
VIRGINIA STATE BUDGET

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Budget Bill - HB5002 (Chapter 3)

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§ 4-9.02 ASSESSMENT OF INSTITUTIONAL PERFORMANCE

Consistent with § 23-9.6:1.01., Code of Virginia, the following education-related and financial and administrative management measures shall be the basis on which the State Council of Higher Education shall annually assess and certify institutional performance. Institutional performance on measures set forth in paragraph K of this section shall be evaluated year-to-date by the Secretaries of Finance and Administration, as appropriate, and communicated to the State Council of Higher Education before June 1 of each year. By November 15, 2006, the State Council shall publish institutional performance benchmarks and targets for each education-related objective measure, which shall be established in cooperation with the respective institution.

Financial benefits provided to each institution in accordance with § 2.2-5005 will be evaluated in light of that institution's performance. The first certification will be completed and forwarded in writing to the General Assembly and Governor no later than June 1, 2007.

In general, institutions are expected to achieve their agreed upon targets and standards on all performance measures in order to be certified by SCHEV. However, the State Council, in working with each institution, shall establish a prescribed range of permitted variance from annual targets for each education-related measure, as appropriate.

Further, the State Council shall have broad authority to certify institutions as having met the standards on education-related measures where they have already achieved high levels of performance in order that they may focus resources toward achieving similar levels of performance on other measures. The State Council shall likewise have the authority to exempt institutions from certification on education-related measures that the State Council deems unrelated to an institution's overall performance.

The State Council shall develop, adopt, and publish standards for granting exemptions and ongoing modifications to the certification process.

A. Access

1. Institution meets its State Council-approved biennial projection of total in-state student enrollment within the prescribed range of permitted variance.
2. Institution increases the percentage of in-state undergraduate enrollment from under-represented populations. (Such populations should include low income, first-generation college status, geographic origin within Virginia, race, and ethnicity, or other populations as may be identified by the State Council.)
3. Institution annually meets at least 95 percent of its State Council-approved estimates of degrees awarded.

B. Affordability

4. With the intent of developing a clearly understandable measure of affordability no later than July 1, 2008, SCHEV shall report annually an institution's in-state undergraduate tuition and fees, both gross and net of need-based gift aid, as a percentage of the institution's median student family income. By October 1, 2008, each institution shall identify a "maintenance of effort" target for ensuring that the institution's financial commitment to need-based student aid shall increase commensurately with planned increases in in-state, undergraduate tuition and fees. The financial plan for these goals should be incorporated into the institution's 2009-2014 six-year plan as required under § 23-9.2:3.02., Code of Virginia.

5. Institution establishes mutually acceptable annual targets for need-based borrowing that reflect institutional commitment to limit the average borrowing of in-state students with established financial need, and the percentage of those students who borrow, to a level that maintains or increases access while not compromising affordability.

6. Institution conducts a biennial assessment of the impact of tuition and fee levels net of financial aid on applications, enrollment, and student indebtedness incurred for the payment of tuition and fees and provides the State Council with a copy of this study upon its completion and makes appropriate reference to its use within the required six-year plans. The institution shall also make a parent- and student-friendly version of this assessment widely available on the institution's website.

C. Breadth of Academics

7. Institution maintains acceptable progress towards an agreed upon target for the total number and percentage of graduates in high-need areas, as identified by the State Council of Higher Education.

D. Academic Standards

8. Institution reports on total programs reviewed under Southern Association of Colleges and Schools assessment of student learning outcomes criteria within the institution's established assessment cycle in which continuous improvement plans addressing recommended policy and program changes were implemented.

E. Student Retention and Timely Graduation

9. Institution demonstrates a commitment to ensuring that lower division undergraduates have access to required courses at the 100- and 200-level sufficient to ensure timely graduation by reporting annually to the State Council of Higher Education on the number of students denied enrollment in such courses for each fall and spring semesters. No later than July 1, 2008, to the extent the institution does not currently track student access and registration attempts at the course level, the institution shall, in consultation with the State Council of Higher Education, establish an appropriate quantitative method to identify the extent to which limited access to 100- and 200-level courses reduce progression, retention, and graduation rates. After July 1, 2008, each institution shall include in its annual report to the State Council its plan of action to increase such access and remediate the identified problems.

10. Institution maintains or increases the ratio of degrees conferred per full-time equivalent instructional faculty member, within the prescribed range of permitted variance.

11. Institution maintains or improves the average annual retention and progression rates of degree-seeking undergraduate students.

