



Higher Education Finance and Policy: Day of Dialogue

March 26, 2019

10:00 a.m. – 3:00 p.m.

Community College Workforce Alliance Building, Multipurpose Room
Reynolds Community College - Parham Road Campus
1651 E Parham Rd, Richmond, VA 23228

- 10:00 – 10:15 a.m. Introduction and Structure for the Day**
Peter Blake, SCHEV director; Jimmy Clarke, senior director of state policy, HCM/Strategy Labs
- 10:15 – 10:45 a.m. Overview of Findings and Examples of Promising Practices**
Wendy Kang, director finance policy and innovation; Martha Snyder, senior director HCM/Strategy Labs
- 10:45 – 11:00 a.m. Break**
- 11:00 – 12:15 p.m. #1 Breakout Sessions – (to be repeated at 1:00)**
- Access and Enrollment** (Location: Multipurpose Room) Increase the number of students enrolling in the postsecondary through pre-K-12 pipeline and engagement of adults with some or no college.
- Completion** (Location: Room 124) Improve retention, graduation and time-to-degrees, especially from underrepresented populations (minority, geographic, adult).
- Affordability and Funding** (Location: Multipurpose Room) Funding models, cost and tuition predictability, affordable pathways, efficiencies and innovations.
- Workforce** (Location: Board Room) Align economic and cultural prosperity efforts, program alignment with demand, work-based learning, internships and keeping students employed in Virginia to meet workforce demands.
- 12:15 – 1:00 p.m. Lunch: Welcome from President Paula Pando, Reynolds College**
- 1:00 – 2:15 p.m. #2 Breakout Sessions**

Access and Enrollment (Location: Multipurpose Room) Increase the number of students enrolling in the postsecondary through pre-K-12 pipeline and engagement of adults with some or no college.

Completion (Location: Room 124) Improve retention, graduation and time-to-degrees, especially from underrepresented populations (minority, geographic, adult).

Affordability and Funding (Location: Multipurpose Room): Funding models, cost and tuition predictability, affordable pathways, efficiencies and innovations.

Workforce (Location: Board Room): Align economic and cultural prosperity efforts, program alignment with demand, work-based learning, internships and keeping students employed in Virginia to meet workforce demands.

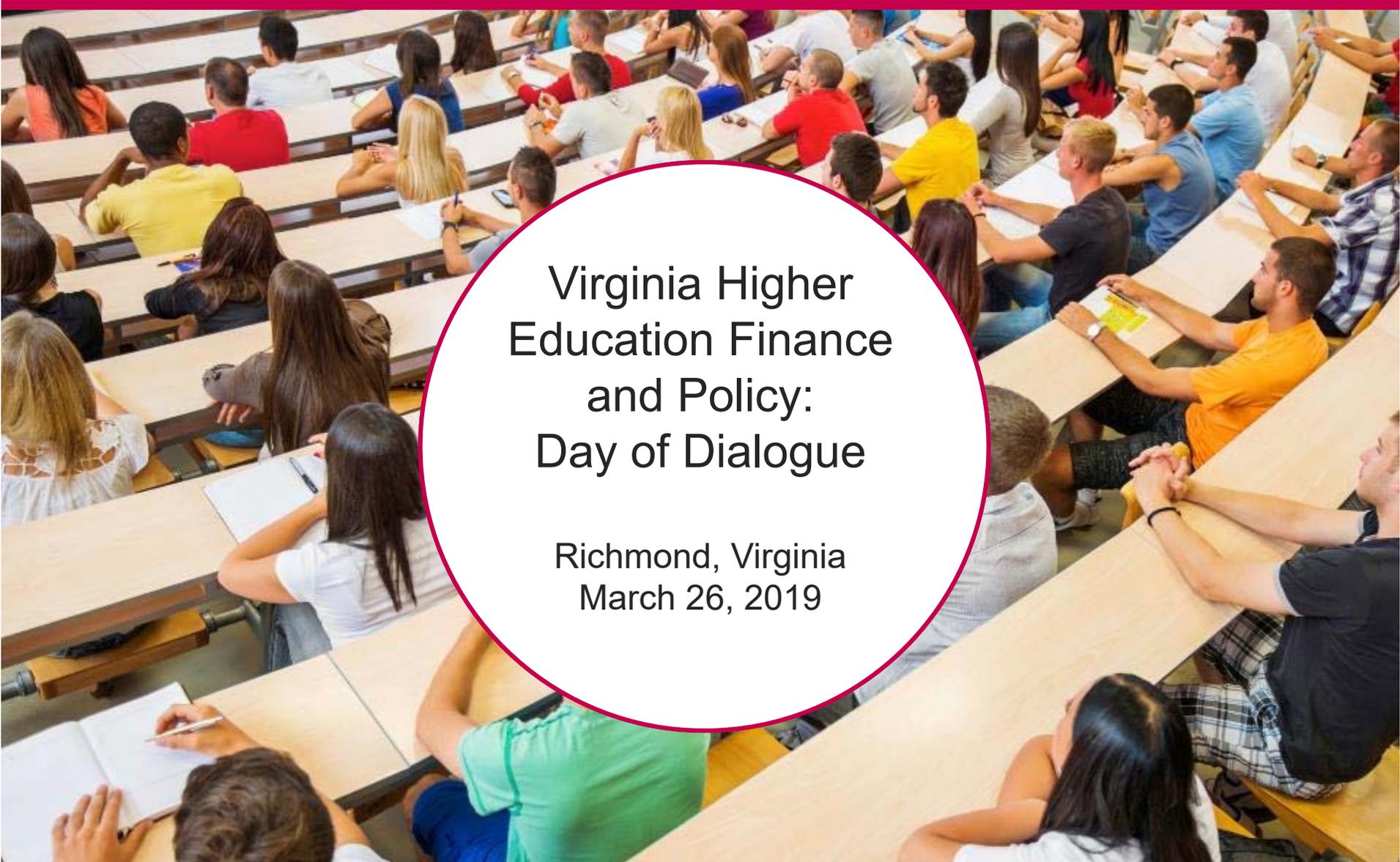
2:15 – 2:30 p.m.

