

## MINUTES

### HIGHER EDUCATION POLICY COMMISSION

July 23, 2010

#### 1. Call to Order

Chairman David Hendrickson convened a meeting of the Higher Education Policy Commission at 9:30 AM at Stonewall Resort in Roanoke, West Virginia and by conference call. The following Commission members were present: Bruce Berry, Kathy Eddy, John Estep, Kay Goodwin, David Hendrickson, John Leon, and David Tyson. Absent: Bob Brown and Steven Paine. Also in attendance were institutional presidents, higher education staff, and others.

#### 2. Election of Officers

Secretary Goodwin reported that the Nominating Committee recommends David Hendrickson to serve as Chairman, Dr. Bruce Berry, as Vice Chairman, and Kathy Eddy, as Secretary.

Secretary Goodwin moved approval of the following resolution:

*Resolved*, That the West Virginia Higher Education Policy Commission approves the slate of officers as recommended by the Nominating Committee.

Mr. Tyson seconded the motion. Motion passed.

#### 3. Approval of Minutes

Dr. Berry moved approval of the minutes of the meetings held on April 14, 2010, April 23, 2010, and May 12, 2010, as provided in the agenda materials. Mr. Estep seconded the motion. Motion passed.

#### 4. Chairman's Report

Chairman Hendrickson provided an overview of the annual Board of Governors Summit to be held in conjunction with the Commission meeting. Chairman Hendrickson noted that board members from all of the state's four-year public colleges and universities are invited to participate in sessions focused on shared governance and strategic finance issues.

Chairman Hendrickson also indicated his desire to proceed with the creation of the Council of Board Chairs to increase communication and collaboration among the state's four-year public colleges and universities. Chairman Hendrickson directed staff to arrange an initial conference call to discuss the Council's purpose.

## **5. Chancellor's Report**

Dr. Brian Noland, Chancellor, requested that the Commission and guests observe a moment of silence in memory of Dennis Robinson, an employee of West Virginia Network for Telecomputing (WVNET), who passed away in a motorcycle accident. On behalf of the Commission and the state's higher education institutions, Chancellor Noland expressed his condolences to the Robinson family and WVNET staff.

Chancellor Noland provided a detailed report regarding current Commission and statewide initiatives including the West Virginia Education, Research and Technology Park, West Virginia Campus Compact, the Beckley Higher Education Center, and Complete to Compete, Governor Manchin's initiative as Chair of the National Governors Association.

Chancellor Noland noted that Commission staff has been working with officials from The Dow Chemical Company, members of the Transition Steering Committee, and consultants from the Battelle Memorial Institute regarding the on-going operation and future direction of the West Virginia Education, Research and Technology Park. Dr. Noland noted that the State of West Virginia is scheduled to take full ownership of the Park by the close of the calendar year.

In closing, Chancellor Noland showed a video from GEAR UP UI, West Virginia GEAR UP's first summer academy for the program's cohort students. Seventy-nine students attended the four-day academy at Concord University, which featured rigorous academic classes, leadership development sessions, and career-exploration activities. Chancellor Noland thanked Dr. Gregory Aloia, President of Concord University, and the entire campus community for hosting the event.

## **6. Access**

### **A. Report on Adult Learner Task Force and Implementation of RBA Today**

Dr. Bruce Flack, Director of Academic Affairs, introduced Dr. Suzanne Shipley, President of Shepherd University, who provided a progress report on the work of the Adult Learner Task Force and implementation of RBA Today including the creation of twenty courses in compressed timeframes as well as the use of marketing through social media and direct mail. President Shipley indicated her willingness to provide additional updates in the Fall and Spring once preliminary enrollment numbers are available.

Commissioner Tyson inquired about the proposed distribution date for the direct mail campaign. President Shipley responded that institutional staff were polled regarding their preference and the response was for a mailing date in the Fall to promote enrollment for the Spring semester.

Chancellor Noland provided an overview of an application to The Lumina Foundation to support this on-going initiative. Chancellor Noland indicated that the Commission should receive formal notification regarding the application in the coming weeks.

