

The background of the slide features a scenic view of a city skyline at sunset. The sky is a mix of orange, yellow, and light blue. In the foreground, a wide river flows from the bottom right towards the center. A long, multi-arched bridge spans across the river. The city buildings are silhouetted against the bright sky, with some windows glowing. The overall atmosphere is calm and urban.

Higher Education Six-Year Planning

Boards of Visitors Orientation

NOVEMBER 2023

Virginia aspires to be the best state for postsecondary education



Giving all students the **transformational benefits of a postsecondary education**, including the knowledge and preparation to excel in the economy of the future



Serving as an **engine that promotes the social, cultural, and economic well-being** of individuals, families, and communities across the Commonwealth



Offering a **diverse set of high-quality institutions that effectively meet student needs** while serving as responsible stewards of student & taxpayer dollars

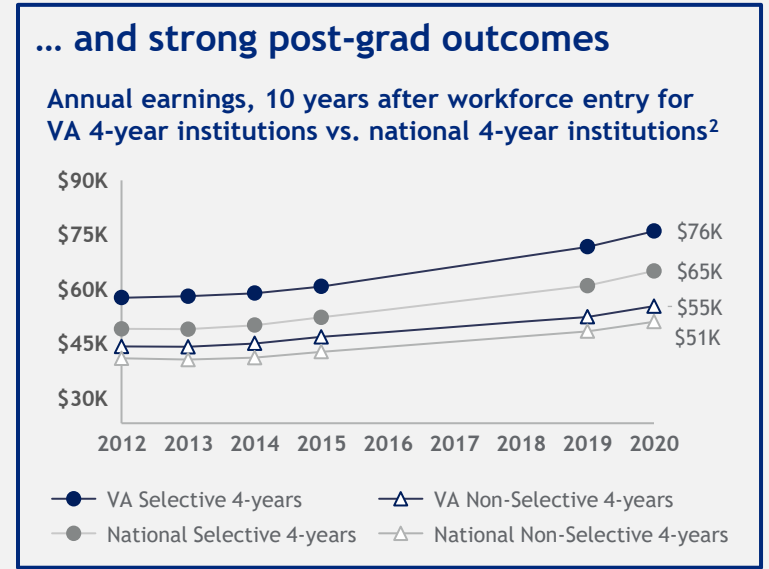
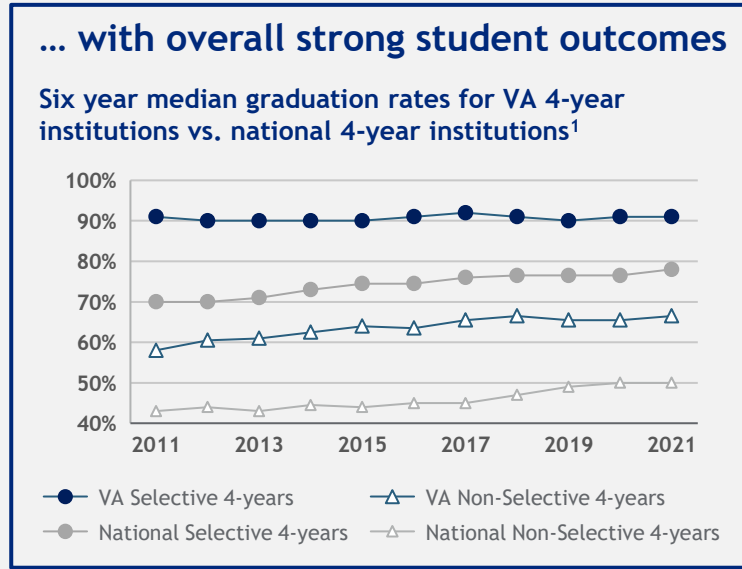
...And in many ways it is succeeding: VA's public higher ed ecosystem and diverse institutions among the strongest in US

Broad set of public institutions across VA ...

