



# State Council of Higher Education for Virginia

# Higher Education Restructuring

Senate Finance Committee  
Education Subcommittee

December 6, 2007

Jim Alessio

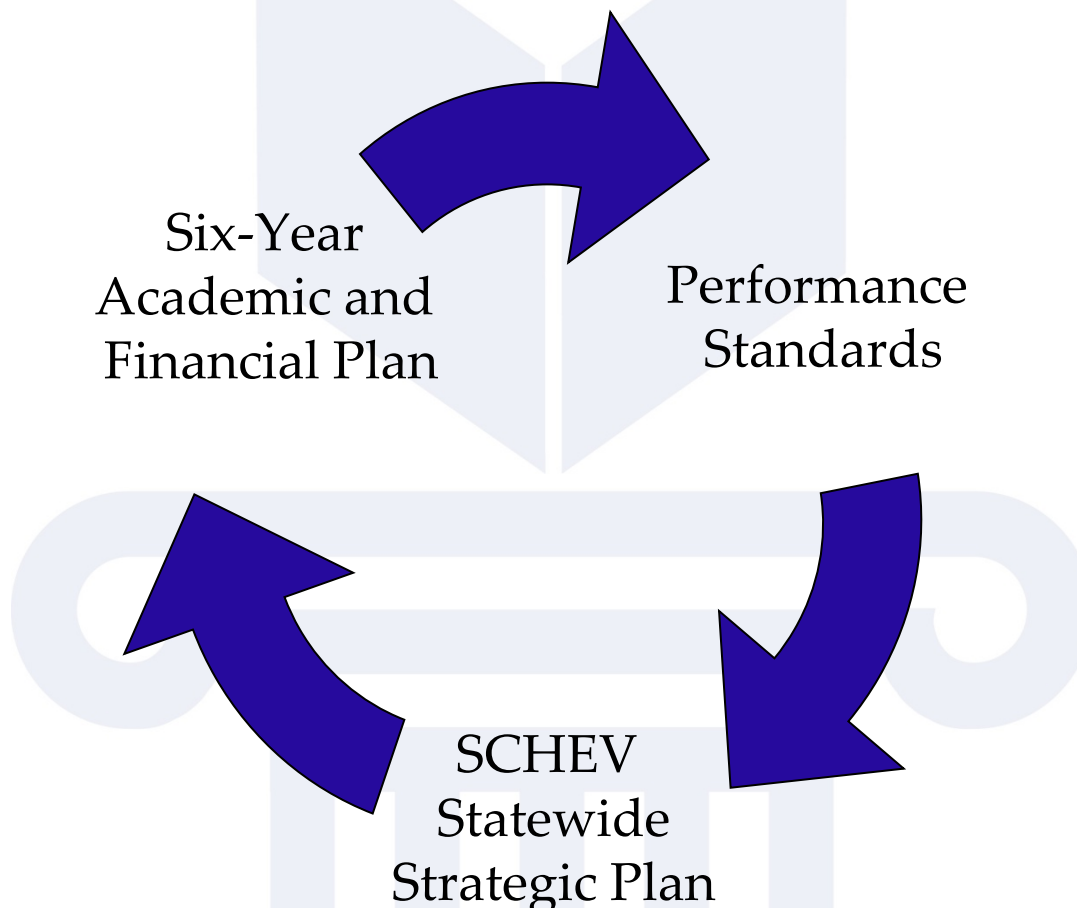
Director for Higher Education Restructuring

SCHEV



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## Interrelated Elements of Restructuring Act





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## Restructuring Timeline

2005					2006					2007					2008														
J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
Restructuring Act/11 Goals					IPS incorporated into the Appropriations Act - Goal 12 added					IPS revisions/campus safety standard in Appropriations Act																			
					BOV's commit to goals/six-year plans					Institutions commit to targets					Institutions submit six-year plans					Institutions update targets									
										2006-07 Annual Enrollment/Graduates/Financial Aid Reporting					Additional IPS Reporting														
SCHEV develops Institutional Performance Standards (IPS)										SCHEV develops six-year IPS targets					SCHEV develops Statewide Strategic Plan ✓					SCHEV develops additional standards/updates targets ✓									



