SENSEMAKING

JBL Associates Team

Richmond, VA
August 12, 2014
SCHEV Strategic Planning

design → divergent thinking → convergent planning → alignment

DESIGN

Task 1: Kickoff
Task 2: Env Scan
Task 3: Gap Analysis, Plan from Future Backwards
Task 4: Develop Goals and Strategies
Task 4: Insights from Gap Analysis & Groups

what is happening now?
what is the future in 10 years?
what opportunities/challenges does this create?

making sense, develop strategies
focus strategies
Align strategies & org capacity

Communicate & disseminate plan

Task 5: Political, Legal, Policy Scan
Task 6: Organizational Audit
Task 7: Proposal Development

ALIGN

We Are Here

DIVERGE

CONVERGE

SENSEMAKING
Regional Differences

- Virginia can only be understood as a collection of distinctive regions, each of which are important to the Commonwealth’s success.
- Northern VA dominates in population, wealth, economic vibrancy, education, and income.
- The rural regions in the south, west and east need different solutions than do the suburbs of Washington, Richmond and Virginia Beach.
- The average family from the Southwest part of the state has income of \( \approx $36,000 \).

**Median income by region, 2008-12**

<table>
<thead>
<tr>
<th>Region</th>
<th>Median Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern</td>
<td>$102,198</td>
</tr>
<tr>
<td>Central</td>
<td>$60,311</td>
</tr>
<tr>
<td>Hampton Roads</td>
<td>$60,249</td>
</tr>
<tr>
<td>Eastern</td>
<td>$51,774</td>
</tr>
<tr>
<td>Valley</td>
<td>$49,950</td>
</tr>
<tr>
<td>West Central</td>
<td>$47,188</td>
</tr>
<tr>
<td>Southside</td>
<td>$36,118</td>
</tr>
<tr>
<td>Southwest</td>
<td>$35,819</td>
</tr>
</tbody>
</table>

*Source: U.S. Census Bureau*
Demographics

- Slow to no growth is expected in the college-age population between now and 2020.
- Half the high school graduates who are interested in college are not well prepared to succeed academically.
- The two largest groups of adults by education level are high school graduates and those with some education; these are good candidates for returning to college.
- Hispanic/Latino high school graduates are the fastest growing ethnic group in Virginia and currently they are the least likely among groups to enroll in college.
- Black/African American high school graduates have a high college dropout rate.
Affordability

- The public universities with the fewest Pell Grant recipients and the highest tuition provide the lowest net price for low-income students and students graduate with the lowest loan balance.
- The public colleges and universities with the most Pell Grant recipients have the lowest tuition, but higher net price for low-income students and the largest loan balances for graduates.
- Virginia is a high-tuition, middle-aid state.
## Graduation Rates – Pub 4-Year

<table>
<thead>
<tr>
<th>Public four-year institutions</th>
<th>Bachelor's degree within 100% of normal time (4-years)</th>
<th>Bachelor's degree within 150% of normal time (6-years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Virginia-Main Campus</td>
<td>85%</td>
<td>93%</td>
</tr>
<tr>
<td>College of William and Mary</td>
<td>82%</td>
<td>90%</td>
</tr>
<tr>
<td>James Madison University</td>
<td>68%</td>
<td>82%</td>
</tr>
<tr>
<td>Virginia Polytechnic Institute and State University</td>
<td>53%</td>
<td>80%</td>
</tr>
<tr>
<td>University of Mary Washington</td>
<td>68%</td>
<td>75%</td>
</tr>
<tr>
<td>Virginia Military Institute</td>
<td>60%</td>
<td>70%</td>
</tr>
<tr>
<td>George Mason University</td>
<td>39%</td>
<td>63%</td>
</tr>
<tr>
<td>Christopher Newport University</td>
<td>42%</td>
<td>60%</td>
</tr>
<tr>
<td>Longwood University</td>
<td>40%</td>
<td>59%</td>
</tr>
<tr>
<td>Radford University</td>
<td>39%</td>
<td>57%</td>
</tr>
<tr>
<td>Old Dominion University</td>
<td>25%</td>
<td>50%</td>
</tr>
<tr>
<td>Virginia Commonwealth University</td>
<td>23%</td>
<td>50%</td>
</tr>
<tr>
<td>The University of Virginia's College at Wise</td>
<td>35%</td>
<td>48%</td>
</tr>
<tr>
<td>Virginia State University</td>
<td>24%</td>
<td>41%</td>
</tr>
<tr>
<td>Norfolk State University</td>
<td>11%</td>
<td>34%</td>
</tr>
</tbody>
</table>
Graduation Rate – Pub 2-Year

