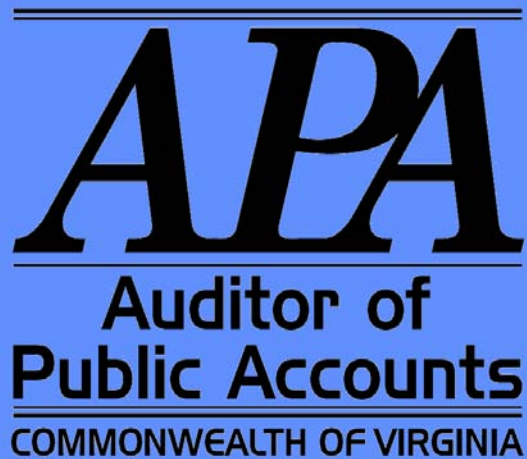


**REVIEW OF
DATA COLLECTION PROCESS OVER
INSTITUTIONAL PERFORMANCE STANDARDS**

AUGUST 2009



SUMMARY

The Restructured Higher Education Financial and Administrative Operations Act (Restructuring Act) gave state-supported colleges and universities greater autonomy over their daily operations in exchange for meeting established educational and management goals set by the Governor and the General Assembly in the areas of access, affordability, and student progress and success. The Restructuring Act required the establishment of a standard set of performance measures for each goal that applies to all universities. The individual performance measures include academic, financial, and administrative measures, known as the Institutional Performance Standards. The State Council of Higher Education for Virginia (SCHEV) oversees the process to collect and report the institutional performance standards, including certifying performance measure results by June 1 of each year.

Overall, we found that the data collection procedures over academic performance measure data reported by the universities to SCHEV were adequate to ensure accuracy and reliability for certification purposes. The majority of the universities followed some, if not all, of the best practices we identified; however, we found several areas for improvement common to many of the universities. While these recommendations are not applicable to all of the universities, these concerns were broad enough to warrant overall recommendations to improve the processes.

We found that most of the universities did not have documented policies and procedures over data collection and reporting to SCHEV. We also found that several universities were heavily reliant on one or two individuals to perform the majority of the tasks associated with SCHEV data reporting. We recommended that universities document policies and procedures related to SCHEV reporting and that employees be cross-trained on the various processes to ensure that information is developed and reported consistently each year.

We also found that SCHEV's procedures were adequate to ensure the accuracy and reliability of the information used to calculate the results of the academic performance measures. Generally, universities considered their experiences with SCHEV staff to be satisfactory, and that SCHEV staff were responsive to their concerns during the submission process. To improve the process, we recommended SCHEV enhance the SCHEV website to make this information easier to find and understand for the public and to continue implementation of the certification subcommittee and related processes.

- TABLE OF CONTENTS -

	<u>Pages</u>
SUMMARY	
RESTRUCTURING AND CERTIFICATION BACKGROUND	
Overview of Restructuring	1-2
Certification Process	2-4
Financial Incentives	4-5
CERTIFICATION RESULTS, JUNE 1, 2009	6
SCOPE AND PURPOSE OF REVIEW	6-8
RESULTS AND RECOMMENDATIONS – UNIVERSITIES	8-9
RESULTS AND RECOMMENDATIONS– SCHEV	9-10
CHANGES IN THE CERTIFICATION PROCESS - EFFECTIVE JULY 1, 2009	10
TRANSMITTAL LETTER	11-12
AGENCY RESPONSE	13
APPENDICES	
Appendix A – Institutional Performance Standards	14-17
Appendix B –Institutional Performance Standards Results – June 1, 2009	18-26
AGENCY OFFICIALS	27

RESTRUCTURING AND CERTIFICATION BACKGROUND

Overview of Restructuring

The 2005 Restructured Higher Education Financial and Administrative Operations Act (Restructuring Act) gave Virginia's state-supported colleges and universities greater autonomy over their daily operations in exchange for meeting established educational and management goals. With enactment of the Restructuring Act, the Governor and the General Assembly established goals for Virginia's state-supported colleges and universities in a number of areas including access, affordability, and student progress and success. The Restructuring Act required the establishment of a standard set of performance measures for each goal that applies to all universities. The individual performance measures include academic as well as financial and administrative measures, which collectively are referred to as Institutional Performance Standards. We have summarized the individual measures below by goal, and detailed the measures in Appendix A. Throughout this report we use the term "universities" to include all state-supported colleges and universities.

Goal 1: Access

Measure 1: University meets 95 percent of its in-state enrollment targets

Measure 2: Enrollment of under-represented populations

Measure 3: University meets 95 percent of its projected degree awards

Goal 2: Affordability

Measure 4: Affordability (measure not determined)

Measure 5.1: Average need-based borrowing

Measure 5.2: Percentage of need-based borrowing

Measure 6: University conducts biennial assessment of tuition and fee levels

Goal 3: Academic Offerings

Measure 7: Degrees conferred in high-need areas

Goal 4: Academic Standards

Measure 8: Programs reviewed under the criteria of Southern Association of Colleges and Schools

Goal 5: Student Progress and Success

Measure 9: Access to lower division courses

Measure 10: Degrees conferred per full-time faculty

Measure 11: Average progression and retention rates

Measure 12: Undergraduate degree awards per FTE enrollment

Goal 6: Enhanced Access and Affordability

Measure 13: Increased number of transfer agreements

Measure 14: Increase in degree-qualified transfers

Measure 15: Dual enrollment of high school students

Goal 7: Economic Development

Measure 16: Institutional commitment to economic development

Goal 8: Research

Measure 17: Research expenditures (three-year averages)