- 3** selective 4-year institutions

- 12** non-selective 4-year institutions

- 24** 2-year institutions

Resulting in national recognition as a top state for higher ed

smartasset™ 2022 Best States for Higher Education³

#2
overall ranking

#7
student-faculty ratio

#1
undergrad grad rate

#20
in-state attendance

US News & World Report 2024 Best Colleges Ranking

3
public universities in top 100 nationally (UVA, VT, W&M); 6 in top 150

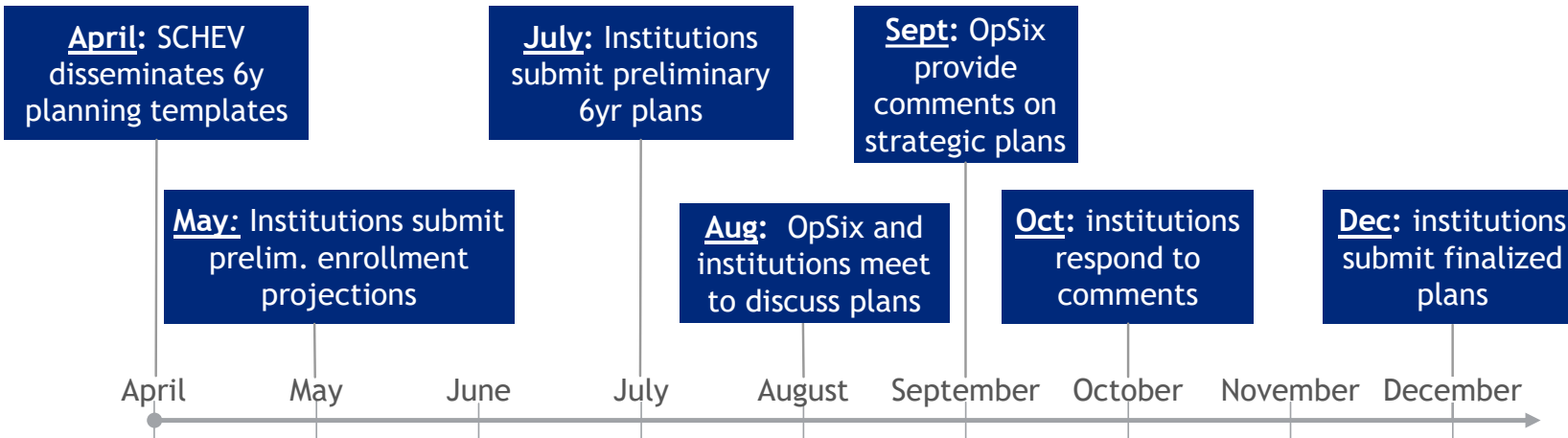
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public universities in top 100 Southern regional universities (CNU, LU, VSU, NSU)

1. Median graduation rates across applicable institutions based on IPEDS data. 2. Figures reflect earnings of working graduates 10 years after workforce entry, excluding graduates who are currently enrolled as students; figures shown are the average of each category's institutions' reported median earnings. Due to data constraints, figures unavailable 2016, 2017, and 2018; most recent available data are 2020. 3. Subscores based on IPEDS data; average net price and 20-year ROI metrics not shown.
 Source: IPEDS; College Scorecard; U.S. Census Bureau; BCG analysis

Biennial higher ed six-year planning process established in VA Code in 2005; serves as key input to General Assembly's budget process

6-year planning process
(for odd-numbered years)

17 public higher ed institutions
in VA must submit plans



OpSix Members:

- Secretary of Finance
- Secretary of Education
- Director of Dept of Planning & Budget
- Director of State Council of Higher Ed
- Staff Director of House Appropriations
- Staff Director of Senate Finance & Appropriations

Process feeds into or runs parallel to related processes, including:

- State appropriations for Educational & General Services (E&G) funding
- State appropriations for capital outlays
- Institutional performance standards (~\$15M per §23.1-206)
- Approvals of new academic programs, mission statements
- Statewide strategic planning
- Institution strategic planning
- External program administration (e.g., discounted tuition via Academic Common Market)

(non-exhaustive)

OpSix has taken an explicit strategic orientation, with priority focus on enrollment, program quality, and financial sustainability



ENROLLMENT "VOLUME" & COMPOSITION

Adapting to shifts in student pipeline in design and operations of institutions/programs



STUDENT & MARKET NEEDS

Continuing to innovate on how to best prepare students for success and meet VA's evolving labor market needs



FINANCIAL EFFECTIVENESS & SUSTAINABILITY

Improving cost effectiveness to ensure both tuition payers and taxpayers are getting the greatest possible ROI

OPERATING NORMS

Using data to be honest about what needs to change and to measure progress

Working together across institutional boundaries for the betterment of the Commonwealth

Being strategic in choosing where to focus and how to move forward

Revisions to the planning process are intended to create greater transparency and strategic dialogue between OpSix and institutions

Goals for six-year planning process

- 1** Provide **greater and more consistent visibility on institutional contexts and budget requests** in advance of legislative session
 - Opportunity for stakeholders to hear same narrative from institutions on institutional performance/ priorities
 - Chance to examine funding requests in advance of legislative/ budgeting process
- 2** Facilitate dialogue on **key strategic topics** between OpSix and institutions
 - Setting for OpSix to ask questions and probe on key issues directly with institutions
 - Forum for institutions to understand OpSix members' priorities, hear feedback
- 3** Enable OpSix to look across institutions and **identify statewide opportunities and challenges**
 - Opportunity for OpSix to distill key takeaways from institutional conversations to surface priority areas for policy & budget action

A key change: new data provided to institutions to inform a richer, more focused narrative and conversation with OpSix



Institution fact packs

50+ page data packs for each institution, displaying key metrics and trends:

- Enrollment
- Completion outcomes
- Post-completion outcomes
- Workforce alignment
- Affordability
- Revenue
- Cost effectiveness