Chairman Hendrickson thanked Dr. Flack and President Shipley for their leadership on this initiative and noted that West Virginia is a national leader in terms of outreach to adult learners.

## **7. Learning and Accountability**

### **A. Approval of Revision to Series 21, Freshman Assessment and Placement Standards**

Dr. Flack provided an overview of the proposed revisions to Series 21, the Commission's rule for freshman assessment and placement standards. Dr. Flack stated that the proposed revisions are the result of several institutions expressing interest in using alternatives to non-credit developmental education courses. Dr. Flack noted that one such approach is the stretch course, a credit-bearing course that extends (stretches) over one or two semesters, to give more time to those students who may need additional experience in college-level mathematics or writing. The amended rule, which will be filed with the Secretary of State for an official thirty-day public comment period, will provide institutions the flexibility to utilize such alternatives with approval of the Chancellor.

Dr. Berry moved approval of the following resolution:

*Resolved*, That the West Virginia Higher Education Policy Commission approves Series 21, Freshman Assessment and Placement Standards, as revised, for submission to the Secretary of State for a thirty-day public comment period and that if no substantive comments are received that the Commission extends final approval.

Mr. Estep seconded the motion. Motion passed.

### **B. Report on Master's Degree Programs**

Dr. Flack reported on accomplishments and developments in the offering of graduate programs at Concord University, Fairmont State University, Shepherd University, West Liberty University, and West Virginia State University. Dr. Flack reported that the first master's level programs were approved by the Commission for initial offering in the 2003-04 academic year. Dr. Flack stated that the number of graduate programs across the institutions has increased from five to seventeen over the seven-year period and, with the exception of West Liberty University, each of the institutions has completed the seventh year of graduate program offerings. Dr. Flack noted that West

Liberty University implemented its first graduate program in the 2008-09 academic year.

Chairman Hendrickson inquired about the frequency of this report. Dr. Flack responded that master's degree programs are formally reviewed every five years. Dr. Flack noted that Commission staff conducts low productivity reviews every two years.

**C. Approval of Bachelor of Organizational Leadership and Administration at West Liberty University**

Dr. Flack presented a proposal from West Liberty University to implement a Bachelor of Organizational Leadership and Administration. Dr. Flack noted that program costs will be supported by tuition and fee revenues and the institution will not seek additional funding. Dr. Flack also noted that the program will be subject to a post-audit review conducted by the Commission during the 2013-14 academic year.

Chancellor Noland commended Mr. Robin Capehart, President of West Liberty University, for the quality of the program proposal and planning goals. Chancellor Noland noted that the program will be housed off-campus at the new Highlands Center with a revised timeframe for completion targeted at adult learners.

Vice Chairman Berry inquired about the number of required credit hours for bachelor's degrees across the system. Chancellor Noland noted that the 128 credit hours was standard; however, some institutions have examined lowering the required credits to 120 hours. Vice Chairman Berry requested that Chancellor Noland and Commission staff examine the functionality and implementation of lowering the number of required credits.

Mr. Tyson moved approval of the following resolution:

*Resolved*, That the West Virginia Higher Education Policy Commission approves the Bachelor of Organizational Leadership and Administration to be implemented at West Liberty University, effective August 2010.

Dr. Berry seconded the motion. Motion passed.

**D. Approval of Reauthorization of Lindsey Wilson College to Offer Baccalaureate and Master's Degree Programs at Southern West Virginia Community and Technical College**

Dr. Flack provided an overview of a request from Southern West Virginia Community and Technical College to renew an agreement, originally signed

in June 2006, with Lindsey Wilson College for an additional four years, extending through June 30, 2014.

Dr. Flack noted that Lindsey Wilson College was approved to offer two degree programs at Southern West Virginia Community and Technical College including a Bachelor of Arts in Human Services and a Master of Education in Counseling and Human Development with a specialization in Mental Health Counseling. Dr. Flack stated that the reauthorization of Lindsey Wilson College to operate in West Virginia is limited to those programs and in accordance with provisions of the Commission's Series 20, Authorization of Degree Granting Institutions.

