# State Council of Higher Education for Virginia

## *1999 Virginia Plan for Higher Education:*

## *Advancing the System of Higher Education in Virginia*

### GOALS AND RECOMMENDATIONS

**GOAL 1:** *To maximize the opportunities for strategic decision-making at all public colleges and universities by promoting decentralization within a context of continuous quality assessment.*

For the past two decades, American business and industry have been learning the importance of strategic planning in order to remain competitive in a rapidly changing global marketplace. Organizations in other sectors of the economy are studying the lessons learned and are strengthening their capacity for strategic decision-making.

Virginia's public colleges and universities have likewise improved their processes for strategic change as a result of the restructuring required of them since 1994, because of the new approach to planning and budgeting adopted by the Department of Planning and Budget, and because the campus leaders recognize that strategic thinking is critical for an organization to achieve its mission in this day and age.

But, Virginia's public colleges and universities are hampered in their planning efforts by several factors. In too many cases, the authority for decision-making is vested

outside the campus. A system of external pre-approval decision-making is too slow and cumbersome for today's fast-paced, competitive environment. More importantly, a system of external decision-making enables institutions to shirk making the tough decisions. As business has learned, strategic thinking entails not only deciding to do something new but also deciding to stop doing something old.

The following recommendations will advance the overall goal to improve the opportunities for strategic decision-making at all public colleges and universities by promoting decentralization within a context of continuous quality assessment. This philosophy of combining increased decentralization with increased accountability also undergirds every other goal in the 1999 Plan.

### 1.1 Develop long-term, progressive, and stable funding provisions.

In order to engage in the meaningful strategic decision-making urged throughout this Plan, Virginia's public colleges and universities need added control of their human, fiscal, and capital resources. Further, to engage in long-term strategic planning, they must have an improved ability to anticipate future funding provisions and to understand the probable impact of their planning on funding provisions—while keeping in mind that economic conditions are invariably subject to some unpredictability. Planning and budgeting need to be more closely coordinated. Also, the overall provisions for allocating taxpayer support to public and private institutions should be more securely connected to the public policy purposes that originate the support.

In developing the 2000-02 budget recommendations to the Governor and General Assembly, the Council intends to

make such recommendations using a new approach to determine institutional appropriations. The new approach is designed to maximize autonomy for decision making at the institution level while holding the institution accountable for the use of such funds. A fundamental aspect of this model will also be to recognize mission differentiation and differing staffing patters and to account for them accordingly.

The next four recommendations outline the key components of the new approach to funding.

**1.2   Establish base funding guidelines based on the necessary and continuing functions of the institutions.**

In developing a new funding model, the Council will aim to ensure that base funding for each institution is adequately set and that provisions are made for periodic adjustment of that base to be certain that periodic operations of the institutions are appropriately funded.

**1.3   Provide an element of incentive funding based on performance indicators.**

In its new approach to funding higher education, the Commonwealth should include an incentive element of performance-based funding. The Council, through its new funding model, intends to incorporate an element of funding that is dependent upon achieving outcomes. Under this model, the Commonwealth prescribes the desired outcomes and provides funding to those institutions that achieve them.

**1.4   Define accountability measures to assure opportunity for review of base funding measures.**

Inherent in this new funding approach is the philosophy that institutions should be given the ability to manage their fiscal, human, and capital resources. In order to accomplish this, the institutions need freedom from certain state bureaucratic processes and regulations. In exchange for these freedoms, institutions must meet certain standards to measure management accountability. The Council will develop such measures and assure their review as part of base budget analysis.

**1.5   Secure for institutions sufficient control over assets to assure maximum return on investments and control of resources.**

Again, as a means for institutions to recognize fully their strategic decision-making opportunities, decision-making must reside with the institution. Allowing institutions sufficient control of their assets will allow them to reap the benefits of greater return on investments. In addition, such control will allow institutions greater ability to adapt in a timely way to changing environments, hence reducing the opportunity costs associated with slow, externally controlled decision-making processes.

