

MINUTES

HIGHER EDUCATION POLICY COMMISSION

January 22, 2010

1. Call to Order

Chairman David Hendrickson convened a meeting of the Higher Education Policy Commission at 9:00 AM in the Walker Theater at The Clay Center for the Arts and Sciences in Charleston, West Virginia. The following Commission members were present: Bruce Berry, Kathy Eddy, Kay Goodwin, David Hendrickson, Cindy Largent-Hill, John Leon, and David Tyson. Absent: Bob Brown, John Estep, and Steven Paine. Also in attendance were institutional presidents, higher education staff, and others.

At the request of Chairman Hendrickson, Ashley Schumaker conducted a roll call of Commissioners and institutional representatives.

2. Chairman's Report

Chairman Hendrickson introduced Dr. Clifford Trump, Chancellor Emeritus of the State College System of West Virginia. Dr. Trump provided an overview of the recent evaluations of the Chancellor and the Commission. Dr. Trump provided information regarding the evaluation method and results. Chairman Hendrickson requested that the full report be provided to those who responded to the survey request and participated in the evaluation process.

3. Chancellor's Report

Dr. Brian Noland, Chancellor, thanked the Commission and the institutional presidents for their work to advance the state's higher education system. He noted work on the state's P-20 longitudinal data system, Adult Learner Task Force, National Governors' Association grant, capital construction projects, and the state's new college access web portal and associated statewide media campaign. Chancellor Noland showed the billboards and television commercial that will be utilized to promote the web portal and upcoming financial aid deadlines.

Chancellor Noland discussed Governor Manchin's request to keep tuition and fees constant for in-state, undergraduate students for the upcoming academic year. Chancellor Noland requested that all institutions submit reports regarding the potential impact of the tuition freeze no later than February 7, 2010.

Chancellor Noland provided an overview of the 2010 regular legislative session and noted that a full report will be provided at the April 23, 2010 Commission meeting.

4. Approval of Minutes

Dr. Berry moved approval of the minutes of the meetings held on November 12, 2009 and November 20, 2009, as provided in the agenda materials. Ms. Largent-Hill seconded the motion. Motion passed.

5. Access

A. Presentation Regarding Retention

This item was tabled for a future meeting. Chancellor Noland noted that the Southern Regional Education Board will hold a regional conference focusing on college completion this Spring in Charleston. After the conference, Commission staff will provide a briefing regarding the conference discussion and outcomes.

B. Open Forum Regarding Retention

As noted above, this item was tabled for a future meeting.

6. Cost and Affordability

A. Fiscal Year 2009 Consolidated Audit Presentation

Mr. Terry Hess, Assistant Director of Finance and Facilities, introduced Mr. Dennis Juran of Deloitte & Touche, who made the annual audit presentation of the Higher Education Fund. Mr. Juran noted that the audit includes four-year and two-year institutions as well as the Commission and the Council. Mr. Juran discussed the 2009 Consolidated Audit and the management letter findings and indicated that the overall financial condition of the Higher Education Fund is strong.

Commissioner Eddy noted that the level of net assets were considerably low at two institutions and inquired if there was a plan in place to increase those numbers before the next audit. Mr. Richard Donovan, Chief Financial Officer, reported that the institutions are working to rebuild reserves and reduce the amount of debt.

Commissioner Tyson inquired as to why the Erma C. Byrd Higher Education Center located in Beckley was deemed not financially significant to the audit. Mr. Donovan responded that the audit did not include the Center due to the level of net assets and liabilities. Chancellor Noland noted that the Center receives operational support from multiple entities including the Legislature, the Governor's Office, the Commission, the Council, and participating institutions. Commissioner Tyson requested a copy of the Center's financial report. Secretary Goodwin also requested information regarding the Center's governance structure.

Commissioner Eddy inquired about the level of internal controls currently in place at the Commission and the institutions. Mr. Juran advised that internal controls are an important part of the audit process and that he believes significant controls currently exist. Chairman Hendrickson indicated the Commission's intent for staff to develop a systemwide policy regarding internal controls. Dr. Kevin Walthers, Vice Chancellor for Administration, commented that this matter will be addressed in the coming months.

Ms. Eddy moved approval of the following resolution:

Resolved, That the West Virginia Higher Education Policy Commission accepts the audited financial reports for the Higher Education Fund for the Fiscal Year ending June 30, 2009.

Dr. Berry seconded the motion. Motion passed.

B. Overview of Proposed Funding Formula

Chancellor Noland reviewed the proposed funding formula. He indicated that the funding formula includes the work of many individuals over a long period of time in an effort to bring a logical and systematic approach to the funding process for the state's higher education system.