To ensure OpSix and institutions are using a consistent, comprehensive set of data to inform strategic discussion



Strategic narrative submissions

30+ targeted questions on strategic topics including:

- Institutional mission & priorities
- Planned priorities across:
 - Enrollment
 - Program alignment/ performance
 - Financial effectiveness & sustainability
- Policy & budget requests



To promote rich institutional reflection and articulation of strategic, policy, and budget priorities



Institutional conversations

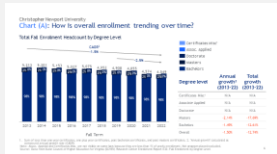
Multiple forums for strategic discussion:

- Listening sessions with presidents, provosts, finance officers, board members
- Two-hour meetings with leadership from each institution, covering individualized priority topics
- Individual and group reflection discussions with OpSix members



To facilitate focused dialogue on the most important strategic topics faced by institutions

Backup | Fact packs used to provide transparent, common set of data to inform planning conversations



Enrollment

- How is overall enrollment trending over time?
- How is in-state and out-of-state enrollment trending?
- How is student body mix changing, by income level and race/ ethnicity?



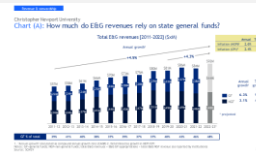
Affordability

- How has total cost of attendance changed over time?
- How much debt do students need to cover net price?



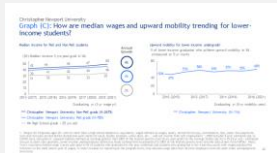
Completion outcomes

- How are retention and graduation rates trending?
- How are retention and graduation rates trending by income level and race/ ethnicity?



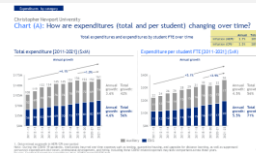
Revenue

- How much do E&G revenues rely on state general funds?
- How quickly have NGF sources of funding changed?
- How is institutional financial aid offsetting tuition revenue over time?



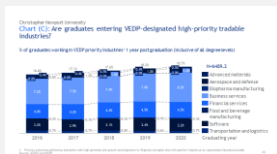
Post-completion outcomes

- How much excess wages are generated by degrees?
- How do wages for the largest programs compare to other schools?
- How much debt do students take on relative to earnings?



Cost effectiveness

- How are expenditures (total/ per student changing over time)?
- How have personnel increased on a per-student basis?
- Which expenditure categories are growing fastest?
- Is institutional financial health a concern?