Measure 18: Patents and licenses (three-year averages)

Goal 9: Enhancing K-12

Measure 19: Enhanced participation and cooperation in K-12

Financial and Administrative Measures – There are eleven financial and administrative measures listed below:

- An unqualified opinion from the Auditor of Public Accounts (APA)
- No significant audit deficiencies attested to by the APA
- Achievement of accounts receivable standards as approved by the State Comptroller
- Achievement of accounts payable standards as approved by the State Comptroller
- Compliance with debt management policy approved by the governing board of the university
- Achievement of classified staff turnover rate established by the university
- Substantial compliance with annually approved Small, Women and Minority plan, as submitted to the Department of Minority Business Enterprise
- At least 75 percent of purchases will be made through the Commonwealth's enterprise-wide internet procurement system
- University will complete capital projects (over \$1 million) within the original budget for the project
- University will complete information technology projects (over \$1 million) on time and on budget
- Tier III universities will achieve the administrative standards outlined in their respective Management Agreements

The State Council of Higher Education for Virginia (SCHEV) has responsibility for higher education oversight and they administer the academic performance measures. SCHEV has broad authority to approve the universities' targets for performance measures, determine whether a university has met or exceeded the targets, and grant exemptions should universities not meet their performance targets. Finally, SCHEV is also responsible for assessing and certifying performance measure results by June 1 of each year. Following section discusses the certification process in more detail.

Certification Process

SCHEV administers the annual certification process using the performance measures discussed in the previous section. The certification process involves multiple parties and below is an outline of the major steps in the process.

1. Universities and SCHEV Develop Performance Targets and Thresholds

Universities develop performance targets and thresholds every other year for each academic performance measure. A performance target is the desired level of performance while a threshold is a tolerable level of progress, if a university does not meet its target. The individual universities are responsible for developing the targets and thresholds and SCHEV staff offer advice and other assistance as needed. SCHEV staff also reviews each university's plan to ensure it aligns with the state's policy objectives and that the individual university measures are appropriate. Lastly, the SCHEV Council approves a target and a threshold for each measure by university.

2. Universities Submit Data to SCHEV

Universities submit various files and information to SCHEV throughout each year. Most of the information comes from the university's internal information systems using standard data files such as the Student Financial Aid data file and the Fall Headcount file. Implementation of performance measures did not significantly change the amount or frequency of data that the universities submitted to SCHEV. Each university electronically transfers this information to SCHEV according to the data submission guidelines established by SCHEV.

3. SCHEV Analyzes Data and Computes Academic Measures

Once a university submits its data, SCHEV staff perform various edits on the information to ensure that each file is in the correct format and is consistent with the data definitions. For example, staff will perform edit checks against the data received in other files to make sure the data reported on one file is consistent with the data on another file. SCHEV staff perform reviews down to the individual student record level.

After completing the edit checks, SCHEV uses the source data to calculate the university's actual performance for the academic performance measures. SCHEV produces reports for each university staff member to review to ensure the data is accurate and reasonable. When a university meets its target level, SCHEV reports the performance measure as "achieved." If the university meets the threshold level, but not the target level, SCHEV reports the performance measure as "passed."

4. SCHEV Receives Information on Administrative and Financial Measures

The Secretaries of Finance, Administration, and Technology are responsible for gathering the certification information for the financial and administrative measures. Based on the information collected, the Secretaries assess whether each university has passed or failed. The evaluation process assigns weights to each measure, and assigns a score using the information provided by the university. The Secretary of Finance provides the universities' overall pass/fail information to SCHEV, who incorporates this into the certification process as a single measure.

5. SCHEV Analyzes Results and Determines Certification

The SCHEV staff evaluates the results for the academic and financial and administrative measures to determine whether a university qualifies for a certification. For the most recent certification period, the SCHEV Council initially evaluated the performance measure results through a two-person working group. After developing the results, the working group presented its findings to the full SCHEV Council for review and approval.

While the failure of one measure by a university can result in the failure to achieve certification, the SCHEV Council has ultimate responsibility for determining certification for each university. Once the SCHEV Council approves the certification, the results are reported to the Governor and the Chairmen of the House Education, the House Appropriations, the Senate Education and Health, and the Senate Finance committees.

Financial Incentives

Once certified, universities receive various financial incentives. Section §2.2-5005 of the Code of Virginia sets out the incentives available to the universities.

1. Universities receive interest on deposits of tuition and fees and non-general fund Educational and General revenues in the State Treasury.
2. Universities retain a prorated amount of the rebate on credit card purchases of less than \$5,000 made during the fiscal year.
3. Universities receive a rebate for any transaction fees for sole source procurements made during the previous fiscal year and made from vendors not registered with the Commonwealth's web-based electronic procurement system.
4. Universities retain unexpended appropriations that remain at the end of the fiscal year.

The table on the following page summarizes the amount of financial incentives universities received in fiscal year 2009. These incentives are based on fiscal year 2008 financial activity and the June 1, 2008 certification results.