Chairman Hendrickson requested that the model more specifically integrate retention and graduation rates in the amount of state funding provided to institutions. The Commission designated Commissioner Kathy Eddy to work with Commission staff and institutional representatives to finalize the funding formula for presentation to the Commission at a later date.

C. Approval of Series 51, Bookstores and Textbooks

Mr. Bruce Walker, General Counsel, provided an overview of the work of the Statewide Task Force on Textbook Affordability. Mr. Walker stated that the proposed rule is intended to implement the work of the Task Force as outlined in the final report. Mr. Walker noted that staff worked with various institutional representatives in providing an informal comment period and, contingent upon Commission approval, the rule will be filed with the Secretary of State for a formal thirty-day comment period.

Secretary Goodwin moved approval of the following resolution:

Resolved, That the West Virginia Higher Education Policy Commission approves Series 51, Bookstores and Textbooks, for submission to the Secretary of State's Office for a thirty-day public comment period and that if no substantive comments are received that the Commission extend final approval.

Mr. Tyson seconded the motion. Motion passed.

D. Approval of Series 7, PROMISE Scholarship Program, Emergency and Legislative Rules

Mr. Jack Toney, Director of State Financial Aid Programs, provided an overview of the comments received during the thirty-day comment period for the proposed legislative rule as required by the Secretary of State. Mr. Toney noted that, based on the comments received, changes were made to allow for summer school eligibility and part-time enrollment during a student's last two semesters of scholarship eligibility. Mr. Toney noted that, if approved by the Commission, the rule will be forwarded to the Legislative Oversight Commission on Education Accountability for approval and final filing with the Secretary of State.

Dr. Berry moved approval of the following resolution:

Resolved, That the West Virginia Higher Education Policy Commission approves the proposed revisions to Series 7, PROMISE Scholarship Program, as an emergency rule for submission to and approval from the Legislative Oversight Commission on Education Accountability and filing with the Secretary of State.

Further Resolved, That the West Virginia Higher Education Policy Commission approves the proposed revisions to Series 7, PROMISE Scholarship Program, as a legislative rule to be forwarded to the Legislative Commission on Education Accountability for approval and further legislative action as well as filing with the Secretary of State.

Mr. Tyson seconded the motion. Motion passed.

7. Learning and Accountability

A. 2009 Higher Education Report Card

Mr. Rob Anderson, Senior Director of Policy and Planning, presented highlights from the 2009 Higher Education Report Card. Mr. Anderson noted that the report contains sections on statewide, regional, and national data and implications as well as detailed information and analysis about the state's public four-year colleges and universities under the jurisdiction of the Commission and the state's public two-year colleges under the jurisdiction of the Council for Community and Technical College Education. Mr. Anderson stated that the full report is available online.

Vice Chairman Berry expressed his appreciation for the exceptional work and encouraged everyone to review the report.

B. 2009 Health Sciences and Rural Health Report Card

Dr. Bob Walker, Vice Chancellor for Health Sciences, presented highlights from the 2009 Health Sciences and Rural Health Report Card. Dr. Walker noted that the report contains various sections including enrollment, retention, graduation, loan indebtedness, and job placement.

Dr. Walker also provided an overview of the transition of medical education in the state. Dr. Walker cited the increasing class size and the changing proportion of in-state and out-of-state students. Dr. Walker indicated that the Division of Health Sciences will be working with leadership from the state's three medical schools to engage in dialogue regarding statewide efforts to study these issues.

C. 2009 Research Trust Fund Annual Report

Chancellor Noland provided an overview of the research plans for Marshall University and West Virginia University. Chancellor Noland also provided information regarding pledges and gifts received to date by Marshall University and West Virginia as part of the Research Trust Fund. Chancellor Noland noted that, due to the economic downturn, the amount of pledges and gifts are less than projected. However, Chancellor Noland stated that fundraising has increased in recent months and is expected to increase over the course of the next year.

D. Approval of 2009 Institutional Compact Updates

Dr. Bruce Flack, Director of Academic Affairs, provided information regarding institutional involvement in the implementation of the Commission's Master Plan. Dr. Flack stated that the original institutional compacts were approved by the Commission on January 23, 2009 and the 2009 updates are the first in a series of required yearly updates regarding progress in meeting the goals outlined in the compacts. Dr. Flack provided an overview of the process utilized to evaluate the compact updates. A team of internal and external higher education officials participated in the review.

Vice Chairman Berry inquired as to why Marshall University's 2009 institutional compact update was not included in the agenda item. Dr. Flack responded that Marshall University did not respond by the deadline.