## The Challenge of Restructuring

**Affordability**  
**Student as consumer**  
**Controlling Costs**





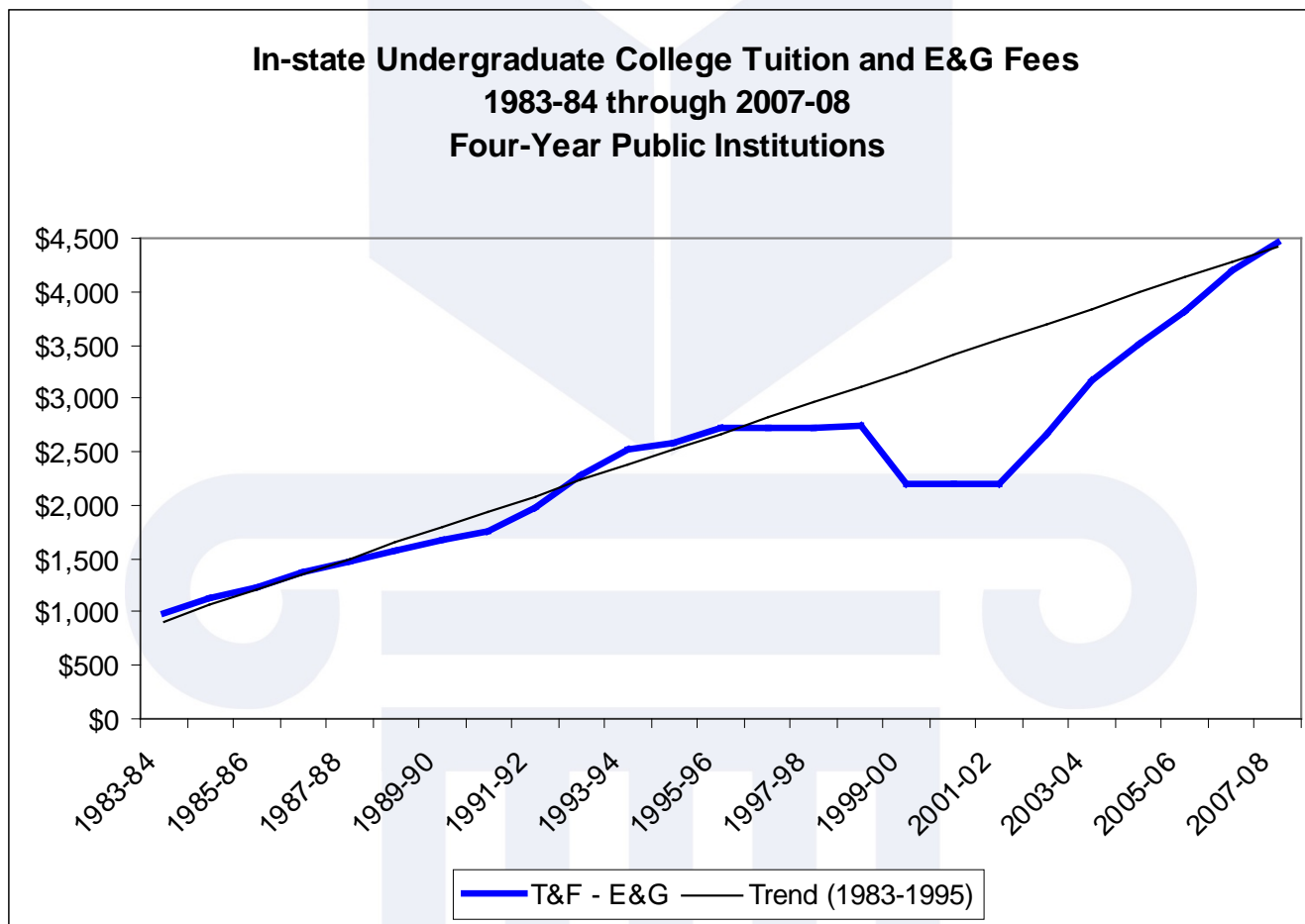
## Affordability

- What does it cost?
- Who pays and how much?
- What do student actions tells us about affordability?



