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Nelson Robinson  
Chairman

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Chancellor

**MEMORANDUM**

TO: Senator Robert H. Plymale, Chair  
Senate Education Committee

Delegate Mary M. Poling, Chair  
House Education Committee

FROM: Brian Noland, Chancellor  
Higher Education Policy Commission

James Skidmore, Chancellor  
Council for Community and Technical College Education

Dennis Taylor, Vice Chancellor for Administration  
Higher Education Policy Commission

DATE: 16 May 2008

RE: Legislative Mandate Implementation Plan

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In response to your April 25, 2008 letter requesting a proposal from Higher Education Policy Commission (HEPC) and Council for Community and Technical College Education (CCTCE) staff to address Legislative mandates and interim meeting schedules, please find below a proposed implementation plan outlining what is needed to accomplish the mandates contained in Senate Bill No. 287 (research trust fund); Senate Bill No. 595 (Vision 2020 accountability system); Senate Bill No. 682 (community and technical college bonding); House Bill No. 3215/ House Bill No. 102 (community and technical college boards of governors); and Senate Bill No. 603 (higher education flexibility/ personnel study), which passed during the 2005 regular Legislative session; as well as to address other matters of importance to Legislators.

The following implementation plan is a work in progress and reflects activities likely to involve not only the Legislative interim committees, but also the HEPC and CCTCE. As such, HEPC and CCTCE staff request that it be viewed as a flexible document and not as a set of hard-and-fast deadlines. In most cases, staff proposes, as requested, to take items to Education Subcommittee B – Higher Education before bringing them to the Legislative Oversight

Commission on Education Accountability. To assist you in identifying possible items for Legislative interim agendas, staff has highlighted the relevant interim committee name wherever it is referenced.

Senate Bill No. 287  
(Research Trust Fund)

Highlights

- Creates a research trust fund to support higher education research activities.
- Sets aside seventy percent (70%) and thirty percent (30%) of any state appropriation, to be matched dollar for dollar, to support research endowments at West Virginia University and Marshall University respectively. Sets aside research trust fund interest, to be matched dollar for dollar, to support research-related activities at other four-year institutions and the West Virginia School of Osteopathic Medicine.
- Requires West Virginia University and Marshall University to develop and obtain Commission approval for directed research plans to spend endowment proceeds on one or more of the following areas before drawing down funds: (1) energy and environmental sciences; (2) nanotechnology and materials science; (3) biological, biotechnological and biomedical sciences; (4) transportation technology and logistics; (5) biometrics, security, sensing and related identification technologies; and (6) gerontology.

Implementation Plan

- Complete. Dennis Taylor convened a meeting involving Paul Hill, Jan Taylor, Annette Echols, Terry Hess and Bruce Walker to discuss implementation of Senate Bill No. 287.
- Complete. Terry Hess and Celia Vanater applied for a new state fund to collect regular lottery revenue and make debt service payments, transferred the \$50 million supplemental appropriation to the new fund, and arranged for investment of fund proceeds through the Treasurer's Office.
- In Progress. Paul Hill and Jan Taylor have drafted a proposed research trust fund rule, which is being reviewed internally. The proposed rule will soon go out for informal comment.
- June 2008. HEPC staff proposes to provide members of **Education Subcommittee B – Higher Education** with an update on progress in implementing the research trust fund program; including the status of rules, the development of directed research plans by West Virginia University and Marshall University, and the success of matching fundraising efforts by the two institutions.
- July/ August 2008. HEPC staff will take the proposed emergency and Legislative research trust fund rules and proposed directed research plans of West Virginia University and Marshall University to HEPC for approval.
- July/ August 2008. HEPC staff proposes to take the proposed emergency research trust fund rule to the **Legislative Oversight Commission on Education Accountability** for approval. Staff also proposes to provide a program update at that time.

