2013 Session

Budget Bill - HB1500 (Introduced)

Item 4-9.02

§ 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. Such certification shall be completed and forwarded in writing to the Governor and the General Assembly no later than June 1 of each year. Institutional performance on measures set forth in paragraph D of this section shall be evaluated year-to-date by the Secretaries of Finance, Administration, and Technology as appropriate, and communicated to the State Council of Higher Education before June 1 of each year. Financial benefits provided to each institution in accordance with § 2.2-5005 will be evaluated in light of that institution's performance.

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 threshold of permitted variance from targets for each education-related measure, as appropriate. The Council shall review and, if in agreement, approve institutional targets and thresholds.

Further, the State Council shall have broad authority to certify institutions as having met the standards on education-related 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 mission or unnecessary given the institution's level of performance.

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

a. ANNUAL ASSESSMENTS

1. Access

a) Institution meets 95 percent of its State Council-approved biennial projection of total in-state student enrollment within the prescribed range of permitted variance.

b) Institution maintains acceptable progress towards agreed upon targets for the percentage of in-state undergraduate students from under-represented populations. (Such populations 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.)

c) Institution annually meets at least 95 percent of its undergraduate and 90 percent of its graduate and first-professional State Council-approved estimates of degrees awarded.

2. Affordability

Institution establishes annual targets of graduation rates according to financial aid status with the intent of achieving, where appropriate, a similar graduation rate for each cohort of students. Three cohorts of students shall be used for this measure, as they are identified in their first year of enrollment at the institution:

i. Students receiving Pell grants.

ii. Students receiving forms of need-based financial assistance other than Pell grants.

iii. Students receiving no need-based financial assistance.

Four-year institutions shall set targets based on four-year and six-year graduation rates.

The Virginia Community College System and Richard Bland College shall use two-year and four-year graduation rates.

3. Breadth of Academics

Institution maintains acceptable progress towards agreed upon targets for the number of graduates in high-need areas, as identified by the State Council of Higher Education.

4. Academic Standards

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.

5. Student Retention and Timely Graduation

a) Institution maintains acceptable progress towards agreed upon targets for the average annual retention and progression rates of degree-seeking undergraduate students.

b) Institution maintains acceptable progress towards agreed upon targets for the ratio of total undergraduate degree awards to the number of annual full-time equivalent, degree-seeking undergraduate students.

6. Articulation Agreements and Dual Enrollment

a) Institution maintains acceptable progress towards agreed upon targets for the total number of transfer students, including as a priority those with an associate degree, 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.

b) The Virginia Community College System and Richard Bland College maintain acceptable progress towards agreed upon targets for the number of students involved in dual enrollment programs.

7. Research

Institution maintains acceptable progress towards agreed upon targets for the three-year moving average of total expenditures in grants and contracts for research.

b. BIENNIAL ASSESSMENTS

1. Affordability

a) Institution includes in its six-year plan the expected average borrowing of in-state students with established financial need, and the percentage of those students who borrow, and states its commitment to limit, where possible, the average borrowing to a level that maintains or increases access while not unduly compromising affordability.

b) Institution conducts a biennial assessment of the impact of tuition and fee levels net of financial aid on 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 plan. The institution shall also make a parent- and student-friendly version of this assessment widely available on the institution's website. The assessment should include, but is not limited to, the following information for in-state undergraduate students: a five-year historical overview of average tuition and fees, average federal loans and grants, average institutional aid, average state support, and average total debt burden.

c) This report, along with institutional tuition and fee information shall be prominently located on the institution's web site.

d) Institution will provide an addendum to the six-year plan identifying the steps it is taking to maintain its effort to meet the needs of in-state undergraduate financially-needy students taking into account tuition and fees, state appropriations, and financial need of these students.

2. Academic Standards—Productivity

Institution reports biennially the ratio of degrees conferred per full-time equivalent instructional faculty member.

3. Articulation Agreements

Institution maintains acceptable progress towards agreed upon targets for 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.

4. Economic Development

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. A summary of activities will be reported to the State Council biennially.

5. Patents and Licenses

Institution reports biennially to the State Council the annual number of new patent awards and licenses.

6. Elementary and Secondary Education

a) Institution develops a specific set of actions with schools or school division administrations with specific goals to improve student achievement, upgrade the knowledge and skills of teachers, or strengthen the leadership skills of school administrators. A summary of activities and the improvements in student learning, if any, shall be reported to the State Council biennially.

b) 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.

c) 1. 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.

2. Notwithstanding § 2.2-3800 of the Code of Virginia, the Virginia Department of Education, State Council of Higher Education for Virginia, Virginia Community College System, and the Virginia Employment Commission may collect, use, share, and maintain de-identified student data to improve student and program performance including those for career readiness.

d) Institutions of higher education shall disclose information from a pupil's scholastic record to the Superintendent of Public Instruction or his designee for the purpose of studying student preparation as it relates to the content and rigor of the Standards of Learning. Furthermore, the superintendent of each school division shall disclose information from a pupil's scholastic record to the Superintendent of Public Instruction or his designee for the same purpose. All information provided to the Superintendent or his designee for this purpose shall be used solely for the purpose of evaluating the Standards of Learning and shall not be redisclosed, except as provided under federal law. All information shall be destroyed when no longer needed for the purposes of studying the content and rigor of the Standards of Learning.

