



Higher Education 101 Perspectives on Virginia and National Policy Issues

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October 2018

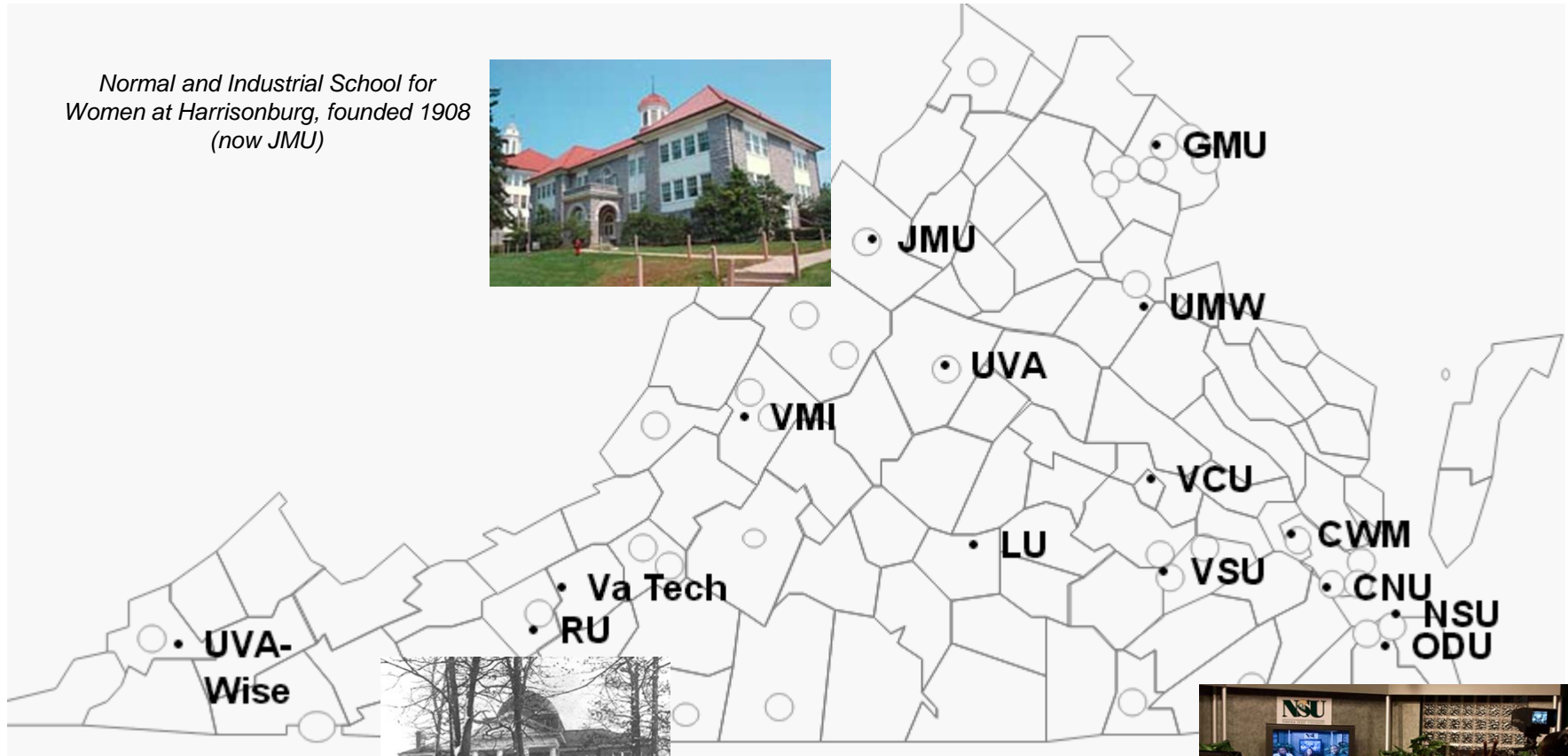




Virginia Public Higher Education

Historically Segregated by Race and Gender

Normal and Industrial School for Women at Harrisonburg, founded 1908 (now JMU)



State Normal and Industrial School for Women at Radford, founded 1910 (now Radford University)



Norfolk State College founded as the Norfolk Unit of Virginia Union College in 1935 (now Norfolk State University)





Virginia Private (Non-Profit) Higher Education

Rich history, great variety, reflecting founder's intentions and historical context, adapting to survive and even thrive

Current and former women's colleges:

- Hollins University
- Mary Baldwin University
- Sweet Briar College
- Randolph College (previously Randolph Macon Woman's College, coed since 2007)
- Marymount University (men admitted to nursing 1972, coeducational 1986)

Current or Former Men's Colleges

- Hampden-Sydney College (one of three remaining male colleges in the U.S., founded 1775)
- Randolph-Macon College (coed since 1971)
- University of Richmond (added Westhampton College for women in 1914)
- Washington and Lee University (coed since 1985)

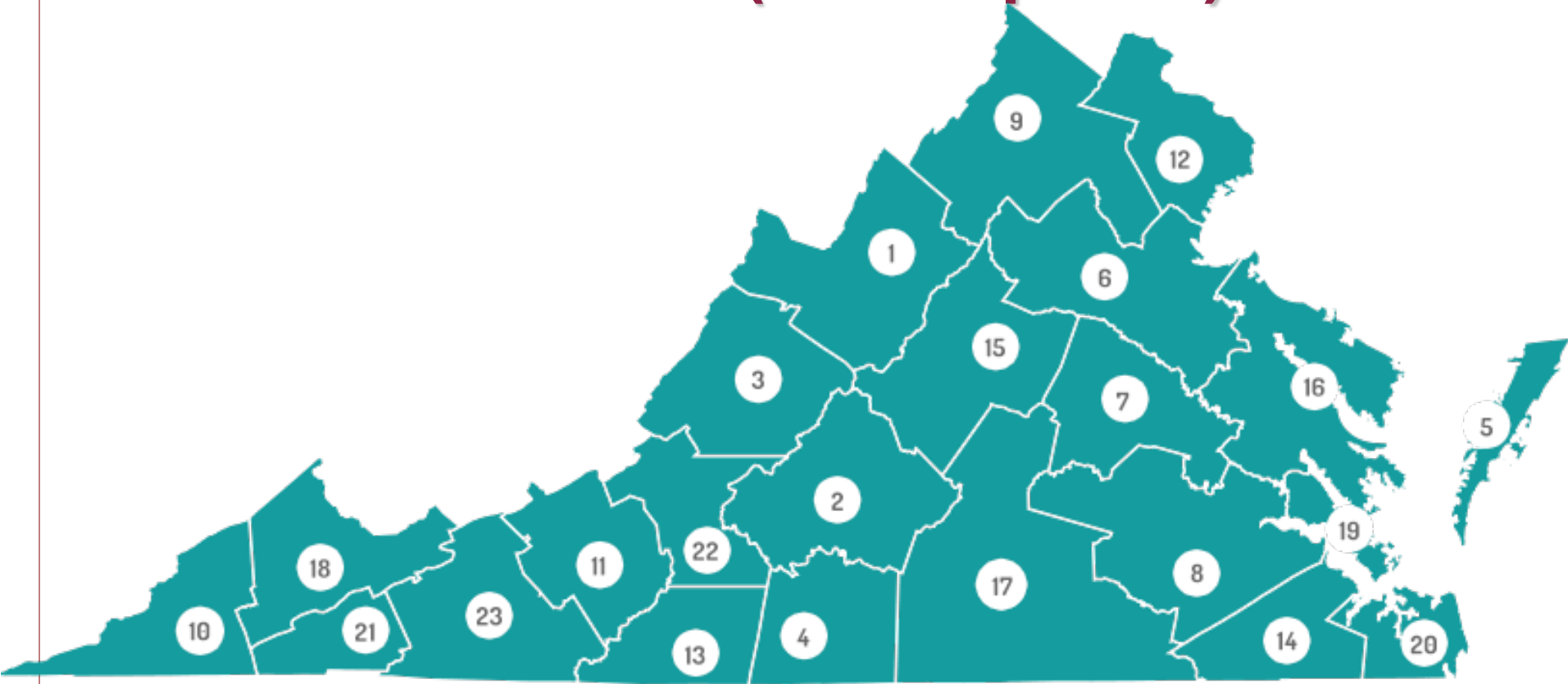
HBCUs:

- Hampton University
- Virginia Union University
- St. Paul's (closed 2013)

Examples of colleges with religious affiliations and/or missions:

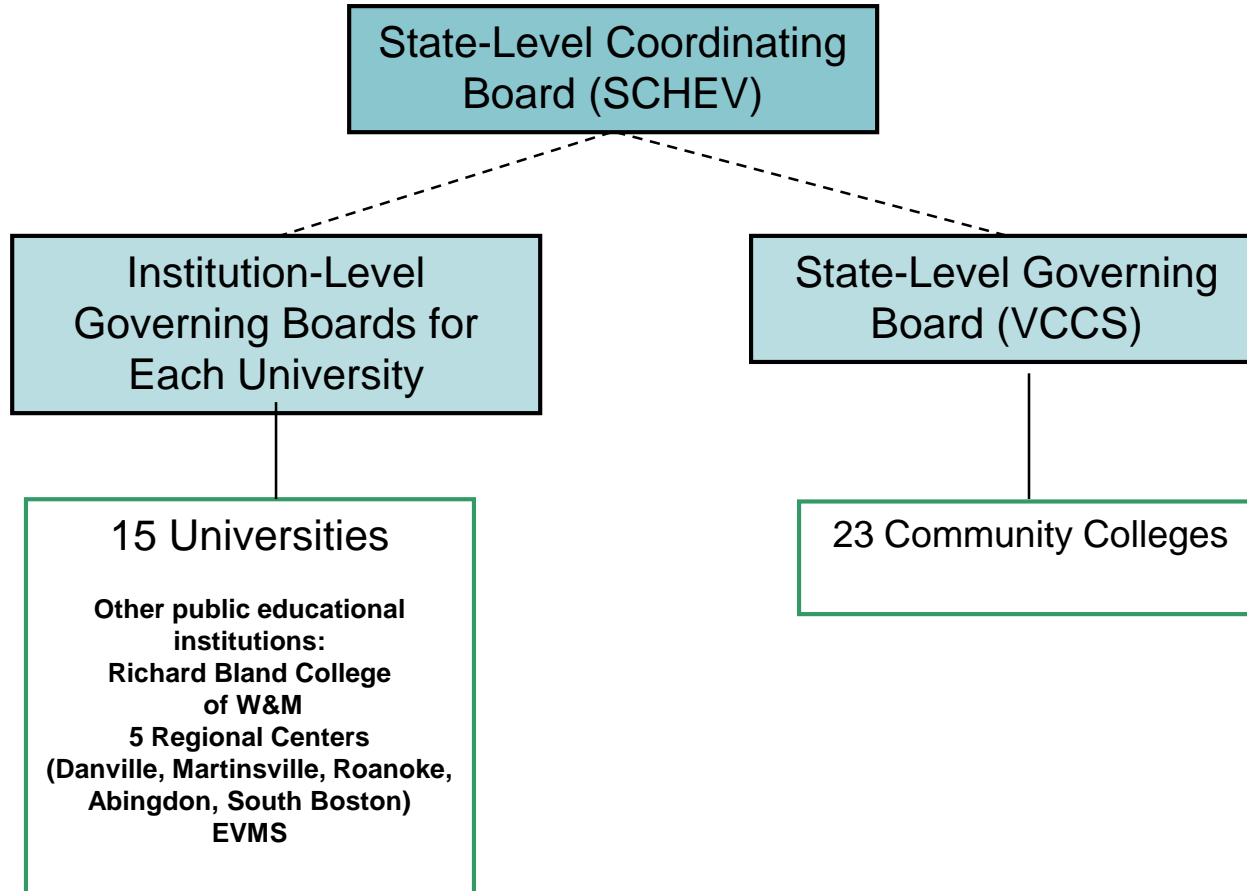
- Liberty University (Baptist, largest enrollment in state)
- Eastern Mennonite University
- Bridgewater College (Brethren)
- Ferrum College (Methodist)
- Regent University (Christian)

Virginia's 23 Community College Locations (40 campuses)



The Virginia Community College System was created in 1966 and financed by the State's first ever sales tax.

State-level governance in Virginia



SCHEV authority and responsibilities

- **SCHEV mission established in Code of Virginia: "to promote the development of an educationally and economically sound, vigorous, progressive, and coordinated system of higher education" in Virginia.**
- **Makes higher education public policy recommendations to the Governor and General Assembly in such areas as capital and operating budget planning, enrollment projections, institutional technology needs, and student financial aid.**

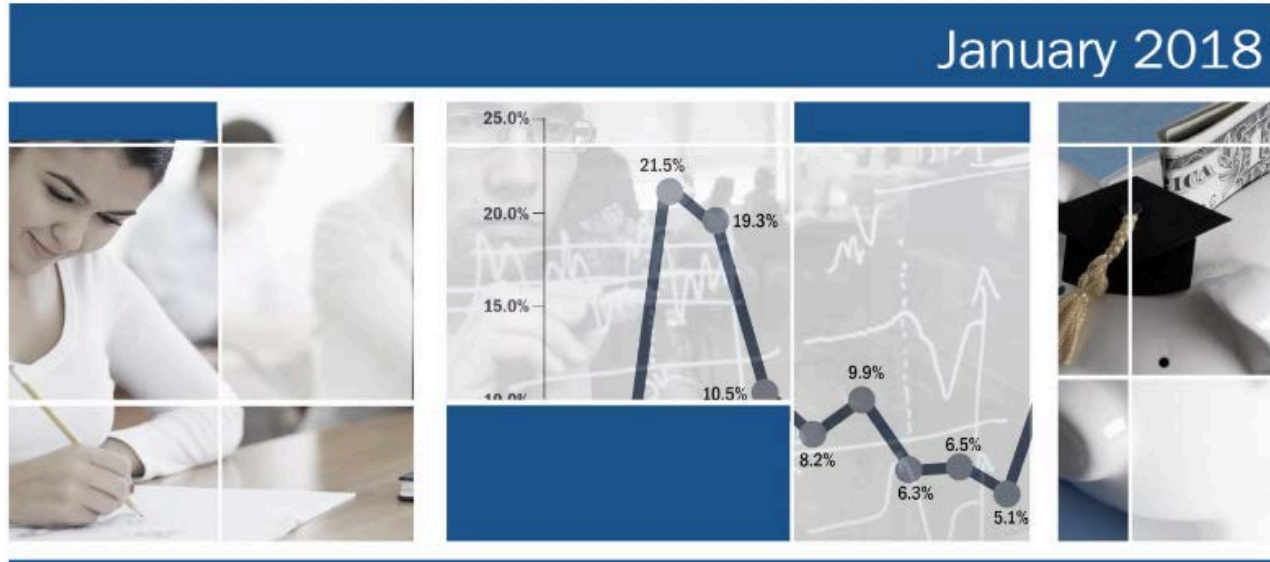
SCHEV – 21 duties (selected)