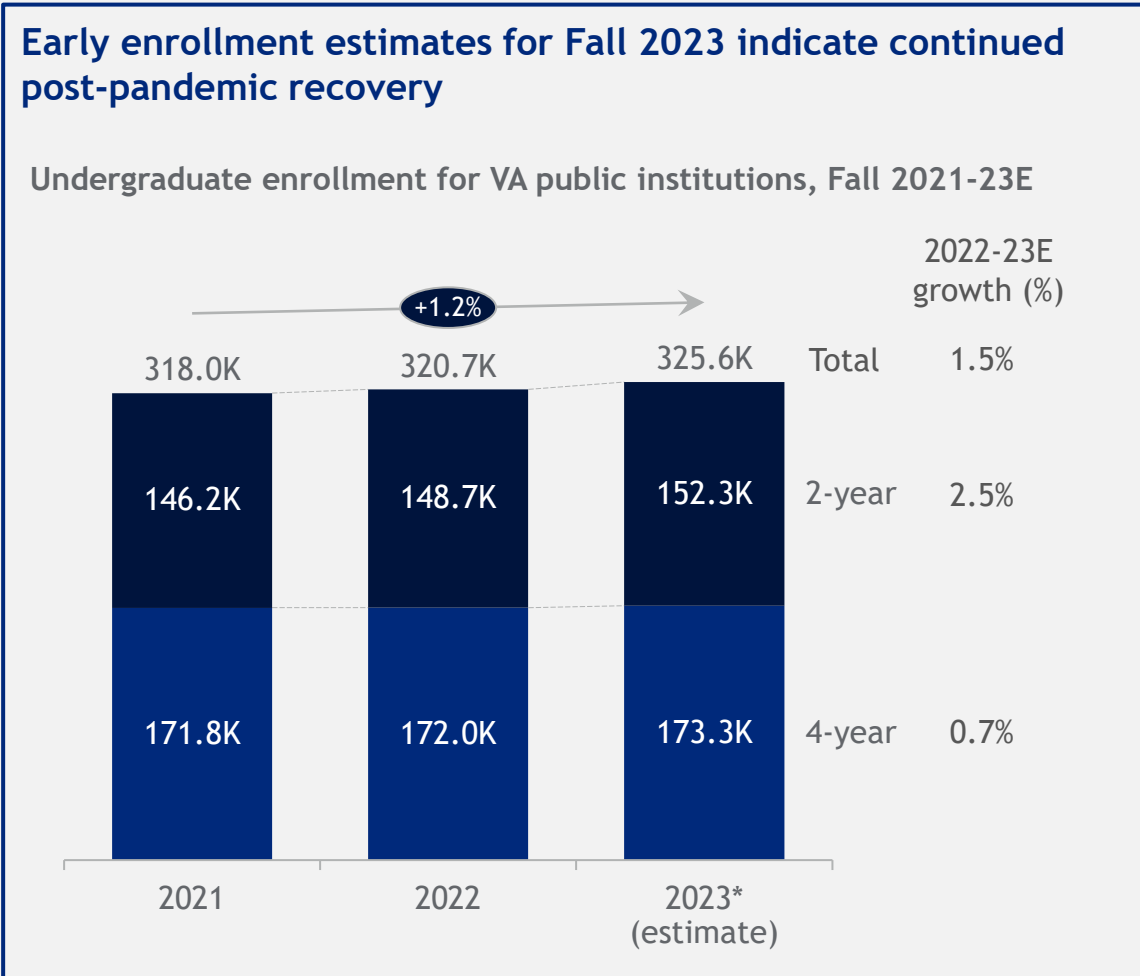


Workforce alignment







- Are graduates remaining in VA after school?
- Are graduates entering industries with high job growth in VA?
- Are graduates entering VEDP high-priority industries?

Focus of fact packs is on year-over-year trends within individual institutions, instead of benchmarks relative to other institutions

What makes us hopeful: Institutions have shown resilience in a difficult macro environment and interest in tackling VA priorities



Many institutions are focusing on COVA higher ed priorities

Priority	# of institutions selecting as one of top 3-5 strategic priorities
 Career readiness/ workforce Via new programs, partnerships, work experience initiatives, etc.	15 of 17
 Affordability & accessibility Via higher cost efficiency, affordable pathways (e.g., online), aid expansion, etc.	8 of 17
 Cost efficiency/ financial sustainability Via cost containment, greater focus on operational efficiency	6 of 17
 Enrollment Via efforts to grow applicant funnel across different demographics	6 of 17
 Student mental health Via support for counseling services, mental health-related programs, etc.	5 of 17
 Pathways Via dual enrollment options, collaboration between institutions, etc.	4 of 17

Six priorities above account for ~60% of all priorities named in strategic narratives

But VA institutions also need to address challenges that have been mounting since well before the COVID period



Enrollment

Demographic cliff is real... though Virginia not as hard-hit as some states

Many institutions saw their enrollments decline - and pulled the "acceptance rate" lever



Completion

Some meaningful gaps in completion: by institution, by race/ ethnicity, by income level



Affordability

Students questioning the value of a degree... especially as the cost of attendance continues to grow