7. Campus Safety and Security

The institution shall work to adopt an acceptable number of the 27 Best Practice Recommendations for Campus Safety adopted by the Virginia Crime Commission on January 10, 2006. Each practice shall be considered by the institution as to how it fits in with current practices and the needs of the institution. Following each biennium of reporting, the institution shall enumerate those practices adopted by the institution.

c. SIX-YEAR PLAN

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

d. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to all institutions except those governed under Chapters 933 and 943 of the 2006 Acts of Assembly and the institution governed under Chapters 594 and 616 of the 2008 Acts of Assembly.

1. 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.

2. 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.

3. The institution will achieve the classified staff turnover rate goal established by the institution; however, a variance of 15 percent from the established goal will be acceptable.

4. The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) plan as submitted to the Department of Minority Business Enterprise; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable.

The institution will make no less than 75 percent of dollar purchases through the Commonwealth's enterprise-wide internet procurement system (eVA) from vendor locations registered in eVA.

5. The institution will complete capital projects (with an individual cost of over $1,000,000) within the budget originally approved by the institution's governing board for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun.

6. The institution will complete major information technology projects (with an individual cost of over $1,000,000 *or an individual cost of less than $1,000,000 if any of the following criteria apply: the project has high risk or high complexity, the project is critical to the immediate security or safety of Commonwealth citizens, the project is a component of a larger information technology program, or the Governor has requested additional oversight of the project*) within the budgets and schedules originally approved by the institution's governing board. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay.

e. FINANCIAL AND ADMINISTRATIVE STANDARDS

The financial and administrative standards apply to institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly and the institution governed under Chapters 594 and 616 of the 2008 Acts of Assembly. They shall be measured by the administrative standards outlined in the Management Agreements and § 4-9.02.d.4. of this act. However, the Governor may supplement or replace those administrative performance measures with the administrative performance measures listed in this paragraph. Effective July 1, 2009, the following administrative and financial measures shall be used for the assessment of institutional performance for institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly and those governed under Chapters 594 and 616 of the 2008 Acts of Assembly.

1. Financial

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.

2. Debt Management

a) The institution shall maintain a bond rating of AA- or better;

b) The institution achieves a three-year average rate of return at least equal to the imoney.net money market index fund; and

c) The institution maintains a debt burden ratio equal to or less than the level approved by the Board of Visitors in its debt management policy.

3. Human Resources

a) The institution's voluntary turnover rate for classified plus university/college employees will meet the voluntary turnover rate for state classified employees within a variance of 15 percent; and

b) The institution achieves a rate of internal progression within a range of 40 to 60 percent of the total salaried staff hires for the fiscal year.

4. Procurement

a) The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) procurement plan as submitted to the Department of Minority Business Enterprise; however, a variance of 15 percent from its SWAM purchase goal, as stated in the plan, will be acceptable; and

b) The institution will make no less than 80 percent of purchase transactions through the Commonwealth's enterprise-wide internet procurement system (eVA) with no less than 75 percent of dollars to vendor locations in eVA.

5. Capital Outlay

a) The institution will complete capital projects (with an individual cost of over $1,000,000) within the budget originally approved by the institution's governing board at the preliminary design state for projects initiated under delegated authority, or the budget set out in the Appropriation Act or other Acts of Assembly which provides construction funding for the project at the preliminary design state. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun;

b) The institution shall complete capital projects with the dollar amount of owner requested change orders not more than 2 percent of the guaranteed maximum price (GMP) or construction price; and

c) The institution shall pay competitive rates for leased office space – the average cost per square foot for office space leased by the institution is within 5 percent of the average commercial business district lease rate for similar quality space within reasonable proximity to the institution's campus.

6. Information Technology

a) The institution will complete major information technology projects (with an individual cost of over $1,000,000 *or an individual cost of less than $1,000,000 if any of the following criteria apply: the project has high risk or high complexity, the project is critical to the immediate security or safety of Commonwealth citizens, the project is a component of a larger information technology program, or the Governor has requested additional oversight of the project*) on time and on budget against their managed project baseline. If the institution exceeds the budget and/or time schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay; and

b) The institution will maintain compliance with institutional security standards as evaluated in internal and external audits. The institution will have no significant audit deficiencies unresolved beyond one year.

f. REPORTING

The Director, Department of Planning and Budget, with cooperation from the Comptroller and institutions of higher education governed under Management Agreements, shall develop uniform reporting requirements and formats for revenue and expenditure data.

g. EXEMPTION

The requirements of this section shall not be in effect if they conflict with §§ 23-9.6:1.01.D., *23-38.87:20, and 23-38.87:21* of Chapters 828 and 869 of the Acts of Assembly of 2011.