- July 2008 – June 2009. HEPC staff will administer a competitive request for proposals process to select research-related projects from other four-year institutions and the West Virginia School of Osteopathic Medicine for funding.
- September/ October 2008. HEPC staff will take the proposed final Legislative research trust rule to HEPC for approval.
- September/ October 2008. HEPC staff proposes to take the proposed final Legislative research trust fund rule to the **Legislative Oversight Commission on Education Accountability** for approval. Staff also proposes to provide a program update at that time.
- October/November 2008. HEPC staff proposes to provide members of **Education Subcommittee B – Higher Education** with an update on progress in implementing the research trust fund program.

Senate Bill No. 595  
(Vision 2020 Accountability System)

Highlights

- Outlines a new accountability system for higher education. The basic components are:
  - State goals and objectives for higher education through the year 2020.
  - Statewide master plans for both the Commission and the Council that align with State goals and objectives. New master plans must be approved by the Legislative Oversight Commission on Education Accountability and only after a study of the effectiveness of the current master plan has been completed.
  - State compacts (partnership agreements) to accomplish goals and objectives that require collaboration with entities other than the Commission and Council.
  - Institution compacts to achieve Legislative and Commission or Council goals and objectives.
  - System and institutional report cards that assist policymakers in evaluating whether state and system goals and objectives are being achieved.
- Outlines a series of goals and objectives for higher education. Goals and objectives for higher education include:
  - Developing a state-level facilities plan and funding mechanism for higher education capital projects and facilities maintenance;
  - Increasing academic rigor and learning;
  - Improving persistence and completion rates;
  - Recruiting and retaining adults twenty-five years old or over;
  - Encouraging the growth of science, technology, engineering and math (STEM) courses and programs;
  - Supporting high-cost, high-demand technical programs;
  - Ensuring the delivery of community and technical college education for all regions of the state;
  - Developing greater research capacity; and
  - Increasing the percentage of functionally literate adults.

- Creates a Legislative interim committee to study higher education capital project and facilities maintenance needs.

#### Implementation Plan

- Complete. Dennis Taylor and Rich Donovan participated in a conference call with Legislative staff to plan for the May 2008 and subsequent Legislative Higher Education Capital Project and Facilities Maintenance Needs Committee meetings.
- Complete. Dennis Taylor coordinated a meeting among Chancellor Brian Noland, Chancellor Jim Skidmore, Bruce Flack, Rob Anderson and Rich Donovan to discuss implementation of Senate Bill No. 595.
- In Progress. Bruce Flack is drafting proposed HEPC and CTCS accountability rules to be reviewed internally. The proposed rule will then go out for informal comment. The new accountability rules will outline the process for developing and content of system master plans, system compacts, institution compacts, and system and institution report cards.
- In Progress. Chancellor Brian Noland and Rob Anderson are drafting a proposed amended HEPC performance indicators rule; Chancellor Jim Skidmore and Rob Anderson are drafting a proposed amended CTCS performance indicators rule. These proposed rules will be reviewed internally before going out for informal comment. The new performance indicators rules will align current performance indicators with new state goals and objectives (and, in the case of HEPC, with its master plan).
- May 2008. Dennis Taylor and Rich Donovan propose to present a higher education capital/ facilities overview to members of the Legislative Higher Education Capital Project and Facilities Maintenance Needs Committee.
- June 2008. HEPC/CCTCE staff proposes to present on capital planning and priorities development to members of the Legislative Higher Education Capital Project and Facilities Maintenance Needs Committee.
- July 2008. HEPC/CCTCE staff proposes to present on capital funding to members of the Legislative Higher Education Capital Project and Facilities Maintenance Needs Committee.
- July/August 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education and the Legislative Oversight Commission on Education Accountability with an update on progress in implementing Senate Bill No. 595, including the status of accountability system rules, performance indicator rules, HEPC institution compact development, the CCTCE's upcoming master planning process, and possible revisions to the higher education report card.
- August 2008. HEPC staff proposes to take the proposed HEPC Legislative accountability system and performance indicator rules to HEPC for approval for a thirty-day comment period.
- August 2008. CCTCE staff proposes to take the proposed CCTCE Legislative accountability system and performance indicator rules to CCTCE for approval for a thirty-day comment period.

