

**REPORT OF THE STATE COUNCIL OF HIGHER
EDUCATION FOR VIRGINIA**

**The Virginia Plan for Higher
Education – Annual Report
for 2020 (HJR 555, 2015)**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



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State Council of Higher Education for Virginia



The Virginia Plan for Higher Education 2020 Annual Report

January 2021



EXECUTIVE SUMMARY

The State Council of Higher Education for Virginia (SCHEV) has a codified responsibility to develop the Commonwealth's state-level strategic plan for higher education and to review The Plan every six years to ensure its relevance in addressing critical issues. In 2019, to fulfill a Code requirement and more important, to identify the main near- and long-term issues facing higher education, SCHEV began the review of the current Plan.

The project staff spent a year reviewing quantitative data and suggestions and comments from an array of stakeholders. The process included a look at "The Virginia Plan in Action (2014-2020)," identifying accomplishments over the last six years and where efforts should be focused moving forward. Such analysis shaped the resultant new plan - *Pathway to Opportunity: The Virginia Plan for Higher Education*, which sets forth goals and strategies to address critical issues and includes measures to assess progress toward those goals.

Developing the new Plan amid the pandemic and the emergence of social justice issues sharpened the focus on the challenges of equity, affordability and transformative outcomes. These issues reflect the new goals approved by Council. The new Plan is being presented Council's January meeting for final input.

New Virginia Plan Goals

In October, Council established three goals for higher education: it should be equitable, affordable and transformative.

- **Equitable: Close access and completion gaps. Remove barriers to access and attainment especially for Black, Hispanic, Native American and rural students; students learning English as a second language; students from economically disadvantaged backgrounds; and students with disabilities;**
- **Affordable: Lower costs to students. Invest in and support the development of initiatives that provide cost savings to students while maintaining the effectiveness of instruction; and**
- **Transformative: Expand prosperity. Increase the social, cultural and economic well-being of individuals and communities within the Commonwealth and its regions.**

These goals served as the framework for the draft *Pathways to Opportunity: The Virginia Plan for Higher Education* under final review by Council in January.

THE VIRGINIA PLAN IN ACTION (2014-2020)

Much progress has been made since 2014, and although higher education continues to face many challenges, the recent achievements shown below illustrate how The Virginia Plan's programs have benefited higher education policy and programs.

Notable Accomplishments

In devising the *Pathways to Opportunity: The Virginia Plan for Higher Education*, it was important to review The Plan's recent accomplishments. The achievements of the last six years include:

- **New Economy Workforce Credential Grant Program (2016):** The first-of-its kind, pay-for-performance model funds noncredit workforce training that leads to an industry credential in a high-demand field.
- **Virginia Research Investment Fund and Committee (2016):** The Virginia Research Investment Fund, which serves public colleges and universities, invests in innovative and collaborative research and development projects, as well as commercialization projects and programs. The fund was established to invest in research and development projects, as well as commercial projects and programs that are being developed at Virginia's public colleges and universities. The investments are targeted at efforts which have a high economic development potential. The Virginia Research Investment Committee oversees the fund and approves all grants.
- **Commonwealth Cyber Initiative (2018):** The collaborative effort among Virginia's higher education institutions and private employers established by the General Assembly to promote research, innovation and commercial development of cybersecurity technologies. The initiative also addresses the urgent need in the Commonwealth for people with advanced and professional degrees in cybersecurity.
- **Commonwealth Innovative Internship Fund and Program (2018):** By collaborating with Virginia employers, the program expands paid and credit-earning student internships and similar work-based learning opportunities. It comprises institutional grants and a statewide initiative that facilitate the readiness of students, employers and institutions of higher education to participate in work-based learning opportunities.
- **Institutional Open Education Resource Policies (2018):** This guidance document serves as a model of practice for college and university governance officials and administrative staff who develop institutional policies for open education resources. Open education resources are freely accessible assets for learning, teaching and research. The guidance document provides language for core elements of institutional Open Education policies in order to

create a framework that promotes quality and sustainability.