**1.6   Decentralize appropriate administrative activities at every public college and university that can be empowered to carry out these activities.**

The Council endorses the in-progress efforts led by the Secretary of Finance to decentralize many of the personnel, payroll, and procurement operations at those colleges and universities that are part of the pilot decentralization projects initiated in 1994. This Plan entertains moving those initiatives from a pilot status to standard practice and allowing other colleges and universities to operate under

the decentralized practices, provided they can demonstrate they have the management systems needed to carry out these activities efficiently and effectively. Further, the broad goal of decentralization should be advanced by working in partnership with the colleges and universities to identify other administrative operations that could be streamlined and improved by delegating them to the campus level.

**1.7  Work with other state agencies to reduce the burden of bureaucratic regulations and to make the institutions as flexible and autonomous as possible, while implementing corresponding measures to assure accountability.**

Working in partnership with the institutions, the Council intends to inventory regulations that the campus administrators find burdensome in order to develop and maintain ways to minimize the regulatory burden while still ensuring strong accountability and compliance with the intent of state policy.

**GOAL 2:** *To strengthen the ongoing assessment of the programs and units at Virginia's colleges and universities by focusing on outcomes and value-added analysis.*

Virginia's colleges and universities were early adopters of new models for assessing academic programs during the 1980s. Assessment practices are strong and widespread on most campuses. Some of Virginia's institutions have assessment programs that are considered as exemplars. Nevertheless, the new outcome-focused vision of quality, which is emerging at Virginia's public and private colleges and universities can only be achieved through the new,

expanded approach to assessment described in the following recommendations.

## 2.1    Revise the assessment guidelines.

Within the context of continuous quality assessment articulated in this Plan and on the principle that what is strong can always become stronger, the institutions and the Council staff should collaboratively review and revise the assessment guidelines. The purpose of this review is to identify the broad range of reasonable assessment practices that will be compatible with and effective in a system-wide audit procedure. The resulting revised guidelines should acknowledge, as do the current guidelines, that there are many valid approaches to assessment and that, in fact, strong programs intentionally use a variety of approaches to assessing student learning outcomes. The guidelines will work in tandem with accreditation standards, relying on and referring to such standards where appropriate.

Many of Virginia's public colleges and universities have developed thoughtfully designed and carefully executed assessment programs. Moreover, at many of the campuses there is a strong commitment on the part of faculty and administrators to use the collected information systematically to support campus decision-making. The active engagement of the faculty is essential to ensure that evidence collected through assessment is valued and put to use.

## 2.2  Formulate strategies for modifying the process to initiate academic programs.

Currently when campus leaders wish to develop a new academic program they must complete an elaborate process on the campuses. Such processes involve administrative

review as well as curriculum committee review at the department, college, and institutional level, including approval from the Board of Visitors. After this process is completed, programs are submitted to the Council of Higher Education staff for review and preparation of recommendations for presentation to the Council. At times, institutions try to avoid it altogether by seeking General Assembly patronage and bypassing SCHEV.

To strengthen the process and to assure improved program development, the Council will work with institutions to develop new program approval procedures with Council-approved assessment plans. In developing such plans, attention must be paid to limit duplication of effort and to use, where possible, market influences to evaluate student demand for academic programs.

The modified program approval process will place greater responsibility on the institutions themselves, rather than Council staff, to evaluate the need for a new program and to evaluate the planning and development of the program. The Council staff will review program proposals to certify that the following issues have been covered: desired learning outcomes, program duplication, market demand, and a specific plan for assessing the proposed program. Each new program will be presented to Council members for approval.

As part of making these modifications to the program approval process, institutions will also be required to submit an overall plan for the assessment of all academic programs. The overall guidelines for assessment plans will be revised to require a value-added approach to assessing student learning. The Council will review and approve the assessment plan for each institution. Council staff will periodically audit institutions to review the implementation

of their approved assessment plans, with particular attention given to programs that have been recently initiated. Staff will report to Council the results of the audit.

**2.3   Develop new mission-sensitive and student-centered (that is, case-sensitive) alternatives to the evaluation of graduation and retention rates and other indicators of student outcomes.**

Two typical measures used to gauge student learning outcomes and institutional performance are retention rates and graduation rates. These measures, as most commonly used, do not adequately distinguish among differences in institutional mission, and student preparation; nor do they make adequate provision for the fact that many students today pursue post-secondary education to develop specific skills and knowledge without necessarily planning to obtain a baccalaureate degree. Finally, the current system for evaluating overall student performance does not adequately track students as they move from one institution to another. The Council is actively researching an approach that would better address these issues.