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## What Does it Cost?

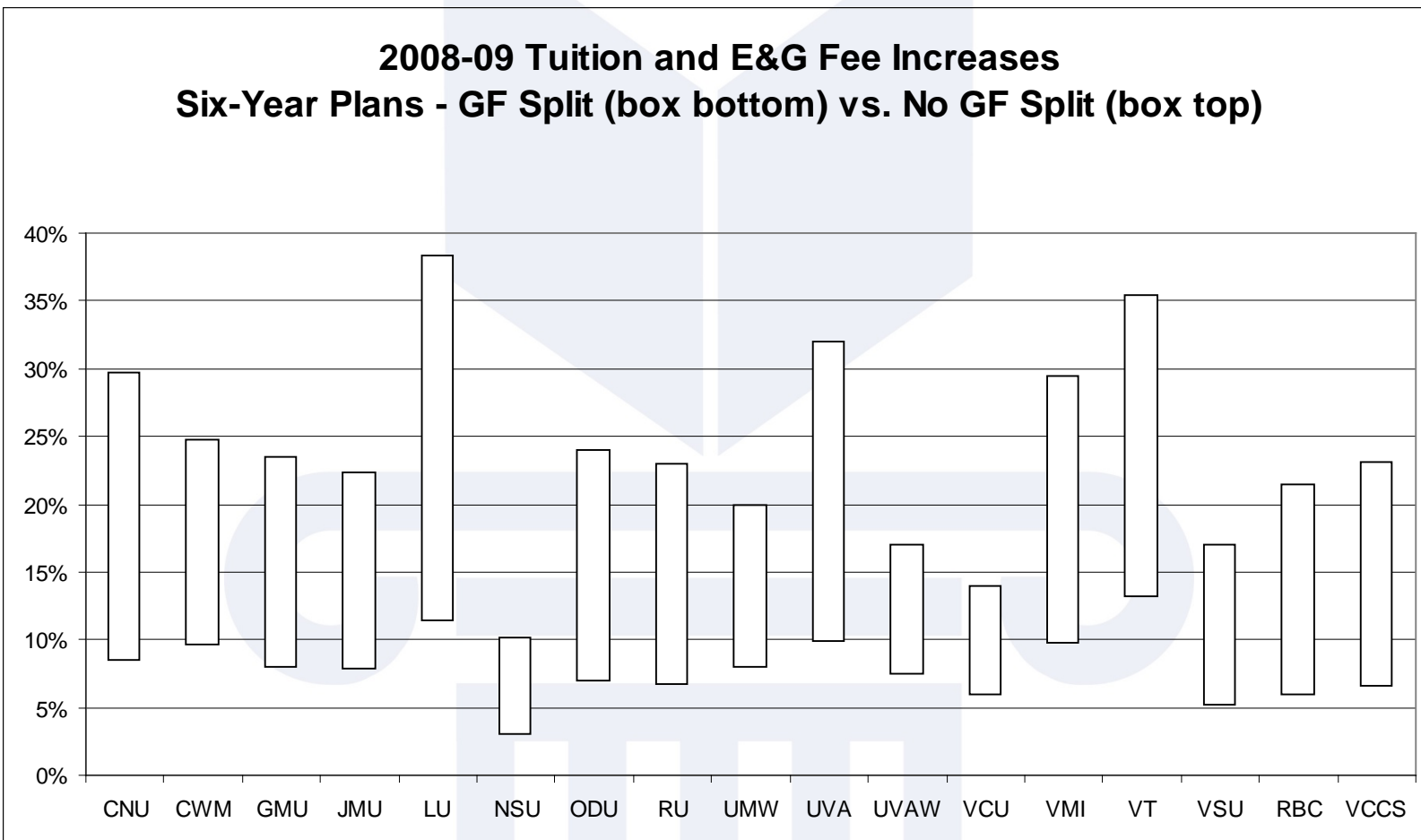


Source: *Tuition and Fees Reports*, SCHEV ([www.schev.edu/reports/reports](http://www.schev.edu/reports/reports))



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**2008-09 Tuition and E&G Fee Increases**  
**Six-Year Plans - GF Split (box bottom) vs. No GF Split (box top)**

