

STATE BOARD FOR COMMUNITY COLLEGES

MEETING NO. 292
July 19, 2007

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 July 19, 2007, in the Godwin-Hamel Board Room, on the 15th Floor of the James Monroe Building, 101 North 14th Street, Richmond, Virginia.

Members Present: Mr. Mark R. Graham, Chair
 Mr. Robert W. Shinn, Vice Chair
 Ms. Shahnaz Ahmed
 Mrs. Megan Beyer
 Ms. Barbara A. Johnsen
 Ms. Adele Johnson
 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. Michael Petters
 Mr. Alan G. Toxopeus

Members Absent: Mr. Hank W. Chao

Staff Present: Mr. Peter Blake
 Mr. John Brilliant
 Mr. Tom Cantone
 Ms. Tara Cassidy
 Ms. Pam Currey
 Ms. Ellen Davenport
 Dr. Glenn DuBois
 Dr. Jennifer Gentry
 Dr. Marcia Harrington
 Mr. Craig Herndon
 Mr. Bill Hightower
 Ms. Sharon Hutcheson
 Dr. Donna Jovanovich
 Dr. Christopher Lee
 Dr. Neil Matkin

Staff Present: Mrs. Marlene Mondziel
Ms. Nan Ottenritter
Ms. Karen Petersen
Dr. Gretchen Schmidt
Dr. Monty Sullivan
Mr. Ed Watson
Ms. Rita Woltz
Dr. Susan Wood

Others Present: Ms. Terry Drumheller, RCC
Mr. Everett Jordan, Northrop Grumman Newport News
Ms. Linda McLintock, GCC
Ms. Ocieola Newby, TCC
Ms. Maria Nieto-Shahsavarian, NVCC
Dr. James O'Brien, TCC
Dr. David Sam, President, GCC
Dr. Darryl Staat, President, CVCC

I. OPENING

A. Call to Order

Mr. Mark Graham, 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. Introduction of New Board Member, Dr. Barbara G. Johnsen

The Chairman introduced Dr. Barbara Johnsen, recently appointed Board member. He presented her with the State Board Member lapel pin. Dr. Johnsen, a member of the Eastern Shore Community College Foundation, lives on the Eastern Shore.

Mr. Graham reported that Mr. Hank Chao was recently appointed to the Board but was unable to attend today. He was pleased to report that the Governor reappointed Board members Ms. Adele Johnson, Ms. Connie Kincheloe and Mr. Mike Mohler.

D. Minutes – Meeting No. 291, May 17, 2007

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

"THE STATE BOARD FOR COMMUNITY COLLEGES APPROVES THE MINUTES OF THE MAY 2007 MEETING AS SUBMITTED."

The motion carried.

E. Public Comment

There was no public comment.

F. Education – Responding to the Workforce Needs of a Vibrant Business Community, Dr. Darrel Staat, President, Central Virginia Community College

The Chancellor introduced Dr. Darrel Staat, President of Central Virginia Community College (CVCC). He asked Dr. Staat to provide a brief presentation on the college's relationship with the local business community.

Dr. Staat stated that he came to CVCC in 1999 and shortly thereafter realized that it had not developed a strong relationship with the diverse local business community. Tasked with the responsibility of connecting the college with the business community, he noted several significant problems. The technical labs were totally out of date and other college facilities were deteriorating. Many programs operated in outdated labs with insufficient equipment. One of the most important problems he discovered was the lack of a strategic long-range plan. Dr. Staat noted that he found positives at the college, such as the classified staff and the dedicated faculty who were successful with the students, especially transfer students.

In 1999, Dr. Staat began with a survey of the business and industries in the area. Following that, several courses were offered targeted to the local business community. With the help of community leaders, six new technical lab facilities were designed. Over five years, the \$10.5 million required to build and renovate the facility was raised. The AREVA Technology Center opened in August 2004. During this five year period, CVCC created a number of technical degrees and certificates that were industry-specific.

The next step was the renovation of the science labs and, with *Dateline 2009* in place; the legislature provided \$750,000 for the project. The health labs were renovated and \$4.1 million from the General Assembly would be used to renovate the library. The library will completely change from one focused on books and hard-copy reading materials to one filled with PCs connected to the internet along with electronic course work on CDs and DVDs. The library will include a distance learning department complete with a media studio and will even have a coffee shop.

In order to meet the needs of students in the 21st century, the faculty developed online courses. There are 65 online courses and two online degree programs available now. This summer almost 40% of the CVCC students take at least one virtual course.

Responding to a concern expressed in the Business Survey, CVCC developed four off-campus centers. They serve two purposes by first serving the individual students with courses taught in the traditional manner and through interactive video emanating from the main campus. The centers also serve businesses in the outlying areas with courses and certificate programs not offered before. There are businesses that knew of the college but have turned to CVCC for training only after a center was located near them.

Beginning this fall, CVCC will offer Early College, a program developed for selected high school students that, upon completion, will provide 62 credit hours and a transfer Associate Degree. This is an extension of CVCC's successful dual enrollment program and was developed with the support of local school superintendents.

Another program beginning this fall is the 2+2 engineering program leading to a baccalaureate degree in Engineering in collaboration with the University of Virginia (UVA) and 13 local businesses, one of which provided \$600,000 for start-up funding. The first two years will be taught at CVCC and the second two years will be taught by UVA in Lynchburg, which is very important to the area. CVCC is currently raising funds to completely renovate the Physics lab. The local businesses will sponsor students in the program by paying tuition, fees, and books. Some will even provide students with a job while enrolled in the program and all of the businesses will offer jobs in Engineering at graduation. This is CVCC's way of "growing our own" engineers for the locality.

Dr. Staat noted that he started with a 20-year Vision for the college that was developed through focus groups from all of the stakeholder groups. Within that Vision, the planning process set five-year goals and annual objectives. These are revised yearly. The Plan is posted on the college's web site.

Another program that supports the business community is the Workforce Investment One Stop Center. It is managed by the college and supported by the Workforce Investment Board and the local business community. This facility is an outstanding success in the community and for the college.

Dr. Staat ended his presentation with the CVCC motto: CVCC, where your future begins. He further noted that Mr. Nathaniel Marshall, State Board member, served as Chair of the CVCC local board during the transition.

In response to an inquiry from Mr. Shinn, Dr. Staat reported that there are 20 to 30 major industries in the area. CVCC also works with many smaller local companies. He noted that there are jobs in the community and the businesses need trained employees for those jobs. There is a lot of residential building in the area and the Center for Advanced Engineering is under development in Bedford County. Dr. Staat stated that the area is growing and that Liberty University continues to grow, with a student body of over 10,000. CVCC successfully strives to remain competitive.

G. Reports from Campus Liaisons – Mr. Alan Toxopeus

The Chair asked Mr. Toxopeus to report on his campus liaisons. Mr. Toxopeus reported that he visited 14 of the colleges during May and June. He found each to be very impressive and he encouraged each Board member to visit the campuses. He stated that there are great colleges within the VCCS.

H. VCCS Resolution of Appreciation to Bakaid – Ms. Shahnaz Ahmed

At this time, the Chancellor reported that he, several presidents and staff from the community colleges visited Turkey with Ms. Ahmed. It was a very busy trip to a country with a fascinating history. He noted that their hosts, Bakaid, were reaching out to leaders of various sectors from selected western countries, in this case the higher education sector, by extending an invitation to visit. He reported that the group had many candid conversations. With two million citizens seeking post-secondary education each year, Turkish universities can accept only 200,000. It is a government-controlled admission process.

Ms. Ahmed expressed her belief that there existed a potential for the development of exchange programs and distance learning programs. At this time, Ms. Ahmed read a Certificate of Appreciation to Bakaid (See Appendix I.).

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

“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVE THE CERTIFICATE OF APPRECIATION TO BAKAID AS PROPOSED.”

The motion carried.

II. CHANCELLOR'S REPORT

The Chancellor noted that he was pleased to introduce the new president of Germanna Community College, Dr. David Sam. On the agenda for the May meeting, Dr. Sam was unable to attend because of a meeting with the Governor in his service region. The Chancellor stated that Dr. Sam came to the VCCS from Florida and that it was a pleasure to have him in the System.

A. Introduction of 2007-2009 Chancellor's Professorships

The Chancellor stated that through the Chancellor's Professorships, the VCCS can help selected faculty members pursue scholarly interests.

Recipients of the 2007-2009 Chancellor's Commonwealth Professorship are:

1. Ms. Linda McLintock, Assistant Professor of English, Germanna Community College. Ms. McLintock's project is *"A Proposal for Creating a Developmental Studies Program at Germanna Community College."*
2. Dr. James O'Brien, Professor of Psychology, Tidewater Community College, Virginia Beach Campus. Dr. O'Brien's project is *"A Proposal for the Publication of Solomon E. Asch's Last Empirical and Theoretical Contributions to Psychology on Independence and Social Influence."*

B. Chancellor's Fellowship for Classified Staff

There is a similar program for the classified staff to pursue their education.

Recipients of the 2007 Chancellor's Classified Staff Fellowship are:

1. Ms. Terry Drumheller. Employed at Rappahannock Community College in Workforce Development, she coordinates open enrollment programs for the community and employers. Ms. Drumheller will be working towards a bachelor's degree in Occupational and Technical Studies by first completing work on an Associate's degree at Rappahannock Community College.
2. Ms. Maria Nieto-Shahsavarian. Employed at Northern Virginia Community College as a program administrative specialist in the Student Services Center at the Medical Education Campus, Ms. Shahsavarian will be working towards completion of a Masters degree in foreign language with a concentration in Spanish/Bilingual Multicultural Education.