- **Develop statewide strategic plan**
 - See <http://www.schev.edu/index/statewide-strategic-plan/overview>
- **Approve any proposed change in mission**
- **Approve new degree programs**
- **Data collection and analysis**
- **Develop dual admissions and transfer articulation agreements between 2 and 4 year institutions**
- **Certify private & out-of-state institutions**

Virginia's Strategic Plan Objective:

Be the Best Educated State by 2030

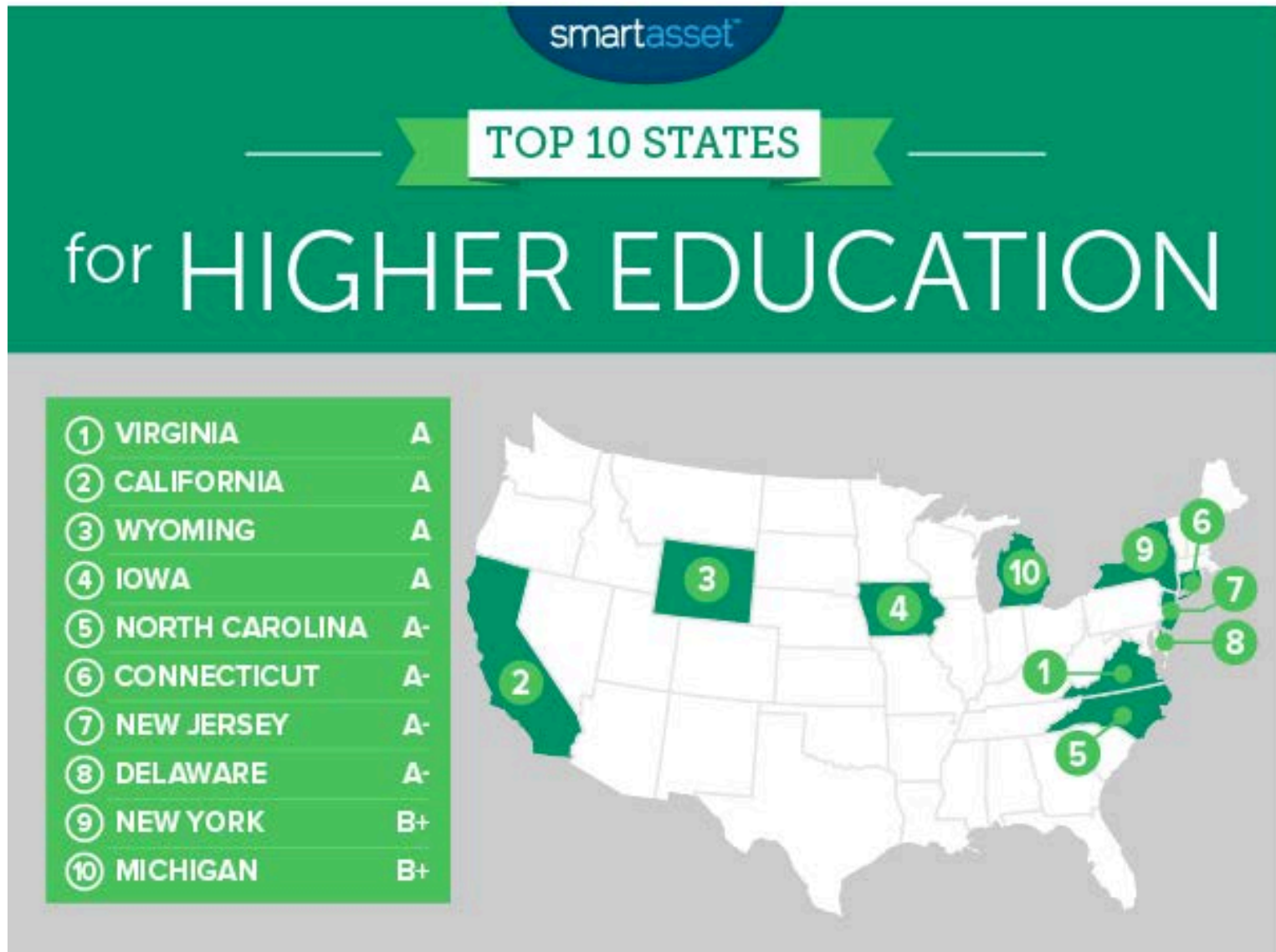
Goal: 60% of working age Virginians (ages 25-64) hold a degree (associates or greater) and an additional 10% of the population holds a workforce credential – 70% overall



The Virginia Plan for Higher Education

Annual Report for 2017 to the General Assembly of Virginia

Virginia ranked #1 for public higher education





THE RURAL HORSESHOE

THE REST OF VIRGINIA



#50 IN THE NATION FOR EDUCATIONAL ATTAINMENT



27% HOLD AT LEAST AN ASSOCIATE DEGREE



19% OF ADULTS FAIL TO GRADUATE HIGH SCHOOL



#2 IN THE NATION FOR EDUCATIONAL ATTAINMENT



47% HOLD AT LEAST AN ASSOCIATE DEGREE



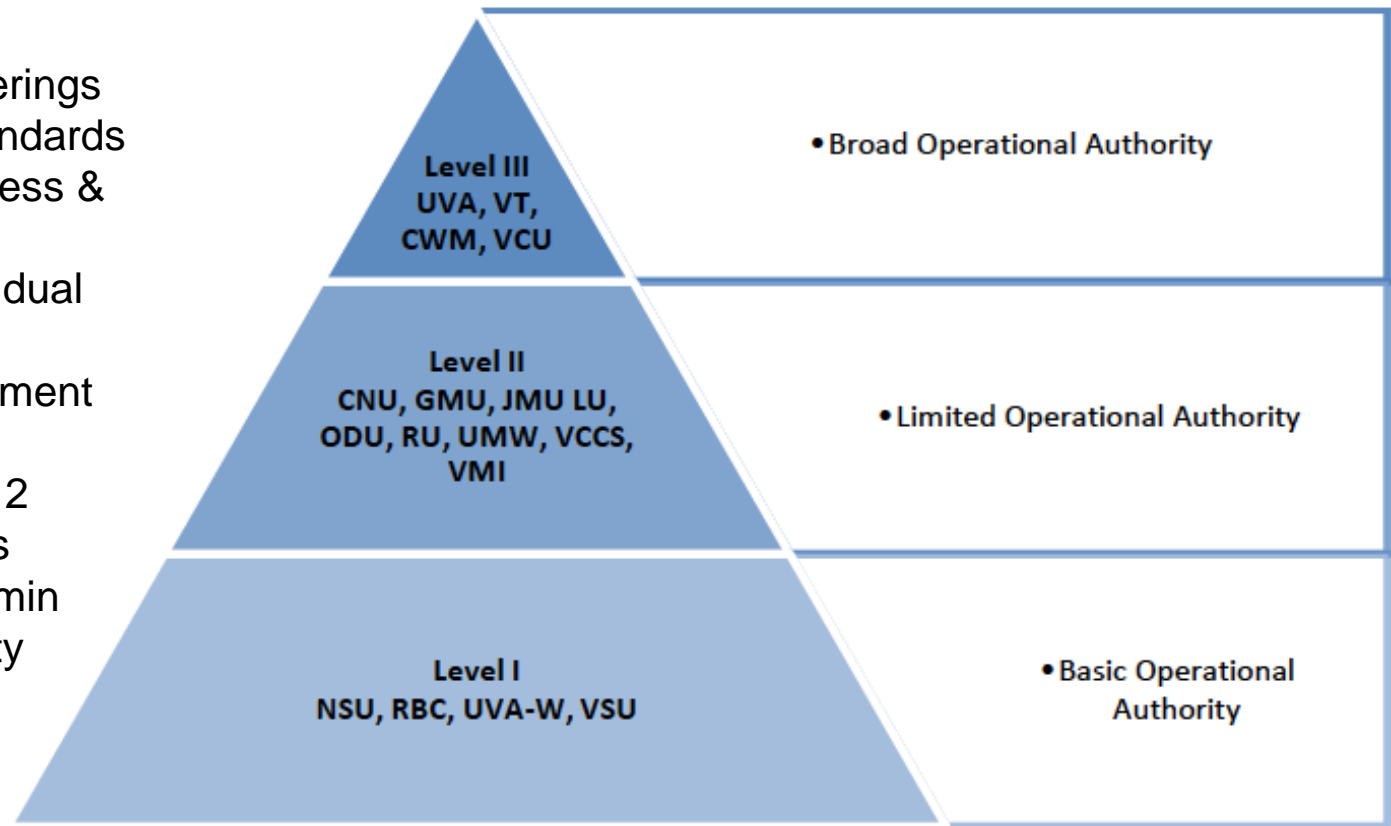
10% OF ADULTS FAIL TO GRADUATE HIGH SCHOOL