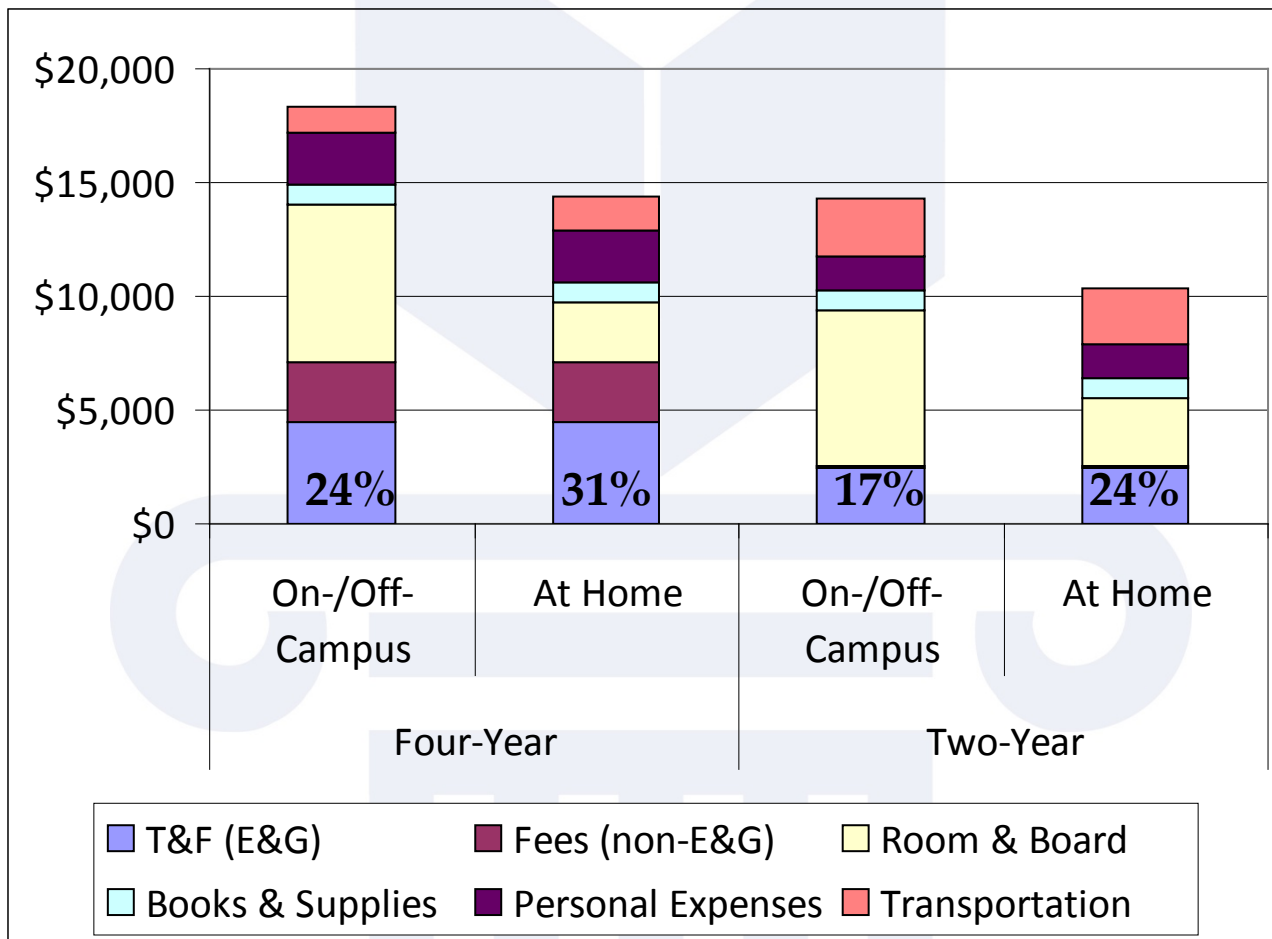


Source: Six-Year Financial Plans (2007)



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## Total Budget



Source: Tuition and Fees Reports, SCHEV ([www.schev.edu/reports/reports](http://www.schev.edu/reports/reports))

2007 Trends in College Pricing, College Board ([http://www.collegeboard.com/prod\\_downloads/about/news\\_info/trends/trends\\_pricing\\_07.pdf](http://www.collegeboard.com/prod_downloads/about/news_info/trends/trends_pricing_07.pdf))