Break

2:30 – 3:00 p.m.

Report Out from the Breakout Sessions, Wrap Up and Next Steps

Peter Blake, SCHEV director; Jimmy Clarke, senior director of state policy, HCM/Strategy Labs



Virginia Higher
Education Finance
and Policy:
Day of Dialogue

Richmond, Virginia
March 26, 2019

STRATEGY LABS

State Policy to Increase Higher Education Attainment



SUPPORTED BY
Lumina[™]
FOUNDATION

Agenda

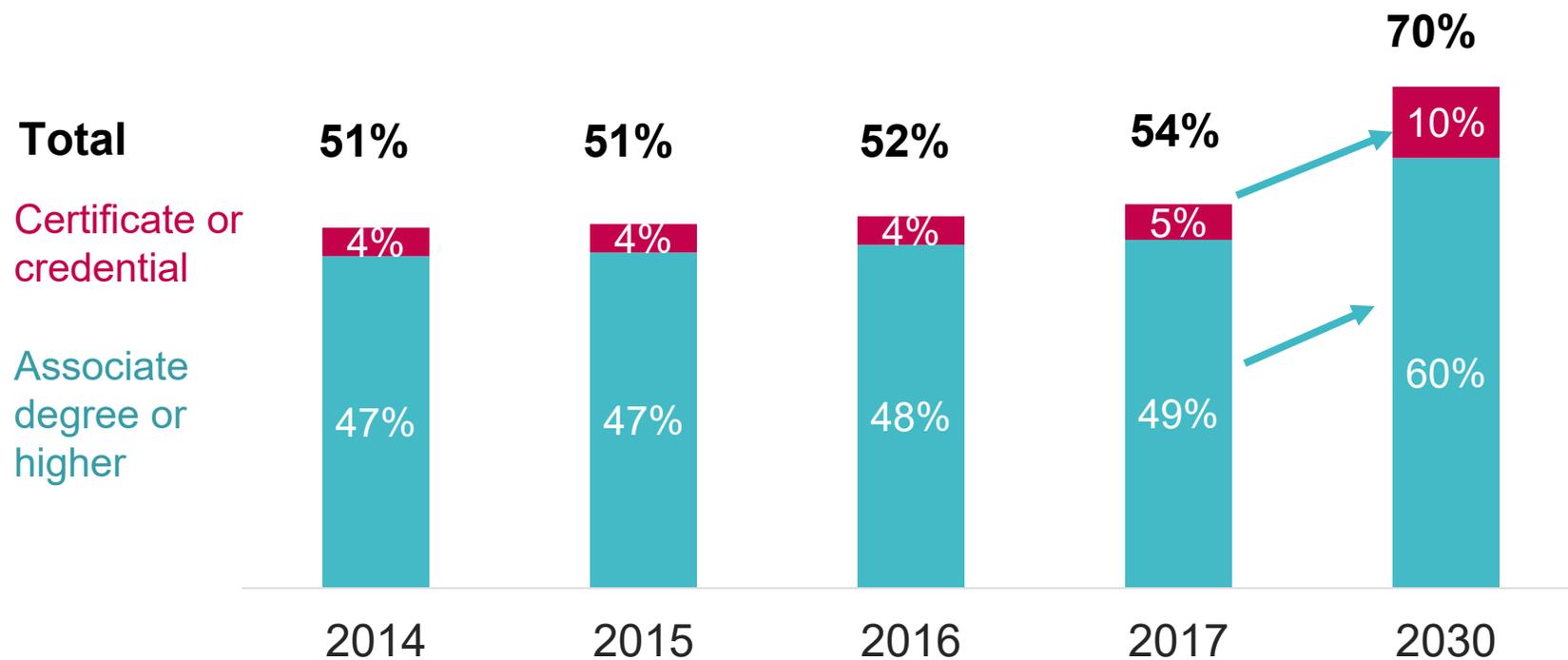
- Why a Finance Plan for Virginia?
- Project Timeline
- What Does a Finance Plan Include?
- Background on the Work
- Why a Day of Dialogue? Strategies for Improvement



WHY A FINANCE PLAN FOR VIRGINIA?