C. Final Chancellor's Report on 2006-2007 Goals

The Chancellor stated that the final report on his 2006-2007 Goals was provided. It serves as an end-of-the-year report. He noted that 95% of the goals were accomplished. There was less financial aid awarded but the number of students receiving financial aid increased. The goal to recruit more diverse students was not met.

D. Initial Chancellor's Report on 2007-2008 Goals

The Chancellor reported that the first report on his goals for 2007-2008 was provided.

F. State Board Annual Meeting, November 13-14, 2007, Portsmouth, VA

Dr. DuBois announced that the Annual Meeting of the State Board will be held in Portsmouth with Tidewater Community College hosting. He urged each Board member to mark their calendars and to attend. Dr. Gentry and her staff are hard at work developing an excellent program.

The Chancellor noted that Virginia is hosting the annual meeting of the National Council of State Directors of Community Colleges in Williamsburg in August. It is an opportunity to showcase the VCCS. Mr. Petters and his company, Northrop Grumman Newport News, are assisting with sponsorship and by providing a tour of the shipyard.

III. COMMITTEE REPORTS

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

1. Minutes – Meeting of May 16, 2007

The Committee approved the minutes of the May 2007 meeting.

2. Action Items

a. Proposed Associate of Applied Science in Emergency Medical Services from Southside Virginia Community College

Mr. Hancock reported that Southside Virginia Community College (SsVCC) requested approval to establish an Associate of Applied Science degree in Emergency Medical Services (EMS). The program will prepare students for various EMS related positions. The program is needed in the region because of a shortage of skilled EMS technicians. The Committee recommended approval. (See Appendix II.)

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

“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVE THE REQUEST FROM SOUTHSIDE VIRGINIA COMMUNITY COLLEGE TO ESTABLISH AN ASSOCIATE OF APPLIED SCIENCE DEGREE IN EMERGENCY MEDICAL SERVICES AS PROPOSED.”

The motion carried.

- b. Proposed Revision to *VCCS Policy Manual*, Section 6.0.1, General Admission to VCCS Colleges (SB)

Mr. Hancock reported that an addition to the *VCCS Policy Manual* was proposed to restrict the level of high school students eligible to enroll in dual enrollment coursework. Current policy allows all high school students to enroll if the student meets the placement and prerequisite requirements. The addition would require all freshmen and sophomore dual enrollment students to meet established institutional placement criteria prior to enrollment.

Mr. Lumsden stated that dual enrollment was significant in the Southside area. He asked if the VCCS can track how well the dual enrollment students do once they transfer to a four-year college or university. Dr. Sullivan reported that the VCCS can begin to track these students as the transfer admission agreements become active. The Chancellor noted that there is not much research on this but one study suggested a positive impact for student success.

The Committee recommended approval as amended to require formal approval by the college president only. (See Appendix III.)

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

“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVE THE PROPOSED ADDITION TO SECTION SIX OF THE VCCS *POLICY MANUAL*.”

The motion carried.

- c. Proposed Deletion of *VCCS Policy Manual*, Section 8.3.3.d, Reported and Excluded Enrollments (SB)

Mr. Hancock reported that the State Board had passed revisions to existing Human Resources policy to allow for reduced tuition rates at Virginia’s community colleges for employees of the VCCS. The guidelines were expanded to allow colleges the option to offer courses at no tuition to all VCCS employees. Current policy does not allow VCCS employees whose tuition is waived to be reported for headcount or FTEs. There is no SCHEV policy that precludes counting VCCS employees as part of headcount or FTEs. With the expansion of the tuition benefit and once employees begin to take advantage of the new policies, there may be enrollment reporting

implications for the VCCS. It is recommended that approval of the proposed deletion be approved. The Committee recommended approval. (See Appendix IV.)

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

“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVE THE PROPOSED DELETION TO SECTION 8.3.3.d, *REPORTED AND EXCLUDED ENROLLMENTS*, TO ALLOW VCCS EMPLOYEES WHOSE TUITION IS WAIVED TO BE REPORTED FOR HEADCOUNT OR FTES.”

The motion carried.

d. Programs Eligible for Endowment Matching Programs

Mr. Hancock stated that in 2003 the General Assembly authorized the State Board to establish an endowment matching program that supports education and training for high-cost or high-demand occupations. However, matching funds specific to this program have not been provided. Matching funds are provided through the Eminent Scholars Program which does not provide a full match. After a thorough review of the list of eligible programs, the following education and training programs eligible for matching funds under the endowment matching programs are: Engineering/Engineering related technology/Computer and information sciences; health care services/residential care; agriculture, forestry, and environmental services; biotechnology; homeland security and defense; transportation and logistics/automotive technology; education; construction trades; and other region specific industries as documented and requested by colleges. The Committee recommended approval. (See Appendix V.)

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

“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVE THE IDENTIFIED INDUSTRIES FOR ELIGIBILITY FOR MATCHING FUNDS UNDER THE ENDOWMENT MATCHING PROGRAM.”

The motion carried.

3. Information Items

a. Addition to VCCS *Policy Manual* Section 6.4.0—Counseling (C)

Mr. Hancock noted that a recommended policy had been drafted to address the recent legislation regarding students who exhibit suicidal tendencies or behavior. Following suggested revisions and adoption

by the Advisory Council of Presidents, the colleges are encouraged to publish the policy in its student handbook. This is provided as information only. No action is required by the State Board.

b. Addition to VCCS *Policy Manual* Section 6.5.0 - Student Conduct (C)

Mr. Hancock reported that the Student Services Committee drafted and the Academic and Student Affairs Council adopted a policy statement to address student grievances. After review at the June 2007 meeting, it was determined that Section 6.5.0.1 *Student Grievance* be created in the *Policy Manual*. The purpose of a student grievance procedure is to provide equitable and orderly processes to resolve student grievances. This is provided as information only. No action is required by the State Board.

c. Approval for Germanna Community College Certificate in Fire Science (C)

Mr. Hancock stated that Germanna Community College proposed the establishment of a Certificate in Fire Science Technology. Since the certificate program already exists in the VCCS, the proposal was approved by the Chancellor. This is provided as information only. No action is required by the State Board.

d. 2007 Program Viability Review

Mr. Hancock noted that the VCCS systematically reviews programs and courses for all 23 community colleges to ensure their continued viability. SCHEV has delegated to the State Board the responsibility for review and discontinuance of any associate degree program that is nonproductive based on stated criteria. This year program viability will be evaluated in terms of both FTEs and graduates. The standards to be used in the evaluations are provided for your information.

e. VCCS Student Leadership Conference – November 2-4, 2007, Newport News, VA

Mr. Hancock stated that this year's VCCS Student Leadership Conference would be held in Newport News on November 2-4, 2007. Thomas Nelson Community College (TNCC) will co-host the event. The Chancellor encouraged any Board member who could attend to do so. It is a gathering of the top student leaders in the VCCS.

f. Southern Association of Colleges and Schools – Commission on Colleges Update (Handout)

Dr. Sullivan noted that there have been significant changes to the accreditation process. He provided a copy of the latest actions taken by the Commission on Colleges, Southern Association of Colleges and Schools. He stated that Tidewater Community College's accreditation was reaffirmed and that the University of Virginia was approved to offer degrees on two of VCCS college campuses.

Dr. Sullivan distributed a copy of the *Transfer Made Easy* brochure. He noted that it was the first step in bringing together many VCCS transfer initiatives into one document. At the next meeting of the State Board, the Chancellor requested that staff demonstrate the web site on transfer that is available for our students.

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

1. Minutes – Meeting of May 16, 2007

The Committee approved the minutes of the May 2007 meeting.

2. Action Items

There were no action items.

3. Information Items

a. Litigation

Ms. Ahmed reported that the Committee reviewed the litigation as presented by System Counsel.

b. Status of FY 2006-2007 Audit Plan

Ms. Ahmed reported that the status of the FY 2006-2007 Audit Plan was provided.

c. Fixed Assets Audit

Ms. Ahmed stated that the Fixed Assets Audit was performed by the VCCS Internal Audit Department, and the results of this audit were provided.

At this time, the Chair called a ten-minute recess.

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

1. Minutes – May 16, 2007

The Committee approved the minutes of the May 2007 meeting.

2. Action Items

Mr. Shinn stated that unless there were objections, all three of the consent items would be included in one motion from the Committee.

Consent Items:

- a. John Tyler Community College
Chester Campus
Demolition of Three Storage Buildings

Mr. Shinn reported that John Tyler Community College (JTCC) requested approval to demolish three small structures on its Chester Campus as part of the Godwin Hall renovation project. The Committee recommended approval. (See Appendix VI.)

- b. Central Virginia Community College
Temporary Space for CVCC for
Maintenance Facility Offices

Mr. Shinn reported that Central Virginia Community College (CVCC) requested approval to purchase a temporary building to be located adjacent to the new Maintenance Building. The temporary building will provide office space for the Maintenance Staff and the mail room. A new Maintenance Building, currently under construction, will house all other maintenance functions. The Committee recommended approval. (See Appendix VII.)

- c. Virginia Highlands Community College
Renovate ISC Building
Preliminary Drawing Review

Mr. Shinn reported that Virginia Highlands Community College (VHCC) requested approval of the preliminary drawings to renovate the Instructional and Student Center Building. Funds for the renovation were appropriated by the legislature in the 2006 session. 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 DEMOLITION OF THREE STORAGE BUILDINGS ON THE CHESTER CAMPUS OF JOHN TYLER COMMUNITY COLLEGE AS PROPOSED; THE PURCHASE OF A TEMPORARY BUILDING AT CENTRAL VIRGINIA COMMUNITY COLLEGE AS PROPOSED; AND THE PRELIMINARY DRAWINGS OF THE INSTRUCTIONAL AND STUDENT CENTER BUILDING RENOVATION AT VIRGINIA HIGHLANDS COMMUNITY COLLEGE AS PROPOSED.”

The motion carried.