Key Legislation - Virginia

“State Asks”:

- *Access
- *Affordability
- *Academic offerings
- *Academic standards
- *Student progress & success
- *Articulation & dual enrollment
- *Econ development
- *Research
- *Enhancing K12
- *Six-year plans
- *Finance & admin
- *Campus safety & security

Levels of Autonomy, Restructuring Act (2005)



Source: SCHEV

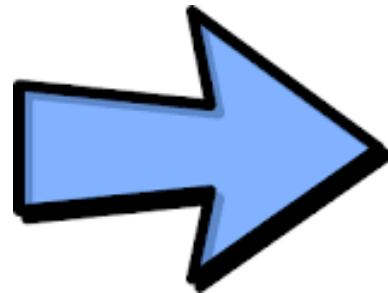
Key Legislation - Virginia

Top Jobs Act (2011)

- Additional 100,000 degrees by 2025
- Funding incentives
 - Base funding
 - Per-student enrollment-based funding
 - Need-based financial aid
 - Targeted economic and innovation incentives
- Six-year plans with targeted goals (mitigate tuition & fee increases, year-round use of facilities, resource sharing, new programs)
- Performance measures

The policy environment for higher education has changed dramatically

**PUBLIC
GOOD**

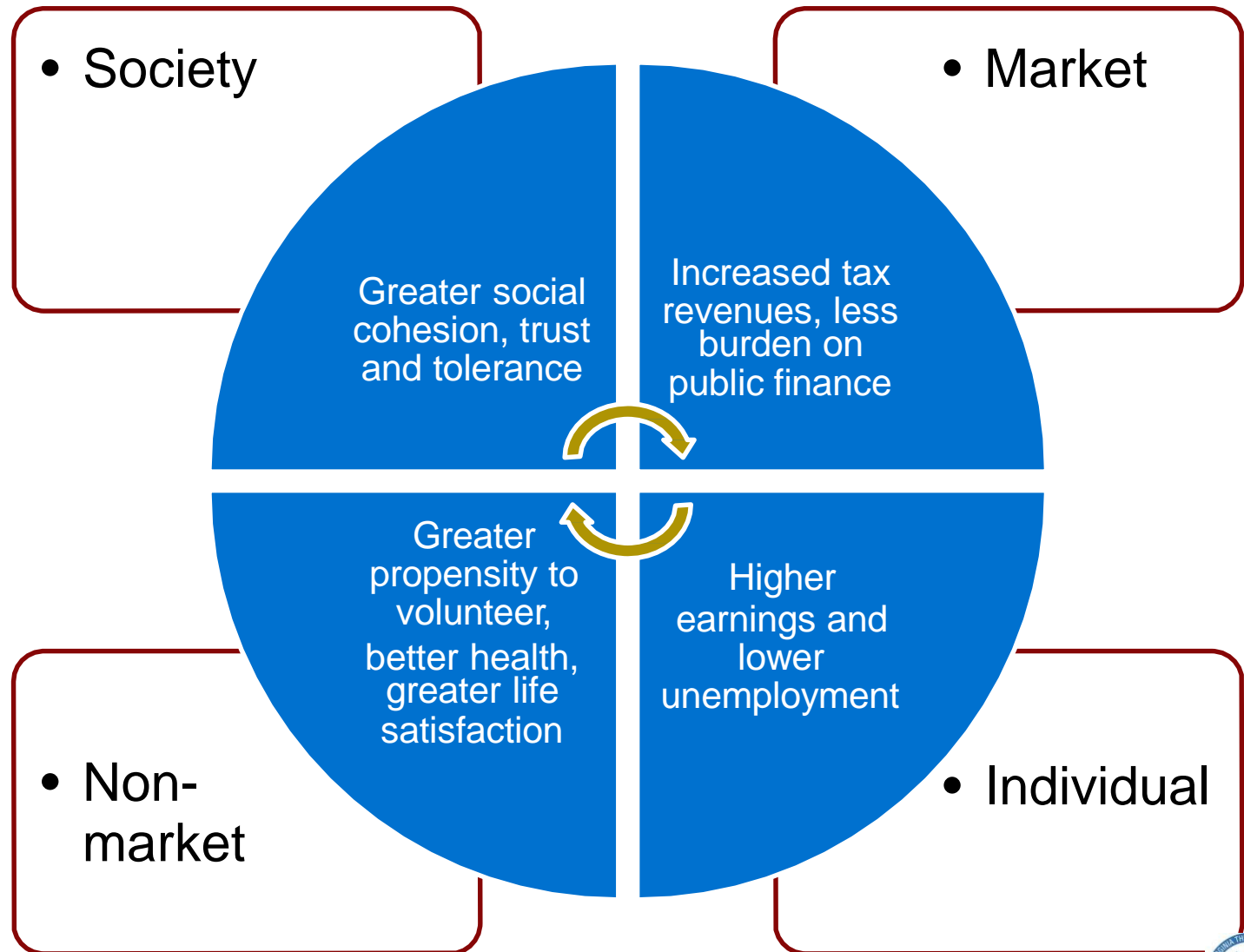


**PRIVATE
BENEFIT**

Progressive Period

- **Founding of landgrants through 1980**
- **Transformational investments in higher education by federal and state governments to promote both *social* and *economic* development**
- **Higher education viewed as a public good with benefits accruing to the nation not just the individual**
- **Carnegie Commission calls for public cost sharing to reflect shared benefits (1973)**

Benefits of Broad Based Education



Current Policy Environment Decades in the Making

Global Transition

- **Reagan election (1980) to present**
- **Demands for more limited government and lower taxes**
- **Earlier emphasis on equal rights/opportunity shifts to focus on individual rights and freedom of choice**
- **Shift to market models to promote educational opportunity**
- **Fed shifts focus to standards, testing, accountability**
- **Higher education viewed primarily as a private or individual benefit to be paid for by students/families**

Public good to private benefit

- *“Americans are losing the will to pay for their public colleges. They still view a higher education as essential for their personal prospects, for getting a good job and achieving financial security. But they don’t want states spending more of their money or raising their taxes to sustain the campuses that educate the majority of the nation’s students.*
- *Once embraced as a collective good, a public higher education is increasingly viewed—and paid for—as a private one.”*