- **Student Loan Ombudsman (2018):** The General Assembly established the Office of the Student Loan Ombudsman to support student loan advocacy. It is part of SCHEV and assists qualified education loan borrowers who reside in the Commonwealth.
- **Transfer Pathways (2018):** This program, and its corresponding transfer legislation, facilitates the transfer of community college students to institutions where they can further their education or training. The Transfer Pathways staff, which is shared by SCHEV and the community college system, coordinates the efforts of SCHEV and the community colleges, ensuring affordable, efficient and effective pathways that improve the transfer process. SCHEV and the Virginia Community College System (VCCS) partnered with the Aspen Institute and three other states to develop this program.
- **Lumina Foundation Talent, Innovation and Equity (TIE) Grant (2019):** Virginia received a \$500,000 grant from the Lumina Foundation to help close gaps in educational attainment for students of color by five percentage points by 2023. SCHEV invested in leadership and culture, advanced equity initiatives, improved communication about equity challenges and solutions, and provided subgrants to institutions.
- **Passport Program and Uniform Certificate of General Studies (2019):** This effort pertains to formal transfer agreements, dual admissions and guaranteed admissions to be offered at each comprehensive community college.
- **Strategic Finance Plan (2019):** In cooperation with HCM Strategists and Lumina Foundation's Strategy Labs, SCHEV published the Strategic Finance Plan for Virginia: *Aligning Higher Education Finances and Strategies*. The findings from this report informed SCHEV's recent 2020-22 budget and policy recommendations. The recommendations included an increased focus on investments in associate and certificate programs at community colleges, increasing need-based aid for students and continuing to support institutional operations that reduce the size of tuition and fee increases.
- **Tech Talent Initiative (2019):** As an outgrowth from the winning proposal to secure Amazon's HQ2, the Commonwealth made a historic investment in the Tech Talent labor market pipeline. The investment will increase the number of computer science graduates by 31,000 over 20 years via agreements signed with 11 universities. The program will benefit students and tech employers across the Commonwealth.
- **Higher Education and Workforce Alignment Project (2020):** This Council-led project resulted from ongoing conversations about the relationship between higher education academic programs and employer needs. The project culminated with report offering a series of recommendations. The core recommendation included creating an Office of Education Economics within SCHEV. It will primarily analyze data used to inform the

actions of policymakers, educators, students and employers. Strada Educational Network, a nonprofit corporation assisting students into post-secondary education, awarded a \$250,000 Recovery Incubator grant to SCHEV and its partners to develop the implementation plan for the new office.

- **Digital Divide Report (2020):** In response to the pandemic, SCHEV produced a report analyzing and highlighting the digital divides that exist within the Commonwealth— regional divides, racial divides and income divides. The report highlights the stark disparities as well as the ramifications for remote learning and college preparedness and also offers practical solutions.
- **Equity Institutions Grant (2020):** SCHEV is awarded a \$725,000 Equity Institutions grant from Lumina Foundation to support progress in closing achievement gaps as demonstrated by six public Virginia institutions. Grant dollars are also provided for SCHEV and VCCS to administer the grant and integrate institutional efforts with state-level strategies addressing inequities in higher education.

The Virginia Plan (2014-2020)

The Virginia Plan for Higher Education served the Commonwealth well for six years. The successes described above demonstrate the outstanding work done by many people. Their efforts helped move Virginia closer to achieving the vision of “Best Educated State” with a target of 70 percent education attainment by 2030.

Since 2014, the Commonwealth has made significant strides toward meeting its vision, target and four main goals of affordable access, student success, innovation and investment, and prosperity.

