-region universities through the SREB Academic Common Market, because no Virginia universities offer optometry.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	190,000	0	190,000	0
Changes to Initial Appropriation	0	0	0	0

## Supporting Documents

Title File Type

## Service Area Plan

### Outstanding Faculty Recognition [11009]

#### Description of this Program / Service Area

Activities in this service area enhance the visibility of Virginia's outstanding faculty and improve their morale.

The Virginia Outstanding Faculty Awards (OFA) were created in 1986 and remain the only state-level faculty-recognition program in the nation. SCHEV administers the nomination-review and recipient-selection process each year. The OFA ceremony, luncheon and awards are underwritten by the Dominion Foundation. The Governor participates in bestowing the awards on the 13 recipients each February.

Each public or private institution of higher education headquartered in Virginia may nominate at least one faculty member for these awards each fall; the maximum number of nominees per institution is determined by its size. Nominees are assessed on their teaching, research and public service. About 100 nominations are received each year and undergo a two-part process in which, first, all nominees are reviewed by panels of peer-experts in their fields, and then those scoring highest are reviewed by a final selection committee of state academic, business and community leaders.

#### Mission Alignment

By recognizing annually Virginia's outstanding postsecondary faculty, at no cost to the taxpayer, SCHEV improves the morale among our educators, thereby providing a positive workplace environment on the Commonwealth's campuses and fulfilling SCHEV's mission to promote the development and operation of an educationally and operationally sound, vigorous, progressive, and coordinated system of higher education.

The state budget (Chapter 836 of the 2017 Acts of Appropriation), in Item 145, assigns responsibility to SCHEV to select annually the recipients of the Outstanding Faculty Recognition Awards from public and private institutions of higher education and to provide the selected honorees with grants from the private funds designated for these purposes.

#### Products and Services

##### Description of Major Products and Services

SCHEV typically bestows 13 awards each year; however, the number is dependent on the amount of private funding available. At least one award is conveyed each year to an early-career Rising Star. Each award consists of a plaque or trophy and a check, usually in the amount of \$5,000. Recipients and their families attend a ceremony and luncheon in Richmond.

##### Anticipated Changes

None

##### Factors Impacting

As a privately-funded activity, this service area is impacted by the availability (or lack thereof) of a source of private funds and the amount of annual funding provided by that source, as well as the funder's expectations about the program.

#### Financial Overview

The Virginia Outstanding Faculty Awards program is funded entirely from private contributions. The Dominion Foundation has been the source of these private funds since 2005.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	0	75,000	0	75,000
Changes to Initial Appropriation	0	0	0	0

#### Supporting Documents

Title	File Type
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## Higher Education Coordination and Review [11104]

### Description of this Program / Service Area

Activities in this service area encompass the various roles and duties that SCHEV fulfills in its capacity as the Commonwealth's academic, fiscal, and facility planning and coordinating agency for Virginia higher education.

### Mission Alignment

As set forth in the Code of Virginia, this service area is the cornerstone of SCHEV's mission 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 shall also seek to facilitate collaboration among institutions of higher education that will enhance quality and create operational efficiencies and shall work with institutions of higher education and their boards on board development."

The Code of Virginia assigns responsibility to SCHEV for coordination, review and planning of higher education in multiple statutes, including:

- § 23.1-203 -- Duties of Council
- § 23.1-204 -- Post-graduation employment rates
- § 23.1-206 -- Assessment of performance of public institutions
- § 23.1-208 -- Budget requests and recommendations
- § 23.1-209 -- Reports of expenditures of state funds
- § 23.1-310 -- Assessment and certification of institutions by the Council
- § 23.1-1304 -- Governing boards; additional duties; educational programs
- § 23.1-3133 -- Awards from the Virginia Research Investment Fund

### Products and Services

#### Description of Major Products and Services

- Statewide higher-education strategic plan development
- Performance-indicator development
- Operating-budget recommendations
- Capital-outlay budget recommendations
- Academic-program approval
- Academic-program-productivity review
- Learning-assessment guidelines
- Academic-site approval
- Mission-change approval
- Organizational-unit (at or above the academic departmental level) approval (new or change of existing)
- Articulation-agreement facilitation
- Institutional certification/recertification to operate in Virginia (private and out-of-state institutions)
- Financial-aid program administration (16 programs)
- Six-year capital outlay plan
- Tuition and fee report
- Full-cost report
- E&G-expenditures (by institution and program) report
- Higher Education Equipment Trust Fund (HEETF) administration

Financial-feasibility studies

Data collection and warehousing

Virginia Longitudinal Data System (VLDS) administration

Enrollment-projection approval

Enrollment-demand projections

Post-graduation employment rates

Advisory services to Virginia private nonprofit institutions of higher education

New-board-member orientation/education program

Virginia Research Investment Committee (VRIC) assistance (with the Virginia Research Investment Fund/VRIF)

Commonwealth Research and Technology Strategic Roadmap development (effective January 1, 2018)

**Anticipated Changes**

None

**Factors Impacting**

The agency's products and services may be impacted by:

- Executive and legislative initiatives
- General fund appropriations for operations
- Staff retention/turnover
- Ad hoc assignments
- Pending staff retirements.

