

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
BOARD OF VISITORS ORIENTATION
OCTOBER 20-21, 2020
MINUTES**

Mr. Peter Blake, Director of SCHEV welcomed the attendees and provided a brief overview of the agenda. Attached is a copy of the attendee list.

Mr. Blake introduced the virtual programming and described the process for participating in the sessions, as prescribed in § 4-0.01 of the Code of Virginia.

He introduced the SCHEV chair, Marge Connelly. Ms. Connelly provided an overview of SCHEV and its coordinating role in the autonomous higher education system. She described the complexity of the business of higher education.

Perspectives on Board Service from the Executive Branch

Ms. Connelly introduced the following members of the Executive Branch:

The Honorable Kelly Thomasson, Secretary of the Commonwealth

The Honorable Atif Qarni, Secretary of Education

The Honorable Megan Healy, Chief Workforce Officer

The Honorable Janice Underwood, Chief Diversity Officer

The Honorable Aubrey Layne, Secretary of Finance

Secretary Thomasson explained her role as the Secretary of the Commonwealth and her role in filling gubernatorial appointments. She described their commitment to diversity and expressed how institutions can fill that role.

Ms. Thomasson introduced Fran Bradford, Deputy Secretary of Education, as a substitute for Secretary Atif Qarni. Deputy Secretary Bradford described the quality of the Virginia system of higher education, with a strong eye to equity. She explained how the role of a Board of Visitor can help make progress on the way to becoming the best educated state and talked about the intersection of business and education systems.

Ms. Bradford introduced Dr. Megan Healy, Chief Workforce Officer. Dr. Healy explained her background in higher education administration and how that is tied into workforce development, especially given unemployment due to the pandemic. People go into higher education to get the skills to get a better job. She encouraged members to think about the outcomes and how to graduate students with skills needed to get jobs. How do we reach all Virginians and show them the value of education?

Dr. Healy introduced Dr. Janice Underwood, Chief Diversity Officer. Dr. Underwood explained the administration's role in championing diversity and inclusion. She asked members to ask how they know if they are making a difference for those most marginalized on your campus. She charged them to champion diversity with a measurable strategic plan to breakdown long held barriers. She described the One

Virginia Plan, which increases diversity as a starting point. She said, “you can’t change what you don’t measure and you can’t measure what you don’t acknowledge”.

There was some discussion on diversity and equity work during a pandemic.

Dr. Underwood introduced Aubrey Layne, Secretary of Finance. Secretary Layne described the fiduciary responsibilities of the BOV. Financial health is one of the items that a ratings agency examines, including economic climate, fiscal performance, governance, and long-term liability burden. Some additional factors might include demographics, cyber security, and resiliency. He described the national and state economic indicators and the impact on the job growth. Secretary Layne explained current tax policy and its impact on current revenues, as well as the budget risks and considerations with regard to COVID-19.

There was a discussion about the resiliency of our institutions, including enrollment changes at the community colleges and four-year institutions with regard to online learning. There are also changes in online purchasing and widespread telecommuting.

Dr. Katharine Webb offered concluding remarks and praised the Northam Administration’s response in real time to mitigate the economic fallout amid a health crisis.

How Service on the Governing Board of a Public Institution of Higher Ed is Unique from All Other Board Service

Mr. Tom Slater, member of Council, introduced Henry Stoevers, President and CEO, Association of Governing Boards (AGB).

Mr. Stoevers provided an overview of AGB and presented slides regarding board service. He said that board members serve as indispensable partners. Currently, finances are tough for institutions. The linkage between the institution and its foundation is important.

Demand for higher education has eroded. Between WWII and 2000, the population grew significantly, but now the average kids in a household are 1.5, down from 2.0. This makes the role of recruitment/retention very important. States have been challenged to allocate state tax revenue, which affects the sustainability of the business model. Institutions have to establish their value proposition and relevance in terms of ensuring that students get the skills and capacity to thrive in the workforce.

A great board needs the right composition/right people, doing the right things. A strategic board is focused on the long term and on policies that will permeate across the campus versus operations and tactics.

Mr. Stoevers highlighted six principles that are important to board work. He recommended that members invest a couple of hours each week to learn about institution and higher education in general. His concluding advice was to engage in

continuous learning, get to know the institution's board professional and understand how they operate/communicate, communicate with the board chair and president, and know when board and committee meetings will be held.

Mr. Stoeveer answered questions about shared governance and the difference between board service for public institution and other types of entities.

