



July 15, 2024

Dear members of the Op-Six,

The mission of the Virginia Community College System – which is comprised of 23 colleges serving nearly 230,000 Virginians annually – is to *give everyone the opportunity to learn and develop the right skills so lives and communities are strengthened*. As described in the six-year plan we crafted last year and affirm this year, our mission remains unchanged while we pursue a systemwide transformation aimed at:

- Blurring the lines between secondary and postsecondary education, between academic and workforce development programming, and between colleges and the workplace
- Providing access to meaningful postsecondary credentials for all Virginians
- Paying for performance
- Shifting the goal line from program completion to acquiring a good job in a high demand sector

As a result of this transformation, Virginia's Community Colleges will award 300,000 cumulative meaningful credentials by 2030 across all regions through accelerated access and success for every student. We strongly encourage you to refer to our previously submitted six-year plan narrative for details. In the coming year, we intend to focus our efforts on three elements of that six-year plan:

- Expanding the regional workforce talent pipeline (priority 1 from our plan)
- Providing high school students with meaningful postsecondary credentials (priority 2 from our plan) by first focusing on a consistent, systemwide, and sustainable approach to dual enrollment
- Advancing the discussion of a funding model that recognizes and addresses the high cost of programs that have the greatest economic value to Virginia (priority 3 from our plan)

Our priorities are shaped by a variety of partners, customers, constituents, and data sources. Our extensive engagement with business and community leaders from across the Commonwealth, our analysis of data supplied by our colleagues at the Virginia Office of Education Economics, and the fact pack provided you, as well as our partnerships with VEDP, school divisions, Virginia Works, GO Virginia, and others, have led to the distilled set of priorities that drive our systemwide transformation.

Moreover, our relationships and analyses have underscored the urgency of acting on these priorities while encouraging deeper alignment and focus of our efforts. For example, the fact pack you supplied has informed our governing board, college presidents, and leaders from across our

system and ultimately led to an overhaul of our strategic plan such that the six-year plan is now the core of our system's strategic plan.

At your request, we offer the following information on the supplied prompts.

- *Changes in admissions, enrollment, and retention due to disruptions of the new FAFSA form and your plan to mitigate the impact.* This is an important matter and has implications for student access and ultimately the number of Virginians who will seek and obtain meaningful credentials. The impact of the new FAFSA rollout is more profound for universities with hard deadlines for packaging financial aid than for Virginia's community colleges which have rolling admission and aid packaging processes. Still, VCCS has diligently monitored the matter, taken proactive steps to reduce the impact for our students, and implemented changes to our technology to accommodate the new FAFSA.
- *Explain any changes in the "Key Metrics at a Glance" and other changes to your Fact Pack that you feel are important to highlight.* We should begin by noting where we identified and reported anomalies in the data that may reflect a change in definitions or calculations, such as those that show a noteworthy drop in the number of people receiving financial aid. We have sought clarification from SCHEV staff on this and other questions about the fact pack data. Outside of the changes that may be attributed to modifications to definitions or calculations, the data continue to reinforce our strategic priorities. It is worth noting that not only has community college enrollment climbed for the past five successive semesters, but enrollment is also currently up 6.6% for the summer 2024 and up 1.5% (as a point in time measure) for fall 2024. In short, our efforts are showing positive results as they relate to growing enrollment, increasing the success rate of our transfer students, improving graduation and retention rates, reducing time to degree, increasing the share of students graduating from programs aligned to high-growth occupations, and growing the wages of our graduates, including low-income students.
- *Please include detailed updates on your cost control measures as noted in the Six-Year Plan follow up including new/ongoing initiatives and where your per student overall expenditure and institutional/administrative expenditures are trending as a result of your efforts.* We previously highlighted that the VCCS fully embraces the shared service concept for delivery of targeted institutional administrative services with the goal of streamlining costs and scaling support services across institutions while ensuring compliance with federal and state regulations and common policies and procedures. Our Shared Services Center in Daleville serves all 23 community colleges and the System Office providing support for procurement, accounts payable, payroll, travel, and human resource time and labor management services. Several colleges also share information technology security and technical support positions, reducing the need for full-time information technology leadership at select colleges. Deployment of shared services allows cost avoidance in delivering select services. Select colleges are also exploring opportunities where online delivery of select student-financial services allow reduction in front-facing services. In addition to this work, we are currently embarking on a Chancellor-led initiative to derive the greatest efficiency from being a system of colleges. Under the title of *One System*, we are actively pursuing efficiencies in the realm of technology by (1) moving away from 25 cybersecurity instances to a single instance and (2) reducing redundant, underutilized, and