**2.4  Develop a new mechanism for institutions to report to the Council, the Secretary of Education, the Department of Planning and Budget, and the General Assembly on their progress toward meeting the goals of their strategic plans, which will include an emphasis on assessment of outcomes.**

The Appropriation Act requires institutions to report on their restructuring and strategic planning efforts. Both the institutions that produce these reports and the state officials who receive and use the reports have called for improvements in the reporting format and process. In order

to provide a more useful tool, a new and integrated mechanism will be developed which will measure progress toward the goals outlined in their strategic plans as well as in this Plan.

**2.5   Ensure that the Council's policies for granting approval to out-of-state and private institutions to offer academic programs within Virginia are consistent with highest quality higher education.**

The Council intends to undertake a full review of its policies, procedures, and regulations for institutional approval to ensure that the highest quality educational programs are delivered.

**GOAL3: *To anticipate the future needs of all constituents of higher education through improved system-wide planning.***

While Goal One recommends an important change needed to improve strategic decision making at the individual campuses, Goal Three focuses on system-wide planning. The critical components of system-wide planning are the identification of all the needs of the constituents of higher education and a review of whether the system, through its collective efforts, meets those needs adequately. The following recommendations are intended to accomplish two purposes: 1) to improve the system-wide planning protocols, including the communication with and among Boards of Visitors and training of Boards of Visitors, and 2) to offer specific recommendations that will improve the ability of Virginia's colleges and universities to provide access to their services for the various constituents.

**3.1  Recommend that the Commonwealth meet its long-sought goal of funding at least through the baccalaureate the cost of education beyond what needy students and their families can afford.**

The Commonwealth has had a long-standing goal of providing state funds to meet at least 50 per cent of unmet financial need. The Commonwealth has never achieved this goal. Even though actions such as the tuition reduction and tuition limits have helped to keep a college education affordable, they have not provided those in most need with the necessary aid. The Council will continue to reinforce its desire for the Commonwealth to commit resources to meet its long-sought financial aid goal.

In addition, the Council should seek funds from all sources to leverage state funds. In particular, the Council will work with agencies such as the Virginia Department of Education to seek grant funds for scholarship and early intervention from the Federal Gear Up program.

**3.2  Develop new mechanisms to assist students and families in choosing a college based on their specific educational hopes and the relative ability of diverse institutions to provide the educational setting best suited to those goals.**

Research on how students choose which college to attend shows that there is a wide range of factors influencing that decision. It is not clear that the primary decision factor for many students when choosing a college is to select the educational setting best suited to their individual academic goals. Many other factors such as expected social activities, family ties, location, cost, and the decisions of friends strongly influence the decision-making.

The Council intends to work collaboratively with the institutions to explore new mechanisms for providing information to prospective students that helps them to understand the performance of a college from an outcome-focused conception of quality. This initiative will build on the earlier work published in the Council's *Indicators of Institutional Mission* series.

**3.3  Engage the institutions in a review of the coverage of higher education institutions across the Commonwealth.**

The Council will participate in the study approved by the 1999 General Assembly to evaluate the need for a college in south-central Virginia. The Council will extend the lessons learned from this study to a review of the coverage of higher education institutions across the Commonwealth.

**3.4  Ensure that enrollment planning and policies are predicated upon effective use of the existing building capacity at both the public and the private colleges and universities.**

While undergraduate growth is expected to occur at public institutions across the Commonwealth, targeted growth should occur at institutions that have existing capacity for it. Further, in cooperation with the private, non-profit colleges, the Council should evaluate the capacity within these institutions to accommodate anticipated enrollment growth. Evidence of capacity should be a part of the Council's enrollment projection process.

**3.5  Seek innovative ways—other than adding campuses—to extend higher education into communities and populations that are not fully served**

**by existing offerings and ensure that funding provisions support this end.**

Previously, TELETECHNET has demonstrated how our institutions can extend their reach to campus-sized markets. Continuing demand and changing technologies will offer further opportunities to extend access. Program offerings from the Southern Regional Electronic Campus in which Virginia participates will augment these options for Virginia institutions and students.