Vision: Best Educated State

The Plan (2014-2020) aspired for Virginia to become the “Best Educated State” by 2030. According to the Lumina Foundation,

The Virginia Plan for Higher Education
 VIRGINIA WILL BE THE BEST-EDUCATED STATE BY 2030

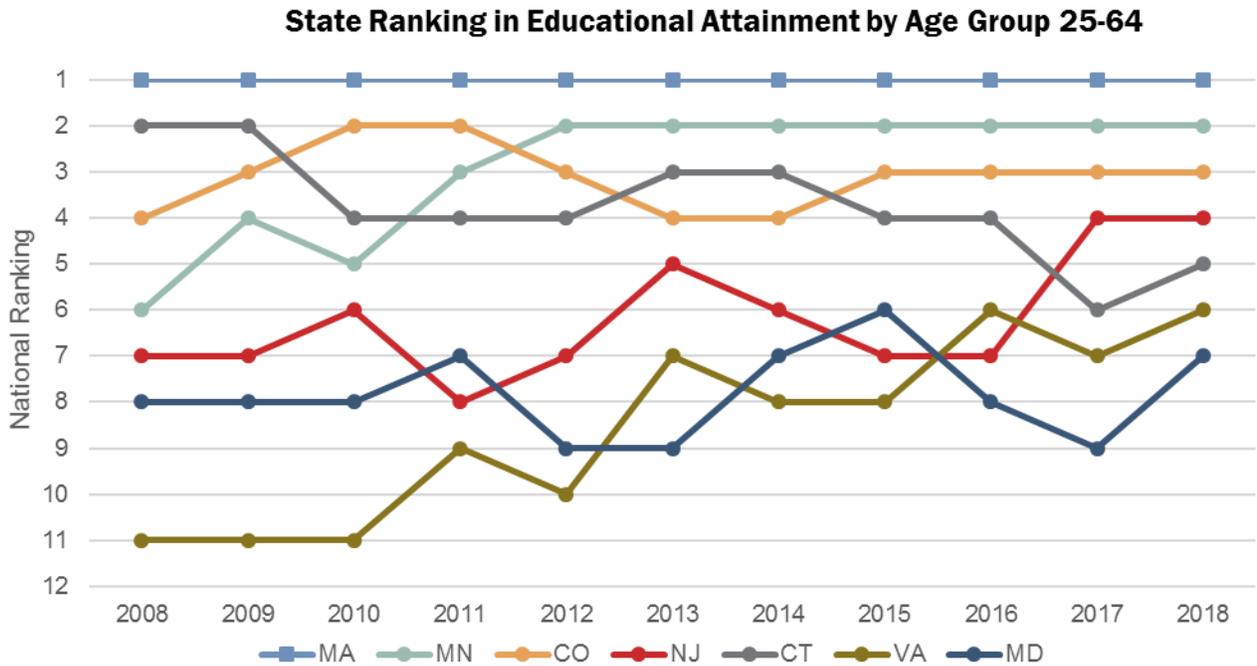
Seventy percent of the working-age population will hold a postsecondary degree or workforce credential.

GOALS

<p>AFFORDABLE ACCESS: PROVIDE AFFORDABLE ACCESS FOR ALL</p> <ul style="list-style-type: none"> Expand outreach to PK-12 and traditionally underserved populations. Improve the college readiness of all students. Cultivate affordable postsecondary education pathways for traditional, non-traditional and returning students. Align state appropriations, financial aid and tuition and fees such that students have broader access to postsecondary education opportunities regardless of their ability to pay. 	<p>STUDENT SUCCESS: OPTIMIZE STUDENT SUCCESS FOR WORK AND LIFE</p> <ul style="list-style-type: none"> Strengthen curricular options to ensure that graduates are prepared with the competencies necessary for employment and civic engagement. Provide effective academic and student services infrastructures focused on persistence and completion. Increase on-time completion of certificates and degrees. Engage adults and veterans in certificate and degree completion and lifelong learning. 	<p>INNOVATION & INVESTMENT: DRIVE CHANGE & IMPROVEMENT THROUGH INNOVATION & INVESTMENT</p> <ul style="list-style-type: none"> Identify and implement public funding strategies to sustain long-term planning and responsiveness. Cultivate innovations that enrich quality, promote collaboration and improve efficiency. Foster faculty excellence, scholarship and diversity. Enhance higher education leadership, governance and accountability. 	<p>PROSPERITY: ADVANCE ECONOMIC & CULTURAL PROSPERITY OF THE COMMONWEALTH & ITS REGIONS</p> <ul style="list-style-type: none"> Build a competitive, future-ready workforce for all regions. Become a catalyst for entrepreneurship and a model for business incubation. Target funding, resources and partnerships to support research and development. Expand participation and engagement in public service & institutional service to the community. Demonstrate the impact of higher education on state and regional economic development.
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STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA

between 2014 and 2018, Virginia’s rank rose from #8 to #6. The chart below shows the rankings of selected states.