inefficient software throughout our system. These efforts intend to yield financial savings that may then be reinvested in our highest priorities. As open-enrollment institutions, colleges per student spending fluctuates each year depending on enrollment and available funding. Costs associated with providing the classrooms, labs, specialized training environments supporting in-demand career and technical programs, equipment and technology platforms represent fixed costs not tied directly to annual changes in enrollment. The non-traditional nature of our student populations (i.e., part-time, working adults) requires an elevated level of per-student engagement. And even though the needs of our students are far greater than their university counterparts, the overall expenditure per FTE is far lower than the expenditure per FTE at Virginia's universities. Moreover, the latest national data identifies that our expenditures per FTE rank at the 23<sup>rd</sup> percentile relative to community colleges across the country.

- *Describe the anticipated impact of any new federal or state legislative or regulatory requirements on the institution's finances (e.g., Financial Value Transparency and Title IX regulations). We continue to closely monitor developments on these items and we will be better positioned to comment when they have worked their way through the courts.*

Beyond the prompts that you provided, we want to offer comment on the Virginia Military Survivors' and Dependents' Education Program (VMSDEP). Virginia's community colleges enthusiastically support active-duty military personnel, veterans, and their families. Their contributions to the safety of our nation cannot be overstated. Thirteen percent of our students statewide are affiliated with the military, either as active duty, veteran, spouse, or dependent. All of our colleges offer advising and navigation services to military affiliated students, and seven of our larger colleges have dedicated offices for this purpose.

Our *Credits-to-Careers* portal is an online tool that translates military experience into college credits and has been used successfully by thousands of veterans around the state looking to advance their careers once they enter the civilian world. More at: <https://www.credits2careers.org/>. We also train employers on national best practices to recruit, hire, train, and retain veterans and military spouses.

State support is requested for the VMSDEP. This critically important program has experienced significant growth in recent years and is expected to continue to grow. Preliminary numbers indicate that our community colleges enrolled a record 1,946 VMSDEP students last academic year and issued \$6.1million in tuition waivers. The \$40.0 million currently funded for the 2024-26 biennium, and any additional funding provided from the 2024 Special Session(s) pending final action and allocations by SCHEV will mitigate the fiscal impact to our colleges. The VCCS is committed to partnering with the Commonwealth to bolster the long-term sustainability of this important program.

As noted in our six-year plan – the plan submitted in 2023 and that we affirm now - Virginia's Community Colleges are distinctly poised to achieve the outcomes we have proposed. We are the only provider of postsecondary education and meaningful postsecondary credentials that has true statewide scope, with 23 colleges representing 40 campuses across the Commonwealth. Guided by a new Chancellor, our system recognizes that to maximize efficiency, maintain or reduce costs,

and produce skilled workers for the jobs that are now and will be available, we must work together in a regional, sector-focused manner. The priorities of our plan are critical priorities that advance Virginia – through the production of more credentialed Virginians in high-demand, high-pay fields. Our plan achieves this essential aim by expanding Virginia’s capacity in high-demand industries, by ramping up the production of meaningful postsecondary credentials for Virginia’s high school students, and and by investing in the sustained production of talent that will remain in Virginia and fill the high-demand jobs of today and tomorrow.