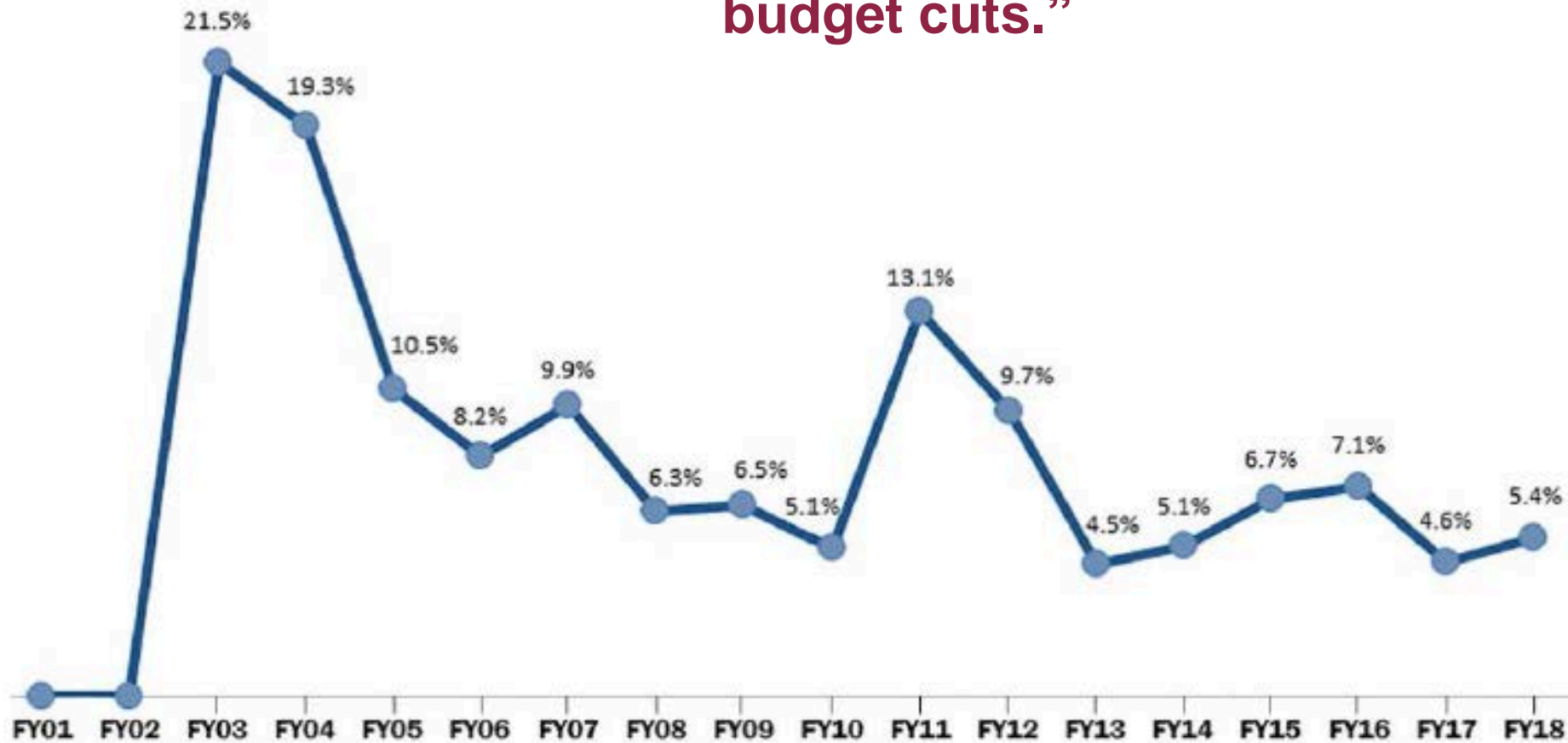


In FY17, 13 states, including Virginia had 30-year declines in state appropriations of at least 50 percent.

Changes in appropriations of state tax funds for operating expenses of higher education per \$1,000 of personal income, FY 88 to FY17. Source: Grapevine, May 2017



“When the state reduces its funding, institutions increase tuition to help offset budget cuts.”



Costs shifted from states to students and families

FOR THE FIRST TIME EVER, MOST STATES RELY PRIMARILY ON TUITION REVENUE TO FUND HIGHER ED.

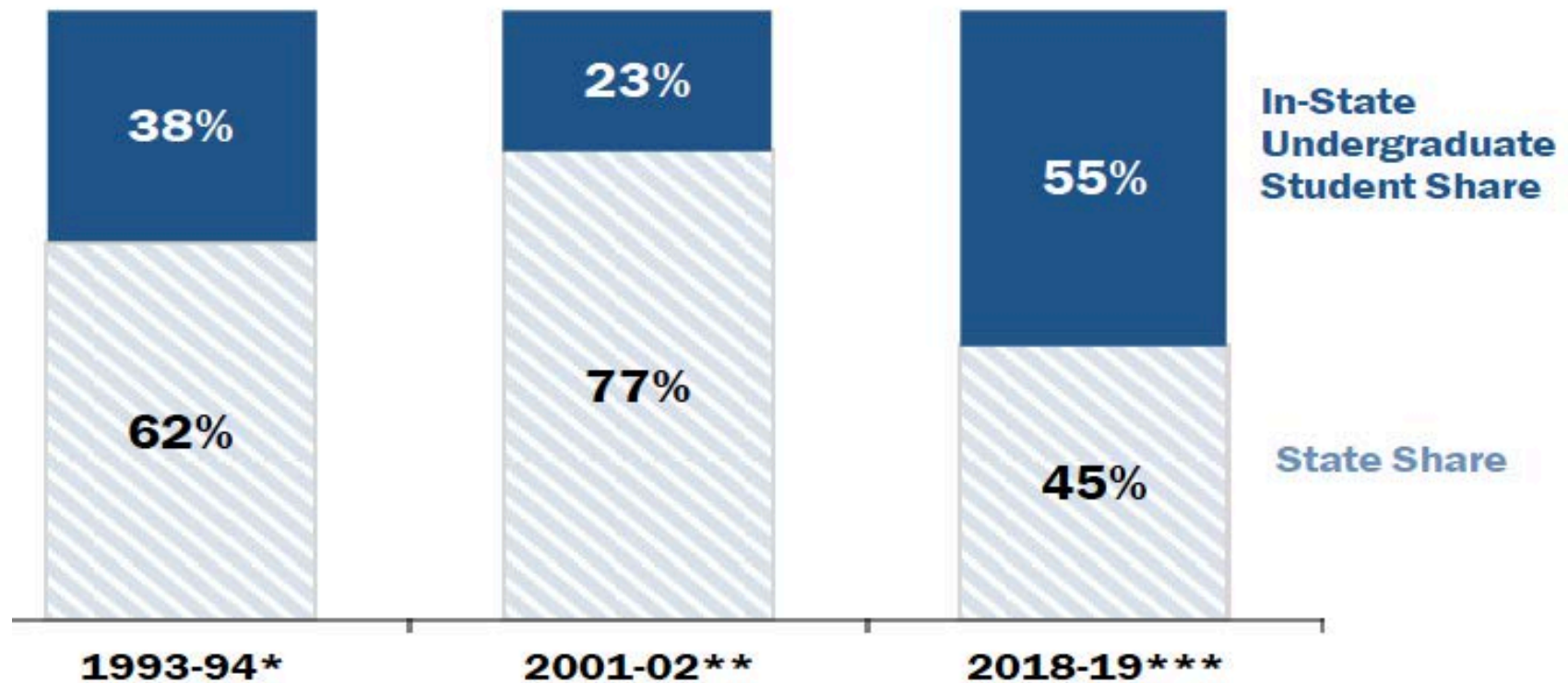
Twenty-eight states relied more heavily on tuition dollars than on state and local appropriations to fund public higher education.



