



# BOARD USAGE OF DATA IN INSTITUTIONAL GOVERNANCE

STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA: BOARD OF VISITORS ORIENTATION

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# TOPICS FOR DISCUSSION

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REVISED SIX YEAR PLAN PROCESS

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FACT PACKS – DATA TRENDS

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# SIX YEAR PLANS – A NEW APPROACH

- Biennial six-year higher education planning process outlined in the Code of VA
  - Op Six
  - Consistent visibility on institutional performance, strategy and direction
  - Identify statewide opportunities and challenges across institutions
  - Increased visibility on budget requests in advance of legislative session
  - Compliance focused
- Develop a deep, data-driven, understanding of the current state of public higher education in VA across three broad levers
  - Enrollment volume and composition
  - Student & labor market needs
  - Financial effectiveness, affordability & sustainability
- Preserve and build on existing strengths driven by VA's strong ecosystem with diverse missions, assets, and identities

# SIX YEAR PLANS – DATA ‘FACT’ PACKS

- Op Six, with Boston Consulting Group, spent last two years examining the health, performance, and trajectories of VA's 17 public higher education institutions, including:
  - VA in the context of US higher ed trends
  - Identification, compilation, and review of key and common metrics across each institution
  - Detailed review of six-year plans submitted including written responses to additional targeted questions, financial projections, and expected budget requests
  - Analysis of recent enrollment projections relative to prior trajectories & demographic trends
  - Pro-Forma financial model looking at all institutional revenues, expenses, tuition revenue, financial aid, looking forward six years
  - In-depth conversations and collaboration with universities
  - Enhanced transparency
  - Viable strategic plans

# SIX YEAR PLANS – KEY OBJECTIVES

- DATA TRANSPARENCY - Make data more visible & digestible, enhance state data assets to meet stakeholder needs and fill gaps
- FUNDING - Deploy state funding (E&G + FinAid) in a more targeted way to drive priorities, incentivize desired actions, strengthen workforce alignment & meet student needs
- RESOURCE EFFECTIVENESS - Contain cost growth and reduce costs, by pursuing cross-IHE shared services & more structured and consistent program evaluation to improve financial health and institutional outcomes
- SUPPORT - Proactively support institutions facing acute challenges through different support mechanisms
- ACCOUNTABILITY – Hold institutions accountable for goals, metrics and continuous improvement

# SIX YEAR PLANS – KEY TRENDS

- VA remains a national leader in higher education
- Broad set of public IHEs with overall strong student outcomes and strong post-grad outcomes
- Resulting in national recognition as a top state for higher ed
- Given demographic shifts, continuing enrollment challenges, changing perceptions of higher education, the rising cost of four-year degrees, and the increased prevalence of online learning, higher education is experiencing significant disruption
- Concerns exist regarding the already challenging enrollment environment for many of our institutions, their viability, declining retention & completion outcomes and the continued increase in spending well above inflation

# SIX YEAR PLANS – KEY TRENDS

- Ten of 15 institutions had a decline in enrollment during the most recent decade and demographic trends point to further enrollment declines beginning 2025
- Nine institutions have acceptance rates of 85% or higher, significantly increasing over the last decade, and accompanied by decreasing yields and rising tuition discounting
- Nine institutions use 20% or more of their tuition dollars for financial aid, with four using 30%-40% of tuition dollars for financial aid, and growing significantly over the last decade
- At least six institutions predicting enrollment growth despite these trends
- The net price across Virginia's institutions was about 26% higher than public institutions nationwide
- Over the last decade, spending per student grew at all institutions with declining enrollment
- Non-academic spending and scholarship/student aid were the most common spending drivers
- Virginia students borrow more on average than students in other states
- State appropriations are the fastest growing source of higher education revenue and have grown significantly over the last decade and especially the last three fiscal years
- Institutions with declining enrollment receive larger increases in state appropriations
- Institutions are not consistently examining efficiency opportunities previously recommended by JLARC
- Eight institutions had an increase in overall debt levels in the past decade and debt service was a spending driver at seven institutions
- Online enrollment can be a potential strategy to reduce facilities and other costs, especially if in-person enrollment continues to decline

# SIX YEAR PLANS – KEY TRENDS CONT'D

- Several institutions now have over one-third of their students learning entirely online. At least two institutions project 40% to 60% of their total headcount to be distance learning by 2029. While five schools do not currently offer any online courses at all.
- Several institutions are well below adequate financial health ratio benchmarks, as measured by the Auditor of Public Accounts
- Some schools offer programs where outcomes are well below peers
- Pro-Forma templates show many institutions facing large tuition increases, growing tuition discounting, and operating losses absent significant enrollment growth, expenditure reductions and additional state funding



# SIX YEAR PLANS – WHAT YOU CAN DO

- Review Six Year Plan, current updates, Pro-Forma template and Op Six follow up questions with university leadership
- Use fact pack data when making institutional decisions around programming, funding, cost review etc.