Summary of Financial Incentives for Certified Universities

University Name	Interest Earnings	Credit Card Rebate	Sole Source Rebate	Carry-Forward	Total
Christopher Newport University	\$ 315,885	\$ 67,094	\$ 196	\$ -	\$ 383,175
College of William and Mary	-	44,716	-	-	44,716
George Mason University	2,240,467	101,105	80	-	2,341,652
James Madison University	1,492,427	111,968	306	7,196	1,611,897
Longwood University	446,379	44,609	654	2,008	493,650
Norfolk State University	-	-	616	511,166	511,782
Old Dominion University	1,754,106	39,248	12,490	470,095	2,275,939
Radford University	552,994	23,851	130	917,144	1,494,119
Richard Bland College	42,887	9,546	189	101,997	154,619
University of Mary Washington	104,548	53,669	114	9,016	167,347
University of Virginia	-	112,882	103,969	7,306,891	7,523,742
University of Virginia's College at Wise	-	2,199	-	69,709	71,908
Virginia Commonwealth University	1,414,622	110,519	3,159	49,713	1,578,013
Virginia Community College System	3,320,769	365,308	7,424	15,240,997	18,934,498
Virginia Military Institute	125,394	40,007	1,352	-	166,753
Virginia State University	230,480	-	-	219,380	449,860
Virginia Tech	-	98,674	56,890	-	155,564
TOTAL	\$12,040,958	\$1,225,395	\$187,569	\$24,905,312	\$38,359,234

Certain universities show no interest earnings in the table above. For example, state funds of the Tier III universities (William and Mary, University of Virginia and Virginia Tech) no longer earn interest in the State Treasury, rather these funds are invested by the universities who are allowed to retain this interest based on the results of their annual certification. Norfolk State University does not have any interest earnings due to their internal accounting practices of drawing their non-general fund Education and General funds down from the State Treasury at the beginning of the year.

CERTIFICATION RESULTS, JUNE 1, 2009

June 1, 2009 was the most recent certification and used the performance measure results for the year ended June 30, 2008. Appendix B of this report presents the performance measure results for each university by individual measure. All of the universities initially received certification with the exception of the following four universities, which failed at least one measure.

Richard Bland College (RBC)
University of Virginia's College at Wise (UVA-W)
Virginia Commonwealth University (VCU)
Virginia State University (VSU)

While failure of a single measure can result in a university not achieving certification, the SCHEV Council has broad authority to determine certification for each university. The SCHEV Council reviewed the results and determined that VCU should receive certification because they had made adequate progress on their failed measure.

The other three universities had an opportunity to explain the results of their failed performance measures. Based on the additional information provided, the SCHEV Council certified VSU due to errors in calculating their performance measure goals. The SCHEV Council also certified RBC and UVA-W, but required that those colleges develop remedial plans to meet their performance measures. The SCHEV Council further recommended that the College of William and Mary and the University of Virginia work with RBC and UVA-W, respectively, to assist them in meeting their performance measures in future certifications.

SCOPE AND PURPOSE OF REVIEW

Our review focused on the internal controls over the collection and submission of the data used to calculate academic performance measure results for the universities. Because this is a joint process involving both the universities and SCHEV, we focused on the roles played by each in the developing and reporting performance measure data. Our review objectives were to:

- Determine that controls over performance measure data reported by the universities to SCHEV are adequate to ensure accuracy and reliability for certification purposes.
- Determine that controls over performance measure data reported by SCHEV are adequate to ensure accuracy and reliability for certification purposes.
- Determine how SCHEV and others use the data in the certification process.
- Determine how SCHEV protects the data from unauthorized access or modification during transmission and storage.

In performing this review, we selected a sample of ten universities to include based on the following criteria:

- All Tier III universities (College of William and Mary, University of Virginia, Virginia Polytechnic Institute and State University, and Virginia Commonwealth University)
- The universities that initially failed to be certified during the most recent certification period (Richard Bland College, the University of Virginia’s College at Wise, and Virginia State University)
- Three additional universities to provide a representative sample of the remaining universities (Christopher Newport University, James Madison University, and Longwood University)

We also selected a sample of academic performance measures for review. We selected data-driven measures where we could identify the primary data sources and evaluate the control environment at individual universities over the accuracy and completeness of the data provided to SCHEV. The following table shows the measures selected and the data files SCHEV used to calculate these performance measure results:

<u>Academic Performance Measures Selected</u>	<u>Data Files Used</u>
<u>Goal 1 - Access (three measures)</u>	
Measure 1 - In state enrollment	Fall Headcount
Measure 2 - Underrepresented populations	Fall Headcount/Financial Aid
Measure 3 - Degrees awarded	Degrees Conferred
<u>Goal 2 - Affordability (two measures)</u>	
Measure 5.1 - Need based borrowing \$\$	Financial Aid
Measure 5.2 - Need based borrowing %	Financial Aid
<u>Goal 5 - Student Progress (three measures)</u>	
Measure 10 - Degrees conferred per full-time faculty	Degrees Conferred
Measure 11 - Average progression and retention rates	Fall Headcount
Measure 12 - Undergraduate degree awards per FTE	Degrees Conferred and Course
<u>Goal 6 - Enhanced Access & Affordability (two measures)</u>	
Measure 14 – Increase in degree qualified transfers	Degrees conferred and Fall Headcount
Measure 15 – Dual enrollment of high school students	Course Enrollment

For each university, we reviewed the system of internal controls to collect and report the required performance measure data to SCHEV. We surveyed university staff and performed a walk-

through to gain an understanding of their procedures to develop and submit the information for calculating the performance measures. We evaluated the university's procedures to determine if they were sufficient to ensure that the information was complete, accurate, secure, and consistent with the information in the university's student information system. To aid in this evaluation of the universities' processes, we developed the following best practices.