<table>
<thead>
<tr>
<th>Public two-year institutions</th>
<th>Degree/certificate within 100% of normal time</th>
<th>Degree/certificate within 150% of normal time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wytheville Community College</td>
<td>22%</td>
<td>36%</td>
</tr>
<tr>
<td>Southwest Virginia Community College</td>
<td>25%</td>
<td>35%</td>
</tr>
<tr>
<td>Dabney S Lancaster Community College</td>
<td>17%</td>
<td>30%</td>
</tr>
<tr>
<td>Eastern Shore Community College</td>
<td>13%</td>
<td>26%</td>
</tr>
<tr>
<td>Lord Fairfax Community College</td>
<td>13%</td>
<td>26%</td>
</tr>
<tr>
<td>Paul D Camp Community College</td>
<td>14%</td>
<td>26%</td>
</tr>
<tr>
<td>Southside Virginia Community College</td>
<td>18%</td>
<td>26%</td>
</tr>
<tr>
<td>Patrick Henry Community College</td>
<td>15%</td>
<td>24%</td>
</tr>
<tr>
<td>Rappahannock Community College</td>
<td>10%</td>
<td>24%</td>
</tr>
<tr>
<td>Blue Ridge Community College</td>
<td>11%</td>
<td>21%</td>
</tr>
<tr>
<td>New River Community College</td>
<td>11%</td>
<td>21%</td>
</tr>
<tr>
<td>Richard Bland College of the College of William and Mary</td>
<td>13%</td>
<td>21%</td>
</tr>
<tr>
<td>Central Virginia Community College</td>
<td>14%</td>
<td>20%</td>
</tr>
<tr>
<td>Mountain Empire Community College</td>
<td>12%</td>
<td>20%</td>
</tr>
<tr>
<td>Virginia Western Community College</td>
<td>11%</td>
<td>20%</td>
</tr>
<tr>
<td>Danville Community College</td>
<td>9%</td>
<td>19%</td>
</tr>
<tr>
<td>Northern Virginia Community College</td>
<td>8%</td>
<td>18%</td>
</tr>
<tr>
<td>Piedmont Virginia Community College</td>
<td>9%</td>
<td>18%</td>
</tr>
<tr>
<td>Virginia Highlands Community College</td>
<td>9%</td>
<td>18%</td>
</tr>
<tr>
<td>Germanna Community College</td>
<td>8%</td>
<td>17%</td>
</tr>
<tr>
<td>John Tyler Community College</td>
<td>5%</td>
<td>13%</td>
</tr>
<tr>
<td>Tidewater Community College</td>
<td>5%</td>
<td>13%</td>
</tr>
<tr>
<td>Thomas Nelson Community College</td>
<td>5%</td>
<td>11%</td>
</tr>
<tr>
<td>J Sargeant Reynolds Community College</td>
<td>3%</td>
<td>9%</td>
</tr>
</tbody>
</table>
Sustainability

Public FTE enrollment, educational appropriations and total educational revenue per FTE, Virginia—FY1988-2013

Note: Constant 2013 dollars adjusted by SHEEO Higher Education Cost Adjustment (HECA). Educational Appropriations include ARRA funds.
Source: SHEEO
Higher education support per capita VA=0.85, US=1.00

Higher education support per $1,000 in personal income VA=0.76, US=1.00

Allocation of state tax returns and lottery profit to higher education VA=5.8%, US=6.8%

The return on investment in higher education adds billions of dollars annually to Virginia’s GDP.