- August 2008. HEPC/CCTCE staff proposes to present on the state of higher education facilities and deferred maintenance needs to members of the Legislative Higher Education Capital Project and Facilities Maintenance Needs Committee.
- September 2008. HEPC/CCTCE staff proposes to present on the Higher Education Facilities Information System to members of the Legislative Higher Education Capital Project and Facilities Maintenance Needs Committee.
- October 2008. CCTCE staff proposes to take the proposed final CCTCE Legislative accountability system and performance indicator rules to CCTCE for approval.
- October 2008. HEPC/CCTCE staff proposes to present on capital project management and the pros and cons of establishing real estate foundations to members of the Legislative Higher Education Capital Project and Facilities Maintenance Needs Committee.
- November 2008. HEPC staff proposes to take the proposed final HEPC Legislative accountability system and performance indicator rules to HEPC for approval.
- November 2008. HEPC/CCTCE staff proposes to address any follow-up items for members of the Legislative Higher Education Capital Project and Facilities Maintenance Needs Committee. To meet the December 1 deadline for submitting recommendations, the Committee needs to approve recommendations at this meeting.
- November/ December 2008. HEPC/CCTCE staff proposes to take the proposed final HEPC and CCTCE Legislative accountability system and performance indicator rules to the Legislative Oversight Commission on Education Accountability for approval.
- December 2008/ January 2009. HEPC/CCTCE staff proposes to present the Legislative Higher Education Capital Projects and Facilities Maintenance Needs Committee's recommendations to the Legislative Oversight Commission on Education Accountability and Education Subcommittee B – Higher Education.

Senate Bill No. 682

(Community and Technical College Bonding)

Highlights

- Authorizes the Commission to issue revenue bonds for community and technical college capital improvements.
- Commits \$5 million of regular lottery revenue, the first installment of which appears in the FY 2009 budget bill, annually to cover debt service on what staff estimates will be \$80 million in revenue bonds.
- Requires the Council to approve the capital improvement plans for each community and technical college receiving funds prior to the actual distribution of revenue bond proceeds.

Implementation Plan

- Completed Tasks
  - Dennis Taylor convened a meeting of key staff to develop a list of action steps.

- Terry Hess and Celia Vanater applied for a new state fund to collect regular lottery revenue and make debt service payments.
- Rich Donovan drafted and issued requests for proposals for a bond underwriter and bond counsel.
- Bonding
  - July 2008. HEPC/CCTCE staff will hire a bond underwriter and bond counsel.
  - August 2008. HEPC/CCTCE staff proposes to obtain HEPC approval for an authorizing resolution.
  - July – September 2008. HEPC/CCTCE staff will work with the bond underwriter and bond counsel to draft offering documents and resolutions. (The pace at which we move through this step will depend largely on the bond underwriter and bond counsel.)
  - September – November 2008. HEPC/CCTCE will market and price bonds, print and mail final official statement, and participate in closing. (The pace at which we move through this step may depend upon market conditions.)
- Project Management
  - May 2008 – July 2008. CCTCE staff will hire consultant(s) to coordinate development of building programs, building design work, and building construction/renovation.
  - July 2008 – December 2008. CCTCE staff will work with the institutions and the programming consultant to program the facilities, which will lead to CCTCE approval for institution building programs.
  - September 2008 – June 2009. CCTCE staff will coordinate institution work with architects to implement the approved facilities program into the building design, including meetings at key points during schematic design and design development to ensure that the facilities program is being followed. At the conclusion of these design phases, staff and institutions will obtain CCTCE approval for building design and construction/renovation.
  - October 2008 – December 2009. CCTCE staff will ensure that architects complete design and construction documents.
  - January 2009 – December 2011. CCTCE staff will ensure that institutions and contractors complete building construction/renovation on time and within budget.
- Legislative Updates
  - August/September 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education and the Legislative Oversight Commission on Education Accountability with an update on the status of the bonding process and bond project management.
  - November/December 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education and the Legislative Oversight Commission on Education Accountability with an update on the status of the bonding process and bond project management.