1. The university uses appropriate analytical techniques and reconciliations to ensure that the data submitted to SCHEV is accurate and agrees with information reported from the university's student information system.
2. Senior management and appropriate university staff at the university are committed to ensuring the data is accurate and the processes used are transparent.
3. All departments and personnel responsible for reporting information to SCHEV are aware of the status of the process and properly involved in the process.
4. The university has a committee structure for performance measure target development and data reporting. The committee remains informed of relevant legislative changes that could affect the certification process.
5. The restructuring coordinator has an appropriate position within the university's organizational structure.
6. The university has developed data fields within their student information system that correspond directly to SCHEV-required data elements.
7. The university can readily replicate the data it submitted for comparison with SCHEV-reported data.

We also evaluated processes used by SCHEV staff to ensure that data received from the universities is accurate and secure. We accomplished this through a series of meetings with SCHEV staff to discuss the methods used to provide security over the data reporting processes as well as edit checks and analysis performed by them. We also surveyed universities to gain information about their interaction with SCHEV and their impression of SCHEV's role in the process.

RESULTS AND RECOMMENDATIONS – UNIVERSITIES

Overall, we found that the data collection procedures over academic performance measure data reported by the universities to SCHEV were adequate to ensure accuracy and reliability for certification purposes. The majority of the universities followed some, if not all, of the best practices discussed above; however, we found several areas for improvement common to many of the universities. While these recommendations are not applicable to all of the universities, these concerns were broad enough to warrant overall recommendations to improve the processes.

1. Document Policies and Procedures

Universities should document their internal policies and procedures over data reporting. Several universities were heavily reliant upon one or two individuals to perform the majority of the tasks associated with SCHEV data reporting. Such documentation will provide needed assistance in the event of employee turnover and ensure that information is developed and reported consistently each year.

2. Ensure Adequate Resources and Cross-Training

Universities should ensure adequate resources are devoted to the information reporting processes and that cross-training of the various processes occurs. Determining adequate resources involves evaluating the level of staffing assigned to performance measure reporting as well as the technical resources devoted to the processes. Proper resources and cross-training will help ensure that data provided to SCHEV is accurate and consistent.

RESULTS AND RECOMMENDATIONS - SCHEV

Overall, we found that SCHEV's procedures are adequate to ensure the accuracy and reliability of the information used to calculate the results of the academic performance measures. We also found that universities considered their experiences with SCHEV staff to be satisfactory, and that SCHEV staff were responsive to their concerns during the submission process. SCHEV staff does not currently have documented policies and procedures related to data storage and security, an issue that was included in their most recent audit report. SCHEV staff is currently working with the Department of Accounts to develop documented policies and procedures related to these processes, and plans to complete the procedures by December 31, 2009.

During our review, we identified recommendations for SCHEV that could improve their management of the performance measure process.

1. Enhance Website

SCHEV should enhance their website by making the performance measure and certification information easier to access. Developing a direct link to performance measure and certification information on the SCHEV home page will provide ease of use and access for Commonwealth decision makers and the general public. Similarly, SCHEV should provide narrative information about this process on their website, including the terminology used, and purpose of the certification process. This will further help to increase the public's understanding of the performance measure and certification process.

2. Establish Certification Subcommittee

For the 2009 certification, the SCHEV Council had a working group of two members that was responsible for evaluation of the performance measures. Based upon discussions during the course of our review, we learned that the SCHEV Council intends to expand the working group to a fully established subcommittee of SCHEV Council members. By formally establishing a subcommittee devoted to performance measures and certification, the SCHEV Council is making significant strides in fully assuring the transparency of the certification process. We recommend that SCHEV continue full implementation of this process.

CHANGES IN THE CERTIFICATION PROCESS - EFFECTIVE JULY 1, 2009

During the 2009 session, the General Assembly enacted certain changes to the certification process including providing the SCHEV Council with additional oversight to determine the certification status of universities. These oversight responsibilities include the development of a threshold of permitted variance from targets and the ability to exempt universities from certification on education measures unrelated to the mission of the university or deemed unnecessary given a university's current level of performance. There were also some other changes implemented to improve the measurement and certification process including:

- To assess affordability, universities will establish graduation rate targets according to financial aid status, with the intent of achieving similar graduation rates among student groups with different financial aid needs. The universities will divide the student groups among those who receive federal Pell grants, those receiving need-based financial assistance other than Pell grants, and those not receiving need-based financial assistance. The target graduation rates will use four- and six-year graduation rates for four-year universities, and two- and four-year graduation rates for community colleges and Richard Bland College.
- Change the reporting basis from annual to biennial for the following performance measures - student borrowing, faculty productivity, articulation agreements, economic development, patents and licenses, support for elementary and secondary education, and campus safety.
- The Secretaries will revise the financial and administrative performance measures for the Tier III universities.