Source: Lumina Foundation, 2018.

At face value this suggests positive movement toward “Best Educated State.” Recent scrutiny as planning got underway, however, raised the following questions:

1. **What does “best educated” mean? Should this vision focus strictly on educational attainment? Is that too limiting?**
2. **How does “best educated” relate to affordability and outcomes from education? If Virginia ranks #1 in attainment, at what cost does it do so? Where do improved socio-economic status and well-being come into play?**
3. **Who is the most educated? Who is primarily reflected in this ranking and who is left behind?**
4. **With whom does this vision resonate? Policy makers? Students? Industry? Higher Education stakeholders? If this vision is too narrow, should Virginia consider a more inclusive one?**

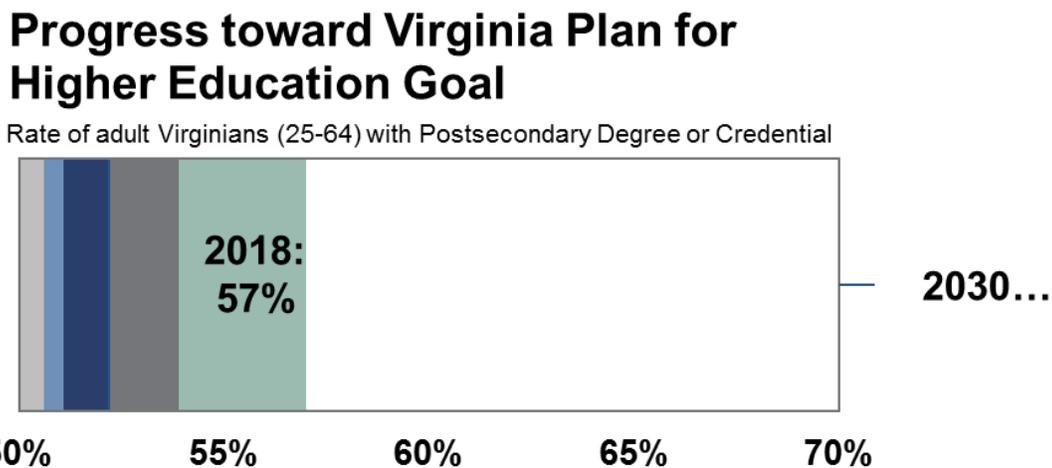
An array of stakeholders viewed this as a “stodgy vision.” Furthermore, an analysis shows that in order to meet this vision and corresponding target, the state must effectively address equity gaps because traditionally under-represented groups account for more than 50% of the student population. In other words, Virginia cannot be best educated or meet its attainment

target without closing persistent (and in some cases widening) equity gaps as discussed in the following sections.

Target: 70 Percent Education Attainment

The previous Plan targeted 70% educational attainment for working-aged Virginians ages 25-64. This aspirational target continues to have strong support.

According to the 2018 U.S. Census data, the most recent available, 57% of working-aged Virginians ages 25-64 have earned a post-secondary degree or credential. Overall, Virginia is headed in the right direction but further investigation shows that equity gaps remain. The onset of the COVID-19 pandemic and the racial justice movement may adversely impact further progress toward this target. The chart below shows progress toward the 70% attainment target since 2014.



