Framing Affordability: From Ideas to Action

March 10, 2008
Meeting Goals and Purposes

1. To review the key findings of the three panelists who addressed the Council on January 9: Hans L’Orange, Cheryl Blanco, and Barry Simmons

2. To relate these key findings to those aspects of the higher education strategic plan that address access and affordability

3. To consider proposed staff recommendations stemming from the panelists’ presentations and past work by Council and SCHEV staff

4. To consider other recommendations outside the scope of those recommended by staff

5. To confirm the value of reviewing the final state budget for ideas that can add to the discussion on affordability
The Affordability Panelists and their Key Findings
Affordability Panelists

- Hans L’Orange (SHEEO)
- Cheryl Blanco (TERI)
- Barry Simmons (Virginia Tech)
Panelists’ Key Findings

Hans L’Orange

• Cost, price, and affordability impact access and success.

• Virginia faces educational and demographic challenges.
Panelists’ Key Findings

L’Orange (cont’d)

- States’ cost-control efforts share common attributes.

- Virginia should develop its own ideas and initiatives rather than adopting others’ models.
Cheryl Blanco

• “Eye of the beholder” perspective.

• Access and choice are impacted by price/cost, culture/perception, and grant aid.
Panelists’ Key Findings

Blanco (cont’d)

• States’ affordability strategies are often targeted (e.g., at low-income families; at policy alignment).

• States’ affordability efforts impact economic development, human-capital development, & various populations’ college-going rates.
Panelists’ Key Findings

Barry Simmons

• Various “roles” in affordability

• The factors that determine affordability are many, varied, and complex.
Simmons (cont’d)

• Exemplary inst’al access-enhancing efforts = multiple sources of aid funds

• Aid recipients’ lower graduation rates

• Business, industry, and community organizations as potential partners
Affordability and the Virginia Strategic Plan for Higher Education:
Advancing Virginia
Goal 1
Enhance access through P-16 curricular alignment

Strategy 1: Increase student preparation for higher education

Strategy 2: Promote collaboration between higher education and the P-12 system
Goal 2
Enhance **access** through improved coordination of information

**Strategy 1:** Provide more and better college demystifying info to children earlier

**Strategy 2:** Mobilize stakeholders to support and inform potential students/families
Goal 3
Enhance affordability through financial aid advocacy

Strategy 1: Seek policies that moderate tuition increases and expand financial aid

Strategy 2: Fully fund the ‘partnership model’ for need-based aid programs

Strategy 3: Support increases in the Tuition Assistance Program (TAG)
Goal 4
Enhance affordability through education and investment incentives

Strategy 1: Promote educational investment by partnering with families
   a: Work toward income-based incentive program with Va College Savings Plan
   b: Explore matching-fund program for student progress/completion
Staff Recommendations
Key Recommendations

- Position SCHEV as a champion
- Develop early-awareness campaign
- Deepen stakeholders’ understanding
- Review financial-aid policies
- Investigate pre-college incentives
- Review alignment of financing and financial-aid policies
Recommendation 1

Position SCHEV as “champion” for access and affordability by building on past involvement, research, and advocacy.

- Nine annual “Tuition and Fees” reports (1999-2007)
- Two Affordability studies (2002-2006)
- Two federal GEAR UP grants (2001-2006)
- Fall 2007 budget recommendations
- Affordability policy discussion (January 2008)
Recommendation 2

Develop a strategic early-awareness marketing campaign for post-high school academic and financial preparation.

- Gear Up
- College Access Challenge Grant
- State-level access activities
- Institutional intervention programs
Recommendation 3

Deepen stakeholders’ understanding of the components/complexities of affordability (e.g., measures of student cost and effects of college cost on different populations of students)

- Institutional assessment of tuition and fee levels
- “Clearly understandable measure of affordability”
- Institutional data displays
Recommendation 4

Review financial-aid policies to ensure that aid to needy students is maximized and delivered efficiently and effectively.

• Financial aid information dissemination and aid disbursement
• Decentralized and centralized financial aid processes
• Merit aid
• Partnership model
• The financial aid process
Recommendation 5

Investigate pre-college incentives

- The promise of financial aid
- Employer tuition-reimbursement programs
- Wisconsin Covenant Program
- Oklahoma Promise Program
Recommendation 6

Review the alignment of financing and financial aid policies

Panelists found growing national evidence in three areas:

1. Dedicate a % of tuition increases to need-based aid
2. Link financial aid to rigorous course-taking
3. Reward students with tuition rebates for early completion/graduation
Overall Themes of the Recommendations

- Sustain and expand leadership
- Strengthen intervention practices
- Inform stakeholders better
- Study and learn from current practice
- Introduce appropriate change
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