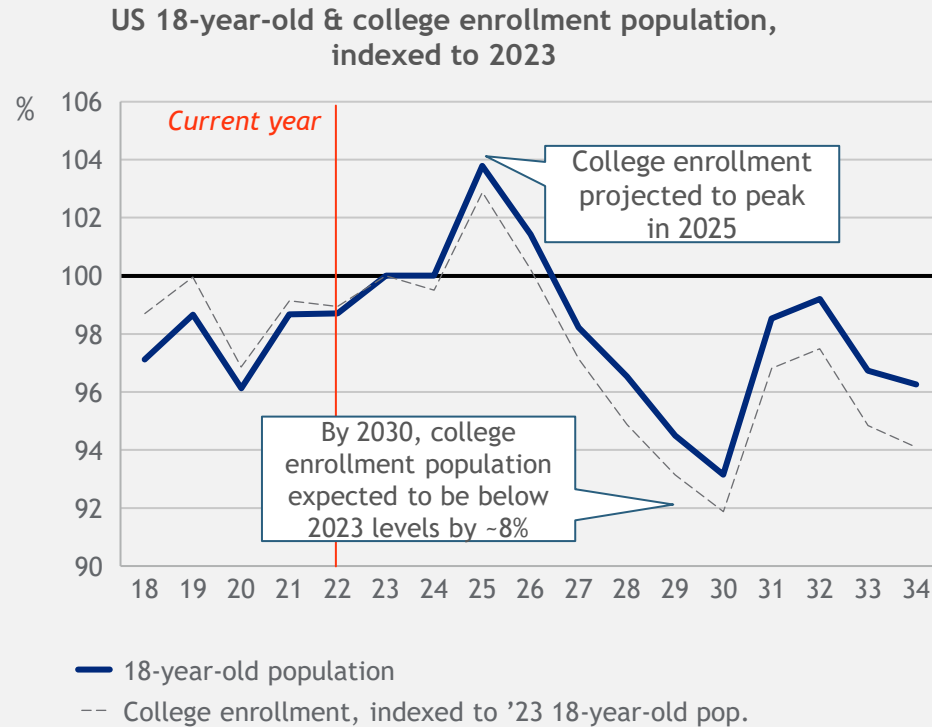


Cost effectiveness

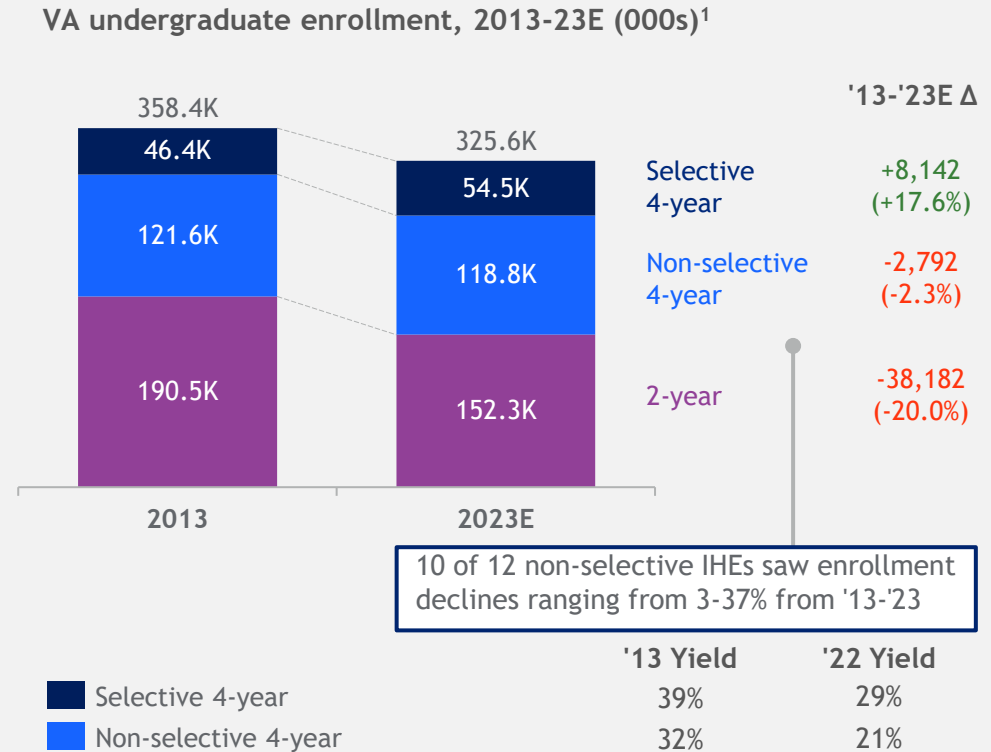
Institutions incurring more cost per student - with non-selective institutions especially feeling significant financial pressure

Enrollment | Increasingly competitive market, with institutions seeking to grow enrollment pool and differentiate IHE "value"

Demographic cliff is coming, with real implications on college population



Most non-selective IHEs already facing falling enrollment, yield



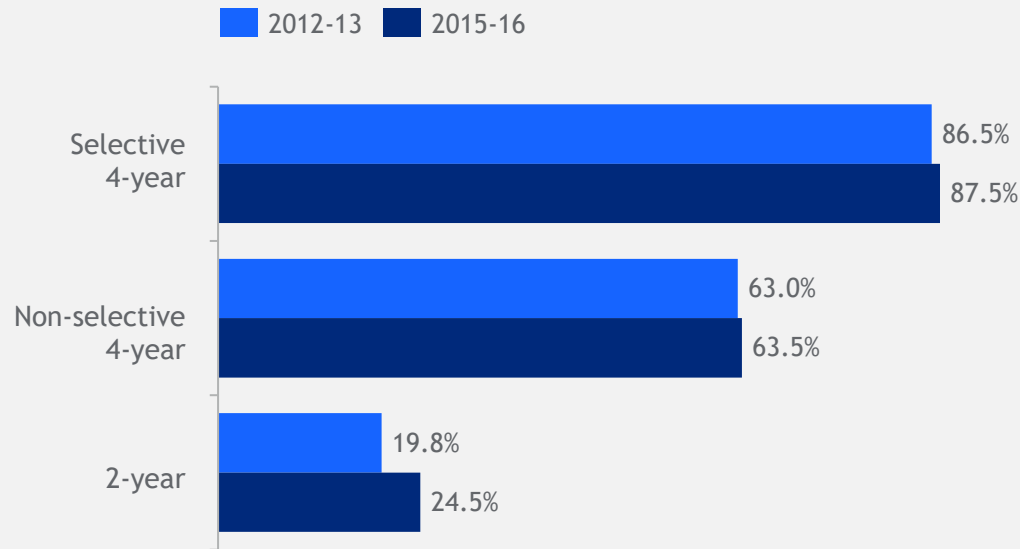
1. Enrollment numbers based on undergraduate enrollment; VCCS and RBC includes certificates, associates, and not program-placed.
 Source: 'Agile College' by Nathan Grawe, U.S. Census ACS, Mongoose, Vox, Chronicle of Higher Ed, Capture Higher Ed, CUPA-HR, Higher Ed Dive, WICHE Knocking at the College Door; SCHEV Fall Headcount Enrollment; IPEDS; BCG analysis

