

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
RESOURCES AND PLANNING COMMITTEE
September 15, 2025**

MINUTES

Mr. Olsen called the meeting to order at 1:00 p.m. in the Alan Miller Building, Room 2025, College of William and Mary, Williamsburg, VA.

Committee Members present: John Olsen (Chairperson), Eric Chewning, Walter Curt, General John Jumper, Charlie King, Jennifer Montague and Delceno Miles.

Staff members present: Lee Andes, Taylor Clark, Scott Fleming, Grace Khattar, Tod Massa, Jessica Minnis-McClain, Emily Salmon, Laura Osberger, Kristin Whelan and Yan Zheng.

On a motion by Mr. Olsen and seconded by Ms. Miles the July 15th minutes from the Resources and Planning Committee at Piedmont Community College were approved unanimously.

DISCUSSION ON INSTITUTIONAL PERFORMANCE STANDARDS AND FULL COST REVIEW

Mr. Andes facilitated discussion within the Committee regarding the review of two state-policy issues: the Institutional Performance Standards, or IPS, and an expectation that public institutions charge out of state students' tuition at least the full cost of their education (aka Full Cost Tuition).

Staff suggests that Council conduct a full evaluation and decide whether changes are warranted by forming a work group of Council members and SCHEV staff. The workgroup(s) could report findings by July 2026 in preparation for the 2027 legislative session.

Concerns were raised about the current IPS framework, particularly its reliance on enrollment forecasting. The Committee expressed interest in shifting IPS metrics toward measurable outcomes.

Regarding Full Cost Tuition, Mr. Andes noted increasing pressure on institutions to recruit out-of-state students amid declining enrollment. Some institutions have voiced concern that the requirement limits their ability to offer competitive financial incentives. Currently, seven institutions do not meet the Full Cost Tuition standard.

Mr. Andes described the possible structure of the workgroup as having one or two council members working with SCHEV staff to address concerns with the current IPS and Full Cost Tuition requirement.

After receiving feedback from the Committee, the Council will determine the structure of the taskforce and inform SCHEV staff.

Committee members also discussed the impact of Federal actions on international student enrollment.

DISCUSSION OF PREPARATION FOR 2026 GENERAL ASSEMBLY SESSION

Mr. Andes provided the Committee with a set of potential systemic budget and policy recommendations for the upcoming 2026 General Assembly Session. The Commonwealth of Virginia operates on a two-year budget cycle, which provides funding for an individual biennium. In preparation for the next biennial budget, covering FY 2027 and FY 2028, Council will consider budget and policy recommendations for higher education.

According to Mr. Andes, the informal budget process starts in May and is in conjunction with the six-year plan (SYP) process. Institutions presented SYPs to OP-Six.

Mr. Andes reminded the Committee that one-time money provided in FY 25 and carried forward into FY 26 creates a funding gap in the next biennium. For E&G spending there will be a \$106 million dollar gap between FY 25 and FY 26 and for undergraduate financial aid a \$12 million gap. These two items create a \$118 million deficit for FY 26.

A list of possible funding and policy recommendations for Council's consideration are in the agenda book.

Mr. Andes discussed possible funding items including recommendations for O&M (costs associated with new buildings coming on-line), capital – with consideration made for life safety, historical disparities in funding and renovation/restoration of existing structures. The recommendations by staff for capital are that projects vetoed in the Chapter 725 budget be reconsidered.

Mr. Andes presented other funding items categorized in the agenda table including the state portion of salary and healthcare cost increases, financial aid for unmet need as well as other financial aid programs, including TAG and VMSDEP.

Mr. Curt would like to have statistics on the number of undocumented in-state students. Mr. Andes will ask Mr. Massa to provide that information.

Other budget recommendations for Council consideration include funding for the Workforce Credential Grant, student advising, Mental health pilot, adult non-completers pilot, the Pathways portal and the Constructive dialogue initiative.

Members of the committee expressed interest in seeing the survey given to students after completing the constructive dialogue program. Questions were also asked regarding who constructs the survey and if Council could modify the questions. Other questions focused on the specific function of the initiative. The program is aimed at aiding students in communicating civilly in the current environment.

Mr. Andes presented budget recommendations for the Virginia Longitudinal Data system, Virginia Sea Grant, Virginia Space Consortium Grant, VIVA, non-credit data collection and the SCHEV operating budget.