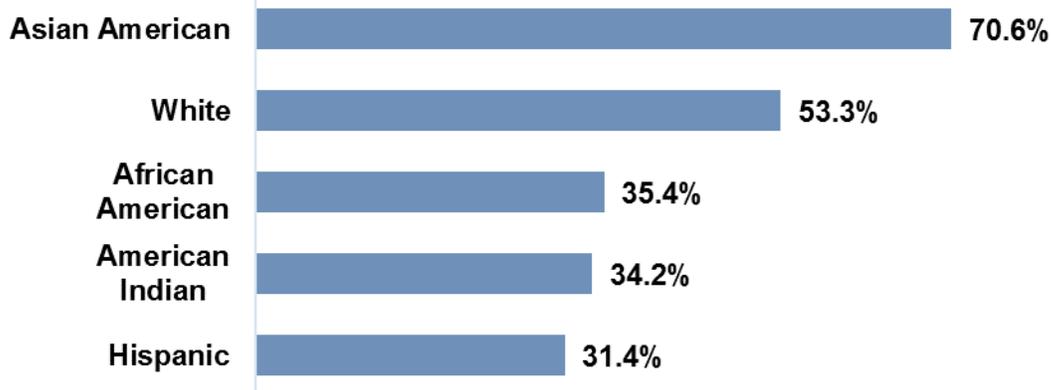
Source: Lumina Foundation, 2018 Stronger Nation

- With 11 measurable years remaining until 2030, Virginia needs to increase the number of people with credentials or degrees by 1.1 percentage points per year to reach 70% by 2030.
- Virginia has averaged an annual percentage increase of 1.6 points since 2015.

Attainment by Race and Ethnicity

Attainment rates differ significantly by race and ethnicity in the 25-64 age group. While Virginia has the ninth-most Black residents of any state, according to the Lumina Foundation, the rate of Black adults with degrees is 18 percentage points lower than white Virginians. Similar disparities exist for Hispanic adults. This data further support a broader vision and a specific goal addressing equity while maintaining the overall target of 70 percent attainment. The chart below illustrates the attainment gaps by race and ethnicity.

Virginians (25-64) with Associate Degree or Higher by Race & Ethnicity



Source: Lumina Foundation, 2018 Stronger Nation

Affordable Access



AFFORDABLE ACCESS:
PROVIDE AFFORDABLE
ACCESS FOR ALL

Expand outreach to
PK-12 and traditionally
underserved populations.

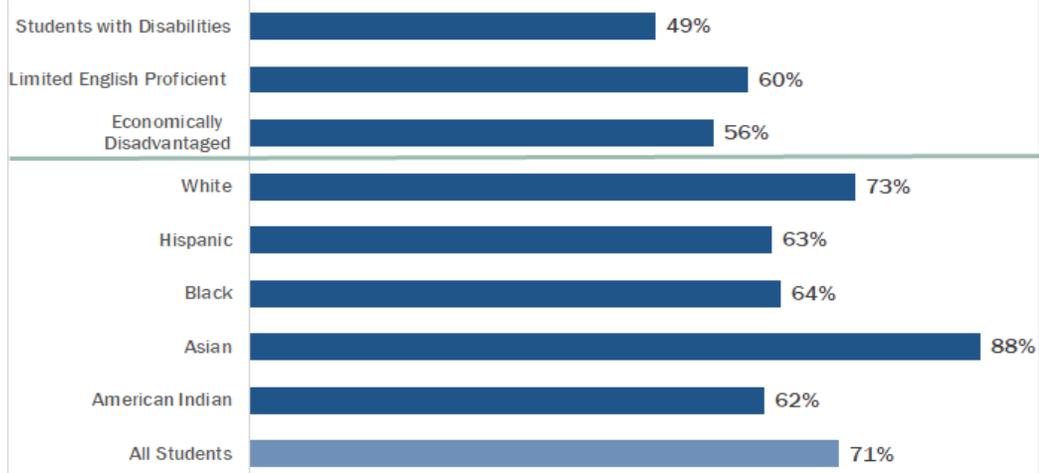
Improve the college
readiness of all students.

Cultivate affordable postsec-
ondary education pathways
for traditional, non-traditional
and returning students.

Align state appropriations,
financial aid and tuition
and fees such that students
have broader access to
postsecondary education
opportunities regardless of
their ability to pay.