Virginia higher education is well regarded considering existing standards of excellence. Other states are investing more in new initiatives and directions, however.
Policy Scan - Federal Student Aid

- Has grown in importance in higher education financing—help low income students or incentive to increase tuition
- Regulatory burden
- Cost control
- Expanding student debt
- Basis for accountability
- Consumer protection rules
Governor’s Policy (so far)

- Gov. McAuliffe’s platform
  - CC’s
    - Emphasis on workforce
    - K-12 linkages, career coaches
    - Institutional autonomy
  - Four-years
    - Efficiency and governance
    - Affordability and financial aid
  - Strategic Workforce Initiative
    - How does this affect the balance between workforce and transfer in the CCs
Restructuring Act (2005)

- Has granting public institutions autonomy in setting tuition and fees affected their responsiveness to state needs?
  - Inconsistent levels of affordability across institutions
  - Puts less selective colleges at disadvantage

- Has giving public institutions autonomy over operations resulted in increased access and affordability by controlling costs and tuition?
  - Tuition has increased across the board

- Has not been effective
  - Benefits concentrated on highly selective, Level III institutions
Political Scan

- **Challenges**
  - Increasing enrollment and attainment rates for underserved minority students, especially Black/African American and Hispanic students
  - Increasing enrollment and attainment rates for low-income students
  - Break cycle of using tuition increases to maintain revenue when state support lags

- **Opportunities**
  - Leverage support for workforce and economic development
  - Develop financial commitment to improving affordability though base funding and financial aid
Strategic Risks

- Current funding and accountability model trending toward a two-tiered system
  - Selective universities benefit from out-of-state tuition
  - Less selective institutions face the potential of downward spiral
  - Access for low-income students falls behind affordability in funding-poor environment

- Falling behind due to inaction on Research Centers of Excellence
Making Sense of the Inputs

- Review of Inputs/Expected Results
- Futuring Framework
- Extrapolated Trends
- Emerging Issues
- Trends & Issues to Themes
- Five Themes and Their Success Factors
Sensemaking Inputs and Results

**Inputs**
- Meetings with SCHEV Staff, Council Members, Presidents
- Data Memo
- Gap Analysis
- Policy Scan/Memo
- Interviews and Synthesis from Regional Visits, Surveys
- Expert Insights on Higher Education over the Next Five Years
- Strategic Plans from Other States, Insights on Successful Actions
- Strategic Plans, Virginia Institutions
- Background Readings

**Results**
- Identification of Critical Issues, Themes, Success Factors
- Identify Barriers and Differences of Opinion Among Political/Policy Leaders
- Synthesize Insights on What Has Worked in Other States
- Elements of a Plan Emerge—including Mission, Vision, Values, Goals, Objectives/Strategies, Actions/Initiatives
1. Today, what is the condition of higher education in the Commonwealth of Virginia? What are our greatest challenges moving into the future?

2. Five years from now, how will these challenges have changed and what forces will be shaping higher education in the Commonwealth?

3. Five years from now, will learners, families, employers, policy makers, and citizens have different expectations of higher education in the Commonwealth of Virginia?

4. How should these future forces, challenges, conditions and expectations shape our Five-Year Strategic Plan for Higher Education in the Commonwealth of Virginia?
Extrapolated Trends

Today

- Tuition/fees poised to increase 5-7% per year.
- Virginia economy experiencing weak recovery; additional cuts in defense/govt spending loom.
- Virginia tax revenues dipped this year; led to reduction of planned budget increases.
- VCU study shows the public supports tax increases to keep funding the same for: public K-12 (70%) and/or higher education (49%). A 21% point neediness gap.

Five Years in the Future

- Compounded increase of 25-35%+ over five years without relief. This number scares people.
- Likely to plateau for next few years, possible growth in years 3-5.
- Tax revenues/state budgets likely to be flat for 3 years, possible improvement after that.
- Tax increases unlikely in any case, but the benefit from funding higher education needs to be demonstrated & communicated more effectively to close the perception gap with public K-12.
Extrapolated Trends (Continued)

Today

- Increasing numbers of Hispanic students and other minorities.
- Pipeline from Northeast/Mid-Atlantic states is important to Virginia institutions.
- Availability of publicly-funded research dollars is tightening.