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

August 10, 2009

The Honorable Timothy M. Kaine
Governor of Virginia
State Capital
Richmond, Virginia

The Honorable M. Kirkland Cox
Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia

We have completed our review of the data collection process for institutional performance standards for Virginia's state-supported colleges and universities and are pleased to submit our report entitled "**Review of Data Collection Process over Institutional Performance Standards.**" We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Scope and Methodology

Our objective was to determine that internal controls used by the colleges and universities and the State Council of Higher Education for Virginia (SCHEV) were adequate to provide for the accuracy, completeness, and security of the data reported as part of the Institutional Performance Standards certification process. The specific review objectives were to:

- a. Determine that controls over performance measure data reported by the universities to SCHEV are adequate to ensure accuracy and reliability for certification purposes.
- b. Determine that controls over performance measure data reported by SCHEV are adequate to ensure accuracy and reliability for certification purposes.
- c. Determine how SCHEV and others use the data in the certification process.
- d. Determine how SCHEV protects the data from unauthorized access or modification during transmission and storage.

In performing our review, we selected a sample of ten universities and ten academic performance measures. We chose performance measures in which we could identify the primary data sources and evaluate the control environment at individual universities regarding the accuracy and completeness of the data provided to SCHEV.

Results of Review

Overall, we concluded that data collection procedures followed by the colleges and universities and SCHEV were adequate to provide for the accuracy, reliability, and security of data reported as part of the Institutional Performance Standards certification process. General recommendations for the universities are in the section of the report entitled “*Results and Recommendations - Universities.*” Recommendations for SCHEV are in the report section entitled “*Results and Recommendations – SCHEV.*”

Exit Conference and Report Distribution

We discussed this report with the State Council of Higher Education of Virginia on August 20, 2009. We also distributed copies of the draft report to the universities in our sample for their review and comment. While no responses were required from the universities, SCHEV has provided a response to their recommendations at the end of this report.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

AUDITOR OF PUBLIC ACCOUNTS

HCV/alh



COMMONWEALTH of VIRGINIA

Daniel J. LaVista
Executive Director

STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
James Monroe Building, 101 North Fourteenth Street, Richmond, VA 23219

(804) 225-2600
FAX (804) 225-2604
www.schev.edu

August 24, 2009

Walter J. Kucharski
Auditor of Public Accounts
Eighth Floor, James Monroe Building
101 North 14th Street
Richmond, Virginia 23219

Dear Walt:

I write concerning the IPS Audit Report recently conducted by your staff. I have reviewed the draft report and the recommendations regarding SCHEV. I compliment your staff on a professional and excellent report.

I support the report's recommendations for SCHEV. Earlier this summer, the Council Chair formalized the Restructuring Subcommittee and expanded its membership to four Council members. Also this summer, SCHEV staff began a review of the SCHEV website to provide easier access to expanded restructuring information. It is expected that the website will be updated later this fall.

Sincerely,

A handwritten signature in black ink, appearing to read "DLV", written over a horizontal line.

Daniel J. LaVista

c: Helen C. Vanderland

APPENDIX A – INSTITUTIONAL PERFORMANCE STANDARDS

Institutional Performance Standards

Full Text

Goal 1: Access

Measure 1: University meets its State Council-approved biennial projection of total in-state student enrollment within the prescribed range of permitted variance.

Measure 2: University increases the percentage of in-state undergraduate enrollment of from under-represented populations.

Measure 3: University annually meets at least 95 percent of its State Council-approved estimates of degrees awarded.

Goal 2: Affordability

Measure 4: Measure currently not developed.

Measure 5.1: University maintains acceptable progress towards an agreed upon target that decreases the average debt of in-state undergraduate student borrowers.

Measure 5.2: University maintains acceptable progress towards an agreed upon target that decreases the percent of in-state undergraduate student borrowers.

Measure 6: University 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 university shall also make a parent- and student-friendly version of the assessment widely available on the university's website.

Goal 3: Academic Offerings

Measure 7: University 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.

Goal 4: Academic Standards

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

Goal 5: Student Progress and Success

Measure 9: University 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 university does not currently track student access and registration attempts at the course level, the university 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 university shall include in its annual report to the State Council its plan of action to increase such access and remediate the identified problems.

Measure 10: University maintains acceptable progress towards a mutually agreed upon target that maintains or increases the ratio of degrees conferred per FTE faculty member.

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

Measure 12: Within the prescribed range of permitted variance, the university 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 university is pursuing planned enrollment growth as demonstrated by their SCHEV-approved enrollment projections.

Goal 6: Enhanced Access and Affordability

Measure 13: University 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 University, the Virginia Community College System, and the State Council of Higher Education for Virginia.

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

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

Goal 7: Economic Development

Measure 16: In cooperation with the State Council, the university 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. University will receive positive feedback on an annual standardized survey developed by the State Council, in consultation with the universities, 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.

Goal 8: Research

Measure 17: University 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 university's management agreement.

Measure 18: University 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 university's management agreement.

Goal 9: Enhancing K-12

Measure 19: In cooperation with the State Council, the university 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. University will receive positive feedback on an annual standardized survey developed by the State Council, in consultation with the universities, of the superintendents, principals, and appropriate other parties.

Financial and Administrative Measures

1. An unqualified opinion from the Auditor of Public Accounts upon the audit of the public University's financial statements.
2. No significant audit deficiencies attested to by the Auditor of Public Accounts.
3. Substantial attainment of accounts receivable standards approved by the State Comptroller, including, but not limited to, any standards for outstanding receivables and bad debts.
4. Substantial attainment of accounts payable standards approved by the State Comptroller, including, but not limited to, any standards for accounts payable past due.
5. University 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 specific period.
6. The University 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.
7. The University 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.
8. The University will make no less than 75 percent of dollar purchases from vendor locations registered in the Commonwealth's enterprise-wide internet procurement system (eVA).

