

Executive Summary

Introduction

The State Council of Higher Education for Virginia (SCHEV) has embarked on the development of a statewide strategic plan for higher education in Virginia. SCHEV has contracted with JBL Associates (JBLA), a research firm, to assist in the process. This document provides a summary and overview of the key findings and conclusions detailed in the various reports produced as part of this project.

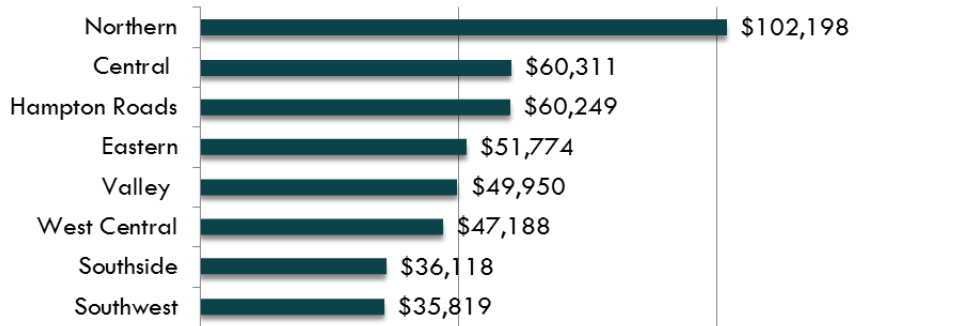
SCHEV is responsible for regularly developing a statewide strategic plan for higher education in the Commonwealth to help the state meet its higher educational goals. As the coordinating board for higher education in Virginia, SCHEV is uniquely situated to promote key issues such as access and affordability, efficiency and productivity and the preservation of the tradition of excellence in higher education that is so cherished by Virginians. The statewide strategic plan is a crucial part of how SCHEV can accomplish that part of its mission. The strategic plan, which is not a strategic plan for SCHEV, but rather for all of higher education, including public, private and proprietary institutions, has the potential to provide, institutions, lawmakers and the public with a common set of goals and initiatives around which they can work together to improve higher education for all Virginians. The plan also will be a key resource to help the Council prioritize its actions and focus on the coordination activities that contribute to the most important outcomes.

Environmental Scan, Part 1

The first step in developing the statewide strategic plan was to perform a comprehensive economic, socio-cultural and technological environmental scan in order to identify important factors and trends likely to affect higher education in Virginia over the next five to ten years. The scan included examinations of demographic trends at the statewide and regional levels; trends in higher education enrollment and completion; and issues of affordability, sustainability and efficiency, among others. The results are presented in the Data Memo and Data Memo Addendums. In particular, the environmental scan revealed the immediacy of the issues facing higher education – if issues like state disinvestment and changing population demographics are not addressed now, the system faces real consequences. Key findings of the research included:

- There are important variations in between Virginia’s regions that cannot be ignored. As shown in Figure A, below, the average family from the Southwest part of the state has an annual income of about \$36,000, while the median income in Northern Virginia is over \$100,000.
- Little growth is expected in the college age population over the next six years. Hispanics/Latinos comprise the fastest growing demographic group in Virginia, but they are the least likely of the major demographic groups to pursue and succeed in higher education.

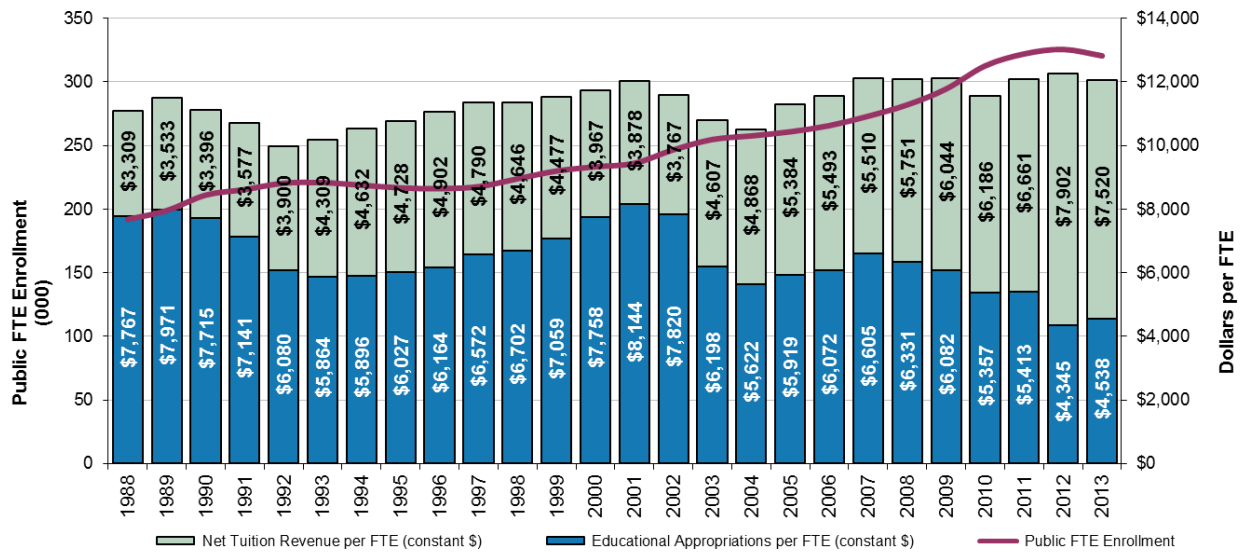
Figure A. Median income by region, 2008-12