**3.6  Minimize institutional barriers that delay a student's progress toward a degree.**

In cooperation with the colleges and universities, the Council should develop guidelines, or best practices, on advising programs, undergraduate degree requirements, course availability, counseling, community college articulation standards, and other factors that contribute to the timely completion of a degree program. The General Assembly, through its funding policies, should ensure that the public investment in higher education is not solely for those deemed most likely to succeed. This obligation extends beyond the continuing legal obligation to expand minority access to higher education.

In addition, the Council should review with the institutions the provisions they have made to ensure that academic programs and other campus activities are made fully available to students with disabilities.

Finally, ongoing attention must be given to the State Policy on Transfer to keep pace with curricular changes on the campuses in order to maintain the Commonwealth's commitment to provide for students an easy and orderly process of transfer, especially from two-year to four-year institutions.

**3.7  Enhance system-wide planning processes by increasing the participation of Virginia's public and private colleges in developing the Virginia Plan for Higher Education and by establishing stronger linkages between the planning for and funding of individual campuses and the Virginia Plan.**

In developing the 1999 Virginia Plan for Higher Education, the Council has invited active participation from the public and private institutions. Likewise, in-progress efforts to develop new funding models, to review the general education programs, and to decentralize the academic program approval process have invited strong participation by campus leaders. This participatory approach should become standard practice across all areas of policy development.

Further, institutional planning efforts and reporting, such as the consolidated reporting required in the state Appropriation Act, should be tied to goals and strategies outlined in this Plan and subsequent updates to it. Targeted funding initiatives—performance funding—should follow and undergird institutional and statewide plans.

**3.8  Continue and enhance the Board of Visitors training sessions sponsored by the Council.**

For some years the Council has sponsored periodic training opportunities for the members of the Boards of Visitors of the public institutions. In response to a recommendation from the Commission on the Future of Higher Education in Virginia and with strong support from the General Assembly and the Governor's office, the Council staff works to increase both the breadth and depth of these sessions. These efforts should be continued and

enhanced; furthermore, consideration should be given to making attendance at these sessions mandatory for all Board members.

**3.9 Continue to appoint a liaison to each public institution from the Council of Higher Education as one mechanism for strengthening communication and planning.**

The intent of the Council Liaison Program is to create a stronger relationship between each institution and at least one member of the Council, so that the member might bring an enhanced perspective about institutional matters to the Council's work. Council members are encouraged to contact their liaison institution's rector, president, and faculty and student leadership, as needed throughout each year, to stay abreast of developments and issues at that institution. The increased communication between Council members and institutions, which is the intended result of the Liaison program, supplements rather than replaces other vehicles for communication between the Council, Council staff, and institutions.

Continue and enhance the ongoing dialog between the Council of Higher Education and faculty at Virginia's public and private colleges and universities about the role of faculty in shared governance and ways to strengthen that role.

The Council of Higher Education embraces an expanded commitment to involve faculty at Virginia's colleges and universities in system-wide planning. The Council staff meets regularly with faculty representatives in order to keep faculty informed, as well as to learn, of pending issues.

**3.11 Consider formalizing the Council of Visitors.**

During the past year, members of the Boards of Visitors of Virginia's public colleges and universities have discussed re-instituting a "Council of Visitors"—a body that had existed during an earlier period. By-laws have been adopted for the re-instated Council of Visitors and a set of officers has been elected. The by-laws describe the primary responsibility of the Council as providing "a mechanism to share information and experiences about board governance and other issues of interest to its members." The Council will consider what, if any, additional measures are needed to formalize this body.

**GOAL 4: *To encourage collaborative programming across institutions.***

Across the country, as well as in Virginia colleges and universities increasingly collaborate to deliver academic programs and support administrative activities. Research has also become increasingly collaborative, enabled in part by advances in computing and telecommunications. In fact, the presence of a widespread, reliable, and high capacity technology infrastructure is a powerful driver of collaboration across time and space. During the past decade, the Virginia system of higher education has initiated numerous collaborative programs, including VIVA (the Virtual Library of Virginia), the Microelectronics Consortium, the Graduate Physics Consortium, and the Virginia Graduate Marine Science Consortium—to name only a few examples. These programs successfully increase access, enhance quality, and lower costs. Most recently, building on the success of TELETECHNET and other

strong distance education offerings at other institutions, a number of Virginia's colleges and universities have created an Electronic Campus of Virginia through voluntary efforts to coordinate distance education offerings available within the Commonwealth. One goal of this initiative is to make it easier for students from many different institutions to take advantage of a growing volume of electronically delivered courses and programs. The newly created Distance Learning Steering Committee will also work to make courses and degree programs more accessible through distance learning for citizens of Virginia.