Virginia's goal to be best-educated state

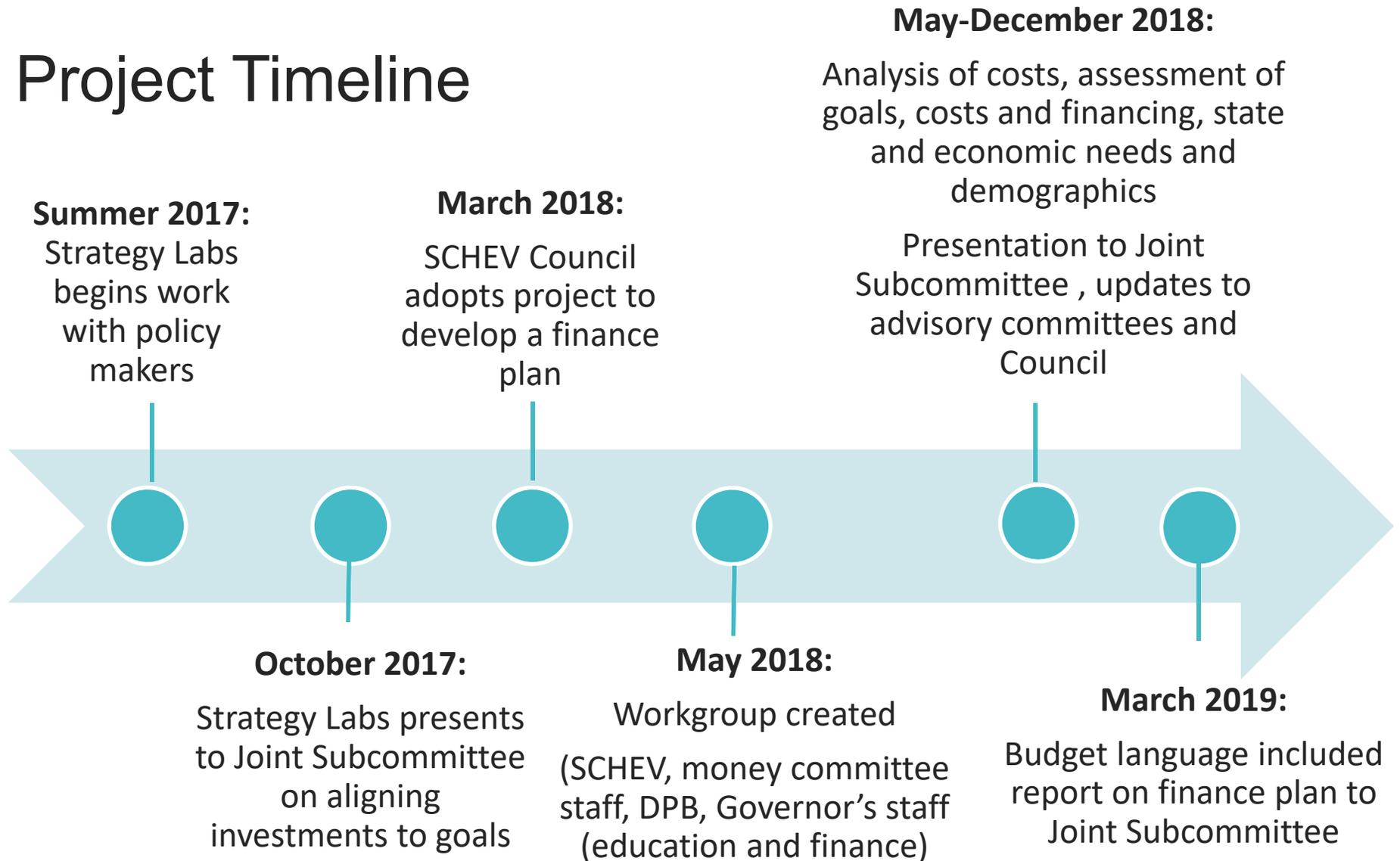
Credential Attainment of Population Ages 25-64



Virginia's goal to be best-educated state

- Ranked 6th in the nation for educational attainment for four consecutive years.
- Regions of the state and populations continue to lag.
- Demand in occupational areas with limited supply.
- Issues we need to address to continue to improve
 - Enrollment/access
 - Completion
 - Funding and affordability and
 - Alignment to workforce demand