Discussion Items:

- d. Danville Community College
Acquisition of Contiguous Property
Womack Building

Mr. Shinn reported that Danville Community College (DCC) requested approval to acquire contiguous property currently owned by the DCC Educational Foundation. The Womack Building on the property recently underwent a complete renovation. Both the building and the land are being donated to the State Board. It is estimated that the total cost for “due diligence” will be \$20,000 and adequate local funds are available to cover the acquisition costs. The Committee recommended approval. (See Appendix IX.)

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

“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVE THE ACQUISITION OF THE WOMACK BUILDING AND ASSOCIATED PROPERTY.”

The motion carried.

- e. Lord Fairfax Community College
Middletown Campus
Corron Community Development Center
Preliminary Drawing Review

Mr. Shinn reported that in May 2006 the State Board approved the schematic design for the Corron Community Development Center on the Middletown Campus of Lord Fairfax Community College (LFCC). Since then significant changes have been made to the design. LFCC requests approval of the revised design. The greatest

change is that Old Dominion University's Teletechnet program will be a partner in the building. Also, the building will include training rooms, a multipurpose room, office space and conference rooms. The Committee recommended approval. (See Appendix X.)

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

“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVE THE PRELIMINARY DESIGN OF THE NEW CORRON COMMUNITY DEVELOPMENT CENTER AT LORD FAIRFAX COMMUNITY COLLEGE AS SUBMITTED.”

The motion carried.

- f. Tidewater Community College
Chesapeake Campus
Property Conveyances

Mr. Shinn noted that this action is requested to amend the language in keeping with the enabling legislation. In 2003, the State Board approved the acquisition of a 24-acre parcel from the City of Chesapeake by Tidewater Community College (TCC). In 2005, the State Board approved the conveyance of both a smaller parcel on the edge of TCC's Chesapeake Campus and TCC's interest in a 15-foot wide parcel on the vacated Bells Mill Road in exchange for contiguous property on the western edge of the Chesapeake Campus. The enabling General Assembly language authorized the State Board to accept the contiguous property by gift at no cost to the Commonwealth. The language did not provide for an exchange of property. The Committee recommended approval. (See Appendix XI.)

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

“THE STATE BOARD FOR COMMUNITY COLLEGES AMEND ITS SEPTEMBER 15, 2005, AND NOVEMBER 19, 2003, AUTHORIZATIONS BY APPROVING AS TWO INDEPENDENT TRANSACTIONS: 1) THE CONVEYANCE OF 3,830 SQUARE FEET OF LAND ON THE TIDEWATER COMMUNITY COLLEGE CHESAPEAKE CAMPUS AND THE COMMONWEALTH'S 15-FOOT FEE INTEREST IN THE OLD BELLS MILL ROAD TO THE CITY OF CHESAPEAKE; AND 2) THE ACQUISITION OF THE 24-ACRE PARCEL BY GIFT FROM THE CITY OF CHESAPEAKE AT NO COST TO THE COMMONWEALTH. FURTHER, THE CHANCELLOR'S STAFF IS AUTHORIZED TO PROCEED WITH THE APPROPRIATE AND NECESSARY STEPS TO CONSUMMATE THESE TRANSACTIONS.”

The motion carried.

- g. Tidewater Community College
Expanded Scope for Virginia Beach Campus Student
Center to Accommodate Bookstore

Mr. Shinn reported that Tidewater Community College has entered into an innovative agreement with Barnes & Noble to be the bookseller on its campuses. At the Norfolk Campus, a “super center” is planned in the student center being built there. A satellite bookstore would be maintained on the Virginia Beach Campus. Barnes & Noble expressed interest in locating a bookstore in the Virginia Beach Campus Student Center. The relocation of the bookstore in the Student Center would free up current bookstore space to be used for instructional and academic support and it will provide the space needed by Barnes & Noble to provide service to the students. This will be a win-win situation for all concerned. The new design would add approximately 7,500 gross square feet of space for which Barnes & Noble will provide funding for the design and construction. No additional cost will be incurred by the Commonwealth. The Committee recommended approval. (See Appendix XII.)

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

“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVE INCREASING THE SCOPE OF THE VIRGINIA BEACH CAMPUS STUDENT CENTER FROM 82,000 GROSS SQUARE FEET TO UP TO 89,500 GROSS SQUARE FEET TO SUPPORT INCLUSION OF THE CAMPUS BOOKSTORE IN THE PROJECT. THE FINAL PROJECT SCOPE WILL BE SUBMITTED FOR APPROVAL COINCIDENT WITH APPROVAL OF THE SCHEMATIC DESIGN. COST FOR THE DESIGN AND CONSTRUCTION OF THE SPACE TO BE OCCUPIED BY THE BOOKSTORE WILL BE BORNE BY THE CONTRACTOR PROVIDING BOOKSTORE SERVICES.”

The motion carried.

- 3. Information Items
 - a. Virginia Community College System
Annual Facilities Condition Report

Mr. Shinn stated that under State Board policy an annual report on the condition of the facilities is required. The Annual Facilities Condition Report is provided. In 1998 the VCCS contracted with a firm to prepare a facilities condition report and install a uniform reporting

template. Each college has utilized that reporting template to annually update its inventory of deferred maintenance needs. In 2005, a statewide program was developed that is similar but with two significant differences. First, the statewide program uses other parameters in determining the cost of replacement. When the VCCS used the new program, rarely were the values the same. However, the overall grouping is generally the same. The second difference is that the new program only required state agencies to assess and report on facilities considered for capital funding in the 2006-2008 budget cycle. It is anticipated that all VCCS facilities will be included in the report next year.

Mr. Mohler inquired of any enhanced security measures included. Dr. Neil Matkin, Vice Chancellor for Information Technology Services, stated that the Chancellor directed him to chair a task force to review emergency preparedness within the VCCS. He is coordinating this with the Governor's task force and conference on August 13. Many colleges are putting systems in place that were initiated prior to the Virginia Tech tragedy. The VCCS task force will report at the January 2008 State Board meeting.

b. Virginia Community College System
SWaM Reporting

Mr. Shinn noted that former Governor Mark Warner initiated plans to address the low level of utilization of Small Business, Woman and Minority-owned (SWaM) vendors in state purchasing. The SWaM Report is provided as information. The Facilities Committee requested that Ms. Rita Woltz, System Counsel, provide information at its next meeting on the legalities involved in this.

c. Virginia Community College System
Status Report on Capital Outlay Projects

Mr. Shinn reported that the Status Report on Capital Outlay Projects was provided as requested. He noted that two large projects came in under budget, the new campus at Thomas Nelson Community College and the Learning Resources Center at Southwest Virginia Community College. Mr. Ed Watson, Associate Vice Chancellor for Facilities Management Services, stated that the use of Construction Management at Risk (CMR) provides the VCCS with good results and an alternative way to bid projects. The Chancellor noted that his preference is to use CMR since the projects usually come in on time, on budget and without litigation.

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

1. Minutes - Meeting of May 16, 2007

The Committee approved the minutes of the May 2007 meeting.

2. Action Items

a. Approval of FY 2008 College Operating Budgets to Satisfy Reaccreditation Requirements of the Southern Association of Colleges and Schools (SACS)

Ms. Beyer reported that all community colleges in the VCCS are fully accredited by the Southern Association of Colleges and Schools (SACS). SACS conducts reaffirmation reviews of colleges every ten years. Among one of the requirements of this review is that the college budgets are approved by the governing body, in this case, the State Board. The FY2008 state operating budget for the colleges was provided. The budgets are allocated based on the funding model developed by the Joint Subcommittee of Higher Education, adopted by SCHEV and the General Assembly, and adapted for use by the 23 community colleges. The Committee recommended approval. (See Appendix XIII.)

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

“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVE THE FY2008 COLLEGE BUDGETS AS PROPOSED.”

The motion carried.

b. Discussion of the VCCS 2008 Session Budget Request and SCHEV Six Year Plans

Ms. Beyer reported that a reassessment of the state budget was anticipated by the Governor due to the anticipated revenue shortfall of approximately two percent. It is important to note that the current revenue shortfall is not the same as in the early part of this decade. The VCCS staff requests the State Board endorse the following budget priorities.

The first priority was to request all VCCS unspent carry-forward balances in FY 2007. Under the Restructured Higher Education Act and the commitment from the state that the colleges would receive

their carry-forward balances, the colleges did not anticipate these balances would be used to offset potential budget reductions in 2007-2008. The VCCS received a very significant increase in funding for FY 2006-2007 but it was received too late in the recruitment cycle for many of the colleges to hire the number of new faculty needed. Mr. Graham stated that significant dollars were at stake and he commended Ms. Pam Currey, Associate Vice Chancellor for Budget and Planning, for the development of the resolution. The Committee recommended that the State Board approve a resolution requesting the carry-forward balances be returned to the VCCS. (See Appendix XIV.)

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

“THE STATE BOARD FOR COMMUNITY COLLEGES APPROVE THE RESOLUTION AS PROPOSED.”

The motion carried.

Ms. Beyer then stated that the staff requested endorsement of VCCS budget priorities for consideration by the Governor and the General Assembly in the 2008 legislative session. In response to an inquiry, Ms. Karen Petersen, Executive Vice Chancellor, noted that the maintenance reserve funding was included under Capital Outlay Funding in the budget priorities. The Committee recommended endorsement of the budget priorities proposed. (See Appendix XV.)