12. Within the prescribed range of permitted variance, the institution increases the ratio of total undergraduate degree awards to the number of annual full-time equivalent, degree-seeking undergraduate students except in those years when the institution is pursuing planned enrollment growth as demonstrated by their SCHEV-approved enrollment projections.

F. Articulation Agreements and Dual Enrollment

13. Institution increases the number of undergraduate programs or schools for which it has established a uniform articulation agreement by program or school for associate degree graduates transferring from all colleges of the Virginia Community College System and Richard Bland College consistent with a target agreed to by the institution, the Virginia Community College System, and the State Council of Higher Education for Virginia.

14. Institution increases the total number of associate degree graduates enrolled as transfer students from Virginia's public two-year colleges with the expectation that the general education credits from those institutions apply toward general education baccalaureate degree requirements, as a percent of all undergraduate students enrolled, within the prescribed range of permitted variance.

15. Institution increases the number of students involved in dual enrollment programs consistent with a target agreed upon by the institution, the Department of Education and the State Council of Higher Education for Virginia.

G. Economic Development

16. In cooperation with the State Council, institution develops a specific set of actions to help address local and/or regional economic development needs consisting of specific partners, activities, fiscal support, and desired outcomes. Institution will receive positive feedback on an annual standardized survey developed by the State Council, in consultation with the institutions, of local and regional leaders, and the economic development partners identified in its plans, regarding the success of its local and regional economic development plans.

H. Research, Patents, and Licenses

17. Institution maintains or increases the total expenditures in grants and contracts for research, within the prescribed range of permitted variance, according to targets mutually agreed upon with SCHEV and/or consistent with the institution's management agreement.

18. Institution maintains or increases the annual number of new patent awards and licenses, within the prescribed range of permitted variance, according to targets mutually agreed upon with SCHEV and/or consistent with the institution's management agreement.

I. Elementary and Secondary Education

19. In cooperation with the State Council, institution develops a specific set of actions with schools or school district administrations with specific goals to improve student achievement, upgrade the knowledge and skills of teachers, or strengthen the leadership skills of school administrators. Institution will receive positive feedback on an annual standardized survey developed by the State Council, in consultation with the institutions, of the superintendents, principals, and appropriate other parties.

The Virginia Department of Education shall share data on teachers, including identifying information, with the State Council of Higher Education for Virginia in order to evaluate the efficacy of approved programs of teacher education, the production and retention of teachers, and the exiting of teachers from the teaching profession.

The Virginia Department of Education and the State Council of Higher Education for Virginia shall share personally identifiable information from education records in order to evaluate and study student preparation for and enrollment and performance at state institutions of higher education in order to improve educational policy and instruction in the Commonwealth. However, such study shall be conducted in such a manner as to not permit the personal identification of students by persons other than representatives of the Department of Education or the

State Council for Higher Education for Virginia, and such shared information shall be destroyed when no longer needed for purposes of the study.

J. Six-Year Plan

20. Institution prepares six-year financial plan consistent with § 23-9.2:3.02.

K. Financial and Administrative Standards

21. As specified in § 2.2-5004, Code of Virginia, institution takes all appropriate actions to meet the following financial and administrative standards:

- a. An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;
- b. No significant audit deficiencies attested to by the Auditor of Public Accounts;
- c. Substantial compliance with all financial reporting standards approved by the State Comptroller;
- d. Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any standards for outstanding receivables and bad debts; and
- e. Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any standards for accounts payable past due.

22. Institution complies with a debt management policy approved by its governing board that defines the maximum percent of institutional resources that can be used to pay debt service in a fiscal year, and the maximum amount of debt that can be prudently issued within a specified period.

23. The Governor or his designees, in consultation with the institutions of higher education, the Auditor of Public Accounts and staff of the House Appropriations and Senate Finance Committees shall develop additional standards to assess the extent to which an institution is well-managed in the areas of information technology, personnel, capital outlay, and procurement. The Governor shall report those standards to the chairmen of the House Appropriations and Senate Finance Committees no later than October 1, 2006 for consideration by the 2007 General Assembly. Until such additional standards are authorized by the 2007 General Assembly, all institutions of higher education shall be subject to the following standards:

- a. Institution completes no less than 75 percent of all non-exempt purchase transactions through the Commonwealth's enterprise-wide Internet procurement system (eVa) and makes no less than 75 percent of dollar purchases from vendors and suppliers who are registered in eVa; and
- b. Institution completes no less than 75 percent of dollar purchases from leveraged cooperative contracts, when such a contract is available for a particular commodity, except when the institution can demonstrate that the cost of the purchase was less than the cost under all available leveraged cooperative contracts.