Project Timeline

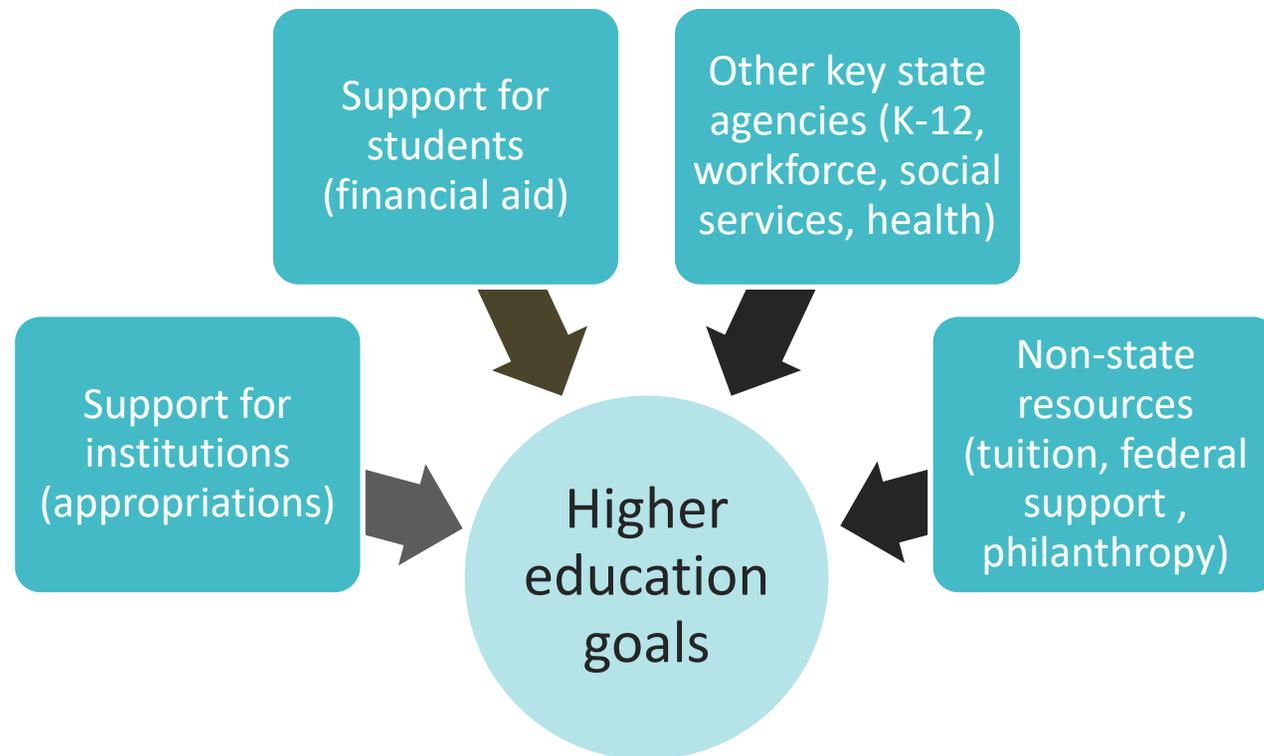




WHAT DOES A FINANCE PLAN INCLUDE?

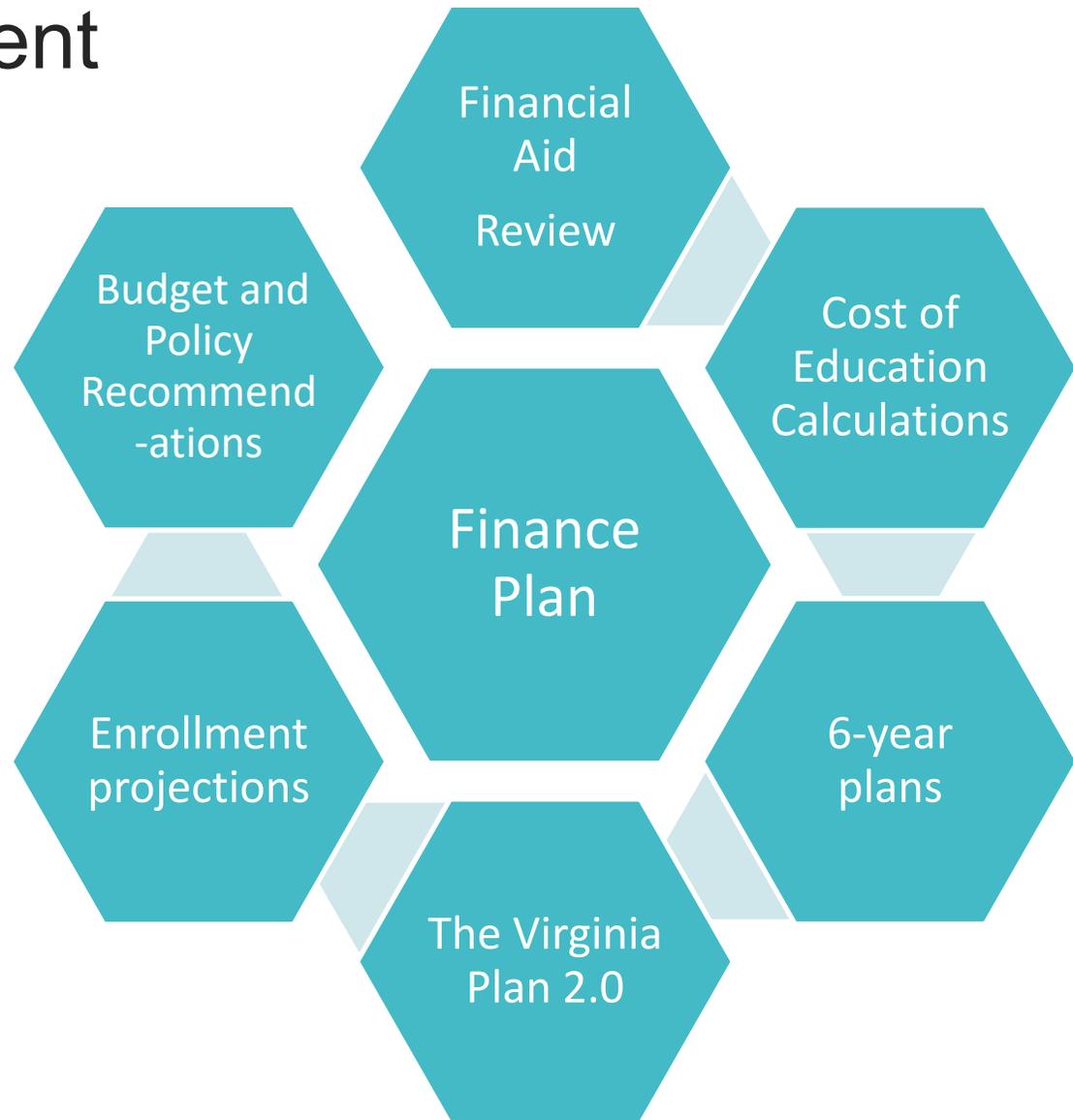
Mapping State Financial Investments and Resources

- What is the scope of resources the state can leverage to advance credential completion and affect policy priorities and goals?
- What is the high-level historical orientation of these funding policies? (e.g., Sources of funds? Policy intent? Restrictions on use?)