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

“FOR THE PURPOSES OF DEVELOPING BUDGET REQUESTS TO THE GOVERNOR AND GENERAL ASSEMBLY, THE STATE BOARD FOR COMMUNITY COLLEGES ENDORSE THE FOLLOWING LIST:

- **BASE BUDGET ADEQUACY – TO CONTINUE TO STRIVE FOR FULL GENERAL FUND SUPPORT OF THE STATE’S ENROLLMENT DRIVEN GUIDELINES;**
- **CAPITAL OUTLAY FUNDING – TO PROVIDE NEW AND RENOVATED SPACE TO SERVE THE NEEDS OF AN EXPANDING STUDENT POPULATION;**
- **FACULTY AND STAFF SALARY INCREASES – TO CONTINUE TO STRIVE FOR FULL GENERAL FUND SUPPORT OF FACULTY SALARY INCREASES TO ACHIEVE THE 60TH PERCENTILE AND IMPROVE THE COMPETITIVENESS OF STAFF COMPENSATION PACKAGES;**

- **WORKFORCE DEVELOPMENT – TO OBTAIN FUNDING FOR CAREER COACHES, MIDDLE COLLEGE AND NON-CREDIT INSTRUCTIONAL SERVICES NEEDED TO SUPPORT BUSINESS AND INDUSTRY;**
- **FINANCIAL AID – TO PROVIDE CONTINUED ACCESS TO A HIGHER EDUCATION FOR ALL STUDENTS IN THE COMMONWEALTH;**
- **TRANSFER SCHOLARSHIP FUNDING – TO PROVIDE FUNDING SUPPORT FOR THE LEGISLATION PASSED IN 2007, FOR WHICH STUDENTS ARE FIRST ELIGIBLE IN 2008-09.**
- **SCHOLARSHIP/FOUNDATION FUNDING MATCH LEGISLATION FUNDING – TO PROVIDE INCENTIVES FOR THE PRIVATE SECTOR TO SUPPORT VIRGINIA’S COMMUNITY COLLEGES.”**

The motion carried.

Ms. Beyer noted that the VCCS was required to update Academic and Financial Six-Year Plans to SCHEV. Guidance packages from SCHEV will not be available until August. Key issues impacting the Plan include enrollment projections and faculty salary peer groups. Both of these issues are currently being negotiated with SCHEV staff.

Two scenarios are requested in the Financial Plan. One assumes full general fund appropriations over the six-year projection period to meet Base Budget Adequacy guidelines. The second assumes there will be no additional general funds forthcoming. In this scenario, the State Board is expected to make a determination of how much of the general fund gap to cover with tuition and fees. The Committee recommended endorsement of the two scenarios provided by staff. (See Appendix XV.)

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

“THE STATE BOARD FOR COMMUNITY COLLEGES ENDORSE THE FOLLOWING SCENARIOS FOR PLANNING PURPOSES IN DEVELOPING THE SIX YEAR FINANCIAL PLAN FOR SUBMISSION TO SCHEV IN OCTOBER:

- **THAT IN THE CASE OF SUSTAINED AND IMPROVED GENERAL FUND SUPPORT OF BASED BUDGET ADEQUACY GUIDELINES FOR THE VCCS, THAT TUITION INCREASES WOULD BE HELD TO A LEVEL OF APPROXIMATELY 6% PER YEAR OR THE AMOUNT REQUIRED TO MEET ONE-THIRD THE COST OF EDUCATION FOR IN-STATE STUDENTS;**

- **THAT IN THE CASE OF LEVEL FUNDING RELATIVE TO STATE SUPPORT, THAT FOR SHORT PERIODS OF TIME TUITION NOT BE INCREASED ABOVE THE ESTIMATED AMOUNTS ABOVE, HOWEVER OVER LONGER PERIODS OF TIME THAT TUITION BE INCREASED SUFFICIENT TO PROVIDE FACULTY AND STAFF TO SERVE ENROLLMENTS AND TO COVER THE COSTS OF SALARY AND OTHER INFLATIONARY COSTS; AND,**
- **THAT IN THE CASE OF BUDGET REDUCTIONS, THAT IN ESTABLISHING TUITION RATES PRIORITY BE GIVEN TO MAINTAINING ACCESS FOR AS MANY STUDENTS AS POSSIBLE AND TO SUSTAINING SERVICES FOR THOSE STUDENTS.”**

The motion carried.

3. Information Items

AIS Implementation Project Update

Ms. Petersen announced that the Administrative Information System (AIS) went live on July 2. This was the first phase of a three-year joint project between the Fiscal Services staff, the Information Technology Services staff and all 23 colleges. Financial systems have to be implemented at the beginning of a fiscal year. If the implementation date was missed on July 2, the project would be postponed for an entire year. Mr. Dave Mair, Controller, and Ms. Jo Jo Martin, Director of Project Management and Administrative Services, along with the Bearing Point consultant group were instrumental in successfully leading the project to this point. All 23 community colleges were pleased. Ms. Petersen reported that minor issues were being worked out and Phase II is beginning. She noted that it is anticipated the Human Resource AIS project will be implemented around January and will take approximately 18 months. Included in the carry-forward funds was intended funding for this project. Dr. Matkin stated that the project was on time and that it was being compared to similar projects at the University of Virginia and Virginia Tech. Mr. Petters stated that he held the AIS team in very high regard and commended the teamwork required for the successful engagement of the project.

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

1. Minutes—Meeting of May 16, 2007

The Committee approved the minutes of the May 2007 meeting.

2. Action Items

There were no action items.

3. Information Item

a. HR Agenda Action Plan for 2007

Mr. Marshall asked Dr. Christopher Lee, Associate Vice Chancellor for Human Resource Services, to provide this report. Dr. Lee stated that a Human Resource agenda was created to support *Dateline 2009* and other goals through the application of “best practices” and state-of-the-art Human Resource (HR) techniques, programs and services. The HR Department is working with the chief HR officers at the colleges, the Advisory Council of Presidents, the Personnel Committee, and other constituencies to identify the highest priorities upon which to focus in the coming year. The State Board will be asked to act on these priorities when appropriate. It is anticipated one of the highest priorities will be recruitment and retention since the acquisition and retention of key talent and a diverse faculty and staff is one of the most important elements in becoming a ‘world-class community college system.’

IV. EXECUTIVE COMMITTEE/CHAIR’S REPORT

The Chair noted that there was no Executive Committee meeting.

Under the Chairman’s report, Mr. Graham stated that replacement pages of the *VCCS Policy Manual* were provided. Also provided was a list of committee assignments and new liaison assignments. Mr. Graham noted that the members were asked to update their biographical information that appears on the VCCS web site. Please return these to the Chancellor’s Office.

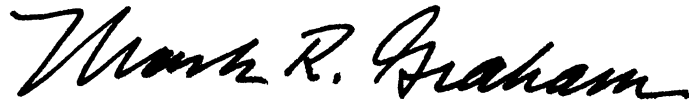
V. OTHER BUSINESS

The Chair presented a gift of appreciation to Mr. Toxopeus for his service as Chairman of the State Board.

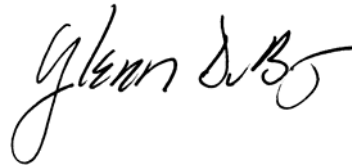
Mr. Graham announced that a tour of the newly renovated State Capitol would commence at 12:15 p.m. for all those interested in seeing the project. The tour would be conducted by Mr. Richard Sliwoski, Director of the Department of General Services.

VI. ADJOURNMENT

There being no further business to come before the State Board, the meeting was adjourned at 11:37 a.m.



Mark Graham, Chair
GD/sbh



Glenn DuBois, Secretary

APPENDIX I

BAKIAD

WHEREAS, The transcontinental Republic of Turkey has overseen the birth of major civilizations including the Byzantine and Ottoman Empires; and the culture of the Republic of Turkey offers a unique blend of Eastern and Western tradition; and

WHEREAS, The Republic of Turkey's geographic location allows it to serve as a bridge between two civilizations and as a powerful and strategic presence in the Eurasian landmass with strong cultural and economic influence in the area between the Aegean Sea in the west and China in the east, Russia in the north and the Middle East in the south; and

WHEREAS, Bakiad is dedicated to the mission of promoting knowledge, respect and understanding between the people of the Republic of Turkey and people from across the world; and

WHEREAS, Bakiad organizes and sponsors cultural and educational exchange trips to the Republic of Turkey for leaders from other nations; and

WHEREAS, Bakiad hosted leaders from Virginia's Community Colleges on a recent exchange trip to the Republic of Turkey; and

WHEREAS, The experience provided the Virginia Community College leaders with a greater perspective and hope for future partnership opportunities with leaders, organizations and the people of the Republic of Turkey

NOW, THEREFORE BE IT RESOLVED, that the State Board for Community Colleges does hereby express its grateful appreciation to this distinguished organization; and

BE IT FURTHER RESOLVED, that the State Board does hereby direct that this resolution be given to Bakiad as a token of the esteem of the members of this State Board.

July 19, 2007

APPENDIX II

TITLE: PROGRAM APPROVAL – ASSOCIATE OF APPLIED SCIENCE DEGREE IN EMERGENCY MEDICAL SERVICES

BACKGROUND:

Southside Virginia Community College (SsVCC) proposes the establishment of an Associate of Applied Science degree in Emergency Medical Services (EMS). This degree is a five-semester, 72 credit hour curriculum as allowed in Table 5-1B. Graduates of this program will be prepared for the National Registry examinations required for national certification at the EMT- Intermediate and EMT-Paramedic levels and employment as an emergency medical technician, paramedic, EMS officer, EMS instructor, rescue technician, emergency manager, or other related position. EMS program graduates will also be prepared for problem-free transfers between other EMS programs within the VCCS or other emergency medical services-related programs in the United States.

ACTION RECOMMENDED:

It is recommended that the State Board for Community Colleges approve that Southside Virginia Community College be allowed to offer the Associate of Applied Science degree in EMS.

PREVIOUSLY REVIEWED BY:

- ✓ SsVCC Curriculum Committee and College Board
- ✓ VCCS Academic Services and Research staff

RATIONALE:

In November 2005, representatives from Virginia community colleges completed an initiative to develop a common curriculum for Associate of Applied Science (AAS) degrees in Emergency Medical Services at Virginia's community colleges.