Legal and Ethical Considerations for Board Service in Virginia

Ken Ampy, member of Council, commented on the role of board members and introduced Deb Love, Chief of the Education Section for the Office of the Attorney General and Alan Gernhardt, Director of the FOIA Council.

Ms. Love briefed the group on the role of the Office of the Attorney General (OAG) as the exclusive counsel for the institutions of higher education. Attorneys are on the payroll of the institution but derive authority from the OAG. She encouraged members to work proactively with counsel on issues they anticipate will come up at a meeting. Regarding conflicts of interest, advice from OAG is just advice, but members can seek a formal opinion. As a public board member, public has access to records and meetings.

Mr. Gernhardt talked about the Freedom of Information Act (FOIA), remarking that it is one of the few laws that has a policy statement. It ensures that people are informed about government decisions. Various forms of communication may be considered public records, including social media post, emails and text messages. Quickly advise the institution's FOIA officer about any request for records. Public meetings must be properly noticed and open to the public, and minutes must be taken. For closed meetings, the body must first have an open meeting, hold a vote to close the meeting, and then follow specific requirements.

The panel answered questions from the group, which mainly concerned FOIA requirements.

The ABC's of Higher Ed Finance: State Budgeting (and Cutting); Institutional Budget Planning; Board Tuition and Fee Setting; Student Debt Trends

Victoria Harker, Member, SCHEV and Former Chair, Finance Committee, Board of Visitors for the University of Virginia, introduced the panel. Michael Maul, Deputy Director of the Department of Planning and Budget, Amy Sebring, Chief Operating Office, College of William & Mary.

Ms. Harker talked about the environment of higher education finance and the board members' responsibilities from a governance perspective, especially at this time, when funding will continue to be challenged. Soon metrics will be released from the Auditor of Public Accounts with information on solvency and credit

metrics of institutions. That will be important for members to know what the snapshot in time looks like relative to their institution. Ms. Harker introduced Mr. Maul and Ms. Sebring.

Mr. Maul presented on the state budgeting process. He broke down how general funds are allocated among state functions, pointing out that higher education funding is discretionary, unlike other categories. He provided an overview of categories of higher education spending. Higher education is a shared cost between the institutions and the state. Many factors and perspectives impact budget development, such as the priorities of the Governor and General Assembly, public sentiment, changes in federal funding levels, changes in laws and regulations, etc.. He highlighted impacts to institutional budgets due to the pandemic, such as the need for personal protection equipment, social distancing infrastructure, testing costs and loss of auxiliary revenue. Federal aid did offset some revenue loss and costs.

Ms. Sebring presented regarding institutional finance issues and highlighted key areas of oversight/approval for the board.

Key questions:

1. Revenues. Board members should understand the major sources and key drivers, including state, students, research, and philanthropy.
2. Expenses. This includes the major areas of expenditure for the institution by program area, personnel costs and structure of the workforce.
3. Cost structure, e.g., are costs variable vs. fixed? This will inform how quickly the institution can pivot when needed.
4. Financial strength. Review financial statements, assess auxiliary and other reserves, be aware of financial ratios and how to use them, and watch data trends.

The panel answered questions from the audience.

Overcoming Systemic Racism in Higher Education: Toward Diversity, Equity and Inclusion

Alex Arriaga, Council member, commented on the role of boards in ensuring DEI and the relation to state attainment goals. She introduced Toya Barnes-Teamer, principle at HCM Strategists.

Dr. Barnes-Teamer talked about steps to address systemic racism:

1. Acknowledgment of historical context of systemic racism.
2. Awareness of the needs of diverse groups. Members should know how the institution defines diversity and data about the student population. "Checking the box" by hiring a diversity officer, recruiting more students of color or tinkering with the curriculum will not resolve the challenges of

systemic racism without considering the policies and culture of the organization. Do work around implicit bias.

3. Alliance (Inclusion). As long as students of color are not included in success, other efforts toward inclusion are ineffective. Must address barriers in culture and climate.
4. Advocacy (Equity). Consider strategic plan and One Virginia Plan and institution's own DEI plan. To be a true advocate, must have courageous leadership and be able to confront reality, seek feedback and listen.
5. Accountability (Systemic change). Look at policies and procedures through an equity lens.

Dr. Barnes-Teamer answered questions from the audience.

WEDNESDAY, OCTOBER 21

Mr. Blake hosted a voluntary virtual coffee talk with some board members and discussed important topics from the previous day.