Process Alignment

*Initial Phase:
Focus on
undergraduate
operations*





BACKGROUND ON THE WORK

2017 Work: Data Trends

- Educational Attainment
 - Overall high attainment.
 - Significant gaps across regions, race and ethnicity and income.
- Projected High School Pipeline
 - Little projected growth in high school graduates.
 - Higher percentage of racial/ethnic minority students.
- Identified target populations to improve attainment rate.

2018 Work: State Needs, Trends and Costs

- Trajectory of postsecondary completions to reach the 70 percent attainment goal of best educated state by 2030.
- Demographic and population shifts & impact on attainment.
- Preliminarily reviewed workforce demands.
- Analyzed state-wide average and institutional costs and degree efficiency.
- Reviewed proven policy and financing strategies to increase attainment among identified target populations.

2018 Work: Strategy Focus Areas

The workgroup agreed that - based on current population, demographic and workforce trends - strategies developed for Virginia recommendations need to focus on:

1. Increasing enrollment/access by improving the “yield” from the PK-12 pipeline and by re-engaging adults.
2. Improving completion.
3. Identifying stable funding models and addressing affordability.
4. Aligning policies and funding with workforce demand.

2018 Work: Policy Levers to Advance Alignment

- Improvements to the six-year plan process to include an increased focus on state needs.
- Review of financial aid policies to advance affordability.
- Identification of strategies and policies that increase outcomes and align funding to goals.



WHY A DAY OF DIALOGUE? STRATEGIES FOR IMPROVEMENT

Why a day of dialogue?

- As part of plan development, **we need to hear from stakeholders** on state and institutional level strategies in targeted areas.
 1. **Increase enrollment/access:** students enrolling in postsecondary through the pre-K-12 pipeline, engagement of adults with some or no college.
 2. **Improve completion:** retention, graduation and time-to-degrees, especially those from underrepresented populations.
 3. **Identify stable funding models:** cost and tuition predictability, efficiencies, innovations.
 4. **Align economic and cultural prosperity efforts:** program alignment with demand, work-based learning, internships, keeping students employed in Virginia to meet workforce demands.

Strategies for improvement: Access

- Pre-college strategies, such as dual enrollment (VA & TX).
- Early awareness and award of financial aid (IN, OK, New Brunswick, Canada).
- Reverse Transfer (Colorado).
- Adult re-engagement (TN, IHEP).
- Near-completer initiatives through marketing and data analysis (FL, MS).

Strategies for improvement: Completion

- Intensive supports and advising (CUNY ASAP).
- Targeted/timely financial supports, such as emergency aid and retention grants (GA, MN).
- Guided pathways/meta-majors (CA).

Strategies for improvement: Affordability and Funding

- Outcomes-based funding (OR, TN).
- Leveraging Public Benefits/Addressing Comprehensive Student Needs (NJ, WA).
- Prior learning and competency based education (CO, MN).
- Free or debt-free college programs (TN).

Strategies for improvement: Workforce

- Experiential and work-based learning (CO, VA).
- Workforce-aligned program/credential development (VA Tech Talent).
- Retaining college graduates (NY, RI, SC).



EXPECTED OUTCOMES

Expected outcomes

Breakout sessions today provide an opportunity to:

- Share practices and insights.
- Identify what state practices can be leveraged.
- Discuss policy and funding opportunities.

After today, we will:

- Hold additional meetings with stakeholders regarding outcomes of today to inform the plan, including op-six, Council, higher education policy influencers, presidents and advisory committees.
- Draft a report (May) and identify additional presentations, including the Joint Subcommittee.

STRATEGY LABS

State Policy to Increase Higher Education Attainment

StrategyLabs.LuminaFoundation.org



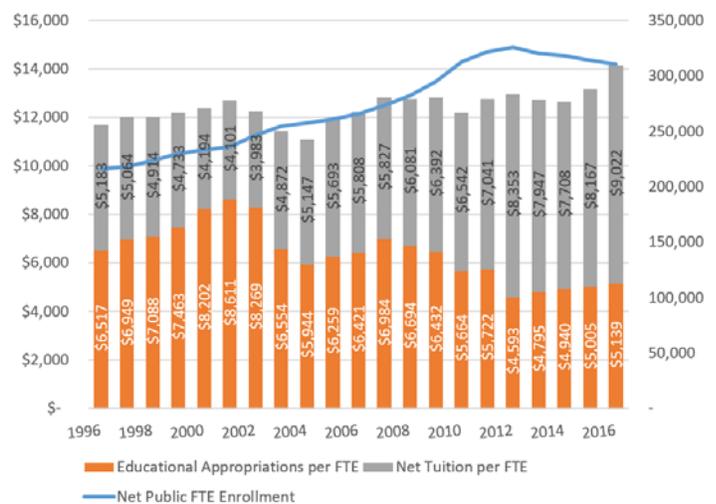


Breakout Session: Affordability and Funding

If Virginia’s postsecondary education goals are to be meaningful, they need to be backed up by funding models that are well aligned with those goals. Moreover, Virginia falls short on affordability goals established in The Virginia Plan for Higher Education related to tuition and net price. Meeting the attainment goal also requires higher completion rates, so how could a budget be based on completions as well as enrollments? Are there ways within system-wide or institutional budgets to reallocate resources more efficiently? What can be done to break the “boom and bust” cycle to make sure resources are adequate when they are most needed?