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## Who Pays?

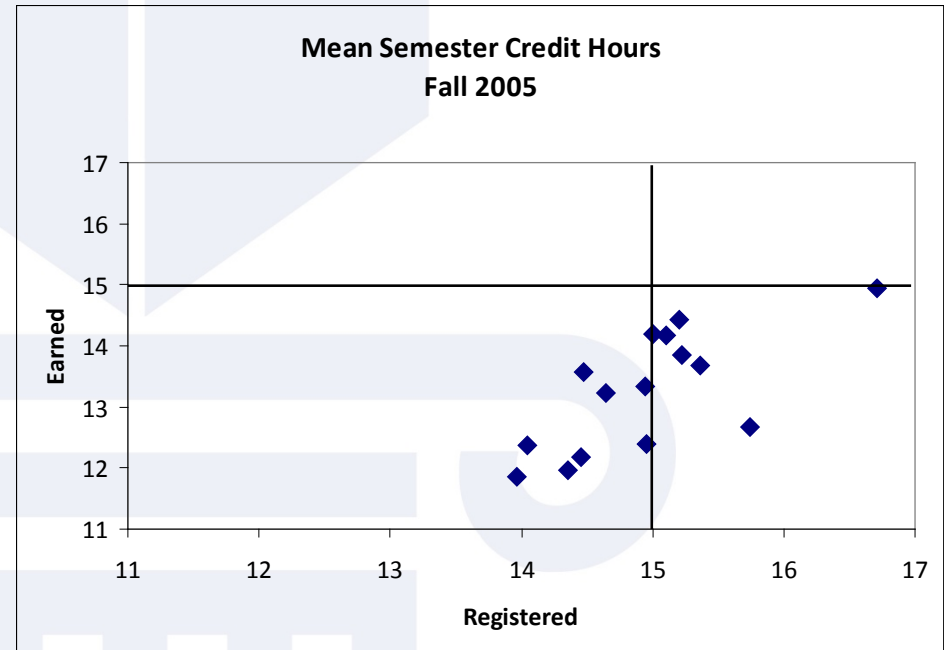
### Virginia's Tuition and Fees Policy

- 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 60<sup>th</sup> 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



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## 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'