- 9.** The University will complete capital projects (with an individual cost of over \$1,000,000) within 1) the budget originally approved by the university's governing board for projects initiated under delegated authority, or 2) the budget set out in the Appropriation Act or other Acts of Assembly. If the University 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 University responded and determine whether the University shall be considered in compliance with the measure despite the cost overrun.
- 10.** The University will complete major information technology projects (with an individual cost of over \$1,000,000) within the budgets and schedules originally approved by the University's governing board. If the University 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 University responded and determine whether the university 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.
- 11.** Universities governed under Chapters 933 and 943 of the 2006 Acts of the Assembly, shall be measured by the administrative standards outlined in the Management Agreements. However, the Governor may supplement or replace those administrative performance measures with the administrative performance measures listed in this paragraph upon notification to the Chairmen of the House Appropriations and Senate Finance Committees and the universities 45 days prior to the start of a fiscal year.

APPENDIX B – INSTITUTIONAL PERFORMANCE STANDARDS RESULTS – JUNE 1, 2009

The following data represents the most recent Institutional Performance Standards submissions for each college and university. The data was taken from the 2007-2008 school year and results are from the June 1, 2009 certification. Only measures that apply to the respective universities are included in the charts below.

Christopher Newport University

Measure	Actual	Target	Threshold	Result
In-state enrollment	4,647	4,859	4,616	<i>Passed</i>
Under-represented enrollment	1,088	1,065	896	Achieved
Degree awards	904	900	855	Achieved
Average need-based borrowing	\$2,965	\$3,125	\$3,395	Achieved
Percentage of need-based borrowing	81.2%	81.7%	87.0%	Achieved
Degrees conferred in high-need areas	66	60	48	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	3.4	3.8	3.4	<i>Passed</i>
Average progression and retention rates	83.8%	84.5%	80.4%	<i>Passed</i>
Undergraduate degrees per FTE	18.5%	18.8%	17.3%	<i>Passed</i>
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	34	35	15	<i>Passed</i>
Commitment to economic development	-	-	-	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

College of William and Mary

Measure	Actual	Target	Threshold	Result
In-state enrollment	5,073	4,938	4,691	Achieved
Under-represented enrollment	1,353	1,210	1,152	Achieved
Degree awards	2,176	2,130	2,024	Achieved
Average need-based borrowing	\$2,295	\$3,250	\$3,424	Achieved
Percentage of need-based borrowing	57.4%	63.0%	68.5%	Achieved
Degrees conferred in high need areas	178	203	155	<i>Passed</i>
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	3.2	3.2	3.1	<i>Passed</i>
Average progression and retention rates	93.2%	94.0%	92.0%	<i>Passed</i>
Undergraduate degrees per FTE	25.4%	23.8%	22.6%	Achieved
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	82	58	50	Achieved
Commitment to economic development	-	-	-	Achieved
Research expenditures	\$50,217,523	\$50,728,000	\$45,046,000	<i>Passed</i>
Patents and licenses	3	4	3	<i>Passed</i>
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

George Mason University

Measure	Actual	Target	Threshold	Result
In-state enrollment	25,006	25,083	23,829	<i>Passed</i>
Under-represented enrollment	7,727	7,314	6,929	Achieved
Degree awards	7,124	7,281	6,917	<i>Passed</i>
Average need-based borrowing	\$3,030	\$4,128	\$4,278	Achieved
Percentage of need-based borrowing	71.9%	75.9%	78.5%	Achieved
Degrees conferred in high-need areas	2,079	1,513	1,393	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	5.2	4.8	4.7	Achieved
Average progression and retention rates	82.6%	78.6%	77.6%	Achieved
Undergraduate degrees per FTE	23.4%	22.3%	22.0%	Achieved
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	1,063	332	0	Achieved
Commitment to economic development	-	-	-	Achieved
Research expenditures	\$46,361,561	\$45,856,340	\$45,847,303	Achieved
Patents and licenses	13	8	0	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

James Madison University

Measure	Actual	Target	Threshold	Result
In-state enrollment	12,678	12,913	12,267	<i>Passed</i>
Under-represented enrollment	3,239	3,367	3,160	<i>Passed</i>
Degree awards	4,143	3,894	3,699	Achieved
Average need-based borrowing	\$2,814	\$4,319	\$4,455	Achieved
Percentage of need-based borrowing	70.5%	74.0%	76.0%	Achieved
Degrees conferred in high-need areas	730	680	565	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	3.7	3.9	3.7	<i>Passed</i>
Average progression and retention rates	89.5%	87.8%	87.2%	Achieved
Undergraduate degrees per FTE	21.5%	20.8%	19.0%	Achieved
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	307	180	165	Achieved
Commitment to economic development	-	-	-	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

Longwood University

Measure	Actual	Target	Threshold	Result
In-state enrollment	4,453	4,502	4,277	<i>Passed</i>
Under-represented enrollment	1,135	995	946	Achieved
Degree awards	906	904	859	Achieved
Average need-based borrowing	\$2,739	\$3,525	\$3,702	Achieved
Percentage of need-based borrowing	73.7%	74.3%	78.3%	Achieved
Degrees conferred in high-need areas	328	295	224	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	4.1	4.0	3.7	Achieved
Average progression and retention rates	83.3%	77.0%	73.0%	Achieved
Undergraduate degrees per FTE	19.8%	20.0%	18.8%	<i>Passed</i>
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	110	83	72	Achieved
Commitment to economic development	-	-	-	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