Completion | Strong top-line performance, but completion gaps "under the hood"

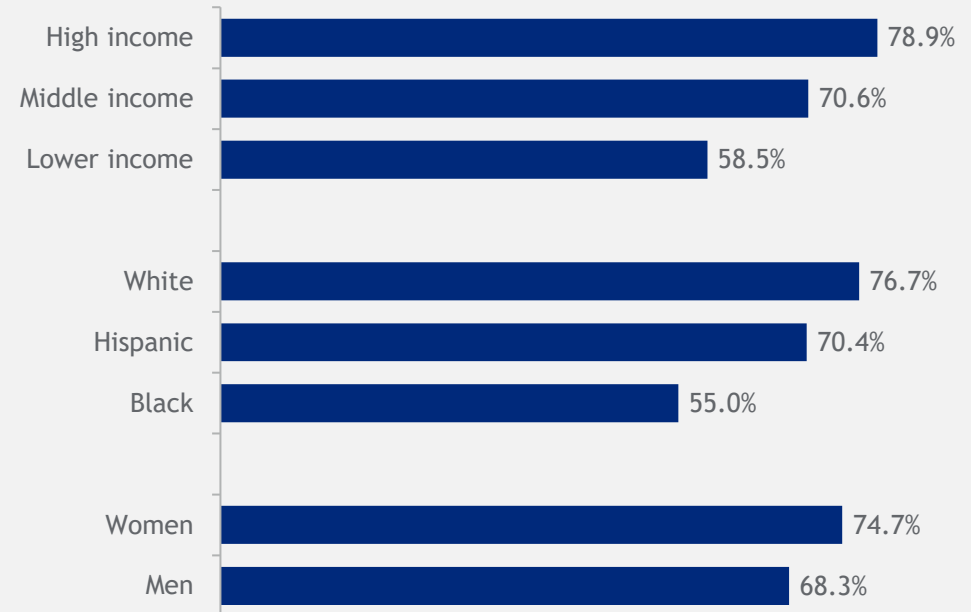
Overall completion rates increasing, but significant variation across IHEs

Disparities in completion outcomes by income, race/ethnicity, gender

FTIC 6-year graduation rate for IHEs, 2012-15¹



6-year graduation rate by income and race / ethnicity, 2015-16 cohort (%)²



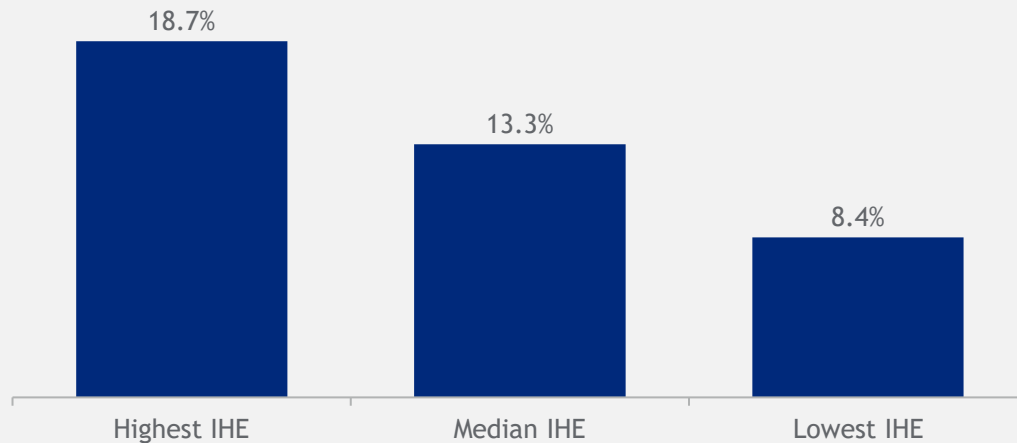
5 of 17 4-year IHEs with 2015-16 graduation rates <60%

1. Compares 6-year graduation rate for 2012-13 and 2015-16 FTIC cohorts
 2. Lower income = <200% of federal poverty line; middle income = 201-400% of poverty line; higher income = >401% of poverty line. Income data is based on in-state students only
 Source: SCHEV GR-SC01: Six Year Graduation Rate Trends, by Economic Subcohorts; SCHEV Sub-Cohort Retention and Completion Rate Trends

Post-completion & workforce alignment | Opportunity to even better align programming with labor market needs

Varying degrees of IHE alignment with high-priority workforce needs

% of IHE graduates working in VEDP priority industries, 1 year post-graduation, 2020



VEDP high-priority industries

- Adv. materials
- Aerospace & defense
- Biopharma manufacturing
- Business services
- Financial services
- Food & bev manufacturing
- Software
- Transportation & logistics