Five Years in the Future

- Trends will continue. Need to improve culture of learning and readiness of these students if HE degree production is to increase.
- Decreasing numbers of college-ready students in the Mid-Atlantic and Northeast able to pay out-of-state tuitions, providing a challenge for the pipeline for top Virginia institutions.
- Competition for research funding will increase and institutions will turn to alternative sources of R&D funding.
From Trends/Issues to Themes

- Synthesizing our research, interviews and extrapolated trends/emerging issues yields a cluster of five themes.
- The synthesis also identifies a set of elements of potential initiatives/actions under each themes. These are success factors to achieve the themes.
- Further conversation and synthesis will refine these themes into goals, objectives, and initiatives.
Five Themes and Their Success Factors

**Access/Affordability**
- Enhance Culture of Learning
- Accessible Pathways
- Seamless Transfer/Articulation
- Affordable Tuition/Net Price
- Needs-Based Aid
- Manage Total Price of Completion
- Accelerate Completion
- Recognize Regional Variations

**Student Success**
- Respond to Changing Demography
- Nurture Pre-K-20 Pipeline
- High School Bridge Programs
- Improve College Readiness
- Elevate Completion Rates
- Degree Completion Tracks

**Excellence**
- Institutional Leadership
- Distinctiveness of Virginia Institutions
- Excellence in Performance/Outcomes/Value
- Academic Quality
- Competitive Salaries & Compensation
- Innovation in New Modes of Learning
- Resilience/Responsiveness

**Sustainability**
- Institutional Leadership
- Dependable State Funding
- Streamline Mandates/Regulation
- Deliver Expected Outcomes/Value
- Improve Productivity/Efficiency
- Achieve Innovation at Scale
- Collaboration/Collective Action
- Shared Services
- New Revenue Streams
- Leverage Technology-Based Tools/Practices/Experiences
- Refine Capital Construction Model

**Prosperity & Economic Vitality**
- Higher Education is Critical to EGD
- Achieve a Well-Prepared Workforce, at All Levels
- Support Regional Distinctiveness/Development
- Increase/Leverage Research Activity
- Accelerate Entrepreneurship/Innovation
- Commercialize Ideas/Ventures
- Eliminate Impediments/Barriers
- Support Clusters/Centers of Excellence

**Graduates Prepared for Useful Lives:**
- Critical Thinking Skills
- Active Citizens
- Employability/Work Habits
- Capacity for Perpetual Learning
Group Discussion
Proposed Framework for Virginia’s Strategic Plan for Higher Education

Mission

The fundamental reason you exist, aka the purpose

Vision

A word picture of your desired future, aspirational and inspirational consistent with Mission

Goal 1

[Outcome measures]

Objective 1.1

[Intermediate measures & targets]

Objective 1.1.1

Initiative 1.1.1

Objective 1.1.2

Initiative 1.1.2

Objective 1.2

Goal 2

Objective 2.1

Objective 3.1

Objective 3.2

Objective 3.3

Objective 3.1.1

Goal 3

Objective 3.2.1

Goal 4

Objective 4.1

Objective 4.1.1

Objective 4.1.2

Goal 4

Objective 4.1

Objectives and goals:

- Objective 1.1
- Objective 1.2
- Objective 2.1
- Objective 3.1
- Objective 3.2
- Objective 3.3
- Objective 4.1

Intermediate measures:

- Initiative 1.1.1
- Initiative 1.1.2
- Initiative 3.2.1

Outcome measures:

- Goal 1
- Goal 2
- Goal 3
- Goal 4

Value:

- Principles that govern your behavior and decisions

Value:

- Value

Value:

- Value

Value:

- Value

Broad statements of measurable outcomes to be achieved on behalf of customers

Statements of what you must do well or barriers you can overcome to achieve your Goal

Programs, activities, initiatives, tasks that will help meet targets
1) To provide learning, research, and public service to advance the prosperity of the Commonwealth and the well-being of its people
1) Every Virginian will have an education beyond high school

2) Virginia will have educational achievement, research, and public service—second to none
1) Opportunity
   • Options, choice, access, affordability, diversity, holistic education, liberal arts

2) Adding Value
   • Customer-service, responsive, commitment, effectiveness, excellence

3) Collaboration

4) Leadership
   • Adaptability, flexibility, trust, credibility, entrepreneurs, disruption

5) Stewardship
   • Resources, accountability, shared responsibility, effectiveness