The agenda table outlines all funding recommendations for Council consideration. The full Council will vote on the budget resolution, which will be transmitted to the executive and legislative branches ahead of the 2026 General Assembly session.

Summary of SCHEV Budget Recommendations for General Fund Support in 2026-28 Biennium
(in millions)

Category	Item	FY 2027	FY 2028	Biennial Total
Tuition and Fee Mitigation (operational support)	State portion of salaries and health premiums	\$46.0	\$46.0	\$92.0
	State portion of inflationary cost	\$18.0	\$18.0	\$36.0
	State portion of operations & maintenance	\$4.7	\$4.7	\$9.4
Affordability and Access	Undergraduate need-based financial aid	\$9.2	\$10.0	\$19.2
	Tuition Assistance Grant program - fill gap and increase annual award by \$50 per year	\$8.7	\$11.5	\$20.2
	Military Survivors and Dependent Education	-	\$2.5	\$2.5
Student Success and Labor Market Outcomes	New Economy Workforce Credential Grant	\$7.2	\$13.3	\$20.5
	Mental health workforce pilot program	\$1.0	\$1.0	\$2.0
	Constructive Dialogue Initiative	\$0.1	\$0.1	\$0.2
	Degree productivity	\$0.1	\$0.1	\$0.2
	Pathways to Adventure	\$1.5	\$1.5	\$3.0
	Student Advising and Access	\$2.5	\$2.5	\$5.0
	Adult non-completers pilot evaluation	\$0.5	\$0.5	\$1.0
Collaborative Initiatives	Virginia Longitudinal Data System	\$0.5	\$0.5	\$1.0
	SCHEV Operating Budget	\$0.7	\$0.7	\$1.4
	Virginia Space Grant Consortium (VSGC)	\$0.2	\$0.2	\$0.4
	Virginia Sea Grant (VASG)	\$0.8	\$0.8	\$1.6
	Virtual Library of Virginia (VIVA)	\$0.5	\$0.8	\$1.3
Total		\$102.2	\$114.7	\$216.9

- All values reflect incremental change above the FY 2026 base budget.

UPDATE ON THE SIX YEAR PLAN

Dr. Khattar provided an update on the institutions' submissions of Six-Year Plans. Presentations of the plans to OP-Six took place between July and August.

Dr. Khattar provided an overview of the data collected in this iteration of the SYP. Institutions were asked to calculate the cost of a state-initiated 2% salary increase and a 1% increase in health care. The general fund (GF) portion of the cost of assumptions regarding salary and health insurance are \$48 million in FY 2027 and \$96 million in FY 2028. Assuming no new general fund, institutions propose raising tuition and educational and general fees on average by 3.8% in 2027 and 3.5% in 2028. Institutions requested \$595 million in FY 2027 and \$664 million in FY 2028 in new GF.

Dr. Khattar highlighted funding requests from institutions including one-time funding, VMSDEP, career readiness, economic development and financial aid to meet student needs.

Other common themes in the SYP were the identification of AI initiatives with a combination of programs to both prepare students for the workforce and to perform research on AI.

OP-Six is developing follow-up questions for institutions, with responses due by mid-October. Boards of Visitors must vote on the plans, which will be submitted to LIS and posted on the SCHEV website by December 1st.

RECEIPT OF A REPORT FROM THE STAFF LIAISON TO THE RESOURCES & PLANNING COMMITTEE

Mr. Andes presented a report to the Resources and Planning Committee on the activities of staff in the finance policy and financial aid unit of SCHEV. A comprehensive list of activities is listed in the agenda book beginning on page 81.

Mr. Andes highlighted staff receiving national appointments on committees or participating in national communities of practice.

- *Rebecca Lystash*, GEAR UP Virginia Project Director – invited to serve on the NCCEP/GEAR UP Advisory Commission
- *Jessica Minnis-McClain*, Associate for Finance Policy – co-leading Virginia's delegation in national communities of practice on workforce alignment and ROI
- *Scott Kemp*, Student Loan Advocate – selected as a primary negotiator for the federal RISE Committee

Mr. Olsen acknowledged receipt of the report.

MOTION TO ADJOURN

Mr. Olsen sought a motion to adjourn at 2:45 pm and it was seconded by Ms. Miles.