Source: SHEEO. State Higher Education Funding Report.

<http://www.sheeo.org/projects/shef-%E2%80%94-state-higher-education-finance>

Virginia funding policy goal is 67% / 33% cost-share between the state and students, but current state share is only 45%



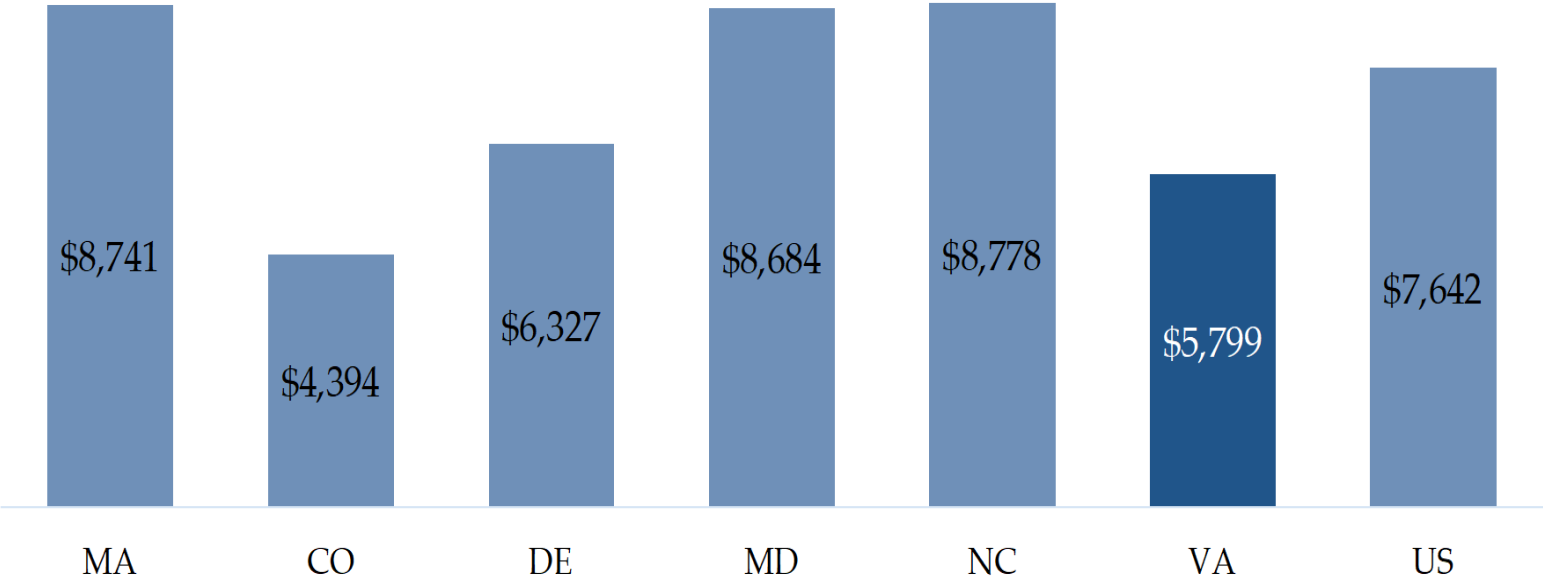


DESPITE FIVE YEARS OF INCREASED SUPPORT, STATES HAVE NOT REACHED PRE-RECESSION FUNDING LEVELS.

When adjusting for inflation, state support per student remains \$1,000 lower than before the 2008 Great Recession and nearly \$2,000 lower than before the 2001 dot-com crash. Only six states have met pre-recession funding levels.

Appropriations Compared to Other States

PUBLIC EDUCATIONAL APPROPRIATIONS PER FTE, FY 2017



NOTES: 1. Educational appropriations are a measure of state and local support available for public higher education operating expenses including ARRA funds, and exclude appropriations for independent institutions, financial aid for students attending independent institutions, research, hospitals, and medical education. 2. The U.S. calculation does not include the District of Columbia. 3. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI), Enrollment Mix Index (EMI), and Higher Education Cost Adjustment (HECA). The Cost of Living Index (COLI) is not a measure of inflation over time. The District of Columbia is not adjusted for COLI or EMI.

SOURCE: State Higher Education Executive Officers



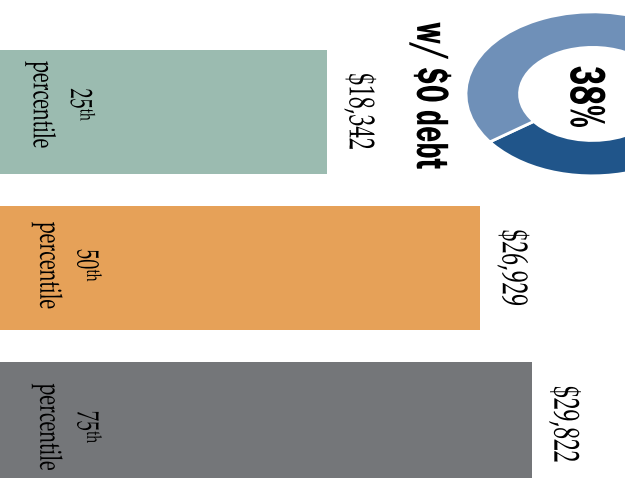
Unsustainable financing undermines institutional viability and quality and excessively burdens students and families

Affordability is a major issue for students, families, and lawmakers

- **Financial aid has not kept up with rapidly increasing tuition**
- **Federal shift from grants to loans**
- **Value of Pell grant deeply eroded**
- **States shift from need-based aid to merit-based aid to respond to middle class voters**

all Virginia students graduate with debt

aduante with \$100k+ debt)



Y research. Debt data 2015-16 (EOM01)

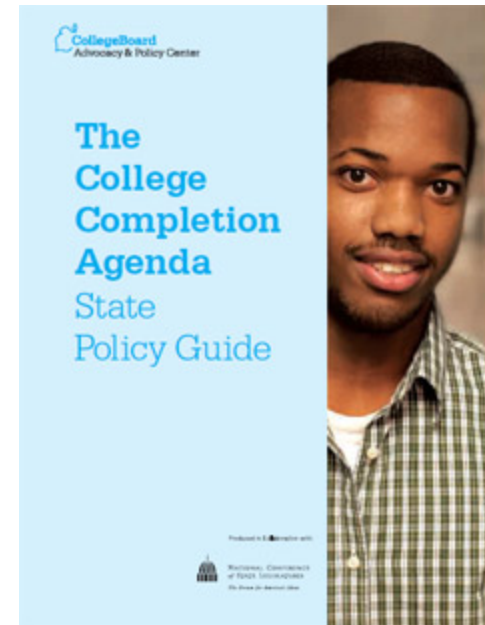
Debt load varies greatly

Fewer students/families borrow and they borrow fewer \$s at institutions with higher family income

Institution	% Grads who borrowed	Median loan debt
UVA	38%	\$23,410
W&M	38%	\$23,250
VT	49%	\$29,000
VSU	93%	\$41,404
U Richmond	44%	\$27,000
Hollins	74%	\$30,040
Hampton	82%	\$68,842
Virginia Union	95%	\$41,564