This degree program is needed in the Southside Virginia region because there is a shortage of skilled pre-hospital providers at the basic and advanced levels of patient care. As a result, there is also a demand from local emergency medical providers to offer such a program. Much of the demand comes from local EMS response agencies, private patient transport businesses, and fire departments within the ten (10) county service region of SsVCC.

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 Technology, swood@vccs.edu, 804.819.4936
- Mr. William Hightower, Director of Educational Programs, bhightower@vccs.edu, 804.819.4696

APPENDIX III

TITLE: Proposed Revision to VCCS Policy Manual Section 6.0.1 - General Admission to VCCS Colleges Relating to Dual Enrollment

BACKGROUND:

Current policy language allows for all high school students to enroll in dual enrollment coursework if the student meets the placement and prerequisite requirements. Prior to 2004, students had to be juniors or seniors in order to be able to enroll in dual enrollment courses in the VCCS. This stipulation was outlined in the Virginia Plan for Dual Enrollment agreement with the Department of Education. In January 2004, the presidents voted to expand access to dual enrollment to 9th and 10th graders, in appropriate situations. The current language is as follows:

6.0.1 General Admission to the VCCS Colleges (SB)

Individuals are eligible for admission to the community college if they are high school graduates or the equivalent, or if they are eighteen years of age or older and able to benefit from study at the community college. Dual enrollment students will be admitted according to the provisions in the current Virginia Plan for Dual Enrollment. Other persons not meeting these admissions criteria may apply to the college for special consideration for admittance.

The colleges reserve the right to evaluate and document special cases and to refuse admission to applicants if such refusal is considered to be in the best interest of a college.

Following that change, the Virginia Plan for Dual Enrollment agreement was revised to remove the grade level restriction for dual enrollment. The language is as follows:

Student Eligibility

All high school students are eligible to participate in the dual enrollment arrangement between the public school and community college. However, appropriate public school and community college officials should take the necessary steps to assure that every student who is registered under the dual enrollment arrangement is amply prepared for the demands of a college-level course and can benefit from the enrichment opportunity.

As a result of a recent focus placed on the rigor of dual enrollment coursework, the Chancellor has asked that the colleges practice due diligence with all policies and procedures related to dual enrollment. He has suggested that there be more assurances in the admissions process to ensure that all dual enrollment students have the ability to benefit from college coursework.

The following is the proposed policy language revision recommended by the Advisory Council of Presidents:

APPENDIX III Continued

6.0.1 General Admission to the VCCS Colleges (SB)

Individuals are eligible for admission to the community college if they are high school graduates or the equivalent, or if they are eighteen years of age or older and able to benefit from study at the community college. *Dual enrollment coursework is restricted to high school juniors and seniors. Exceptions may be considered for freshman and sophomore students who are able to demonstrate readiness for college level coursework through the colleges' established institutional policies. It is required that all freshman and sophomore students meet established institutional placement criteria prior to enrolling in dual enrollment coursework. Because enrolling freshman and sophomore students is considered exceptional, each freshman and sophomore student will be treated on a case-by-case basis and require formal approval by the college president or designee.*

ACTION RECOMMENDED:

That the State Board for Community Colleges approve the proposed addition to Section 6 of the VCCS Policy Manual to restrict the level of high school students eligible to enroll in dual enrollment coursework. Following the change in policy language, the Virginia Plan for Dual Enrollment will need to be revised accordingly.

PREVIOUSLY REVIEWED BY:

- ✓ VCCS Academic Services and Research staff
- ✓ Academic and Student Affairs Council, June 2007
- ✓ Advisory Council of Presidents, June 2007

RESOURCES:

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

APPENDIX IV

TITLE: Proposed Deletion of VCCS Policy Manual Section 8.3.3.d - Reported and Excluded Enrollments

BACKGROUND:

In July 2006, in response to action by the General Assembly, the State Board passed revisions to existing Human Resources policy to allow for reduced tuition rates at Virginia's community colleges for employees of the Virginia Community College system. The existing VCCS Educational Assistance Guidelines were expanded to provide colleges the option of offering "continuous learning courses," at no tuition to all VCCS employees, except student employees. These courses may be either job-related or for personal growth.

Current VCCS policy does not allow VCCS employees whose tuition is waived to be reported for headcount or FTES. The current policy 8.3.3d is as follows:

Employees of the VCCS who have tuition waived shall not be reported for headcount or FTES when they are enrolled in courses for credit. Employees enrolled in credit courses who either pay tuition or have their tuition reimbursed shall be reported as headcount and FTES enrollments.

In researching the impact of the new tuition policy's implementation, VCCS staff determined that there is no SCHEV policy that precludes counting VCCS employees as part of headcount or FTES. This appears to be an internal VCCS guideline. With the expansion of the tuition benefit, once employees begin to take advantage of the new policies, there may be enrollment reporting implications for the system.

ACTION RECOMMENDED:

That the State Board for Community Colleges approve the proposed Deletion of VCCS Policy Manual Section 8.3.3.d - Reported and Excluded Enrollments to allow VCCS employees whose tuition is waived to be reported for headcount or FTES.

PREVIOUSLY REVIEWED BY:

- ✓ VCCS Academic Services and Research staff
- ✓ Advisory Council of Presidents, June 2007

RESOURCE PERSONS:

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

APPENDIX V

TITLE: PROGRAMS ELIGIBLE FOR ENDOWMENT MATCHING PROGRAM

BACKGROUND:

The 2003 General Assembly approved a provision that authorizes the State Board for Community Colleges to establish an endowment program that supports education and training for high-cost or high-demand occupations. Language in Chapter 1042, 2003 Acts of Assembly, reads as follows:

The State Board for Community Colleges is authorized to establish procedures whereby community college foundations will be eligible to create endowments for which the investment earnings on qualified gifts by donors would be eligible for up to a 100 percent match by the state, if such endowments are created for the purpose of enhancing selected academic offerings to provide education and training for high cost or demand occupations identified as critical to the economic vitality of the Commonwealth.

In July 2003, the State Board for Community College approved procedures for identifying eligible programs, which included a periodic review by ACOP. The board also approved a resolution stating that academic offerings to support the following industries would be eligible for matching funds from the program:

- Computer and data processing services/Information technology/Telecommunications
- Health care services/Residential care
- Agriculture and Forestry
- Biotechnology
- Tourism
- Homeland security and defense-related clusters
- Personnel supply services
- Business services
- Construction
- Other region specific industries as documented and requested by colleges

The Governor and the General Assembly have not provided any matching funds for these programs.

In an effort to keep the list of eligible programs current, VCCS staff reviewed the list with the Advisory Council of Presidents and with representatives of the Executive Committees of the Academic Services Advisory Council and the Workforce Development Advisory Council. Staff also reviewed the Governor's Strategic Plan for Economic Development, the Virginia Economic Development Partnership industry clusters, and other materials related to the identification of high demand programs critical to the economic vitality of the Commonwealth.

APPENDIX V Continued

Based on these reviews, the staff recommends that education and training programs in the following industries be eligible for matching funds under the endowment matching program:

- Engineering/Engineering related technology/Computer and information sciences
- Health care services/Residential care
- Agriculture, Forestry, and Environmental Services
- Biotechnology
- Homeland security and defense
- Transportation and logistics/Automotive technology
- Education
- Construction trades
- Other region specific industries as documented and requested by colleges

ACTION RECOMMENDED:

Staff recommends that the State Board for Community Colleges approve the identified industries for eligibility for matching funds under the endowment matching program.

PREVIOUSLY REVIEWED BY:

- ✓ Advisory Council of Presidents
- ✓ Executive Committees of the Academic Services Advisory Council and the Workforce Development Advisory Council
- ✓ VCCS Staff

RESOURCE PERSONS:

Peter Blake, Vice Chancellor
Workforce Development Services
pblake@vccs.edu 804-819-4945

Monty Sullivan, Vice Chancellor
Academic Services and Research
msullivan@vccs.edu 804-819-4972

Susan Wood, Assistant Vice Chancellor
Academic Services and Research
swood@vccs.edu 804-819-4936

APPENDIX VI

TITLE: JOHN TYLER COMMUNITY COLLEGE
DEMOLITION OF THREE STORAGE BUILDINGS

BACKGROUND:

John Tyler Community College is requesting State Board approval to demolish three small structures on its Chester Campus. The buildings to be demolished include a metal pole barn approximately 10' x 14', a small metal shed approximately 8' x 10', and the existing concrete block and chain link cylinder storage shed (See attached pictures). Each of these buildings is in a very poor state of repair. The pole barn and the small metal shed were installed as temporary storage facilities for welding supplies several years ago and have outlived their useful life. The buildings are unsightly, poorly constructed and need to be removed to provide a functional equipment yard for the industrial labs in Godwin Hall. The demolition will be accomplished through the Godwin renovation project. The renovation project also includes replacement of the existing cylinder storage building with a new structure and upgraded equipment.

Request for demolition of these three storage buildings will be presented to the Art and Architectural Review Board for approval in its July 2007 meeting.

RECOMMENDATION:

It is recommended that the State Board approve the demolition as submitted.

LOCAL BOARD APPROVAL:

The Local College Board does not require its approval of the demolition.