**Financial Overview**

SCHEV is appropriated \$14.16 million in FY2017 and \$13.94 million in FY2018 to support its and others' efforts in this service area. Of these amounts, about 40 percent (\$5.56 million in the first year and \$5.51 million in the second year) are allocated for agency operations.

The remaining 60 percent (\$8.59 million in FY2017 and \$8.44 million in FY2018) pass through SCHEV to fund other initiatives, namely the Virtual Library of Virginia or VIVA (\$7.84 million the first year and \$7.90 million the second), the Virginia Women's Leadership Institute at Mary Baldwin University (\$307,899 each year) and the Fund for Excellence and Innovation (\$450,000 the first year and \$225,000 the second). The latter program was created by the 2016 Virginia General Assembly to: (i) stimulate collaboration among public school divisions, community colleges and universities to create and expand affordable student pathways; and (ii) pursue shared services and other efficiency initiatives at colleges and universities that lead to measurable cost reductions.

Cost-savings initiatives undertaken by the Governor and the General Assembly during the 2017 legislative session resulted in the initial FY2017 appropriation being reduced by \$1.61 million and the FY2018 appropriation being reduced by \$2.84 million. The FY2017 appropriation for activities in the agency budget was reduced by \$1.15 million, and the appropriation for the pass-through programs was reduced by \$462,701 (\$412,701 from VIVA and \$50,000 from the Fund for Excellence and Innovation). The FY2018 appropriation for activities in the agency budget was reduced by \$2.15 million, and the appropriation for the pass-through programs was reduced by \$687,701 (\$412,701 from VIVA and \$225,000 from the Fund for Excellence and Innovation).

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	15,618,614	150,000	16,630,097	150,000
Changes to Initial Appropriation	-1,607,811	0	-2,838,236	0

**Supporting Documents**

**Title** **File Type**

**Regulation of Private and Out-of-State Institutions [11105]**

**Description of this Program / Service Area**

Activities in this service area seek to advance postsecondary education (non-public) in the Commonwealth and to ensure consumer protection of our citizens through the regulation of private and out-of-state institutions.

**Mission Alignment**

By monitoring the legitimacy and viability of some non-profit and all for-profit and out-of-state institutions operating in Virginia, SCHEV expands the educational opportunities for all citizens of the Commonwealth. This activity is a major component of SCHEV's goal to maximize higher education access and affordability.

The Code of Virginia assigns responsibility to SCHEV for the regulation of certain private and out-of-state postsecondary-education entities in Article 3 (§ 23.1-213 -- § 23.1-239) of Chapter 2 of Title 23.1. The Virginia Administrative Code articulates the regulations and fee structures to be enforced by SCHEV in 8 VAC 40-31-260.

**Products and Services**

**Description of Major Products and Services**

For educational entities required by statute to be certified to operate in Virginia, SCHEV reviews and approves or disapproves each entity's application for a Certificate to Operate; SCHEV reviews and renews or denies renewal of these Certificates to Operate annually; and SCHEV issues suspensions or revocations of Certificates to Operate based on the findings of both scheduled and unannounced audits of certified entities. SCHEV also maintains a Student Tuition Guarantee Fund to ensure that students can recoup some of their tuition if their institution closes unexpectedly, as well as a repository of student records from educational entities that have closed. SCHEV responds to complaints received in writing about all public and private postsecondary entities in the Commonwealth.

**Anticipated Changes**

None

**Factors Impacting**

Factors that impact the agency's ability to provide certification, renewal, and suspension/revocation services include the number of applications received for initial certification each year, the number of postsecondary educational entities eligible to have their certifications renewed each year, and the number of such entities audited by the agency and found to be seriously deficient each year, thereby warranting suspension or revocation of their certifications. Some suspensions/revocations result from student complaints, the volume of which can also impact the agency's provision of these services, as SCHEV is legally obligated to investigate all written complaints.

