Higher Education Restructuring

House Appropriations Committee Retreat
November 13, 2007

Jim Alessio
Director for Higher Education Restructuring
SCHEV
Interrelated Elements of Restructuring Act

Six-Year Academic and Financial Plan

Performance Standards

SCHEV Statewide Strategic Plan
Institutional Performance Standards

1. Institution meets 95% of its in-state enrollment targets
2. Enrollment of under-represented populations
3. Institution meets 95% of its projected degree awards
4. *Affordability measure
5. Average need-based borrowing and percentage of need-based borrowing
6. *Institution conducts biennial assessment of tuition and fee levels
7. Degrees conferred in high-need areas
8. Programs reviewed under the criteria of SACS
9. *Access to lower division courses
10. Degrees conferred per full-time faculty
11. Average progression and retention rates
12. Undergraduate degree awards per FTE enrollment
13. Increased number of transfer agreements
14. Increase in degree-qualified transfers
15. Dual enrollment of high school students
16. Institutional commitment to economic development
17. Research expenditures (three-year averages)
18. Patents and licenses (three-year averages)
19. Enhanced participation and cooperation in K-12
20. Campus Safety ‘Best Practices’

* To be developed
# Restructuring Timeline

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State Council of Higher Education for Virginia

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2006-07 Annual Enrollment/Graduates/Financial Aid Reporting

Goal 12 added
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- Institutions update targets in 2008.
- SCHEV develops additional standards/updates targets in 2008.
The Challenge of Restructuring

Access
Affordability
Student as consumer
Controlling Costs
Underrepresented Populations

- Low-income families
- First generation in college
- From geographic areas with low college attendance
- Minorities
Students from underrepresented populations

• Tend not to be as well prepared for college – SAT scores, on average, are lower

Virginia SAT Takers (2007)
Mean Combined Score

* Excludes Asian, Asian American, and Pacific Islander

Students from underrepresented populations

- High school course work tends not to be as rigorous

Lack of Preparation

- At risk of lower grades
- At risk of dropping out
- Tend to take lighter class loads
- Longer time to graduation which can increase cost of education
- At risk of high educational debt without earning a degree
College Success – No Incentives for High Schools

• High School incentives
  – SOL’s/NCLB
  – Parent (‘helicopter’) concerns
  – Reducing dropout rate and increasing graduation rate
  – More Advanced Studies Diplomas – in some cases

• Difficult for high schools to know
  – No formal feedback loop
  – Little analytical support in school districts
Affordability

• What does it cost?
• Who pays and how much?
• What do student actions tell us about affordability?
What Does it Cost?

In-state Undergraduate College Tuition and E&G Fees
1983-84 through 2007-08
Four-Year Public Institutions

Source: Tuition and Fees Reports, SCHEV (www.schev.edu/reports/reports)
Total Budget

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Source: Tuition and Fees Reports, SCHEV (www.schev.edu/reports/reports)
Who Pays?

Virginia’s Tuition and Fees Policy

- 70%/30% Policy (included in-state and out-of-state)
- 100% out-of-state - 1992-94
- Joint Subcommittee on Higher Education Funding Policies (1998) purpose to reestablish funding guidelines
  - Base Adequacy Model – 2001
  - 67%/33% - 2004
- Because of the funding split between the state and student, full funding of the model and to achieve the 60th percentile in faculty salaries over six years would require an average annual tuition and E&G fee increase of approximately 5-8%
Student Actions

- Students at eight of the four-year institutions registered for less than 15 hours on average.
- At all but one, students earned less than 15 hours on average.

Source: Course Enrollment Data File, SCHEV
Why?

• Some students earned credit (AP and dual enrollment) before entering college - a semester or more is possible, but unusual at most institutions

• Allows more time for the social experience

• Earn better grades

• Weak preparation

• Work – but is it worth it?

• Significant cost implications to students – financial aid implications to state
Student as ‘Consumer’

• 1990’s saw a fundamental change in thinking about the student
• Today, the student is treated as a consumer and the product is education
• Student as consumer places more demands on the institution
• Students have higher expectation of services – housing, food, access, and other accommodations
Controlling Costs

Percentage of US colleges using selected contract services, 2001

- Food service
- Vending
- Bookstore
- Custodial: Academic buildings
- Laundry
- Printing
- Custodial: Residential buildings
- Grounds maintenance
- HVAC maintenance
- Security: Academic buildings
- Transportation (busing)
- Payroll preparation
- Office-equipment upkeep
- Facility management
- Maintenance: Academic buildings
- Computer servicing
- Maintenance: Residential buildings
- Security: Residential buildings
- Instructional-equipment setup

Source: Keeping it Close to Home: Privatization Study, American School & University (asumag.com/contract_services/university_privatization_study_keeping/)
Controlling Costs

Percentage of Expenditures for Instruction and Academic Support
Public Four-Year Institutions - 2005-06

Virginia Ranked 6th

Source: Finance Data, Fiscal Year 2006, IPEDS
Controlling Costs

Percentage of Expenditures for Administration
Public Four-Year Institutions, 2005-06

Source: Finance Data, Fiscal Year 2006, IPEDS
Summary and Next Steps

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Daniel J. LaVista
Executive Director
SCHEV
Going Forward with Concepts Contained in the Restructuring Act

- Meet demands of SCHEV’s coordinating function
  - Organize and implement reporting schedule and guidelines
  - Serve as resource to institutions and executive and legislative branches
  - Improve communication process – answer “How are we doing?”
    - Boards of Visitors meetings
    - Newsletters
    - Advisory committee briefings
    - Council meeting reporting

- Keep priority goals in focus – connections to other state initiatives
  - Access and the P-16 Council
  - Student retention/degree awards and economic development
Going Forward with Restructuring

- Develop remaining measures
  - Measure 4 – define affordability
  - Assess impact of tuition and fees net of financial aid on applications and enrollment
  - Access to 100- and 200-level courses
  - Refine reporting on goal 12 – campus safety
Going Forward with Six-Year Planning

• Integration of Higher Education Strategic Plan with six-year planning process
  – Access
  – Alignment
  – Investment

• Review institutional progress toward state goals and performance gaps with policy leaders
  – Legislative retreats
  – Reports to the General Assembly, the Secretary of Education and the Governor
  – SCHEV advisory committees
Measuring Success with Restructuring

- Demonstration of measurable success on performance indicators and benchmarks related to the 12 state goals
  - Annual certification process
  - Council member and staff involvement
- Use of institutional mission distinctions in setting performance standards – dialog between institutions and Council members and staff
- Reliance on the importance of institutional growth and development, all the while contributing to state goals
  - Economic development in rural, transitional areas
  - Commonwealth Education Roundtable goals for K-12 leadership development
Measuring Success with Restructuring

- More public confidence in higher education performance and investment
- View restructuring as “work in progress”
  - Develop remaining measures and performance standards
  - Strengthen process with 2\textsuperscript{nd} cycle of certification
  - Determine impact of tuition and fees on access
  - “Song sheet” similarity: value of increased freedoms and increased alignments to the state and the institutions
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