RESOURCE PERSONS:

Dr. Marshall W. Smith, President
John Tyler Community College
(804) 706-5014
msmith@jtcc.edu

Mr. Edward O. Watson
Associate Vice Chancellor for
Facilities Management Services
Virginia Community College System
(804) 819-4920
ewatson@vccs.edu

APPENDIX VII

TITLE: CENTRAL VIRGINIA COMMUNITY COLLEGE
TEMPORARY MODULAR BUILDING
MAINTENANCE FACILITY OFFICES

BACKGROUND:

During the 2002 Session of the General Assembly, funding was appropriated for the design and construction of a Maintenance Building at Central Virginia Community College. This project is a part of a “system-wide” appropriation, which provides for the construction of maintenance facilities at various colleges and campuses throughout the VCCS. The authorized scope of the CVCC - Maintenance Building was 4,000 gross square feet. Versar, Inc. an A/E firm in the Lynchburg, Virginia, was retained to complete the design of this project and to administer the construction phase. Bids were received on October 5, 2006. Following the infusion of additional State and Local Funds, a contract was awarded to Coleman-Adams Construction, Inc. The project is currently approximately 80% complete.

When completed, this new building will provide much needed space for the college maintenance shops, shipping and receiving operations, storage space for supplies and equipment, as well as a central location for the colleges campus-wide Building Automation Controls System. Although the college is looking forward to occupying this new Maintenance Building later this summer, this building will not accommodate the total space needs of the Maintenance Department. The space being vacated in the Amherst Building will temporarily be used as “swing space” for the Learning Resources Center, which is scheduled to undergo a complete renovation, beginning later this year. Once the renovation of the Learning Resources Center is completed, the vacated space in the Amherst Building will be converted to academic space.

In order to address the total space needs of the Maintenance Department, the college is proposing to purchase a 1,152 gross square foot (i.e. 24' x 48') temporary building. This temporary building will be located adjacent to the new Maintenance Building and will provide office space for the Maintenance Staff. The colleges Mail Room will also be located in this temporary building. All other maintenance functions will be housed in the new Maintenance Building. The projected purchase and set-up costs associated with this temporary building are approximately \$75,000. It is anticipated that this temporary building will be in service for a period of at least five years. Funding for purchase and set-up of this temporary building is available from the college's operating budget.

The attached site plan depicts the proposed location for this temporary building. The Art and Architectural Review Board will review this project at its July 2007 Meeting. The State Board will be apprised of any concerns raised by the Art and Architectural Review Board.

APPENDIX VII Continued

RECOMMENDATION:

It is recommended that the State Board for Community Colleges approve the placement of a temporary modular building on the campus of Central Virginia Community College.

LOCAL BOARD APPROVAL:

The Local College Advisory Board will review this project prior to the July 2007 State Board Meeting. The State Board will be apprised of any concerns raised by the Local College Advisory Board.

RESOURCE PERSONS:

Dr. Darrel W. Staat, President
Central Virginia Community College
(434) 832-7601
sykesd@cvcc.vccs.edu

Mr. Edward O. Watson,
Associate Vice Chancellor for
Facilities Management Services
Virginia Community College System
(804) 819-4920
ewatson@vccs.edu

APPENDIX VIII

TITLE: VIRGINIA HIGHLANDS COMMUNITY COLLEGE
RENOVATE ISC BUILDING
PRELIMINARY DRAWING REVIEW

BACKGROUND:

The 2006 session of the General Assembly appropriated \$1,115,000 of General Funds for renovations to the Instructional and Student Center Building (ISC) at VHCC. This is the original building on the VHCC campus, and the laboratories and restrooms haven't been upgraded since the building was built almost 40 years ago.

This project includes the following work:

- Renovation of one existing chemistry and two biology laboratories with new laboratory casework, fume hoods, makeup air systems, new chemical storage and preparation areas with proper ventilation and fire-safe storage.
- Renovation of all restrooms to provide full accessibility for disabled persons.
- Remodel underused lecture room to consolidate offices for Project Excel, Talent Search, & Upward Bound, and Student Success Center with other offices. Convert space presently used for some of these offices back into a classroom.
- Reconfigure snack bar and game room.
- Replace existing fire alarm and clock system.
- Add vestibules at entrances on west side of building.
- Replace existing windows with energy efficient windows.

RECOMMENDATION:

It is recommended that the State Board approve the preliminary design for renovations to the ISC building at VHCC as submitted.

LOCAL BOARD APPROVAL:

The Local College Board will review this preliminary design at their July 12, 2007 meeting. The State Board will be apprised of any concerns raised by the Local College Board.

RESOURCE PERSONS:

Dr. Paul Conco
Vice President for Finance and
Administrative Services
VHCC
(276) 739-2426
pconco@vhcc.edu

Mr. Edward O. Watson
Associate Vice Chancellor for Facilities
Management Services
VCCS
(804) 819-4920
ewatson@vccs.edu

APPENDIX IX

TITLE: DANVILLE COMMUNITY COLLEGE
ACQUISITION OF CONTIGUOUS PROPERTY
WOMACK BUILDING

BACKGROUND:

During the 2000 Session of the General Assembly, authorization was granted for the Virginia Community College System to acquire contiguous properties at Danville Community College. Properties identified for acquisition include the 5,000 square foot Womack Building and associated 0.32 acres of land. This property is currently owned by the Danville Community College Educational Foundation. The building previously served as the home of the Danville Community College, Estelle H. Womack Museum of Natural History, which has recently relocated to the new Science Museum in downtown Danville.

The Womack Building has recently undergone a complete renovation (i.e. work being accomplished by the Danville Community College Educational Foundation) to compliment the future Health Science Building, which is currently in the design phase. As currently configured, the Womack Building includes classroom space, administrative offices, locker rooms with showers, and a large multi-purpose area suitable for meetings, fitness classes, and exercise equipment.

This building and land are being donated to the State Board for Community Colleges. The total cost of acquiring this property is estimated to be in the neighborhood of \$20,000. Adequate Local Funds are available to cover these "due diligence" acquisition costs.

RECOMMENDATION:

It is recommended that the State Board authorize the acquisition of the Womack Building and associated property.

LOCAL BOARD APPROVAL:

The Local College Board approved the acquisition of this building and associated property on June 4th, 2007 at their regular meeting.

RESOURCE PERSONS:

Dr. B. Carlyle Ramsey, President
Danville Community College
(434) 797-8400
bramsey@dcc.vccs.edu

Mr. Edward O. Watson
Associate Vice Chancellor for
Facilities Management Services
(804) 819-4920
ewatson@vccs.edu

APPENDIX X

TITLE: LORD FAIRFAX COMMUNITY COLLEGE
MIDDLETOWN CAMPUS
CORRON COMMUNITY DEVELOPMENT CENTER
PRELIMINARY DRAWING REVIEW

BACKGROUND:

The State Board approved the schematic design for this building at its May 17, 2006 meeting. Since that time several significant changes have been made to the design and State Board approval is being requested for the revised plans. The most significant change is that Old Dominion University's Teletechnet program will be a partner in this building, with 3400 square feet of space, including 4 distance learning classrooms and an office suite. The total building area has increased slightly, to 30,400 square feet. 76% of the net square footage is dedicated to public use. The remaining 24% is for administrative and building support spaces

In addition to the ODU spaces, the building includes 6 training rooms, a large flexible multipurpose room with movable partitions and a catering kitchen. The multipurpose room can seat up to 300 people for dinner or 500 for presentations. The building has office suites for College Advancement, Workforce Solutions, and the Small Business Development Center. There are also 2 conference rooms that can be shared, and a Board Room with a breakout area.

The current overall project budget is \$6,473,900, with \$2,340,000 in General Obligation Bond (GOB) funds, \$1,264,000 in Trust and Agency (T&A) funds from localities, \$1,236,000 in Trust and Agency (T&A) funds from the College Educational Foundation, \$675,000 for furnishings and moveable equipment, and \$958,900 from Old Dominion University.

RECOMMENDATION:

It is recommended that the State Board approve the preliminary design of the new Corron Community Development Center at LFCC as submitted.

LOCAL BOARD APPROVAL:

The Local College Board reviewed and approved the preliminary design at their June 14, 2007 meeting.

RESOURCE PERSONS:

Dr. John J. Sygielski, President
Lord Fairfax Community College
(540) 868-7101
jski@lfcc.edu

Mr. Edward O. Watson
Associate Vice Chancellor for Facilities
Management Services
(804) 819-4920
ewatson@vccs.edu

APPENDIX XI

TITLE: TIDEWATER COMMUNITY COLLEGE
CHESAPEAKE CAMPUS
PROPERTY CONVEYANCES

BACKGROUND:

At its September 2005 meeting, the State Board approved conveyance of both a 3,830 square foot parcel of land (0.088 acre) at the edge of the Tidewater Community College's Chesapeake Campus and a 15' foot wide fee interest in the vacated old Bells Mill Road to the City of Chesapeake, in exchange for approximately 24 acres of contiguous property on the western edge of campus being acquired by the City of Chesapeake from a developer and transferred to the college.

The enabling General Assembly language authorized the State Board to accept the 24 acres of land by gift at no cost to the Commonwealth. The General Assembly authorization did not, however, provide for an exchange of the land and vacated roadway as consideration for the gift.

The State Board for Community Colleges, as an institution of higher of education, with the Governor's approval, may convey the 0.088 acre parcel and the fee interest in the vacated road directly to the City of Chesapeake, in accordance with Section 23-4.1 of the Code of Virginia. The acquisition by gift of the 24-acre parcel from the City of Chesapeake, as approved by the State Board on November 19, 2003, may then proceed as authorized by the General Assembly, subject to approval of the Governor, as a separate transaction.

RECOMMENDATION:

It is recommended that the State Board amend its September 15, 2005, and November 19, 2003, authorizations by approving as two independent transactions: 1) the conveyance of 3,830 square feet of land on the TCC Chesapeake Campus and the Commonwealth's 15-foot fee interest in the old Bells Mill Road to the City of Chesapeake; and 2) the acquisition of the 24-acre parcel by gift from the City of Chesapeake at no cost to the Commonwealth. It is further recommended that the Chancellor's staff be authorized to proceed with the appropriate and necessary steps to consummate these transactions.