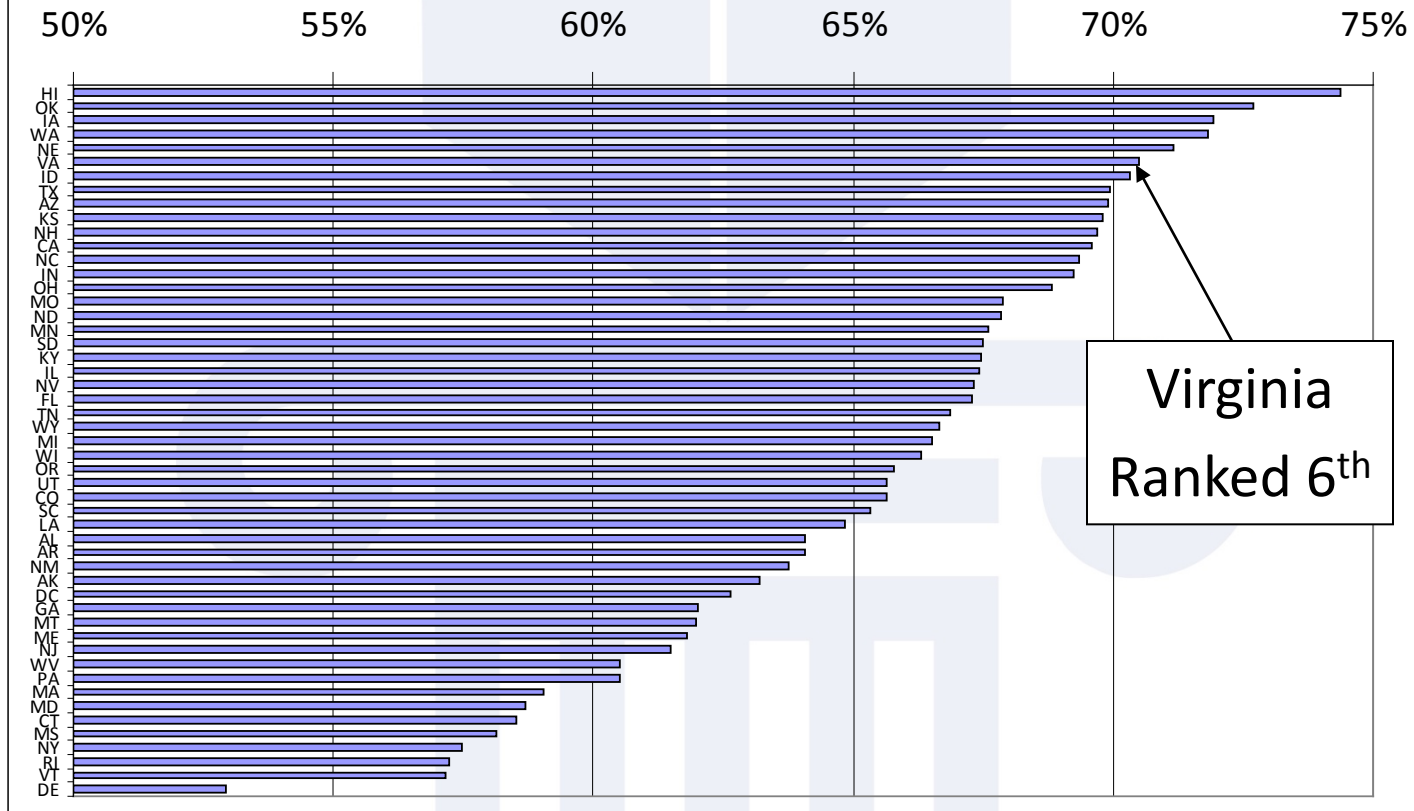
- 1990's saw a fundamental change in thinking about the student
- Today, the student is treated as a consumer and the product is education
- Student as consumer places more demands on the institution
- Students have higher expectation of services – housing, food, access, and other accommodations



