

GOVERNOR'S COMMISSION

ON

**HIGHER EDUCATION
REFORM,
INNOVATION
and
INVESTMENT**



The Future of Higher Education in Virginia

**Thomas F. Farrell, II, Chairman
Board of Visitors Orientation
October 17, 2011**



Governor's Commission on Higher Education Reform, Innovation and Investment Priorities

- Achieve the goal of 100,000 additional associates and bachelor's degrees over the next 15 years.
- Increase the percentage of college-age Virginians enrolling and completing post secondary degrees.
- Prepare more graduates in STEM and critical needs areas.
- Increase private-public partnerships and regional strategies for business recruitment, workforce preparedness and university research.
- Create a sustainable funding model
- Develop innovative ways to deliver quality instruction, cost savings and affordable new pathways to degree attainment



Commission Structure

- 44 member Commission
- Chairman, Tom Farrell
- Vice chair, Delegate Kirk Cox
- Members include 8 university presidents, 10 legislators and numerous business leaders
- The Commission's work is divided into 3 committees:
 - Degree Attainment, Financial Aid and Workforce Training
 - Implement Innovation and Cost Containment
 - Regional Strategies/Partnerships for Research and Economic Development



Preparing for the Top Jobs of the 21st Century

*Interim Report of the Governor's Commission on
Higher Education Reform, Innovation and Investment*

Chairman Thomas F. Farrell, II
Vice Chairman The Honorable M. Kirkland Cox

December 20, 2010



“Preparing for the Top Jobs of the 21st Century”

The Virginia Higher Education Opportunity Act of 2011

1. ECONOMIC OPPORTUNITY –

Fueling economic growth and preparing Virginians for the top job opportunities in the knowledge-based economy

2. REFORM-BASED INVESTMENT –

Maintaining excellence and achieving global leadership through sustained, reform-based investment and innovation

3. AFFORDABLE ACCESS –

Providing all capable Virginians with access to a college degree at an affordable cost



“Preparing for the Top Jobs of the 21st Century”

The Virginia Higher Education Opportunity Act of 2011

- Commit the Commonwealth to national and international leadership in college degree attainment and personal income.
- Put Virginia on a focused and sustainable path of higher education reform, innovation, and investment.
- Establish a clear state policy that will serve as a roadmap and catalyst for priority investment as the economy and revenues rebound.
- Provide the framework for developing and funding specific initiatives promoting economic opportunity, reform-based investment, and affordable access.



Commission's Major Recommendations

1. ECONOMIC OPPORTUNITY

a) 100,000 More Degrees

- i. Enrolling more Virginia students**
- ii. Degree completion by Virginians with partial credit**
- iii. Improving retention and graduation rates**

b) STEM and Other High-Demand Degrees

- i. Economic opportunity metrics**
- ii. STEM degree initiative**

c) Research and Development Initiative

- i. Statewide R&D strategic roadmap**
- ii. Creation of Virginia Innovation Fund**
- iii. R&D income tax credit**



Commission's Major Recommendations

2. REFORM-BASED INVESTMENT

a) Year-Round Utilization

b) Technology-Enhanced Instruction

- i. “Virtual Departments” initiative**
- ii. Innovative course redesign**
- iii. Expansion of online course offerings**
- iv. Electronic textbooks and online curriculum**

c) Degree Path Initiatives

- i. Dual enrollment and advanced placement**
- ii. Community college transfer program**
- iii. Accelerated degree completion**
- iv. College readiness initiatives**

d) Restructuring Refinements

e) Community College “Reengineering”



Commission's Major Recommendations

3. AFFORDABLE ACCESS

a) Codified Funding Model

- i. Four-part framework**
- ii. Restoring predictable state support**
- iii. Reducing reliance on tuition**
- iv. Higher education rainy day fund**

b) Per-Student Funding

- i. Tuition assistance grants (TAG)**
- ii. "Virginia Promise" enrollment-based support**

c) Need-Based Financial Aid

- i. Targeting low- and middle-income families**

d) Incentives for Economic Impact and Innovation



The Commonwealth's Commitment ...

"The objective of this chapter is to fuel strong economic growth in the Commonwealth and prepare Virginians for the top job opportunities in the knowledge-driven economy of the 21st century by establishing a long-term commitment, policy, and framework for sustained investment and innovation ...

... that will enable the Commonwealth to build upon the strengths of its excellent higher education system and achieve national and international leadership in college degree attainment and personal income ...

... [and] ensure these educational and economic opportunities are accessible and affordable for all capable and committed Virginia students."



100,000 More Degrees ...

"To place Virginia among the most highly educated states and countries by conferring approximately 100,000 cumulative additional undergraduate degrees on Virginians between 2011 and 2025, accompanied by a comparable percentage increase in privately conferred Virginia undergraduate degrees over the same period..."

"... by expanding enrollment of Virginians at public and private higher education institutions in the Commonwealth, improving undergraduate graduation and retention rates ..., and increasing degree completion by Virginians with partial credit toward a college degree ..."



