The Virginia Plan for Higher Education

Boards of Visitors Orientation
October 22, 2019

Peter Blake, Director
Marge Connelly, Vice Chair
Virginia Higher Education Landscape

15 Public 4-Year Institutions
24 Public 2-Year Institutions (23 Community Colleges + 1 Transfer College)
5 Higher Education Centers
30 Virginia Private Nonprofit Colleges and Universities
300+ For-Profit, Out-of-State or Vocational Institutions
Virginia Higher Education Landscape

122,168
DEGREES & CERTIFICATES AWARDED IN 2019

70.5%, 2ND
PUBLIC 4-YEAR GRADUATION RATE IN NATION

521,471
ENROLLED FALL 2018

$50,439
MEDIAN WAGES, 5 YEARS AFTER BACHELOR’S DEGREE

$9 billion
ANNUAL HIGHER EDUCATION EXPENDITURES

$26,720
MEDIAN DEBT UPON GRADUATION FOR BACHELOR’S DEGREE
Why is higher education important?

New jobs require more than a high-school diploma.

Of the 11.5 million new jobs created since the great recession, 99% require workers with more than a high-school education. Only 80,000 jobs created since the recession required a high-school diploma or less.

Credentials and degrees add value to the Commonwealth. An educated population and well-trained workforce increase economic competitiveness, improve the lives of individuals and support greater community engagement.

Source: Georgetown Center on Education and Workforce
Benefit to Individuals & Communities

Individuals with an associate degree or higher are.....

- **38%** more likely to have health benefits
- **79%** more likely to volunteer
- **30%** more likely to vote in an election

...than individuals with a high school diploma

Source: *It’s Not Just the Money*, Lumina Foundation
[https://www.luminafoundation.org/resources/its-not-just-the-money](https://www.luminafoundation.org/resources/its-not-just-the-money)
State return in investment

“Every dollar spent on public higher education by the state is associated with an additional $1.92 in state revenue and an increment of $21.32 to Virginia’s gross domestic product.”

“Study of the Growing Economic Impact of Virginia Public Higher Education”
Weldon Cooper Center for Public Service
February 2017
Governance Roles in Higher Education

**GOVERNOR**
- Appoints members to institutions’ boards of visitors and SCHEV
- Issues executive orders
- Prepares and submits a biennial budget

**GENERAL ASSEMBLY**
- Confirms Governor’s nominations for boards of visitors and SCHEV
- Adopts a biennial budget
- Enacts legislation pertaining to higher education
Governance Roles in Higher Education

**INSTITUTIONS’ BOARDS OF VISITORS**
- Set institutional policy goals and priorities
- Select and dismiss institution’s president
- Set tuition and fees
- Approve budget requests to the Governor and General Assembly
- Ensure institution effectively and efficiently uses state funds

**SCHEV**
- Develops statewide strategic plan
- Provides policy and funding recommendations
- Approves changes to institutional missions and new academic programs
- Administers state student aid programs
Governance Roles in Higher Education

STATE COMMITTEES

- Higher Education Advisory Committee develops and reviews strategies to implement state goals
- Six-Person Operating Advisory Committee (OpSix) reviews and provides feedback on institutions’ six-year operating plans
- Six-Year Capital Outlay Plan Advisory Committee (6PAC) reviews institutions’ six-year capital plans and makes recommendations to the General Assembly
The Virginia Plan for Higher Education

Objective: Be the best-educated state by 2030
Objective: Be the best-educated state by 2030

Postsecondary attainment rate by state (2017)

<table>
<thead>
<tr>
<th>State</th>
<th>Rate</th>
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<tbody>
<tr>
<td>Massachusetts</td>
<td>57%</td>
</tr>
<tr>
<td>Colorado</td>
<td>57%</td>
</tr>
<tr>
<td>Washington</td>
<td>55%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>55%</td>
</tr>
<tr>
<td>Connecticut</td>
<td>54%</td>
</tr>
<tr>
<td>Virginia</td>
<td>54%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>53%</td>
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<tr>
<td>Arizona</td>
<td>53%</td>
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<tr>
<td>Utah</td>
<td>52%</td>
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<tr>
<td>Kansas</td>
<td>52%</td>
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</tbody>
</table>

Current ranking: 6th
What are our Strengths and Challenges?