Why is this important?

Boom and bust - During periods of economic growth, supporting postsecondary education is easier. Students and families’ incomes are higher, state revenues are stable or growing, and private investment returns tend to be strong. When a downturn hits, those trends can all reverse at once. Even worse, at the same time as public and private ability to pay is declining, demand is increasing as more citizens turn to postsecondary education as the best way to survive an economic slump.



High tuition and fees - Virginia ranks 13th in the nation in average tuition and fees per student. Over the past five years, Virginia’s tuition and fees grew faster than the national average impacting both low- and middle-income students and families. Declining state investment in public higher education and rising costs in non-education-related fees at institutions each contribute to this some growth. Virginia continually ranks low compared to other states in state investment in higher education per student (37th at \$5,799 per student), more than \$1,800 below the national average of \$7,642 in 2017.

Full cost of attendance (COA) – Tuition and fees only make up 56% of the average full cost of attendance at 4-year institutions. COA includes all related expenses including tuition and fees, room and board, books and supplies, transportation and personal costs. The Virginia Plan’s target is that 50% of COA be met by expected family contribution (EFC) and state/federal grant aid by 2030. That goal has not been achieved and the percent met has declined over the past 15 years. State financial aid does not contribute to student costs outside tuition and fees.

Ideas for how we can improve

- Outcomes-based funding: Some states are trying to improve progress and completion through outcomes-based funding. Tennessee’s four-year institutions earn about 15% of their core revenue through student progress and completion, compared to 61% from enrollment (primarily in the form of tuition). Virginia’s community colleges are moving to allocating 20% of state operating funds on the basis of performance.
- Reserve funds: Institutions and SCHEV have recommended the establishment of a statewide or institution-based reserve fund. The 2018 General Assembly session added language to allow institutions to carry-over up to 3% of general fund.
- Study of financial aid: The 2019 General Assembly directed SCHEV to research and report on the financial aid formula in Virginia.
- Leveraging public benefits/addressing comprehensive student needs: States are in a unique position to identify students’ basic needs (food, shelter, transportation, etc.) and better align public benefit policies to foster a more comprehensive financial aid support system. New Jersey and Washington are pioneering states in this area.
- Prior learning and pathways: Developing defined pathways and credit for prior learning can lower the overall cost (in dollars and time) for students. West Virginia’s policy acknowledges work gained through employment and non-traditional education partners. Colorado uses reverse transfer where students can earn associate degrees through credit earned at a combination of two-year and four-year institutions.
- Free or debt-free programs: For Tennessee’s Promise program most of the additional aid leveraged by “free community college” is federal aid due to the expansion of FAFSA filing. The program is primarily an investment in communication and rewards institutions for serving low-income students. Because the program is tailored to community colleges, it has had some unintended consequences on four-year institutions serving the same populations.

Questions for the session

- What are you doing or planning to do at your institution in the idea areas above?
- What state-level strategies should we consider?
- What policies and funding are needed to implement the strategies?



Breakout Session: Completion

Virginia’s goal is to be the best educated state by 2030 with an attainment rate of 70.5% (an additional 1.5 million degrees/credentials). Based on 2016 data, attainment is at 52.2%, which ranked sixth nationally. To measure progress, Virginia is also committed to closing the success gap for underrepresented students. For Virginia to continue to produce the awards needed to be the best-educated state, a focus area must be to close the gaps in educational attainment.

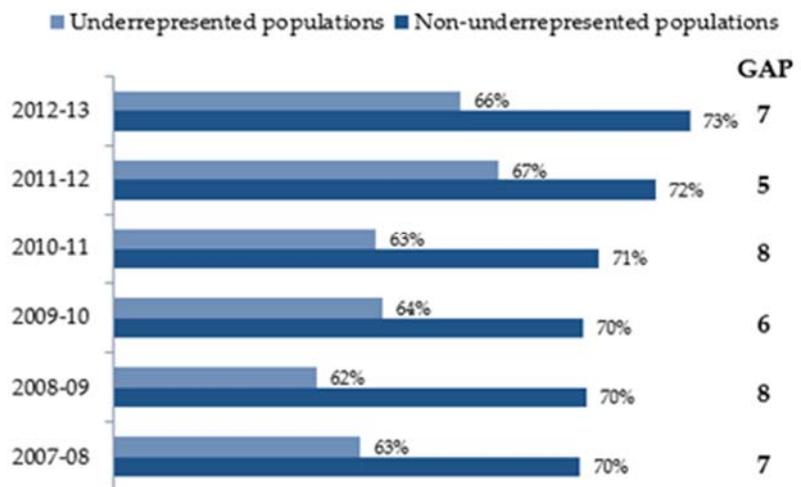
Why is this important?

Adults with some college but no degree - There are about 650,000 Virginians aged 18-30 who do not have at least an associate degree and who are not enrolled in college. Adults aged 25-34 have higher rates of some college but no degree.