At the request of the Commission, Layton Cottrill from Marshall University addressed the Commission. Mr. Cottrill reported that Marshall University was unable to meet the deadline due to other pending deadlines and responsibilities. Mr. Cottrill apologized for the delay and assured the Commission that Marshall University will make every effort to submit the update as soon as possible and, in the future, will make every effort to meet all deadlines.

Chairman Hendrickson stated that requests from Marshall University will not be approved until the compact update is submitted. He further stated that all financial transitions, including matching funds from the Research Trust Fund, will be withheld until such time as Marshall University complies with this request.

Dr. Berry moved approval of the following resolution:

Resolved, That the West Virginia Higher Education Policy Commission approves the 2009 institutional compact updates for Bluefield State College, Concord University, Fairmont State University, Glenville State College, Shepherd University, West Liberty University, West Virginia State University, and West Virginia University that have been submitted in conjunction with the Master Plan, *Charting the Future, 2007-2012*.

Ms. Eddy seconded the motion. Motion passed.

E. Report on Institutional Graduation Rates

Chancellor Noland led a discussion on graduation rates across the state's higher education system compared to national and regional averages. Chancellor Noland provided a ten-year history for all institutions and compared the rates to those at the respective peer institutions. Chairman Hendrickson expressed the Commission's concern regarding the low graduation rates at various institutions and the Commission's commitment to increasing those rates.

F. Approval of Revision to Series 19, Guidelines for the Offering of College Courses for High School Students

Dr. Flack provided an overview of the proposed revisions to Series 19, the Commission's rule for offering of college courses (early enrollment) primarily for high school students. Dr. Flack noted that the proposed revisions are the result of the work of an Early Enrollment Task Force consisting of representatives from the state's four-year and two-year institutions. Dr. Flack commented that the goal of the recommended changes regarding coursework, faculty selection, student admission, and general accountability is to assure greater academic integrity of early enrollment courses.

Ms. Eddy moved approval of the following resolution:

Resolved, That the West Virginia Higher Education Policy Commission approves Series 19, Guidelines for the Offering of College Courses for High School Students, 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 extend final approval.

Mr. Tyson seconded the motion. Motion passed.

G. Approval of Bachelor of Science in Health Services Management at Bluefield State College

Dr. Flack presented proposals from Bluefield State College to implement a Bachelor of Science in Health Services Management, West Virginia State University to implement a Bachelor of Science in Sports Studies, and from Concord University to implement a Bachelor of Arts in Spanish. Dr. Flack noted that limited or no additional budgetary resources will be necessary to initiate the programs. Dr. Flack also noted that the programs will be subject to a post-audit review conducted by the Commission during the 2012-2013 academic year.

Mr. Tyson moved approval of the following resolution:

Resolved, That the West Virginia Higher Education Policy Commission approves the Bachelor of Science in Health Services Management at Bluefield State College, effective August 2010.

Ms. Largent-Hill seconded the motion. Motion passed.

H. Approval of Bachelor of Science in Sports Studies at West Virginia State University

Mr. Tyson moved approval of the following resolution:

Resolved, That the West Virginia Higher Education Policy Commission approves the Bachelor of Science in Sports Studies at West Virginia State University, effective August 2010.

Ms. Largent-Hill seconded the motion. Motion passed.

I. Approval of Bachelor of Arts in Spanish at Concord University

Mr. Tyson moved approval of the following resolution:

Resolved, That the West Virginia Higher Education Policy Commission approves the Bachelor of Arts in Spanish at Concord University, effective August 2010.

Ms. Largent-Hill seconded the motion. Motion passed.

8. Possible Executive Session

Dr. Berry moved to go into Executive Session under the authority of WV Code §6-9A-4 to discuss personnel issues and possible property acquisition. The motion was seconded by Ms. Eddy. Motion passed.

Dr. Berry moved to rise from Executive Session. Ms. Largent-Hill seconded the motion. Motion passed.

A. Approval of Presidential Contract Extension and Compensation Changes at Glenville State College

Mr. Tyson moved approval of the following resolution:

Resolved, That the West Virginia Higher Education Policy Commission approves the extension of the presidential contract and compensation changes proposed by the Glenville State College Board of Governors.

Dr. Berry seconded the motion. Motion passed.

B. Discussion of Chancellor's Evaluation Process

Chairman Hendrickson reported that the Commission discussed the process for the Chancellor's evaluation during Executive Session, but no action was taken.

C. Discussion of Possible Property Acquisition

Chairman Hendrickson reported that the Commission discussed the possible property acquisition during Executive Session, but no action was taken.

9. Adjournment

There being no further business, the meeting was adjourned.

David K. Hendrickson

Chairman

Kathy Eddy

Secretary