House Bill No. 3215/ House Bill No. 102  
(Community and Technical College Boards of Governors)

Highlights

- Creates independent governing boards effective July 1, 2008, for the Community and Technical College at WVU Institute of Technology, Marshall Community and Technical College, Pierpont Community and Technical College, West Virginia State Community and Technical College, and West Virginia University at Parkersburg.
- Requires institutions to work through numerous financial issues during FY 2009, including: (1) dividing assets and liabilities and allocating the cost of long-term liabilities (e.g., bond indebtedness); (2) developing sustainability plans for auxiliary enterprises; and (3) entering into service agreements.
- Contains a binding dispute resolution process for any issues that cannot be resolved at the local level.
- Requires Pierpont Community and Technical College to obtain independent accreditation by July 1, 2011.
- Provides that West Virginia University at Parkersburg may continue to offer baccalaureate courses.
- Details Legislative intent for Advanced Technology Centers.
- Restores a requirement that all higher education faculty receive a 10% salary increase at the time of a promotion (e.g., moving from assistant professor to associate professor).
- Provides for monitoring of implementation by LOCEA.

Implementation Plan

- Complete. Chancellor James Skidmore convened a conference call of affected community and technical college presidents to discuss various implementation issues.
- Complete. Dennis Taylor, Terry Hess, Rich Donovan, Patty Miller and Bruce Walker met with representatives of the State Budget Office, Auditor's Office, Financial Accounting and Reporting Section and Office of Technology to discuss state-level financial implementation issues.
- Complete. Chancellor James Skidmore and Dennis Taylor discussed the legislation with members of the Fairmont State University Board of Governors.
- Ongoing. The Community and Technical College Finance Rule Committee began to have monthly meetings in order to complete a finance rule. The committee has divided into subcommittees to examine sustained quality funding, peer equity funding, state priorities funding - high cost/technical programs, state priorities funding - workforce, state priorities funding - adults, and tuition and fees.
- May 2008. HEPC staff will convene a conference call with affected four-year institution presidents to discuss various implementation issues.
- May 2008. HEPC/CCTCE staff will commence work to draft a Legislative presidential selection rule to be reviewed internally and then go out for informal comment

- May 2008. HEPC/CCTCE staff proposes to provide members of the Legislative Oversight Commission on Education Accountability with an update on the finance provisions and the status of efforts to implement the finance provisions of House Bill No. 3215.
- May/June 2008. HEPC/CCTCE staff will convene a meeting of institution presidents, chief financial officers and others to discuss various financial implementation issues.
- June 2008. CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education with an update on the status of efforts to develop a community and technical college finance rule.
- June/ July 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education and the Legislative Oversight Commission on Education Accountability with an update on implementation of House Bill No. 3215.
- July/ August 2008. CCTCE staff proposes to provide training to new community and technical college governing board members.
- July – December 2008. HEPC and CCTCE will work with former administratively-linked institutions to refine service agreements, divide assets and liabilities and develop auxiliary enterprise plans.
- August 2008. HEPC staff will take the proposed emergency and Legislative HEPC presidential selection rules to HEPC for approval.
- August 2008. CCTCE staff will take the proposed emergency and Legislative CCTCE presidential selection rules to CCTCE for approval.
- August/ September 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education and the Legislative Oversight Commission on Education Accountability with an update on implementation of House Bill No. 3215.
- August/September 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education and the Legislative Oversight Commission on Education Accountability with an update on the status of the advanced technology center projects.
- September 2008. HEPC/CCTCE staff proposes to take the proposed HEPC and CCTCE emergency presidential rules to the Legislative Oversight Commission on Education Accountability for approval.
- October 2008. CCTCE staff proposes to take the proposed final CCTCE Legislative accountability system and performance indicator rules to CCTCE for approval.
- October/ November 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education and the Legislative Oversight Commission on Education Accountability with an update on implementation of House Bill No. 3215.
- November 2008. HEPC staff proposes to take the proposed final HEPC Legislative accountability system and performance indicator rules to HEPC for approval.
- November/December 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education and the Legislative Oversight Commission on Education Accountability with an update on the status of the advanced technology center projects.