Mr. Tyson moved approval of the following resolution:

*Resolved*, That the West Virginia Higher Education Policy Commission approves the request of Lindsey Wilson College to continue to offer a Bachelor of Arts in Human Services and a Master of Education in Counseling and Human Development at Southern West Virginia Community and Technical College extending through June 30, 2014.

Mr. Estep seconded the motion. Motion passed.

#### **E. Approval of West Virginia and Maryland Tuition Reciprocity Agreement**

Dr. Mark Stotler, Assistant Director of Academic Affairs, provided an overview of a request from West Virginia University to renew an agreement, originally signed in 1979, with the State of Maryland for an additional three years, extending through June 30, 2013.

Dr. Stotler stated that, according to the agreement, Garrett College, located in Maryland, will accept up to 125 full-time equivalent (FTE) students per fiscal year from various West Virginia counties for enrollment in a select number of certificate and associate degree programs offered at the institution. Dr. Stotler noted that, in exchange, West Virginia University will enroll Garrett College graduates at the main campus in Morgantown and at Potomac State College of West Virginia University in Keyser in degree programs not offered at Frostburg State University, also located in Maryland.

Dr. Berry moved approval of the following resolution:

*Resolved*, That the West Virginia Higher Education Policy Commission approves the tuition reciprocity agreement between West Virginia and Maryland involving West Virginia University and Garrett College until June 30, 2013.

Mr. Estep seconded the motion. Motion passed

## **8. Cost and Affordability**

### **A. Report on Efficiencies Task Force**

Dr. Kevin Walthers, Vice Chancellor for Administration, introduced Dr. Steve Kopp, President of Marshall University, who provided a progress report on the work of the Efficiencies Task Force. President Kopp also commended the Commission on the release of the recent economic impact study regarding higher education. Dr. Kopp noted that the study illustrates the important role that higher education plays in the state's overall economy and its return on investment.

Commissioner Eddy noted that institutional finance staff are working diligently to find efficiencies at every level. She also noted that the Task Force is not looking for a one size fits all answer and has acknowledged the unique nature of each campus. President Kopp concurred with Commissioner Eddy's comments and noted that the Task Force is examining efficiencies at all levels and plans to make formal recommendations in the coming months.

### **B. Approval of Appointment to the Higher Education Student Financial Aid Advisory Board**

Mr. Jack Toney, Director of State Financial Aid Programs, reported that Senate Bill 373, which was passed during the 2009 regular legislative session, reconstituted the Higher Education Student Financial Aid Advisory Board. Mr. Toney stated that the original appointments to this Advisory Board were made last year. Mr. Toney also stated that the recommendation to fill an expired term is being made consistent with the qualifications provided for in the statute and after consultation with the West Virginia Association of Student Financial Aid Administrators.

Dr. Berry moved approval of the following resolution:

*Resolved*, That the West Virginia Higher Education Policy Commission approves the appointment of Ms. Sandra Oerly-Bennett to the Higher Education Student Financial Aid Advisory Board.

Mr. Estep seconded the motion. Motion passed.

### **C. Approval of 403(b) Tax Deferred Retirement Savings Plan and 457(b) Deferred Compensation Plan Documents**

Mr. Richard Donovan, Chief Financial Officer, provided an overview of the major types of tax deferred retirement plans offered to the state's higher education employees. Mr. Donovan noted that the Commission approved the 401(a) and 457(b) plan documents in 2005; however, at that time, the Internal Revenue Service (IRS) had not issued model 403(b) plan document

language. Mr. Donovan stated that, since the 2005 approval, the Internal Revenue Code was amended, model plan documents language was adopted by the IRS and Plan Sponsors were required to bring their 403(b) plans into compliance by December 31, 2009. As a result, Mr. Donovan led the effort of Commission staff in working with Bowles Rice McDavid Graff & Love, LLP and a committee of higher education legal, finance, and human resources professionals to develop a 403(b) plan document, which complied with current IRS regulations.