LOCAL BOARD APPROVAL:

Not Required.

RESOURCE PERSONS:

Thomas S. Cantone, Associate System Counsel and
Assistant Attorney General Office of
Legal Affairs
Virginia Community College System
(804) 819-5381
tcantone@vccs.edu

William M. Johnson, Capital Outlay
Assistant Director Facilities Management
Services
Virginia Community College System
(804) 819-4912
wjohnson@vccs.edu

APPENDIX XII

**TITLE: TIDEWATER COMMUNITY COLLEGE
EXPANDED SCOPE FOR VIRGINIA BEACH CAMPUS STUDENT CENTER
TO ACCOMMODATE BOOKSTORE**

BACKGROUND:

Since 2003, Tidewater Community College's approved capital outlay plans have included student centers at each of its four campuses. At its November 2003 meeting, the State Board for Community Colleges approved feasibility studies for the Norfolk and Virginia Beach student centers with the caveat that TCC would "return with a definitive funding model for the State Board's subsequent consideration and action." The State Board approved the college's funding model based on student fees as well as an increase in scope for each of the four campus student centers at its May 2007 meeting. In that action, the scope of the Virginia Beach student center was adjusted from 75,000 to 82,000 gross square feet.

Non-General Fund appropriations for three of the four student centers have been included in the Commonwealth's biennial budgets—the Norfolk and Virginia Beach centers in the 2004-06 budget and the Portsmouth project in the 2006-08 budget. The Chesapeake Campus student center is in the college's capital outlay plan in the 2008-10 biennium and, thus, has been submitted for a Non-General Fund appropriation in the 2008 Session of the General Assembly. Requests to change the scope and cost of the previously authorized projects have also been submitted for consideration in the 2008 Session.

In October 2006, TCC entered into an arrangement with Barnes & Noble College Booksellers, Inc. to provide bookstore services for the college. One feature of the arrangement is a 28,000 square-foot "academic superstore" that will open this summer in downtown Norfolk's MacArthur Center. While most of the college's bookstore operations will be conducted at that location and online, because of the size of its enrollment, a "satellite store" will be maintained at the Virginia Beach Campus.

The current bookstore at the Virginia Beach Campus occupies 3,188 square feet in converted academic space in the Kempsville Building. Barnes & Noble has expressed an interest in occupying larger space that is specifically designed for bookstore operations based on their analysis of the business need at that campus.

RATIONALE:

The space currently provided for bookstore operations at TCC's Virginia Beach Campus is inadequate for the campus's needs—both in size and design. Barnes & Noble considers that it may need up to 10,000 gross square feet to provide the level of bookstore service expected by today's students and faculty. The Virginia Beach Campus has a space deficit of more than 150,000 gross square feet based on 2006-07 enrollment and SCHEV minimum standards. Thus, space for an appropriately sized bookstore is not available in the current inventory of facilities at that campus.

APPENDIX XII Continued

The bookstore at the Virginia Beach Campus occupies space previously configured as classrooms and offices. When the space was converted to serve as the campus bookstore only minor modifications were made to provide additional power outlets and lighting—no change in the interior layout was accomplished. As a result, the store is inefficient by today's retail business standards.

Locating the Virginia Beach Campus bookstore in its new Student Center will be a “win-win” situation for all concerned. Students and employees will enjoy the services of a modern bookstore, designed from the start to serve that purpose. The store will be located in what will become the center of student life on the Virginia Beach Campus. Barnes & Noble will have the space it needs to provide the service expected of its brand. And the college will regain approximately 3,200 square feet of space for its instructional and academic support mission.

The current program for the Virginia Beach Campus Student Center includes approximately 2,500 gross square feet of space that could be assigned to the purposes served by the bookstore. Thus, another 7,500 gross square feet of space would need to be added to the project's scope to accommodate the upper end of Barnes & Noble's projected requirement. An appropriate agreement would be developed under which Barnes & Noble would provide funding for design and construction of the portion of the Student Center it would occupy. The existing contract for bookstore services addresses responsibilities for operating costs.

RECOMMENDATION:

It is recommended that the State Board for Community Colleges approve increasing the scope of the Virginia Beach Campus Student Center from 82,000 gross square feet to up to 89,500 gross square feet to support inclusion of the campus bookstore in the project. The final project scope will be submitted for approval coincident with approval of the schematic design. Cost for the design and construction of the space to be occupied by the bookstore will be borne by the contractor providing bookstore services.

LOCAL BOARD APPROVAL:

The Executive Committee of the Tidewater Community College Local Advisory Board has approved the increase in scope of the Virginia Beach Campus Student Center to accommodate the campus's bookstore.

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APPENDIX XIII

TITLE: Approval of FY2008 College Operating Budgets to Satisfy Reaccreditation Requirements of the Southern Association of Colleges

BACKGROUND:

All community colleges in the Virginia Community College System are fully accredited by the Southern Association of Colleges and Schools (SACS). SACS performs reaffirmation reviews of the colleges' accreditation status every ten years. Among the many requirements of the SACS reaffirmation review process is a requirement that college budgets be approved by the governing body. The State Board for Community Colleges serves as the governing body of the Virginia Community College System.

Attached is the FY2008 state operating budget for the colleges in the VCCS. The dollars for each community college are allocated based on the funding model developed by the Joint Subcommittee of Higher Education, adopted by the State Council of Higher Education and the General Assembly, and subsequently adapted for use by the 23 community colleges. It is the responsibility of the VCCS System Office to execute the resource model on an annual basis using available resources from state appropriations and anticipated tuition and fee revenue collections.

RECOMMENDATION:

The State Board approve the FY2008 college budgets.

RATIONALE:

Approval will ensure satisfaction of the SACS requirement that the governing board approve the college budgets.

RESOURCE PERSON:

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Associate Vice Chancellor
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APPENDIX XIV

RESOLUTION
Adopted July 19, 2007

Urging the Secretary of Education, Secretary of Finance and Governor to authorize the carry-forward of all year-end balances of the Virginia Community College System.

WHEREAS, the Virginia General Assembly adopted the Restructured Higher Education Act in 2005; and

WHEREAS, as part of that Act, § [2.2-5005](#) provides that any unexpended appropriations of public institutions of higher education at the close of the fiscal year shall be reappropriated and allotted for expenditure by the institutions in the immediately following fiscal year; and

WHEREAS, the Virginia Community Colleges are a system of twenty-three colleges on forty campuses, and a system office; and

WHEREAS, the total FY 2007 Educational and General appropriation for the Virginia Community Colleges was \$655.3 million; and

WHEREAS, any unexpended appropriation of public institutions of higher education includes tuition, technology fees, and non-credit workforce development revenues and are not reflective of just general fund balances; and

WHEREAS, the Virginia Community Colleges embraced the ability to carry-forward prior year funds as a planning tool and did not anticipate that the balances might be used to offset potential budget reductions in 2007-08; and

WHEREAS, as a consequence of that authority the amount of the Virginia Community College's carry-forward balances is the largest the system has seen and is the result of many changes, most of which are very positive; and

WHEREAS, the VCCS intends to use the very significant increase in funding for 2006-08 to hire new faculty and provide instructional resources for the significant enrollment increases experienced in 2006-07 and anticipated for 2007-08; and

WHEREAS, it is anticipated that more than 200 new full-time faculty will be hired in 2006-08, by the time the budget was passed and resources distributed to the colleges for 2006-07, it was too late for most colleges to recruit and hire as many new full-time faculty as needed; and

WHEREAS, the essentially, level funded budget in the second year of the biennium at that time added to the planning difficulties; and

WHEREAS, VCCS enrollments grew by more than 3,600 FTE (3.9%) in 2006-07 and with essentially level funding the resources must be redistributed among the colleges in 2007-08 based on the enrollment growth; and

APPENDIX XIV Continued

WHEREAS, while these are good problems to have (more money and more enrollments), in this case, it caused the Community Colleges to approach long-term commitments carefully; now, therefore, be it

RESOLVED by the State Board for Community Colleges, That the Secretary of Education, Secretary of Finance, and Governor are urged to authorize the carry-forward of all year-end balances of the Virginia Community College System; and, be it

RESOLVED FURTHER, That the Chancellor transmit copies of this resolution to the Secretary of Education, Secretary of Finance, and the Governor so that they may be apprised of the sense of the State Board for Community Colleges in this matter.

APPENDIX XV

TITLE: Discussion of the VCCS 2008 Session Budget Request and SCHEV Six Year Plans

BACKGROUND:

The process of developing the VCCS operating budget requests for consideration by the Governor and the 2008 Session of the General Assembly will begin over the summer and into the fall. Additionally, both academic and financial Six Year Plans will be due to SCHEV in October and will require significant planning between now and then as well.

The 2008 Session is likely to be one of very limited budget flexibility for the Governor and General Assembly. It is currently projected that the Commonwealth will end fiscal year 2007 with revenue collections between \$200 and \$300 million below the forecast upon which the 2006-08 biennial budget was built. This shortfall will result in a re-estimate of the revenues for FY 2008, and it is likely that the impact of the shortfall will roll into FY 2008. This will necessitate consideration by the Governor of budget cuts for all state agencies and institutions prior to the legislative session, and will certainly have an impact on budget development for 2008-10.

However, it is important to note that the current revenue shortfall is not the same as in the early part of this decade. Overall weakness in the economy has not occurred. Individual income tax (withholding and nonwithholding) collections are strong. Sales tax collections are somewhat anemic – almost 2 percentage points behind the estimate. Corporate income tax was trailing as of May, however, June is a big collections month in that source. In all, total general fund revenue collections grew 13.9 percent in May 2007 compared to May 2006. On a year-to-date basis, revenues grew 4.7 percent over the same period last year, significantly behind the annual forecast of 6.5 percent. The major culprit in the current shortfall is that individual income tax refunds are exceeding expectations, thereby dampening growth.