<table>
<thead>
<tr>
<th>Affordability and Excellence</th>
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</thead>
<tbody>
<tr>
<td><strong>Strengths/Opportunities</strong></td>
</tr>
<tr>
<td>• Low average net price (discount after aid) at several institutions</td>
</tr>
<tr>
<td>• Higher average student financial aid compared to other states</td>
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<tr>
<td>• Leveling off of student debt</td>
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<tr>
<td>• Lower tuition and fee increases in recent years</td>
</tr>
<tr>
<td><strong>Challenges/Threats</strong></td>
</tr>
<tr>
<td>• “Sticker shock” of college costs</td>
</tr>
<tr>
<td>• High tuition and fees/low state support</td>
</tr>
<tr>
<td>• Variability in state support</td>
</tr>
<tr>
<td>• Faculty salaries low compared to peer institutions (34th percentile)</td>
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</tbody>
</table>
### ACCESS and COMPLETION

**Strengths/Opportunities**
- Graduation rates high at baccalaureate institutions
- Institution and community-based efforts to support access and completion
- Student transfer between community colleges and universities

**Challenges/Threats**
- Lower enrollment and completion by Hispanic, African-American and low-income students
- Lower graduation rates at community colleges
- Lack of awareness of the value of higher education and opportunities beyond high school among some high school graduates
What are our Strengths and Challenges?

<table>
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<th>Strengths/Opportunities</th>
<th>Challenges/Threats</th>
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<tr>
<td>• $1 billion to meet tech talent initiative</td>
<td>• Shortages in many employment sectors, such as health care, teaching, computer</td>
</tr>
<tr>
<td>• Increased graduates in STEM-H related fields</td>
<td>science and skilled trades</td>
</tr>
<tr>
<td>• Alignment of bachelor’s teaching programs to address</td>
<td>• Graduates leaving Virginia at higher rates</td>
</tr>
<tr>
<td>teacher shortage</td>
<td>• Expected shortages in sub-baccalaureate credentials (associate degrees,</td>
</tr>
<tr>
<td>• Funding and implementation of statewide internship</td>
<td>certificates and industry certifications)</td>
</tr>
<tr>
<td>program and non-degree credentials</td>
<td></td>
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</tbody>
</table>
## What are our Strengths and Challenges?

### EFFICIENCY, EFFECTIVENESS AND PLANNING

#### Strengths/Opportunities
- Below average cost per degree compared to nation
- #1 ranked system of higher education in the nation *(SmartAsset, March 2019)*
- Allowance of institutions to carry over up to 3% general fund for reserve funding

#### Challenges/Threats
- Potential economic downturn
- Lack of agreement on measures of efficiency and effectiveness
- Lack of clarity on expected performance relative to state needs
Areas of focus for 2020-21

• **Affordability**: Advance funding strategies that balance support financial aid and operating costs to keep tuition increases low.

• **Access and completion**: Increase access and completion with a focus on equity, including African-American, Hispanic and low-income.

• **Workforce alignment**: Increase internships, support tech talent initiative, better assess workforce and skill shortages.

• **Efficiencies**: Review higher education costs and identify opportunities for approaches to stable and predictable funding and resource sharing.
What we need from institutions

- **Affordability:** Ensure that your institution has strategies to keep institution affordable, especially for low- and middle-income students.

- **Access and completion:** Meet students where they are. Completion is ultimate goal.

- **Workforce alignment:** Pursue policies that engage institution and students with employers.

- **Efficiencies:** Continually seek opportunities to direct limited resources to highest priorities.
Additional Information

www.schev.edu