Significant gaps in success for underrepresented students –

Low-income, students of color, and rural students continue to complete at a lower rate than other students. While completion rates increased at four-year institutions, underrepresented students (those who are low-income, minority race/ethnicity, over age 25 and from regions of the state with low attainment rates) complete at an average rate that is seven percentage points lower than other students at public four- and two-year institutions.

Success Index at Four-Year Public Institutions



Source: http://research.schev.edu/gradrates/success_index.asp

Degree Production - In 2017-18, Virginia’s public and private nonprofit institutions issued a total of 89,529 undergraduate degrees, certificates and workforce credentials. SCHEV has estimated it will meet the 2030 attainment target based on institution degree estimates. However, the measure and target were developed in 2014 and a recent review of the assumptions to project the number of awards to meet the best-educated state goal indicates assumptions used in the calculation may need to be adjusted in the coming years. These assumptions include updates on migration patterns, the number of awards earned per individual and the addition of workforce credential data.

Ideas for how we can improve

- Campus-based intensive student supports: The City University of New York Accelerated Student in Associate Programs (CUNY ASAP) helps students earn an accelerated associates degree through a wide-range of supports. Students are required to meet regularly with their advisor and attend full-time. While the program has a higher cost per FTE, the cost per degree produced is lower than the traditional population.
- Emergency completion and retention grants: To help address the needs for the most at-risk students (those that already have taken advantage of financial aid and Pell), Minnesota provides state based emergency grants to assist students when life events threaten credential attainment. At least one Virginia institution has implemented an emergency aid program focused on students who are close to completion. The institution reported a 2% increase in their graduation rate in the year the program was implemented.
- Near-completer initiatives: Mississippi's Complete 2 Compete utilizes intensive marketing and data to draw students who are close to a degree. Complete Florida is targeted toward the state's adult population that has some college but no degree. The program is completely online, but it partners with institutions to provide the material.
- Online resources: In 2017, the General Assembly established the Online Virginia Network Authority, to coordinate online courses. The initiative emphasizes credit transfer, flexible schedules, and offers 37 different baccalaureate degrees. Online resources are part of a number of state completion initiatives.
- Guided pathways/meta-majors: California established a \$150 million Guided Pathways Award Program to support planning and implementation of guided pathways strategies. Though viewed as an institutional policy or strategy, states can play a role in establishing resources and supports for the development of guided pathways and ensure structures are in place for students to succeed.

Questions for the session

- What are you doing or planning at your institution in the idea areas above?
- What state-level strategies should we consider?
- What policies and funding are needed to implement the strategies?



Breakout Session: Access and Enrollment

Virginia faces a future in which higher education will play an increasingly important role. Virginians will need deeper and broader knowledge and skills to be engaged, productive participants in our evolving Commonwealth and its economy. At the same time, the demographics of the emerging generation are changing, as an increasing share of our youth will come from populations that historically are underrepresented in both higher education and the highly educated sectors of our workforce.

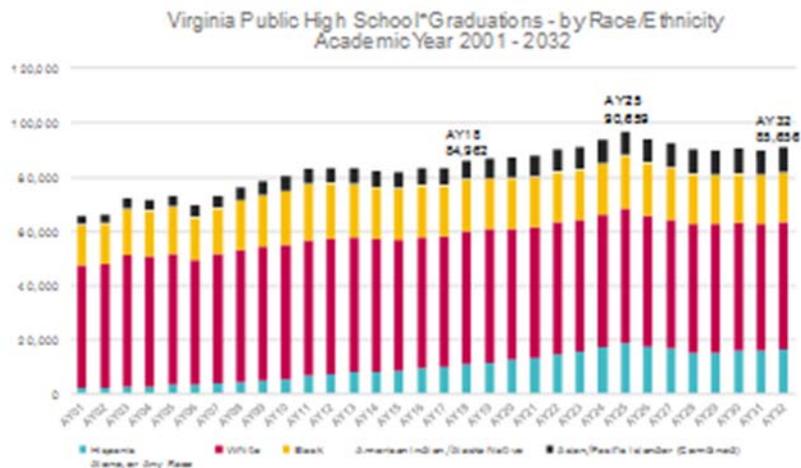
Why is this important?

Shifting demographics - While the state’s high school graduates are expected to increase to a high-watermark of 90,659 in 2025, subsequent cohorts will decline, limiting the state’s traditional undergraduate population. Virginia’s high school graduation population demographic is shifting, driven in part by substantial increases in the state’s Hispanic population.

Leaks in the pipeline - Each year ~25,000 Virginia high school graduates do not enroll in college within 18 months. An additional ~5,400 were lost during their high school years. The participation rate of Hispanic and African-American and low-income students is lower than among Asian, White and middle- to high-income students. Virginia is not doing a good enough job of attracting students from underrepresented populations into postsecondary education in numbers sufficient to provide for future workforce needs.

Re-engaging some college

but no degree - There are about 650,000 Virginians ages 18-30 who do not have at least an associate degree and who are not enrolled in college. Greater percentages of these adults are nonwhite, male, have children, are considered low income and receive SNAP/Food Stamps than what is found among their peers.