- November/ December 2008. HEPC/CCTCE staff proposes to take the proposed final HEPC and CCTCE Legislative presidential selection rules to the Legislative Oversight Commission on Education Accountability for approval.
- December 2008/ January 2009. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education and the Legislative Oversight Commission on Education Accountability with an update on implementation of House Bill No. 3215.

Senate Bill No. 603 (2005)

(Higher Education Flexibility and Personnel Study)

Highlights

- Exempted West Virginia University and Marshall University from HEPC review and approval of numerous activities, including programs, tuition and fee increases, and capital projects exceeding \$1 million, HEPC from capital project management and purchasing rules and from statutory tuition waiver caps.
- Exempted West Virginia University and Marshall University from numerous state-level processes and/or altered the rules governing those processes, including procurement of architectural and engineering services, approval of contracts in excess of \$1 million, and investments through the Treasurer's Office.
- Refined provisions concerning HEPC, CCTCE and institution rule-making.
- Mandated a higher education personnel study to conclude with the submission of a final report on December 1, 2008.

Implementation Plan

- June 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education with an update on the status of the personnel study, explain how the current classification and compensation system works, and provide information about funding of the 2001 classified salary schedule.
- July 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education with the personnel study professional development committee's draft report.
- July 2008. HEPC/CCTCE staff proposes to provide members of the Legislative Oversight Commission on Education Accountability with an update on the status of the personnel study, explain how the current classification and compensation system works, and provide information about funding of the 2001 classified salary schedule.
- August 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education with the personnel study performance management committee's draft report.
- September 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education with the classification committee's draft report.

- September/ October 2008. HEPC/CCTCE staff proposes to provide members of the Legislative Oversight Commission on Education Accountability with an update on the status of the personnel study.
- October 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education with the compensation committee's draft report.
- November 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education with other committees' draft reports, including the faculty committee, the best practices committee, the reduction-in-force committee, and the outsourcing committee.
- December 2008. HEPC/CCTCE staff proposes to provide members of Education Subcommittee B – Higher Education with the results of the market compensation study and proposed personnel statutes and rules.
- December 2008/ January 2009. HEPC/CCTCE staff proposes to provide members of the Legislative Oversight Commission on Education Accountability with the final personnel study report.

#### Other Bills/ Items of Interest to Legislators

##### Other Bills

- Senate Bill No. 340 (Security Breaches). Requires data collectors to notify consumers of security breaches that could lead to identity theft.
- Senate Bill No. 459 (Rules). Provides Legislative approval for the PROMISE Scholarship Program rule.
- Senate Bill 564 (Tuition Waivers). Expands tuition waivers for spouses and children of National Guard and active military killed in the line of duty, changes the method of calculating tuition waiver caps, and exempts tuition waivers for employees and their spouses and dependents from the caps.
- House Bill No. 4433 (Medical Student Loan Program). Increases the maximum annual Medical Student Loan program forgiveness amount from \$5,000 to \$10,000.
- House Bill No. 4434 (Energy and Water Savings Revolving Loan Program). Creates a revolving loan fund to support institution capital projects that will produce energy and water savings, with loans to be paid back from savings.
- House Bill No. 4623 (Higher Education Retirement Plan Employer Contributions). Allows HEPC, CCTCE and institutions to contribute more than six percent (6%) of employee salaries to retirement plans.
- House Bill No. 4637 (Broadband Deployment). Includes requirement of annual reports (each October 1) from the Chancellors describing in detail the existing state higher education institution broadband infrastructure, programs or initiatives designed to increase broadband usage and broadband-based educational applications, and training provided to instructors in the use of broadband and broadband-based educational applications.