STEM and Research Focus ...

"To [increase] college degree attainment in ... high-demand, high-income fields such as science, technology, engineering, mathematics, and health care, and by providing information about the economic value and impact of individual degree programs by institution ..."

"... promote university-based research that produces outside investment in Virginia, fuels economic advances, triggers commercialization of new products and processes, [and] fosters the formation of new businesses ..."

"... enhance the security and economic competitiveness of the United States of America [and] secure a leading economic position for the Commonwealth of Virginia, through increased research and instruction in [STEM] and related fields..."



Reform-Based Investment ...

"To preserve and enhance the Virginia higher education system's excellence and cost-efficiency through reform-based investment that promotes innovative instructional models and pathways to degree attainment, including ...

... optimal (year-round) use of facilities and instructional resources ...

... technology-enhanced instruction (and) sharing of instructional resources ...

... increased online learning opportunities for nontraditional students ...

... improved rate and pace of degree completion ...

... expanded availability of dual enrollment and advanced placement ...

... expanded community college transfer options ...

... enhanced college readiness before matriculation ..."

"... realize the potential for enhanced benefits from the [Restructuring Act] ..."

"... [recognize] the unique mission and contributions of each institution of higher education in the Commonwealth ..."



New Funding Model ...

"To establish a higher education funding [model] that promotes stable, predictable, equitable, and adequate funding ...

... facilitates effective planning at the institutional and state levels ...

... provides incentives for increased enrollment of Virginia students at public and private nonprofit colleges and universities ...

... provides need-based financial aid for low-income and middle-income students and families ...

... relieves the upward pressure on tuition associated with loss of state support due to economic downturns or other causes ...

... and provides financial incentives to promote innovation and enhanced economic opportunity..."



Commission Recommendation:

Establish a Collaborative Planning Process Involving Institutional and State Decision-Makers

TJ21 Legislation:

- ✓ *Establishes a new Six-Year Plan process that consolidates and streamlines institutional reporting.*
- ✓ *Provides for systematic feedback/discussion of Six-Year Plans with representatives of Executive and Legislative branches.*
- ✓ *Recognizes the unique mission and situation of each institution, and provides a mechanism for addressing such differences in the planning and funding process.*
- ✓ *Establishes the Higher Education Advisory Committee*



Commission Recommendation: **Increase Degree Attainment in STEM and Related Fields**

TJ21 Legislation:

- ✓ *Provides for creation of a new statewide and regional public-private partnership to promote STEM education, teacher training, involvement of the business community, etc.*
- ✓ *Provides for development of direct financial incentives for institutions to increase STEM degree production.*
- ✓ *Provides for development of “economic opportunity metrics” that indicate value of particular degrees in the marketplace.*



Commission Recommendation: **Promote Technology-Enhanced Instruction and Resource-Sharing Across Institutions**

TJ21 Legislation:

- ✓ *Funding model includes incentives for technology-enhanced instruction, including course redesign, online course offerings, and resource-sharing across institutions*
- ✓ *Institutions to include resource-sharing initiatives in their Six-Year Plans.*
- ✓ *Funding provided for “4VA” partnership with Cisco*



Commission Recommendation: **Year-Round Utilization of Physical Facilities and Instructional Resources**

TJ21 Legislation:

- ✓ *Funding model includes incentives for optimizing year-round utilization on an institution-specific basis.*
- ✓ *Institutions to include year-round utilization strategies in their Six-Year plans.*



Commission Recommendation:

Increased Enrollment of Virginia Students and Degree Conferral Targets for Each Institution

TJ21 Legislation:

- ✓ *Funding model includes direct incentives for increased enrollment of Virginia undergraduate students at public and private not-for-profit institutions.*
- ✓ *Institutions set degree conferral targets in Six-Year Plans.*
- ✓ *Budget provided incremental funding to institutions that have announced plans for increased enrollment.*
- ✓ *Rejected in-state/out-state ratio mandates in favor of incentive-based approach.*



Commission Recommendation: **Increase Financial Aid for Middle-Income Students**

TJ21 Legislation:

- ✓ *Middle-income affordability is an explicit state objective.*
- ✓ *Funding model includes financial aid for low-income and middle-income students and their families*
- ✓ *New federal policies and institutional practices on financial aid being assessed by SCHEV.*
- ✓ *Six-Year Plans address tuition; tuition pressures relieved as state funding rebounds.*
- ✓ *Rainy Day Fund concept to be explored/developed.*
- ✓ *TAG funding increased.*



Commission Recommendation:

Base Funding that is Predictable, Equitable and Less Dependent on *Ad Hoc* Decisions and Lobbying

TJ21 Legislation:

- ✓ *Funding model codifies formula for basic operations and instructional funding*
- ✓ *Provides mechanism for embedding institution-specific adjustments in the model, rather than relying on annual discretionary adjustments or exceptions.*
- ✓ *Establishes guideline that each institution should receive the same percentage of its base funding from the state as every other institution.*



Questions?