Source: Western Interstate Commission for Higher Education

Ideas for how we can improve

- Develop and enhance dual enrollment / AP / IB and ensure transfer of credits is seamless across institutions: Transfer Virginia is a three-year partnership between SCHEV, the VCCS, the Aspen Institute, HCM Strategists and Sova to develop strategies to award additional degrees to transfer students each year. Texas created a statewide taskforce to review dual enrollment practices and outcomes.
- Statewide awareness and advising efforts: SCHEV has proposed \$1.5 million in resources to improve access and awareness efforts, including coordination of access programs and professional development of counselor, schools, and community groups.
- Reverse transfer: Colorado's program allows students to combine two-year and four-year credits into an associate degree.
- Near-completer initiatives: Mississippi's Complete 2 Compete utilizes intensive marketing and data to draw students who are close to a degree. Complete Florida is targeted toward the state's adult population that has some college but no degree. The program is completely online, but it partners with institutions to provide the material.
- Statewide and regional campaigns focused on re-engaging adults: Degrees When Due is a three-year initiative led by the Institute for Higher Education Policy (IHEP). The initiative is a cohort-based approach that helps states and institutions drive toward increased attainment. The program has an equity focus and is designed to reengage students that have stopped out.

Questions for the session

- What are you doing or planning at your institution in the idea areas above?
- What state-level strategies should we consider?
- What policies and funding are needed to implement the strategies?



Breakout Session: Workforce

Students attend college for many reasons, but a primary motivating factor is the ability to secure a good job. Moreover, Virginia has a strategic interest in ensuring its investments in postsecondary education align with the needs of tomorrow's workforce to keep Virginia economically competitive.

Why is this important?

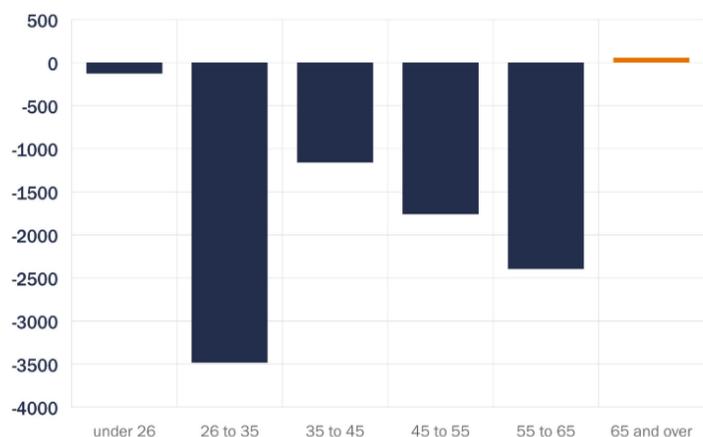
Demand for jobs - The Virginia Employment Commission projects that jobs with the [highest growth](#) are in the areas of computer science, teaching, healthcare, management and trades.

More Virginians are leaving the state than moving in - For the last five years, more individuals left Virginia than moved in according to the [Weldon Cooper Center for Public Service](#) at UVA. Of those leaving, the highest number were individuals ages 26 to 35. Even though Virginia has a positive net increase of young college graduates, nearly 35,000 young Bachelor's Degree holders (22-24) left the state between 2013 -2015.

Experiential learning - Internship and work opportunities also drive graduates' success in the workforce: According to a [Gallup study](#), 40% of Associate Degree graduates who had a relevant internship had a good job waiting for them at graduation. Only 6% of graduates without an internship said they had a good job waiting for them. In addition to internships, working on a project that took a semester or more and being extremely active in extracurricular activities and organizations [correlate](#) with optimism and confidence in the workforce.

Bachelor's Degree	Projected Job Growth to 2024	Median Annual Wage*
Registered Nurses	8,949	\$64,600
Management Analysts	8,911	\$97,100
Software Developers, Applications	8,019	\$105,000
Computer Systems Analysts	7,090	\$96,800
Accountants and Auditors	6,319	\$75,900
Software Developers, Systems Software	5,393	\$112,600
General and Operations Managers	4,443	\$120,300
Elementary School Teachers, Except Special Education	3,950	\$60,000
Market Research Analysts and Marketing Specialists	3,683	\$64,700

NET HOUSEHOLD MIGRATION BY AGE OF FILER



Source: Internal Revenue Service 2015-2016 Migration Flows Data

Ideas for how we can improve

- Increase experiential and work-based learning opportunities, including internships: SCHEV administers the Innovative Internship Fund and Program, to which the General Assembly [recently provided](#) an additional \$500,000, for a \$700,000 total. The program is designed to “expand paid or credit-bearing student internship and other work-based learning opportunities in collaboration with Virginia employers.” It includes both institutional grants and a statewide initiative.
- Align programs to demand and grow student interest in these areas: The General Assembly designated SCHEV as a reviewer for the Tech Talent Investment Program, supporting institutions to increase specific, in-demand degrees by at least 25,000 by 2039. Also, SCHEV staff have identified a need to provide equitable access to the necessary information, resources and experiences that help ensure the pursuit and completion of credentials required to earn sustainable living wages, including those in high employer demand.
- Employer partnerships: Collect the needs and skills of employers and industries and map them back to the specific programs. The U.S. Chamber of Commerce Foundation’s Talent Pipeline Management program helps businesses develop partnerships with educators and community groups to help train students in the specific skills they need.

Guiding questions for the session

- What are you doing or planning at your institution in the idea areas above?
- What state-level strategies should we consider?
- What policies and funding are needed to implement the strategies?