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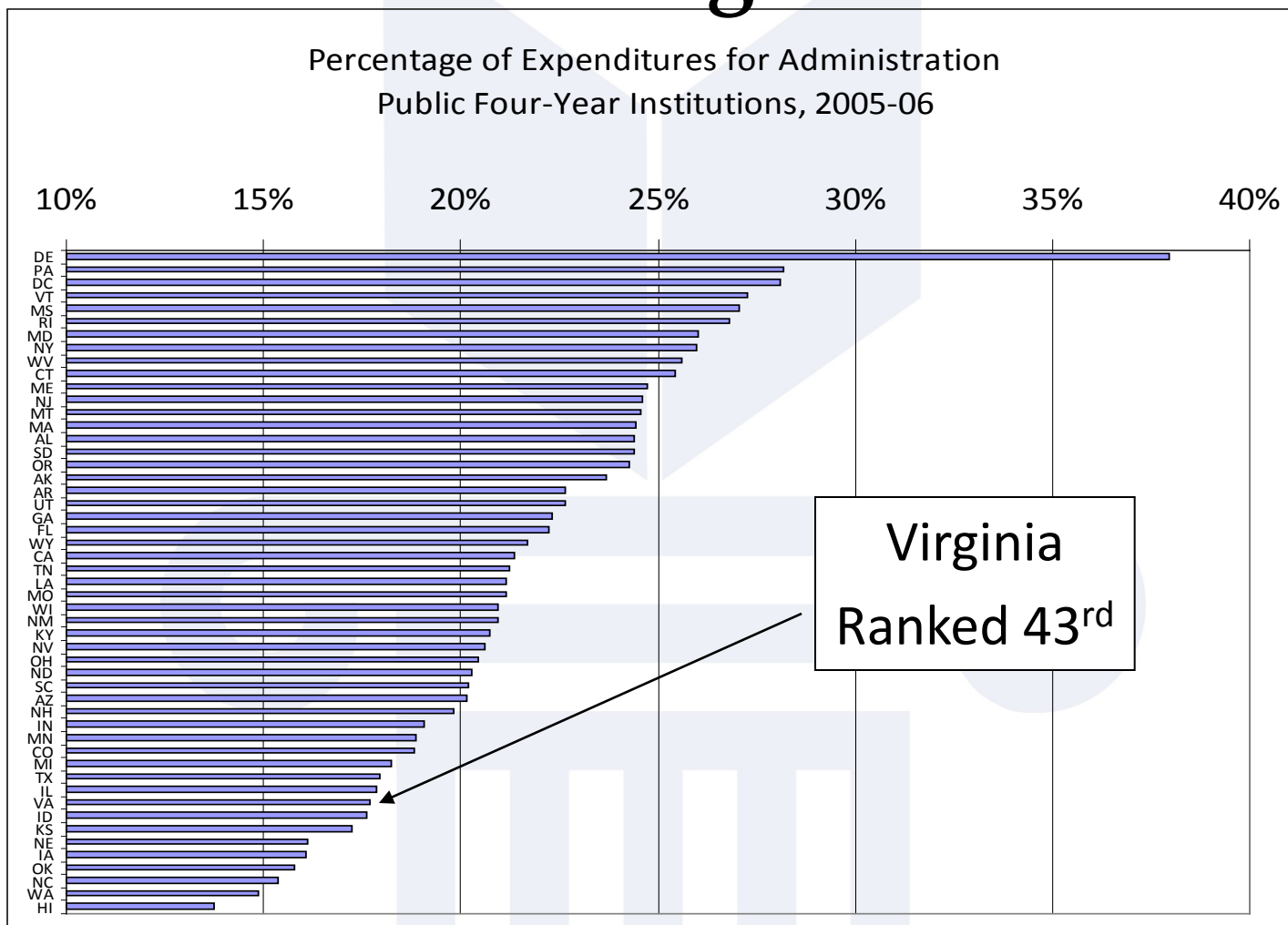
## Controlling Costs

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



Source: Finance Data, Fiscal Year 2006, IPEDS

## Controlling Costs



Source: *Finance Data, Fiscal Year 2006, IPEDS*



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## 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



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





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## 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



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## 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



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## 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<sup>nd</sup> 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