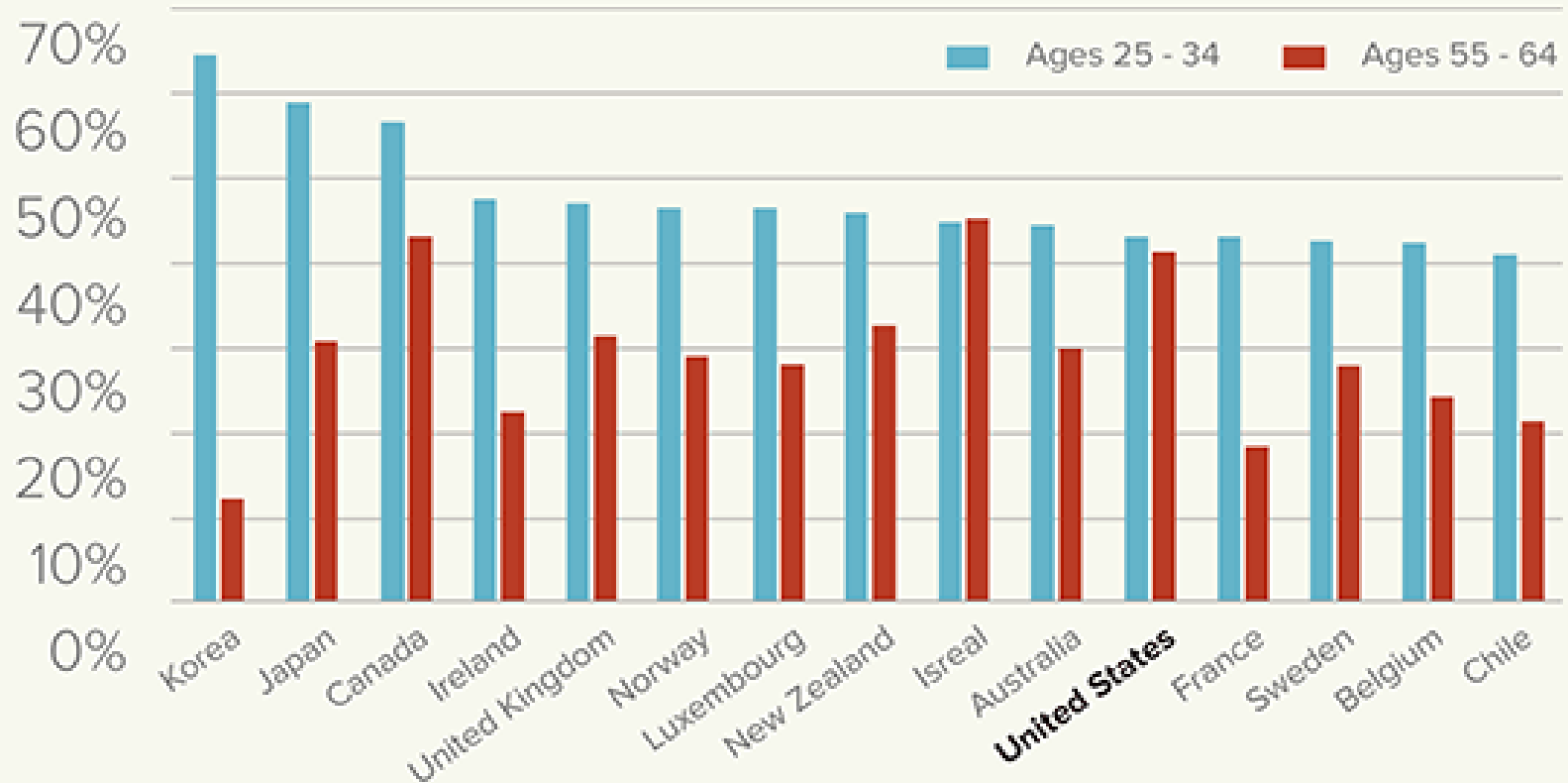
Students of color are more likely to have loan debt and to have higher amounts of loan debt than majority students (all institutions)

Declining global competitiveness and the degree completion agenda



U.S. surpassed by other nations in degrees awarded and other measures of higher education participation

Attainment rates in the developed world



Source: OECD, Education at a Glance 2013

College Completion Agenda

President Obama's goal (2009):
"By 2020, America will once again have the highest
proportion of college graduates in the world."

60%
2025

LUMINA FOUNDATION

GOAL 2025

To increase the proportion of
Americans with high-quality
degrees, certificates, and
other credentials to 60%
by the year 2025

Tracking the 2025 Lumina Goal

Percentage of the country's working age population (25-64) with a degree, certificate, or other high-quality postsecondary credential

2008	38.9%
2010	38.3%
2012	39.4%
2014	45.3%
	Includes certificates not previously counted
2016	46.9%

National average
46.9% attainment of workforce-relevant
certificates and degrees, ages 25-64

States with attainment
50% or greater

- Massachusetts, 56.2%
- Colorado, 55.7%
- Minnesota, 54.0%
- Connecticut, 53.8%
- Washington, 53.3%
- Virginia 52.2%
- New Jersey, 51.2%
- Illinois, 51.0%
- Kansas, 50.7%
- New Hampshire, 50.6%
- New York, 50.3%
- Maryland, 50.3%

States with attainment
40% or less

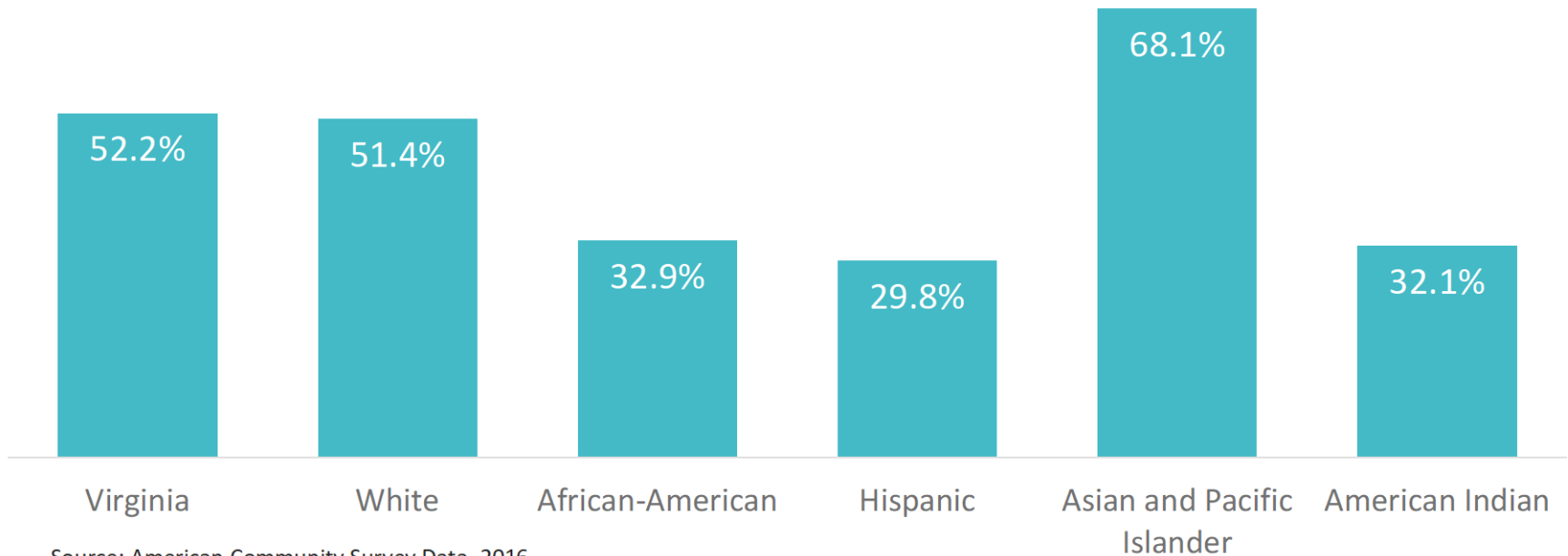
- Tennessee, 39.7%
- Arkansas, 39.9%
- Idaho, 38.7%
- Alabama, 37.9%
- Mississippi, 37.5%
- Nevada, 34.8%
- West Virginia, 34.7%

**Economic and
racial
inequities
undercut the
goal of equal
educational
opportunity**



...Within these total figures, there are stark differences in educational attainment among different populations. Virginia's Black, Hispanic and Native American populations are on average ~20 points behind the White majority population.