While this previous goal statement embraces access for all, recent data show significant gaps exist. Stakeholders indicated that the goal is not intentional or aspirational enough. They also recognized the inextricable linkages between access and attainment and the importance of equity in ensuring affordable access.

Percentage of 2017 High School Students Enrolling in College



Source: Source: Virginia Department of Education. Postsecondary enrollment report

- For the 2017 high school class, approximately 25,000 high school students—30% of the class—did not enroll in college within 16 months of graduation.
- Only 56% of economically disadvantaged students (defined by the VDOE as eligible for free and reduced lunch or Medicaid or receiving Temporary Assistance for Needy Families (TANF) enrolled in college, 15 percentage points below the state average.
- African-Americans enrolled at 64% and Hispanic students did so at 63%.

In order to reach the Commonwealth’s attainment target, postsecondary opportunities must be available to more Virginians, especially Black, Hispanic and Native American students; rural students; English learners; students from economically disadvantaged backgrounds; and students with disabilities. This translates to closing equity gaps.

The impact of COVID-19 on access has yet to be determined. However, the pandemic has heightened concerns about remote learning and college preparedness. Both are issues that influence access. Also, Free Application for Student Aid (FAFSA) [completions to date](#) are down 3.8%, a possible early indicator of fall enrollments. Virginia’s national ranking in FAFSA completions has remained consistently in the middle (22 out of 50 states).

Implications of Remote Learning

Because of COVID-19, remote learning became a dominant issue in American education practically overnight, and the impacts from it are likely to affect students’ access to postsecondary education. To afford more Pre-K-12 students the opportunity to pursue postsecondary education, digital access, literacy (understanding) and adoption (use of digital tools) are more important than ever before. Existing barriers to remote learning are identified below. The impact of these barriers on widening enrollment gaps is still unfolding.

- A recent [SCHEV study](#) found that statewide, one in five Virginia students (Pre-K-12 and college) lack either high-speed internet or a computer in the home, both of which are necessary for successful distance learning.
- Students in rural areas are less likely to have broadband internet in the home compared to urban students. However, nearly 40% of all students without broadband live in or around Virginia's cities. Half of all students without devices live in urban areas. In short, digital access is a statewide issue.
- Black and Hispanic students are twice as likely as white students not to have a computer in the home, even though these groups have broadband subscriptions at similar rates as white students.

The question remains: How will digital access, adoption and literacy issues resulting from the abrupt shift to remote learning impact Pre-K-20 students and access to higher education?

The people and organizations involved in the planning process also raised concerns about the impacts of remote learning (and COVID-19 more broadly) on access, success and attainment. Recent reports¹ sound the alarm. Closer to home, [articles](#) highlighting Virginia's Pre-K-12 public schools show a dichotomy between students who thrive in remote learning environments and those who show significant increases in failing grades.

Advocacy groups in Virginia voiced similar concerns over a potential "lost generation," cut off from postsecondary education opportunities as result of the pandemic, and widening equity gaps. Without in-person education, proper digital literacy and access, will Pre-K-12 students be prepared adequately for college or will the pandemic further widen the access and completion gaps, particularly for under-represented students?

Student Success



STUDENT SUCCESS: OPTIMIZE STUDENT SUCCESS FOR WORK AND LIFE

Strengthen curricular options to ensure that graduates are prepared with the competencies necessary for employment and civic engagement.

Provide effective academic and student services infrastructures focused on persistence and completion.