### Other Items

- Peer Institutions. HEPC and CCTCE have approved proposed peer institutions for West Virginia two-year and four-year higher education institutions.
- PROMISE Scholarship Program. Dr. Jerry Beasley is chairing a committee that is studying various aspects of the PROMISE Scholarship Program and may make recommendations.
- Higher Education Grant Program. HEPC/CCTCE staff is proposing modifications to the Higher Education Grant Program for the 2009-2010 academic year.

### Implementation Plan

- Complete. HEPC staff filed the final PROMISE Scholarship Program rule and withdrew the emergency PROMISE Scholarship rule.
- In Progress. HEPC staff provided guidance to institutions on calculating tuition waiver caps and related issues and is working to modify the system financial aid data file to gather more detailed information on tuition waivers being provided.
- In Progress. HEPC staff is drafting proposed changes to the Higher Education Grant Program rule, which have gone out for informal comment.
- In Progress. HEPC staff is drafting proposed changes to the Medical Student Loan Program rule, which have gone out for informal comment. (House Bill No. 4433)
- Not Started. HEPC staff will determine whether system retirement plan documents need to be modified to permit additional employer withholdings. (House Bill No. 4623)
- June 2008. HEPC staff proposes to provide members of the **Legislative Oversight Commission on Education Accountability** with information about two-year and four-year institution peers, including the peer selection process, peer comparison data, and peer equity calculations.
- June – October 2008. HEPC staff will develop data files for the collection of broadband information, work with institutions to gather broadband data and prepare higher education broadband report. (House Bill No. 4637)
- July 2008. HEPC staff proposes to seek the approval of the **Legislative Oversight Commission on Education Accountability** for two-year and four-year institution peer institutions.
- July 2008. HEPC staff proposes to provide members of **Education Subcommittee B – Higher Education** the status of proposed Higher Education Grant Program and Medical Student Loan Program rule changes.
- July – December 2008. HEPC staff will retain an external consultant to evaluate security of Commission and Council data systems. (Senate Bill No. 340)
- August 2008. HEPC staff will take the proposed Legislative Higher Education Grant Program rule to HEPC for approval for a thirty-day comment period.
- August 2008. HEPC staff will take the proposed Legislative Medical Student Loan Program rule to HEPC for approval for a thirty-day comment period. (House Bill No. 4433)
- August 2008. HEPC/CCTCE staff will take the proposed emergency and Legislative HEPC energy and water savings revolving loan program rule to HEPC for approval. (House Bill No. 4434)

- August/ September 2008. HEPC staff proposes to take the proposed emergency energy and water savings revolving loan program rule to the **Legislative Oversight Commission on Education Accountability** for approval. (House Bill No. 4434)
- November 2008. HEPC staff will take the proposed final Legislative Higher Education Grant Program rule to HEPC for approval.
- November 2008. HEPC staff will take the proposed final Legislative Medical Student Loan Program rule to HEPC for approval. (House Bill No. 4433)
- November 2008. HEPC staff will take the proposed final Legislative energy and water savings revolving loan program rule to HEPC for approval. (House Bill No. 4434)
- December 2008/ January 2009. HEPC staff proposes to provide members of **Education Subcommittee B – Higher Education** and the **Legislative Oversight Commission on Education Accountability** with a report from the PROMISE Scholarship study committee.
- December 2008/ January 2009. HEPC staff proposes to take the proposed final Legislative Higher Education Grant Program rule to the **Legislative Oversight Commission on Education Accountability** for approval.
- December 2008/ January 2009. HEPC staff proposes to take the proposed final Legislative Medical Student Loan Program rule to the **Legislative Oversight Commission on Education Accountability** for approval.
- December 2008/ January 2009. HEPC staff proposes to take the proposed final Legislative energy and water savings revolving loan program rule to the **Legislative Oversight Commission on Education Accountability** for approval. (House Bill No. 4434)

Should you have any questions or concerns, please feel free to contact us. We look forward to working with you over the course of the next year to accomplish the work that is before us.