2016 Educational Attainment Among Virginia Residents (25-64) by Race/Ethnicity



Enrollment disparities by institutional type

- ***“Many needy students are sequestered into separate and inferior institutions, including for-profits, from which they are likely to emerge without degrees and with crushing levels of debt.”***
- ***“...fewer than 25% of the lowest-income Virginia students who enrolled in a public college or university in Virginia went to a four-year institution...more than 90% of students in the highest-income quintile who enrolled in a public postsecondary institution in Virginia did so at a four-year institution.”***

Mettler, S. (2014, March 3). Equalizers no more: Politics thwart colleges' role in upward mobility. *The Chronicle Review, Chronicle of Higher Education*, p. B8.

Mulhern, C.; Spies, R. R.; Staiger, M. P.; & Wu, D.D. (2015, March 4). The effects of rising student costs in higher education: Evidence from public institutions in Virginia, p. 13. Retrieved from http://sr.ithaka.org/sites/default/files/reports/SR_Report_Effects_of_Rising_Student_Costs_in_Higher_Education_Virginia_030415.pdf?rom=

4-Yr Institutions with Highest and Lowest Grad Rates, % Students of Color, and % Pell Recipients

Institution	6-Yr Grad Rate	% Students of Color	% Pell Grant Recipients
UVA	93%	32.8%	11.7%
CWM	91%	31.2%	12.0%
VT	83%	26.2%	16.0%
JMU	82%	21.1%	15.1%
<i>State Average:</i>	<i>72%</i>	<i>38.1%</i>	<i>26.5%</i>
VSU	43%	39.9%	70.7%
UVA at Wise	41%	14.1%	36.9%
NSU	38%	92.7%	69.3%
Two-Year Public Institutions	25.7% (3-yr rate)	42.4%	35.0%

Inequalities will impact economic competitiveness

- **Demographic shifts already underway**
- **Groups with high levels of educational attainment (Asians, whites) are shrinking as proportion of population**
- **Groups with low and stagnant educational attainment rates are increasing**

Public perceptions of higher education

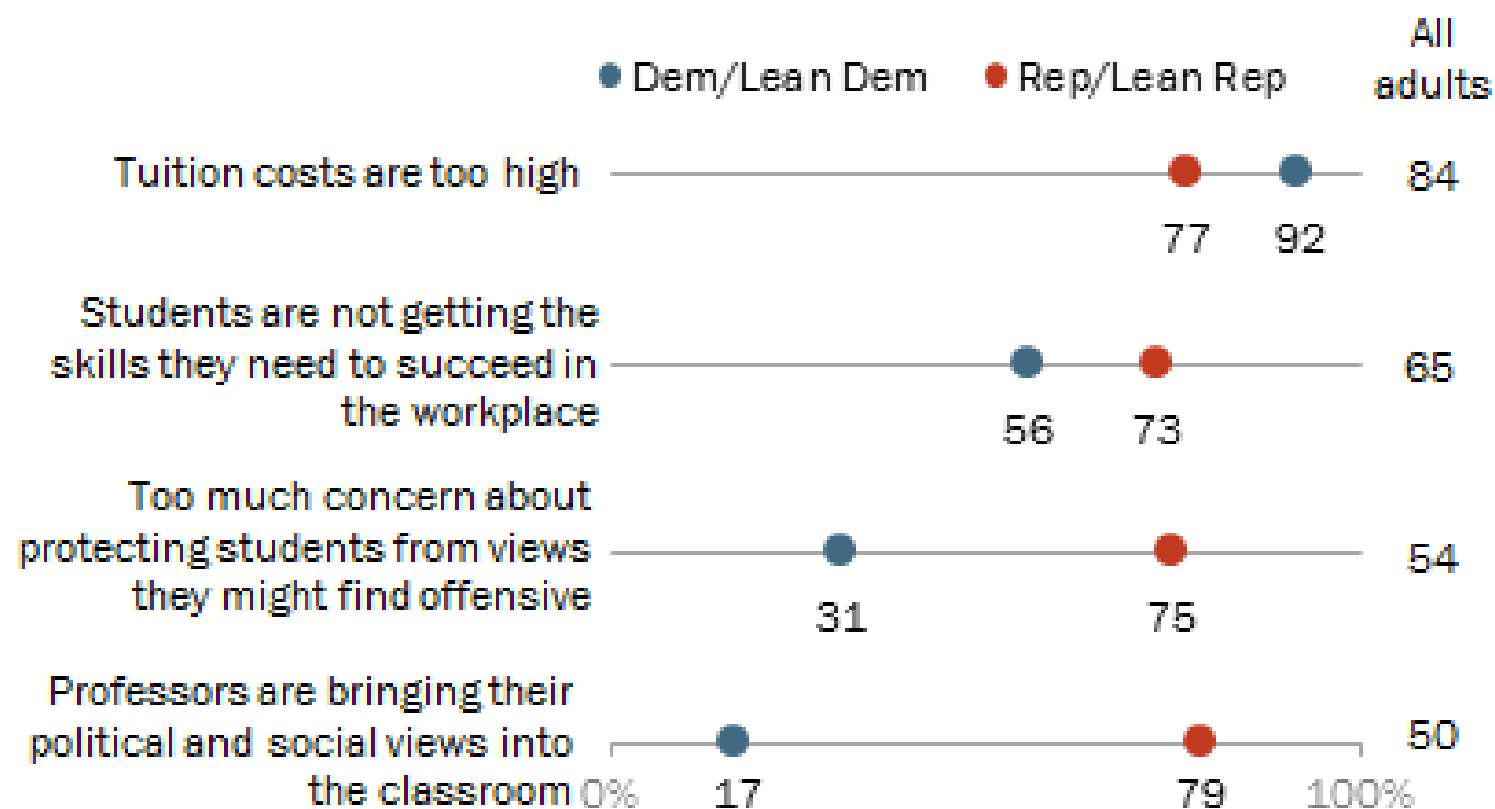
- **Unaffordable**
- **Unaccountable**
- **Not providing skills needed for workplace**
- ***Headed the wrong direction (61%)***

Pew Research Center. (July 2018). *Most Americans say higher ed is heading in wrong direction, but partisans disagree on why*, www.pewresearch.org/fact-tank/2018/07/26/most-americans-say-higher-ed-is-heading-in-wrong-direction-but-partisans-disagree-on-why/



Vast divide between Republicans and Democrats on reasons behind negative views of higher education

% saying each is a major reason why the higher education system is going in the wrong direction, among those who think it is going in the wrong direction



Source: Survey of U.S. adults conducted June 19-July 2, 2018.

Views from Speaker of the House, Kirk Cox

- **“...here’s the truth: If our colleges and their leaders don’t recognize the shift in public opinion on higher education...if they don’t understand how the populist message is resonating...and if they don’t come to the table seriously on the points of greatest concern – affordability and accountability – then it is very likely that the criticism will reach critical mass, and it will be impossible to maintain the progress we have made.”**
- **“Virginia needs to deliver an affordable education that leads to a good-paying job in a growing economy.”**