Norfolk State University

Measure	Actual	Target	Threshold	Result
In-state enrollment	4,844	4,940	4,693	<i>Passed</i>
Under-represented enrollment	4,088	4,280	3,981	<i>Passed</i>
Degree awards	1,019	1,053	1,000	<i>Passed</i>
Average need-based borrowing	\$3,294	\$3,726	\$3,838	Achieved
Percentage of need-based borrowing	87.0%	87.0%	89.0%	Achieved
Degrees conferred in high-need areas	339	260	216	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	3.3	2.6	2.5	Achieved
Average progression and retention rates	76.7%	72.0%	70.0%	Achieved
Undergraduate degrees per FTE	17.7%	16.8%	15.5%	Achieved
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	66	76	0	<i>Passed</i>
Commitment to economic development	-	-	-	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

Old Dominion University

Measure	Actual	Target	Threshold	Result
In-state enrollment	19,045	19,088	18,134	<i>Passed</i>
Under-represented enrollment	7,467	7,395	6,816	Achieved
Degree awards	4,255	4,085	3,881	Achieved
Average need-based borrowing	\$3,333	\$3,700	\$3,851	Achieved
Percentage of need-based borrowing	62.8%	63.5%	71.2%	Achieved
Degrees conferred in high-need areas	1,660	1,614	1,557	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	4.6	4.6	4.3	Achieved
Average progression and retention rates	79.3%	77.6%	75.1%	Achieved
Undergraduate degrees per FTE	21.4%	20.3%	19.3%	Achieved
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	1,101	772	228	Achieved
Commitment to economic development	-	-	-	Achieved
Research expenditures	\$56,041,918	\$52,300,000	\$43,600,000	Achieved
Patents and licenses	19	17	16	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

Radford University

Measure	Actual	Target	Threshold	Result
In-state enrollment	8,386	8,386	7,967	Achieved
Under-represented enrollment	3,836	2,805	2,578	Achieved
Degree awards	2,263	2,255	2,142	Achieved
Average need-based borrowing	\$3,058	\$3,653	\$3,742	Achieved
Percentage of need-based borrowing	81.4%	84.3%	89.3%	Achieved
Degrees conferred in high-need areas	620	521	433	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	5.1	5.1	5.1	Achieved
Average progression and retention rates	81.5%	78.0%	76.5%	Achieved
Undergraduate degrees per FTE	23.0%	21.0%	19.3%	Achieved
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	253	110	91	Achieved
Commitment to economic development	-	-	-	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

Richard Bland College

Measure	Actual	Target	Threshold	Result
In-state enrollment	1,358	1,356	1,288	Achieved
Under-represented enrollment	480	382	349	Achieved
Degree awards	174	215	204	<u>FAILED</u>
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	4.3	5.4	4.7	<u>FAILED</u>
Average progression and retention rates	53.9%	58.0%	55.5%	<u>FAILED</u>
Undergraduate degrees per FTE	20.6%	16.5%	7.5%	Achieved
Increased number of transfer agreements	-	-	-	Achieved
Dual enrollment of high school students	317	300	197	Achieved
Commitment to economic development	-	-	-	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

University of Mary Washington

Measure	Actual	Target	Threshold	Result
In-state enrollment	4,038	3,947	3,750	Achieved
Under-represented enrollment	960	797	741	Achieved
Degree awards	1,238	1,199	1,139	Achieved
Average need-based borrowing	\$3,166	\$3,460	\$3,542	Achieved
Percentage of need-based borrowing	79.6%	80.7%	85.0%	Achieved
Degrees conferred in high-need areas	233	247	216	<i>Passed</i>
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	4.9	4.4	4.0	Achieved
Average progression and retention rates	83.9%	85.2%	83.1%	<i>Passed</i>
Undergraduate degrees per FTE	25.5%	24.5%	23.5%	Achieved
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	142	88	76	Achieved
Commitment to economic development	-	-	-	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

University of Virginia

Measure	Actual	Target	Threshold	Result
In-state enrollment	15,322	15,547	14,770	<i>Passed</i>
Under-represented enrollment	3,719	3,509	3,358	Achieved
Degree awards	6,339	6,143	5,836	Achieved
Average need-based borrowing	\$2,307	\$3,167	\$3,424	Achieved
Percentage of need-based borrowing	54.4%	63.4%	67.4%	Achieved
Degrees conferred in high-need areas	1,618	1,579	1,470	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	5.5	5.2	5.0	Achieved
Average progression and retention rates	93.1%	92.0%	90.0%	Achieved
Undergraduate degrees per FTE	25.0%	24.5%	23.8%	Achieved
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	144	117	97	Achieved
Commitment to economic development	-	-	-	Achieved
Research expenditures	\$242,195,333	\$278,700,000	\$215,300,000	<i>Passed</i>
Patents and licenses	60	55	53	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

University of Virginia's College at Wise

Measure	Actual	Target	Threshold	Result
In-state enrollment	1,695	1,758	1,670	<i>Passed</i>
Under-represented enrollment	979	997	876	<i>Passed</i>
Degree awards	308	272	258	Achieved
Average need-based borrowing	\$2,007	\$4,159	\$3,810	Achieved
Percentage of need-based borrowing	59.7%	50.0%	46.9%	FAILED
Degrees conferred in high-need areas	56	46	42	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	3.7	4.1	3.7	<i>Passed</i>
Average progression and retention rates	72.3%	75.8%	73.2%	FAILED
Undergraduate degrees per FTE	19.8%	19.3%	17.5%	Achieved
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	59	65	52	<i>Passed</i>
Commitment to economic development	-	-	-	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