**Financial Overview**

Per statute (§ 23.1-224), SCHEV's work in this service area is supported completely by nongeneral funds in the form of fees assessed to the 100+ degree-granting institutions and 130+ career and technical schools that operate in the Commonwealth. As articulated in the Virginia Administrative Code (8 VAC 40-31-260), the initial fee for a new career/technical school is \$2,500; for a new degree-granting school, \$6,000. Renewal fees vary according to each entity's prior-year tuition and fee amounts, and are either \$250, \$1,000, \$2,500, \$4,000 or \$5,000. Also, entities that have not yet secured accreditation from an accrediting body recognized by the U.S. Department of Education are assessed an additional annual fee -- \$2,500 for unaccredited career/technical schools and \$6,000 for unaccredited degree-granting institutions. Additional fees may be charged for various other services as permitted and delineated in the regulations. In addition to funding SCHEV's expenses in regulating these certified entities, the fees also fund a Student Tuition Guarantee Fund, which is used to reimburse some or all of students' tuitions when their institutions close unexpectedly. The state budget allocates \$190,000 in each year of the biennium for this Fund.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	0	1,216,064	0	1,216,122
Changes to Initial Appropriation	0	0	0	0

**Supporting Documents**

Title File Type

## Service Area Plan

### Higher Education Federal Programs Coordination [11201]

#### Description of this Program / Service Area

Activities in this service area support SCHEV's work to coordinate federal programs on behalf of the Commonwealth. Specifically, this service area involves administration of the Improving Teacher Quality State Grants program (which is part of Title II, Part A of the No Child Left Behind Act of 2001). The purpose of these grants is to increase the academic achievement of all students by helping secondary schools and school districts improve teacher and principal quality and ensure that all teachers are highly qualified. SCHEV awards these grants to institutions of higher education that partner with local school districts to support this purpose.

#### Mission Alignment

Via this federal grant program, SCHEV assists in improving secondary-school teacher and principal quality, which improves the preparation that Virginia youth receive for postsecondary education. Therefore, students can achieve more, and fewer public resources are expended on remedial education, which renders the higher-education system more educationally and economically sound. This outcome is consistent with SCHEV's mission to promote the development and operation of an educationally and economically sound, vigorous, progressive, and coordinated system of higher education.

The Code of Virginia assigns SCHEV responsibility to carry out federal requirements in § 23.1-205.

#### Products and Services

##### Description of Major Products and Services

Each year, SCHEV may award up to 10 professional-development projects proposed by institutions of higher education with secondary schools or school systems; the maximum award is \$250,000. In most years, seven or eight awards are made on a competitive basis, usually in the \$50,000-\$200,000 range. In the 2017-18 academic year, seven awards were made.

##### Anticipated Changes

None

##### Factors Impacting

Factors that impact the grant awards include the number of applications, the amount of funds sought by the applicants, and the amount of funds available from the U.S. Department of Education to make awards.

#### Financial Overview

SCHEV is authorized to award new grants and to continue existing grants to improve K-12 teacher quality using nongeneral funds (in this case, federal funds) up to \$2.44 million in each year of the biennium.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	0	2,440,426	0	2,440,426
Changes to Initial Appropriation	0	0	0	0

#### Supporting Documents

**Title** **File Type**

**Early Awareness and Readiness Programs [17117]**

**Description of this Program / Service Area**

Activities in this service area also support SCHEV's work to coordinate federal programs on behalf of the Commonwealth. Specifically, this service area involves administration of the federal GEAR UP grant and scholarship program. The Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) program is an initiative of the U.S. Department of Education to help cohorts of students who attended low-income school districts in 2014-15 to learn about and prepare for postsecondary education and/or training. SCHEV has administered Virginia's current GEAR UP grant since 2014 (a prior grant ended in 2012).

The goals of GEAR UP Virginia (GUV) are to: 1) increase the academic performance and college preparation of GUV students; 2) increase the number of students in rigorous courses; 3) increase knowledge of college and financial aid among students and their families; 4) improve college readiness rates; and 5) increase college enrollment rates. GUV currently serves 4,307 secondary-school students in 15 low-income school districts and up to 50 Priority Population homeless students annually for six years (up to 300 total).

**Mission Alignment**

By increasing the rate at which students from low-income families who attend participating Virginia middle schools persist through high-school graduation and enroll in college, SCHEV is furthering the progressiveness of Virginia's system of higher education, which is a component of the agency's mission. The GEAR UP program also contributes to the agency's goals of promoting access to and preparation for postsecondary opportunities for Virginia's youth.