Mr. Donovan reported that the plan was approved at the November 20, 2009 Commission meeting. As part of the approval, the Commission requested staff to propose options, which would allow employees to direct tax deferred contributions through payroll deductions to many of the investment vehicles offered by the non-approved vendors. Mr. Donovan noted that, given that the new IRS rules place a burden on the Commission to verify compliance at the individual investor level, the complexity of offering several vendors outweighed the associated benefit. Mr. Donovan reported, with the approval of the proposed plan, the Commission will be able to comply with the new rules and employees may continue to invest with other providers, through the use of brokers, but the investments must be made after taxes.

Ms. Eddy moved approval of the following resolution:

*Resolved*, That the West Virginia Higher Education Policy Commission approves the revised 403(b) Tax Deferred Retirement Savings Plan and 457(b) Deferred Compensation Plan Documents to provide for a brokerage window option for investment of employee contributions.

Mr. Tyson seconded the motion. Motion passed.

Prior to the vote, Vice Chairman Berry abstained.

Commissioner Eddy thanked Commission staff for their thorough work in providing a means for state higher education employees to continue investing in long-standing retirement accounts, while complying with federal tax regulations.

#### **D. Approval of Capital Projects Funding**

Mr. Donovan provided a detailed overview regarding the history and the current availability of funding for capital projects. Mr. Donovan noted that the only change to the provided agenda materials is that the Turley Center at Fairmont State University will be dedicated to the operation of student services instead of Pierpont Community and Technical College as previously identified.

Chancellor Noland thanked Mr. Donovan and institutional presidents for their support of the long and detailed process of identifying projects to be funded and securing support for such funds. Chancellor Noland also thanked Governor Manchin and Senator Plymale for their leadership in securing a bond issue to finance nearly \$100 million in capital projects across the state's higher education system. Chancellor Noland noted that the sale of this bond will mark the second time in state history that state funds have been utilized to construct higher education facilities.

Mr. Tyson moved approval of the following resolution:

*Resolved*, That the West Virginia Higher Education Policy Commission approves the proposed list of projects in Table 1 consistent with the staff recommendation.

Dr. Berry seconded the motion. Motion passed.

#### **E. Approval of Fiscal Year 2011 Higher Education Policy Commission Division Operating Budgets and Higher Education Resource Assessment Projects**

Mr. Donovan provided an overview of the available funding from state appropriations and the Higher Education Resource Assessment (HERA) charged to all in-state and out-of-state students for operation of the Commission and statewide projects and initiatives. Mr. Donovan noted that, given declining state revenues and the five percent appropriation reductions to the Commission's base budget, division directors met with Dr. Kevin Walthers, Vice Chancellor for Administration, and finance staff to discuss operating budgets and efficiencies for Fiscal Year (FY) 2011.

Mr. Terry Hess, Assistant Director of Finance and Facilities, provided an overview of the proposed expenditures for general operating and HERA project expenses for FY 2011, in accordance with the staff recommendations. Mr. Hess reported that the proposed division budgets for FY 2011 include approximately \$7.8 million with personal services, employee benefits, and Other Post Employment Benefits (OPEB) totaling \$5.3 million, or 68 percent, of the Commission's operating budget. Mr. Hess further reported that other fixed operating costs such as building rent, telecommunications, and on-going contractual services total \$1.8 million, or 23 percent, leaving nine percent, or \$728,000, in discretionary operating costs for office expenses, travel, hospitality, and other miscellaneous expenses.

Dr. Berry moved approval of the following resolution:

*Resolved*, That the West Virginia Higher Education Policy Commission approves the Fiscal Year 2011 division operating budgets and Higher

Education Resource Assessment projects.

Mr. Estep seconded the motion. Motion passed.

#### **F. Approval of Fiscal Year 2011 West Virginia Network for Educational Telecomputing Budget**

Ms. Roberta Haddix, Assistant Director of Administration, presented the proposed budget for West Virginia Network for Educational Telecomputing (WVNET). Ms. Haddix provided background on expenditures and revenues, noting that WVNET operating revenues are generated from the following sources: state appropriation, contracts, services, interest income, and an allocated portion of HERA funding. Ms. Haddix indicated the FY 2011 state appropriation decreased when compared to last year's state appropriation, which was cut in mid-year. Ms. Haddix stated that the budget includes an operation budget and pass-through budget.