Virginia Commonwealth University

Measure	Actual	Target	Threshold	Result
In-state enrollment	27,662	27,150	25,793	Achieved
Under-represented enrollment	8,919	8,200	7,936	Achieved
Degree awards	6,059	5,658	5,375	Achieved
Average need-based borrowing	\$3,657	\$3,806	\$4,500	Achieved
Percentage of need-based borrowing	88.4%	84.0%	89.0%	<u>Passed</u>
Degrees conferred in high-need areas	1,321	1,200	1,171	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	3.5	2.4	2.4	Achieved
Average progression and retention rates	82.6%	81.4%	80.9%	Achieved
Undergraduate degrees per FTE	18.7%	17.5%	16.8%	Achieved
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	515	190	140	Achieved
Commitment to economic development	-	-	-	Achieved
Research expenditures	\$117,782,377	\$131,600,000	\$124,600,000	FAILED
Patents and licenses	29	33	23	<u>Passed</u>
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

Virginia Community College System

Measure	Actual	Target	Threshold	Result
In-state enrollment	157,140	155,500	147,725	Achieved
Under-represented enrollment	77,431	74,613	73,889	Achieved
Degree awards	16,986	15,580	14,801	Achieved
Average need-based borrowing	\$518	\$2,680	\$2,730	Achieved
Percentage of need-based borrowing	19.6%	19.0%	20.0%	<u>Passed</u>
Degrees conferred in high-need areas	2,310	2,024	1,984	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	3.7	3.6	3.5	Achieved
Average progression and retention rates	49.1%	42.5%	39.5%	Achieved
Undergraduate degrees per FTE	17.0%	0.0%	0.0%	Achieved
Increased number of transfer agreements	-	-	-	Achieved
Dual enrollment of high school students	30,139	23,341	22,665	Achieved
Commitment to economic development	-	-	-	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

Virginia Military Institute

Measure	Actual	Target	Threshold	Result
In-state enrollment	811	803	763	Achieved
Under-represented enrollment	234	181	148	Achieved
Degree awards	280	280	266	Achieved
Average need-based borrowing	\$1,159	\$2,400	\$2,600	Achieved
Percentage of need-based borrowing	42.8%	50.0%	59.0%	Achieved
Degrees conferred in high-need areas	75	70	59	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	2.2	2.3	2.2	<u>Passed</u>
Average progression and retention rates	89.4%	83.5%	82.0%	Achieved
Undergraduate degrees per FTE	18.1%	18.5%	17.3%	<u>Passed</u>
Increased number of transfer agreements	-	-	-	Achieved
Commitment to economic development	-	-	-	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

Virginia Polytechnic Institute and State University

Measure	Actual	Target	Threshold	Result
In-state enrollment	20,917	20,153	19,145	Achieved
Under-represented enrollment	5,645	5,135	5,039	Achieved
Degree awards	7,061	6,868	6,525	Achieved
Average need-based borrowing	\$2,904	\$3,618	\$3,762	Achieved
Percentage of need-based borrowing	75.6%	80.9%	83.8%	Achieved
Degrees conferred in high-need areas	1,892	1,786	1,704	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	5.5	5.3	5.0	Achieved
Average progression and retention rates	89.3%	87.5%	85.5%	Achieved
Undergraduate degrees per FTE	21.6%	21.5%	20.0%	Achieved
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	244	107	94	Achieved
Commitment to economic development	-	-	-	Achieved
Research expenditures	\$353,987,667	\$315,328,108	\$278,317,887	Achieved
Patents and licenses	18	26	15	<u>Passed</u>
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

Virginia State University

Measure	Actual	Target	Threshold	Result
In-state enrollment	3,363	3,473	3,299	<u>Passed</u>
Under-represented enrollment	2,778	2,780	2,504	<u>Passed</u>
Degree awards	721	736	699	<u>Passed</u>
Average need-based borrowing	\$3,381	\$4,608	\$4,458	Achieved
Percentage of need-based borrowing	88.8%	84.0%	85.2%	<u>FAILED</u>
Degrees conferred in high-need areas	172	43	19	Achieved
Programs reviewed under SACS criteria	-	-	-	Achieved
Degrees conferred per full-time faculty	2.7	1.6	1.3	Achieved
Average progression and retention rates	75.1%	76.1%	74.9%	<u>Passed</u>
Undergraduate degrees per FTE	15.2%	17.8%	16.5%	<u>FAILED</u>
Increased number of transfer agreements	-	-	-	Achieved
Increase in degree-qualified transfers	31	55	0	<u>Passed</u>
Commitment to economic development	-	-	-	Achieved
Enhancing K-12	-	-	-	Achieved
Financial and Administrative Measures	-	-	-	Achieved

AGENCY OFFICIALS

STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
Richmond, Virginia

MEMBERS

Christine T. Milliken, Chair

Susan A. Magill, Vice-Chair

B.R. Ashby

Mimi Elrod

Gilbert T. Bland

Mary C. Haddad

Whittington W. Clement

G. Gilmer Minor, III

James W. Dyke, Jr.

Katharine M. Webb

Alan L. Wurtzel

Executive Director

Daniel LaVista