The Code of Virginia assigns responsibility to SCHEV to carry out federal requirements in § 23.1-205.

**Products and Services**

**Description of Major Products and Services**

GUV services include: 1) tutoring and mentoring; 2) summer programs to promote transition to high school and, later, transition to college; 3) professional development for teachers in core academic areas; 4) college and financial aid awareness workshops for students/parents; 5) visits to a variety of colleges; 6) counseling and advising related to college and career; 7) academic services in high school so that students do not need remediation in college; and 8) outreach to help high school graduates as they transition to postsecondary education.

Through the GEAR UP Scholarship program, GUV students are eligible to receive a one-time award of up to \$2,000 and no less than \$600 for one term, depending on their college enrollment level (full-time, three-quarter-time, half-time, and less than half-time).

**Anticipated Changes**

None

**Factors Impacting**

The primary factor impacting SCHEV's ability to provide GUV services is the availability of ongoing federal funding.

**Financial Overview**

SCHEV is authorized to expend up to \$3 million in nongeneral funds (in this case, federal funds) in each year of the biennium to support the Commonwealth's efforts (in-school and after-school programs and scholarships) to increase students' college enrollment and success and to transform the lives of low-income families and their communities via this program.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	0	3,000,000	0	3,000,000
Changes to Initial Appropriation	0	0	0	0

**Supporting Documents**

**Title** **File Type**

**Distance Learning and Electronic Classroom [18602]**

**Description of this Program / Service Area**

Activities in this service area support SCHEV's efforts, as the Commonwealth's statutory authorizing body for these purposes, to enter into interstate reciprocity agreements that ensure that Virginia institutions of higher education providing distance education in other states, as well as non-Virginia institutions providing distance learning in the Commonwealth, do so in compliance with federal requirements.

The U.S. Department of Education requires institutions of higher education that provide distance learning in states other than their home state to seek and receive an authorization to operate from each of these other states. To manage their authorization processes, most states have entered into interstate reciprocity agreements whereby authorizations are granted state-by-state rather than institution-by-institution. SCHEV is the authorizing body for the Commonwealth and coordinates and administers the Virginia State Authorization Reciprocity Agreement (V-SARA) through the Southern Regional Education Board (SREB) and the National Council on State Authorization Reciprocity Agreements (NC-SARA). Virginia institutions pay fees, based on their enrollments, for their authorization by SCHEV.

**Mission Alignment**

This activity aligns with SCHEV's mission to promote the operation of an economically sound, vigorous, progressive, and coordinated system of higher education by minimizing the resources (financial, human and time) that otherwise would be expended by Virginia's institutions of higher education in each's individual pursuit of authorization from all the other states in which it operates, as well as the public resources SCHEV would otherwise expend in considering individual authorization requests from each of the many non-Virginia institutions that operate here. The activity also provides enhanced quality assurance and consumer protection to Virginia residents who enroll in distance-learning programs from other member-states' institutions.

The Code of Virginia assigns responsibility to SCHEV for developing and entering into interstate reciprocity agreements for distance education in § 23.1-211.

**Products and Services**

**Description of Major Products and Services**

The major services provided by SCHEV in this area are: 1) approval of Virginia institutions to participate in the Virginia State Authorization Reciprocity Agreement (V-SARA); 2) maintenance of the V-SARA; and 3) coordination of Virginia's eligibility for and participation in the National Council on State Authorization Reciprocity Agreements (NC-SARA).

Since October 2014, a total of 49 Virginia institutions that offer distance-learning programs beyond the borders of the Commonwealth have sought and received authorization from SCHEV. These authorized institutions are: 13 (of the 15) public four-year institutions, 12 (of the 23) community colleges and 24 private institutions.

**Anticipated Changes**

None

**Factors Impacting**

None

**Financial Overview**

SCHEV's costs for coordinating and administering this service area are covered completely by nongeneral funds in the form of fees assessed to authorized Virginia institutions. These fees are based on authorized institutions' enrollments: \$1,000 for those with fewer than 2,500 full-time-equivalent (FTE) students; \$2,000 for those with 2,500-9,999 FTE students; and \$3,000 for those with 10,000 or more FTE students. SCHEV may expend up to \$100,000 of these nongeneral funds in each year of the biennium to support these distance-learning reciprocity activities.

Biennial Budget

	2017 General Fund	2017 Nongeneral Fund	2018 General Fund	2018 Nongeneral Fund
Initial Appropriation for the Biennium	0	100,000	0	100,000
Changes to Initial Appropriation	0	0	0	0

**Supporting Documents**

Title	File Type
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