Source: US Census Bureau

- Over the last fourteen years, per student state funding for higher education has fallen precipitously in Virginia, as can be seen in Figure B, below:

Figure B. 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

Workforce Supply, Demand and Gap Analysis

In addition to looking at current environmental factors, it was also vital for the strategic planning process to anticipate and take into account key economic trends, particularly those affecting the demand for workers with postsecondary credentials. This work took the form of two memos, the Gap Analysis Memo and the Gap Analysis Memo Addendum, a survey and report on proposed new programs and institutions in the state, and an interactive model of the supply of college and university graduates in Virginia that allows for testing of hypothetical scenarios. The findings from the investigation included:

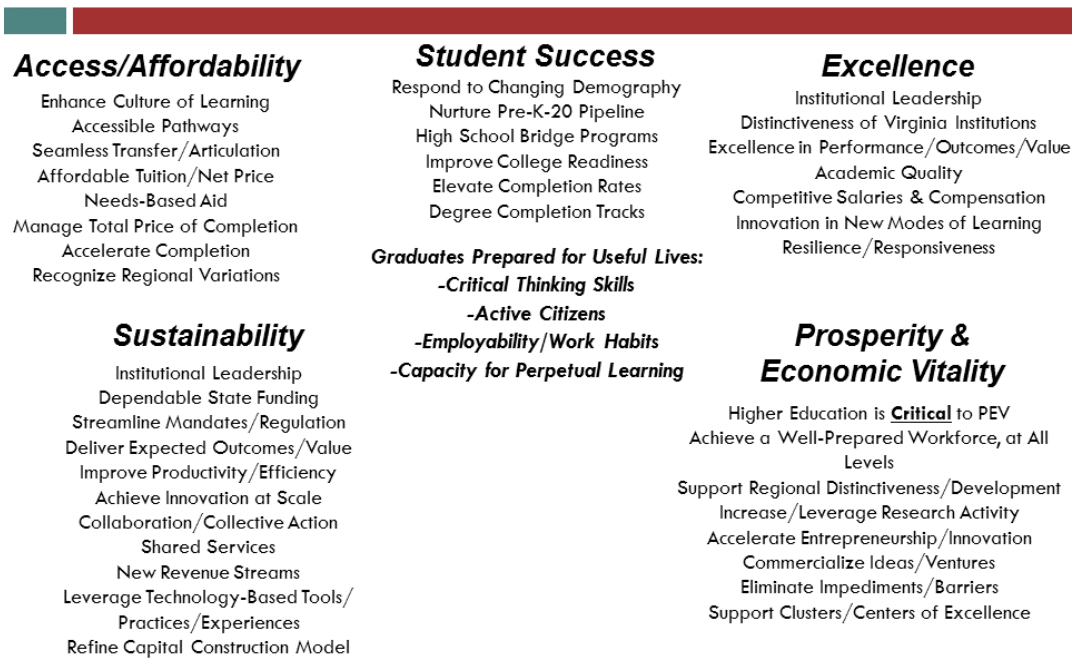
- **Statewide**
 - Projected annual openings in the area of Computer Technologies exceeded the current production of degrees and certificates by more than 3,100 annually.
 - Gaps were also found in the area of accounting and in many of the allied health fields, with many of the gaps occurring in occupations where certificates and associate's degrees are the norm.
- **Regionally**
 - Programs are generally available in each region to meet the training needs for the most in-demand occupations in that region.
- **New Programs**
 - Of 200 potential new programs in development, 120 are in STEM-H fields, mostly at the certificate and master's degree levels, demonstrating the responsiveness of Virginia's institutions to workforce needs.

Stakeholder Input

Getting input from all of higher education's stakeholders was also a vital component of the strategic planning effort. Interviews, focus groups, surveys and discussions were held throughout the state and online to give as many Virginians as possible the opportunity to contribute to the process. Hundreds replied to the online public survey, and dozens more took part in group or individual interviews intended to help them express their priorities and concerns for higher education. The strategic plans of Virginia's colleges and universities and those of higher education systems in other states were also reviewed and analyzed. The results of these efforts can be found in the Goals and Strategies Memo, as well as the Public Survey Results Memo.

The next step was to synthesize the results from the state and institutional plans, the quantitative analysis and the qualitative data. During that synthesis, five key themes were identified along with elements of potential initiatives and actions under each theme, which are presented as success factors necessary to achieve the themes in Figure C, below.