Collaboration works most successfully when it arises from shared interests and concerns and is perceived by all participants as advancing their strategic plans. Efforts to "mandate" cooperation where there is not a strategic and mutually beneficial area of need have historically met with abysmal failure. At the same time, many aspects of current public policy in Virginia and elsewhere act as disincentives to cross-institutional collaboration. This is particularly true with regard to partnerships that involve both public and private institutions.

The following recommendations are designed to provide incentives and support for voluntary collaboration among Virginia's public and private institutions and to remove unnecessary barriers to such collaboration. These recommendations also suggest areas in which fruitful collaboration might be pursued between higher education and Virginia's businesses and industry, as well as between higher and secondary education in Virginia. To a significant extent, increased collaboration will be a logical outgrowth of the greater emphasis on system-wide planning, which is the focus of Goal Five.

**4.1 Recommend changes in existing state policy to facilitate cross-institution collaboration on academic programs.**

Council staff will work collaboratively with the Governor's Distance Learning Steering Committee and the Electronic Campus of Virginia to develop a set of recommendations for changes in existing state policy that would simplify the administrative aspects of cross-institution collaboration in the delivery of academic programs (including but not limited to the distance education programs). Further, they will identify existing policies that make it financially disadvantageous for institutions (both public and private) to participate in such collaborative programs. Once these areas of needed change are identified, the Council will put forward recommendations for the needed legislative or executive changes, including ethical principles to observe in dealing with students.

**4.2 Target the development of new consortia for the delivery of graduate education and for research partnerships among institutions and between institutions and business and industry in order to build on existing research and institutional strengths, support state goals for economic development, and match state priorities for addressing societal issues.**

The Microelectronic Consortium and the Virginia Graduate Marine Science Consortium are two noteworthy examples of successful and targeted collaboration among higher education institutions to address statewide priorities for research and economic development. Fruitful areas for potential new collaboration are likely to be identified through the shared goal of Governor Gilmore and Secretary

of Technology Upson to develop and launch the most aggressive technology policy in the nation, as well as through the work of the recently created Statewide Workforce Training Council.

**4.3  Develop recommendations on necessary changes in the intellectual property policies and relevant legislation in order to promote collaborative development and delivery of courseware and technology transfer.**

As colleges and universities develop technology-based courseware, one barrier to its widespread use is the question of who owns the copyright for the material. This question was identified as one needing attention at the Distance Education Forum, sponsored by the Council of Higher Education in 1998.

A related but distinct issue is that identified in Senate Joint Resolution no. 502 of the 1999 General Assembly. That Resolution directs the Secretary of Technology to study and develop a coordinated research and development policy for the Commonwealth. This work is to be done in consultation with institutions of higher education, federal laboratories, and the federal sector. The Resolution includes a directive to review the intellectual property policies and procedures of the institutions of higher education and federal laboratories. The Council endorses this approach to review the intellectual property issues and will assist as needed. A coordinated review of this issue, which addresses not only research but also issues pertaining to the development of technology-based courseware, would be useful.

**4.4 Respond to recommendations that emerge from the Statewide Workforce Training Council that aim to enhance collaboration between employers and Virginia's public and private colleges and universities.**

As earlier studies have indicated, higher education's contribution to Virginia's economic development can be enhanced through ongoing communication with business and industry and other sectors of the economy. The Council will aid in developing appropriate policies, as needed to support this important statewide priority.

**GOAL 5:** *To evaluate capital infrastructures at public and private campuses for the purpose of assessing system capacities and options for delivering academic programs.*

Many of the buildings on college campuses across Virginia are venerable monuments to learning, worthy of study themselves. The Wren building on the campus of the College of William and Mary was built in 1694 and is the oldest academic structure in America in continuous use. Cushing Hall, built in 1824 on the Hampden-Sydney campus, once housed the entire college operation; it is now a dormitory. The Rotunda, the centerpiece of Thomas Jefferson's "academical village," was built in 1826. Today, there are 61 buildings on the University of Virginia campus that are more than 100 years old. More recently the nuclear engineering reactor has closed its doors, raising still further issues to be resolved.