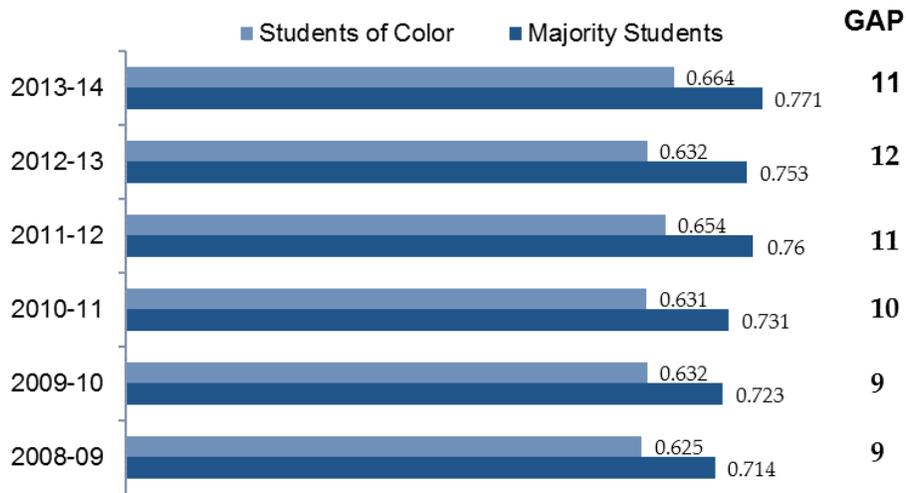
Increase on-time completion of certificates and degrees.

Engage adults and veterans in certificate and degree completion and lifelong learning.

The Plan called for reducing the gap in success rates between under-represented and non-under-represented students. Recent data show success rate gaps increasing among under-represented students. Equally important, as noted in this document, is that more than 50% of Virginia's students enrolled in public four-year institutions meet the definition of under-represented. In other words, under-represented students are the majority. This complicates efforts to understand the specific gaps in attainment rates between groups. Success rates also vary by institution, reflecting student enrollment, as well as institutional resources and practices. Some public institutions have received accolades for closing graduation rate gaps, further complicating a close examination of student success rates, which are shown in the following index.

¹ Reports such as those released by: [McKinsey](#), [UNICEF](#), [NWEA](#) and articles from The [New York Times](#) and [NPR](#)

Success Index for Four-Year Public Institutions



Source: SCHEV Research

Looking specifically at race and ethnicity, Black students' success rate is 58%, trailing 17 points behind white students, whose success rate is 75%. Hispanic students are also behind white students, but only by four percentage points.

Comments from stakeholders echoed the complexity of assessing student success and its relationship with equity and access. While Virginia has advanced toward its attainment target in the past six years, equity gaps persist and are widening. Stakeholders want the strategic plan to emphasize equity.

Innovation & Investment



INNOVATION & INVESTMENT:
DRIVE CHANGE &
IMPROVEMENT THROUGH
INNOVATION & INVESTMENT

Identify and implement public funding strategies to sustain long-term planning and responsiveness.

Cultivate innovations that enrich quality, promote collaboration and improve efficiency.

Foster faculty excellence, scholarship and diversity.

Enhance higher education leadership, governance and accountability.

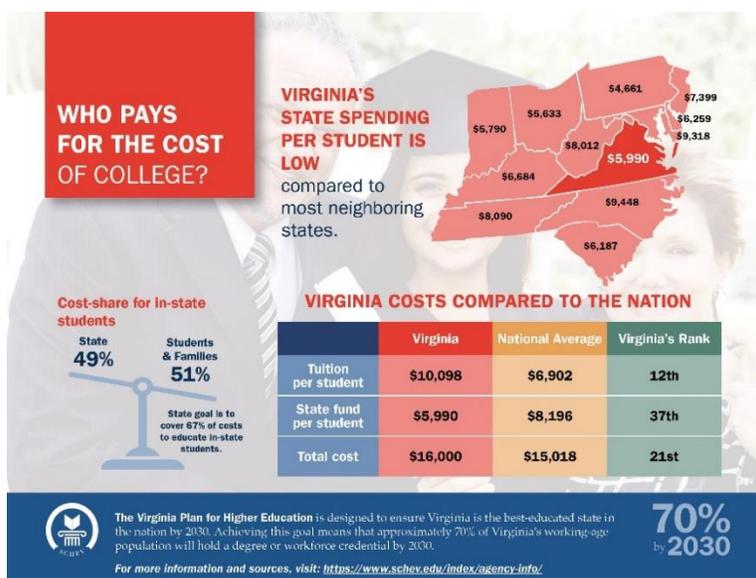
This goal addressed investment and improvement in higher education while focusing on affordability. It encouraged and supported new and promising efforts from faculty and staff and promoted new programs across the board, including ways to make higher education more affordable and to enhance quality. This goal focused on affordability related to institutions,

Financial Stability

Financial stability of higher education institutions has become increasingly important and recent events make it more pressing. The impact of COVID-19 on institutions' financial stability has yet to be determined and directly impacts quality, innovation and investment. Below are a few salient points about the financial state of higher education in Virginia.