Dr. Berry moved approval of the following resolution:

*Resolved*, That the West Virginia Higher Education Policy Commission approves the Fiscal Year 2011 West Virginia Network for Educational Telecomputing budget as presented.

Ms. Eddy seconded the motion. Motion passed.

#### **G. Approval of Acceptance of National Science Foundation Awards**

Dr. Paul Hill, Vice Chancellor for Science and Research, presented an overview of two new grants including a five-year, \$20 million award from the National Science Foundation, the largest award of its kind in state history. Dr. Hill stated that the award will be utilized to significantly boost academic research and upgrade infrastructure at Marshall University, West Virginia State University, West Virginia University, and other institutions. Dr. Hill noted that the proposal, "Bionanotechnology for Enhanced Public Security and Environmental Safety," initiates extensive activities in science education, workforce development, broadening diversity, and outreach and communications.

Dr. Hill also provided an overview of a two-year, \$1.2 million award from the National Science Foundation through the American Recovery and Reinvestment Act of 2009 to enhance cyberinfrastructure across the state's higher education system. Dr. Hill stated that both intra- and inter-campus connectivity, research and education activities will be supported at Marshall University and West Virginia University in collaboration with all of the state's public higher education institutions and the K-12 community.

Chairman Hendrickson commended Dr. Hill and his staff for their work to increase the amount of federal and state funding for institutional and statewide research projects and technology infrastructure upgrades.

Mr. Tyson moved approval of the following resolution:

*Resolved*, That the West Virginia Higher Education Policy Commission approves acceptance of awards to West Virginia Experimental Program to Stimulate Competitive Research (EPSCoR) from the National Science Foundation.

Mr. Estep seconded the motion. Motion passed.

#### **H. Approval of Fiscal Year 2011 Division of Science and Research Spending Plan**

Dr. Hill presented the proposed spending plan for the Research Challenge Fund, the National Science Foundation's Experimental Program to Stimulate Competitive Research (EPSCoR), and the Research Trust Fund. Dr. Hill also stated that the programs are guided by a statewide Science and Research Council, which approved the spending plan.

Vice Chairman Berry expressed his concern about the remaining principal balance and future matching requests for the Research Trust Fund. Dr. Hill responded that the funds are to be drawn down by 2013; however, the statute allows for redistribution of the funding, after that date, if matching funds are available. Vice Chairman Berry inquired if funding could be made available to the state's remaining four-year public colleges and universities if not utilized by Marshall University and West Virginia University. Dr. Hill responded that it is possible to expand the availability of funding to those institutions since the funding resides with the Commission.

Mr. Tyson moved approval of the following resolution:

*Resolved*, That the West Virginia Higher Education Policy Commission approves the Fiscal Year 2011 Division of Science and Research Spending Plan.

Mr. Estep seconded the motion. Motion passed.

#### **I. Presentation of Proposed Funding Formula**

Dr. Walthers provided a detailed presentation regarding the background and individual funding components contained within the proposed funding formula. Dr. Walthers stated that the funding formula is intended to provide a recommendation for the allocation of state appropriations. Dr. Walthers noted

that the formula will be implemented over time and only utilizing a small percentage of the budget in the beginning years with the goal of incentivizing institutions with monetary reward for increased enrollment, retention, and graduation rates. Dr. Walthers asked the Commission for its support in distributing the model to the institutions for comment and feedback and further development.

**9. Possible Executive Session**

Dr. Berry moved to go into Executive Session under the authority of WV Code §6-9A-4 to discuss personnel issues. The motion was seconded by Mr. Estep. Motion passed.

Dr. Berry moved to rise from Executive Session. Mr. Estep seconded the motion. Motion passed.

**A. Approval of Presidential Contracts and Compensation Packages**

Chairman Hendrickson reported that the Commission discussed the presidential contracts and compensation packages during Executive Session, but no action was taken.

**10. Additional Board Action and Comment**

There was no additional board action or comment.

**11. Adjournment**

There being no further business, the meeting was adjourned.

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David K. Hendrickson

Chairman

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Kathy Eddy

Secretary