The full session began and Mr. Blake welcomed the group, introduced the virtual programming and described the process for participating in the sessions, as prescribed in § 4-0.01 of the Code of Virginia. He introduced Ms. Connelly, Chair of SCHEV Council.

Ms. Connelly made remarks about the program and encouraged members to reach out to panelists if they have questions about their service. Members discussed important topics from the previous day.

Perspectives on Board Service from the Governor

Ms. Connelly introduced Governor Ralph Northam. Governor Northam thanked SCHEV. He thanked the board members for serving and said that board service is a rewarding role and very important during the pandemic. Virginia is blessed to have the best colleges and universities. Over a million Virginians have applied for unemployed benefits and we need to help them get back to work. Business wants to be in Virginia for our talented workforce and we should ensure that training and re-training is available. Equity is also important. All should have access, feel safe and welcome on our campuses. Affordability is important for all. The G3 program remains a priority and we are looking for ways to fund the program as well as early childhood education. We have also found ways to refinance college debt. Regarding COVID-19, we are doing what we can. Until there is a safe and effective vaccine, we are dealing 800-1000 new cases per day, so it is important to adhere to best practices for stopping the spread.

A Perfect Storm of Challenges for Virginia Boards: Demographic Change, Economic Uncertainty, and Social Unrest Before, During and After a Pandemic

Ms. Connelly presented slides with an overview of demographic changes, state financing, costs to students and racial disparities. She introduced Anne Holton, former Secretary of Education and former interim president of George Mason University and Stephen Moret, President and CEO of the Virginia Economic Development Partnership.

Ms. Connelly asked the panelists about the most concerning impacts for the Commonwealth, particularly for the economy. Dr. Moret said that impacts to the hospitality and retail sectors particularly affected low-income people. The pandemic has exacerbated already existing disparities for people of color, the less educated, and highlighted differences in urban versus rural areas. There will be over 200K Virginians out of work by the end of the year. In the post-recovery Virginia, the employment mix will be different. Many people will not be able to return to previous job/occupation and will need to be reskilled. This is where higher education comes in.

Ms. Holton talked about the long-term impact from the pandemic; it will be with us for awhile and that it will be hard for higher education. Universities are the economic heartbeat of the economy for many regions and the producer of the workforce for the next generation.

Regarding the decentralized structure of Virginia higher education, Ms. Holton said that our system is diverse and serves diverse needs. The response to COVID is entirely different for different institutions, depending on the student population. Yet each desperately needed tight coordination with the Commonwealth this spring. The presidents began to meet on a regular basis and that was very helpful. It might be helpful to have a SCHEV-coordinated plan for emergencies. Dr. Moret said that the highly decentralized system in the United States is unique in the world. In Virginia, the decentralization has contributed to the quality of the institutions. The funding model discourages institutions to pursue programming that meets the state's needs. However, many of the programs in greatest demand are the highest cost for the institutions. They should be able to make decisions in a cost-neutral environment.

There was a discussion about the effects of the recession on institutions and need for consistent funding.

Ms. Connelly asked about the actions that the four-year institutions can take. Dr. Moret talked about the need for career development and placement. Research is showing that college is important for career success and that the first job after college sets someone on a career trajectory. Relevant work experience during college is very important to help their transition to the workforce. Ms. Holton said that many students do what their parents do, but there are many new jobs out there. There should be a focus on internships and career connections.

When asked for advice for the board members, Ms. Holton said the most important role is to hire the president, but most will not experience that during their term. The next most important role is to ask questions; do homework and show up. Dr. Moret added that members should stay focused on policy and not micro-managing.

The panel answered questions from the audience. Rosa Atkins, Council member, provided concluding remarks on the session.

Timely Topics in Student Life, Wellness and Campus Safety

Deputy Secretary Fran Bradford served as moderator and introduced Dr. R. Kelly Crace, Associate Vice President of Health and Wellness at the College of William & Mary and Kevin Foust, Vice President of Campus Safety and Security at Virginia Tech.

Dr. Crace began the discussion by talking about yesterday's normal. Students were overextended and stressed. With the landscape in higher education right now, students are more exhausted and strained. Stress is a function of caring. Whenever things matter to us, we cannot escape (1) uncertainty, (2) potential cost, and (3) perceived evaluation. This leads to the emotions of fear of failure. The fear-based model of excellence eventually has a ceiling effect and increasing cost. Moving from stress reduction to stress management is a way of addressing this problem.