- Prior to the pandemic, the 2020 General Assembly allotted \$2.28 billion for higher education. This \$2.28 billion makes up 10% of the state general fund in FY 2020—a four-percentage-point decline from FY 1993.
- Three-quarters of these funds were allocated to Education & General (E&G) costs, with the other 25% going to financial aid, research and other higher education programs (higher education centers, SCHEV, etc.). The state contributed \$1.59 billion to E&G in FY 2020. General fund E&G allocations peaked in 2000-01 at \$1.95 billion. As enrollment increased, more of the cost of college gradually shifted from the state to students and families.
- In response to the pandemic and its impact on the state’s budget, \$389 million was unallotted via an emergency session of the General Assembly at a time when the need for such resources was greatest. In the 2020 special session, roughly \$100 million was put back into higher education for FY 2021, and \$15 million for FY 2022.
- The federal CARES Act delivered \$429 million for Virginia institutions (public, private and for-profit), a portion of which was directly allocated to students. The CARES Act funds were instrumental in addressing the financial impact of COVID-19 on FY 2020 funding. However, ongoing costs and the costs associated with remote learning, personal protective equipment and COVID-19 testing are borne by the institution. Due to unstable enrollments and increased costs, risk exposure remains high for the foreseeable future.

Across the country some higher education institutions are assessing financial stability, cutting costs and eliminating positions, while others are considering mergers, acquisitions or the possibility of closing altogether. The financial health of higher education in Virginia combined with each institution’s mission to provide high-quality, effective, affordable and accessible instruction



Source: SCHEV Research.

emerged as a resounding theme during the development of *Pathways to Opportunity: The Virginia Plan*. Advocacy groups also support stable, ongoing funding for higher education, lower costs to students and maintaining high-quality education.

Prosperity



PROSPERITY:
ADVANCE ECONOMIC
& CULTURAL PROSPERITY
OF THE COMMONWEALTH
& ITS REGIONS

Build a competitive,
future-ready workforce for
all regions.

Become a catalyst for
entrepreneurship and a model
for business incubation.

Target funding, resources
and partnerships to support
research and development.

Expand participation and
engagement in public
service & institutional
service to the community.

Demonstrate the impact
of higher education on
state and regional economic
development.

By achieving the first three goals in the Plan, the final goal of economic and cultural prosperity and increased well-being becomes a reflection of that achievement. Students who complete higher education, receive a credential and become gainfully employed and active participants in civic life, are helping to advance prosperity in all forms.

The Plan's target is for at least 75% of graduates to earn a living wage (defined as earning income over 200% of the federal poverty level) three years after graduation. Virginia has slowly made progress, roughly one percentage point per year. The most recent data shows 74% of graduates earning a living wage.

Income should not be the only measure of a program's quality or worthiness. Research also suggests that parents' income is a strong predictor of the income of their adult children.

[Raj Chetty's Social Mobility Report Cards](#) measure the income brackets of students' parents as well as the income brackets of students after graduation. Because this study used anonymized IRS tax data, it is not replicable or able to be stratified below the institutional level.

Stakeholders see improved socio-economic status as a desired outcome of higher education. They also support the talent imperative and labor market preparedness, which is acquired via broad skills, liberal learning and specific competencies.

It became clear that a goal defining prosperity more

broadly was needed. It would embrace cultural, social and economic well-being not just for individuals but for the entire Commonwealth.

This close examination of the Commonwealth's successes and shortcomings from The Virginia Plan (2014-2020) helped establish the vision and goals of *Pathways to Opportunity: The Virginia Plan for Higher Education*.



Source: SCHEV Research