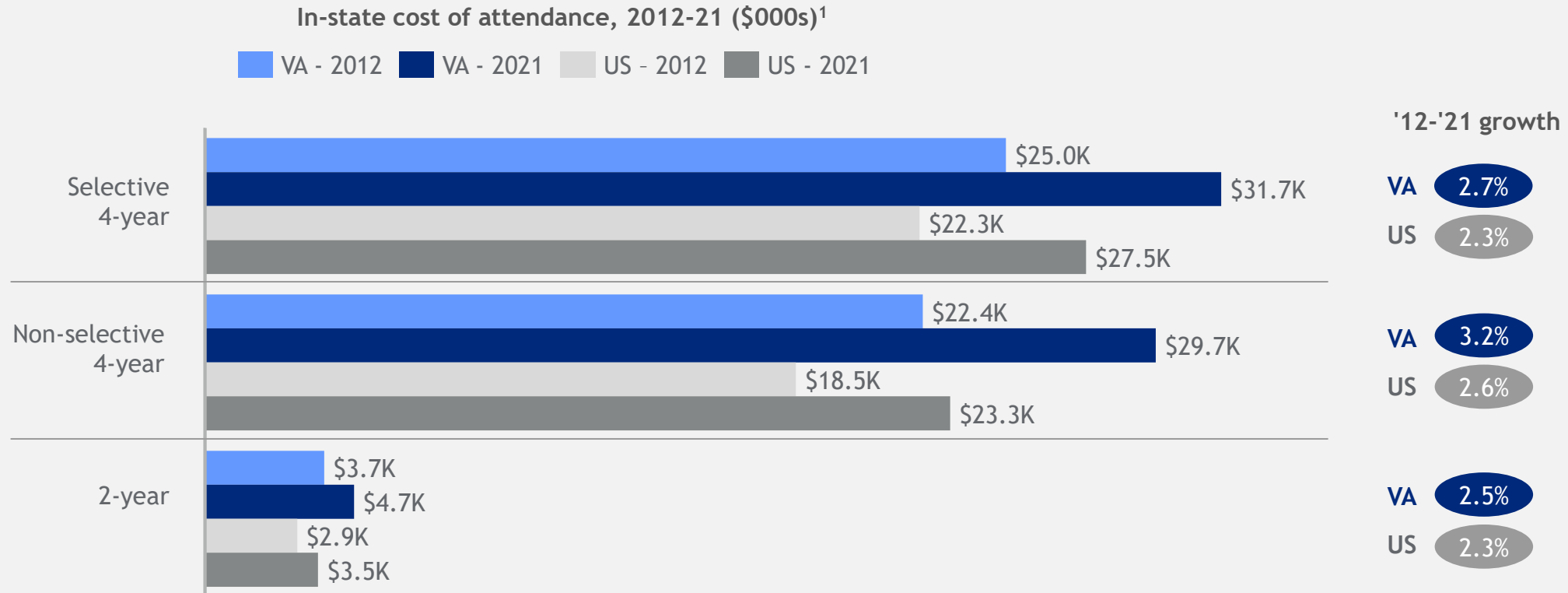
IHEs are pursuing workforce initiatives, but inconsistent cross-IHE/ stakeholder collaboration

Challenges/ opportunities identified:

- **VOEE region-level data in early stages;** more work to be done to increase IHE awareness, comfort, and sophistication in dynamically integrating data into program portfolio decisions, career support processes
- **Absence of system-wide capacity planning,** resulting in IHEs operating independently on program portfolio decisions
- IHEs working with individual employers on internships, work-based learning but IHEs/ COVA **have not yet identified path or resources to scale**
- **Lack of sufficient career coaching** to point students towards high-potential programs/ fields, improve job readiness

Affordability | Amplified attention on student-focused, transparent approaches to affordability, discounting, and financial aid

Cost of attendance above national averages and growing more quickly across selective, non-selective, and 2-year IHEs