Dr. Crace and Mr. Foust addressed specific topics of mental health and free speech and protests. In the area of mental health, Dr. Crace said that the characterization of the current generation of young adults as "snowflakes" is a misconception because they are a young group of resilient adults. Institutions can help by collaborating with parents and talking about how to manage the stress together. Demand for mental health always exceeds resources, but institutions can develop multiple portals of entry to manage non-clinical distress such as mindfulness, yoga, spending time with others, etc.

Mr. Foust mentioned that some students arrive on campus with pre-diagnosed mental health conditions and are usually on some type of medication for their condition. In his experience, students start to feel better after spending some time on campus and decide they no longer need their medications. Some of those students then go in crisis. Increased incidents of mental health on campus occur especially around finals and graduation. Alcohol and drug abuse also plays a major role.

Mr. Foust then talked about social justice and free speech issues and the need for members to learn the processes they have in place at their institutions to protect the valuable rights of students.

Ms. Reena Medavarapu, member of the SCHEV Student Advisory Committee, spoke of the effects COVID-19 has had on the student population and about student activities

being moved online. Students are doing their best to maintain some level of normalcy by interacting via video chats and social media.

The panelists offered final pieces of advice to conclude the session. Ms. Medavarapu urged board members to form connections while serving. Dr. Kelly told board members to mentor their administrations to lead with the values of their institutions. Mr. Foust said that the right decision may not always be the popular decision and the popular decision may not always be the right decision.

The panelists answered questions from attendees.

Reflections on the Lessons of 2020: Conversation with Board Rectors and Institutional Presidents

Mr. Blake introduced Alvin Schexnider, Senior Fellow with the Association of Governing Boards and Former Chancellor of Winston-Salem State University, moderated the session. He also introduced the panelists, Jimmy Hazel, Rector for the George Mason University Board of Visitors, Huron Winstead, Rector of the Board for Virginia State University and Glenn DuBois, Chancellor of the Virginia Community College System.

Mr. Schexnider reviewed themes that surfaced in the previous sessions, including the role of higher education in getting people back to work, the importance of diversity, equity and inclusion, and the issues of how to prepare board members for the important work they have taken on. He began with a question to Rector Hazel regarding how the board handled the onboarding process with a new president during this time. Mr. Hazel described the timeline of recruiting President Gregory Washington and how the virus hit just after he was announced and attention had to turn to dealing with health issues, social justice issues, and the economic impact from the crisis. Interim President Holton did not shy away from helping to prepare the institution pending his arrival. They are having daily conversations that are different conversations from those they thought they would be having during the recruitment process.

Mr. Winstead spoke to the relationship between the president and the rector. Strategic partnerships with board leadership. The board should hire, motivate and inspire the president. The president and rector should have a close, advisory relationship.

Chancellor DuBois spoke to diversity, equity and inclusion on the VCCS board. There are four diverse new board members, making the board majority minority. DEI is part of the reason the community colleges were established; they exist to give everyone opportunities. There is more work to do to close achievement gaps.

Mr. Schexnider asked the panelists what advice they have for members when there is a surprise. Mr. Hazel said they have a no surprise rule. When it comes

time to take a vote, there should be no surprises about where everyone stands. To do that, stay in constant conversation. Emails are not the best; pick up the phone and talk. Transparency on the important issues affected the campus is very important.

The panelists addressed board effectiveness and engagement. Mr. Winstead said that at VSU, they use “forward authority”, so that the president is given delegation to make approvals in absence of full board. The president also has such authority during an emergency situation, and COVID has been such a situation. Chancellor DuBois said that preparation is important. The rector must run the meeting, so they spend a lot of time before a meeting to ensure that he is comfortable with the agenda. The many routine ministerial responsibilities that must be acted upon are placed into a consent agenda so can dispatch with them quickly.

The panelists agreed that boards should have a protocol around public relations and communications during a crisis. They described the processes at their respective institution. Generally, the rector and president speak for the institution.

Dr. Schexnider asked about the role of the board in supporting fundraising and cultivating relationships with stakeholders. Mr. Hazel said that it was part of the discussion when recruiting the new president. There is a report on fundraising at every board meeting. Mr. Winstead said that the social media footprint has also changed the fundraising role. Chancellor DuBois said that every foundation has an annual campaign and every board member should contribute.

The panelists and Dr. Schexnider offered concluding thoughts and responded to questions.

Council member Katie Webb concluded the panel and introduced Kelly Thomasson, who provided final remarks about the program and said that official paperwork would be sent to the board professionals for distribution.

Katherine Webb
Council Secretary

Beverly Rebar
SCHEV staff