Adjusting for the end of the Accelerated Sales Tax Program, revenues grew 3.5 percent through May of fiscal year 2007, behind the adjusted forecast of 5.4 percent annual growth.

June is another significant month for revenue collections, and typically accounts for about 11 to 12 percent of total general fund revenue for the year. June collections include receipts of individual and corporate estimated payments, estimated payments for insurance premiums and corporate franchise fees, along with regular monthly collections in other sources.

June collections must total about \$1.9 billion to meet the forecast for the fiscal year. Receipts last June totaled \$1.6 billion. According to the Secretary of Finance, fiscal year 2007 revenues appear highly likely to fall short of the forecast. Section 2.2-1503.3 of the Code of Virginia requires a re-estimate of general fund revenues if the sum of individual income, corporate income, and sales taxes falls more than 1.0 percent below the official budget estimate for the sum of the three sources.

As the first step in the reestimation process, a special meeting of the Governor's Advisory Board of Economists (GABE) was held on June 13. The Board recommended an interim economic forecast that reflects weaker growth than the official forecast.

APPENDIX XV Continued

On July 16, a meeting will be convened with individuals involved in home building, real estate, and mortgage banking to gauge the future impact of the housing slowdown on Virginia's revenue collections.

On July 25, the Governor's Advisory Council on Revenue Estimates (GACRE) will meet to discuss the interim economic and revenue forecasts. These forecasts will include input from the GABE and the housing sector experts. The GACRE will recommend what it believes to be the most likely path of the Virginia economy along with the revenue forecast associated with its chosen economic outlook. The interim revenue forecast for fiscal years 2008 through 2010 will be released by the Governor at the August 20 joint meeting of the General Assembly money committees.

With this as the backdrop, there are still obvious budget priorities going into the 2008 Session.

For 2007-08 (caboose bill)

Foremost will be a request to carry-forward all VCCS unspent balances in FY 2007. The budget shortfall coming at this time is a major test of the Higher Education Restructuring Act. A majority of the year-end balances anticipated in the VCCS were planned and have an intended purpose. With the advent of the Restructured Higher Education Act and a commitment to carry year-end balances forward, the colleges and System Office have embraced this as a planning tool and did not anticipate that the balances might be used to offset potential budget reductions in 2007-08.

The projected carryforward balances are large and are the result of many changes, most of which are very positive. First and foremost, the VCCS received a very significant and somewhat unanticipated increase in funding for 2006-07. While more than 200 new full-time faculty will be hired over this biennium, by the time the budget was passed and resources distributed to the colleges through our internal allocation model for 2006-07, it was too late for most colleges to recruit and hire as many new full-time faculty as needed for the first year. The level budget in the second year of the biennium at that time added to the planning difficulties given that VCCS enrollments grew by more than 3,600 FTE (3.9%) in 2006-07. With level funding the resources must be redistributed among the colleges in 2007-08 based on the enrollment growth. These are certainly good problems to have (more money and more enrollments), but in this case, it has caused our colleges to approach long-term commitments carefully.

Protecting carryforward balances and minimizing any budget reductions will continue to be the focus of the next few months.

For 2008-10

In development of the budget for 2008-10 and to the extent there are additional funds, the following are offered as VCCS budget priorities for consideration of the Governor and General Assembly in the 2008 legislative session:

APPENDIX XV Continued

- Base Budget Adequacy – to continue to strive for full general fund support of the state’s enrollment driven guidelines;
- Capital Outlay Funding – to provide new and renovated space to serve the needs of an expanding student population;
- Faculty and staff salary increases – to continue to strive for full general fund support of faculty salary increases to achieve the 60th percentile and improve the competitiveness of staff compensation packages;
- Workforce Development – to obtain funding for Career Coaches, Middle College and non-credit instructional services needed to support business and industry;
- Financial Aid – to provide continued access to a higher education for all students in the Commonwealth;
- Transfer Scholarship Funding – to provide funding support for the legislation passed in 2007, for which students are first eligible in 2008-09.
- Scholarship/Foundation Funding Match legislation funding – to provide incentives for the private sector to support Virginia’s community colleges.

Six-Year Plans

Updated Academic and Financial Six-Year Plans will be due from the VCCS to the State Council of Higher Education for Virginia (SCHEV) on October 1. SCHEV is supposed to send out guidance packages in June, but the Financial Plan templates will not be loaded and distributed until early August. Key issues impacting the Plan include enrollment projections and faculty salary peer groups. Both of those issues are currently being negotiated with SCHEV staff and any available updates will be provided at the State Board meeting.

Two scenarios will be requested in the Financial Plan. One will assume full general fund appropriations over the six year projection period to meet Base Budget Adequacy guidelines. Calculation of the guidelines will include agreed upon enrollment projections and achievement of the 60th percentile of the faculty salary benchmark groups. The second scenario will assume no increase in the general fund appropriation.

There are essentially two areas which can be modified to deal with those scenarios – expenditure levels and tuition levels. In the first scenario that includes full general fund support to cover two-thirds of the costs of in-state students, the other one-third of the cost of the guidelines is anticipated to come from tuition.

In the second scenario in which there are no additional general funds forthcoming, the State Board is expected to make a determination of how much of the general fund gap to cover with tuition and fees.

APPENDIX XV Continued

Beginning in 2004-05 while striving to provide the required one-third student share of costs associated with base budget adequacy guidelines as well as salaries for faculty and staff, the State Board adopted a concept of maintaining as much stability and predictability in tuition as possible, implementing manageable increases in both good times and bad in order to avoid the spikes in tuition that were implemented in the past. While implementing this concept of stable and predictable tuition, the VCCS instituted moderate tuition increases of 6-6.5% each year to fund the one-third cost expectation, with an increase of only 5.95% this year as a result of General Assembly incentives.

The attached chart on Tuition and Fee History reflects increases in mandatory E&G tuition and fees of between 5.95% and 6.53% over the past 4 years. Further, as part of Dateline 2009, the Board has stated its intention to keep VCCS tuition and mandatory fees at less than half the rates of public four-year institutions in Virginia. The attached chart on 2007-08 full-time resident undergraduate tuition and fees reflects that comparison as well.

In considering VCCS enrollment increases of 2.5 - 3% per year, it is estimated that tuition increases of approximately 6% per year in the next six year planning period will continue to sustain coverage of one-third of the costs of enrollment growth as well as continued movement toward the 60th percentile of faculty salary benchmark groups. Therefore, it is recommended that in the first scenario with adequate general fund support that tuition increases of approximately 6% per year be used for planning purposes in the six year financial plans.

In the second scenario, with no general fund increases, it is estimated that it might take tuition increases of as much as 26% per year to fully fund the guidelines. The financial model previously adopted by the State Board does not, however, make provisions to cover shortfalls in general fund student support. At current levels, tuition alone can cover the costs of adjunct faculty to serve additional students and provide a minimal amount of support for other operating costs. Therefore, for a short period of time in which there are no additional general funds, tuition may not need to be increased significantly above the planned levels. In the case of general fund reversions or sustained periods of no new general fund support, particularly while enrollments are growing, or in other unique circumstances, tuition may need to be increased above the planned amounts.

Restructuring, Level II, and Management Standards

Finally, the budget has typically been the source for any changes to the Restructuring act, particularly with respect to Level II and the Management Standards. For the 2008-10 biennium new metrics are being developed by SCHEV and state agencies for measuring compliance with management standards. FY 2008 is the first year in which the financial incentives for compliance with the Management standards will be provided. The VCCS is expected to receive a distribution from the Department of Accounts for its portion of interest earnings on E & G funds, as well as the rebate on the Small Purchase Charge Card program. The total is estimated to be as much as \$2.0 million. It will be important to review the revised management standards to ensure they are reasonable.

APPENDIX XV Continued

There is also still interest among a number of institutions to continue to pursue Level II delegated authority. Of particular interest to the VCCS is Level II delegated authority in Information Technology.

RECOMMENDATION:

1) That for purposes of developing budget requests to the Governor and General Assembly the State Board endorse the following list:

- Base Budget Adequacy – to continue to strive for full general fund support of the state’s enrollment driven guidelines;
- Capital Outlay Funding – to provide new and renovated space to serve the needs of an expanding student population;
- Faculty and staff salary increases – to continue to strive for full general fund support of faculty salary increases to achieve the 60th percentile and improve the competitiveness of staff compensation packages;
- Workforce Development – to obtain funding for Career Coaches, Middle College and non-credit instructional services needed to support business and industry;
- Financial Aid – to provide continued access to a higher education for all students in the Commonwealth;
- Transfer Scholarship Funding – to provide funding support for the legislation passed in 2007, for which students are first eligible in 2008-09.
- Scholarship/Foundation Funding Match legislation funding – to provide incentives for the private sector to support Virginia’s community colleges.

2) That the State Board endorse the following scenarios for planning purposes in developing the Six Year Financial Plan for submission to SCHEV in October:

- That in the case of sustained and improved general fund support of based budget adequacy guidelines for the VCCS, that tuition increases would be held to a level of approximately 6% per year or the amount required to meet one-third the cost of education for in-state students;
- That in the case of level funding relative to state support, that for short periods of time tuition not be increased above the estimated amounts above, however over longer periods of time that tuition be increased sufficient to provide faculty and staff to serve enrollments and to cover the costs of salary and other inflationary costs; and,
- That in the case of budget reductions, that in establishing tuition rates priority be given to maintaining access for as many students as possible and to sustaining services for those students.

RATIONALE:

Discussion will assure State Board input into the development of budget requests and the Six-Year Financial Plan. Further discussions of the Six Year Plans will occur at the September Board meeting.

APPENDIX XV Continued

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