Figure C. Five themes and their success factors



Environmental Scan, Part 2

As a final step in preparation for the development of the statewide strategic plan, further research was conducted focusing on the political, legal and policy factors in the environment that would have direct bearing on the strategic plan for higher education in Virginia, as reported in the Policy Scan Memo. The key finding from that work was that lack of funding for performance incentives has rendered much of Virginia’s current accountability structure for higher education ineffective, though that does not necessarily mean that progress has not been made on state goals. Other highlights from the report include:

- **Federal Role**
 - Legal requirements, including court-mandated desegregation and equal opportunity, are an inescapable part of the policy landscape.
 - Federal funding of higher education through grants and subsidized loans crowds out state funding and influence. Federal aid accounts for \$169.7 billion¹ per year, compared to only \$72.2 billion² in support from state government across the nation.
 - Federal funding also dominates research activities, amounting to an estimated \$55 billion in 2009.³

¹ The College Board

² State Higher Education Executive Officers

³ American Association for the Advancement of Science

- **Key Legislation**
 - The Restructuring Act and Top Jobs Act reaffirmed the operational autonomy of the institutions and their authority to set tuition and fees.
 - The institutional performance measures and operational plans included in the Restructuring Act and the targeted economic and innovation incentives and planning requirements in the Top Jobs Act have been ineffective due to lack of funding, and there may be other issues that would limit their ability accomplish some state goals, even if funded.
- **Executive Priorities**
 - The Governor’s priorities, expressed in his “New Virginia Economy Workforce Initiative,” emphasize higher education’s role in promoting economic growth through workforce training.
- **Review of policies from other states**
 - A review of the issues and policies from other states reveals that Virginia’s issues are not unique, and number of policy options that are well vetted is limited. Efforts in other states to improve college readiness, control costs and increase efficiency were all considered, but only Maryland’s efforts to improve efficiency by reducing duplication of services appears reliable.

Mission, Vision, Goals and Strategies

In August, 2014, the strategic planning team convened a Sensemaking meeting during which the Staff and the Council reviewed the findings and analysis described above and engaged in a facilitated dialogue to distill key takeaways and potential strategic goals. Preliminary results, as described above, were presented, including: the identification of critical issues, themes and success factors; the barriers and differences in public opinion; insights into what has worked in other states; and a proposed framework for the future statewide strategic plan. During the first day of the Sensemaking meeting, this information was presented to the Council Staff who then provided comments and feedback during a facilitated discussion period. On the second day, the information was presented in condensed form to the full Council, whose members offered comments and discussed the findings, ultimately leading to discussion by the Council of the draft Mission, Vision and Values that had been extracted from all of the inputs.

Over next the next three months, the Mission and Vision were further refined and ultimately approved by the Council. During this time, the Staff and planning team worked to convert them into actionable strategies with appropriate measures, even developing highly specific initiatives to support each strategy. Key stakeholders were consulted multiple times during this process to ensure that the final plan reflected the full diversity of interests that higher education serves and upon which higher education relies for partnership and support. After an exhaustive period of review and markup, the process led to the development of a draft statewide strategic plan for higher education as described in Final Report of this project:

Statewide Strategic Plan for Higher Education in Virginia	
<u>Vision:</u>	Higher Education will transform the lives of Virginians, our communities and our Commonwealth.
<u>Mission:</u>	Higher education in Virginia will advance postsecondary learning, research and public service that enhance the civic and financial health of the Commonwealth and the well-being of all its people.
Goal 1. Provide Affordable Access for All	
<u>Strategies</u>	
	<ul style="list-style-type: none"> 1.1. Affordable net price for all students and their families 1.2. Expand outreach to K-12 and traditionally underserved communities to foster a culture of learning 1.3. Improve the college readiness of all students 1.4. Cultivate pathways for traditional, non-traditional and returning students
Goal 2. Optimize Student Success for Work and Life	
<u>Strategies</u>	
	<ul style="list-style-type: none"> 2.1. Provide effective remediation, academic and student services infrastructure to improve completion 2.2. Produce graduates prepared to live productive, meaningful lives 2.3. Improve timely completion rates for certificates and degrees 2.4. Engage adult learnings and veterans in degree completion and lifelong learning
Goal 3. Drive change and improvement through investment and innovation	
<u>Strategies</u>	
	<ul style="list-style-type: none"> 3.1. Identify and implement a sustainable funding model 3.2. Lead institutional innovation and productivity in all institutions 3.3. Achieve greater responsiveness, resilience and readiness for future disruptions 3.4. Create a diverse environment in which discovery and creativity thrive 3.5. Enhance higher education leadership, governance and accountability at all levels
Goal 4. Advance the economic and cultural prosperity of the Commonwealth and its regions	
<u>Strategies</u>	
	<ul style="list-style-type: none"> 4.1. Build a competitive, well-educated/trained workforce – at all levels and for all regions 4.2. Provide for the economic development of communities and regions of the Commonwealth 4.3. Become a model of business incubation and catalyzing entrepreneurship 4.4. Develop world-class research centers and talent hubs 4.5. Expand participation and engagement in public service and institutional service to the community