Buildings are a highly visible and valuable part of higher education. Their design, construction quality, and accessibility create the physical environment for learning and research. They require sufficient annual investment in their maintenance, renewal, and adaptation. The replacement value for the nearly 3,000 buildings owned by

Virginia's public colleges and universities is estimated to be $4 billion. The Commonwealth must balance the needs for preservation and conservation of its many architectural and research treasures with the pressures for space allocation and growth. The Council of Higher Education has statutory responsibility to consider the future needs of higher education in Virginia, including the facilities of each institution. This responsibility includes developing policies, formulae, and guidelines for the fair and equitable distribution of public funds among state-supported institutions, taking into account enrollment projections and institutional missions.

The distinctions among classroom and laboratory buildings, libraries, student centers, residence halls, and faculty offices have become much less clear than they once were. Technology has reduced the old constraints of time and place. For centuries, students earned academic credit for hours spent in direct contact with an instructor. The provision for electronic instruction, or distance learning, allows for extensive contact without requiring student and teacher to be in the same place. The emergent technology allows for multiple modes of learning and the possibility of greater interaction and sharing of knowledge. However, these new technologies add both opportunity and complexity to fixed asset decision-making. Buildings, infrastructure, and equipment demand large capital investments and significant annual operating expenditures.

The Commonwealth's system of higher education is an asset worth preserving. Virginians, throughout our history, have realized the importance of higher learning and the significant investment that must follow. Buildings, infrastructure, and equipment are long-term investments that will place significant demands on state resources, in

good times and lean, well into the future. Higher education needs an on-going, predictable source of funding to meet these demands. To help in this regard, we offer the following recommendations.

### 5.1  Seek to improve the capital planning process.

It can often take two years to complete the current capital outlay planning process. Institutional decentralization or deregulation from state procedures will help shorten this lengthy process. The Council supports the principle of the six-year capital outlay planning process; however, there must be a more direct link between planning and new construction.  Provisions for capital outlay should be taken into account in new funding mechanisms.

### 5.2  Provide maintenance reserve funding as an added part of an institution's base funding.

Since 1982, the state has provided $219 million in maintenance reserve appropriations to colleges and universities for projects that cost between $25,000 and $500,000.  The state should build this continuing expectation into base budget calculations.

### 5.3  Develop a provision in the funding model to reduce the backlog of deferred maintenance at our colleges and universities.

When operating funds are insufficient and capital funds are not available for use, maintenance of facilities is deferred. We support the Council of State Senior Business Officers (CSSBO) in their study of deferred maintenance and recognize the need for funding strategies to reduce the maintenance backlog to a manageable level and eliminate

the accumulation of additional deferred maintenance. A new funding formula should explicitly address this need.

**5.4  Encourage, via capital outlay recommendations, institutions to utilize technology to provide access rather than relying solely on bricks and mortar.**

The success of TELETECHNET, the Math Emporium and numerous other initiatives at Virginia Tech, CNU-ONLINE, and the collaborative courses developed by the VCCS colleges—to name only a few, prominent examples—amply demonstrate that technology-based instruction can effectively enhance student learning, both on and off campus. In some cases, programs of study can be effectively offered in a distance learning mode entirely, although care must be taken in determining which programs and which students can thrive in a solely off-campus environment. For the most part, at this point in time, technology is most effective as a supplement to rather than a replacement for campus-based instruction. Nevertheless, it will remain important to continue to explore the most effective ways to use technology to control costs and to expand access as well as to enhance student learning.

**5.5  Maintain the Commonwealth's commitment to the Higher Education Equipment Trust Fund.**

The Governor and General Assembly created the Equipment Trust Fund with great foresight and imagination in 1986. Since its inception, the debt-financed program has provided nearly $400 million for the replacement of obsolete equipment and the acquisition of new technology. We recommend that Virginia maintain its commitment to the Trust Fund.

**5.6  Explore the possibility of supporting the shared funding of research at the research universities.**

Even though fifty per cent funding of research facilities is a long-stated goal of SCHEV, in fact few capital outlay requests for research facilities are funded, even at this level. Given the growing importance of knowledge-based industries in the Commonwealth and beyond and the strong contribution of the $250 million federal research budget for Virginia, this should be examined. Particularly, we should explore a vehicle for matching research funding.