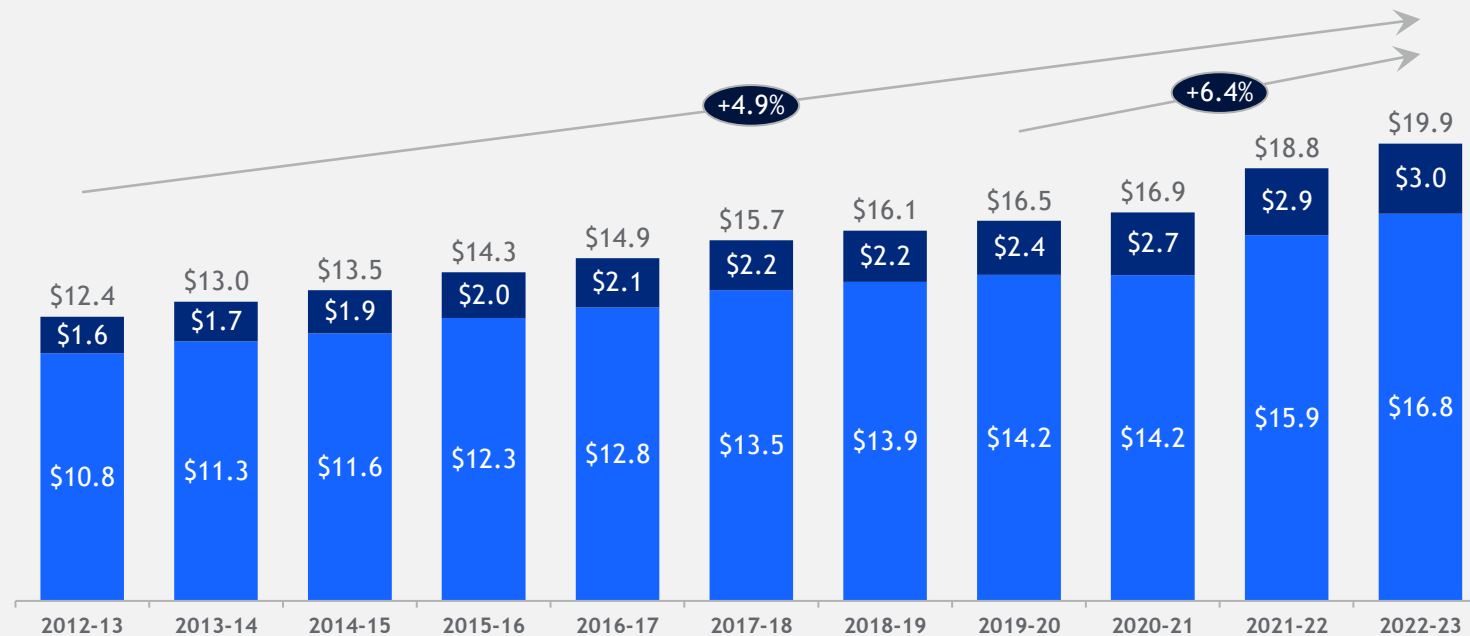
1. 4-year CoA includes tuition, mandatory E&G and non-E&G fees, average room & board, on-campus other expenses, and books & supplies. 2-year CoA includes tuition and mandatory fees. CoA numbers are for on-campus, in-state students and are a weighted average by in-state enrollment.

Source: SCHEV TF01: Student Charges by Student Level and Residency Status; IPEDS

Resource effectiveness | Cost growth has accelerated and outpaced inflation

Per-student E&G expenditures have increased at 4.9% annually from 2012 to 2022, with accelerating growth in recent years










VA IHE E&G expenditures per student FTE, 2012-22 (\$K)



	12-22 CAGR (%)	12-22 total (%)
Inst/Admin	6.7%	91%
Other E&G	4.6%	57%
Total E&G	4.9%	61%
Inflation (HEPI) ¹	2.9%	
Inflation (CPI) ¹	2.6%	

1. Determined as growth in HEPI/CPI. Note HEPI estimate for FY2023 as of June 22, 2023.
 Note: Includes all public 2- and 4-year institutions.
 Source: Cardinal; SCHEV E5 Report: Annualized Student FTE and Credit Hours

To maintain a position of strength, COVA and its institutions will need to address critical statewide priorities

-  **1** Partnering more intentionally across K-12, 2-year, and 4-year institutions to raise awareness and access to **high-impact pathways** for each student
-  **2** Managing enrollment and enhancing differentiation in an increasingly **competitive market** at both the institutional and state level
-  **3** Taking a more **student-centered, transparent approach to affordability, discounting, and financial aid**
-  **4** Improving completion for all student populations via **data-driven, evidence-based interventions** and strong execution
-  **5** Developing a **comprehensive and coordinated approach to maximize post-completion outcomes and fill labor market needs**
-  **6** **Containing the cost of college**, including minimizing unnecessary spending and identifying opportunities for **cross-institution shared services**
-  **7** **Making data more transparent to all audiences** (policymakers, institutions, students & families, etc.) to drive better decision making, including **filling key data gaps** across enrollment, completion, and post-completion
-  **8** **Being more targeted with state funding** (E&G + Financial Aid) to better drive key priorities, incentivize desired actions, support students, and address critical institutional needs
-  **9** **Proactively supporting institutions facing acute challenges** through different support mechanisms

How can Boards of Visitors support strategic planning?



Engage with the data, including via the fact packs, to understand the performance of your institution and identify strengths and opportunities to address



Review institutional narrative documents, to understand the strategic priorities articulated by your institution



Ask the strategic questions, to probe and pressure-test administrations' plans and ensure focus on priorities that drive student success and institutional health



Ensure that dialogue is not one-off and evolves over time, to adapt to changing higher education environment and institutional needs

